



ANNUAL REPORT 2009

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# The Design Concept

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2009 was marked by transition to the third stage of the national programme “The Cultural Heritage” (2009-11) aimed at revival and preservation of national cultures and historical-cultural heritage of

people of Kazakhstan. Air Astana, the national carrier of Kazakhstan, is an integral part of nationhood and supports initiatives directed towards revival of traditions and cultures of people of Kazakhstan.

Ornament  
“sheep horns”



Ornament  
“arkhar (mountain sheep) horns”



Ornament  
“deer horns”



Ornament  
“forty horns”



Ornament  
“paired horns”



Ornament  
“one horn”



Ornament  
“broken horns”





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## The Logo

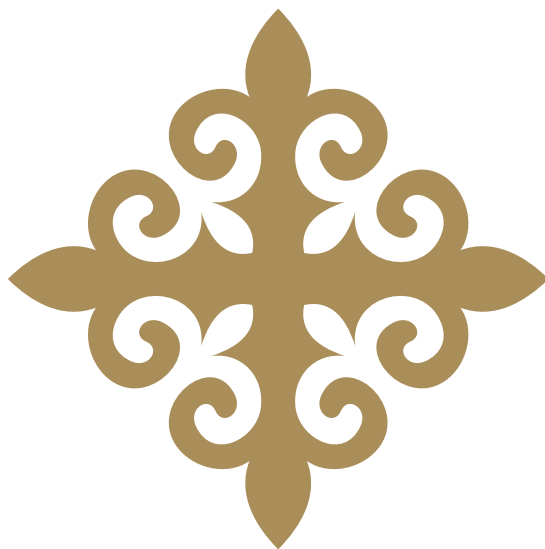
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The Air Astana logo was established in 2001. It is based on the Kazakh ornament called “sheep horns” which is an origin of Kazakh ornamental art. Its meanings are “happiness” and “prosperity”. The ornament is harmoniously combined with colours of the company’s logo representing the cultures of people of Kazakhstan. The dominating colour white denotes cleanliness of snowy mountain peaks; the colour blue represents cloudless skies whereas the colours bronze and silver symbolize prosperity and ancient origins.

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## “The *tukum* medallion”

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The so-called “*tukum* medallion” which is based on the ornament “sheep horns” has a spatial meaning. The four segments of the medallion represent the four parts of the world. In this regard, it should be noted that the motto of Air Astana – “From the heart of Eurasia” – was not chosen by accident. Due to its unique geographical position, Kazakhstan can be regarded as the bridge connecting the East with the West and the South with the North. Patterns of two contrasted colours directed inside and outside the ornament are formed by the same lines. The ornament is a symbol of well-being and unity of the nation.

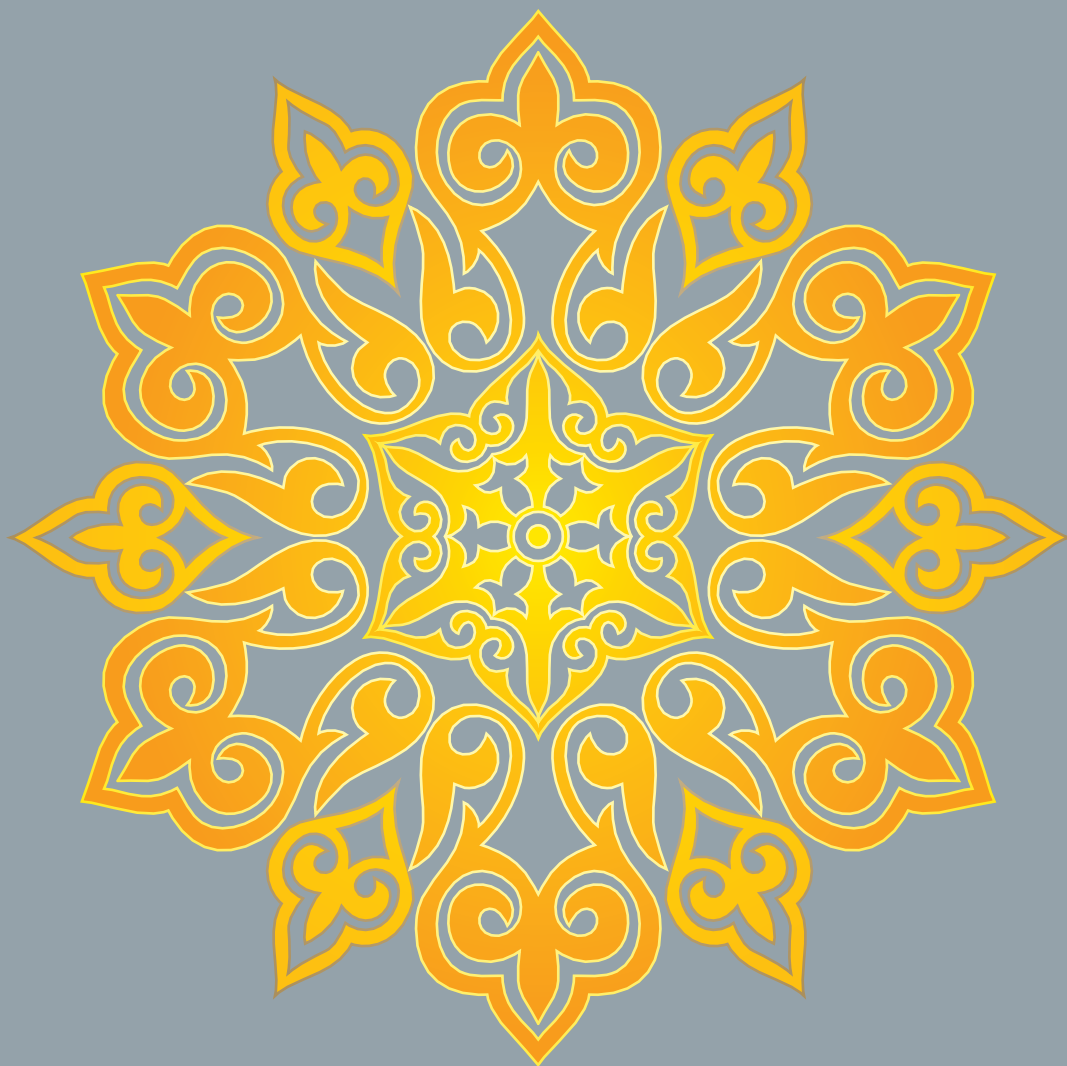


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**ORNAMENT "SHEEP HORNS".**

IT IS ONE OF THE OLDEST ELEMENTS OF KAZAKH ORNAMENTS ORIGINATED FROM THE NOMADIC CULTURE OF KAZAKHS IN THE PAST. THE ORNAMENT SYMBOLIZES PROSPERITY AND HAPPINESS.



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## President's Letter

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2009 has been a tumultuous year for many reasons. First and foremost, there can be few airlines that have reacted to and addressed the challenges of the most serious global economic crisis in living memory with greater success than Air Astana. In common with all airlines our revenues have been hit hard and we have suffered a 15% drop in turnover. However unlike most other airlines, we have not suffered from consequential financial losses. Quite the contrary, 2009 has been a record year with net profits of \$48 million and an increase of more than 36% over our previous record year of 2007. Although \$7.5 million was earned due to a revaluation of our dollar-denominated assets when the Kazakh tenge was devalued in February, even without that it has still been a record year, driven by cost savings across the airline which have resulted in cost falling by 20%. Some key highlights of this performance have been our success in achieving substantial savings in local fuel cost due to groundbreaking agreements with local refineries and the government in terms of direct supply of fuel, the establishment of in-house reservations and ticketing capabilities in Kazakhstan and Russia in place of general sales agency agreements, optimization of the network and aircraft utilization, optimization of yields and ancillary revenues, renegotiation of aircraft leases, revised traffic rights and new rights agreements and ground and in-flight service cost reductions. I would like to take this opportunity to acknowledge and thank the Government of Kazakhstan, our Stockholders Samruk Kazyna and BAE Systems, and all of our 3000 staff for their help and efforts in enabling us to achieve a good result.

We have faced other challenges in 2009. Most significantly, the ICAO audit of the Kazakhstan Civil Aviation Committee's oversight in April resulted in a blanket blacklisting of all of Kazakhstan's airlines except for Air Astana by the European Union in July. We were able to convince the EU that Air Astana deserved to be exempted from the ban because of

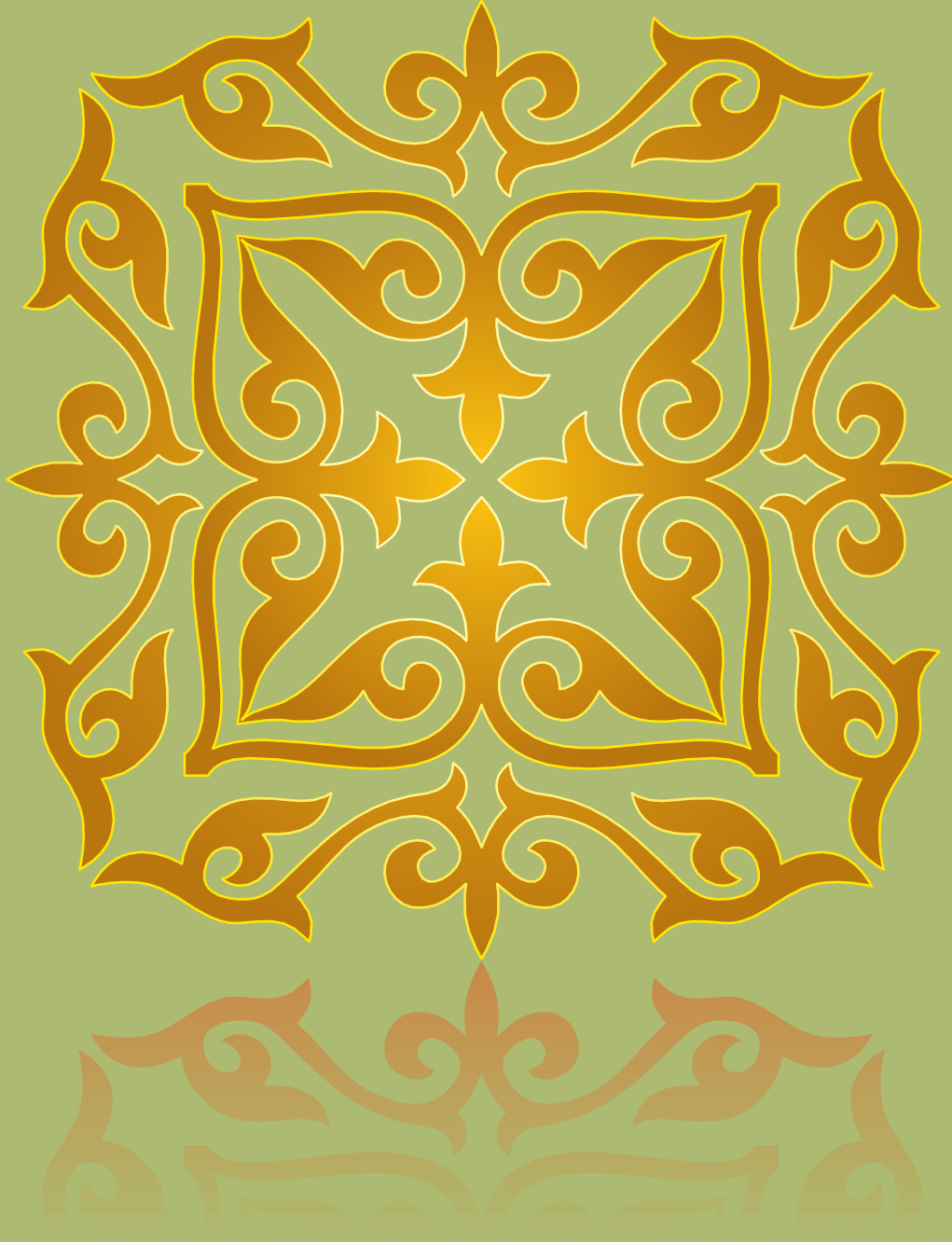
our unique regulatory framework, our excellent track record and our demonstrable commitment to flight safety at all levels of the airline. Our exempted status over the long term is to a great extent dependent on oversight improvements at a national and government level. Air Astana continues to provide material and intellectual support to the CAC, and we are managing the process as well as possible and are in no immediate danger of being banned barring unforeseen circumstances. All of our operational departments have significantly contributed to this success but I would like to acknowledge in particular the work done by our Corporate Safety department for having coordinated our defence.

There have been other challenges in 2009, including issues with the Anti-Monopoly and other government agencies, the proposed new civil aviation law, aviation security, financial reporting, training and development, IT development, emergency preparedness and the continuing need to enhance our local and international public image. Our procurement, planning, legal, public relations, management accounts, HR, contingency planning, IT and aviation security departments have all without exception played a major role in the Company's success this year.

The global economy remains fragile and 2010 promises to be another challenging year, however there are positive signs from both the local and global economies of increased economic activity, particularly in the oil and gas and mineral sectors. Air Astana of course benefits from this and as I write we are already seeing recovery across most of our markets. Of course as economies recover so costs tend to increase, however we will continue to work hard to maintain the productivity efficiencies and cost savings achieved during the course of the past 2 years.

Best regards,  
Peter Foster





**ORNAMENT "SHEEP HORNS".**

USUALLY A CENTRAL PART OF COMPOSITIONS IS DECORATED BY THE ORNAMENT "SHEEP HORNS". IT IS USED FOR DECORATING FELT ARTICLES (*TEKEMETS*, *SYRMAKS*), IN WEAVING (TAPESTRIES, CARPETS) AND FOR DECORATION OF ARTICLES MADE FROM LEATHER, WOOD, BONE AND METALS. IN SOME TYPES OF ARTICLES THE ORNAMENT IS USED AS CUT-OUTS.



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# About Air Astana

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IATA code: KC	ICAO code: KZR
Air Operator Certificate Number	AK-0388-09
Established date	14 September 2001
Maiden flight	15 May 2002 (Almaty – Astana)
Frequent Flyer Programme	Nomad Club
Frequent Flyer Programme Partner	Miles & More (Lufthansa)
Fleet size	21
Main base	Astana and Almaty
Website	<a href="http://www.airastana.com">www.airastana.com</a>

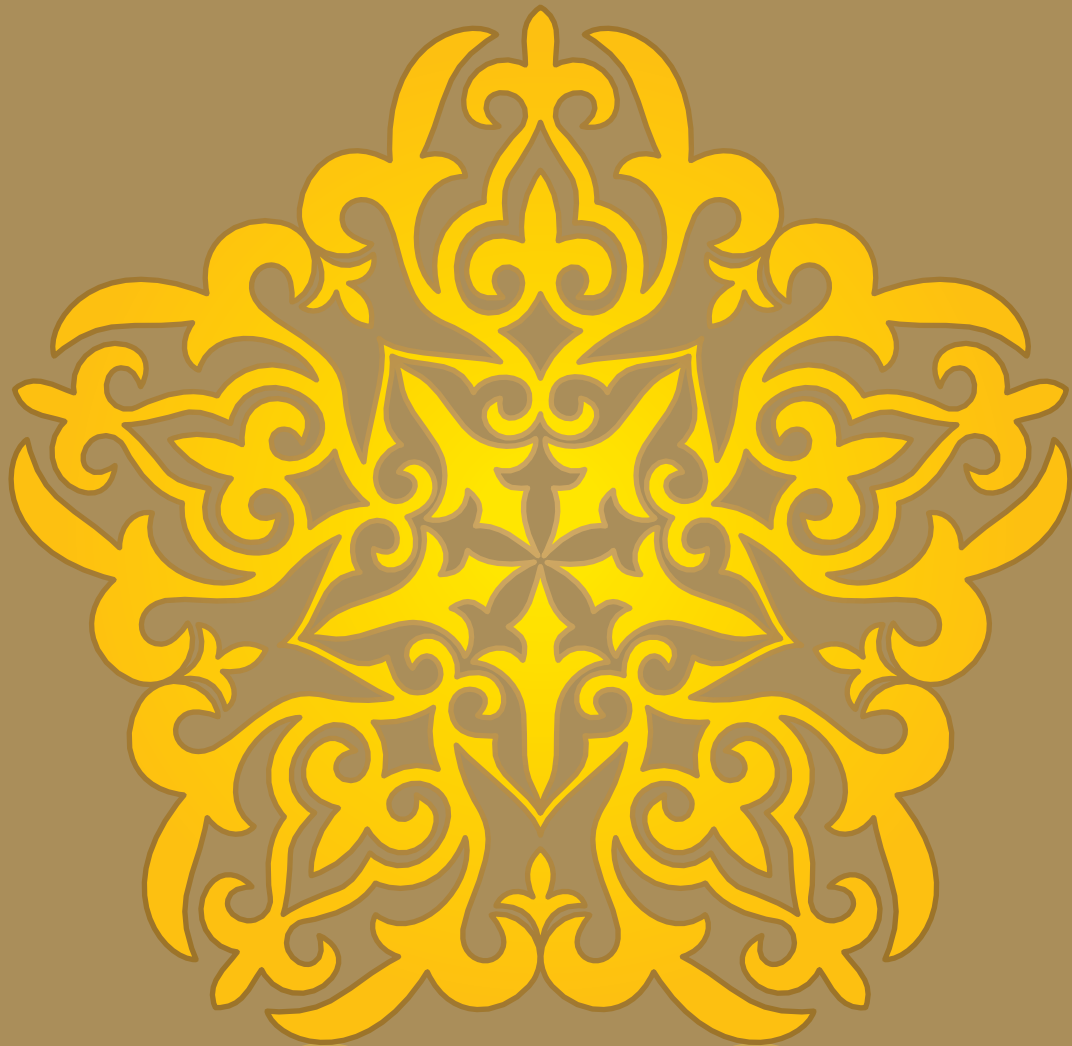
The Company is a full member of the IATA (International Association of Air Transport) and is the only airline in Kazakhstan which is EASA (European Aviation Safety Agency) Part 145 certified to perform aircraft maintenance. Air Astana is an IOSA (International Air Transport Association Operational Safety Audit) compliant carrier. The latest IOSA re-certification was successfully passed in May 2009. The Company belongs to a group of auditors called IATA Fuel Quality Pool (IFQP) and is privileged to have qualified IFQP inspectors.

Air Astana has code-share agreements with KLM Royal Dutch Airlines, Austrian Airlines, Air Baltic and Asiana Airlines and has interline partnership agreements with 93 airlines which means that over 300 destinations can be offered to a passenger.

Air Astana Joint Stock Company (further “the airline”, “the Company”) is a joint venture between National Welfare Fund “Samruk-Kazyna” of Kazakhstan (51%) and British company BAE Systems (49%).

Air Astana serves 15 domestic and 17 international destinations and operates one of the youngest aircraft fleets in the CIS region. In 2009, the Company fleet consisted of 21 modern western airliners with an average age of seven years for its jet aircraft.





**ORNAMENT "SHEEP HORNS".**  
COLOUR SHADES: RED, GREEN, BROWN, WHITE  
AND BLACK.

# 1

## The Business Year 2009

### The Financial Environment

The airline industry was hit hard by the global economic crisis causing a reduced demand for passenger traffic in 2009 that according to the IATA saw the largest ever decline in airline revenues for decades. The global economy remained fragile throughout the year. As common with all airlines, Air Astana experienced a decline in its turnover. A 15% decline in revenue of \$100 million is a consequence of the financial downturn. Capacity dropped, with available seat kilometres down by 4% to 7.2 million compared to 7.4 million in 2008. The carriage of passengers dropped by 4%. The average load factor indicator was 63%. Business class passenger numbers fell by 9%. A fall in passenger demand occurred for the first time in the airline's history since it began operations in 2002.

First and foremost, in overcoming the recession, any airline should be able to adequately address its challenges. Air Astana already had a cost cutting plan in place in 2008. As a result of the plan, the Company gained a record profit in 2009, surpassing the \$35 million earned in 2007 and reducing costs by 20%, translating into net profits of \$48 million.

Devaluation of the Kazakh tenge in relation to the US dollar in February 2009 had an overall negative effect contributing to the reduction of operating revenues as a part of revenues is expressed in the Kazakh tenge and some part of expenses expressed in the US dollar. At the same time, \$7.5 million was earned from the revaluation of dollar-denominated assets of Air Astana. About 49% of the savings came from local fuel costs as a result of the drop in fuel prices from the record high level of 2008 and streamlining supply arrangements achieved by the airline during 2009.

### Cost Saving Measures and Revenue Management

- Optimization of the network and aircraft utilization
- Successful implementation of the Revenue Management System "PROS" and ancillary revenues initiatives
- Renegotiation of aircraft leases – extending the lease terms of some aircraft from pre-existing dates enabled the Company to secure reduced rates
- Restructuring sales channels saved the Company about \$11 million
- Ground and in-flight service cost reductions

### The Operational Environment

In April 2009, the International Civil Aviation Organization conducted an audit of Kazakhstan in accordance with the Universal Safety Oversight Audit programme. The audit resulted in the ICAO expressing significant concerns regarding Kazakhstan safety oversight concerning airworthiness. Most of the revealed non-compliances were related to shortcomings in current aviation legislation and the lack of the resources to consistently and competently oversee compliance with the requirements of the ICAO. An operating ban from flying into the European Union was imposed on all Kazakh carriers except for



Air Astana by the European Commission's decision of 14<sup>th</sup> July 2009. This followed the ICAO audit and resulted in investigation held by the European Union Air Safety Committee. It should be noted that a unique regulatory framework, an excellent track record and the well-structured safety system are the main reasons for Air Astana's exempted status. First, oversight of airworthiness and maintenance is conducted by the respected aviation regulatory authorities of Aruba and the UK. Second, maintenance and engineering is carried out in accordance with the EASA Part 145 certification (aircraft maintenance services are provided to a number of airlines flying

into Kazakhstan, including KLM Royal Dutch Airlines, Turkish Airlines, Czech Airlines, Etihad, Air Arabia and others), and the airline is audited twice a year by the UK Civil Aviation Authority. And finally, a coherent and pyramidal safety reporting structure was demonstrated, as evidenced by the airline having passed the IATA Operational Safety Audit in 2007, which again successfully resulted in recertification in May 2009. Taking into consideration the above factors, the EU Air Safety Committee exempted Air Astana from the full operating ban, imposed on all other Kazakhstan operators, allowing the airline to fly to the European Union at its current level of operations.

## 1.1 Key Indicators of the Activity in 2009

### i. Statistics for 2009

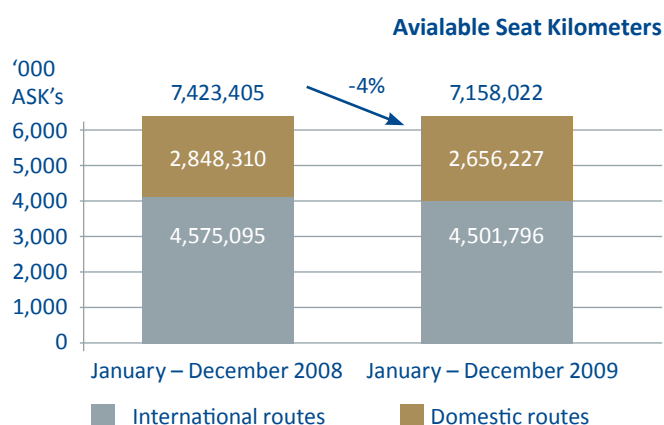
#### Financial Statistics (in thousands of USD)

	2009	2008
<b>Indicators</b>		
Revenue	559,269	659,190
Operating expenses	509,453	634,481
Operating profit	49,816	24,709
Income before income tax	61,021	26,983
Net profit	47,985	17,075
Non-current assets (excluding bank deposits)	56,256	59,205
Current assets, including:	175,572	145,171
Cash and cash equivalents (including bank deposits)	91,456	53,285
Stockholders' equity	142,724	120,970
Non-current liabilities	6,124	9,889
Current liabilities	82,980	73,517

#### Operating Statistics

		2009	2008	
<b>Indicators</b>	<b>Unit</b>			
Aircraft flight time	hours	66,512	70,307	-5%
Aircraft landings	number	26,253	27,755	-5%
Passengers carried:	'000 pax	2,201	2,300	-4%
On domestic routes	'000 pax	1,439	1,507	-4%
On international routes	'000 pax	761	794	-4%
Cargo, baggage and mail	tonne	14,169	16,343	-13%
Revenue passenger kilometres	'000 RPK	4,525	4,795	-6%
Available seat kilometres	'000 ASK	7,158	7,423	-4%
Passenger seat factor	%	63	65	-2%

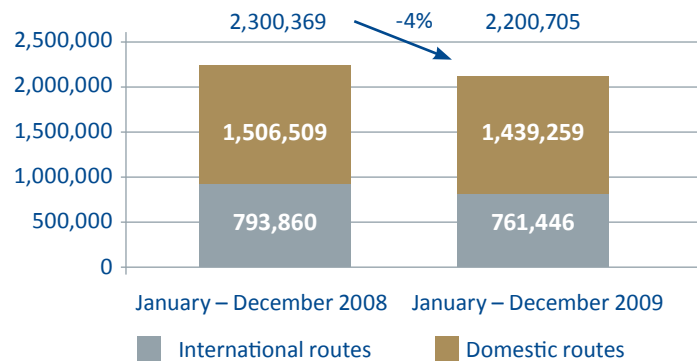
### ii. Capacity in 2009



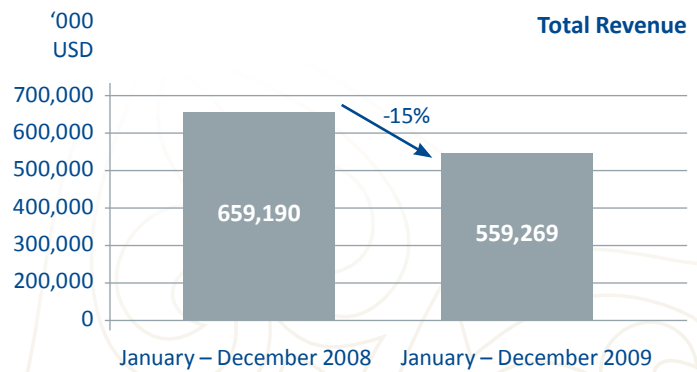
### iii. Traffic in 2009



Passengers Carried

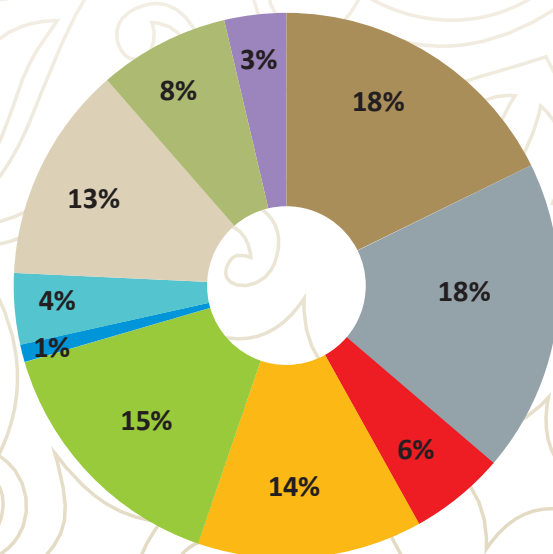


### iv. Total Revenue for 2009



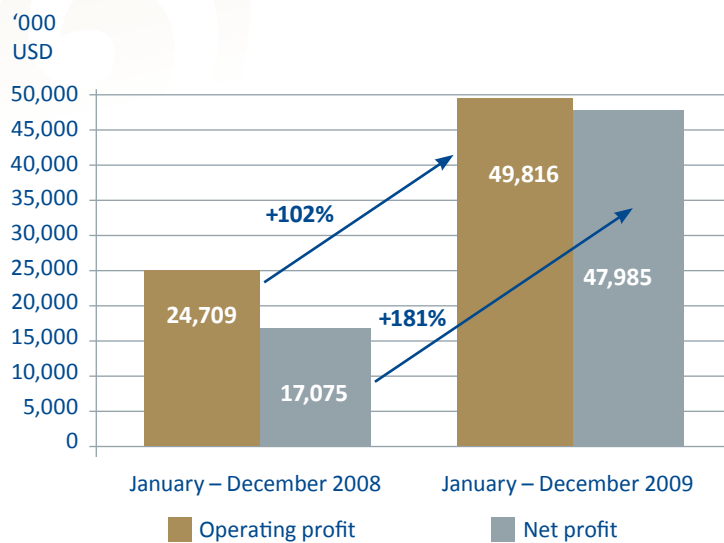
### v. Breakdown on Costs for 2009

- Fuel
- Employee Costs
- Passenger Costs
- Lease of Aircraft and Spare Parts
- Aircraft Maintenance Costs
- Taxes and Customs Duties
- Navigation and Meteo Services
- Airport and Ground Handling Expenses
- Selling Costs
- Other costs



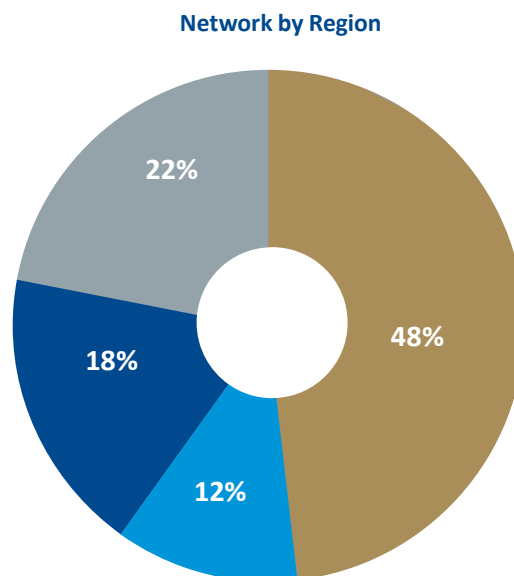
## 1.1 Key Indicators of the Activity in 2009

### vi. Financial Results for 2009



### vii. Structure of Network by Region

In 2009, Air Astana served 21 domestic and 23 international routes (including the three seasonal routes to Europe). The regions to which the airline operates flights include Kazakhstan, the Commonwealth of Independent States, Asia and the Middle East and Europe.





## 1.2 Achieving Targets Set for 2009

In 2008, priority objectives of the Company for 2009 were defined. Below they are measured against the actual achievements in 2009:

### Priority: Maintaining compliance with the best international standards in operations and maintenance of the fleet

- Achievement: Unique regulatory framework, excellent track record and demonstrable commitment of the airline to flight safety remain consistent. Air Astana successfully completed IOSA Audit in May 2009 and EASA Part 145 Audit in November 2009.



### Priority: Maintaining the financial stability of the airline and profitable operations

- Achievement: The global economic crisis affected a low demand for passenger carriage. As a consequence of the low demand in 2009, the airline suffered a 15% drop in its turnover for the first time since the start of its operations. However, due to effective cost management and optimization processes, Air Astana achieved a record net profit for the first time since its incorporation in 2001 – \$48 million.

### Priority: Improving quality of punctuality and service levels

- Achievement: On-time performance improved from the 2008 level at 82% to 83% in 2009. E-services such as Web Check-in and seat selection, dynamic timetable and route map were implemented. Skytrax, the world's most prestigious rating agency for aviation, assigned Air Astana an overall rating of Three Stars. Cabin crew received Four Stars in 10 categories out of 15 categories and catering also received a Four Star rating.

### Priority: Enhancing revenue management and developing direct channels of sales

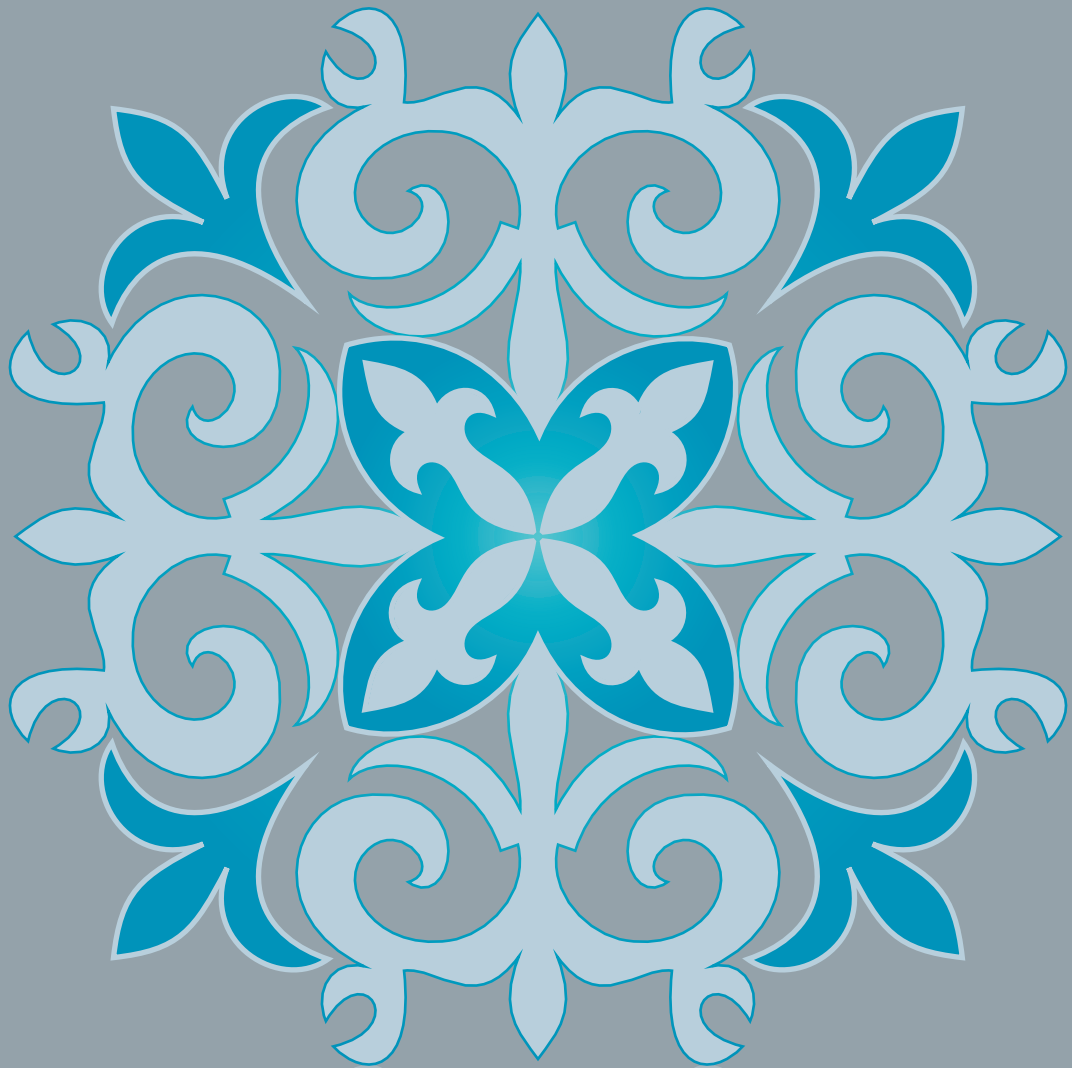
- Achievement: New routes opened in the CIS (Baku, Bishkek and Novosibirsk) and Asia (Kuala Lumpur). Restructuring of sales channels provided cost savings of about \$11 million in its first year of launching the Call Centre and Reservation and Ticketing Offices. Total direct sales in Kazakhstan in January 2009 were 4% and had increased to 13% in December 2009.

### Priority: Optimizing costs in all areas

- Achievement: Massive cost savings by all departments of the airline helped achieve a decrease in cost of approximately 20%. Despite traffic reduction, profitability was achieved through reduced fuel prices, restructuring of sales distribution in Kazakhstan and opening of Call Centre and own sales offices, optimization of the network and aircraft utilization, effective revenue management, renegotiation of aircraft leases and ground and in-flight service cost reductions.

### Priority: Improving personnel training and development

- Achievement: Air Astana continued investing in personnel training and growth. The first graduates of the Ab-Initio programme completed their training in November 2009. Employees of the Company underwent various training courses at IATA and other international training organisations. The management system of Air Astana confirmed compliance with the requirements of the international management standard ISO OHSAS 18001 (Occupational Health and Safety Assessment Series).



**ORNAMENT "ARKHAR (MOUNTAIN SHEEP) HORNS".**  
ARKHAR IS A TOTEMIC CHARACTER POPULAR IN ANCIENT MYTHOLOGY OF NOMAD TURKIC PEOPLE WHO INHABITED EURASIAN STEPPES. FOLKS BELIEVED THAT IT WAS MADE OF SKIES AND FIRE. IN ANCIENT TIMES, THE TALISMAN OF "ARKHAR HORNS" WAS SEWN ON CLOTHES OF SOLDIERS-WINNERS.



## 1.3 Highlights of 2009

### January

- First winglet installation on Boeing B757-200; an additional three installations on Boeings B757-200 throughout the year
- Restructuring of sales distribution and the full activation of Air Astana's Reservation and Ticketing Offices and the Call Centre
- The launch of the Ab-Initio pilot training programme, with the eight cadets initially selected out of 176 applicants
- Implementation of the new Revenue Management System "PROS" aimed to increase the airline's revenues



Future pilots of Air Astana

### February

- Devaluation of the Kazakh tenge (KZT) by 23% caused an immediate negative impact of exchange rate on revenues generated in the home market

### March

- Introduction of "Spring is in the Air" campaign provided significantly reduced domestic and international return fares to stimulate traffic during the crisis. This was accompanied by a wide advertising campaign
- Introduction of twice-a-week Almaty – Baku flight and opening of the Baku office



- Skytrax overall rating of Three Stars, with a Four Stars rating in the domestic Business Class



### April

- Reintroduction of weekly Oral – Amsterdam services that the airline had discontinued since January 2006

### May

- A successful completion of the IATA Operational Safety Audit (IOSA) re-certification
- Introduction of Travel Agency Incentive Scheme in Kazakhstan with wide utilization of analytical tools to measure success and gain market share
- Celebration of Air Astana's 7<sup>th</sup> year of flight operations
- Joining the membership of the International Society of Air Safety Investigators (IASI), which works to improve flight safety through an exchange of ideas, experience and knowledge related to air safety investigations. The IASI currently has 70 members

### June

- Introduction of a thrice-weekly Astana – Novosibirsk flight as part of the regional expansion strategy of Air Astana

**Жаңа рейс**  
**Астана – Новосибирск**  
 2009 жылдың 15 маусымынан бастап, аптасына 3 рет

**Новосибирск** 987км

Барнаул 198км  
 Кемерово 222км  
 Томск 240км  
 Новокузнецк 307км

Алматы мен Қазақстанның басқа қалаларынан Новосибирскке және керісінше аймақтарға ұшайлы толығымен

«Air Astana» Астанадан Новосибирскке дейінгі тікелей ұшуларын ұсынады. Новосибирск – Сібір Федерал өңірінің және Новосибирск облысының бұл ғылым-өнерден, өнерісілік және ісәрілік орталығы. 2009 жылдың 15 маусымынан бастап, жаңа рейс аптасына 3 рет, дүйсенбі, сәрсенбі және жұма күндері орындатылатын болады.

Көрсеткіштері	Астана	Новосибирск	Астана	Новосибирск
1	11:00	16:00	00:17	7:30
2,3	12:30	16:00	00:17	7:30
1	16:00	17:00	00:18	7:30
2,3	16:00	16:00	00:18	7:30

Билеттер бағасы: +7 727 264 8077 әкімшілік сұрастыру үшін, [www.airastana.com](http://www.airastana.com) сайтына кіріңіз немесе билет сату агенттеріне хабарлаңыз.

[www.airastana.com](http://www.airastana.com)

### July

- Exemption from the full operating ban imposed by the EU on all other Kazakhstan airlines
- Air Astana was the first airline in the Central Asian region to implement Web Check-in



**Web Check-in**  
Fast, Simple and Convenient

- Check in online from 24 hours to 1 hour before your flight departs
- Visit Air Astana website [www.airastana.com](http://www.airastana.com)
  - Select Web Check-in form
  - Enter your Surname, Board Point and your Booking Reference
  - Check-in your family or friends
  - Select your seat
  - Print your Boarding Pass
- Proceed to airport (and if required, drop off your bags at special Bag Drop Off Counter)



### August

- EASA Part M and EASA Part 145 awareness training for engineers

### September

- Carriage of the 10 Millionth passenger of Air Astana (below on photo)



- Air Astana confirmed its compliance with OHSAS 18001 (Occupational Health and Safety Assessment Series)

### October

- Air Astana moved its flight operations from Terminal C to Terminal 2 (later renamed as Terminal F) at Moscow Sheremetyevo Airport (SVO) with the aim of moving its flight operations to Terminal E of this airport in 2010



Moscow Sheremetyevo Airport

- Launch of weekly Almaty – Kuala Lumpur services



Kuala Lumpur

### November

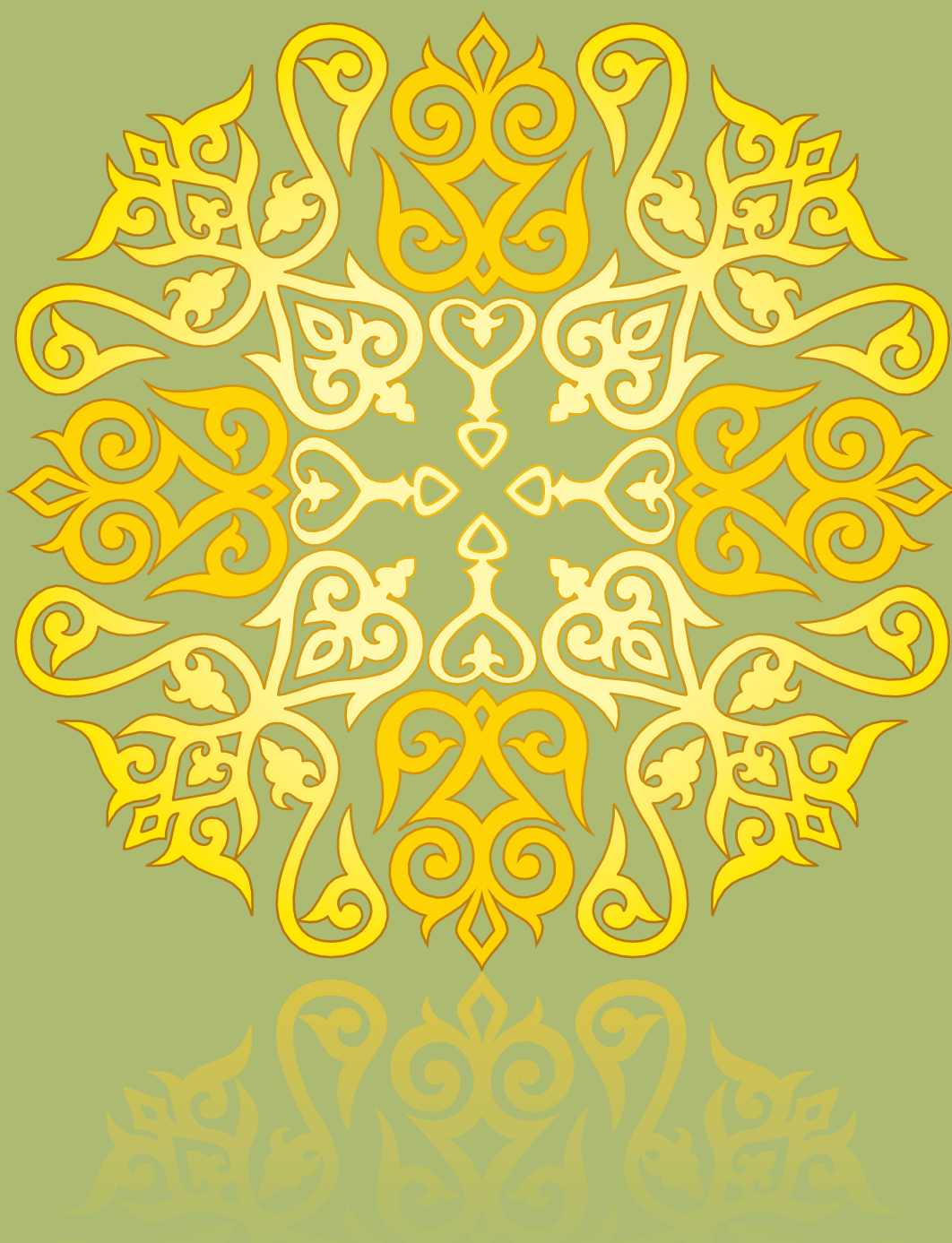
- Winner of ‘The Best Corporate Website in Kazakhstan’ award for 2009 at a National Internet competition. Air Astana’s website won the award for the third consecutive year
- EASA Part 145 audit by the UK CAA and EASA
- Air Astana moved its flight operations from Terminal 2 to Terminal 4 at London Heathrow Airport (LHR). The move provided customers with enhanced facilities at Terminal 4, designated Check-in Zone and premium lounge access
- First graduation of Ab-Initio cadets from Pilot Training College of Florida (USA)



- Direct accessibility for tickets sales in regions enhanced from 01 November 2009 by payment option via Sberbank and pilot project with KKB

### December

- Implementation of an automated SMS notification system for flight delays
- The EASA Safety Assessment of Foreign Aircraft (SAFA) awareness training for all engineers
- Code-share agreement with Asiana Airlines



**ORNAMENT "ARKHAR (MOUNTAIN SHEEP) HORNS".**  
THE ORNAMENT IS USED BY CRAFTSMEN FOR DECORATION OF BEDS, TRUNKS, CASSETS, SNUFFBOXES, CUPS, FIGURED PLATES, FOR INCRUSTATION OF DISHES AND MUSICAL INSTRUMENTS. THE PLATES ARE COVERED WITH AN EMBOSSED PATTERN.



## 2

# Operational Safety and Flight Operations

### **IOSA Recertification**

The IATA Operational Safety Audit (IOSA) recertification was successfully completed in May 2009 with only a single minor finding out of a total of 1,000 standards and recommended practices.

### **The EU Decision on Flights Operated by Kazakhstan Airlines to the EU**

Following the EU Air Safety Committee (ASC) review of 29 June 2009, attended by Kazakhstan Regulator and several Kazakhstan aircraft operators, the European Commission notified Kazakhstan authorities on 14 July 2009 that all Kazakhstan airlines with the exception for Air Astana were banned from flying to the European Union until safety oversight improved. The exemption was based on Regulatory oversight of Air Astana conducted by the Aruba Department of Civil Aviation (country of registry of Air Astana fleet), UK CAA for EASA Part 145 maintenance oversight and Air Astana operations safety processes and performance. By the ASC decision, Air Astana continues to operate its services to the European Union at the same operating level.

### **Training**

Air Astana continued carrying out intensive safety and quality training specific to safety investigations, safety and quality management systems. Various specialist functions were completed by more than 50 employees in 2009. Air Astana hosted EASA Safety Assessment of Foreign Aircraft (SAFA) Awareness training followed by awareness sessions conducted by SAFA trained trainers for the applicable operational staff. Continued investment in compliance and safety was demonstrated by the English language training whereby Air Astana is working to meet the ICAO

deadline for compliance with ICAO Aviation English Level 4.

### **Staff**

Additional experienced Quality Assurance (QA) and safety management staff were hired. A former UKCAA experienced manager was appointed to the position of Quality Manager Engineering and Continued Airworthiness. UK-licensed and experienced QA engineer was also hired. Safety Program Manager with extensive pilot-instructional experience was appointed and three additional safety coordinators were appointed (for maintenance, flight safety and audits/SAFA).

### **Audits**

To demonstrate safety oversight compliance Air Astana instituted expanded oversight by external regulators and specialists:

- DCA: DCA Aruba increased previous inspections and audits to three times per year (rather than on an annual basis).
- Team of Foreign Inspectors: Five foreign inspectors with extended and impeccable safety oversight credentials were contracted to review Air Astana compliance.

### **Flight Operations**

Aerosim Technologies, a leader in Flight Training devices, delivered a standard Virtual Procedure Trainer (VPT) as an interim device to support flight operations training initiatives.

In July 2009 Delta Air Lines and Air Astana signed a training agreement for flight instructor training at Delta World Headquarters in Atlanta, Georgia, USA.



ORNAMENT "ARKHAR (MOUNTAIN SHEEP) HORNS".  
COLOUR SHADES: LIGHT BLUE, GREY, BLUE AND YELLOW.



The Virtual Procedure Trainer

The program was developed to increase the highest level of flight standardization and reduce long term training costs. Air Astana Boeing Flight Instructors began special standardization training at Delta Air Lines in September 2009.

Special SAFA Task force was developed to monitor and reduce SAFA deficiencies.

In October-November 2009, Flight Management System's Navigation on Boeing B757-200s was upgraded, thus bringing all upgrades to completion.

### The Ab-Initio Training Programme

The programme began in February 2009 at the Pilot Training College of Florida (PTC), USA. In November 2009, the first graduation ceremony for the first four Ab-Initio cadets was held in Melbourne, Florida (USA).

The programme was launched by Air Astana in 2008 and is designed for beginner pilots from Kazakhstan, ages 18 to 29, to train in the PTC Ab-Initio programme. An Ab-Initio programme takes a pilot from zero flight time to the point of flying a jet aircraft such as an Airbus or Embraer. The selection process consisted of an interview, medical and psychological examinations as well as Computerized Pilot Aptitude Screening

System (COMPASS), a programme which assesses a pilot's abilities. In addition, the candidates had to pass an English test according to ICAO standards. Twenty-four cadets have been trained at the college during the year including one female student.

PTC is located on the campus of the Florida Institute of Technology, near the international airport in Melbourne, Florida. Based on a partnership between the two institutions, PTC is staffed by the aviation faculty of Florida Institute of Technology. Pilots are trained in accordance with international standards. After completion of their training the students obtain a Federal Aviation Administration's Instrument Ratings and receive both their FAA Private Pilot Licences and commercial ratings which allow them to fly commercial aircraft in accordance with the requirements of the EASA.



Ab-Initio Cadets Roman Suleimanov and Talgat Akhmetov



Ab-Initio Cadet Aidar Zhakenov



**ORNAMENT "DEER HORNS".**

LIKE OTHER HORN-SHAPED ORNAMENTS, THE ORNAMENT "DEER HORNS" WAS USED FOR DECORATING HOUSEHOLD FURNITURE. THE ORNAMENT IMPLIES SUCH NOTIONS AS "WEALTH" AND "PROSPERITY".



# 3

## Engineering and Maintenance

2009 was a year for consolidation and preparation after moving into new maintenance facility. The hangar was equipped with a pneumatic system to allow use of specialist maintenance tools and an electrical system for powering the aircraft when on maintenance. Test equipment for the Fokker F50 hydraulic systems was also received and installed.

A specialist exterior aircraft cleaning team was formed and the exteriors of some of aircraft were repainted. Additionally, the winglet modification on Boeing B757-200's not only provided significant fuel savings (5%), but also added to the overall visual appeal of the aircraft.

As a result of increased EC SAFA programme inspections at European destinations, the Training Department provided SAFA awareness courses for all maintenance staff, as well as Airbus A320 practical training for third party customers from India.

Continued expansion in the field of third party line maintenance required additional engineering training on the Boeing B747 aircraft.

The Supplies Department moved all the large aircraft spare parts to a new bulk store adjacent to the airport

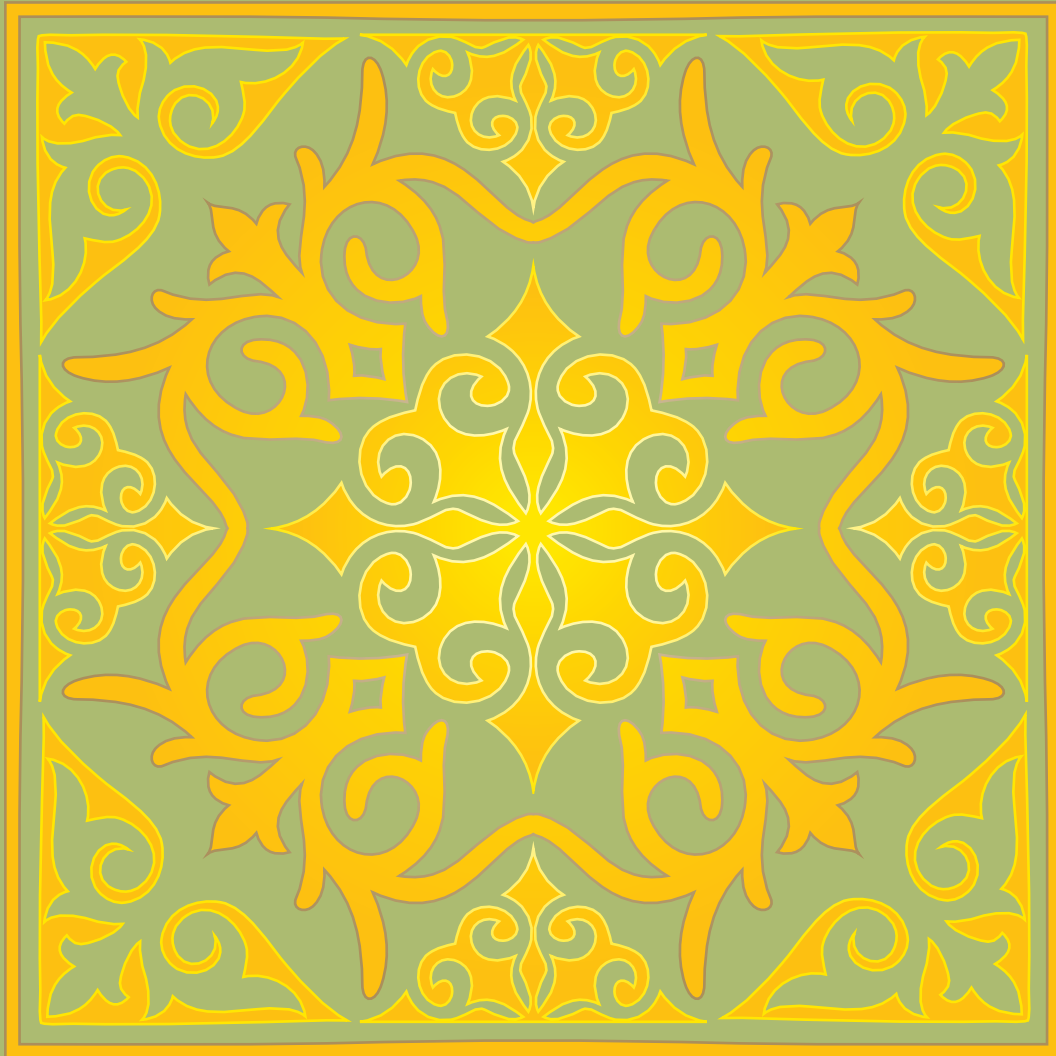


The hangar (Almaty)

in Almaty. This facility is conveniently located and enables secure storage of oversize spare parts and equipment. Additionally, a new and superior store was opened in Astana, allowing for increased storage of spares and equipment in line with the operational expansion of this station.

In line with plans for basing aircraft in Atyrau, a small fully manned engineering base was opened in Atyrau with offices, stores and required maintenance equipment.

A new contract for the overhaul of the RB211-535E4 engines fitted to Air Astana Boeing B757-200's was signed.



**ORNAMENT "DEER HORNS".**  
THE ORNAMENT WAS A BASIS FOR MAKING OTHER  
ORNAMENTAL PATTERNS, E.G. THE ORNAMENT  
"PAIRED HORNS".

# 4

## In-Flight Service

### Cabin Crew Magazine

An innovative Cabin Crew Magazine was created, written by crew for crew and premiered at the end of 2009 to much acclaim from the crew community.

### Skytrax ratings

Customer feedback through the year has been positive, with an important accolade from Skytrax. This global survey assigned Air Astana an overall rating of Three Stars. The cabin crew received Four Stars in 10 categories out of a total of 15 categories and catering also received a Four Star rating.

### Cabin Crew Training

In addition to a very busy mandatory training schedule during the year, the Training team made strong progress in completing customer relationship training for the leadership team and in developing cabin crew performance management.

### Performance Enhancement Programme (PEP)

A great deal of focus was on a new crew performance system, PEP, which ensures that every member of the cabin crew team is monitored on each flight. In-flight Supervisors spent the year gaining fluency and confidence in the PEP to support and develop their crew members' performance. Feedback from crew members and In-flight supervisors has been very encouraging. PEP is enhancing the airline's service culture on board and customer satisfaction survey results verify this.

### In-flight products

New amenity kits, featuring colourful and interesting puzzles, brand new toys and quality gift items, were developed for junior customers of Air Astana. The girls' kit, an attractive, fashionable pink backpack, was launched during the year. The boys' kit, which is shaped like an Air Astana plane, was developed for a

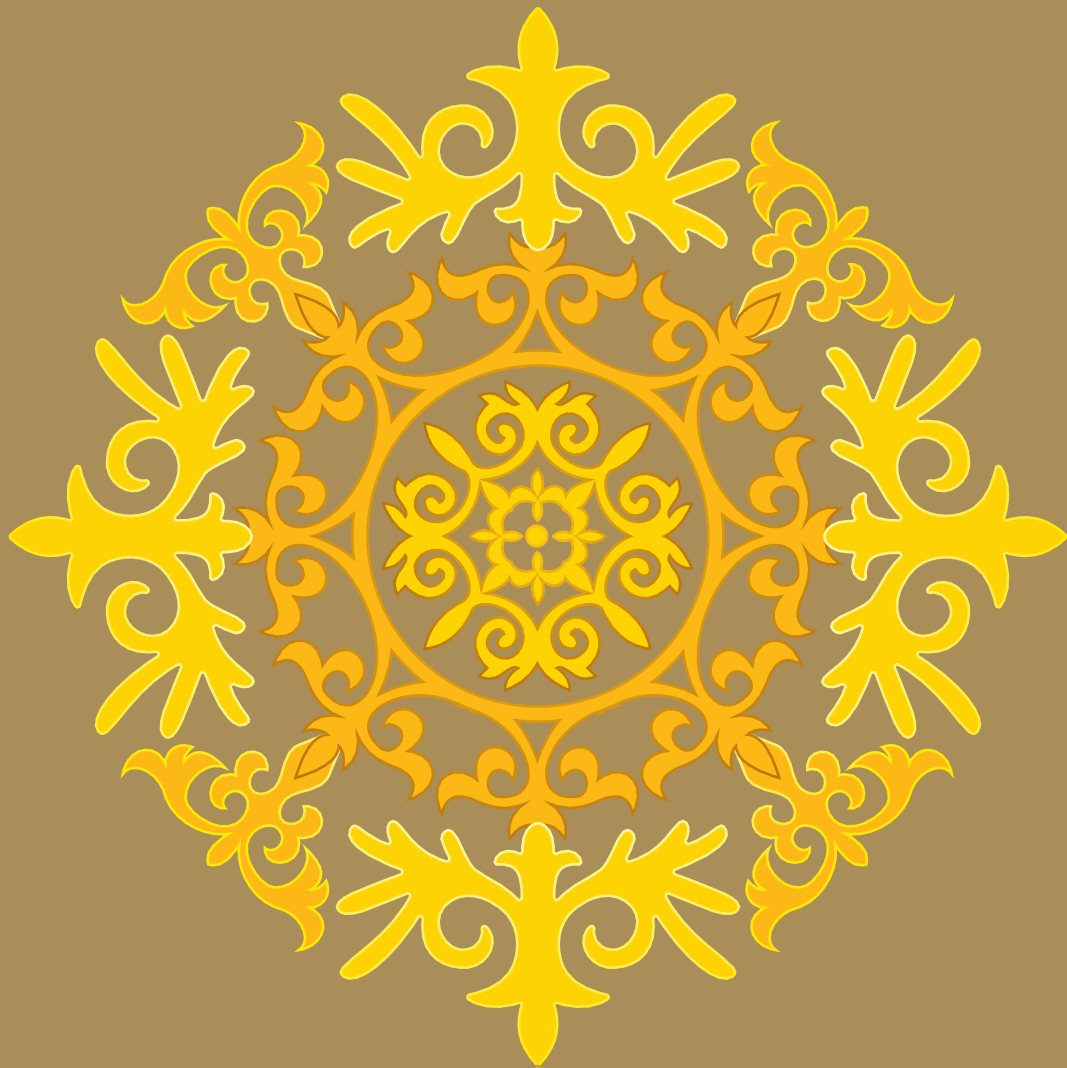
2010 launch. Business Class customers also received new, improved amenity packs.



### On-Board Catering

There were two challenges in catering: to address cost base in a sustainable way and to ensure that quality was consistently high throughout the entire Air Astana network. Overall per passenger catering costs were reduced by 20% by working directly with the suppliers in order to encourage competition and exert cost controls, improve costing processes and the sourcing of specific ingredients. To reinforce catering quality, an experienced Senior Chef was hired. It was strongly felt that the airline can continue to drive further quality improvements by offering ongoing practical assistance and training of cooks employed by Kazakh catering providers. Feedback from the Kazakh regional stations is very positive.

Also developed was a standardised menu referencing, pricing and loading information system, which started in September 2009 and is being adopted by all of catering contractors.



**ORNAMENT "DEER HORNS".**  
LIKE OTHER HORN-SHAPED ORNAMENTS, THIS PATTERN HAS BEEN WIDELY USED IN FOLK APPLIED ART FOR A LONG TIME AND IS USED IN DIFFERENT COLOUR SHADES.

# 5

## Sales and Marketing. Revenue Management

### Sales Channels

The key change in distribution during 2009 was the activation of the 24/7 Call Centre and Air Astana's own City Ticketing Offices in Almaty, Astana and Atyrau as well as at all airports across the country. Restructuring of sales distribution provided cost savings of about \$11 million in its first year. Total direct sales in Kazakhstan in January 2009 were 4% and had increased to 13% in December 2009. In order to further enhance the distribution, Air Astana made agreements with banks and payment kiosk providers whereby passengers can use over 300 payment points across Kazakhstan to buy their tickets directly from Air Astana. Additionally direct sales offices were opened in Moscow and Baku.

Agency distribution in markets abroad was enhanced by joining IATA Bank Settlement Plan Consolidator System in Scandinavia/Nordic, the Baltics, Ukraine, Spain, Israel and Canada. Distribution costs were optimized by switching to a full Bank Settlement Plan in Austria, France, Switzerland, Italy and Hungary where the economies of scale were reached. BSP Mongolia was joined at the end of 2009. Further, Air Astana appointed new passenger General Sales Agents in Switzerland and Austria. The total number of markets where Air Astana tickets can be purchased increased to 49 in 2009.

### Marketing Development

While 2009 was a year of crisis, it was at the same time a year of opportunities to enter new markets. At the end of 2008, Astana – Urumqi and Almaty – Bishkek were added. Air Astana extended its regional network with Almaty – Baku and Astana – Novosibirsk flights. It also reintroduced the Oral – Amsterdam flight serving the oil and gas market. The Almaty –

Kuala Lumpur service was launched in October 2009 and was the first new long haul destination since 2003. The launch of new destinations was supported by extensive marketing campaigns in the home market as well as abroad, strong press coverage, trade and PR events. The impact of Marketing and PR campaigns for inaugural services were strengthened by combining efforts and resources of the airline, local authorities and the Ministry of Tourism of Malaysia which lead to healthy loads covering the direct costs from the early days of operations.

While online destinations have been under pressure for most of 2009, revenue from offline destinations grew by 14% through successful negotiations of prorated agreements with other airlines, including periodical and seasonal reviews to remain competitive. The wide cooperation agreement signed with Asiana Airlines in late 2009 involves a code-share agreement and wider aspects such as cabin crew service training.

Following the drop in demand and the devaluation of the Kazakh tenge in February 2009, Air Astana launched advance purchase fares to stimulate demand. This was accompanied by a wide marketing campaign named "Spring is in the Air". The campaign proved to be a success encouraging discretionary domestic and international travel during the crisis.

### "PROS" Revenue Management System

The introduction of the new Revenue Management System "PROS" in January 2009 could not have been scheduled at a better time. PROS and the enhanced Revenue Management processes allowed Air Astana to successfully manage its revenues during the crisis and was a key factor to the Airline's success in 2009 under extremely challenging market circumstances.





**ORNAMENT "FORTY HORNS".**

IT CONSISTS OF MULTIPLE PATTERNS CONNECTED BY COMPLICATED INTERWOVEN HORN-SHAPED ELEMENTS AND USUALLY ENDS IN A RECTANGULAR OR A CIRCLE. SOMETIMES THE LINES ARE BRANCHED THUS RESEMBLING A TREE WHICH IS A COMPLICATED COMPOSITION. THE ORNAMENT SYMBOLIZES HAPPINESS AND WEALTH.

### Travel Agency Incentive Scheme

Air Astana introduced a travel agency incentive scheme based on incremental revenues for the top 20 agents in its home market in May 2009. The new scheme was supported by key account management, whereby the sales team closely monitored the performance of each agent, on target traffic flows, using two key analytical tools: MIDT that is based on agency activities in reservation systems and eSMASH based on tickets sold through BSP. This scheme has been extended to some overseas markets, including Germany, Turkey and Korea.

### Industry Events

Air Astana exhibited at a number of key travel trade events in 2009, including Berlin's International Tourism Exhibition (March 2009), the 9<sup>th</sup> Kazakhstan International Tourism Fair (Almaty, May 2009), World Tourism Organization's annual meeting in Astana (September 2009) and World Travel Market (London, November 2009). In May 2009 and to celebrate the 7<sup>th</sup> Anniversary of operations, the sales and marketing teams organized an agency seminar in Almaty, at which agency recognition awards were distributed to the top producing agents. Similar programs were held across the network, including Russia and Thailand. The success of such events has



led to 2010 seminars for Almaty, Astana, Atyrau and Aktau. In November 2009 Air Astana participated in the 4<sup>th</sup> India – Kazakhstan Travel Fair and its success led to plans to extend into the UAE in 2010.

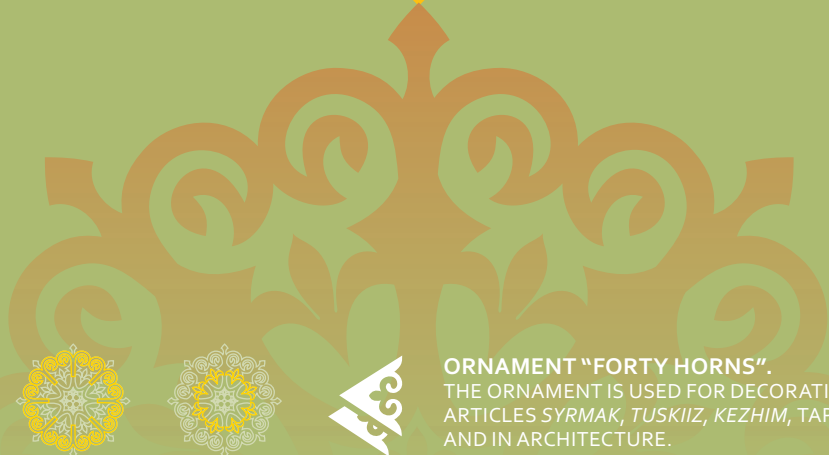


### The Nomad Club Frequent Flyer Program



The Nomad Club Frequent Flyer Program reached 57,000 members with over 3,000 Elite Members. The increase in baggage allowance for Elite members, new functionality of online retro claim and mailings to market segments based on location and activity has led to a higher attractiveness of the FFP programme that was only two years old at the end of 2009. In December 2009 using the Nomad Club membership database, Air Astana launched its first large scale online sales campaign, "Lucky Seven". During this short term campaign, daily visitors to [www.airastana.com](http://www.airastana.com) grew threefold and daily sales grew fourfold.

While challenging market circumstances in 2009 required dynamic actions in marketing and sales, it was also a year of consolidation allowing sales and marketing teams to review and improve processes and procedures.



**ORNAMENT "FORTY HORNS".**  
THE ORNAMENT IS USED FOR DECORATING FELT  
ARTICLES *SYRMAK*, *TUSKIIZ*, *KEZHIM*, TAPESTRIES  
AND IN ARCHITECTURE.



# 6

## IT Innovations

Despite cost reductions in 2009, Air Astana invested funds in information technologies and staff training which translated into significant achievements obtained in IT Infrastructure and Systems, Web Development and e-Commerce. Some of these achievements were recognized at a national level, e.g. AWARD.kz 2009 National Internet Awards competition.

### IT Infrastructure and Systems

A backup data centre was established in Astana with stringent operational procedures to ensure business continuity in cases of a disaster to the main data centre (disaster recovery framework for critical business applications).

The RTB Departure Control System installation/cutover projects at new Airports/Terminals were carried out (Urumqi in April 2009, Antalya in May 2009, Sheremetyevo Terminal F and Kuala Lumpur in October 2009, London Heathrow in November 2009).

A Cargo Revenue Accounting system was implemented in February 2009.

The Customer Affairs Services Audit module of the CRIS system (Frequent Flyer System) was implemented in August 2009. This helps to keep track of customer complaints, requests and also obtain management information. This is vital to provide a better customer service and also in making management decisions related to customer service.

An automated SMS notification system for flight delays was successfully implemented in December 2009. The SMS delivery status information is updated on the reservation record also. This resulted in improved operations and the delivery of better customer service. The complete solution was developed in-house.

Routing of all international calls via IP network resulted in a decrease of the international call expenses and helped reduce the international call costs up to 50%.

### Web Development and e-Commerce

In May 2009, the dynamic timetable and route map were implemented and made available in Kazakh, Russian and English languages.

In July 2009 the Web Check-in enabled passengers to select their seats and print their boarding passes from the comfort of their home, office or hotel using this online facility. Apart from the convenience that passengers receive this new system has improved the operational efficiency of passenger check-in.

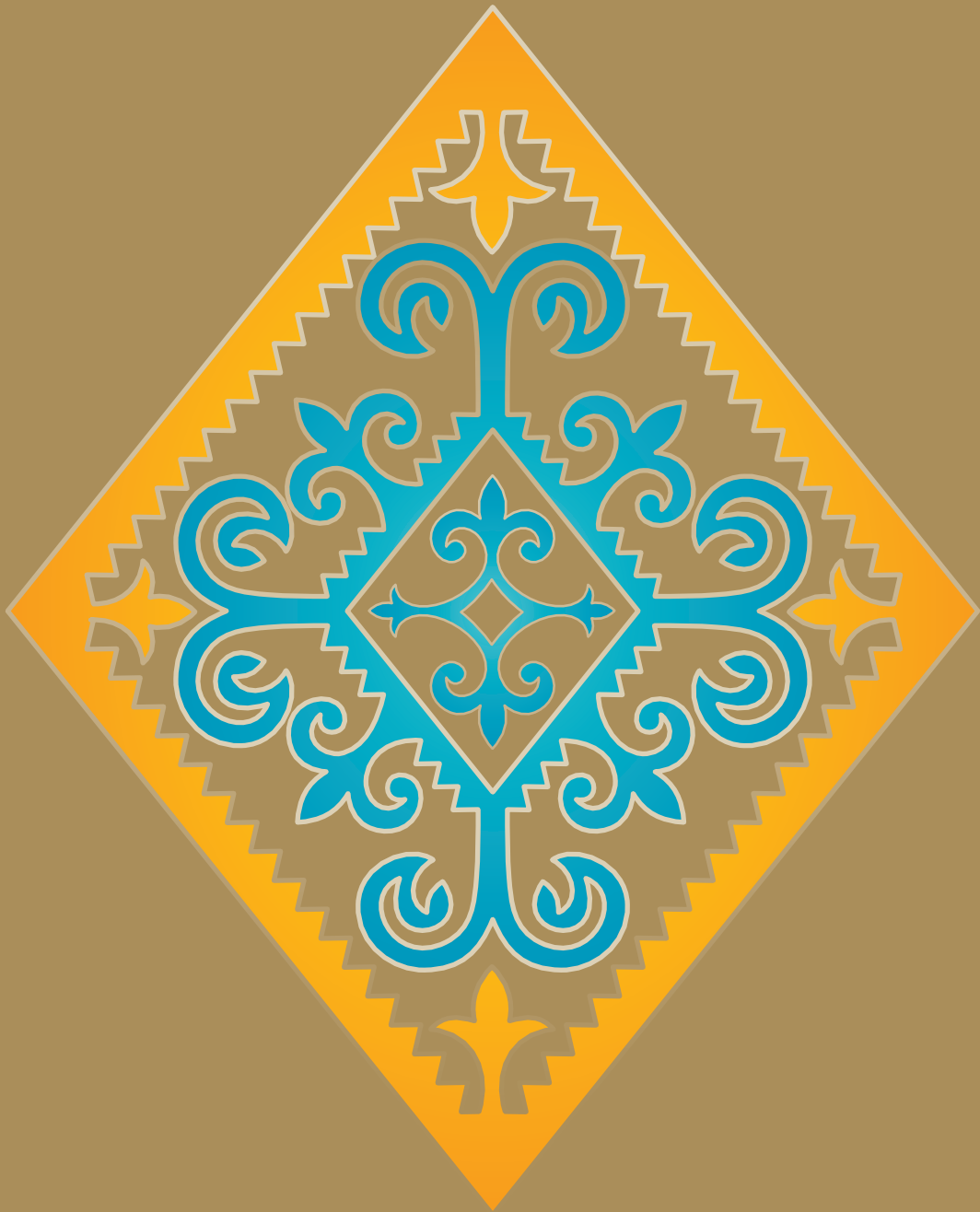
The home page was redesigned in September 2009 and launched to improve the usability and strategic marketing aspects. Improving the corporate website is important for the brand image and also for business growth. The development was done in-house.

In October 2009, a real-time, online retro claim facility was implemented which enabled Nomad Club members to immediately claim their missing points online. The Nomad Club members are pleased as they do not have to courier documents and wait for processing when there is a problem with accrual of miles. Further, this has greatly reduced the time that Nomad Club agents have to spend in processing retro claims. The development was done in-house.

The Corporate Booking Engine was launched in November 2009 which provides offers on selected routes for corporate clients, according to each agreement.

In November 2009, Air Astana won 'The Best Corporate Website in Kazakhstan' award 2009 at a National Internet competition. This was the third consecutive year that the Air Astana website has won this award.





ORNAMENT "FORTY HORNS".  
COLOUR SHADES: LIGHT BLUE AND YELLOW.

# 7

## Risk Management

2009 was the most turbulent year in the history of the airline. The global financial crisis, devaluation of the Kazakh tenge and the European Union aviation authority's ban for Kazakhstani airlines except for Air Astana to fly to the EU territory – this is not a complete list of events that took place in 2009. The key risks with high probability and impact were identified within the risk management process.

### The key risks of 2009:

- The Global Economic Downturn and Fall in Passenger Demand
- The Risk of Devaluation of the Kazakh Tenge
- The Risk of Being Banned from Operating Flights to the EU for Kazakhstan's Airlines
- The Risk of Sudden Drop in Passenger Traffic due to Conflicts/Epidemics in a Country
- The Risk of Counterparties
- The Risk of Changing Prices for Aviation Fuel

To reduce the negative consequences in case of occurrence of these risks, appropriate measures to be taken have been identified for each risk mentioned above.

### The Global Economic Downturn and Fall in Passenger Demand

To minimize the negative effects of the global financial crisis, the Company has taken several measures, including optimization of the route network and cost reduction measures.

### The Risk of Devaluation of the Kazakh Tenge

The Company receives a significant part of its income (more than 70%) in the Kazakh tenge; meanwhile roughly 45% of expenditures are expressed in foreign currencies, this is a reason for a gap between foreign exchange inflows and outflows of the Company. To mitigate this effect, the Company has been constantly working on increasing sales in foreign currencies and reducing the share of imports in total purchases of the Company.

### The Risk of Being Banned from Operating Flights to the EU for Kazakhstani Airlines

In July 2009, the European Union Air Safety Committee imposed a ban on flights over its territory

for all Kazakhstan's airlines except for Air Astana. The exemption from the EU operating ban was achieved because the airline has taken all necessary measures to prove its compliance with the international flight safety standards and demonstrated that it deserved to be exempted from the ban. The Company actively supports the Civil Aviation Committee by the Ministry of Transport and Communications of Kazakhstan in overcoming the oversight deficiencies identified by the ICAO.

### The Risk of Counterparties

The Company in its operating activities interacts with counterparties, such as ticket sales agents, suppliers of goods and services, as well as banks and financial institutions. The recent financial crisis has had a negative impact on the financial situation of certain counterparties, increasing the likelihood of the following risks:

- the risk of financial default, insolvency of ticket sales agents, as well as banks, whereby the Company puts their temporarily free funds on deposit;
- the risk that counterparties will be unable to fulfill their obligations.

To prevent and minimize this risk, the Company has taken the following measures:

- has set limits on commercial banks where temporarily free funds are placed, has used the mechanism of bank guarantees with the ticket sales agents;
- has increased the volume of Internet sales and direct sales;
- has diversified supply channels.

### The Risk of Changing Prices for Aviation Fuel

Fuel is the most significant cost item of any airline. The price of jet fuel as a derivative of crude oil has a high volatility, which significantly affects the financial results. To reduce the volatility of this item, the Company, beginning in 2009, began using hedging instruments.



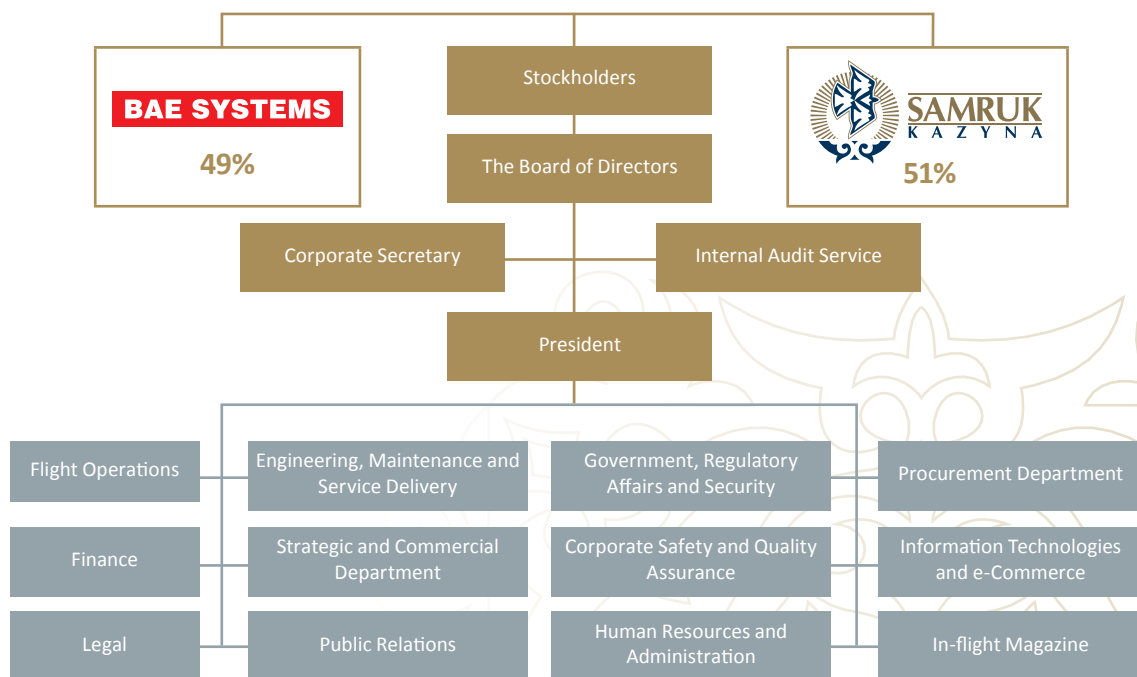
ORNAMENT "PAIRED HORNS".  
THE ORNAMENT REPRESENTS TWO HORNS  
OF SHEEP AND ALSO SYMBOLIZES WEALTH.

# 8

## Sustainable Development

### 8.1 Human Resources

#### The Organizational Structure of Air Astana



#### Manpower (as of 31 December 2009)

Pilots	232
Cabin Crew	842
Engineers	204
Others	1 652
<b>Total staff employees</b>	<b>2 930</b>

#### Certification

- The business of Air Astana complies with the recognized international standard OHSAS 18001:2007 “Occupational Health and Safety Assessment Series”. The OHSAS 18001 certificate was awarded in September 2009
- Occupational Testing SHL training completed and will be used for recruiting purposes of the Company beginning from 2010

### Internships

In 2009, the Kazakh Government started the second phase of the national programme "Road Map". The purpose of this programme is to enhance human development indexes in Kazakhstan. Another national programme called "Internships for the Youth" made it possible for young professionals to do internship in local public and private companies. Air Astana supported the both programmes and employed 22 individuals in the internships.

### Training and Career Development

In 2009, Air Astana continued investing in personnel training and growth.

In addition to obligatory training (of pilots and cabin crew, engineers, ground services, administrative staff), a priority in 2009 was given to training for line managers. The course "Basics of Management Mastery" designed especially for this category of staff consisted of modules "Air Astanology", "Modern Manager" and "Management of Team Resources". This course was attended by approximately 300 line managers of the Company. Other training programmes included:

- "Mastering Performance" – about 600 attendees
- IATA programme "Managing People's Performance" – 48 employees
- "Project management: International standard ANSI PMI PMBOK® Guide 2008" – 18 supervisors and managers were involved in the development and implementation of various projects

- First Corporate Forum of Managers was held in October 2009 – 150 attendees

In addition, language courses such as Business Kazakh, Business Russian and Business English were made available for all staff.

Annual personnel assessments were conducted in October 2009. Objectives of the assessment are to comply with consistently high standards of management, to promote staff and ensure regular and open feedback from an employer.

### Benefits for the staff

- Travel allowances for the staff and their beneficiaries
- Medical insurance
- Sponsorship of sports activities for the staff (organizing memberships in fitness clubs, lease of football and basketball pitches, a regular participation in local and international running races like the British-Kazakh Society 7k Charity Race in Astana in September 2009 and the World Airline Road Race in Hangzhou, China and the Air Astana rafting team).



Charity Race in Astana  
(September 2009)

## 8.2 Social Responsibility

Air Astana supports the policy of social responsibility to benefit the society. This activity is carried out in the following aspects: charities and sponsorships.

### Charities

More than 20 social and sponsorship events took place including free travels for veterans of the Great Patriotic War and children suffering from cancer and other diseases. Assistance was provided to Boeing in finding a beneficiary of sponsorship for children's institutions (Kenes Fund/school for 160 children with ICP syndrome).

On the Children's Rights Day, the airline presented computers to Orphan's house No.1 in Almaty and



The Charity Ball  
(Almaty, November 2009)

gifts to Centre of Social Rehabilitation for Women and Children called "Rodnik".



In June 2009, a delegation of cardiologists and cardio surgeons from the Meshalkin Institute visited during the “Air Astana Kind Heart” charity event. Specialists from Novosibirsk examined more than 300 children with problems of the cardio-vascular system and conducted seminars for Kazakhstan doctors in medical centres in Astana and Almaty.

To celebrate the Day of Knowledge in Kazakhstan, 1<sup>st</sup> September, a charity fair “Air Astana – for children! 2009” was organised by Air Astana staff. The funds were divided equally among Orphan’s house No.1 for Almaty region and the School for blind children in Almaty.

### Sponsorships

Sponsorships in 2009 included such events as the first Charity Ball in Almaty, Robert Burns Night to mark the 250<sup>th</sup> anniversary of the Scottish poet’s birth, the Tangeiger group concert in Almaty and Customer Appreciation Day in Renaissance Aktau.

In September 2009, Air Astana was an official partner of the British-Kazakh Society 7k Charity Race in Astana which was organised in support of the Orphan’s House in Astana and SOS children’s villages in Kazakhstan.

Free tickets on an Almaty flight to see the Kazakhstan-England match were presented to the participants of the Friendly Football Match held between the Olympic Reserve Football School from Karaganda and Boarding School No. 8 from Astana.



Friendly Football Match  
(Almaty, June 2009)



The Kazakhstan rugby union team

## 8.3 Environmental Protection

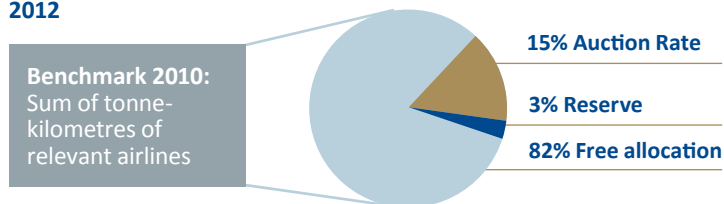
### European Emissions Trading Scheme (ETS)

According to the IATA, the air industry is a minor contributor to environmental pollution. Despite this, the Organization has set a target whereby at least a 25% improvement in fuel efficiency should be achieved by 2020 compared with 2005. Economic instruments are in place at national, regional and inter-regional governmental levels. One of them is Emissions Trading Scheme (ETS). On 13 January 2009, the European Union published the Directive 2008/101/EC to include aviation into the EU Emissions Trading Scheme. The ETS is based on the Kyoto Protocol (1997) aimed to

reduce the greenhouse gas concentrations in the atmosphere. According to the Directive, airlines that operate flights to the EU are included in the scheme for greenhouse gas emission allowance trading within the EU as of 1 January 2012. In 2012 airlines are allowed to emit 97% of average historical emissions. For 2012, 82% of allowances will be freely allocated to the airline sector by the EC based on individual production in 2010. 3% of allowances are allocated as special reserve for new market entrants and fast growing operators. Any amount above the free allocated figure will have to be purchased or traded by each airline.





**Allocation of allowances to airlines  
2012**


An activity schedule was mandated by the European Commission for all airlines operating flights to the EU:

Deadline	Action
August 2009	Submit monitoring plan
1 January 2010	Start monitoring emissions and tonne-kilometre data
31 March 2011	Apply for free allowances for 2012 and next trading period by submitting verified tonne-kilometres data of 2010
31 March 2011	Report verified emission data for 2010
February 2012	Receive free allowances for 2012
31 March 2012	Report verified emission data for 2011
February 2013	Receive free allowances for 2013
31 March 2013	Report verified emission data for 2012
30 April 2013	Surrender allowances for 2012 emissions. Unused allowances are cancelled

Air Astana submitted a monitoring plan within the indicated deadline to the European Commission appointed authority. The plan was approved by the German Emissions Trading Authority (Deutsche Emissionshandelsstelle, DEHSt). This verification ascertains the following:

- Completeness of flight and emissions data compared to air traffic data as collected by EUROCONTROL (The European Organisation for the Safety of Air Navigation)
- Consistency between reported data and mass and balance documentation
- Consistency between aggregated fuel consumption data and data on fuel purchased.

The airline started monitoring emissions. Actually completed tonne-kilometres are estimated by operational statistics software.

It is believed that demand for air travel will be affected negatively as a consequence of implementing the ETS. However, assessment of the financial impact is

not possible at this time. An assessment can only be done after emissions allowance is allocated by the EC to Air Astana and the CO<sub>2</sub>-emissions cost is known.

The Company has also performed winglet installation on four Boeings B757-200 which burn less fuel (and is cost-efficient at the same time) and is in line with the IATA's four-pillar strategy (investing in technology, flying planes effectively, building efficient infrastructure and using positive economic measures). Short-term technologies available for existing aircraft allow for fuel efficiency improvements of 5% to 10%. Air Astana was the first airline in Kazakhstan to use the Airbus A319/A320/A321 aircraft. They are very environmentally friendly and have the lowest fuel burn, levels of emissions and noise footprint of their class. In its activities, Air Astana follows the principles of maximum environmental friendliness and rational attitude to the environment as prescribed by the requirements of the legislation and generally accepted business standards.



ORNAMENT "PAIRED HORNS".  
COLOUR SHADES: BLUE, GREEN AND YELLOW.

# 9

## Corporate Governance

### Stockholders

#### About National Welfare Fund "Samruk-Kazyna" Joint Stock Company

The National Welfare Fund "Samruk-Kazyna" Joint Stock Company was established on 03 November 2008 in accordance with the Decree of the President of the Republic of Kazakhstan dated October 13, 2008 and the Decree of the Government of the Republic of Kazakhstan dated October 17, 2008. The formation was enacted by the merger of "Sustainable Development Fund "Kazyna" Joint Stock Company and Kazakhstan Holding Company for State Assets Management.

**Registered address:**  
23 Kabanbay Batyr Avenue  
Astana, 010000  
Republic of Kazakhstan

#### About BAE Systems

BAE Systems is an international company engaged in the development, delivery and support of advanced defence and aerospace systems in the air, on land, at sea and in space.

**Registered address:**  
P.O. Box 87  
Warwick House  
Farnborough Aerospace Centre  
Farnborough  
Hampshire  
GU14 6YU  
United Kingdom

## The Board of Directors

### *Chairman*

Nurzhan Baidauletov      Managing Director of “Samruk-Kazyna” National Welfare Fund

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### *Members*

Mr. Azat Bekturov      – Member of the Board of Directors (until 27 August 2009)  
– Member of the Nomination Committee  
– Vice Minister of Transport and Communications of the Republic of Kazakhstan

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Mr. Yerkin Dyusembayev      – Member of the Board of Directors (since 27 August 2009)  
– Vice Minister of Transport and Communications of the Republic of Kazakhstan

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Mr. Nigel Bradley      – Member of the Board of Directors  
– Member of the Nomination Committee  
– Commercial and Procurement Director, Programmes & Support and International, BAE Systems

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Mr. David Brent      – Member of the Board of Directors  
– Group Treasurer, BAE Systems

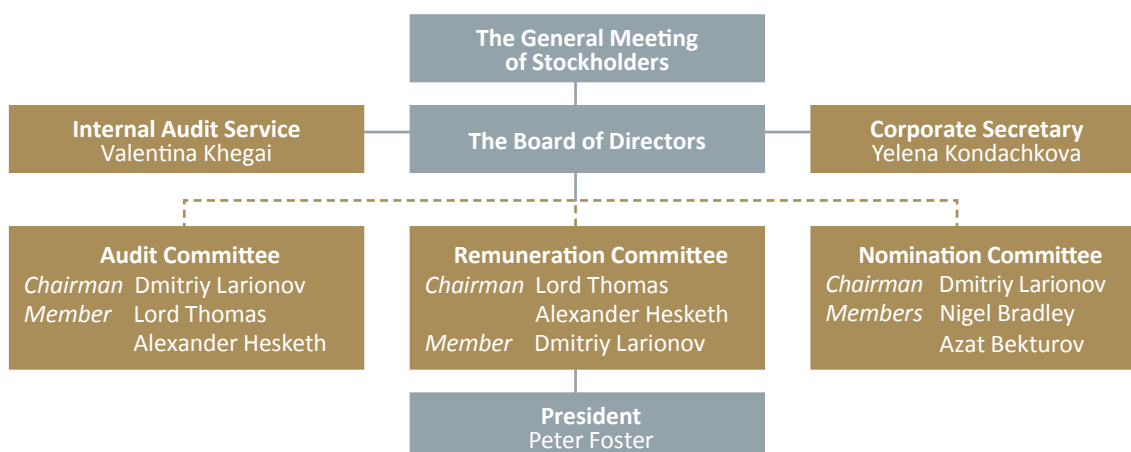
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Mr. Lord Thomas  
Alexander Hesketh      – Independent Director  
– Non-Executive Deputy Chairman of Babcock International Group, plc.

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Mr. Dmitriy Larionov      – Independent Director  
– Partner BDO and IFRS, BDO Kazakhstanaudit  
– Member of the Developing Nations Committee of the International Federation of Accountants  
– Member of the Expert Counsel of the Ministry of Finance on accounting and audit issues  
– Chairman of the International Relations Committee of the Chamber of Professional Accountants of the Republic of Kazakhstan

## Corporate Governance Bodies



### Stock registrar

Fondovy Center Joint Stock Company  
 Registered address:  
 92 Maulenov Street, 050012, Almaty  
 Location: 79a Zheltoksan Street, 050091, Almaty  
 Phone: +7 (727) 250 89 60/61, Fax: +7 (727) 250 16 96

### Independent auditor

Deloitte LLP  
 Location: Almaty, Financial District,  
 Building B, 36 Al Farabi Avenue  
 Almaty, 050059, Kazakhstan  
 Phone: +7 (727) 258 13 40, Fax: +7 (727) 258 13 41

## Principles of Corporate Governance

- **Protection of the Stockholders' rights and interests** – protection of, and respect for, the rights and legal interests of its Stockholders stipulated by legislation; effective activities of the Company, including the growth of its assets and maintaining its financial stability and profitability. The dividend policy of the Company shall be sufficiently transparent and open for access by Stockholders, potential investors and the broad public of Kazakhstan
- **Effective management of the Board of Directors** – maximum observance and implementation of the interests of the Stockholders and the Company; transparency of its activities to the Stockholders; a simple and transparent mechanism for setting the amount of dividends and terms of their payment
- **Effective management of the Executive Body** – manage the day-to-day activities of the Company in order to achieve the tasks and to implement the strategy of the Company. Activities are carried out in the principles of integrity, honesty, rationality, prudence and regularity. The relations among the Stockholders, members of the Board of Directors and Executive Body shall be based on mutual trust, respect, accountability and control
- **Transparency and objective disclosure of information about the Company's activities** – timely disclosure to the Stockholders and Interested Parties of reliable information about the Company, including the one about its financial situation, economic indicators, results of its activities, and its ownership and management structure
- **Responsibility** – protection of the rights of the Company's employees which are stipulated by the legislation; providing training to staff and social protection of the Company's employees; transparency in selection of employees; provision of favourable working conditions to and improvement of professional skills of the Company employees; ensuring environmental protection as stipulated by law; ensuring social responsibility by providing sponsorship and/or organizing charity events for the people in need.

## General Meeting of Stockholders

In 2009, five General Meetings of Stockholders in presentia were held.

<i>Date of the Meeting</i>	<i>Issues considered at the General Meetings of Stockholders</i>
<b>06 March</b>	<ul style="list-style-type: none"><li>• Approval of the annual budget of the Company for 2009</li><li>• Approval of the decision of the Board of Directors of the Company on entering by the Company into the major transaction with JetScape Inc. on the lease of Embraer 190-LR aircraft</li><li>• Jet Fuel Prices Hedging Policy of the Company</li></ul>
<b>13 April</b>	<ul style="list-style-type: none"><li>• Approval of the decision of the Board of Directors of the Company on entering by the Company into major transactions with:<ul style="list-style-type: none"><li>– ILFC (International Lease Finance Corporation) on the extension of the lease of Boeing B757-200 aircraft;</li><li>– Stockholm Aircraft Finance B.V. on the extension of the lease of Fokker F50 aircraft.</li></ul></li></ul>
<b>11 May</b>	<ul style="list-style-type: none"><li>• Approval of the decision of the Board of Directors of the Company on amending the terms of the major transaction with JetScape Inc. on the lease of Embraer 190-LR aircraft</li><li>• Approval of the Regulations of the Dividend Policy of the Company</li><li>• Approval of the Procedure for determining the value of the Company's stocks when they are redeemed by the Company</li></ul>
<b>27 August</b>	<ul style="list-style-type: none"><li>• Annual Report of the Company for 2008</li><li>• Approval of the annual financial statements of the Company for 2008</li><li>• Approval of the procedure for distribution of net income of the Company for 2008, deciding on payment of dividends on common stocks and approval of the amount of the dividend per one common stock of the Company</li><li>• Approval of the Business Plan of the Company for 2009-2013</li><li>• Approval of the decision of the Board of Directors of the Company on entering by the Company into major transactions with:<ul style="list-style-type: none"><li>– GE Engine Services, Inc. on overhaul services of CF6 series engines for Boeing B767-300ER aircraft;</li><li>– ALS USA Leasing Inc. on extension of the lease agreement for Airbus A320-200 aircraft.</li></ul></li><li>• Early termination of the authorities of the member of the Board of Directors of the Company; election of the new member to the Board of Directors of the Company</li></ul>
<b>03 December</b>	<ul style="list-style-type: none"><li>• Approval of the decision of the Board of Directors of the Company on entering by the Company into the major transaction with Ameco Beijing on repair and overhaul services on RB211-535E4 series engines for Boeing B757-200 aircraft</li><li>• Introduction of changes and amendments to the Charter of the Company.</li></ul>



## Meetings of the Board of Directors

In 2009, ten Meetings of the Board of Directors, including four meetings in presentia, were held.

### *Date of the*

### *Meeting*

### *Issues considered at the General Meetings of Stockholders*

<i>Date of the Meeting</i>	<i>Issues considered at the General Meetings of Stockholders</i>
<b>04 February</b>	<ul style="list-style-type: none"> <li>• Report of the President of the Company on the results of financial and operational activities of the Company for ten months of 2008</li> <li>• Preliminary approval of the Annual Budget of the Company for 2009</li> <li>• Update on the issue of Wide-Bodied Jet Aircraft acquisition</li> <li>• Update on the issue of Regional Jet Aircraft acquisition</li> <li>• Deciding on entering by the Company into major transaction with Jet Scape Inc. on the lease of Embraer 190-LR aircraft</li> <li>• Price Situation on Jet Fuel Market of the Republic of Kazakhstan</li> <li>• Approval of the Jet Fuel Prices Hedging Policy of the Company</li> <li>• Approval of the plan of work and the schedule of the meetings of the Board of Directors of the Company for 2009</li> <li>• Annual approval of the procedure for, and terms of, compensation of expenses to the Company's employees who are on business trips</li> <li>• Annual approval of standards of eligibility to the Company cars and standard areas to accommodate the administrative personnel of the Company</li> <li>• Annual approval of the limits of reimbursable expenses at the Company's expense when granting to employees the right to use mobile communication and the limits of representation expenditures</li> </ul>
<b>12 March</b>	<ul style="list-style-type: none"> <li>• Review of the preliminary results of the financial and operational activity of the Company for 2008</li> <li>• Air Safety Review for 2008</li> <li>• Passenger Air Transportation Market update. Tenge devaluation and aviation fuel supplies</li> <li>• Revised Profit and Loss and Cash Flow Forecast for 2009</li> <li>• Fleet Plan update 2009 – 2013</li> <li>• Deciding on entering by the Company into major transactions with:               <ul style="list-style-type: none"> <li>– ILFC (International Lease Finance Corporation) on the extension of the lease of Boeing B757-200 aircraft;</li> <li>– Stockholm Aircraft Finance B.V. on the extension of the lease of Fokker F50 aircraft.</li> </ul> </li> <li>• Deciding on formation of the Representative Office of the Company in Baku (Azerbaijan)</li> <li>• Approval of the amendment to the Statute on the Representative Office of the Company in Almaty city (Republic of Kazakhstan)</li> <li>• Approval of the Procurement Manual of the Company</li> <li>• Approval of the Regulations of the Internal Control System of the Company</li> <li>• Approval of the annual Audit Plan of the Internal Audit Service of the Company for 2009</li> </ul>
<b>10 April</b>	<ul style="list-style-type: none"> <li>• Deciding on formation of the Representative Office of the Company in Urumqi (the People's Republic of China) and approval of the Regulations thereof</li> <li>• Approval of the Regulations of the Representative Offices of the Company in the Republic of Azerbaijan, Beijing (the People's Republic of China) and the Russian Federation</li> <li>• Preliminary amending the terms of the major transaction with JetScape Inc. on the lease of Embraer 190-LR aircraft</li> </ul>

- 
- 27 April**
- Approval of the decision of the President of the Company on opening settlement accounts in Bank of China – Urumqi
  - Approval of the Regulations of the Corporate Information Policy of the Company
- 
- 06 June**
- Annual report of the President of the Company on the results of the financial and operational activities of the Company for 2008
  - Preliminary approval of the annual financial statements of the Company for 2008
  - Proposals to the Annual General Meeting of Stockholders of the Company concerning the procedure for distribution of the net income of the Company for 2008 and the amount of the dividend for 2008 per one common stock of the Company
  - Report of the President of the Company on results of financial and operational activities of the Company for four months of 2009
  - Preliminary approval of the Business Plan of the Company for 2009-2013
  - Deciding on entering by the Company into major transactions with:
    - GE Engine Services, Inc. on overhaul services of CF6 series engines for Boeing B767-300ER aircraft;
    - ALS USA Leasing Inc. on extension of the lease agreement for Airbus A320-200 aircraft.
- 
- 10 August**
- Approval of the decision of the President of the Company on opening current accounts in Sberbank of Russia in Kazakhstan, OJSC International Bank of Azerbaijan and Citibank Korea
- 
- 10 September**
- Air Safety Review of the Company for six months of 2009, including the EU Air Safety Committee/ICAO issues
  - Progress of the Civil Aviation Committee of the Ministry of Transport and Communications of the Republic of Kazakhstan in addressing ICAO issues
  - Report of the President of the Company on the results of the financial and operational activities of the Company for six months of 2009
  - Update on Aircraft Purchase and Financing Schedule
  - Deciding on entering by the Company into a major transaction Ameco Beijing on repair and overhaul services on RB211-535E4 series engines for Boeing B757-200 aircraft
  - Proposal of the President of the Company for operating lease of additional Fokker F50 type aircraft
  - Approval of the Corporate Fraud Prevention Policy of the Company
  - Putting the issue of amending the Charter of the Company in connection with changing the legal address (location) of the Company for consideration by the General Meeting of Stockholders of the Company
- 
- 26 November**
- Preliminary approval of the Regulations of the Internal Audit Service of the Company
  - Determination of the amount of the bonus payment to the employees of the Internal Audit Service of the Company following the results of work for the year 2008
  - Changing the structure of the Internal Audit Service of the Company
- 
- 10 December**
- Report of the President of the Company on the results of financial and operational activities of the Company for nine months of 2009
  - Update on regulatory situation with regards to the ICAO and the EU Aviation Safety Committee
  - Preliminary approval of the Annual Budget of the Company for 2010
  - Preliminary approval of the Business Plan of the Company for 2010-2014
  - Approval of the Annual Audit Plan of the Internal Audit Service of the Company for 2010
  - Approval of the plan of work and the schedule of the meetings of the Board of Directors of the Company for 2010
  - Annual approval of the remuneration system and provision of incentives and the scheme of labour remuneration of the Company's employees

- Annual approval of the procedure for, and terms of, compensation of expenses to the Company's employees who are on business trips
- Annual approval of standards of eligibility to the Company cars and standard areas to accommodate the administrative personnel of the Company
- Annual approval of the limits of reimbursable expenses at the Company's expense when granting to employees the right to use mobile communication and the limits of representation expenditures

- 18 December**
- Proposal of the President of the Company on entering by the Company into a transaction with Stockholm Aircraft Finance B.V. on operating lease of Fokker F50 aircraft
  - Proposal of the President of the Company for selecting an engine type for the new Airbus A320 family aircraft and additional options under the sales contract with Airbus S.A.S.
  - Deciding on entering by the Company into major transaction on the purchase of one spare engine for Airbus A321 aircraft.

### Work of the Audit Committee in 2009

In 2009 five meetings of the Audit Committee were held, including three meetings in presentia at which the following issues were considered:

- Annual work plan of the Audit Committee for 2009
- Annual Audit Plan of the Internal Audit Service of the Company for 2009
- Regulations of the Internal Control System of the Company
- Deloitte's update on the status of the Company's external audit for 2008
- Report of the Head of the Internal Audit Service of the Company on activities for the 4th quarter of 2008
- Consideration of the Management Letter following the results of the audit of the annual financial statements of the Company for 2008
- Consideration of the Company's Management Representation Letter
- Recommendations to the Board of Directors of the Company with regards to the preliminary approval of the annual financial statements of the Company for 2008
- Report of the Head of the Internal Audit Service of the Company for the 1<sup>st</sup> quarter of 2009
- Recommendations to the Board of Directors of the Company with regards to the approval of the Fraud Prevention Policy of the Company
- Consideration of the Act of the Agency of the Republic of Kazakhstan for regulation of natural monopolies on the results of the audit of the activity of the Company and of the Special opinion of the Company to the Act of the Agency of the Republic of Kazakhstan for regulation of natural monopolies on the results of the audit of the activity of the Company

- Preliminary approval of amendments to the Regulations of the Internal Audit Service of the Company
- Report of the Head of the Internal Audit Service (IAS) of the Company on IAS activity in the 2<sup>nd</sup> and 3<sup>rd</sup> quarters of 2009
- Preliminary approval of the amount of bonuses to the employees of the Internal Audit Service of the Company
- Hearing of the Head of the Internal Audit Service regarding the change in the structure of the Internal Audit Service of the Company
- The Company's Legal Department update on the status of legal proceedings
- Deloitte's update on the status of the Company's external audit for 2009
- Preliminary approval of the Annual Audit Plan of the Internal Audit Service of the Company for 2010
- Preliminary approval of the budget for training programmes of the Internal Audit Service of the Company in 2010

### Work of the Remuneration Committee in 2009

In 2009 two meetings of the Remuneration Committee were held, including one meeting in presentia. The following issues were considered:

- Plan of work of the Remuneration Committee of the Board of Directors of the Company for 2009
- Recommendations regarding the bonus payment to the President of the Company following the results of work for the year 2008
- Recommendations regarding the determination of the amount of the bonus payment to the employees of the Internal Audit Service of the Company following the results of work for the year 2008



**ORNAMENT "ONE HORN".**  
COMPOSITIONAL CONTOURS ARE FRAMED WITH  
THE RHYTHMIC STRUCTURE OF THIS ORNAMENT.

# 10

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## To Stockholders and Investors

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### Dividends

- According to the Dividend Policy of the Company, the amount allocated for paying dividends is 25% of the net income as per the financial statements prepared in accordance with IFRS (International Financial Reporting Standards).
- Taking into account the financial result of the Company for 2009, the amount allocated for paying dividends was 35% of the net income of the Company.
- The amount of dividend for 2009 payable for one common stock of the Company was 145,722 (one hundred forty-five thousand and seven hundred twenty-two) tenge 46 tiyn.



**ORNAMENT "ONE HORN".**  
THE ORNAMENT IS ONE OF WIDELY SPREAD KAZAKH  
ORNAMENTS USUALLY USED FOR DECORATING FELT  
ARTICLES (*TEKEMETS, SYRMAKS*).



# 11

## Financial Statements

*These statements are prepared on the basis of audited financial statements.  
Audited financial statements are available at [www.airastana.com](http://www.airastana.com).*

### Statement of Comprehensive Income for the Year Ended 31 December 2009

*(in thousands of USD)*

	2009	2008
<b>Revenue</b>		
Passenger	533,261	628,639
Cargo and mail	15,332	18,189
Other	10,676	12,362
<b>Total revenue</b>	<b>559,269</b>	<b>659,190</b>
<b>Operating expenses</b>		
Fuel	(92,304)	(180,677)
Engineering and maintenance	(72,746)	(67,499)
Aircraft operating lease costs	(71,982)	(65,010)
Handling, landing fees and route charges	(66,240)	(76,281)
Employee costs	(61,753)	(58,108)
Passenger service	(45,317)	(58,751)
Selling costs	(44,143)	(58,364)
Aircraft crew costs	(28,495)	(37,947)
Depreciation and amortization	(6,792)	(4,014)
Taxes	(4,363)	(5,693)
Insurance	(4,247)	(4,883)
Property lease cost	(4,084)	(3,670)
Information technology	(2,369)	(2,597)
Consultancy, legal and professional services	(1,158)	(3,177)
Other	(3,460)	(7,810)
<b>Total operating expenses</b>	<b>(509,453)</b>	<b>(634,481)</b>
<b>Operating profit</b>	<b>49,816</b>	<b>24,709</b>
Finance income	4,328	4,505
Finance costs	(650)	(936)
Foreign exchange gain/(loss), net	7,527	(1,295)
	11,205	2,274
<b>Profit before tax</b>	<b>61,021</b>	<b>26,983</b>
Income tax expense	(13,036)	(9,908)
<b>Profit for the year</b>	<b>47,985</b>	<b>17,075</b>
<b>Other comprehensive loss:</b>		
Foreign currency translation loss	(22,824)	(424)
<b>Total comprehensive income for the year</b>	<b>25,161</b>	<b>16,651</b>
<b>Basic and diluted earnings per share (in USD)</b>	<b>2,823</b>	<b>1,004</b>

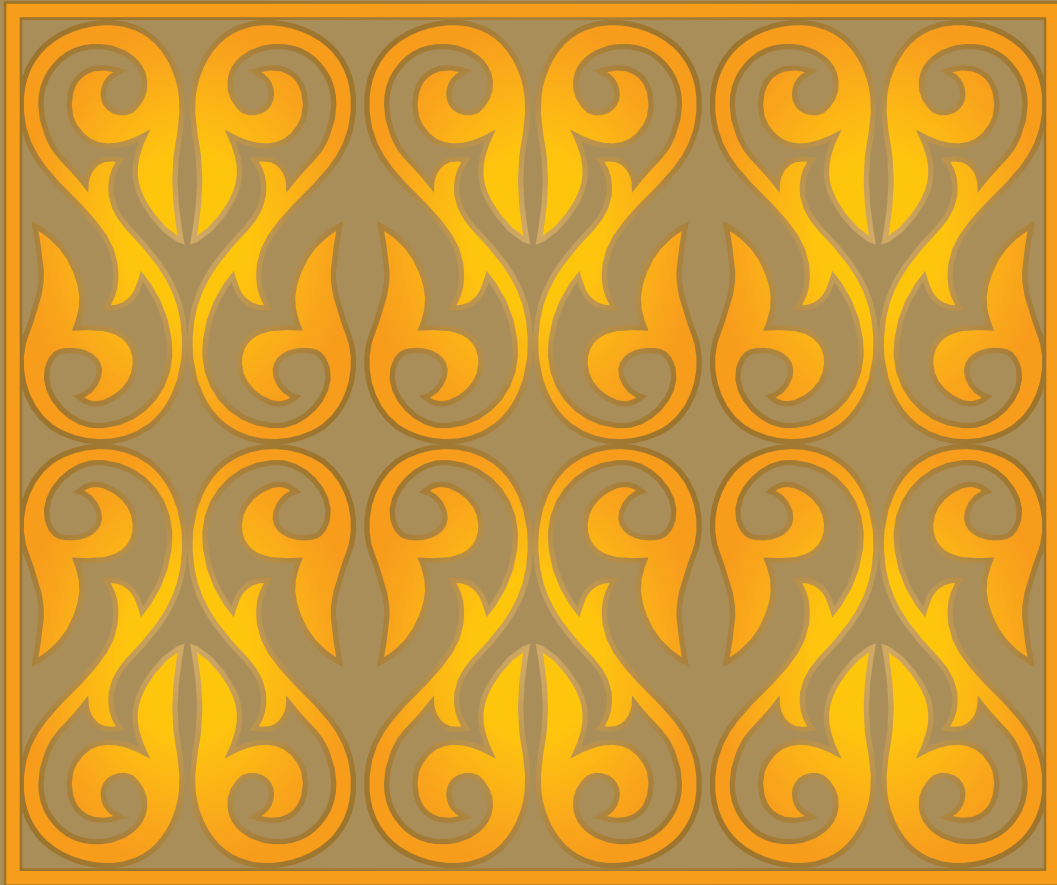
## Statement of Financial Position as at 31 December 2009

(in thousands of USD)

	2009	2008
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	27,047	33,018
Intangible assets	2,262	2,488
Prepayment for long-term assets	8,868	6,706
Guarantee deposits	14,967	15,557
Deferred tax assets	3,112	1,436
Bank deposits	49,720	-
	<b>105,976</b>	<b>59,205</b>
<b>Current assets</b>		
Inventories	20,921	21,381
Prepayments	11,581	18,129
Income tax prepaid	4,081	4,583
Trade and other receivables	35,291	34,331
Other taxes prepaid	8,554	12,484
Guarantee deposits	2,327	978
Bank deposits	19,728	18,583
Cash and bank balances	22,008	34,702
Financial assets at fair value through profit or loss	1,361	-
	<b>125,852</b>	<b>145,171</b>
<b>Total assets</b>	<b>231,828</b>	<b>204,376</b>
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	17,000	17,000
Foreign currency translation reserve	(14,492)	8,332
Retained earnings	140,216	95,638
<b>Total equity</b>	<b>142,724</b>	<b>120,970</b>
<b>Non-current liabilities</b>		
Finance lease liabilities	-	308
Provision for aircraft maintenance	6,124	9,581
	<b>6,124</b>	<b>9,889</b>
<b>Current liabilities</b>		
Finance lease liabilities	311	904
Deferred revenue	43,923	37,719
Provision for aircraft maintenance	10,351	7,354
Trade and other payables	28,059	27,540
Financial liabilities at fair value through profit or loss	336	-
	<b>82,980</b>	<b>73,517</b>
<b>Total liabilities</b>	<b>89,104</b>	<b>83,406</b>
<b>Total equity and liabilities</b>	<b>231,828</b>	<b>204,376</b>

**Statement of Changes in Equity for the Year Ended 31 December 2009**
*(in thousands of USD)*

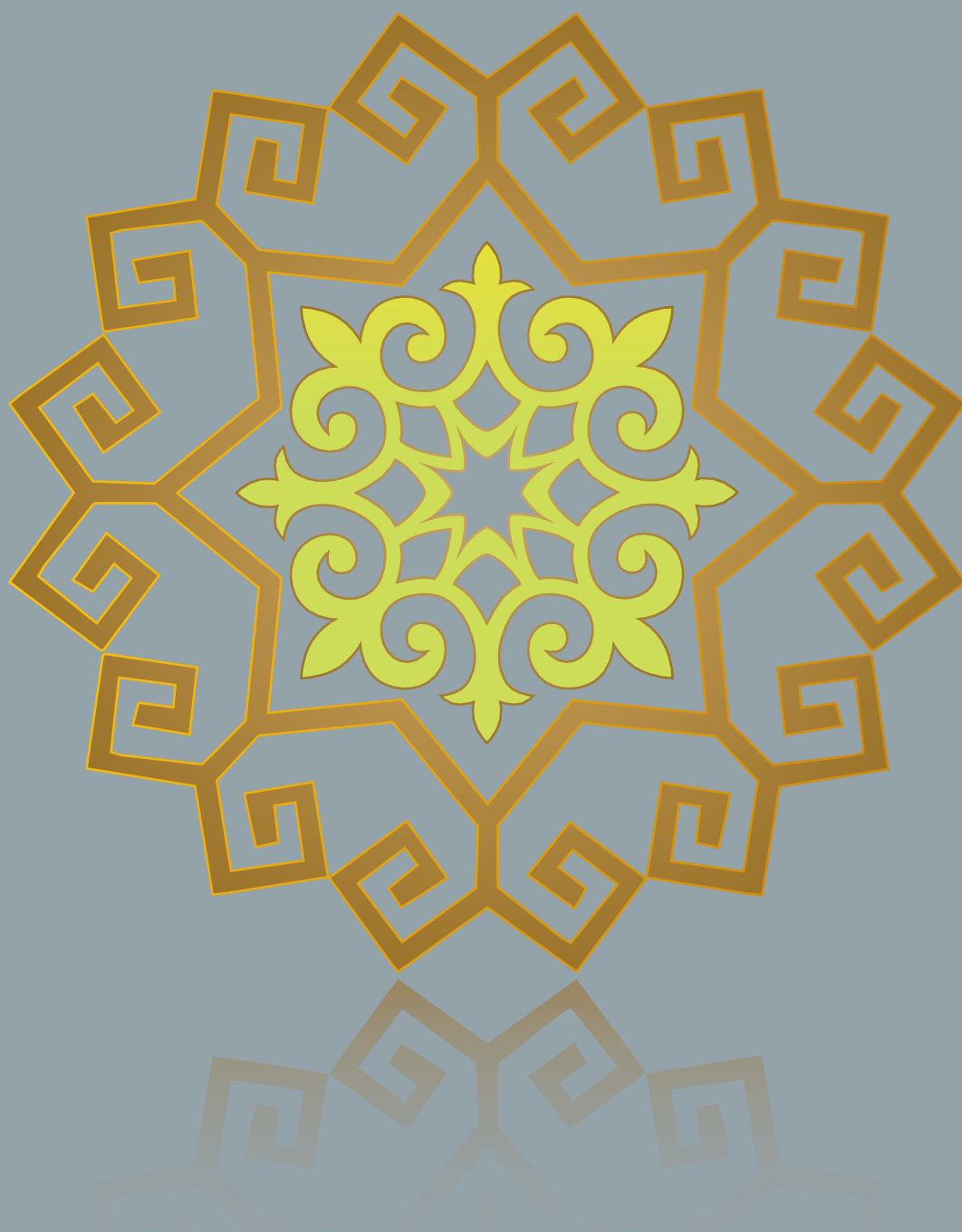
	Share capital	Foreign currency translation reserve	Retained earnings	Total equity
<b>At 1 January 2008</b>	<b>17,000</b>	<b>8,756</b>	<b>87,614</b>	<b>113,370</b>
Profit for the year	-	-	17,075	17,075
Foreign currency translation loss	-	(424)	-	(424)
Total comprehensive income for the year	-	(424)	17,075	16,651
Dividends paid	-	-	(9,051)	(9,051)
<b>At 1 January 2009</b>	<b>17,000</b>	<b>8,332</b>	<b>95,638</b>	<b>120,970</b>
Profit for the year	-	-	47,985	47,985
Foreign currency translation loss	-	(22,824)	-	(22,824)
Total comprehensive income for the year	-	(22,824)	47,985	25,161
Dividends paid	-	-	(3,407)	(3,407)
<b>At 31 December 2009</b>	<b>17,000</b>	<b>(14,492)</b>	<b>140,216</b>	<b>142,724</b>



ORNAMENT "ONE HORN".  
COLOUR SHADES: RED AND BLACK.

**Statement of Cash Flows for the Year Ended 31 December 2009**
*(in thousands of USD)*

	<b>2009</b>	<b>2008</b>
<b>OPERATING ACTIVITIES:</b>		
Profit before tax	61,021	26,983
Adjustments for:		
Depreciation and amortization of property, plant and equipment and intangible assets	6,792	4,014
Loss on disposal of property, plant and equipment	1,778	1,801
Change in allowance for doubtful debts	1,535	924
Change in allowance for obsolete and slow-moving inventories	330	-
Foreign exchange (gain)/loss	(7,527)	1,295
Interest income	(4,328)	(4,505)
Interest expense on finance lease	41	96
Net unrealized loss on financial assets and liabilities at fair value through profit or loss	138	-
Operating cash flow before movements in working capital	59,780	30,608
Increase in accounts receivable	(3,228)	(15,171)
Decrease/(increase) in other receivables and prepaid expenses	3,555	(1,555)
Increase in inventories	(3,872)	(8,202)
Decrease/(increase) in guarantee deposits	602	(368)
Increase/(decrease) in accounts payable, accrued expenses and other current liabilities	6,307	(4,051)
Increase/(decrease) in deferred revenue	13,295	(797)
Cash generated from operations	76,439	464
Income tax paid	(16,306)	(2,251)
Interest paid	(30)	(117)
Net cash generated from/(used in) operating activities	60,103	(1,904)
<b>INVESTING ACTIVITIES:</b>		
Pre-delivery payment and purchase of property, plant and equipment	(11,578)	(16,969)
Purchase of intangible assets	(825)	(421)
Bank term deposits made	(78,487)	(256,532)
Maturities of bank term deposits	26,156	300,298
Interest received	2,327	6,658
Net cash (used in)/generated from investing activities	(62,407)	33,034
<b>FINANCING ACTIVITIES:</b>		
Proceeds from bank overdraft	-	995
Repayment of bank overdraft	-	(995)
Dividends paid	(3,482)	(9,003)
Principal payments on finance lease	(933)	(1,440)
Net cash used in financing activities	(4,415)	(10,443)
<b>NET (DECREASE)/INCREASE IN CASH AND BANK BALANCES</b>	<b>(6,719)</b>	<b>20,687</b>
Effect of foreign exchange rate changes on cash and cash equivalents held in foreign currencies	(5,975)	(927)
<b>CASH AND BANK BALANCES, at the beginning of the year</b>	<b>34,702</b>	<b>14,942</b>
<b>CASH AND BANK BALANCES, at the end of the year</b>	<b>22,008</b>	<b>34,702</b>



**ORNAMENT "BROKEN HORNS".**  
CRAFTSMEN DECORATED CARPETS, PATTERNED  
MATTING, *BASKURS*, TAPESTRIES AND BAGS WITH  
THIS ORNAMENT. COLOUR SHADES: RED, CLARET-  
COLOURED, GREEN, BROWN AND BLACK



# 12

## Major Tasks for 2010

### The EU Operating Ban

Maintenance of exemption of Air Astana from the EU operating ban is essential. Kazakhstan's airlines should be removed from the EU operating ban after Kazakhstan has developed and implemented appropriate corrective actions to eliminate ICAO non-compliances. Air Astana continues to provide professional support to the Civil Aviation Committee of Kazakhstan.

### Common Customs Tariff

One of the external factors to affect Air Astana will be the introduction of the Common Customs Tariff providing a customs duty for import of civil aircraft following the adoption of the Customs Code of the Common Customs Union between Belarus, Kazakhstan and Russia. Hence, Air Astana will continue to be an active participant in working with governmental departments for the purpose of achieving an exemption of civil aircraft from customs duties for all the carriers of the Customs Union.

### Fleet Decisions

- Introduction of the 6<sup>th</sup> F50 for connectivity of Western Kazakhstan and feeding to Atyrau – Amsterdam route. This enables Air Astana to create a base for the Fokker F50 aircraft and to operate inter-city flights in Western Kazakhstan
- Study of Fokker F50 fleet replacement in 2012
- Airbus A320 aircraft purchase financing
- Preparation for the introduction of Embraer 190-LR aircraft. The arrival of the new Embraer 190-LR aircraft in the 1<sup>st</sup> quarter of 2011 will further enable Air Astana to develop an efficient regional network and to meet the potential demand

### Network Development

Launch of new routes in the Central Asian region – this strategy began with the launch of services to Bishkek, Novosibirsk and Baku. Other destinations planned for 2010 are Tashkent and Dushanbe.

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# Appendices

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## i. Network in 2009

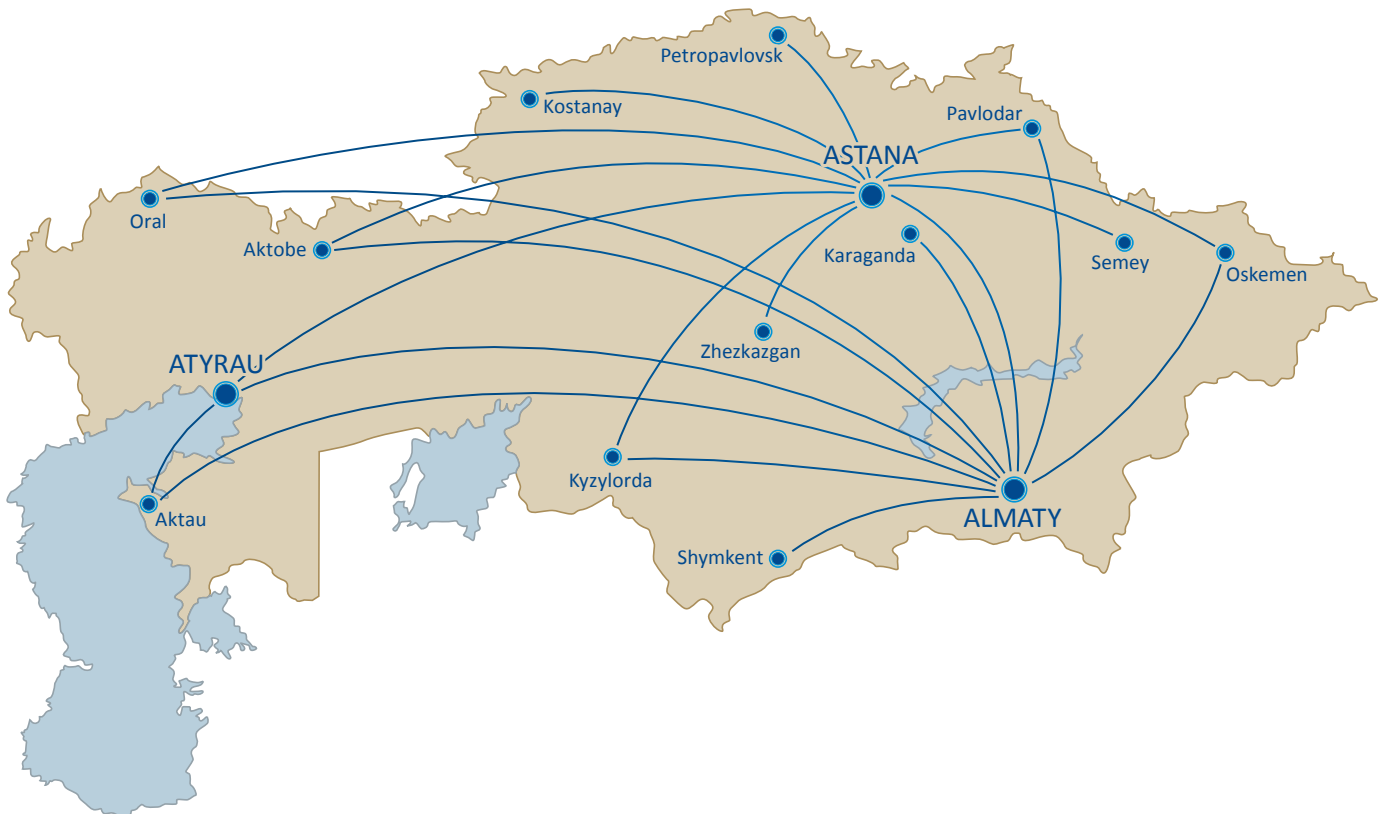
### Domestic routes

Almaty – Aktau  
Almaty – Aktobe  
Almaty – Astana  
Almaty – Atyrau  
Almaty – Karaganda  
Almaty – Kyzylorda  
Almaty – Shymkent

Almaty – Oral  
Almaty – Oskemen  
Almaty – Pavlodar  
Almaty – Shymkent  
Astana – Aktobe

Astana – Atyrau  
Astana – Kostanay  
Astana – Kyzylorda  
Astana – Oral  
Astana – Oskemen

Astana – Pavlodar  
Astana – Petropavlovsk  
Astana – Semey  
Astana – Zhezkazgan  
Atyrau – Aktau



**International routes**

**The Commonwealth of Independent States**

- Almaty – Baku
- Almaty – Bishkek
- Almaty – Moscow
- Astana – Moscow
- Astana – Novosibirsk

**Asia and the Middle East**

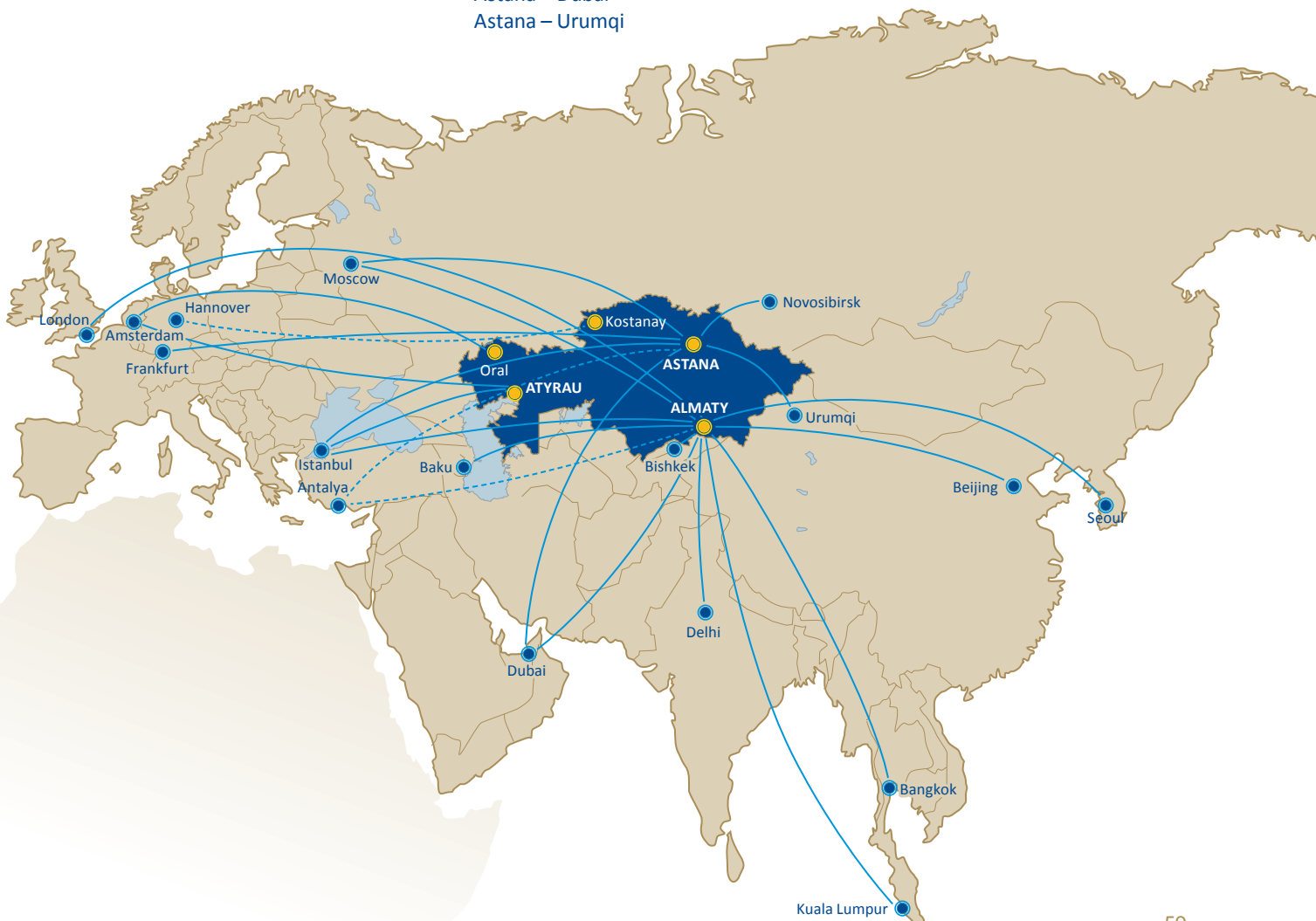
- Almaty – Bangkok
- Almaty – Beijing
- Almaty – Delhi
- Almaty – Dubai
- Almaty – Kuala Lumpur
- Almaty – Seoul
- Astana – Dubai
- Astana – Urumqi

**Europe**

- Almaty – Istanbul
- Almaty – London
- Astana – Istanbul
- Astana – Frankfurt
- Atyrau – Amsterdam
- Atyrau – Istanbul
- Oral – Amsterdam

**Non-scheduled routes**

- Astana – Antalya
- Almaty – Antalya
- Kostanay – Hannover



## ii. Air Astana Fleet in 2009

Manufacturer	Model	Quantity
Airbus	A319-132	1
Airbus	A320-232	7
Airbus	A321-231	2
Boeing	B757-200	4
Boeing	B767-300ER	2
Fokker	F50	5
<b>Total</b>		<b>21</b>



### iii. Representative Offices

#### The CIS

##### 1. Baku, Azerbaijan

Air Astana City Office  
Caspian Plaza 1, 1<sup>st</sup> Floor  
C. Cabbarli, 44  
AZ-1065, Baku  
Phone: +994 (0)12 497 49 96

##### 2. Moscow, Russian Federation

Air Astana City Office  
The 3rd Tverskaya-Yamskaya, 26,  
Office 2  
Phone: +7 (495) 980 24 30, 251 16 05

#### Asia and the Middle East

##### 3. Beijing, People's Republic of China

Air Astana Beijing  
Office 517, 50 Liangmaqiao Road,  
Chaoyang District, Beijing,  
100016 PRC  
(Kempinski Hotel,  
Beijing Lufthansa Centre)  
Phone: +86 1064651030, 64665067

##### 4. Seoul, South Korea

Air Astana Seoul  
3rd Floor, Donghwa B/D, 58-7,  
Seosomun-Dong, Chung-Ku, Seoul  
Phone: +82 (0)2 3788 0211

##### 5. Urumqi, People's Republic of China

830000, Xinshi district, Yingbing  
Street 46,  
Training Centre Airports  
Partnership Office 513

##### 6. Delhi, India

Air Astana Delhi  
207, N-1, BMC House, Middle Circle,  
Connaught Place,  
New Delhi 110001  
Phone: +91 11 41521425, 23711225

##### 7. Dubai, United Arab Emirates

Air Astana Dubai,  
Dnata Travel Centre  
Sheikh Zayed Road, Ground Floor,  
Dubai, United Arab Emirates  
Phone: +9714 3166572/573

#### Europe

##### 8. Frankfurt, Federal Republic of Germany

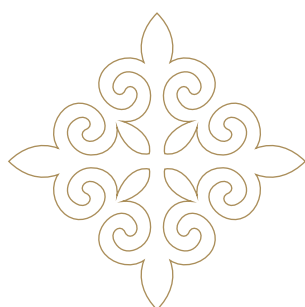
Air Astana  
c/o Aviareps AG  
Hessenring 32, 64546  
Mörfelden-Walldorf  
Phone: +49 (0) 6105 206022

##### 9. Istanbul, Turkey

Air Astana Istanbul City Office  
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Reference to the report is obligatory if information contained therein is used.