

KEY EVENTS

Fulfillment of EXPO 2017

EXPO 2017 “Future Energy” was a great success for the country. As an official carrier of EXPO 2017 Astana, our Company helped increase the number of visitors to the exhibition by providing over 10,000 passes to our international passengers. Much of our passenger growth in 2017 was the result of international transit traffic via Kazakhstan and passenger demand to Astana for the EXPO during summer.



Network expansion

We started operating daily flights to Novosibirsk and Yekaterinburg, Russia, in 2017. The decision to introduce daily flights was part of our strategy to improve connectivity across our network and to reap the benefits afforded by our strategic location to drive transit traffic. We also added more frequent flights to St Petersburg, London, Urumqi and Tehran. Two new routes were added in 2017. The first was between Astana and Delhi the second was between Ural'sk and Frankfurt. The total number of passengers increased by 12% year-on-year in 2017, or by close to half a million passengers, exceeding 4 million annual passengers for the first time.

New terminal at the Nursultan Nazarbayev International Airport

In July of 2017, we transferred all international flights from Astana to a new terminal at Nursultan Nazarbayev International Airport. The new terminal meets all international standards and will allow us to develop a business that directly depends on network traffic, i.e. the transit potential of our hubs. The new terminal is equipped with innovations in terms of its baggage control system and passenger check-in system, while also providing sufficient terminal capacity for the future growth. The throughput capacity of the new terminal is about 1,800 passengers per hour and 1,220 baggage units per hour. The expansion of the airport helped relieve the terminal of domestic flights and increase the frequency of flights.

Aviation Technical Centre in Astana completed

We completed the construction of our Aviation and Technical Centre in Astana. The Centre will be one of the largest aircraft repair centres in Central Asia and a leading centre of its kind in the region. The fully modern facility will offer an extensive range of aircraft repairs and maintenance. We plan to set up workshops to repair aircraft components, perform composite repairs and conduct non-destructive testing on-site. The Centre will also be the largest spare-parts warehouse in Kazakhstan. In addition, it will create 190 jobs and will provide on-the-job training for future aircraft mechanics.

Skytrax recognition for the sixth consecutive year

In 2017, our Company was once again recognised for its four-star service excellence, retaining the accolade of “Best Airline in Central Asia and India” at the Skytrax World Airline Awards for the sixth consecutive year. We also took home the prize for “Best Airline Staff Service in Central Asia/India” for the fifth time.

We are becoming one of the largest Airbus A320 NEO-family operators in Central Asia and the CIS

Our Company is becoming one of the largest operators of A320 NEO-family aircraft in Central Asia and the CIS. We became the first operator of this type of aircraft in the region in 2016, and our fleet will expand to 17 aircraft by 2020. We will then be operating six A320 NEOs, seven A321 NEOs and four A321 NEO LR.

KEY EVENTS

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Five E190-E2s leased

We have signed a lease agreement for five Embraer E190-E2s. Deliveries will commence in late 2018 or early 2019.

The E2 offers greater range and operational efficiency, which will support our growing network and open up new market opportunities.

National recruitment drive launched as expansion continues

In 2017, we launched our Try on a Dream recruitment campaign in order to attract future pilots, engineers, flight attendants and ground services staff from all over the country. We currently operate 32 aircraft, but with the fleet expected to increase to 64 aircraft by 2026, there will be a need to expand our workforce.

Code-share agreement signed with Lufthansa

We solidified our cooperation with Lufthansa with the signing of a code-share agreement that gives customers of both airlines greater choice in terms of travel. Passengers will now be able to choose from a combined total of 14 flights a week instead of the seven weekly flights between Kazakhstan and Germany operated by each carrier. In order to make it easier for our passengers to connect on flights with Lufthansa and other partner airlines, we have moved to Terminal 1 at Frankfurt Airport.

In-flight broadband introduced on select routes

Passengers flying with us are now able to enjoy high-speed broadband Internet on board certain routes. This service will be available to Business and Economy Class passengers on all three of our Boeing 767s. Our Company is the first airline in the world to install GX Aviation on wide-body aircraft, reinforcing our focus on technological innovation and excellence in passenger service.

MySeat service launched

Our new MySeat service enables passengers to reserve seats in the front rows of selected cabins. Passengers can still book seats in other parts of the aircraft free of charge.

Compliance with the best international technical and operational standards

In 2017, we continued to demonstrate our adherence to the highest international standards and best practices. Thus, we successfully passed the IATA Operational Safety Audit (conducted once every two years) for the sixth time in 2017.

We also renewed our certificates from the European Aviation Safety Agency (EASA) for conducting aircraft maintenance in accordance with the requirements of EASA Part 145 regulations.

We also successfully passed our annual EASA Part-145 audit (Aircraft Line Maintenance) by the UK Civil Aviation Authority and an EASA Part-147 audit (Maintenance Training Organization) by the Irish CAA.

Functional currency changed to the US dollar

Following a careful analysis, management concluded that the US dollar would become our functional currency, as it best represents the economic impact of our transactions and other events and conditions that affect our Company. The change from the tenge to the US dollar took effect in 2017.