

3.1

OPERATING RESULTS

Our upgraded service quality standards and proactive marketing strategy helped us improve our load factor to 67% in 2017 while also welcoming a record 4.2 million passengers on board, up 12% year-on-year (3.7 million in 2016). This kind of explosive growth was last seen four years earlier, when we were expanding our market presence by building up our fleet. Our strong performance in 2017 suggests that improvements in service quality represent a significant growth opportunity for our Company. Our wealth of experience, development strategy and effective decision-making enabled us to make great strides while maintaining a stable fleet size in an environment of low economic growth and increased domestic competition. Our strong growth in passenger traffic was mainly due to increased demand from international passengers, which can be seen as an additional stability factor in the mid-term.

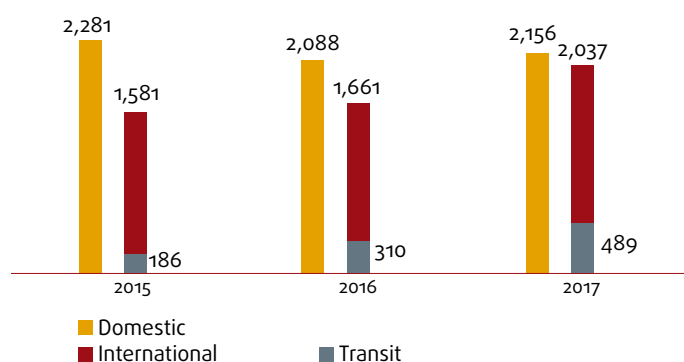
Passengers carried ('000)



Traffic growth was driven by our strong performance on international routes, where traffic increased by a healthy 23% in 2017.

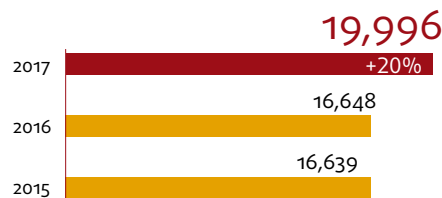
Much of our passenger growth in 2017 was the result of international transit traffic via Kazakhstan and passenger demand to Astana for Expo 2017. Our total number of transit passengers increased by 58% year-on-year in 2017. The main contributor to this growth was our international transit business coming from our extended home markets in China, India, Ukraine, Central Asia and other countries.

Domestic, international and transit passenger traffic ('000)



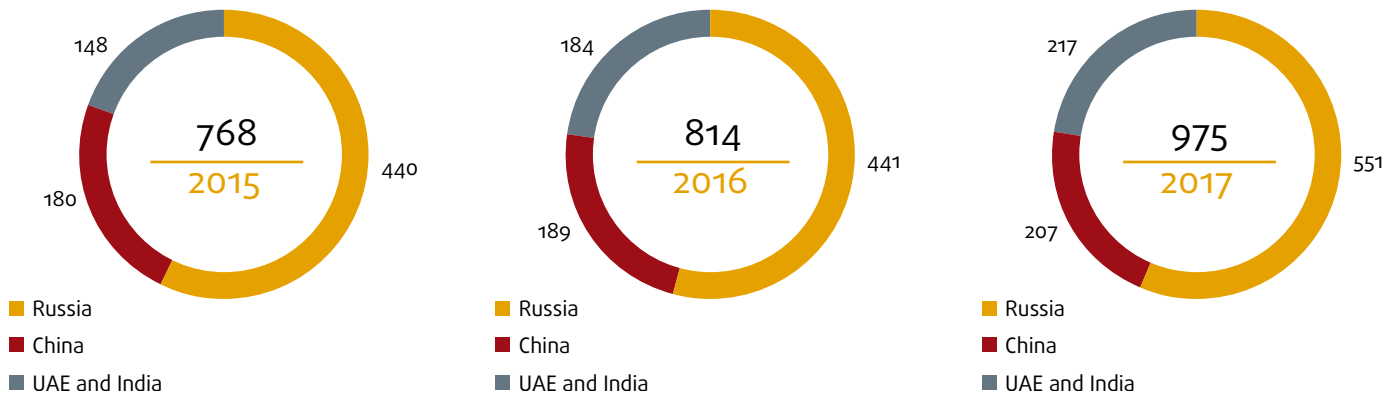
We started operating daily flights to Novosibirsk and Yekaterinburg, Russia. Moreover, we added more frequent flights to St Petersburg, London, Urumqi and Tehran. Two new routes were added in 2017. The first was between Astana and Delhi; complementing the existing services between Almaty and Delhi, the second was between Uralsk and Frankfurt, reopening direct air links between north-western Kazakhstan and the heart of Europe.

Cargo, mail and excess baggage carried (tonnes)

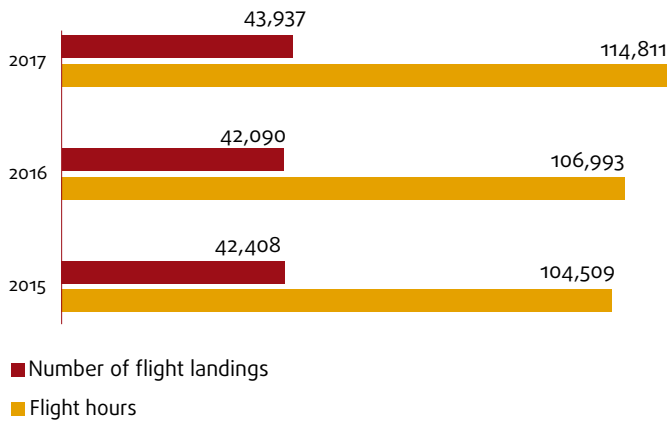


We saw a 20% increase in cargo, mail and excess baggage sales in 2017. The source of this growth was the simplification of transit procedures from overseas to points within Kazakhstan.

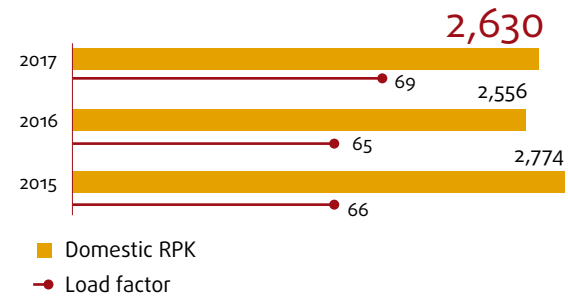
Passengers on flights ('000)



Number of flight landings & flight hours



Domestic RPK (MN) & load factor (%)



International RPK (MN) & load factor (%)

