

S7 Airlines is now part of oneworld

- **World's premier airline alliance adds Russia's leading domestic carrier**
- **Group's network in Commonwealth of Independent States tripled**
- **Double miles offer to frequent flyer to celebrate**
- **Moscow ceremony marks latest landmark in oneworld's breakthrough year**

Monday, 15 November 2010: S7 Airlines today became part of **oneworld**[®], adding Russia's leading domestic carrier to the world's premier global airline alliance. Its subsidiary Globus joined at the same time, as an affiliate member of **oneworld**.

They now offer **oneworld's** full range of services and benefits, joining an alliance of best-in-class airline partners from every region around the world - American Airlines, British Airways, Cathay Pacific Airways, Finnair, Iberia, Japan Airlines, LAN Airlines, Malév Hungarian Airlines, Mexicana, Qantas and Royal Jordanian and almost 20 affiliated airline.

Customers benefit from expanded global network

S7 and Globus between them serve 90 destinations and 28 countries. They add 55 destinations in Russia and the Commonwealth of Independent States to the **oneworld** schedule, and nine countries, in Armenia, Azerbaijan, Georgia, Kazakhstan, Kyrgyzstan, Moldova, Tajikistan, Turkmenistan and Uzbekistan. This has almost tripled the number of destinations served by **oneworld** in Russia, the CIS and other parts of East Europe to a total 84 destinations in 26 countries.

It expands **oneworld's** global coverage to a total of more than 750 destinations in almost 150 countries, served by 8,500 departures a day operated by a combined fleet of some 2,250 aircraft, carrying 300 million passengers a year, with annual revenues of more than US\$85 billion. When **oneworld** member designates airberlin, Europe's fifth largest airline, and Kingfisher Airlines, India's leading carrier, join in the coming 18 months, that will grow further to some 900 destinations, served by 9,500 daily departures operated by 14 airlines and 20 affiliates, carrying 340 million passengers a year on a combined fleet of 2,500 aircraft, generating annual revenues of US\$90 billion.

Extended frequent flyer benefits – with 'double miles' offer to celebrate

Members of the S7 Priority frequent flyer programme have now, in effect, had the privileges they receive when flying with S7 extended to cover travel using any **oneworld** member airline worldwide.



They can now earn and redeem mileage awards on any **oneworld** flight – and to celebrate the airline’s addition to the group, they will receive double the normal mileage awards when flying on S7’s **oneworld** partners for the next two months. *(See notes below.)*

S7 Priority Platinum and Gold cardholders have **oneworld** Emerald and Sapphire status respectively, gaining them access to some 550 airport lounges worldwide offered by the alliance’s airlines. S7 Priority Silver cardholders will have **oneworld** Ruby status.

The 100 million members of the established **oneworld** airlines’ frequent flyer programmes can now earn and redeem awards and tier status points and receive all other **oneworld** benefits on S7. Members of **oneworld** airlines’ loyalty programmes will receive double the normal mileage awards when flying on S7 until 15 January, to mark its addition to the alliance. *(See notes below.)*

Most extensive network in Russia and CIS now covered by market-leading alliance fares

S7’s network – the most extensive in the region – is now covered by **oneworld**’s market-leading range of alliance fares and sales products, including **oneworld** Explorer, the most popular round-the-world fare globally.

Its Russian domestic market is the world’s largest country in terms of land mass, the ninth most populous and with the eighth biggest gross domestic product. It is predicted to be one of the world’s fastest growing regions for air travel demand.

Currently seven of **oneworld**’s established airlines – British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, Malev Hungarian Airlines and Royal Jordanian – serve Moscow, plus St Petersburg and Ekaterinburg in Russia.

Completion of one of its biggest yet projects strengthens S7’s position

For S7, joining **oneworld** will strengthen its competitive and financial position, enabling it to offer customers an unrivalled alliance global network served by partners including some of the best and biggest airlines in the world.

Its addition to the alliance – effective at 0001 Irkutsk-time this morning – completes what has been one of the biggest projects in the airline’s history, with working groups covering some 35 streams of activity.

British Airways has been supporting S7 through its 18-month alliance implementation project, as its **oneworld** sponsor airline.

S7’s IT systems have now been linked to those of **oneworld**’s established members and various internal processes and



procedures brought into line with the alliance's requirements. An extensive employee training and communications programmes has been completed to ensure employees at S7 and throughout the alliance are ready to provide **oneworld's** customer services and benefits across the expanded alliance.

As part of an extensive marketing communications programme, all S7 Priority Platinum, Gold and Silver cardholders have been sent new membership cards, bearing the **oneworld** logo, to ensure they receive their alliance benefits from today.

S7 check-in desks, sales counters and other facilities at airports throughout its network have been specially decorated with balloons and banners today to celebrate its addition to **oneworld**.

Senior representatives from all oneworld airlines gather in Moscow for joining ceremony

Senior representatives from all **oneworld's** established and designate member airlines – led by British Airways Chief Executive Willie Walsh, airberlin Chief Executive Joachim Hunold and **oneworld** Managing Partner John McCulloch - gather in Moscow today for a formal joining ceremony hosted by S7 Group Chief Executive Vladislav Filev.

S7 Group Chief Executive Vladislav Filev said: "Today represents the start of a new and exciting era for S7, as we take one of the most significant steps in our airline's history. It is real honour to be part of what is very clearly the world's pre-eminent global airline alliance, flying alongside some of the most distinguished names in our industry. We move S7 into the next phase of its development as part of the highest quality grouping of airlines. **oneworld** gives S7 the best quality partners, the best worldwide network, the best alliance services for our customers and the best opportunity to put our airline firmly on the global stage.

"Getting to this position has required a great deal of hard work, and I would like to take this opportunity to give my personal thanks to everyone who has been involved in this project – at S7, at our **oneworld** sponsor British Airways, at the central **oneworld** team and at all of our partner airlines."

Willie Walsh, Chief Executive of British Airways, S7's **oneworld** sponsor, said: "Our aim has always been to establish **oneworld** as the world's pre-eminent and most successful global airline alliance, with an unrivalled collection of quality carriers, offering the best coverage of the places our key target customers really want to reach and delivering unmatched benefits to customers and member airlines.

"Our focus on quality means that we are particularly selective and demanding in the airlines we invite to join us. We only consider carriers who match the quality of our existing members – in their approach to customer service, innovation, safety and security. Today, **oneworld** has added another great airline, the best, we firmly believe, in



Russia and the Commonwealth of Independent States – S7.”

oneworld Managing Partner John McCulloch added: “S7 will expand **oneworld**’s network substantially in a key region of growing travel demand, with a carrier that matches our demanding quality requirements, while enabling S7 to offer its customers a truly global network on quality partners. We are delighted to be welcoming them to the **oneworld** alliance.”

Latest landmark in oneworld’s breakthrough year

The addition of S7 is the latest landmark for **oneworld** in what is turning into a breakthrough year for the alliance. In other key milestones so far in 2010:

- India’s leading carrier Kingfisher Airlines became a **oneworld** member elect in June – followed by airberlin, Europe’s fifth biggest airline, in July.
- American Airlines, British Airways, Iberia, Finnair and Royal Jordanian in July received long-awaited final approval for their application for anti-trust immunity across the Atlantic, with American, BA and Iberia launching their transatlantic joint business in October.
- Japan Airlines has been expanding its co-operation with its **oneworld** partners since reaffirming its membership of the alliance in February. It has now gained final approval from authorities in both Japan and the USA to launch a joint business with American Airlines between Asia and North America from early next year. JAL has also substantially expanded code-sharing with many other **oneworld** partners.
- British Airways and Iberia are on track to complete their merger by the end of the year.
- LAN Airlines celebrated its 10th anniversary as a **oneworld** member on 1 June. Since joining, it has added to the grouping its affiliates in Argentina, Ecuador and Peru.
- **oneworld**’s biggest airport co-location project in Asia was completed at the end of October, with British Airways moving alongside all the other on-line **oneworld** airlines in Terminal 2 at JAL’s Tokyo Narita international base. At the same time, **oneworld** positioned itself as the leading alliance at Tokyo Haneda, as it opened to scheduled international services, offering the airport’s widest international network and biggest domestic operation.
- **oneworld** last week retained the World’s Leading Airline Alliance title in the World Travel Awards for the eighth year running after being named the World’s Leading Airline Alliance in Skytrax’s World Airline Awards earlier in the year.

Notes

S7 Priority members will earn double the normal miles when flying on eligible flights on American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LAN, Malev, Qantas and Royal Jordanian until 15 January 2011. Members of American Airlines, British Airways, Cathay Pacific, Finnair, Iberia, Japan Airlines, LAN, Malev, Qantas and Royal Jordanian frequent flyer programmes will earn double the normal miles when flying on eligible S7 flights until 15 January 2011. For full details, see each airline frequent flyer programmes’ website.



About S7 Airlines

S7 is Russia's leading airline in terms of network, domestic passenger carryings, customer service quality and innovation.

It is the first carrier in Russia to convert to an all Western-built Airbus and Boeing fleet and the first to adopt full electronic ticketing and on-line reservations and sales. It holds the internationally recognised IOSA (International Air Transport Association Operational Safety Audit) certification, renewed in October 2008 and gained by its Globus subsidiary in October 2010.

S7 offers a two-class product to international standards on all departures – Business Class and Economy.

Its fleet, decorated in a distinctive bright green livery, includes 28 Airbus A320 family types, one Airbus A310, two Boeing 767s, four Boeing 737-400s and four Boeing 737-800s, with an average age of nine years.

S7 and Globus carried 5.6 million passengers in 2009, with a bigger share of the domestic Russian air travel market than any other airline. Including its international network, it is Russia's second biggest carrier.

Its main hub Moscow Domodedovo is the capital's most modern airport. Its secondary hubs are Novosibirsk and Irkutsk. Its international destinations include **oneworld** hubs Madrid and Bangkok.

S7 is one the most progressive airlines in Russia giving passengers new standards of service, supported by the use of latest technology. Tracing its origins back to 1957, it changed its brand name from Sibir Airlines to S7 Airlines five years ago with a radical rebranding to make it stand out from its competitors as customer-friendly, quality, modern carrier – winning the annual national award “People's mark / Brand No 1 in Russia”.

Since its election as a **oneworld** member designate in May 2009, S7 has launched code-sharing with alliance partners Iberia and Royal Jordanian. S7 also code-shares with **oneworld** member elect airberlin.

The airline generated profits of US\$151 million (operating) and US\$18 million (net) in 2009 on revenues of US\$1.1 billion. S7 employs 2,596 staff and uses SITA as its main IT platform. It is 75 per cent privately owned.

S7's English-language website is www.s7.ru/en/index.html

About oneworld

oneworld enables its members to offer their customers more services and benefits than any airline can provide on its own. These include a broader route network, opportunities to earn and redeem frequent flyer miles and points across the combined **oneworld** network and more airport lounges. **oneworld** offers more alliance fares than any of its competitors.

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