

# WINNER: SIBERIA AIRLINES



***Siberia Airlines has become Russia's largest domestic carrier on the strength of corporate vision and a robust business plan.***

Siberia Airlines (Sibir) is a trail-blazer for modernisation in the Russian airline industry. Now the country's largest domestic carrier, it has thrived with a world-class business development strategy aimed at growing its business, improved quality of services, transparency and a positive credit history.

Along the way it broke the mould by being the first private Russian airline to buy new-generation Russian aircraft with state-owned bank backing, and the first former Aeroflot domestic airline to offer a two-class configuration, free ground transport for passengers and online ticketing (through its subsidiary Ticketplus). It was also the first Russian airline to use experienced Western advisors in a planned and systematic way.

From the start of his tenure as chief executive, Vladislav Filiov realised that the tiny airlines created from the disintegration of Aeroflot had no future. His vision was to create a well-balanced mid-size regional airline with a well-developed route network.

Acquisition of several small regional operations in Western Siberia allowed the airline to provide trunk services to Moscow, and to begin development of Novosibirsk as its first hub. Next came a merger with a larger carrier, Irkutsk-based Sayany Airlines, giving Sibir its second hub. Finally, after a complex two-year process, Sibir acquired the second biggest Russian carrier, Moscow-based Vnukovo Airlines. This provided a third hub, and entry to the strongest market in Russia.

In 2002, Sibir signed code-share and interline agreements with the Armenian carrier Armavia Airlines. In October 2002, Armavia leased its first Airbus A320 from ILFC, partnered by Sibir. From the beginning, this aircraft has been operated and maintained by Sibir staff. Sibir established a line maintenance station in Yerevan, the capital of Armenia, certified to JAR-145 requirements.

Today Sibir enjoys steady, profitable business with annual turnover approaching \$350 million. From tenth position in terms of passenger numbers in 1997 (609,200 carried), Sibir has grown to second in 2002 with 2.8 million, and the first in domestic passenger transportation.

Siberia Airlines' business is ready for further development, including fleet modernisation with Western-built aircraft and multi-stage training of technicians and engineers, flight and cabin crews as well as managers in Europe's leading training facilities.