



PRESS RELEASE
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S7 AIRLINES, AIR BERLIN AND NIKI ANNOUNCE NEW INTERNATIONAL PARTNERSHIP

S7 Airlines, Russia's largest domestic carrier, today announced a major expansion of its European network through code-share agreements with Air Berlin, one of Europe's fastest growing airlines, and Austria's NIKI, the airline of former Formula 1 driver Niki Lauda.

Air Berlin, Germany's second largest carrier, and its partner NIKI, signed the agreement in Moscow today (October 16, 2008). It provides for the sharing of existing services, subject to official approval, on the following routes: Moscow-Frankfurt-am-Main¹, Moscow-Dusseldorf², Moscow-Munich³, Moscow-Hanover⁴ and Moscow-Vienna (Austria)⁵.

The agreements will allow all three airlines to significantly expand the services they offer their passengers.

The three carriers plan to offer unrestricted sales of tickets for each other's flights. For instance, S7 Airlines and Air Berlin will be able to offer up to seven flights to Germany a day depending on the destination. S7 Airlines' passengers will be able to book tickets directly with S7 to many cities in the flight network of Air Berlin and NIKI airlines.

Within the scope of the code-share agreement, the airlines have therefore agreed pro rata agreements on many routes. For example, passengers can now travel from Moscow via Munich to Palma de Majorca on just a single ticket.

This agreement is a significant stage in the development of all three airlines - S7 Airlines, Air Berlin and NIKI. All three airlines intend to deepen their relationship in other areas in the future.

Vladislav Filev, General Director S7 Airlines, said: "S7 Airlines has been looking for ways of efficient international development for a long time. Competition is high on international

¹ The flights are operated by S7 Airlines.

² The flights are operated by S7 Airlines and Air Berlin.

³ The flights are operated by S7 Airlines and Air Berlin.

⁴ The flights are operated by S7 Airlines.

⁵ The flights are operated by NIKI.

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routes, and opening new international destinations for S7 is limited by bilateral agreements. Code-share cooperation with large international airlines yields a lot of opportunities for S7 Airlines in Europe. We have the most extensive domestic flights network in Russia and we are also ready to cooperate efficiently in Western Europe.”

"This partnership allows us to strengthen our Russian operations considerably and to offer our passengers a greater choice of routes and more frequent flights to and from Russia. S7 Airlines is a Russian carrier of high quality and with strong growth," commented Air Berlin's CEO Joachim Hunold.

"We are delighted that in S7 Airlines we have acquired one of the major international Russian airlines as a strong partner for our flights to and from Russia," was the verdict of Niki Lauda, President of NIKI Luftfahrt GmbH.

Previously S7 Airlines and Air Berlin have agreed an interline agreement, allowing for seamless ticketing arrangements for passengers on both airlines.

About S7 Airlines:

S7 Airlines (www.s7.ru) has the largest domestic flight network in Russia thus being one of the world's 50 biggest domestic airlines.

In 2007 the company successfully underwent the new IOSA (IATA Operational Safety Audit), and became the second air carrier in Russia conforming to the strictest international requirements.

S7 Airlines is one the most progressive airlines in Russia giving passengers new standards of service, based on the use of modern technology and proactively developing its business. S7 Airlines is the winner of the annual national award "People's mark / Brand No 1 in Russia" in 2007.

About Air Berlin:

Air Berlin is the second largest German airline and the fourth largest airline in Europe. It was founded in 1978. Its route network includes major international cities and holiday destinations, as well as domestic flights within Germany. The attractive price-performance ratio appeals equally to those travelling on business and for pleasure. The airline has already won several awards on account of its high standard of service. Last year Air Berlin welcomed approximately 28 million passengers on board and achieved a turnover of 2.54 billion euros. The Air Berlin Group includes not only Air Berlin, but also the Austrian airline NIKI (24 %), the Swiss airline Belair (49 %), the Munich-based airline dba (100 %), and since March 2007 also the Düsseldorf-based airline LTU (100 %). The Air Berlin Group currently operates 128 aircraft and has more than 8,500 employees.

About NIKI:

Since NIKI was established in November 2003 the fleet of Airbus aircraft and the number of destinations have been steadily increasing. Air Berlin has had a 24% share of NIKI Luftfahrt

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GmbH since the start of 2004 – the cooperation between Air Berlin and NIKI marked the first European low-cost airliner alliance.

2007 saw NIKI Luftfahrt making profit for the fourth time in succession – in fact, it was more than twice as high as the profit recorded in 2006.

NIKI Luftfahrt GmbH has 350 employees. It carried around 1.7 million passengers in 2007.

One Airbus A321 (212-seater), six Airbus of the type A320 (180-seaters) and two Airbus of the type A319 (150-seaters) currently fly for NIKI.

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