PRESS RELEASE

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29.06.2004 | Volga-Dnepr Group gets support from HSBC for the launch of its new scheduled cargo airline

HSBC Bank has granted Volga-Dnepr Group a US$14 million loan, to be repaid over a five and a half year period.

The loan is to finance the fleet expansion of the first Russian scheduled cargo airline, AirBridge Cargo. The new company will operate both Russian and Western-manufactured freighters.

The first AirBridge Cargo Boeing 747-200 aircraft has already entered into service and the second aircraft is scheduled to arrive by the end of July 2004. Moreover, Volga-Dnepr is currently carrying on negotiations on financing the lease of an IL-76 and a TU-204.

As well as the loan for the new aircraft purchase, HSBC has also provided a short-term credit line up to $15 million to increase the Volga-Dnepr Group's working capital.

Commented Alexey Isaikin, President of Volga-Dnepr Group; "AirBridge Cargo, created within Volga-Dnepr Group, has become the first and sole carrier in the world that provides its customers with unique combination of AN-124s and B747s – the two best freighters of the present – which soon will be supplemented with smaller aircraft, such as IL-76s, IL-96s and TU-204s. We hope that our fruitful cooperation with HSBC in realizing our concept of 'airlift supermarket' will continue."

Commented Richard Tickner, CEO, OOO HSBC Bank (RR), a wholly owned subsidiary of HSBC Bank plc; "Our relationship with Volga Dnepr over the last 18 months has grown significantly not only in Russia, but around the world. I am delighted that we have been able to assist them in creating their exciting new venture, AirBridge Cargo. HSBC is committed to continue to offer all of its clients new solutions to their financial issues."


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