

## GLOSSARY

### I. Operational terminology

**PAX** – the number of passengers carried by an airline:

- **Direct PAX** – passengers on direct flights from origin to destination.
- **Transit PAX** – passengers on indirect flights, with a stop-over in a hub airport on their way from origin to destination.

**Passenger Kilometre/ Tonne Kilometre** – Metrics used in the aviation industry to measure performance:

- **Available Seat Kilometres (ASK)** – a measure of an airline's carrying capacity to generate revenue, taken from multiplying the available seats on any given aircraft by the number of kilometres flown on a given flight.
- **Revenue Passenger Kilometres (RPK)** – a way of calculating the number of kilometres travelled by paying customers, by multiplying the number of paying passengers by the distance travelled.
- **Available Tonne Kilometres (ATK)** – a way of measuring an airline's transportation capacity. Calculated by multiplying the capacity – in number of tonnes available – for the transport of revenue load (passengers and cargo) by the distance flown.
- **Tonne Kilometres (TKM)** – a way of measuring an airline's cargo and passenger carriage capacity – the movement of one tonne of cargo (or passengers, calculated at 90 Kg per passenger, and commercial cargo) one kilometre, measured in tonne kilometres.

**Passenger Load Factor (PLF)** – a measure for an airline's capacity, defined as the ratio between RPK and ASK.

**Commercial Load Factor** – the ratio between the number of tonne kilometres and the available tonne kilometres.

**Origin and Departure points (O&D)** – locations between which passengers are transported. This term is used in measuring the quantitative indicators of various markets, as defined by arrival and departure points, irrespective of whether direct or transit traffic is involved.

### II. Financial terminology

**Unit revenue/cost per RPK** – KPIs in the aviation industry, defined as being income or cost for available seat kilometres or revenue per passenger kilometres:

- **Yield** – revenue received per RPK
- **Revenue per Available Seat Kilometre (RASK)** – the ratio between revenue and available seat kilometres.
- **Cost per Available Seat Kilometre (CASK)** – the ratio between operating expenses and available seat kilometres.

**Total Shareholder Return (TSR)** – measures the return on investment for shareholders, taking into account the share price appreciation and dividends paid.

**EBITDA** – earnings before interest, taxes, depreciation, and amortization. Aeroflot includes customs duties in this indicator.

**EBITDAR** - earnings before interest, taxes, depreciation, amortization, and operating lease expenses (rent costs). Aeroflot includes customs duties in this indicator.

### III. Aviation terminology

**Low-Cost Carrier (LCC)** – an airline that offers lower fares than traditional airlines, reflecting limited service provision, while also charging additional fees for on-board and airport services.

**Routes** – domestic routes, international routes.

**Code Sharing** – agreement on joint commercial operation of a flight by two or more airlines, one of which acts as the operator (operates the flight in addition to selling tickets), while the others act as marketing partners (selling tickets only).

**Network Carrier** – an airline that, unlike low-cost carriers, offers a wide variety of services through one or more hubs with connecting flights.

**Maintenance, Repair, and Overhaul (MRO)** – Technical maintenance, ongoing repairs, and major renovations to aircraft.

**TCH** – Transport Clearing House.

**Hub** – a hub airport is a central connection point for many different flights: passengers and goods are transported from their departure point to a hub, from which they are carried to their final destination on another plane with other passengers and goods from other parts of the world.

**BSP/ARC** (Billing and Settlement Plan / Airline Reporting Corporation) – settlement systems between agents and airlines, organised by IATA, that facilitate and simplify air transportation sales on neutral forms (not owned by any airline) thereby offering airlines the opportunity to expand their market presence, minimise financial risks and reduce expenses incurred through the maintenance of sales systems. ARC is an analogous system operated in the United States.

**IATA** (International Air Transportation Association) – IATA, founded in 1945, is the prime vehicle for inter-airline cooperation in promoting safe, reliable, secure, and economical air services – for the benefit of the world's consumers.

**ICAO** (International Civil Aviation Organization) – an international civil aviation body established following the signing of the Chicago Convention on International Civil Aviation in 1944. It is a specialized UN agency responsible for developing international standards, recommended practices and regulations regarding the technical, economic, and legal aspects of international civil aviation.

**IOSA** (International Operational Safety Audit) – The IATA IOSA program is an internationally recognized and accepted evaluation system designed to assess a company's: organization and operational management, flight operations, engineering and technical maintenance of aircraft, ground service for aircraft, the operational control systems including maintenance management and flight scheduling, on-board service, aviation safety, and provisions for transporting cargo and hazardous cargo.

**ISO** – The International Organization for Standardization.