

Attn: Mr. Paul Smith

Group Director of Consumers and Markets
Civil Aviation Authority

Sent by email to: paul.smith@caa.co.uk
economicregulation@caa.co.uk

5th November 2020

Alexandr Neboga

Vice-president Ground Services, Ground Services
JSC Air Astana
4A Zakarpatskaya street 050039
Almaty, Kazakhstan

Dear Paul,

Re: CAP1966 Economic Regulation of Heathrow Airport Ltd: Response to its request for a Covid 19 related RAB adjustment.

On behalf of JSC Air Astana, we are fully agreed with the position provided by IATA and the LHR AOC, because the whole aviation industry is faced with crisis from the global COVID-19 pandemic.

As a result of the COVID-19 outbreak there are travel bans imposed by many countries, which has a disastrous impact on the capacity and causes a significant decline in passenger numbers especially for our company, while we have already stopped the operating activity to LHR as for now.

The company expects to survive the downturn with its current liquidity position but continues to push labor to further reduce expenses. Therefore the increase in Airport charges by HAL could have an extremely negative impact on recovery and the cash balance of JSC Air Astana, taking into account the fact that this year's revenue is proportionally much reduced because high-volume domestic routes are much lower yield than low-volume international routes (including our route to the UK).

Thereby, in our point of view, the solution, highlighted by the CAA to HAL, that they should look for an equity injection from its shareholders, instead of passing on this financial risk to consumers is more than justified and lawful for both sides, HAL and airline companies, respectively.

Kind regards,

Alexandr Neboga

