

Glossary

Aviation terminology

Aviation fuel – aviation fuel, lubricants, and special fluids.

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.

GDS (Global Distribution System) – a global computerised booking network used as a single access point by travel agents, online booking websites, or large corporates to book (reserve) tickets on airlines' flights, as well as hotel rooms, rental cars, etc.

NDC (New Distribution Capability) – a new aviation industry standard (standards) being developed by the IATA to provide airlines with more opportunities to sell their services to passengers both via own channels (such as a website or sales offices), and travel agents. Airlines will be able to customise and offer their air products across all sales channels, improve investment performance, and manage air product pricing. The benefits for passengers will include a simple and convenient access to an airline's products and services, as well as the opportunity to compare offers from different airlines on a range of metrics. Travel agents will be able to provide both a wider offering of products and services, and easier access to them.

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.

Operational terminology

Passenger traffic (PAX) – the number of passengers carried by an airline: Direct PAX – passengers flying directly between their origin and destination. Transit PAX – passengers flying with a stop-over in a hub airport on their way from origin to destination.

Passenger-Kilometres/Tonne-Kilometres – metrics used in the aviation industry to measure operating performance:

Available Seat-Kilometres (ASK) – a measure of an airline's carrying capacity offered for the market, derived from multiplying the available seats on any given aircraft by the number of kilometres flown on a given flight. ASK is measured in seat-kilometres;

Revenue Passenger-Kilometres (RPK) – a measure of available capacity actually used, calculated by multiplying the number of paying passengers on any given flight by the distance travelled. RPK is measured in passenger-kilometres;

Available Tonne-Kilometres (ATK) – a measure of an airline's total capacity (both passenger and cargo), calculated by multiplying the capacity in number of tonnes available for the transportation of passengers and cargo by the distance flown. ATK is measured in tonne-kilometres;

Revenue Tonne-Kilometres (TKM) – a measure of an airline's cargo and passenger carriage capacity utilisation, calculated by multiplying of tonne of freight (passengers, calculated at 90 Kg per passenger) by the distance flown. RTK is measured in tonne-kilometres.

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

Revenue 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.

Financial terminology

Unit revenue and cost – key performance measures in the aviation industry, defined as revenue or cost for ASK or RPK:

Yield – the ratio between passenger revenue and revenue passenger-kilometres;

Revenue per Available Seat-Kilometre (RASK) – the ratio between revenue (either passenger revenue or total 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.