



## Rostec to develop the small aircraft in cooperation with Austrian DAI

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Press-Release*

**Ural Works of Civil Aviation (UWCA), a Rostec subsidiary, and Austrian Diamond Aircraft Industries (DAI) have signed an agreement on joint production and design of a series of light utility aircrafts (LUA) in Russia. The signing took place at the Le Bourget Paris Air Show. Russian market demand for these machines currently exceeds 200 items. At the moment Russian small aircraft industry is in severe crisis. This project will settle the connection issues in remote communities and will provide sustainable development of the regions hardly accessible by surface transport. Effective and low-cost LUA will make domestic operations more profitable and thus will attract small air carriers without their own fleet to the market.**

“Today, local aviation in Russia is in a severe crisis as there are no state-of-the-art quality light airplanes of affordable prices”, CEO of Rostec **Sergey Chemezov** says, “The An-2 and L-410 currently in service have low fuel efficiency and high operating costs. Creating a principally new aircraft will fulfill this niche and allow the obsolete fleet to be replaced. Rostec plans to establish leasing programs of its own in order to boost the exploitation of the new aircraft in the future.”

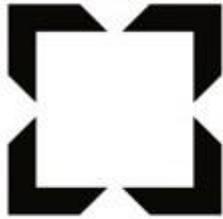
Rostec acquired DAI company as a partner to facilitate the small aircraft manufacturing as the company has innovative technologies in low-cost light plane production. Meanwhile, the Russian government is to restore the country’s airfield network and allocate subsidies in developing the new routes.

“We anticipate Russia is a prospective market as it has considerable territories giving it great potential in domestic services development”, **Christian Dries**, the president of Diamond Aircraft says. “It is generally recognized that the sector can be quite profitable once it is highly developed. For example, latest researches showed that the USA with its territories comparable with the Russia’s has up to 70 % of all the domestic operations in the world.”

On the first stage the aircraft and engines will be entirely assembled in Austria. The second stage involves partial component production localization in Russia. In the end all the LUA components and diesel engines will be manufactured in Russia at the facilities of UWCA. The first Russian light utility airplane is to be set to service in 2016.

“It is planned to roll out the production of small commercial airplanes with the capacity of 19 seats. The aircraft will meet the requirements of local air carriers operating within 400-1000 km flights”, **Aleksey Fedorov**, Rostec managing director on aviation projects says. “Russia doesn’t produce new LUAs. Although there are foreign analogues in commercial aviation, they are jet-prop unpressurised aluminum structures. We would like to offer diesel engine airframe planes made of composite materials. They will be powered by kerosene jet fuel. The solutions will enable fuel efficiency in as much as 2.5 times.”

“Ural Works of Civil Aviation has over 70-year experience in production, overhaul and upgrade of various aviation equipment. Today we partner with upwards of 200 air carriers. The cooperation with Diamond Aircraft Industries will support designing our own airplane models seating up to 9



**Rostec**

and 19 passengers and thus will contribute to the Russian small aircraft field development,” director general of UWCA **Vadim Badekh** says.

Additional agreement paragraphs involve localisation of 190 h.p. rotary engines for UAV of civil and military purposes as well as diesel aviation engine production.

**ROSTEKHNologii STATE CORPORATION (ROSTEC)** is a Russian corporation established in 2007 in order to facilitate the development, manufacturing and export of high-technology industrial products. Today it comprises over 663 companies, which form 8 military-industrial and 5 civil industry holdings. Rostec’s subsidiaries are located in 60 regions of Russia and supply their products to over 70 countries worldwide. In 2011 net profits of the Corporation amounted to RUB 45.6 billion and total taxation was RUB 100 billion.

**Ural Works of Civil Aviation** is an Oboronprom constituent, which, in its turn, is a Rostec subsidiary. This is a largest Russian aviation overhaul venture and a leader on international market of Mil and Kamov power plant maintenance. The works also has an experience in light aircraft building.

**Diamond Aircraft Industries (DAI)**, based in Austria, is a worldwide operating composite aircraft manufacturer with offices in major centres across North America, Europe, Asia and Australia. The company is dedicated to supplying the General Aviation market with the ultimate flying machines - safe, economical, inspiring aircraft. Diamond builds the safest, most efficient aircraft flying today, from single and twin-engine propeller aircraft to all-in-one remote sensing platforms.

Press contacts:  
Yulia Lebedinskaya  
+7 (926) 696 93 42  
yulebedinskaya@apostol.com