

# Expatriate Airline Executives Out on Street

By [Roland Oliphant](#)

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Avianova CEO Andrew Pyne, pictured in August, says the eviction is illegal and couldn't have been authorized by shareholders without his knowledge. **Sergei Nikolayev**

The CEO and other senior expatriate executives of Avianova, the country's fourth-largest airline, said Wednesday that they have been evicted from their offices in an apparent coup.

But the executives said they would not walk away from Avianova, a joint venture between Alfa Group and U.S. firm Indigo Partners that opened in 2009.

The case could prove an embarrassment to President Dmitry Medvedev after his repeated promises to make the country more investor friendly.

Avianova CEO Andrew Pyne, who was not in Moscow when the foreign executives were locked out and is now trying to run the airline offsite, called the move "illegal" and insisted that it could not have been authorized by all shareholders without his knowledge.

He also said there had been no forewarning of trouble and he was trying to find out what had

happened.

"We're not pretending to have any idea what's going on," Pyne, a British citizen who helped bring the budget airline off the drawing board, said by telephone.

A1, the Alfa Group company that owns 51 percent in Avianova, had no comment Wednesday. A spokeswoman asked for questions to be sent by e-mail. When a reporter called to find out whether a reply would be forthcoming, the person who answered the phone said everyone had left the office for the day.

Repeated calls to Indigo Partner's head office in Phoenix, Arizona, went unanswered. The company owns the other 49 percent of the airline.

Neither partner has notified any employees that they have been dismissed, Pyne said.

Guy Maclean, director of safety and quality at Avianova, said he rushed to work last Friday morning after receiving a garbled call from a colleague claiming he had been physically pushed out of the building.

When Maclean arrived, he found "a group of employees around the entrance in a state of agitation. Our lawyer was in tears, and she told us, 'We've all been fired,'" Maclean said by telephone Wednesday night. "I said, 'Well, who fired you?'"

Maclean noticed two "well-dressed" men in the parking lot who appeared to be watching the commotion. When he approached them for an explanation, one said that "unfortunately the foreigners no longer work at Avianova" because one of the shareholders has "restructured the company."

"Then he told me that 'the power vertical has been changed,'" Maclean said. "It just stuck in my head, such a stupid phrase. The whole thing was very intimidating and very unpleasant."

The man later identified himself as Konstantin Teterin and said he had been "invited by the shareholders to take part in the project," Maclean said.

Avianova named Teterin, a former deputy director of Red Wings airline who has also worked at Aeroflot and Transaero, as its new first deputy general director in a statement Monday.

The statement said Teterin had been hired to "increase the financial efficiency of the company in line with its strategic goals and development plans." No mention was made of the dismissal of staff or any restructuring of the airline.

Teterin was also one of the candidates being considered for a board seat at Aeroflot's annual shareholders meeting Wednesday, Interfax reported. The results of the meeting were not immediately available late Wednesday.

An attempt to locate Teterin for comment was unsuccessful.

In retrospect, Maclean said the only sign of possible change was the arrival of new security guards about a week earlier.

"They were bigger, muscular, in slightly different uniforms," he said.

He said they had grabbed the British colleague who had called him earlier Friday morning, and when they blocked other employees as well, the purpose of their arrival became clear.

"All I know is my e-mail has been cut off, I've been kicked out of the office and I don't know what's going on," Maclean said. "None of us want to walk away from the project."

Maclean said five staff including a Russian lawyer were barred from the office on Friday, and since then "three or four" Russian staff have also been forced out.

Avianova is a remarkable success story. Positioning itself as "Russia's first successful budget airline," it has grown to become the fourth-largest carrier in terms of passenger numbers. It carried its 2 millionth passenger this month and accounts for around 23 percent of traffic at Sheremetyevo Airport, Pyne said.

The airline has grown to six Airbus A320s from an initial two planes, and it flies to 20 domestic destinations between Kaliningrad in the west and Surgut in the east, and Arkhangelsk in the north and Sochi in the south.

Last year, general director Vladimir Gorbunov claimed the airline had created a "price revolution" by offering fares as low as 250 rubles. The claim of leadership is disputed by Sky Express, the first company to bring the budget airline concept to Russia in 2006.

Pyne, who is now in Moscow, said he had not attempted to return to the office to avoid creating an unnecessary confrontation. "The best approach is to stay cool and calm," he said.

"I hope there has been a misunderstanding," he added. "In the meantime, we are doing all we can to run the airline offsite and to reassure our suppliers that in our legal roles we're still attempting to run the company."

Requests for comment sent to Avianova's press service also went unanswered.

Teterin's new position does not replace Pyne's, but Pyne acknowledged that "it does give the impression that he is trying to run the company in our absence."

Pyne said Teterin's appointment was "illegal" without shareholder approval, and that any of Teterin's decisions in the company would consequently also be illegal.

Kommersant on Wednesday cited a source "close to the company" as saying that Pyne had been ousted after A1 accused him of "abusing his position" — a suggestion he dismissed as "complete and total nonsense."

"Any such suggestion would be a fabrication. I certainly haven't received any notification from the shareholders or any kind of disciplinary note," he said.

Maclean, a former Qantas employee who was brought in to introduce Western safety practices at the airline, said he felt he had been doing "a damned good job."

"As far as I'm concerned, we had the safest airline in Russia. This is not what this country

needs," he said.

*An earlier version of this article misidentified the first name of Avianova's CEO. His name is Andrew Pyne.*

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