

Aeroflot Group Consolidated financials (IFRS) 12M2012

Moscow

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Speaker:

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Commerce and Finance

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Aeroflot Group key events of 2012



HIGHER TRAFFIC VOLUMES AND MARKET SHARE

- As a result of integration of four airlines in Aeroflot Group, passenger turnover of the Group increased by 61.9%, passenger traffic – by 67.6%.
- Aeroflot Group market share in Russian Civil Aviation amounted to 37% in terms of passenger traffic and 38% in terms of passenger turnover.

IT AND INNOVATIVE DEVELOPMENT

- Mobile version of Company's website was launched.
- Installation and use of Electronic Flight Bag (EFB) was launched.
- Second stage of a joint project with SAP on implementation of innovative technologies in subsidiary companies, branches and units of the Company started.
- MySirena charter carriage booking module was set into operation.
- International payment system WebMoney Transfer was connected.

EXPANSION AND FLEET MODERNIZATION

- 18 new aircraft were put into operation: eight Airbus A330, six SSJ-100, three Airbus A321, one Airbus A320.

TRAINING AND IMPROVEMENT OF PERSONNEL QUALIFICATION, HR POLICY

- Contract for delivery of the new Airbus A330 full flight simulator in 2013 was signed.
- SSJ-100 full flight simulator was delivered.
- Aeroflot Aviation School expanded the range of training programs and became the largest aviation training center in Russia and CIS.

SECURITY

- Flight safety indicator amounted to 99.965% – this lands in the highest range of indicators (99.900% - 100%) of the security rating scale.
- Inspection of the Transportation security office of Federal Agency for Air Transportation of Russia was successfully passed as well as USA Federal Aviation Administration rules compliance test.
- Inspections under the Safety Assessment of Foreign Aircraft (SAFA) programme were carried out in the airports of European Civil Aviation Conference participating states.
- ISO 9001:2008 Standard compliance audit of Aeroflot Group quality management system was carried out.

GROUP MANAGEMENT DEVELOPMENT

- Integration activities were carried out in JSC "Aeroflot" and subsidiary airlines of the Group.
- Frequent flier programs of "Donavia" and "Vladivostok Air" were incorporated into "Aeroflot Bonus" program.
- Deals on disposal of non-core assets: LLC "Aeroport Moscow" and CJSC "Aerofirst", were executed.

HIGHER LEVEL OF SERVICES

- No commission ticket payment technologies were enhanced.
- Call-center in the Far East of Russia was created.
- "Aeroflot Bonus" program was improved.
- New tariff product "Russian Business Pass" was launched and "Business Pass" product was improved.
- On-board services quality was improved.

ROUTE NETWORK DEVELOPMENT

- In 2012 Aeroflot opened new scheduled and charter flights service to 23 new destinations.
- Partial liberalization of the international aviation carriages has taken place (more designated carriers and frequencies were assigned to a range of European destinations).

Passenger and industry recognition



“WINGS OF RUSSIA” AWARD

«Airline of the Year – passenger carrier on domestic routes in group I», «Airline of the Year – passenger carrier on scheduled international routes», «Russian Company of the Year – leader of passenger preference».

HIGH RATING OF GROUND AND ON-BOARD SERVICE

According to InSites Consulting research among Sky Team alliance passengers.

«BEST COMPANY FOR BUSINESS TRAVELLERS»

Russian Business Travel & MICE Award.

THE MOST PUNCTUAL RUSSIAN CARRIER

According to the Federal Agency for Air Transportation of Russia in 2012 Aeroflot completed 97% of flights on schedule.

BEST RUSSIAN AIRLINE IN TOURIST INDUSTRY

“Conde Nast Traveller Readers’ choice” annual award.

“BEST AIRLINE FOR CIS DESTINATIONS (INCLUDING RUSSIA)»

«Travel.RU Star» Award.

«COMPANY OF THE YEAR – 2012» IN NOMINATION «AVIATION TRANSPORT»

National award in business sphere.

«ABSOLUTE BRAND – 2012»

Aeroflot is a winner of the contest for the most highly valued aviation brand worth 1.308 bln US dollars.

TOP 10 BEST AUTHORIZED IATA TRAINING CENTERS IN EUROPE

Aeroflot Aviation School is included in Top 10 best authorized IATA training centers in Europe.

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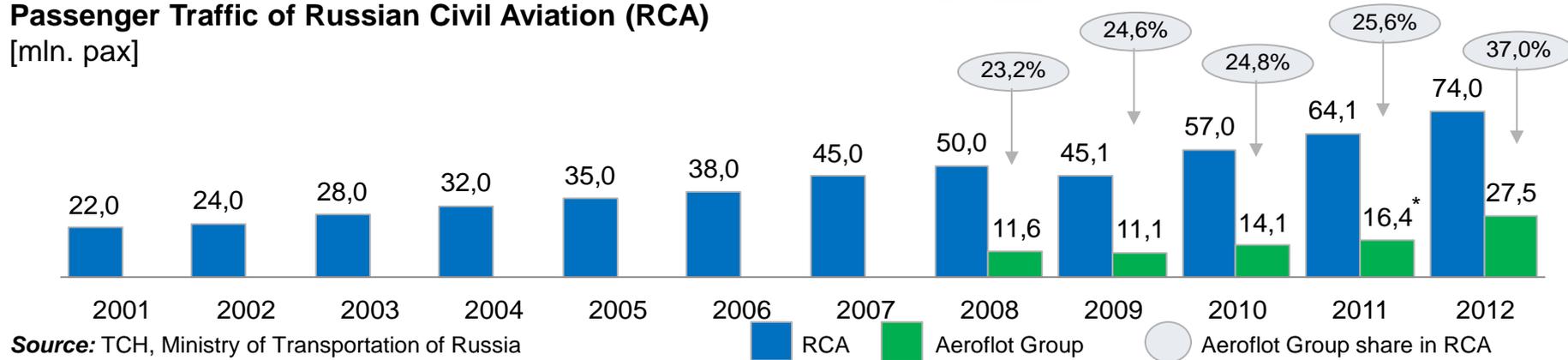
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Russian air transportation market

Passenger Traffic of Russian Civil Aviation (RCA)

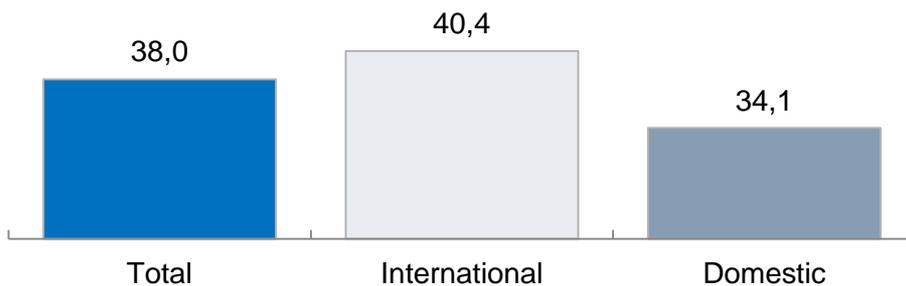
[mln. pax]



* Including passenger traffic of integrated companies from 15.11.2011 to 31.12.2011

Market share of the Group for 12m2012

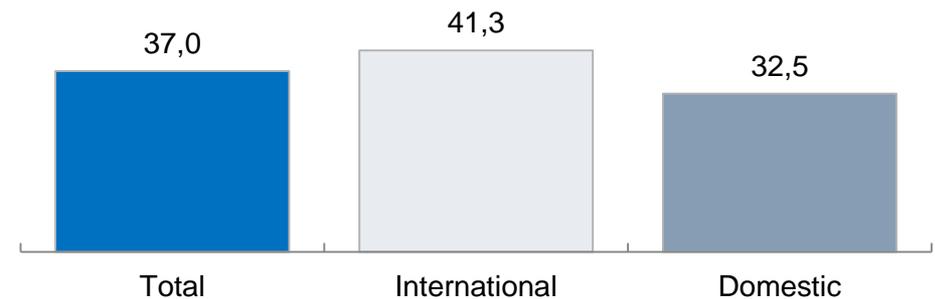
[% of passenger turnover]



Source: TCH

Market share of the Group for 12m2012

[% of passenger traffic]

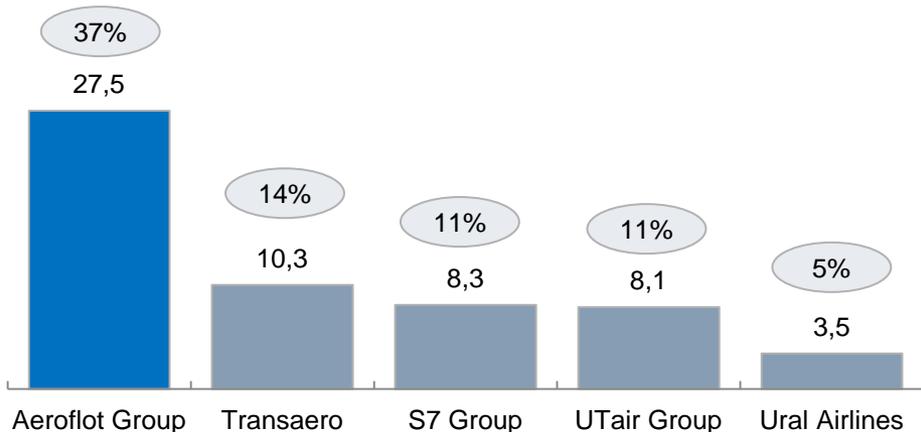


Source: TCH

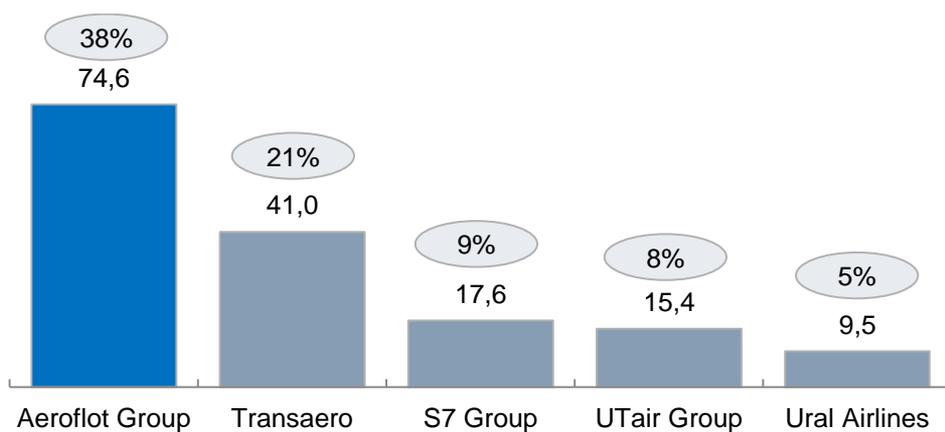
- Passenger traffic of RCA in 2012 amounted to 74.0 mln pax, exceeding the result of 2011 by 15.5%.
- Aeroflot Group Market Share in RCA in terms of passenger traffic amounted to 37% in 2012.

Market position of Aeroflot Group in 2012

Passenger traffic [mln.pax]



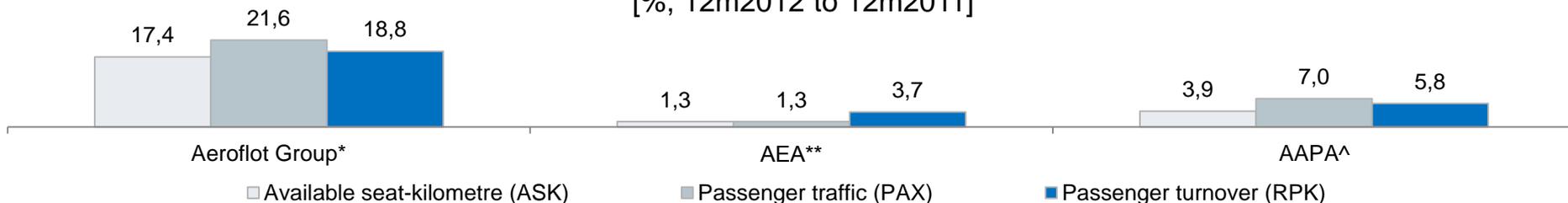
Passenger turnover [bln.pkm]



Source: TCH

○ Share in RCA

Growth rates of basic operating indicators
[% , 12m2012 to 12m2011]



Source: AEA, AAPA, Aeroflot estimates

* Proforma including the results of OJSC "Rossiya airlines", JSC "SAT Airlines", JSC "ORENAIR", JSC "Vladivostok Air" for 12 months 2011

** AEA – Association of European Airlines (scheduled flights data)

^ AAPA – Association of Asia Pacific Airlines

- Substantial growth of operating indicators of Aeroflot Group is resulting from consolidation of SC "Rostec" aviation assets.
- The growth pace in operational performance of Aeroflot Group exceeds the dynamics of AEA and AAPA.

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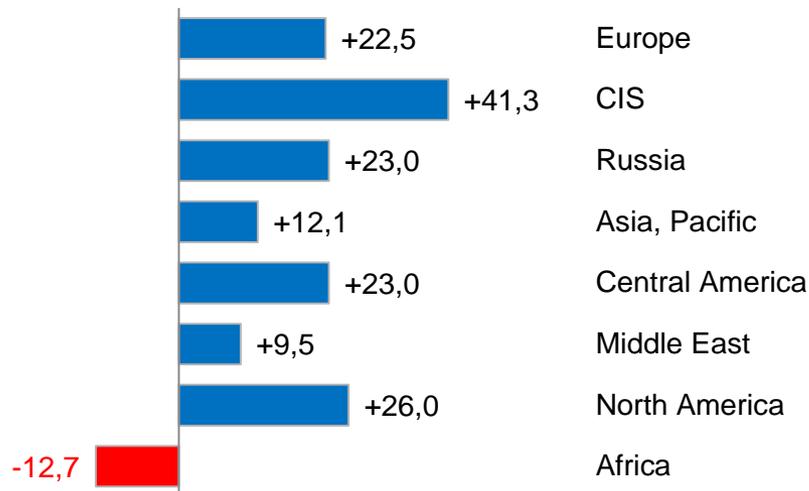
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Route network efficiency of JSC “Aeroflot” in 2012

Flights dynamics by region [%]



Average week frequency per route

Routes	12m2011	12m2012	Change
Scheduled	10,4	10,9	4,8%
Charter	0,2	0,5	150,0%
International Scheduled	8,3	8,7	4,8%
Domestic Scheduled	16,2	17,5	8,0%
Medium-haul*	12,0	12,7	5,8%
Long-haul*	5,0	4,9	-2,0%
Total**	8,7	9,8	12,6%

* scheduled flights

** passenger flights including charter flights

- In 2012 route network was dynamically developing, flight frequency increased and the number of destinations expanded.
- Connectivity ratio of Aeroflot own flights in 2012 increased by 17.2% and amounted to 10.96 (in 2011 - 9.35).
- Transfer passenger traffic in Company’s route network in 2012 grew by 35.7% compared to the results of 2011 and amounted to 5.7 mln. passengers, 32.6% of total passenger traffic in 2012.
- In 2012 scheduled flights to new destinations were added to Company’s route network: from Moscow to Guangzhou (China), Bologna (Italy), Krakov (Poland), Stuttgart (Germany), Tenerife (Spain), Tallin (Estonia), Vilnius (Lithuania), Miami (USA), Nizhnekamsk, Orenburg, Khabarovsk, Tomsk (Russia), Dnepropetrovsk, Donetsk, Kharkov, Odessa (Ukraine); from Ekaterinburg to Larnaka (Cyprus). Charter flights to Bergamo (Italy), Patras (Greece), Murcia (Spain), Reykjavik (Iceland), Turin (Italy), Varna (Bulgaria), Jerez (Spain) were added in 2012.

Fleet of the Group as of 31.12.12

Type of aircraft	Aeroflot	Donavia	Rossiya Airlines	Orenair	Vladivostok Avia	SAT Airlines	Total
Ilyushin Il-96-300	6	-	-	-	-	-	6
Tupolev Tu-154	-	-	5*	-	-	-	5
Antonov An-24	-	-	-	-	-	4 [#]	4
Mil Mi-8	-	-	-	-	3	1	4
Yakovlev Yak-40	-	-	-	-	2	-	2
Total number of a/c owned	6	-	5	-	5	5	21
Airbus A-319	4	-	9	-	-	-	13
Airbus A-320	1	-	-	-	-	-	1
Airbus A-321	21	-	-	-	-	-	21
Airbus A-330	8	-	-	-	-	-	8
Boeing 737	-	3 [#]	-	-	-	2	5
Antonov An-148	-	-	6	-	-	-	6
Tupolev Tu-204	-	-	-	-	6	-	6
Total number of a/c under finance lease	34	3	15	-	6	2	60
SSJ 100	10	-	-	-	-	-	10
Airbus A-319	11	4	3	-	-	-	18
Airbus A-320	43	-	8	-	6	-	57
Airbus A-330	14	-	-	-	1 [^]	-	15
Boeing B-737	-	3	1	24	-	1	29
Boeing B-767	7	-	3	-	-	-	10
Boeing B-777	-	-	-	3	-	-	3
McDonnell Douglas MD-11	3	-	-	-	-	-	3
DHC 8 Series 300	-	-	-	-	-	4	4
DHC 8 Series 200	-	-	-	-	-	2	2
Antonov An-12	-	-	-	-	-	1	1
Total number of a/c under operating lease	88	7	15	27	7	8	152
Total number of aircraft	128	10	35	27	18	15	233

* As of 31.12.2012 operation of this aircraft was terminated

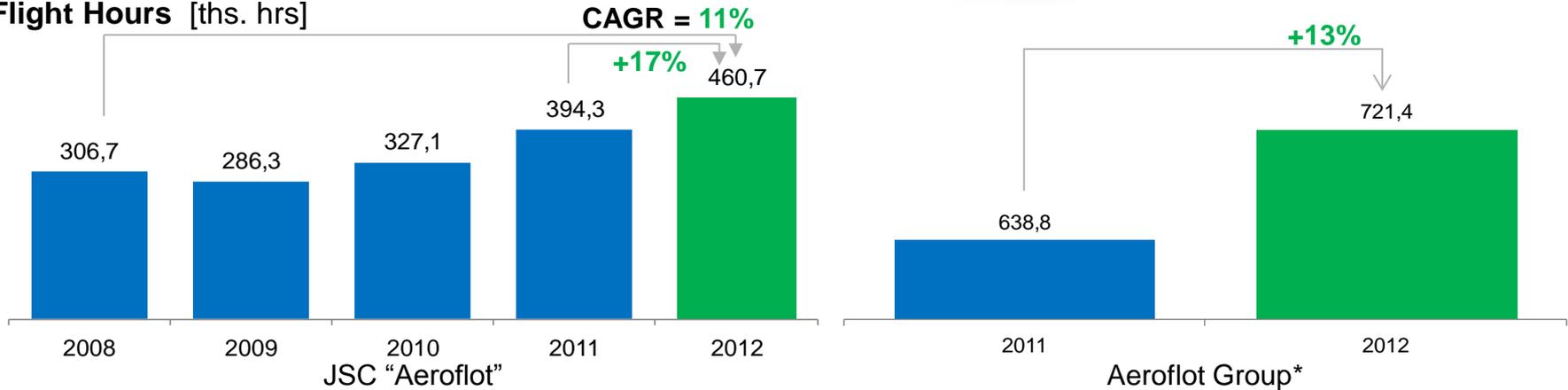
As of 31.12.2012 operation of one aircraft was terminated

^As of 31.12.2012 aircraft is in repair and will be transferred to the lessor

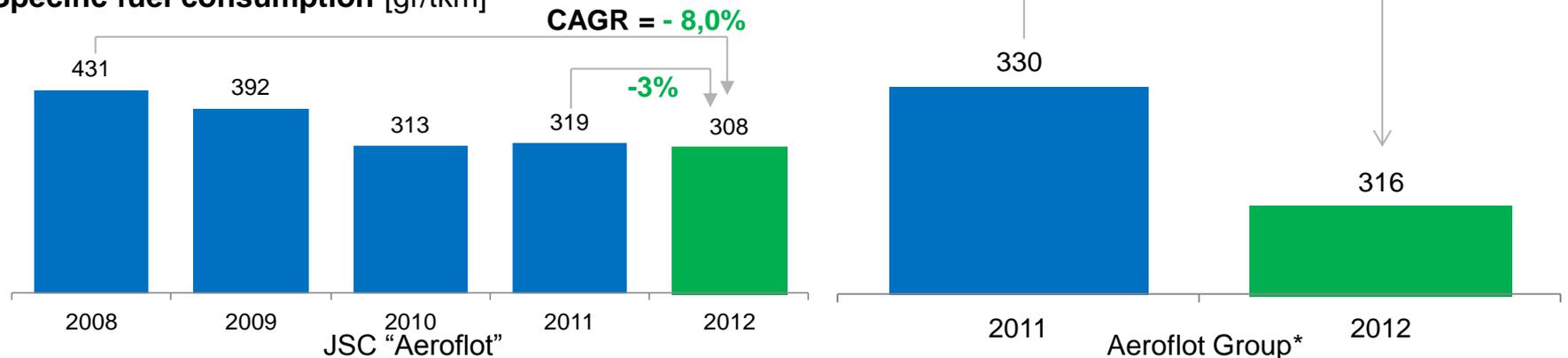
- The Group is renewing aircraft fleet, substituting phased off aircraft with modern fuel-efficient aircraft.
- 67% of the Group's aircraft were under operating lease agreements, 26% – under financial lease.

Fuel efficiency

Flight Hours [ths. hrs]



Specific fuel consumption [gr/tkm]



* Proforma including the results of OJSC "Rossiya airlines", JSC "SAT Airlines", JSC "ORENAIR", JSC "Vladivostok Air" for 12 months 2011

- During the last four years flight hours of JSC "Aeroflot" increased on average 11% annually. Cumulative flight hours of Aeroflot Group companies increased by 13% in 2012.
- Specific fuel consumption of JSC "Aeroflot" during the last four years decreased on average by 8% annually. At Aeroflot Group level specific fuel consumption decreased by 4% in 2012.
- Fuel efficiency of JSC "Aeroflot" and Aeroflot Group fleet consistently improves on the back of increase in flight hours.

Order and phase off plan of JSC “Aeroflot”

Delivery schedule in accordance with contracts in force

Type of aircraft	Delivered as of 24.04.13	2013	2014	2015	2016
Regional					
SSJ-100	-	-	8	12	-
Medium-haul					
A-320	5	8	3	-	-
A-321	-	5	-	-	-
Long-haul					
A-330	-	-	-	-	-
B-777	3	4	6	3	3
B-787	-	-	-	-	2
TOTAL	8	17	17	15	5

Phase off schedule of aircraft

Type of aircraft	Phased off as of 24.04.13	2013	2014	2015	2016
Medium-haul					
A-319	-	1	3	4	-
A-320	-	4	2	-	4
A-321	-	-	-	-	3
Long-haul					
B-767	-	3	4	-	-
Ил-96	-	6	-	-	-
TOTAL	-	14	9	4	7

* Two aircraft have an option to extend lease term without conclusion of supplementary agreements

- In 2013-2016 Aeroflot plans to extend its fleet by 54 modern aircraft according to the contracts in force.
- From January 1, 2013 to April 24, 2013 the following aircraft were delivered: 5 Airbus A-320, 3 Boeing B-777.
- By the end of the year 9 aircraft are planned to be delivered (particularly 3 Airbus A-320, 5 Airbus A-321 and one Boeing B-777).

Headcount and labor productivity

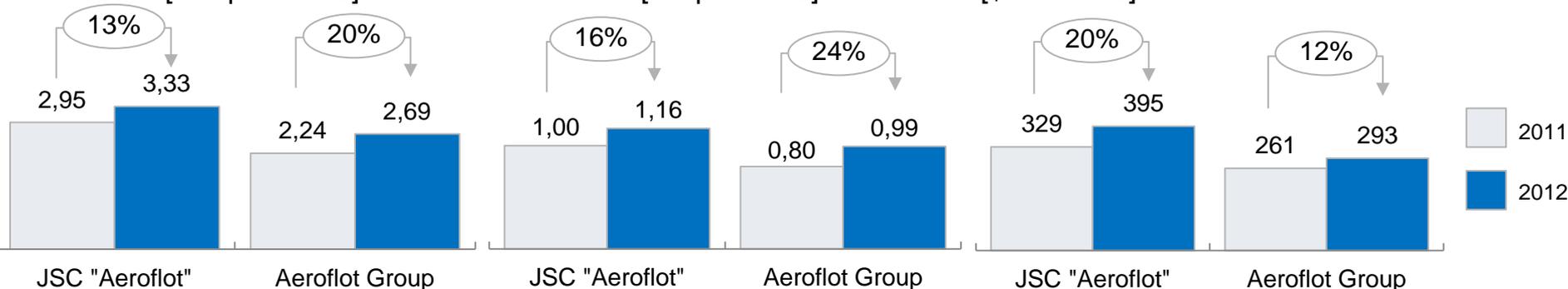
Headcount	31.12.11	31.12.12	% change
Aeroflot	15 500	16 418	5,9%
Aeromar	2 288	2 938	28,4%
Rossiya airlines	3 312	3 493	5,5%
ORENAIR	2 227	2 366	6,2%
Vladivostok Air	2 180	1 519	-30,3%
SAT Airlines	785	773	-1,5%
Donavia	1 234	1 063	-13,9%
Aerofirst	632	717	13,4%
Sherotel	276	257	-6,9%
Aerofot-Finance	4	4	0,0%
TOTAL	28 438	29 548	3,9%

Labor productivity

Passenger turnover/Average headcount [mln.pkm/units]

Passenger traffic/Average headcount [ths.pax/units]

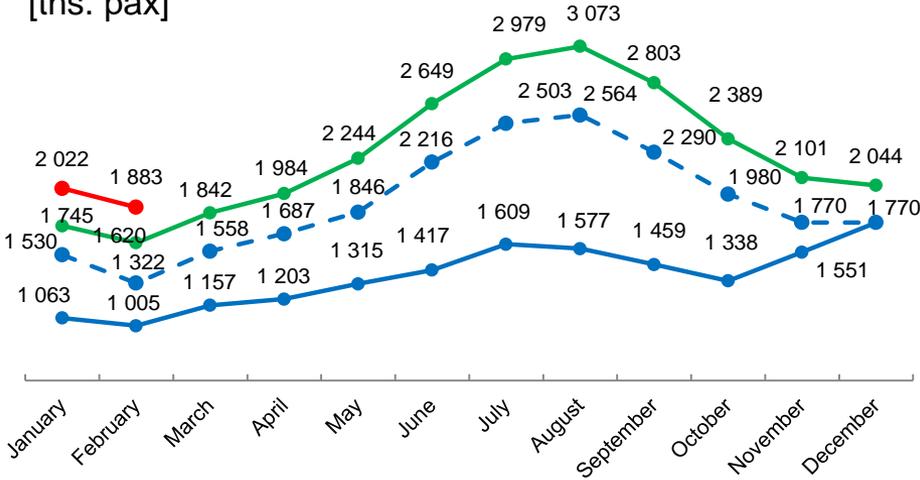
Revenue/Average headcount [\$ ths./units]



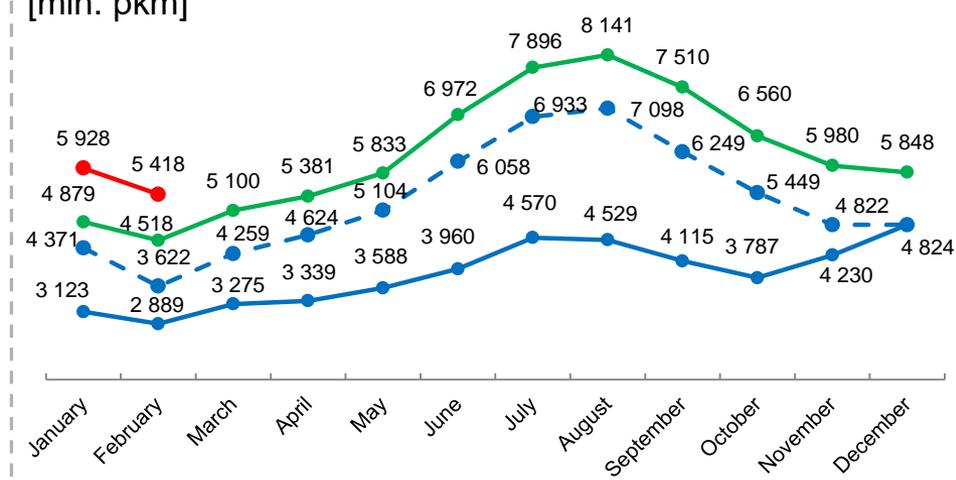
- The highest increase in headcount was registered in Aeromar company due to opening of a branch in St.-Petersburg.
- Labour productivity of both JSC "Aeroflot" and Aeroflot Group significantly increased.

Operating indicators of Aeroflot Group

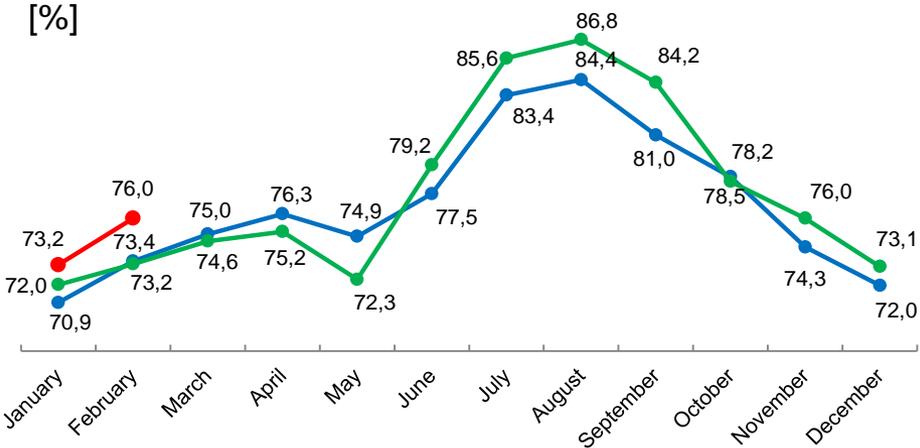
Passenger traffic [ths. pax]



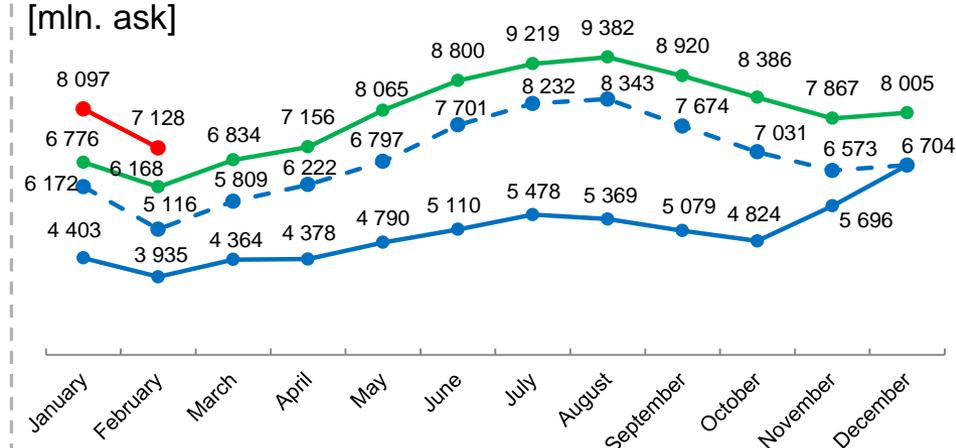
Passenger turnover [mln. pkm]



Seat load factor [%]



Passenger capacity [mln. ask]



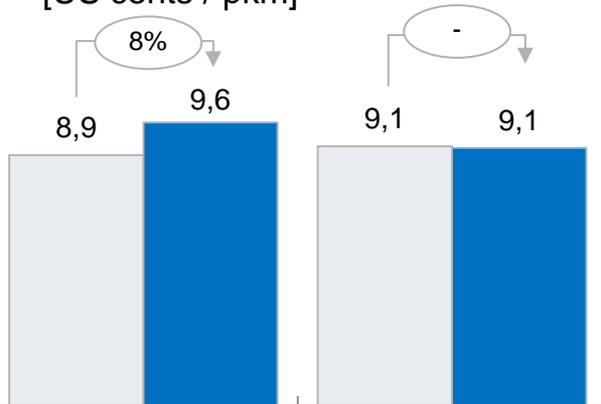
* Pro forma including results of integrated companies

— 2011 - - - 2011* — 2012 — 2013

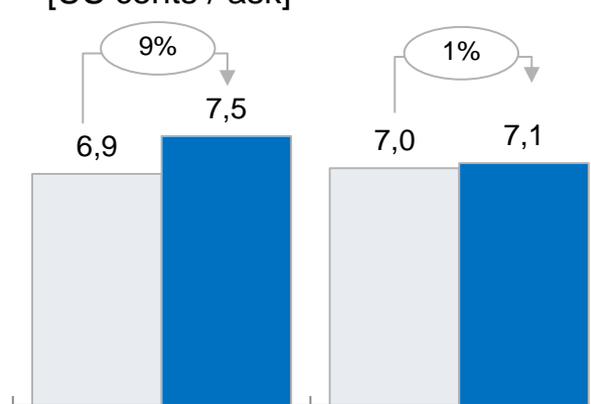
- The majority of operating indicators of the Group exceed prior year figures. High operating indicators were achieved owing to both organic and non-organic growth.

Revenue rates

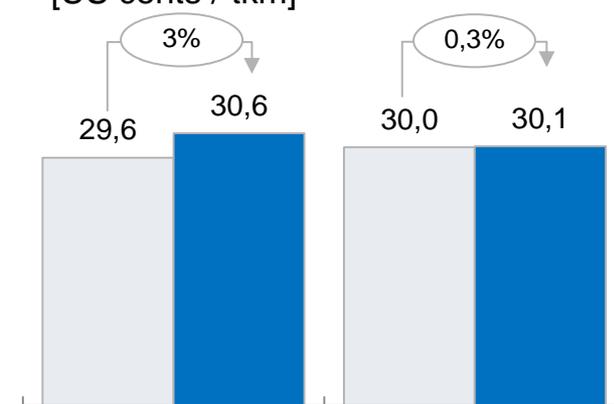
Yield: PAX revenue / RPK
[US cents / pkm]



RASK: PAX revenue / ASK
[US cents / ask]



Cargo yield: Cargo revenue / CTK
[US cents / tkm]



JSC "Aeroflot"

Aeroflot Group

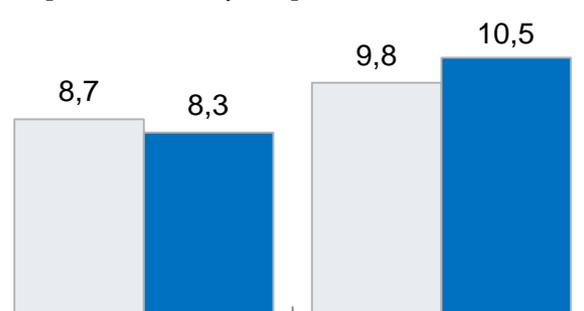
JSC "Aeroflot"

Aeroflot Group

JSC "Aeroflot"

Aeroflot Group

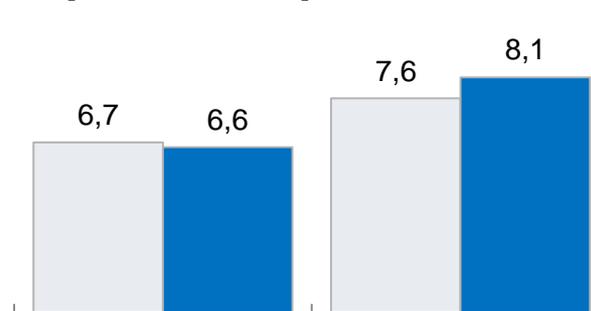
Yield of the Group
[US cents / pkm]



International

Domestic

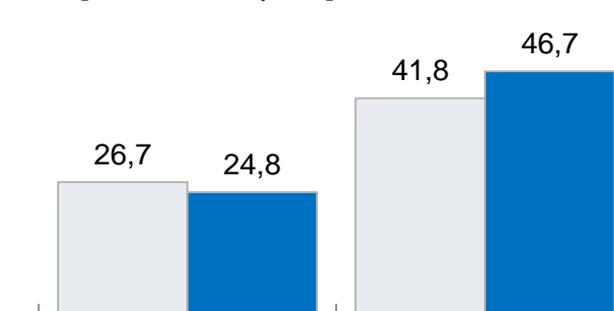
RASK of the Group
[US cents / ask]



International

Domestic

Cargo yield of the Group
[US cents / pkm]



International

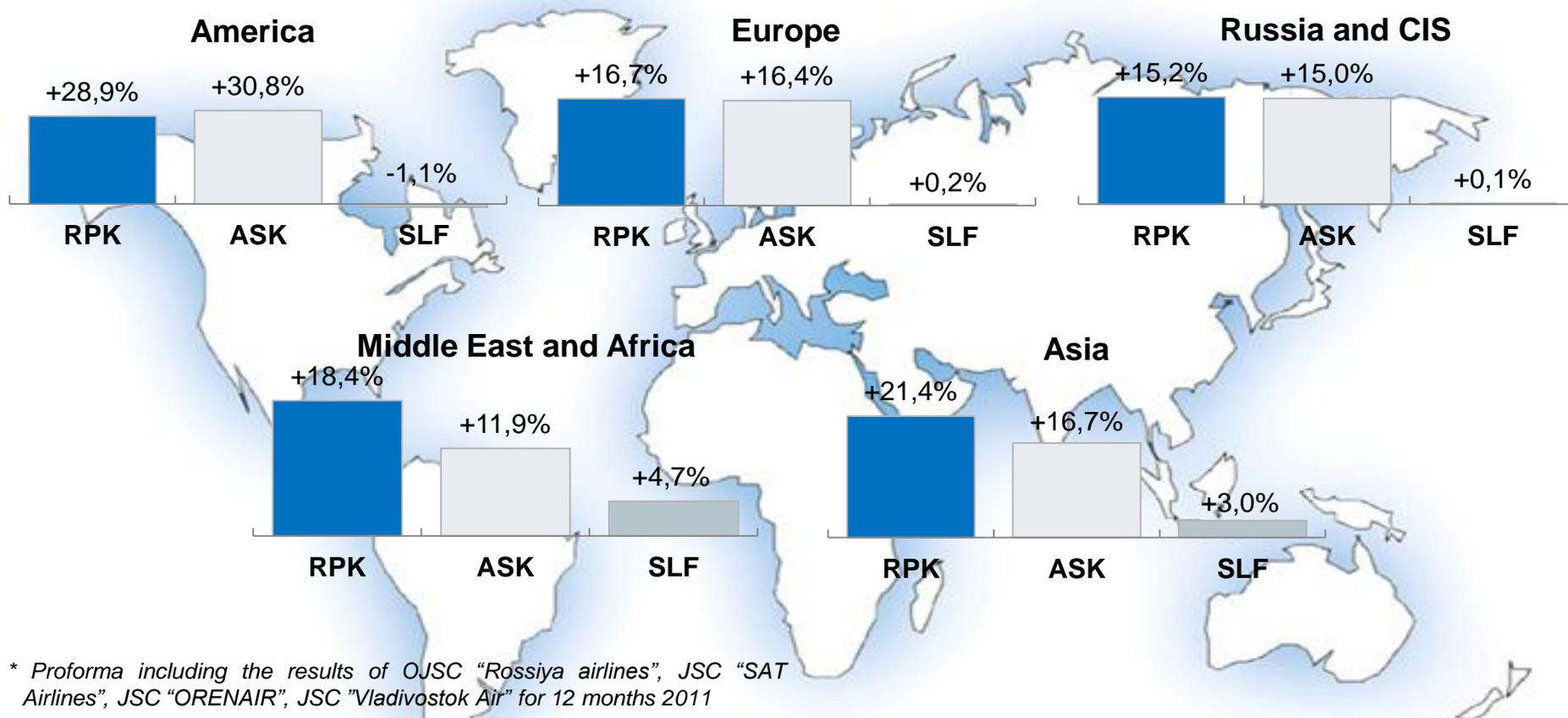
Domestic

2011 2012

In 2012 revenue rates of JSC "Aeroflot" increased and remained practically flat at the Group level. Upon that at the Group level revenue rates increased on domestic routes along with a slight decrease on international routes (mainly due to a small reduction on European routes from 12.5 to 12.1 cents).

Aeroflot Group* operating indicators dynamics by region

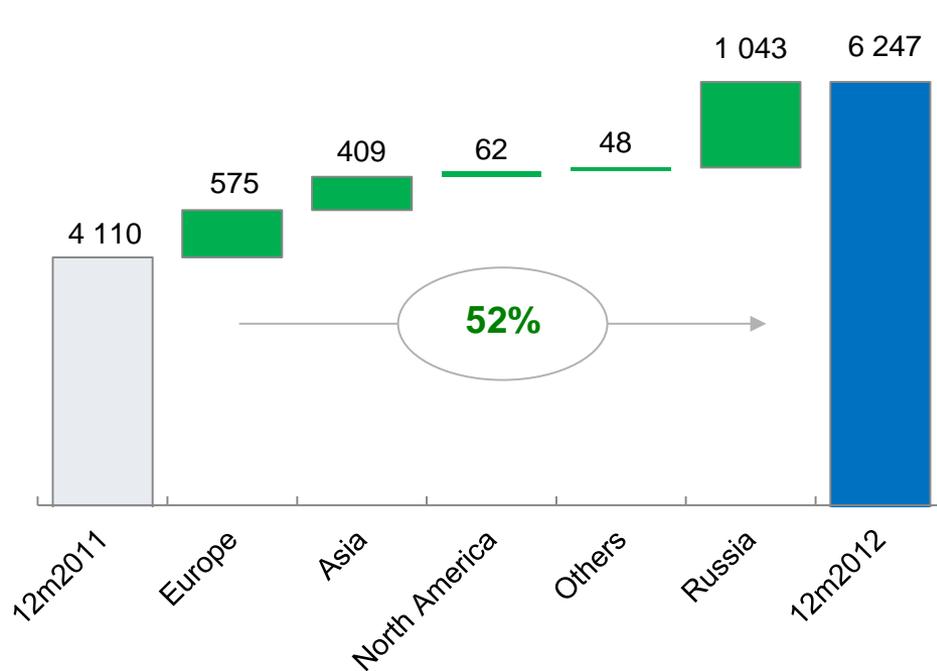
[%, 2012 vs 2011]



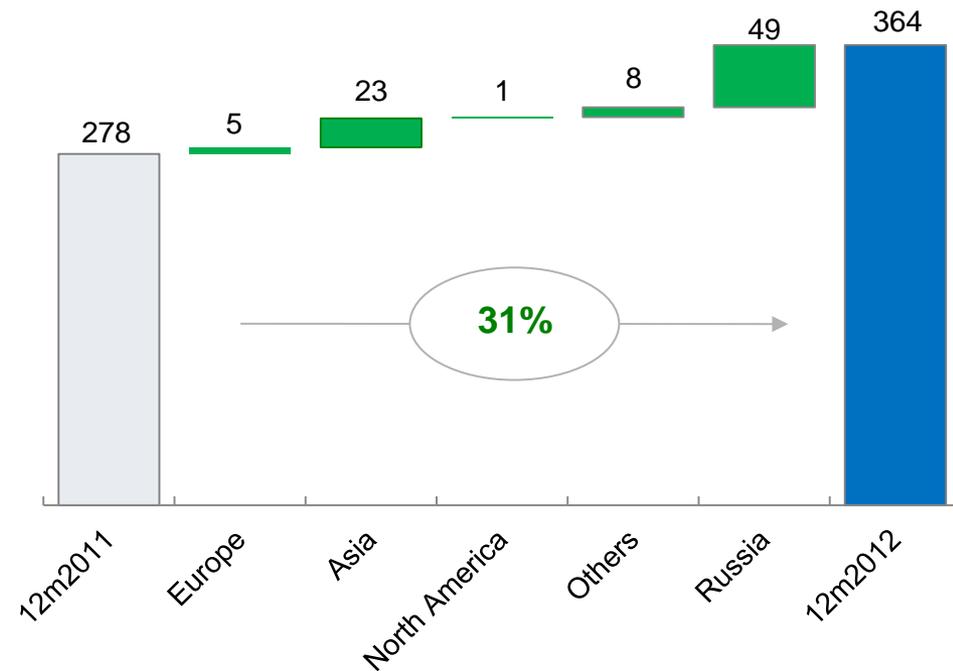
- Following the approved strategy of strengthening positions on domestic routes and popular tourist destinations, Aeroflot significantly increased its long-haul transportation capacities.
- Given strengthening positions on American markets temporary excess of capacity growth rate over turnover growth rate is observed.

Traffic revenue of Aeroflot Group from scheduled flights by region

Revenue from scheduled passengers carriages
[\$ mln.]



Revenue from scheduled cargo carriages
[\$ mln.]

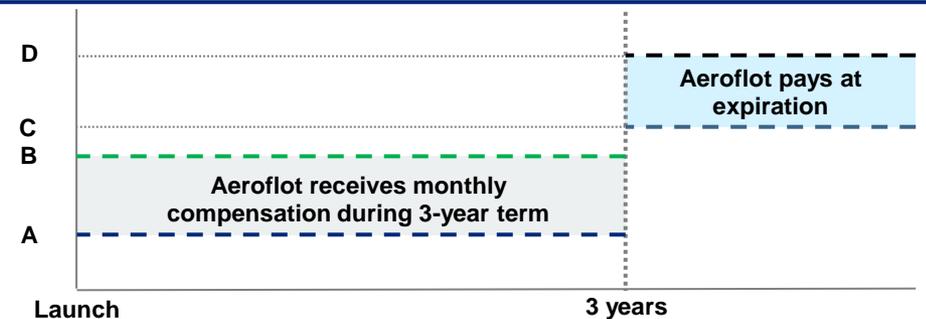


- The substantial growth in revenue from scheduled passenger carriages is primarily secured by higher volume of passenger carriages following the consolidation of acquired airlines.
- The main drivers of passenger carriages volume growth of the Group are Russia, Europe and Asia.

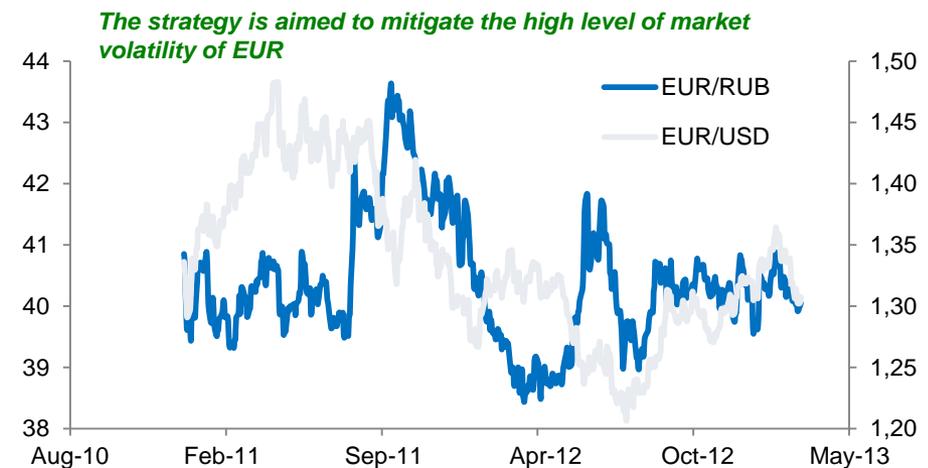
Market risk management: currency, interest rate risk, fuel price hedging

- Amid increased market volatility on the back of unfolding European crisis Aeroflot follows a prudent risk management policy and hedges its **exposure to currency volatility (EUR weakening), higher fuel prices and higher interest rates (LIBOR linked finance lease payments)**.
- Aeroflot entered a number of transactions, **covering 53%** of 2013F open EUR position:
 - According to 3-year transaction terms on EUR/RUB, Aeroflot receives **monthly** compensation in case EUR exchange rate moves lower than the level comfortable for the Company, but Aeroflot has to pay compensation to the counterparties in case EUR strengthens at the expiration of the contract. Possible losses are compensated by higher converted revenue of the Company.
 - According to 1-year transactions terms on EUR/USD, Aeroflot receives monthly compensation in case lower EUR exchange rate, in the meantime possible losses connected to stronger EUR exchange rate are compensated by higher converted revenue of the Company.
 - Potential losses on all the transactions are limited.
- In autumn 2012 Aeroflot entered a number of transactions in order to **hedge fuel price increase** for the period of **3 years**. In case oil prices increase the Company receives monthly compensation, in the meantime Aeroflot will have to pay compensation to the banks in case of lower oil prices only at the expiration of the contract. Such losses are compensated by lower fuel costs for the Company. Currently **c19% of annual consumption (2013F) of the Company is hedged**.
- Currently **c30% of LIBOR linked finance lease payments** are hedged by means of converting floating rate to fixed rate.

Mechanism of the long-term currency risk hedging transaction



EUR dynamics in 2011–2013

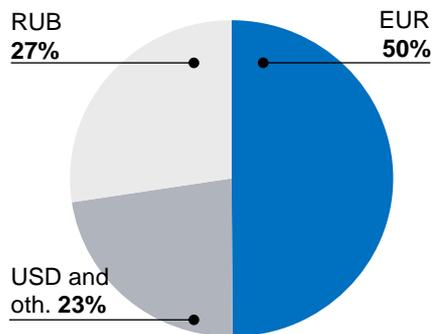


Source: Aeroflot data, Bloomberg

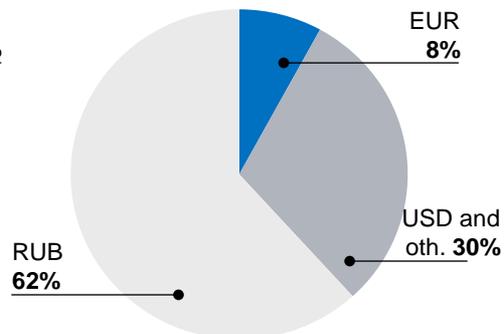
Aeroflot hedged 53% of open position in EUR (2013F), 19% of 2013F fuel consumption and 30% of LIBOR linked finance lease payments

Currency risk management at JSC "Aeroflot"

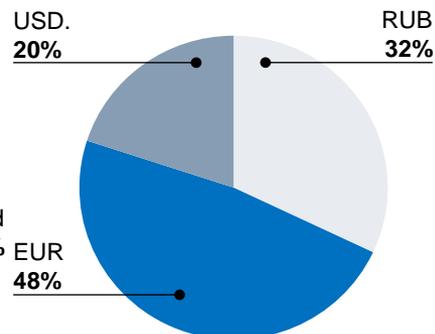
Revenue structure, 2012



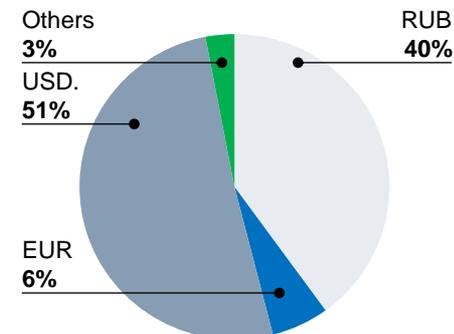
Costs structure, 2012



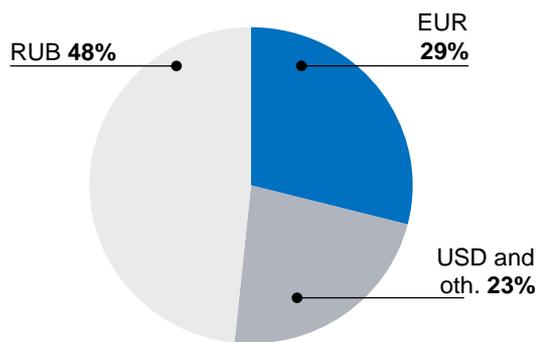
Revenue structure, 2013F



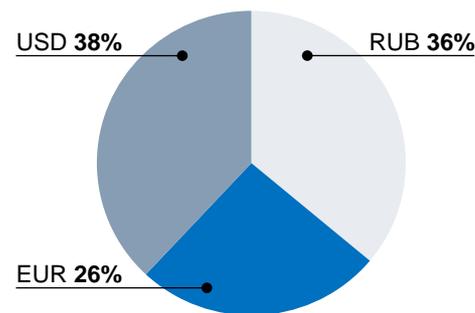
Costs structure, 2013F



Hedged revenue structure, 2012



Hedged revenue structure, 2013F



Source: Aeroflot data, Bloomberg

Effective currency risk hedging allowed to lower the effective share of EUR in revenue structure converging it with costs structure

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Key financials

Index	unit	JSC "Aeroflot"			Aeroflot Group		
		12m2011	12m2012	change	12m2011	12m2012	change
Revenue	\$ mln.	4 686	6 000	28%	5 378	8 138	51%
Operating costs	\$ mln.	4 247	5 628	33%	4 990	7 780	56%
EBITDAR*	\$ mln.	957	977	2%	1 024	1 238	21%
EBITDA**	\$ mln.	626	604	-4%	646	671	4%
Operating income	\$ mln.	439	372	-15%	388	358	-8%
Net income	\$ mln.	508	230	-55%	491	166	-66%
EBITDAR margin	%	20%	16%	-4 p.p.	19%	15%	-4 p.p.
EBITDA margin	%	13%	10%	-3 p.p.	12%	8%	-4 p.p.

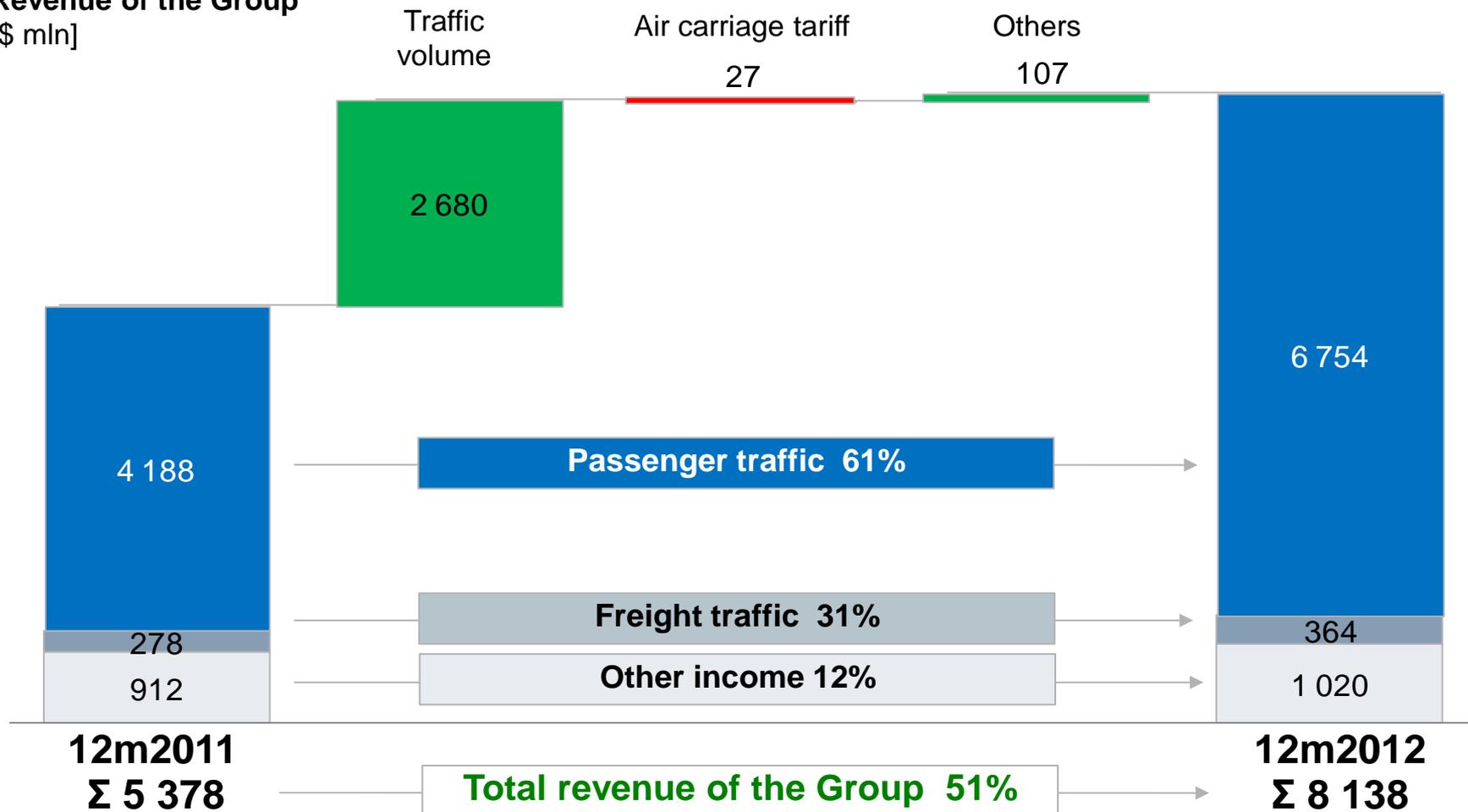
* EBITDAR = EBITDA + Operating lease expenses

** EBITDA = Operating income + Amortization + Customs duties

- Revenue of JSC "Aeroflot" for 12 months of 2012 increased by 28% compared to 12 months of 2011, revenue of the Group increased by 51%. Substantial increase in revenue at the Group level was due to aviation assets consolidation.
- Net income of JSC "Aeroflot" for 12 month of 2012 decreased by 55%, at the Group level – by 66%.
- Change in net income of the Group in 12 months of 2012 in comparison with the corresponding period of 2011 was caused by absence of one-off effects - income from disposal of investments in subsidiaries and affiliates in 2011.
- Impact on Group profitability was caused by consolidation of airlines purchased in 2011, which currently undergo integration process.

Group's revenue factorial analysis

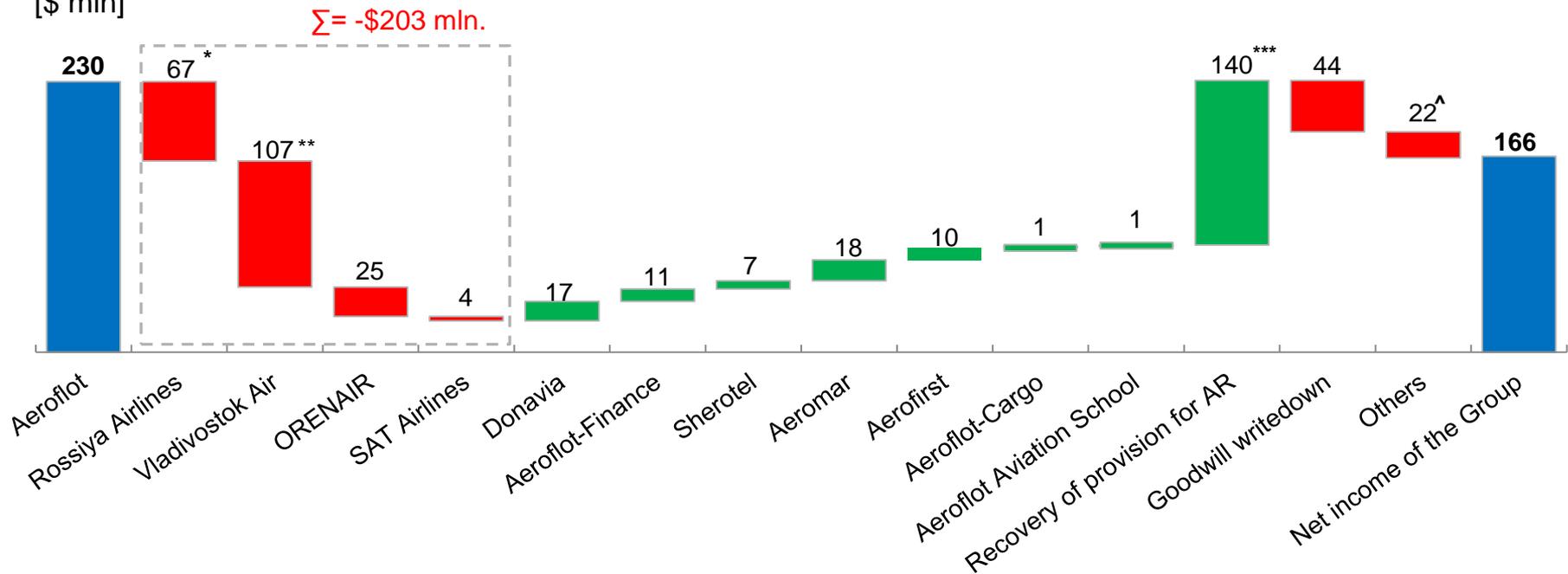
Revenue of the Group
[\$ mln]



The substantial increase in Aeroflot Group's revenue was caused primarily by the growing volume of carriage due to consolidation of purchased airlines' assets and optimization of route network of JSC "Aeroflot".

Structure of the Group's net income

Elements of Aeroflot Group's net income
[\$ mln]



* Including one-off items: \$57 mln. loss from write off of deferred tax assets and \$48 mln. gain from changes to finance lease agreements

** Including one-off items: \$31mln. loss from early phase off of A330 and \$17 mln loss from write off of deferred tax asset

*** Recovery of provision for AR of Vladivostok Air at consolidation stage

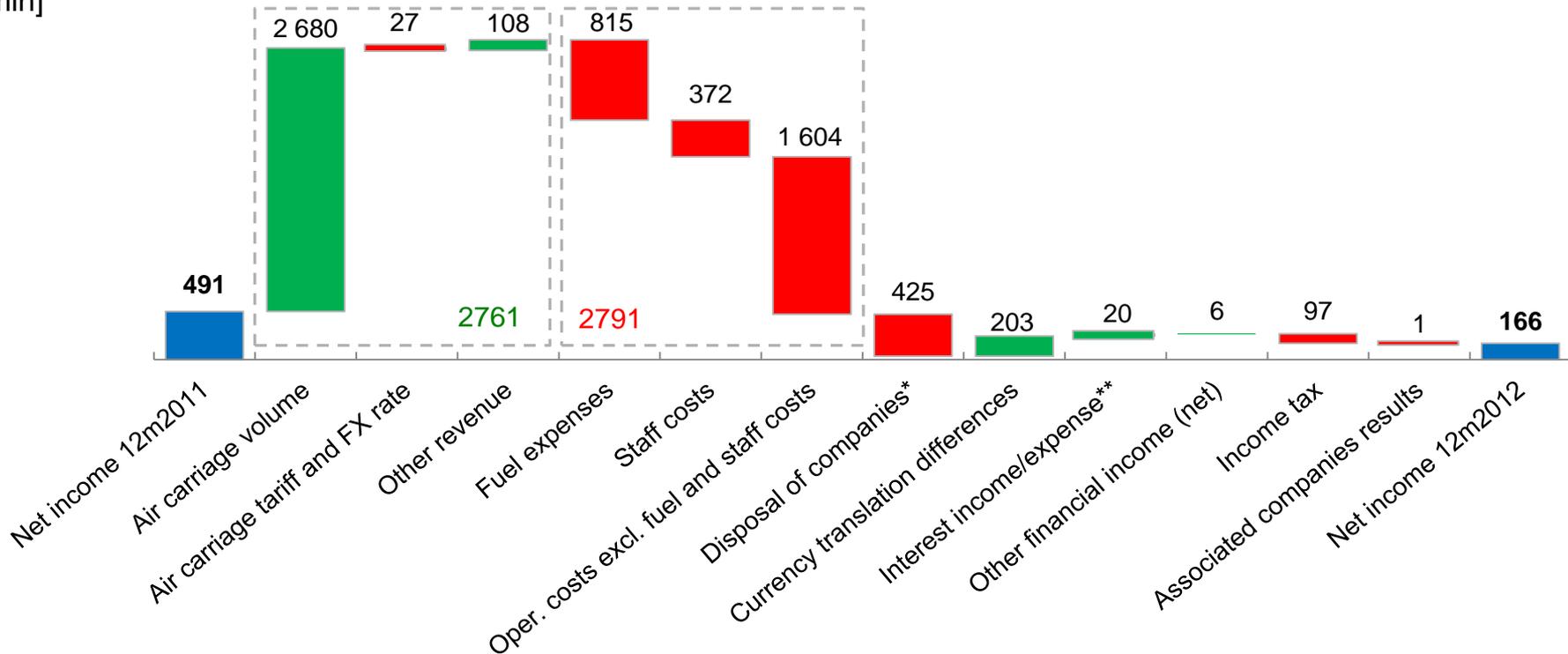
^ Including the result of associated companies, other elimination of intercompany balance, result from disposal of companies

- The total loss of OJSC "Rossiya airlines", JSC "Vladivostok Air", JSC "ORENAIR" and JSC "SAT Airlines" amounted to \$203 mln. Currently integrated companies undergo cost-cutting procedures and activities to reach break-even point at the operating income level.
- Aeromar and Sherotel remain profitable. Aerofirst also showed positive financial results at net income level.

Factorial analysis of the Group's net income

Adjustments to the Group's net income

[\$ mln]



* The fact of absence of disposal of companies in 2012 compared to 2011.

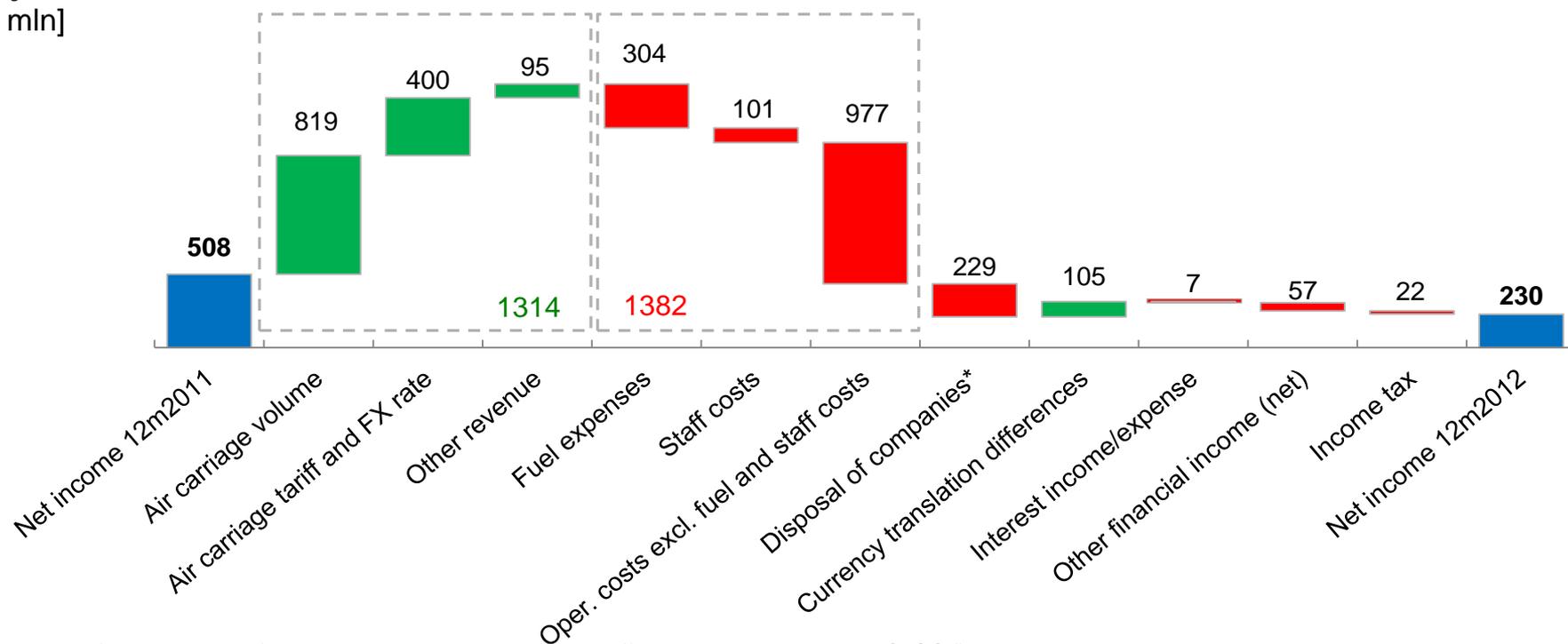
** Including effect from lower interest expenses following Terminal deconsolidation.

- Substantial increase in revenue and operating costs of the Group was caused by consolidation of purchased subsidiary companies' assets.
- Lower net income of the Group in 12 months of 2012 in comparison to the corresponding period of 2011 was caused by substantial income from disposal of investments in subsidiaries and affiliates in 2011 (CJSC "Nordavia", "Moscow" Insurance Company, "TZK "Sheremetyevo", JSC "Terminal").

Factorial analysis of the net income of JSC “Aeroflot”

Adjustments to the net income of JSC “Aeroflot”

[\$ mln]

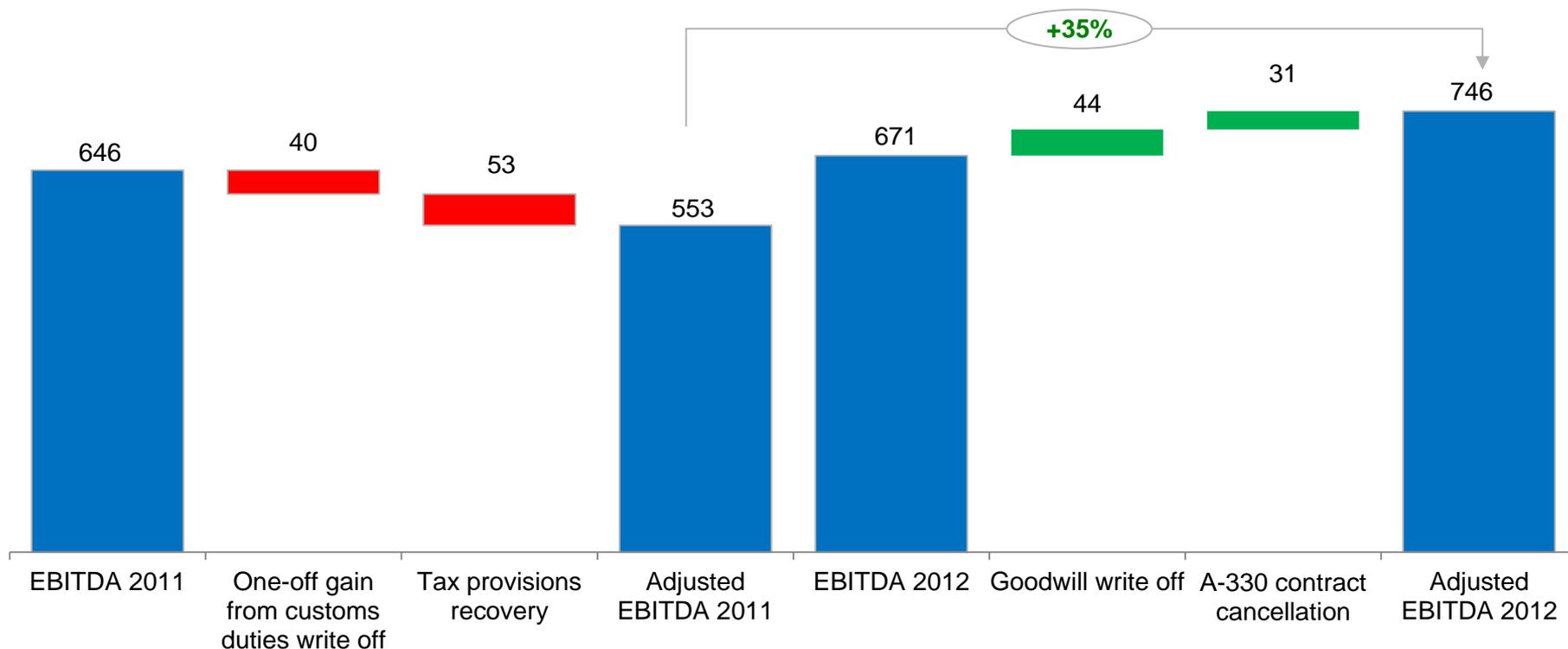


* Income from disposal of investments in subsidiaries and affiliates in 2011 including CJSC “Nordavia”, “Moscow” Insurance Company, “TZK “Sheremetyevo” and JSC “Terminal”

- The main factor which positively influenced increase in income was higher volume of carriage. Carriage tariff and other revenue also increased.
- Higher volume of carriage also resulted in increase in operating costs.
- Changes in net income of JSC “Aeroflot” in 12 months of 2012 in comparison to the corresponding period of 2011 was caused by substantial income from disposal of investments in subsidiaries and affiliates in 2011 as well as operating income related to exemption from customs duties and changes in tax provisions. Also negative influence was caused by losses from derivatives revaluation. Positive influence was caused by positive currency translation differences.

EBITDA of the Group excluding one-off effects

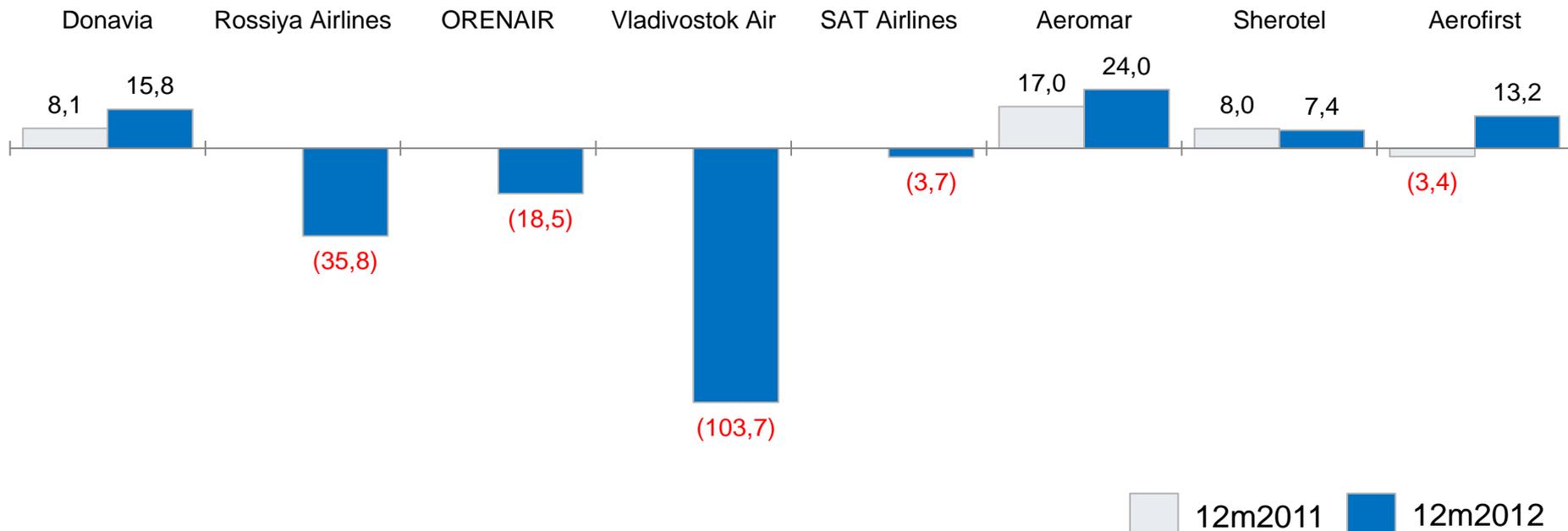
Aeroflot Group EBITDA analysis 12m2012 vs. 12m2011
[\$ mln]



Aeroflot Group EBITDA increased by 35% in 2012 compared to 2011 excluding one-off items.

Operating income of the main subsidiaries

Operating income / loss of the subsidiaries [\$ mln]

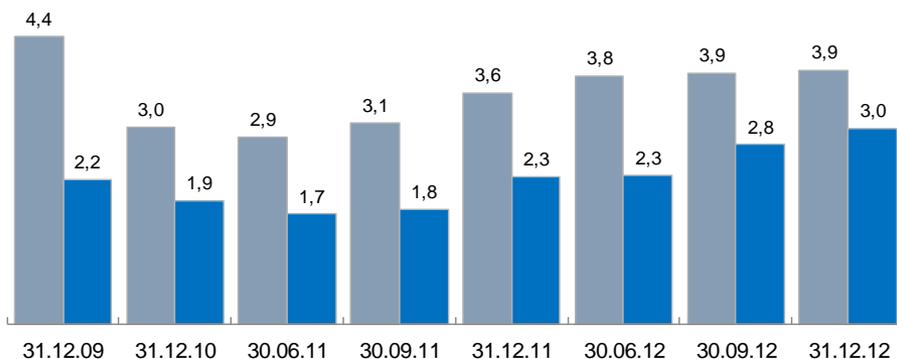


- CJSC “Rossiya Airlines”, JSC “ORENAIR”, JSC “Vladivostok Air” and JSC “SAT Airlines” registered operating losses for 12 months of 2012.
- Donavia increased operating profit from \$8.1 mln. to \$15.8 mln.
- Aerofirst reached break-even point with operating income totaling \$13.2 mln.
- Aeromar and Sherotel continue to deliver positive profitability,

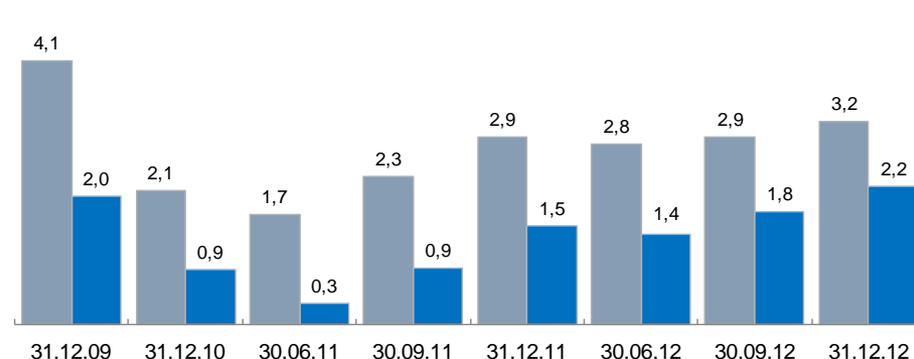
Debt leverage of Aeroflot Group

Indicators	Unit	JSC "Aeroflot"			Aeroflot Group		
		31.12.11	31.12.12	change	31.12.11	31.12.12	change
Borrowings	\$ mln.	513	471	-8%	767	706	-8%
Finance lease liabilities	\$ mln.	896	1 334	49%	1 500	1 882	25%
Pension liabilities	\$ mln.	12	14	17%	12	15	25%
Customs duties	\$ mln.	2	-	-100%	18	19	6%
Total debt	\$ mln.	1 423	1 819	28%	2 297	2 622	14%
Cash and short term investments	\$ mln.	456	519	14%	414	501	21%
Net Debt	\$ mln.	967	1 300	34%	1 883	2 121	13%

TOTAL DEBT / EBITDA* [x]



NET DEBT / EBITDA* [x]



* EBITDA = Operating profit + DD&A + Customs duties
For 6 and 9 months indicators EBITDA is annualized.

■ Aeroflot Group ■ JSC "Aeroflot"

- The debt leverage of Aeroflot Group remains at stable level.
- Debt leverage dynamics and Total debt / EBITDA indicator dynamics is conditioned by higher finance lease volume due to new aircraft deliveries and SC "Rostec" integrating companies debt consolidation.

Aeroflot Group in comparison with foreign competitors



Indicators	unit	AEROFLOT Russian Airlines			Lufthansa			AIRFRANCE KLM			TURKISH AIRLINES		
		12m2011*	12m2012*	change	12m2011*	12m2012*	change	12m2011*	12m2012*	change	12m2011*	12m2012*	change
Financial indicators													
Revenue	\$ mln.	5 378	8 138	51%	40 009	38 750	-3%	33 923	32 961	-3%	7 065	8 283	17%
EBITDA**	\$ mln.	609	627	3%	3 922	3 174	-19%	1 871	1 862	0%	688	1 154	68%
Net income	\$ mln.	491	166	-66%	-18	1 273	>100%	-1 126	-1 533	36%	11	630	>100%
Total Debt***	\$ mln.	2 266	2 588	14%	8 491	9 380	10%	13 684	14 855	9%	4 199	4 858	16%
Operating indicators													
Passenger turnover	bln.pkm	46	75	63%	200	205	2%	217	224	3%	59	75	27%
Passenger capacity	bln.ask	60	96	60%	258	260	1%	265	269	2%	81	96	19%
Seat load factor	%	77%	78%	+1 p.p.	78%	79%	+1 p.p.	82%	83%	+1 p.p.	73%	78%	+5 p.p.

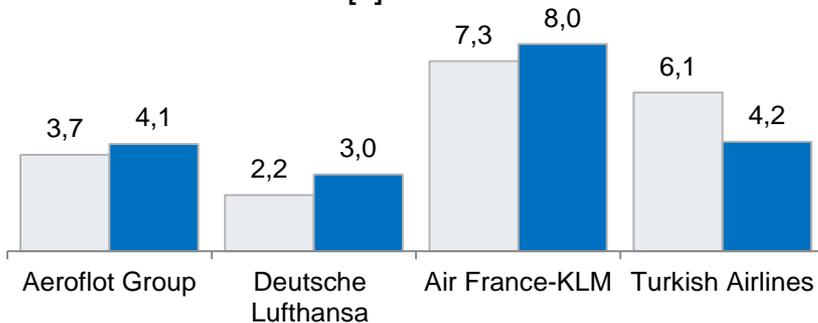
Source: Bloomberg, Aeroflot data for 2012 according to IFRS

* Financial and operating indicators for the period from January, 1 till December, 31

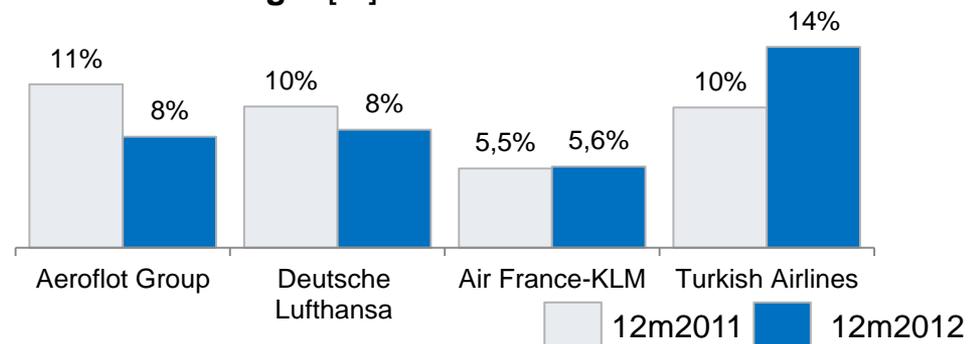
** EBITDA = Operating income + DD&A

*** Total Debt = Borrowings + Financial lease liabilities

Total Debt / EBITDA [x]



EBITDA margin [%]



- Revenue of the Group increased by 51% due to consolidation of SC "Rostec" airline assets. Lufthansa and Air France demonstrated decline of revenue. Moreover Aeroflot Group consistently demonstrates one of the highest EBITDA margins.
- Operating indicators of the Group rose at substantially higher growth rates than those of European competitors.

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3.Operating highlights

4.Financial results

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Conclusions

- In 12 months of 2012 the main operating indicators increased compared to the corresponding period of previous year.
- Passenger traffic increased due to optimization of Aeroflot route network and consolidation of OJSC “Rossiya airlines”, JSC “SAT Airlines”, JSC “ORENAIR”, JSC “Vladivostok Air” assets.
- Revenue of the Group increased by 51%. Higher revenue from scheduled passenger flights was driven by increase in volume of carriage of the Group in Russia, Europe and Asia.
- Aeroflot Group EBITDA increased by 35% in 2012 compared to 2011 excluding one-off items.
- Total debt / EBITDA ratio of the Group remains at a stable level of 3.9. Total debt / EBITDA ratio of JSC “Aeroflot” amounts to 3.0. Net debt / EBITDA ratio totaled 2.2 and 3.2 at JSC “Aeroflot” standalone and at the Group level respectively.

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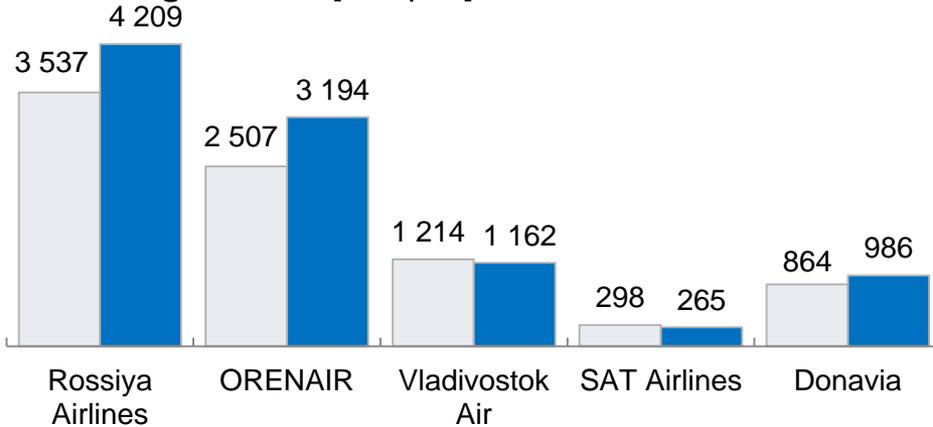
4.Financial results

5.Conclusions

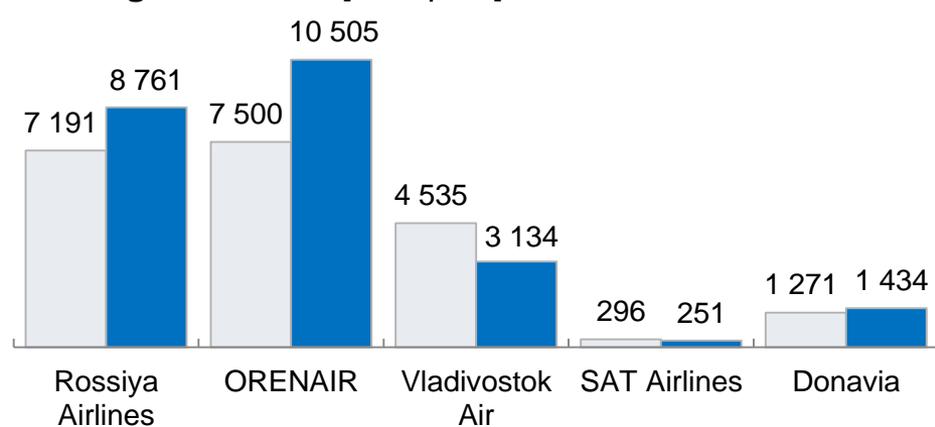
6.Appendix

Key operating indicators of subsidiary airlines

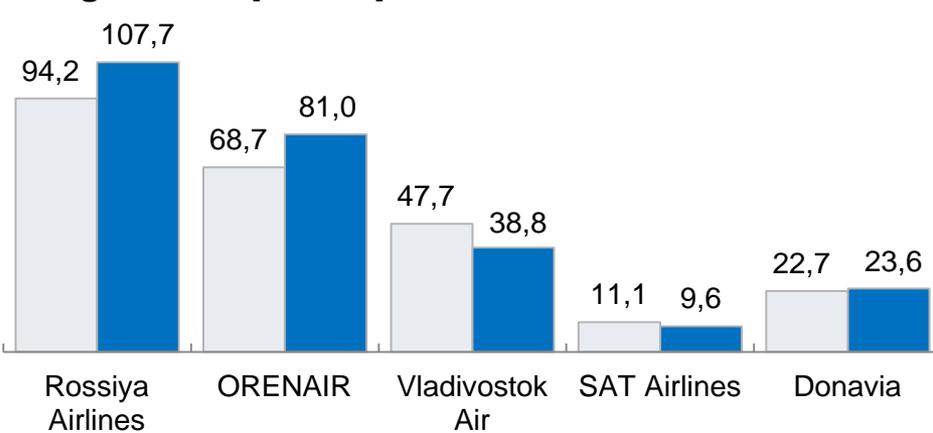
Passenger traffic [ths. pax]



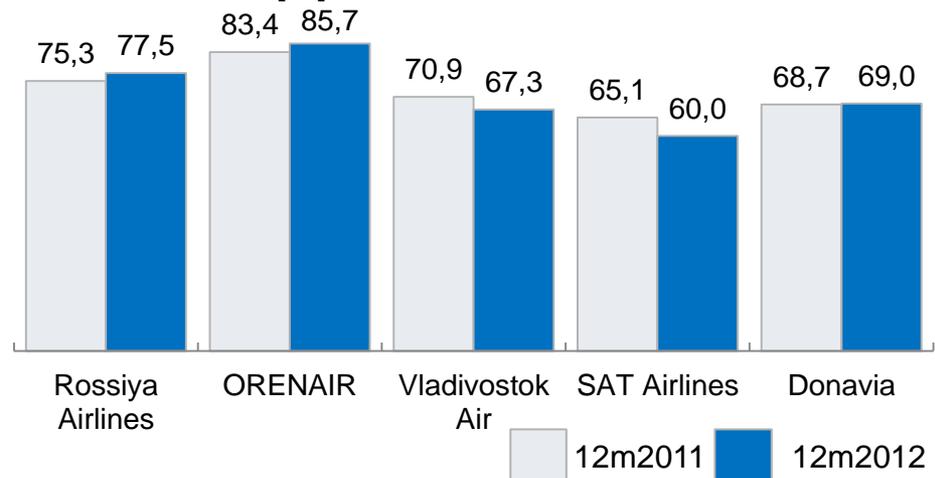
Passenger turnover [mln. pkm]



Flight hours [ths. hrs]



Seat load factor [%]



In 2012 all subsidiaries except SAT Airlines and Vladivostok Air showed increase in passenger traffic. Increase in operating indicators of ORENAIR is worth highlighting, passenger traffic rose by 27%, passenger turnover – by 40%.

Key operating indicators of subsidiary airlines

Indicator	Период	Россия	Оренэйр	Владивосток Авиа	САТ	Донавиа	Итого
Passenger traffic (th. pax)	Factual data for 2012	4 209	3 194	1 162	265	986	9 816
	Factual data for 2011	3 537	2 507	1 214	298	864	8 420
	Change, %	19%	27%	-4%	-11%	14%	17%
Passenger turnover (mln.pkm)	Factual data for 2012	8 761	10 505	3 134	251	1 434	24 085
	Factual data for 2011	7 191	7 500	4 535	296	1 271	20 793
	Change, %	22%	40%	-31%	-15%	13%	16%
Seat load factor, %	Factual data for 2012	77,5	85,7	67,3	60,0	69,0	
	Factual data for 2011	75,3	83,4	70,9	65,1	68,7	
	Change, %	+2,2 p.p.	+2,3 p.p.	-3,6 p.p.	-5,1 p.p.	-0,3 p.p.	
Flight hours, hrs	Factual data for 2012	107 698	80 954	38 838	9 625	23 582	260 697
	Factual data for 2011	94 207	68 652	47 729	11 121	22 720	244 429
	Change, %	14%	18%	-19%	-13%	4%	7%
Revenue*, \$ mln.	Factual data for 2012	900	567	336	94	233	2 130
Net profit/loss*, \$ mln.	Factual data for 2012	-67	-25	-107	-4	17	-186

* According to IFRS

Operating indicators

Indicator	Unit	JSC "Aeroflot"			Aeroflot Group		
		12m2011	12m2012	change	12m2011	12m2012	change
Passenger turnover	mln. pkm	42 021	50 533	20%	46 077	74 617	62%
International routes		28 646	34 954	22%	30 577	50 280	64%
Domestic routes		13 375	15 579	16%	15 501	24 337	57%
Passenger capacity	mln. ask	54 195	64 880	20%	60 004	95 598	59%
International routes		37 510	45 586	22%	40 065	63 851	59%
Domestic routes		16 685	19 295	16%	19 939	31 747	59%
Tonne-kilometers	mln. tkm	4 691	5 669	21%	5 072	7 926	56%
International routes		3 295	4 054	23%	3 472	5 446	57%
Domestic routes		1 395	1 615	16%	1 601	2 480	55%
Passenger traffic	th. pax	14 174	17 656	25%	16 391	27 472	68%
International routes		8 679	10 707	23%	9 428	15 963	69%
Domestic routes		5 495	6 949	26%	6 963	11 508	65%
Cargo and mail carried	tonnes	160 596	193 949	21%	168 451	223 772	33%
International routes		120 263	147 750	23%	121 464	153 117	26%
Domestic routes		40 334	46 199	15%	46 987	70 655	50%
Seat load factor	%	77,5%	77,9%	+0,4 p.p.	76,8%	78,1%	+1,3 p.p.
International routes		76,4%	76,7%	+0,3 p.p.	76,3%	78,7%	+2,4 p.p.
Domestic routes		80,2%	80,7%	+0,5 p.p.	77,7%	76,7%	-1,0 p.p.
Flight hours	hours	394 341	460 734	17%	461 309	721 431	56%

- In 2012 Aeroflot demonstrated positive dynamics of the main operating indicators compared to 2011.
- Substantial increase in operating indicators of the Group was caused by consolidation of SC "Rostec" airline assets.