

# Aeroflot Group

## Q4 / Full Year 2013 Financial Results

Moscow

March 12, 2014

Speaker:

**Shamil Kurmashov**

Chief Financial Officer, Head of Network and Revenue Management

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# Key Highlights



- Strong full year operating and financial results
- Sustainable leading market position across domestic and international routes
- Passenger traffic growth across almost all regions and flat yields / RASK translating into higher revenue
- Expanding profitability as results of competitive cost structure
  - Improving fuel costs as new fuel efficient aircraft are phased in
  - Strong labour productivity
  - Continued integration of subsidiary airlines resulting in improved profitability
- Strong cash flow generation and improving leverage level
- Delivering on strategic priorities and focus on launch of the LCC subsidiary later this year

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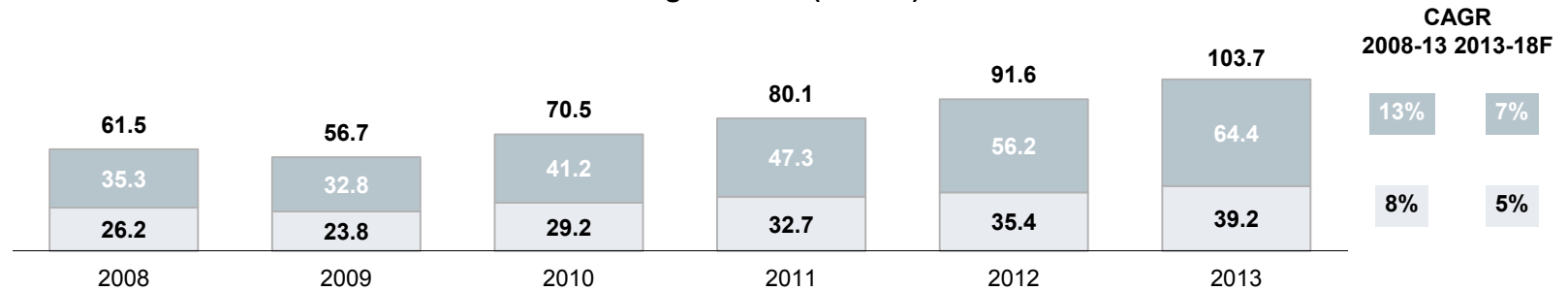
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# Russian Air Transportation Market

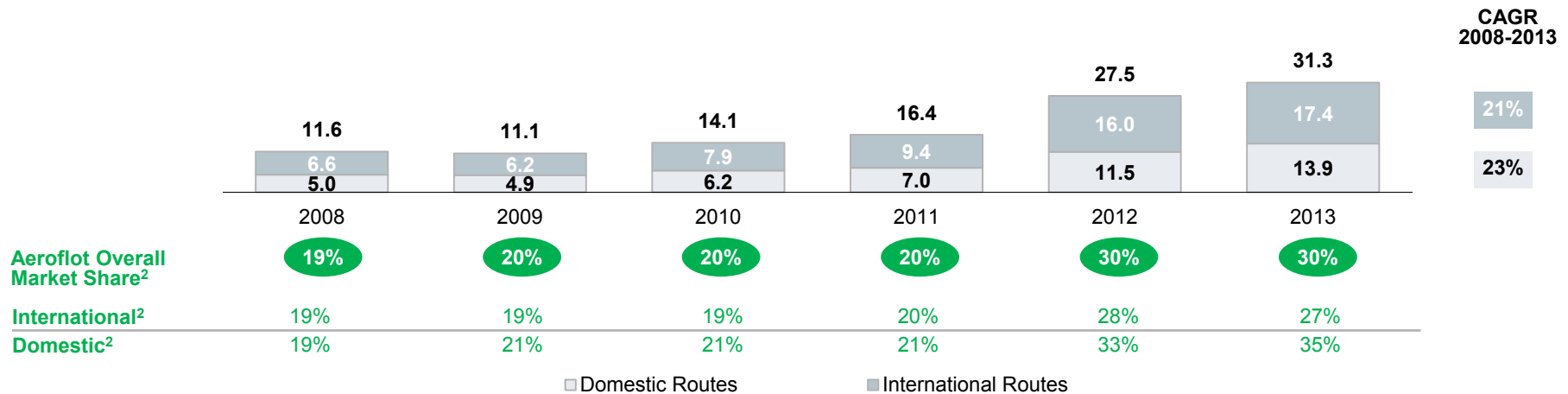


**Russian Total Passenger Traffic (m PAX)<sup>1</sup>**



Source: TCH

**Aeroflot Group Passenger Traffic (m PAX)**



- Russian passenger movement continued to demonstrate strong growth; expected to continue at a CAGR of 6% for the next three years
- Aeroflot is focused on maintaining its leading market share and fully capturing market growth potential

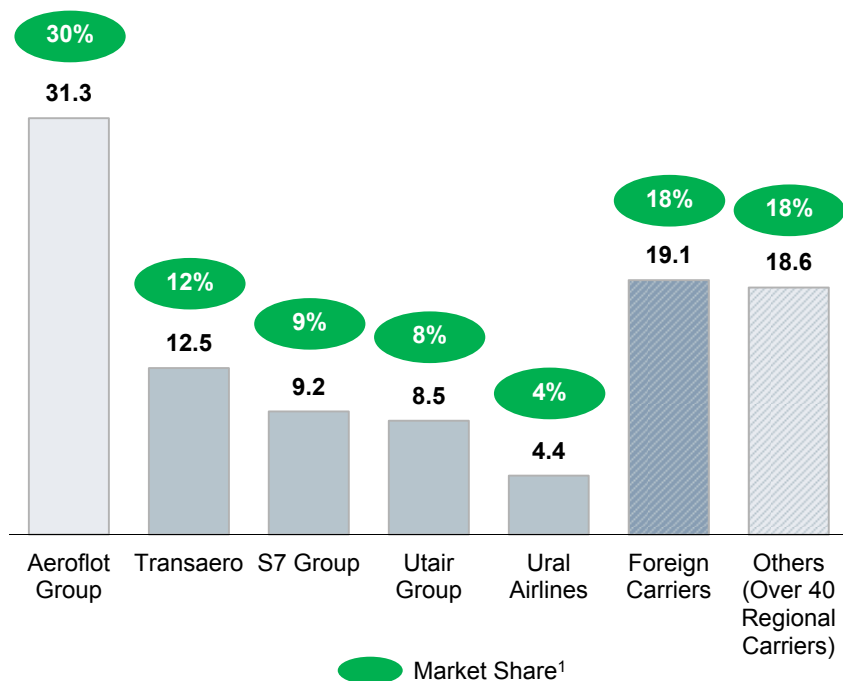
<sup>1</sup> Incl. foreign carriers' traffic.

<sup>2</sup> Based on passenger traffic of both domestic and foreign carriers.

# Aeroflot Group Market Position



Passenger Traffic (12 months 2013, m PAX)



Russian Passenger Traffic



- Consistently leading market share in a fragmented market of domestic and foreign players
- Top 5 domestic players represent c. 64% of the overall market creating opportunities for further consolidation
- Aeroflot is best positioned as the leading industry consolidator

Source: TCH

<sup>1</sup> Based on passenger traffic of both domestic and foreign carriers.

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# Key Operating Data for JSC Aeroflot and Aeroflot Group



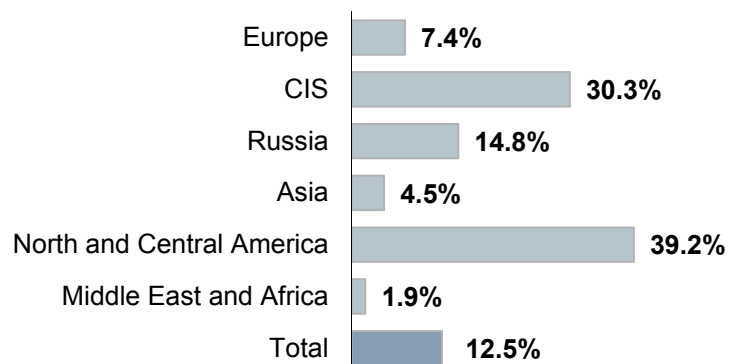
	Unit	JSC Aeroflot			Aeroflot Group		
		2012	2013	Change	2012	2013	Change
<b>Passenger Turnover</b>	<b>m pkm</b>	<b>50,533</b>	<b>60,226</b>	<b>19.2%</b>	<b>74,617</b>	<b>85,273</b>	<b>14.3%</b>
International Routes		34,954	40,614	16.2%	50,280	56,113	11.6%
Domestic Routes		15,579	19,612	25.9%	24,337	29,161	19.8%
<b>Passenger Capacity</b>	<b>m ASK</b>	<b>64,880</b>	<b>76,445</b>	<b>17.8%</b>	<b>95,598</b>	<b>109,064</b>	<b>14.1%</b>
International Routes		45,586	52,392	14.9%	63,851	71,530	12.0%
Domestic Routes		19,295	24,052	24.7%	31,747	37,534	18.2%
<b>Tonne-Kilometres</b>	<b>m tkm</b>	<b>5,669</b>	<b>6,340</b>	<b>11.8%</b>	<b>7,926</b>	<b>8,666</b>	<b>9.3%</b>
International Routes		4,054	4,307	6.2%	5,446	5,711	4.9%
Domestic Routes		1,615	2,033	25.9%	2,480	2,955	19.2%
<b>Passenger Traffic</b>	<b>'000 PAX</b>	<b>17,656</b>	<b>20,902</b>	<b>18.4%</b>	<b>27,472</b>	<b>31,391</b>	<b>14.3%</b>
International Routes		10,707	12,295	14.8%	15,963	17,391	8.9%
Domestic Routes		6,949	8,608	23.9%	11,508	13,999	21.6%
<b>Cargo and Mail Carried</b>	<b>'000 tones</b>	<b>194</b>	<b>176</b>	<b>(9.3)%</b>	<b>224</b>	<b>205</b>	<b>(8.5)%</b>
International Routes		148	118	(20.3)%	153	122	(20.3)%
Domestic Routes		46	58	26.1%	71	83	16.9%
<b>Seat Load Factor</b>	<b>%</b>	<b>78%</b>	<b>79%</b>	<b>1.0p.p</b>	<b>78%</b>	<b>78%</b>	<b>0.0p.p</b>
International Routes		77%	78%	1.0p.p	79%	78%	(1.0)p.p
Domestic Routes		81%	82%	1.0p.p	77%	78%	1.0p.p
<b>Flight Hours</b>	<b>hours</b>	<b>460,734</b>	<b>509,058</b>	<b>10.5%</b>	<b>721,433</b>	<b>776,258</b>	<b>7.6%</b>
<b>Yield</b>	<b>\$ cents / pkm</b>	<b>9.6</b>	<b>9.5</b>	<b>(1.0)%</b>	<b>9.1</b>	<b>9.1</b>	<b>0.0%</b>
<b>RASK</b>	<b>\$ cents</b>	<b>7.5</b>	<b>7.5</b>	<b>0.0%</b>	<b>7.1</b>	<b>7.1</b>	<b>0.0%</b>



# Networks Operated and Key Statistics



## Flights Dynamics of Aeroflot JCS by Region (%)



## Average Flight Frequency per Route of Aeroflot JCS

	2012 <sup>1</sup>	2013	Change
Scheduled	12.0	13.2	10.0%
Charter	0.8	0.4	(50.0)%
International Scheduled	9.7	10.7	10.3%
Domestic Scheduled	18.2	19.3	6.0%
Medium-haul <sup>2</sup>	14.0	15.3	9.3%
Long-haul <sup>2</sup>	5.2	6.0	15.4%
<b>Overall<sup>3</sup></b>	<b>10.0</b>	<b>10.1</b>	<b>1.0%</b>

## Key Elements of Network Strategy

- Further develop the hub structure of Sheremetyevo (6 waves of connectivity)
- Increase network depth (more frequencies per destination served) to achieve targeted market share on key routes
- Develop a balanced long-haul portfolio of destinations
- Develop point to point market out of the regional focus cities

## 2014 Summer Schedule

- Total 141 destinations in 54 countries (including Russia)
- New destinations in Russia and CIS countries: Novy Urengoy and Karaganda
- Increased frequency on large number of domestic and international routes
- Improved connectivity of flights to increase transit passenger traffic

## Expanding network of routes and increasing frequency across almost all regions and types of routes in response to growing demand

Source: TCH, Ministry of Transportation

<sup>1</sup> Prior to 2012, average flight frequencies per route were calculated on the basis of arithmetic mean. Due to network expansion and increase of frequencies, methodology changed starting from 2013 – now weighted average is used instead of arithmetic mean. Figures for 2012 were calculated retrospectively

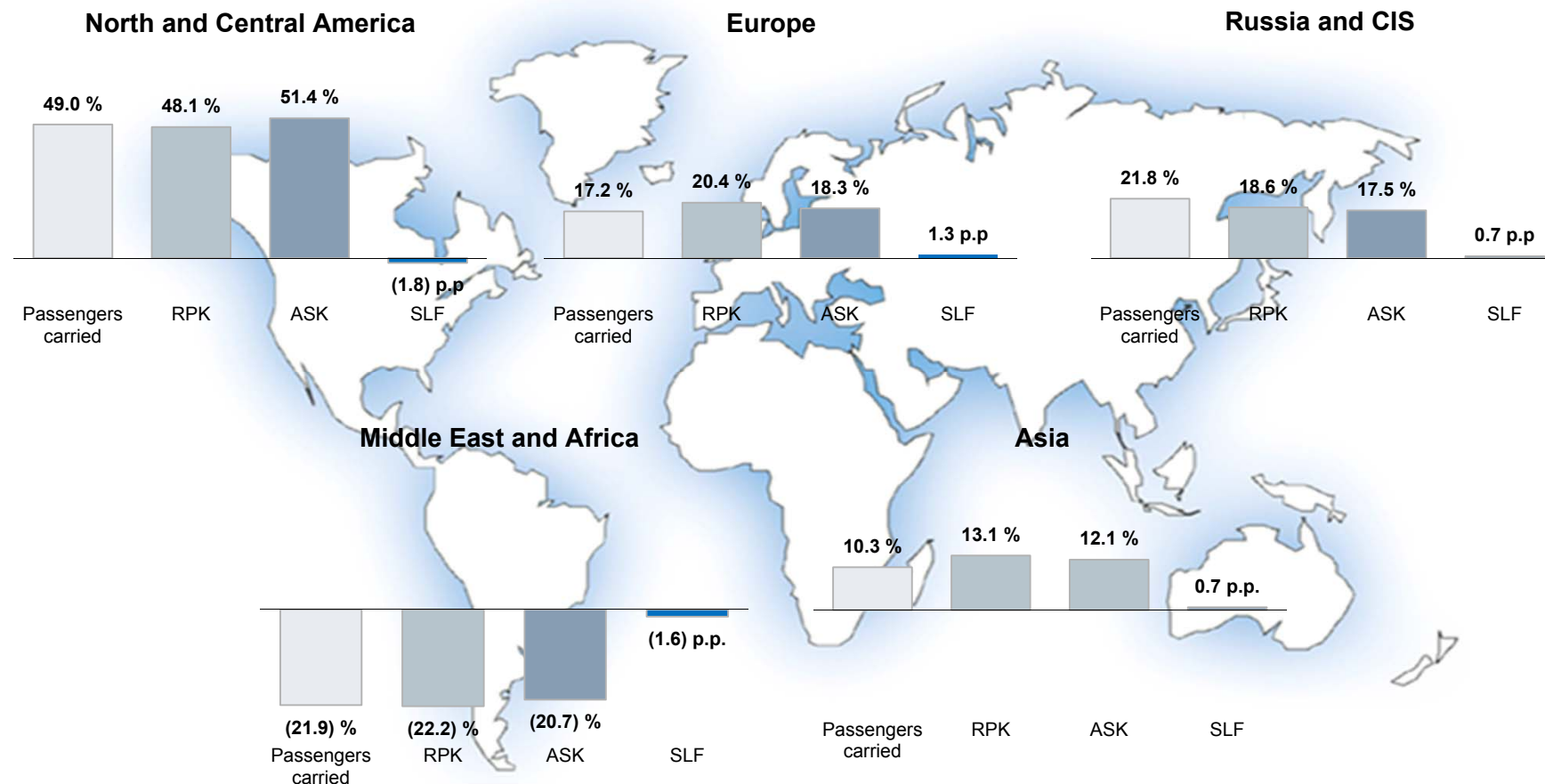
<sup>2</sup> Scheduled flights.

<sup>3</sup> Passenger flights including charter flights.

# Traffic and Capacity Development



(%, 2013 vs. 2012)



- Growth in passenger turnover and passenger traffic in Russia, Europe and Asia, and continued expansion in North America
- Sustaining high seat load factor in a growth environment
- Pressure on regional performance in Middle East and Africa as a result of political instability

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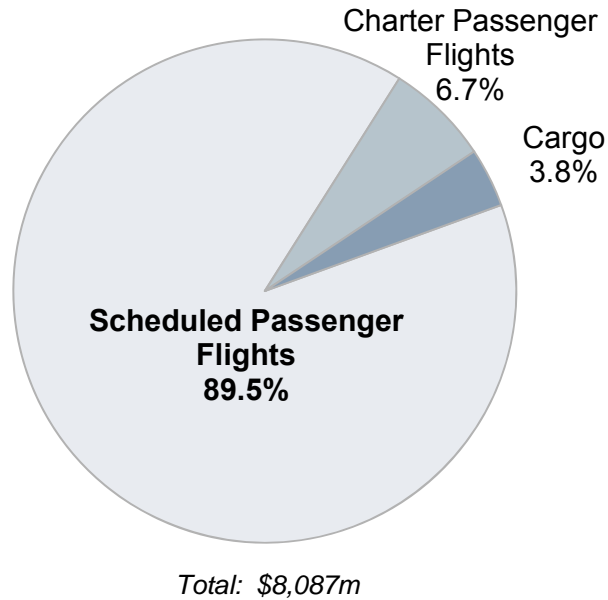


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# Revenue Breakdown



Traffic Revenue Breakdown (FY 2013)



Revenue from Scheduled Passengers Carriages (\$m)<sup>1</sup>

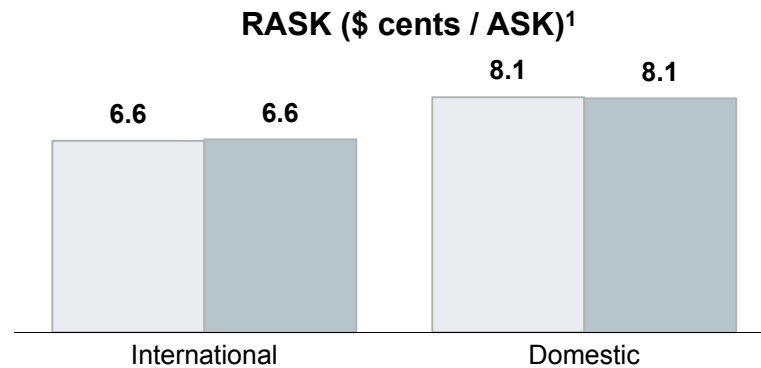
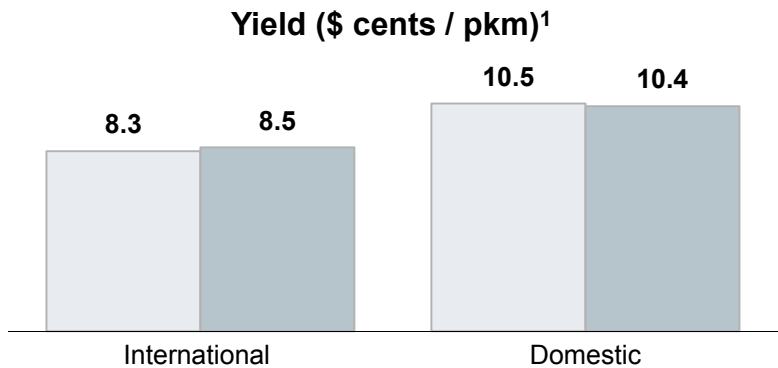
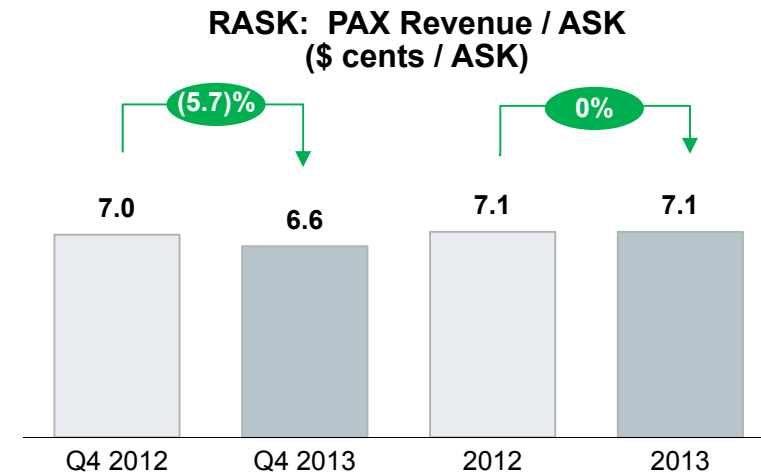
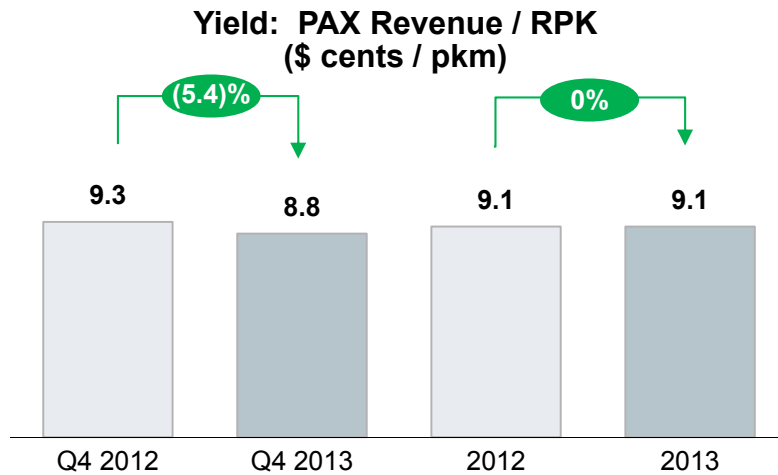
	2013	2013	2012	Y-o-y Change
Russia	41%	3,000	2,562	17.1%
Europe	35%	2,526	2,278	10.9%
Asia	17%	1,250	1,050	19.0%
North America	4%	318	203	56.7%
Other <sup>2</sup>	2%	147	153	(3.9)%

Continued focus on regular flights supplemented by selected charter and belly cargo operations

<sup>1</sup> Data presented based on management accounting.

<sup>2</sup> Includes Central America, Egypt and other international flights.

# Revenue Units











□ 2012    ■ 2013

- **Flat yield and RASK across domestic and international routes supported by leading market position, ability to attract transit passengers and network expansion**

<sup>1</sup> Data presented based on management accounting.

# Cost Analysis



FY 2013, \$m		Q4 2013	Y-o-y Change	FY 2013	Y-o-y Change
 29.2%	<b>Fuel</b>	607	0.7%	2,485	8.6%
	<b>Opex (ex. Fuel)</b>				
 19.5%	<i>Aircraft, Traffic and Passenger Servicing</i>	406	4.4%	1,659	14.3%
 16.7%	<i>Staff</i>	420	22.4%	1,424	14.7%
 7.9%	<i>SG&amp;A<sup>1</sup></i>	227	14.6%	674	10.7%
 7.5%	<i>Maintenance</i>	198	23.0%	640	9.8%
 7.1%	<i>Operating Lease</i>	158	3.3%	602	6.2%
 3.9%	<i>D&amp;A</i>	86	19.4%	335	24.5%
 8.2%	<i>Other Expenses</i>	230	(13.5%)	696	(9.7%)
	<b>Total Opex</b>	<b>2,332</b>	<b>6.7%</b>	<b>8,514</b>	<b>9.4%</b>
	<b>Revenue</b>	<b>2,104</b>	<b>(0.6%)</b>	<b>9,136</b>	<b>12.3%</b>

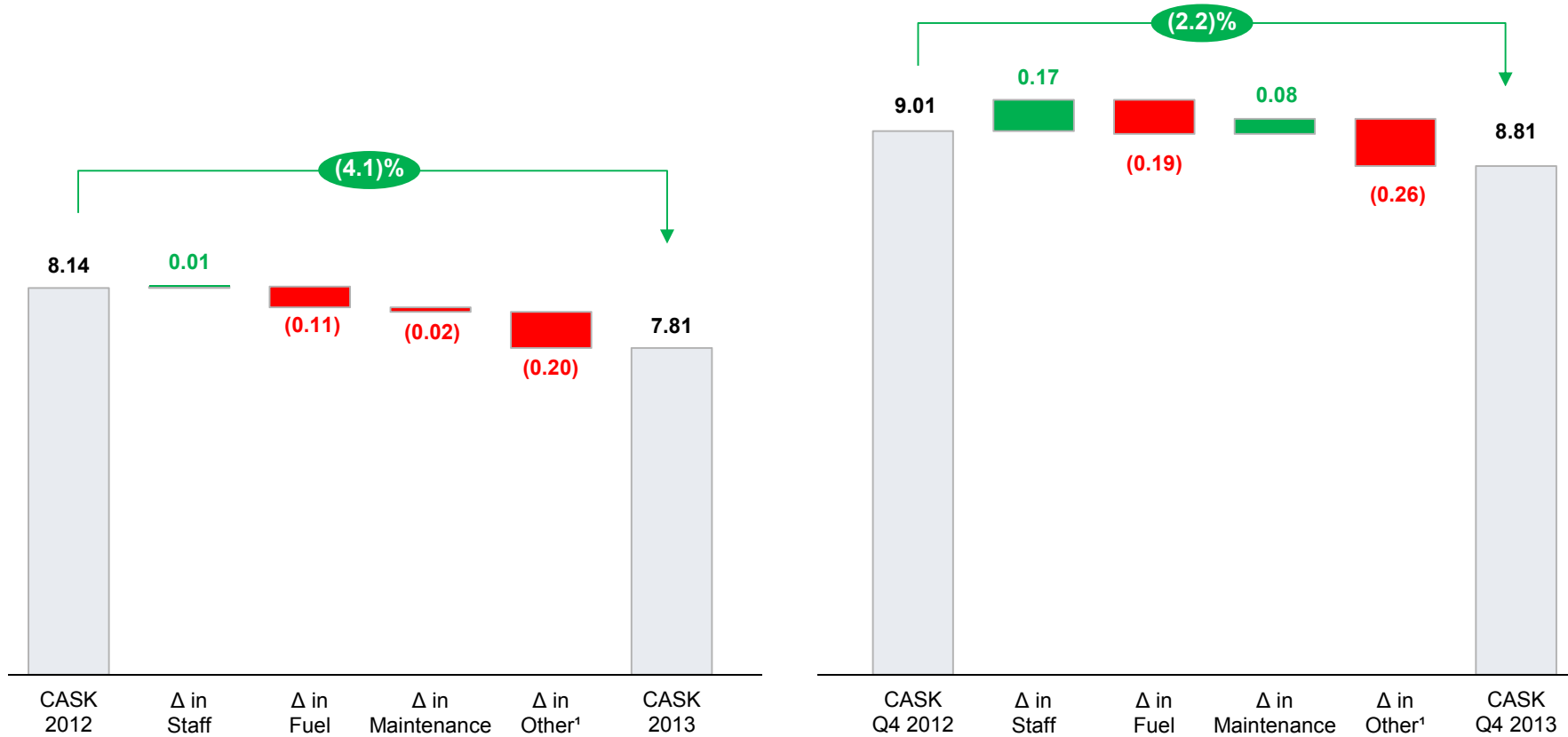
## Cost structure allowing for operating leverage and economies of scale

<sup>1</sup> Includes sales and marketing expenses and administration and general expenses.

# Group Unit Costs



Cost Per ASK (\$ cent)



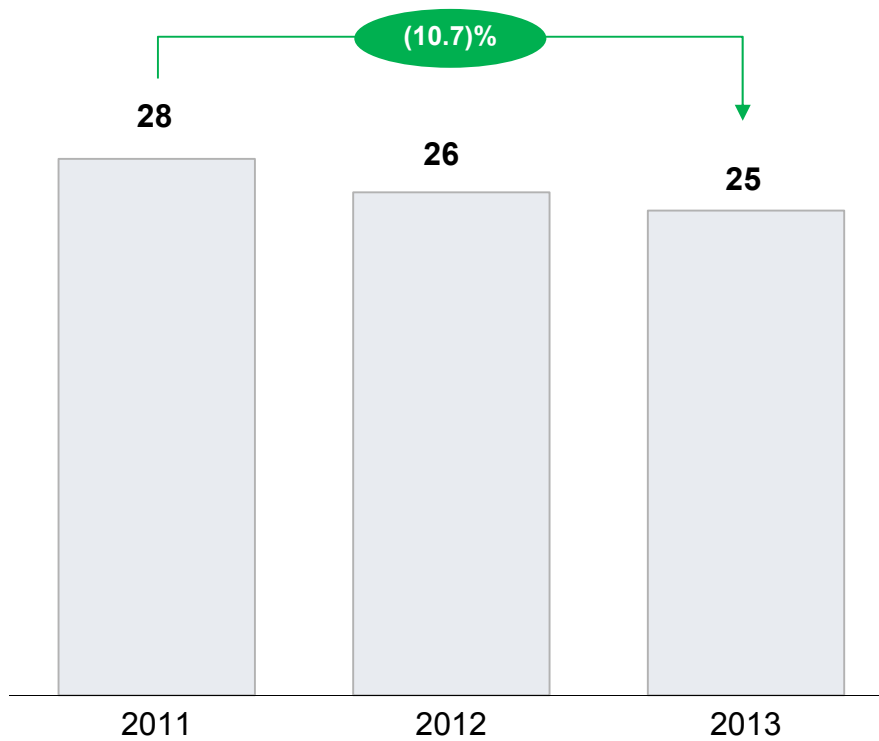
**Achieved CASK reductions are sustainable and being backed-up by young and efficient fleet, highly productive labour force and ongoing integration of subsidiary airlines**

<sup>1</sup> Other costs include other operating costs (excluding fuel and maintenance costs), depreciation and amortisation and other net expenses / (income).

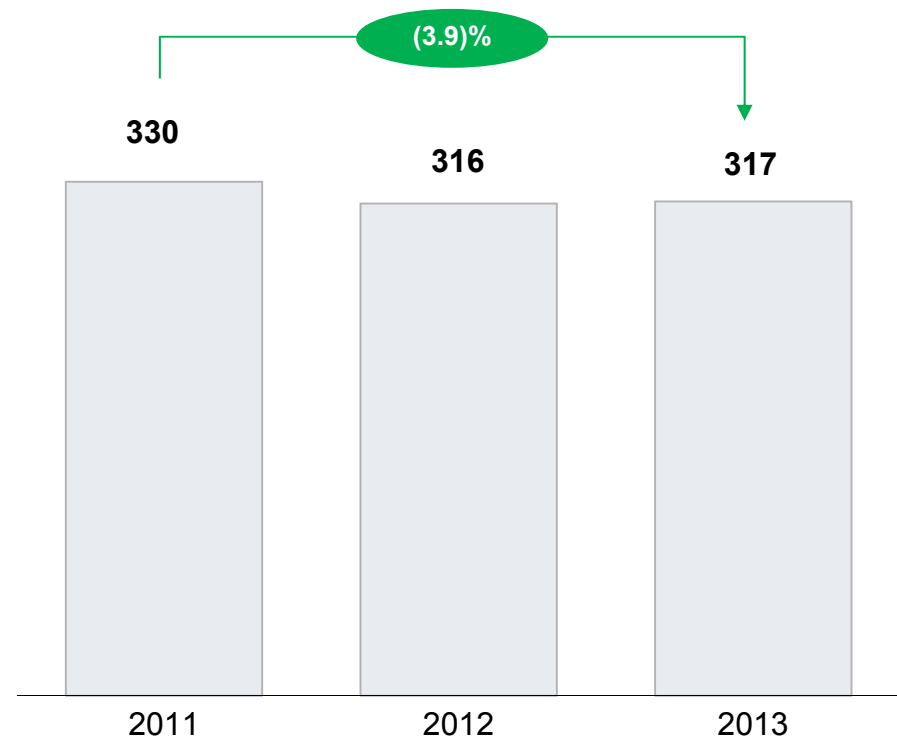
# Managing Fuel Costs



Fuel Consumption per ASK (gr/ASK)



Fuel Consumption per RTK (gr/tkm)



- Aeroflot is achieving efficiency gains in fuel costs as new aircraft are put into operation, while old and less fuel-efficient ones are in the process of phase out

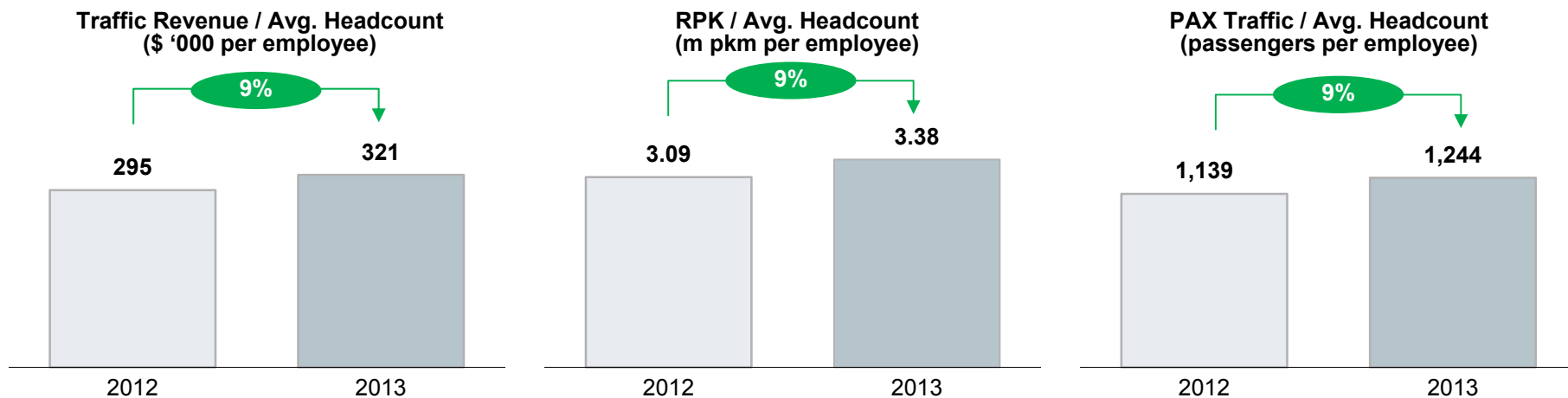


# Headcount Overview and Labour Productivity



	Headcount		Y-o-y Change
	31-Dec-2012	31-Dec-2013	
Aeroflot JSC	16,418	17,891	9.0%
Aeromar	2,938	2,949	0.4%
Subsidiary Airlines	9,214	9,366	1.6%
Other <sup>1</sup>	256	263	2.7%
<b>Total</b>	<b>28,826</b>	<b>30,469</b>	<b>5.7%</b>

## Airlines Labour Productivity<sup>2</sup>



**Sizeable improvement in labour productivity has resulted in increasing operational profitability**

<sup>1</sup> Other includes Aeroflot Riga, Sherotel and Aeroflot-Finance.

<sup>2</sup> Based on Aeroflot JSC and subsidiary airlines average headcount.

# Key Financial Results of Aeroflot Group



\$m, Unless Otherwise Stated	Q4 2012	Q4 2013	Change	FY 2012	FY 2013	Change
Revenue	2,117	2,104	(0.6)%	8,138	9,136	12.3%
RPK <sup>1</sup> (m pkm)	18,388	19,910	8.3%	74,617	85,273	14.3%
Yield <sup>2</sup> (\$ cents/pkm)	9.3	8.8	(5.4)%	9.1	9.1	-
EBITDAR <sup>3</sup>	169	27	(84.0)%	1,238	1,602	29.4%
Margin (%)	8.0%	1.3%	(6.7)p.p	15.2%	17.5%	2.3p.p
EBITDA <sup>4</sup>	17	(131)	n/m	671	1,000	49.0%
Margin (%)	0.8%	n/m	n/m	8.2%	10.9%	2.7p.p
Operating Income	(67)	(228)	n/m	358	622	73.7%
Margin (%)	n/m	n/m	n/m	4.4%	6.8%	2.4p.p
Net Income	(130)	(315)	n/m	166	230	38.6%
Margin (%)	n/m	n/m	n/m	2.0%	2.5%	0.5p.p
Operating Free Cash Flow <sup>5</sup>				578	794	37.4%
Net Debt <sup>6</sup>				2,120	2,067	(2.5)%

- Revenue growth driven by expanding passenger traffic
- Strong earnings increase as a result of revenue growth, improvement in cost base and profitability of key subsidiary airlines
- Increased cash flow generation due to improved profitability

<sup>1</sup> RPK = revenue passenger kilometre; <sup>2</sup> Yield = PAX Traffic Revenue / RPK; <sup>3</sup> EBITDAR = EBITDA + operating lease expenses; <sup>4</sup> EBITDA = operating income + depreciation & amortisation + customs duties.

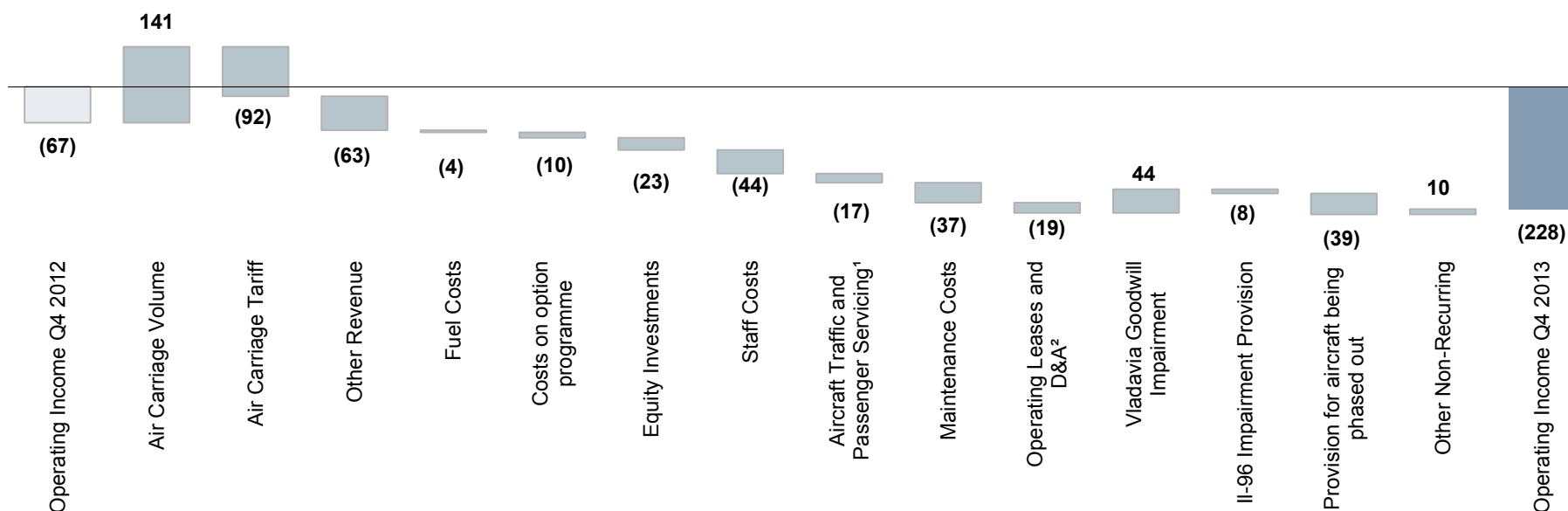
<sup>5</sup> Operating Free Cash Flow = net cash flow from operations - net capex on tangible and intangible assets + pre-delivery payments for aircraft.

<sup>6</sup> Net Debt = borrowings + finance lease liabilities + pension liabilities + custom duties – cash and short-term investments.

# Group Operating Income Analysis



Quarterly Operating Income Evolution, Q4 y-o-y basis (\$m)



- Improving passenger turnover on domestic and international routes
- Increased fuel consumption offset by lower purchase price as a result of shifting to formula-based pricing and increased number of suppliers
- Maintenance expenses growth driven by mandatory checks of B-767 aircraft returned to lessor and A-320 aircraft transferred to subsidiary airlines
- Higher personnel expenses due to increased headcount to service growing revenue units

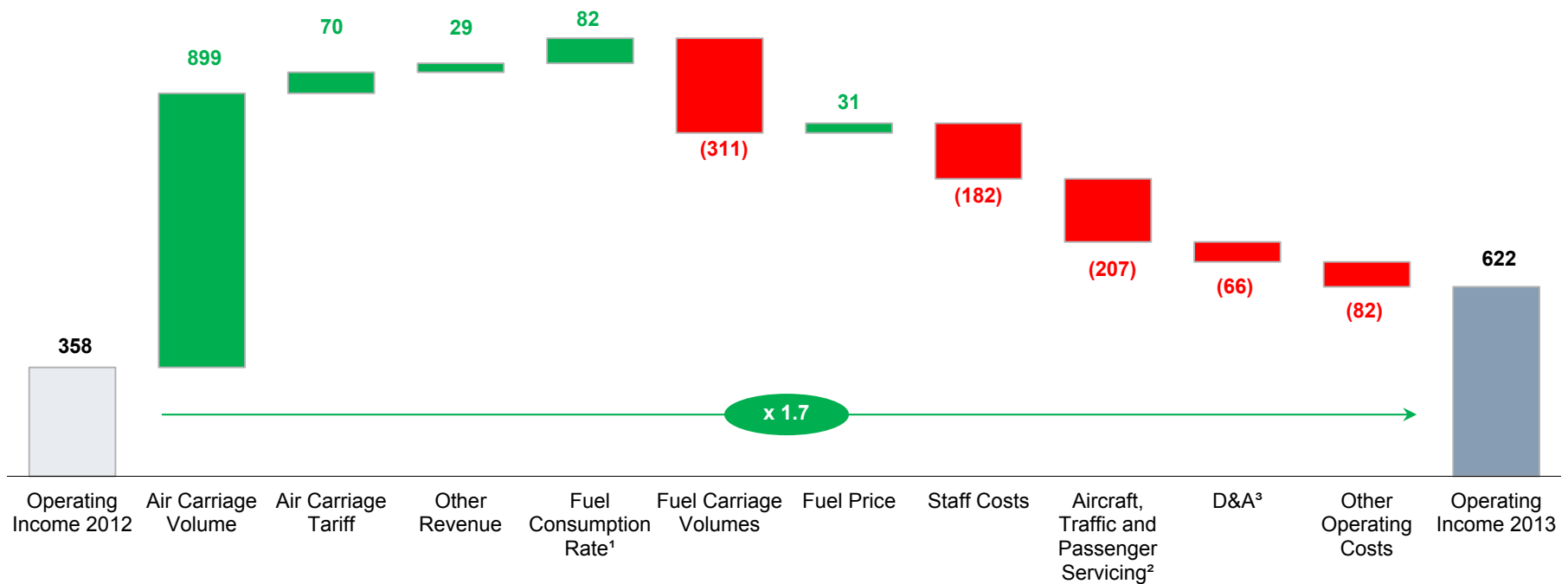
<sup>1</sup> Aircraft, traffic and passenger servicing due to carriage volumes growth.

<sup>2</sup> D&A mainly due to new finance lease aircraft deliveries.

# Group Operating Income Analysis



Annual Operating Income Evolution, y-o-y basis (\$m)



**Profitability expansion driven by operating leverage as revenue growth surpassed operating costs increase**

<sup>1</sup> Based on g/ASK.

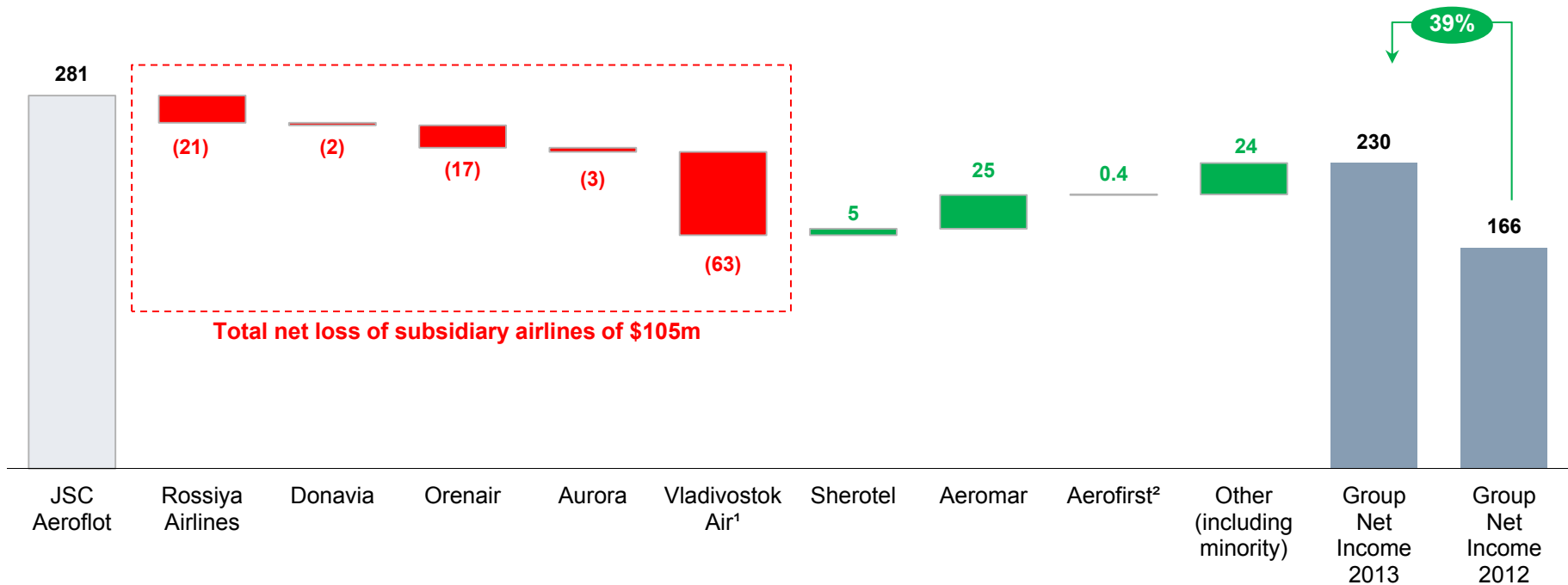
<sup>2</sup> Aircraft, traffic and passenger servicing due to carriage volumes growth.

<sup>3</sup> D&A mainly due to new finance lease aircraft deliveries.

# Group Net Income



Aeroflot Group Net Income (\$m)








**Key subsidiary airlines generated total net loss of \$105m as compared to \$187m loss last year, as a result of continuous cost optimisation and business processes centralisation**

<sup>1</sup> Vladivostok Air is 52% owned by Aurora.  
<sup>2</sup> Aerofirst financial results before disposal.  
<sup>3</sup> Aerofirst net assets and goodwill write off.

# Subsidiary Airlines Operationally Breakeven



## Operating Income / Net Income (\$m)<sup>1</sup>

	2012	2013	Change	Highlights
	16 / 17	(2) / (2)	(18) / (19)	<ul style="list-style-type: none"> <li>• Full integration into Aeroflot group completed                             <ul style="list-style-type: none"> <li>— Commercial functions transferred to Aeroflot</li> <li>— Standardised product and service offering</li> <li>— Unification of aircraft fleet</li> <li>— Optimisation of organisational structure</li> <li>— Centralisation of maintenance and reliability management</li> <li>— Unified financial policy, revenue and tax accounting</li> </ul> </li> <li>• Next step: Ongoing centralisation of procurement with Aeroflot</li> </ul>
	(36) / (67)	40 / (21)	76 / 46	<ul style="list-style-type: none"> <li>• Optimised network and schedule</li> <li>• Joint offering on Moscow – St. Petersburg route together with Aeroflot</li> <li>• Optimised sales network (integration with Aeroflot sales offices)</li> <li>• Unification of fleet composition (phase out of B-737 / improved operating efficiency of other aircraft)</li> <li>• Streamlined costs/integrated support functions into Aeroflot Group</li> <li>• Optimisation of organisational structure</li> <li>• Next steps: further integration of network and revenue management function with Aeroflot and optimisation of aircraft acquisition process</li> </ul>
	(104) / (107)	(8) / (63)	96 / 44	<ul style="list-style-type: none"> <li>• Completed Vladavia network optimisation, code-sharing agreement in place, fleet optimisation, MRO, sales and ground handling integrated</li> <li>• Merging Vladavia into Aurora Airlines</li> <li>• 49% stake in Aurora Airline disposed to Sakhalin regional administration in January 2014</li> <li>• Next steps: further optimisation of fleet and further improvement of profitability</li> </ul>
	(4) / (4)	(1) / (3)	3 / 1	
	(19) / (25)	(15) / (17)	4 / 8	<ul style="list-style-type: none"> <li>• Full integration into Aeroflot group completed                             <ul style="list-style-type: none"> <li>— Increased share of tourist passenger traffic</li> <li>— Offering tourist packages, including sale of block of seats</li> <li>— Unified financial policy and tax accounting</li> </ul> </li> <li>• Next step: Long-haul fleet expansion</li> </ul>
<b>Total</b>	<b>(146)/(187)</b>	<b>14/(105)</b>	<b>161 / 80</b>	

- **Successfully conducted integration and turnaround of five subsidiaries via strong focus on operational optimization and cost improvement**
- **Key next steps around further strategic expansion are further optimisation of fleet and improvement of profitability**

<sup>1</sup> Financial data before intercompany eliminations.

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# Leverage



	Debt (\$m)		
	31-Dec-2012	31-Dec-2013	Change
Borrowings	706	410	(42%)
Finance Lease Liabilities	1,882	2,201	17%
Pension Liabilities	15	22	(32%)
Customs Duties	19	13	47%
<b>Total Debt</b>	<b>2,621</b>	<b>2,645</b>	<b>1%</b>
Cash and Short Term Investments	501	578	15%
<b>Net Debt</b>	<b>2,120</b>	<b>2,067</b>	<b>(3%)</b>



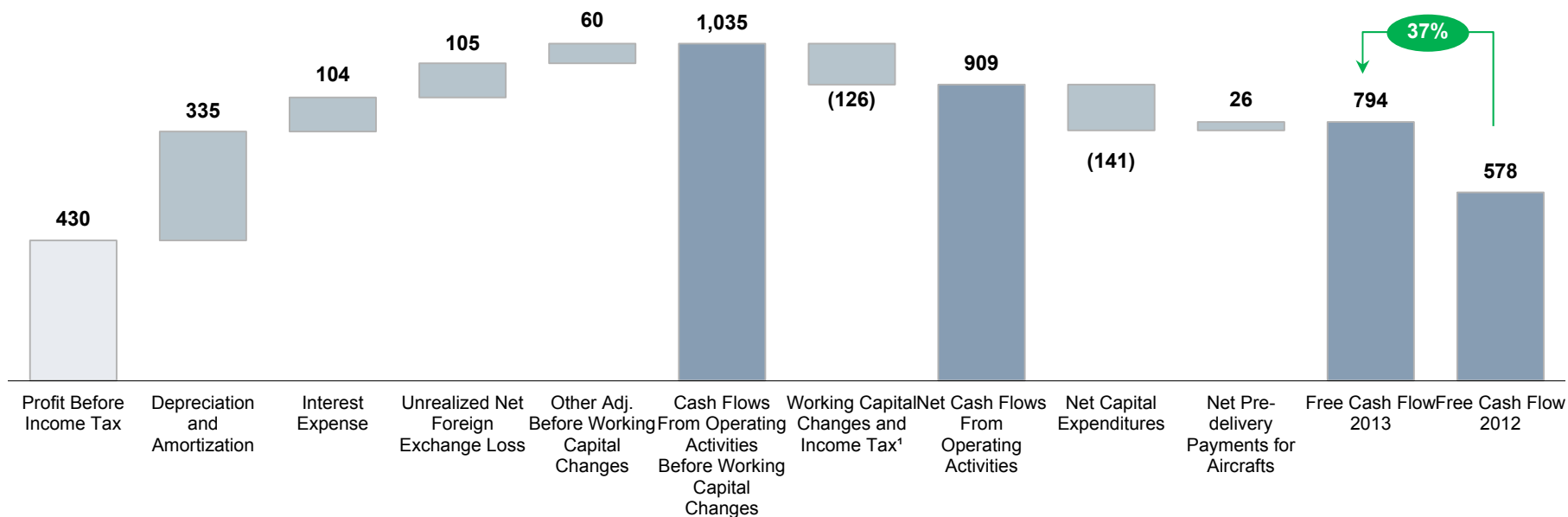
- **Stable net debt position**
- **Steadily declining leverage ratio driven by expanding earnings**



# Operating Free Cash Flow and Liquidity



2013 Operating Free Cash Flow (\$m)



- Strong cash flow generation over the last 12 months
- Cash position of \$570m
- Undrawn credit lines of \$496m

<sup>1</sup> Includes net income tax paid of \$134m.

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# Aeroflot Group Fleet in Operation



	Type <sup>1</sup>	Aeroflot	Subsidiaries	Total	Owned	Financial Lease	Operating Lease
Long-haul	Boeing B-767	5	3	8	-	-	8
	Airbus A-330	22	-	22	-	8	14
	Tu-204	-	6	6	-	6	-
	Boeing B-777	5	3	8	-	5	3
	Ilyushin Il-96-300 <sup>2</sup>	6	-	6	6	-	-
	McDonnell Douglas MD-11	3	-	3	-	-	3
	<b>Total</b>	<b>41</b>	<b>12</b>	<b>53</b>	<b>6</b>	<b>19</b>	<b>28</b>
Medium-haul	Airbus A-319	10	30	40	-	13	27
	Airbus A-320	53	15	68	-	1	67
	Airbus A-321	26	-	26	-	21	5
	Boeing B-737	4	26	30	-	-	30
	<b>Total</b>	<b>93</b>	<b>71</b>	<b>164</b>	<b>-</b>	<b>35</b>	<b>129</b>
Short-haul	DHC 8 Series 200	-	2	2	-	-	2
	DHC 8 Series 300	-	4	4	-	-	4
	Antonov An-148	-	6	6	-	6	-
	SSJ 100	10	-	10	-	10	-
	<b>Total</b>	<b>10</b>	<b>12</b>	<b>22</b>	<b>-</b>	<b>16</b>	<b>6</b>
	<b>Total fleet<sup>3</sup></b>	<b>144</b>	<b>95</b>	<b>239</b>	<b>6</b>	<b>70</b>	<b>163</b>

- Continued renewal of aircraft fleet, substituting old aircraft with modern fuel-efficient aircraft and unification of fleet at subsidiary airlines
- Average age of JSC Aeroflot's aircraft fleet is 5.4 years, one of the youngest fleets in the industry

<sup>1</sup> As of 31-Jan-2014.

<sup>2</sup> 6 aircraft to be phased off in 2014.

<sup>3</sup> Excluding 4 Mi-8 helicopters and 1 An-24 aircraft.

# Aeroflot JSC Fleet Order and Phase-Out Schedule



Total Aircraft Delivery Schedule in Accordance with Existing Contracts<sup>1</sup>

Type of Aircraft	Delivered as at 31-Jan-2014	2014	2015	2016	2017
<b>Long-haul</b>	<b>53</b>	<b>5</b>	<b>3</b>	<b>5</b>	<b>9</b>
A-330	22	0	0	0	0
B-767	8	0	0	0	0
B-777	8	5	3	3	0
B-787	0	0	0	2	9
Ilyushin Il-96	6	0	0	0	0
Tu-204	6	0	0	0	0
MD-11	3	0	0	0	0
<b>Medium-haul</b>	<b>164</b>	<b>23</b>	<b>12</b>	<b>22</b>	<b>22</b>
A-319	40	0	0	0	0
A-320	68	14	0	5	5
A-321	26	0	0	2	2
B-737	30	9	12	15	15
<b>Regional</b>	<b>22</b>	<b>8</b>	<b>12</b>	<b>0</b>	<b>0</b>
An-148	6	0	0	0	0
SSJ-100	10	8	12	0	0
DHC-8	6	0	0	0	0
<b>Total</b>	<b>239</b>	<b>36</b>	<b>27</b>	<b>27</b>	<b>31</b>

Aircraft Phase-Out Schedule<sup>1</sup>

Type of Aircraft		2014	2015	2016	2017
<b>Long-haul</b>	<b>19</b>	<b>11</b>	<b>3</b>	<b>4</b>	<b>1</b>
B-767	8	5	3	0	0
B-777	2	0	0	1	1
Ilyushin Il-96	6	6	0	0	0
MD-11	3	0	0	3	0
<b>Medium-haul</b>	<b>55</b>	<b>15</b>	<b>8</b>	<b>13</b>	<b>19</b>
A-319	9	2	4	0	3
A-320	20	8	3	6	3
A-321	4	0	0	2	2
B-737	22	5	1	5	11
<b>Regional</b>	<b>4</b>	<b>0</b>	<b>2</b>	<b>1</b>	<b>1</b>
DHC-8	4	0	2	1	1
<b>Total</b>	<b>78</b>	<b>26</b>	<b>13</b>	<b>18</b>	<b>21</b>

- In 2015-2017, 85 new aircraft will join the fleet
- By the end of 2014, Aeroflot plans to phase out Il-96, majority of B-767 and A-320 family aircraft, for which the lease term is expiring

<sup>1</sup> Excluding 4 Mi-8 helicopters and 1 An-24 aircraft.

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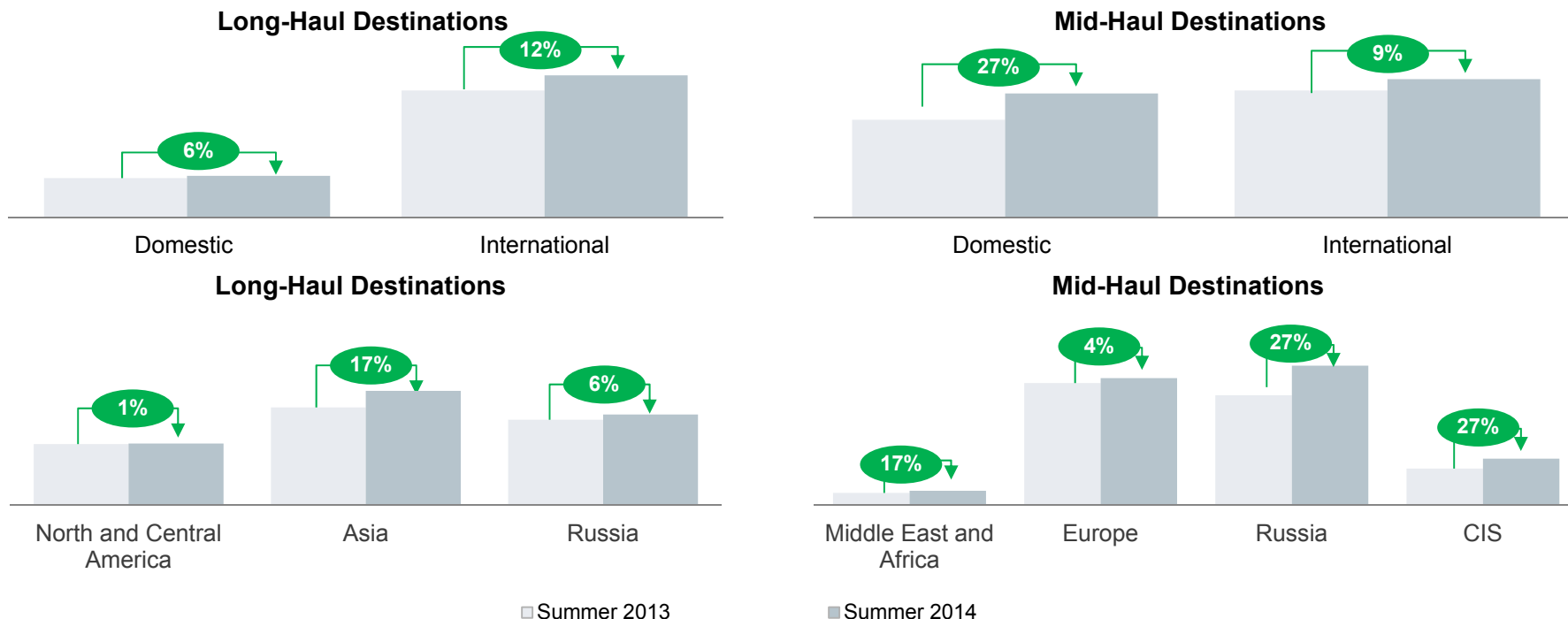


1. Key Highlights
2. Market Update
3. Operating Performance
4. Financial Performance
5. Capital Structure and Liquidity
6. Fleet Dynamics
- 7. Appendix**

# Summer 2014 Schedule

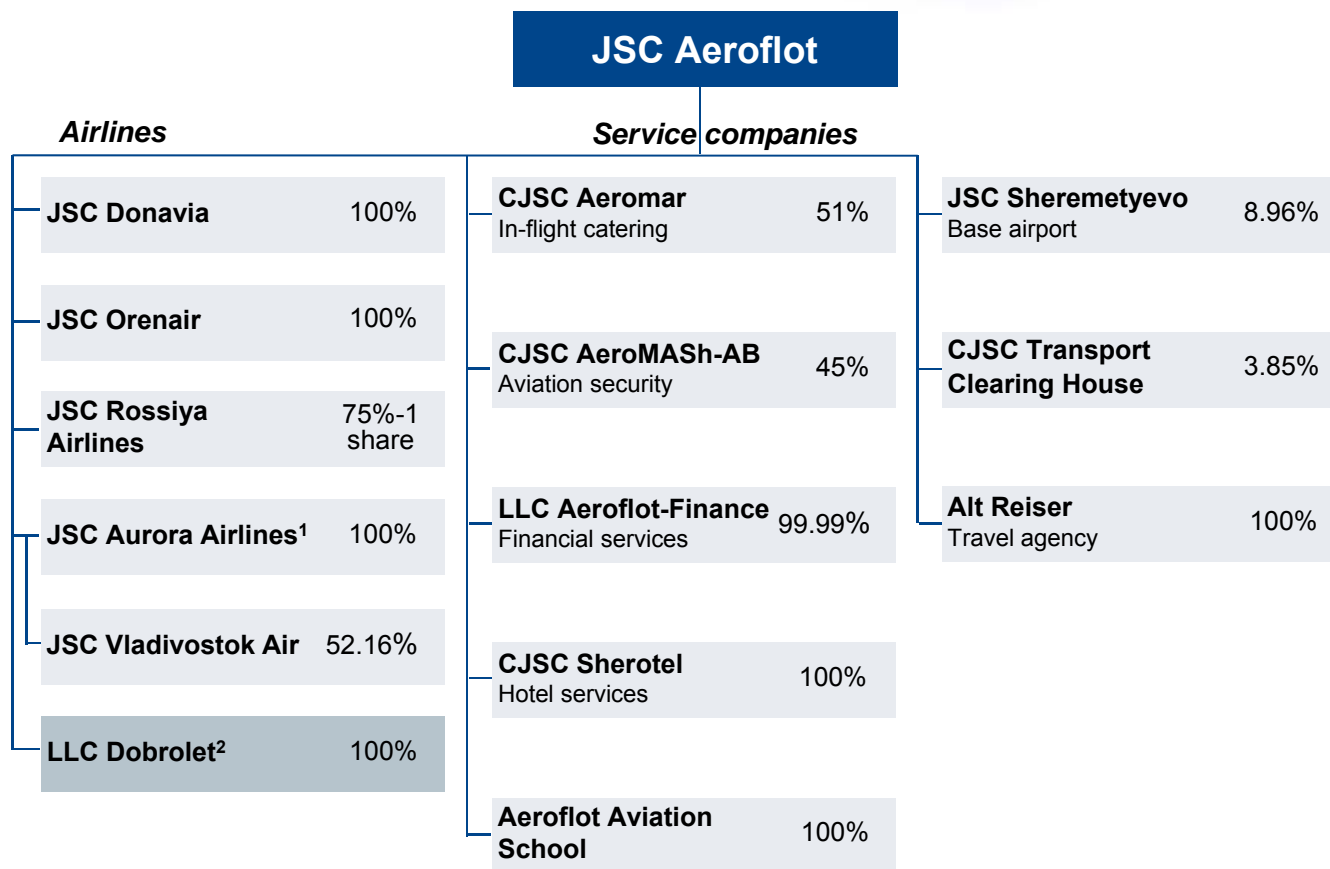


Increase in Available Seat-Kilometres (ASK) in Summer 2014 compared to Summer 2013



- In the Summer 2014 season, Aeroflot Group will operate flights to 141 destinations in 54 countries (incl. Russia)
- Aeroflot and its partner airlines under cone share agreements will operate 356 destinations in 66 countries
- Transit passenger traffic of JSC Aeroflot in the Summer 2014 season is expected to increase by approximately 17% compared to the Summer 2013 season, reaching c. 5.9m passengers (40% of total passenger traffic)

# Aeroflot Group Structure



## Ongoing subsidiary airline integration and streamlining of the corporate structure

Note: Aeroflot Group consolidates all entities: JSC Aeroflot and all subsidiaries.

<sup>1</sup> Previously was operating as SAT Airlines. In January 2014, 49% stake disposed to Sakhalin regional administration.

<sup>2</sup> Legal entity established, ongoing preparatory work before launch.

# Key Financial Data for JSC Aeroflot



\$m, Unless Otherwise Stated	Q4 2012	Q4 2013	Change	FY 2012	FY 2013	Change
Revenue <sup>1</sup>	1,608	1,647	2.4%	6,000	6,949	15.8%
RPK <sup>2</sup> (m pkm)	12,762	14,864	16.5%	50,533	60,226	19.2%
Yield <sup>3</sup> (\$ cents/pkm)	9.9	8.9	(10.1)%	9.6	9.5	(1.0)%
EBITDAR <sup>4</sup>	55	(22)	n/m	977	1,236	26.5%
Margin (%)	3.4%	n/m	n/m	16.3%	17.8%	1.5p.p
EBITDA <sup>5</sup>	(44)	(128)	n/m	604	846	40.1%
Margin (%)	n/m	n/m	n/m	10.1%	12.2%	2.1p.p
Operating Income	(110)	(204)	n/m	372	543	46.0%
Margin (%)	n/m	n/m	n/m	6.2%	7.8%	1.6p.p
Net Income	(137)	(243)	n/m	230	281	22.2%
Margin (%)	n/m	n/m	n/m	3.8%	4.0%	0.2p.p
Net Debt <sup>6</sup>				1,300	1,436	10.5%

Note: Financial data as per IFRS before intercompany eliminations.

<sup>1</sup> Revenue presented net of intercompany eliminations.

<sup>2</sup> RPK = revenue passenger kilometre.

<sup>3</sup> Yield = PAX Traffic Revenue / RPK.

<sup>4</sup> EBITDAR = EBITDA + operating lease expenses.

<sup>5</sup> EBITDA = operating income + depreciation & amortisation + customs duties.

<sup>6</sup> Net Debt = borrowings + finance lease liabilities + pension liabilities + custom duties – cash and short-term investments.



# Key Operating Data of Subsidiary Airlines



		Rossiya Airlines	Orenair	Vladivostok Air	SAT	Donavia	Total
Passenger Traffic ('000 PAX)	2013	4,590	3,141	1,077	326	1,354	10,488
	2012	4,209	3,194	1,162	265	986	9,816
	Change, %	9.1 %	(1.7)%	(7.3)%	23.0 %	37.3 %	6.8 %
Passenger Turnover (m pkm)	2013	9,186	10,984	2,519	356	2,001	25,047
	2012	8,761	10,505	3,134	251	1,434	24,085
	Change, %	4.9 %	4.6 %	(19.6)%	41.8 %	39.5 %	4.0 %
Seat Load Factor, %	2013	76%	82%	69%	66%	66%	77%
	2012	77%	86%	67%	60%	69%	78%
	Change, %	(1) p.p	(4) p.p	2 p.p	6 p.p	(3) p.p	(2) p.p
Flight Hours, hours	2013	112,277	81,784	33,203	9,672	30,264	267,200
	2012	107,698	80,954	38,840	9,625	23,582	260,699
	Change, %	4.3 %	1.0 %	(14.5)%	0.5 %	28.3 %	2.5 %
Revenue <sup>1</sup> , \$m	2013	1,008	661	351	119	262	2,401
Net Profit/Loss <sup>1</sup> , \$m	2013	(21)	(17)	(63)	(3)	(2)	(105)

Aurora

<sup>1</sup> According to IFRS, excluding intercompany operations.

# Summary Financial Tables

## Income Statement



	3 months 31-Dec-2012	3 months 31-Dec-2013	Financial Year 31-Dec-2012	Financial Year 31-Dec-2013
Traffic Revenue	1,807	1,828	7,118	8,087
Other Revenue	310	275	1,020	1,049
<b>Revenue</b>	<b>2,117</b>	<b>2,103</b>	<b>8,138</b>	<b>9,136</b>
Operating Costs	(1,699)	(1,767)	(6,191)	(6,672)
Staff Costs	(343)	(420)	(1,242)	(1,424)
Depreciation and Amortisation	(72)	(86)	(269)	(335)
Other (Expenses)/Income, Net	(70)	(58)	(78)	(84)
<b>Operating Costs</b>	<b>(2,184)</b>	<b>(2,331)</b>	<b>(7,780)</b>	<b>(8,514)</b>
<b>Operating Profit</b>	<b>(67)</b>	<b>(229)</b>	<b>358</b>	<b>622</b>
Finance Income	87	10	166	84
Finance Costs	(73)	(46)	(167)	(277)
Share of Results of Equity Accounted Investments	(2)	0	0	1
<b>Profit Before Income Tax</b>	<b>(54)</b>	<b>(264)</b>	<b>358</b>	<b>430</b>
Income Tax	(76)	(52)	(191)	(200)
<b>Profit for the Period</b>	<b>(130)</b>	<b>(315)</b>	<b>166</b>	<b>230</b>

Attributable to:

Shareholders of the Company	(97)	(275)	222	252
Non-controlling Interest	(33)	(39)	(56)	(21)

# Summary Financial Tables

## Balance Sheet



	31-Dec-2012	31-Dec-2013
<b>Assets</b>		
<b>Current Assets</b>		
Cash and Cash Equivalents	496	570
Short-term Investments	5	8
Accounts Receivable and Prepayments	1,553	1,702
Aircraft Lease Deposits	8	12
Income Tax Receivables	69	15
Expendable Spare Parts and Inventories	141	151
Derivative Financial Instruments	0	32
Assets Held for Sale	60	0
	<b>2,333</b>	<b>2,489</b>
<b>Non-current Assets</b>		
Equity Accounted Investments	3	4
Long-term Investments	200	186
Aircraft Lease Deposits	35	33
Deferred Tax Assets	96	66
Other Non-current Assets	270	182
Prepayments for Aircraft	446	376
Property, Plant and Equipment	2,436	2,713
Intangible Assets	109	102
Derivative Financial Instruments	93	36
Goodwill	226	204
	<b>3,913</b>	<b>3,902</b>
<b>Total Assets</b>	<b>6,246</b>	<b>6,391</b>

# Summary Financial Tables

## Balance Sheet (continued)



	31-Dec-2012	31-Dec-2013
<b>Liabilities and Equity</b>		
<b>Current Liabilities</b>		
Accounts Payable and Accrued Liabilities	989	1,108
Unearned Transportation Revenue	503	499
Deferred Revenue Related to Frequent Flyer Programme	12	18
Provisions	4	27
Short-term Borrowings	466	154
Finance Lease Liabilities	246	265
Derivative Financial Instruments	-	7
Liabilities Associated with Assets Classified as Held for Sale	26	-
	<b>2,246</b>	<b>2,077</b>
<b>Non-current Liabilities</b>		
Long-term Borrowings	240	256
Finance Lease Liabilities	1,635	1,936
Provisions	3	51
Deferred Tax Liabilities	74	50
Deferred Revenue Related to Frequent Flyer Programme	45	57
Derivative Financial Instruments	145	139
Other Non-current Liabilities	231	162
	<b>2,374</b>	<b>2,650</b>
<b>Equity</b>		
Share Capital	52	52
Treasury Stock	(130)	(109)
Accumulated Gain on Disposal of Treasury Shares	49	51
Investment Revaluation Reserve	(0)	(0)
Cumulative Translation Reserve	(168)	(304)
Hedge Reserve	17	(12)
Share Based Payment's Reserve	7	-
Retained Earnings	1,948	2,160
<b>Equity Attributable to Shareholders of the Company</b>	<b>1,775</b>	<b>1,838</b>
Non-controlling Interest	(149)	(173)
<b>Total Equity</b>	<b>1,626</b>	<b>1,665</b>
<b>Total Liabilities and Equity</b>	<b>6,246</b>	<b>6,391</b>

# Summary Financial Tables

## Condensed Cash Flow Statement



	Financial Year 31-Dec-2012	Financial Year 31-Dec-2013
Operating Profit Before Working Capital Changes	700	1,035
Net Cash Flows from Operating Activities	541	909
Net Cash Flows Used in Investing Activities	41	(113)
Net Cash Flows Used in Financing Activities	(502)	(684)
Net Increase/(Decrease) in Cash and Cash Equivalents	103	74
Cash and Cash Equivalents at the End of the Period	496	570