

# Aeroflot Group

## 12 Months 2016 Financial Results

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## Aeroflot Group



- **Aeroflot Group carried 43.4 mln passengers in 2016** compared to 2015 (up by 4.0 mln or +10.3%)
- **Passenger load factor** increased 3.2 p.p. to 81.5%
- **Strong 2016 financials results:**
  - Total revenue of 495.9 bn RUB (up 19.4% y-o-y)
  - EBITDAR and EBITDA margins of 27.7% and 15.7%
  - Strong operating and free cash flow generation
  - Net income of 38.8 billion RUB
  - Deleveraging from 3.4x Net Debt/EBITDA as at 31-Dec-2015 to 1.4x as at 31-Dec-2016 due to debt repayment ahead of schedule and positive lease revaluation

## Macro and Aviation Market



- **Overall Russian aviation market continued to decline** by 4.1% y-o-y in 2016, as a result of a challenging economic environment.
- **Domestic traffic growth** of 7.3% y-o-y driven by additional demand stemming from low-cost segment and to a lesser extent refocusing from international destinations.
- **Traffic to international destinations declined** by 15.1% y-o-y as a result of continuing pressure on consumer confidence.
- **Foreign and domestic carriers capacity reduction started to reverse in 4Q** on the back of stabilizing macro; future capacity expansion is expected to be strongly correlated with demand.

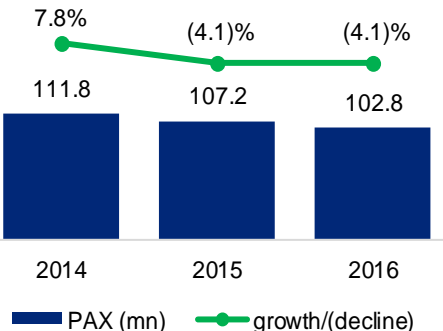
- 1. Market Update**
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# Air Transportation Market in 2014-2016: Adapting to a New Normal

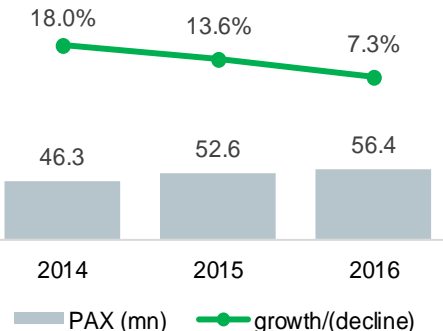


## PAX evolution

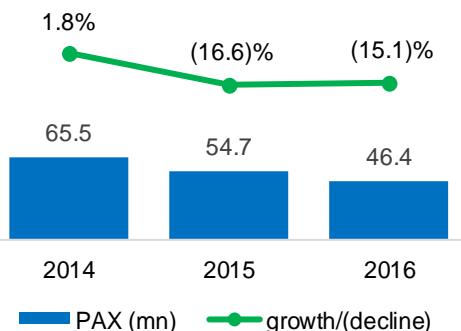
### Total Market



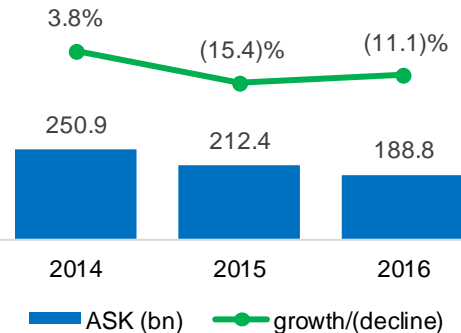
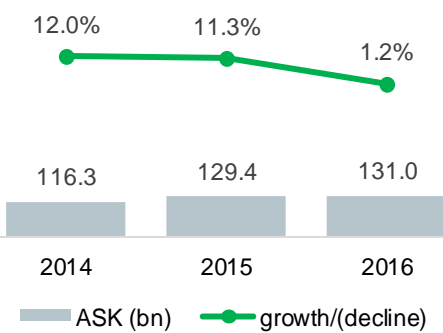
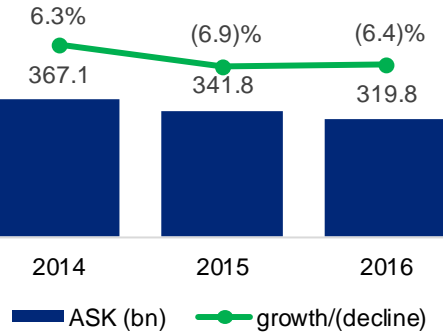
### Domestic



### International



## ASK evolution



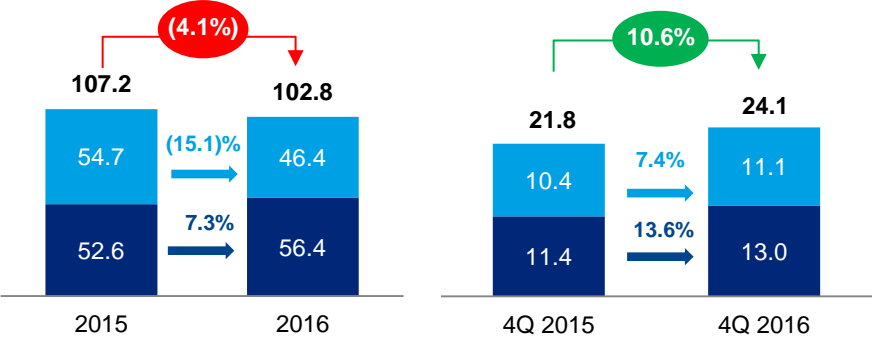
Source: TCH, SRS, Company estimates  
 Note: Incl. foreign carriers' traffic and capacity (capacity based on SRS numbers).

- Declining passenger traffic of the industry was accompanied by a larger decrease of capacity amid softness of international market segment and continued growth in domestic segment of the market.

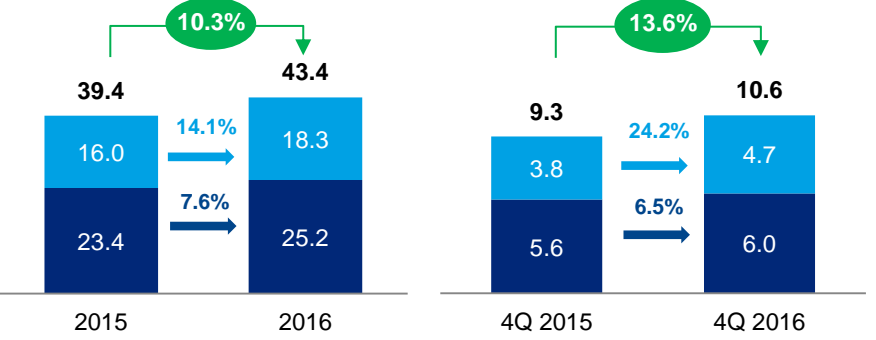
## Passenger Traffic: Market vs Aeroflot Group

**Russian Air Transportation Market (million PAX)**  
inc. PAX of Russian and Foreign Carriers and int. transit PAX

■ International Routes  
■ Domestic Routes



### Aeroflot Group (million PAX)



### Market Dynamics Net of Aeroflot Group

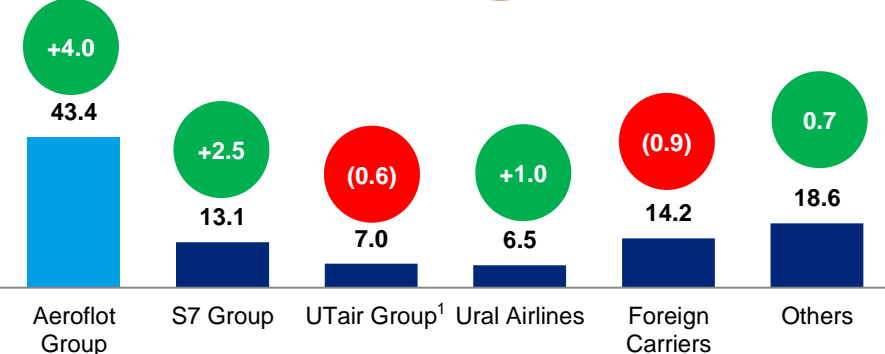
(12.5%)	Total Market	8.4%
(27.2%)	International	(2.2%)
7.0%	Domestic	20.4%

Source: TCH, Company estimates  
Note: Incl. foreign carriers' traffic.

## Change in Airlines' Passenger Numbers

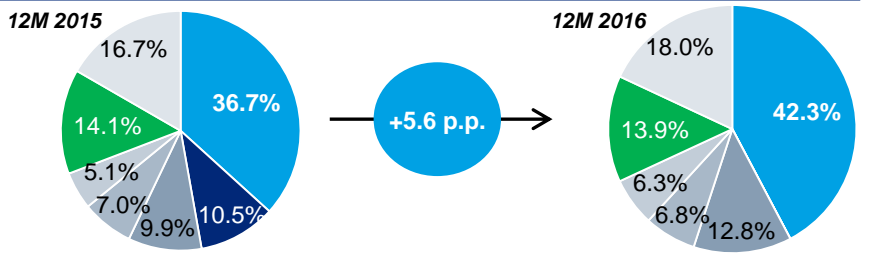
mn PAX, 12M 2016

● Increase/decrease in PAX million

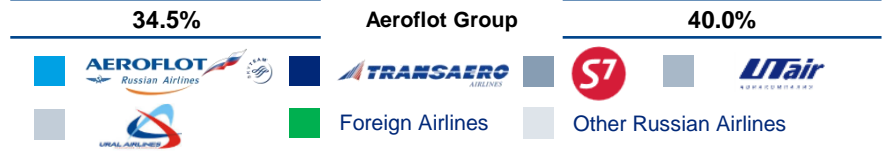


Source: TCH, Rosaviatsia, Company estimates  
<sup>1</sup> In 2016 UTair Group included UTair, Utair-Cargo and Turuhan

## Increasing Market Share<sup>1</sup> (PAX)

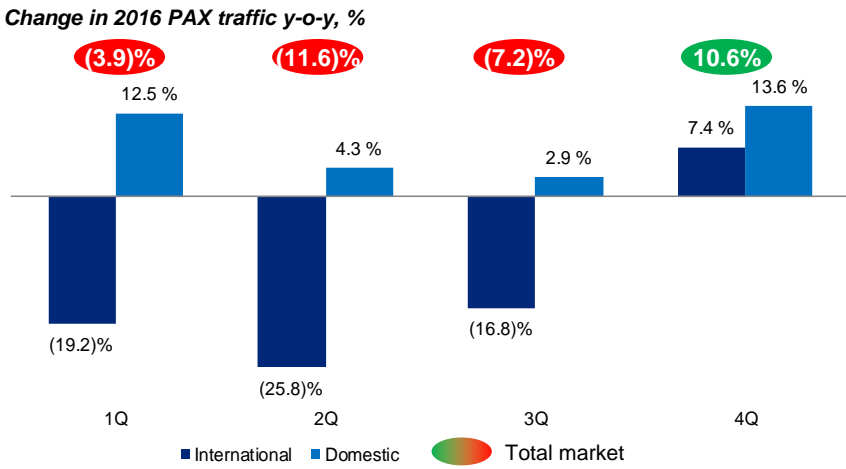


### "Clean" Market Share of Aeroflot Group (Net of Intl.-Intl. Transit Traffic)



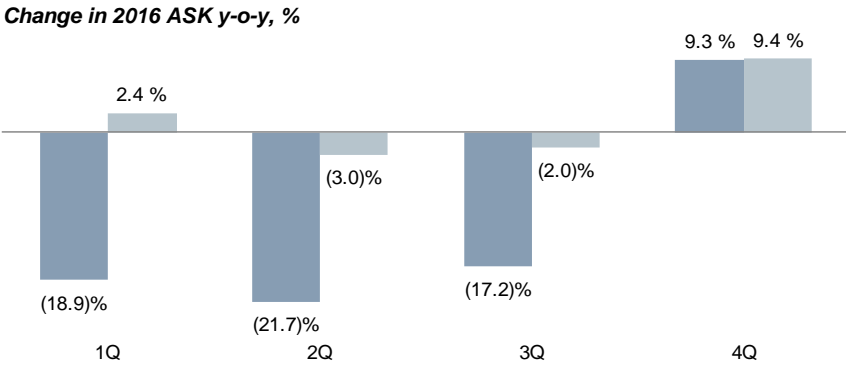
• Aeroflot Group succeeded to convert market instability and competitors' weakness into an advantage and continued outperforming Russian market in 2016 growing PAX by 10.3% with acceleration on both domestic and international routes.

## Passenger Traffic (Russian and Foreign Carriers)



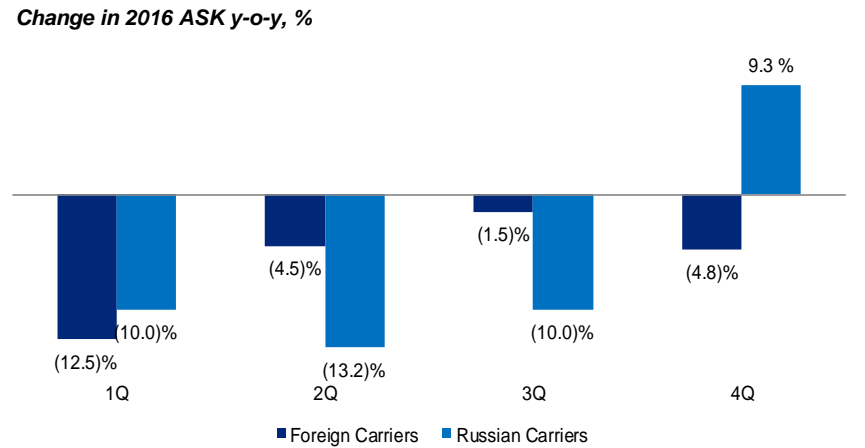
Source: TCH, Company calculations

## Capacity (Russian Carriers)



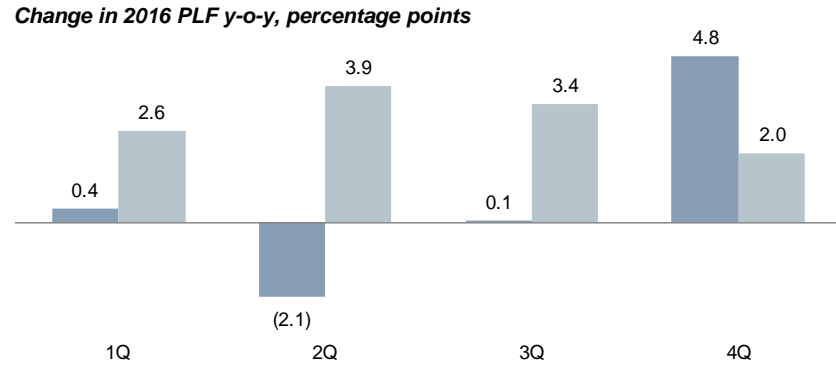
Source: Rosaviatsia, Company calculations  
ASK is calculated based on published RPK and PLF data

## Capacity (Russian and Foreign Carriers)



Source: SRS for foreign carriers, Rosaviatsia for domestic carriers, Company calculations  
ASK is calculated based on published RPK and PLF data

## Passenger Load Factor (Russian Carriers)



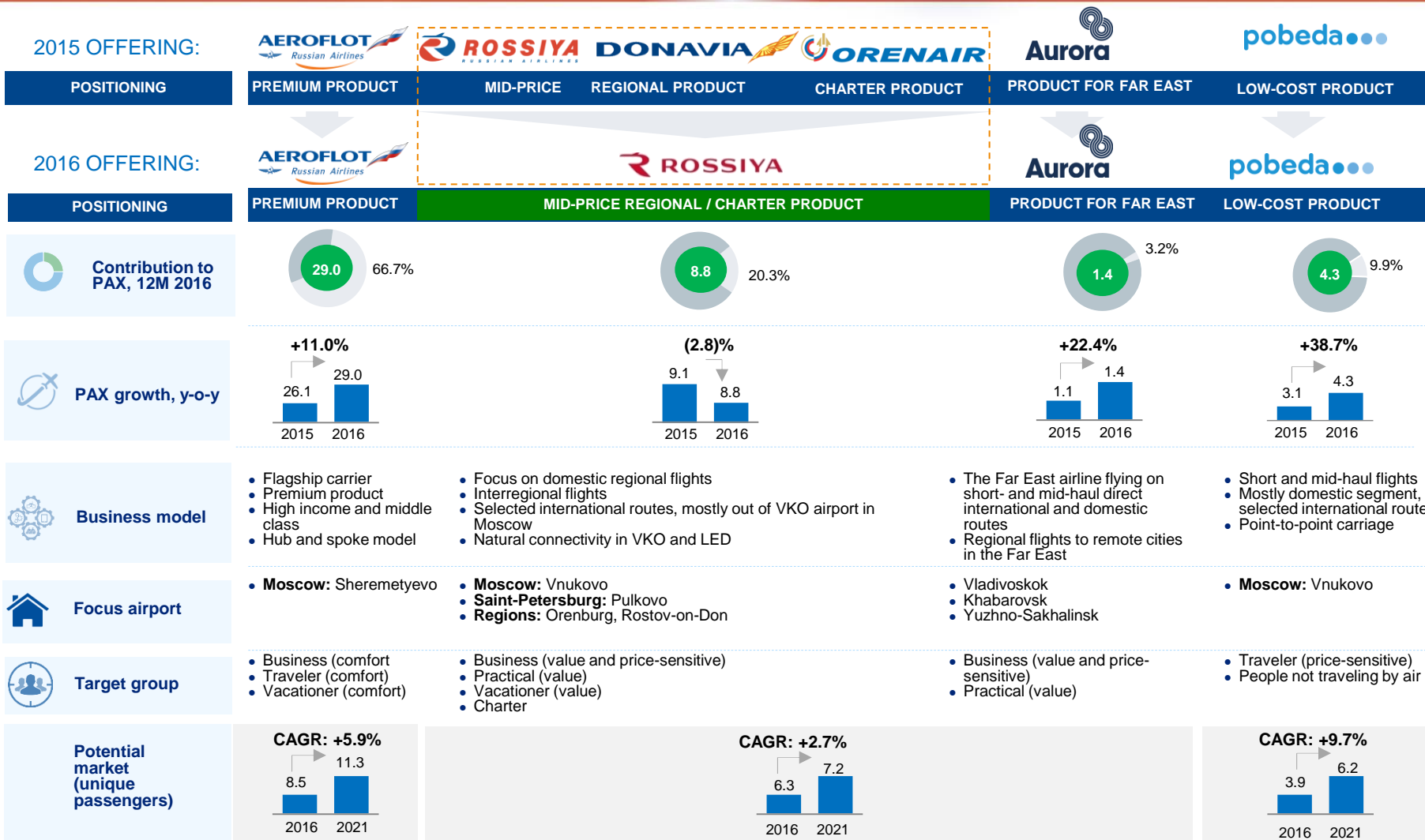
Source: Rosaviatsia, Company calculations  
Quarterly PLF is calculated based on published RPK and PLF data

**In the 4Q 2016 market started to demonstrate first signs of revival with capacity dynamics returning into positive territory for domestic carriers and higher passenger traffic in both international and domestic segments supporting growth in PLF**

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# How Did We Do It: Updated Multi-Brand Strategy



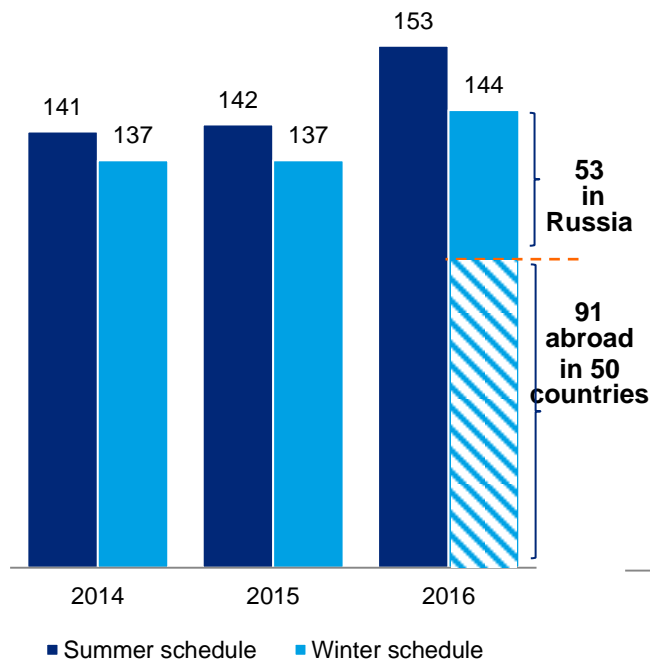
- Simplified multi-brand product offering to capture customers in every market segment: from premium to low-cost.
- In 2016 additional steps taken to simplify operational structure of regional companies – merger of Rossiya airline with Donavia and Orenair airlines – targeting subsidiaries' efficiency enhancement.

# Balancing Act: Aeroflot Group Network Strategy



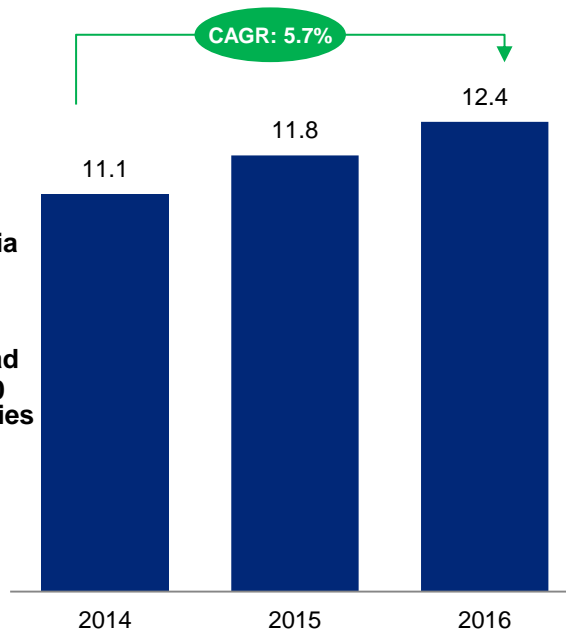
## Moderate Growth in the Number of Destinations...

# of destinations<sup>1</sup>



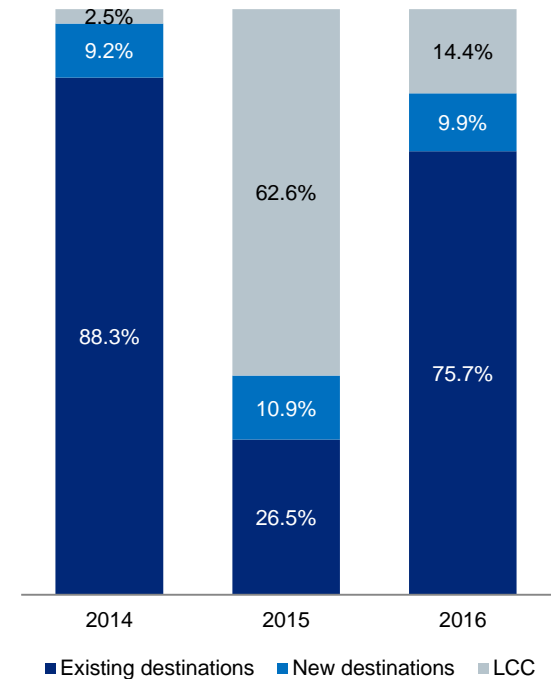
## ... due to Focus on Network Quality and Frequency...

Average scheduled flight frequency<sup>2</sup>



## ... Results in Low-Risk Growth Profile.

Distribution of ASK added, %



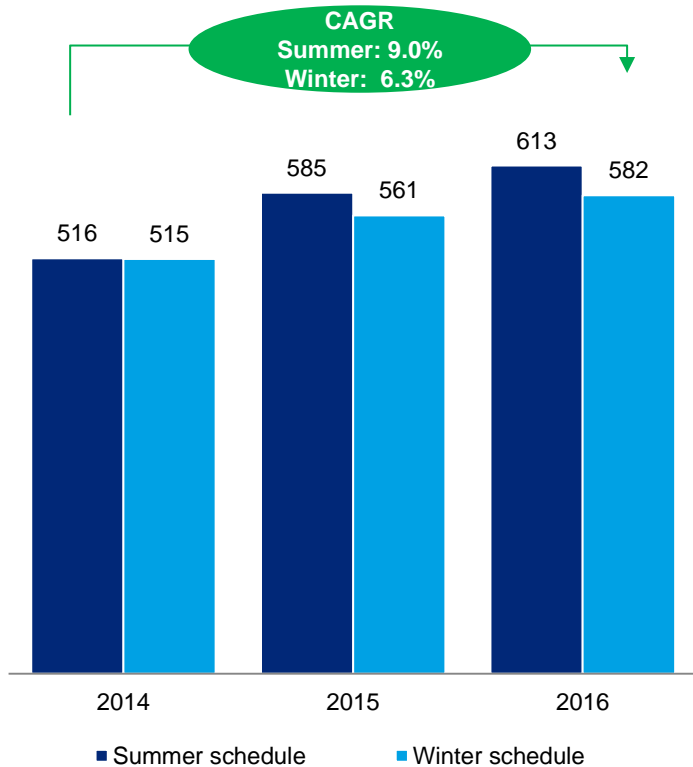
- Moderate growth of destinations, focus on increase in frequencies on scheduled routes across all segments (international and domestic, long- and mid- haul) to improve network quality.

<sup>1</sup> Aeroflot Group data.

<sup>2</sup> Average weekly frequency per route for Aeroflot Group excl. Pobeda.

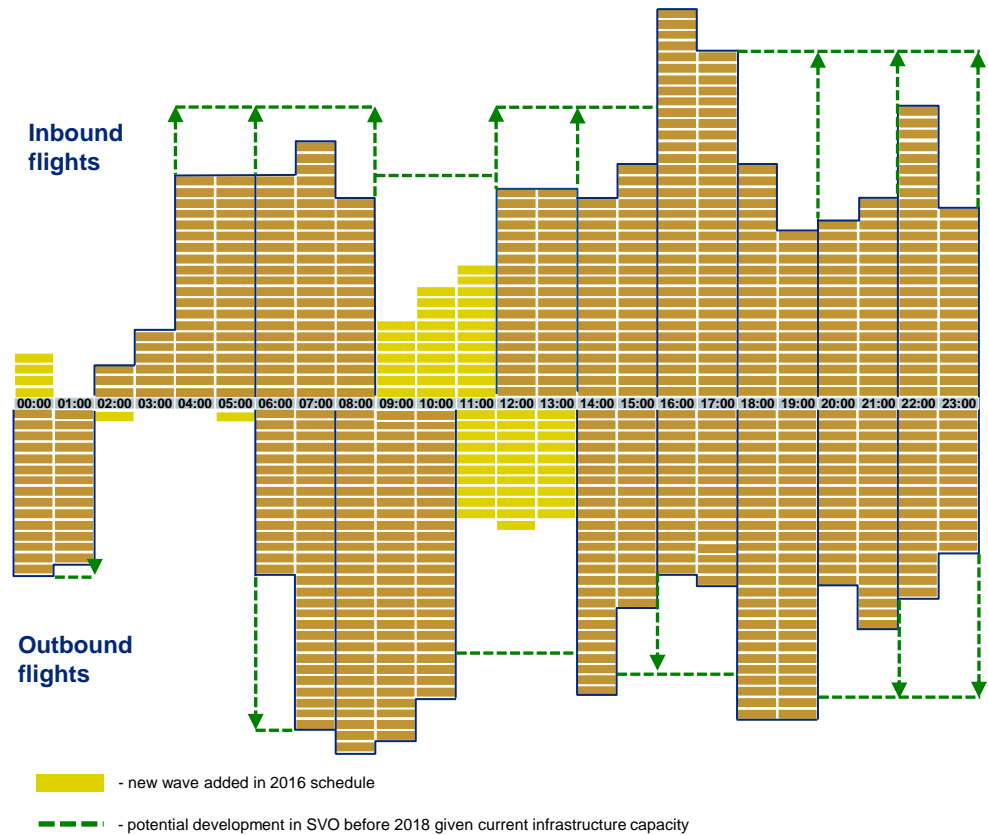
# Addressing Infrastructure Constraints: Aeroflot Operations Development in Sheremetyevo Hub

## Aeroflot Operations in SVO



Note: for Aeroflot airline only; summer schedule lasts from April to October, winter schedule lasts from November to March

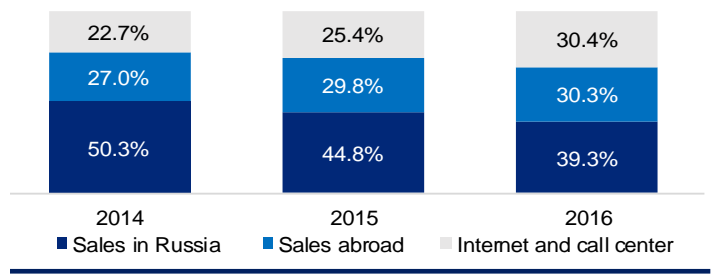
## Aeroflot Schedule in SVO and Mid-Term Development Potential



- Aeroflot has been consistently increasing the scale of its operations in SVO airport (number of daily flights up by 19% and 13% in 2014-2016 Summer and Winter schedules respectively).
- The scale of our operations impacts the development towards a rolling hub model.

## Traffic and Revenue Mix

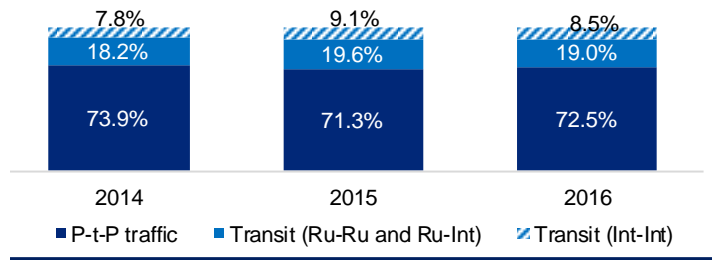
**Scheduled Traffic Revenue by POS<sup>1</sup>**



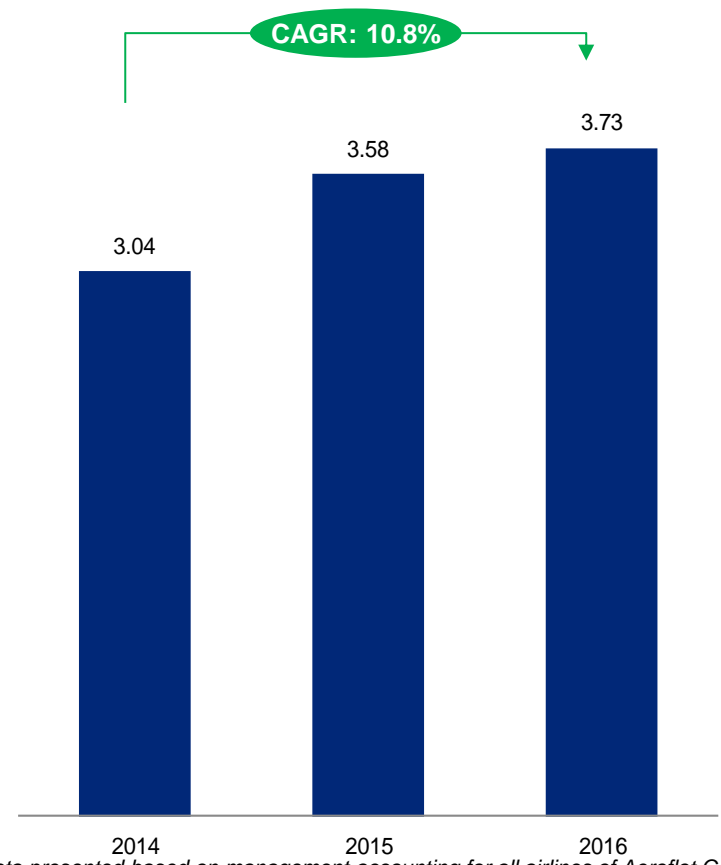
**Development of Corporate Contracts<sup>2</sup>**



**Point-to-point vs connecting traffic<sup>3</sup>**



## Scheduled Traffic Yield Evolution<sup>4</sup>



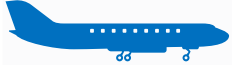


<sup>1</sup> Data presented based on management accounting or Aeroflot airline and routes of subsidiary airlines under commercial management of Aeroflot  
<sup>2</sup> Data presented based on Aeroflot airline contracts during the year

<sup>3</sup> Data presented based on management accounting for all airlines of Aeroflot Group  
<sup>4</sup> Data presented based on management accounting for all scheduled traffic of Aeroflot Group airlines

- **Efficient commercial policy and balanced distribution approach with expanding proportion of direct sales channels reaching 30.4% in 2016**
- **The majority of passengers (72.5%) travels point-to-point; the quality of our network ensures maximum flexibility in serving international-international transit passengers.**

# Fleet Strategy: Enhancing Fleet Standardization

## Aeroflot Group Fleet Strategy

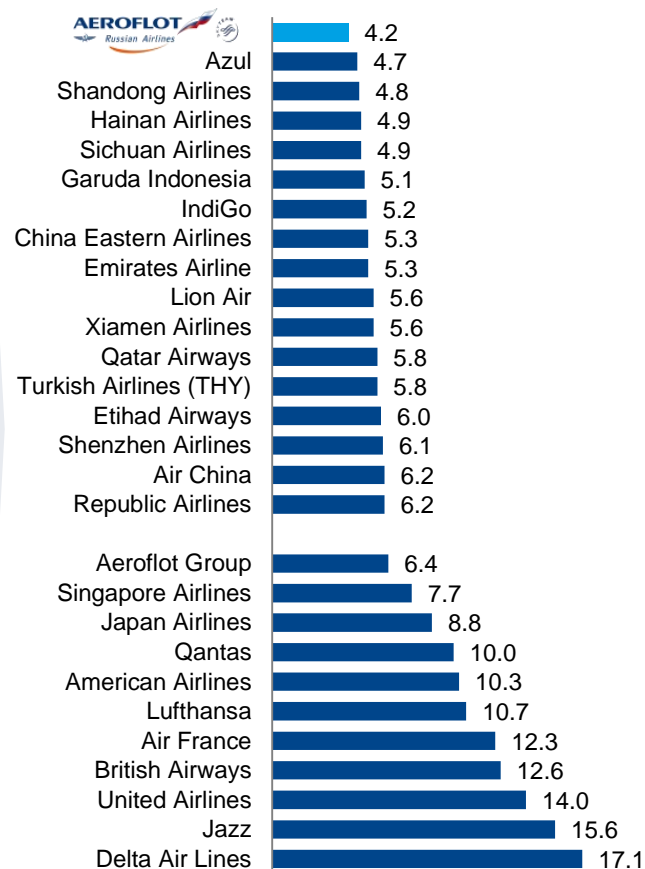
	2011	2016 <sup>(1)</sup>
 <b>Narrow-body (regional)</b>	SSJ100 An-148 Yak-42 An-12 An-24 An-26 DHC-8-200/300 Tu-134	SSJ100 DHC-6-400, 8-200/300/400
 <b>Narrow-body (medium-haul)</b>	A319/320/321 B737 (Classic) B737 (NG) Tu-154	A319/320/321 B737 (NG)
 <b>Wide-body (long-haul)</b>	A330 B767 B777 Il-96 Tu-204 MD-11F	A330 B747 B777

18 types

7 types in operation

<sup>1</sup> One An-24 and six An-148 were not operated by the airlines of the Group.

## Aeroflot Fleet Age

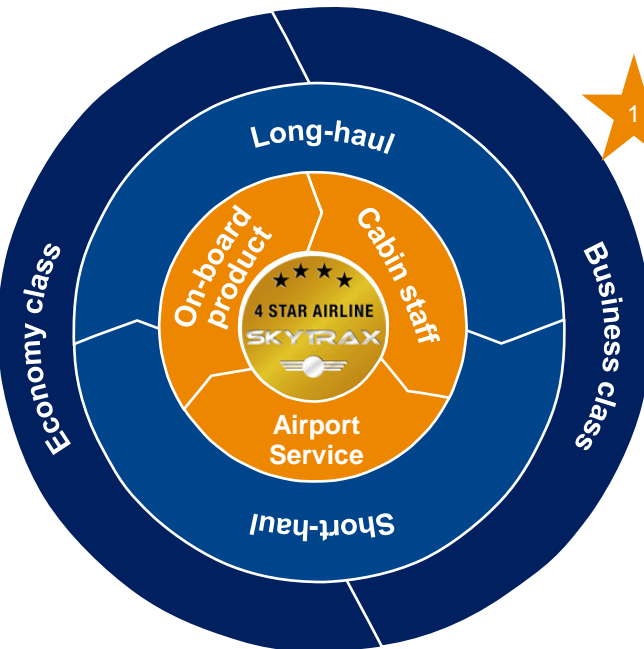


- Focus on modern and standardized aircraft types in every segment is the main principle for the fleet development strategy ensuring long-term efficiency.

# Customers' Feedback: Crucial Component of Our Strategy



## Recognition for Outstanding Service



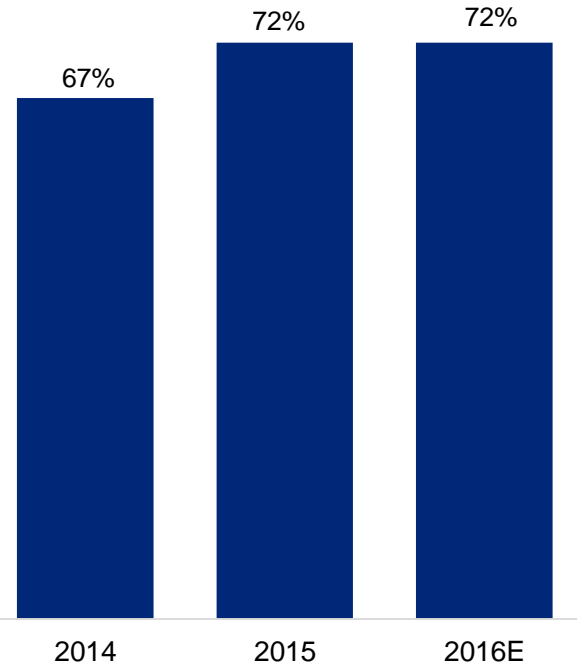
Skytrax awarded Aeroflot airline with 4 stars in 2016. The audit of airline's service covers all aspects of travellers' experience and very detailed analysis of all service segments.

## Strong and Recognized Brand

Airline	Brand rating	Brand value	Change y-o-y
AEROFLOT Russian Airlines	AAA	#26	↑
American Airlines	AAA	#1	↑
DELTA	AAA	#2	↑
UNITED	AAA-	#3	↑
Emirates	AAA	#4	↓

Brand finance, a leading world brand valuation agency, recognized Aeroflot as the world's most powerful airline brand (based on familiarity, preference and loyalty in the domestic market).

## Growing Customer Loyalty



NPS loyalty index calculated by an independent consultancy benchmarking a number of global airlines shows that the number of customers wishing to promote Aeroflot is steadily rising

- Aeroflot's achievements in client services have been recognized by independent industry experts, professional community and passengers and helped to increase NPS significantly.
- Aeroflot Bonus members have grown from 4.6 million in 2014 to 5.9 million in 2016 (+28%).

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# Operating Data – 4Q & 12M 2016



Indicator	Unit	Aeroflot airline						Aeroflot Group					
		4Q 2015	4Q 2016	Y-o-Y	12M 2015	12M 2016	Y-o-Y	4Q 2015	4Q 2016	Y-o-Y	12M 2015	12M 2016	Y-o-Y
<b>Passenger Traffic</b>	<b>th PAX</b>	<b>6,443</b>	<b>7,268</b>	<b>12.8%</b>	<b>26,112</b>	<b>28,978</b>	<b>11.0%</b>	<b>9,340</b>	<b>10,614</b>	<b>13.6%</b>	<b>39,393</b>	<b>43,440</b>	<b>10.3%</b>
International Routes	th PAX	3,253	3,815	17.3%	13,445	14,874	10.6%	3,754	4,663	24.2%	16,028	18,289	14.1%
Domestic Routes	th PAX	3,190	3,453	8.2%	12,666	14,104	11.4%	5,586	5,951	6.5%	23,365	25,152	7.6%
<b>Passenger Turnover</b>	<b>m pkm</b>	<b>18,245</b>	<b>20,702</b>	<b>13.5%</b>	<b>74,116</b>	<b>82,693</b>	<b>11.6%</b>	<b>23,183</b>	<b>27,881</b>	<b>20.3%</b>	<b>97,636</b>	<b>112,110</b>	<b>14.8%</b>
International Routes	m pkm	11,473	13,760	19.9%	46,774	53,339	14.0%	12,769	16,531	29.5%	52,953	63,432	19.8%
Domestic Routes	m pkm	6,772	6,943	2.5%	27,342	29,354	7.4%	10,414	11,351	9.0%	44,684	48,678	8.9%
<b>Passenger Capacity</b>	<b>m ASK</b>	<b>23,821</b>	<b>26,205</b>	<b>10.0%</b>	<b>93,471</b>	<b>101,758</b>	<b>8.9%</b>	<b>30,800</b>	<b>35,416</b>	<b>15.0%</b>	<b>124,741</b>	<b>137,642</b>	<b>10.3%</b>
International Routes	m ASK	15,707	17,769	13.1%	60,209	67,387	11.9%	17,556	20,998	19.6%	68,490	79,322	15.8%
Domestic Routes	m ASK	8,115	8,436	4.0%	33,262	34,371	3.3%	13,245	14,419	8.9%	56,252	58,320	3.7%
<b>Passenger Load Factor</b>	<b>%</b>	<b>76.6%</b>	<b>79.0%</b>	<b>2.4 p.p.</b>	<b>79.3%</b>	<b>81.3%</b>	<b>2.0 p.p.</b>	<b>75.3%</b>	<b>78.7%</b>	<b>3.5 p.p.</b>	<b>78.3%</b>	<b>81.5%</b>	<b>3.2 p.p.</b>
International Routes	%	73.0%	77.4%	4.4 p.p.	77.7%	79.2%	1.5 p.p.	72.7%	78.7%	6.0 p.p.	77.3%	80.0%	2.7 p.p.
Domestic Routes	%	83.5%	82.3%	(1.2 p.p.)	82.2%	85.4%	3.2 p.p.	78.6%	78.7%	0.1 p.p.	79.4%	83.5%	4.1 p.p.
<b>Tonne-Kilometres</b>	<b>m tkm</b>	<b>1,826</b>	<b>2,122</b>	<b>16.2%</b>	<b>7,291</b>	<b>8,253</b>	<b>13.2%</b>	<b>2,282</b>	<b>2,816</b>	<b>23.4%</b>	<b>9,450</b>	<b>11,008</b>	<b>16.5%</b>
International Routes	m tkm	1,129	1,410	24.9%	4,571	5,265	15.2%	1 247	1,660	33.2%	5,133	6,177	20.3%
Domestic Routes	m tkm	697	712	2.2%	2,720	2,989	9.9%	1 035	1,156	11.6%	4,318	4,831	11.9%
<b>Flight Hours</b>	<b>hours</b>	<b>151,305</b>	<b>164,127</b>	<b>8.5%</b>	<b>594,863</b>	<b>639,524</b>	<b>7.5%</b>	<b>209,712</b>	<b>230,186</b>	<b>9.8%</b>	<b>859,605</b>	<b>911,775</b>	<b>6.1%</b>

- Strong operating results in 12M and Q4 2016: growing PAX flows and PLF on the back of balanced capacity expansion.

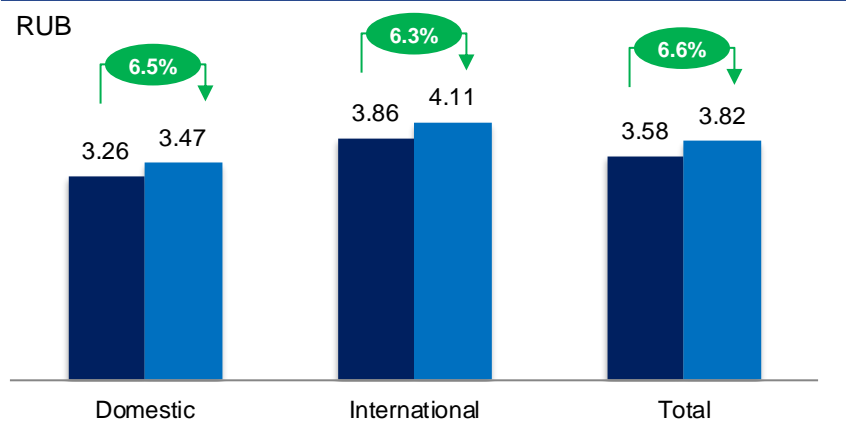


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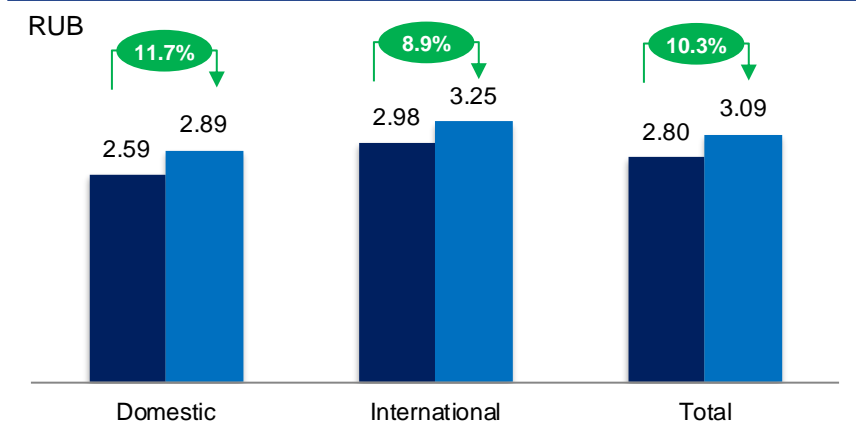
# Scheduled Flights Revenue Units



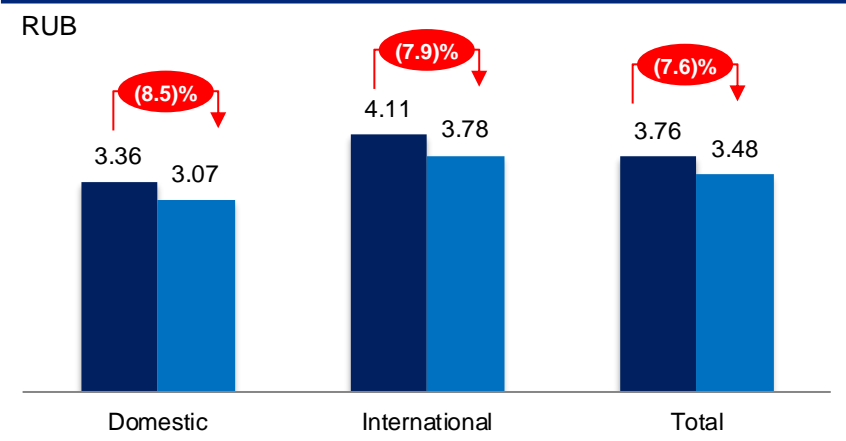
**12M 2016 Yield (PAX Revenue / RPK)**



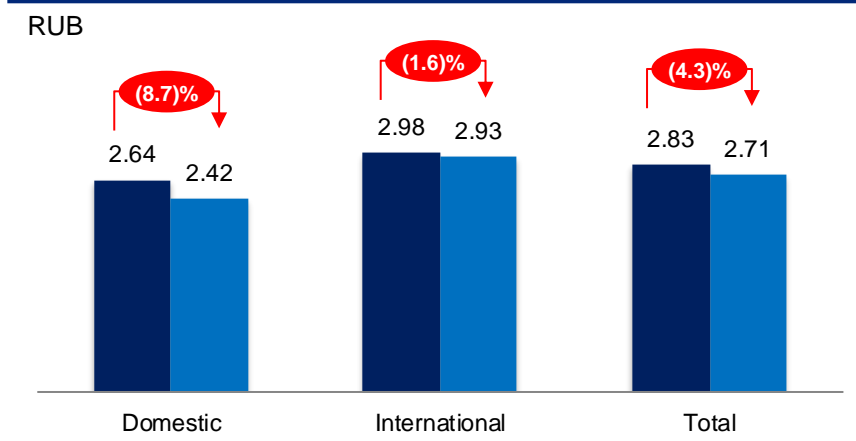
**12M 2016 RASK (PAX Revenue / ASK)**



**4Q 2016 Yield (PAX Revenue / RPK)**



**4Q 2016 RASK (PAX Revenue / ASK)**



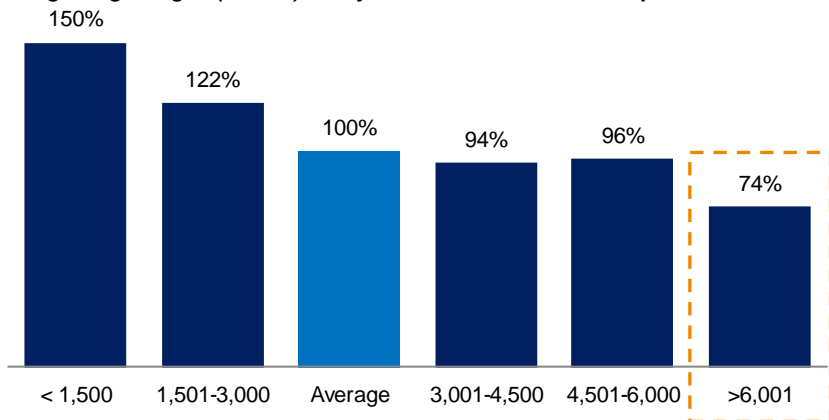
% Y-o-Y increase    ■ 2015    ■ 2016

- Active revenue management strategy and positive currency effect translated into gradual increase in yields during 2016
- Fourth quarter trends show a decline backed by RUB appreciation and changing mix of operations (Rossiya)

Note: Data presented based on management accounting figures, scheduled flights revenue is used for calculations

## 1 As Higher Stage Length and Share of Long Haul Operations Usually Implies Lower Yield...

Average stage length (thd km) and yield – Aeroflot airline example



## 3 ... And Changing Mix of Regional Operations (Growing Share of ASK to Asia)...

Rossiya airline RPK breakdown by region

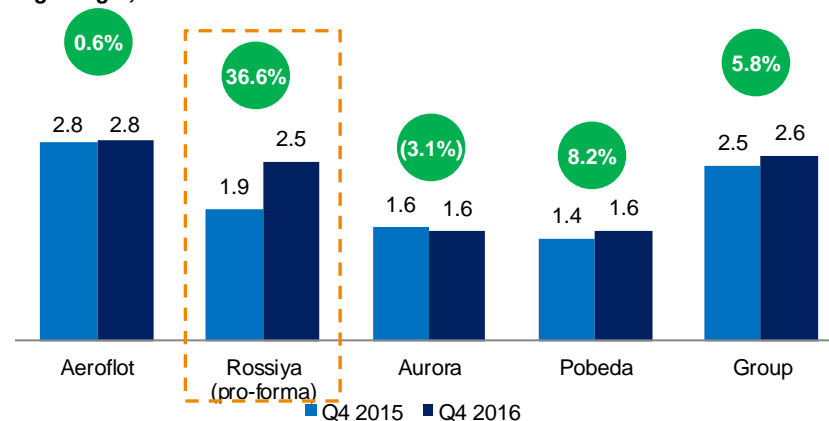
Region	Share in RPK			Stage length
	Q4 2015	Q4 2016	Change	
Russia	62.3%	54.1%	(8.2) p.p.	2.0 thd km
Asia	1.1%	17.4%	16.3 p.p.	6.9 thd km
Middle East	14.1%	12.7%	(1.4) p.p.	3.1 thd km
Europe	10.1%	8.4%	(1.7) p.p.	2.1 thd km
Americas	5.8%	4.8%	(1.0) p.p.	9.5 thd km
CIS	6.5%	2.6%	(3.9) p.p.	2.9 thd km

Note: 4Q 2015 figures are calculated as a pro-forma of three carriers, Rossiya, Donavia, Orenair

- In 2016 Rossiya airline has received 12 wide-bodies (mainly in H2) and increased share of its long-haul operations (that have both lower yield and cask).
- Increased share of Rossiya's long-haul operations contributed to dilution of Aeroflot Group's yields.

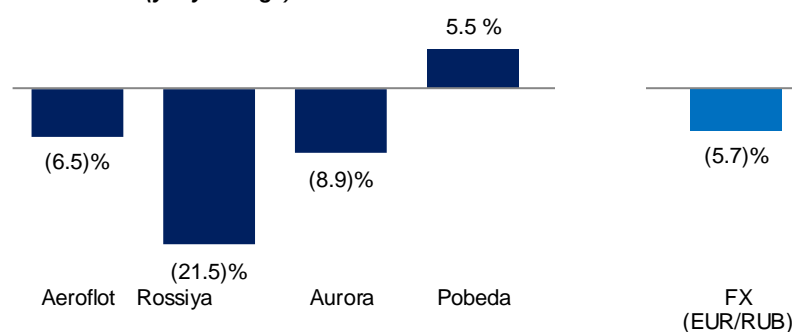
## 2 ... Increased Focus on Long-Haul Segment due to Arrival of Wide-bodies to Rossiya Airline's fleet...

Stage length, km



## 4 ... Resulted into More Pronounced Yield Decline vs Other Airlines' Results Primarily Affected by FX

Q4 2016 Yield (y-o-y change)



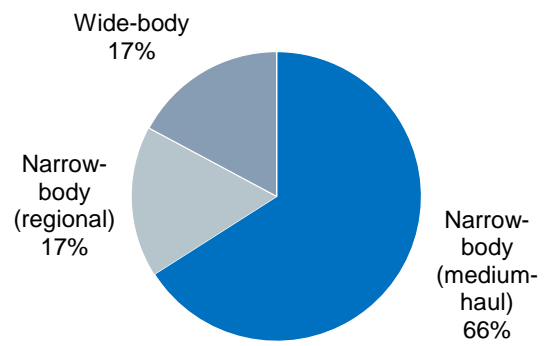
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# Aeroflot Group Fleet Breakdown

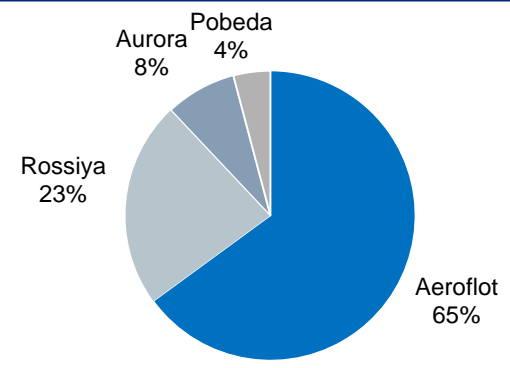


Aircraft Type	Operated by		Lease type			Total as of 31 Dec 2016	Total as of 31 Dec 2015	Change vs. 31 Dec 2015
	Aeroflot	Subsidiaries	Finance	Operating	Owned			
<b>Wide-body</b>	<b>37</b>	<b>13</b>	<b>18</b>	<b>32</b>	<b>0</b>	<b>50</b>	<b>39</b>	<b>11</b>
Boeing 767	0	0	0	0	0	0	1	(1)
Airbus A330	22	0	8	14	0	22	22	0
Boeing 777	15	6	10	11	0	21	16	5
Boeing 747	0	7	0	7	0	7	0	7
<b>Narrow-body (medium-haul)</b>	<b>122</b>	<b>70</b>	<b>24</b>	<b>168</b>	<b>0</b>	<b>192</b>	<b>181</b>	<b>11</b>
Airbus A319	0	36	9	27	0	36	40	(4)
Airbus A320	70	5	0	75	0	75	70	5
Airbus A321	32	0	15	17	0	32	26	6
Boeing 737	20	29	0	49	0	49	45	4
<b>Narrow-body (regional)</b>	<b>30</b>	<b>19</b>	<b>6</b>	<b>37</b>	<b>6</b>	<b>49</b>	<b>38</b>	<b>11</b>
DHC 8	0	11	0	5	6	11	6 <sup>3</sup>	5
DHC 6	0	2	0	2	0	2	2	0
An 148 <sup>2</sup>	0	6	6	0	0	6	6	0
SSJ 100	30	0	0	30	0	30	24	6
<b>Total fleet<sup>1</sup></b>	<b>189</b>	<b>102</b>	<b>48</b>	<b>237</b>	<b>6</b>	<b>291</b>	<b>258</b>	<b>33</b>

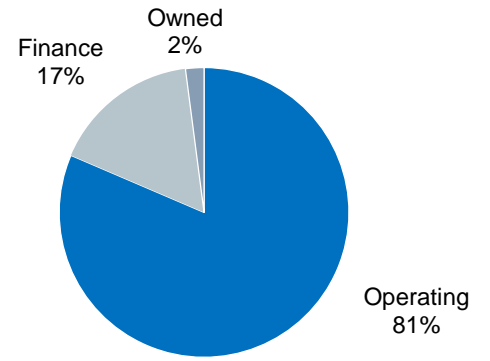
**Breakdown by Aircraft Type**



**Breakdown by Company**



**Breakdown by Ownership Type**



• Well-balanced fleet structure in line with Group's strategy

<sup>1</sup> Excluding one An-24  
<sup>2</sup> Six An-148 were not operated by the airlines of the Group.  
<sup>3</sup> Excluding 3 DHC8-400Q which were in the process of commissioning as of 31 December 2015

## Delivery/Phase-out Schedule in Accordance with Existing Contracts

Type of aircraft	2016 (Actual)		Current fleet <sup>(1)</sup>	2017		2018		2019		2020		2021 and beyond	
	Delivery	Phase out		Delivery	Phase out	Delivery	Phase out	Delivery	Phase out	Delivery	Phase out	Delivery	Phase out
<b>Wide-body (long-haul)</b>	<b>14</b>	<b>(3)</b>	<b>50</b>	<b>3</b>	<b>(1)</b>	<b>10</b>	<b>0</b>	<b>3</b>	<b>(3)</b>	<b>2</b>	<b>(4)</b>	<b>12</b>	<b>(67)</b>
A-330	0	0	22	0	0	0	0	0	(3)	0	(4)	0	(15)
B-767	0	(1)	0	0	0	0	0	0	0	0	0	0	0
B-777	7	(2)	21	1	(1)	5	0	0	0	0	0	0	(21)
B-747	7	0	7	2	0	0	0	0	0	0	0	0	(9)
A-350	0	0	0	0	0	5	0	3	0	2	0	12	(22)
<b>Narrow-body (medium-haul)</b>	<b>31</b>	<b>(20)</b>	<b>192</b>	<b>44</b>	<b>(17)</b>	<b>27</b>	<b>(17)</b>	<b>0</b>	<b>(22)</b>	<b>0</b>	<b>(13)</b>	<b>0</b>	<b>(190)</b>
A-319	1	(5)	36	0	(3)	0	(7)	0	(8)	0	(3)	0	(15)
A-320	9	(4)	75	11	(7)	10	(9)	0	(11)	0	(10)	0	(55)
A-321	12	(6)	32	9	(2)	4	0	0	(2)	0	0	0	(41)
B-737	9	(5)	49	24	(5)	13	(1)	0	(1)	0	0	0	(79)
<b>Narrow-body (regional)</b>	<b>11</b>	<b>0</b>	<b>49</b>	<b>12</b>	<b>(1)</b>	<b>8</b>	<b>0</b>	<b>0</b>	<b>(3)</b>	<b>0</b>	<b>(1)</b>	<b>0</b>	<b>(60)</b>
SSJ-100	6	0	30	12	0	8	0	0	0	0	0	0	(50)
An-148 <sup>(3)</sup>	0	0	6	0	0	0	0	0	0	0	0	0	(6)
DHC-8	5	0	11	0	(1)	0	0	0	(3)	0	(1)	0	(6)
DHC-6	0	0	2	0	0	0	0	0	0	0	0	0	0
<b>TOTAL</b>	<b>56</b>	<b>(23)</b>	<b>291</b>	<b>59</b>	<b>(19)</b>	<b>45</b>	<b>(17)</b>	<b>3</b>	<b>(28)</b>	<b>2</b>	<b>(18)</b>	<b>12</b>	<b>(317)</b>

Net additions<sup>(1)</sup>

+ 33 aircraft

+ 40 aircraft

+ 28 aircraft

n/a<sup>(2)</sup>

n/a<sup>(2)</sup>

n/a<sup>(2)</sup>

- Aeroflot Group continues to intelligently manage capacity additions and develop its fleet taking into account market trends and opportunities.

Notes: (1) As of 31.12.2016; Not including 1 An-24

(2) Net addition after 2019 is not applicable

(3) Phase out via sublease; as at 31.12.2016 six An-148 were not operated by the airlines of the Group.

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4Q 2015	4Q 2016	Change	RUB mn (where applicable)	12M 2015	12M 2016	Change
105,663	114,574	8.4 %	Revenue	415,173	495,880	19.4 %
23,932	17,237	(28.0)%	EBITDAR <sup>1</sup>	103,118	137,567	33.4 %
22.6 %	15.0 %	(7.6) p.p.	EBITDAR <sup>1</sup> margin	24.8 %	27.7 %	2.9 p.p.
10,857	844	(92.2)%	EBITDA	58,703	78,004	32.9 %
10.3 %	0.7 %	(9.6) p.p.	EBITDA margin	14.1 %	15.7 %	1.6 p.p.
7,298	(3,672)	n/a	Operating profit	44,107	63,254	43.4 %
6.9 %	neg. margin	n/a	Operating margin	10.6 %	12.8 %	2.2 p.p.
(8,320)	(4,974)	(40.2)%	Net income	(6,494)	38,826	n/a
neg. margin	neg. margin	n/a	Net margin	neg. margin	7.8 %	n/a

- Revenue growth driven by expanding passenger traffic, active revenue management and positive impact from currency devaluation.
- Y-o-y increase in EBITDAR and EBITDA margins in 12M 2016 on the back of revenue growth and effective cost control.

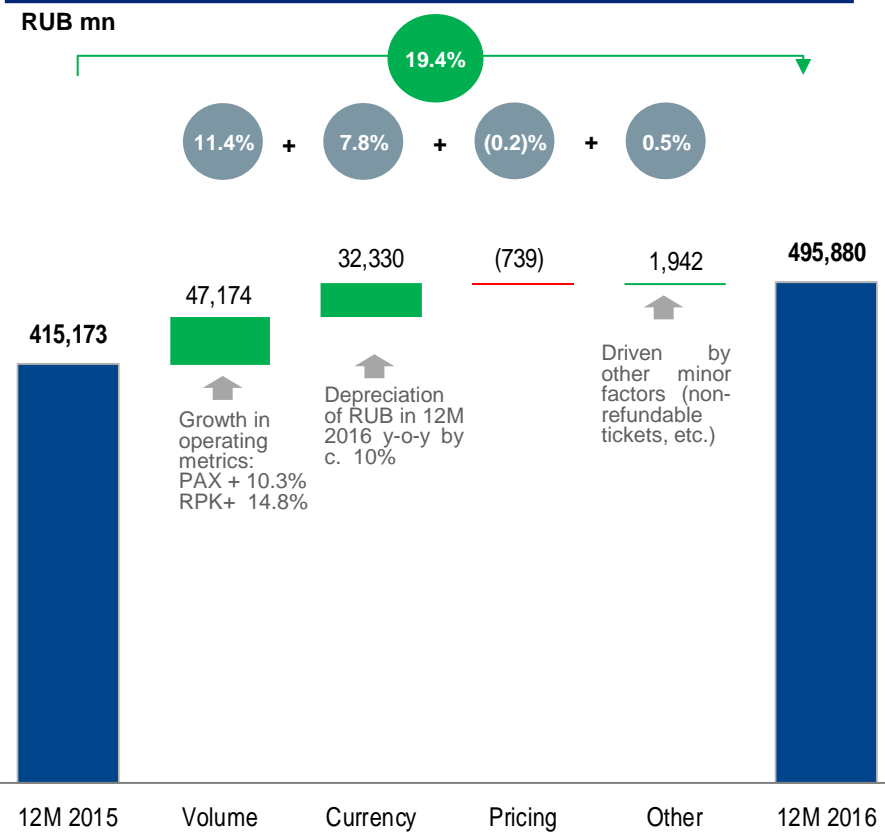
<sup>1</sup> EBITDAR = EBITDA + operating lease expenses;



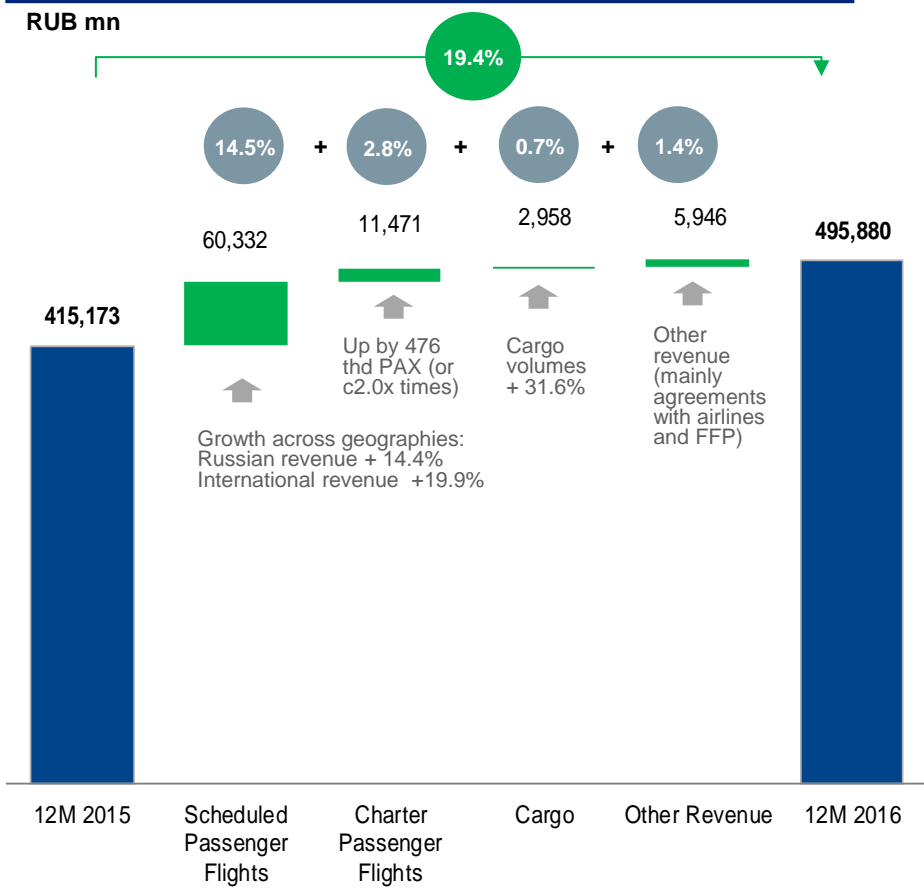
# Revenue Growth Decomposition



## Revenue by Key Factors












## Revenue by Business Segments



- Positive contribution of volume and RUB devaluation were the main factors contributing to revenue growth.
- Primary driver of revenue growth was expansion of scheduled passenger flights

# Operating Costs

4Q 2015	4Q 2016	Change y-o-y	Change ex. FX & NRE	Operating Expense (RUB mn If not stated otherwise)	12M 2015	12M 2016	Change y-o-y	Change ex. FX & NRE	% of Total Operating Expense (12M)
23,381	27,665	18.3 %	20.6 %	Fuel	94,382	101,582	7.6 %	1.1 %	 23.5%
<b>74,984</b>	<b>90,581</b>	<b>20.8 %</b>	<b>23.8 %</b>	<b>Opex (ex. Fuel)</b>	<b>276,684</b>	<b>331,044</b>	<b>19.6 %</b>	<b>15.7 %</b>	76.5%
18,853	22,453	19.1 %	24.8 %	Aircraft, traffic and passenger servicing	75,186	87,227	16.0 %	13.6 %	 20.2%
14,976	16,564	10.6 %	9.2 %	Staff	55,619	64,682	16.3 %	15.9 %	 15.0%
13,074	16,393	25.4 %	26.1 %	Operating lease	44,415	59,563	34.1 %	24.2 %	 13.8%
10,233	11,202	9.5 %	21.7 %	Maintenance	32,042	38,236	19.3 %	13.6 %	 8.8%
8,294	10,205	23.0 %	22.6 %	SG&A <sup>1</sup>	26,084	30,294	16.1 %	11.2 %	 7.0%
3,558	4,516	26.9 %	26.9 %	D&A and custom duties	14,596	14,750	1.0 %	1.0 %	 3.4%
5,994	9,249	54.3 %	55.6 %	Other expenses <sup>2</sup>	28,741	36,292	26.3 %	21.8 %	 8.4%
<b>98,365</b>	<b>118,246</b>	<b>20.2 %</b>	<b>23.1 %</b>	<b>Total Opex</b>	<b>371,066</b>	<b>432,626</b>	<b>16.6 %</b>	<b>12.0 %</b>	 100.0%

- In 12M 2016 operating costs were significantly impacted by expansion of operations and RUB depreciation which mostly affected operating lease expense, maintenance and aircraft, traffic and passenger servicing costs.

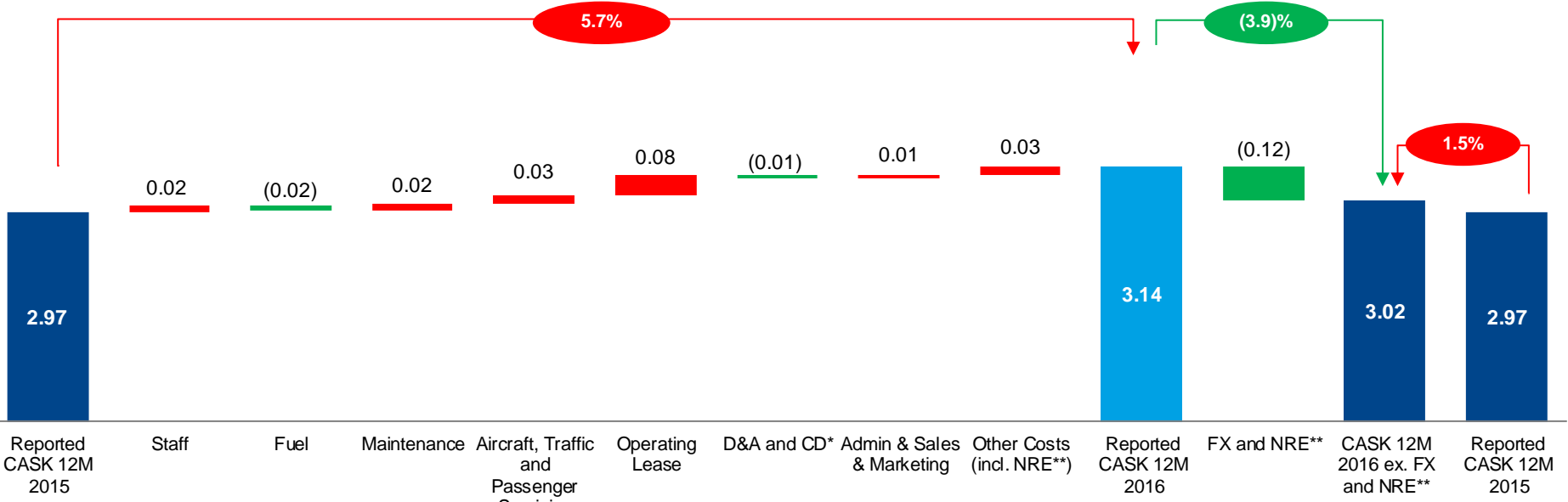
<sup>1</sup> Includes sales and marketing expenses and administration and general expenses

<sup>2</sup> Other expenses include inflation of Global Distribution Systems cost, reserves accrual, gain from sale of aircraft in finance lease, catering expenses, banks' commissions

# Group Unit Costs



4Q 2015	4Q 2016	Change	Operating Expense per ASK (CASK), RUB	12M 2015	12M 2016	Change
0.76	0.78	2.9 %	<b>Fuel</b>	0.76	0.74	(2.5)%
<b>2.43</b>	<b>2.56</b>	<b>5.1 %</b>	<b>Opex (ex. Fuel):</b>	<b>2.22</b>	<b>2.41</b>	<b>8.4 %</b>
0.61	0.63	3.6 %	Aircraft, Traffic and Passenger Servicing	0.60	0.63	5.1 %
0.49	0.47	(3.8)%	Staff	0.45	0.47	5.4 %
0.42	0.46	9.0 %	Operating Lease	0.36	0.43	21.5 %
0.33	0.32	(4.8)%	Maintenance	0.26	0.28	8.1 %
0.27	0.29	7.0 %	SG&A	0.21	0.22	5.3 %
0.12	0.13	10.3 %	D&A and Customs Duties	0.12	0.11	(8.4)%
0.19	0.26	34.2 %	Other Expenses	0.23	0.26	14.4 %
<b>3.19</b>	<b>3.34</b>	<b>4.5 %</b>	<b>Total Opex</b>	<b>2.97</b>	<b>3.14</b>	<b>5.7 %</b>

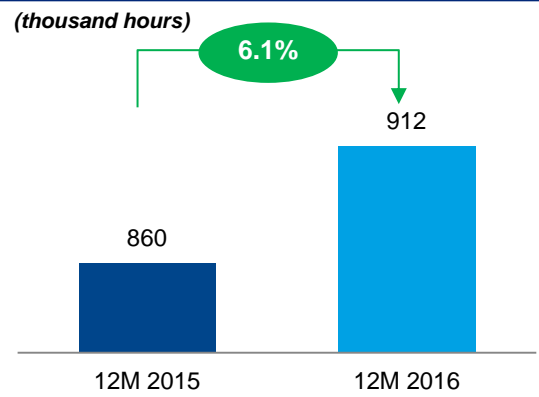


- **Cost per ASK increased by 5.7% from RUB 2.97 in 12M 2015 to RUB 3.14 in 12M 2016 on the back of operating expenses increase due to negative FX effects**
- **Efficient CASK management during the reporting period (both reported and net of external FX effects)**

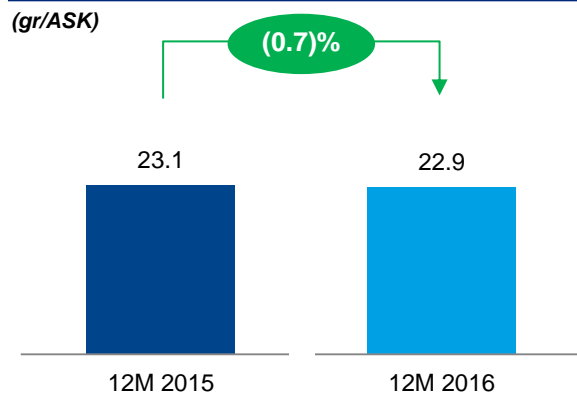
\* Customs duties

\*\* Non-recurring expenses include pre-term return of aircraft at Orenair and Rossiya, reserves accrual, gain from sale of aircraft in finance lease

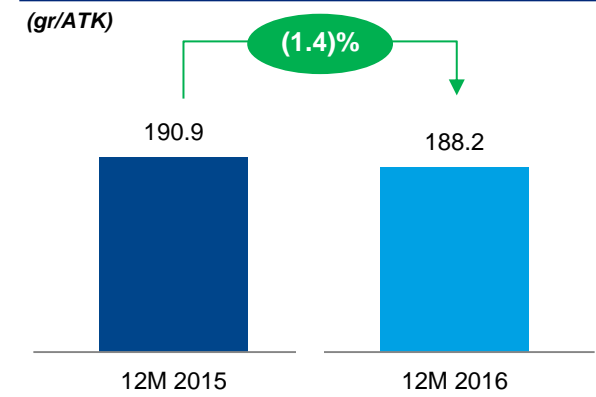
## Flight Hours



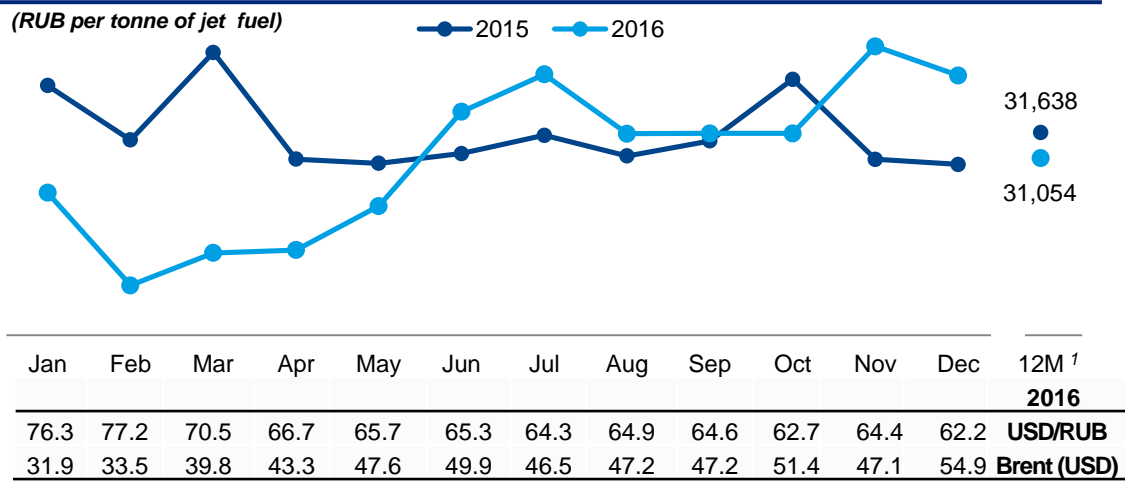
## Fuel Consumption per ASK



## Fuel Consumption per ATK



## Aeroflot Airline Jet Fuel Price



## Comments

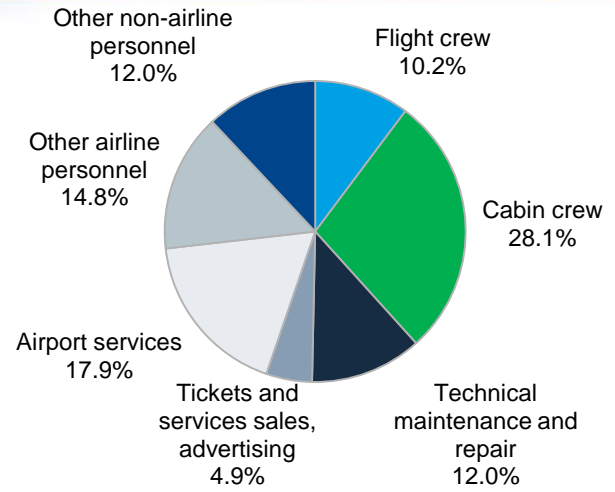
- **Efficient fuel procurement:** 1-year supply contracts in airports across Russia
- **Majority of fuel purchased in Russia and almost all fuel at international airports supplied at formula-linked price** - Jet fuel price = NW Europe (FOB Rotterdam) price x Discount x FX rate<sup>2</sup> x 1.18<sup>3</sup> + Storage/Fuelling/Supply fees (if any of these applicable)
- **Decreasing average fuel price.** Average fuel purchase price of \$466/ton (c.RUB31,054/ton) in 12M 2016 vs \$523/ton (RUB31,638/ton) in 12M 2015 (1.8% y-o-y decrease in RUB terms)

<sup>1</sup> Average price for 12 months      <sup>2</sup> USD/RUB exchange rate as per the Central Bank of Russia  
<sup>3</sup> Assuming 18% VAT rate

- **Aeroflot is achieving efficiency gain in fuel costs as new aircraft are put into operation, while old and less fuel-efficient ones are in the process of phase out**
- **Oil price, RUB fluctuations and changes in taxation of oil and gas sector led to decrease in jet fuel price for Aeroflot**

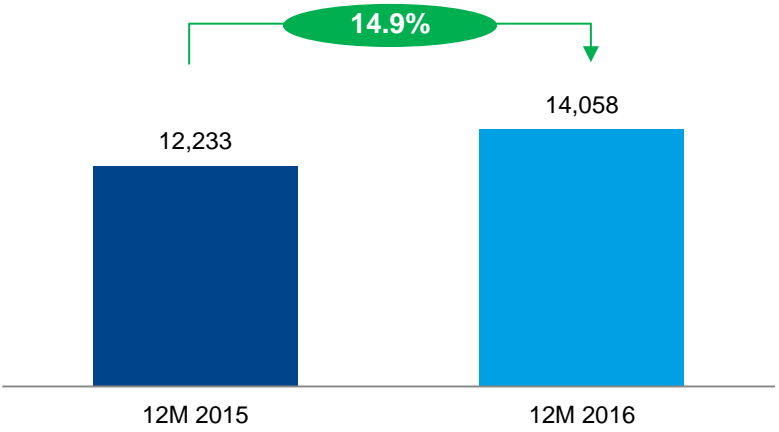
## Aeroflot Group Headcount by Category

	31-Dec-2015	31-Dec-2016	Y-o-Y
Flight crew	3,524	3,741	6.2%
Cabin crew	9,758	10,263	5.2%
Technical maintenance and repair	3,871	4,396	13.6%
Tickets and services sales, advertising	1,680	1,803	7.3%
Airport services	5,726	6,554	14.5%
Other airline personnel (inc. airlines' head office)	5,557	5,417	(2.5)%
Other non-airline subsidiaries' personnel	3,915	4,382	11.9%
<b>Total</b>	<b>34,031</b>	<b>36,556</b>	<b>7.4%</b>



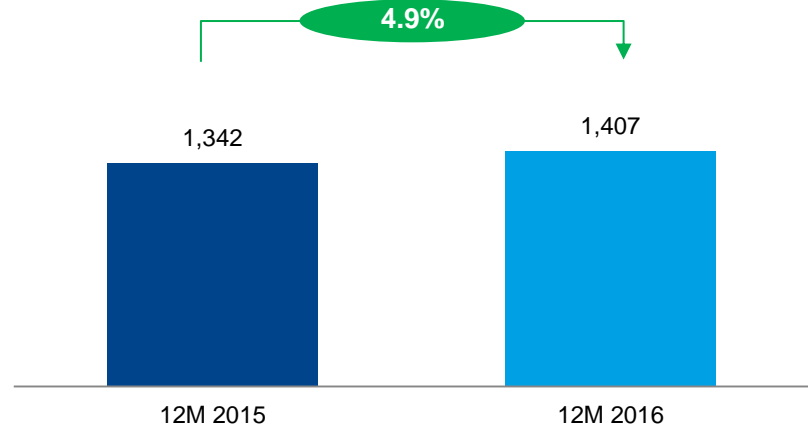
## Traffic Revenue / Average Airlines' Headcount

(RUB '000 per employee, annualized)



## PAX Traffic / Average Airlines' Headcount

(passengers per employee, annualized)

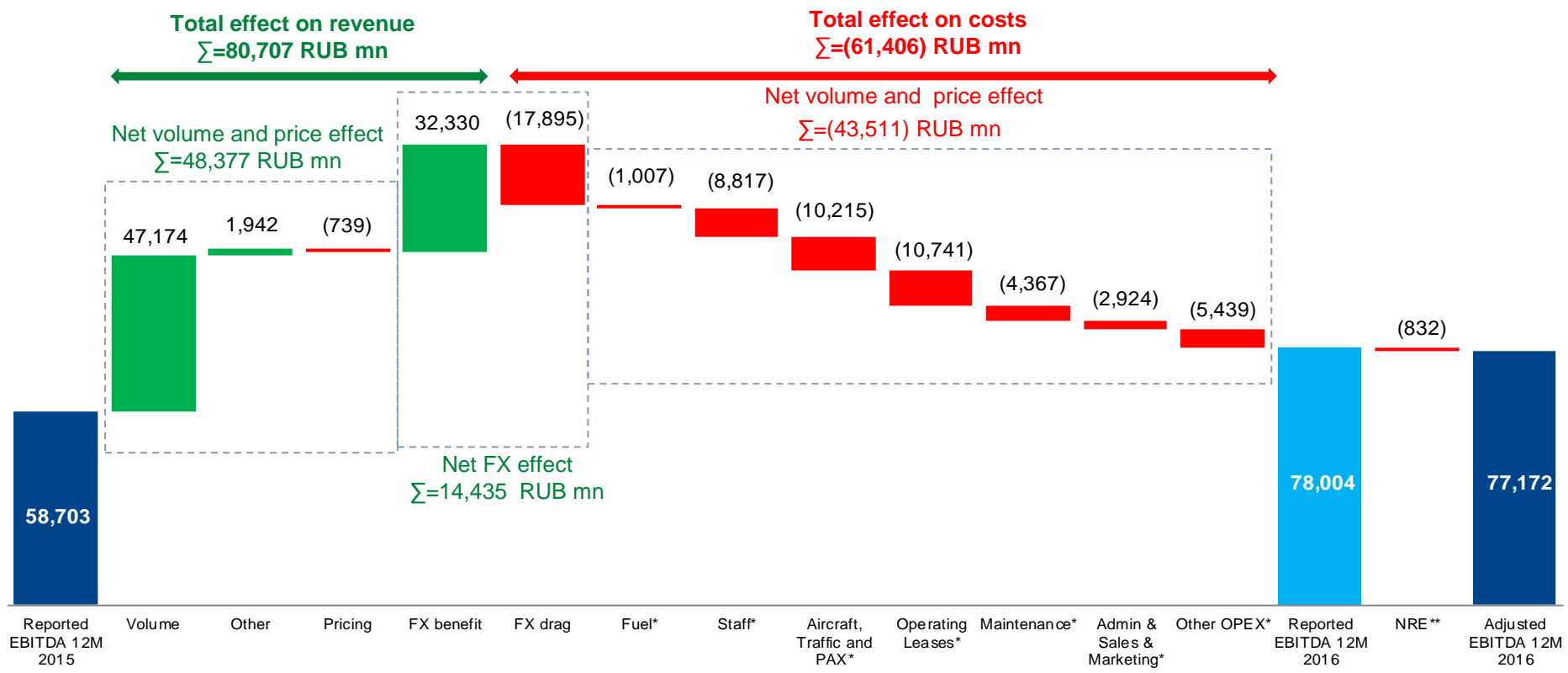


- Significant improvement in labour productivity has resulted in increasing PAX traffic per employee.

# EBITDA Evolution



(RUB mn)



- FX impact on operating costs was completely offset by positive contribution of FX change to revenue
- Key driver of EBITDA increase is the growth in size and scale of operations

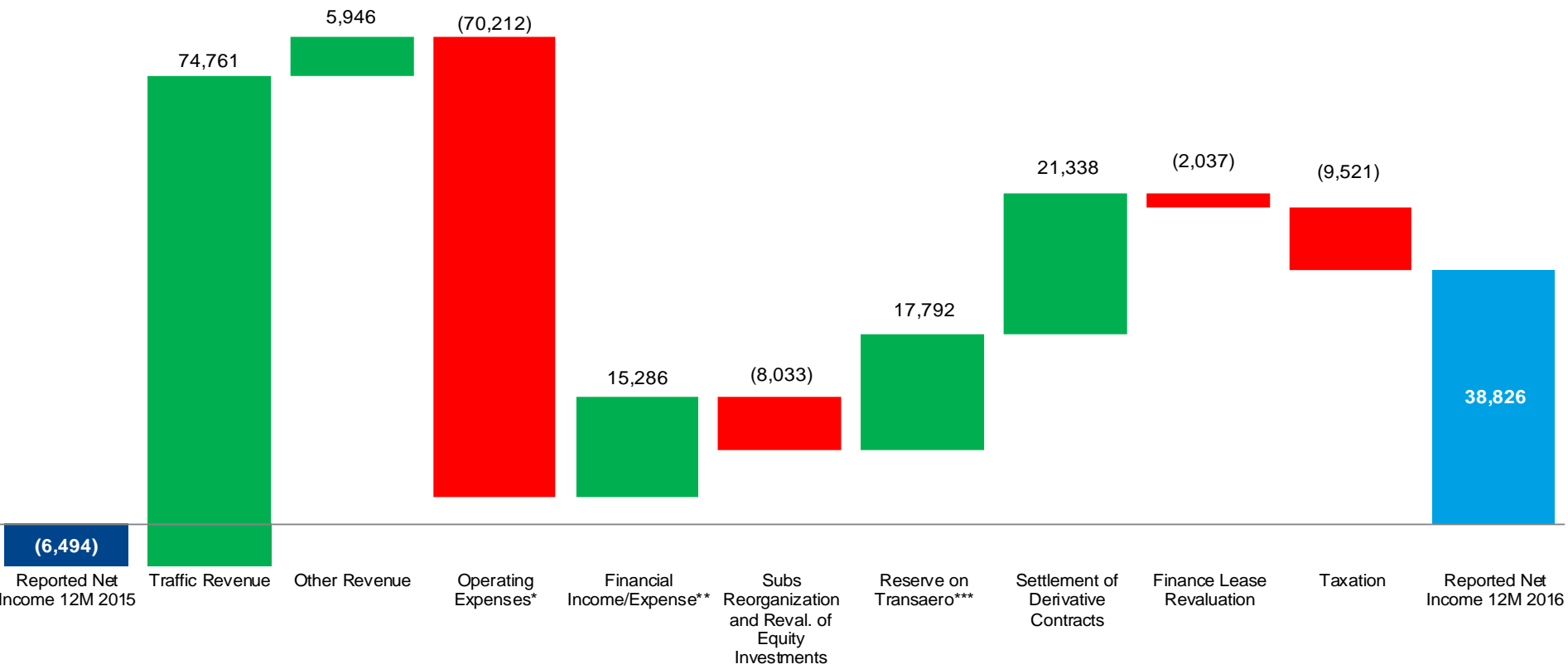
\* Excluding currency impact

\*\* Non-recurring expenses include pre-term return of aircraft at Orenair and Rossiya, reserves accrual, gain from sale of aircraft in finance lease

# Net Income Evolution



(RUB mn)



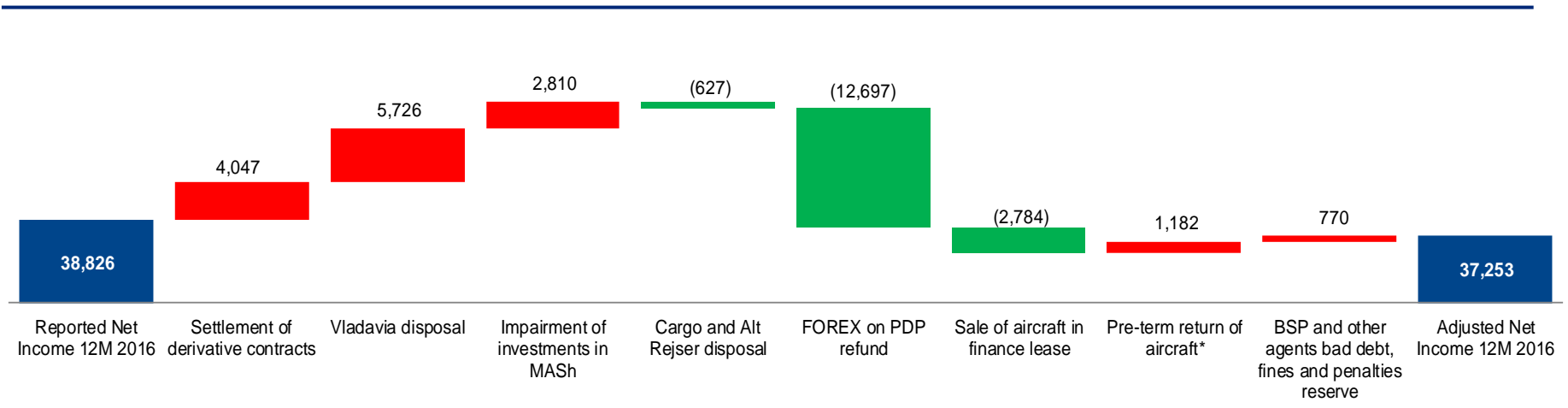
• Strong results at operating level ensured improvement of the bottom line

\* Excluding Transaero accounts receivable write-off.  
 \*\* Excluding financial income/expense associated with derivatives.  
 \*\*\* 2015 costs associated with Transaero: RUB 8.2 bn in other operating expense, RUB 8.6 bn in finance costs. In 2016 RUB 1.0 bn of Transaero reserve was released.

## 12M Adjusted Operating Income Build-Up (RUB mn)



## 12M Adjusted Net Income Build-Up (RUB mn)



• Aeroflot Group delivered strong results despite significant impact of one-off effects in 12M 2016

\* Orenair and Rossiya airline, realised cost

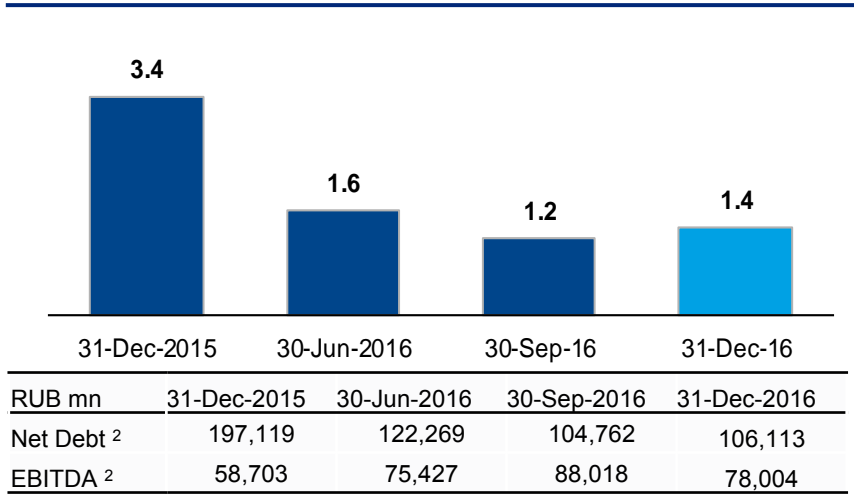


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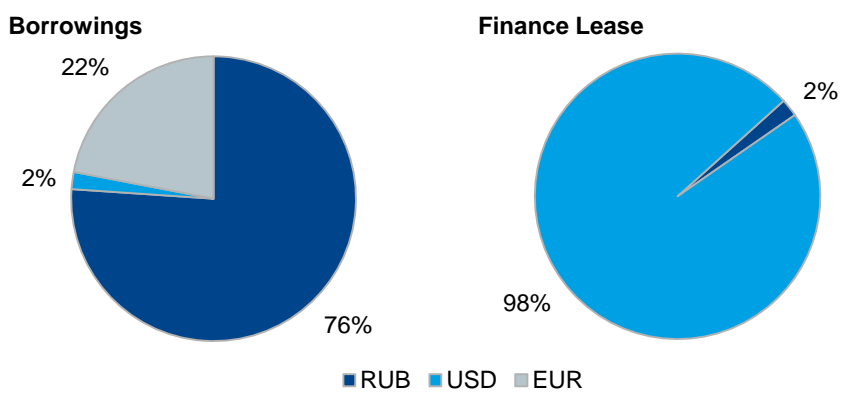
## Debt Profile<sup>1</sup>

RUB mn	31-Dec-2015	31-Dec-2016	Change
Borrowings	68,460	20,367	(70.2)%
Finance Lease Liabilities	164,524	122,736	(25.4)%
Pension Liabilities	745	805	8.0 %
<b>Total Debt</b>	<b>233,729</b>	<b>143,908</b>	<b>(38.4)%</b>
Cash and Short Term Investments	36,610	37,795	3.2 %
<b>Net Debt</b>	<b>197,119</b>	<b>106,113</b>	<b>(46.2)%</b>

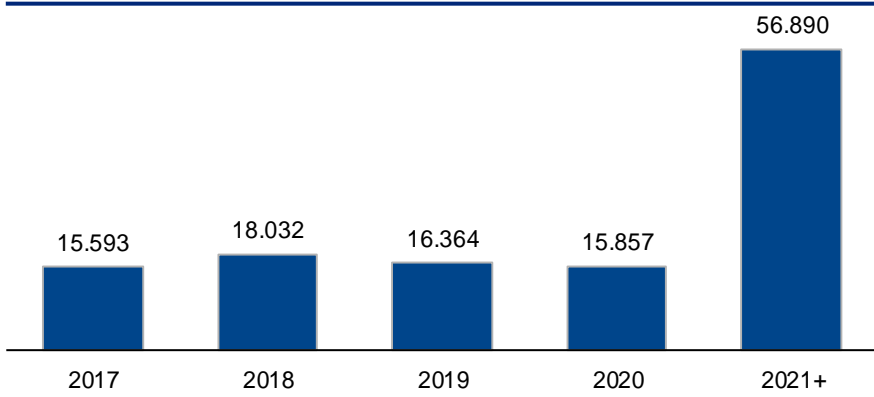
## Net Debt / LTM EBITDA<sup>2</sup>



## Debt breakdown by currency



## Finance Lease Repayment Schedule (RUB mn)<sup>3</sup>



- Total Debt decreased by 38.4% mainly due to decrease in borrowings and revaluation of finance lease obligations
- Cash position of RUB 37.8 billion and undrawn credit lines of RUB 89.2 billion

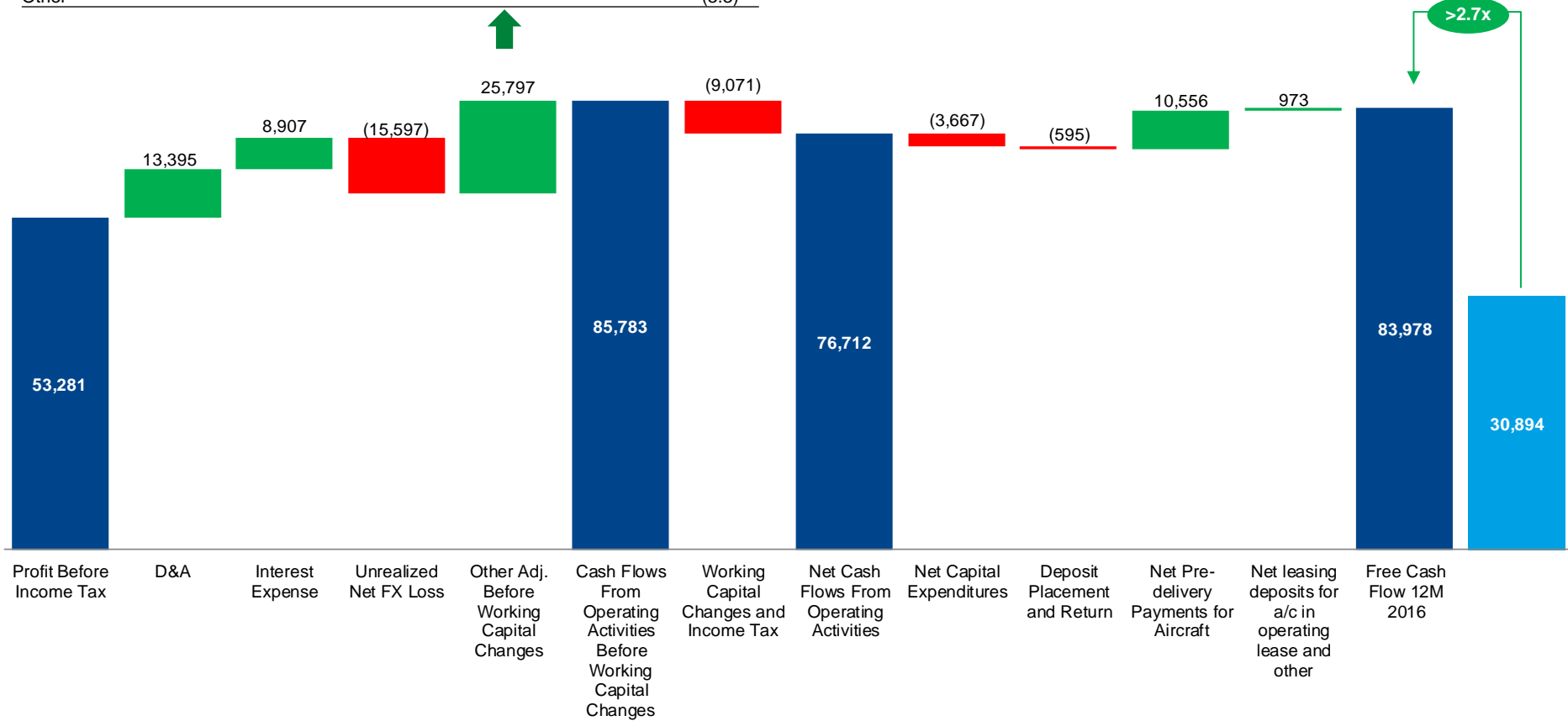
<sup>1</sup> 31-Dec-2015 exchange rate - 72.88 RUB per USD, 31-Dec-2016 exchange rate - 60.66 RUB per USD  
<sup>2</sup> Net debt does not include capitalised operating lease expenses, based on annualized EBITDA  
<sup>3</sup> Not including interest; future payments in dollars converted into roubles at exchange rate of 60.66 RUB per USD

# Operating and Free Cash Flows



(RUB mn)

	12M 2016
Other Adj. Before Working Capital Changes*, incl.	25.8
Effect from revenue hedging (finance lease hedge accounting)	8.3
Realized loss on currency swap closed in 1Q 2016	4.0
Disposal of Vladavia and Cargo and accrual of provision for impairment of inv.	8.0
Change in provisions	8.8
Other	(3.3)



• Strong Operating and Free Cash Flow in 12M 2016 on the back of growing business volumes, operating performance supported by working capital improvement.

## Market

Indicator	2015	2016 Guidance	2016 Actual		2017 Targets
Total Market (PAX)	(4.1)%	-	(4.1)%		Single digit growth
International Segment (PAX)	(16.6)%	-	(15.1)%		Single digit growth
Domestic Segment (PAX)	+13.6%	-	+7.3%		Flat y-o-y

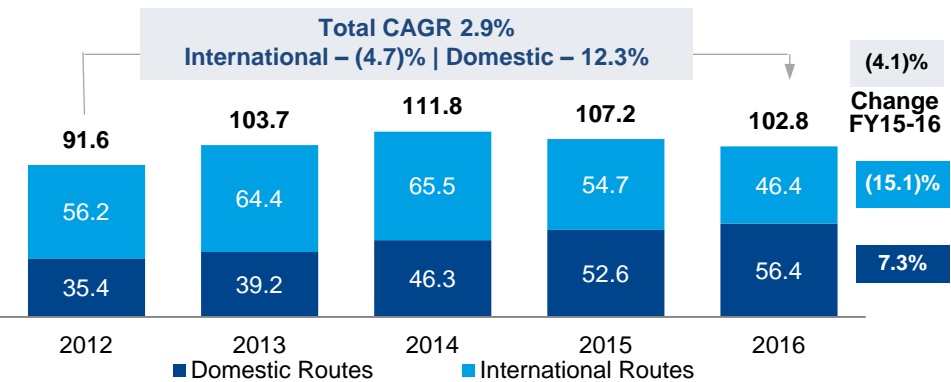
## Aeroflot Group

Passenger Traffic (PAX)	+13.4%	+8%-10%	+10.3%	✓	+12%-14%
Passenger Turnover (RPK)	+8.4%	+12%-14%	+14.8%	✓	+11%-13%
Capacity (ASK)	+7.7%	+9%-11%	+10.3%	✓	+13%-15%
Passenger Load Factor (%)	78.3%	Up to 80% (c. +2 pp)	81.5%	✓	c. 80% (-1.5 p.p.)

- Aeroflot Group's long-term growth strategy is intact, with tactical adjustments to address current market environment

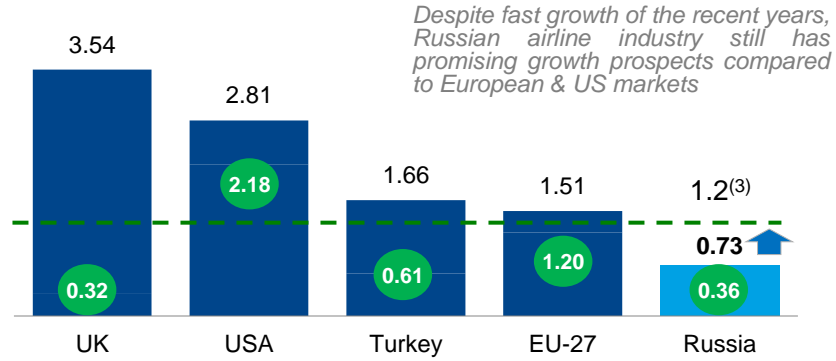
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## Russian Total Passenger Traffic Growth, mn PAX<sup>(1)</sup>



Notes: (1) Total local and foreign carriers' traffic  
Sources: FAAT, Aeroflot estimates

## Trips per Capita<sup>(2)</sup>



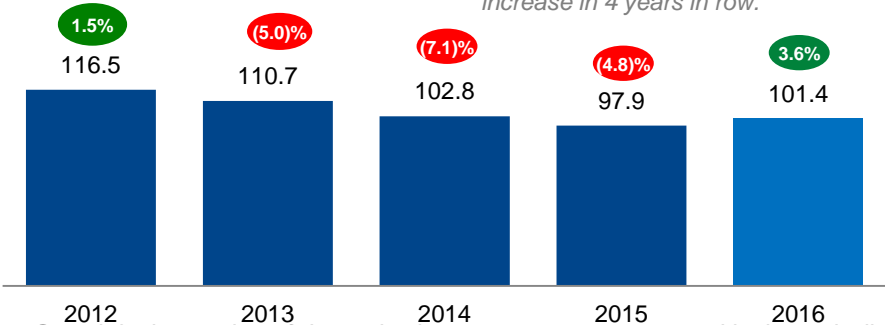
Despite fast growth of the recent years, Russian airline industry still has promising growth prospects compared to European & US markets

(2) Airline PAX per capita per year, as of 2015  
(3) 2025E

## Railways facing increasing competition...

### RZD long-haul rail traffic (mn PAX)

Long-distance rail routes posted first single digit traffic increase in 4 years in row.

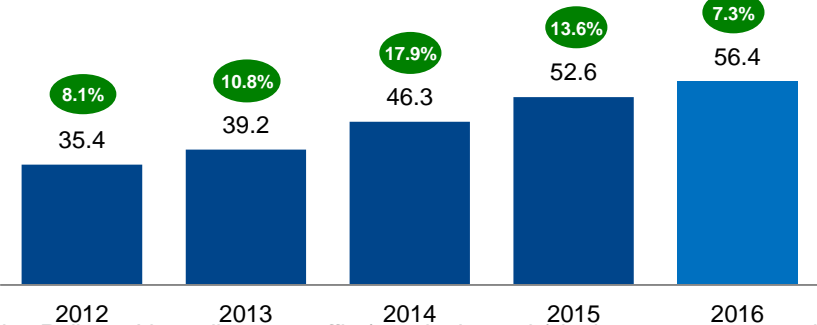


Growth in the number of domestic air passengers was supported by huge decline of Russian Railways' long-distance traffic (mostly domestic) in the recent years as air transportation becomes more affordable

## ... from airlines on domestic routes

### Domestic air traffic (mn PAX)


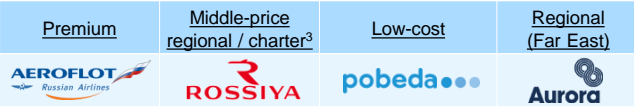
But domestic airlines continue to outperform rail sector.



- Russian market is well positioned for long-term growth on the back of still low penetration, additional potential from ongoing structural changes and increasing propensity to travel by air as well as advantageous geographical location.

\*In the charts, tables and text of this presentation, immaterial deviations in calculation of % change, subtotals and totals are due to rounding

# Transformation of the Company

		Aeroflot in 2009 <sup>1</sup>		Aeroflot Now		Change <sup>6</sup>
Business model	From multiple disintegrated subsidiaries to product-focused business model	<ul style="list-style-type: none"> <li>Not-integrated Subsidiaries<sup>2</sup></li> </ul> 		<ul style="list-style-type: none"> <li>Multi-brand Product Offering</li> </ul> 		✓
		Aeroflot Airline	Aeroflot + Subsidiaries	Aeroflot Airline	Aeroflot Group	
Operating efficiency	PAX	8.8 mn	11.1 mn	29.0 mn	43.4 mn	+3.9x
	RPK	26.0 bn pkm	29.9 bn pkm	82.7 bn pkm	112.1 bn pkm	+3.7x
	PLF	69.0%	70.2%	81.3%	81.5%	+11.3 p. p.
	Fuel consump.	28.7 gr / ASK	>30.0 gr / ASK	23.2 gr / ASK	22.9 gr / ASK	<(20%)
	Average fleet age	9.5 years <sup>4</sup>	15.0 years <sup>4</sup>	4.2 years	6.5 years	(8.5 yrs)
Financial indicators <sup>5</sup>	Revenue		106,132 RUB mn		495,880 RUB mn	
	EBITDAR		23,708 RUB mn		137,567 RUB mn	
Service quality	NPS Score	None		72%		✓
	Skytrax Awards	None		Received the Best Eastern European Airline award (5 times) 4 Star Airline		
IT systems	Share of automated business processes	35%		100%		✓

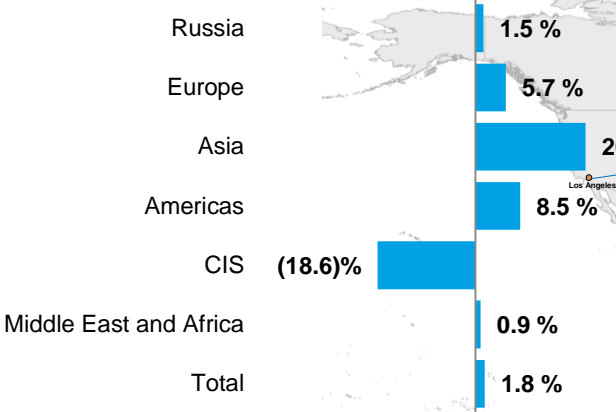
• Over the course of the last 7 years the Company has shown extraordinary operational and financial transformation.

Source: Company data

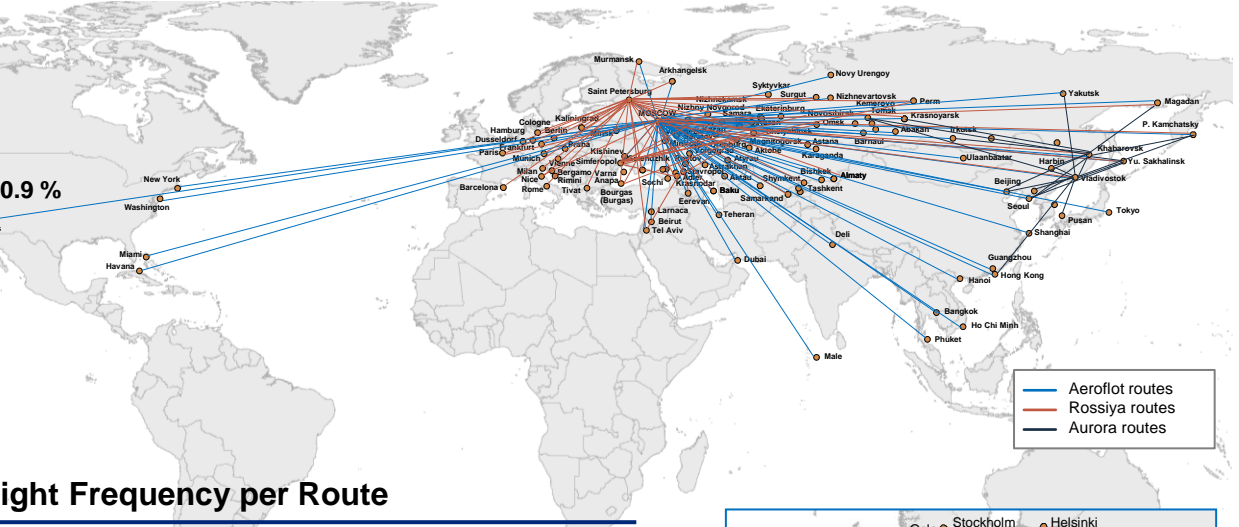
<sup>1</sup> Figures attributable to Aeroflot Airline; <sup>2</sup> In 2011 Aeroflot acquired from Rostec Rossiya, Orenair, Vladavia and SAT airlines; <sup>3</sup> Created in March 2016 as a result of a merger of Rossiya, Donavia and Orenair airlines; <sup>4</sup> as of 01.01.2009; <sup>5</sup> 2009 consolidated IFRS financial figures are converted from USD to RUB with an 2009 average exchange rate of 31.72; <sup>6</sup> Change figures illustrate Aeroflot Group now vs. Aeroflot + Subsidiaries in 2009

## # of Flights Evolution by Region<sup>1</sup>

(12M 2016, y-o-y)

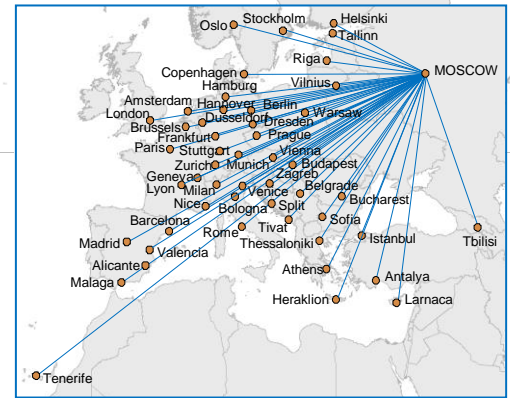
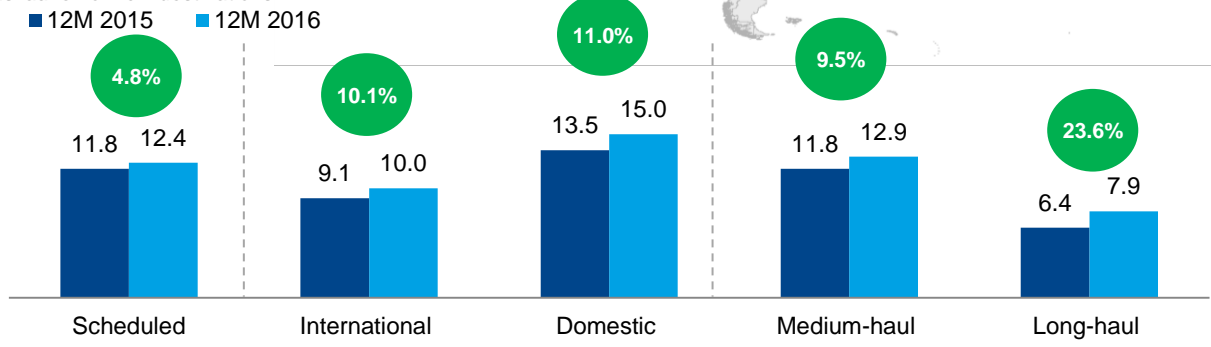


## Geographic Network



## Average Scheduled Flight Frequency per Route

Increase in Group frequencies by 4.8% was supported by rapid expansion of the number of frequencies in international and domestic segments (+10.1% and +11.0% respectively) due to additional rights distribution at the end of 2015 as well as launch of new destinations



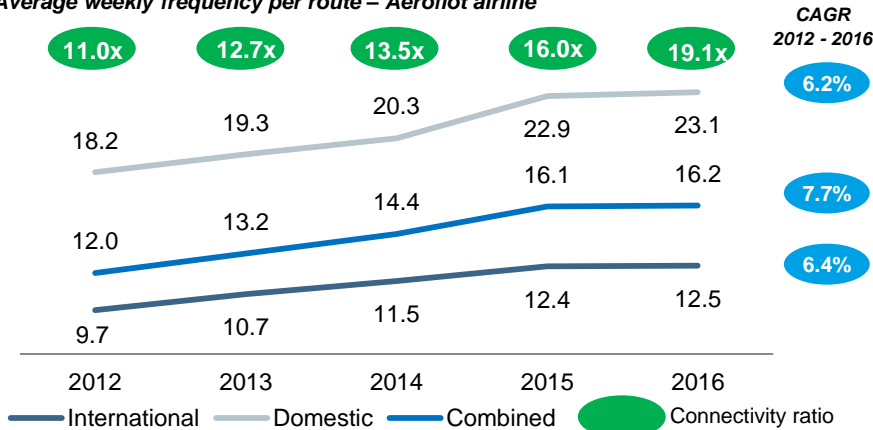
- Moderate growth of destinations, focus on increase in frequencies on scheduled routes
- Aeroflot Group operates flights to 144 unique destinations in 51 countries (in 2016-2017 winter schedule)
- In 2016 Aeroflot airline added flights to a number of European destinations from Moscow (Alicante, Valencia, Lyon) and domestic service between Moscow and Syktyvkar

Note: <sup>1</sup> Scheduled flights of Aeroflot Group (excluding Pobeda LCC)



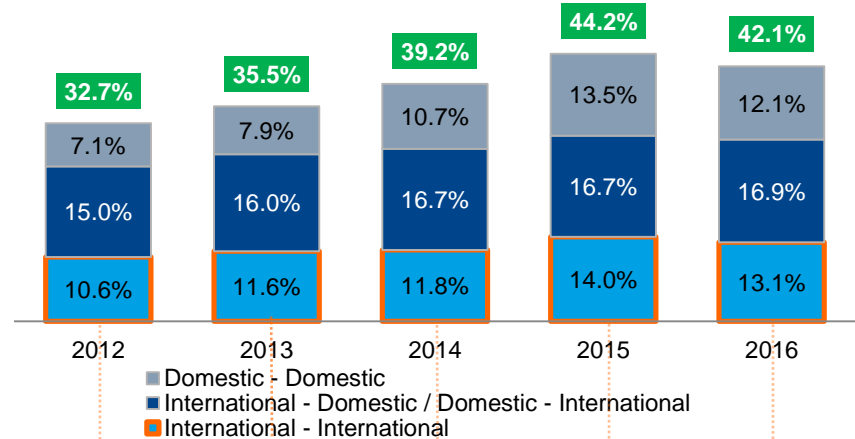
## Growing Connectivity of Aeroflot Airline's Flights<sup>1</sup> ...

Average weekly frequency per route – Aeroflot airline



## ... Results into a Flexible Approach to Transit Flows

Considerable share of transit of Aeroflot airline in Sheremetyevo



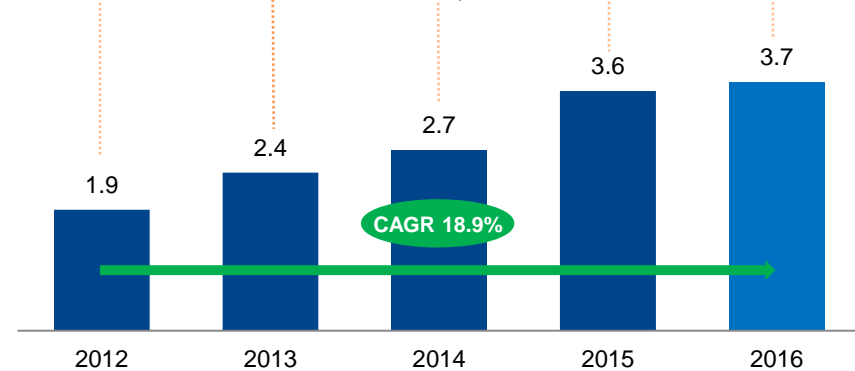
## ... Backed by Convenient Location of Aeroflot Hub



From/To		Paris	London	Vienna	Stockholm	Rome
Tokyo	Via Moscow	15:00	15:05	13:45	13:15	14:55
	Via Dubai	18:30	18:55	17:15	17:45	17:30
Shanghai	Via Moscow	14:05	14:10	12:50	12:20	14:00
	Via Dubai	17:25	17:50	16:10	16:40	16:25
Hong Kong	Via Moscow	15:00	14:40	13:20	12:50	14:30
	Via Dubai	18:30	17:10	15:30	16:00	15:45

## Increase in International – International Traffic

Total Aeroflot airline int. – int. transit traffic, million PAX



Less focus on international-international transit market in 2016 is attributable to a pickup in point-to-point demand

Source: Company data, IMF, Eurostat, RITA, Russian State Statistics Service, Rosaviatsia.

<sup>1</sup> Data for Aeroflot airline's own flights; Aeroflot adopted new frequency per route and connectivity ratio calculation methodology and previous periods were recalculated retrospectively

- Increasing flight frequency improves connectivity and supports Aeroflot's traffic growth in Sheremetyevo airport.
- Advantageous geographical positions and Group's efforts support traffic growth on key European and Asian destinations.

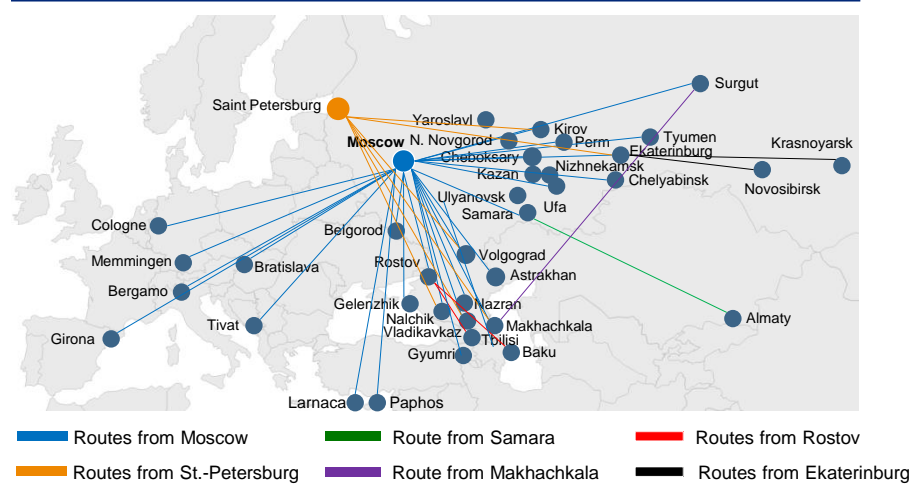
# Pobeda Airline: Group's Low Cost Carrier



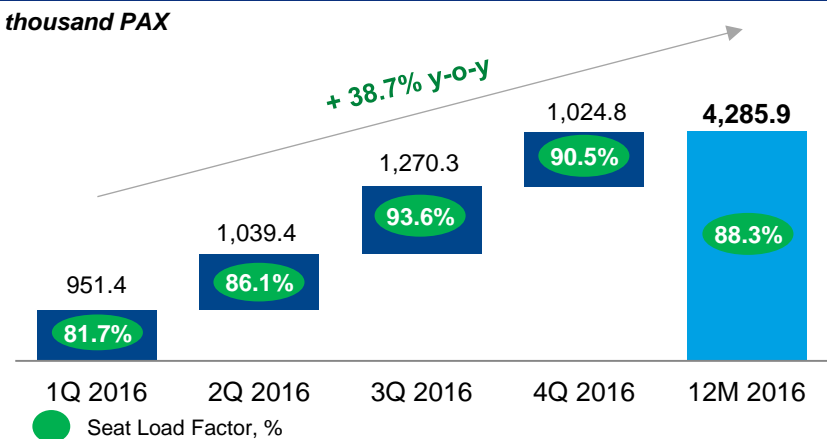
## Overview of Pobeda

<b>Network</b>	<ul style="list-style-type: none"> <li>Operating from Vnukovo airport (3<sup>rd</sup> Moscow airport by PAX)</li> <li>Network comprising 36 routes (22 unique for the Group)</li> <li>Additional expansion to international destinations (8 countries)</li> </ul>
<b>Fleet</b>	<ul style="list-style-type: none"> <li>12 Boeing 737-800 NG</li> <li>Single class cabin</li> <li>189 seats per plane</li> </ul>
<b>Key milestones</b>	<p><b>2014</b></p> <ul style="list-style-type: none"> <li>December - First flight performed from Moscow to Volgograd</li> </ul> <p><b>2015</b></p> <ul style="list-style-type: none"> <li>March - Seasonal summer route announcement</li> <li>April - Pobeda becomes Top-10 airline in Russia</li> <li>June - Cumulated PAX reached 1 mn</li> <li>December - Launch of international flights</li> <li>December - Cumulated PAX reached 3 mn</li> </ul> <p><b>2016</b></p> <ul style="list-style-type: none"> <li>Development of international network and intra-region flights</li> <li>December - Cumulated PAX exceeded 4 mn</li> </ul>

## Pobeda's Network

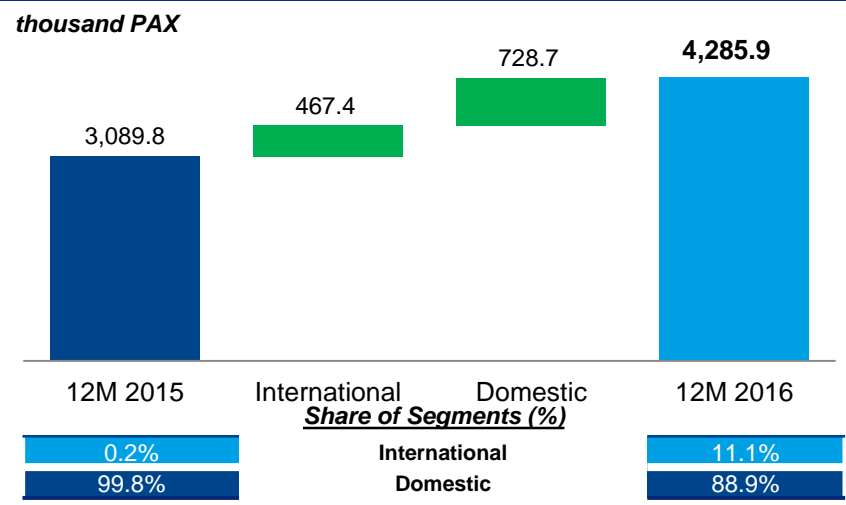


## Operating Results



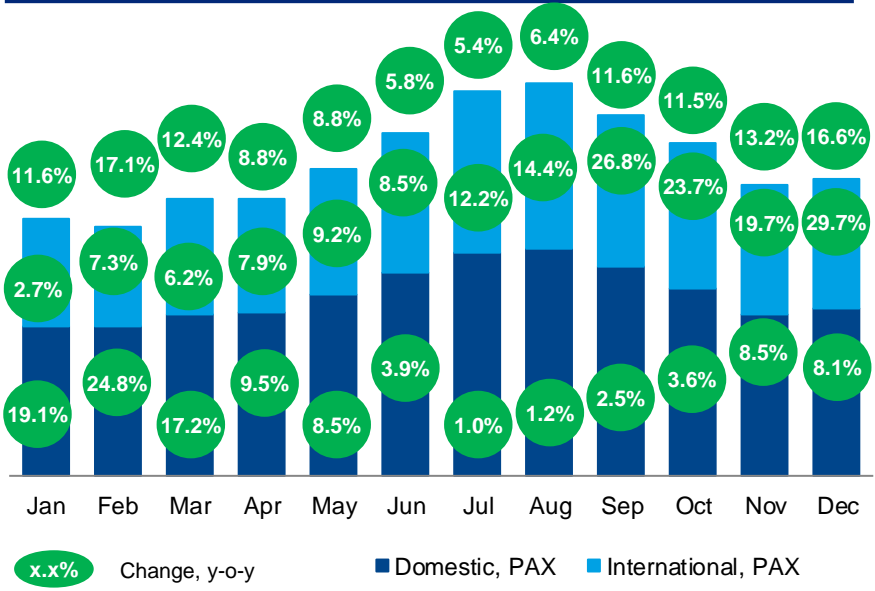
Pobeda's seat load factor on domestic routes in 12M 2016 (88.3%) exceeds the one of Aeroflot Group (81.5%) that contributes to the efficiency of LCC

## Additional Customers Both on Domestic and Intl. Destinations



- Pobeda, the only Russian LCC, is a timely value proposition to cost conscious passengers.
- High pace of domestic expansion maintained in 2016 with tapping into new international markets.

## Passenger Traffic Dynamics



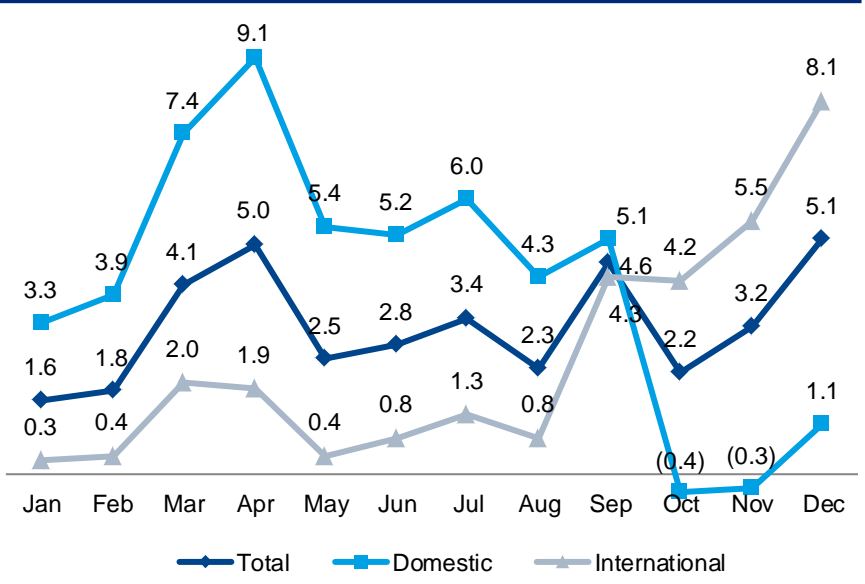
Despite deteriorating international traffic trends for the overall industry, the Group posted strong performance on international routes and outperformed market growth on domestic destinations.

12M 2016	Aeroflot Group	Aeroflot Airline	Russian Airlines
Total PAX	+ 10.3%	+ 11.0%	- 3.8%
Domestic PAX	+ 7.6%	+ 11.4%	+ 7.3%
International PAX	+ 14.1%	+ 10.6%	- 18.6%

Note: Numbers on this slide are presented only for Russian carriers (for comparison purposes between PAX and PLF for the market)  
 Source: Rosstat, TCH, Aeroflot estimates

- Strong double digit PAX growth on the back of solid domestic market numbers.
- Acceleration of growth on international routes on the back of stabilizing macro and due to low base effect of 2015.
- Positive PLF numbers throughout the 12M 2016 on the back of domestic and international routes PLF dynamics.

## PAX Load Factor Change (PLF<sub>M 2016</sub> – PLF<sub>M 2015</sub> for respective month)



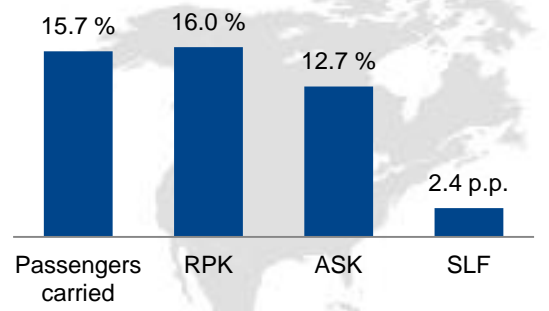
Aeroflot Group and its flagship carrier Aeroflot airline succeeded to increase PLF above market average (81.5% for AG vs 81.1% for the market) driven by higher PLF growth numbers on the back of more efficient capacity management.

12M 2016	Aeroflot Group	Aeroflot Airline	Russian Airlines
Total PLF	+ 3.2 p.p.	+ 2.0 p.p.	+ 1.4 p.p.
Domestic PLF	+ 4.1 p.p.	+ 3.2 p.p.	+ 2.9 p.p.
International PLF	+ 2.7 p.p.	+ 1.5 p.p.	+ 0.5 p.p.

# 12M 2016 Operating Data by Region (Scheduled Routes)

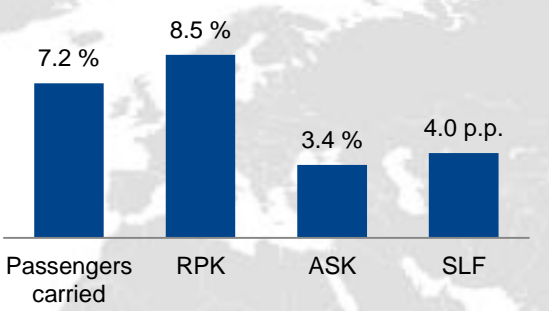


## Americas



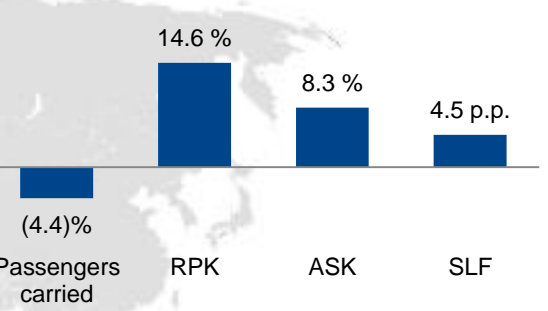
Higher demand on the flights to the region on the back of operating program expansion resulted in PLF improvement

## Russia



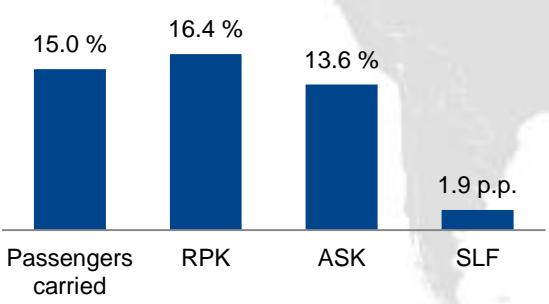
Russian market is a star performer for the third year in row, despite high base of previous year

## CIS



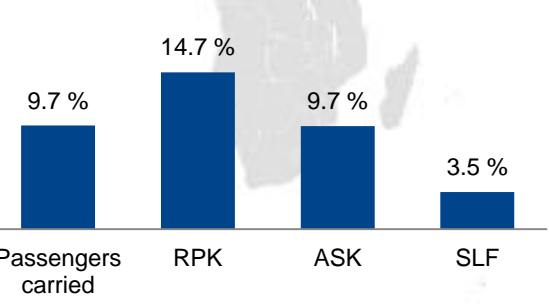
Passengers carried numbers were under pressure due to suspension of flights to Ukraine, which was compensated by additional demand on new Kazakhstan routes

## Europe



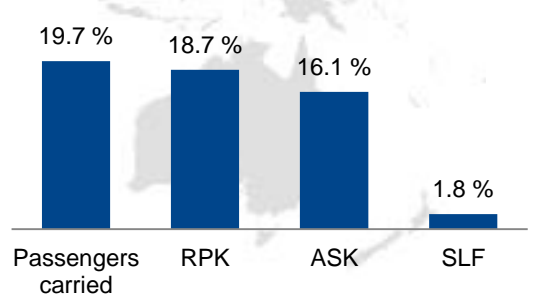
Softening of competitive landscape, intelligent capacity management and additional destinations in Europe

## Middle East



Middle East market performance affected by stronger demand for leisure travelling in as well as additional capacity on key regional destinations

## Asia



Asian market indicators increase was sustained due to capacity expansion on selected routes, less competition as well as increased transit demand from Asia

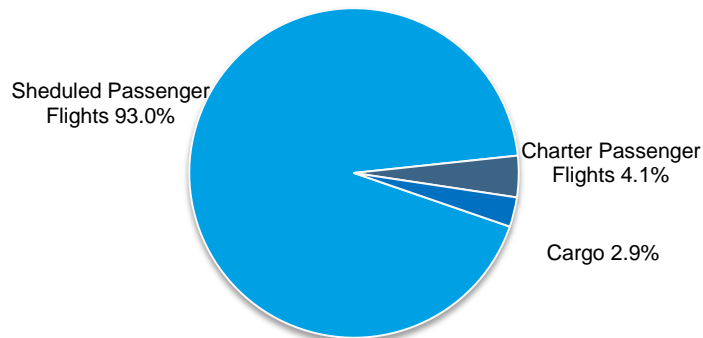
- Strong operating performance on the scheduled routes was partially offset by selective adjustments in network due to internal and external reasons

Source: Data presented based on management accounting for scheduled flights of Aeroflot Group (excluding charter flights)

# Traffic Revenue Analysis

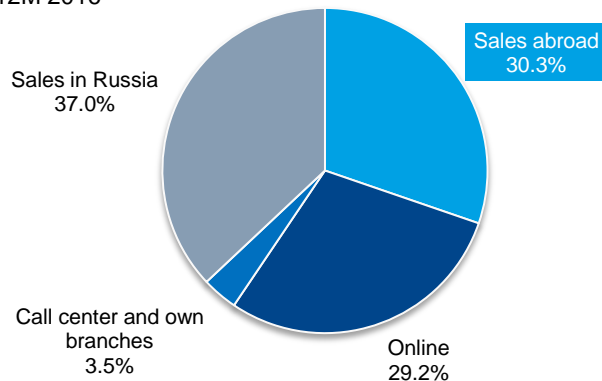
## Traffic Revenue Breakdown by Type

12M 2016



## Scheduled Traffic Revenue by POS

12M 2016 <sup>2</sup>



## Revenue from Scheduled Passengers (RUB mn)<sup>1</sup>

4Q 2015	4Q 2016	Y-o-Y	Region	12M 2015	12M 2016	Y-o-Y	12M 2016, % of total scheduled revenue
34,888	34,429	(1.3)%	Russia	145,378	166,227	14.3%	41.2%
20,949	23,717	13.2%	Europe	85,178	106,599	25.1%	26.4%
14,332	15,969	11.4%	Asia	55,095	63,827	15.8%	15.8%
4,745	4,972	4.8%	CIS	19,578	21,281	8.7%	5.3%
5,364	6,070	13.2%	Americas	19,841	26,389	33.0%	6.5%
4,932	5,369	8.9%	Middle East	18,358	19,437	5.9%	4.8%
<b>85,209</b>	<b>90,526</b>	<b>6.2%</b>	<b>Total</b>	<b>343,428</b>	<b>403,760</b>	<b>17.6%</b>	<b>100.0%</b>

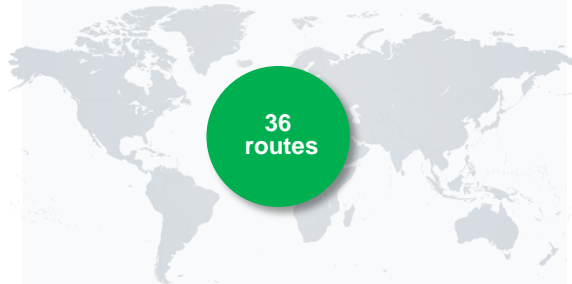
- In 12M 2016 revenue from scheduled passengers grew by 17.6% on the back of revenue growth across all regions
- Key drivers of revenue growth are Russian, European, Asian and American markets

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

<sup>2</sup> Data presented based on management accounting for Aeroflot airline and routes of subsidiary airlines under commercial management of Aeroflot

1

## New routes...



### Initial Plans

- New slots and designations for **56 routes** out of 141 international routes serviced by Transaero previously
- Capacity addition on non-regulated domestic market

### Current Status

- Launched flights to new destinations (incl. charter program) and increased capacity on the existing utilizing most of the granted rights
- Negotiations on the slots with a number of airports underway
- Rights for thirteen routes were returned to Aviation authorities voluntarily, seven destinations not extended after one year period

2

## ... require additional fleet to service enlarged network...



### Initial Plans

- Aeroflot Group planned to take up to 34 aircraft from Transaero fleet
- B777, B747, B737 and A321 represent a mix of pre-owned and new aircraft which are intended for Aeroflot and Rossiya fleet

### Current Status

- Aircraft that were exploited by Transaero are joining Rossiya fleet
- 7 B747 and 5 B777 phased-in in 12M 2016 (used aircraft)
- 5 A321 from the order book phased-in in 12M 2016 (new aircraft)
- 2 B747 (used a/c) and 1 A321 (new a/c) phased-in during 1Q 2017
- Expected additions in 2017: 10 B737 (new a/c)

3

## ... and provide with ability to hire more employees



### Initial Plans

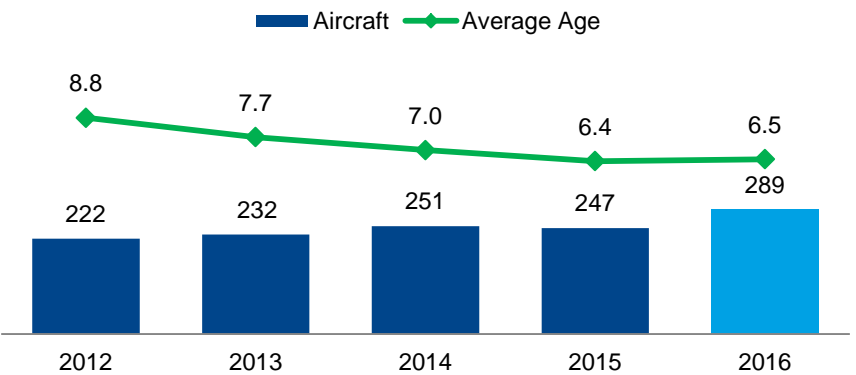
- Aeroflot Group plans to employ **~6,000** former Transaero personnel
- 60% of employees to be hired – flight crew

### Current Status

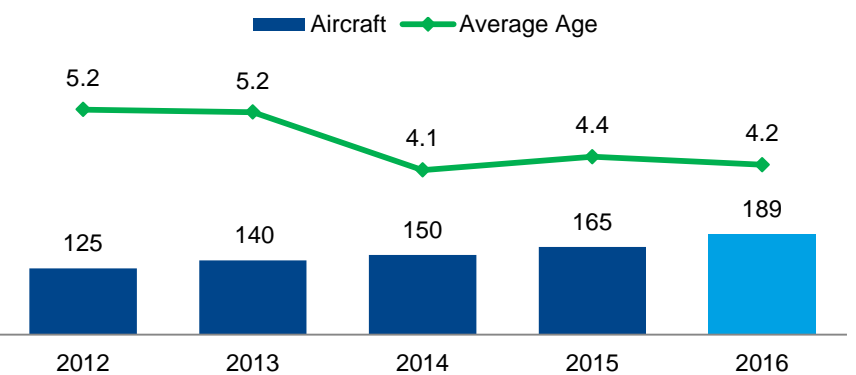
- After assessment of applications received **4,255** were hired:
  - ~550 cabin and 2,030 cockpit crew
  - ~720 engineers
  - ~740 ground handling and security
  - ~220 administrative and other

- **Additional designations received from the Russian aviation authorities (previously exploited by Transaero airline that left the market after the bankruptcy) provide Aeroflot Group with further growth opportunities.**

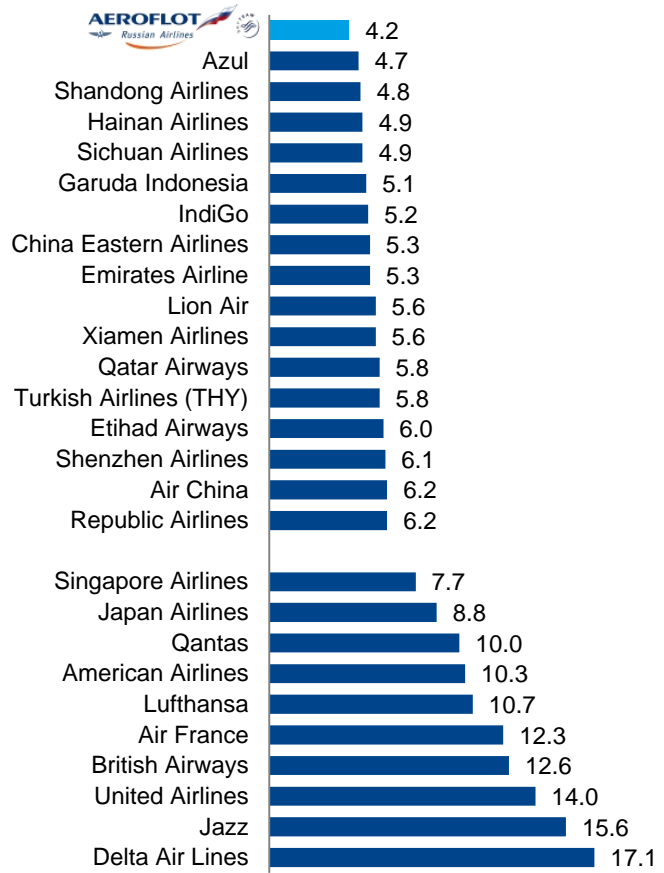
## Aeroflot Group Fleet in Operation <sup>1</sup>



## Aeroflot Airline Fleet in Operation <sup>1</sup>



## Average Age of the Fleet <sup>2</sup>



- Aeroflot operates the youngest fleet in the industry among airlines with active fleet of 100+ aircraft
- Aeroflot achieved significant progress in fleet renewal both for Aeroflot airline and for the Group

<sup>1</sup> Excludes planes out of operation

<sup>2</sup> Average Fleet Age of Selected Airlines with Active Fleet of 100+ Aircraft according to Flightglobal data (as of December 2016) excluding planes out of operation

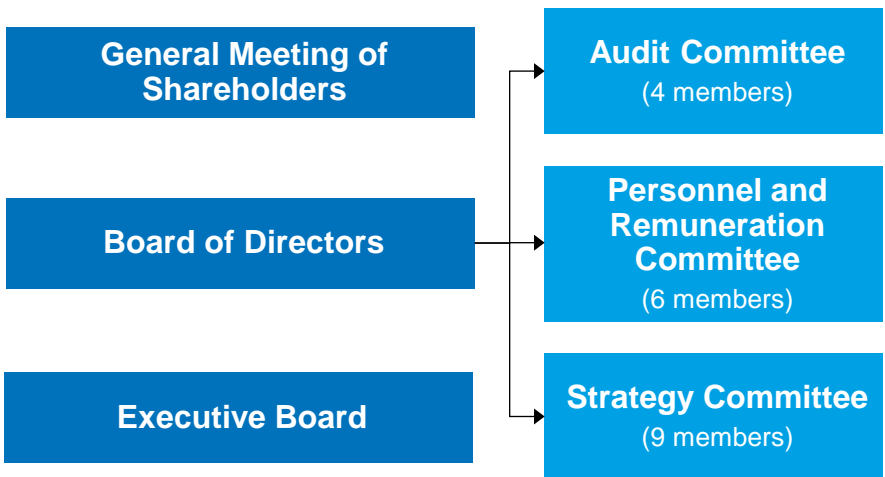


# Key Operating Data of Subsidiary Airlines

		Rossiya	Orenair	Donavia	Aurora	Pobeda	Total
<b>Passenger Traffic,</b> thousand PAX	<b>12M 2016</b>	<b>8,099</b>	<b>491</b>	<b>209</b>	<b>1,376</b>	<b>4,286</b>	<b>14,462</b>
	12M 2015	4,752	2,840	1,475	1,125	3,090	13,282
	Y-o-Y	70.5%	(82.7)%	(85.8)%	22.4%	38.7%	8.9%
<b>Passenger Turnover,</b> million pkm	<b>12M 2016</b>	<b>18,720</b>	<b>1,494</b>	<b>268</b>	<b>2,222</b>	<b>6,713</b>	<b>29,417</b>
	12M 2015	8,695	6,349	1,938	1,870	4,668	23,520
	Y-o-Y	115.3%	(76.5)%	(86.2)%	18.8%	43.8%	25.1%
<b>Seat Load Factor,</b> %	<b>12M 2016</b>	<b>81.7%</b>	<b>77.8%</b>	<b>66.7%</b>	<b>73.0%</b>	<b>88.3%</b>	<b>82.0%</b>
	12M 2015	75.7%	72.9%	71.3%	71.6%	81.2%	75.2%
	Y-o-Y	6.0 p.p.	4.9 p.p.	(4.6) p.p.	1.4 p.p.	7.1 p.p.	6.8 p.p.
<b>Flight Hours,</b> hours	<b>12M 2016</b>	<b>164,250</b>	<b>10,577</b>	<b>4,111</b>	<b>39,390</b>	<b>53,892</b>	<b>272,219</b>
	12M 2015	107,904	54,926	27,616	33,281	41,017	264,744
	Y-o-Y	52.2%	(80.7)%	(85.1)%	18.4%	31.4%	2.8%



## Corporate Governance



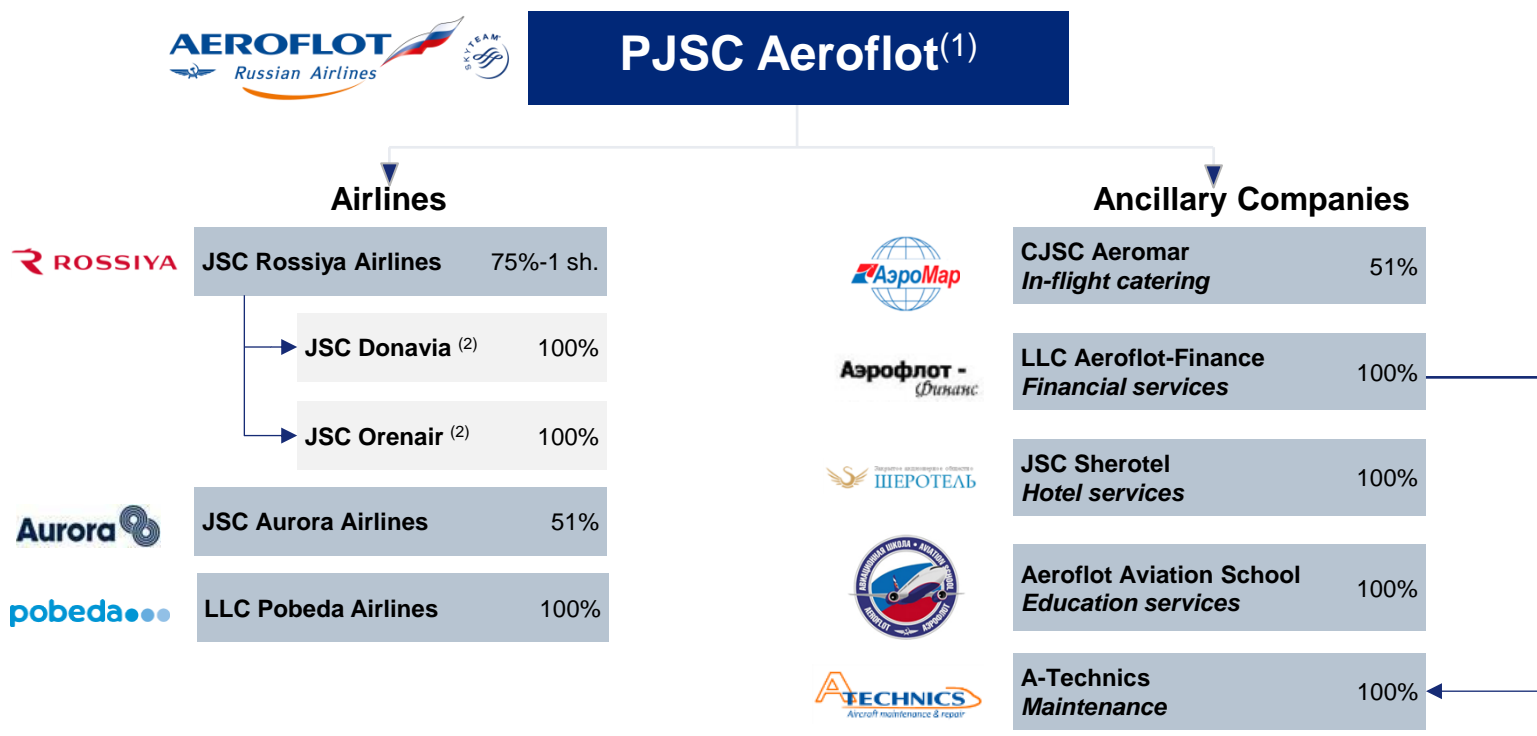
Incorporated in Russia, PJSC Aeroflot is subject to Russian corporate governance regulations and follows Russian Corporate Governance Code

The Board of Directors is currently composed of 11 members. The Board's composition is well balanced from members' background perspective, number of independent, non-executive and executive directors

## Board of Directors

	Name	Audit Committee	Personnel and Remuneration Committee	Strategy Committee
	Kirill Androsov	Chairman of the Board of Directors		
	Vitaly Saveliev			
	Dmitry Saprykin			Member
	Mikhail Alekseev		Member	Member
	Igor Kamenskoy	Member	Chairman	
	Yury Slyusar			Member
	Aleksey Germanovich	Member	Member	Member
	Roman Pakhomov	Member	Member	Chairman
	Dmitry Peskov		Member	Member
	Vasiliy Sidorov	Chairman	Member	Member
	Sergey Chemezov			

Independent director according to the Russian Corporate Governance Code



- Over the past years the Group structure was refined with a focus on aviation assets and disposal of non-core assets, which is in compliance with the Group's strategy to streamline the core business
- PJSC Aeroflot also owns 45.0% of JSC AeroMASH-AB (Aviation security), 8.96% of JSC Sheremetyevo (base airport), 3.85% of PJSC Transport Clearing House (mutual settlements between agencies and airlines) and 49.0% of LLC Transnautic Aero (cargo sales, in liquidation)

Notes:  
 (1) The Group as of December 31, 2016; Aeroflot Group consolidates all entities: PJSC Aeroflot and all subsidiaries.  
 (2) Non-operating entities

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