AEROFLOT – RUSSIAN AIRLINES

ACHIEVEMENTS AND GOALS
# Aeroflot Today – An Overview

1. **#1 airline in one of the largest markets** globally with leading positions on both domestic and international routes

2. Global network with 153 unique destinations (300+ routes) in 51 countries serviced by one of the youngest fleets globally

3. Multi-brand offering to appeal to a broad customer spectrum across different geographies

4. **Superior product and customer experience** (Aeroflot – 4-star airline by Skytrax)

5. **Efficient operating model** underpinned by effective yield and cost management

6. **Experienced management team** and international standards of corporate governance

Note: network statistics is based on summer 2015 schedule
Over the course of the last 7 years the Group has shown an extraordinary operational and financial transformation.

Note: fleet age for 2009 as of the beginning of the year. Average age of 6.4 in 2015 is for Aeroflot Group (for comparison purposes). Aeroflot’s average fleet age is 4.3 years.
Russian Carrier With a Global Network

One of the youngest fleets of any major airline group... operating a global network

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<thead>
<tr>
<th>Airline</th>
<th>Aircraft Count</th>
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<td>Hainan Airlines</td>
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<td>Garuda Indonesia</td>
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<td>China Eastern Airlines</td>
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<td>Qatar Airways</td>
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<td>Etihad Airways</td>
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<td>Emirates Airline</td>
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<td>United Airlines</td>
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<td>Delta Airlines</td>
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258 aircraft\(^1\) carrying over 40m passengers\(^2\) to 153 unique destinations\(^3\) in 51 countries\(^3\)

Notes: 1 As of 31 December 2015; 2 Aeroflot Group PAX in FY 2016; 3 Winter 2015-2016 schedule
Aeroflot Group Network Development Strategy

Growing Connectivity of operated flights¹ ...

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Growth 6M 2016

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Increasing flight frequencies improves connectivity and supports Aeroflot’s traffic growth in Sheremetyevo.
## Multi-brand product offering to capture customers in key market segments: from premium to low-cost.

1 Data as of H1 2016.
Remarkable Operational and Financial Performance

Outstanding operational performance ...

- 13.4% growth of passenger carried in 2015
- 5.6 p.p. increase in market share
- Load factor of 78.3%
- 8.8% CAGR passenger carried 2010-2015 (domestic: 12.5%; international: 5.8%)

... driving resilient financial results

- 29.8% increase in total revenue
- 4x increase in operating profit
- Market-leading EBITDAR and EBITDA margins (24.8% and 14.1%, respectively)
A Reputation For Excellence
In Safety And Service

- **4 Star Airline**
  - SKYTRAX
  - Awarded 2016

- **Best Russian Airline**

- **World Airline Winner**
  - SKYTRAX
  - Best Airline in Eastern Europe

- **TRAVELLERS’ CHOICE**
  - tripadvisor
  - Official Carrier

- **Best Business-Class on Mid-Range Flights**
  - Russian Service, and With Please and Thank You

- **Readers’ Choice Award**

- **2016 Air Transport News Awards**
  - Readers’ Choice Award

- **Business Traveller Russia & CIS Awards 2016 Winner**
  - Best Airline in Russia and CIS
  - Best Business-Class on Mid-Range Flights

- **7-star safety rating**
  - 7-star safety rating

- **Aeroflot: from world’s deadliest airline to one of the safest in the sky**

- **Russian Service, and With Please and Thank You**
  - Better service on the menu in Russia
Digital take-off

**Before 2009**
- 35% - share of automated business processes
  - Flight management system (ASOU PD)
  - Other

**2010 – 2015**
- 100%
  - Support systems
  - Sabre
  - SAP
  - Lufthansa Systems

**2016 – 2020**
- Unstructured data
- BIG DATA
- B2C
- B2B

**Initial Digitalization**
- Fragmented IT-systems impeding operational gains
- Core IT-systems for aviation operations support are developed

**IT-Systems Consolidation**
- Implementation of the three core platforms (Sabre, SAP and Lufthansa) allowed to optimize IT infrastructure in use and reduced operating expenses
- Over 50% of passengers use Aeroflot digital services (e.g. tickets sales, online check-ins etc)

**Cutting-Edge Technology Deployment**
- Broad use of Big Data analytics
- Personalized targeting of customer communication
- Successful implementation of the project could create incremental revenue for the Group
## Goals for the future

<table>
<thead>
<tr>
<th>2025 Strategic Targets</th>
<th>Ranking in 2009</th>
<th>Ranking in 2015</th>
<th>2025 (Achievement Estimate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>TOP-20 airlines by PAX globally</td>
<td>68</td>
<td>24</td>
<td>✓</td>
</tr>
<tr>
<td>TOP-5 airlines by PAX in Europe</td>
<td>15</td>
<td>7</td>
<td>✓</td>
</tr>
<tr>
<td>Over 70 million passengers</td>
<td>11.1 mn</td>
<td>39.4 mn</td>
<td>✓</td>
</tr>
<tr>
<td>Over 30 million domestic passengers</td>
<td>4.9 mn</td>
<td>23.4 mn</td>
<td>✓</td>
</tr>
</tbody>
</table>

Note: 2009 traffic number for Aeroflot and subsidiaries (Nordavia and Donavia). Aeroflot standalone – 8.6 mn PAX.
Source: Flightglobal, Company estimates.
Come fly with us!