

Operating results

Aeroflot strengthened its focus on the high-income segment in the reporting period through further differentiation and improvement of its product. The Company opened more than 20 new routes in 2011-2012 to destinations with high-levels of demand for premium-quality airline services and increased flight frequency on main routes. Regularity of flights was improved, more connections were made available at Sheremetyevo Airport, commercial load factor was increased, commission payments were optimized and a set of measures to improve the profitability of flights was successfully completed. Aeroflot overcame shortages of all types of aircraft and pursued its programme of fleet expansion. The company made improvements to its Aeroflot Bonus loyalty programme for the benefit of frequent flyers. The company achieved stable revenue growth and kept its credit rating at a high level.

In 2010-2012 Aeroflot showed consistent and sustainable growth of main operating indicators.

PASSENGER CARRYING

Aeroflot operated in an environment of intense competition on the market for air transport services (both domestic and international) in 2012, but nevertheless achieved substantial improvement of main operating indicators. The Group carried a total of 27.5 million passengers in 2012 (67.6% more than in 2011) and 223,800 tonnes of cargo and mail (32.8% more than a year earlier). Passenger turnover was 74.6 billion PKM (61.9% more than in 2011). Operating flight time in 2012 totaled 721,400 hours, which is 56.4% more than in 2011.

Passenger Traffic (million)



Passenger Turnover on International and Domestic Routes (billion PKM) and Passenger Load Factor (%)



Operating Indicators of Aeroflot Group, 2011-2012

INTERNATIONAL	2012	2011	CHANGE, %
Passengers carried, thousand	15,963.3	9,428.4	+69.3%
Revenue passenger kilometers, million PKM	50,279.9	30,576.6	+64.4%
Available seat kilometers, million ASK	63,851.3	40,064.7	+59.4%
Passenger load factor, %	78.7	76.3	+2.4 p.p.
Cargo and mail carried, tonnes	153,117.1	121,463.7	+26.1%
Cargo turnover, million TKM	920.8	719.7	+27.9%
Revenue tonne kilometers, million TKM	5,445.6	3,471.6	+56.9%
Available tonne kilometers, million TKM	8,351.7	5,664.3	+47.4%
Revenue load factor, %	65.2	61.1	+4.1 p.p.
DOMESTIC			
Passengers carried, thousand	11,508.4	6,962.9	+65.3%
Revenue passenger kilometers, million PKM	24,337.3	15,500.8	+57.0%
Available seat kilometers, million ASK	31,746.8	19,939.0	+59.2%
Passenger load factor, %	76.7	77.7	-1.0 p.p.
Cargo and mail carried, tonnes	70,654.6	46,986.9	+50.4%
Cargo turnover, million TKM	289.7	205.0	+41.0%
Revenue tonne kilometers, million TKM	2,480.1	1,600.5	+55.0%
Available tonne kilometers, million TKM	3,801.2	2,474.4	+53.6%
Revenue load factor, %	65.2	64.7	+0.5 p.p.
TOTAL			
Passengers carried, thousand	27,471.7	16,391.3	+67.6%
Revenue passenger kilometers, million PKM	74,617.2	46,077.4	+61.9%
Available seat kilometers, million ASK	95,598.1	60,003.7	+59.3%
Passenger load factor, %	78.1	76.8	+1.1 p.p.
Cargo and mail carried, tonnes	223,771.7	168,450.6	+32.8%
Cargo turnover, million TKM	1,210.0	925.1	+30.8%
Revenue tonne kilometers, million TKM	7,925.7	5,072.1	+56.3%
Available tonne kilometers, million TKM	12,152.9	8,138.8	+49.3%
Revenue load factor, %	65.2	62.3	+2.9 p.p.

International passenger carrying

Passenger numbers on international routes reached 16.0 million in 2012, representing 58.1% of total passengers carried. International passenger turnover was 50.3 billion PKM, or 67.4% of total passenger turnover. Passenger load factor was 78.7%, which is 2.4 p.p. more than in 2011.

Domestic passenger carrying

Rapid growth of passenger numbers on domestic routes was maintained in 2012 and the share of domestic passengers in total carrying by Group airlines was 42%. Passenger turnover increased by 57%. The Company carried 11.5 million passengers, which is 65.3% more than in 2011. Passenger load factor declined by 1.0 p.p. to 76.7%

Passenger carrying by Aeroflot in 2011-2012 on regular flights by regions

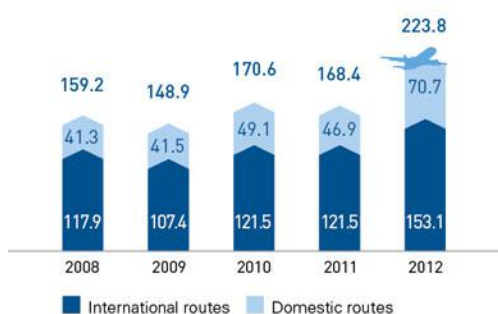
REGION	PASSENGERS CARRIED		REVENUE PASSENGER KILOMETERS		AVAILABLE SEAT KILOMETERS		PASSENGER LOAD FACTOR	
	(THOUSANDS)		(MILLION PKM)		(MILLION ASK)		%	
	2012	2011	2012	2011	2012	2011	2012	2011
America	567.6	442.3	5,049.4	3,968.6	6,167.0	4,777.0	81.9	83.1
Middle East and Africa	1,266.3	1,162.6	3,313.3	3,066.3	4,198.8	3,860.3	78.9	79.4
Asia (including Japan)	1,702.6	1,413.0	11,569.2	9,423.8	14,844.8	12,524.8	77.9	75.2
Europe	5,302.0	4,418.5	11,646.5	9,795.8	16,194.2	13,400.0	71.9	73.1
Russia	6,947.7	5,493.4	15,576.3	13,372.3	19,284.4	16,676.4	80.8	80.2
CIS	1,479.8	1,110.7	2,454.7	2,052.7	3,118.0	2,528.0	78.7	81.2
TOTAL	17,266.0	14,040.5	49,609.4	41,679.5	63,807.2	53,766.5	77.7	77.5

CARGO CARRYING

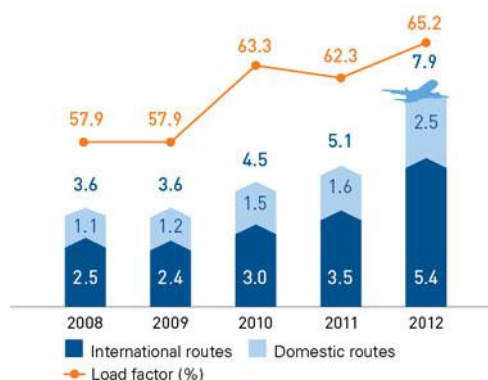
The Group carried 223.8 thousand tonnes of cargo and mail in 2012, which is 32.8% more than in 2011. Cargo turnover rose by 30.8% in the reporting period to 1.210 billion TKM. Tonne-kilometers increased by 56.3% in 2012 to 7.9 billion TKM. The revenue load factor was 65.2%, which is 2.9 p.p. more than in 2011. The Company has a number of unique competitive advantages in its cargo business. They include a unique route network, well-established brand, knowledge of Russian market specifics, savings in flight time thanks to the possibility of making flights via Russian air space and breaking journeys at Russian airports, as well as commercial rights to make cargo flights on profitable routes, the best system of cargo booking and management in Russia and the CIS, high levels of aviation security and a quality management system. Aeroflot continued to make efficient use of these advantages and to develop them further in the reporting period.

Aeroflot's principal objectives in its cargo business are to attain positive financial results, to ensure that the business remains competitive in the long term, and to make best use of synergy effects from combination of passenger and cargo routes.

Cargo and Mail Carrying (thousand tonnes)



Revenue Tonne Kilometers and Load Factor



International cargo carrying

Aeroflot carried 153,100 tonnes of cargo and mail on international routes in 2012, which is 26.1% more than in the previous year. International cargo and mail accounted for 68.4% of the total carried by Aeroflot in 2012 and for 76.1% of cargo turnover. The revenue load factor was 65.2%, representing an increase of 4.1 p.p. compared with 2011.

Domestic cargo carrying

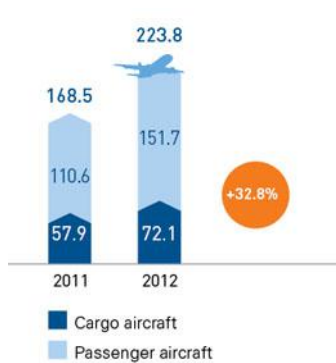
Domestic cargoes totaled 70,600 tonnes in 2012, which is 50.4% more than in 2011. Turnover rose by 41.0% to 289.7 million TKM. The load factor rose by 0.5 p.p. to 65.2%.

The Company's MD-11 cargo planes carried 70,400 tonnes of cargo in 2012, flying a total 534.9 million TKM. In addition to flights on specialized cargo planes the Company also uses spare capacity in the baggage compartments of all its passenger aircraft for carrying of cargo and mail.

Cargo and Mail Carrying (thousand tonnes)

Cargo and Mail Tonne Kilometers (billion TKM)

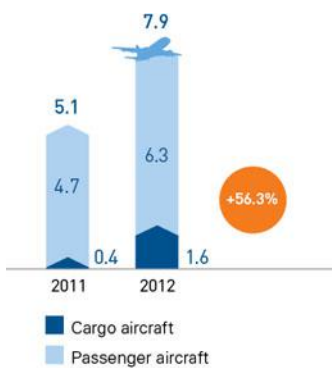
Cargo and Mail Carrying on Passenger Aircraft (thousand tonnes)



THE GROUP CARRIED

223.8

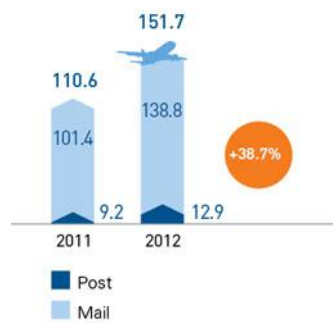
THOUSAND TONNES OF CARGO AND MAIL IN 2012, WHICH IS 32.8% MORE THAN IN 2011.



DOMESTIC CARGOES TOTALED

70.6

THOUSAND TONNES IN 2012, WHICH IS 50.4% MORE THAN IN 2011.



CARGO TURNOVER INCREASED BY 30.8% IN 2012 TO

1,210

MILLION TKM.