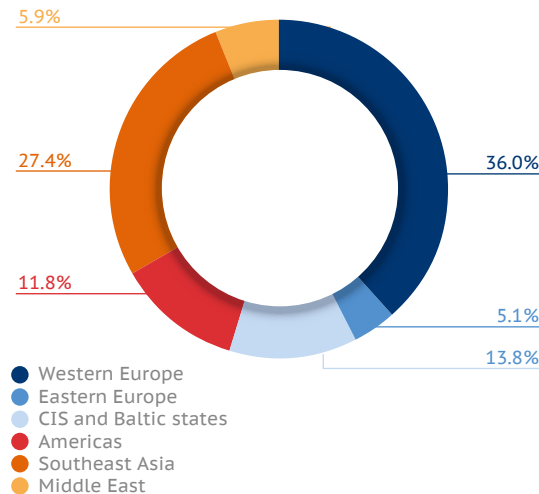


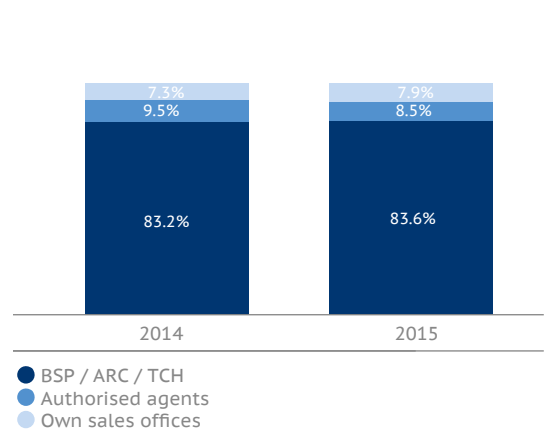
Throughout the year, Aeroflot airline concentrated its effort on strengthening relations with the international agency network by optimising agency terms, offering

special rates to sales agents, and leading joint marketing campaigns.

Breakdown of Aeroflot Group revenue from international sales in 2015



International sales of Aeroflot Group by channel



MAINTENANCE AND REPAIR

Aeroflot Group has an efficient aircraft maintenance and repair system servicing the fleet of Aeroflot airline, its subsidiaries and third party customers, keeping the fleet in good condition, and ensuring high reliability, flight safety and regularity.

We concentrate our effort on centralising the aircraft maintenance function for Aeroflot airline and its subsidiaries.

As at the end of 2015, PJSC Aeroflot included the following divisions related to aircraft maintenance and repair:

- Aircraft Maintenance Department (maintains aircraft of Aeroflot and other Group airlines);
- Airworthiness Department (maintains airworthiness of aircraft operated by Aeroflot airline, manages technical condition of the fleet throughout the entire aircraft life cycle, develops and implements PJSC Aeroflot's strategy and policy covering aircraft operation);
- Quality Assurance Department (develops a quality management system for the aircraft maintenance and airworthiness).

Aeroflot Group's maintenance and repair policy provides for enhancing capacity and technical competencies, rolling out cutting edge technological solutions, and employee training and development, while constantly improving economic efficiency. Aeroflot's policy also provides for strict compliance with requirements of the states of registry, aircraft lease agreements, and maintenance programmes.

Each of the Group's airlines has departments responsible for airworthiness of operated aircraft. Aircraft of the Group's airlines are serviced under existing maintenance contracts and operated under sublease agreements.



80%
of maintenance and repairs performed by the Group in-house

PJSC Aeroflot holds and maintains certificates issued by European, Bermudian, and Russian aviation authorities for maintaining airworthiness of the following types of aircraft and components:

- A320 Family (Line maintenance, A-check, C-check, 6YE check);
- B737 (Line maintenance, A-check), in 2015, preparations for C check maintenance procedures were made;
- A330 (Line maintenance, A-check, C-check);
- B777 (Line maintenance), in 2015 preparations for A-check maintenance procedures were made;
- SSJ100 (Line maintenance, A-check, C-check).

Aircraft maintenance and repairs are performed either in house (by Aeroflot Group) or outsourced to third party vendors. The Group performs approximately 80% of maintenance and repairs in house.

Aeroflot Group's in house divisions are responsible for the following services:

- line maintenance of Airbus A330 and A320, Boeing 777, Sukhoi Superjet (RRJ-95) and scheduled maintenance of Airbus A320 Family aircraft (including six year D-checks) at Sheremetyevo base airport. In 2015, we began in house A-checks of Boeing 737 800NGs and C-checks of Sukhoi Superjet;
- A-, B- and C-checks are performed for A320 Family aircraft at Pulkovo airport;
- line and scheduled maintenance of Boeing 737s is performed at the Orenburg base.

In December 2015, the Group established LLC A-Technics, its new specialist aircraft maintenance and repair subsidiary, based at Vnukovo airport. A-Technics is focused on performing heavy checks (including C-checks), which will enhance in house services and boost the economic efficiency of the Group.

Aeroflot Group also partners with leading market players, which enables it to keep the fleet in good condition and optimise costs. The Group's partners are: Volga Dnepr Technics Moscow (line maintenance, Boeing 737-800NG), STARCO (Airbus A330), Boeing Shanghai (Boeing 777), and S7 Engineering (Boeing 737-800NG). Aeroflot Group continues

its cooperation with Lufthansa Technik AG. In January 2015, the long-term aircraft components maintenance and repair agreement on more favourable terms, signed by PJSC Aeroflot and Lufthansa Technik AG, came into force substituting the previous version. In 2015 the Group also signed agreements for maintenance of narrow-body aircraft frames with S7 Engineering and FL Technics. In addition, the Group engages other companies in certain projects; in particular, a programme to equip eight Airbus A320 aircraft with newly designed "Sharklet" wingtips was completed at the Prague base of Czech Airlines Technics in 2015.

In 2015, Aeroflot Group launched its cost cutting and performance improvement programme. This programme provides for expanding in house aircraft and components maintenance through reducing outsourced services, which will help improve the Group's economic efficiency.

The programme's milestones:

- set up of a dedicated maintenance and repair company at Vnukovo airport;
- construction of Hangar 4 at Sheremetyevo airport to perform scheduled maintenance of Boeing 777-300ERs;
- introduction of new maintenance operations, including ten C checks of Boeing 737-800NGs to be performed in house at Sheremetyevo airport;
- set up of line maintenance stations for Airbus A320 Family aircraft in Ufa, Sochi, and Kazan.

In 2015, engineers of PJSC Aeroflot performed, apart from daily checks, over 7,300 weekly checks (2014: 6,300 checks), and 933 heavy checks – A-, B-, and C-checks, as well as six year D-checks (2014: 882 checks).

Aeroflot Group keeps on reducing idle time and labour intensity. Following 2015, Aeroflot airline made significant progress – its maintenance labour intensity per flight hour was 2.39 man hours.



A-Technics – is a specialist aircraft maintenance and repair subsidiary established in 2015

Aeroflot Group's aircraft maintenance and repair bases

OUTSOURCED MAINTENANCE STATIONS				
Aeroflot	Rossiya	Orenair	Donavia, Aurora, Pobeda	A-Technics
IN-HOUSE CAPACITY				
Sheremetyevo base	Pulkovo base	Orenburg base	Vnukovo base*	
HANGARS				
3	1 1	1	1	
TYPE OF AIRCRAFT				
A320F B737 B777 A330 SSJ A350	A320F B767	B737	A320F B737 B777 A330 B767 B747	
TYPE OF SERVICE				
A-/B-/C-/D- check	A-/B-/C- check	A-/B-/C- check	A-/B-/C- check	
Wide-body aircraft hangar	Narrow-body aircraft hangar			

* Aircraft maintenance and repair company A-Technics was established in December 2015.

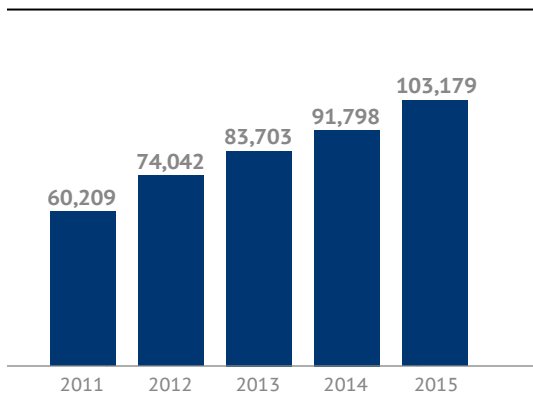
The most notable developments made by Aeroflot Group in the aircraft maintenance and repair in 2015 were as follows:

- Electronic Flight bag, a system of electronic devices for pre flight and in flight management of air navigation information (EFB), was installed on-board 24 Airbus A320 Family and 15 Airbus A330 aircraft;
- new MATE test equipment to maintain the NG WGL wireless data transfer system was received;
- new equipment to maintain the Boeing 777 and Sukhoi Superjet RRJ-95 oxygen dispensing equipment was received;
- new tools and equipment to perform A-checks of Boeing 737-800NGs and 1C checks of Sukhoi Superjet RRJ-95s were received;
- Test Program Set for testing SFCC units was received;
- Industrial Nitrogen Generation and Compression System was commissioned.

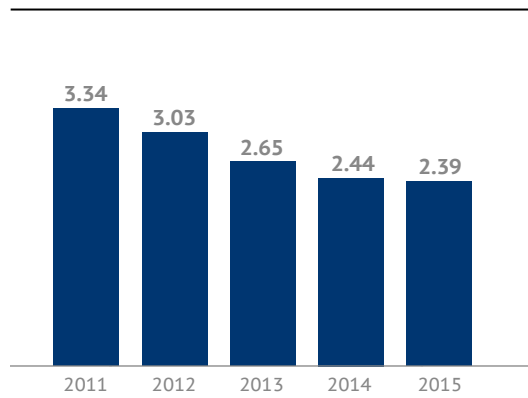


7,300
weekly checks

Take-offs serviced at Sheremetyevo base airport



Labour intensity per flight hour of Aeroflot airline aircraft, man hour



933
heavy checks