

SALES

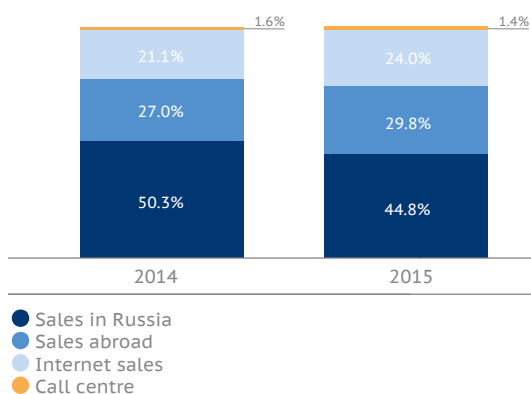


24.0%
share of Internet sales

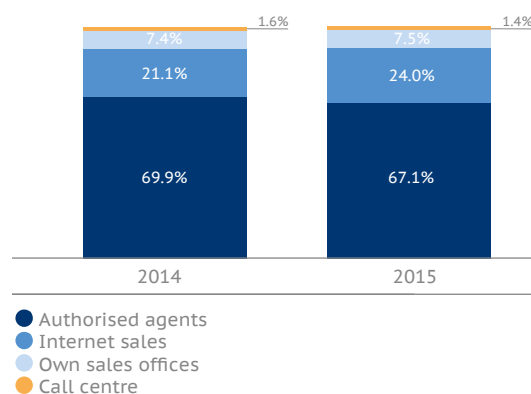
Aeroflot Group sells tickets through a variety of domestic and international channels, including the official Aeroflot website where passenger may buy tickets both for the airline's flights and the flights of its subsidiaries. To ensure a single online offering subsidiary websites have been deeplinked with Aeroflot airline's platform for online sales. Pobeda airline sells tickets independently through their website or online booking systems.

In 2015, the Group continued to streamline the structure and efficiency of its ticket sales. Agents accounted for the largest share in sales (67.1%) while Internet sales were 24.0%, and sales offices and the call centre accounted for 7.5% and 1.4%, respectively.

Breakdown of Aeroflot Group revenue



Aeroflot Group sales by channel



DOMESTIC SALES



63.3%
Moscow's share of total sales in Russia

The highest sales in Russia are generated in Moscow (63.3% of total sales in 2015), St Petersburg, and the cities of the Russian Far East.

Sales are effected through authorised agents (under direct agency agreements), neutral booking systems (Transport Clearing House (TCH) and BSP Russia), sales offices, Aeroflot airline's website, and the call centre.

In the reporting year, the share of neutral booking systems (TCH / BSP Russia) increased from 57.1 to 64.4%, and sales offices from 11.0

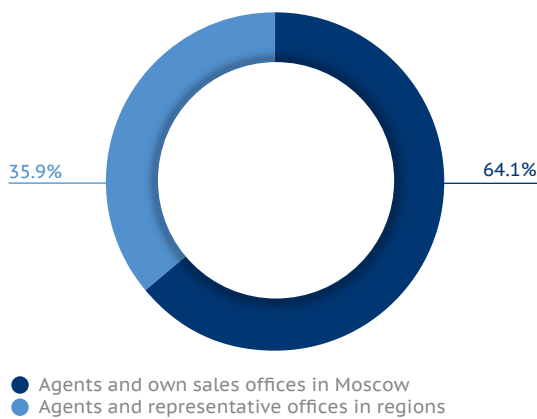
to 11,5%, while sales through agents decreased from 31.9 to 24.1% respectively.

The Company continued to work on improving efficiency and sales structure, including the resolution to introduce a minimum sales threshold for authorised agents enabling them to retain direct agency agreements with the airline. This initiative will help shift sales through agents to neutral booking systems and streamline internal operations at PJSC Aeroflot.

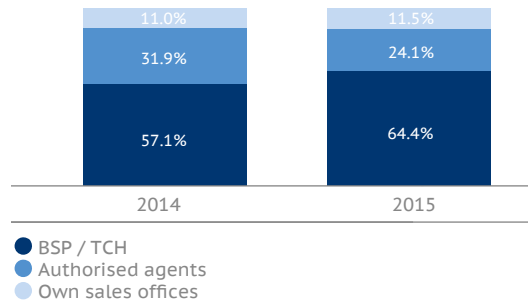
Note: In this section of the Annual Report the Group's sales include revenue of Aeroflot airline and subsidiaries under 100% commercial management.

Additionally, in 2015, Aeroflot airline changed its incentive programme for agents in Russia, supporting the growth of sales through agents in a changing market environment. To stimulate sales and improve agent loyalty, Aeroflot airline also supported promotion campaigns, organised familiarisation and invitation tours for sales agents, and carried out joint marketing campaigns.

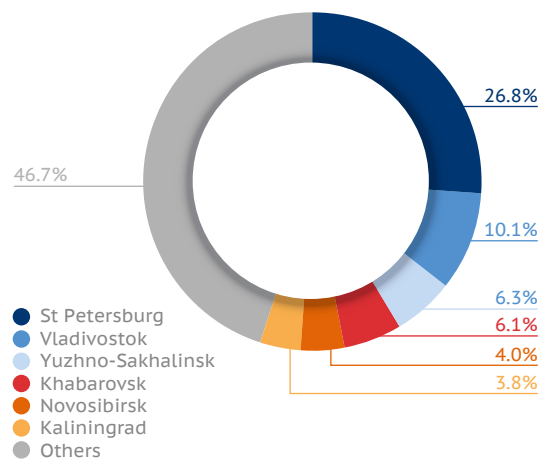
Breakdown of Aeroflot Group revenue from domestic sales



Breakdown of Aeroflot Group revenue from domestic sales by channel



Breakdown of Aeroflot Group revenue from domestic sales (excluding Moscow)



64.4%
share of sales through neutral booking systems

INTERNATIONAL SALES

In the reporting year, the highest international sales were generated in Western Europe – 36.0%. The Group continued its expansion into Southeast Asian markets, driven, among other things, by shifts of tourism flows towards resorts of Thailand, Vietnam, and India, as well as by the growth in connecting flights between Asia and Europe. This region’s sales went up to 27.4%.

International sales are effected through the network of independent IATA agents within BSP and ARC settlement systems, authorised agents (under direct agency agreements),

corporate customers (under direct agreements with the Company), sales offices, Aeroflot airline’s website, and the call centre.

In the reporting year, most sales were effected through BSP/ARC channels – their share accounted for 83.6%. Sales through authorised agents totalled 8.5%, and sales through own offices accounted for 7.9%.

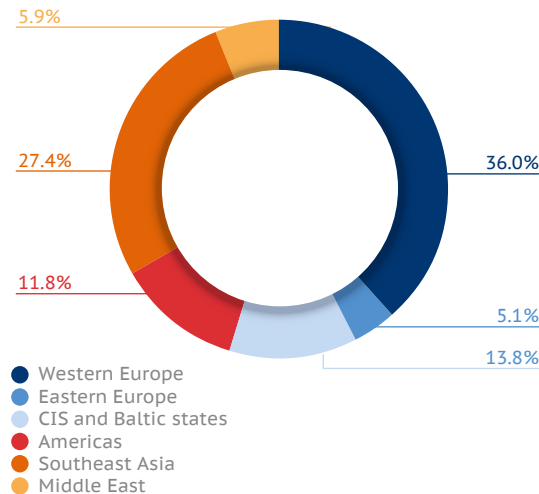


36.0%
Western Europe’s share of international sales

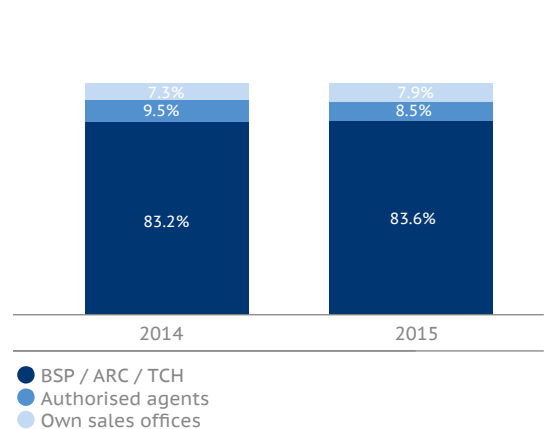
Throughout the year, Aeroflot airline concentrated its effort on strengthening relations with the international agency network by optimising agency terms, offering

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