

Information About the Programme for Disposal of Non-Core Assets

The Programme for Disposal of PJSC Aeroflot's Non-Core Assets (version No. 7) was approved by PJSC Aeroflot's Board of Directors on 21 December 2017 (Minutes No. 7). The Programme contains criteria for classification of assets as non-core, the non-core asset register, information on encumbrances, book and market value, approach to selecting assets for disposal, as well as disposal methods, procedures and timescales.

The non-core assets owned by PJSC Aeroflot include property and property rights which are outside its flight services, but may be closely related to the development of the Company's end product.

The Company's approach to technological (non-core) assets that have a significant impact on the core business of PJSC Aeroflot:

- Compare benefits from these assets (discounts, reduction in prices and rates, improvement of PJSC Aeroflot's product quality) with the cost of ownership
- Monitor the effectiveness of corporate control

Assets are sold if ownership is found to be ineffective and the corporate control – insufficient.

Technological assets that have a low impact on the core business of PJSC Aeroflot are evaluated in terms of the cost of, and the need for, ownership, based on non-production criteria (achievement of non-commercial objectives, type of business, goodwill, etc.). These assets are disposed of if the effect of ownership is insignificant.

Real estate assets are analysed to determine their highest and best use for the airline's operational and commercial activities.

There were no contracts to purchase/sell securities/interest in non-core entities signed in 2018..

Disposal of PJSC Aeroflot's non-core assets in 2018

No	Asset	Inventory number	Asset balance sheet item containing the asset as at the reporting date prior its disposal	Accounting items (analytics included) containing asset disposal income and expense	Book value of the asset, RUB	Actual cost of disposal, RUB	Actual cost of disposal vs book value, RUB	Reason for discrepancies
1	Office space, 219 square metres, Georgia, Tbilisi	25764 asset card SAP ERP 102000058	1150	9111200010 - revenue from the sale of property, plant and equipment; 9121200010 - residual value of the sold property, plant and equipment	4,215,248.2	22,269,389.9	18,054,141.7	Market value (cost of disposal) of the asset is higher than its book value
TOTAL					4,215,248.2	22,269,389.9	18,054,141.7	

Operating Data

Aeroflot airline

Indicator	2014	2015	2016	2017	2018
Passenger traffic, thousand PAX	23,610.0	26,111.7	28,977.9	32,845.2	35,762.5
International Routes	12,468.2	13,445.4	14,873.7	17,154.1	18,213.9
Domestic Routes	11,141.8	12,666.3	14,104.2	15,691.1	17,548.6
Passenger turnover, million RPK	67,121.7	74,115.9	82,693.3	91,809.9	97,955.8
International Routes	42,676.5	46,774.4	53,339.0	60,669.4	64,044.1
Domestic Routes	24,445.2	27,341.5	29,354.3	31,140.5	33,911.7
Available seat-kilometres, million ASK	85,822.1	93,471.1	101,757.9	112,246.0	121,661.9
International Routes	56,206.9	60,209.1	67,387.0	75,315.6	81,464.7
Domestic Routes	29,615.2	33,262.0	34,370.9	36,930.4	40,197.2
Passenger load factor, %	78.2	79.3	81.3	81.8	80.5
International Routes	75.9	77.7	79.2	80.6	78.6
Domestic Routes	82.5	82.2	85.4	84.3	84.4
Cargo and mail carried, thousand tonnes	145.3	135.1	175.5	226.6	223.8
International Routes	81.5	74.6	96.1	148.7	152.3
Domestic Routes	63.8	60.5	79.4	77.9	71.5
Revenue tonne-kilometres, million TKM	6,722.7	7,291.0	8,253.1	9,316.5	9,861.7
International Routes	4,236.8	4,571.1	5,264.6	6,199.0	6,515.4
Domestic Routes	2,485.9	2,719.9	2,988.5	3,117.5	3,346.3
Available tonne-kilometres, million TKM	10,660.0	11,706.1	12,694.6	13,676.8	14,630.7
International Routes	6,983.1	7,548.6	8,412.0	9,228.5	9,880.4
Domestic Routes	3,676.9	4,157.5	4,282.6	4,448.3	4,750.3
Revenue load factor, %	63.1	62.3	65.0	68.1	67.4
International Routes	60.7	60.6	62.6	67.2	65.9
Domestic Routes	67.6	65.4	69.8	70.1	70.4
Revenue flights	183,645	206,228	218,734	243,317	273,177
International Routes	97,668	104,336	110,149	121,003	134,291
Domestic Routes	85,977	101,892	108,585	122,314	138,886
Flight hours, hours	554,659	594,863	639,524	702,807	778,795

Rossiya airline

Indicator	2014	2015	2016	2017	2018
Passenger traffic, thousand PAX	9,962.6	9,066.9	8,800.3	11,152.7	11,140.3
International Routes	4,414.5	2,342.1	2,627.1	4,136.0	4,352.9
Domestic Routes	5,548.1	6,724.7	6,173.2	7,016.7	6,787.4
Passenger turnover, million RPK	21,066.4	16,982.1	20,482.3	28,119.2	29,600.9
International Routes	12,097.0	5,795.4	8,552.8	13,889.0	14,795.8
Domestic Routes	8,969.4	11,186.7	11,929.5	14,230.2	14,805.0
Available seat-kilometres, million ASK	27,502.0	22,913.9	25,245.4	33,300.9	34,178.5
International Routes	15,526.4	7,615.0	9,892.2	15,248.2	16,423.2
Domestic Routes	11,975.6	15,298.9	15,353.2	18,052.6	17,755.3
Passenger load factor, %	76.6%	74.1	81.1	84.4	86.6
International Routes	77.9%	76.1	86.5	91.1	90.1
Domestic Routes	74.9%	73.1	77.7	78.8	83.4
Cargo and mail carried, thousand tonnes	14.3	14.6	22.8	32.8	33.2
International Routes	2.3	2.1	1.5	2.2	2.8
Domestic Routes	12.0	12.5	21.3	30.6	30.4
Revenue tonne-kilometres, million TKM	1,925.3	1,558.3	1,936.2	2,681.5	2,824.2
International Routes	1,094.7	526.6	773.4	1,261.8	1,349.2
Domestic Routes	830.6	1,031.7	1,162.8	1,419.7	1,475.0
Available tonne-kilometres, million TKM	2,919.6	2,478.5	2,917.0	3,948.2	4,053.0
International Routes	1,625.1	826.2	1,097.2	1,660.3	1,791.3
Domestic Routes	1,294.4	1,652.3	1,819.8	2,287.9	2,261.7
Revenue load factor, %	65.9%	62.9	66.4	67.9	69.7
International Routes	67.4%	63.7	70.5	76.0	75.3
Domestic Routes	64.2%	62.4	63.9	62.1	65.2
Revenue flights	89,425	82,106	68,590	75,182	73,478
International Routes	35,192	20,778	18,511	22,391	23,539
Domestic Routes	54,233	61,328	50,079	52,791	49,939
Flight hours, hours	230,547	190,446	178,969	200,798	200,802

Note. For 2014–2016 consolidated data for Rossiya, Donavia and Orenair airlines.

Pobeda airline

Indicator	2014	2015	2016	2017	2018
Passenger traffic, thousand PAX	107.4	3,089.7	4,285.9	4,582.8	7,184.8
International Routes	–	6.2	473.6	875.0	1,765.9
Domestic Routes	107.4	3,083.5	3,812.3	3,707.7	5,418.9
Passenger turnover, million RPK	134.0	4,668.4	6,712.9	7,929.4	13,105.2
International Routes	–	12.3	1,050.5	1,913.8	3,829.5
Domestic Routes	134.0	4,656.1	5,662.4	6,015.6	9,275.7
Available seat-kilometres, million ASK	171.8	5,746.3	7,605.5	8,419.0	13,925.2
International Routes	–	17.8	1,334.0	2,084.4	4,122.1
Domestic Routes	171.8	5,728.5	6,271.5	6,334.6	9,803.1
Passenger load factor, %	78.0	81.2	88.3	94.2	94.1
International Routes	–	68.8	78.8	91.8	92.9
Domestic Routes	78.0	81.3	90.3	95.0	94.6
Cargo and mail carried, thousand tonnes	0.5	0.3	0.3	6.0	38.5
International Routes	–	–	–	2.0	15.5
Domestic Routes	0.5	0.3	0.3	4.0	23.0
Revenue tonne-kilometres, million TKM	12.6	420.7	604.6	725.7	1,258.2
International Routes	–	1.1	94.5	176.6	377.9
Domestic Routes	12.6	419.6	510.1	549.1	880.3
Available tonne-kilometres, million TKM	17.6	601.0	800.3	875.2	1,432.5
International Routes	–	1.9	140.5	212.5	419.9
Domestic Routes	17.6	599.1	659.8	662.7	1,012.5
Revenue load factor, %	71.6	70.0	75.6	82.9	87.8
International Routes	–	58.2	67.3	83.1	90.0
Domestic Routes	71.6	70.0	77.3	82.9	86.9
Revenue flights	735	20,057	25,668	25,761	40,430
International Routes	–	48	3,208	5,062	10,082
Domestic Routes	735	20,009	22,460	20,699	30,348
Flight hours, hours	1,476	41,016	53,892	59,830	98,286

Aurora airline

Indicator	2014	2015	2016	2017	2018
Passenger traffic, thousand PAX	1,055.2	1,124.8	1,376.2	1,548.2	1,622.7
International Routes	213.0	234.7	314.4	384.6	404.6
Domestic Routes	842.2	890.1	1,061.8	1,163.7	1,218.1
Passenger turnover, million RPK	1,753.1	1,869.7	2,221.8	2,363.7	2,488.5
International Routes	333.4	370.6	490.1	562.1	580.2
Domestic Routes	1,419.7	1,499.1	1,731.7	1,801.6	1,908.3
Available seat-kilometres, million ASK	2,337.9	2,609.8	3,045.2	3,244.8	3,309.0
International Routes	485.6	647.7	721.1	781.1	833.1
Domestic Routes	1,852.3	1,962.1	2,324.1	2,463.7	2,475.9
Passenger load factor, %	75.0	71.6	73.0	72.8	75.2
International Routes	68.7	57.2	68.0	72.0	69.6
Domestic Routes	76.6	76.4	74.5	73.1	77.1
Cargo and mail carried, thousand tonnes	6.2	6.2	7.2	7.9	8.3
International Routes	0.5	0.4	0.4	0.4	0.5
Domestic Routes	5.7	5.8	6.8	7.5	7.8
Revenue tonne-kilometres, million TKM	170.0	180.3	213.8	227.5	239.1
International Routes	30.8	34.0	44.8	51.3	53.0
Domestic Routes	139.2	146.3	169.0	176.2	186.0
Available tonne-kilometres, million TKM	252.9	287.3	335.1	343.1	360.2
International Routes	53.5	75.4	84.4	84.4	93.6
Domestic Routes	199.4	211.9	250.7	258.7	266.6
Revenue load factor, %	67.2	62.8	63.8	66.3	66.4
International Routes	57.6	45.1	53.0	60.8	56.6
Domestic Routes	69.8	69.1	67.4	68.1	69.8
Revenue flights	12,801	15,441	18,861	24,213	24,370
International Routes	2,852	3,617	4,032	4,969	5,495
Domestic Routes	9,949	11,824	14,829	19,244	18,875
Flight hours, hours	28,695	33,281	39,390	45,673	45,663

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