

The table below provides information on the Group's aircraft fleet as of December 31, 2006:

Type of aircraft	Ownership	Aeroflot – Russian Airlines (number)	Aeroflot- Don (number)	Aeroflot- Nord (number)	Aeroflot- Cargo (number)	Group total (number)
Ilyushin Il-96-300	Owned	6	-	-	-	6
Ilyushin Il-62M	Owned	1	-	-	-	1
Ilyushin Il-86	Owned	9	-	-	-	9
Tupolev Tu-154	Owned	25	8	1	-	34
Tupolev Tu-134	Owned	12	2	4	-	18
Antonov An-24	Owned	-	-	2	-	2
Antonov An-26	Owned	-	-	1	-	1
Tupolev Tu-134	Finance lease	-	-	3	-	3
Airbus A-319	Finance lease	4	-	-	-	4
Airbus A-320	Finance lease	1	-	-	-	1
Airbus A-321	Finance lease	7	-	-	-	7
Boeing 737-500	Finance lease	-	2	3	-	5
Tupolev Tu-134	Operating lease	1	1	-	-	2
Tupolev Tu-154	Operating lease	2	-	2	-	4
Ilyushin Il-62M	Operating lease	1	-	-	-	1
Antonov An-24	Operating lease	-	-	1	-	1
Antonov An-26	Operating lease	-	-	1	-	1
Airbus A-319	Operating lease	4	-	-	-	4
Airbus A-320	Operating lease	9	-	-	-	9
Boeing 767-300ER	Operating lease	11	-	-	-	11
McDonnell Douglas DC10-40F	Operating lease	3	-	-	1	4
		<b>96</b>	<b>13</b>	<b>18</b>	<b>1</b>	<b>128</b>

## 2. PRESENTATION OF FINANCIAL STATEMENTS

**Basis of presentation** – The consolidated financial statements of the Group have been prepared in accordance with International Financial Reporting Standards (“IFRS”). The consolidated financial statements are presented in millions of US Dollars, except where it specifically noted otherwise.

All significant subsidiaries directly or indirectly controlled by the Company are included in the consolidated financial statements. A listing of the Group's principal subsidiary undertakings is set out in Note 1.

The Group maintains its accounting records in Russian rubles and in accordance with Russian accounting legislation and regulations. The accompanying consolidated financial statements are based on the underlying accounting records, appropriately adjusted and reclassified for fair presentation in accordance with the standards prescribed by the International Accounting Standards Board.

**Functional and presentation currency** – The functional and presentation currency of the Company is US Dollars. Transactions and balances not already measured in US Dollars have been remeasured to US Dollars in accordance with International Accounting Standard (“IAS”) 21 “The Effect of Changes in Foreign Exchange Rates”.

Any conversion of Russian ruble amounts to US Dollars should not be considered as a representation that Russian ruble amounts have been, could be or will be in the future, converted into US dollars at the exchange rate shown or at any other exchange rate.

The assets and liabilities, both monetary and non-monetary, of the subsidiaries of the Company with functional currencies other than US dollar have been translated at the closing rate at the date of each balance sheet presented; income and expense items for all periods presented have been translated at the