

January 27, 2003

Aeroflot was granted a USD 38.7 mln Syndicated Letter of Credit Issuance Facility

On January 27, 2003 Aeroflot was granted a USD 38.7 mln Syndicated Letter of Credit Issuance Facility arranged by Citibank and Raiffeisenbank groups.

ZAO Citibank and Citibank N.A. together with ZAO Raiffeisenbank Austria and Raiffeisen Zentralbank Oesterreich AG acted as the joint lead arranger for syndicated facility to OAO Aeroflot.

The Facility is to confirm Standby Letters of Credit issued by ZAO Raiffeisenbank Austria on behalf of Aeroflot in the total amount of USD 38.7 mln.

The Facility pays a confirmation commission margin of 3,25 % p. a. The Facility documentation was signed on December 30, 2002. The expiry date of the Standby Letters of Credit is December 30, 2003. The Facility can be extended for another period of 6 months at each lender's discretion.

The Facility is collateralized by proceeds from sales of tickets overseas by cash through the BSP (Billing and Settlement Plan) sales system of international organisation IATA (International Air Transport Association) and the ARC (Airlines Reporting Corporation). Beside above, proceeds from sales of tickets overseas via banks cards (Visa and Master Card) also served as security for facility.

Aeroflot - Russian Airlines is the leading Russian air carrier currently flying to 108 destinations in 54 countries around the world. In addition to its vast international routes, Aeroflot operates numerous routes connecting Russia, CIS countries and the Baltic states. Aeroflot's share in all the international air traffic of the Russian airlines comprised 68%.

Aeroflot became a public company in 1995. As of date, the Russian Government owns 51.17% of Aeroflot's equity.

In compliance with financial statement as of 30/10/02 prepared under Russian accounting standards, the sales volume of Aeroflot reached RUB 32.65 bln, while net profits accounted to RUB 1.91 bln.