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London, Moscow

### Citi Appointed Sole Mandated Arranger and Advisor by VEB-leasing to Finance Aircraft Acquisition.

Citigroup announced it closed financing for a financial leasing agreement signed between VEB leasing, one of the top three financial lessors in Russia, and Aeroflot, Russia's largest airline company, to finance three A321-200 aircraft. Citi acted as a Sole Mandated Lead Arranger & Advisor, Joint Lender and Facility Agent. The arrangement is expected to facilitate Aeroflot's plans for fleet renewal and expansion of its domestic and international routes. The total catalog price for the three Airbus aircraft is \$310.8 million.

The 10-year financing was guaranteed by three European Export Credit Agencies (ECAs): Euler Hermes (Germany), Coface (France) and ECGD (UK). This transaction is VEB-leasing's first ECA-backed financing. In its advisory capacity, Citi assisted VEB-leasing throughout the ECA process and helped them obtain optimal ECA rating. The support of the Export Credit Agencies allowed VEB-leasing to close the deal on favourable conditions and offer competitive financing terms to Aeroflot.

RBS acted as a Joint Lender for the delivery of the first two aircraft, delivered in February-March 2012. VEB-leasing provided 15% downpayment financing. The third delivery will take place in August 2012.

Commenting on the transaction, Alex Taylor, Citi's Head of Export and Agency Finance in Europe, Middle East and Africa said: "We are pleased to have been mandated by VEB-leasing for this landmark transaction. The closing of this deal in spite of challenging market conditions highlights Citi's ability to leverage its global Export and Agency Finance network and facilitate the support of long-term credit guarantors to optimize funding structures for our clients."

Vyacheslav Solovyev, Chief Executive Officer of VEB-leasing said: "The strong support of European Export Credit Agencies for this transaction illustrates investors' confidence in the Russian economy as well as in the soundness of VEB-leasing's capabilities. This deal is an important milestone for us and we look forward to expanding our collaboration with Export Credit Agencies as well as leading international financial institutions such as Citi and RBS to further strengthen our aircraft leasing platform."

**Citi**, the leading global financial services company, has approximately 200 million customer accounts and does business in more than 160 countries and jurisdictions. Citi provides consumers, corporations, governments and institutions with a broad range of financial products and services, including [consumer banking](#) and [credit](#), corporate and investment banking, [securities brokerage](#), transaction services, and wealth management.

**RBS** is an international financial group which is strongly positioned in Russia, combining local presence with the group's global network. RBS provides a full range of commercial and investment banking services, which are supported by professionalism, reliability and high performance of one of the world's largest banks, designed to meet the banking needs of its corporate and institutional clients.

**VEB-leasing Open Joint-Stock Company** was established in 2003. The Company is a core subsidiary of Russian state-owned corporation Vnesheconombank. VEB-leasing specializes in the leasing of high-tech equipment, rolling stock, aircraft, marine and river vessels, vehicles and specialized equipment. The Q1-3 2011 results saw VEB-Leasing emerge as the industry's new leader in the "new business volume" and "net lease portfolio size" categories, while maintaining its leadership in the key capital-intensive segments: leasing of air transport, railway rolling stock, sea and river vessels.

**Aeroflot** is Russia's leading air carrier and a member of the global SkyTeam airline alliance. The company's combined route network consists of 926 destinations in 173 countries. In 2011, Aeroflot transported 14 million passengers and flew 42 billion passenger-kilometers. Aeroflot is one of the three fastest growing airlines in the world, according to SkyTrax, and the winner of the 2011 SkyTrax World Airline Awards, a prestigious international award, in the "Best Airline in Eastern Europe" category. Air Transport World magazine included Aeroflot in the list of the world's 25 leading airlines based on the 2010 financial and economic performance ("operating earnings" and "net income" categories). Aeroflot is the owner of one of the youngest fleets in Europe, consisting of 110 aircraft. Aeroflot is based in Moscow, at Sheremetyevo International Airport.

**Euler Hermes, Coface and ECGD** are German, French and English export insurance agencies. As public institutions, export agencies operate to support and strengthen the competitiveness of domestic exports by providing various financial services, including issuance of and insurance coverage for export credit facilities, to support domestic buyers of goods and services.

