Preliminary approved by the
Board of Directors of the
Sukhoi Civil Aircraft Company
Protocol # 14 dated May 21, 2009

ANNUAL REPORT'08

SUKHOI CIVIL AIRCRAFT

JOINT-STOCK COMPANY

Victor V. Soubbotin_____President
_____, 2009

Marina A. Stolina_____Chief Accountant
_____, 2009

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1. Address of the President and Chairman of the Board of Directors of Sukhoi Civil Aircraft

1.1 Address of the President of Sukhoi Civil Aircraft

Obviously, Sukhoi Superjet 100 is not just a brave idea today. It is a reality. Every year the Sukhoi Superjet 100 Program keeps gaining increased recognition both in Russia and around the globe. It is an adequate answer to all those who were initially quite sceptical about our eventual success. We did it. We made a new marketable aircraft.

2008 was the year of big progress for Sukhoi Civil Aircraft in spite of the deepening financial crisis that was intensifying its grip on the world – in particular, on the aviation industry. Still, we believe that there is always a way-out, even in the times of crisis imposing new rules of the game that force many companies to tune the existing strategies to new market conditions.

The success of the SSJ100 Program is the result of a synergy of skills and knowledge of our international team, genuine talent of our engineeers, a winning diversity of the experiences that numerous experts from around the globe are bringing to the Project.

Today we are all rapidly moving towards globalization. We have got used to this trend, still it is difficult to survive and keep going. Only those, who are flexible enough to adapt to changing settings, will win the competition that has cobwebbed the aircraft industry. The companies that have the biggest expertise to eventually saturate the market with unique products will be able to outlive the competition. The SSJ100 aircraft is our unique offer.

The SSJ100 Project is making more and more progress. In February 2008 the first prototype # 95001 experienced a successful engine run. All aircraft are powered by two SaM146 propulsion systems distinguished for eco-friendliness and lower fuel consumption. Two months later the first flight prototype completed a series of frequency tests, thus confirming all design parameters and giving green light to the flight certification campaign. Meanwhile, the most desired event was yet ahead. On May 19, 2008 the first SSJ100 took to the skies. With this premiere flight our big international team finally managed to offer international aviation community a real aircraft developed and produced in new Russia.

The year 2008 also witnessed the completion of the first stage of the production tests during which the SaM146 software was successfully integrated with the main aircraft systems while the engine was running. In October the SSJ 100 aircraft was handed over for certification. We are planning to certify our aircraft according to Russian (IAC AR) and European (EASA) standards, and these two things are already taking place all at the same time. To itensify the flight certification program, we involved four aircraft in it. The first flying aircraft has been given high approvals of the experienced pilot crew, including the AR IAC pilots.

The production of the first serial aircraft is well underway. The production facilities seated in Komsomolsk-on-Amur started manufacturing parts for the first four serial SSJ100s as well as the assembly of panels and fuselage sections for the first serial aircraft. All production facilities enjoy state-of-the-art equipment. The full-scale modernization of our

facilities made it possible to produce economically efficient regional aircraft. The technical re-equipment is a very demanding process comprised of phase zero, phase 1 and phase 2. So far, the first phase is completed bringing over 40 units of advanced machines and units to the production facilities located in Novosibirsk (NAPO) and Komsomolsk (KnAAPO).

Definitely, the year 2008 contributed a lot to our commercial success as well. At the Paris Airshow the Program got two European customers to the current portfolio. The firm contracts for the delivery of 25 SSJ100s were signed at Le Bourget. In December the Indonesian Company Kartika became our customer. The entrance to the lucrative Asian market was marked by signing of the Heads of Agreement for 15 aircraft and another 15 optional SSJ100s. The gateway to new perspective markets was wide-opened owing to the big potential of the SSJ100 aircraft. True, SSJ100 is a unique product able to outdo the competition in a saturated market environment.

To us, this year ended with an impressive final chapter – i.e. the first flight of the second prototype. It is true that the current recession has brought new challenges and drawbacks. Still, it definitely has a positive effect. Specifically, the crisis, which has gripped the whole world, tends to "separate the wheat from the chaff" and X-ray the real potential of a great variety of companies, thus identifying the best of them.

Throughout these eight years we have come a long way. It is obvious that have been smartly accumulating the most advanced intellectual and technological resources – resources that have been scrupulously selected in the global aviation arena. We have been formulating smart market-oriented strategies. We have been channeling our sustained efforts into creation of the unique aftersales support system – the system that the Russian aviation market has never seen before.

Now Sukhoi Civil Aircraft has a complete combination of skills, competences and resources to secure and further maintain pre-eminent market positions. SSJ100 is a long-term consumption oriented player with a 25-year life cycle that makes its producer take into account multiple demand curves. I have complete confidence in this product. I am sure that we will be able to neatly attack all challenges of the coming year. In particular, we have already jumpstarted preparations for SSJ100's entry into service and accelerated preparations for one significant milestone – the SSJ100 mass-production.

There were too many obstacles to overcome along the way. We had to undertake tasks that we had never faced before, but we showed enough courage and eagerness to pioneer the market with a new jet developed and produced in new Russia. Our aircraft premiered in Komsomolsk is the most important evidence of our genuinely big expertise. This aircraft, once an idea on a sheet of paper, became a reality. The reality that brought quite a few economic advantages to airlines and maximixed personal comfort to passengers.

The dream of the Sukhoi Holding came true thanks to a coherent team of talented engineers and international experts, a great many brave decisions that our top managers ventured to take, the know-how and experience contributed by our recognized suppliers from around the globe. More generally, this sharing was important to make all puzzle pieces come together and work in the most efficient way.

No wonder, nowadays each and all – aviation experts, managers, designers, specialists, general public and mass media – believe in the success of the Sukhoi Superjet 100 aircraft.

Victor V. Subbotin

1.2 Address of the Chairman of the Board of Directors of Sukhoi Civil Aircraft

2008 was a global slowdown for many market players. The financial crisis that has been swallowing up the world in full bloom led to, among other things, lower demand for air carriages as well as made airlines go behind the existing routes and plunge into fleet optimization.

Generally speaking, airlines were forced to restructure their businesses, i.e. to merge small and medium-sized airlines into bigger alliances. One of the most brightest examples can be an M&A between Delta Air Lines Inc. and Northwest Airlines Corp., thus forming the biggest alliance in the world. Another example can be a merger between Lufthansa and Swiss in 2008. These bigger entities are first of all targeted at fleet and route optimization. In addition, they will definitely help to offer the most efficient package of top quality services.

This led to poorer order portfolios. However, an aircraft has a long life cycle focused upon long-term demand. That is why, if the aircraft is potentially able to remain competitive within the next 25 years, it will have the desired success in the global arena.

Despite an uneasy situation in the aviation industry, the Sukhoi Civil Aircraft Company keeps moving forward. It is crucial that in 2008 the aircraft performed its first flight. Premiered in Komsomolsk on May 19, 2008, Sukhoi Superjet 100 became the highlight of the aviation life in the country, thus becoming the first aircraft produced in modern Russia for the last 20 years. Furthermore, it is the first Russian jet integrating the best technology solutions and offering lucrative advantages to airlines and passengers.

These days two prototypes are undergoing certification tests that are confirming all initially declared advantages.

SCAC's flexibility to adapt to changing market conditions as well as to quickly respond to emerging industy demands arises from a bundle of valuable experiences, business stamina and vast professional expertise of SSJ100's partners. Today the Project keeps attracting increased acknowledgement of Russian and international aviation communities.

We all keep working on Alenia Aeronautica's entry into the SCAC capital. Supported by the Russian Government earlier this year, the deal will be closed in the first half of the year 2009. Since May, the future shareholder acquiring 25% + 1 share has been partaking in the meetings of the SCAC Board of Directors as a full-fledged member.

This biggest alliance between Russia and Europe is an unusual practice for the national aviation industry. This maximized synergy of skills and knowledge of Sukhoi, the most renowned Russian aircraft producer, and Alenia, one of the most prolific European companies, will help us more comfortably integrate into the global aviation community. For another thing, these joint efforts will improve the company's transparency and harness its strategic vision – resulting in the commercial success of the Sukhoi Superjet 100 in mature markets.

2008 brought new investments to the Sukhoi Superjet 100 Program. The International Economic Forum traditionally held in June in the city of Saint-Petersburg led to two credit

agreements signed by Vnesheconombank and Sukhoi Holding. Such timely investments are key to success for large-scale projects that the SSJ100 Program truly is.

It is a fact that Sukhoi Superjet 100 is a national project, which automatically ranks it as the top priority for Russia. It is a fact that the solid governmental support that we got in the context of the Federal Program on Development of Civil Aviation in Russia throughout 2002-2010 and for the period up to the year 2015 greately contributed to technological modernization of our production facilities and introduction of the most advanced and efficient solutions.

The government contract signed in 2005 brought over 8.8 billion rubles allocated from the federal budget of the Russia.

No doubt, Sukhoi Superjet 100 is a phenomenon project to Russia seeking clear and convincing answers to pressing global market demands. Thus far, the Sukhoi Superjet 100 team has collected a great many diverse skills, resources and experiences that – when blended together – produced a modern aircraft and a real asset for airlines and passengers.

Ruben K. Vardanyan

2. Company Overview

Sukhoi Civil Aircraft (SCAC) was founded in the year 2000 to develop new civil aviation projects. Currently a new family of Russian regional jets – Sukhoi Civil Aircraft – is Company's **major project**. The project blends the skills and competences of the best international developers and suppliers of systems and parts.

Company's Auditor: BDO Unicon Closed Joint-Stock Company approved at the annual General meeting of shareholders (Protocol dated May 07, 2008).

Company's Registrar: Moscow Central Depositary Open Joint-Stock Company approved by the results of the absentee voting of the Board of Directors (Protocol # 2 dated August 11, 2008).

Information about Shareholders:

1) Full company name: **Aviation Holding Company Sukhoi, Joint Stock Company** / Abbreviated company name: Sukhoi Company, JSC
Location: 23B, Polikarpov Str., Moscow 125284, Russia
INN (Taxpayer identification number): ***7740000090***
Share of this entity in Issuer's registered capital - 87.931%.
Share of Issuer's common stock appurtenant to the mentioned entity - 87.931%.

2) Full company name: **Sukhoi Design Bureau, Joint Stock Company** / Abbreviated company name: Sukhoi Design Bureau, JSC
Location: 23A, Polikarpov Str., Moscow 125284, Russia
INN (Taxpayer identification number): ***7714016680***
Share of this entity in Issuer's registered capital - 12,069%.
Share of Issuer's common stock appurtenant to the mentioned entity - 12,069%.

Information about Affiliated Branches and Representative Offices

I.
Name: **Komsomolsk-on-Amur branch of Sukhoi Civil Aircraft**
Location: 1, Sovetskaya Str., Komsomolsk-on-Amur 681018, Khabarovsk Territory, Russia
Launch date (date of the state registration of the amendments to the Charter): June 23, 2005
Director: Alexander I. Pekarsh

II.
Name: **Novosibirsk branch of Sukhoi Civil Aircraft**
Location***:*** 15, Polzunov Str., Novosibirsk 630051, Russia
Launch date (date of the state registration of the amendments to the Charter): June 23, 2005
Director: Gennady T. Kuchumov

III.
Name: **Voronezh branch of Sukhoi Civil Aircraft**
Location***:*** 27, Tsiolkovsky Str., Voronezh 394029, Russia
Launch (date of the state registration of the amendments to the Charter): 08.11.2006
Director: Valery B. Maimin

3. Sukhoi Civil Aircraft: Background and Track Record

3.1 Historical Background. Year 2008

Sukhoi Civil Aircraft (SCAC), a Sukhoi Holding company, was established in the year 2000 to deal with civil aviation projects. Currently, **the major Company's product is a family of new regional aircraft – Sukhoi Superjet 100**.

The life of the Sukhoi Civil Aircraft Company is the life of its project – Sukhoi Superjet 100 - and 2008 happened to witness the brightest event that everyone was aching to see. The **premiere of the new regional jet in the skies took place on May 19, 2008** in Komsomolsk-on-Amur, a far-eastern city of Russia. It was a real success ensued by a full-scale certification campaign started in October. December was the month of the second flight prototype, which joined the certification program. Today we can state that Sukhoi Superjet 100 is a successful project fired by a cohesive team of truly professional international experts. Still, its history is not over. Granted, the task to create a new aircraft in new Russia is extremely daunting and effort-consuming, but it is well worth the wait.

Since the very beginning, Sukhoi Civil Aircraft was extending every effort to create a close-knit team of uniquely bright, innovation-driven and devoted professionals coming from across the globe. Our partners and suppliers are the "top of the milk" of the aerospace industry. We have **Alenia Aeronautica**, a Finmeccanica Company, as our invaluable **strategic partner**. We attracted the genuinely experienced French Company **Snecma** as our **risk-sharing partner.** Still further, there is the globally recognized **Boeing** offering its **consultancy support**.

Both flight aircraft are powered by the **SaM146** propulsion systems – a brainchild of **PowerJet**, a joint venture between the French Company Snecma and the Russian NPO Saturn. PowerJet was selected as an engine supplier for the Sukhoi Superjet 100 aircraft family in April 2003. In 2004 Sukhoi Civil Aircraft chose its systems suppliers, which gave start to Critical Design Review of the Sukhoi Superjet 100.

In 2007, we kept working to come up with **the most advanced aftersales support system**. Then a new Venice-seated joint venture – **SuperJet International** – was established between Sukhoi Holding and Alenia Aeronautica. Its mission is to provide superior aftersales support services for the entire fleet of the Sukhoi Superjet 100 aircraft worldwide. Still further, the JVCo is responsible for marketing and sales of the new regional aircraft in Europe, the Mediterranean, North and South America, Africa, Oceania and Japan, as well as for the SSJ100 customization for western customers. SJI also takes charge of design and development of VIP and cargo versions based on the existing Sukhoi Superjet 100 platform. This joint venture is a result of the **General Agreement signed in 2007** by the Finmeccanica Group, Alenia Aeronautica, a part of this group, as well as by the Sukhoi Holding and its affiliated company Sukhoi Civil Aircraft.

Beyond any doubt, such a big and recognized European partner will greatly contribute to the Project and will help to more easily fulfill the international certification requirements. Add a more comfortable SSJ100's entry to the mature markets and a full package of modern aftersales support services, and you will get the bigger picture of what Alenia brings to the Sukhoi Superjet 100 Project.

There are many other reasons that led to the success of the Program. One of them is the airlines we managed to involve to the Project at its earlier stages. Since June 2003 there has

been operating the **Airline Advisory Board** blending the knowledge, experience and vision of customer expectations of Russian and international carriers. These extensive consultations with potential operators made SSJ100 the first aircraft in the history of Russian aviation, going even beyond customer demands and airlines' needs. As time passed by, we had more and more airlines partaking in these challenging boards that presented utmost importance for the Sukhoi Superjet 100 Project. Among the new members are Armavia (Armenia), Athens Airways (Greece) and Shaheen (Saudi Arabia).

In July 2008, SSJ100 got **another 25 firm orders from European airlines**. Thus, the **company's portfolio reached 98 aircraft** starting with the very first customer – Aeroflot – Russian Airlines – that placed an order on the Sukhoi Superjet 100 in December 2005. Today not only Russian air carriers, but also European operators want to have SSJ100 in their fleet.

These days there are two Sukhoi Superjet 100s in the skies. Aircraft certification is well underway. Sukhoi Superjet 100 is to be certified under Russian and European regulations. In October 2004 the aircraft underwent a mock-up committee of the IAC Aviation Register and was submitted to EASA validation. Two years before the Sukhoi Superjet 100 debut flight Sukhoi Civil Aircraft held a trilateral meeting with EASA and IAC Aviation Register giving start to aircraft certification procedures in Europe.

Throughout these eight years of thriving and successful activity, Sukhoi Civil Aircraft has gone a long and difficult way to make its aircraft a commercially attractive product for a global community of operators. Sukhoi Superjet 100 integrates the best industry solutions, meets market expectations, and is a truly innovative and efficient aircraft. An aircraft, which is now ready to enter new perspective markets.

3.2 Track Record. Year 2008

January 11, Rome

AleniaAeronautica
A Finmeccanica Company

Vladimir Putin, President of the Russian Federation, signed the Decree, giving the green light to Alenia Aeronautica's acquisition of 25% + one share in the Sukhoi Civil Aircraft Company, the Russian company responsible for the design, development and production of the new regional jet Sukhoi Superjet 100. Thanks to this ad-hoc presidential decree, it is possible for Alenia to complete the legal procedures resulting in the acquisition of 25%+1 share in JSC "SCA". 25% plus one share participation will allow Alenia Aeronautica to appoint non-Russian citizens to Company's Board of Directors in accordance with the existing Russian legislation.

February 20, Komsomolsk-on-Amur

As part of the first flight preparation campaign, the Sukhoi Superjet 100 aircraft with the SaM146 engines installed on its wings has passed the first successful engine run. The first engine start took place at SCAC's far-east branch located at Komsomolsk-on-Amur Aircraft Manufacturing Association (KnAAPO).

The SaM146 engine run under the wing of SSJ100 followed after a series of power plant and APU testing as well as the checks of the major aircraft systems such as fuel, hydraulics, ECS, power supply, avionics and fire-protection. The engine-aircraft systems software interfaces were tested at the Electronic Bird systems integration bench at the SCAC Design office in Moscow.

April 17, Moscow

Today the State Corporation "Bank for Development and Foreign Economic Affairs (Vnesheconombank)", COFACE, a French export agency, and SACE, an Italian export agency signed a Joint three-party statement on the establishment of an integrated export financing system for Sukhoi Superjet 100's international sales.

April 25, Komsomolsk-on-Amur

SCAC's Komsomolsk branch has successfully completed frequency tests of the first Sukhoi Superjet 100 prototype. The data acquired during these tests resulted in TsAGI's aeroelasticity and flutter safety authorization for the first flight and initial flight test campaign for the main aircraft systems – landing gear, airframe and fly-by-wire system.

May 5, Moscow

In the course of SCAC's General Annual Meeting of Shareholders, the shareholders confirmed the status of the Sukhoi Superjet 100 Project as well as approved Company's track record for the year 2007.

The General Annual Meeting of Shareholders resulted in the approval of the new membership of the Board of Directors. The new BoD includes two representatives of Alenia Aeronautica: Camillo Perfido, Senior Vice-President for Strategic and Special Projects of Alenia Aeronautica S.P.A., and Carlo Logli, Senior Vice-President for Marketing and Business Development of Alenia Aeronautica. Moreover, there was appointed another independent director – Mr. Sergey Galperin.

The shareholders reviewed and approved the increase of SCAC's charter capital by 254 621 thousand rubles via additional shares placement in the amount of 254 621 shares. The nominal price per share is 1 000 (one thousand) rubles. All shares will be placed by private subscription. The shareholders approved accounting statements'07 compiled in accordance with the Russian Accounting Standards. As of the end of 2007, the balance sheet total reached 17 478 543 thousand rubles, while the company's revenue amounted to 3 842 966 thousand rubles with the net profit of 151 681 thousand rubles.

May 6, Moscow

MICEX enlisted SCAC 01 series bonds to the A-level quotation list of the MICEX Stock Exchange. This demonstrates SCAC's high-level corporate management policies, information transparency and high reliability. This will also help the Company to attract major institutional investors and enhance the liquidity. In the course of preparation to the listing procedures, an Independent Director

headed the Auditing Committee of the Board of Directors of Sukhoi Civil Aircraft, having produced the regulations on insider information and internal inspection procedures. All this was done to further develop Company's corporate and risk management practices, as well as to increase its efficiency.

May 13, Komsomolsk-on-Amur

As part of the first flight campaign preparation, today Komsomolsk-on-Amur witnessed the first taxiing and run tests of the Sukhoi Superjet 100 aircraft.

The run tests featured a gradual speed increase up to 162 km per hour, which is close to the real speed of the nose landing gear take-off.

May 19, Komsomolsk-on-Amur

Today the first Sukhoi Superjet 100 took to the skies. SSJ100's debut flight was piloted by Alexander Yablontsev, Chief Pilot of Sukhoi Civil Aircraft, and test pilot Leonid Chikunov. The flight lasted 1 hour and 5 minutes. In due accordance with the launch flight mission, the new aircraft gained the height of 1, 200 meters.

During its premiere flight, Sukhoi Superjet 100 successfully took off, flew over the takeoff runway the expected four times at different heights, completed a box pattern span and successfully landed.

June 8, Saint-Petersburg

ПЕТЕРБУРГСКИЙ МЕЖДУНАРОДНЫЙ ЭКОНОМИЧЕСКИЙ ФОРУМ

In the framework of the XII St. Petersburg International Economic Forum, the State Corporation Bank for Development and Foreign Economic Affairs (Vnesheconombank) and Sukhoi Company signed two credit agreements totaling 61 million US dollars and 34 million euros for the period of 8 years. These funds are meant to further promote the Sukhoi Superjet 100 Program.

June 11, Venice

superjet INTERNATIONAL
An Alenia Aeronautica and Sukhoi Company

SuperJet International, a joint company responsible for marketing and sales of Sukhoi Superjet 100 in mature markets as well as for the aftersales support of the aircraft family, and Sukhoi Civil Aircraft conducted the Ninth Airlines' Advisory Board that took place in Venice from June 9 to June 10. The Board attracted more than 40 Russian and international companies. Among them were newcomers, such as Armavia, Athens Airways and Shaheen – which signifies the growing interest in the Sukhoi Superjet 100 Project on behalf of air carriers.

July 14, Moscow

Sukhoi Civil Aircraft Company presents its audited consolidated financial results for the year 2007, prepared according to the international standards.

- Total assets increased by 2.2 times in 2007 and as of December 31, 2007 totaled 675,3 mln. USD;

- Equity capital increased by 3.4 times and totaled 5,5 mln. USD;

- Net financial debt increased by 2.6 times and as of December 31, 2007 totaled 472,9 mln. USD;

- 2007 net profit totaled 3,6 mln. USD.

July 15, Farnborough, Great Britain

Sukhoi Civil Aircraft and Avialeasing signed the Heads of Agreement for the delivery of the Sukhoi Superjet 100 regional aircraft.Under the Agreement, signed by Victor Soubbotin, SCAC's President, and Victor Novikov, Avialeasing's Deputy Chairman of the Board of Directors, the leasing company acquires 24 SSJ100 aircraft in basic configuration with a further option for 16 additional aircraft. The order has a total value of over 630 million USD.

July 16, Farnborough, Great Britain

Sukhoi Superjet 100 attracts two new European customers. The joint venture - SuperJet International - announced the signature of two firm contracts for the delivery of 25 Sukhoi Superjet 100.

September 30, Moscow

Sukhoi Civil Aircraft Company and Korea Trade-Investment Promotion Agency signed today a Memorandum of Understanding on the Sukhoi Superjet 100 Program.

Under this memorandum KOTRA will assist SCAC in identifying Korean enterprises that are considered by Sukhoi Civil Aircraft Company as potential participants in production cooperation on its major Program. Should any parts production orders emerge, KOTRA will assist SCAC in all relevant procedures. Besides, KOTRA intends to support SSJ100's marketing and promotional efforts in South East Asia, including Korea.

October 24, Khabarovsk

Sukhoi Superjet 100 is ready to undergo a certification stage. Flight certification tests of the first SSJ100 will begin right after the factory flight tests have been completed. In the course of these flight tests the aircraft completed over 40 flights, having scored more than 100 hours in the air. It gained a maximum flight altitude of 11,300 meters at the speed

of 0.7 Max. During Sukhoi Superjet 100's presentation in Khabarovsk, IAC AR awarded the first flying aircraft with the Experimental Certificate and the authorization vital for the first stage of the certification tests to take place – flight tests at high angles of attack.

November 3, Novosibirsk

Today Sukhoi Superjet 100 # 95006 was transported from Komsomolsk-on-Amur to the Novosibirsk Aviation Production Association. The test plane traveled all the way from KnAAPO (Komsomolsk-on-Amur Aircraft Production Association) aboard the An-124 Rouslan cargo aircraft.

Soon after the aircraft was transported to the Siberian Research Institute located in the city of Novosibirsk for fatigue tests. These tests will confirm the increased operating life of the Sukhoi Superjet 100 airframe amounting to 70,000 flight hours and to confirm the program of aircraft maintenance reviews while in customers' fleets.

December 5, Jakarta, Indonesia

Kartika Airlines

Sukhoi Civil Aircraft Company (SCAC) and Kartika Airlines have signed the Heads of Agreement for 15 Sukhoi Superjet 100s and another 15 optional aircraft. The order is valued at 448 million USD in catalogue prices. The regional Indonesian air carrier will operate Sukhoi Superjet 100 on its domestic and international routes. With today's announcement, Kartika Airlines becomes the first SSJ100 customer in South-East Asia.

December 24, Komsomolsk-on-Amur

The second of four SSJ100 flight prototypes no. 95003 took off to the skies on December 24, thus joining the flight test program started earlier this year.

The aircraft took off from the factory runway and safely landed after a successful 2h. 30min. flight at the altitude up to 6,000 m. The airplane performed traditional stability and handling quality as well as systems' checks in accordance with the first flight mission. SSJ100 no. 95003 was captained by Leonid Chikunov, Sukhoi Civil Aircraft test pilot, who flew with Nikolai Pushenko, also a test pilot.

The first two flight prototypes no. 95001, launched in May, and no. 95003 are to perform the larger part of the certification program. In the course of 398 flights both airplanes fitted with heavy on-board measurement instrumentation will perform a wide range of tests including overall performance, stability and control, engine and systems performance, hot & high trials, cold weather trials, etc.

4. Company's Mission and Strategy

4.1 Sukhoi Civil Aircraft's Mission

The mission of the Sukhoi Civil Aircraft Company is to retain and strengthen the positions of Russia as a globally renowned center for aircraft production through SCAC's leadership potential and knowledge in development, production and promotion of the most efficient civil aviation products.

Our key strategic objective is to become one of the major global players in the regional aircraft production market.

Global objectives of the Company:

Step 1 – up to the year 2015

To become a global player in the world's market of regional aircraft.

Step 2 – up to the year 2027

To expand Sukhoi Civil Aircraft's current product range by introduction and development of new civil aviation programs.

Short-term objectives of the Company (1-3 years):

- To develop and produce the Sukhoi Superjet 100 aircraft prototypes, and to perform their ground and flight tests
- To obtain the required Russian (AR IAC) and international (EASA) certificates
- To kickoff Sukhoi Superjet 100 production
- To secure the SSJ100 sustained presence in the markets within Sukhoi Civil Aircraft's scope of responsibility, and to make the Program reach its full capacity
- To secure Program financing consistent with the approved business plan
- To develop a diversified range of civil products produced by the Sukhoi Holding

Mid-term objectives of the Company (3-7 years):

- To guarantee the presence of the Sukhoi Superjet 100 aircraft in the major international markets in accordance with the business plan
- To start mass-production of the Sukhoi Superjet 100 aircraft
- To ensure Sukhoi Civil Aircraft's annual sales volume reaching 1.5-2.0 billion USD
- To develop and enter the market with at least two new civil aviation projects
- To increase the manufacturing capacity for further production of new civil aircraft

Long-term objectives of the Company (7-15 years):

- To take and further maintain not less than a 20% share of the world regional aircraft market, based on the extended versions of the Sukhoi Superjet 100 aircraft
- To take and further maintain at least 3-5% of the Large Business Jet segment worldwide
- To have influence upon new standards and settings of the regional aircraft market in Russia

4.2 Sukhoi Civil Aircraft's Strategy

- **Focus upon the most promising regional aircraft segments, i.e. 60-120 and 120-140-seaters.** Experts say that the mid-term demand for this aircraft capacity is likely to grow both in Russia and abroad.
- **Product range diversification** to fulfill the demands of the top-priority markets. This implies further modification of the basic SSJ100/75 and SSJ100/95 models, and use of the Sukhoi Superjet 100 potential for creation of new regional aircraft that feature increased capacity - from 115 to 130 seats - as well as the development of VIP and cargo versions.
- **Maximum commonality of the systems and parts for the Sukhoi Superjet 100 aircraft family.** The SSJ100 fleet enjoys commonality in the wings, tail unit, propulsion system and main systems, which reduced maintenance costs and decreased the number of spare parts.
- **Long-term cooperation with the top global manufacturers of civil aircraft and component parts** regarding design, integration and production, as well as joint financing and product promotion in the top-priority markets.
- **Strategic partnership with Alenia Aeronautica.**
- **SSJ100 promotion in global markets with the help of the SuperJet International joint venture** (SSJ100's marketing and promotion in Europe, North and South America, Africa, Australia, Japan and Oceania; and creation of the worldwide aftersales support for the SSJ100 customers).
- **Full-scale introduction of leading-edge technologies** applied by the top-notch aviation players (the Russian aviation market has never seen such massive assimilation of the most advanced technologies):
    - digital mock-ups and electronic engineering;
    - highly automated aircraft production;
    - a comprehensive package of aftersales support services (including e-documents placed on the web-portal).
- **Creation of the hi-tech export-oriented product** superior to all known competition

5. Company's Business Priorities and Growth Prospects

5.1 Business Priorities

- Research and development, engineering, and innovation efforts with regard to civil aircraft projects;
- Aircraft flight testing, mass-production of civil aircraft, equipment, maintenance and repair tools;
- Marketing activity in the Russian and international markets of civil air transportation;
- International cooperation on civil aircraft production;
- Aftersales support and services.

5.2 Growth Prospects

SSBJ / Supersonic Business Jet Program

Supersonic Business Jet is one of the upcoming trends we are very much likely to follow within a 2009-2020 time frame. This promising project will involve resources gradually taken from the Sukhoi Superjet 100 Project. In March 2007 the Agreement with potential partners was signed to undertake joint activities related to Phase Zero of the SSBJ Program. This was done to assess all types of risks and define the criteria of commercial and financial success of this Project.

Under the approved plan, in 2008 a great deal of joint efforts with our international partners was made to determine a preliminary package of marketing requirements towards the aircraft, to consider all possible configurations, to appraise the economic efficiency of this Program, as well as to prepare all the materials vital for the first Advisory Board with the potential customers (i.e. AB1). AB1 is scheduled for December 2009.

HISAC / High Speed Aircraft Project

Sukhoi Civil Aircraft is a partner to the HISAC Project run as part of the Sixth Framework Program of the European Community.

The Project is designed to develop a technical review of the supersonic business jet and analyze certification, ecological and other related aspects. The Contract on the HISAC Project was signed by the European Committee in May 2005.

In 2008 SCAC's heavy involvement to the Project brought to completion of wind tunnel tests conducted at the ADTs of European research centers and TsAGI (Central Aerohydrodynamic Institute). A team comprised of SCAC specialists who joined hands with the TsAGI and TsIAM (Central Institute for Aircraft Engine Design) experts developed an aircraft configuration with the use of the low-level acoustic shock solution that fully meets the markets demands and requirements.

Under the Contract, all related works and activities are to be completed in October 2009.

6. Company's Marketing Activity

6.1 Marketing Goals and Tools

Major marketing goals:

- Determination of priorities and positioning scenarios to successfully sell Sukhoi Superjet 100 in Russia, CIS countries and abroad.
- Determination of product requirements in terms of efficient operational service of the aircraft, its big marketing potential and competitiveness.
- Promotion and sales of Sukhoi Superjet 100 in markets related to Sukhoi Civil Aircraft's scope of responsibility.
- Determination of Company's product diversification scenarios.

Marketing tools:

- Efforts and activity to create a positive image of the Sukhoi Superjet 100 Project, and to attract increased interest of end users towards the aircraft;
- Leveraging on the state support of the Project;
- Greater international cooperation and use of the experience of the best global aircraft producers, interaction with international partners (Snecma, Alenia Aeronautica, etc.);
- Strong involvement of international consultants (Boeing, ATKearney) to create and further promote the competitive SSJ100 aircraft in the most optimal way;
- Interaction with potential aircraft customers, identification of customer varying demand, appraisal and monitoring of the demand for this aircraft category to organize negotiations and participate in tenders to further promote SSJ100 in SCAC's markets.

6.2 Market Overview

With due consideration of the terms of the Sukhoi Superjet 100 aircraft mass-production and sales, the total sales volume can reach 1,040 aircraft till the year 2027. Given that other aircraft modifications are introduced and business, VIP and cargo versions of the aircraft are created, the total sales portfolio can be stretched up to 100 aircraft.

The Sukhoi Superjet 100 aircraft created by the Sukhoi Civil Aircraft Company aims to get into the market of 60-120 seaters, i.e. the segment, which is now dominated by two producers of regional aircraft - **Embraer** (Brazil) and **Bombardier Aerospace** (Canada). For another thing, there is a market for obsolete aircraft that were once produced by **BAe** and **Fokker**.

The upper capacity segment is moderately represented by **Boeing** and **Airbus** with their B737 and A320 being lower capacity aircraft of the related families.

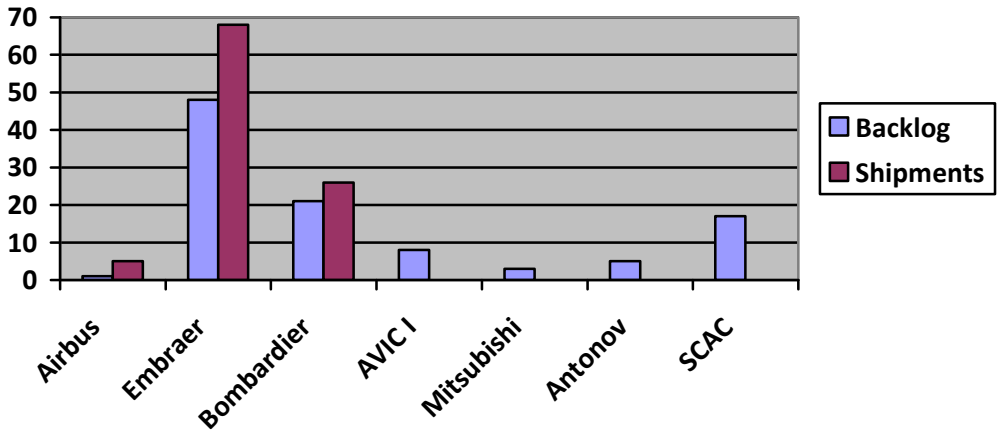
In the future, the regional aircraft market will see the emergence of new players, specifically:

- The **ARJ 21** aircraft family produced by the Chinese Company AVIC 1 with the expected time of the market entry in 2010. The debut flight of ARJ21 took place in late 2008;
- **Mitsubishi Regional Jet** created by the Mitsubishi Aircraft Corporation (Japan), which is scheduled to approach the market in 2012;
- The **An-148-100** aircraft developed by the Ukrainian Antonov Design Bureau; its mass-production is taking place in Voronezh under the umbrella of the United Aircraft Corporation.

This segment is **currently occupied by Bombardier** and **Embraer,** whose overall delivery volume totaled **198 units in 2008** (Bombardier is accounted for 136 of them).

- **Bombardier's CRJ-700/900/1000** takes a **20%** share of the **60-120 seat segment comprised of the aircraft in service;**
- **Embraer** occupies **21% of this market** worldwide with its **E-jet** family. **The rest of the market (approximately 59%)** is split between **BAe**, **Boeing**, **Tupolev** (Tu-134), **Airbus** and **Fokker**.

Figure 1. Share (%) of backlog and shipments of producers of 60-120 seaters in 2008



Nowadays **2,307 aircraft with the passenger capacity of 60-120 seats** are in worldwide service. **As of the end of 2008, the total number of firm orders** for 60-120 seat jets amounted to **727 units.**

Figure 2. Global distribution of orders as of the end of 2008

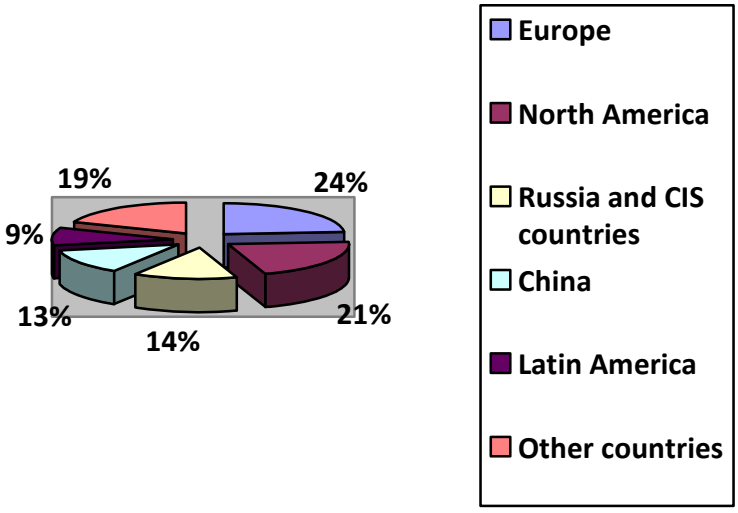
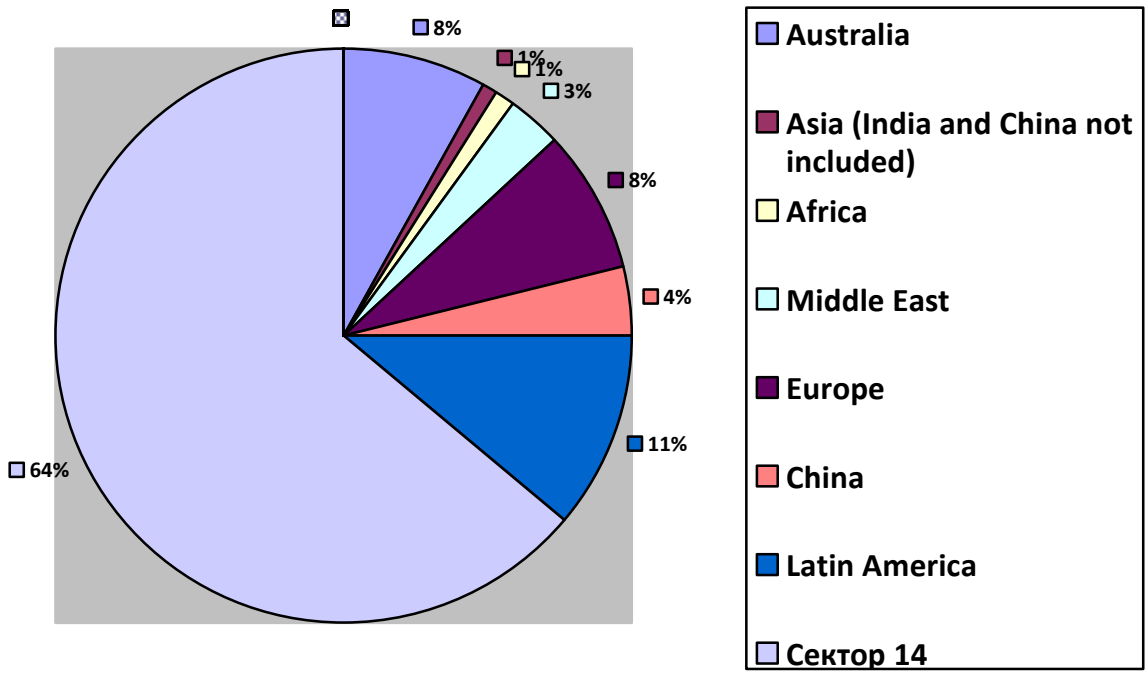


Figure 3. Global distribution of shipments in 2008



The major part of orders and shipments of aircraft in this segment in 2008 falls on the **markets of Europe and the USA.**

The total global demand for this type of aircraft within the period from 2008 to 2027 is estimated at **6,030 units**.

The major markets for the Sukhoi Superjet 100 aircraft are Russia, CIS countries, South-East Asia, India, China and Middle East.

In particular, the **Chinese market** is regarded to be far reaching. Still, the state support of the ARJ21 aircraft erects a formidable barrier for market entry of new products.

The **European market** drums up our strong interest in spite of the cutthroat competition, which keeps saturating it. At the same time a wealth of experience and skills as well as Alenia's dynamic support of the Project will help Sukhoi Civil Aircraft keep a firm grasp on the region as well.

Considering the terms of SSJ100's mass-production and sales, the expected sales can reach **1,040 aircraft:**

- **285 units** to be consumed by the markets of **Russia and CIS countries**;
- **755 units** to be exported abroad (in a favorable environment by the year 2024).

The **sales volume may increase** if aircraft modifications – i.e. business and cargo versions – are introduced. The general assessment made by Sukhoi Civil Aircraft and Alenia Aeronautica refers to **100 units** within the next 20 years.

The markets of Russia and CIS countries present a top-priority for the Sukhoi Superjet.

As of the end of 2008, 308 regional aircrafts were operated within Russia and the CIS countries. Most of them are obsolete Tu-134s and Yak-42s. No 60-120 seaters were delivered to Russia in 2008.

By the end of 2008, the regional airlines ordered **107 aircraft** of this type. 63 of them are **Sukhoi Superjet 100s, the rest are** AN-148 aircraft.

State financing of the aviation industry in Russia – which has been coveted for many years – opens up wider market perspectives, thus boosting passenger traffic in the country. This will

lead to greater demand for regional and short-haul aircraft in Russia. **The expected demand for 60-120 seat aircraft will amount to more than 400 units by 2027.**

While the global economic crisis is having its grip on the world, there was a decline in passenger travel in Russia. We expect that the crisis will make many airlines reconsider their fleet optimization and renewal plans as well as their route networks in the short- and mid-term. However, the demand for new aircraft products will recover in the medium term.

The **Russian market** is a springboard for the Sukhoi Superjet 100 Project. With no success in this market, there is no way to successfully promote it on the global arena. So far, Sukhoi Civil Aircraft has a solid order portfolio reaching **63 aircraft** contracted by companies that operate in Russia and CIS countries. Among them are **Aeroflot - Russian Airlines**, **the Financial Leasing Company (FLC)**, **AirUnion**, **Dalavia** and **Armavia**. Further on, Sukhoi Civil Aircraft is extending strenuous efforts to add other customers to its portfolio.

Our tentative forecast says that some 285 Sukhoi Superjet 100s will be sold throughout Russia and CIS countries.

The upswinging Asian market of air carriages is strategically vital for the Sukhoi Superjet 100 Project.

South-East Asia is strongly influenced by long-term trends, i.e. market liberalization and considerable state investments to air-transport infrastructure in India. Besides, this region relies enormously upon the ever-toughening competition and large capacity of the existing aircraft.

Still further, the number of cities that generate the passenger traffic, sufficient to saturate the market demand for 60-120 seaters, is increasing. The skeptical scenario – which is more applicable in the current setting – suggests that the market need in regional jets will total 530 units by 2027 in this region.

As of the end of 2008 the fleet of **60-120 seat** regional aircraft in the **Asian-Pacific region** amounted to **179 units**, while **the overall orders** reached **142 units**.

China

Owing to the thriving economy and sweepingly developing tourism industry in the country, China takes the fair share of the market in terms of dynamic passenger traffic in this area. The fleet comprised of regional jets has several units, still there is a considerable firm order portfolio featuring 95 regional aircraft (45 of them are EMB190, and ARJ21 accounts for 50 units out of this number).

The Chinese government is dynamically liberalizing the aviation sector. First, it stirs the development of private airlines. Second, the government attracts additional foreign investments to the industry. Third, it is expanding the current route networks. No doubt, when taken together, these efforts will lead to higher demand for regional jets in the longer term.

India

India's air transportation market is not that boisterous for a number of reasons. Among them are poor infrastructure and a lack of highly-skilled personnel. The government of the country exerts considerable efforts to attack these challenges in the most appropriate way.

These days India operates only **11 aircraft with the 60-120 seat capacity**.

Far East (Japan), East Asia (South Korea) and South-East Asia (Laos, Vietnam, Indonesia and Malaysia) will see increased passenger traffic, which will undoubtedly prompt heavier demand for 60-120 seat jets.

South-East Asia / SEA

Mobility of population and growth of air carriages in the SEA countries have to do with the development of industrial sectors and tourism niche. In the new financial environment, which slowed down the growth rates of the passenger traffic market in 2008, the economic challenges will keep exerting a negative influence upon the behavior of the transportation market and fleet renewal efforts.

It is important to note that the current estimates are likely to be updated in the context of the 2-year recession, and these changes will lead to a backlog of demand in some regions, but will not dramatically influence air traffic restructuring as a whole.

By the estimates made by the Sukhoi Civil Aircraft Company, **Asian countries** will need **more than 1,080 aircraft in the 60-120-seat category from 2008 up to 2027.**

Regional transportation trends in the Middle East

As of the end of 2008, the **Middle East** operated **90 aircraft** of the **60-120 seat** capacity. Among them were 27 EMB170/175/190/195s, while the rest were the aircraft produced by Fokker, Bombardier, Yakovlev, Tupolev and Boeing.

High economic growth rates that can reach 13% per year stimulate enhanced passenger traffic. This trend will be slightly down in the nearest 2-3 years. At the same time the crisis will not interfere that much with the transportation sector in comparison with other regions.

Currently the **Middle East is experiencing liberalization of the air transportation market owing to the open sky policy, which is being introduced in the Middle Eastern countries.** Today the market of air carriages is focused upon several major hubs. However, the increasing trend towards the emergence of a greater number of direct routes gives ground to expect heavier demand for regional jets to be used on less loaded routes.

Alenia Aeronautica's strong input to the Program will allow Sukhoi Civil Aircraft to comfortably enter the North American market.

North America is one of the biggest air carriage markets. Today this region operates 801 aircraft with the **60-120-seat capacity** (specifically, 283 Embraers and 352 Bombardiers).

Throughout the year 2008, 127 aircraft were delivered to the region; another 153 planes are planned to be shipped in the nearest future under the current firm orders. Most of these orders are for the **Embraer jets** (103 aircrafts).

Booming transportation rates in the 60-120 seat segment can be reasoned by the prospect of **lifting restrictions on regional aircraft fleets** under agreements with trade unions, as well as by **fleet restructuring** and **expansion in the number of point-to-point and coast-to-coast routes**. 60-120 seaters are mostly operated on internal and surrounding Latin-American routes.

The **total regional demand** for 60-120 seat aircraft can reach approximately **2,410 units by the year 2027.**

The second half of 2008 captured by the global recession had a negative feedback on the US transportation market, its structure and the financial performance of the carriers. The recovery will bring fleet restructuring, new transportation scenarios. Besides, it will change the status of air carriers and interaction patterns in the mid-term.

Sukhoi Superjet 100's approach to this market is quite complicated for a number of reasons. First, the structure of the air transportation itself. Second, dominant positions that SSJ100's competitors managed to attain. Third, uneasy political relations between the two countries. That is why a transfer of this region to SuperJet International's scope of responsibility will undoubtedly maximize SSJ100's chances of success in the area.

Europe presents one of the higher priority markets for the SSJ100 Project. Sukhoi Civil Aircraft enjoys fair chances to successfully promote its aircraft in this region.

Europe

Europe is **the second largest and one of the most sustainable markets in the world.**

For the moment, this market employs **505 aircraft with the 60-120 seat capacity.** The year 2008 brought a total of 15 regional aircraft of this type delivered to European airlines. The overall solid order portfolio reached 173 aircraft: 93 units are for the EMB-170/175/190/195 jets, 63 – for CRJ 900/100, while the rest 35 – for SSJ100/95.

Thus far, the regional aircraft market in Europe is split in the following way:

- Embraer takes 14% of the market;
- Bombardier – 16%;
- Fokker – 26%;
- BAe – 37%;
- Boeing – 3%;
- Airbus – 4%.

Europe comes to have a tremendous importance to Sukhoi Civil Aircraft. The **local demand for 60-120 seaters totals 1,240 units** for the period from **2008 till 2026**. Besides, entry to this market faces no major barriers or constraints.

First and foremost, the European market is distinguished for severe competition among air carriers who are constantly bound to adapt to ever-changing fuel prices and pressure of environmental organizations. Meanwhile there are low-cost tariffs and alternative internal competitors. That is why, this region seeks the most advanced, highly competitive and efficient aircraft.

Owing to its close cooperation with the European partners and fair chances to obtain European certification, the Sukhoi Civil Aircraft Company can bargain for strong sales of the SSJ100 aircraft here. However, the economic crisis and lower demand in the market of air carriages expected in the future will make Sukhoi Civil Aircraft put a great deal of effort in promotion of its package of essential and optional services.

June 2007 brought **ItAli Airlines** (Italy) as the **first European customer** who signed a firm contract for the delivery of 10 aircraft.

Trends of the regional aircraft market in Latin America

Latin America operates 295 aircraft in the 60-120 seat category. 90% of them belong to the 90-seat segment.

The regional fleet is mostly comprised of the previous generation of aircraft, i.e. **Boeing 737** and **Fokker**. In 2008, 23 regional aircraft were delivered to Latin America. As of the end of 2008, the total order backlog amounted to 64 aircraft (15 EMB190 and 49 EMB195).

Embraer, being a Brazilian company, presents too many difficulties for SSJ100's market entry.

In general, Latin America is a fast-moving market thanks to Mexico, Brazil and Argentina, i.e. countries with better living standards. Boosting economic growth, development of the business sector, and an increase in population mobility on transatlantic and domestic routes speed up passenger turnover in all air transportation segments, including greater demand for 60-120 seaters.

Latin America **will require 520 units of the aircraft with the 60-120 seat capacity by 2027**.

The global financial crisis will operate negative changes on Latin America, since its countries are tightly integrated into the global economy, and thus depend on the industrial behavior of the United States and Europe. While - in the face of cost-saving policies - many developed countries are considering the transfer of their production facilities to Latin America, the region sees less international investments today.

Regional aircraft in Africa

Generally, African airlines operate **secondary market aircraft**, which stems from the poor economic performance and unhealthy infrastructure of the countries within the region. Nevertheless, Africa has recently ordered **2 EMB 190**, **14 EMB170** and **2 CRJ 900** aircraft.

It is vital to understand that Africa is not a single region. It is patchwork comprised of several areas that feature different political and social patterns as well as a varying depth of integration to the global economy. The world financial crisis is expected to have a negative impact on the region's trade balance, highly relying upon the export of primary raw materials and tourism profits. Again, this will make airlines acquire less aircraft in the short term.

Currently the region is undergoing market liberalization, which is a must for the development of the air transportation industry. If this market keeps growing at the level of the year 2007 and 2008, the **regional demand for 60-120 seaters can amount to 190 units by 2027.**

6.3 Industry Position

Currently the civil aircraft market is split between several major players. For years, **Airbus** (France) and **Boeing** (USA) have been competing for leading positions in the mainline segment, while **Embraer** (Brazil) and **Bombardier** (Canada) are the top-notch regional aircraft players.

Apart from these recognized players, other American and European companies have not only settled down in the regional aircraft market, but also managed to achieve success in the niche of turboprop aircraft production. Besides, in the nearest future the market is expecting to get the Chinese aircraft manufactured by **AVIC I**. The first ARJ21 jet – to be soon put into service – completed its debut flight at the turn of the year 2008. Add another regional aircraft – the Mitsubishi Regional Jet, a brainchild of the Japanese **Mitsubishi Aircraft Corporation –** being a product of the not so distant future.

Airbus and Boeing, having monopolized the long-haul aircraft production market of 120+ seaters, keep gaining momentum and increasing their influence upon the airlines (i.e. end users) as well as upon system and equipment manufacturers, which altogether greatly ruins the chances of new companies trying to get to the market. Further on, government lobbying

comes to play one of the key roles in promotion of the products currently offered by the acknowledged companies.

The **60 to 120 seat segment** – being the major choice for Sukhoi Civil Aircraft – is distinguished for a more competitive environment. To get there, a company should offer a superior quality product with a number of advantages to blitz the competition. Sukhoi Civil Aircraft can take a big share in the segment with its new product – the **Sukhoi Superjet 100 regional aircraft.**

Our Project blends the experience of the best global aviation players. Such massive involvement of international aerospace companies into the Program was a real accelerator of increased interest of Russian and European airlines towards the new aircraft. Now they are ready to opt for the SSJ100 as a sophisticated tool for fleet optimization and operational efficiency.

Dynamic and **ongoing promotion of the SSJ100 aircraft around the globe** will help SCAC achieve **worldwide success**. This success will be stipulated by the **advantages** that the Sukhoi Superjet 100 can boast of and that are now being confirmed during numerous flight tests. This success will also be nurtured by considerable cooperation efforts that Sukhoi Civil Aircraft and its **strategic partner Alenia Aeronautica** – an aviation giant headquartered in Italy – are extending towards SSJ100's marketability. SSJ100 is the most ambitious project of Russia – a project able to artfully enter a rich variety of markets. Sukhoi Superjet 100 is a product enjoying high potential and merging the most advanced global experience and solutions that provide potential operators with superior flight and operational performance.

Recently the government has been giving extra attention to the national aircraft producers. Being one of them, Sukhoi Civil Aircraft has a ready-made answer. A new, modern, reliable and highly efficient aircraft developed and produced in Russia – **Sukhoi Superjet 100 merging regional efficiency with mainline comfort.**

6.4 Order Portfolio as of January 1, 2009

As of the end of 2008 the total solid order portfolio for the Sukhoi Superjet 100 aircraft reached 98 units.

Contract number and date	Contract subject	Aircraft number	Customer	Option
Contract as of 07.12.2005	SSJ100/95B	30	Aeroflot	-
Contract as of 17.08.2005 №517	SSJ100/95B	10	Financial Leasing Company (FLC)	-
222/643/AU2006-1/PA09.12.06	SSJ100/95B	15	AirUnion	15
222/643/DalAvia2006-1|PA19.12.06	SSJ100/95LR	6	Dalavia	4
Contract as of 14.06.07	SSJ100/95LR	10	ItAli	10
222/51/AA2007-1/PA	SSJ100/95LR	2	Armavia	2
Contract as of 16.07.2008	SSJ100/95LR	5	Asset Management Advisors (AMA)	-
Contract as of 16.07.2008	SSJ100/95B	20	Undisclosed European customer	-
TOTAL:		**98**		**31**

7. Investment Policy

To the maximum extent possible, Sukhoi Civil Aircraft's investment policy **takes the interests of the Company, its shareholders and investors into consideration**. We believe this will help us dominate in the regional aircraft market in the future.

The structure of capital investments is outlined in *Table # 1: Total Capital Investments for 2006-2008.*

In 2008 the total capital investments of the Company reached **6377, 28 mln. rubles (cash basis), which is 1.5 times more in comparison with the year 2007.** It is interesting that Research and Development activity accounted for the major part of investments, specifically more than 82% out of the total investment volume.

The expected capital investments for the year 2009 will reach 9813,12 mln. rubles, which is 1.6 times more than in the year 2008. This structure will also **feature increased investments to R & D**, which will remain the most vital part in it.

Table # 1. Total Capital Investments for 2006-2008

mln. roubles

Capital investment structure	2009 forecast	2008	2007	2006
1	2	2	3	4
Capital investment, total	**9 813,12**	**6 377,28**	**4 149,79**	**2 440,14**
including:				
SSJ 100	**9 361,91**	**5 655,39**	**4 041,03**	**2 398,02**
Hisac	**14,51**	**11,34**	**5,08**	**20,72**
SSBJ	**7,70**	**23,32**	**13,58**	**15,28**
Others	**204,59**	**319,90**	**0,89**	
General	**224,41**	**367,33**	**89,21**	
Production development	**9 743,14**	**6 367,32**	**4 098,47**	**2 434,02**
including:				
SSJ 100	**9 361,91**	**5 655,39**	**3 990,23**	**2 398,02**
Hisac	**14,51**	**11,34**	**4,93**	**20,72**
SSBJ	**7,70**	**23,32**	**13,32**	**15,28**
Others	**204,59**	**319,90**	**0,79**	
General	**154,42**	**357,37**	**89,21**	
Capital construction and reconstruction of industrial facilities	***312,10***	***160,11***	***262,78***	***7,09***
SSJ 100	*312,10*	*160,11*	*260,15*	*6,81*
Hisac			*0,79*	*0,08*
SSBJ			*1,31*	*0,20*
Others			*0,53*	
In-house assembly				
SSJ 100				
Hisac				
SSBJ				
Others				
Technical upgrade of industrial facilities	***322,76***	***446,33***	***51,30***	***10,79***
SSJ 100	*322,76*	*446,33*	*50,79*	*10,36*
Hisac			*0,15*	*0,13*
SSBJ			*0,26*	*0,30*
Others			*0,10*	
Purchase, modernization of equipment	***234,27***	***154,85***	***80,52***	***50,56***
SSJ 100	*234,27*	*154,85*	*79,72*	*48,54*
Hisac			*0,24*	*0,60*
SSBJ			*0,40*	*1,42*
Others			*0,16*	
Special technological outfitting		***7,19***	***1,50***	
SSJ 100		*7,19*	1,50	
Hisac				
SSBJ				
Others				
Capital costs related to information technologies	***154,42***	***277,18***	***1,33***	***3,65***
R&D, including on the following programs	***8 719,58***	***5 241,45***	***3 613,17***	***2 349,52***
SSJ 100	*8 492,78*	*4 886,90*	*3 598,08*	*2 316,90*
Hisac	*14,51*	*11,34*	3,75	19,72
SSBJ	*7,70*	*23,32*	11,35	12,90
Others	*204,59*	*319,90*		
Intangible assets		***80,20***	***87,88***	***12,40***
Non-production area			-	-
Other capital investments	**69,98**	**9,96**	**51,31**	**6,12**
including:				
SSJ 100			**50,80**	
Hisac			**0,15**	
SSBJ			**0,26**	
Others			**0,10**	

8. Results on Company's Key Focus Areas

8.1 Sukhoi Superjet 100 Production

The year 2008 was primarily distinguished for the debut flight of the first Sukhoi Superjet 100 # 95001 and **launch of the full-scale certification test campaign**.

Specifically, in 2008 Sukhoi Civil Aircraft implemented the following activities to develop the Sukhoi Superjet 100 aircraft:

1. **Flight aircraft production**:
   - production of the first aircraft no. 95001 completed.
   - production of the second aircraft no. 95003 completed.
   - aircraft no. 95004 and no. 95005 are at the final assembly shop, installation of systems is underway.

2. **Serial aircraft production**:

   KnAAPO is in the swirl of production of the first serial aircraft: fuselage joint on the first serial aircraft is completed, and its wing assembly is almost over. The first serial plane is the seventh aircraft in the succession of SSJ100s. Sukhoi Superjet 100 no. 95007 will become the first aircraft whose joint was made on the high-technology riveting machine for outer wing and fuselage mating. The eighth jet is at the assembly stage, while the ninth and the tenth are undergoing panel assembly. Last, parts production for the eleventh Sukhoi Superjet 100 (the fifth serial aircraft) has begun.

8.2 Aftersales Customer Support

SuperJet International (SJI) is a joint venture created in 2008 between **Alenia Aeronautica S.p.A.** (Italy) and the **Sukhoi Holding**. Today it has launched operations to help Sukhoi Superjet 100 enter into service and provide its customers with comprehensive aftersales support services.

January saw the foundation of the Moscow branch of SuperJet International. Its mission is to "supercare" about the SSJ100 customers that operate in Russia and CIS countries.

To provide our customers with top-quality logistics support and spare parts, **Lufthansa Technik Logistics was selected as a global logistics provider**. This company will expertly deal with transportation and storage of spare parts for Sukhoi Superjet 100's customers worldwide.

The global technical support being one of the core issues has already required a lot of thought and consideration. For instance, **the required courses, trainings and materials have been developed**, including the pilot retraining course, familiarization course materials (level 1), training materials for technical staff and flight attendants. The aviation authorities of Russia approved the training programs for flight crews, technical staff and flight attendants.

Under the contract with **Thales Training and Simulation** on creation of a family of training simulators a preliminary design review was completed, visualization and mobility systems were determined, and the FFS #1 production was launched. Besides, under the contract with the OKTAL Company on computer-based training development, the software and the first database module were developed.

In September 2008, the **SJI's Venice-based training center was awarded the EASA certificate** as a training organization for professional pilots (FTO). PART145 certification as an aircraft maintenance provider has been started.

Under the **contract with the Sogitec Company,** the document formats were determined, and specifications for the major operational documentation were devised.

In terms of the **operational documentation development**, 2008 led to publication of the Aircraft Maintenance Regulations, Flight Manual and Maintenance Manual. Still further, their scheduled upgrades and adjustments are being made in the course of flight tests.

The aviation authorities of Russia have approved the "The Guidelines on the Development and Management of the Main List of Minimum Essential Equipment of RRJ-95/75 aircraft". Several meetings of the Expert Council have been held in partnership with the domestic aviation authorities, EASA representatives, certification centers and airlines.

To create an integrated logistics support (ILS) system for the SSJ100 fleet as well as its logistics support analysis (LSA), an LSA database for aircraft units and systems was compiled. A range of activities was performed to validate the approach towards and the technology of the integration of the LSA database with the reliability/failure resistance, MSG-3 analysis, and spare parts databases. An algorithm to calculate the recommended list of spare parts within the LSA database was developed, and pre-analysis for the first customers was performed.

To provide our customers with spare parts, materials and ground support equipment and tools, the required **Spare Parts Lists were developed**, while the lists on spare parts acquisition arrangement for the year 2009 were prepared.

The ground maintenance equipment (GME) lists were developed for general and special applications and tools, as well as design documentation for the GME samples for SSJ100 aircraft certification testing. The first GME test samples for the certification and testing of the SSJ100 aircraft were accepted. A draft of the illustrated guide on special GME was devised.

The **cost analysis of the maintenance operations specified the cost estimations on systems and parts maintenance as well as presented calculations of the cost values of maintenance operations for airlines, i.e. potential customers.**

8.3 Quality Management

Sukhoi Civil Aircraft is **developing and constantly updating its quality management system (QMS)** to make it even more distinct and efficient.

In 2008 these efforts embraced the following scope of activity:

- Company's compliance with external requirements and QMS development;
- Quality control of processes performed under the Sukhoi Superjet 100 Program;,
- Product quality control.

8.3.1 Company's compliance with external requirements and QMS improvement

To ensure timely deliveries of SSJ100 to its customers, the company was dealing with **aircraft production certification** throughout the year 2008. Besides, we developed and started introducing a complex plan on the involvement of the aircraft to a mass-production phase taking place in Komsomolsk-on-Amur.
Sukhoi Civil Aircraft's production certification is unrivalled in Russia, as **for the first time ever the national market faced and later integrated brand-new design and production**

technologies and solutions. In this connection, 2008 started with an introduction meeting between Sukhoi Civil Aircraft and certification representatives from AR IAC to get a deeper understanding of the advantages that the new aircraft offers as well as of the most advanced methods and techniques that the Project uses.
In late 2008 the AR IAC representatives completed a preliminary audit of all production facilities to finally offer their constructive feedback. The Company was successful enough in smooth elimination of all misfits and non-compliances.
Moreover, the Company's efforts were streamlined to devise **evidential documents** that would demonstrate the reliability and consistency of the technologies and solutions applied in the Sukhoi Superjet 100 production. This embraces not only the activity of our production facilities and branches, but also involves a whole set of technological processes brought by our suppliers and subcontractors.
For better product control, we created a group of independent inspectors who are a part of the Company's structure, but subordinate to the AR IAC Independent Inspection.
Owing to our efficient QMS and a uniquely large portion of innovative solutions integrated to the aircraft, i.e. involvement of the best international resources, the digital mockup, state-of-the-art equipment, etc., help us implement our own policy in terms of normative documents in the context of our collaboration with the United Aircraft Corporation as well as introduce new design and production scenarios.
Being a part of the United Aircraft Corporation's workgroups dealing with the EU-Russia Civil Aviation Projects offers us an in-depth understanding of European norms and regulations. Besides, this provides us with an efficient tool to harmonize Russian and international standards for the sake of the Sukhoi Superjet 100 Project.

8.3.2 Quality Control of Processes Performed under the Sukhoi Superjet 100 Project

To control the quality of all processes and activity under the Sukhoi Superjet 100 Project, Sukhoi Civil Aircraft keeps devising normative documents related to all kinds of processes, which are generally divided into four functional areas: design, acquisitions, mass-production and aftersales support. Additionally, we prepared a draft on the Quality Guidelines. Today it is being completed with due accordance of the AR IAC recommendations.
If the quality control procedures related to design, acquisition and prototype production are almost completed; all relevant documents on the groups of processes accelerated later are being now approved or updated.
In 2008 the Quality Control Department was working closely with the relevant units of KnAAPO (Komsomolsk-on-Amur), NAPO (Novosibirsk) and VASO (Voronezh) to eventually decrease the number of emerging faults and defects. Having joined hands with SuperJet International, we started developing and specifying all interface processes, while in collaboration with the PowerJet Company we already formulated interface processes for engine acceptance and BFE suite operations, etc.

Attachment # 1. Internal and External Audits of Sukhoi Civil Aircraft

8.3.3 Product Quality Control

When producing aircraft no. 95001 and no. 95003 we step-by-step monitored and checked all assembly operations. We completed a series of pre-delivery and acceptance tests. Additionally, throughout the year 2008 we were conducting casual quality inspections and daily monitoring of the technological status. As a result aircraft no. 95001 and 95003 were accepted, while article files were documented and all forms were finalized.
The non-compliances detected during the control and acceptance procedures were eliminated. The required preventive and corrective measures were developed and are now

regulated by the Quality Control Department of Sukhoi Civil Aircraft's Komsomolsk-on-Amur branch.

8.4 Product Certification

Year 2008 started a **full-scale campaign of certification tests.** A series of ground tests including frequency tests, systems checks and static trials of SSJ100 no. 95002 jumpstarted the **maiden flight of the aircraft and a range of bench tests** of Sukhoi Superjet 100 no. 95001.

The first flying prototype took to the skies on May 19, 2008 in Komsomolsk-on-Amur. Upon completion of the bench testing that confirmed aircraft performance and system operations in flight, on **October 24, 2008 aircraft no. 95001 was given to certification**, in confirmation of which AR IAC issued an Experimental Certificate of Airworthiness. The certification flight campaign started with **high angles of attack and stall tests**, being one of its most complex elements.

The first series of flights involved the AR IAC pilots and experts who distinguished **aircraft's perfect aerodynamics**, which is a crucial factor as Sukhoi Superjet 100s will be captained by ordinary pilots in the future. Thus, the jet must be easy to pilot within a maximum range of flight modes.

The flight tests of Sukhoi Superjet 100 no. 95001 **confirmed the aerodynamic, stability, handling characteristics and climbing ability** declared earlier and supported by the results of the digital mockup and the electric bird integration bench.

The core of the massive certification tests is close collaboration with AR IAC and certification centers as well as a solid part of ground testing. The certification centers helped us approve the bench certification program and a range of special flight tests of the aircraft and the systems. **TsAGI awarded us with a favorable conclusion on the aircraft stability, controllability and its systems,** which kick-started the flights within a full range of control system settings.

The flight certification program involved both flight and ground tests to confirm the static strength and the **increased service life of the airframe**. In November 2008 Sukhoi Superjet 100 no. 95006 (known as the fatigue aircraft) was transported to the Siberian Aeronautical Research Institute / SibNIA to eventually validate the life cycle of the airframe totaling 70,000 hours. By the end of the year 2008 the aircraft experienced systems assembly and adjustment.

The **static strength trials conducted by TsAGI involved the whole range of loads that exceeded the operating load by 1.5 times**. These tests greatly contributed to a **start of high angles of attack and stall tests.**

Furthermore, in 2008 Sukhoi Civil Aircraft kept updating the Certification Basis for the Sukhoi Superjet 100 aircraft. Also, the Company was heavily collaborating with AR IAC and EASA to validate the test results and prepare EASA specialists for certification flights.

On December 24, the second flying prototype joined the flight certification campaign. Its maiden flight lasted 2 hours and a half. The altitude range reached 6,000 meters. Prior to this flight, the **first flying Sukhoi Superjet 100 had spent over 200 hours in the skies, completed 72 flights (25 out of them – under the certification program).**

8.5 Intellectual Property

Top positions in the aviation market encourage companies to create **a modern system of patenting and intellectual property protection**, since aircraft design and production is a complex and high-technology solution. An **aircraft is a knowledge-intensive product** requiring a lot of effort on patent protection of Company's own design and engineering solutions, on the analysis of non-infringement quality of contractors' innovations and

products, as well as on safeguarding Company's interests when distributing intellectual property rights.

In 2008 SCAC's patenting activities proceeded with 7 applications for intellectual property pieces, including:

- **applications for inventions - 6;**
- **applications for utility models - 1.**

With regard to the applications filed in 2008 and previously, we obtained 8 favorable decisions on the record of inventions, utility models, industrial designs and trademarks, while 10 patents for inventions, utility models, industrial designs and trademarks were obtained and registered to further follow accounting procedures.

In 2008, the Name presented a year earlier (application No.942110) for international trademark registration under the Madrid Agreement was registered as a trademark by the European Union and Norway as a trademark.

Additionally, an entry of our strategic partner – the Italy-based Alenia Aeronatuca – into the SCAC registered capital in 2008, directed our efforts **towards deal securing**.

The evaluation of the **exclusive rights to the intellectual property** on SCAC's SSBJ program, came up with a package of 8 patents for inventions, industrial designs, utility models, one software program, 16 know-how's and 4 applications for inventions. This evaluation was made to alienate these rights to a third party.

9. Information Technologies

9.1 Product Life Cycle Management

For more efficient data management on the Sukhoi Superjet 100 lifecycle stages, Sukhoi Civil Aircraft is developing an **integrated information system** to manage all possible data about the Product

Currently, the Company is making use of the information systems that **manage particular life cycles phases**, i.e. R & D, manufacturing, aftersales support.

In order to introduce a new lifecycle support system we need to reconsider the existing information management methods at every stage, to enrich them in terms of information, develop brand-new data management processes, as well as coordinate all information pieces.

Today, we give enhanced attention to **IT penetration** into such poorly formalized areas of activity as automation of preproduction engineering processes and aftersales customer support.

9.2 Design Automation

In 2008 all activity regarding design and development automation was focused on the **automation of specific design tasks, development of an integrated virtual engineering center and a unified E-management system for all Sukhoi Superjet 100 data and documents**.

All design efforts are fully automated. The CATIA V5 and NX CAD systems are meant for the design of parts and components. The TeamCenter Engineering (TcEng) system is responsible for aircraft data management.

In particular, the **TcEng system allows to**:

- store an electronic mock-up of the aircraft, technical documentation and other additional information;
- manage aircraft structure with respect to their serial numbers and options installed;
- provide specialists with access to relevant documents (information);
- semi-automatically share aircraft data with the product co-designers and component producers.

Sukhoi Civil Aircraft together with R & D co-designers use a **unified data model within the TcEng system to manage all aircraft data**.

The **TcEng system was significantly upgraded by Sukhoi Civil Aircraft** to meet Company's needs and requirements. Specifically:

1) The **E-procedure of design documentation** release was changed for time optimization reasons.
2) **Software tools for development of aircraft structure and technical documentation reports** were developed.
3) Operations on product structure were adjusted and aligned in the ATA format.
4) The **program on aircraft automated data exchange** was improved by the SNECMA Company.

Data exchange between the Sukhoi Civil Aircraft, its branches, production facilities located in Novosibirsk, Komsomolsk-on-Amur and Voronezh, as well as with the aircraft model co-

designers from the Sukhoi Design Bureau is handled with the help of **Export-Import,** being a part of TcEng. In 2008, data exchange procedures were substantially **refined and automated**, in particular:

- software to synchronize TcEng data amongst Sukhoi Civil Aircraft's branches was developed;
- a registration database, comprising all incoming and outcoming information, was developed and integrated.

Besides, in 2008 TcEng functions were refined to let geographically separated Company's branches or project participants work via the Internet in the integrated and unified TcEng system installed at the head office. This allows the mixed team to **work with the digital mockup and documentation in real time** from geographically separated sites. Further on, this system helped to significantly decrease workload and reduce data transmission time. In 2008, these TcEng features were integrated and used in the activity of the Voronezh branch, Sukhoi Civil Aircraft's offices located at the Central Aerohydrodynamic Institute (TsAGI) and the Flight Research Institute named after M.M. Gromov.

Cost optimization related to expensive R and D software made Sukhoi Civil Aircraft's branches get connected via the data communication channels to a license set installed at the Moscow-based office, thus decreasing the necessary set of software licenses that provide working settings for branches located in various time zones.

On account of the development and maintenance of the SSJ100 working documentation on design, the number of software licenses for designer workplaces was increased**.**

Table 1: Increase in the number of software licenses for 2005 – 2008

	2005	2006	2007	2008
CATI A	156	168	258	258
NX	22	52	61	91
Teamcenter	152	207	263	308
Nastran	794	1600	2200	2200

The Sukhoi Superjet 100 Project blends the skills and experiences of a large number of **Russian and international aviation players.** That is why, information is shared between the Sukhoi Civil Aircraft Company and systems and equipment suppliers as well as between the Company and its production facilities.

The interaction scenario involving all sites participating in the Project is the following: the major site is the site of Sukhoi Civil Aircraft, while the production facilities launched the TcEng work centers.

Five Matlab system workplaces are used for the **aircraft control system simulation** and its performance analysis.

The LMS Virtual.Lab и Sysnoise software is used to address the challenges of acoustic noise reduction aboard the Sukhoi Superjet 100 and outside the aircraft.

All activity involving the digital mockup helps to identify "human-product' interaction challenges even before prototype manufacturing takes place and to go without the physical model along the way. Besides, the **CATIA V5 HUMAN** system evaluates the ergonomic decisions integrated in the cabin and cockpit as well as maintenance and production operations.

9.3 Pre-production Automation

In 2008, automation of production planning activity both at the head office of Sukhoi Civil Aircraft and its branches was first and foremost targeted at workplace automation solution of specific production automation tasks, and development of a unified E-management system to monitor all SSJ100 data and documents.

The **number of the Raport SB licenses was increased from 45 to 74** in 2008.

Mainly, the Raport SB system helps:

1. to develop aircraft production processes requiring cyclic production schedules, flow charts, standard equipment lists and other documents vital for production processes;
2. to execute short-term planning and to track a production progress in terms of the adjusted technological processes, production calendar and all necessary resource availability. In the future, this Raport SB's composite function will be substituted for a more advanced function of the Oracle E-Business Suite ERP system, which is now being integrated.

The following modules of the Raport SB system were developed and integrated:

1. the quality management automation module for automated registration of assembly-related manufacturing flaws and their removal;
2. the module on the production planning and final assembly shop warehouse management for automated parts acceptance and delivery, for a quick analysis of the production plans on component parts supplies; and for an automated aircraft parts supply plan in accordance with the Sukhoi Superjet 100 production plans.

In 2008**, the first workplaces were acquired for the TeamCenter Manufacturing (TcMfg) system**. TcMFg was customized to Sukhoi Civil Aircraft's requirements. Today, this system makes it possible to generate the aircraft production structure based on its design structure. Any changes of aircraft design are automatically recorded within the aircraft production structure.

The **multifunctional system for technological process development was selected and is being integrated now.** It offers simultaneous estimation of the feasibility, ergonomics, human efforts, costs and deadlines required for various works. Besides, this system can **imitate 3D aircraft assembly and joint shop operation**. The selected system will be integrated **as part of the unified management system on aircraft technical information, thus replacing less functional systems**.

The **TcMfg system** is being updated to manage all technical information and documentation about the product. It will become the nucleus of the unified electronic technical data and documentation management system for the Sukhoi Superjet 100 aircraft. System installation will help **to electronically develop all engineering processes related to aircraft design structure.**

Besides, TcMfg is being integrated with the existing IT systems (Oracle E-Business Suite, Raport SB, Temp ASP, 1C, etc.). The electronic manuals of the Raport SB and TcMfg systems were synchronized. The transfer of electronic technological delivery sets from the TcMfg system to the Oracle E-Business Suite system was automated. A synchronizing system comprising classification and other manuals of the Raport SB and 1C Enterprise systems was developed and implemented.

Table 3: Information on the IT systems used by Sukhoi Civil Aircraft for design and production automation

IT system used by Sukhoi Civil Aircraft	Functional Area
TeamCenter Engineering	Management of aircraft electronic design documentation. Archive of the aircraft electronic technical documentation. Digital mockup management. Aircraft structure control – "as it was designed". Aircraft structure control – "as it is supplied".
TeamCenter Manufacturing	Aircraft development – "as it is supplied"
Catia V5	Design of digital mockups and electronic drafts.
NX	Design of digital mockups and electronic drafts.
AutoCAD	Development of key aircraft circuits and systems.
Telelogic Doors requirements management system	Design management of aircraft on-board equipment elements.
MCS.Patran MSC.Nastran, MSC.Dytran, MSC.Marc, MSC.Flight and Loads, MSC.Faticue	Aircraft and component load estimation, aircraft and component strength and endurance analysis.
MSC.SimDesigner for CTAI A V5	System on complex aircraft and component behavior analysis– strength, kinematic and dynamic analyses.
LMS vibroacoustic analysis system	Vibroacoustic analysis system.
Fluent	Aerodynamic analysis, aircraft and component load analysis.
Fluent for CATI A	Gas-dynamic estimations within aircraft systems.
Ansys (I CEM)	Preprocessor for aerodynamic estimations.
RAPORT SB	Development of technological work processes. Production management (MES-system).
TEMP ASP	Development of directive technological processes.

9.4 Aircraft Logistics Support Information System

In order to **automate the SSJ100 logistics support**, the following activities were conducted in 2008:

- automation of logistics support analysis (LSA);
- automation of aircraft maintenance management;
- development of a performance data gathering and analysis system;
- development of the SSJ100 aircraft service documentation and generation of a technical publications system;
- development of a customer support system.

The **LSA Suite software**, integrated with the Teamcenter Engineering product data management system, became the major part of the automated LSA system.
The following **activities on the development of aircraft logistics support analysis system** were conducted in 2008:

- Additional software modules for Teamcenter Engineering were developed to perform LSA: Standard Numbering of Aircraft Items, which was already loaded with data, as well as the modules on Product Zonal Structure and Product Logistics Structure" modules, which are currently being tested.
- The LSA Suite (LSP DB) system was improved in accordance with the requirements of the Customer Service Departments: a module on the Determination of MSG-3 Activities; an additional software module for LSA Suite - Report Editor; a module for MMEL operations; the two modules – one for reliability and failure data import from the RAM Commander DB, the other for the LSA data preparation and export to

the DocTec service documentation development system – are being completed right now.

In addition, as part of the creation of the LSA system, an **MRD/MRB information subsystem was brought into service for the development of certification documents for aircraft scheduled maintenance** operations.

To automate the maintenance management operations for the SSJ100 prototypes, as well as to collect flight and certification data within the framework of MRO automation, the **Erlan-2S information management system** was put into commercial operation.

The performance data gathering and analysis system was designed to **monitor the safety in operations of the aircraft fleet produced,** as well as to **prevent aircraft failures** through a series of corrective actions by the aircraft operator based on the recommendations of the type certificate holder.

The following tasks were completed when developing the performance data gathering and analysis system in 2008:

- Introduction of the project management of the development and integration of the performance data gathering and analysis system (project charter approved).
- A draft requirement specification for the performance data gathering and analysis system was developed and approved.
- A particular requirement specification for the Failure Reporting, Analysis and Corrective Actions (FRACAS) module was developed and approved. This module is designed to automate the collection and analysis of incidents and flight accidents when operating the SSJ100 aircraft.

Sukhoi Civil Aircraft keeps developing **the SSJ100 aircraft service documentation, as well as the technical publications system** (in cooperation with Sogitec Company). In terms of the IT support the following activities were conducted:

- Installation and adjustment of the Sogitec DocTec system (Standard 2, 3) server;
- Development and integration - in collaboration with Sogitec - of the user tech support structure and the DocTec hardware/software packages;
- Remote access to the system was set up for the users-suppliers of aircraft systems to create packages of technical publications.

To make customer services modern and advanced, the year 2008 launched a customer support Web-portal and a customer relations management system (CRM system), which were completed **in collaboration with SuperJet International**.

9.5 Enterprise Resource Management

To make Sukhoi Civil Aircraft more efficient, to reduce its costs, optimize business procedures and to meet all contract commitments, the Company keeps creating **Enterprise Resource Management Information System**.

This system embraces the following scope of activity: supply management; production planning; acquisition and transport planning; program management; execution of contracts with customers; marketing management; management of personnel trainings; cost calculation and budgeting.

In this context **the following issues were solved in 2008**:

- design options were generated in order to reflect all business activities embraced by the system;
- system configurations were adjusted to perform business tasks regarding the key areas of activity (production, acquisitions, and warehousing logistics).

- the main functions of the system got ready for operation in the area of acquisitions and warehousing logistics;
- operational testing of the system is underway within the scope of Suppliers' Manual Maintenance and entry of purchasing documents (purchase orders and contracts);
- approximately 50% of software enhancements were developed and tested with assistance of business users (as updates of the standard functions);
- a number of system components on supply chain management, product planning and acquisitions and transportation planning are ready for testing; the Teamcenter interface development on the aircraft delivery specification and the Raport interface development on exchange of warehouse remains and production task sets are now being finalized. The rest of the enhancements vital for system startup are being tested now.

In 2008 Sukhoi Civil Aircraft put its efforts in the creation of the **e-document management system.** Besides, we launched a **corporate portal to improve internal communications.** Today this portal offers user-friendly navigation and features comprehensive information about the Company, its major projects as well as a set of document samples, etc. The portal is updated on a regular basis and offers all kinds of information: news about the project, a variety of announcements, Q and A section; quizzes and contests; forums and discussions, etc. The portal is technically supported by Sukhoi Civil Aircraft.

9.6 Development of IT Infrastructure

Sukhoi Civil Aircraft was strenuously working to **improve its IT infrastructure** in 20008.

Throughout the year we **put 125 local computer stations into operation**. By the end of the year the **total number of the local area network units reached 3.050** in the offices located in Moscow, Zhukovsky and at Sukhoi Civil Aircraft's branches. The **number of servers, storage and backup systems totalled 107 units** by the end of 2008. Further on, Sukhoi Civil Aircraft introduced a server virtualization system and finalized the **Intranet network**. All Company's branches were connected to the unified data network. The affiliates seated in the cities of Novosibirsk and Voronezh were connected to the Intranet. Besides, the Company integrated the **Microsoft Exchange corporate mail system** offering centralized storage, reserve copying and an integrated address directory, calendar and task manager.

The CISCO ASA firewalls were put into operation, which made all external connections more sustainable and much safer. **DeviceLock**, a system monitoring access to removable storage devices, was integrated.

LanDesk Management Suite, a DNC system to monitor geographically distributed computers, was put into service in order to ease the control over the existing computer fleet, reduce time for software installation on a single computer and a group of PCs.

The **Tanberg-based video conferencing system** was introduced to run conferences with the branches and other users.

The **major meeting room** was comprehensively equipped with **advanced audio and visual equipment** and a **video conferencing system**.

The **CCTV system** was integrated to offer **real-time monitoring of aircraft assembly at the final assembly shop** in Komsomolsk-on-Amur.

10. Personnel Management

10.1 Key Elements of the HR Policy

We aim to create a close-knit team of **highly motivated and efficient individuals** able to smartly attack all sorts of engineering, production, strategic, marketing and other issues.

Our innovation-driven team **makes the most of the best Russian and international skills and experiences** to offer a set of advantages.

We are eager to:

- **offer new professional opportunities to our employees, no matter their position** (corporate trainings; LEAN-technology trainings, etc.);
- **increase personnel's motivation** (rich employment benefits, comprehensive remuneration packages, voluntary health insurance, better payments, etc.);
- **ease and facilitate exchange of information** within the Company and internal relations (corporate portal, information stands);
- **further develop our corporate culture** (new opportunities for personal and professional development; encouragement of creative efforts);
- promote smooth **integration between Sukhoi Civil Aircraft and Alenia Aeronautica**.

By the end of 2008 the Company was staffed with 2,303 employees. Sukhoi Civil Aircraft is eager to motivate all team members offering increased salaries and rewards basing upon job grading. Besides, our HR specialists tend to constantly analyze the market situation to provide our employees with enhanced social guarantees.

Specifically, in 2008 we introduced two types of pay increases and extra payments:

- **Extra payment for managing a group of employees** was introduced to motivate employees who, apart from their direct scope of responsibilities, took charge of a group of employees. The rate of this payment is determined depending on the number of employees in a group and may reach up to 15% of the base salary.
- **Extra payment for the unbroken record of employment** depends upon the continuity of employment within Sukhoi Civil Aircraft and may reach up to 15% of the hourly tariff rate.

In August 2008 Sukhoi Civil Aircraft initiated **voluntary health insurance** of its employees. This embraces clinical and ambulatory assistance, extended care; dentistry services, home help and emergency medical services. **48% of employees were provided with this voluntary health insurance in the year 2008.**

Personnel who have children are offered an opportunity to go to health camps and centers.

Sukhoi Civil Aircraft is motivated to employ more young employees. In 2008 the **number of employees aged between 25 and 35 years old reached 29,6%** (compare to 27,8% in 2007 and 26,2% in 2006).

There are a lot of individuals who have higher education diplomas on our team. Approximately 80% of personnel enjoy higher education degrees, while 7,5% of them completed postgraduate programs. 52 employees were qualified as PhDs and Candidates of Science.

Our human capital and their vast skills help Sukhoi Civil Aircraft, a company eager to take a large share of the civil aviation market, reach its goals and objectives.

10.2 Personnel Trainings

In 2008 **540 employees** – i.e. every fourth employee of the Company, which is 33% more against the last year - **completed a variety of programs and trainings**.

Total training costs amounted to 10.975 thousand rubles.
Average training costs – 14.7 thousand rubles.
Average training cost per one employee – 5.1 thousand rubles.
336 employees completed compulsory trainings and programs. 6.614 thousand rubles were spent on these programs.

11. Environmental Activity

11.1 Environmental Control and Industrial Safety Policy

Sukhoi Civil Aircraft is **an environmentally-friendly company** using low impact technologies when developing, producing and testing its aircraft. Generally, we **aim to soften the impact that the aircraft can exert on the environment**.
Our Company **adheres to the ICAO requirements and demands** towards environmental protection outlined in the Assembly Resolution of the ICAO A35-5. Apart from the legislative acts and regulations that our activity is governed by, our Company developed its own Policy on Environmental Control, Industrial Safety and Labor Protection that corresponds to the strictest and toughest international requirements.

Strategic approaches of our environmental policy:
- Control over the nature and caliber of Company's environmental impacts;
- Involvement of Company's personnel into the environment-related activity through their increased awareness of its importance and personal contribution to our general idea of environmental care;
- Process approach implying activity grading into separate coherent processes and constant monitoring of these processes to make them meet the strictest ecological requirements;
- Use of all vital technical, economic and organizational methods and techniques to ecological safety;
- Sustained improvement of all major processes within the Company's environmental
- Registration of all papers related to industrial safety.

Under our environmental control policy, Sukhoi Civil Aircraft is committed to:
- Continuing improvement of its production environment and prevention of environmental pollution;
- Minimization of environmental impact of harmful production factors;
- Compliance of the Company's activity with the environmental legislation and regulations;
- Ensuring the ground for existing and potential ecological results and their analysis;
- Offering comprehensive information about our environmental performance.

11.2 Key Environmental Figures

Information on the total amount of emitted pollutants
Under Permission # 20474 of the Moscow Interregional Office on Technological and Environmental Monitoring dated December 27, 2007, total emissions of harmful substances into the open air from the vehicles registered at the Sukhoi Civil Aircraft's Moscow office amounted to 0.2566857 t/g.

Information on the ecological audit – already conducted and/or planned
Having joined hands with the Research and Training Center, we completed a preliminary ecological audit and quality control to prove the compliance of Sukhoi Civil Aircraft's branch in Komsomolsk-on-Amur with the ISO 19011 requirements.
The **results** of the **environmental audit** of Sukhoi Civil Aircraft's facilities and environmental assessment of the Company's plans on introduction of new facilities into operation **do not demonstrate any significant environmental risks**.

12. Risk Management

12.1 Major Program Risks

The major risks on the Program are:

- The necessity of acquiring a Type certificate and supplying 12 serial engines in 2009;
- Delay in components delivery for test and serial aircraft;
- A short time span between the acquisition of the type certificate (category II, Russia) and category III type certificate (Europe);
- Lack of financial resources to complete certification and produce aircraft for the first customers.
- Tight deadlines for the concurrent certification testing of a variety of aircraft systems.

12.2 Legal Risks

Changes in currency legislation
A part of Sukhoi Civil Aircraft's obligations is denominated in foreign currency; therefore any changes to the existing currency regulation may have a negative feedback on the Company. Specifically, they may undermine proper fulfillment of obligations under the signed contracts; require additional agreements to be signed or make the scope of obligations different, etc.

Changes in tax legislation
Sukhoi Civil Aircraft pays federal, state and local taxes; therefore changes in tax legislation (increased tax rates, new taxes and fees, etc.) may increase of the overall tax burden of the Company and change the final economic results, including decreased net profit.

Changes in customs legislation
The activity of Sukhoi Civil Aircraft heavily relies upon our ability to neatly deal with the movement of goods across the customs border of Russia; therefore changing rules of the customs and export control and of the size and manner of customs payments may have a negative impact upon the Company's financial performance and activity.

Changes in licensing and certification requirements
As our core activity is subject to compulsory licensing, while our products must be certified, toughening licensing and certification requirements may prompt additional measures to be implemented – all to make Sukhoi Civil Aircraft's products meet new standards. New amendments to the current licensing and certification policies may take more time for preparation of all documents vital for license/certification prolongation or acquisition. If the Company fails to fulfill the emerging requirements, all related activity will be terminated.

Changes in IP legislation
As Sukhoi Civil Aircraft undertakes research and development activity in the field of aviation technology and solutions, changing regulations in the field of intellectual property relations may have a negative impact upon the Company.

Changes in court policy
Changes in the court policy that have to do with our Company's activities may increase costs on our participation in legal trials, including fees for the services of highly-qualified lawyers. Besides, they may lead to judgments against Sukhoi Civil Aircraft.
To reduce legal risks, the Company is constantly monitoring all changes of the existing court practice, as well as the legislative activities of relevant authorities, thus evaluating their potential influence upon our activity.

12.3 Financial Risks

We take into consideration the following financial risks:

- *Interest rate change risk*

Рост процентных ставок по привлекаемым средствам оказал влияние на финансовый результат деятельности компании в 2008 году. Однако потери от роста процентных ставок были минимальными в связи с диверсифицированной структурой долга и фиксированной ставкой по существенной части долга.

To constantly grow, our Company attracts borrowed funds in the global financial market. There is a risk of changing the existing interest rates, which greatly hinges on the financial market situation. The financial crisis of the year 2008 had a negative influence upon the liquidity level and availability of financial resources in the Russian Federation. Besides, it brought increased interest rates. The increase in interest rates on the raised funds exerted negative influence upon our performance in 2008. Still, losses stemming from the increased interest rates were minor due to our diversified debt structure and a fixed rate on the major part of this debt.

- *Liquidity decline risk*

Under poor financial situation in the global market, there is a risk of liquidity decline, i.e. the Company's failure to timely fulfill its obligations. In 2008 the Company was eager to minimize this risk. Cash flow planning and its systematic control let us timely assess the potential scarcity of financial resources and take all necessary actions to neutralize it.

- *Currency risk*

To Sukhoi Civil Aircraft, the currency risk has to do with fluctuating exchange rates (ruble versus all foreign currencies in which a part of our expenses and obligations are dominated). We are mostly referring to USD and euro. In particular, weakening ruble prompted cost escalation with regard to the revenue (as there is no income from aircraft sales we imply income from the government contract). The weakening ruble prompted additional expenses on coverage of obligations denominated in foreign currency as well as expenses in the form of the negative exchange loss related to reappraisal of obligations. However, this influence was smoothly neutralized by Company's major financing sources in foreign currency.

- *Inflation risk*

The current inflation rate had no considerable impact on Sukhoi Civil Aircraft in 2008. Still, considering that all major costs depend on the price situation in Russia, growing inflation rates may negatively influence our financial performance in the future. The crisis, which has had a firm grip on the world, Russia is likely to see soaring inflation, but its rates will not be dramatic for Company's results.

If one of the risks mentioned above emerges, Sukhoi Civil Aircraft will undertake all possible measures to minimize their negative feedback.

12.4 Risk Mitigation Activities

The main activities on risk mitigation are:

- Decline in aircraft production in the year 2009 up to the most optimal level to get the most of the cash and human recourses.
- Review of working schedules and settlement of a variety of issues regarding document release, test completion and quality of the end product (cooperation with parts manufacturers).
- Analysis of resource endowment that has to do with the most vital Project areas.
- Improvement of document flows and decision-making processes.

- Improvement of Company's planning system.
- Analysis of aircraft supply maintenance and development of the aftersales support strategy.

13. Corporate Governance

13.1 Sukhoi Civil Aircraft's Board of Directors

In accordance with the decision made at the General Meeting of Shareholders dated June 11, 2007, the Board of Directors performed general management of the Sukhoi Civil Aircraft Company **from January 1 till May 5, 2008**.

The Board of Directors was comprised of the following members:
Ruben K. Vardanyan is Chairman of the Board of Directors Sukhoi Civil Aircraft (Protocol of the Board of Directors # 1 dated June 20, 2007). Mr. Vardanyan also holds the position of Chairman of the Board of Directors of the Troika Dialog Group of Companies, and is a member of the Board of Directors of NOVATEK OJSC, a member of the Board of Directors of the AK BARS BANK, President of the Skolkovo Moscow School of Management; a member of the Board of Directors of URSA Bank OJSC, a member of the Board of Directors of RusSpetsStal, a member of the International Advisory Council Marsh & McLennan Companies, a member of the Board of Directors of the ZhASO Insurance Company.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Boris D. Bregman is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Bregman also fills the position of the First Deputy Director General for Economy and Supplies at Sukhoi Holding, Chairman of the Board of Directors of the Sukhoi Design Bureau, a member of the Board of Directors of KnAAPO JSC, and a member of the Board of Directors of Avionika MNPK JSC.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Sergey S. Korotkov is a member of the Board of Directors of Sukhoi Civil Aircraft, who at the same time fills the following positions: First Deputy Director General for Programs of Sukhoi Holding; a member of the Board of Directors of the Sukhoi Design Bureau; a member of the Management Board of Sukhoi Design Bureau NTS, a member of the Board of Directors of KnAAPO JSC, and Chairman of the Board of Directors of NAPO.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Vladimir M. Lopukhin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Lopukhin also holds the position of President Vangvard LLC, a member of the Board of Directors of British American Tobacco-Java.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Victor I. Merkulov is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Merkulov also occupies the position of a member of the Board of Directors and Head of the HR Committee of the Board of Directors of KnAAPO JSC, as well as Deputy Director General for Production, Technical Development and Quality of the Sukhoi Holding.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Igor Y. Ozar is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Ozar also holds the positions of Sukhoi Design Bureau's CEO, a member of the Board of Directors of

the Sukhoi Design Bureau, a member of the Management Board of Sukhoi Design Bureau NTS, Deputy Director General for Corporate Finance of the Sukhoi Holding, a member of the Board of Directors of the Sukhoi Holding and a member of the Board of Directors of KnAAPO JSC.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Alexander I. Pekarsh is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Pekarsh also fills the position of Director General of KnAAPO JSC.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Victor V. Soubbotin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Soubbotin also fills the positions of President of Sukhoi Civil Aircraft and a member of the Board of Directors of NAPO.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Yevgeny I. Shaposhnikov is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Shaposhnikov also holds the position of Adviser to Director General of the Sukhoi Holding.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

In accordance with the decision made at the Annual Meeting of Shareholders dated May 5, 2008, the Board of Directors performed general management of the Sukhoi Civil Aircraft Company **from May 5 till December 31, 2008**.

The Board of Directors was comprised of the following members:
Ruben K. Vardanyan is Chairman of the Board of Directors Sukhoi Civil Aircraft (Protocol of Absent Voting # 1 dated June 06, 2008). Mr. Vardanyan also holds the position of Chairman of the Board of Directors of the Troika Dialog Group of Companies, and is a member of the Board of Directors of NOVATEK OJSC, a member of the Board of Directors of the AK BARS BANK, President of the Skolkovo Moscow School of Management; a member of the Board of Directors of URSA Bank OJSC, a member of the Board of Directors of RusSpetsStal, a member of the International Advisory Council Marsh & McLennan Companies, a member of the Board of Directors of AVTOVAZ and MASH.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Sergey B. Galperin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Galperin also holds the positions of the Head of the Civil Aviation Projects Department of the United Aircraft Corporation; a member of the Board of Directors of the Finance-Leasing Company; a member of the Board of Directors of VASO, a member of the Board of Directors of Tupolev JSC, a member of the Board of Directors of the Yakovlev Design Bureau and a member of the Board of Directors of Aviastar-SP JSC.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Vladimir M. Lopukhin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Lopukhin also holds the position of President Vangvard LLC, a member of the Board of Directors of British American Tobacco-Java.

During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Igor Y. Ozar is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Ozar also holds the positions of Sukhoi Design Bureau's CEO, a member of the Board of Directors of the Sukhoi Design Bureau, a member of the Management Board of Sukhoi Design Bureau NTS, Deputy Director General for Corporate Finance of the Sukhoi Holding, a member of the Board of Directors of the Sukhoi Holding and a member of the Board of Directors of KnAAPO JSC.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Victor V. Soubbotin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Soubbotin also fills the positions of President of Sukhoi Civil Aircraft and a member of the Board of Directors of NAPO.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Yevgeny I. Shaposhnikov is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Shaposhnikov also holds the position of Adviser to Director General of the Sukhoi Holding.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Camillo Perfido is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Perfido also holds the position of Vice-President for Strategic and Special Projects of Alenia Aeronautica S.p.A., and Director General and Chairman of the Board of Directors of the SAPHIRE Company.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

Logli Carlo is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Perfido holds the position of Senior Vice-President on Marketing and Business Development of Alenia Aeronautica S.p.A.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

13.2 Information about the Chief Executive Officer

In accordance with the decision made at the meeting of the Board of Directors (Protocol of the Absentee Voting of the Board of Directors # 18 dated October 3, 2006) President of Sukhoi Civil Aircraft (Chief Executive Officer) performed general management of the Company from **January 1 till December 31, 2008.**

Victor V. Soubbotin is a member of the Board of Directors of Sukhoi Civil Aircraft. Mr. Soubbotin also fills the positions of President of Sukhoi Civil Aircraft and a member of the Board of Directors of NAPO.
During the reporting period, this person held no shares of Sukhoi Civil Aircraft and did not make any transactions on the Sukhoi Civil Aircraft share acquisition or alienation.

13.3 Criteria and Size of the CEO's Reward

The criteria determining the size of the CEO's reward are regulated by the scale and results of production and commercial operations throughout the business year as well as by the Employment Contract signed with the President.

13.4 Report of Dividend Payment

The General Annual Meeting of Shareholders (Protocol dated May 7, 2008) decided not to pay dividends for the year 2007.

13.5 Board of Directors' Report On Company's Development

Under the Special Federal Program on the Development of Civil Aviation Technology through 2002-2010 and up to year 2015 as well as under the corporate strategy of Sukhoi Civil Aircraft approved by the Board of Directors our core business embraces:

- Meeting the demand of Russian airlines in modern aircraft;
- Creating globally competitive civil aircraft;
- Increasing sales of civil aircraft produced in Russia and offering the top-quality aftersales support system;
- Research and development; design and innovation works related to civil aviation technologies and products;
- Flight tests of prototypes and production aircraft; tests of MRO and other equipment;
- Enhancing international cooperation;
- Development of advanced organizational structure that can fulfill all demands and needs of our international partners;
- Capital increase;
- Generation of brand-new high-tech solutions;
- Marketing in Russia and abroad.

Current Project: a Russian family of regional jets – **Sukhoi Superjet 100.**

13.6 Report on the Compliance of Company' Activity with the Corporate Behavior Code

Attachment # 2. Report on the Compliance of Company's Activity with the Corporate Behavior Code

14. Financial Statements

14.1 Accounting Statements

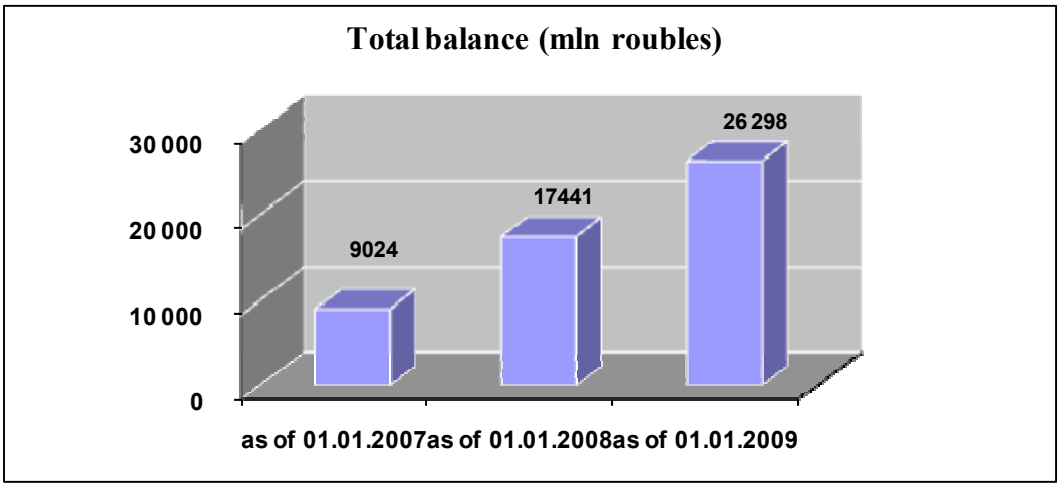
Attachment # 3. Accounting Statements'08

14.2 Management Comments on the Accounting Statements

The financial and economic performance of Sukhoi Civil Aircraft fully matches the current investment stage of the Project. These indicators reflect the nature of aviation business when their projects are just making progress.

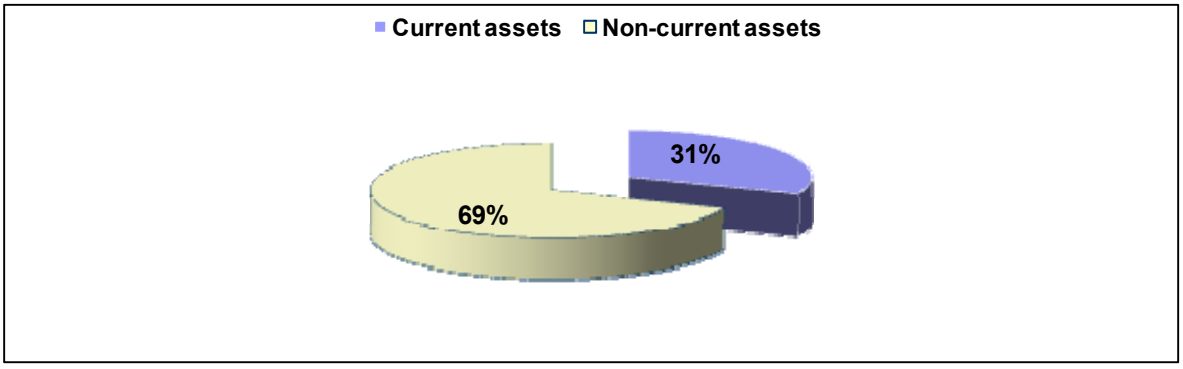
Throughout the last reporting periods the total balance has been demonstrating steady growth. In 2008 it increased by 151%, thus reaching 26 298 126 thousand rubles in absolute terms in early 2009. Growing total balance shows that Sukhoi Civil Aircraft is a thriving company able to make big progress.

Figure 4. Total Balance Dynamics in 2007-2009



During the last few years we have seen an increase of non-current assets thanks to capitalization of R & D costs. In 2008 this increase amounted to 15% (initially it was 54% and reached 69% by the end of the year). As a result, the share of the current assets decreased from 46% to 31%.

Figure 5. Asset Structure of the Company as of January 1, 2009



The major part of the current assets is accounted for:

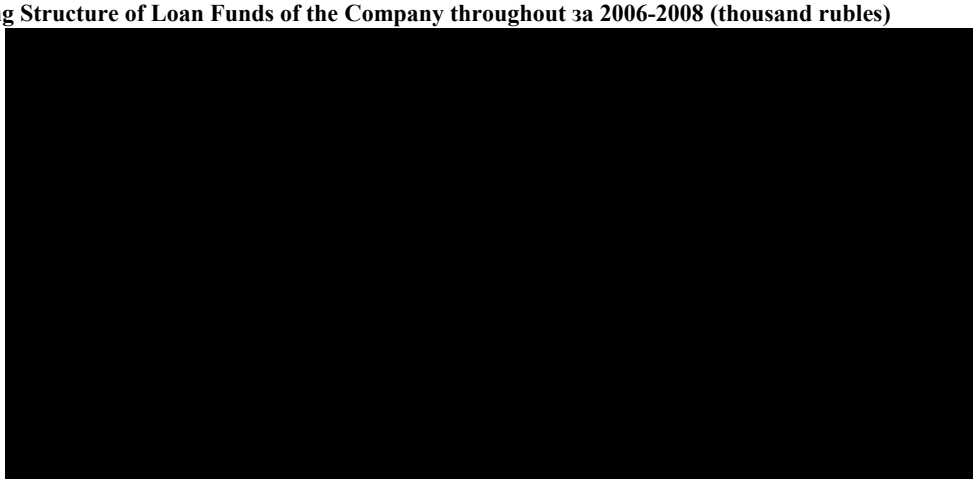
- Account receivables (less than 1 year) - 34.76%;
- Cash assets + short-term financial investments (deposits) - 14.13%.

Company's account receivables, totaling 2 835 641 thousand rubles at the end of 2008, are mostly comprised of debts to be covered within 12 months.

Figure 6. Changing Asset Structure of the Company throughout 2007-2009 (thousand rubles)

The greater part of our assets is focused upon R and D costs. Their share in the non-current assets portfolio reaches 78.14%, or 53.9% of the total balance. R and D activity has to do with two projects: Sukhoi Superjet 100 (the bulk of the costs) and SSBJ. Among our fund sources are both our own and loan funds.

Figure 7. Changing Structure of Loan Funds of the Company throughout за 2006-2008 (thousand rubles)



The value of the loan funds increased by 1.6 times at the end of 2008, thus reaching 85% of the total balance. They were mostly flowed into the Sukhoi Superjet 100 Project and related research and development efforts.

As our activity relies highly upon loan funds, in 2008 the share of long-term loan funds was increased in the overall scope of liabilities. All in all, 95.5% is accounted for long-term liabilities, while the share of short-term liabilities amounts to 4.5%, which makes our company financially stable.

The non-current assets of Sukhoi Civil Aircraft were accumulated through our own and loan funds, which demonstrates the maturity of the fund sources and the assets they are used for, i.e. the financial sustainability of the Company.

Company's accounts payable amount to 3 749 875 thousand rubles, and Sukhoi Civil Aircraft has no overdue accounts payable and manages to repay credit and loan obligations in due time.

Besides, we redeem all obligations related to tax payments to the budget and extra-budgetary funds in due time.

Table 8 features the figures of the Company's financial situation.

Table 4. Ratios of the Sukhoi Civil Aircraft's Financial Situation

	Ordinary indicator value	At the beginning of the reporting period (January 1, 08)	At the end of the reporting period (January 1, 09)
Capital structure indicators			
Ratio: loan funds vs own funds (shows increase of loan funds over one's own funds)	<1	19,23	-39,89*
Equity ratio (specifies the scale of Company's financial independence)	>0,5	0,05	0,03
Total liabilities to assets (indicates the share of assets supported by loan funds)	0,2-0,5	0,95	1,03
Liquidity indicators			
Absolute liquidity ratio (indicates the share of short-term liabilities that may be covered by cash assets or their equivalents)	0,2-0,5	0,54	0,24
Current liquidity ratio (indicates if the company has enough funds that may be used to cover short-term liabilities)	1-3	1, 71	1,69

* The indicator has a negative value due to the uncovered loss amounting to 1,449,462 thousand rubles as of January 1, 2009

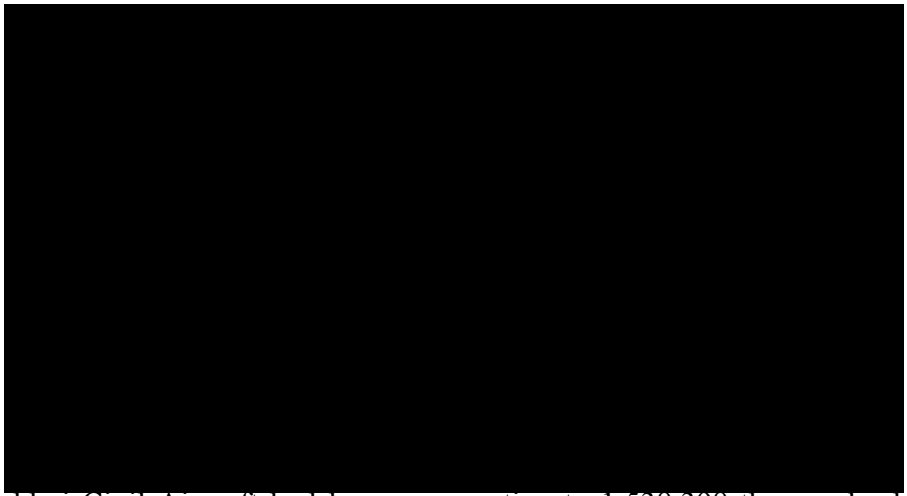
The uncovered loss within the reporting period led to a negative ratio of loan to own funds. The value of this ratio is not considered dramatic when taking into account the nature of our business and the current investment stage of Project Development.

As of January 1, 2009, the value of the absolute liquidity ratio is within normal limits, thus demonstrating that a quarter of the Company's short-term obligations can be covered by the most liquid assets.

As of January 1, 2009, the value of the current liquidity ratio indicates that the Company's current assets are sufficient to cover our short-term obligations. Thus, there is no any bankruptcy threat.

In 2008 the Company's revenue reached 1 329 900 thousand rubles, which is 65.4% less than in the year 2007. This does not indicate poorer performance, as at the current stage of Project development the revenue figure, among other things, reflect research and development efforts under the government contract.

Figure 8. Sales Revenue in 2007-2008 (thousand rubles)



In 2008 Sukhoi Civil Aircraft had losses amounting to 1,538,398 thousand rubles that are mostly reasoned by currency translation differences related to foreign currency operations.

Today our financial standing is stable. Growing financial results in some accounting areas and changing financial statement structure let us conclude that Sukhoi Civil Aircraft is a financially stable company distinguished for positive growth rates.

15. General Information

15.1 Core Activity

The Sukhoi Civil Aircraft Company focuses upon development and production of a new family of Russian regional jets – the Sukhoi Superjet 100.

OKVED (Russian National Classifier of Economic Activities):

- R & D in the field of natural and engineering sciences;
- Production of spark-ignited aircraft engines and their parts;
- Production of helicopters, airplanes and other aircraft;
- Production of other parts and gear for aircraft and space vehicles;
- Repair, maintenance, and renovation of aircraft and aircraft engines;
- Consulting support on commercial activity and management issues;
- Activity in the field of architecture, design and development;
- Engineering tests, research and certification;
- Other activities on quality control, tests and analysis;
- Flight and nautical personnel trainings;
- Non-scheduled air freight transportation activity.

15.2 Full and Abbreviated Company Name

Full company name in Russian: Закрытое акционерное общество «Гражданские самолеты Сухого».

Abbreviated company name in Russian: ЗАО «ГСС».

Full company name in English: Joint-Stock Company “Sukhoi Civil Aircraft”.

Abbreviated company name in English: JSC “SCA”.

15.3 Location and Mailing Address

23B, Building 2, Polikarpov Str., Moscow 125284, Russia

15.4 Corporate website

www.sukhoi.superjet100.com
E-mail: info@scac.ru

15.5 Telephone: +7 495 727 19 88

Fax: + 7 495 727 19 83

Attachment # 1. Internal and External Audits of Sukhoi Civil Aircraft

Sukhoi Civil Aircraft underwent a series of Company's **audits** and **supplier audits**. The regulatory basis of audits was significantly refined. The main information on these audits is shown in Table 1.

Table 1. External Audits performed in the year 2008

No.	Supplier	Audit purpose
	ANKOL	Inspection of the Kamatics company products, quality control of the products supplied.
	VASO	Inspection of VASO's products manufactured and prepared for shipping, verification of activities to implement the protocol of the meeting devoted to Quality Issues.
	MDI	Control of a set of main supports for the 95004 aircraft. Implementation of the MESSIER - DOWTY quality management system internal procedures for the production and quality control of the supports.
	KnAAPO	Inspection of the Company's readiness for the mass-production of SSJ100's components in accordance with the requirements of the AR IAC 21.2S, 23-29.605 guidelines, specific industrial regulatory documentation, contractual and regulatory documentation of Sukhoi Civil Aircraft.
	NAPO	Quality control of components assembly for aircraft no. 95007.
	KnAAPO	Audit of weight control procedures at KnAAPO.

These external audits led to the development of the **plans for corrective and preventive measures**. They are being executed now.

Sukhoi Civil Aircraft saw a number of internal audits whose results you will see in Table 2.

Table 2. Internal Audits performed in the year 2008

No	Audit location	Audit purpose
1	Staging Directorate	Implementation of the Comprehensive Plan for production staging of SSJ100 family aircraft at JSC "SCA" branches.
2	Komsomolsk-on-Amur branch	Assessment of conformity to standard conditions defined by 21.2S, preparation for the AR IAC inspection.
3	Design departments	Checking the correctness of the technical documentation for critical parts and assembly units (CPAU) of the SSJ100/95LR aircraft.
4	All divisions	Checking the completeness of the organizational standards basis.
5	All divisions	Conducting preliminary self-assessment.
6	Novosibirsk branch	Testing of procedures for working with nonconforming products (with design changes), JSC "SCA" Novosibirsk branch design documentation management procedures.
7	Flight-testing complex	Checking the completeness of JSC "SCA" flight-testing complex preparedness for Sukhoi Superjet 100 aircraft ground and flight testing.

As a result of these audits, the plans for corrective and preventive measures were developed. Sukhoi Civil Aircraft is now monitoring their execution.

Measure Execution Control at the KnAF (Komsomolsk-on-Amur) Production Facility

In 2008, the KnAF Quality Control Department integrated and automated measure execution control based on the Access database located at Sukhoi Civil Aircraft's production facility in Komsomolsk-on-Amur.

Appendix № 2

Report on JSC "SCA" compliance with the provisions of the Code of Corporate Conduct

The present report has been compiled in accordance with the guidelines on the issue of content and format of submitting information about compliance with the Code of Corporate Conduct in the annual reports of joint-stock companies approved by FCSM (Federal Commission for the Securities Market N 03-849/p dated April 30, 2003 1

№	Provision of the Code of Corporate Conduct	Compliance or incompliance	Comments
General meeting of shareholders			
1	Notification of shareholders about holding general meeting of shareholders not less than 30 days prior to the date of the meeting regardless of the issues included into the agenda in case the laws do not stipulate a larger time frame	Compliance	Item 1 cl. 23 of JSC "SCA" Charter,
2	Shareholders' availability to review the list of persons entitled to participate in the general meeting of shareholders starting from the date of informing about holding the general meeting of shareholders and prior to closing the general meeting of shareholders in presentia, and in case of absentee general meeting of shareholders – till the final date of voting ballots acceptance	Compliance	Item 4 cl. 22 of JSC "SCA" Charter (only persons entitled and included into this list and possessing not less than 1% of the votes)
3	Shareholders' availability to review the information (materials) subject to submission in the process of preparation for the general meeting of shareholders via electronic means of communication, including Internet.	Incompliance	
4	Shareholders' availability to have a possibility to include the issue into the agenda of the general meeting of shareholders or require calling for general meeting of shareholders without submitting the extract from the shareholders' register, if the account of his rights for shares is performed in the shareholders register system,	Compliance	

[1] On the basis of JSC "SCA" Charter approved on May 05, 2008 at the annual general meeting of shareholders.

	and in case if his rights for shares are accounted at the securities account, - sufficiency of the extract from the securities account for performing the abovementioned rights		
5	Availability of requirements in the charter or internal company documents for the mandatory presence of the general director, members of the Board of Management, members of the Board of Directors, members of the revision committee and auditor of the company	Incompliance	Chairman of the Board of Directors functions as a chairman at the general meeting of shareholders (item 4 cl.19 of JSC "SCA" charter; item 4 cl.2 of the Regulation about general meeting of shareholders; sub-item. 4 item 3 cl.7 of the Regulation on the Board of Directors)
6	Mandatory presence of candidates at the general annual meeting of shareholders when reviewing the issue on the election of the members of the Board of Directors, general director, members of the Board of Management, members of the revision committee, as well as the issue on the approval of the auditor of the joint-stock company	Incompliance	There is no requirement for the mandatory presence of the indicated persons at the general meeting of shareholders Item 3 cl.6 of the Regulation contains the requirement as information subject to submission to the persons entitled to participate in the general meeting of shareholders, indicate information about candidates and availability /unavailability of the written consent of candidates.
7	Availability of the procedure for registration of participants of the general meeting of shareholders in the internal documents of the joint-stock company	Compliance	Item 5 cl.2 of the Regulation on the general meeting of shareholders
Board of Directors			
8	Availability of the Board of Directors authorities for the annual approval of the company's financial plan	Compliance	Sub-item 20 item 3 cl. 34 of JSC "SCA" charter
9	Availability of the company risk management procedure approved by the Board of Directors	Incompliance	
10	Availability of the Board of Directors' right in the company's charter to make a decision about termination of the authorities of the general director appointed by the general meeting of shareholders	Partial compliance	Sub-item 23 item 3 cl.34, item 2 cl.38 of JSC "SCA" charter Formation and early termination of the single executive body of the Company – President is related to the competence of the Board of Directors
11	Availability of the Board of Directors' right in the company's charter to set forth requirements for the qualification and amount of the remuneration of the general	Partial compliance	Sub-item 23, 24, 31 item 3 cl.34 of JSC "SCA" charter Solution of the issue on the amount of remuneration of the Company's president, Chief financial officer and

	director, members of the Board of Management, heads of main structural subdivisions of the joint-stock company.		other persons occupying management positions, is related to the competence of the Board of Directors
12	Availability of the Board of Directors' right in the company's charter to approve the contract terms with the general director and members of the Board of Management	Compliance	Sub-item 23 item 3 cl. 34 of JSC "SCA" charter
13	Availability of the requirement in the charter or company's internal documents that sets forth as follows: in the process of approving the contract terms with the general director (managing company, manager) and members of the Board of Management, the votes of the members of the Board of Directors being general director and members of the Board of Management are not accounted in the process of votes calculation	Compliance	Item 5 cl.41 of JSC "SCA" charter
14	Availability of not less than 3 independent directors in the Board of Directors of the joint-stock company that corresponds to the requirements of the Corporate Code of Conduct	Incompliance	
15	In the membership of the Company's Board of Directors lack of the persons claimed guilty for economic crimes or crimes against government authorities, government services' interests and local services or persons applied to with the administrative penalties for breaches in the sphere of business activity or finances, tax and fees, bond market.	Compliance	
16	In the membership of the Company's Board of Directors lack of the persons that are participants, general director (general manager), member of the management authority or employee of the legal entity being a competitor to the joint-stock company	Compliance	
17	Availability of the requirement in the company's charter about the	Compliance	Item 3 cl.35 of JSC "SCA" charter

	Board of Directors' election by cumulative voting		
18	Availability in the company's internal documents of the responsibilities of the Board of Directors' members to restrain from the actions that cause or might cause the conflict of their interests and company's interests, and in case of occurrence of such a conflict – responsibilities to disclose the information about this conflict to the Board of Directors	Compliance	Item 1 cl.39 of JSC "SCA" charter: The members of the Board of Directors when performing their rights and responsibilities shall act in the interests of the Company Item 3 cl. 41 of JSC "SCA" charter, item 1 cl. 13 of the Regulation on the Board of Directors: The members of the Board of Directors shall notify the Board of Directors, revision committee and auditor: about legal entities where they jointly with their affiliated persons possess 20 and more percents of the voting shares (stakes, stocks), about legal entities and management authorities where they occupy positions, about transactions they know are performed or planned to be performed where they could be regarded as a related party.
19	Availability in the company's internal documents of the responsibilities of the Board of Directors' members to notify in a written form the Board of Directors on the intention to make transactions with the securities of the joint-stock company where they are members of its Board of Directors or its subsidiaries, and also to disclose the information about transactions with such securities made by them	Partial compliance	Item 2 cl. 48 of JSC "SCA" charter: The affiliated persons shall notify the Company in a written form about Company shares they own not later than 10 days since they have purchased them
20	Availability in the company's internal documents of the requirement to hold the meeting of the Board of Directors not less frequent than once in a six weeks period	Incompliance	Item 1 cl.37 of JSC "SCA" charter The Board of Directors meeting shall be held not less frequently than once in a quarter.
21	Holding meetings of the Board of Directors of the joint-stock company within a year period when the annual report of the joint-stock company is compiled with the frequency not less than once in a six weeks period	Incompliance	
22	Availability in the company's internal documents of the procedure for holding the Board	Compliance	Cl. 37 of JSC "SCA" charter cl. 10 of the Regulation on the Board of Directors

	of Directors' meetings.		
23	Availability in the company's internal documents of the mandatory approval by the Board of Directors of the transactions of the joint-stock company for the amount of 10 and more percent of the company's book value, except for the transactions made in the process of common financial activity	Compliance	JSC "SCA" charter sets forth a lower threshold – sub-item 17, 19, 26, 27, 28, 30, 32, 33, 35 item 3 cl. 34 of JSC "SCA" charter;
24	Availability in the company's internal documents of the right of the members of the Board of Directors to receive the information from the executive authorities and heads of the main structural subdivisions of the joint-stock company required for performing their functions, as well as responsibility for non-provision of such information	Incompliance	
25	Availability of the Board of Directors' committee for strategic planning or imposing functions of the abovementioned committee on another committee (except for audit committee and HR and remuneration committee)	Incompliance	
26	Availability of the Board of Directors' committee (audit committee) that gives recommendations to the Board of Directors on the auditor of the joint-stock company and cooperates with him and with the revision committee of the joint-stock company	Incompliance	Since 05.05.2008 the authorities of the members of the Audit Committee have been terminated, the new membership of the Audit Committee has not been elected.
27	Availability of only independent and non-executive directors as the members of the Audit Committee	Incompliance	Since 05.05.2008 the authorities of the members of the Audit Committee have been terminated, the new membership of the Audit Committee has not been elected.
28	Management of the Audit Committee by an independent director	Incompliance	Since 05.05.2008 the authorities of the members of the Audit Committee have been terminated, the new membership of the Audit Committee has not been elected.
29	Availability in the company's internal documents of the right of all the members of the Audit Committee for access to all the	Compliance	Item 5.1.,5.6. of the Regulation on the Audit Committee of JSC "SCA" Board of Directors

	documents and information of the joint-stock company upon the condition of non-disclosure of the confidential information		
30	Organization of the Board of Directors' committee (HR and remuneration committee) with its function to determine the criteria of selecting the candidates for the members of the Board of Directors and planning the policy of the joint-stock company in the sphere of remuneration	Incompliance	HR and remuneration committee members have not been elected.
31	Management of HR and remuneration committee by an independent director	Incompliance	HR and remuneration committee members have not been elected.
32	Lack of company's executive officers as members of HR and remuneration committee	Incompliance	HR and remuneration committee members have not been elected.
33	Organization of the Board of Directors' risks committee or imposing its functions on another committee (except for audit committee and HR and remuneration committee)	Incompliance	
34	Organization of the Board of Directors' committee for settling the corporate conflicts or imposing functions of the abovementioned committee on another committee (except for Audit Committee and HR and remuneration committee)	Incompliance	
35	Lack of company's executives in the membership of the committee for settling corporate conflicts	Incompliance	
36	Management of the committee for settling corporate conflicts by an independent director	Incompliance	
37	Availability of the company's internal documents approved by the Board of Directors that set forth the procedure for forming and work of the Board of Directors' committees	Compliance	Regulation on HR and remuneration committee of JSC "SCA" Board of Directors approved by the Board of Directors (Minutes № 8 as of March 03, 2006) Regulation on Audit Committee of JSC "SCA" Board of Directors approved by the Board of Directors (Minutes № 4 as of November 20, 2007)
38	Availability in the company's charter of the procedure to define the quorum of the Board of	Incompliance	

	Directors permitting to provide mandatory participation of the independent directors at the Board of Directors' meetings		
Executive authorities			
39	Availability of the Collegial Executive Body (management) of the joint-stock company	Incompliance	
40	Availability in the company's charter or internal documents of the joint-stock company of the regulation about necessity of approval of the real property transactions, credits obtaining by the joint-stock company, if the indicated transactions are not related to the major transactions and the settlement of these transactions is not related to the general administrative and economic activity of the joint-stock company.	Incompliance	
41	Availability in the company's internal documents of the procedure for approval of operations that are beyond the scope of the financial and economic plan of the joint-stock company	Incompliance	
42	Lack in the company's executive authorities membership of the persons that are participants, general director (manager), member of the managing authority or employee of the legal entity being a competitor of the joint-stock company	Compliance	
43	Lack in the company's executive authorities membership of the persons that have been claimed guilty for committing economic crimes or crimes against government authorities, government services' interests and local services or persons applied to with the administrative penalties for breaches in the sphere of business activity or finances, tax and fees, bond market.	Compliance	
44	Availability in the company's charter or internal documents of	Incompliance	

	the banning for managing company (manager) to perform similar functions in the competitive company as well as have any property relations with the joint-stock company, in addition to rendering services to the managing company (manager)		
45	Availability in the company's internal documents of the responsibilities of the executive authorities to sustain from the actions that cause or might cause the occurrence of a conflict between their interests and interests of the joint-stock company, and in case of occurrence of such a conflict – responsibility to notify the Board of Directors about it	Compliance	Item 1 cl. 39 of JSC "SCA" charter: Company's President when performing his rights and responsibilities shall act in the interests of the company. Item 3 cl. 41 of JSC "SCA" charter: Company's President shall inform the Board of Directors, revision committee and auditor about legal entities where he jointly with his affiliated persons possesses 20 and more percents of the voting shares (stakes, stocks), legal entities where he occupies managing positions, transactions he knows are performed or planned to be performed where he could be regarded as a related party
46	Availability in the company's charter or internal documents of the criteria for selection of the managing company (manager)	Incompliance	
47	Submitting monthly reports about its activity by the executive authorities of the joint-stock company to the Board of Directors	Incompliance	
48	Setting forth the responsibility for infringement of the regulations on the use of confidential and insider information in the contracts concluded by the joint-stock company with the general director (managing company, manager) and members of the Board of Management	Compliance	Item 4.1.10. of the Labor Contract with President of JSC "SCA"
Company's Secretary			
49	Availability in the joint-stock company of the special officer (secretary of the Company) whose task is to provide compliance by company's authorities and officers with the	Incompliance	The secretary of the Company has not been appointed

	procedural requirements that ensure fulfillment of rights and legitimate interests of the Company's shareholders		
50	Availability in the company's charter or internal documents of the procedure for appointing (election) of the Company's secretary and his responsibilities	Compliance	Regulation on the Secretary of the Board of Directors and executive secretary of JSC "SCA"
51	Availability in the company's charter of the requirements for the candidate of the Company's secretary	Incompliance	
Essential corporate actions			
52	Availability in the company's charter or internal documents of the requirement for approval of the major transaction prior to its approval	Compliance	Cl. 40 of JSC "SCA" charter
53	Mandatory involvement of an independent appraiser for evaluation of the market value of the property that is a subject of the major transaction	Incompliance	Item 2 cl. 40 of JSC "SCA" charter: For Company's Board of Directors and general meeting of shareholders to make a decision about approval of the major transaction, the cost of the alienated or purchased property (works, services) is defined by Company's Board of Directors in accordance with clause 77 of the Federal Statute "About joint-stock companies»
54	Availability in the company's charter when purchasing major shareholding of a joint-stock company (take-over) of the banning of any actions target at the protection of interests of the executive authorities (members of these authorities) and members of the Board of Directors of the joint-stock company, as well as deteriorating the position of shareholders in comparison with the existing (namely, banning for the Board of Directors' decision making about issue of additional shares, stocks that could be converted into shares or stocks giving a right for purchase of Company's shares, even if the right to make such a decision is given to him by the charter)	Incompliance	

55	Availability in the company's charter of the requirement for the mandatory involvement of an independent appraiser for assessment of the current market value and possible amendments of their market value as a result of take-over	Incompliance	
56	Lack in the company's charter of the purchaser's release from the liability to offer the shareholders to sell their own common shares (equity securities converted into common shares) in case of take-over	Compliance	
57	Availability in the company's charter or internal documents of the requirement about mandatory involvement of an independent appraiser to define the correlation of shares conversion in case or reorganization	Incompliance	
Disclosure of information			
58	Availability of the internal document approved by the Board of Directors that defines the rules and approaches of the joint-stock company for information disclosure (Regulation on the information policy)	Partial compliance	Regulation on the insider information of JSC "SCA" was approved by the Board of Directors (Minutes № 6 as of January 28, 2008)
59	Availability in the company's internal documents of the requirement for disclosure of information about the purposes of shares placing, about persons that are planning to purchase the placed shares, including a major block of shares, as well as the information whether company's top management will be participating in the purchasing of the placed company's shares	Compliance	Disclosure is performed at the following web-site http://www.sukhoi.superjet100.com/ in accordance with the Regulation on the information disclosure by the issuers of equity securities, approved by Order FFMS № 06-117/пз-н as of 10.10.2006, Regulation on the procedure for carrying out activities for disclosure of information in the form of messages about essential facts and information subject to the mandatory disclosure, approved by the Order of JSC "SCA" President
60	Availability in the company's internal documents of the list of information, documents and materials shall be submitted to the shareholders for solution of the issues at the general meeting of shareholders	Compliance	Item 3 cl.23 of JSC "SCA" charter

61	Availability of company's web-site in the Internet and regular disclosure of information about joint-stock company at this web-site	Compliance	http://www.sukhoi.superjet100.com/
62	Availability in the company's internal documents of the requirement for disclosure of information about transactions of the joint-stock company with the persons that as per the charter are related to the senior executives of the joint-stock company, and also about transactions of the joint-stock company with the companies where the senior executives own directly or indirectly 20 and more percents of the charter capital of the joint-stock company or where they could somehow have an essential impact	Partial compliance	In accordance with the Regulation on the disclosure of information by issuers of equity securities, approved by Order of FFMS № 06-117/пз-н as of 10.10.2006, procedure for carrying out the activities target at the disclosure of information in the form of messages about essential facts and information subject to mandatory disclosure, approved by the Order of President of JSC "SCA", Company shall disclose information about settlement of a related-party transactions that shall be approved by the authorized managing bodies of the joint-stock company as per the legislation of the Russian Federation if the cost of such a transaction is 5 or more percents from the book value of the joint-stock company defined as per the its accounting data as of the last reporting date prior to the approval of such a transaction by the authorized managing bodies of the joint-stock company.
63	Availability in the company's internal documents of the requirement for disclosure of information about all the transactions that could have an impact on the market value of the shares of the joint-stock company	Compliance	In accordance with - Regulation on the disclosure of information by issuers of equity securities, approved by Order of FFMS № 06-117/пз-н as of 10.10.2006, - procedure for carrying out the activities target at the disclosure of information in the form of messages about essential facts and information subject to mandatory disclosure, approved by the Order of President of JSC "SCA", Company shall disclose information about the facts that could have an essential impact on the cost of securities, in the form of messages about the essential facts
64	Availability of the document approved by the Board of Directors target at the use of essential information about Company's activity, shares and	Compliance	Regulation on the insider information of JSC "SCA", approved by the Board of Directors (Minutes № 6 as of January 28, 2008)

	other securities of the joint-stock company and its transactions that shall not be deemed as publicly-accessible and the disclosure of such information could have an essential impact on the market value of shares and other securities of the joint-stock company		
Control over financial and economic activity			
65	Availability of the procedures approved by the Board of Directors for internal control over financial and economic activity of the joint-stock company	Compliance	The decision of JSC "SCA" Board of Directors (Minutes № 6 as of 29.01.2008) approved the Regulation on the system (procedures) of the internal control over financial and economic activity of JSC "SCA"
66	Availability of the special department of the joint-stock company providing compliance with the internal control procedures (control and revision services)	Compliance	
67	Availability in the company's internal documents of the requirement for the Board of Directors definition of the structure and contents of the control and revision service of the joint-stock company	Incompliance	
68	Lack in the control and revision service of the persons that have been claimed guilty for economic crimes or crimes against government authorities, government services' interests and local services or persons applied to with the administrative penalties for breaches in the sphere of business activity or finances, tax and fees, bond market.	Compliance	
69	In the membership of the Company's control and revision committee lack of the persons that are participants, general director (manager), member of the management authority or employee of the legal entity being a competitor to the joint-stock company	Compliance	
70	Availability in the company's internal documents of the due date	Incompliance	

	for providing control and revision service with the documents and materials for evaluation of the carried out financial and economic operations, as well as responsibility of the officers and employees of the joint-stock company for their timely non-provision		
71	Availability in the company's internal documents of the responsibility of the control and revision service to notify the Audit Committee (in case of its absence – the Board of Directors of the joint-stock company) about detected infringements	Incompliance	
72	Availability in the company's charter of the requirement for preliminary evaluation by the control and revision service of the feasibility of operations that have not been provided by the financial and economic plan of the joint-stock company (odd operations)	Incompliance	
73	Availability in the company's internal documents of the procedure for approval of the odd operations by the Board of Directors	Incompliance	
74	Availability of the internal document approved by the Board of Directors that defines the procedure for validation by the revision committee of the financial and economic activity of the joint-stock company	Compliance	Cl. 3 of the Regulation on the Revision Committee
75	Audit Committee evaluation of the auditor's report prior to submitting it at the general meeting of shareholders	Compliance	Item 2.1.3. Regulation on the Audit Committee of JSC "SCA" Board of Directors
Dividends			
76	Availability of the internal document approved by the Board of Directors that governs the activity of the Board of Directors when taking recommendations on the amount of dividends (Regulation on the dividends policy)	Incompliance	
77	Availability in the Regulation on the dividends policy of the	Incompliance	

	procedure for definition of the minimum share of net profit of the joint-stock company that is destined for payment of dividends and conditions upon which the dividends are paid at all or are partially paid as per the preferred shares, which amount is set forth in the charter of the joint-stock company		
78	Publishing of the information about the dividends policy of the joint-stock company and implemented amendments in the periodic publication set forth in the charter of the joint-stock company for publishing messages about holding general meetings of shareholders, and also placing the abovementioned information at Internet web-site of the joint-stock company	Partial compliance	

Attachment # 3 Accounting Statements

CASH FLOW STATEMENT

for the period of January - December, 2008

		CODES		
Form No.4 as per OKUD		0710004		
Date (year, month, day)		2008	12	31
Company	Joint-Stock Company "Sukhoi Civil Aircraft"	as per OKPO	52786180	
Taxpayer Identification Number		INN	7714175986	
Field of activity	research and development in the sphere of natural and engineering science	as per OKVED	73.10	
Legal form/property form	JSC / private	as per OKOPF/OKFS	67	16
Unit of measurement	thousand RUR	as per OKEI	384	

Parameter name	code	For accounting period	For the similar period of the previous year
1	2	3	4
Cash at the beginning of accounting year	010	1 495 883	1 735 544
Cash flows from operating activities			
Total cash received from buyers, customers	020	1 772 545	4 214 772
	030	-	-
Other income	110	33 568	65 248
Total cash used for:	120	(9 151 916)	(11 115 219)
payment of purchased goods, works, services, raw materials and other current assets	150	(5 478 750)	(8 585 629)
wages and salaries	160	(1 063 779)	(719 553)
dividends and interest	170	(1 323 836)	(834 447)
settlement of taxes and duties	180	(486 141)	(525 504)
	181	-	-
other expenses	190	(799 410)	(450 086)
Net cash received from operating activities	200	(7 345 803)	(6 835 199)
Cash flows from investment activities			
Sale of fixed assets and other non-current assets	210	-	-
Sale of securities and other financial investments	220	-	-
Dividends received	230	-	-
Interest income	240	87 021	102 507
Repayment of loans provided to other companies	250	-	-
	260	-	-
Acquisition of subsidiaries	280	-	-
Acquisition of fixed assets, income bearing investment in tangible and intangible assets	290	(902 545)	(119 288)
Acquisition of securities and other financial investments	300	556 400	(1 050 000)
Loans provided to other companies	310	-	-
	320	-	-
Net cash from investment activities	340	(259 124)	(1 066 781)

1	2	3	4
Cash flows from financial activities			
Proceeds from issue of shares and other equity securities	350	-	-
Proceeds from loans and credits provided to other companies	360	9 767 658	7 547 741
Other receipts from financial activities	370	2 328	520 229
Repayment of loans and credits (net of interest)	390	(2 345 013)	(242 569)
Settlement of financial lease	400	(658 313)	(188 731)
	410	-	-
Net cash from financial activities	430	6 766 660	7 636 670
Net increase (decrease) of cash and cash equivalents	440	(838 267)	(265 310)
Cash at the end of accounting period	450	657 616	1 470 234
Effect of exchange differences (foreign currency to Russian ruble)	460	308 253	30 763

President _____ **Victor V. Subbotin** **Chief Accountant** _____ **Marina A. Stolina**
(signature) (full name) (signature) (full name)

4 March 2009

PROFIT AND LOSS STATEMENT
for the period of January - December, 2008

		CODES		
	Form No.2 as per OKUD	0710002		
	Date (year, month, day)	2008	12	31
Company **Joint-Stock Company "Sukhoi Civil Aircraft"**	as per OKPO	52786180		
Taxpayer Identification Number	INN	7714175986		
Field of activity **research and development in the sphere of natural and engineering science**	as per OKVED	73.10		
Legal form/property form		67	16	
JSC / **private**	as per OKOPF/OKFS			
Unit of measurement **thousand RUR**	as per OKEI	384		

Parameter		For accounting period	For the similar period of the previous year
name	code		
1	2	3	4
Income from and expenses on ordinary activities			
Income (net) from sales of goods, products, works, services (net of VAT, excise tax and other similar mandatory payments)	010	1 329 900	3 842 966
Cost value of goods, products, works, services sold	020	(913 562)	(2 917 630)
Gross profit	029	416 338	925 336
Selling expenses	030	(270 770)	(568 335)
Administrative expenses	040	(282 990)	(680 318)
Profit (loss) from operations	050	(137 422)	(323 317)
Other income and expenses			
Interest income	060	9	102 518
Interest expenses	070	(734)	(18 650)
Income from investments in other companies	080	-	-
Other income	090	6 393 672	2 370 264
Other expenses	100	(8 211 023)	(1 912 617)
Profit (loss) before profit tax	140	(1 955 498)	218 198
Deferred tax assets	141	795 123	151 138
Deferred tax liabilities	142	(377 815)	(231 829)
Current profit tax	150	-	-
Profit tax and other similar mandatory payments	180	(208)	(3)
Net profit (loss) for the reporting period	190	(1 538 398)	137 504
REFERENCE:			
Permanent tax liability (assets)	200	52 010	20 950
Basic earnings (loss) per share	201	-	-
Diluted earnings (loss) per share	202	-	-

BREAKDOWN OF SPECIFIC INCOMES AND EXPENSES

Parameter		For reporting period		For the similar period of the previous year	
name	code	income	expense	income	expense
1	2	3	4	5	6
Fines and penalties recognized or in respect of which there are court (arbitration) judgments on their recovery	210	-	41	10	13
Profit (loss) of previous years	220	6 011	24 156	29	13 835
Compensation of damages caused by defaulted obligations or improperly fulfilled obligations	230	-	-	-	-
Exchange rate differences	240	1 303 623	3 020 633	361 085	279 140
Revaluation reserves	250	X	-	X	-
Writing off of debtor and creditor indebtedness in relation to which limitation period is over	260	287	461	-	94
	270	-	-	-	-

President _____ **Victor V. Subbotin** **Chief Accountant** _____ **Marina A. Stolina**
(signature) (full name) (signature) (full name)

30 March 2009

FLOW OF EQUITY AND FUNDS

for the period of January - December, 2008

		CODES		
	Form No.3 as per OKUD	0710003		
	Date (year, month, day)	2008	12	31
Company **Joint-Stock Company "Sukhoi Civil Aircraft"**	as per OKPO	52786180		
Taxpayer Identification Number	INN	7714175986		
Field of activity **research and development in the sphere of natural and engineering science**	as per OKVED	73.10		
Legal form/property form **JSC** / **private**	as per OKOPF/OKFS	67	16	
Unit of measurement **thousand RUR**	as per OKEI	384		

I. Changes in equity

Parameter		Authorized capital	Additional paid-in capital	Reserve capital	Retained earning (uncovered loss)	Total
name	code					
1	2	3	4	5	6	7
Balance as of 31 December of the year preceding the previous year	010	763 860	-	273	(56 684)	707 449
2007 (previous year)						
Changes in accounting policies	011	X	X	X	-	-
Revaluation of fixed assets	012	X	-	X	724	724
Corrections for 2006	020	X	-	-	16 544	16 544
Balance as of 1 January of the previous year	030	763 860	-	273	(39 416)	724 717
Exchange rate differences	031	X	-	X	X	-
Net profit	032	X	X	X	151 681	151 681
Dividends	033	X	X	X	-	-
Allocations to the legal reserve	040	X	X	1 561	(1 561)	-
Increase of capital due to:						
additional shares issue	051	-	X	X	X	-
increased par value of shares	052	-	X	X	X	-
reorganization of the legal entity	053	-	X	X	-	-
	054	-	-	-	-	-
Decrease of capital due to:						
decrease in value of shares	061	-	X	X	X	-
reduction in number of shares	062	-	X	X	X	-
reorganization of the legal entity	063	-	X	X	-	-
	064	-	-	-	-	-
Balance as of 31 December of the previous year	070	763 860	-	1 834	110 704	876 398
2008 (accounting year)						
Changes in accounting policies	071	X	X	X	(7)	(7)
Re-evaluation of fixed assets	072	X	-	X	-	-
Corrections for 2007	080	X	-	-	(14 177)	(14 177)
Balance as of 1 January of the accounting year	100	763 860	-	1 834	96 520	862 214
Exchange rate differences	101	X	-	X	X	-
Net profit	102	X	X	X	(1 538 398)	(1 538 398)
Dividends	103	X	X	X	-	-
Allocations to the legal reserve	110	X	X	7 584	(7 584)	-

1	2	3	4	5	6	7
Increase of capital due to:						
additional shares issue	121	-	X	X	X	-
increased par value of shares	122	-	X	X	X	-
reorganization of the legal entity	123	-	X	X	-	-
	124	-	-	-	-	-
Decrease of capital due to:						
decrease in value of shares	131	-	X	X	X	-
reduction in number of shares	132	-	X	X	X	-
reorganization of the legal entity	133	-	X	X	-	-
	134	-	-	-	-	-
Balance as of 31 December of the accounting year	140	763 860	-	9 418	(1 449 462)	(676 184)

II. Reserves

Parameter		Balance	Addition	Used	Balance
name	code				
1	2	3	4	5	6
Reserves formed in accordance with legislation:					
Reserves formed in accordance with legislation					
(reserve name)					