

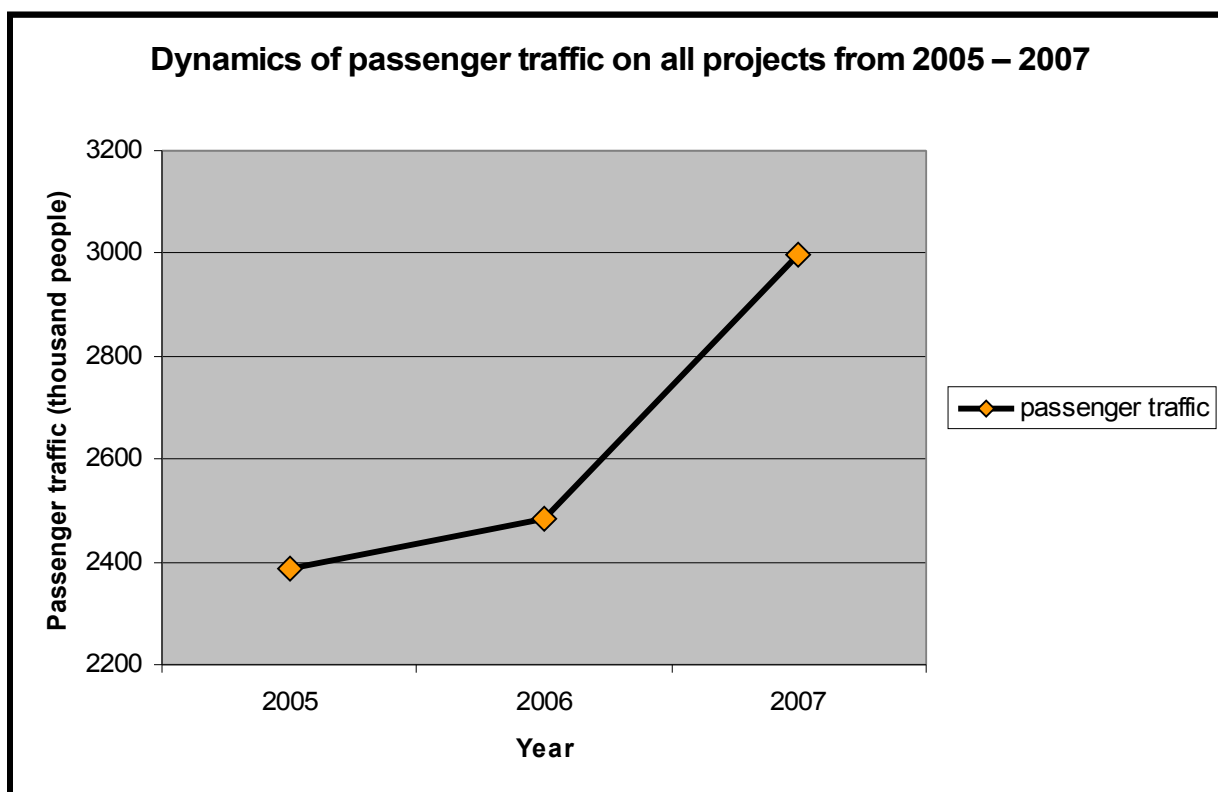
Activity report for Novaport LLC in 2007



Production rate

1. Total passenger traffic within the group of project companies was 3 million passengers. That is an increase of 492,000 people from 2006. The growth rate of overall passenger traffic is 20%.

2. The reason for the high growth rate is the substantial increase at the Airport of Chelyabinsk, where passenger traffic has grown by 57%. In the other airports there was a 13-14% growth.



3. In all airports within the company network have high potential for growth in the international sector.

4. The airports in the group have processed 23,000 tons of cargos; 16% more than in 2006. The cargo traffic growth rate is higher than the passenger traffic growth rate in all airports. This corresponds to the general trends and earlier predictions.

5. The overall take-off weight, compared to last year, has grown by 4%. This is due to the increased number of flights (17%). However, the trends towards reducing specific take-off weight of aircrafts remain in effect.

6. The volume of technical service on aircrafts increased by 24% in 2007.

Table 1. Production figures

Name of indexes	Total		Tolmachevo		Chelyabinsk		The Altai		Chita	
	2007	% of 2006	2007	% of 2006	2007	% of 2006	2007	% of 2006	2007	% of 2006
Flights	20 617	17%	12 162	7%	4 918	61%	2 065	112%	1 472	113%

Summary takeoff weight, thousand tons	1 637,74	4%	1 073,50	-6%	326,2	57%	150,5	104%	87,5	111%
Passenger traffic, thousand people	2 999,17	20%	1 873,4	13%	677,5	57%	304,9	114%	143,3	112%
Cargo traffic, tons	23322,04	16%	18667,30	13%	-	-	2 917,34	115%	1 737,40	157%
Technical services, standard hours	186 179	24%	86 379	8%	99 800	43%	-	-	-	-

Financial results

1. The total income of the companies included in the project is **5 billion rubles**.
2. The summary net worth of the companies (according to the accounting) will be 1.5 billion rubles by the end of the year. This figure does not include the market cost of assets (for example, the market cost of the land).
3. The total net income of the companies in 2007 was 361 million rubles.

Table 2. Consolidated balance

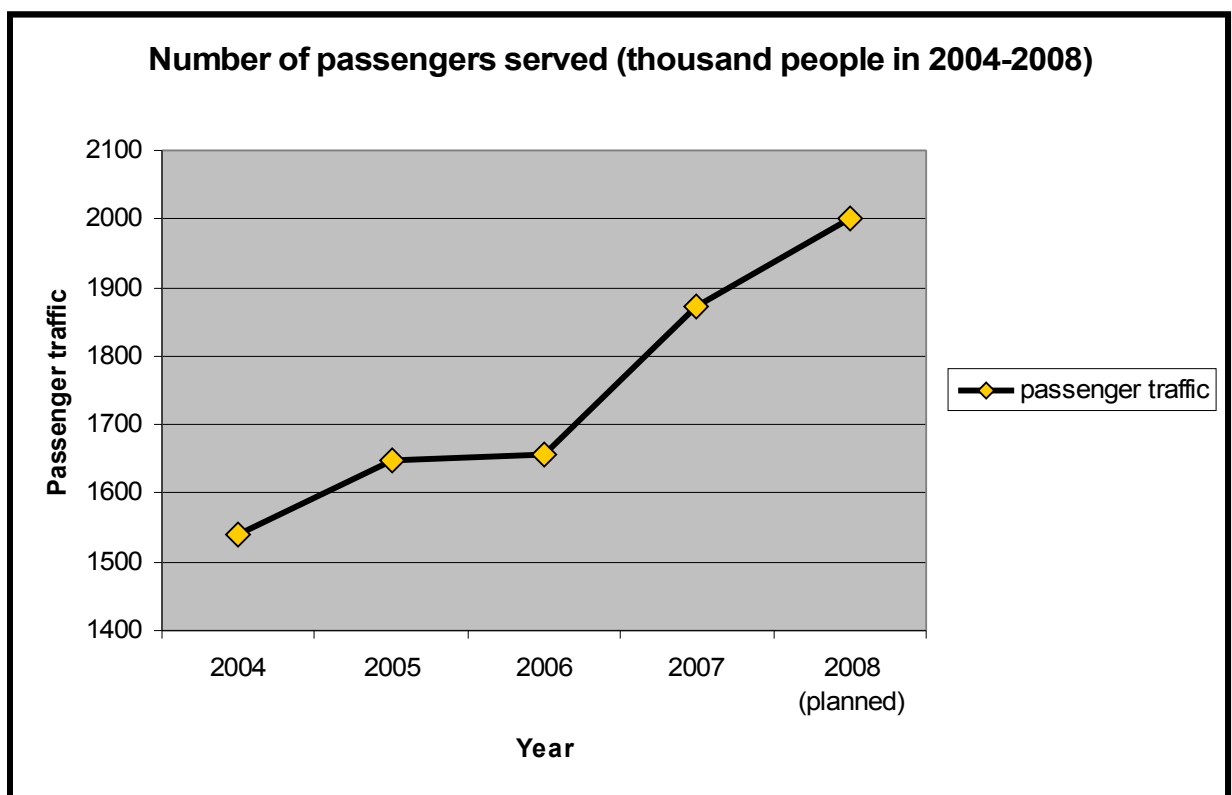
Index name	Total of the project (thousand rubles)	Growth against 2006
Assets, including:	3 235 231	54%
Assets not in use	2 003 787	35%
OS	1 456 905	26%
Current assets	1 231 444	98%
Proceeds from long-term loans	727 807	53%
Papers	985 868	126%
Credits	234 354	-9%
Own funds	1 506 556	26%
Financial indexes:		

Income	5 269 591	44%
Operating profit	551 266	88%
Balance profit	499 532	51%
Net profit	360 947	49%

1. Tolmachevo Airport Open-Ended Investment Company

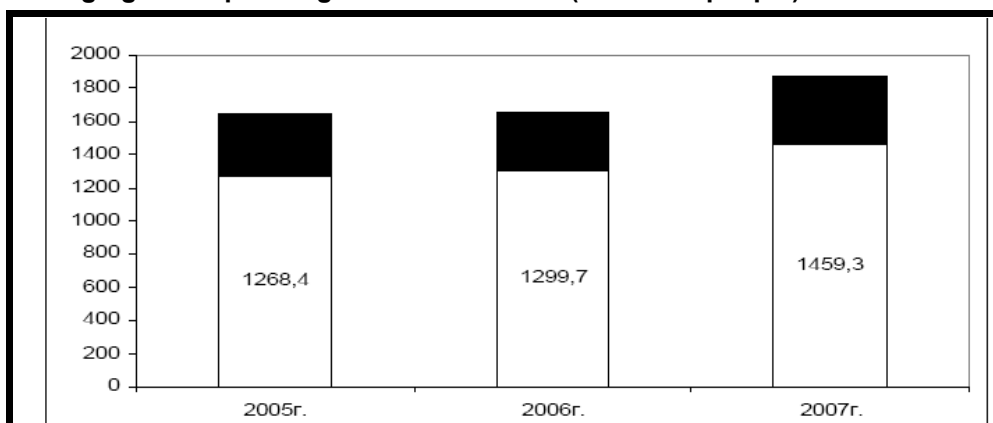
1.1.1. Production figures

1. The number of flights in 2007 has increased by 7% compared to last year.
2. Passenger traffic is 1.87 million people, which are 216,500 people (or 13%) more than last year's level. This tendency is expected to remain next year. The plan has been exceeded by 9%.



3. The passenger traffic structure has not changed dramatically in the past 3 years – 78% of passengers are passengers of domestic flights, 22% are passengers of international flights. Last year, a tendency of reducing the total percentage of transit passengers began to emerge. This is a reflection of the objective tendencies connected with the modernization of the flying stock.

Changing to the passenger traffic structure (thousand people) in 2005-2007.



- International
- Domestic

4. In comparison to 2006, the largest growth rates were registered in the first quarter (19% in January) and the fourth quarter (26% in December) and the smallest growth rates were in June – August (5 - 6%). The absolute peak of passenger traffic was in August: 245,000 passengers. The lowest period was in February – March: 100,000 passengers.

5. The total takeoff weight has decreased by 6% compared to last year.

6. Overall technical service made up 86,379 standard hours; 6,609 standard hours (8%) more than last year.

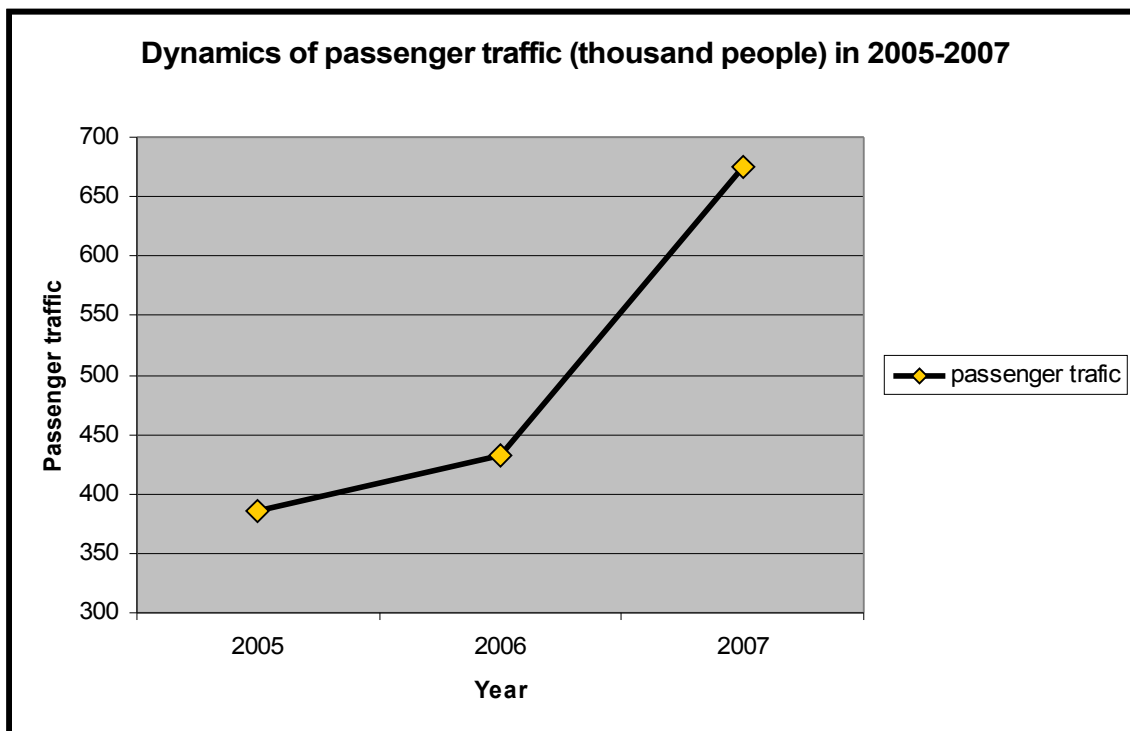
The Chelyabinsk Airline Open-Ended Investment Company

1.1.2. Production figures

1. The number of flights in 2007 increased by 1,851 units and made up 4,911 units or 60% of growth when compared with last year.

2. The total takeoff weight has increased by 121,000 tons and made up 328,388 tons or 58% of growth.

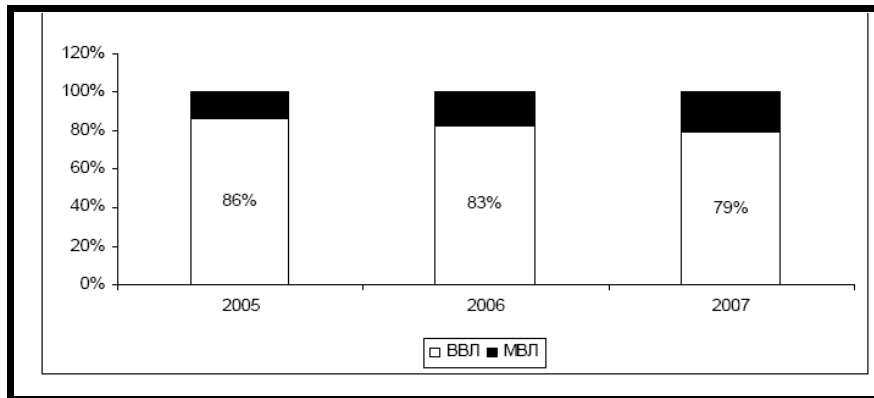
3. Passenger traffic has grown by 243,000 people and made up 675,000 people or 56% of growth against last year.



4. The growth in passenger traffic was caused by:

- passenger traffic growth on domestic flights increased by 177,000 people; a 49% increase from last year
- passenger traffic growth on international flights increased by 66,000 people; an 89% increase.

The structure of passenger traffic in Chelyabinsk (79% domestic and 21% international) corresponds to the structure of passenger traffic in Novosibirsk.



Dynamics of passenger traffic on domestic and international flights in 2005 – 2007.



5. The technical service index has gone up by 24,988 standard hours and made up 94,983 standard hours (or 136% of growth.) The projections were exceeded by 127%. The volume of services provided at the Airport of Chelyabinsk has exceeded that of Tolmachevo by 15%.

6. The key factor for growth in all activity indexes was the new approach of airport management aimed at attracting the maximum number of carriers.

1.2. Chita Airport Open-Ended Investment Company in 2007

1.2.1. Production figures

1. The number of flights in 2007 has increased by 171 units and makes up 1,472 units or 13% of growth when compared with last year.

2. Passenger traffic has grown by 15,400 people and has made up 143,300 people or 12% of growth against last year.

3. The amount of processed cargo has increased by 605,500 tons and has made up 1,600,600 tons, which is 61% more than last year's level.

4. The amount of processed mail has gone up by 26.7 tons and has made up 136.8 tons; 24% more than the last year's level. The plan has been exceeded by 105%.

5. The total takeoff weight has increased by 8,600 tons and accounts for the 11% growth compared to last year.