

**Preliminary approved by the
Board of Directors of the
Sukhoi Civil Aircraft Company
Minutes #13 dated May 23, 2011**

**Approved by the General
Meeting of Shareholders
Minutes dated June 28, 2011**

**Annual Report'10
Closed Joint Stock Company
“Sukhoi Civil Aircraft”**

President _____ V.S. Prisyazhnyuk

«___» _____ 2011

Chief Accountant _____ M.A. Stolina

«___» _____ 2011

Address of Leonid Naftolyevich Komm, Chairman of the Board of Directors	5
Address of Vladimir Sergeyeovich Prisyazhnyuk, President at CJSC “Sukhoi Civil Aircraft”	6
About the Company	7
Basic events of 2010	8
Increase in portfolio of orders	8
Implementation of the Program of certification tests	9
Corporate management	10
Board of Directors	10
Strategy of CJSC “Sukhoi Civil Aircraft”	13
Mission of CJSC “Sukhoi Civil Aircraft”	13
The key strategic target of the company	13
The main elements of the strategy of CJSC “Sukhoi Civil Aircraft”	13
Global objectives of CJSC “Sukhoi Civil Aircraft”	14
Short-term goals (1-3 years)	14
Mid-term goals (3-7 years)	15
Long-term goals (7-15 years)	15
The world market of regional jets in the segment of 60-120 seats	15
Sales markets of Sukhoi Superjet 100 aircraft and position in the industry	18
“Sukhoi Civil Aircraft” in the modern aircraft	18
SSJ 100Markets of sales	19
Russia and the CIS	19
Asia (without India and China)	21
India	21
China	22
The Middle East	22
Markets of sales of the partner company Superjet International	23
Europe	23
North America	23
Latin America	23
Africa	24
Pacific Region	24

Quality Policy of CJSC SCA	24
Priority areas of activity and growth prospects	25
Certification campaign	26
Launching of the mass production of SSJ 100	27
Aircraft production and production certification	27
Product quality control and improvement of the quality management system	27
Reduction of production cost	29
Marketing and SSJ100 aircraft selling	29
Preparation of the training system and post-sales support to the beginning of the deliveries in 2011	30
Preparation of the training system of the customers	30
Launching of the post-sales support system	31
Information Technologies Development	32
Information infrastructure development	32
Engineering automation	32
Preproduction automation	34
Development of systems of support of aftersales service	35
Enterprise Resource Management	37
HR management	37
Social security programs for the employees of the company	40
Personnel training programs	41
Programs of development of the personnel relations system on production sites	42
Programs of development of the personnel motivation system	42
Intellectual property management	43
Risk management	43
Legal risks	43
Main risks on Sukhoi Superjet 100 program	44
Financial risks	45
Measures to decrease risks	47
Financial reports	47
Capital investments	47

Accounting reports for 2010	48
Audit opinion certifying reliability of the annual accounting reports	48
Management comments to the financial reports	48
Information on the person, holding a post of the sole executive body of the company	53
The report on payment of dividends on shares of the company	54
Data on the activity of the Board of directors regarding enforcement of the priority directions of the company development	54
Report on the company compliance with the provisions of the Code of the corporate behavior recommended by the Federal Commission on Securities	55
Data on major transactions and transactions which are considered to be interesting	55
Data on major transactions	55
Data on transactions which are considered to be interesting	55
General information	55
Principal activity OKVED	57
Data on the auditor and registrar	57
Data on the shareholders	58
Data on branches and representative offices	60

Address of Leonid Naftolyevich Komm, Chairman of the Board of Directors

Sukhoi Superjet 100 Program is one of the priority and perspective projects of the United Aircraft Corporation. The new model of organizing work on the project was applied here for the first time. It is based on the profound infrastructure reform of the Russian aircraft industry. The introduction of new digital technologies for the entire cycle of designing and manufacturing, the broad international cooperation which involves the aerospace industry leaders and the management of large chains of suppliers from around the world, the balanced financing structure and risk-divided partnership will be the basic principles for the United Aircraft Corporation in the further development of new models of civil aircraft.

2010 which has passed was really successful for Sukhoi Superjet 100 Program. The intensive certification program is almost fully completed. It is performed according to the standards of ICAO and certification authorities of Europe (EASA) in parallel. Experience of the parallel certification that we get in terms of Sukhoi Superjet 100 Program will undoubtedly lead to harmonization of the Russian and European certification standards which is important for the successful market launch of the subsequent products of the civil range of the United Aircraft Corporation.

In November 2010 the premier flight of the first serial aircraft intended for the airlines Armavia was a joyful event which all of us expected. It gave a start to full-scale serial production of aircraft and the plant in Komsomolsk-on-Amur completed the assembly of the first aircraft for the airlines Aeroflot.

Next year the aircraft will be passed to the first customers, and then their commercial exploitation will begin. As operation of Sukhoi Superjet 100 is being stabilized in the fleets of the first customers we can predict a substantial increase in the portfolio of orders. In this connection, along with increasing production and developing Sukhoi Superjet 100 family we face the huge task of establishing a system of full after-sales support of SSJ100 aircraft in the fleets of the airlines Aeroflot and Armavia.

In 2011 we plan to focus our efforts on strengthening the positions of Sukhoi Superjet 100 in our country and abroad and on ensuring the stable activity of the company.

Address of Vladimir Sergeevich Prisyazhnyuk, President at CJSC “Sukhoi Civil Aircraft”

2010 which has passed became significant by many events for us. The most important of them is almost complete termination of unprecedentedly large-scale program of certification control tests that were conducted as per the newly developed methods in accordance with the latest requirements of IAC ARand certification authorities of Europe (EASA). Due to the fact that the test program involved the resources and laboratories of our Italian colleagues from the company Alenia Aeronautica, Sukhoi Superjet 100 went through such programs of tests as flights for determination of the noise level produced on the ground and tests on the high intensity radiated fields on the most advanced level.

It should be also noted that the certification qualification tests were carried out on the aircraft of the Russian production for the first time. They allowed to check the operational characteristics of SSJ100 aircraft on the typical routes. Six pre-production aircraft in total took part in the certification campaign. They carried out about 200 programs of static, bench and endurance tests. 15 test pilots, including EASA, participated in the flight tests.

Completion of the certification program as per the Russian and European standards of the new engine SaM146 of the company Powerjet was also an important event of the expiring year. Our planes will be equipped with it.

Successful performance of SSJ100 at the International Air Show in Farnborough and a number of orders for the aircraft from foreign airlines which followed it was also the evidence of the success of SSJ 100 Program last year. As a result of 2010 the total portfolio of orders for SSJ100 amounted to 155 aircraft. The large-scale activities of the company SuperJet International which is actively developing a network of after-sales support of Sukhoi Superjet 100 worldwide also contributes to the growth of sales potential of the liner.

Summing up 2010 and the company's activity for 10 years of its existence we can say with confidence that every task set ourselves is satisfied. However, much remains to be done, and I hope we will continue to maintain the momentum gained and productivity of the work. Passing of the aircraft to the customers is ahead and it undoubtedly will open new perspectives in the world market for our aircraft.

About the Company

Joint Stock Company "Sukhoi Civil Aircraft" was founded in May 2000 within realization of the strategy of JSC Sukhoi Holding Company aimed at diversifying the range of products and launching civil aircraft to the world market.

The company's main project is a program on creation of the regional aircraft family Sukhoi Superjet 100 (SSJ 100).

From the earliest stages of the project the company "Sukhoi Civil Aircraft" was focused on creating a product competitive in the global market. Therefore, the implementation of Sukhoi Superjet 100 Program demanded that the company's shareholders and management made radical reforming of the approaches to the creation of civil airliners which were traditional for the domestic aircraft industry. This reform was to change the approaches to the implementation of all key aspects of the Program beginning from marketing, design and production, ending with the approach to project management, building cooperation and organization of after-sales support.

Since December 2002 the American aircraft giant – "Boeing - Commercial Airplanes" has been the project's consultant. For eight years the team of specialists of "Boeing" has been supporting "Sukhoi Civil Aircraft" on the main directions of the Program - design, preparation and organization of production, management of the chain of suppliers of systems and components, certification, management of the program and organization of after-sales support. SSJ100 is the first aircraft in the modern Russia created in unprecedentedly broad international cooperation on the basis of modern technologies of design, production and management. SSJ 100 is the first Russian aircraft the starting point of creation of which became the requirements to the product formed by the world's leading air carriers in force of the Advisory Board of the airlines valid from 2003.

SSJ100 is the first Russian airliner designed entirely on the basis of digital technologies. Within the project a complex program of technical re-equipment of the plants in Komsomolsk-on-Amur and Novosibirsk was carried out. Its production applies technologies which were not previously used in the domestic aircraft such as jigless assembly, automated connecting of the aircraft's units, automatic riveting and many others.

Since 2004 already the future certification campaign of the new Russian airliner is being prepared. Application for certification was sent to both IAC AR and the European Aviation Safety Agency (EASA) which became the initial stage of certification of the domestic liner according to the Russian and European standards carried out in Russia for the first time.

Since that 2004 onward the French company Snecma Moteurs which creates the propulsion SaM146 in cooperation with NPO "Saturn" became a partner with the division of risks and in 2006 the Italian company Alenia Aeronautica, a subsidiary of the Finmeccanica Group, became a strategic partner of JSC Sukhoi Holding Company on Sukhoi Superjet 100 Program. In 2007 the joint venture JSC Sukhoi Holding Company and Wing Ned BV, a subsidiary of Alenia Aeronautica - SuperJet International (SJI) - was created. The Russian-Italian joint venture created will provide

the after-sales support of the entire SSJ 100 fleet, and today it is promoting the project in Europe, the Mediterranean, North and South America, Africa, Oceania and Japan. Moreover the field of competence of the joint venture includes customization of the aircraft for the western customers and creating a business-version on the basis of SSJ 100.

Creation of SuperJet International S.p.A is a part of the General agreement aimed at the strategic partnership within the framework of the project of creating a family of Sukhoi Superjet 100 aircraft which was signed in 2007 by the Finmeccanica Group and its subsidiary Alenia Aeronautica S.p.A, as well as the companies JSC Sukhoi Holding Company and CJSC "Sukhoi Civil Aircraft".

Acquisition of 25% + 1 share of "Sukhoi Civil Aircraft" by WORLD'S WING SA, a subsidiary of Alenia Aeronautica was an important aspect of this General Agreement. This deal was finalized in April 2009 and the total value of the acquired shares amounted to 183 million dollars (138 million euro). Today the shareholder's representatives are not only members of the Board of Directors of the company "Sukhoi Civil Aircraft" but also form part of the company's management. At present the partnership of Sukhoi Holding Company and Alenia Aeronautica is the largest partnership between Russia and Europe in the field of aviation.

Presence of the partner from Western Europe undoubtedly facilitates the certification procedure for aircraft of the family according to the international standards, simplifies the entry of SSJ100 Project to the mature markets and allows creating a modern and well developed system of after-sales support of the whole fleet of aircraft of the family Sukhoi Superjet 100 which meets the international standards.

Sukhoi Superjet 100 aircraft was first showed to the public in September 2007. The first flight of the liner was held in May 2008.

In 2010 the certification program is completed and the first serial SSJ100 rose into the sky in November.

Basic events of 2010

Increase in portfolio of orders

On May 21, 2010 the company "Sukhoi Civil Aircraft" and the Laotian air carrier Phongsavanh Airlines signed the Memorandum of Understanding for the purchase of 3 Sukhoi Superjet 100 aircraft and 6 planes as an option. The transaction value amounted to 95.1 million US dollars in catalogue prices.

At the international air show at Farnborough in July 2010 CJSC "Sukhoi Civil Aircraft" signed a contract with the Indonesian regional air carrier Kartika Airlines for the supply of 30 SSJ100 aircraft in the base configuration. The deal is estimated at 951 million US dollars at the current catalogue prices.

At the same exhibition the company "Sukhoi Civil Aircraft" signed the Letter of Intention for the

delivery of 12 Sukhoi Superjet 100 aircraft in the base configuration and an option for another 12 jets with the Thai private carrier Orient Thai Airlines. Moreover the Letter of Intention for the purchase of 10 Sukhoi Superjet 100/95 LR aircraft for GAZPROMAVIA Aviation Company Ltd. was signed with Gazprom komplektatsiya Ltd. The deal amounted to 323 million US dollars in catalogue prices.

In addition, within the international aerospace show the company SuperJet International, a joint venture of the company Alenia Aeronautica (Finmeccanica Company) and the Company "Sukhoi", signed an agreement with Pearl Aircraft Corporation for the sales of 30 Sukhoi Superjet 100 aircraft and the option for 15 more machines. The transaction value exceeded 900 million US dollars in catalogue prices.

In autumn 2010 the company SuperJet International signed an agreement with the leasing company Willis Lease Finance Corporation (USA) for the purchase of six Sukhoi Superjet 100/95 LR aircraft in the configuration of 98 seats and four aircraft as an option. The transaction amount exceeded 300 million US dollars in catalogue prices. According to the results of 2010 the total portfolio of orders for Sukhoi Superjet 100 amounted to 155 aircraft.

Implementation of the Program of Certification Tests

In early 2010 the fourth experiment Sukhoi Superjet 100 SN 95005 aircraft was included into the program of certification testing. It contributed to the substantial increase of the rate of the certification campaign which was carried out on three test machines a year before.

During the year about 200 programs of static, resource, bench and flight tests were completed that allowed to accumulate the entire volume of data required to receive a certificate of the type of Aviaregister of the Interstate Aviation Committee (IAC AR). Several key tests were conducted with the participation of experts from the European Aviation Safety Agency (EASA). Successful completion of the testing program at low temperatures in Yakutsk, of the testing program of motor protection against ingress of water from the surface of water-drenched strip can be noted among the key programs implemented in 2010. The tests confirmed that SSJ 100 can safely take off and land from the strip running with water, and its design parameters (engine placement, fence and drainage holes with respect to landing gear) are such that they eliminate the ingress of water jets into the air intakes of primarily propulsion and auxiliary propulsion by the motion on the ground at all speeds possible in operation, including the run with working thrust reverse. The Central Aerohydrodynamic Institute has successfully completed certification testing program of Sukhoi Superjet 100 design on static strength.

During 2010 CJSC "Sukhoi Civil Aircraft" and partners-suppliers fully completed certification bench tests at 59 stands needed to obtain a Certificate of IAC ARType (including static aircraft 95002 and resource airplane 95006).

In autumn 2010 SSJ100 became the first Russian aircraft which managed to fulfill the program of

testing the effects of the high intensity radiated fields (HIRF) and to confirm compliance with European requirements in terms of sound emission. The tests were carried out in Italy on the basis of modern laboratories of the company Alenia Aeronautica, a strategic partner of JSC "Sukhoi Civil Aircraft".

Moreover in autumn the testing of the flight management system (FMS) CMA-9000 has been successfully completed with participation of the Russian and Canadian certification authorities. During the testing the function of vertical navigation was mainly evaluated: the experts assessed how accurately the system maintains the trajectory in the vertical plane, thus ensuring increased safety of flights in the heavy airspace traffic. In October, SSJ100 aircraft completed the testing for the operation at side winds on the basis of the international airport Keflavík located on the shores of the Atlantic Ocean in Iceland. At the same time the plane completed a series of tests on the second category of landing CAT II successfully.

On November 4, 2010 the first serial aircraft Sukhoi Superjet 100 SN 95007 designed for the airlines Armavia performed its first flight launching the mass production.

In December, the liner successfully completed the important certification factory tests on emergency evacuation of passengers and crew members on land which demonstrated that in emergency landing 98 passengers on board the liner as well as 5 members of the crew can successfully be evacuated within 90 seconds. At the same aircraft the certification qualification testing program on the routes of standard operation was launched for the first time in Russia.

At the same time the testing of the airplane in the mode of aborted takeoff with maximum kinetic energy of braking was successfully completed. It showed full compliance of Sukhoi Superjet 100 with certification requirements of IAC AR and EASA. This test confirmed the compliance of Sukhoi Superjet 100 with certification requirements as well as reliability and safety of its operation once again.

Simultaneously with the main testing program in 2010 a number of the certification centers' conclusions important for further successful implementation of Sukhoi Superjet 100 Program was obtained. The Certification Center of the Interstate Aviation Committee Aviation Register (IAC AR) "Scientific and Methodological Center "NORMA" issued a conclusion that production technology Sukhoi Superjet 100 aircraft complies with requirements of the Russian aviation rules. This paper confirms that the design documentation and technology of its production, including technological preparation for production, quality and stability of production processes, equipment applied allow to ensure consistent quality of production of the aircraft which directly effects safety and reliability of its operation. In April, the Certification Center "Material" of IAC AR issued a conclusion on compliance of materials used in the production of SSJ100 with the requirements of the Russian aviation rules.

Corporate management

Board of Directors

1. **Leonid Naftolyevich Komm** – Chairman of the Board of Directors at JSC “Sukhoi Civil Aircraft”, Vice-President for Aviation Programs and Research at JSC “United Aircraft Corporation”, Member of the Executive Board at JSC “United Aircraft Corporation”, Adviser Director General at JSC Sukhoi Holding Company”, Member of the Board of Directors at CJSC “AeroKompozit”, Member of the Board of Directors at JSC “Sukhoi Design Bureau”, Member of the Board of Directors at CJSC “Prepreg – Modern Compositional Materials”.

2. **Mikhail Aslanovich Pogosyan** – Member of the Board of Directors at JSC “Sukhoi Civil Aircraft”, First Vice-President for Program Coordination at JSC “United Aircraft Corporation”, Member of the Executive Board at JSC “United Aircraft Corporation”, Director General at JSC Sukhoi Holding Company”, Member of the Board of Directors at JSC Sukhoi Holding Company”, Member of the Board of Directors at JSC “United Aircraft Corporation”, Director General at JSC “Russian Aircraft Corporation “MiG”, Member of the Board of Directors at JSC “Russian Aircraft Corporation “MiG”, Member of the Board of Directors at JSC “Sukhoi Design Bureau”, Chairman of the Board of Directors at JSC “Komsomolsk-on-Amur Aircraft Production Association”, Member of the Board of Directors at JSC “Nizhny Novgorod Aircraft Building Plant “SOKOL”, Member of the Board of Directors at JSC “Scientific and Production Corporation “IRKUT”, Member of the Supervisory Board at SC “Rosnanotech”, Member of the Board of Directors at the Management Company “United Aircraft Corporation – Civil Aircraft” Ltd., Member of the Board of Directors at SUPERJET INTERNATIONAL S.p.A., Member of the Board of Directors at CJSC “AeroComposit”, Member of the Board of Directors at Joint Stock Company “Aircraft Engineering Concern”, Member of the Board of Directors at the United Industrial Corporation “OBORONPROM”.

3. **Giuseppe Giordo** – CEO of Alenia Aeronautica S.p.A., Member of the Board of Directors of Alenia Aeronautica S.p.A., Member of the Board of Directors of SuperJet International S.p.A., Member of the Board of Directors of Alenia Aermacchi S.p.A., President and Member of the Board of Directors of Alenia North America, Inc., President and Member of the Assemblee des Membres of G.I.E.-Avions De Transport Regional- ATR.

4. **Vladimir Mikhailovich Lopukhin** – Member of the Board of Directors at JSC “Sukhoi Civil Aircraft”, President at VANGUARD Ltd., Member of the Board of Directors at JSC “British American Tobacco-Yava”, Member of the Board of Directors at SUPERJET INTERNATIONAL S.p.A.

5. **Igor Yakovlevich Ozar** - Member of the Board of Directors at JSC “Sukhoi Civil Aircraft”, Executive Director at JSC “Sukhoi Design Bureau”, Member of the Board of Directors at JSC “Sukhoi Design Bureau”, Chairman – Scientific and Technical Council JSC “Sukhoi Design Bureau”, Deputy Director General for Corporate Finance at JSC Sukhoi Holding Company”, First Deputy General Director for Economics and Finance at JSC Sukhoi Holding Company”, Member of the Board of Directors at JSC Sukhoi Holding Company”, Member of the Board of Directors at JSC

“Komsomolsk-on-Amur Aircraft Production Association”, Member of the Board of Directors at JSC “Russian Aircraft Corporation “MiG”.

6. **Andrey Andreyevich Slivchenko** - Member of the Board of Directors at JSC “Sukhoi Civil Aircraft”, Member of the Board of Directors at JSC “Kazan Aviation Production Association n.a.S.P.Gorbunov”, Member of the Board of Directors at JSC “Russian Aircraft Corporation “MiG”, Director of the Investment, Economics and Finance Department at JSC “United Aircraft Corporation”, Vice-President for Corporate Finance at JSC “United Aircraft Corporation”, Member of the Executive Board at JSC “United Aircraft Corporation”, Member of the Board of directors at JSC Sukhoi Holding Company”, Member of the Board of Directors at JSC “Finance-Leasing”, Member of the Board of Directors at JSC “UAC – Transport Aircraft”, Member of the Board of Directors at JSC “Tupolev”, Member of Board of Directors at JSC “Ilyushin Finance Co.”.

7. **Carlo Logli** – CEO of SuperJet International S.p.A.. Member of the Board of Directors of SuperJet International S.p.A.

8. **Vitaliy Pavlovich Keondzhyan** - **Member of** the Board of Directors at JSC “Sukhoi Civil Aircraft”, President at ALLIANCE Group Ltd., Chief Researcher at the State Geological Museum n.a.V.I.Vernadskiy of the Russian Academy of Science, Chairman of the Board of the Association for the Cardinal Solution to the Nuclear Weapons Non-Proliferation Problems and Ecological Improvement.

Strategy of JSC “Sukhoi Civil Aircraft”

Mission of JSC “Sukhoi Civil Aircraft”

To preserve and strengthen Russia's position as a world center of aviation industry through the leadership of JSC "Sukhoi Civil Aircraft" in developing, implementing and promoting the most effective products in the field of civil aircraft.

The key strategic target of the company –

to join the leaders of the world market of civil aircraft in the segment of regional jets.

The main elements of the strategy of JSC “Sukhoi Civil Aircraft”

Focusing on the most promising segments of the civil aircraft market - regional jets with passenger capacity from 60 to 120 seats and short-haul aircraft from 120 to 140 seats.

Experts estimate that increasing demand for aircraft of this capacity will be expected both in the domestic and foreign markets in the medium term.

Developing a diversified product range in view of the needs of the priority markets. In this area it is proposed:

1. to develop Sukhoi Superjet 100 family by means of modification of the basic model SSJ1 00/95;
2. to use the experience of creation and Sukhoi Superjet 100 platform in order to produce new models of larger capacity – up to 130 seats - as well as VIP version.
3. to cooperate with the world leading manufacturers of civil aircraft and associated parts in the sphere of design, integration and production as well as of cooperative financing and promotion of products in the priority markets on a long-term basis.
4. to be strategic partners with Alenia Aeronautica S.p.A.
5. to promote SSJ100 aircraft in the global markets through the application of modern marketing tools and cooperation with the joint venture SuperJet International S.p.A (ensuring marketing and sales of SSJ100 in Europe (except CIS), North and South America, Africa, Australia, Japan and Oceania, and creating a worldwide system of after-sales support of SSJ100 customers).
6. to widely introduce advanced technologies used by the aircraft leaders in the activities:
 - design in the electronic models;
 - highly automated production of the aircraft;

- application of the modern aircraft materials

7. to manufacture a high-technology product which is focused on export and exceeds the existing analogues.

8. to create an effective system of after-sales service of SSJ100 aircraft basing on the cooperation with Superjet International

Global objectives of JSC “Sukhoi Civil Aircraft”

In accordance with the company’s mission oriented to achieve leading positions of the domestic aircraft in the world market, the global objectives are realized in two steps:

Step I – up to 2017

As far as SSJ 100 Program reaches the full production capacity (60 aircraft per year) and operation gets its stabilization in the customers’ fleets it is planned to improve the competitive advantages of the product, and as a result, the company's competitiveness in the global market in the segment of 60-120 seats occupying 18% of the world market of regional jets.

Step II – up to 2028

Through the introduction of new technologies and launching new products onto the market it is planned to become one of the major global players in the market of short-haul aircraft occupying 15% of the world market in the segment of 60-140 seats already and providing at least 3.9 billion US dollars of the sales volume as well as to achieve and maintain at least 14% of the world market of Large Business Jet.

Short-term goals (1-3 years)

- To obtain the certificate of the European Aviation Safety Agency - EASA.
- To start stable deliveries of SSJ100 to the customers.
- To ensure the achievement of the rhythmic serial production of Superjet 100.
- To guarantee the sales volume of Sukhoi Superjet 100 aircraft sufficient for sustainable development of the project.
- To strengthen and develop cooperation with the company SuperJet International S.p.A in terms of Sukhoi Superjet 100 Program.
- To ensure the formation of a stable team and to improve the management system of CJSC “Sukhoi Civil Aircraft” taking into account the transition to serial production.
- To develop a diversified product range of civil aircraft.
- To form new competencies in part of scientific, technical, design and experimental capacity by participating in the inter-industry and aviation programs of other manufacturers in order to use them in further development of the product range of CJSC “Sukhoi Civil Aircraft”.

To widen production capacities up to the level sufficient to develop new projects aircraft

mid-term goals (3-7 years)

- To ensure the sales of aircraft of Sukhoi Superjet 100 family in the basic foreign markets in

accordance with the business plan.

- To ensure production capacities at the level sufficient to launch new projects of the civil aircraft.
- To guarantee the annual sales volume of CJSC "Sukhoi Civil Aircraft" not less than 1.92 billion US dollars (e.u. 2010, in catalogue prices), including the sales of the "green" aircraft SSJ100 to the company Superjet International S.p.A.
- To guarantee at least 73% of sales of regional jets in the Russian market and at least 17% of sales in the foreign market of the total demand in the segment of 60-120 seats aircraft taking into account the sales of Sukhoi Superjet 100 in the sales markets of the company Superjet International S.p.A.
- To develop and ensure beginning of deliveries of SSJ100 aircraft modification in the business segment.
- To ensure the development of SSJ100 family aircraft by working out a new project of creation of an aircraft of increased capacity.

Long-term goals (7-15 years)

- To achieve and maintain at least 15% of the world market of production of the aircraft with capacity from 60 to 140 seats on the basis of the full development of Sukhoi Superjet 100 family.
- To achieve and maintain at least 14% of the world market in the segment of Large Business Jet.
- To influence formation of standards and conditions of the Russian production of regional jets.
- To provide the annual sales volume of CJSC "Sukhoi Civil Aircraft" of at least 3.9 billion US dollars (e.l. 2010, in catalogue prices).

The world market of regional jets in the segment of 60-120 seats

Sukhoi Superjet 100 aircraft developed by JSC "Sukhoi Civil Aircraft" are intended for the market of regional jets with the capacity of 60-120 seats. Today this segment is mainly represented by products of two manufacturers of regional aircraft - Embraer (Brazil) and Bombardier Aerospace (Canada). In 2010 their supply volumes made up 94 and 41 new aircraft of the segment of 60-120 seats respectively.

There is also a market of obsolete and discontinued aircraft which were produced by the companies BAe and Fokker in the past.

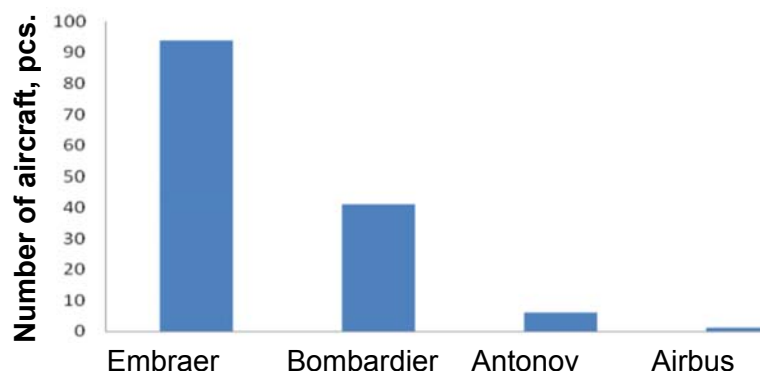
In small amounts this market segment is represented by the companies Boeing and Airbus with the younger members of the families B737 and A320.

In 2010 the new aircraft An-148 designed by the Ukrainian Design Bureau n.a. Antonov and made at the aircraft plant in Voronezh (JSC "United Aircraft Corporation") under license were

delivered. AN-158 aircraft – a senior member of the family with increased capacity - was tested. Moreover during the reporting year the first CRJ 1000 aircraft made by the company Bombardier were delivered.

In the future the emergence of new aircraft in the segment of regional traffic is expected, namely: The aircraft of ARJ 21 family of the company COMAC (China); the expected start of deliveries is 2011. The first flight was performed at the end of 2008;

- The aircraft of Mitsubishi Regional Jet family of Mitsubishi Aircraft Corporation: the planned start of serial operation is 2014.



Picture 1. Deliveries of the new aircraft of the segment of 60-120 seats in 2010.

In 2010 142 new aircraft of the segment of 60-120 seats (which is 23% less than the same indice in 2009) were delivered. 66% of them are the aircraft of Embraer, 29% - of Bombardier, 4% - of Antonov and 1% - of Airbus. In 2009, the distribution was as follows: 62% / 34% / 1% / 3%. Thus, Embraer continues to increase its global market share of regional jets. The total demand for aircraft of the segment of 60-120 seats worldwide in the period of 2010 - 2029 can reach about 5500 aircraft.

Russia and the CIS, several most developing countries of Southeast Asia and the Middle East are the most priority markets to sell Sukhoi Superjet 100 aircraft. Access to the markets in Europe, Latin America and the United States due to the active sales campaign and efforts of promoting and aftersales servicing of SSJ 100 aircraft by the partner company Superjet International (a joint venture of the companies Alenia Aeronautica (Finmeccanica Company) and “Sukhoi”) is also important.

Taking into account the terms of beginning serial production and sales one can forecast that the total sales volume for Sukhoi Superjet 100 aircraft can be more than 800 jets by 2029 according to the joint assessment of CJSC “Sukhoi Civil Aircraft” - SJI. This level of sales can be achieved in case financial support to customers will be provided fairly quickly and at the level of the key foreign competitors’ proposals, the possibilities of export financing will be used in full, the system of after-sales service at the modern level will be developed already at the first stage of operation. However the development of the product range on SSJ 100 platform offering several types of aircraft to the airlines in order to increase flexibility in operation and optimization of the fleet maintenance costs is more important for the preservation and strengthening of the market

interest in this aircraft to achieve this level. Presence of plans for the future upgrade, modernization of the aircraft to preserve their high level of competitiveness at the turn of 2020s is also an indispensable condition for achieving the specified potential in the market for SSJ 100 aircraft. Based on the above conditions the sales volume of Sukhoi Superjet 100 can reach 270 units in the Russian market and in post-Soviet space in the long run. Under favorable conditions which promote the sales on the international market, we can expect that the export potential of Sukhoi Superjet 100 aircraft can reach 530 units by 2029.

The emergence of business and commercial modifications of the aircraft can contribute to the achievement of the specified potential sales volume. On the one hand, it can extend the range of possible customers in the primary market, on the other hand, it also strengthens the competitiveness of SSJ 100 by increasing the possible variants of application of the aircraft at resale in the secondary market. According to the joint assessment of CJSC “Sukhoi Civil Aircraft” and Superjet International the sales volume of the aircraft in administrative, corporate and VIP-configurations can make up 100 units over the next 20 years.

Sales markets of Sukhoi Superjet 100 aircraft and position in the industry

“Sukhoi Civil Aircraft” in the modern aircraft

In 2010, the world's air transportation market almost recovered from the global economic crisis. The short-term demand for new aviation equipment was restored.

Duopoly between the companies Airbus (EU) and Boeing (USA) remains on the market of production of civil long-haul aircraft. In this case, it is intended to revise this situation in the medium term by bringing the new generation of the long-haul aircraft manufactured by Bombardier (Canada, Cseries family), United Aircraft Corporation (Russian Federation, MS-21 family), COMAC (China, S919 aircraft) to the market.

The company “Sukhoi Civil Aircraft” with its brand Sukhoi Superjet 100 is assigned to the segment of the regional jet producers the situation in which has not been fundamentally changed within 2010.

The companies Embraer (Brazil) and Bombardier (Canada) are the sales leaders in the market of regional jets. In the medium term this segment expects the increase in competition taking into account the start of deliveries of Sukhoi Superjet 100 aircraft, realization of the projects ARJ-21 (COMAC, China), MRJ (Mitsubishi Aircraft Corporation, Japan).

The current situation in realization of the competitive project ARJ21: in November 2008 its first flight took place in the framework of certification started. In 2010, the aircraft was tested at high temperatures and humidity. During the testing four test ARJ21 aircraft performed more than 400 flights and flew over 900 flight hours. The certification program of the US Federal Aviation Administration (FAA) was started. However, in November 2010 during the static tests, destruction of the wing took place which changed the plans to start the deliveries of the first

aircraft and postponed them to the end of 2011. The current situation in realization of the competitive project of the Japanese company Mitsubishi Aircraft Corporation: during 2010 development of Mitsubishi Regional Jet family was continued. MRJ90 configuration was frozen, production of components of the aircraft was started, the first flight is planned for 2012, delivery – for 2014.

On the territory of the CIS countries in the segment of 60-120 seats An-148-100 is offered. It is developed by the Ukrainian Design Bureau n.a. Antonov and its serial production is explicated at the plant in Voronezh under the guidance of the United Aircraft Corporation. In 2010, the first commercial contract for the supply of AN-148 aircraft manufactured by JSC “Voronezh Aircraft Manufacturing Company” was completed: four An-148-100B aircraft were delivered to OJSC “Rossiya” in 2010. During 2010 Bureau n.a. Antonov continued certification on the platform of AN-148 aircraft of increased size - AN-158 - which can become a direct competitor for SSJ100 aircraft on the territory of the CIS countries.

Taking the above into account the company “Sukhoi Civil Aircraft” which only appears in world market with its first project – the family of Sukhoi Superjet 100 aircraft – has faced high competition of both the industry leaders and the new players. In this connection it is critically necessary to realize the high level of commercial opportunities of the aircraft and to ensure full after-sales service. High level of participation of the foreign partners, the leading suppliers of aircraft systems and equipment from Europe and the USA in the business of JSC “Sukhoi Civil Aircraft” will contribute to the success of SSJ100 family being developed. Application of the company SuperJet International as a provider of after-sales support and a seller of SSJ100 aircraft in the markets which are sufficiently difficult for new products to penetrate into allows to strengthen both the status of the program and the position of CJSC “Sukhoi Civil Aircraft” in the industry. The interest shown not only by the Russian airlines but also by the European ones with which agreements have been already signed or contractual work is being carried out within the sales of SSJ100 aircraft proves this.

Even now JSC “Sukhoi Civil Aircraft” occupies one of the leading positions in the structure of JSC “United Aircraft Corporation” in terms of implementing the program of manufacturing aircraft with high potential for sales in the world market. Being one of the few CJSC “Sukhoi Civil Aircraft” has the modern world methods of business management and successfully implements them, preserves and accumulates knowledge, capabilities and basic principles of creating modern commercial aircraft competitive at the global level.

SSJ 100 Markets of sales

Russian and the CIS (the Commonwealth of Independent States)

According to the key performance indications, the Russian market of air service (which is a leader among the states of the CIS) overcame the time of crises successfully. A number of passenger carriages increased to 57 millions, which is by 26.3% more, than indications of 2009.

The passenger-kilometres increased by 30.8% compared to 2009 and reached the indications of 1992.

Russia and the CIS can justly be considered special in the system of regional carriage. Despite that fact that the region tended to take competitive position on the global stage, quite a number of problems is still there. The main problem is the age of pattern of the airline fleet, which includes distressed products made as early as by the Soviet Union. There are problems with land infrastructure in the region. This significantly throws the segment back, prevents the new routes forthcoming and competition between the companies, which is the most crucial for the market of regional air service. A complex program of airport network development and investments into the land infrastructure will give a powerful impulse for passenger carriage development in the CIS.

A development of the CIS states economies will become an important stimulating factor. This development can create favourable conditions for carriers' business, especially for the development of the regional routs directly dependent on mobility of population of the region, which in its turn is related to the stability and wealth level.

By favourable scenario of region development, in the long-term the need in regional airplanes with the capacity of 60-120 seats can amount to 340 units. The significant part of them will be used for replacement of existing airplanes and optimization of the carriage structure and the largest need will be in airplanes with the capacity of 90-110 seats. The Russian market is a starting point of the Sukhoi Superjet 100 family, and without it a successful promotion of the airplanes on the global stage is not possible. Today, CJSC SCA (Sukhoi Civil Aircraft) has concluded agreements for the delivery of 66 airplanes on the territory of Russia and the CIS, and new customers are actively searched for.

Asia (without India and China)

In 2010, the air services grew significantly. The passenger-kilometres grew by 10.6% a number of proposed seats increased by 4.5 points and reached 78.9%. The states of Asia are considered to be the most prospective for the development of air traffic. Taiwan, Hong-Kong, Vietnam, South Korea, Malaysia, Indonesia at al. are among them. At the moment the mentioned countries range among the developing countries, however many experts expect the rapid economic growth in the nearest future, which considerably outrun the rates of USA and Europe. One of the consequences will be an inrush of tourists, business activity growth and respectively a development of infrastructure and personnel components in aircraft sector respectively. Many aircraft producers pin hopes on Asian region already. Presently the regional aircraft park with the capacity of 60-120 seats is being just formed in the region. In the first turn, on the background of actively developing market, the air carriers aimed to form the high-efficiency fleet of long-range aircraft that provided the major profitability of the activity. By the availability of the effective structure and fleet for the long-range aircraft, the air carriers began to focus on optimization and development of the regional park. The models of the previous generation of Fokker and Boeing type are still in use. At that, the company Embraer began to master a new prospective niche. It is expected that by 2029 the demand for the airplanes with the capacity of 60-120 seats will amount to 335 unites, at that the most in-demand airplanes will be with the capacity of about 100 seats.

Evaluating the prospects of Asian market for the SSJ 100 aircraft, in the long term, by the absence of the obvious domination of the competitors' aircraft on this market, the company CJSC SCA conducts an active campaign on promotion of the products in the region. In 2010, an order for purchasing of three SSJ 100 aircraft by Phongsavanh Airlines (Laos), a start-up Laotian air carrier, was received, and the active negotiations with Indonesian regional air carrier Kartika Airlines about the delivery of 30 SSJ100 aircraft were imposed as well.

India

India is one of the most prospective states of the Asian region. . Today, the market is poorly developed, however by 2029 a replenishment of regional park to 290 airplanes is expected, and this demand will be completely formed by the increase of the traffic. Mainly the internal routes will be developed. However in short term, these rates will be a little lower because the Indian aircraft sector significantly

depends upon the economy, which is depressed by the consequences of the financial crises. The development of the services will be promoted by the fulfilling of the plans of the local government, which according to different estimations is planning to contribute more than 100 milliards USD in aircraft sector; this money will be used for airports construction and for personnel training. Besides, different business forms of air carriers are developed actively, which favours the growth of competition on regional direction and its development respectively. Despite of that fact that the market capacity is not significant today, a competition between Embraer and Bombardier in this segment has already begun.

China

China is considered to be the most prospective state from the point of view of the air services development both in Asian region and in the world. The major characteristic of the market today is a high level of branches nationalization, including the aviation industry. The government control and lack of airport capacities artificially restrains the development of the regional services.

However, currently the government control has been eased a little, which resulted in forthcoming of the private air carriers of different business forms. It is also well-known about the major plans on aviation infrastructure development, including at the account of re-equipment of military aerodromes. This tendency together with the highest GDP growth rate in the world will considerably influence on the air services. If today the share of China in the number of regional parks is less than 5%, then in prospects this index will grow to 10% and lead the region on the third place after the North America and Europe. On this background, a serious competition for the possibility to be present on this market of the regional aircraft producers is expected, especially taking into account that fact that the national aircraft corporation works actively on the certification of the Chinese regional ARJ-21 aircraft. It is expected that the park of regional aircraft with the capacity of 60-120 seats will grow to 640 unites.

The Middle East

In 2010, the region showed the highest growth of air services in the world. The passenger-kilometres grew by 15.7%, the proposed seats – by 13%, the passenger load factor – by 1.7 points. Unlike several other regions, the Middle East can be characterized by the availability of the modern infrastructure and high rate of economic growth. Besides, a beneficial geographic location creates opportunities for the development of not only the internal services, but also regional routs to neighbouring and nearby regions: India, China. Russia, Europe at al. The development will be also favoured by the process liberalization, which means the creation of the common aviation area between the countries inside the region. For the last ten years, the tourists traffic have doubled, a tendency to privatization of air carriers and the development of the low-cost business model have been noticed

By 2029 the expected demand for the aircraft of the segment of 60-120 seats will amount to 199 new airplanes.

Markets of sales of the partner company Superjet International

Europe

In 2010 the air services in Europe increased significantly. The passenger-kilometres grew by 2.6%, passenger load factor increased by 2 points. At that the largest low-cost air carriers of the region showed the high level air services growth (easyJet – by 13.6%, Ryanair – by 8.9%, Air Berlin – by 3.2%).

The European region is the second largest in the world after the USA as concerns the regional segment development; its share amounts to more than 18% of the quantity of the park with considered capacity. Eastern Europe in this share still takes less than 2%.

Today the most typical models of the European park are the BaE and Fokker airplanes as well as the new generation airplanes Embraer and Bombardier. It is expected that by 2029 only 25% of the current park will be in use. According to the forecasts, in 20 years the today's fleet of the regional airplanes with the capacity of 60-120 seats can increase to 1390 units. To achieve these indications it is demanded to deliver about 1240 airplanes both for replacement of the outdated park and for route network development. In Europe the airplanes with the capacity of 90-120 seats will become the most popular, they can serve the short-haul regional directions.

The European market is of the first priority for Sukhoi Superjet 100 project execution. The close cooperation with the European partners, the active sales campaign by means of Superjet International and clear plans of obtaining of the European certificate for SSJ 100 aircraft allow to count upon the considerable sales share of SSJ100 in this region in the long term.

North America

The market of North America is the most mature from the point of view of the level of air services development. In 2010 the passenger-kilometres amounted to 3.4%. The larger part of the world park of regional airplanes with the capacity of 60-120 seats is concentrated and operated here. Today, such large producers as Embraer and Bombardier have already settled down in the region. The outdated models, including BaE-146 and Fokker, are also present at the market. As concerns the long-term forecast, in 2029 North America will still preserve the leadership in both the park quantity and traffic. Within 20 years the current park can increase 2.5 times to 2450 airplanes. At that, the demand will be formed mainly by means of the development passenger traffic (75% of demand). The remainder demand will be formed by the replacement of those airplanes that are in use today. By 2029, in North America 45% of the airplanes being in use today, will be discarded. Thus, the long term demand for the airplanes with the capacity of 60-120 seats is estimated 1850-1900 airplanes.

Latin America

In 2010 the passenger air services of the regional air carriers showed the high level of growth (the second after

the Middle East). The passenger-kilometres grew by 11.3%, the proposed seats – by 3.4%, the passenger load factor – by 3.2 points.

The level and dynamics of air services development in the states of Latin America mainly depends upon the rate of economic development, as in the majority of developing countries. Aside from the short-lived recession in dynamics of internal and regional traffic, on the background of the economic crises, it is expected that the average indications of passenger-kilometres will grow by 3-3.5% annually within twenty years. This specifies the higher demand to the fleet formation of regional airplanes and forms the demand for new aircraft. It is expected that on the background of the favourable market environment to 2029, the demand for the airplanes with the capacity of 60-100 seats can amount to about 330 units in the region.

Africa

Despite of the continental integrity, the African region is rather diverse from the point of view of the development of the air services and fleet structure. Some countries of the region prefer to buy new modern aircraft for use and form rather effective park, the other countries base their activity solely on the airplanes of the second market, the age of which is more than 20 years.

Despite of the general development of the region and the forecasts of air services development, the share of the airplanes with the capacity of 60-120 seats will not accede 10% in 2029. It is expected that in long term not more than 180-190 airplanes of the mentioned capacity will be demanded.

Pacific Region

The share of demand for the regional airplanes with the capacity of 60-120 seats of the Pacific Region is the least – 70-80 airplanes to 2029. At that, more than a half of the demand will be formed to replace the outdated park and the remainder 45% - for the development of the air services.

The most developed region in respect of the services is Australia, and it is expected that the regional segment will develop mainly there. However, because of the geographic features of the region the majority of the services will be connected with the crossing of the water area, which requires the ETOPS specification of an airplane.

Quality Policy of JSC SCA

Management of JSC SCA defined this Quality Policy, it bears responsibility for its execution and liabilities for conformance with the requirements and permanent increase of the effectiveness of the quality management system.

- meeting the requirements of the products consumers (air carriers, passengers) Aviation Authorities;
- beneficial cooperation with partners, suppliers and Company's personnel;

- providing of the stable financial and economic condition of the Company.

The objective will be achieved by means of development and permanent improvement of:

- quality and competitiveness of products and services, completely meeting the requirements and expectations of the Consumers;

- processes necessary for products producing by means of their recording, effective execution and permanent improvement within declared terms with minimal risks;

- Company as integral effectively operating system, meeting the obligatory requirements and modern tendencies of aviation market for commercial effectiveness of the products being sold.

The achievement of the stated objectives is ensured by means of solving of the following tasks:

- › Adjustment of the quality management system to the requirements of AR-21 (Aviation Rules) (АП-21), GOST R (State Standards of Russia) (ГОСТ Р) ISO 9001, EN 9100;

- › Execution of the necessary requirements of IAC AR (Interstate Aviation Committee Aviation Register) (AP MAK) and foreign Aviation Authorities to the development and producing of the aircraft created by the Company;

- › Implementation of planning system, monitoring and control of execution of plans, cooperation and integration of works covering all Company's levels;

- › Aircraft configuration control at all life-cycle stages meeting the requirements of the air carriers and Aviation authorities;

- › Permanent improvement of the operating system of aircraft components supply to the Company's production area;

- › Organization of the stable and measured producing of aircraft with given specifications, guaranteed reliability index, maintainability, resources, serviceability;

- › Extension of post-sale services range, arrangement of the sales system and post-sale support of the aircraft produced by the Company together with the strategic partners;

- › Development of personnel management system on the basis of integration of effective job organization standards, improvement of payment vehicles, effective personnel training and development programs;

- › Successful certification of:

- Aircraft type, created on the basis of Sukhoi Superjet 100 program;

- Company as aviation technology developer;

- Aircraft producing created on the basis of Sukhoi Superjet 100 program.

Priority areas of activity and growth prospects

The major Company's priorities in 2010 were the execution of the Sukhoi Superjet 100 Aircraft Certification Test Program, launching of mass production, training system preparation and post-sales support to the beginning of the delivery and conducting of an active sales campaign of SSJ100 aircraft on the internal and international market.

In the scope of fulfilment of strategic tasks on the reaching of the leading positions in development,

production and post-sales support of civil aircraft equipment, in March 2010 the Quality Policy of CJSC SCA was adopted, directed at improvement of the competitiveness of the Company's products and meeting the requirements of the customers, passengers - end consumers and aviation authorities.

From the very moment of establishment of the Sukhoi Civil Aircraft Company, one of the key priorities has been an integration of modern Information Technologies, innovative for Russian aircraft industry at all life-cycle stages. These are engineering automation, integration of automated systems of product life-cycle support and development of products post-sales support system. In prospect, by development of new products, an application of Information Technologies, worked out on the basis of Sukhoi Superjet 100 Program, will allow to reduce labour intensity and terms of programs execution and considerably increase the quality of produced products and its post-sales support as well.

Along with the activities on the SSJ100 Programs, in 2010 the specialists of the Company Sukhoi Civil Aircraft together with Unified Aircraft Corporation (UAC) (Объединенная авиастроительная корпорация (ОАК)) conducted an activity on arrangement of Portal and control system of cooperation with Customers in the scope of working on the OAK Operator's Portal of Integrated Logistic Support Project

Certification campaign.

At the end of December 2010, 4 test SSJ 100 aircraft executed 1059 flights, completing the basic certification test flight programs successfully. The majority of the flight tests were conducted on the basis of the Flight-Test Centre of CJSC SCA in Zhukovsky. Along with Zhukovsky, in 2010 more than 15 airports of Russia, the CIS and Europe were the areas for certification campaign conduction.

Besides, estimated research and tests for static capacity of samples and airframe No. 95002 were conducted in TsAGI (Central Aerohydrodynamic Institute) and SibNIA (Siberian Scientific Research Institute of Aviation) in full subject to the Program of certification strategic aircraft tests approved by IAC AR. Certification endurance tests were completed to confirm the initially appointed aircraft resources, needed to obtain the type certificate. Bench running were conducted to the extend needed to obtain the type certificate.

According to the results of the year, 90% of certification evidential documentation needed for obtaining of IAC AR Type certificated was completed.

As one of the priority tasks for 2011 is the completion of SSJ 100 certification according to the European Standards, the work with European Aviation Safety Agency (EASA) had been conducting simultaneously. During the whole year 2010, the EASA specialists together with IAC AR experts took part in conduction of certification endurance, land and flight tests. The scheduled meetings with EASA representatives were conducted on the issues of aerodynamics, durability, hydraulic/mechanical system, electrical generating system, power plant and fuel system, environment control system, environmental aircraft noise, software, post-sales service.

With the purpose of successful execution of targets for the year 2011, a work on execution of CRI (Certification Review Item) and CAI (Certification Action Item), obtained from EASA was conducted.

Launching of the mass production of SSJ 100

Aircraft production and production certification.

At the beginning of 2010, a test aircraft 95005 was put into operation and started the flights on the certification tests program and at the end of the year, on November 04, the first production aircraft SSJ100 – 95007 accomplished the first flight. According to the results of the year 6 aircraft 95008-95014 of different level of readiness are in the shop of final assembly for launch customers – Armavia («Армавиа») and Aeroflot («Аэрофлот») air carriers. On the enterprises cooperating on the basis of SSJ100 Program, the power units for 11 aircraft more, scheduled for delivery in 2011, are launched for production.

In the scope of SSJ 100 mass production program execution, an important landmark was an obtaining of the conclusion of SMC (Scientific Methods Centre) Norma (HMLЦ «Норма») about conformance with certification basis requirements paragraph 25.605 AP-25 of the technology of Sukhoi Superjet 100 (RRJ-95) aircraft production. The aircraft production technology was approved at all production areas of CJSC SCA cooperation. According to the results of the main certification auditing there were prepared the reports and presented evidential documentation to the IAC Aviation Register, which created the conditions for obtaining the certificate for aircraft production.

To ensure the conditions for selling of the SSJ100 aircraft to western customers during 2010, the activities were conducted for acknowledgment of the production certificate of IAC AR by the EASA. Through IAC AR a number of events were conducted for assessment of SSJ100 aircraft production by Italian Aviation Authorities (ENAC). With the purposes of delivery ensuring of aircraft and spare parts to the countries of the European Union, it was developed a Schedule of activities of mutual acknowledgement of Russian and European production certification systems at the security level RRJ0000-PL-208-1007 Rev. A (as of 2011). In EASA it was forwarded a conclusion of ENAC about equivalence of the security level, ensured by Russian system of production system to the security level, ensured in Europe.

Product quality control and improvement of the quality management system

In the scope of activities on improvement of product quality in 2010 it was conducted an operational checking of integration assembly at production of 95005, 95007, 95008, 95009, 95010, 95011, 95012 aircraft. Within a year it was conducted an initial checking of the components, delivered by Joint Stock Company "Komsomolsk-on-Amur Aircraft Production Association" named after Yury Gagarin (ОАО «КНААПО им. Ю.А. Гагарина»), OJSC Novosibirsk Chkalov Aviation Production Association (ОАО «НАПО им. В.П. Чкалова»), OJSC Voronezh Aircraft Joint-Stock Company (ОАО «ВАСО») for 95007, 95008, 95009, 95010, 95011, 95012, 95013, 95014 aircraft. There were conducted 6 scheduled and 7 unscheduled audits of both Russian and foreign

supplying enterprises, There were prepared documents establishing the procedures of assessment and supplied products quality management:

- type quality requirements;
- requirements to the quality report for manufacturing plants;

- research documents of non-conformance with Component Maintenance Manual and on approval of the suppliers for mass production. In the scope of ensuring of conformance of supporting documentation (Airworthiness Certificate) with the system/components subject to installation in the aircraft, there were signed the agreements according to the European Rules Part 21A.133(b) and (c) with the key suppliers of the systems and components.

By means of the suppliers documentation analysis it is conducted a periodic monitoring of suppliers' conforming to the requirements of interface standards. For the suppliers' approval for mass deliveries, the summary documents of 2007-2010 were prepared. A Competition Committee of CJSC SCA made a resolution on approving of 102 suppliers for mass deliveries.

There were developed and approved the decisions on execution of supporting documentation for operation of the aircraft of RRJ family RRJ in OJSC Aeroflot-Russian Airlines (ОАО "Аэрофлот-авиалинии") (No. RRJ0000-OR-208-1860) and in OJSC Armavia (ОАО "Армавиа") (No. RRJ0000-OR-208-1860).

In the company it is conducted a permanent activity of development, maintenance and improvement of the effective quality management system (QMS) in accordance with the approved Quality Policy.

Reduction of production cost

In the process of growth of the mass production, one of the key directions of the Company's activity became measures on reduction of production cost of the released products and the improvement of the quality management system.

In 2010, the cost of purchased integrated parts (PIP) was reduced by 3.2%, and there were achieved the targets of expenses reduction for their transporting (4.3% of general cost of PIP), which taking into account the complicated logistic of the program and an initial stage of mass production is a good indication. It was organized an updating of 100% of nomenclature of imported integrated parts with the purpose of specification of Product range of Foreign Economic Activities (FEA) considering an actual construction documentation, which allowed to reduce to customs payments for 3.5 million rubles for one aircraft. A work on obtaining of classification decision of Federal Customs Service of Russia for the main systems of an aircraft with the purpose of additional reduction of customs payments by conduction of packaged delivery.

Marketing and sales

Together with the project Partner-Companies SuperJet International and PowerJet, the Company Sukhoi Civil Aircraft conducted an active sales campaign of the aircraft both on the internal and external market. In 2010, a strong emphasis was made on promotion of the products on the markets of Russia, CIS, Southeast Asia, the USA and Latin America.

As a result of the active work on promotion of SSJ 100 aircraft this year, the orders were received:

- for 30 Sukhoi Superjet 100 aircraft from the Pearl Aircraft Corporation carrier;
- for 6 aircraft from the leasing company Willis Lease Finance Corporation (the USA);

- for 3 aircraft from Laotian carrier Phongsavangh Airlines;
- for 30 aircraft from Indonesian air carrier Kartika.

Thus, the portfolio of firm orders increased by 69 aircraft.

Besides, within the whole year a work with other air carriers was conducted, including European air carriers and companies operating on Latin American market, which is especially important, taking into account the domination of competitive Brazilian company Embraer on this market.

Table 1. Firm Orders Portfolio for Superjet 100 as of the end of 2010.

Customer	Number of airplanes, units
Aeroflot – RA	30
Financial Leasing Company	10
Air Carrier Armavia ("Армавиа")	2
IFC Avializing (ИФК "Авиализинг")	24
Phongsavanh Airlines	3
Pearl Aviation	30
Willis Lease Finance Corporation	6
Kartika Airlines	30
Customer of SJI (confidential)	20

Preparation of the training system and post-sales support to the beginning of the deliveries in 2011

Preparation of the training system of the customers

With the purpose of training of the crew and land ground staff of the customers, together with Italian partners of CJSC SCA – SuperJet International (SJI) it was organized two Training Centres, in Zhukovsky, on the basis of the Flight-Test Centre of SCA and in Venice. The Italian Centre is certified and approved by Russian Federal Agency of Air Transport; the centre in Russia is approved by Russian Federal Agency of Air Transport.

In the scope of execution of the liabilities to the customers, CJSC SCA together with the Company SuperJet International S.p.A (SJI) developed and agreed the programs of flight and cabin crews training, as well as the technical staff of the customers. The training is scheduled for the beginning of 2011. In 2010, in the scope of preparation of the costumers for training two Conferences were conducted on training with the air carriers Aeroflot – Russian Airlines («Аэрофлот – Российские авиалинии») and Armavia («Армавиа»). There was completed the development of the computer training system (CTS) for flight and cabin crews and technical staff, directed for theoretical preparation of the own specialists, SJI specialists and customers' specialists. In the scope of the contract with the company Oktal, there was developed and installed a definitive version of CTS for SSJ100 aircraft.

A procedural simulator (FTD Lev V ICAO) was created and qualified. The Company *Thales Training* conducts an activity on creation of a full flight simulator.

To the FFS deliveries beginning the crews will be trained on FTD and test airplane 95005.

Launching of the post-sales support system.

A set of air navigation and operations documentation was developed, approved by IAC AR and put into operation by Russian Federal Agency of Air Transport.

Flight Manuals, Safety Instructions for Passengers, Baggage and Cargo Loading Manuals, Evacuation and Fire Fighting Manuals, Weight and Balance Manuals, Airport Service Planning Manuals were developed and issued.

In the scope of forming of the system of integrated logistic support of the aircraft SSJ100 (ILS), a database for logistic support analysis (LSA DB) was accomplished for an airframe and aircraft systems. An information system LSA Suite improved.

A Standard Documentation was developed for making a products logistic structure, methods and instructions on integration of MSG-3 analysis data, reliability, fail-safety, controllability. Works on making of the logistic structure of an aircraft were conducted for functional systems, airframe construction and engine systems taking into account the configurations for the first customers. Works on integration of a part of data into LSA DB were accomplished.

Interfaces were developed with external systems, which use aircraft logistic structure and reference books (Land service facilities (LSF), expendable materials) data with documentary system, FRACAS and operator systems.

For maintenance costs optimization there was defined a methodology of calculation and structure of LSA DB data.

In the scope of works on preparation to putting into operation of an aircraft, there was developed and put into operation a Customers Supporting Portal and CRM-system.

On the Portal there was developed a structure of maintenance documentation catalogue, where manuals test files were uploaded.

Test operation of Portal and CRM-system was conducted.

In accordance with the developed lists, there were submitted the applications on the basis of which there was made a purchase and a delivery of the basic spare parts is performed for ensuring of initial operation of the aircraft by OJSC Aeroflot – Russian Airlines, a possibility for purchasing of the spare parts was ensured for filling of SJI Company's warehouses and for purchasing of the spare parts developed by CJSC SCA. The lists of recommended spare parts were developed for ensuring of negotiations with new customers.

Construction documentation was developed for original land service facilities and their launching into production was accomplished.

There was conducted an estimation of LSF of general and special application, of land control facilities (LCF) and tools in the process of plant certification test of SSJ100 aircraft with making of the necessary protocols and reports. The lists of LSF of general and special application, of land control facilities (LCF) and tools were developed and issued for operational phase of SSJ100 aircraft.

There was developed and issued the operational documentation for LSF of general and special application, LCF and tools (illustrated manual on LSF, manual on aircraft restoration and manual in LSF planning).

Information Technologies Development

Information infrastructure development

In 2010, the activity on optimization and development of information infrastructure continued in the Company.

Within a year there were organized and put into operation more than 130 working places of local area network (in the scope of reconstruction of Technocomplex and final assembly shop, Komsomolsk-on-Amur). To the end of 2010, a resulting capacity of local area network of the Company amounted to more than 3250 working places (Moscow and Zhukovsky offices and Company's branches).

Servers visualization systems modernization was conducted, e-mail servers were transferred into virtual environment, there was prepared a platform for testing of transfer of PDM-system TeamCenter in Moscow central office into virtual environment.

Disk array EVA 6400 was put into operation with resulting capacity of 9 TB, as a result, there were considerably improved the features of reliability and scalability of enterprise system of data storage (DSES).

Engineering automation

In 2010, activity on engineering automation was directed upon solving of the engineering tasks, directed upon development of software needed for resolution of configuration control tasks.

Details and associated parts are design in CAD-systems CATIA V5 and NX. Products data is controlled in the system TeamCenter Engineering (TcEng). The system TcEng allows storing an electronic mockup of the aircraft, products technical manuals, additional information. The system allows to control the bill of material according to their serial numbers, options installed on each airplane, to keep the access of the specialists to actual documentation (information) only, to exchange data of products in semi-automated mode with co-developers of the products and producing plants of aircraft parts. Currently, it is organized a work with data of electronic mockup of the products on 12 geographically distributed areas.

CJSC SCA, producing plants and associate contractors on engineering use the unified model of data in the system TeamCenter Engineering for control over the products data.

In 2010 the system TeamCenter Engineering was significantly improved using own resources of CJSC SCA in the following directions:

- 1) There was improved an electronic procedure of construction documentation issuing, which allowed to reduce the terms of passing of this procedure;
- 2) There were developed and implemented the program units of lithiation of construction documentation;

- 3) There were developed the program units for control of construction data changes;
- 4) There were developed the program units for restoration of electronic mock-up of cable network of Sukhoi Superjet 100;
- 5) There was developed the software that allowed to control the Sukhoi Superjet 100 products configuration more effectively;
- 6) There was developed the software that allowed to perform the data exchange using the WorkFlow processed, which gives the possibility to make data exchange more clear for users;
- 7) There was developed the software, that allowed to perform the assignment and control of indexes "Configuration Functional Index" for inclusion of purchased integrated parts into the assemblies, which are the part of the construction documentation;
- 8) There were improved the software utilities for creation of reports on products composition and technical documentation. All necessary kind of reports are created by means of the unified algorithms and meet all stated requirements on completeness and validation of information;
- 9) In TeamCenter Engineering there were launched the modules necessary for creation and control of logistic data of the products.

There was developed the software of TcEng data synchronization between the branches of TcEng CJSC SCA. There was developed and implemented the database of registration of all transmitted and accepted information.

The safety of users by working in the system TeamCenter Engineering was significantly increased. The users are divided into groups with different access privileges.

Functional Team Center Engineering was improved allowing the geographically distant subdivisions of CJSC SCA or projects associated contractors to work through the Internet in the unified system TeamCenter Engineering installed in the front office of the Company. This allows to perform a work on electronic mockup and documentation in real time mode on geographically distant areas, which allowed to reduce the labour and time costs connected with the process of data transmission.

With the purpose of effectiveness increasing of data exchange conducting and information synchronization from the Unified Nomenclature Reference Book of purchased integrated parts, there was launched and is effectively used the technology MultiSite Collaboration, allowing to perform the data exchange in considerably reduced terms.

In 2010, a number of works was executed on preparing to transfer on new version of Team Center Engineering. There were performed the works on launching and testing of MultiSite Collaboration and four layer architecture Team Center Engineering.

To reduce the number of servers and increasing of the reliability and fail-safety of TeamCenter Engineering operation, in 2010 there were performed the works on preparation of transfer of the main TeamCenter Engineering servers to virtualization technology. The transfer of production environment to virtualization technology will be performed during the transfer to the new version of TeamCenter Engineering, which is planned for the end of 2011 – beginning of 2012.

Preproduction automation

Works of automation of technological preproduction in 2010 were directed upon automation of working places of specialists of CJSC SCA and its branches ensuring of automation of special tasks of preproduction, making of the unified electronic control system of all data and documents of the products of Sukhoi Superjet 100 project.

The system Report SB SI (Папорт СБ СИ) allows to solve two main tasks:

1. To develop operational technological processes of products producing, connecting together the designed product, technological processes of its production and necessary production resources. The result of engineers work in this program system are cyclic production schedules, flow diagrams, parts lists and other documentation, needed for ensuring of production process;
2. To conduct operational planning and production process recording on the basis of developed technological processes, factory calendar and availability of necessary resources.

In 2010, for the system Report SB SI (Папорт СБ СИ), there were developed and implemented the new functions:

- With the purpose of insuring of engineers of KoAB (Komsomolsk-on-Amur Branch) (КХАФ) of CJSC SCA informing about issuing of preliminary notices, there was put into operation a function of import of preliminary notices list from the Teamcenter Eng. into the system Report SB SI (Папорт СБ СИ);
- With the purpose of insuring of engineers of KoAB of CJSC SCA informing about issuing of new revision of construction documentation there was put into operation a function of making of the list of main reports in Microsoft Excel format;
- With the purpose of insuring of powers separation between the departments of KoAB of CJSC SCA on data control in the equipment reference book there was put into operation a function of powers control according to the separate branches of the reference book;
- There was put into operation a report on the list of the necessary technological equipment for each production platform from the point of view of aircraft numbers and data cards;
- There was developed and implemented a function of code assignment "Configuration Functional Index" for purchased integrated parts;
- There was implemented a function of automated recalculation of time limits.

The system TeamCenter Engineering, module Manufacturing will serve as a core of unified control system of technological data and documentation on the Sukhoi Superjet 100 program.

There was improved to meet the CJSC SCA requirements a functional of the system TeamCenter Engineering, module Manufacturing, allowing to form deliverable bill of material, which is use while making of the technical requirements for the delivery of the aircraft parts to the producing plants, on the basis of the Engineering bill of material developed by the engineers in the system TeamCenter Engineering. Changes in the Engineering bill of material are shown in Deliverable bill of material automatically.

There was improved an interface of data transmission of technological deliverable bill of material to

ERP-system for planning and organization of purchases of aircraft integrated parts. There was updated a function of conformance testing of details and assembly units nomenclature in engineering bill of material and Technological deliverable bill of material. There was implemented an interface of reports receiving with specifying of the engineers' surnames near each error.

The works on improvement of the system Team Center Engineering, module Manufacturing are in progress for control of all technological information and documentation about the product. The implementing of this system will allow to have the developed technological processes in electronic form completely connected with Engineering bill of material.

Development of systems of support of aftersales service.

Regarding development of systems of after-sales support of a product the work was performed in the following directions: Support of creation of interactive electronic technical manuals (IETM); information system of logistics support (LSA Suite); Information analytical systems of gathering and analysis of the operational data.

On the direction of support of IETM creation:

- Software-hardware support of Sogitec Doctec and PTC Arbortext products is performed;
- The system update was performed in cooperation with Sogitec company;
- Technical support of users-designers of interactive electronic technical manuals (IETM) is performed;
- In 2010 the work on management of incidents and system faults repair in cooperation with Sogitec company was started;
- Placement of the classroom for training the users on working with Sogitec Doctec was performed.

On the direction of the information system of logistics support (LSA Suite):

- MSG-3 LSA Suite module fine tuning was performed to provide technology of harmonization of maintenance service;
- Fine tuning of the LSA module of the Logistics support analyses (LSA) system «ЛСИ Editor» was performed in Teamcenter Engineering with the purpose of providing CFI marking process;
- Fine tuning of the LSA Suite module «Report builder» was performed with the purpose of providing more flexibility at building reports;
- New LSA Suite module «GuiAccess» was developed;
- Fine tuning of the LSA Suite and LSA modules Teamcenter Engineering were performed by the results of the testing by users;
- Synchronization and data purification process between LSA Suite and LSA modules Teamcenter Engineering was started with the purpose of the following integration of two systems with regard to the composition of the product;
- Technical support of the LSA Suite operation and maintenance phase is performed.

On the direction of creation of the Information analytical system of gathering and analysis of the operational data:

- In 2010 technical support of operation and maintenance phase of the information system «Erlan-2C» was started to provide control of the technical maintenance at the stage of flight tests;
- Technical support of operation and maintenance phase of the software product MRB/MPD for preparation the data of MSG3-analysis is performed.

Works on tuning and operation testing of the subsystem of «Notification on failures and corrective actions analysis» on the basis of FRACAS software product produced by Relex Company were finished. The work on automation of the following processes is performed:

- gathering and recording of the incidents that happened during operation because of failures and breakdowns of the airborne vehicle and its components;
- analysis of the conditions under which the failures occurred;
- analysis of the corrective actions performed at discovering the failure;
- analysis of the operational experience of the produced park of the airborne vehicles with the purpose of development of recommendations on its efficiency improvement;
- recording, notification and monitoring of the compliance by the user with the bulletins and recommendations issued by the holder of the certificate of the type.

Enterprise Resource Management

In 2010 the work on creation of the Information management system continued JSC «SCAC» (IMS SCAC) Oracle OeBS-based. Operational testing of the module «Production» was performed. Module «Logistics» (Stocks, Procurement) was prepared for operational testing. Work on verification of reference data in the information systems SCAC (TCE,TCM,Report,1c) was performed. Work on integration of the information systems (synchronization of purchased integrated parts TCE-OeBS-1c, downloading of arrival of purchased engineering products from OeBS to 1c) continued.

Work on automation of business processes based on 1c:Enterprise – Operational testing of «Electronic reconciliation of reports» continued. Support of 1c:Enterprise accounting and 1c:Salary and HR management continued. Transfer for 1c:Enterprise from the platform 8.1 to the platform 8.2 was performed.

HR management

In 2010 average staffing number of JSC «SCAC», including filial agencies in Komsomolsk-na-Amure, Novosibirsk and Voronezh, made 2236 people, so «Sukhoi Civil Aircraft company» is quite a big employer who provides more than 2000 working places in Hi-Tech segment of the industry in four regions of the country.

At the same time the average age of the employees of the company for the latest 3 years made 40 that is the evidence that the company managed to accumulate the young but at the same time experienced specialised personnel who possess necessary competence to create modern examples of the aviation equipment. Employees of 30 - 49 years old make 40% of the personnel of the company. At present 63 people with PhD and doctorate degrees work in the company. With that, 34% employees are young people up to 30 years old. (Diagram1)

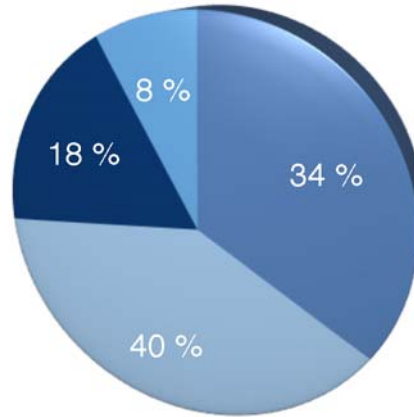
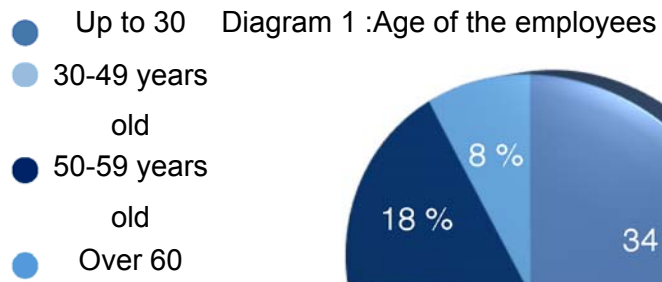
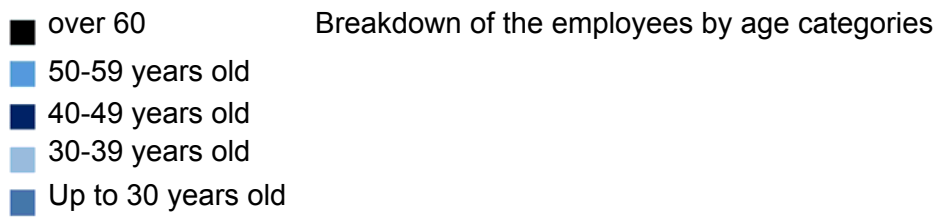
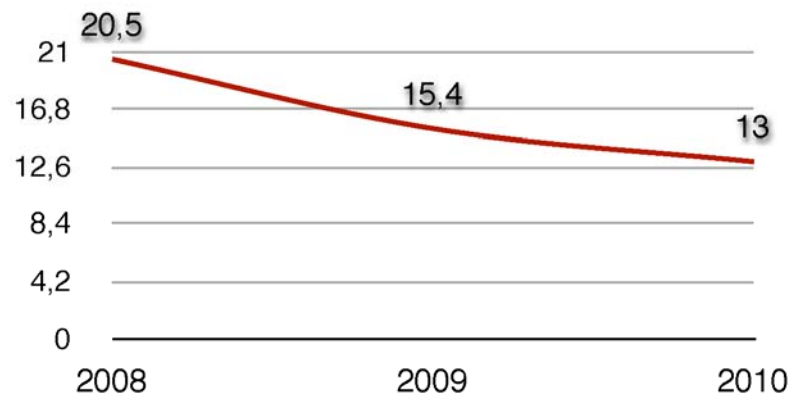


Diagram 2 shows that for the last three years proportion in the age structure of the employees of the company has not had any major changes:

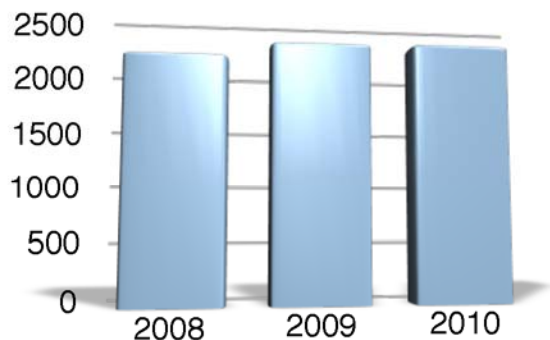


At the same time separation ratio since 2008 has decreased from 20.5 to 13.0. (Diagram 2)

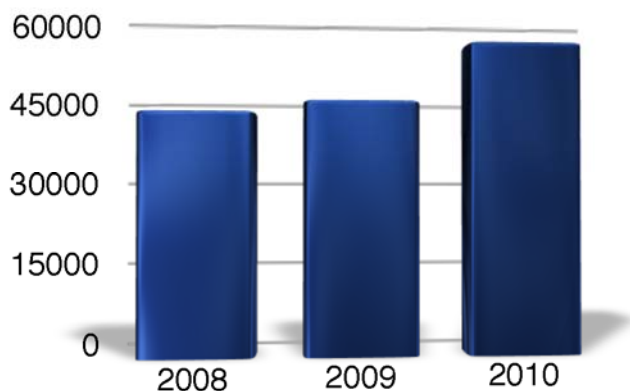
— Diagram 2: separation ratio



In comparison with 2009 the index of the average staffing number has not practically changed, while the average salary growth has made 18.9% and has reached the index of 54868 rubles, and volume of money directed at social security has grown by 23% and has reached the index of 29 500 304 rubles. (Diagrams 3, 4, 5)



■ Diagram 3: The average staffing number growth



■ Diagram 4: The average salary growth

Social security programs for the employees of the company.

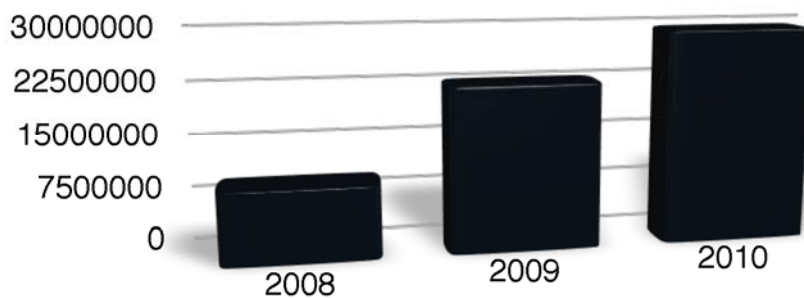
«Sukhoi Civil Aircraft company» is first of all socially responsible company which makes it a priority to create maximum attractive working conditions for its employees, understanding that in such complex area as aircraft industry maintaining personnel and providing a possibility to transfer the experience to young specialists – personnel continuity – is a guarantee of successful development of the company in the long-term perspective.

In 2010 the employees were provided with the programs of voluntary medical insurance (VMI). For this purpose the company allocated 12 425 641 rubles.

Voluntary medical insurance contract includes all major types of medical aid, particularly:

- outpatiently ambulatory care;
- in-patient hospital;
- dental care;
- domiciliary care;
- emergency medical care.

■ Diagram 5: Volume of money for social security.



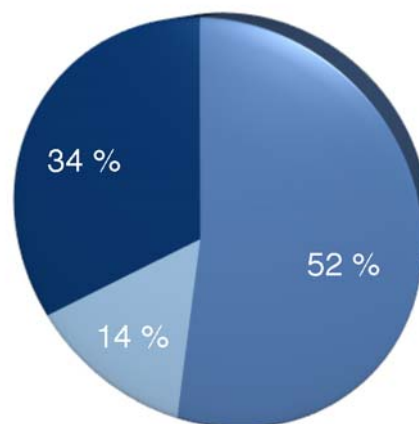
As a bonus insured workers were provided a possibility to get a policy for those traveling abroad as well as a VMI policy for close relatives using corporate tariffs.

Within VMI program 1140 employees were insured.

Personnel training programs.

In total in 2010 90 employees of the company got training. Volume of expenses for personnel education and training in 2010 made 1 404 788 rub. Average amount of expenses to train 1 employee of the company was 15 608 rub. 19 employees of the company went through compulsory training. Volume of expenses for their education made 523 000 rub.

Breakdown of the trained employees by the departments (Diagram 6):



- Departments which take active part in certification campaign
- Administrative and management personnel
- IT

Such breakdown of the personnel engaged in training programs of 2010 may be explained first of all by main priorities of the company activity and tasks which were set for SCAC for this period: to provide implementation of the certification program as well as perfection of the whole IT-infrastructure of the company aimed at widening the sphere of automation of the processes connected with production and preparation of operational documentation as well as with after-sales service of the customers SSJ 100.

Programs of development of the personnel relations system on production sites.

Priority tasks of the personnel management of the company in 2010 were formed with understanding the necessity of the system approach to personnel management. It is important to draw attention to the following key directions:

- building-up practical approach to management the personnel of assembly department on the basis of the world experience of the aviation industry enterprises, in particular:
- organization of team-based approach to work in shifts on 5 platforms;
- organization of «fast response team» work;
- implementation of the incentive system for the specialists of the test team of mass production aircraft;
- formation of the policy of «motivated foreman (supervisor)»;
- organization of the system of specialists selection for assembly department.

Programs of development of the personnel motivation system.

- practical implementation of radically new incentives system of all categories of the company workers, in particular:
- for top management – year-end bonus (system of year bonuses);
- for managers of functional blocks and directions of activity – quarter-end bonus;
- other categories of workers – month-end bonus on the basis of individual evaluation.

Ongoing working body – Balance committee – was created to evaluate the results of activity of structural divisions, workers-managers for the accounting period as well as to develop recommendations for the management of the company on implementation of the current system of motivation.

As the result of the current incentive mechanism the managers of the structural divisions got the opportunity for independent restructuring of bonus fund to motivate the best workers.

- implementation of the package of measures on organization of labor activity of the foreign specialists in the company, organization of conditions for their quickest adaptation in the company staff;

- organization of practical cooperation with HR-divisions of the company «Alenia Aeronautica» implementation of the package of measures on correcting HR policy within the interests of single approach to aims and tasks of corporate cultures and their approximation;
- practical work on increasing the salary volume for young specialists of the company within the framework of implementation of the joint program together with the Government of Moscow. «Regulations on material reward of young employees up to 30 years old» were brought into force in the company.

Intellectual property management

Leadership in the aviation market demands from the company formation of the modern and active system of patenting and intellectual property protection as development and putting into production such a complex Hi-Tech product as an aircraft is extremely intellectually demanding sphere of industry. In connection with this the work of corresponding services is aimed at patent protection of personal developments of the company, analysis of patent purity of the developments of counter-agents and the products procured by them, as well as maintaining interests of the company at differentiation of the rights for the result of intellectual activity.

Following the work on patent protection of SCAC developments in 2010, 13 applications for the objects of intellectual property were submitted, including:

- **applications for a discovery – 7;**
- **applications for industrial prototypes – 6.**

As to applications submitted in 2010 and in the previous years, 10 patents for discoveries, useful models and industrial prototypes were granted and included for accounting purposes.

Risk management

Legal risks

The company refers the following risks to the financial risks:

- change of currency regulation.

JSC «SCAC» is a participant of foreign economic relations, part of its obligations is in foreign currency, therefore change of currency regulation may have a negative impact on JSC "SCAC": to complicate appropriate execution of obligations under earlier signed contracts, to demand signing of additional agreements to such contracts, to affect scope of obligations, etc.

- change of tax legislation.

JSC «SCAC» is a tax payer who is paying federal, regional and local taxes, therefore tax legislation change (increase in rates of current taxes, introduction of new types of taxes and duties etc.) may lead to increase in tax load on JSC "SCAC" and, accordingly, to changes of bottom-line figures of economic activities, including net profit reduction.

- change of customs regulations.

JSC «SCAC» is a participant of foreign economic relations, its activity is closely connected with a possibility to transfer goods through customs border of the Russian Federation, therefore change of rules of the customs and export control, as well as of the size and order of payment of the

customs duties can be adversely reflected in activity and financial indices of the Society.

- changes in requirements to licensing and certification.

As primary activity of the JSC "SCAC" is subject to obligatory licensing, and the manufactured goods - to obligatory certification, strengthening the requirements to licensing and certification may lead to necessity of making Joint-Stock Company "SCAC" and/or its products comply with the newly established requirements, and also to increase in term of preparation of the documents necessary for licenses and/or certificates prolongation or obtaining. In case JSC "SCAC" and/or its products do not comply with the newly established requirements, or compliance with the latter will be connected with excessive expenses, such activity of JSC "SCAC" can be stopped.

- legislation regulating intellectual property relations.

As activity of the JSC "SCAC" includes research and development works in the field of aviation equipment, change of the legislation regulating intellectual property relations will have a negative impact on the Society.

- changes of judicial practice.

Judiciary practice changes regarding the issues connected with the activity of the JSC "SCAC" may lead to increase in its expenses on participation in litigations, including expenses on attracting the qualified lawyers, as well as on delivery of judgements not in favor of JSC "SCAC".

To decrease legal risks JSC "SCAC" carries out constant monitoring of changes of the current legislation and judiciary practice, watches legislative activity of legislative authorities, estimates their potential influence on the Society activity. In case of occurrence of one or several above mentioned risks JSC "SCAC" will take all possible measures to minimize their negative consequences.

Main risks on Sukhoi Superjet 100 program.

The company refers the following risks to the main risks on the program:

1. Scope and time of production:

- risks of not achieving the planned curve of decay of labor coefficient of manufacturing and assembly of serial parts of the aircraft;
- risks of late delivery of PIP

- risk of implementation of big quantity of engineering changes at mass production;
 - lack of premises to provide the planned pace of aircraft production;
 - risks of not achieving of objective volume of production.
2. Production cost and funding:
- risks connected with evaluation of serial part of the aircraft and PIP in relation to the cost indicated in the contract;
 - risks connected with appreciation of composite materials (600 thousand dollars USA after the 200th aircraft);
 - risks connected with appreciation of the final assembly;
 - risks of not achieving of agreements on the target indices of decrease in value of PIP according to the repricing program (16.2% by 2012 and 26.2% by 2016);
 - risks of not achieving of target indices of expenses decrease on transportation of PIP (7% from the total value of PIP in 2011-2012);
 - risks of not achieving of target indices by customs duties (0 % in 2012);
 - risks of not getting firm orders for aircraft supply.
3. Quality of production:
- risks of not achieving of target indices on APC and technical characteristics according to the contracts on delivery.
4. Certification:
- risk of late obtaining of the Certificate of EASA type;
 - risk of not achieving a plan on expanding limitations of the Certificate of AP MAK type within the planned scope.

Financial risks

The company refers the following risks to the financial risks:

1. Risk of interest rates change

To maintain continuous development JSC "SCAC" involves borrowed assets in the financial markets. Sharp growth of interest rates may lead to growth of debt servicing cost. It may negatively affect current financial results of the Company, worsening indices of income before tax and net profit. However diversified structure and long-term character of debt allows the company to count on minimization of losses from the interest rates growth by one of financing sources. Besides, the positive credit history of JSC "SCAC" characterizing it as the reliable borrower, allows the company to count on optimization of loans cost in comparison with other comparable companies.

2. Risk of liquidity worsening

In adverse conditions in the world financial markets there is a risk of liquidity worsening, i.e. inability of the company to carry out its obligations in time. In 2010 the company tried to minimize this risk. Planning of funds movement, systematic control of spending of the received money resources, the policy of costs reduction and long-term cooperation with big Russian and international

financial institutions allowed the company to estimate beforehand a possible deficiency of financial resources and in due time to take actions on its elimination.

3. Foreign currency risk

The foreign currency risk for the company is connected with fluctuations of exchange rates of ruble to those foreign currencies in which the part of company expenses and obligations are nominated, basically to US dollar and euro. In particular, weakening of ruble to US dollar and euro in the beginning of 2010 had a negative effect on the results of activity of the company in 2010 as it led to growth of expenses in relation to revenue (under absence of the revenue from the planes sale we mean the revenue under the state contract). Additional expenses on service and repayment of obligations in foreign currency and expenses in the form of foreign exchange loss from revaluation of the given obligations were the result of decrease of a ruble exchange rate for the JSC "SCAC". Nevertheless, this influence has been leveled because essential part of obligations paid in 2010 was in rubles. As a whole under the project, the foreign currency risk is estimated as not too serious from the point of view of potential losses for the company. Besides, rate changes in the future may appear favorable for the project.

4. Inflation risk

This kind of risk in modern conditions has a constant character and accompanies almost all financial operations of the company. Probable lack of investments and increase in the prices for systems and accessories necessary for planes production, basically due to a monopoly position of separate suppliers, bear this type of risk. The rate of inflation existing at the moment has not had essential influence on the results of JSC "SCAC" activity in 2010, however, it may have a negative effect on financial results in the future. In connection with the crisis processes in economy, the probability of inflation rates increase in the Russian Federation is high, but this indicator is considerably lower than the critical values for the company. JSC "SCAC" makes all efforts to forecast potential increase in the prices and manage this risk.

5. Tax risk.

This risk directly influences the financial result of the company. Introduction of new taxes, increase in tax rates and customs duties, change of terms and conditions of separate tax payments, cancellation of current tax privileges over the medium term and presence of essential number of contradictions in tax laws may have essential influence on the results of the company activity. Change of conditions on taxes payment in 2010, in particular, for the rate of the unified social tax, did not have a negative influence on the company activity in 2010. JSC "SCAC" takes all possible measures to minimize probable risks.

6. Risk connected with the change of the rules of customs control and duties.

JSC «SCAC» is a participant of foreign economic relations, its activity is closely connected with a

possibility to transfer goods through customs border of the Russian Federation, therefore change of rules of the customs and export control, as well as of the size and order of payment of the customs duties can be adversely reflected in activity and financial indices of the Society.

Measures to decrease risks

The basic measures to decrease risks are:

- Implementation of the risk management system, including estimation of probability of exposure to this or that risk, and ability of the company to compensate its influence.
- The analysis of resource endowment by the most critical areas.
- Improvement of the system of planning of the company activity and decision-making processes.
- Market monitoring, negotiations with suppliers within the limits of the repricing program, agreements with suppliers, search of interchangeable offers by a number of systems of planes.
- Negotiations with financial institutions with the purpose of depreciation of the borrowed capital, improvement of the existing credit portfolio quality.
- Monitoring of financial risk hedging tools, analysis of potential transactions.
- Monitoring of changes of the current legislation and judiciary practice, monitoring of legislative activity and estimation of its potential influence on the company activity.

In case of occurrence of one or several above mentioned risks JSC "SCAC" will take all possible measures to minimize their negative consequences.

Financial reports

Accounting reports for 2010

Accounting reports for 2010 including balance sheet, profit and loss statement, attachments to balance sheet and profit and loss statement, foreseen by the normative documents of the RF are provided in Appendix 2.

Audit opinion certifying reliability of the annual accounting reports.

Auditor of JSC «SCAC» - JSC «KMPG» proved reliability of the annual accounting reports.

From the auditing report of JSC «KMPG»:

«We had audit according to the Federal Law «On auditor activity», federal standards of auditor activity.

The audit included carrying out of the auditor procedures directed at getting auditor evidence confirming index numbers in the accounting reports and disclosed there information. Audit also included an evaluation of the appropriate character of the applied accounting policy and validity of

the evaluation indices received by the Society management, and also the evaluation of the accounting reporting presentation as a whole.

We believe that the auditor evidence received during the audit give sufficient grounds for the opinion on reliability of the accounting reporting.»

Management comments to the financial reports.

Financial and economic indices of Joint-Stock Company "SCAC" reflect specifics of activity of the company as an aviation company which is at the stage of starting mass production.

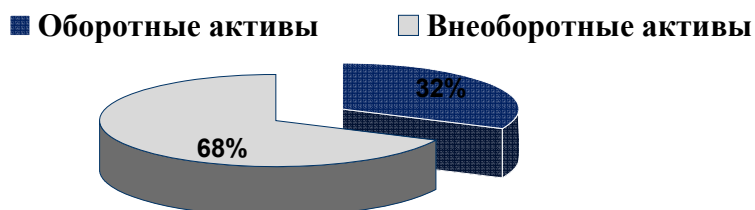
The balance currency throughout the last accounting periods shows a steady growth: this index increased during 2010 by 40 % and for the beginning of 2011 has made 49 848 125 thousand rbl in absolute terms. Increase in balance currency throughout the last years testifies to preservation of high rates of the company development.



Balance currency (thousands of rubles)

Pic. 1. Dynamics of the balance currency of JSC "SCAC" for the period of 2008-2010.

In assets structure the share of non-current assets is still rather high at the expense of capitalization of expenses on R&D. In 2010 the share of non-current assets slightly decreased up to 68%. Consequently the share of current assets made 32%.



Current assets

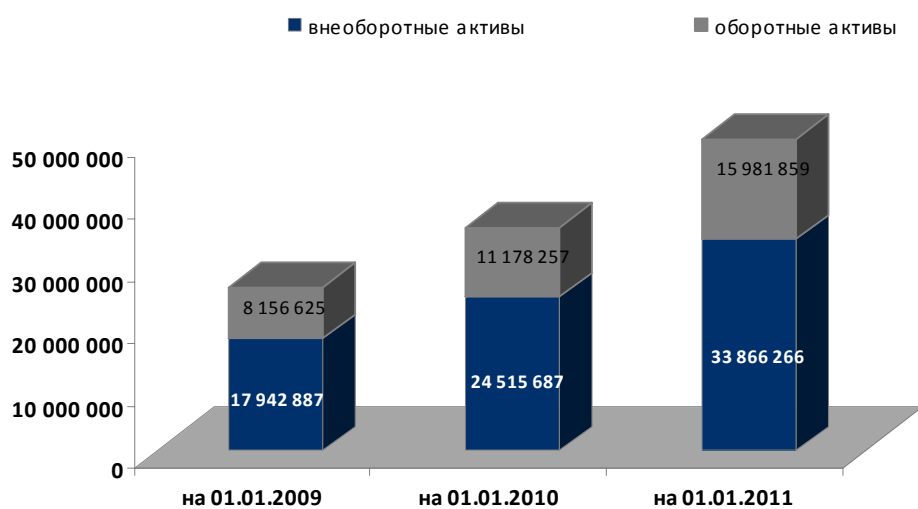
Non-current assets

Fig. 2. Assets structure of JSC "SCAC" as of 01.01.2011.

The main share of current assets falls on:

- Stocks – 39,48%,
- accounts receivable (less than 1 year) – 24,05%,
- short-term financial investments – 16,27%,
- monetary funds – 2,30%.

Accounts receivable are completely made of liabilities payments by which are expected during 12 months and make 3 843 912 thousand rubles according to the results of 2010.



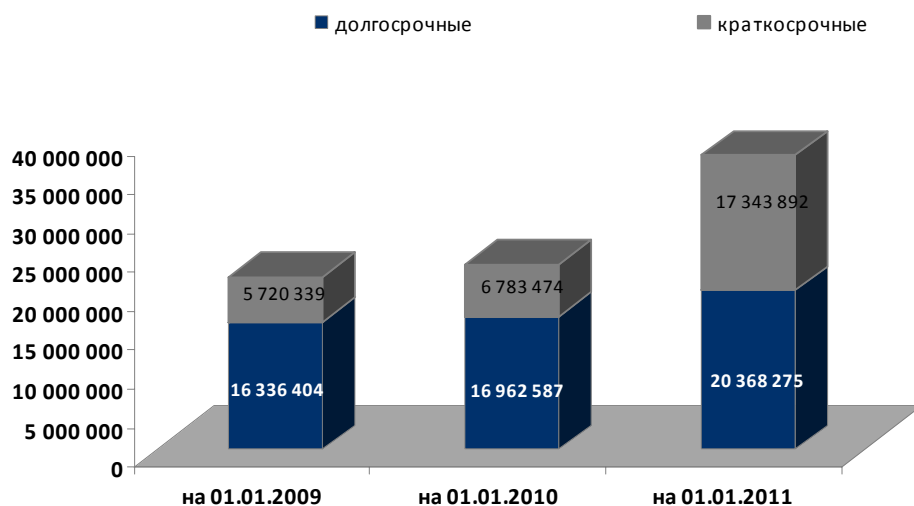
Current assets

Non-current assets

Pic. 3. Change of the assets structure of JSC "SCAC" for 2008-2010 (th. rub.)

The basic part of assets is concentrated in expenses on R&D, fixed assets and stocks. R&D are carried out under the project Sukhoi Superjet 100 and the share of this article makes 63 % in company non-current assets, 43 % - in balance currency. Stocks increased by 57 % and make 39.48 % in current assets of the company, 13 % - in balance currency.

Both personal and borrowed assets are the sources of financing R&D.



Long-term

short-term

Pic. 4. Change of the borrowed assets structure of JSC «SCAC» for 2008-2010 (th. rub.)

The volume of the borrowed assets by the results of 2010 increased by 59 % and makes 76 % from the balance currency. The basic direction of use of the borrowed assets is realization of the project Sukhoi Superjet 100, financing of expenses on R&D.

As the company activity is characterized by dependence on the borrowed assets, it is necessary to notice that 54.0 % fall on the long-term obligations whereas share short-term (less than one year) obligations make 46,0 % that allows to provide a good financial stability to the company.

The accounts payable make 3 425 420 thousand rbl. of JSC "SCAC".

Debt service obligations are repaid in due time.

Obligations on payment of budget taxes and on payment of obligatory payments to the state off-budget funds are also paid in due time.

Calculation of financial indices is made to show the real financial position of JSC "SCAC" (Table 2).

Table 2. Indices of the financial position of JSC «SCAC»

	Normal value of the index	For the beginning of the accounting period (01.01.10)	For the end of the accounting period (31.12.10)
Capital structure indices			
Debt to equity ratio (characterizes excess of debt over the own sources of settlement)	<1	6,98	6,97
Equity Ratio (characterizes degree of financial independence of the enterprise)	>0,5	0,13	0,13
Debt to total assets ratio (shows what share of assets is financed at the expense of debt)	0,2-0,5	0,87	0,87
Liquidity ratios			
Absolute liquidity ratio (characterizes what share of short-term obligations can be covered at the expense of money resources and their equivalents)	0,1-0,2	0,08	0,14
Current liquidity ratio (shows whether the enterprise has enough of assets which can be used for repayment of short-term obligations)	1 - 3	0,90	0,77

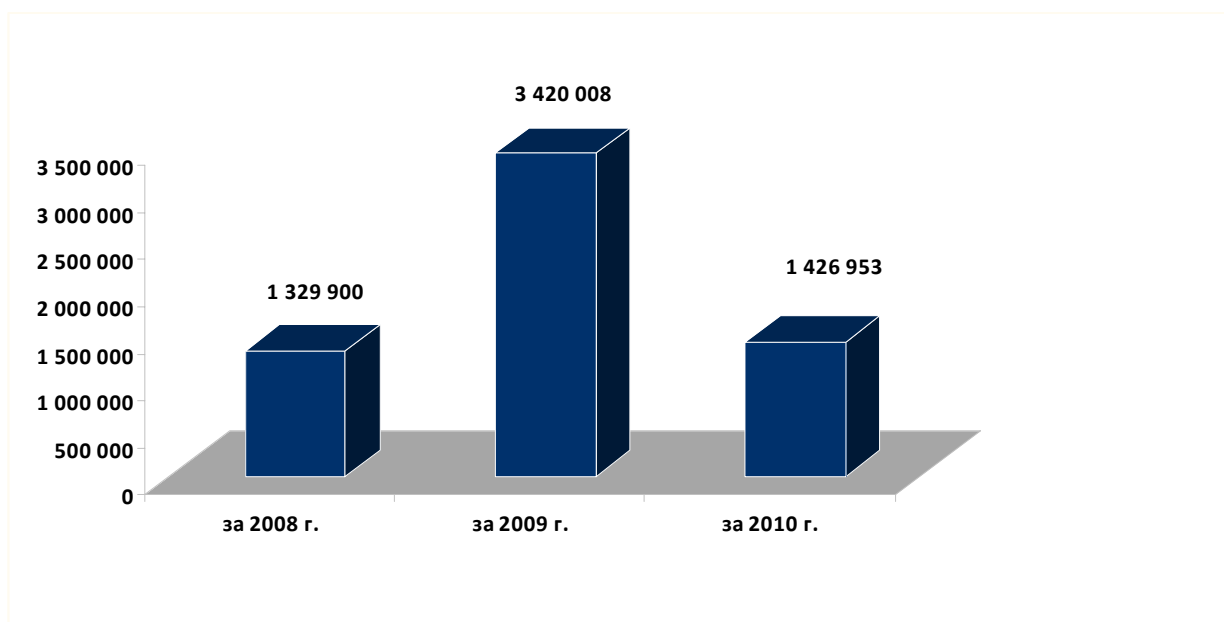
Debt to equity ratio by the results of 2010 made 6.97, however value of this ratio isn't indicative taking into consideration the JSC "SCAC" activity specifics at the stage of starting mass production by the company.

Financial independence of the company and its ability to provide its own activity independently is characterized by the big dependence on borrowed assets. Such position is comprehensible taking into account specifics of the realized long-term investment project.

Value of absolute liquidity ratio as of 01.01.11 shows that 14 % of short-term obligations of the company can be covered at the expense of the most liquid part of assets.

Value of absolute liquidity ratio testifies that the company has enough current assets for repayment of short-term obligations of the company.

In 2010 the company received an income of 1 426 953 thousand rbl., that is 58 % lower than the income received in 2009. Income change at this stage of the company development is unrepresentative because the income shows the works on research and development performed under the state order.



Pic. 5. Income from sales of JSC «SCAC» for 2008-2010 (th. rub.)

By the results of 2010, JSC "SCAC" got a profit of 49 898 thousand rbl., that generally is conditional by exchange rate differences, as a part of other incomes and expenses, connected with revaluation of the assets and obligations in foreign currency for the accounting date.

Growth of separate ratios of the financial reporting and change in balance structure allow us to draw a conclusion on positive rates of development of the company.

Capital investments

Capital investments structure for the last 3 years as well as the planned value for 2011 is shown on Table 1.

Table 1

Index name	2008	2009	2010	2011 (plan)
Capital investments, in total	7 606 788	7 457 692	7 224 709	9 917 340
R&D	6 825 676	2 508 761	4 583 078	8 850 395
Capital construction and reconstruction	142 639	80 624	254 058	819 639
Technical upgrade				
Purchase and modernization of the equipment	551 831	4 823 905	2 187 179	211 673
Information technologies	86 642	44 402	200 394	35 633

Other				
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Information on the person, holding a post of the sole executive body of the company

Management of the current activity of the Society in 2010 was carried out by the sole executive body – the President of the Society.

During the period from January 1 till December 31, 2010 according to the resolution passed at the Board meeting of JSC "SCAC", which took place on July 14, 2009 (Minutes № 1 Board meeting dated July 15th, 2009), management of the current activity of Joint-Stock Company "SCAC" was carried out by the President of the Society - **Prisjazhnjuk Vladimir Sergeevich**.

The indicated person does not hold any positions in other organizations, during the accounting period he did not own any shares of Joint-Stock Company "SCAC", and also didn't make any transactions to acquire or alienate the shares of Joint-Stock Company "SCAC".

Criteria of definition and rate of remuneration of the person, holding a post of the sole executive body of the company.

Criteria of definition and rate of remuneration of the person, holding a post of the sole executive body of the company are defined by the decision of Board of directors of JSC "SCAC" (item 23 of the article 34 of the Charter of JSC "SCAC").

Criteria of definition and rates of remuneration (reimbursement of expenses) of the members of the Board of directors of JSC "SCAC" are defined by the decision of the general meeting of shareholders of JSC "SCAC" (item 2 of the article 34 of the Charter of JSC "SCAC").

Actual rates of remuneration are confidential information and aren't subject to disclosure.

The report on payment of dividends on shares of the company

At the annual General meeting of the shareholders (the Minutes without number dated June 29, 2010) the decision was passed: no dividends will be paid by the results of 2009.

Data on the activity of the Board of directors regarding enforcement of the priority directions of the company development

With a view of realization of priority directions of activity, the following decisions were passed at the sessions of the board of directors of JSC "SCAC" in 2010:

- The comprehensive plan of revision of the prices (repricing) of the suppliers of the basic systems of the plane, decrease of expenses connected with delivery of the systems was approved;
- New edition of the business – plan of the project SuperJet 100 was approved;
- Budget of Joint-Stock Company "SCAC" for 2010 was approved;
- The new organizational structure of the Society was approved;
- The decision on creation of the Center of preparation of the aviation personnel of Joint-Stock Company "SCAC" in Zhukovsky was approved;

- Redraft version of the Regulations on Joint-Stock Company "SCAC" branches were approved;
- The new structure of payment and motivation of work on the basis of evaluation of the individual labor contribution of workers – managers was approved;
- The committee on audit is formed at Joint-Stock Company "SCAC" board of directors;
- The concept of development of the product line was approved;
- Changes and additions in strategic plans of Joint-Stock Company "SCAC" were approved on aircraft sales, realizations of an aftersales service and cooperation with the Company "Superjet International S.p.A."

Other decisions connected with approval of major transactions, transactions which are considered interesting, transactions which should be approved by the board of directors according to the Charter of the society were made.

As a whole in 2010 there were:

- 17 sessions of the board of directors of Joint-Stock Company "SCAC", where 5 sessions were held in the form of the joint presence and 12 sessions – in the form of voting by correspondence;
- 9 extraordinary general meetings of the shareholders of Joint-Stock Company "SCAC";
- Annual general meeting of the shareholders of Joint-Stock Company "SCAC" concerning election of the members of the board of directors and a revision committee, approval of the annual report, annual accounting reports, the auditor, approval of some transactions which are considered to be interesting.

The decisions made by the regulatory bodies promoted increase of the activity efficiency of the executive bodies of JSC "SCAC", strengthening of the control over management activity, provided interests of the shareholders.

Report on the company compliance with the provisions of the Code of the corporate behavior recommended by the Federal Commission on Securities.

The report is made according to the Guidelines on the structure and form of representation of data on compliance with the Code of corporate behavior in the annual reports of the joint-stock companies, confirmed by the Order of the Federal Commission on Securities N 03-849/p dated April 30, 2003 (1). The report is presented in Appendix 1.

Data on major transactions and transactions which are considered to be interesting

Data on major transactions.

Data on major transactions is presented in Appendix 3.

Data on transactions which are considered to be interesting.

Data on transactions which are considered to be interesting is presented in Appendix 4.

General information

Full and short name of the company:

Full commercial name of the Society in Russian: **Закрытое акционерное общество «Гражданские самолеты Сухого».**

Short commercial name of the Society in Russian: **ЗАО «ГСС».**

Full commercial name of the Society in English: **Joint Stock Company «Sukhoi Civil Aircraft Company».**

Short commercial name of the Society in English: **JSC «SCA».**

Location and postal address:

Location of the society: **23B, Polikarpova Str., Building 2, Moscow, Russian Federation, 125284.**

Postal address of the society: **23B, Polikarpova Str., Building 2, Moscow, Russian Federation, 125284.**

Corporate site address and e-mail

Corporate site address: www.sukhoi.superjet100.com

e-mail: info@scac.ru

Contact telephone number, fax

Contact telephone number: +7 (495) 727 19 88 Fax: + 7 (495) 727 19 83

Principal activity OKVED:

73.10 - Scientific research and developments in the field of natural and engineering science

35.30.11 - Manufacture of engines of aircraft with spark ignition and their components

35.30.3 - Manufacture of helicopters, planes and other aircraft

35.30.5 - Manufacture of other components and accessories of aircraft and space vehicles

35.30.9 - Providing services on repair, maintenance service and alteration of aircraft and engines of aircraft

74.14 - Consultations concerning commercial activity and management

74.20.1 - Activity in the field of architecture, technical designing for the industry and construction field

74.30 - Technical tests, research and certification

74.30.9 - Other activity on technical control, tests and analysis

80.41.2 - Training of the flight and maritime personnel

62.20.2 - Activity of the air freight transport which is not submit to the schedule

Data on the auditor and registrar

According to the resolution of annual General meeting of the shareholders of Joint-Stock Company «SCAC» (Minutes with no number dated June 29, 2010) the Auditor of Joint-Stock Company "SCAC" is:

Full commercial name: Joint-stock company "KMPG"

Short commercial name: JSC "KMPG"

Location: 18/1, Olympic avenue, Room 3035, Moscow, 129110

General audit license

License number: № E 003330

Date of issue: 17.01.2003

Period of validity: 17.01.2013

Licensing body: Ministry of Finance of the Russian Federation

Maintaining the share register of Joint-Stock Company "SCAC" is carried out by the registrar approved by the vote by correspondence of the Board of directors

(Minutes № 2 dated August 11, 2008):

Full commercial name: Open joint-stock company «Central Moscow Depository»

Short commercial name: OJSC "CMD"

Location: 3, Orlikov lane, building B, Moscow, 107078

The actual address: 34, Bolshaya Pochtovaya Str., building 8, Moscow, 105082

License to carry out activities associated with maintenance of register

License number: № 10-000-1-00255

Date of issue: 9/13/2002

Period of validity: without restriction of validity period

Licensing body: Federal Commission on Securities of Russia

Data on the shareholders

During the period from **January 01 till January 17, 2010** the following people were the shareholders of Joint-Stock Company "SCAC":

1. Full company name: Open joint-stock company «Aviation holding company «Sukhoi»

Short company name: OJSC «Sukhoi Company»

Location: 23, Polikarpov Str., Moscow, Russian Federation, 125284

B

INN: 7740000090

Share of the indicated person in the authorized capital of the issuer: 65.9482 %

Share of ordinary shares of the issuer belonging to the indicated person: 65.9482 %

2. Full company name: Open joint-stock company «Sukhoi DDO»

Short company name: OJSC «Sukhoi DDO»

Location: 23, Polikarpov Str., Moscow, Russian Federation, 125284

A

INN: 7714016680

Share of the indicated person in the authorized capital of the issuer: 9.0517 %

Share of ordinary shares of the issuer belonging to the indicated person: 9.0517 %

3. Full company name: World's Wing SA

Location: Switzerland, 1204 Geneve, rue due Rhone 65

INN: 060.964.044

Share of the indicated person in the authorized capital of the issuer: 25.0001 %

Share of ordinary shares of the issuer belonging to the indicated person: 25.0001 %

During the period from **January 18 till December 31, 2010** the following people were the shareholders of Joint-Stock Company "SCAC":

1. Full company name: Open joint-stock company «Aviation holding company «Sukhoi»

Short company name: OJSC «Sukhoi Company»

Location: 23, Polikarpov Str., Moscow, Russian Federation, 125284

B

INN: 7740000090

Share of the indicated person in the authorized capital of the issuer: 71.9929%
Share of ordinary shares of the issuer belonging to the indicated person: 71.9929%

2. Full company name: Open joint-stock company «Sukhoi DDO»

Short company name: OJSC «Sukhoi DDO»

Location: 23, Polikarpov Str., Moscow, Russian Federation, 125284

A

INN: 7714016680

Share of the indicated person in the authorized capital of the issuer: 3.0071%

Share of ordinary shares of the issuer belonging to the indicated person: 3.0071%

3. Full company name: World's Wing SA

Location: Switzerland, 1204 Geneve, rue due Rhone 65

INN: 060.964.044

Share of the indicated person in the authorized capital of the issuer: 25.0001 %

Share of ordinary shares of the issuer belonging to the indicated person: 25.0001 %

Data on branches and representative offices

Name: **Komsomolsk-na-Amure branch of JSC «SCAC»**

Location: 1, Sovetskaya Str., Komsomolsk-na-Amure, Khabarovskiy krai, 681018, Russian Federation.

Date of opening (state registration date of the amendments to the Charter): 23.06.2005.

General Manager: Pekarsh Alexander Ivanovitch

Name: **Novosibirsk branch of JSC «SCAC»**

Location: 15, Polzunova Str., Novosibirsk, Russian Federation, 630051.

Date of opening (state registration date of the amendments to the Charter): 23.06.2005.

General Manager: Kutchumov Gennadiy Terentievitch

Name: **Voronezh branch of JSC «SCAC» in the city of Voronezh**

Location: 27, Tsiolkovskogo Str., Voronezh, Russian Federation, 394029.

Date of opening (state registration date of the amendments to the Charter): 08.11.2006.

General Manager: Maimin Valeriy Borisovitch

Report on the Company's Compliance with the Provisions of the Corporate Code of Conduct Recommended by the the Federal Commission for the Securities Market.

№	Provision of the Corporate Code of Conduct	Observed/Not observed	Comment
General Meeting of the Shareholders			
1	Notification of the shareholders about the General Meeting of the Shareholders at least 30 days prior to the date of the Meeting irrespective of agenda issues, if the legislation doesn't provide a larger term.	Observed	P.1 of Article 23 of the Charter of CJSC Sukhoi Civil Aircraft
2	The shareholders' possibility to become acquainted with the list of persons entitled to attend the General Meeting of the Shareholders beginning from the date of notification about the General Meeting of the Shareholders and till the closing time of the internal General Meeting of the Shareholders, and in case of the General Meeting of the Shareholders in absentia - till the final date of acceptance of voting bulletins	Observed	P.4. of Article 22 of the Charter of CJSC Sukhoi Civil Aircraft (the indicated right is vested in persons put on this list and holding not less than 1% votes)
3	The shareholders' possibility to become acquainted with the information (materials) subject to submission at preparation to the General Meeting of the Shareholders by electronic means including Internet	Not observed	
4	The shareholders' possibility to place an issue on the agenda of the General Meeting of the Shareholders or demand a convocation of the General Meeting of the Shareholders without submission of the extract from the Register of the Shareholders, if his/her share rights are recorded in the system of the Register of the Shareholders, and in case if his/her share rights are recorded on the deposit account, - a statement of the deposit account is	Observed	P.1-4. of Article 24 and p. 1, 4, 5 of Article 26 of the Charter of CJSC Sukhoi Civil Aircraft (the right to place an issue on the agenda of the General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft is vested in the shareholders holding not less than 2% voting shares of CJSC Sukhoi Civil Aircraft; the right to demand a convocation of the extraordinary General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft is vested in the shareholders holding not less than 10% voting shares of CJSC Sukhoi Civil Aircraft)

	sufficient for execution of the above-indicated rights		
5	Presence of demand in the Charter or internal documents of the joint-stock company on compulsory attendance of Director General, members of the Management Board, members of the Board of Directors, members of the Audit Commission and Auditor of the joint-stock company at the General Meeting of the Shareholders	Not observed	Chairman of the Board of Directors performs functions of Chairman of the General Meeting of the Shareholders (p.4 of Article 19 of the Charter of CJSC Sukhoi Civil Aircraft; p.4 of Article 2 of the Regulation on the General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft; subpoint 4 of p.3 of Article 7 of the Regulation on the Board of Directors of CJSC Sukhoi Civil Aircraft)
6	Candidates' compulsory attendance at the General Meeting of the Shareholders at consideration of issues on election of members of the Board of Directors, Director General, members of the Management Board, members of the Audit Commission and issue on approval of Auditor of the joint-stock company	Not observed	There is no a requiremet regarding the said persons' attendance at the General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft. Paragraph 6 of p. 3 of Article 26 of the Charter of CJSC Sukhoi Civil Aircraft and paragraph 6 of p.3 of Article 6 Regulation on the General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft contain a requirement as an information subject to submission to persons entitled to attend the General Meeting of the Shareholders, to indicate information about the candidates and information about availability or absence of a written consent of the candidates on election to the Board of Directors or the Audit Commission.
7	Availability of the procedure of registration of the participants of the General Meeting of the Shareholders in the internal documents of the joint-stock company	Observed	P.5 of Article 2 the Regulation on the General Meeting of the Shareholders of CJSC Sukhoi Civil Aircraft
Board of Directors			
8	Availability of the Board of Directors' powers on annual approval of the joint-stock company's financial-economic plan in the Charter of the joint-stock company	Observed	Subpoint 20 of p. 3 of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft
9	Availability of the Risk Management Procedure of the joint-stock company approved by the Board of Directors.	Observed	The Regulation on system (procedures) of internal control over the business activities of CJSC Sukhoi Civil Aircraft
10	Availability of the Board of Directors' right to take a decision	Observed	Subpoint 23 of p. 3 of Article 34, p. 2 of Article 38 of the Charter of CJSC

	on suspension of powers of Director General appointed by the General Meeting of the Shareholders in the Charter of the joint-stock company		Sukhoi Civil Aircraft: Appointment and early termination of powers of President, sole executive body of the Company, falls within the authority of the Board of Directors
11	Availability of the Board of Directors' right to set requirements to qualification and amount of remuneration of Director General, members of the Management Board, Heads of main structural subdivisions of the joint-stock company.	Partially observed	Subpoint 23, 24, 31 of p. 3 of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft: Settlement of the issue on approval of the Labour Agreement conditions including amount of remuneration of President of the Company, Chief Financial Officer and other persons holding executive positions falls within the authority of the Board of Directors
12	Availability of the Board of Director's right to approve conditions of agreements with Director General and members of the Management Board in the Charter of the joint-stock company	Observed	Subpoint 23 of p. 3 of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft
13	Availability of requirement in the Charter or internal documents of the joint-stock company with regard to the fact that at approval of conditions of the agreement with Director General (management organization, manager) and the members of the Management Board, votes of the members of the Board of Directors being Director General and the members of the Management Board are not taken into account	Observed	P.5 of Article 41 of the Charter of CJSC Sukhoi Civil Aircraft
14	Presence of at least 3 independent directors meeting the requirements of the Corporate Code of Conduct in the Board of Directors of the joint-stock company	Not observed	
15	Absence of persons in the Board of Directors of the joint-stock company who has been found guilty of crimes in the sphere of economic activity or crimes against state power and the interests of the civil service and the service in local self-government bodies, or who has		CJSC Sukhoi Civil Aircraft does not have such information

	been applied administrative penalties for violation in the sphere of entrepreneurial activity or in the sphere of finances, taxes and charges, securities market.		
16	Absence of persons in the Board of Directors of the joint-stock company who is a participant, Director General (Manager), member of the management body or employee of legal entity competing with the joint-stock company	Observed	
17	Availability of the requirement in the Charter of the joint-stock company on election of the Board of Directors by cumulative voting	Observed	P.3 of Article 35 of the Charter of CJSC Sukhoi Civil Aircraft
18	Availability of obligation of the members of the Board of Directors to refrain from actions leading or potentially able to lead to conflict between their interests and interests of the joint-stock company and in case of occurrence of such conflict – obligation to inform the Board of Directors about such conflict in the internal documents of the joint-stock company	Observed	P.1 of Article 39 of the Charter of CJSC Sukhoi Civil Aircraft P.3 of Article 41 of the Charter of CJSC Sukhoi Civil Aircraft; p.1 of Article 13 the Regulation on the Board of Directors of CJSC Sukhoi Civil Aircraft
19	Availability of obligation of the Board of Directors' members in the internal documents of the joint-stock company as to written notification of the Board of Directors about intention to make transactions with securities of the joint-stock company, members of which Board of Directors or which subsidiaries (affiliates) they are, and as to information about transactions with such securities made by them	Not observed	
20	Availability of requirement to hold a meeting of the Board of Directors at least once per six weeks in the internal documents of the joint-stock company	Not observed	P.1 of Article 37 of the Charter of CJSC Sukhoi Civil Aircraft Meetings of the Board of Directors are held at least once per quarter.
21	Holding of meetings of the Board of Directors of the joint-stock company during a year, for which an annual report of the joint-stock company is drafted, at least once	Observed	

	per six weeks		
22	Availability of the procedure of the Board of Directors' meeting holding in the internal documents of the joint-stock company.	Observed	Article 37 of the Charter of CJSC Sukhoi Civil Aircraft Article 10 the Regulation on the Board of Directors of CJSC Sukhoi Civil Aircraft
23	Availability of provision in the internal documents of the joint-stock company on necessity of the Board of Directors' approval of the joint-stock company's transactions for the amount of 10 and more per cent of the company's assets value, except transactions made in the normal course of business	Observed	The Charter of CJSC Sukhoi Civil Aircraft sets a lower limit - subpoints 17, 19, 26, 27, 28, 30, 32, 33, 35 of p. 3 of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft
24	Availability in the internal documents of the joint-stock company of the right of the Board of Director's members to receive from the executive bodies and heads of the main structural subdivisions of the joint-stock company information necessary for their functions performance and responsibility for non-submission of such information	Partially observed	P. 5.6 of the Regulation on HR and Remuneration Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft; p 5.1. of the Regulation on Audit Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft
25	Availability of the Strategic Planning Committee of the Board of Directors or imposition of functions of the above said committee to other committee (except Audit Committee and HR and Remuneration Committee)	Not observed	
26	Availability of the Committee of the Board of Directors (Audit Committee) which recommends an auditor of the joint-stock company to the Board of Directors and cooperates with him/her and Audit Commission of the joint-stock company	Observed	At the meeting of the Board of Directors of CJSC Sukhoi Civil Aircraft held on 29.07.2010 (Minutes No. 1 dated 02.08.2010) a decision has been taken on creation of the Audit Committee at the Board of Directors of CJSC Sukhoi Civil Aircraft consisting of 3 persons.
27	Availability of independent and non-executive directors in the Audit Committee	Not observed	
28	Management of the Audit Committee by the independent director	Observed	
29	Availability in the internal documents of the joint-stock company of the access rights of all members of the Audit	Observed	P.5.1.,5.6. of the Regulation on Audit Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft

	Committee to any documents and information of the joint-stock company provided confidential information non-disclosure by them		
30	Creation of the Committee of the Board of Directors (HR and Remuneration Committee), which function is to define criteria of selection of candidates for the members of the Board of Directors and to formulate the joint-stock company's policy in the sphere of remuneration	Not observed	Composition of the HR and Remuneration Committee isn't elected.
31	Management of the HR and Remuneration Committee by the independent director	Not observed	Composition of the HR and Remuneration Committee isn't elected.
32	Absence of officials of the joint-stock company in the composition of the HR and Remuneration Committee	Not observed	Composition of the HR and Remuneration Committee isn't elected.
33	Creation of the Risks Committee of the Board of Directors or imposition of functions of the above said committee to other committee (except Audit Committee and HR and Remuneration Committee)	Not observed	
34	Creation of the Corporate Conflict Settlement Committee of the Board of Directors or imposition of functions of the above said committee to other committee (except Audit Committee and HR and Remuneration Committee)	Not observed	
35	Absence of officials of the joint-stock company in the composition of the Corporate Conflict Settlement Committee	Not observed	
36	Management of the Corporate Conflict Settlement Committee by the independent director	Not observed	
37	Availability of the internal documents of the joint-stock company approved by the Board of Directors providing the order of creation and operation of the Committees of the Board of Directors	Observed	The Regulation on HR and Remuneration Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft; The Regulation on Audit Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft
38	Availability in the Charter of the joint-stock company of the procedure of the Board of	Not observed	

	Directors' quorum determination allowing to ensure an obligatory participation of the independent directors in the meetings of the Board of Directors		
Executive Bodies			
39	Availability of the Collegial Executive Body (the Management Board) of the joint-stock company	Not observed	
40	Availability in the Charter or internal documents of the joint-stock company of a provision on necessity of the Management Board's approval of transactions with real estates, loan obtaining by the joint-stock company, if the indicated transactions don't relate to large transactions and their performance refers to the normal course of business of the joint-stock company.	Not observed	
41	Availability in the internal documents of the joint-stock company of a procedure of approval of transactions beyond the joint-stock company's financial-economic plan	Partially observed	Subpoint 27 of p.3. of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft
42	Absence of persons in the executive bodies who is a participant, Director General (Manager), member of the management body or employee of legal entity competing with the joint-stock company	Observed	
43	Absence of persons in the executive bodies of the joint-stock company who has been found guilty of crimes in the sphere of economic activity or crimes against state power and the interests of the civil service and the service in local self-government bodies, or who has been applied administrative penalties for violation in the sphere of entrepreneurial activity or in the sphere of finances, taxes and charges, securities market.	Observed	
44	Availability in the Charter or internal documents of the joint-stock company of a prohibition of the management organization	Not observed	

	(Manager) to perform similar functions in a competitive company and to have any other property relations with the joint-stock company besides the services rendering to the management organization (Manager)		
45	Availability of obligation of the executive bodies to refrain from actions leading or potentially able to lead to conflict between their interests and interests of the joint-stock company and in case of occurrence of such conflict – obligation to inform the Board of Directors about such conflict in the internal documents of the joint-stock company	Observed	P.1 of Article 39 of the Charter of CJSC Sukhoi Civil Aircraft and p.3 of Article 41 of the Charter of CJSC Sukhoi Civil Aircraft
46	Availability of criteria of selection of the management organization (Manager) in the Charter or internal documents of the joint-stock company	Not observed	
47	Submission of monthly operation reports by the executive bodies of the joint-stock company to the Board of Directors	Not observed	
48	Allocation of responsibility for violation of provisions on use of the confidential and inside information in the agreements concluded with Director General (management organization, Manager) and the members of the Management Board	Observed	P. 6.4.7. of the Labour Agreement with Президентом CJSC Sukhoi Civil Aircraft.
Secretary of the Company			
49	Availability in the joint-stock company of a special official (Secretary of the Company) who aims to ensure the compliance of the bodies and officials of the joint-stock company with the procedural requirements guaranteeing an exercise of the rights and legal interests of the shareholders of the Company	Observed	At the meeting of the Board of Directors of CJSC Sukhoi Civil Aircraft (Minutes No. 1 dated 02.08.2010) a decision has been taken on appointment of Secretary of the Board of Directors of CJSC Sukhoi Civil Aircraft
50	Availability of a procedure of appointment (election) of the Secretary of the Company and duties of the Secretary of the Company in the Charter or	Observed	P.5 of Article 19 and p. 4 of Article 34 of the Charter of CJSC Sukhoi Civil Aircraft; The Regulation on Secretary and Executive Secretary of the Board of

	internal documents of the joint-stock company		Directors of CJSC Sukhoi Civil Aircraft
51	Availability of the requirements to the candidate for Secretary of the Company in the Charter of the joint-stock company	Not observed	
Essential Corporate Ations			
52	Availability of the requirements to approve a large transaction before its performance in the Charter or internal documents of the joint-stock company	Not observed	
53	Obligatory attraction of an independent evaluator for valuation of the asset being a subject of a large transaction	Not observed	P.2 of Article 40 of the Charter of CJSC Sukhoi Civil Aircraft: To take a decision by the Board of Directors of the Company and the General Meeting of the Shareholders on approval of a large transaction the price of the alienated or purchased property (works, services) is defined by the Board of Directors of the Company pursuant to Article 77 of the Federal Law "On Joint-Stock Companies"
54	Availability in the Charter of the joint-stock company of a prohibition of any actions at purchase of major block of shares (company merger) focused on protection of interests of the executive bodies (members of these bodies) and the members of the Board of Directors of the joint-stock company and worsening a state of the shareholders in comparison with current one (namely, a prohibition for the Board of Directors to take a decision till the end of the estimated term of the shares acquisition with regard to additional shares issue, issue of securities converted into shares or securities entitling to acquire the Company's shares even if the right to take such a decision is given to it by the Charter)	Not observed	
55	Availability in the Charter of the joint-stock company of a requirement of obligatory attraction of an independent	Not observed	

	evaluator for valuation of the current market value of the shares and possible changes of their market value as a result of merger		
56	Absence in the Charter of the joint-stock company of a release of the acquirer from an obligation to propose to the shareholders to sell their common shares of the Company (issuance securities converted into common shares) at the merger	Observed	
57	Availability in the Charter or internal documents of the joint-stock company of a requirement of obligatory attraction of an independent evaluator for definition of the ratio of the shares conversion at reorganization	Not observed	
Information Disclosure			
58	Availability of the internal document approved by the Board of Directors on rules and approaches of the joint-stock company to disclosure of the information (the Regulation on the information policy)	Partially observed	The Regulation on insider information of CJSC Sukhoi Civil Aircraft
59	Availability in the internal documents of the joint-stock company of a requirement on disclosure of the information about purposes of the shares placement, about persons who are going to acquire the placed shares including a major block of shares and the information about participation of the top officers of the joint-stock company in the acquisition of the placed shares of the Company	Partially observed	Pursuant to p. 2.2.5. of the Regulation on measures concerning the information disclosure in the form of messages about substantial facts and information subject to compulsory disclosure (approved by Order of President of CJSC Sukhoi Civil Aircraft No. 190 dated 12.05.2007) (hereinafter referred to as the Regulation) the information is disclosed about an substantial fact containing the data on approval of the decision on issue (additional issue) of the securities with the indication of potential acquirers of the placed securities, in case of the securities placement by private subscription
60	Availability in the internal documents of the joint-stock company of the list of information, documents and materials subject to submission to the shareholders for settlement of	Observed	P.3 of Article 23 of the Charter of CJSC Sukhoi Civil Aircraft; p.5 of Article 6 the Regulation on the General Meeting of CJSC Sukhoi Civil Aircraft

	issues presented to the General Meeting of the Shareholders		
61	Availability of the joint-stock company's website in Internet and regular disclosure of the information about the joint-stock company on this website	Observed	http://www.sukhoi.superjet100.com/
62	Availability in the internal documents of the joint-stock company of a requirement on disclosure of the information about transactions of the joint-stock company with persons who under the Charter refer to top officers of the joint-stock company and about transactions of the joint-stock company with entities in which the top officers of the joint-stock company directly or indirectly hold 20 and more per cents of the charter capital of the joint-stock company or on which such persons may otherwise have a significant influence	Observed partially	<p>Pursuant to point 2.3.2. of the Regulation, the Company is obliged to disclose the following information:</p> <p>1) about change of the stake of the persons being members of the Board of Directors (the Supervisory Board), members of the Collegial Executive Body of the joint-stock company, and a person holding a position (performing functions) of sole executive body of the joint-stock company, including the management organization or the Manager, in the charter capital of the joint-stock company, and in the charter capital of its subsidiaries and affiliates and/or about changes of the stake of common shares of the joint-stock company and its subsidiaries and affiliates belonging to the said persons.</p> <p>2) about transaction in which there is an interest, necessity of which approval by the authorized management body of the joint-stock company is provided by the legislation of the Russian Federation, if the price of such transaction makes 5 and more per cent of the balance cost of the assets of the joint-stock company defined under the data of its accounting reporting as of the last accounting date before the approval of such transaction by the authorized management body of the joint-stock company.</p>
63	Availability in the internal documents of the joint-stock company of a requirement on disclosure of the information about all transactions which may influence the market value of the shares of the joint-stock company	Observed	Pursuant to the Regulation the Company is obliged to disclose the information about the data which may have a significant influence on the securities cost in the form of messages about substantial facts
64	Availability of the internal document approved by the Board	Observed	The Regulation on insider information of CJSC Sukhoi Civil

	of Directors on use of the essential information about the activity of the joint-stock company, shares and other securities of the Company and transactions with them, which isn't a public one and which disclosure may significantly influence the market value of the shares and other securities of the joint-stock company		Aircraft
Control over the Financial and Economic Activities			
65	Availability of the Procedures on internal control over financial and economic activities of the joint-stock company approved by the Board of Directors	Observed	The Regulation on system (procedures) of internal control over the business activities of CJSC Sukhoi Civil Aircraft
66	Availability of a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)	Not observed	In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)
67	Availability in the internal documents of the joint-stock company of a requirement on determination of the structure and composition of supervision and auditing service of the joint-stock company by the Board of Directors	Not observed	In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)
68	Absence of persons in the supervision and auditing service who has been found guilty of crimes in the sphere of economic activity or crimes against state power and the interests of the civil service and the service in local self-government bodies, or who has been applied administrative penalties for violation in the sphere of entrepreneurial activity or in the sphere of finances, taxes and charges, securities market		In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)
69	Absence of persons in the composition of supervision and auditing service being in the composition of the executive bodies of the joint-stock company and persons being participants,		In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing

	Director General (Manager), members of management bodies and employees of legal entity competing with the joint-stock company		service)
70	Availability in the internal documents of the joint-stock company of a term for submission of documents and materials to the supervision and auditing service for evaluation of the made business transaction and of the responsibility of the officials and employees of the joint-stock company for their non-submission within the indicated term	Not observed	In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)
71	Availability in the internal documents of the joint-stock company of an obligation of the supervision and auditing service to inform about the discovered violations to the Audit Committee, and in case of its absence – to the Board of Directors of the joint-stock company	Not observed	In the approved organization chart of CJSC Sukhoi Civil Aircraft there is no a special subdivision of the joint-stock company ensuring a compliance with the procedures of the internal control (supervision and auditing service)
72	Availability in the charter of the joint-stock company of a requirement as to the supervision and auditing service's preliminary estimation of the expediency of transactions not provided by the financial-economic plan of the joint-stock company (unusual transactions)	Not observed	
73	Availability in the internal documents of the joint-stock company of a procedure of unusual transactions coordination with the Board of Directors	Not observed	
74	Availability of the internal document approved by the Board of Directors defining the procedure of audit of the joint-stock company's financial and economic activities held by the Audit Commission	Observed	Article 3 of the Regulation on the Audit Commission
75	Audit Committee's evaluation of the audit report before its submission to the shareholders at the General Meeting of the Shareholders	Observed	P.2.1.3. of the Regulation on Audit Committee of the Board of Directors of CJSC Sukhoi Civil Aircraft

Dividends			
76	Availability of the internal document approved by the Board of Directors by which the Board of Directors is guided at acceptance of recommendations as to the dividends rates (the Regulation on the Dividend Policy)	Not observed	
77	Availability in the Regulation on the Dividend Policy of a procedure for determining of minimum interest in the net revenue of the joint-stock company meant for the dividends payment and of conditions at which the dividends on preferred shares are not paid or partially paid, a rate of the dividends on which is set in the Charter of the joint-stock company	Not observed	
78	Publication of the information about the Dividend Policy of the joint-stock company and its modifications in a periodical provided by the Charter of the joint-stock company for publication of messages about holding of the General Meeting of the Shareholders, and placement of the indicated data on the website of the joint-stock company in Internet	Not observed	

BALANCE SHEET
as at December 31 201 0 year

Closed joint-stock company
"Sukhoi Civil Aircraft"

Organization _____
Taxpayer identification number _____
Type of activity scientific research and development in technical and natural sciences
Form of incorporation/ownership CJSC
private
Measuring unit: **thousand rubles**
Location (address) 125284, Moscow, 23B Polikarpov street, Bld. 2

CODES		
0710001		
2010	12	31
52786180		
7714175986		
73.10		
67	16	
384		

Approval date _____
Date of dispatch (receipt) _____

ASSETS	Line code	At the beginning of the accounting year	At the end of the accounting period
1	2	3	4
I. NON-CURRENT ASSETS			
Intangible assets	110	7 283	2 469
Fixed assets	120	5 380 462	6 288 576
Construction in progress	130	780 797	1 141 268
Expenditures for R&D objects in progress	131	16 684 724	21 267 802
Income yielding investments into tangible assets	135	-	-
Long-term financial investments	140	-	-
Deferred tax assets	145	1 534 578	1 709 768
Other non-current assets	150	-	3 168 887
Deferred expenses	151	127 843	287 496
TOTAL section I	190	24 515 687	33 866 266
II. CURRENT ASSETS			
Inventory	210	4 006 542	6 309 845
including:			
raw products, materials and other similar values	211	2 356 908	3 438 998
work in progress	213	1 257 935	2 667 959
finished products and goods for resale		74 606	74 606
goods dispatched		-	-
deferred expenses	216	317 093	128 282
other inventories and expenditures		-	-
Value added tax on acquired assets	220	2 604 764	2 849 826
Current nondelinquent accounts receivable (that are due in the next 12 months)	240	3 588 104	3 843 912
including buyers and customers	241	26 585	86 502
including advances paid	242	3 150 292	2 943 922
Short-term financial investments	250	-	2 600 290
Cash assets	260	978 276	367 944
Other current assets	270	571	10 042
TOTAL section II	290	11 178 257	15 981 859
BALANCE	300	35 693 944	49 848 125

LIABILITIES	Line code	At the beginning of the accounting year	At the end of the accounting period
1	2	3	4
III. CAPITAL AND RESERVES			
Equity	410	1 018 481	3 065 725
Treasury shares		-	-
Earned capital	420	5 864 305	5 985 616
Surplus capital	430	9 418	9 418
including:			
provisions generated in accordance with the legislation		9 418	9 418
provisions generated in accordance with the constitutional documents			
Retained earnings (uncovered loss)	470	(2 857 474)	(2 807 576)
TOTAL section III	490	4 034 730	6 253 183
IV. LONG-TERM LIABILITIES			
Loans and credits	510	16 962 587	20 368 275
Deferred tax liabilities	515	1 057 607	1 581 101
Other long-term liabilities	520	474 225	706 015
TOTAL section IV	590	18 494 419	22 655 391
V. SHORT-TERM LIABILITIES			
Loans and credits	610	6 783 474	17 343 892
Accounts payable	620	4 077 083	3 425 420
including:			
suppliers and contractors	621	2 447 501	1 783 028
payables to employees	622	53 555	67 055
payables to state non-budgetary funds	623	5 148	7 604
taxes and charges payable	624	80 055	43 874
other creditors	625	20 102	168 321
advances received	626	1 138 245	1 040 899
interest on loans and credits	627	332 477	314 639
Deferred revenues	640	59 139	70 898
Provisions for future expenses	650	74 636	99 341
Other short-term liabilities (subscription shares)	660	2 170 463	-
TOTAL section V	690	13 164 795	20 939 551
BALANCE	700	35 693 944	49 848 125

Statement of value charged on off-balance accounts			
Leased fixed assets	910	6 439 003	941 745
including leasing	911	6 074 393	587 294
other leased fixed assets	912	364 610	354 451
Goods and materials accepted for custody	920	11 352 445	13 393 118
including goods and materials accepted for custody	921	884 694	1 379 978
including goods and materials accepted by transfer of ownership	922	162 874	214 487
including valuables accepted against trust receipt	923	10 253 697	11 625 696
including goods and materials accepted in "Temporary import" mode	924	51 180	172 957
Goods accepted on commission	930		
Bad debt write-off	940	555	555
Securities received for obligations and payments	950		
Securities given for obligations and payments	960	135 540	55 966
Intangible assets received for usage	990	22 353	22 353
Depreciation of land improvement facilities and other analogous objects	1010		-

Vladimir Sergeyevich

Prisyazhnyuk

Director

(signature)

(print full name)

Chief accountant

Marina Anatolyevna Stolina

(signature)

(print full name)

April 29, 2011

**PROFIT AND LOSS STATEMENT
for January-December, 2010.**

Organization Closed joint-stock company "Sukhoi Civil Aircraft"
 Taxpayer identification number _____
 Type of activity scientific research and development in technical and natural sciences
 Form of incorporation/ownership _____
CJSC / private
 Measuring unit in thousand rubles

Form No.2 of OKUD			
CODES 0710002			
Date (year, month, date)	2010	12	31
according to OKPO	52786180		
INN	7714175986		
according to OKVED	73,1		
according to OKOPF/OKFS	67	16	
according to OKEI	384		

Index		For accounting period		For the analogous period of past year
name	code			
1	2	3		4
General income and expenses				
Net proceeds of sale of goods, products, works, services (less value added tax, excise taxes and analogous compulsory payments)	010	1 426 953		3 420 008
Cost of goods, products, works, services sold	020	(998 678)		(2 258 763)
Gross profit	029	428 275		1 161 245
Selling expenses	030	(24 676)		(78 028)
Administrative expenses	040	(339 916)		(848 372)
Profit (loss) on sales	050	63 683		234 845
Other income and expenses				
Interest receivable	060	18 926		36 135
Interest payable	070	(268 324)		(21 457)
Participation capital	080	-		-
Other income	090	9 236 687		10 016 741
Other expenses	100	(8 650 860)		(11 752 481)
Profit (loss) before tax	140	400 112		(1 486 217)
Deferred tax assets	141	175 190		581 277
Deferred tax liabilities	142	(523 494)		(436 403)
Current income tax	150	-		-
Income tax and tax on other analogous compulsory payments	180,1	(1 910)		(250)
Net profit (loss) for accounting period	190	49 898		(1 341 593)
FOR REFERENCE ONLY:				
Constant tax liabilities (assets)	200	268 282		152 369
Basic earnings (loss) per share, rubles	201	20		(1 510)
Diluted earnings (loss) per share	202	-		-

BREAKDOWN OF DEFINITE PROFIT AND LOSSES			
Index		For analogous period of the previous year	
name	loss	profit	loss
1	4	5	6
Fines, interest and penalties recognized or for which the (arbitration) court judgment on its collecting is received	18	-	114
Profit (loss) of past years	255 537	43 406	86 270
Compensation paid for non-fulfilment or improper fulfilment of obligations	-	-	-
Exchange rate differences of foreign currency transactions	3 128 666	3 219 639	3 972 422
Allocations to valuation reserves	1 632 111	X	-
Write-off of receivables and payables, the period of limitation of which has expired	-	9	-

Director

Vladimir Sergeevich Prisyazhnyuk
(signature) (print full name)

(signature)

Marina Anatolyevna Stolina
(print full name)

STATEMENT OF CHANGES IN EQUITY
for January-December, 2010.

Organization	Closed joint-stock company "Sukhoi Civil Aircraft"	according to OKPO	C O D E S		
Taxpayer identification number		INN	7714175986		
Type of activity	scientific research and development in technical and natural sciences	according to OKVED	73,1		
Form of incorporation/ownership	CJSC / private	according to OKOPF/OKFS	67	16	
Measuring unit	in thousand rubles	according to OKEI	384		
		Form No.3 of OKUD	0710003		
		Date (year, month, date)	2010	12	31
			52786180		

I. Change in equity

Index	Equity	Earned capital	Surplus capital	Retained earnings (uncovered loss)	Total	
name	code					
1	2	3	4	5	6	
Balance as of December 31 of the year preceding past year	010	763 860	-	9 418	(1 515 881)	(742 603)
2009						
(past year)	011					
Foreign currency revaluation effect	031	X	-	X	X	-
Net profit	032	X	X	X	(1 341 593)	(1 341 593)
Dividends	033	X	X	X	-	-
Allocations to the reserve fund	040	X	X	-	-	-
increase of capital value due to:						
additional share issue	051	254 621	X	X	X	254 621
increase of stock at par	052	-	X	X	X	-
reorganization of legal entity	053	-	X	X	-	-
Paid-in capital in excess of par value	054	-	5 864 305	-	-	5 864 305
Decrease of capital value due to:						
decrease of par value	061	-	X	X	X	-
decrease of shares quantity	062	-	X	X	X	-
reorganization of legal entity	063	-	X	X	-	-
	064	-	-	-	-	-
Balance as of December 31 of the past year	070	1 018 481	5 864 305	9 418	(2 857 474)	4 034 730
2010						
(accounting year)						
Changes in accounting policy	071	X	X	X	-	-
Revaluation surplus of fixed assets	072	X	-	X	-	-
	080	X	-	-	-	-
Balance as of January 1 of the accounting year	100	1 018 481	5 864 305	9 418	(2 857 474)	4 034 730
Foreign currency revaluation effect	101	X	-	X	X	-
Net profit	102	X	X	X	49 898	49 898
Dividends	103	X	X	X	-	-
Allocations to the reserve fund	110	X	X	-	-	-

1	2	3	4	5	6	7
increase of capital value due to:						
additional share issue	121	2 047 244	X	X	X	2 047 244
increase of stock at par	122	-	X	X	X	-
reorganization of legal entity	123	-	X	X	-	-
Paid-in capital in excess of par value	124	-	121 311	-	-	121 311
Decrease of capital value due to:						
decrease of par value	131	-	X	X	X	-
decrease of shares quantity	132	-	X	X	X	-
reorganization of legal entity	133	-	X	X	-	-
	134	-	-	-	-	-
Balance as of December 31 of the accounting year	140	3 065 725	5 985 616	9 418	(2 807 576)	6 253 183

II. Provisions

Index	Balance	Entered	Used	Balance
name	code			
1	2	3	4	5
Provisions generated in accordance with the legislation				
Surplus capital				
data of the previous year	151	9 418	-	9 418
data of the accounting year	152	9 418	-	9 418
Valuation provisions:				
Provisions for possible loss of work in progress				
data of the previous year	171	-	-	-
data of the accounting year	172	-	850 346	850 346
Provisions for possible losses of inventories				
data of the previous year	171	-	-	-
data of the accounting year	172	-	157 706	157 706
Provisions for other accounts receivable				
data of the previous year	173	-	-	-
data of the accounting year	174	-	624 060	624 060
Provisions for future expenses:				
Provisions for payment for the unused holidays, Provisions for future expenses				
(name of provisions)				
data of the previous year	181	-	74 636	74 636
data of the accounting year	182	74 636	74 717	(50 012)

REFERENCES

Index	Balance at the beginning of the accounting year	Balance at the end of the accounting period
name	code	
1	2	3
1) Net assets	200	4 093 869
		6 324 081

Director Vladimir Sergeyevich Prisyazhnyuk Chief accountant Marina Anatolyevna Stolina
(signature) (print full name) (signature) (print full name)

CASH FLOW STATEMENT
for January-December, 2010.

Organization Closed joint-stock company "Sukhoi Civil Aircraft"
Taxpayer identification number _____
Type of activity scientific research and development in
Form of incorporation/ownership natural sciences
CJSC _____ private
Measuring unit in thousand rubles

Form No.4 of OKUD	C O D E S		
Date (year, month, date)	0710004		
	2010	12	31
according to OKPO	52786180		
INN	7714175986		
according to OKVED	73,1		
according to OKOPF/OKFS	67	16	
according to OKEI	384		

Index name	code	For the accounting period	For analogous period of the previous year
Cash balance at the beginning of the accounting year	010	978 116	657 616
Cash flow of operating activities			
Assets received from buyers, customers	020	1 580 954	3 574 684
	030	-	-
Other income	110	23 117	35 586
Cash assets for:	120	(11 775 504)	(6 257 228)
payment for goods, works, services, raw and other current assets	150	(6 872 514)	(2 432 907)
remuneration of labour	160	(1 274 452)	(1 056 156)
payment of dividends, interest	170	(2 320 377)	(2 251 171)
settlements in respect of taxes and levies	180	(653 825)	(361 039)
other expenses	190	(654 336)	(155 955)
Net cash assets of operating activities	200	(10 171 433)	(2 646 958)
Cash flow of investment activities			
Proceeds from sale of fixed assets and other non-current assets	210	28 922	847
Expenditures for research and development	211	(915 154)	(4 769 522)
Proceeds from sale of securities and other financial investments	220	-	493 600
Dividends received	230	-	-
Interest received	240	13 517	35 925
Proceeds from repayment of loans granted to other organizations	250	-	-
Proceeds from sale of intangible assets	260	3 498	90 641
Acquisition of subsidiaries	280	-	-
Acquisition of fixed assets, income yielding investments into tangible assets, and intangible assets	290	(285 931)	(269 969)
Acquisition of securities and other financial investments	300	-	-
Loans granted to other organizations	310	(602 271)	-
Net cash assets of investment activities	340	(1 757 419)	(4 418 478)
Cash flow of financial activities			
Proceeds from issue of share capital or other grain-long papers	350	-	7 722 307
Proceeds from loans and credits, granted to other organizations	360	21 412 197	12 052 118
Other proceeds of financial activities	370	4 470	-
Repayment of loans and credits (without interest)	390	(6 659 103)	(10 747 691)
Repayment of finance lease liabilities	400	(584 727)	(1 593 902)
Other expenses of financial activities	410	(194 106)	(170 370)
Net cash assets of financial activities	430	13 978 731	7 262 462
Net increase (decrease) of cash assets and cash equivalents	440	2 049 879	197 026
Cash balance at the end of the accounting period	450	2 968 197	978 116
Effect of exchange rate changes towards ruble	460	(59 798)	123 474

Director _____ **Vladimir Sergeyeovich Prisyazhnyuk**
(signature) (print full name)

Chief accountant _____ **Marina Anatolyevna Stolina**
(signature) (print full name)

ANNEX TO THE BALANCE SHEET
for 201_0_year

Organization **Closed joint-stock company**
Taxpayer identification number **"Sukhoi Civil Aircraft"**
Type of activity **scientific research and development in technical and natura**
Form of incorporation/ownership **sciences**
private **CJSC**
Measuring unit: thousand rubles ~~million rubles~~ (delete as applicable)

Form No.5 of OKUD
Date (year, month, date)

according to OKPO
INN
according to OKVED
according to OKOPF/OKFS
according to OKEI

CODES		
0710005		
2010	12	31
52786180		
7714175986		
73.10		
67	16	
384		

Intangible assets

Index name	code	Availability at the beginning of the	Entered	Withdrawn	Availability at the end of the accounting period
1	2	3	4	5	6
Items of intellectual property (exclusive rights for the results of intellectual property)	010	3 911	66	(3 497)	480
including:					
from the patentee for the invention, industrial and useful model	011	3 639	66	(3 497)	208
from the rightholder for the computer programs, data bases	012	-			
from the owner for the trademark and service mark, appellations of origin	014	272			272
Know-how	016	-			
Other	040	13 961		(9 519)	4 442
including presentation films and web-sites	041	12 734		(8 292)	4 442
total	041	17 872	66	(13 016)	4 922

Index name	code	At the beginning of the accounting year		At the end of the accounting period
1	2	3	4	5
Amortization of intangible assets - total	050		10 589	2 453
including:				
exclusive rights for the results of the intellectual property from the patentee for the invention, industrial model	051		532	34
from the rightholder for the computer programs, data bases	052		-	
from the owner for the trademark and service mark	053		59	90
Know-how	054		-	
Other	060		9 998	2 329
including presentation films and web-sites	061		9 998	2 329

Form 0710005 page 2

Fixed assets

Index name	code	Availability at the beginning of the	Entered	Withdrawn	Availability at the end of the accounting period
1	2	3	4	5	6
Buildings		222 099	254 058	(63)	476 094
Installations and transmission facilities	075	302 826	8 176		311 002
Machinery and equipment	080	5 302 726	2 133 018	(4 663)	7 431 081
Vehicles	085	8 198	4 262		12 460
Production and organizational stock	090	431 071	32 610	(35 729)	427 952
Other types of fixed assets	110	554 232	9 113	(19 661)	543 684
Total		6 821 152	2 441 237	(60 116)	9 202 273

Index name	code	At the beginning of the accounting year		At the end of the accounting period
1	2	3	4	5
Amortization of fixed assets - total	140		1 440 690	2 913 697
including:				
buildings and constructions	141		35 369	61 400
machinery, equipment, vehicles	142		1 120 143	2 477 198
other	143		285 178	375 099
Items of fixed assets leased out - total			65 627	62 369
including:				
buildings				
constructions				
equipment			65 627	62 369
Items of fixed assets received for lease - total	160		6 439 003	941 745

Form 0710005 page 3

Expenditures for research and development

Type of works name	code	Availability at the beginning of the	Entered	Written off	Availability at the end of the accounting period
1	2	3	4	5	6
Total	310				
		code		At the beginning of the accounting year	
		2		3	
		320		16 684 724	
				At the end of the accounting year	
				4	
				21 267 802	

Form 0710005 page 4

Financial investments

Index	Long-term		Short-term	
	at the beginning of	at the end of the	at the beginning of the accounting year	at the end of the accounting year

name	code	the accounting	accounting period	at the end of the accounting period	
1	2	3	4	5	6
Deposits	530				2 600 290
Other	535				
Total	540				2 600 290

Form 0710005 page 5

Receivables and payables			
Index			
name	code	Balance at the beginning of the accounting year	Balance at the end of the accounting year
1	2	3	4
Accounts receivable:			
short-term - total	610	3 588 104	3 843 912
including:			
payments to buyers and customers	611	26 585	86 502
advances granted	612	3 150 292	2 943 922
other	613	411 227	813 488
long-term - total	620	-	3 168 887
including:			
payments to buyers and customers	621	-	-
advances granted	622	-	-
other	623	-	3 168 887
Total		3 588 104	7 012 799
Accounts payable:			
short-term - total	640	10 860 557	20 769 312
including:			
payments to suppliers and contractors	641	2 447 501	1 783 028
advances received	642	1 138 245	1 040 899
settlements in respect of taxes and levies	643	85 203	51 478
credits	644	2 589 244	6 372 660
loans	645	4 194 230	10 971 232
other	646	406 134	550 015
long-term - total	670	17 436 812	21 074 290
including:			
credits	671	14 153 708	14 410 775
loans	672	2 808 879	5 957 500
payments to suppliers and contractors	673	474 225	531 893
other	674	-	174 122
Total		28 297 369	41 843 602

General expenses (by nature)

Index			
name	code	For the accounting year	For the previous year
1	2	3	4
Material costs	710	1 254 246	417 283
Expenses for remuneration of labour	720	638 009	546 602
Deductions for social needs	730	108 467	88 941
Amortization	740	114 968	88 305
Other expenses	750	1 507 949	3 187 215
Total by nature	760	3 623 639	4 328 346
Change of balances (surplus[+], decrease [-]):			
construction in progress	765	2 260 369	1 143 183
deferred expenses	766	(29 158)	(9 169)
provisions for deferred expenses	767	24 705	74 636

Form 0710005 page 6

Provisions			
Index			
name	code	Balance at the beginning of the accounting year	Balance at the end of the accounting period
1	2	3	4
Received - total			
including:			
bills			
Granted - total		135 540	55 966
including:			
bills			

Director _____ Vladimir Sergeevich Prisyazhnyuk _____ Chief accountant _____ M.A. Stolina _____
 (signature) (print full name) (signature) (print full name)

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