



SUKHOI

CIVIL AIRCRAFT

A Sukhoi and Alenia Aeronautica Company

**Closed Joint-Stock Company
“SUKHOI CIVIL AIRCRAFT”**

Interim Condensed Financial Statements
for the six months ended 30 June 2010

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

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Independent Auditors' Report

To the Board of Directors

Closed Joint-Stock Company "Sukhoi Civil Aircraft"

Introduction

We have reviewed the accompanying interim condensed statement of financial position of Closed Joint-Stock Company "Sukhoi Civil Aircraft" (the "Company") as at 30 June 2010, and the related interim condensed statements of comprehensive income, changes in equity and cash flows for the six-month period then ended and selected explanatory notes (the interim condensed financial information). Management is responsible for the preparation and presentation of this interim condensed financial information in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim condensed financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim condensed financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed financial information as at 30 June 2010 and for the six-month period then ended is not prepared, in all material respects, in accordance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*.

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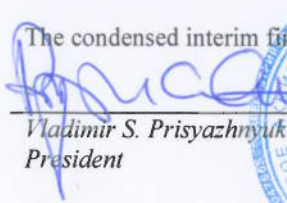
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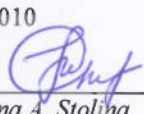
CLOSED JOINT-STOCK COMPANY "SUKHOI CIVIL AIRCRAFT"

CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2010

<i>In thousands of USD</i>	Notes	30 June 2010	31 Dec 2009
ASSETS			
<i>Non-current assets</i>			
Intangible assets	4	546,334	516,026
Property, plant and equipment	5	214,945	197,867
Value added tax receivable		39,516	44,752
Other accounts receivable	10	42,860	-
Deferred tax assets	7	44,170	48,905
Total non-current assets		887,825	807,550
<i>Current assets</i>			
Inventories	8	172,297	110,649
Trade and other accounts receivable		11,845	12,139
Other current assets		53,727	49,360
Cash and cash equivalents	9	23,466	31,370
Assets held for sale	6	2,288	115,351
Total current assets		263,623	318,869
TOTAL ASSETS		1,151,448	1,126,419
EQUITY AND LIABILITIES			
<i>Equity</i>			
Share capital	11	100,856	33,702
Share premium		171,751	164,625
Prepaid shares reserve		-	72,800
Foreign currency translation reserve		29,061	33,266
Accumulated losses		(216,904)	(227,109)
Total equity		84,764	77,284
<i>Non-current liabilities</i>			
Loans and borrowings	12	366,112	564,615
Advances from customers		787	812
Trade and other accounts payable		17,236	19,202
Total non-current liabilities		384,135	584,629
<i>Current liabilities</i>			
Loans and borrowings	12	567,128	232,431
Trade and other accounts payable		63,391	79,289
Advances from customers		35,685	36,824
Taxes payable		14,589	3,260
Liabilities related to assets held for sale	6	1,756	112,702
Total current liabilities		682,549	464,506
Total liabilities		1,066,684	1,049,135
Total equity and liabilities		1,151,448	1,126,419

The condensed interim financial statements were approved for issue on 10 November 2010


Vladimir S. Prisyazhnyuk
President


Marina A. Stolina
Chief Accountant

The accompanying notes are an integral part of these condensed interim financial statements

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 30 JUNE 2010

<i>In thousands of USD</i>	Notes	Six month 2010	Six month 2009
Revenues		1,485	241
Cost of sales		(704)	(158)
GROSS PROFIT		781	83
Government grants related to income	13	2,400	494
Research and development expenses		-	(351)
Selling expenses		(636)	(3,188)
Administrative expenses	14	(24,013)	(21,993)
Other operating income/(expense)		2,549	(1,319)
OPERATING LOSS		(18,919)	(26,274)
Interest expense		(21,291)	(8,681)
Foreign exchange gain/(loss)		33,415	(34,920)
LOSS BEFORE INCOME TAX		(6,795)	(69,875)
Income tax benefit	15	707	13,174
LOSS FOR THE PERIOD		(6,088)	(56,701)
Effect of translation to the presentation currency		(2,725)	14,782
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(8,813)	(41,919)

The accompanying notes are an integral part of these condensed interim financial statements

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

CONDENSED INTERIM STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 30 JUNE 2010

<i>In thousands of USD</i>	Six month 2010	Six month 2009
OPERATING ACTIVITIES:		
Loss before tax	(6,795)	(69,875)
Depreciation and amortization recognized in income	2,811	2,742
Unrealized foreign exchange differences	(31,297)	31,241
Interest expense	21,291	8,681
Cash flow used in operating activities before changes in working capital and income tax	(13,990)	(27,211)
Increase in inventories	(62,613)	(14,867)
(Increase)/decrease in trade and other accounts receivable	(1,809)	2,284
Decrease in other current assets	8,027	5,689
Decrease in advances from customers	(15)	(882)
Decrease in trade and other accounts payable	(17,915)	(39,346)
(Decrease)/Increase in taxes payable	(1,532)	180
Interest paid	(33,750)	(30,876)
Cash flow used in operating activities	(123,597)	(105,029)
INVESTING ACTIVITIES:		
Acquisition of property, plant and equipment	(4,440)	(9,329)
Acquisition of intangible assets	(36,198)	(51,034)
Increase of non-current value added tax receivable	(23,342)	(18,482)
Interest received	704	597
Government grant related to assets	6,133	7,923
Cash flows used in investing activities	(57,143)	(70,325)
FINANCING ACTIVITIES:		
Proceeds from additional share issues, net	-	173,414
Proceeds from borrowings, net	208,987	87,231
Repayment of borrowings	(21,771)	(72,613)
Finance lease payments	(15,076)	(13,638)
Cash flows from financing activities	172,140	174,394
Effect of foreign exchange on cash and cash equivalents	696	(2,153)
Decrease in cash and cash equivalents	(7,904)	(3,113)
Cash and cash equivalents at the beginning of period (Note 9)	31,370	34,369
Cash and cash equivalents at the end of period (Note 9)	23,466	31,256

The accompanying notes are an integral part of these condensed interim financial statements

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 30 JUNE 2010

<i>In thousands of USD</i>	Share capital	Share premium	Prepaid shares reserve	Foreign currency translation reserve	Accumulated losses	Total
Balance as at 01 January 2009	26,083	-	-	17,404	(135,942)	(92,455)
Effect of translation to the presentation currency	-	-	-	14,782	-	14,782
Loss for the period	-	-	-	-	(56,701)	(56,701)
Total comprehensive income for the period						(41,919)
Shares issued	7,619	165,795	-	-	-	173,414
Balance as at 30 June 2009	33,702	165,795	-	32,186	(192,643)	39,040
Balance as at 01 January 2010	33,702	164,625	72,800	33,266	(227,109)	77,284
Effect of translation to the presentation currency	-	-	1,480	(4,205)	-	(2,725)
Loss for the period	-	-	-	-	(6,088)	(6,088)
Total comprehensive income for the period						(8,813)
Transactions with entities under common control, net of related income tax effect of USD 4,072 thousand (Note 10)	-	-	-	-	16,293	16,293
Shares issued	67,154	7,126	(74,280)	-	-	-
Balance as at 30 June 2010	100,856	171,751	-	29,061	(216,904)	84,764

The accompanying notes are an integral part of these financial statements

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

Note 1. The Company

Closed Joint-Stock Company “Sukhoi Civil Aircraft” (hereafter “the Company”) was established on 25 May 2000 with the purpose of development, testing, production and operation of new types of civil aircraft. Currently, the Company carries out development of “Sukhoi Super Jet – 100” (formerly “Russian Regional Jet” or “RRJ”) - a family of civil aircraft consisting of 2 modifications: 75 and 95 seater aircraft in basic and longer range configuration.

The Company’s registered address is at: 2 build. 23B, Polykarpov Str., 125284, Moscow.

The Company’s shareholders are:

- JSC “Sukhoi Design Bureau”, which owns 3.01% of ordinary shares;
- JSC “Aviation Holding Company “Sukhoi”, which owns 71.99% of ordinary shares (the “Parent Company”);
- World Wings S.A. (100% subsidiary of Alenia Aeronautica), which owns 25% plus one share

Note 2. Basis of presentation

Statement of compliance

These condensed financial statements have been prepared in accordance with International Financial Reporting Standard IAS 34 Interim Financial Reporting. They do not include all of the information required for full annual financial statements and should be read in conjunction with financial statements of the Company as at and for the year ended 31 December 2009.

Basis of measurement

The financial statements are prepared on the historical cost basis except that the carrying amounts of assets, liabilities and equity items in existence at 31 December 2002 include adjustments for the effects of hyperinflation, which were calculated using conversion factors derived from the Russian Federation Consumer Price Index published by the Russian Statistics Agency, *GosKomStat*. Russia ceased to be hyperinflationary for IFRSs purposes as at 1 January 2003.

Functional and presentation currency

The national currency of the Russian Federation is the Russian Rouble (“RUB”), which is the Company’s functional currency taking into account the economic environment in which the Company operates. These financial statements are presented in US dollars (USD), since management believes that this currency is more meaningful for the users of the financial statements.

Going concern

These financial statements were prepared on the basis of accounting principles applicable to a going concern, which assumes that the Company will continue operations in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

The ultimate realization of the Company’s assets and its long-term liquidity will be impacted by its success in completion of the “Sukhoi Super Jet – 100” development program (refer to note 4). The “Sukhoi Super Jet – 100” program is included in the Federal Target Program “Development of the civil aircraft for 2002-2010 and for the period until 2015” approved by the Decision of the Federal Government of the Russian Federation No. 728 dated 15 October 2001.

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

The Company entered into a contract with the Ministry of Industry and Trade (Minpromtorg) which provides for the participation of the Federal Government in the development program and aircraft marketing (see also note 13). Management believes that financial support from the Federal Government, together with the Company’s other capital resources, is sufficient to meet its obligations, as they become due.

Use of estimates and judgments

The preparation of these condensed interim financial statements in conformity with IFRSs requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may from these estimates.

Particularly, Note 4 Intangible assets presents information on the most significant area that requires the use of estimates and the most important judgments on application of accounting policy, adopted by management in preparation of financial statements. In preparing these condensed interim financial statements, the significant judgements made by management in applying the Company’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2009.

Note 3. Summary of significant accounting principles

The accounting policies applied by the Company in these condensed interim financial statements are the same as those applied by the Company in its financial statements as at and for the year ended 31 December 2009.

Note 4. Intangible assets

<i>In thousands of USD</i>	Software	Development of SSJ-100 program	Advances given for development costs	Total
COST				
At 01 January 2009	17,622	483,955	25,022	526,599
Additions	811	72,537	13,593	86,941
Transfers	-	21,244	(21,244)	-
Government grant related to development costs	-	(7,923)	-	(7,923)
Effect of translation to the presentation currency	(1,030)	(24,680)	(1,958)	(27,668)
At 30 June 2009	17,403	545,133	15,413	577,949
At 01 January 2010	12,487	549,693	19,734	581,914
Additions	758	58,217	31,608	90,583
Disposal	(631)	-	-	(631)
Reclassification to property, plant and equipment	-	(32,687)	-	(32,687)
Transfers	-	20,304	(20,304)	-
Government grant related to development costs	-	(6,133)	-	(6,133)
Effect of translation to the presentation currency	(385)	(18,196)	(1,010)	(19,591)
At 30 June 2010	12,229	571,198	30,028	613,455

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

<i>In thousands of USD</i>	Software	Development of SSJ-100 program	Advances given for development costs	Total
ACCUMULATED AMORTIZATION				
<i>At 01 January 2009</i>	7,470	-	-	7,470
Charge for the period	1,350	-	-	1,350
Effect of translation to the presentation currency	(380)	-	-	(380)
<i>At 30 June 2009</i>	8,440	-	-	8,440
<i>At 01 January 2010</i>	3,894	61,994	-	65,888
Charge for the period	945	-	-	945
Disposal	(631)	-	-	(631)
Effect of translation to the presentation currency	(130)	1,049	-	919
<i>At 30 June 2010</i>	4,078	63,043	-	67,121
NET BOOK VALUE				
<i>At 01 January 2009</i>	10,152	483,955	25,022	519,129
<i>At 30 June 2009</i>	8,963	545,133	15,413	569,509
<i>At 01 January 2010</i>	8,593	487,699	19,734	516,026
<i>At 30 June 2010</i>	8,151	508,155	30,028	546,334

Capitalized development costs for the six months ended 30 June 2010 include USD 26,564 thousand of capitalized borrowing costs (six months 2009: USD 29,122 thousand).

Note 5. Property, plant and equipment

<i>In thousands of USD</i>	Buildings and Constructions	Machinery and equipment	Vehicles	Other	Advances paid for acquisition of equipment	Total
COST						
<i>As of 01 January 2009</i>	43,849	114,645	3,053	9,294	17,280	188,121
Additions and transfers	954	34,592	387	1,988	2,311	40,232
Effect of translation into presentation currency	(2,623)	(5,040)	(164)	(455)	(923)	(9,205)
<i>At 30 June 2009</i>	42,180	144,197	3,276	10,827	18,668	219,148
<i>At 01 January 2010</i>	45,673	177,951	3,380	11,841	13,923	252,768
Additions and transfers	2,217	47,470	137	71	(1,150)	48,745
Transfer to assets held for sale	-	(2,741)	-	-	-	(2,741)
Effect of translation into the presentation currency	(1,473)	(7,043)	(108)	(364)	(383)	(9,371)
<i>At 30 June 2010</i>	46,417	215,637	3,409	11,548	12,390	289,401

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

<i>In thousands of USD</i>	Buildings and Constructions	Machinery and equipment	Vehicles	Other	Advances paid for acquisition of equipment	Total
ACCUMULATED DEPRECIATION						
<i>As of 01 January 2009</i>	3,328	15,410	496	4,275	-	23,509
Depreciation for the period	1,370	8,011	269	1,686	-	11,336
Effect of translation into presentation currency	(126)	(487)	(15)	(166)	-	(794)
<i>At 30 June 2009</i>	4,572	22,934	750	5,795	-	34,051
<i>At 01 January 2010</i>	7,925	38,955	1,055	6,966	-	54,901
Depreciation for the period	2,699	18,235	334	1,124	-	22,392
Transfer to assets held for sale	-	(367)	-	-	-	(367)
Effect of translation into presentation currency	(339)	(1,834)	(44)	(253)	-	(2,470)
<i>At 30 June 2010</i>	10,285	54,989	1,345	7,837	-	74,456
NET BOOK VALUE						
<i>As of 01 January 2009</i>	40,521	99,235	2,557	5,019	17,280	164,612
<i>At 30 June 2009</i>	37,608	121,263	2,526	5,032	18,668	185,097
<i>At 01 January 2010</i>	37,748	138,996	2,325	4,875	13,923	197,867
<i>At 30 June 2010</i>	36,132	160,648	2,064	3,711	12,390	214,945

The Company leases equipment and vehicles under a number of finance lease agreements. At the end of each of the leases the Company has the option to purchase the equipment at a beneficial price. At 30 June 2010 the net book value of leased assets was USD 9,132 thousand (31 December 2009: USD 11,360 thousand). The leased equipment secures lease obligations (refer Note 12).

Additions to property, plant and equipment for the period ended 30 June 2010 include USD 684 thousand of capitalized borrowing costs (for six months 2009: USD 416 thousand).

Note 6. Assets held for sale

<i>In thousands of USD</i>	30 June 2010	30 June 2009
Property, plant and equipment	2,288	115,351
Finance lease liability	(1,756)	(112,702)
Total	532	2,649

As at 30 June 2010 the Company disposed off certain items of machinery and equipment previously acquired under finance lease agreements. The items were transferred to entities under common control with the Company, which are the manufacturing and assembling sites for Sukhoi SuperJet-100 aircraft. In accordance with lease transfer agreements all payments (finance lease payments and advances) which were already made by the Company will be compensated by JSC KnAAPO and JSC NAPO.

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

Note 7. Deferred tax assets

Major classes of deferred income tax assets and liabilities:

<i>In thousands of USD</i>	30 June 2010	Recognised in profit or loss	Recognised in equity	Foreign currency translation	01 Jan 2010	30 June 2009	Recognised in profit or loss	Foreign currency translation	01 Jan 2009
Intangible assets	(7,527)	(3,840)	-	259	(3,946)	(3,499)	(1,223)	65	(2,341)
Property, plant and equipment	(1,171)	(2,930)	-	54	1,705	(786)	151	71	(1,008)
Trade and other accounts receivable	12,388	2,262	10,248	(463)	341	73	34	(1)	40
Trade and other accounts payable	(1,330)	(466)	-	45	(909)	714	174	(23)	563
Loans and borrowings	1,126	2,830	-	(52)	(1,652)	(1,521)	(23)	96	(1,594)
Inventories	1,497	(3,489)	-	(27)	5,013	(614)	(79)	29	(564)
Tax loss carry- forwards	39,187	6,340	(14,320)	(1,186)	48,353	43,327	14,140	(1,036)	30,223
Total	44,170	707	(4,072)	(1,370)	48,905	37,694	13,174	(799)	25,319

Management estimates that the Company will have sufficient future taxable profits to utilize the deferred tax asset after completion of “Sukhoi Super Jet – 100” development program and commencement of production and sales of the aircraft. Tax losses will expire in the years from 2010-2020.

Note 8. Inventories

<i>In thousands of USD</i>	30 June 2010	31 Dec 2009
Advances given for aircraft serial production	52,809	64,761
Work-in-progress	118,282	45,036
Other inventories and suppliers	1,206	852
Total	172,297	110,649

Work-in-progress is stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

Borrowing costs in amount of USD 1,852 thousand were included in cost of inventory during six month ended 30 June 2010 (six months 2009: USD 1,709 thousand).

Note 9. Cash and cash equivalents

<i>In thousands of USD</i>	30 June 2010	31 Dec 2009
Current accounts RUR	620	18,430
Current accounts in foreign currency	2,160	12,860
Cash in hand	59	31
Cash equivalents RUR	-	49
Bank term deposit RUR	67	-
Bank term deposit USD	20,560	-
Total	23,466	31,370

USD bank term deposits include USD 19,600 thousand deposit placed in Mezhprombank in April 2010 bearing interest of 5% p.a. and maturing July 2010. Mezhprombank started experiencing financial difficulties in the second quarter of 2010 which subsequently resulted in the Central Bank of Russian Federation revoking Mezhprombank’s license for banking activity in October 2010 and filing a claim for bankruptcy proceedings initiation.

CLOSED JOINT-STOCK COMPANY “SUKHOI CIVIL AIRCRAFT”

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

Meanwhile, in September 2010, the Company filed a claim in Moscow Arbitral Court for deposit repayment, including interest accrued, for the total amount of USD 19,866 thousand which was satisfied on 2 November 2010.

The Company management and management of the Parent company undertake other steps to recover this restricted cash amount in the near future, though giving regard to a certain degree of uncertainty as to whether those steps will be effective and whether Mezhprombank will have sufficient assets that might be used for fulfilling its obligations. At the date of authorising these condensed interim financial statements, the deposit was not returned and Company management was unable to estimate whether adjustments, if any, are necessary to the carrying amount of the deposit as at 30 June 2010.

Note 10. Other non-current accounts receivable

As at 30 June 2010 the Company disposed off certain items of machinery and equipment previously acquired under finance lease agreements. All rights and liabilities under the lease agreements were transferred to entities under common control with the Company, which are the manufacturing and assembling sites for Sukhoi SuperJet aircraft.

As at 31 December 2009 the lease equipment on Company's balance that should be transferred was treated as Assets held for sale (also see Note 6). During the first half 2010 the Company received additional items of machinery and equipment under finance lease agreements for the total amount of approximately USD 10 million which also have been transferred to the same entities during the first half 2010.

In accordance with the lease transfer agreements all payments, which include mainly finance lease payments and advances made by the Company in the past, shall be compensated by JSC KnAAPO and JSC NAPO within the next 20 years. As at 30 June 2010 the related amount of future cash inflows, adjusted for the time value of money, was included in other receivables in the total amount of USD 42,860 thousand. The effect of the transaction was recognized directly in equity, net of related income tax effect of USD 4,072 thousand.

Note 11. Share capital and share premium

As at 01 January 2010 the share capital of the Company comprised 1,018,481 authorized, issued and fully paid ordinary shares all with par value of RUB 1,000 each. In April 2010, the Company completed an issue of 2,047,244 ordinary shares initiated and paid in December 2009 for the benefit of its major shareholders: WORLD WINGS S.A. and JSC “Company “Sukhoi”. As a result of this transaction the share capital of the Company comprised of 3,065,725 authorized, issued and fully paid ordinary shares all with par value of RUB 1,000 each. The structure of shareholding changed as follows: JSC “Sukhoi Design Bureau”: 3.01%, JSC “Company “Sukhoi”: 71.99% and World Wings S.A.: 25% plus one share.

CLOSED JOINT-STOCK COMPANY "SUKHOI CIVIL AIRCRAFT"

NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

Note 12. Loans and borrowings

Non-current loans

Creditor	Terms of repayment	Currency	Effective interest rate, %	30 June 2010 000'USD	Effective interest rate, %	31 Dec 2009 000'USD
JSC "Sberbank"	2011-2017	Euro	Euribor+7.5	122,348	Euribor+7.5	143,148
EBRD	2011-2017	Euro		-	Euribor+0.9	139,366
Inteza	2011-2012	US dollars		-	Libor+1.8	13,792
JSC "Sukhoi OKB"	2011-2015	RUR	8.81	46,220	8.81	47,688
JSC "Sukhoi OKB"	2011-2014	RUR	9.97	41,758	18.89	42,411
EABD	2011-2018	US dollars	Libor+4	99,958	Libor+4	99,921
JSC "VTB 24"	2010-2014	Euro	7.7	31,776	7.71	42,554
JSC "VTB 24"	2009-2014	Euro	8.34	11,847	8.34	16,117
JSC "Vnesheconombank"	2010-2019	GBP	11.33	8,960	11.32	9,483
LIEBHERR-AEROSPACE SAS	2011	US dollars		-	3.22	3,416
JSC "Vnesheconombank"	2011	GBP	11.62	94	11.9	1,363
Finance Leases (rouble)	2011-2013	RUR	20.52	708	20.82	1,503
Finance Leases (euro)	2011-2014	Euro	9.08	2,130	8.98	3,209
Finance Leases (US dollar)	2011-2013	US dollars	23.3	313	24.15	644
Total				366,112		564,615

Non-current loans are due for repayment as follows:

<i>In thousands of USD</i>	30 June 2010	31 Dec 2009
During the second year	44,503	63,239
During the third year	47,315	88,694
During the fourth year	52,023	84,075
During the fifth year	124,297	121,336
After five years	97,974	207,271
Total	366,112	564,615

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Current loans

Creditor	Currency	Effective interest rate, %	30 June 2010 000'USD	Effective interest rate, %	31 Dec 2009 000'USD
RUR Bonds (see below)	RUR	14.53	159,979	14.61	144,266
EBRD	Euro	Euribor+0.9	122,460		-
West LB	US dollars	Libor+3	110,128		-
JSC "VTB"	US dollars	9.75	80,168	9.75	60,160
VTB Deutschland	US dollars	Libor+7	50,365		-
Inteza	US dollars	Libor+1.8	16,671	Libor+1.8	6,037
JSC "VTB"	Euro	7.70	8,191	7.71	10,485
LIEBHERR-AEROSPACE SAS	US dollars	3.17	3,596	3.22	201
JSC "UAC"	RUR	10.00	3,206		-
VTB (France)	US dollars	Libor+8.5	2,742		-
JSC "Vnesheconombank"	GBP	11.33	2,455	11.32	1,016
JSC "VTB"	Euro	8.34	2,478	8.34	2,718
JSC "VTB 24"	Euro	Euribor+6.5	1,143	Euribor+6.5	2,698
JSC "VTB"	Euro	Euribor+4.25	466	Euribor+4.25	1,100
JSC "Sberbank"	Euro	Euribor+2.3	104		-
JSC "Vnesheconombank"	GBP	11.62	43		-
JSC "Sukhoi OKB"	RUR	9.97	62		-
Finance Leases (rouble)	RUR	20.52	1,222	22.34	1,363
Finance Leases (euro)	Euro	9.08	892	11.20	1,443
Finance Leases (US dollar)	US dollars	23.30	747	15.68	882
Others	RUR		10		62
Total			567,128		232,431

Bonds

In March 2007, the Company issued 5,000,000 non-convertible rouble-denominated bonds with the face value of 1,000 roubles maturing in March 2017 with twenty coupons payable semi-annually. The coupon rate for the first five coupons was 7.85% p.a. In September 2009 the Board of Directors approved the new coupon rate of 15% p.a. for sixth and seventh coupon period. The bonds are secured with a guarantee issued by the Parent Company.

In accordance with the terms of the issue starting from September 2009 the Company must annually offer to redeem the bonds upon determination of the new coupon rate. In September 2009 the Company fulfilled an offer to redeem 2,703,349 bonds in the total amount RUR 2,708,890 thousand (USD 85,392 thousand). In December 2009 the Company re-issued 1,897,578 bonds in the total amount of RUR 1,995,947 thousand (USD 63,882 thousand).

During the first half 2010 the Company re-issued 605,621 bonds in the total amount of RUR 621,221 thousand (USD 19,914 thousand).

Loan covenants

As at 30 June 2010 the Company had breached certain financial covenants related to long-term borrowing facilities due to Inteza, EBRD, WestLB and VTB France. Before 31 December 2009 the Company possessed waiver from EBRD granting a period of grace for twelve months which enabled the Company to classify EBRD and Inteza loans as non-current and disclose related maturity schedule in accordance with the principal provisions of the related loan agreements as at 31 December 2009. At the date when these condensed interim financial statements were authorised for issue management was in negotiation with the banks to obtain extension of the grace period for twelve months after 31

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NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS ENDED 30 JUNE 2010

December 2010 which management expects to be successful and which will enable the Company to classify the related loans in accordance with their maturity schedules in the Company’s annual financial statements for the year 2010.

Finance lease are due for repayment as follows:

30 June 2010 000'USD	Minimum lease payments	Interest	Principal
During the first year	3,447	586	2,861
During the second year	2,270	229	2,041
During the third year	1,096	43	1,053
During the fourth year	57	-	57
Total	6,870	858	6,012

30 June 2009 000'USD	Minimum lease payments	Interest	Principal
During the first year	4,663	974	3,688
During the second year	3,785	454	3,031
During the third year	2,001	133	1,868
During the fourth year	464	8	457
Total	10,613	1,569	9,044

Finance lease liabilities are secured by leased assets (refer Note 5).

Note 13. Government grants

The Company’s activity on development of the “Sukhoi Super Jet – 100” aircraft is included in the Federal Target Program “Development of the civil aircraft for 2002-2010 and for the period until 2015” approved by the Decision of the Federal Government of the Russian Federation No. 728 dated 15 October 2001. In accordance with this program, the Company receives financing from the Federal Government. Funds are received under the contract with Ministry of Industry and Trade (Minpromtorg) and Joint-Stock Company “United Aircraft Corporation” (JSC “UAC”) which is structured as a contract for the development services, and as a contract to cover certain types of expenses. The summary of government grants received by the Company is presented below.

<i>In thousands of USD</i>	Six month 2010	Six month 2009
Grants related to development costs	6,133	7,923
Total grants related to income	2,400	494
Total	8,533	8,417

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Note 14. Administrative expenses

<i>In thousands of USD</i>	Six month 2010	Six month 2009
Wages and unified social tax	12,605	10,228
Rent	3,262	3,877
Taxes other than income tax	2,703	1,006
Amortization and depreciation	2,618	2,565
Other expenses	926	874
Consultancy	772	2,491
Legal, audit, information and other professional services	427	569
Traveling costs	380	273
Bank charges	320	110
Total	24,013	21,993

Note 15. Income taxes

The Company's applicable tax rate is the Russian Federation corporate income tax rate of 20%.

<i>In thousands of USD</i>	Six month 2010	Six month 2009
Deferred tax - origination and reversal of temporary differences	707	13,174
Deferred income tax benefit	707	13,174

Reconciliation of effective rate:

<i>In thousands of USD</i>	Six month 2010	%	Six month 2009	%
Loss before income tax	(6,795)	100	(69,875)	100
Theoretical income tax benefit at the statutory tax rate	1,359	20	13,976	20
Tax effect of non-deductible expenses	(652)	(10)	(802)	(1)
Total income tax benefit	707	10	13,174	19

Note 16. Commitments

The Company is committed to capital expenditure necessary for completion of the “Sukhoi Super Jet - 100” program of approximately USD 178 million as at 30 June 2010.

The Company has commitments in its contracts with customers to meet certain performance targets, including adherence to specified delivery schedules. Management expects that existing delivery targets will be substantially met, therefore at the balance sheet date no material provisions are considered necessary for penalties that might occur.

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The Company has commitments to provide sales financing to customers. These sales financing transactions will generally be collateralized by the underlying aircraft. The Company believes that the estimated fair value of the aircraft securing such commitments will substantially offset any potential losses from the commitments.

Note 17. Related Parties

Control relationship

Related parties comprise the shareholders of the Parent Company and all other companies in which those shareholders, either individually or together, have a controlling interest. The company is ultimately controlled by the Federal Government of the Russian Federation.

Transactions with shareholders and other state-controlled entities

The transactions with entities under common control relating to transfer of finance lease agreements are disclosed in Note 10. The Company had the following other transactions and balances with related parties:

<i>In thousands of USD</i>	Six month 2010		Six month 2009	
	Sales/ (Purchases)	Assets/ (Liabilities)	Sales/ (Purchases)	Assets/ (Liabilities)
Revenue from development services	1,224	-	-	-
Acquisition of development services	(14,155)	(22,480)	(38,326)	(8,645)
Acquisition of inventory	(21,626)	31,468	(3,688)	29,054
Property, plant and equipment	(592)	4,841	(28,084)	9,822
Administrative expenses	(5,584)	96	(5,032)	(763)
Distribution expenses	(292)	(1,030)	(240)	(81)
Other expenses	(2,341)	(150)	(1,139)	(1,699)
Cash and cash equivalents	-	3,639	-	1,690
Advances from customers	-	(35,424)	-	(35,316)
Loans and borrowing	-	(417,763)	-	(399,408)
Interest paid on loans and borrowings	(18,779)	-	(25,145)	-

Note 18. Subsequent events

In September 2010 the Company fulfilled an offer to redeem 92,571 bonds in the total amount of RUR 92,689 thousand (approximately USD 2,985 thousand). In September 2010 the Board of directors approved the new coupon rate of 9.25% for the eight and ninth coupon periods. The Company also declared a new offer to redeem the bonds in September 2011 when the rate for the tenth and eleventh coupons will be determined.

In September 2010, Fitch Ratings affirmed the Company's national long-term rating as “AA-“ (rus), foreign and national currency long-term rating as “BB”(positive).

On 19 July 2010 the Company signed a firm agreement with Kartika Airlines to deliver 30 SSJ-100 aircraft.