

Exhibit C
To
Alliance Agreement
Between
Continental and Aeroflot

Block Space Accounting and Settlement Procedures

The following procedures apply for flights operated as Gateway Segments where one carrier has purchased a block of seats on flights operated by the other carrier:

1. The purchasing carrier's flight coupons lifted at points of embarkation shall be handed over to the purchasing carrier's representative, along with a computer generated manifest reasonably acceptable to both carriers, promptly after departure of each flight operating as a Gateway Segment. The operating carrier may retain copies of such flight coupons.
2. Flight coupons as described above shall be those issued by or on behalf of the purchasing carrier to passengers holding the purchasing carrier's reservations in the purchasing carrier's seat allotment, and coupons issued by other airlines to passengers holding such purchasing carrier's reservations and properly endorsed to the purchasing carrier. In case of duplicate bookings in both the purchasing carrier's and the operating carrier's space, the carrier designated on the ticket shall retain the flight coupon.
3. Revenue derived from charges collected at time of departure for excess baggage and/or other related services shall be allocated to the carrier whose designator code is utilized to ticket the passenger associated with such charges. In the event that the carriers are not able to match passengers with the associated charges, the revenue will be split between the carriers in proportion to the number of passengers ticketed by each carrier on flights operated as Gateway Segments.
4. The carriers agree to accept each others' tickets without endorsement for transportation covered under this Agreement.
5. If at the time of departure of a particular Gateway Segment flight, there are passengers that arrive for check-in for such Gateway Segment flight in excess of the total allotted seating capacity for a particular carrier, then the carrier with such overflow (the "Oversold Party") may request the other (the "Non-Oversold Party") to carry such overflow in the Non-Oversold Party's capacity. To the extent that there is seating capacity available in its allotted capacity on a particular Gateway Segment flight, the Non-Oversold Party shall provide such additional capacity to the Oversold Party. If oversales of the Oversold Party are in economy class, such oversales shall be upgraded to the extent possible to the open business class of the Oversold Party. If the Oversold Party is still unable to accommodate

all economy class oversales in its business class seat allocation, such oversales will be accommodated first in the open economy class of the Non-Oversold Party and when those seats are all occupied, then in the business class seats of the Non-Oversold Party. When the economy class oversales of the Oversold Party are accommodated in the economy class or business class of the Non-Oversold Party, such additional seats shall be paid for at the price determined in accordance with Section 3(a)(ii) of the Alliance Agreement. In the case where both carriers have bookings that exceed their capacity, but one carrier has fewer passengers that arrive for check-in for the flight than the allotted seat capacity for such carrier, priority will be given to the oversold passengers of the Oversold Party before "standby" passengers of the Non-Oversold Party.

6. Continental shall deliver to Aeroflot, and shall submit through the IATA clearing process, a preliminary invoice at the beginning of each month for the cost of the seats (excluding the Price Per Passenger) that will be provided to Aeroflot during such month. At the end of each month, Continental shall prepare a final settlement statement (including the Price Per Passenger) for the review of Aeroflot. Upon Aeroflot's approval of the final settlement statement (to which Aeroflot shall respond within 10 days after receipt), the differences (positive or negative) between the preliminary invoice and the final invoice (as finally agreed) shall be submitted through the IATA clearing process. It is anticipated that the transfer from Aeroflot's account in response to the preliminary invoice will not occur until approximately six (6) weeks after the beginning of the month for which the invoice is submitted.