

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015
UNAUDITED

AVIAAM LEASING AB
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FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2015

(All tabular amounts are in USD'000 and EUR'000 unless otherwise stated)

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CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	July-September				January-September			
		2015		2014		2015		2014	
		USD	EUR	USD	EUR	USD	EUR	USD	EUR
Revenue	3	5,392	4,852	41,675	31,343	26,951	24,156	115,976	85,541
Interest income on loans		422	380	1,428	1,059	1,277	1,145	2,180	1,608
Depreciation and amortisation		(1,308)	(1,173)	(1,210)	(912)	(3,321)	(2,976)	(3,564)	(2,629)
Costs of aircraft sold		(508)	(457)	(34,093)	(25,570)	(2,697)	(2,417)	(86,104)	(63,508)
Costs of services rendered		(310)	(283)	(410)	(342)	(6,035)	(5,409)	(5,278)	(3,893)
Aircraft maintenance and servicing expenses		(674)	(606)	(743)	(594)	(2,331)	(2,089)	(6,342)	(4,678)
Employee-related expenses	4	(174)	(157)	(166)	(126)	(545)	(489)	(607)	(448)
Impairment of receivables and prepayments		(562)	(504)	-	-	(1,012)	(907)	(341)	(251)
Other operating expenses	5	(403)	(362)	(324)	(246)	(1,082)	(970)	(1,157)	(853)
Gain on sale of property, plant and equipment (net)		-	-	(1)	-	-	-	4,377	3,228
Gain on sale of subsidiaries		-	-	-	-	-	-	5,251	3,873
Other gain (losses) net	7	7	6	133	154	41	36	2,870	2,116
Operating profit		1,882	1,696	6,289	4,766	11,246	10,080	27,261	20,106
Finance income	6	20	18	517	383	258	233	623	460
Finance costs	6	(169)	(154)	(1,284)	(959)	(2,163)	(1,939)	(2,897)	(2,137)
Finance costs – net		(149)	(136)	(767)	(576)	(1,905)	(1,706)	(2,274)	(1,677)
Profit (loss) before income tax		1,733	1,560	5,552	4,190	9,341	8,374	24,987	18,429
Income tax	7	(360)	(324)	(840)	(635)	(1,369)	(1,227)	(2,739)	(2,020)
Profit (loss) for the period		1,373	1,236	4,682	3,555	7,972	7,147	22,248	16,409
Other comprehensive income									
Currency translation differences on translation to presentation currency		-	(550)	-	5,090	-	6,513	-	5,654
Total other comprehensive income		-	(550)	-	5,090	-	6,513	-	5,654
Total comprehensive income		1,373	686	4,682	8,645	7,972	13,660	22,248	22,063
Basic and diluted earnings per share (USD/EUR)	8	0.03	0.03	0.11	0.08	0.18	0.17	0.51	0.38

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CONSOLIDATED INTERIM BALANCE SHEET

	Note	30 September 2015		31 December 2014	
		USD	EUR	USD	EUR
ASSETS					
Non-current assets					
Property, plant and equipment	9	37,049	33,067	39,167	32,201
Intangible assets		1	1	1	1
Available-for-sale financial assets		1,392	1,242	881	724
Loans granted	11	10,720	9,568	10,717	8,811
		49,162	43,878	50,766	41,737
Current assets					
Inventory	10	383	343	1,037	853
Loans granted	11	18,740	16,726	23,549	19,361
Trade and other receivables	12	8,014	7,152	6,764	5,561
Cash and cash equivalents	13	42,359	37,807	36,574	30,069
		69,946	62,028	67,924	55,844
Total assets		118,658	105,906	118,690	97,581
EQUITY					
Equity attributable to the Group's equity shareholders					
Share capital	14	16,804	12,559	16,804	12,542
Share premium		27,972	20,878	27,972	20,878
Legal reserve		1,740	1,254	1,740	1,254
Revaluation reserve		4,343	3,570	4,343	3,570
Revaluation of financial assets available for sale		(825)	(678)	(825)	(678)
Cumulative translation reserve		-	12,033	-	5,520
Retained earnings		46,616	36,648	43,020	33,416
Total equity		96,650	86,264	93,054	76,502
LIABILITIES					
Non-current liabilities					
Borrowings	15	8,556	7,636	10,782	8,865
Security deposits received	17	3,521	3,143	3,332	2,740
Deferred income tax liabilities		1,246	1,112	1,353	1,112
		13,323	11,891	15,467	12,717
Current liabilities					
Borrowings	15	2,939	2,623	2,768	2,276
Trade and other payables	16	1,837	1,639	2,488	2,046
Security deposits received	17	40	36	40	33
Advances received	16	59	52	70	57
Current income tax liabilities		3,810	3,401	4,803	3,950
		8,685	7,751	10,169	8,362
Total liabilities		22,008	19,642	25,636	21,079
Total equity and liabilities		118,658	105,906	118,690	97,581

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

USD	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Revaluation reserve (deficit) of financial assets	Retained earnings	Total equity
Balance at 1 January 2014		16,804	27,972	1,131	3,431	-	24,824	74,162
Comprehensive income								
Revaluation of financial assets available for sale		-	-	-	-	(971)	-	(971)
Deferred income tax on revaluation of financial assets available for sale		-	-	-	-	146	-	146
Revaluation of aircraft		-	-	-	1,072	-	-	1,072
Deferred income tax on revaluation of aircraft		-	-	-	(160)	-	-	(160)
Other comprehensive income (loss)		-	-	-	912	(825)	-	87
Profit for the year		-	-	-	-	-	22,284	22,284
Total comprehensive income		-	-	-	912	(825)	22,284	22,371
Transactions with owners								
Transfer to reserves		-	-	609	-	-	(609)	-
Dividends		-	-	-	-	-	(3,479)	(3,479)
Total transactions with owners		-	-	609	-	-	(4,088)	(3,479)
Balance at 31 December 2014/ 1 January 2015		16,804	27,972	1,740	4,343	(825)	43,020	93,054
Comprehensive income								
Other comprehensive income (loss)		-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	7,972	7,972
Total comprehensive income		-	-	-	-	-	7,972	7,972
Transactions with owners								
Dividends		-	-	-	-	-	(4,376)	(4,376)
Total transactions with owners		-	-	-	-	-	(4,376)	(4,376)
Balance at 30 September 2015		16,804	27,972	1,740	4,343	(825)	46,616	96,650

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

EUR	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Revaluation reserve (deficit) of financial assets	Cum. trans.	Retained earnings	Total equity
Balance at 1 January 2014		12,542	20,878	854	2,494	-	(2,446)	19,586	53,908
Comprehensive income									
Revaluation of financial assets available for sale		-	-	-	-	(798)	-	-	(798)
Deferred income tax on revaluation of financial assets available for sale		-	-	-	-	120	-	-	120
Revaluation of aircraft		-	-	-	881	-	-	-	881
Deferred income tax on revaluation of aircraft		-	-	-	(132)	-	-	-	(132)
Currency translation differences		-	-	-	-	-	7,966	-	7,966
Other comprehensive income (loss)		-	-	-	749	(678)	7,966	-	8,037
Profit for the year		-	-	-	-	-	-	16,782	16,782
Total comprehensive income		-	-	-	749	(678)	7,966	16,782	24,819
Transactions with owners									
Transfer to reserves		-	-	400	-	-	-	(400)	-
Dividends		-	-	-	-	-	-	(2,552)	(2,552)
Currency translation differences		-	-	-	327	-	-	-	327
Total transactions with owners		-	-	400	327	-	-	(2,952)	(2,225)
Balance at 31 December 2014/ 1 January 2015		12,542	20,878	1,254	3,570	(678)	5,520	33,416	76,502
Comprehensive income									
Currency translation differences		-	-	-	-	-	6,513	-	6,513
Other comprehensive income (loss)		-	-	-	-	-	6,513	-	6,513
Profit for the period		-	-	-	-	-	-	7,147	7,147
Total comprehensive income		-	-	-	-	-	6,513	7,147	13,660
Transactions with owners									
Dividends		-	-	-	-	-	-	(3,898)	(3,898)
Share capital conversion result		17	-	-	-	-	-	(17)	-
Total transactions with owners		17	-	-	-	-	-	(3,915)	(3,898)
Balance at 30 September 2015		12,559	20,878	1,254	3,570	(678)	12,033	36,648	86,264

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Note	9 months ended 30 September			
		USD	2015 EUR	USD	2014 EUR
Operating activities					
Profit (loss) before income tax		9,341	8,374	24,987	18,429
<i>Adjustments for:</i>					
Depreciation and amortisation		3,321	2,976	3,564	2,629
Impairment of accounts receivables and prepayments		1,012	907	341	251
Discounting effect		165	148	130	96
Finance costs – net		307	275	920	679
Deferred tax income (costs)		(12)	(10)	-	-
Gain on sale of subsidiaries		-	-	(5,251)	(3,873)
Profit/loss from sale of fixed assets		-	-	(4,377)	(3,228)
<i>Changes in working capital:</i>					
Trade and other receivables		(1,139)	(1,021)	(2,089)	(1,540)
Trade and other payables		437	392	(3,033)	(2,237)
Security deposits and advances received		11	10	292	216
Inventory		655	587	179	132
Cash generated from operations		14,098	12,638	15,663	11,554
Interest paid		(668)	(598)	(1,250)	(922)
Income tax paid		(2,378)	(2,131)	(901)	(665)
Net cash generated from operating activities		11,052	9,909	13,512	9,967
Investing activities					
Purchase of property, plant and equipment and intangible assets		(1,808)	(1,620)	(21,198)	(15,635)
Prepayments for property plant and equipment		-	-	(6,500)	(4,794)
Purchase of real estate		(420)	(376)	-	-
Sale of property plant and equipment and intangible assets		-	-	21,900	16,153
Investment in other companies		(511)	(458)	(1,345)	(992)
Loans granted		(25,596)	(22,942)	(41,828)	(30,851)
Loans repaid		26,612	23,852	34,131	25,174
Interest received		95	85	105	78
Net cash used in investing activities		(1,628)	(1,459)	(14,735)	(10,868)
Financing activities					
Dividends paid		(1,583)	(1,419)	(1,212)	(894)
Lease (finance lease) payments		(2,056)	(1,843)	(1,936)	(1,428)
Net cash used in financing activities		(3,639)	(3,262)	(3,148)	(2,322)
Increase (decrease) in cash and cash equivalents		5,785	5,188	(4,371)	(3,223)
Movement in cash and cash equivalents					
At the beginning of year		36,574	30,069	43,953	31,949
Increase (decrease) in cash and cash equivalents		5,785	5,188	(4,371)	(3,223)
Foreign translation differences		-	2,550	-	2,465
At the end of the period	13	42,359	37,807	39,582	31,191

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NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

AviaAM Leasing AB (referred to as *the Company*) is a public limited liability company incorporated at State Enterprise Centre of the Republic of Lithuania as at 17 April 2009 (Company code – 302330793). The Company is domiciled in Vilnius, the capital of Lithuania. The address of its registered office is at Smolensko g. 10, LT-03201 Vilnius, Lithuania.

The shareholders' structure of the Company as at 30 September 2015 and 31 December 2014 was as follows:

	Number of shares	%
ALH Aircraft Leasing Holdings Limited	12,994,905	30.01
Mesotania Holdings Limited	10,899,858	25.17
Nationale-Nederlanden Otworthy Fundusz Emerytalny (Open pension fund)	5,000,000	11.55
Aurimas Sanikovas	294,478	0.68
Tadas Goberis	147,239	0.34
Other shareholders	13,969,113	32.25
Total	43,305,593	100.00

The Company and its subsidiaries (together, *the Group*) are engaged in the business of aircraft leasing, trading and management. The principal activity of the Group is operating leasing, management and trading of mid-life narrow body and regional jet aircraft. As of 30 September 2015 the Group owned 13 aircraft: 1 Boeing 737-300, 3 Boeing 737-500 and 9 Bombardier CRJ200 aircraft. All aircraft were leased out under operating lease contracts.

In addition, the Company effectively holds a 50% stake in a joint venture Regional Charter Capital Ltd. - which owns one Bombardier CRJ200 aircraft in a business jet configuration. The principal activity of the joint-venture is management of the subject aircraft.

Moreover, on 7 August 2015 the Company established a subsidiary – DG21 UAB – with a purpose of pursuing the investments into the real estate. In September 2015 the aforementioned subsidiary acquired a building in Vilnius, Lithuania to be leased to companies engaged in aviation related business.

The subsidiaries and joint ventures, which are included in the Group's consolidated financial statements are indicated below:

The Group's companies	Country of establishment	Share of equity, %		Date of acquiring (establishment) / activity / address of establishment
		As at 30 September 2015	As at 31 December 2014	
AviaAM B01 UAB	Lithuania	100	100	Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B02 UAB	Lithuania	100	100	Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B04 UAB	Lithuania	100	100	Date of establishment: 22 February 2007 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B05 UAB	Lithuania	100	100	Date of establishment: 28 June 2011 / Aircraft leasing / Smolensko g. 10, Vilnius

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1 General information (continued)

The Group's companies	Country of establishment	Share of equity, %		Date of acquiring (establishment) / activity / address of establishment
		As at 30 September 2015	As at 31 December 2014	
AviaAM B06 UAB	Lithuania	100	100	Date of establishment: 15 July 2011 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B07 UAB	Lithuania	100	100	Date of establishment: 30 September 2011 / Aircraft leasing / Smolensko g. 10, Vilnius
DG21 UAB	Lithuania	100	-	Date of establishment: 7 August 2015 / Real estate management / Smolensko g. 10, Vilnius
AAL Capital Aircraft Holdings Ltd	Cyprus	100	100	Date of establishment: 29 September 2011 / Aircraft leasing / Dimitriou Karatasou 15, Anastasio Building, 6th floor, Flat/office 601, Strovolos 2024, Nicosia, Cyprus
AviaAM Leasing Bermuda Ltd	Bermuda	100*	100*	Date of establishment: 16 September 2011 / Aircraft leasing / Clarendon House, 2 Church Street, Hamilton HM 11, Bermuda
AviaAM B08 Ltd	Bermuda	100*	100*	Date of establishment: 26 April 2014 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda
AviaAM B09 Ltd	Bermuda	100*	100*	Date of establishment: 27 June 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
Ice Aircraft Management Ltd	Bermuda	100*	100*	Date of establishment: 23 October 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
Boulevard Two Aircraft Ltd	Ireland	100*	100*	Date of acquiring: 20 March 2013 / Aircraft leasing / 70 Sir John Rogerson's Quay, Dublin 2, Ireland
Regional Charter Capital Ltd	Bermuda	50**	50**	Date of establishment: 31 October 2012 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda

* Shareholding through AAL Capital Aircraft Holdings Ltd. which owns 100 per cent of the company.

** Shareholding through AviaAM Leasing Bermuda Ltd. which owns 50 per cent of the company.

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2 Accounting policies

The consolidated interim financial information for the nine month period ended 30 September 2015 (hereinafter, *the Consolidated Interim Financial Information*) is prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34 "Interim financial reporting". In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2014.

The financial statements have been prepared on a going concern basis and under the historical cost convention.

The consolidated financial statements are presented in US Dollars (USD) and Euro (EUR) and all values are rounded to the nearest thousand (USD'000 and EUR'000) except when otherwise indicated.

The Consolidated Interim Financial Information for the nine month period ended 30 September 2015 is not audited. Financial Statements for the year ended 31 December 2014 were audited by external auditor PricewaterhouseCoopers UAB.

3 Revenue

	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Sales of aircraft	2,300	2,061	91,150	67,230
Lease revenue	10,377	9,301	12,751	9,405
Commission income	9,400	8,426	7,575	5,587
Supplemental maintenance rent	4,874	4,368	4,500	3,319
	26,951	24,156	115,976	85,541

The chief operating decision maker of the Group has been identified as the General Manager, which is responsible for allocating resources and assessing performance of the Group. The General Manager has determined that the activities of the Company form a single operating segment – aircraft leasing, trading and aircraft transaction management. The internal reporting provided to the General Manager has been prepared using the accounting policies and presentation consistent with those used in preparation of the financial statements. The General Manager monitors net profit and operating profit as a measure of profit.

The segment's sales to external customers are derived from the following single customers (the customers whose sales revenue exceed 5 per cent of total sales revenue of that segment in any of the years):

Lease, sale and aircraft transaction management customers	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Customer P	9,375	8,403	-	-
Customer B	9,114	8,169	9,020	6,653
Customer I	3,306	2,963	-	-
Customer F	-	-	72,500	53,474
Customer L	-	-	18,500	13,645
Other customers	5,156	4,621	15,956	11,769
	26,951	24,156	115,976	85,541

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3 Revenue (continued)

The segment's aircraft lease, sale and aircraft transaction management revenue according to geographical location (based on the residence of customers):

Country	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Russia	12,704	11,387	11,764	8,677
Ireland	9,375	8,403	-	-
Kazakhstan	2,750	2,465	1,090	804
Belarus	1,287	1,154	1,970	1,453
Lithuania	809	725	620	457
Bermuda	26	22	91,000	67,119
Tajikistan	-	-	1,192	879
Iceland	-	-	4,575	3,374
Hong Kong	-	-	3,000	2,213
Italy	-	-	765	565
	26,951	24,156	115,976	85,541

4 Employee related expenses

	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Salaries	352	316	458	338
Social insurance expenses	193	173	149	110
	545	489	607	448

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5 Other operating expenses

	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Legal and translation expenses	302	270	414	305
Marketing expenses	139	125	78	58
Management services	123	110	193	142
Insurance expenses	91	81	42	31
Audit and accounting expenses	73	65	36	27
Travelling expenses	58	52	114	84
Transportation expenses	52	47	11	8
Representation expenses	33	30	89	66
Expenses related to listing of shares	30	27	30	22
Office expenses	35	31	24	18
Training expenses	31	28	26	19
Fuel costs	32	29	33	24
IT costs	15	14	-	-
Bank fees	20	18	32	23
Other administrative expenses	48	43	35	26
	1,082	970	1,157	853

6 Finance costs – net

	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Interest income on cash and cash equivalents	-	-	7	5
Unwinding of discount of non-current receivables and loans	-	-	18	13
Discounting of security deposits received	-	-	62	46
Other finance income	20	18	18	13
Foreign exchange gain on financing activities	238	215	518	383
Finance income	258	233	623	460
Interest expenses	(731)	(655)	(1,250)	(922)
Foreign exchange loss on financing activities	(1,230)	(1,103)	(1,416)	(1,044)
Unwinding of discount of security deposits received	(102)	(91)	(210)	(155)
Other finance costs	(100)	(90)	(21)	(16)
Finance costs	(2,163)	(1,939)	(2,897)	(2,137)
Finance costs – net	(1,905)	(1,706)	(2,274)	(1,677)

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7 Income tax

The tax expenses for the period comprise current and deferred tax.

Income tax is calculated at 15 per cent of the annual profit for the year.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when deferred income taxes relate to the same fiscal authority. Deferred income tax asset and liability are calculated at 15% rate (2015: 15% rate).

	9 months ended 30 September			
	2015		2014	
	USD	EUR	USD	EUR
Current tax	1,369	1,227	2,739	2,020
Deferred tax	-	-	-	-
Total income tax expenses	1,369	1,227	2,739	2,020

8 Earnings per share

Earnings per share is calculated by dividing the net profit attributable to shareholders by the weighted average number of ordinary shares issued during the year.

	July – September				January – September			
	2015		2014		2015		2014	
	USD	EUR	USD	EUR	USD	EUR	USD	EUR
Net profit attributable to shareholders	1,373	1,236	4,682	3,555	7,972	7,147	22,248	16,409
Weighted average number of ordinary shares issued	43,306		43,306		43,306		43,306	
Basic earnings per share (USD/EUR)	0.03	0.03	0.11	0.08	0.18	0.17	0.51	0.38

The Group has no dilutive potential ordinary shares, therefore, the diluted earnings per share are the same as basic earnings per share.

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9 Property, plant and equipment

USD	Aircraft and engines	Aircraft and engines under preparation for use	Building under preparation for use	Other tangible fixed assets	Total
Opening net book amount as at 1 January 2014	39,402	3,226	-	210	42,838
Additions	29,834	750	-	-	30,584
Disposals	(29,145)	-	-	(6)	(29,151)
Reclassifications	242	830	-	-	1,072
Depreciation charge	(1,390)	-	-	-	(1,390)
Revaluation surplus	3,226	(3,226)	-	-	-
Revaluation loss	(4,764)	-	-	(22)	(4,786)
Closing net book amount as at 31 December 2014	37,405	1,580	-	182	39,167
At 31 December 2014					
Cost or valuation	37,405	1,580	-	224	39,209
Accumulated depreciation	-	-	-	(42)	(42)
Net book amount	37,405	1,580	-	182	39,167
Opening net book amount as at 1 January 2015	37,405	1,580	-	182	39,167
Additions	809	-	420	3	1,232
Disposals	-	-	-	(15)	(15)
Revaluation surplus	-	-	-	-	-
Impairment loss	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation charge	(3,321)	-	-	(14)	(3,335)
Closing net book amount as at 30 September 2015	34,893	1,580	420	156	37,049
At 30 September 2015					
Cost or valuation	34,893	1,580	420	212	37,105
Accumulated depreciation	-	-	-	(56)	(56)
Net book amount	34,893	1,580	420	156	37,049

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9 Property, plant and equipment (continued)

EUR	Aircraft and engines	Aircraft and engines under preparation for use	Building under preparation for use	Other tangible fixed assets	Total
Opening net book amount as at 1 January 2014	28,641	2,345	-	153	31,139
Additions	22,471	565	-	-	23,036
Disposals	(21,952)	-	-	(5)	(21,957)
Reclassifications	182	625	-	-	807
Depreciation charge	(1,047)	-	-	-	(1,047)
Revaluation surplus	2,430	(2,430)	-	-	-
Revaluation loss	(3,588)	-	-	(17)	(3,605)
Exchange differences	3,616	194	-	18	3,828
Closing net book amount as at 31 December 2014	30,753	1,299	-	149	32,201
At 31 December 2014					
Cost or valuation	30,753	1,299	-	184	32,236
Accumulated depreciation	-	-	-	(35)	(35)
Net book amount	30,753	1,299	-	149	32,201
Opening net book amount as at 1 January 2015	30,753	1,299	-	149	32,201
Additions	725	-	376	3	1,104
Disposals	-	-	-	(13)	(13)
Revaluation surplus	-	-	-	-	-
Impairment loss	-	-	-	-	-
Reclassifications	-	-	-	-	-
Depreciation charge	(2,976)	-	-	(13)	(2,988)
Exchange differences	2,641	111	(2)	13	2,763
Closing net book amount as at 30 September 2015	31,143	1,410	375	138	33,067
At 30 September 2015					
Cost or valuation	31,143	1,410	375	189	33,118
Accumulated depreciation	-	-	-	(50)	(50)
Net book amount	31,143	1,410	375	138	33,067

10 Inventories

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Aircraft components	383	343	1,037	853
	383	343	1,037	853

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11 Loans granted

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current loans				
Loans granted to related parties	4,849	4,328	4,869	4,003
Loans granted to third parties	5,871	5,240	5,848	4,808
	10,720	9,568	10,717	8,811
Current loans				
Loans granted to related parties	11,781	10,515	15,553	12,788
Bonds acquired from related parties	2,219	1,981	2,138	1,757
Loans granted to third parties	4,852	4,330	5,858	4,816
Less: provision for impairment of loans granted to third parties	(112)	(100)	-	-
	18,740	16,726	23,549	19,361
Total loans granted	29,460	26,294	34,266	28,172

12 Trade and other receivables

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade receivables from third parties	5,878	5,244	6,930	5,698
Less: provision for impairment of trade receivables	(2,424)	(2,163)	(1,524)	(1,253)
Trade receivables from third parties – net	3,454	3,081	5,406	4,445
Receivables from related parties	2,232	1,992	1,573	1,294
Less: provision for impairment of trade receivables from related parties	(1,048)	(935)	(1,048)	(862)
Receivables from related parties - net	1,184	1,057	525	432
Other receivables	29	26	171	141
Less: provision for impairment of other receivables	(29)	(26)	(29)	(24)
Other receivables - net	-	-	142	117
Other financial assets	1,546	1,380	-	-
VAT receivables	581	519	368	302
Prepayments	439	392	246	202
Deferred expenses	810	723	77	63
	8,014	7,152	6,764	5,561
Non-current portion:	-	-	-	-
Current portion:	8,014	7,152	6,764	5,561

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13 Cash and cash equivalents

Cash and cash equivalents are dominated in following currencies:

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
USD	30,036	26,808	35,250	28,981
EUR	12,311	10,988	1,150	945
PLN	12	11	14	12
LTL	-	-	160	131
Total cash and cash equivalents	42,359	37,807	36,574	30,069

14 Share capital

After euro adoption in 1 January 2015 and according to the Republic of Lithuania Law on redenomination to the euro of the capital and of the nominal value of securities of Public Limited Liability Companies and Private Limited Liability Companies and amendment of the Articles of Association of these Companies, the nominal value of the Company's shares were automatically converted from LTL 1 per share to EUR 0.29 per share in the Central Securities Depository of Lithuania. On 30 September 2015 the share capital of the Company amounts to EUR 12,588,622 (USD 16,804 thousand) and consists of 43,305,593 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up.

As at 31 December 2014 the share capital of the Company amounted to LTL 43,305,593 (USD 16,804 thousand) and consisted of 43,305,593 ordinary registered shares with a nominal value of LTL 1.00 each.

Since 28 June 2013 the ordinary registered shares of the Company (ISIN code LT10000128555) are listed on the Main List of Warsaw Stock Exchange (symbol: AAL).

15 Borrowings

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current				
Bank borrowings	-	-	-	-
Finance lease liabilities	8,556	7,636	10,782	8,865
	8,556	7,636	10,782	8,865
Current				
Bank borrowings	-	-	-	-
Finance lease liabilities	2,939	2,623	2,768	2,276
	2,939	2,623	2,768	2,276
Total borrowings	11,495	10,259	13,550	11,141

The weighted average interest rates at the balance sheet date were as follows:

	30 September 2015	31 December 2014
Bank borrowings	-	-
Finance lease liabilities	7.76%	7.67%

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16 Trade and other payables and advances received

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade and other payables – financial liabilities				
Trade payables to related parties	444	395	1,375	1,131
Trade payables to related parties	606	541	410	337
Salaries and social security payable, including vacation accrual	190	170	86	70
Accruals	571	509	587	483
Other short term liabilities	-	-	4	3
Other short term liabilities to related parties	26	24	26	22
	1,837	1,639	2,488	2,046

16 Trade and other payables and advances received (continued)

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Advance payments received – non-financial liabilities				
Advance payments from customers	59	52	70	57
Advance payments from customers related to acquisition of aircraft	-	-	-	-
	59	52	70	57

17 Security deposits received

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Security deposits repayable after one year at nominal value	4,040	3,606	4,040	3,322
Less: discounting effect	(519)	(463)	(708)	(582)
Security deposits repayable after one year	3,521	3,143	3,332	2,740
Security deposits repayable within one year	40	36	40	33
Less: discounting effect	-	-	-	-
Security deposits repayable within one year	40	36	40	33
Security deposits	3,561	3,179	3,372	2,773

Average rates used for security deposits discounting are as follows: 2015: 7.42%; 2014: 7.42%.

Security deposits serve as a security by a lessee for the performance of its obligations under the aircraft lease agreements and upon termination of lease lessor is obliged return it to lessee. All of the Group's security deposits are denominated in USD. Security deposits are not interest-bearing.

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18 Related party transactions

Related parties of the Group include entities having significant influence over the Group, key management personnel of the Group and other related parties. Entities having significant influence over the Company and the Group are ALH Aircraft Leasing Holdings Ltd., being the major shareholder of the Company, and ZIA Valda AB (the shareholder of ALH Aircraft Leasing Holdings Ltd). Transactions with these companies are presented separately. Related parties also include other shareholders of the Company, associates and jointly controlled entities of the Group and subsidiaries of ZIA Valda AB group. They are presented as other related parties. The following transactions were carried out with related parties:

	9 months ended 30 September			
	USD	2015 EUR	USD	2014 EUR
Sales of services to:				
Entities having significant influence	192	172	-	-
Other related parties	822	737	692	510
	1,014	909	692	510

	9 months ended 30 September			
	USD	2015 EUR	USD	2014 EUR
Purchases of assets from:				
Other related parties	-	-	1,372	1,012
	-	-	1,372	1,012

Purchases of services from:				
Entities having significant influence	5	5	-	-
Other related parties	979	878	2,151	1,587
	984	883	2,151	1,587
Total purchases of assets and services	984	883	3,523	2,599

Period-end balances arising from sales/purchase of assets/services:

Trade and other receivables from related parties

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	2,232	1,992	1,573	1,293
Trade and other receivables at nominal value	2,232	1,992	1,573	1,293
Less: provision for impairment of receivables from other related parties	(1,048)	(935)	(1,048)	(861)
	1,184	1,057	525	432

Individually impaired receivable relates to the customer that is in bankruptcy proceedings.

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18 Related party transactions (continued)

Payables to and prepayments from related parties

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	632	565	436	359
Total payables to and prepayments from related parties	632	565	436	359

Loans granted to related parties

	30 September 2015		31 December 2014	
	USD	EUR	USD	EUR
Beginning of the year	22,560	18,548	11,695	8,501
Loans advanced during the year as monetary transactions	25,027	22,432	27,784	20,926
Loans advanced during the year as non-monetary transactions	-	-	10,090	7,600
Loan repayments received as monetary transactions	(24,381)	(21,853)	(14,947)	(11,258)
Loan repayments received as non-monetary transactions	(3,559)	(3,190)	(12,302)	(9,266)
Interest charged	721	646	945	712
Interest received as monetary transactions	(11)	(10)	(546)	(411)
Interest received as non-monetary transactions	(309)	(277)	-	-
Impaired loans and receivable interest	(113)	(101)	-	-
Exchange rate differences	(1,086)	629	(159)	1,744
End of the period	18,849	16,824	22,560	18,548

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MANAGEMENT CONFIRMATION OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

Following Article 22 of the Law on Securities of the Republic of Lithuania and the Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Tadas Goberis, General Manager of AviaAM Leasing AB and Justinas Gilys, Executive Director of AviaAM Leasing AB, hereby confirm that, to the best of our knowledge, the unaudited AviaAM Leasing AB Consolidated Condensed Interim Financial Information for the nine month period ended 30 September 2015, prepared in accordance with International Financial Reporting Standards as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position, profit or loss and cash flows of the Group.

General Manager
Tadas Goberis



13 November 2015



Executive Director
Justinas Gilys