

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**  
**UNAUDITED**

---

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

---

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

<b>CONTENTS</b>	<b>Pages</b>
CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME	3
CONSOLIDATED INTERIM BALANCE SHEET	4
CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY	5 – 6
CONSOLIDATED INTERIM STATEMENT OF CASH FLOW	7
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION	8 – 22
CONFIRMATION OF RESPONSIBLE PERSONS	23

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME**

	Note	3 months ended 31 March			
		2017		2016	
		USD	EUR	USD	EUR
<b>Revenue</b>	3	9,235	8,673	13,019	11,810
Interest income on loans		399	375	564	512
Costs of aircraft sold		-	-	(7,327)	(6,646)
Costs of services rendered		(447)	(420)	(36)	(33)
Aircraft maintenance and servicing expenses		(1,369)	(1,285)	(1,446)	(1,312)
Depreciation and amortisation		(2,357)	(2,214)	(1,667)	(1,512)
Employee-related expenses	4	(289)	(272)	(205)	(186)
Other operating expenses	5	(573)	(538)	(499)	(453)
Gain on sale of property, plant and equipment (net)		-	-	406	368
Other gain (losses) net		14	13	472	428
<b>Operating profit</b>		<b>4,613</b>	<b>4,332</b>	<b>3,281</b>	<b>2,976</b>
Finance income	6	526	494	802	727
Finance costs	6	(733)	(688)	(528)	(479)
<b>Finance costs – net</b>		<b>(207)</b>	<b>(194)</b>	<b>274</b>	<b>248</b>
<b>Profit (loss) before income tax</b>		<b>4,406</b>	<b>4,138</b>	<b>3,555</b>	<b>3,224</b>
Income tax	7	12	12	(431)	(391)
<b>Profit (loss) for the period</b>		<b>4,418</b>	<b>4,150</b>	<b>3,124</b>	<b>2,833</b>
<b>Other comprehensive income</b>					
Currency translation differences on translation to presentation currency		-	(2,509)	-	(3,548)
<b>Total other comprehensive income</b>		<b>-</b>	<b>(2,509)</b>	<b>-</b>	<b>(3,548)</b>
<b>Total comprehensive income</b>		<b>4,418</b>	<b>1,641</b>	<b>3,124</b>	<b>(715)</b>
Basic and diluted earnings per share (USD/EUR)	8	0.10	0.10	0.07	0.07

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**CONSOLIDATED INTERIM BALANCE SHEET**

	Note	31 March 2017		31 December 2016	
		USD	EUR	USD	EUR
<b>ASSETS</b>					
<b>Non-current assets</b>					
Property, plant and equipment	9	95,578	89,018	94,897	90,784
Investment property	10	2,587	2,410	2,091	2,000
Investments in associates		15,300	14,300	15,300	14,300
Available-for-sale financial assets		2,125	1,966	2,125	2,019
Loans granted	12	4,387	4,086	4,767	4,561
Trade and other receivables	13	52	49	558	534
		<b>120,029</b>	<b>111,829</b>	<b>119,738</b>	<b>114,198</b>
<b>Current assets</b>					
Inventory	11	1,466	1,365	1,463	1,401
Loans granted	12	27,105	25,245	24,370	23,314
Trade and other receivables	13	35,296	32,873	25,104	24,010
Financial assets at fair value through profit or loss		-	-	11,298	10,808
Prepaid income tax		1,492	1,389	-	-
Cash and cash equivalents	14	39,121	36,436	28,916	27,663
		<b>104,480</b>	<b>97,308</b>	<b>91,151</b>	<b>87,196</b>
<b>Total assets</b>		<b>224,509</b>	<b>209,137</b>	<b>210,889</b>	<b>201,394</b>
<b>EQUITY</b>					
<b>Equity attributable to the Group's equity shareholders</b>					
Share capital	15	16,804	12,559	16,804	12,559
Share premium		27,972	20,878	27,972	20,878
Legal reserve		1,740	1,254	1,740	1,254
Reserve for own shares		1,315	1,204	1,315	1,204
Revaluation reserve (deficit) of financial assets		(613)	(571)	(613)	(587)
Cumulative translation reserve		-	15,934	-	18,459
Retained earnings		70,539	58,455	66,121	54,305
<b>Total equity</b>		<b>117,757</b>	<b>109,713</b>	<b>113,339</b>	<b>108,072</b>
<b>LIABILITIES</b>					
<b>Non-current liabilities</b>					
Borrowings	16	48,799	45,449	50,859	48,655
Security deposits received	18	5,260	4,899	5,210	4,984
Deferred income tax liabilities		2,724	2,537	2,709	2,592
		<b>56,783</b>	<b>52,885</b>	<b>58,778</b>	<b>56,231</b>
<b>Current liabilities</b>					
Borrowings	16	8,569	7,981	8,642	8,267
Trade and other payables	17	16,634	15,492	25,104	24,016
Advances received	17	19,056	17,748	291	279
Current income tax liabilities		5,710	5,318	4,735	4,529
		<b>49,969</b>	<b>46,539</b>	<b>38,772</b>	<b>37,091</b>
<b>Total liabilities</b>		<b>106,752</b>	<b>99,424</b>	<b>97,550</b>	<b>93,322</b>
<b>Total equity and liabilities</b>		<b>224,509</b>	<b>209,137</b>	<b>210,889</b>	<b>201,394</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY**

USD	Share capital	Share premium	Legal reserve	Reserve for own shares	Revaluation reserve (deficit) of financial assets	Retained earnings	Total equity
Balance at 1 January 2016	16,804	27,972	1,740	1,315	(1,179)	49,289	95,941
<b>Comprehensive income</b>							
Revaluation of financial assets available for sale	-	-	-	-	713	-	713
Deferred income tax on revaluation of financial assets available for sale	-	-	-	-	(147)	-	(147)
<b>Other comprehensive income (loss)</b>	-	-	-	-	566	-	566
Profit for the year	-	-	-	-	-	17,820	17,820
<b>Total comprehensive income</b>	-	-	-	-	566	17,820	18,386
<b>Transactions with owners</b>							
Dividends	-	-	-	-	-	(988)	(988)
<b>Total transactions with owners</b>	-	-	-	-	-	(988)	(988)
Balance at 31 December 2016/ 1 January 2017	16,804	27,972	1,740	1,315	(613)	66,121	113,339
<b>Comprehensive income</b>							
<b>Other comprehensive income (loss)</b>	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	4,418	4,418
<b>Total comprehensive income</b>	-	-	-	-	-	4,418	4,418
<b>Transactions with owners</b>							
<b>Total transactions with owners</b>	-	-	-	-	-	-	-
Balance at 31 March 2017	16,804	27,972	1,740	1,315	(613)	70,539	117,757

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)**

EUR	Share capital	Share premium	Legal reserve	Reserve for own shares	Revaluation reserve (deficit) of financial assets	Cum. trans.	Retained earnings	Total equity
<b>Balance at 1 January 2016</b>	<b>12,559</b>	<b>20,878</b>	<b>1,254</b>	<b>1,204</b>	<b>(1,079)</b>	<b>13,926</b>	<b>39,066</b>	<b>87,808</b>
<b>Comprehensive income</b>								
Revaluation of financial assets available for sale	-	-	-	-	682	-	-	682
Deferred income tax on revaluation of financial assets available for sale	-	-	-	-	(141)	-	-	(141)
Currency translation differences	-	-	-	-	(49)	4,533	-	4,484
<b>Other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492</b>	<b>4,533</b>	<b>-</b>	<b>5,025</b>
Profit for the year	-	-	-	-	-	-	16,066	16,066
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>492</b>	<b>4,533</b>	<b>16,066</b>	<b>21,091</b>
<b>Transactions with owners</b>								
Dividends	-	-	-	-	-	-	(866)	(866)
Currency translation differences	-	-	-	-	-	-	39	39
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(827)</b>	<b>(827)</b>
<b>Balance at 31 December 2016/ 1 January 2017</b>	<b>12,559</b>	<b>20,878</b>	<b>1,254</b>	<b>1,204</b>	<b>(587)</b>	<b>18,459</b>	<b>54,305</b>	<b>108,072</b>
<b>Comprehensive income</b>								
Currency translation differences	-	-	-	-	16	(2,525)	-	(2,509)
<b>Other comprehensive income (loss)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>(2,525)</b>	<b>-</b>	<b>(2,509)</b>
Profit for the period	-	-	-	-	-	-	4,150	4,150
<b>Total comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>16</b>	<b>(2,525)</b>	<b>4,150</b>	<b>1,641</b>
<b>Transactions with owners</b>								
<b>Total transactions with owners</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Balance at 31 March 2017</b>	<b>12,559</b>	<b>20,878</b>	<b>1,254</b>	<b>1,204</b>	<b>(571)</b>	<b>15,934</b>	<b>58,455</b>	<b>109,713</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**CONSOLIDATED INTERIM STATEMENT OF CASH FLOW**

	Note	3 months ended 31 March			
		USD	EUR	USD	EUR
<b>Operating activities</b>					
Profit (loss) before income tax		4,406	4,138	3,555	3,224
<i>Adjustments for:</i>					
Depreciation and amortisation		2,357	2,214	1,667	1,512
Discounting effect		49	46	33	30
Finance costs – net		(397)	(372)	265	240
Profit from loan cession		-	-	(464)	(421)
Profit /loss from sale of fixed assets		-	-	(406)	(368)
<i>Changes in working capital:</i>					
Trade and other receivables		(12,958)	(12,171)	(11,480)	(10,416)
Trade and other payables		6,064	5,695	20,602	18,688
Security deposits and advances received		18,764	17,622	34,976	31,727
Inventory		(3)	(2)	1,746	1,584
<b>Cash generated from operations</b>		<b>18,282</b>	<b>17,170</b>	<b>50,494</b>	<b>45,800</b>
Interest paid		(583)	(547)	(175)	(158)
Income tax paid		(520)	(488)	(311)	(281)
<b><u>Net cash generated from operating activities</u></b>		<b>17,179</b>	<b>16,135</b>	<b>50,088</b>	<b>45,361</b>
<b>Investing activities</b>					
Purchase of property, plant and equipment and intangible assets		(2,741)	(2,574)	(9,218)	(8,361)
Purchase of investment property		(502)	(472)	(48)	(44)
Purchase of subsidiaries (net of cash paid)		-	-	(1,350)	(1,225)
Sale of property plant and equipment and intangible assets		-	-	2,590	2,349
Loans granted		(2,636)	(2,476)	(16,846)	(15,281)
Loans repaid		995	935	212	193
Interest received		43	40	17	16
<b><u>Net cash used in investing activities</u></b>		<b>(4,841)</b>	<b>(4,547)</b>	<b>(24,643)</b>	<b>(22,353)</b>
<b>Financing activities</b>					
Borrowings received		(1,464)	(1,375)	-	-
Lease (finance lease) payments		(669)	(628)	(726)	(659)
<b><u>Net cash used in financing activities</u></b>		<b>(2,133)</b>	<b>(2,003)</b>	<b>(726)</b>	<b>(659)</b>
<b>Increase in cash and cash equivalents</b>		<b>10,205</b>	<b>9,585</b>	<b>24,639</b>	<b>22,349</b>
<b>Movement in cash and cash equivalents</b>					
At the beginning of year		28,916	27,663	27,093	24,797
Increase in cash and cash equivalents		10,205	9,585	24,639	22,349
Foreign translation differences		-	(812)	-	(1,462)
<b>At the end of the period</b>	14	<b>39,121</b>	<b>36,436</b>	<b>51,732</b>	<b>45,684</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**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 31 March 2017 and 31 December 2016 was as follows:

	As at 31 March 2017		As at 31 December 2016	
	Number of shares	%	Number of shares	%
ALH Aircraft Leasing Holdings Limited	12,994,905	30.01	12,994,905	30.01
Mesotania Holdings Limited	9,857,217	22.76	10,899,858	25.17
Nationale-Nederlanden Otwarty Fundusz Emerytalny (Open pension fund)	2,500,000	5.77	5,000,000	11.55
Aurimas Sanikovas	294,478	0.68	294,478	0.68
Tadas Goberis	147,239	0.34	147,239	0.34
Other shareholders	17,511,754	40.44	13,969,113	32.25
<b>Total</b>	<b>43,305,593</b>	<b>100.00</b>	<b>43,305,593</b>	<b>100.00</b>

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 31 March 2017 the Group owned 17 aircraft: 4 Airbus A321, 1 Boeing 737- 300, 2 Boeing 737-500 and 10 Bombardier CRJ200 aircraft. 16 aircraft were leased out under operating lease contracts and one Boeing B737 aircraft was under preparation for use.

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 31 March 2017	As at 31 December 2016	
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 LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**1 General information (continued)**

The Group's companies	Country of establishment	Share of equity, %		Date of acquiring (establishment) / activity / address of establishment
		As at 31 March 2017	As at 31 December 2016	
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
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	100	Date of establishment: 7 August 2015 / Real estate management / Smolensko g. 10, Vilnius
DG AVIA UAB	Lithuania	100	-	Date of establishment: 7 February 2017 / Real estate management / Smolensko g. 10, Vilnius
AviaAM B10 Ltd	Ireland	100	100	Date of establishment: 17 December 2015 / Aircraft leasing / Suite 10, The Mall, Beacon Court, Sandyford, Dublin 18, Ireland
AAL Aircraft Investment Ltd	Cyprus	100	100	Date of establishment: 8 November 2016 / Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090, Nicosia, Cyprus
AAL Capital Aircraft Holdings Ltd	Cyprus	100	100	Date of establishment: 29 September 2011 / Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090 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 December 2013 / Aircraft leasing / 70 Sir John Rogerson's Quay, Dublin 2, Ireland

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**1 General information (continued)**

The Group's companies	Country of establishment	Share of equity, %		Date of acquiring (establishment) / activity / address of establishment
		As at 31 March 2017	As at 31 December 2016	
AviaAM Financial Leasing China Co., Ltd	People's Republic of China	51	51	Date of establishment: 4 August 2016 / Aircraft leasing / 2401, Floor 24, No. 8, Shangwu Outer Ring Road, Zhengdong New Area, Zhengzhou City, Henan Province, People's Republic of China
Dikkys Investments Ltd	Cyprus	100*	100*	Date of acquiring: / 24 March 2016 Aircraft leasing / Jacovides Tower, Georgiou Griva Digeni Ave. 81-83, 1st floor, Office No. 122, 1090 Nicosia, Cyprus
Regional Charter Capital Ltd	Bermuda	100**	100**	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.

**2 Accounting policies**

The consolidated interim financial information for the three month period ended 31 March 2016 (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 2015.

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 three month period ended 31 March 2016 is not audited. Financial Statements for the year ended 31 December 2016 were audited by external auditor PricewaterhouseCoopers UAB.

**3 Revenue**

	3 months ended 31 March			
	USD	EUR	USD	EUR
Sale of aircraft	-	-	8,350	7,574
Lease revenue	5,381	5,054	3,607	3,272
Commission income	665	624	8	8
Supplemental maintenance rent	3,151	2,959	1,054	956
Revenue from real estate	38	36	-	-
	<b>9,235</b>	<b>8,673</b>	<b>13,019</b>	<b>11,810</b>

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.

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**3 Revenue (continued)**

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):

	<b>3 months ended 31 March</b>			
	<b>2017</b>		<b>2016</b>	
<b>Lease, sale and aircraft transaction management customers</b>	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
Customer Z	4,549	4,272	-	-
Customer B	3,062	2,876	2,953	2,679
Customer J	650	610	-	-
Customer O	430	403	320	290
Customer S	236	222	94	85
Customer A	150	141	150	136
Customer K	105	99	105	95
Customer T	-	-	8,350	7,574
Customer I	-	-	1,039	942
Other customers	53	50	8	9
	<b>9,235</b>	<b>8,673</b>	<b>13,019</b>	<b>11,810</b>

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

<b>Country</b>	<b>3 months ended 31 March</b>			
	<b>2017</b>		<b>2016</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
Poland	4,549	4,272	8	7
Russia	3,062	2,876	3,992	3,621
Ireland	650	610	-	-
Belarus	430	403	320	290
Lithuania	291	274	199	182
Kazakhstan	150	141	150	136
Bermuda	103	97	-	-
British Virgin Islands	-	-	8,350	7,574
	<b>9,235</b>	<b>8,673</b>	<b>13,019</b>	<b>11,810</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**4 Employee related expenses**

	3 months ended 31 March			
	2017		2016	
	USD	EUR	USD	EUR
Salaries	208	195	142	129
Social insurance expenses	81	77	63	57
	<b>289</b>	<b>272</b>	<b>205</b>	<b>186</b>

**5 Other operating expenses**

	3 months ended 31 March			
	2017		2016	
	USD	EUR	USD	EUR
Legal and translation expenses	154	146	134	121
Travelling expenses	55	51	25	22
Charity expenses	53	50	-	-
Marketing expenses	44	41	24	21
Representation expenses	42	40	109	99
Management services	41	38	8	7
Insurance expenses	25	23	27	24
Audit and accounting expenses	23	21	20	18
Expenses related to listing of shares	16	15	25	22
Database usage expenses	16	15	-	-
Bank fees	14	13	8	7
Transportation expenses	12	12	-	-
Other administrative expenses	78	73	119	112
	<b>573</b>	<b>538</b>	<b>499</b>	<b>453</b>

**6 Finance costs – net**

	3 months ended 31 March			
	2017		2016	
	USD	EUR	USD	EUR
Interest income on cash and cash equivalents	1	1	-	-
Gain from disposal of investments	-	-	15	13
Other finance income	(31)	(29)	-	-
Foreign exchange gain on financing activities	556	522	787	714
<b>Finance income</b>	<b>526</b>	<b>494</b>	<b>802</b>	<b>727</b>
Interest expenses	(583)	(547)	(175)	(158)
Unwinding of discount of security deposits received	(49)	(46)	(33)	(30)
Other finance costs	(101)	(95)	(320)	(291)
<b>Finance costs</b>	<b>(733)</b>	<b>(688)</b>	<b>(528)</b>	<b>(479)</b>
<b>Finance costs – net</b>	<b>(207)</b>	<b>(194)</b>	<b>274</b>	<b>248</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**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 (2016: 15% rate).

	<b>3 months ended 31 March</b>			
	<b>USD</b>	<b>2017 EUR</b>	<b>USD</b>	<b>2016 EUR</b>
Current tax	(12)	(12)	431	391
Total income tax expenses	<b>(12)</b>	<b>(12)</b>	<b>431</b>	<b>391</b>

**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.

	<b>January – March</b>			
	<b>USD</b>	<b>2017 EUR</b>	<b>USD</b>	<b>2016 EUR</b>
Net profit attributable to shareholders	4,418	4,150	2,792	2,533
Weighted average number of ordinary shares issued	43,306		43,306	
Basic earnings per share (USD/EUR)	<b>0.10</b>	<b>0.10</b>	<b>0.06</b>	<b>0.06</b>

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

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**9 Property, plant and equipment**

USD	Aircraft and engines	Aircraft and engines under preparation for use	Other tangible fixed assets	Total
<b>Opening net book amount as at 1 January 2016</b>	50,866	750	158	51,774
Additions	99,646	770	16	100,432
Disposals	(42,991)	-	-	(42,991)
Reclassifications	999	(750)	-	249
Depreciation charge	(8,943)	-	(16)	(8,959)
Impairment loss - net	(5,609)	-	-	(5,609)
<b>Closing net book amount as at 31 December 2016</b>	<b>93,969</b>	<b>770</b>	<b>158</b>	<b>94,897</b>
<b>At 31 December 2016</b>				
Cost or valuation	119,468	770	234	120,472
Accumulated depreciation	(25,499)	-	(76)	(25,575)
<b>Net book amount</b>	<b>93,969</b>	<b>770</b>	<b>158</b>	<b>94,897</b>
<b>Opening net book amount as at 1 January 2017</b>	<b>93,969</b>	<b>770</b>	<b>158</b>	<b>94,897</b>
Additions	2,752	287	9	3,048
Disposals	-	-	-	-
Reclassifications	-	-	-	-
Depreciation charge	(2,357)	-	(10)	(2,367)
<b>Closing net book amount as at 31 March 2017</b>	<b>94,364</b>	<b>1,057</b>	<b>157</b>	<b>95,578</b>
<b>At 31 March 2017</b>				
Cost or valuation	94,364	1,057	243	95,664
Accumulated depreciation	-	-	(86)	(86)
<b>Net book amount</b>	<b>94,364</b>	<b>1,057</b>	<b>157</b>	<b>95,578</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**9 Property, plant and equipment (continued)**

EUR	Aircraft and engines	Aircraft and engines under preparation for use	Other tangible fixed assets	Total
<b>Opening net book amount as at 1 January 2016</b>	<b>46,555</b>	<b>686</b>	<b>146</b>	<b>47,387</b>
Additions	89,999	695	14	<b>90,708</b>
Disposals	(38,828)	-	-	<b>(38,828)</b>
Reclassifications	902	(676)	-	<b>226</b>
Depreciation charge	(8,077)	-	(14)	<b>(8,091)</b>
Impairment loss – net	(5,065)	(1)	-	<b>(5,066)</b>
Exchange differences	4,410	33	5	<b>4,449</b>
<b>Closing net book amount as at 31 December 2016</b>	<b>89,896</b>	<b>737</b>	<b>151</b>	<b>90,784</b>
<b>At 31 December 2016</b>				
Cost or valuation	111,803	737	224	<b>112,764</b>
Accumulated depreciation	(21,907)	-	(73)	<b>(21,980)</b>
<b>Net book amount</b>	<b>89,896</b>	<b>737</b>	<b>151</b>	<b>90,784</b>
<b>Opening net book amount as at 1 January 2017</b>	<b>89,896</b>	<b>737</b>	<b>151</b>	<b>90,784</b>
Additions	2,586	270	8	<b>2,864</b>
Disposals	-	-	-	<b>-</b>
Reclassifications	-	-	-	<b>-</b>
Depreciation charge	(2,214)	-	(9)	<b>(2,223)</b>
Exchange differences	(2,380)	(23)	(4)	<b>(2,407)</b>
<b>Closing net book amount as at 31 March 2017</b>	<b>87,888</b>	<b>984</b>	<b>146</b>	<b>89,018</b>
<b>At 31 March 2017</b>				
Cost or valuation	87,888	984	226	<b>89,098</b>
Accumulated depreciation	-	-	(80)	<b>(80)</b>
<b>Net book amount</b>	<b>87,888</b>	<b>984</b>	<b>146</b>	<b>89,018</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**10 Investment property**

	USD	EUR
<b>Opening net book amount as at 1 January 2016</b>	<b>1,540</b>	<b>1,410</b>
Additions	1,159	1,047
Disposals	-	-
Reclassifications	-	-
Depreciation charge	-	-
Revaluation loss	(608)	(549)
Exchange differences	-	92
<b>Closing net book amount as at 31 December 2016</b>	<b>2,091</b>	<b>2,000</b>
<b>At 31 December 2016</b>		
Cost or valuation	2,091	2,000
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>2,091</b>	<b>2,000</b>
<b>Opening net book amount as at 1 January 2017</b>		
Additions	502	472
Disposals	-	-
Reclassifications	-	-
Depreciation charge	(6)	(6)
Revaluation loss	-	-
Exchange differences	-	(56)
<b>Closing net book amount as at 31 March 2017</b>	<b>2,587</b>	<b>2,410</b>
<b>At 31 March 2017</b>		
Cost or valuation	2,587	2,410
Accumulated depreciation	-	-
<b>Net book amount</b>	<b>2,587</b>	<b>2,410</b>

**11 Inventories**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
Aircraft components	1,466	1,365	1,463	1,401
	<b>1,466</b>	<b>1,365</b>	<b>1,463</b>	<b>1,401</b>



**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**12 Loans granted**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
<b>Non-current loans</b>				
Loans granted to related parties	677	631	661	632
Bonds acquired from related parties	2,382	2,218	2,355	2,254
Loans granted to third parties	1,328	1,237	1,751	1,675
	<b>4,387</b>	<b>4,086</b>	<b>4,767</b>	<b>4,561</b>
<b>Current loans</b>				
Loans granted to related parties	12,908	12,022	12,576	12,032
Less: provision for impairment of loans granted to related parties	-	-	(112)	(107)
Loans granted to third parties	14,197	13,223	11,906	11,389
	<b>27,105</b>	<b>25,245</b>	<b>24,370</b>	<b>23,314</b>
<b>Total loans granted</b>	<b>31,492</b>	<b>29,331</b>	<b>29,137</b>	<b>27,875</b>

**13 Trade and other receivables**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
Trade receivables from third parties	32,439	30,213	25,414	24,307
Less: provision for impairment of trade receivables	(2,163)	(2,015)	(2,163)	(2,069)
<b>Trade receivables from third parties – net</b>	<b>30,276</b>	<b>28,198</b>	<b>23,251</b>	<b>22,238</b>
Receivables from related parties	1,902	1,771	1,693	1,619
Less: provision for impairment of trade receivables from related parties	(1,048)	(976)	(1,048)	(1,003)
<b>Receivables from related parties - net</b>	<b>854</b>	<b>795</b>	<b>645</b>	<b>616</b>
Other receivables	29	27	29	28
Less: provision for impairment of other receivables	(29)	(27)	(29)	(28)
<b>Other receivables - net</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
VAT receivables	174	162	185	177
Prepayments	1,757	1,637	1,217	1,165
Deferred expenses	2,287	2,130	364	348
	<b>35,348</b>	<b>32,922</b>	<b>25,662</b>	<b>24,544</b>
Non-current portion:	52	49	558	534
<b>Current portion:</b>	<b>35,296</b>	<b>32,873</b>	<b>25,104</b>	<b>24,010</b>

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**14 Cash and cash equivalents**

Cash and cash equivalents are dominated in following currencies:

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
USD	38,121	35,504	24,574	23,509
EUR	1,000	932	4,342	4,154
<b>Total cash and cash equivalents</b>	<b>39,121</b>	<b>36,436</b>	<b>28,916</b>	<b>27,663</b>

**15 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. As at 31 March 2017 and 31 December 2016 the share capital of the Company amounted to EUR 12,588,622 (USD 16,804,002) and consists of 43,305,593 ordinary registered shares with a nominal value of EUR 0.29 each. All shares were fully paid up.

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).

**16 Borrowings**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
<b>Non-current</b>				
Bank borrowings	43,975	40,956	45,466	43,496
Finance lease liabilities	4,824	4,493	5,393	5,159
	<b>48,799</b>	<b>45,449</b>	<b>50,859</b>	<b>48,655</b>
<b>Current</b>				
Bank borrowings	6,240	5,812	6,213	5,943
Finance lease liabilities	2,329	2,169	2,429	2,324
	<b>8,569</b>	<b>7,981</b>	<b>8,642</b>	<b>8,267</b>
<b>Total borrowings</b>	<b>57,368</b>	<b>53,430</b>	<b>59,501</b>	<b>56,922</b>

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

	31 March 2017	31 December 2016
Bank borrowings	4.74%	4.74%
Finance lease liabilities	8.67%	8.34%

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**17 Trade and other payables and advances received**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
<b>Trade and other payables – financial liabilities</b>				
Trade payables to third parties	9,969	9,285	19,665	18,812
Trade payables to related parties	1,969	1,834	841	805
Salaries and social security payable, including vacation accrual	223	207	103	99
Accruals	4,473	4,166	4,495	4,300
	<b>16,634</b>	<b>15,492</b>	<b>25,104</b>	<b>24,016</b>
<b>Advance payments received – non-financial liabilities</b>				
Advance payments from customers	19,056	17,748	291	280
	<b>19,056</b>	<b>17,748</b>	<b>291</b>	<b>280</b>

**18 Security deposits received**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
Security deposits repayable after one year at nominal value	6,210	5,784	6,209	5,940
Less: discounting effect	(950)	(885)	(999)	(956)
<b>Security deposits repayable after one year</b>	<b>5,260</b>	<b>4,899</b>	<b>5,210</b>	<b>4,984</b>
Security deposits repayable within one year	-	-	-	-
Less: discounting effect	-	-	-	-
<b>Security deposits repayable within one year</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Security deposits</b>	<b>5,260</b>	<b>4,899</b>	<b>5,210</b>	<b>4,984</b>

Average rates used for security deposits discounting are as follows: 2017: 3.78%; 2016: 3.78%.

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.

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**19 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 majority 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:

	<b>3 months ended 31 March</b>			
	<b>2017</b>		<b>2016</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
<b>Sales of services to:</b>				
Entities having significant influence	64	60	62	56
Other related parties	198	186	264	240
	<b>262</b>	<b>246</b>	<b>326</b>	<b>296</b>
<b>Purchases of services from:</b>				
Entities having significant influence	1	1	1	1
Other related parties	391	367	826	749
	<b>392</b>	<b>368</b>	<b>827</b>	<b>750</b>
<b>Total purchases of assets and services</b>	<b>392</b>	<b>368</b>	<b>827</b>	<b>750</b>

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

**Trade and other receivables from related parties**

	<b>31 March 2017</b>		<b>31 December 2016</b>	
	<b>USD</b>	<b>EUR</b>	<b>USD</b>	<b>EUR</b>
Other related parties	1,902	1,771	1,693	1,619
<b>Trade and other receivables at nominal value</b>	<b>1,902</b>	<b>1,771</b>	<b>1,693</b>	<b>1,619</b>
Less: provision for impairment of receivables from other related parties	(1,048)	(976)	(1,048)	(1,003)
	<b>854</b>	<b>795</b>	<b>645</b>	<b>616</b>

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

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

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

**19 Related party transactions (continued)**

**Payables to and prepayments from related parties**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
Other related parties	1,969	1,834	841	805
	<b>1,969</b>	<b>1,834</b>	<b>841</b>	<b>805</b>

**Loans granted to related parties**

	31 March 2017		31 December 2016	
	USD	EUR	USD	EUR
<b>Beginning of the year</b>	<b>15,480</b>	<b>14,811</b>	<b>18,713</b>	<b>17,127</b>
Loans advanced during the year as monetary transactions	-	-	4,692	4,238
Loan repayments received as monetary transactions	(5)	(5)	(253)	(228)
Loan repayments received as non-monetary transactions	-	-	(63)	(57)
Interest charged	150	141	959	867
Interest received	(1)	(1)	(17)	(15)
Netted loans	-	-	(7,919)	(7,152)
Exchange rate differences	343	(75)	(632)	31
<b>End of the period</b>	<b>15,967</b>	<b>14,871</b>	<b>15,480</b>	<b>14,811</b>

**20 Acquisition of subsidiary**

In March 2016 the Group acquired 100% of the issued shares in Dikkys Investment Limited. The Group simultaneously entered into the cession of claims agreement with third party regarding loan provided to Dikkys Investment Limited. The consideration for aforementioned agreements amounted to USD 1.4 million (EUR 1.2 million).

Dikkys Investment Limited is incorporated in the Republic of Cyprus and is engaged in the business of aircraft leasing and trading. The company owns one Boeing 737-500 aircraft. The book value of the aforementioned aircraft amounted to USD 1.8 million (EUR 1.6 million) as at the date of acquisition.

The operating results and assets and liabilities of the acquired company were consolidated from 24 March 2016.

*(i) Purchase consideration*

	24 March 2016	
	USD	EUR
Purchase consideration		
Cash paid	1,352	1,212
Contingent consideration	-	-
<b>Total purchase consideration</b>	<b>1,352</b>	<b>1,212</b>

---

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

---

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

**20 Acquisition of subsidiary (continued)**

The determined fair values of the assets and liabilities of Dikkys Investment Limited as at the date of acquisition are as follows:

	USD	EUR
Property, plant and equipment	1,750	1,569
Cash and cash equivalents	2	2
Loan from the Group	(1,814)	(1,626)
Payables	(22)	(20)
	<b>(84)</b>	<b>(75)</b>
Less: non-controlling interest	-	-
Net assets acquired	<b>(84)</b>	<b>(75)</b>
Profit from cession of claims	464	416
<b>Net profit from transaction</b>	<b>380</b>	<b>341</b>

Transaction resulted to a total net gain of USD 0.4 million (EUR 0.4 million) in the consolidated financial statements of the Group for the respective period.

**21 Events after the balance sheet date**

In April 2017 the Group rendered aircraft transaction management services in respect to three Airbus A320 sale and lease-back transaction

---

**AVIAAM LEASING AB**  
**CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION**  
**FOR THE THREE MONTH PERIOD ENDED 31 MARCH 2017**

---

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

**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 three month period ended 31 March 2017, 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



15 May 2017



Executive Director  
Justinas Gilys