

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 2015
UNAUDITED

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE TWELVE MONTH PERIOD ENDED 31 DECEMBER 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	October-December				January- December			
		2015	2015	2014	2014	2015	2015	2014	2014
		USD	EUR	USD	EUR	USD	EUR	USD	EUR
Revenue	3	5,148	4,747	4,748	5,387	32,099	28,903	120,724	90,928
Interest income on loans		417	381	593	480	1,694	1,526	2,773	2,088
Costs of aircraft sold		(91)	(93)	(32)	(1,369)	(2,788)	(2,510)	(86,136)	(64,877)
Costs of services rendered		(200)	(205)	(1,701)	(1,363)	(6,235)	(5,614)	(6,979)	(5,256)
Aircraft maintenance and servicing expenses		(651)	(596)	1,572	1,085	(2,982)	(2,685)	(4,770)	(3,593)
Depreciation and amortisation		(932)	(854)	(1,200)	(959)	(4,253)	(3,830)	(4,764)	(3,588)
Revaluation of aircraft		59	53	(1,390)	(1,047)	59	53	(1,390)	(1,047)
Impairment of receivables and prepayments		40	32	(27)	(26)	(972)	(875)	(368)	(277)
Employee-related expenses	4	(105)	(97)	(193)	(155)	(650)	(586)	(800)	(603)
Other operating expenses	5	(424)	(386)	(625)	(489)	(1,506)	(1,356)	(1,782)	(1,342)
Gain on sale of subsidiaries		-	-	-	-	-	-	5,251	3,955
Gain on sale of property, plant and equipment - net		-	-	-	-	-	-	4,377	3,297
Other gain (losses) - net		797	718	(698)	(480)	838	754	2,172	1,636
Operating profit		4,058	3,700	1,047	1,064	15,304	13,780	28,308	21,321
Finance income	6	847	763	-	-	1,105	996	286	215
Finance costs	6	(1,053)	(956)	(708)	(569)	(3,216)	(2,895)	(3,268)	(2,461)
Finance costs – net		(206)	(193)	(708)	(569)	(2,111)	(1,899)	(2,982)	(2,246)
Profit (loss) before income tax		3,852	3,507	339	495	13,193	11,881	25,326	19,075
Income tax	7	(54)	(54)	(304)	(273)	(1,423)	(1,281)	(3,043)	(2,293)
Profit (loss) for the period		3,798	3,453	35	222	11,770	10,600	22,283	16,782
Other comprehensive income									
Gain (loss) on revaluation of aircraft		9,295	8,507	1,072	881	9,295	8,507	1,072	881
Deferred income tax on revaluation of aircraft		(1,394)	(1,276)	(160)	(132)	(1,394)	(1,276)	(160)	(132)
Revaluation of available for sale investments		(380)	(254)	(971)	(798)	(380)	(254)	(971)	(798)
Deferred income tax on revaluation of available for sale investments		41	38	146	120	41	38	146	120
Currency translation differences on translation to presentation currency		-	2,124	-	2,463	-	8,637	-	7,966
Total other comprehensive income		7,562	9,139	87	2,534	7,562	15,652	87	8,037
Total comprehensive income		11,360	12,592	122	2,756	19,332	26,252	22,370	24,819
Basic and diluted earnings per share (USD/EUR)	8	0.09	0.08	0.00	0.01	0.27	0.24	0.51	0.39

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CONSOLIDATED INTERIM BALANCE SHEET

	Note	31 December 2015		31 December 2014	
		USD	EUR	USD	EUR
ASSETS					
Non-current assets					
Property, plant and equipment	9	64,198	58,757	39,167	32,201
Investment property	10	1,540	1,410	-	-
Intangible assets		1	1	1	1
Available-for-sale financial assets		1,012	926	881	724
Loans granted	12	10,677	9,772	10,717	8,811
		77,428	70,866	50,766	41,737
Current assets					
Inventory	11	1,747	1,596	1,037	853
Loans granted	12	20,363	18,638	23,549	19,361
Trade and other receivables	13	7,997	7,320	6,764	5,561
Cash and cash equivalents	14	27,093	24,797	36,574	30,069
		57,200	52,351	67,924	55,844
Total assets		134,628	123,217	118,690	97,581
EQUITY					
Equity attributable to the Group's equity shareholders					
Share capital	15	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
Reserve for own shares		1,315	1,204	-	-
Revaluation reserve		12,244	11,206	4,343	3,570
Revaluation of financial assets available for sale		(1,164)	(1,065)	(825)	(678)
Cumulative translation reserve		-	13,923	-	5,520
Retained earnings		49,099	38,897	43,020	33,416
Total equity		108,010	98,856	93,054	76,502
LIABILITIES					
Non-current liabilities					
Borrowings	16	5,480	5,015	10,782	8,865
Security deposits received	18	5,170	4,732	3,332	2,740
Deferred income tax liabilities		2,132	1,951	1,353	1,112
		12,782	11,698	15,467	12,717
Current liabilities					
Borrowings	16	5,927	5,425	2,768	2,276
Trade and other payables	17	3,610	3,304	2,488	2,046
Security deposits received	18	-	-	40	33
Advances received	17	159	145	70	57
Current income tax liabilities		4,140	3,789	4,803	3,950
		13,836	12,663	10,169	8,362
Total liabilities		26,618	24,361	25,636	21,079
Total equity and liabilities		134,628	123,217	118,690	97,581

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

USD	Share capital	Share premium	Legal reserve	Reserve for own shares	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								
Revaluation of financial assets available for sale	-	-	-	-	-	(380)	-	(380)
Deferred income tax on revaluation of financial assets available for sale	-	-	-	-	-	41	-	41
Revaluation of aircraft	-	-	-	-	9,295	-	-	9,295
Deferred income tax on revaluation of aircraft	-	-	-	-	(1,394)	-	-	(1,394)
Other comprehensive income (loss)	-	-	-	-	7,901	(339)	-	7,562
Profit for the period	-	-	-	-	-	-	11,770	11,770
Total comprehensive income	-	-	-	-	7,901	(339)	11,770	19,332
Transactions with owners								
Transfer to reserve for own shares	-	-	-	1,315	-	-	(1,315)	-
Dividends	-	-	-	-	-	-	(4,376)	(4,376)
Total transactions with owners	-	-	-	1,315	-	-	(5,691)	(4,376)
Balance at 31 December 2015	16,804	27,972	1,740	1,315	12,244	(1,164)	49,099	108,010

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

EUR	Share capital	Share premium	Legal reserve	Reserve for own shares	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									
Revaluation of financial assets available for sale	-	-	-	-	-	(254)	-	-	(254)
Deferred income tax on revaluation of financial assets available for sale	-	-	-	-	-	38	-	-	38
Revaluation of aircraft	-	-	-	-	8,507	-	-	-	8,507
Deferred income tax on revaluation of aircraft	-	-	-	-	(1,276)	-	-	-	-
Currency translation differences	-	-	-	-	405	(171)	8,403	-	8,637
Other comprehensive income (loss)	-	-	-	-	7,636	(387)	8,403	-	15,652
Profit for the period	-	-	-	-	-	-	-	10,600	10,600
Total comprehensive income	-	-	-	-	7,636	(387)	8,403	10,600	26,252
Transactions with owners									
Transfer to reserve for own shares	-	-	-	1,204	-	-	-	(1,204)	-
Dividends	-	-	-	-	-	-	-	(3,898)	(3,898)
Share capital conversion result	17	-	-	-	-	-	-	(17)	-
Total transactions with owners	17	-	-	1,204	-	-	-	(5,119)	(3,898)
Balance at 31 December 2015	12,559	20,878	1,254	1,204	11,206	(1,065)	13,923	38,897	98,856

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Note	12 months ended 31 December			
		USD	EUR	USD	EUR
Operating activities					
Profit (loss) before income tax		13,193	11,881	25,327	19,075
<i>Adjustments for:</i>					
Depreciation and amortisation		4,253	3,830	4,764	3,588
Impairment of accounts receivables and prepayments		972	875	368	277
Discounting effect		(248)	(224)	127	95
Finance costs – net		105	95	(756)	(569)
Change in fair value of fixed assets		(59)	(53)	1,390	1,047
Gain on sale of subsidiaries		-	-	(5,251)	(3,955)
Profit/loss from sale of fixed assets		-	-	(4,377)	(3,297)
<i>Changes in working capital:</i>					
Trade and other receivables		15,586	14,033	843	635
Trade and other payables		2,164	1,949	(4,661)	(3,510)
Security deposits and advances received		2,041	1,838	280	211
Inventory		657	592	199	150
Cash generated from operations		38,664	34,816	18,253	13,747
Interest paid		(861)	(775)	(1,507)	(1,135)
Income tax paid		(2,417)	(2,176)	(958)	(721)
Net cash generated from operating activities		35,386	31,865	15,788	11,891
Investing activities					
Purchase of property, plant and equipment and intangible assets		(22,321)	(20,098)	(27,736)	(20,890)
Purchase of investment property		(1,137)	(1,024)	-	-
Sale of subsidiaries		-	-	(203)	(153)
Sale of property plant and equipment and intangible assets		-	-	21,900	16,495
Investment in other companies		(511)	(460)	(1,852)	(1,395)
Loans granted		(44,752)	(40,295)	(56,592)	(42,625)
Loans repaid		27,467	24,731	43,394	32,684
Interest received		114	103	1,806	1,360
Net cash used in investing activities		(41,140)	(37,043)	(19,283)	(14,524)
Financing activities					
Borrowings		624	562	-	-
Dividends paid		(1,583)	(1,425)	(1,283)	(966)
Lease (finance lease) payments		(2,768)	(2,493)	(2,601)	(1,959)
Net cash used in financing activities		(3,727)	(3,356)	(3,884)	(2,925)
Increase (decrease) in cash and cash equivalents		(9,481)	(8,534)	(7,379)	(5,558)
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		(9,481)	(8,534)	(7,379)	(5,558)
Foreign translation differences		-	3,262	-	3,678
At the end of the period	14	27,093	24,797	36,574	30,069

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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 31 December 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 31 December 2015 the Group owned 15 aircraft: 2 Airbus A319, 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 and December 2015 the aforementioned subsidiary acquired two buildings 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 31 December 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

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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 31 December 2015	As at 31 December 2014	
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	-	Date of establishment: 7 August 2015 / Real estate management / Smolensko g. 10, Vilnius
AviaAM B10 Ltd	Ireland	100	-	Date of establishment: 17 December 2015 / Aircraft leasing / Unit 5, 2nd Floor, The Courtyard, Carmanhall Road, Sandyford, Dublin 18, Ireland
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 December 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 twelve month period ended 31 December 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 twelve month period ended 31 December 2015 is not audited. Financial Statements for the year ended 31 December 2014 were audited by external auditor PricewaterhouseCoopers UAB.

3 Revenue

	12 months ended 31 December			
		2015		2014
	USD	EUR	USD	EUR
Sales of aircraft	2,300	2,071	91,150	68,653
Lease revenue	13,878	12,497	16,174	12,182
Commission income	9,408	8,471	7,575	5,706
Supplemental maintenance rent	6,513	5,864	5,825	4,387
	32,099	28,903	120,724	90,928

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):

	12 months ended 31 December			
		2015		2014
Lease, sale and aircraft transaction management customers	USD	EUR	USD	EUR
Customer B	12,174	10,961	11,998	9,036
Customer P	9,375	8,441	-	-
Customer I	4,679	4,213	-	-
Customer Q	2,300	2,071	-	-
Customer F	-	-	72,500	54,607
Customer L	-	-	18,500	13,934
Customer A	-	-	1,240	934
Customer C	-	-	145	109
Customer D	-	-	1,192	898
Other customers	3,571	3,217	15,149	11,410
	32,099	28,903	120,724	90,928

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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	12 months ended 31 December			
	USD	2015 EUR	USD	2014 EUR
Russia	17,137	15,431	15,861	11,947
Ireland	9,375	8,441	-	-
Kazakhstan	2,900	2,611	1,240	934
Belarus	1,594	1,435	2,233	1,682
Lithuania	1,060	955	858	646
Bermuda	33	30	91,000	68,540
Tajikistan	-	-	1,192	879
Iceland	-	-	4,575	3,446
Hong Kong	-	-	3,000	2,260
Tajikistan	-	-	1,192	898
Italy	-	-	765	575
	32,099	28,903	120,724	90,928

4 Employee related expenses

	12 months ended 31 December			
	USD	2015 EUR	USD	2014 EUR
Salaries	474	427	589	444
Social insurance expenses	176	159	211	159
	650	586	800	603

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5 Other operating expenses

	12 months ended 31 December			
	2015		2014	
	USD	EUR	USD	EUR
Legal and translation expenses	428	385	677	510
Management services	191	172	248	187
Marketing expenses	168	152	105	79
Audit and accounting expenses	133	120	78	59
Insurance expenses	116	105	76	57
Travelling expenses	90	81	136	103
Transportation expenses	50	45	13	10
Training expenses	48	43	36	27
Representation expenses	45	41	98	74
Office expenses	44	40	51	38
Fuel costs	41	37	44	33
Expenses related to listing of shares	32	28	32	24
Bank fees	26	23	38	29
Other fixed assets depreciation	23	21	27	20
IT costs	20	18	10	7
Bonuses (tantiemmes)	-	-	72	52
Other administrative expenses	51	45	41	33
	1,506	1,356	1,782	1,342

6 Finance costs – net

	12 months ended 31 December			
	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	390	351	119	89
Gain from revaluation of investment property	401	361	-	-
Other finance income	77	69	142	108
Foreign exchange gain on financing activities	237	215	-	-
Finance income	1,105	996	286	215
Interest expenses	(911)	(821)	(1,631)	(1,228)
Foreign exchange loss on financing activities	(2,069)	(1,862)	(1,440)	(1,084)
Unwinding of discount of security deposits received	(91)	(82)	(140)	(105)
Other finance costs	(145)	(130)	(57)	(44)
Finance costs	(3,216)	(2,895)	(3,268)	(2,461)
Finance costs – net	(2,111)	(1,899)	(2,982)	(2,246)

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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).

	12 months ended 31 December			
	2015		2014	
	USD	EUR	USD	EUR
Current tax	2,000	1,801	2,789	2,103
Deferred tax	(577)	(520)	254	190
Total income tax expenses	1,423	1,281	3,043	2,293

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.

	October – December				January – December			
	2015		2014		2015		2014	
	USD	EUR	USD	EUR	USD	EUR	USD	EUR
Net profit attributable to shareholders	3,798	3,453	35	222	11,770	10,600	22,283	16,782
Weighted average number of ordinary shares issued	43,306		43,306		43,306		43,306	
Basic earnings per share (USD/EUR)	0.09	0.08	0.00	0.01	0.27	0.24	0.51	0.39

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	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	21,320	-	14	21,334
Disposals	-	-	(20)	(20)
Revaluation surplus	9,380	(85)	-	9,295
Impairment loss	59	-	-	59
Reclassifications	(1,366)	-	-	(1,366)
Depreciation charge	(4,253)	-	(18)	(4,271)
Closing net book amount as at 31 December 2015	62,545	1,495	158	64,198
At 31 December 2015				
Cost or valuation	62,545	1,495	218	64,258
Accumulated depreciation	-	-	(60)	(60)
Net book amount	62,545	1,495	158	64,198

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9 Property, plant and equipment (continued)

EUR	Aircraft and engines			Total
	Aircraft and engines	under preparation for use	Other tangible fixed assets	
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	19,197	-	13	19,210
Disposals	-	-	(18)	(18)
Revaluation surplus	8,446	(77)	-	8,369
Impairment loss	53	-	-	53
Reclassifications	(1,230)	-	-	(1,230)
Depreciation charge	(3,830)	-	(16)	(3,846)
Exchange differences	3,855	146	17	4,018
Closing net book amount as at 31 December 2015	57,244	1,368	145	58,757
At 31 December 2015				
Cost or valuation	57,244	1,368	200	58,812
Accumulated depreciation	-	-	(55)	(55)
Net book amount	57,244	1,368	145	58,757

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10 Investment property

	<u>USD</u>	<u>EUR</u>
Opening net book amount as at 1 January 2014	-	-
Additions	-	-
Disposals	-	-
Reclassifications	-	-
Depreciation charge	-	-
Revaluation surplus	-	-
Revaluation loss	-	-
Closing net book amount as at 31 December 2014	<u>-</u>	<u>-</u>
At 31 December 2014		
Cost or valuation	-	-
Accumulated depreciation	-	-
Net book amount	<u>-</u>	<u>-</u>
Opening net book amount as at 1 January 2015	-	-
Additions	1,137	1,024
Disposals	-	-
Revaluation surplus	403	363
Impairment loss	-	-
Reclassifications	-	-
Depreciation charge	-	-
Exchange differences	-	23
Closing net book amount as at 31 December 2015	<u>1,540</u>	<u>1,410</u>
At 31 December 2015		
Cost or valuation	1,540	1,410
Accumulated depreciation	-	-
Net book amount	<u>1,540</u>	<u>1,410</u>

11 Inventories

	<u>31 December 2015</u>		<u>31 December 2014</u>	
	USD	EUR	USD	EUR
Aircraft components	1,747	1,596	1,037	853
	<u>1,747</u>	<u>1,596</u>	<u>1,037</u>	<u>853</u>

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12 Loans granted

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current loans				
Loans granted to related parties	4,798	4,391	4,869	4,003
Loans granted to third parties	5,879	5,381	5,848	4,808
	10,677	9,772	10,717	8,811
Current loans				
Loans granted to related parties	11,780	10,782	15,553	12,788
Less: provision for impairment of loans granted to related parties	(112)	(103)	-	-
Bonds acquired from related parties	2,247	2,056	2,138	1,757
Loans granted to third parties	6,448	5,903	5,858	4,816
	20,363	18,638	23,549	19,361
Total loans granted	31,040	28,410	34,266	28,172

13 Trade and other receivables

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade receivables from third parties	6,874	6,292	6,930	5,698
Less: provision for impairment of trade receivables	(2,424)	(2,218)	(1,524)	(1,253)
Trade receivables from third parties – net	4,450	4,074	5,406	4,445
Receivables from related parties	1,728	1,582	1,573	1,294
Less: provision for impairment of trade receivables from related parties	(1,048)	(959)	(1,048)	(862)
Receivables from related parties - net	680	622	525	432
Other receivables	29	27	171	141
Less: provision for impairment of other receivables	(29)	(27)	(29)	(24)
Other receivables - net	-	-	142	117
Other financial assets	1,526	1,396	-	-
VAT receivables	216	198	368	302
Prepayments	919	842	246	202
Deferred expenses	206	188	77	63
	7,997	7,320	6,764	5,561
Non-current portion:	-	-	-	-
Current portion:	7,997	7,320	6,764	5,561

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14 Cash and cash equivalents

Cash and cash equivalents are dominated in following currencies:

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
USD	14,870	13,610	35,250	28,981
EUR	12,209	11,174	1,150	945
GBP	14	13	-	-
PLN	-	-	14	12
LTL	-	-	160	131
Total cash and cash equivalents	27,093	24,797	36,574	30,069

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. On 31 December 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).

16 Borrowings

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current				
Bank borrowings	619	566	-	-
Finance lease liabilities	4,861	4,449	10,782	8,865
	5,480	5,015	10,782	8,865
Current				
Bank borrowings	6	5	-	-
Finance lease liabilities	5,921	5,420	2,768	2,276
	5,927	5,425	2,768	2,276
Total borrowings	11,407	10,440	13,550	11,141

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

	31 December 2015	31 December 2014
Finance lease liabilities	7.79%	7.67%

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17 Trade and other payables and advances received

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade and other payables – financial liabilities				
Trade payables to related parties	232	212	1,375	1,131
Trade payables to related parties	263	241	410	337
Salaries and social security payable, including vacation accrual	81	74	86	70
Accruals	3,034	2,777	587	483
Other short term liabilities	-	-	4	3
Other short term liabilities to related parties	-	-	26	22
	3,610	3,304	2,488	2,046

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Advance payments received – non-financial liabilities				
Advance payments from customers	159	145	70	57
Advance payments from customers related to acquisition of aircraft	-	-	-	-
	159	145	70	57

18 Security deposits received

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Security deposits repayable after one year at nominal value	5,781	5,291	4,040	3,322
Less: discounting effect	(611)	(559)	(708)	(582)
Security deposits repayable after one year	5,170	4,732	3,332	2,740
Security deposits repayable within one year	-	-	40	33
Less: discounting effect	-	-	-	-
Security deposits repayable within one year	-	-	40	33
Security deposits	5,170	4,732	3,372	2,773

Average rates used for security deposits discounting are as follows: 2015: 4.59%; 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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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 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:

	12 months ended 31 December			
	2015		2014	
	USD	EUR	USD	EUR
Sales of services to:				
Entities having significant influence	254	229	194	146
Other related parties	1,226	1,104	1,384	1,042
	1,480	1,333	1,578	1,188

	12 months ended 31 December			
	2015		2014	
	USD	EUR	USD	EUR
Purchases of assets from:				
Other related parties	-	-	1,372	1,033
	-	-	1,372	1,033

Purchases of services from:				
Entities having significant influence	5	5	9	7
Other related parties	2,393	2,155	2,338	1,761
	2,398	2,160	2,347	1,768
Total purchases of assets and services	2,398	2,160	3,719	2,801

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

Trade and other receivables from related parties

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	1,728	1,582	1,573	1,293
Trade and other receivables at nominal value	1,728	1,582	1,573	1,293
Less: provision for impairment of receivables from other related parties	(1,048)	(959)	(1,048)	(861)
	680	622	525	432

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

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19 Related party transactions (continued)

Payables to and prepayments from related parties

	31 December 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	263	241	436	359
	263	241	436	359

Loans granted to related parties

	31 December 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	25,020	22,528	27,784	20,926
Loans advanced during the year as non-monetary transactions	-	-	10,090	7,600
Loan repayments received as monetary transactions	(24,373)	(21,946)	(14,947)	(11,258)
Loan repayments received as non-monetary transactions	(3,559)	(3,205)	(12,302)	(9,266)
Interest charged	955	860	945	712
Interest received as monetary transactions	(11)	(10)	(546)	(411)
Interest received as non-monetary transactions	(309)	(279)	-	-
Impaired loans and receivable interest	(112)	(101)	-	-
Exchange rate differences	(1,458)	731	(159)	1,744
End of the period	18,713	17,126	22,560	18,548

20 Events after the balance sheet date

In January 2016 the Group acquired one Airbus A319 aircraft for its trading activities.

In February 2016 the Group acquired one Airbus A319 aircraft and simultaneously leased it out under the long term operating lease contract.

In February 2016 the Group sold one Boeing 737-500 aircraft from its current fleet.

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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 twelve month period ended 31 December 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



15 February 2016



Executive Director
Justinas Gilys