

AVIA SOLUTIONS GROUP AB

Consolidated Interim Financial Information
For the Financial Year Ended 31 December 2011
(Unaudited)

Beginning of the financial period	1 January 2011
End of reporting period	31 December 2011
Name of the company	Avia Solutions Group, AB (hereinafter "the Company")
Legal form	public company (joint-stock company)
Date of registration	31 August 2010
Code of enterprise	302541648
Name of Register of Legal Entities	State Enterprise Centre of Registers
Registered office	Smolensko Str. 10, LT-03201 Vilnius, Lithuania
Telephone number	+370 5 252 5500
Fax number	+370 5 252 5501
Internet address	www.AviaSG.com
Main activities of consolidated Group	Charter Operations, Aircraft Maintenance, Repair and Overhaul, Aircraft Ground Handling and Fuelling, Pilot and Crew Training

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(All tabular amounts are in LTL '000 unless otherwise stated)

MANAGEMENT REPORT

Avia Solutions Group AB and its subsidiaries (hereinafter – the Group) demonstrated significant growth in revenues during last quarter of 2011. During three-month period ended 31 December 2011 the revenue of the Group increased by 81% as compared to the same period in 2010 up to LTL 135.9 million, however as a result of expansion profitability of the Group was compromised in Charter and Ground Handling and Fueling segments.

Key events during three-month period ended 31 December 2011 are summarized below:

Date	Operating Segment	Event
October 2011	Aircraft Ground Handling and Fuelling	<i>Baltic Ground Services UAB</i> came first in an international open tender and signed a long-term contract with State Enterprise Vilnius International Airport (VNO) for the 4000 cbm capacity fuel facility leasehold for the annual fee of LTL 652 thousand.
October 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	<i>FL Technics AB</i> has signed an agreement with Boeing to support its aircraft, including the Boeing 787 Dreamliner, under the GoldCare programme. <i>FL Technics AB</i> is now entitled to provide line and base maintenance, component solutions and engineering services for the fleet participating in the program.
October 2011	Charter operations	<i>Avia Solutions Group AB</i> has completed the sale of 1,220 <i>Small Planet Airlines s.r.l.</i> shares to <i>S.G.S.T. s.r.l.</i> , representing 10 per cent of the share capital in the company. Following the sale, <i>Avia Solutions Group AB</i> remains the major shareholder of <i>Small Planet Airlines s.r.l.</i> with a 85.5 per cent shareholding.
December 2011	Charter operations	<i>Avia Solutions Group AB</i> transferred to <i>Brova Air OU</i> its entire share holding in <i>Small Planet Airlines AS</i> amounting to 95.5%. Following the transaction the name of the company will be changed to <i>North Wind Airlines AS</i> .

Members of the managing bodies

According to the By-laws of Avia Solutions Group AB (hereinafter – the Company) managing bodies are General Meeting, Supervisory Council, Management Board and General Manager. The Management Board, the Supervisory Council and the Key Executives of the Company as at 31 December 2011 were as follows:

Name	Position within the Company	In the position	
		Since	Until
Supervisory Council			
Vladas Bagavičius	Chairman of the Supervisory Council	23 August 2010	23 August 2014
Michal Ireneusz Bobrowski	Member of the Supervisory Council	23 August 2010	23 August 2014
Džiuginta Balčiūnė	Member of the Supervisory Council	23 August 2010	23 August 2014
Hubert Bojdo	Member of the Supervisory Council	23 August 2010	23 August 2014
Dariusz Marek Formela	Member of the Supervisory Council	29 April 2011	29 April 2015
Management Board			
Gediminas Žiemelis	Chairman of the Management Board	25 August 2010	25 August 2014
Saulius Batavičius	Member of the Management Board	25 August 2010	25 August 2014
Aurimas Sanikovas	Member of the Management Board	25 August 2010	25 August 2014
Jonas Butautis	Member of the Management Board	25 August 2010	25 August 2014
Vytautas Kaikaris	Member of the Management Board	25 August 2010	25 August 2014
Key Executives			
Linas Dovydenas	General Manager	25 August 2010	Indefinite
Aurimas Sanikovas	Chief Financial Officer	30 September 2010	Indefinite
Gediminas Žiemelis	Director of Development	30 September 2010	Indefinite

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Share capital and shareholders

The authorised capital of the Company as at 31 December 2011 was LTL 5,893,333 and is divided into 5,893,333 ordinary shares with a par value of LTL 1 each. All shares carry equal voting rights.

Shareholders and share capital of the Company as at 31 December 2011 were as follows:

No.	Shareholder	Role in the Company's Management	Number of shares	Percentage owned
1.	ZIA Valda Cyprus Ltd.		1,939,275	32.906%
2.	Indeco: Investment and Development UAB		1,292,850	21.938%
3.	Harberin Enterprises Limited		777,375	13.191%
4.	ING Otworthy Fundusz Emerytalny		390,000	6.618%
5.	Hubert Bojdo	Member of the Supervisory Board	100,000	1.697%
6.	Vytautas Kaikaris	Member of the Management Board	55,250	0.938%
7.	Jonas Butautis	Member of the Management Board	44,200	0.750%
8.	Aurimas Sanikovas	Member of the Management Board	11,050	0.188%
9.	Other		200,000	3.39%
10.	Other free float		1,083,333	18.38%
	Total		5,893,333	100.00%

Personnel

Number of the Group's employees at the end of the period:

	31 December 2011	31 December 2010
Number of employees	1 030	678

Key figures of the Group

Operating figures	October – December		Change
	2011	2010	
Number of SOLD man-hours in base maintenance	108 783	73 872	47.3
Number of SOLD man-hours in engineering	14 577	7 866	85.3
Number of SOLD man-hours in maintenance training	4 267	2 466	73.0
Number of line stations at the end of the period	20	9	122.2
Number of aircraft at the end of the period	6	6	-
Number of flights	868	653	32.9
Number of passengers carried (in thousands)	75 122	55 493	35.4
ASKs (in million)	330	242	36.4
RPKs (in million)	259	197	31.5
Number of block hours	3 015	2 414	24.9
Number of aircraft served	1 865	1 594	17.0
Number of passengers served	102 034	77 888	31.0
Volume of fuel sold (tonnes)	9 468	7 648	23.8
TRTO - Number of sold theoretical training hours	2 088	739	182.5
TRTO - Number of sold practical training (FFS) hours	3 556	1 996	78.2

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Operating figures	January – December		Change
	2011	2010	
Number of SOLD man-hours in base maintenance	333 369	168 225	98.2
Number of SOLD man-hours in engineering	51 164	34 986	46.2
Number of SOLD man-hours in maintenance training	10 629	5 198	104.5
Number of line stations at the end of the period	20	9	122.2
Number of aircraft at the end of the period	6	6	-
Number of flights	5 602	3 325	68.5
Number of passengers carried (in thousands)	630 789	397 129	58.8
ASKs (in million)	1 701	1 184	43.7
RPKs (in million)	1 377	986	39.7
Number of block hours	16 222	10 591	53.2
Number of aircraft served	8 207	5 496	49.3
Number of passengers served	723 639	458 429	57.9
Volume of fuel sold (tonnes)	34 334	31 603	8.6
TRTO - Number of sold theoretical training hours	8 460	3 417	147.6
TRTO - Number of sold practical training (FFS) hours	11 933	6 722	77.5

Financial figures	October – December		Change
	2011	2010	
Revenue (LTL thousand)	135 913	75 008	81%
Operating profit (LTL thousand)	(3 988)	2 717	-
Operating profit (loss) margin (%)	-	3.6%	-
Profit (loss) before income tax (LTL thousand)	(4 545)	2 746	-
Profit (loss) for the period (LTL thousand)	(3 240)	2 903	-
Profit (loss) for the period margin (%)	-	3.98%	-
Earnings per share (LTL)	(0.550)	0.657	-
Number of shares (thousand)	5 893	4 420	-

Financial figures	January – December		Change
	2011	2010	
Revenue (LTL thousand)	493 055	304 263	62%
Operating profit (LTL thousand)	17 661	23 844	-26%
Operating profit margin (%)	3.6%	7.8%	-4.2pp
Profit before income tax (LTL thousand)	15 162	20 669	-27%
Profit for the period (LTL thousand)	12 090	17 790	-32%
Profit for the period margin (%)	2.5%	5.8%	-3.3pp
Earnings per share (LTL)	2.052	4.031	-49%
Number of shares (thousand)	5 893	4 420	-

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CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	October – December		January – December	
		2011	2010	2011	2010
Revenue		135 913	75 008	493 055	304 263
Other income		1 344	6 629	1 979	7 339
Aircraft fuel expenses		(35 133)	(18 671)	(130 817)	(88 452)
Employee related expenses		(23 643)	(11 159)	(66 102)	(39 561)
Spare parts and consumables expenses		(20 578)	(8 151)	(50 463)	(19 544)
Aircraft servicing and handling expenses		(18 434)	(7 166)	(56 029)	(27 841)
Rent of aircraft and equipment		(8 794)	(14 851)	(59 674)	(54 240)
Aircraft maintenance expenses		(6 757)	(2 819)	(21 468)	(8 007)
Cost of services resold		(3 985)	(1 659)	(13 495)	(9 694)
Training and related expenses		(3 879)	(1 973)	(14 569)	(7 132)
Depreciation and amortization	3, 6	(2 331)	(807)	(8 033)	(4 878)
Rent and maintenance of premises		(2 240)	(1 805)	(7 928)	(2 777)
Impairment of receivables		(1 268)	(1 316)	(1 341)	(1 420)
Other operating expenses		(17 045)	(8 549)	(50 972)	(24 224)
Other gain/(loss) - net		2 842	5	3 518	13
Operating profit (loss)		(3 988)	2 717	17 661	23 845
Finance income		676	(1 137)	996	1 102
Finance cost		(1 233)	1 166	(3 495)	(4 277)
Finance costs – net		(557)	30	(2 499)	(3 175)
Profit before income tax		(4 545)	2 746	15 162	20 670
Income tax	4	1 305	156	(3 072)	(2 879)
Profit for the period		(3 240)	2 903	12 090	17 791
Profit (loss) for the period attributable to:					
Equity holders		(2 651)	3 125	12 832	18 013
Non-controlling interests		(589)	(222)	(742)	(222)
		(3 240)	2 903	12 090	17 791
Other comprehensive income:					
Currency translation differences		852	(11)	724	(16)
Total comprehensive income for the period		(2 388)	(11)	12 814	(16)
Total comprehensive income attributable to:					
Equity holders		(1 821)	3 114	13 538	17 997
Non-controlling interests		(567)	(222)	(724)	(222)
		(2 388)	2 892	12 814	17 775
Basic and diluted earnings (loss) per share (in LTL)	1, 5	(0.550)	0.657	2.052	4.031

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CONSOLIDATED BALANCE SHEETS

	Note	31 December 2011	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment	6	50 372	29 198
Intangible assets	6	10 378	2 723
Trade and other receivables	7	25 479	1 920
Deferred income tax assets		6 083	1 157
		92 312	34 998
Current assets			
Inventories		36 137	12 319
Trade and other receivables	7	98 330	54 303
Prepaid income tax		402	240
Short-term bank deposits		-	1 926
Cash and cash equivalents	8	19 192	10 713
		154 061	79 501
Total assets		246 373	114 499
EQUITY			
Equity attributable to the Group's equity shareholders			
Share capital		5 893	4 420
Share premium		58 770	-
Merger reserve		(2 480)	(3 473)
Cumulative translations differences		690	(16)
Retained earnings		36 619	24 001
		99 492	24 932
Non-controlling interests		91	119
Total equity		99 583	25 051
LIABILITIES			
Non-current liabilities			
Borrowings		26 458	10 580
Security deposits received		10 238	9 380
Trade and other payables		2 363	1 746
Deferred income tax liabilities		289	33
		39 348	21 739
Current liabilities			
Borrowings		24 096	24 716
Trade and other payables		65 594	37 080
Security deposits received		7 485	947
Advances received		5 187	2 908
Current income tax liabilities		5 080	2 058
		107 442	67 709
Total liabilities		146 790	89 448
Total equity and liabilities		246 373	114 499

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CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

THE GROUP	Equity attributable to equity holders of the Group						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Currency translation differences	Retained earnings	Invested capital			
Balance at 1 January 2010	-	-	-	-	-	7 015	7 015	-	7 015
Comprehensive income									
Currency translation difference	-	-	-	(16)	-	-	(16)	-	(16)
Profit for the period	-	-	-	-	18 013	-	18 013	(222)	17 791
Total comprehensive income	-	-	-	(16)	18 013	(7 015)	17 997	(222)	17 775
Transactions with owners									
Share issue pursuant to share acquisition agreements	150	-	-	-	-	-	150	-	150
Issue of additional shares	4 270	-	-	-	-	-	4 270	-	4 270
Reallocation of accumulated invested capital pursuant to the Pre-IPO Reorganisation	-	-	26	-	6 308	(7 015)	(681)	341	(340)
Effect of transactions with non-controlling interests	-	-	(3 517)	-	-	-	(3 517)	-	(3 517)
Transfer to legal reserve	-	-	18	-	(18)	-	-	-	-
Acquisition of subsidiaries	-	-	-	-	(302)	-	(302)	-	(302)
Total transactions with owners	4 420	-	(3 473)	-	5 988	-	(80)	341	261
Balance at 31 December 2010 / Balance at 1 January 2011	4 420	-	(3 473)	(16)	24 001	-	24 932	119	25 051
Comprehensive income									
Currency translation difference	-	-	-	706	-	-	706	18	724
Profit for the period	-	-	-	-	12 832	-	12 832	(742)	12 090
Total comprehensive income	-	-	-	706	12 832	-	13 538	(724)	12 814
Transactions with owners									
Increase in share capital	1 473	66 282	-	-	-	-	67 755	-	67 755
Cost of capital increase	-	(7 512)	-	-	-	-	(7 512)	-	(7 512)
Increase in non-controlling interests	-	-	-	-	-	-	-	696	696
Transfer to legal reserve	-	-	214	-	(214)	-	-	-	-
Decrease of merger reserve pursuant to the disposal of subsidiary	-	-	779	-	-	-	779	-	779
Total transactions with owners	1 473	58 770	993	-	(214)	-	61 022	696	61 718
Balance at 31 December 2011	5 893	58 770	(2 480)	690	36 619	-	99 492	91	99 583

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CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	January – December	
		2011	2010
Operating activities			
Profit (loss) for the year		12 090	17 791
Income tax	4	3 072	2 879
<i>Adjustments for:</i>			
Depreciation and amortisation	3, 6	8 033	4 878
Discounting effect on deposits placed		1 059	1 517
Accruals of c-check costs, hangar lease payments		1 620	1 419
Impairment of accounts receivable,		1 341	1 420
Interest expenses		944	1 435
Currency translations differences		(351)	1 081
Interest income		(400)	(114)
<i>Changes in working capital:</i>			
- Inventories		(23 818)	(3 217)
- Trade and other receivables		(40 164)	(31 002)
- Trade and other payables, advances received		24 010	(96)
- Security deposits received		7 180	8 730
Cash generated from (used in) operations		(5 384)	6 721
Interest received		194	14
Interest paid		(940)	(770)
Income tax paid		(1 833)	(1 434)
Net cash generated from (used in) operating activities		(7 963)	4 531
Investing activities			
Purchase of PPE and intangible assets		(28 821)	(6 948)
Proceeds from PPE and intangible assets		90	82
Loans granted		(18 469)	(5 297)
Repayments of loans granted		3 828	5 034
Deposits placed		(9 291)	(2 290)
Purchase of subsidiaries (net of cash acquired)		(4 001)	43
Net cash used in investing activities		(56 664)	(9 376)
Financing activities			
Contribution to share capital in cash		60 243	-
Increase of share capital		-	4 420
Increase of non-controlling interests		517	101
Bank borrowings received		40 672	17 805
Repayments of bank borrowings		(15 959)	(9 948)
Borrowings from related parties received		38	13 504
Repayments of borrowings from related parties		(8 487)	(14 908)
Other borrowings received		796	-
Repayments of other borrowings		(9 348)	-
Increase in financial lease liabilities		2 653	-
Decrease in financial lease liabilities		(271)	(539)
Net cash generated from financing activities		70 854	10 435
Increase in cash and cash equivalents		6 227	5 590
At beginning of year		10 006	4 416
Increase (decrease) in cash and cash equivalents		6 227	5 590
At end of year	8	16 233	10 006

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Accounting policies

The consolidated interim financial information for the year ended 31 December 2011 (hereinafter *The Consolidated 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 2010.

The presentation currency is litas. The consolidated financial information is presented in thousands of litas, unless indicated otherwise. The consolidated financial information is prepared under the historical cost convention.

The consolidated interim financial information for the year ended 31 December 2011 is not audited. The Group's annual Combined Financial Statements for the three years ended 31 December 2009, 2008, 2007 and annual Consolidated Financial Statements for the year ended 31 December 2010 are audited by the external auditor UAB PricewaterhouseCoopers.

Invested capital

The Company did not exist until 23 August 2010, and did not become the parent company of the Group until 30 September 2010. Therefore it is not meaningful to show share capital or an analysis of reserves for the Group before 30 September 2010. Invested capital represents the difference between the cumulative investment in the entities which form the combined Group and any non-controlling interest (being interest not controlled by the holding company of the Initial Group) which is disclosed as a separate element of equity.

Details of invested capital's structure and movements were included in the Group's annual Combined Financial Statements for the three years ended 31 December 2009, 2008 and 2007 and in the Group's consolidated financial statements for the year ended 31 December 2010.

Share capital

Ordinary shares are stated at their par value and classified as equity.

Where the Company or its subsidiaries purchase the Company's equity share capital (treasury shares), in the Company's and the Group's financial statements the consideration paid, including any directly attributable incremental costs (net of income taxes), is deducted from equity attributable to the Company's equity holders until the shares are cancelled or reissued. Where such shares are subsequently reissued, any consideration received, net of any directly attributable incremental transaction cost and the related income tax effects, is included in equity attributable to the Company's equity holders.

Earnings per share

Basic EPS is calculated by dividing net profit for the period attributable to controlling equity shareholders of the Group by the number of ordinary shares of the Company outstanding as at the date of preparation of this consolidated financial information.

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2 Investments in subsidiaries

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

The Group's companies	Country of establishment	Operating segment	Share of equity, %		Date of acquiring/establishment and activity
			31-12-2011	31-12-2010	
AviationCV.com UAB	Lithuania	Pilot and Crew Training	91	-	The subsidiary was established in spring of 2011. Currently it has started preparations for active sales.
Baltic Aviation Academy UAB	Lithuania	Pilot and Crew Training	100	100	The Group company was established on 22 November 2006. The company provides aircraft crew training services.
Baltic Ground Services UAB	Lithuania	Aircraft Ground Handling and Fuelling	100	100	The subsidiary was acquired on 31 October 2008. The company provides aircraft ground handling and fueling services.
Baltic Ground Services Sp.z.o.o.	Poland	Aircraft Ground Handling and Fuelling	100	100	The subsidiary was established in spring of 2010. It is a direct subsidiary of Baltic Ground Services UAB. The company provides aircraft ground handling and fueling services in Poland.
Baltic Ground Services s.r.l.	Italy	Aircraft Ground Handling and Fuelling	100	100	The subsidiary was established in winter of 2010. It is a direct subsidiary of Baltic Ground Services UAB. The subsidiary does not conduct active operations.
Ground Handling CIS UAB	Lithuania	Aircraft Ground Handling and Fuelling	100	-	The subsidiary was established on 4 July 2011. It is a direct subsidiary of Baltic Ground Services UAB. The subsidiary does not conduct active operations
FL Technics AB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	The subsidiary was established on 22 December 2005. In summer of 2007 the Company started active sales of aircraft maintenance, repair and overhaul (MRO) services.
FL Technics Jets UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	The subsidiary was acquired on 1 December 2010. In summer of 2011 the Company started active sales of maintenance services for business aircraft.
FL Technics Line OOO		Aircraft maintenance, repair and overhaul (MRO)	99	-	The subsidiary was established on 3 August 2011. It is a direct subsidiary of FL Technics AB. Currently it has started preparations for aircraft line stations activity in Russia and the CIS.
FL Technics Ulyanovsk OOO		Aircraft maintenance, repair and overhaul (MRO)	100	-	The subsidiary was established on 22 July 2011. It is a direct subsidiary of FLT Trading House UAB. Currently it has started preparations for aircraft maintenance activity in Ulyanovsk, Russia.
FLT Trading House UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	The subsidiary was acquired on 19 November 2010. The subsidiary does not conduct active operations.
Locatory.com UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	95	100	The subsidiary was established on 7 December 2010. Starting summer 2011, the Company provides a platform for the aviation industry to search, buy and sell aviation inventory.
Small Planet Airlines UAB	Lithuania	Charter operations	95.5	95.5	The subsidiary was established on 14 March 2007. In autumn of 2008 the Company started active sales of charter flights.
Small Planet Airlines AS	Estonia	Charter operations	-	95.5	The subsidiary was established on 5 December 2008. In autumn of 2011 the Company was sold.
Small Planet Airlines Sp.z.o.o.	Poland	Charter operations	95.5	95.5	The subsidiary was established on 25 November 2009. In spring of 2010 the Company started active sales of charter flights.
Small Planet Airlines s.r.l.	Italy	Charter operations	95.5	95.5	The subsidiary was established on 17 February 2010. In summer of 2011 the Company started active sales of charter flights.
Storm Aviation Ltd.	The United Kingdom	Aircraft maintenance, repair and overhaul (MRO)	100	-	The subsidiary was acquired on 30 September 2011. It is a direct subsidiary of FL Technics AB. The company provides aircraft line station services.

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3 Segment information

For management purposes, the Group is organised into business units based on the services provided, and has five reportable operating segments: charter operations; aircraft maintenance, repair and overhaul (MRO); aircraft ground handling and fuelling; pilot and crew training and unallocated segment. Unallocated sales mainly include sales of management services, which cannot be attributed to the other segments. The management assesses the performance of the Group's companies based on measure of gross profit.

Transfer prices between business segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, segment cost of sales and segment gross profit include transfers between business segments. Those transfers are eliminated in consolidation.

The following table present sales to external customers, costs of sales and gross profit information according to the Group's business segments for the year ended 31 December 2011:

	Charter operations	Aircraft maintenance, repair and overhaul (MRO)	Aircraft ground handling and fuelling	Pilot and crew training	Unallocated	Inter-segment eliminations	Total continuing operations
Year ended							
31 December 2011							
Revenue							
Sales to external customers	223 079	155 444	90 959	23 207	366	-	493 055
Other income	1 660	108	-	17	194	-	1 979
Inter-segment sales	21 233	9 790	23 120	904	4 093	(59 140)	-
Total revenue	245 972	165 342	114 079	24 128	4 653	(59 140)	495 034
Cost of sales	(241 866)	(116 172)	(107 436)	(14 854)	(1 567)	56 503	(425 392)
Segment gross profit	4 106	49 170	6 643	9 274	3 086	(2 637)	69 642
As at 31 December 2011							
Acquisition of non-current assets	1 694	9 728	12 519	4 576	425	-	28 942
Depreciation and amortization	452	5 271	1 764	462	84	-	8 033

The following table present sales to external customers, costs of sales and gross profit information according to the Group's business segments for the year ended 31 December 2010:

	Charter operations	Aircraft maintenance, repair and overhaul (MRO)	Aircraft ground handling and fuelling	Pilot and crew training	Unallocated	Inter-segment eliminations	Total continuing operations
Year ended							
31 December 2010							
Revenue							
Sales to external customers	157 360	76 788	57 621	12 494	-	-	304 263
Other income	7 173	140	-	26	-	-	7 339
Inter-segment sales	4 620	8 627	17 660	404	289	(31 600)	-
Total revenue	169 153	85 555	75 281	12 924	289	(31 600)	311 602
Cost of sales	(159 289)	(58 322)	(67 074)	(8 553)	(177)	29 875	(263 540)
Segment gross profit	9 864	27 233	8 207	4 371	112	(1 725)	48 062
As at 31 December 2010							
Acquisition of non-current assets	1 269	4 768	2 265	653	336	-	9 291
Depreciation and amortization	118	3 635	891	224	10	-	4 878

(All tabular amounts are in LTL '000 unless otherwise stated)

3 Segment information (continued)

Three reportable Group's business segments were influenced by seasonal movements on both summer and winter periods. The highest growth comes in summer-season (June-September) from charter operations' and aircraft ground handling, fuelling segments, and in the winter-season (October-April) increase of sales is recorded in aircraft maintenance, repair and overhaul (MRO) segment. The Management motivates these seasonal movements to have a material effect on Group's consolidated revenue.

4 Income tax

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

Domestic income tax is calculated at 15 per cent (2010: 15 per cent) of the annual profit for the year, in Poland income tax – 19 per cent, in Italy – 27.5 per cent, in the United Kingdom – 21 per cent. The annual profit earned by companies located in Estonia is not taxed.

5 Earnings per share

The following reflects the income and adjusted share data used in EPS computations. The assumptions used in calculation of weighted average number of ordinary shares and profit (loss) attributable to equity holders were explained in Notes 1.

	October – December		January – December	
	2011	2010	2011	2010
Profit for the period	(3 240)	2 903	12 090	17 791
Less: profit (loss) attributable to minority interests calculated in accordance with the structure as at 31 December 2011	-	-	-	25
Profit (loss) attributable to equity ownership holders of the Company calculated in accordance with shareholders structure as at 31 December 2011	(3 240)	2 903	12 090	17 816
Weighted average number of ordinary shares (thousand)	5 893	4 420	5 893	4 420
EPS – basic and diluted (in LTL)	(0.550)	0.657	2.052	4.031

6 Property, plant and equipment and intangible assets

	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2010	25 340	2 235
Additions	8 215	1 076
Disposals	(67)	-
Depreciation charge	(4 290)	(588)
Closing net book amount as at 31 December 2010	29 198	2 723
Opening net book amount as at 1 January 2011	29 198	2 723
Additions	27 023	1 919
Acquisition	1 313	6 705
Disposals	(96)	-
Write-offs	(2)	-
Depreciation charge	(7 064)	(969)
Closing net book amount as at 31 December 2011	50 372	10 378

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	31 December 2011	31 December 2010
7 Trade and other receivables		
Trade receivables	63 772	30 480
Less: provision for impairment of trade receivables	(1 341)	(1 306)
Trade receivables – net	62 431	29 174
Receivables from related parties	3	197
Less: provision for impairment of trade receivables from related parties	-	(17)
Receivables from related parties - net	3	180
Security deposit with lessor	16 180	5 406
Discounting of security deposit	(1 059)	(110)
Security deposit – net	15 121	5 296
Other receivables	1 318	826
Less: provision for impairment of other receivables	-	(96)
Other receivables - net	1 318	730
Loans granted	15 423	401
Less: provision for impairment of loans granted	-	-
Loans granted - net	15 423	401
Deferred charges	9 323	7 103
VAT receivables	7 526	1 449
Amount due from customers for contract work	6 417	2 937
Prepayments	5 562	8 182
Loans to related parties	674	243
Other receivables from related parties	10	490
Prepayments from related parties	-	14
Deferred charges to related parties	-	24
	123 808	56 223
Less non-current portion:	(25 478)	(1 920)
Current portion:	98 330	54 303
	31 December 2011	31 December 2010
8 Cash and cash equivalents		
Cash and cash equivalents	19 192	10 713
Bank overdraft	(2 959)	(707)
	16 233	10 006

9 Related party transactions

The parties are considered related when one party has the possibility to control the other one or have significant influence over the other party in making financial and operating decisions.

During the year ended 31 December 2010 the Group was controlled by ŽIA Valda AB which owned 45% of the Initial Holding Companies and was the ultimate parent company (hereinafter - *the Ultimate Parent*). Transactions and balances with the Ultimate Parent and with Other Initial Group Companies are disclosed below separately. Related parties also include other shareholders of the Group, subsidiaries of ŽIA Valda AB and other ŽIA Valda AB related parties with which the Group is under common control (hereinafter – *Other Related Parties*).

The Group's related parties during the year ended 31 December 2011 include shareholders of the Group and members of the key management personnel of the Company (hereinafter – *Other Related Parties*).

Transactions with related parties are carried out based on the arm's length principle. The following transactions were carried out with related parties:

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9 Related party transactions (continued)

	2011	2010
Sales of assets:		
Other Initial Group Companies	-	193
	-	193
Sales of services to:		
Other Initial Group Companies	-	915
Other Related Parties	-	218
	-	1 133
Total sales of assets and services	-	1 326
Purchases of assets from:		
Other Initial Group Companies	-	339
Other Related Parties	-	107
	-	446
Purchases of services from:		
The Ultimate Parent	-	112
Other Initial Group Companies	-	22 927
Other Related Parties	-	5 651
	-	28 690
Total purchases of assets and services	-	29 136

MANAGEMENT CONFIRMATION OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

Following Article 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Linas Dovydenas, General Manager of Avia Solutions Group AB, and Aurimas Sanikovas, Chief Financial Officer of Avia Solutions Group AB, hereby confirm that, to the best of our knowledge, the not audited Avia Solutions Group AB Consolidated Interim Financial Information for the year ended 31 December 2011, 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 and profit of the Group.

General Manager



Linas Dovydenas

Chief Financial Officer



Aurimas Sanikovas

Vilnius, 14 February 2012