

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

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE THREE MONTH PERIOD ENDED 31 MARCH 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	3 months ended 31 March			
		2015		2014	
		USD	EUR	USD	EUR
Revenue	3	7,807	6,912	8,056	5,882
Interest income on loans		442	391	351	257
Depreciation and amortisation		(951)	(842)	(1,195)	(873)
Costs of services rendered		(1,897)	(1,679)	(664)	(485)
Aircraft maintenance and servicing expenses		(786)	(696)	(2,467)	(1,802)
Employee-related expenses	4	(165)	(146)	(230)	(168)
Impairment of receivables and prepayments		-	-	(120)	(87)
Other operating expenses	5	(346)	(306)	(452)	(330)
Other gain (losses) net		11	10	229	167
Operating profit		4,115	3,644	3,508	2,561
Finance income	6	-	-	23	17
Finance costs	6	(1,775)	(1,571)	(850)	(621)
Finance costs – net		(1,775)	(1,571)	(827)	(604)
Profit (loss) before income tax		2,340	2,073	2,681	1,957
Income tax	7	(175)	(155)	(382)	(279)
Profit (loss) for the period		2,165	1,918	2,299	1,678
Other comprehensive income					
Currency translation differences on translation to presentation currency		-	9,382	-	85
Total other comprehensive income		-	9,382	-	85
Total comprehensive income		2,165	11,300	2,299	1,763
Basic and diluted earnings per share (USD/EUR)	8	0.05	0.04	0.05	0.04

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CONSOLIDATED INTERIM BALANCE SHEET

	Note	31 March 2015		31 December 2014	
		USD	EUR	USD	EUR
ASSETS					
Non-current assets					
Property, plant and equipment	9	38,195	35,220	39,167	32,201
Intangible assets		1	1	1	1
Available-for-sale financial assets		881	812	881	724
Loans granted	11	12,159	11,212	10,717	8,811
		51,236	47,245	50,766	41,737
Current assets					
Inventory	10	1,003	925	1,037	853
Loans granted	11	21,144	19,497	23,549	19,361
Trade and other receivables	12	10,399	9,589	6,764	5,561
Cash and cash equivalents	13	37,468	34,549	36,574	30,069
		70,014	64,560	67,924	55,844
Total assets		121,250	111,805	118,690	97,581
EQUITY					
Equity attributable to the Group's equity shareholders					
Share capital	14	16,804	12,542	16,804	12,542
Share premium		27,972	20,878	27,972	20,878
Legal reserve		1,740	1,254	1,740	1,254
Revaluation reserve		4,343	3,570	4,343	3,570
Revaluation of financial assets available for sale		(825)	(678)	(825)	(678)
Cumulative translation reserve		-	14,902	-	5,520
Retained earnings		45,185	35,334	43,020	33,416
Total equity		95,219	87,802	93,054	76,502
LIABILITIES					
Non-current liabilities					
Borrowings	15	10,056	9,273	10,782	8,865
Security deposits received	17	3,394	3,129	3,332	2,740
Deferred income tax liabilities		1,206	1,112	1,353	1,112
		14,656	13,514	15,467	12,717
Current liabilities					
Borrowings	15	2,821	2,601	2,768	2,276
Trade and other payables	16	3,445	3,177	2,488	2,046
Security deposits received	17	40	37	40	33
Advances received	16	531	489	70	57
Current income tax liabilities		4,538	4,185	4,803	3,950
		11,375	10,489	10,169	8,362
Total liabilities		26,031	24,003	25,636	21,079
Total equity and liabilities		121,250	111,805	118,690	97,581

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

USD	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Revaluation reserve (deficit) of financial assets	Retained earnings	Total equity
Balance at 1 January 2014		16,804	27,972	1,131	3,431	-	24,824	74,162
Comprehensive income								
Revaluation of financial assets available for sale		-	-	-	-	(971)	-	(971)
Deferred income tax on revaluation of financial assets available for sale		-	-	-	-	146	-	146
Revaluation of aircraft		-	-	-	1,072	-	-	1,072
Deferred income tax on revaluation of aircraft		-	-	-	(160)	-	-	(160)
Other comprehensive income (loss)		-	-	-	912	(825)	-	87
Profit for the year		-	-	-	-	-	22,284	22,284
Total comprehensive income		-	-	-	912	(825)	22,284	22,371
Transactions with owners								
Transfer to reserves		-	-	609	-	-	(609)	-
Dividends		-	-	-	-	-	(3,479)	(3,479)
Total transactions with owners		-	-	609	-	-	(4,088)	(3,479)
Balance at 31 December 2014/ 1 January 2015		16,804	27,972	1,740	4,343	(825)	43,020	93,054
Comprehensive income								
Other comprehensive income (loss)		-	-	-	-	-	-	-
Profit for the period		-	-	-	-	-	2,165	2,165
Total comprehensive income		-	-	-	-	-	2,165	2,165
Transactions with owners								
Dividends		-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	-
Balance at 31 March 2015		16,804	27,972	1,740	4,343	(825)	45,185	95,219

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CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

EUR	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Revaluation reserve (deficit) of financial assets	Cum. trans.	Retained earnings	Total equity
Balance at 1 January 2014		12,542	20,878	854	2,494	-	(2,446)	19,586	53,908
Comprehensive income									
Revaluation of financial assets available for sale		-	-	-	-	(798)	-	-	(798)
Deferred income tax on revaluation of financial assets available for sale		-	-	-	-	120	-	-	120
Revaluation of aircraft		-	-	-	881	-	-	-	881
Deferred income tax on revaluation of aircraft		-	-	-	(132)	-	-	-	(132)
Currency translation differences		-	-	-	-	-	7,966	-	7,966
Other comprehensive income (loss)		-	-	-	749	(678)	7,966	-	8,037
Profit for the year		-	-	-	-	-	-	16,782	16,782
Total comprehensive income		-	-	-	749	(678)	7,966	16,782	24,819
Transactions with owners									
Transfer to reserves		-	-	400	-	-	-	(400)	-
Dividends		-	-	-	-	-	-	(2,552)	(2,552)
Currency translation differences		-	-	-	327	-	-	-	327
Total transactions with owners		-	-	400	327	-	-	(2,952)	(2,225)
Balance at 31 December 2014/ 1 January 2015		12,542	20,878	1,254	3,570	(678)	5,520	33,416	76,502
Comprehensive income									
Currency translation differences		-	-	-	-	-	9,382	-	9,382
Other comprehensive income (loss)		-	-	-	-	-	9,382	-	9,382
Profit for the period		-	-	-	-	-	-	1,918	1,918
Total comprehensive income		-	-	-	-	-	9,382	1,918	11,300
Transactions with owners									
Dividends		-	-	-	-	-	-	-	-
Total transactions with owners		-	-	-	-	-	-	-	-
Balance at 31 March 2015		12,542	20,878	1,254	3,570	(678)	14,902	35,334	87,802

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CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Note	3 months ended 31 March			
		USD	2015 EUR	USD	2014 EUR
Operating activities					
Profit (loss) before income tax		2,340	2,073	2,681	1,957
<i>Adjustments for:</i>					
Depreciation and amortisation		951	842	1,195	873
Impairment of accounts receivables and prepayments		-	-	120	87
Discounting effect		54	48	77	56
Finance costs – net		398	352	594	433
<i>Changes in working capital:</i>					
Trade and other receivables		(3,492)	(3,093)	(3,080)	(2,249)
Trade and other payables		1,939	1,716	(3,365)	(2,457)
Security deposits and advances received		468	415	210	153
Inventory		34	30	(343)	(250)
Cash generated from operations		2,692	2,383	(1,911)	(1,397)
Interest paid		(234)	(207)	(551)	(402)
Income tax paid		(248)	(220)	(61)	(45)
Net cash generated from operating activities		2,210	1,956	(2,523)	(1,844)
Investing activities					
Purchase of property, plant and equipment and intangible assets		(1,000)	(885)	(18,053)	(13,180)
Loans granted		(16,664)	(14,754)	(331)	(242)
Loans repaid		17,484	15,481	813	593
Interest received		(462)	(409)	90	66
Net cash used in investing activities		(642)	(567)	(17,481)	(12,763)
Financing activities					
Repayment of borrowings		-	-	(108)	(79)
Lease (finance lease) payments		(674)	(597)	(641)	(468)
Net cash generated from (used in) financing activities		(674)	(597)	(749)	(547)
Increase (decrease) in cash and cash equivalents		894	792	(20,753)	(15,154)
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		894	792	(20,753)	(15,152)
Foreign translation differences		-	3,688	-	95
At the end of the period	13	37,468	34,549	23,200	16,892

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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 March 2015 and 31 December 2014 was as follows:

	Number of shares	%
ALH Aircraft Leasing Holdings Ltd	12,994,905	30.01
Mesotania Holdings Limited	10,899,858	25.17
ING 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 March 2015 the Group owned 13 aircraft: 1 Boeing 737-300, 3 Boeing 737-500 and 9 Bombardier CRJ200 aircraft. All aircraft were leased out under operating lease contracts.

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

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 2015	As at 31 December 2014	
AviaAM B01 UAB	Lithuania	100	100	Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B02 UAB	Lithuania	100	100	Date of acquiring: 4 January 2010 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B04 UAB	Lithuania	100	100	Date of establishment: 22 February 2007 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B05 UAB	Lithuania	100	100	Date of establishment: 28 June 2011 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B06 UAB	Lithuania	100	100	Date of establishment: 15 July 2011 / Aircraft leasing / Smolensko g. 10, Vilnius

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1 General information (continued)

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

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

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

2 Accounting policies

The consolidated interim financial information for the twelve month period ended 31 March 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.

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2 Accounting policies (continued)

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

3 Revenue

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Sales of aircraft	-	-	-	-
Lease revenue	3,321	2,940	5,090	3,717
Commission income	3,125	2,767	1,500	1,095
Supplemental maintenance rent	1,361	1,205	1,466	1,070
	7,807	6,912	8,056	5,882

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):

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Lease, sale and aircraft transaction management customers				
Customer P	3,125	2,767	-	-
Customer B	2,887	2,556	2,919	2,131
Customer I	1,080	957	-	-
Customer A	150	133	990	723
Customer D	-	-	894	653
Customer J	-	-	1,500	1,095
Other customers	565	499	1,753	1,280
	7,807	6,912	8,056	5,882

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

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3 Revenue (continued)

Country	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Russia	4,087	3,619	3,668	2,677
Ireland	3,125	2,766	-	-
Belarus	340	301	120	88
Kazakhstan	150	133	990	723
Lithuania	105	93	-	-
Hong Kong	-	-	1,500	1,095
Tajikistan	-	-	894	653
Italy	-	-	884	646
	7,807	6,912	8,056	5,882

4 Employee related expenses

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Salaries	126	111	166	121
Social insurance expenses	39	35	64	47
	165	146	230	168

5 Other operating expenses

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Legal and translation expenses	114	101	142	104
Management services	42	37	61	45
Audit and accounting expenses	42	37	8	6
Transportation expenses	27	24	-	-
Travelling expenses	25	22	44	32
Office expenses	23	21	1	1
Expenses related to listing of shares	21	18	26	19
Marketing expenses	15	13	52	38
Representation expenses	3	3	68	50
Bank fees	3	3	9	7
Insurance expenses	-	-	7	5
Other administrative expenses	31	27	34	23
	346	306	452	330

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6 Finance costs – net

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Interest income on cash and cash equivalents	-	-	3	2
Discounting of security deposits received	-	-	18	14
Other finance income	-	-	2	1
Finance income	-	-	23	17
Interest expenses	(268)	(237)	(551)	(402)
Foreign exchange loss on financing activities	(1,455)	(1,288)	(205)	(150)
Unwinding of discount of security deposits received	(21)	(18)	(93)	(68)
Other finance costs	(31)	(28)	(1)	(1)
Finance costs	(1,775)	(1,571)	(850)	(621)
Finance costs – net	(1,775)	(1,571)	(827)	(604)

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 (2014: 15% rate).

	3 months ended 31 March			
	2015		2014	
	USD	EUR	USD	EUR
Current tax	175	155	382	279
Deferred tax	-	-	-	-
Total income tax expenses	175	155	382	279

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.

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8 Earnings per share (continued)

	January – March			
	USD	2015 EUR	USD	2014 EUR
Net profit attributable to shareholders	2,165	1,918	2,299	1,678
Weighted average number of ordinary shares issued	43,306		43,306	
Basic earnings per share (USD/EUR)	0.05	0.04	0.05	0.04

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

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	42,833
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	-	-	-	-
Disposals	-	-	(19)	(19)
Revaluation surplus	-	-	-	-
Impairment loss	-	-	-	-
Reclassifications	-	-	-	-
Depreciation charge	(951)	-	(2)	(953)
Closing net book amount as at 31 March 2015	36,454	1,580	161	38,195
At 31 March 2015				
Cost or valuation	36,454	1,580	205	38,239
Accumulated depreciation	-	-	(44)	(44)
Net book amount	36,454	1,580	161	38,195

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9 Property, plant and equipment (continued)

EUR	Aircraft and engines	Aircraft and engines under preparation for use	Other tangible fixed assets	Total
Opening net book amount as at 1 January 2014	28,641	2,345	153	31,139
Additions	22,471	565	-	23,036
Disposals	(21,952)	-	(5)	(21,957)
Reclassifications	182	625	-	807
Depreciation charge	(1,047)	-	-	(1,047)
Revaluation surplus	2,430	(2,430)	-	-
Revaluation loss	(3,588)	-	(17)	(3,605)
Exchange differences	3,616	194	18	3,828
Closing net book amount as at 31 December 2014	30,753	1,299	149	32,201
At 31 December 2014				
Cost or valuation	30,753	1,299	184	32,236
Accumulated depreciation	-	-	(35)	(35)
Net book amount	30,753	1,299	149	32,201
Opening net book amount as at 1 January 2015	30,753	1,299	149	32,201
Additions	-	-	-	-
Disposals	-	-	(17)	(17)
Revaluation surplus	-	-	-	-
Impairment loss	-	-	-	-
Reclassifications	-	-	-	-
Depreciation charge	(842)	-	(2)	(844)
Exchange differences	3,703	158	18	3,879
Closing net book amount as at 31 March 2015	33,614	1,457	148	35,220
At 31 March 2015				
Cost or valuation	33,614	1,457	189	35,260
Accumulated depreciation	-	-	(41)	(41)
Net book amount	33,614	1,457	148	35,220

10 Inventories

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Aircraft components	1,003	925	1,037	853
	1,003	925	1,037	853

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11 Loans granted

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current loans				
Loans granted to related parties	4,754	4,383	4,869	4,003
Loans granted to third parties	7,405	6,829	5,848	4,808
	12,159	11,212	10,717	8,811
Current loans				
Loans granted to related parties	14,968	13,803	15,553	12,788
Bonds acquired from related parties	2,165	1,996	2,138	1,757
Loans granted to third parties	4,011	3,698	5,858	4,816
	21,144	19,497	23,549	19,361
Total loans granted	33,303	30,709	34,266	28,172

12 Trade and other receivables

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade receivables from third parties	10,915	10,065	6,930	5,698
Less: provision for impairment of trade receivables	(1,524)	(1,405)	(1,524)	(1,253)
Trade receivables from third parties – net	9,391	8,660	5,406	4,445
Receivables from related parties	1,574	1,451	1,573	1,294
Less: provision for impairment of trade receivables from related parties	(1,048)	(966)	(1,048)	(862)
Receivables from related parties - net	526	485	525	432
Other receivables	29	27	171	141
Less: provision for impairment of other receivables	(29)	(27)	(29)	(24)
Other receivables - net	-	-	142	117
VAT receivables	352	324	368	302
Prepayments	130	120	323	265
	10,399	9,589	6,764	5,561
Non-current portion:	-	-	-	-
Current portion:	10,399	9,589	6,764	5,561

13 Cash and cash equivalents

Cash and cash equivalents are dominated in following currencies:

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
USD	36,063	33,254	35,250	28,981
EUR	1,393	1,284	1,150	945
LTL	-	-	160	131
PLN	12	11	14	12
Total cash and cash equivalents	37,468	34,549	36,574	30,069

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14 Share capital

As at 31 March 2015 and 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. 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).

15 Borrowings

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Non-current				
Bank borrowings	-	-	-	-
Finance lease liabilities	10,056	9,273	10,782	8,865
	10,056	9,273	10,782	8,865
Current				
Bank borrowings	-	-	-	-
Finance lease liabilities	2,821	2,601	2,768	2,276
	2,821	2,601	2,768	2,276
Total borrowings	12,877	11,874	13,550	11,141

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

	31 March 2015	31 December 2014
Bank borrowings	-	-
Finance lease liabilities	7.70%	7.67%

16 Trade and other payables and advances received

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Trade and other payables – financial liabilities				
Trade payables to related parties	2,408	2,221	1,375	1,131
Trade payables to related parties	264	243	410	337
Salaries and social security payable, including vacation accrual	110	101	86	70
Accruals	656	605	587	483
Other short term liabilities	7	7	4	3
Other short term liabilities to related parties	-	-	26	22
Dividends payable	-	-	-	-
	3,445	3,177	2,488	2,046
Advance payments received – non-financial liabilities				
Advance payments from customers	531	489	70	57
Advance payments from customers related to acquisition of aircraft	-	-	-	-
	531	489	70	57

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17 Security deposits received

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Security deposits repayable after one year at nominal value	4,040	3,725	4,040	3,322
Less: discounting effect	(646)	(596)	(708)	(582)
Security deposits repayable after one year	3,394	3,129	3,332	2,740
Security deposits repayable within one year	40	37	40	33
Less: discounting effect	-	-	-	-
Security deposits repayable within one year	40	37	40	33
Security deposits	3,434	3,166	3,372	2,773

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

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

18 Related party transactions

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

	3 months ended 31 March			
	USD	2015 EUR	USD	2014 EUR
Sales of services to:				
Entities having significant influence	65	57	194	146
Other related parties	194	172	1,384	1,042
	259	229	1,578	1,188
Purchases of assets from:				
Other related parties	-	-	1,372	1,033
Entities having significant influence	-	-	-	-
	-	-	1,372	1,033
Purchases of services from:				
Entities having significant influence	4	4	9	6
Other related parties	236	209	2,338	1,762
	240	213	2,347	1,768
Total purchases of assets and services	240	213	3,719	2,801

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18 Related party transactions (continued)

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

Trade and other receivables from related parties

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	1,574	1,451	1,573	1,293
Trade and other receivables at nominal value	1,574	1,451	1,573	1,293
Less: provision for impairment of receivables from other related parties	(1,048)	(966)	(1,048)	(861)
	526	485	525	432

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

Payables to and prepayments from related parties

	31 March 2015		31 December 2014	
	USD	EUR	USD	EUR
Other related parties	264	243	436	359
Total payables to and prepayments from related parties	264	243	436	359

Loans granted to related parties

	31 March 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	17,611	15,592	27,784	20,926
Loans advanced during the year as non-monetary transactions	-	-	10,090	7,600
Loan repayments received as monetary transactions	(17,045)	(15,091)	(14,947)	(11,258)
Loan repayments received as non-monetary transactions	-	-	(12,302)	(9,266)
Interest charged	256	227	945	712
Interest received	(2)	(1)	(546)	(411)
Exchange rate differences	(1,493)	907	(159)	1,744
End of the period	21,887	20,182	22,560	18,548

19 Events after the balance sheet date

In April 2015 the Group rendered aircraft transaction management services in respect to the second Boeing 777-300ER sale and lease-back transaction pursuant to the agreement entered in August 2014.

On 3 April 2015 the Annual General Meeting of Shareholders of the Company adopted the decision to pay out annual dividends in the amount of EUR 0.09 per share. The dividends were paid out on 30 April 2015.

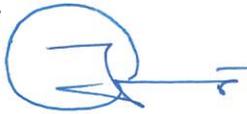
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MANAGEMENT CONFIRMATION OF THE CONSOLIDATE INTERIM FINANCIAL INFORMATION

We, Justinas Gilys, Acting General Manager and Laima Gruzdienė, Chief Financier of *AviaAM Leasing AB*, hereby confirm that, to the best of our knowledge, the unaudited Consolidated Interim Financial Information for the three month period ended 31 March 2015 of *AviaAM Leasing AB*, 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.

Acting General Manager
Justinas Gilys



8 May 2015

Chief Financier
Laima Gruzdienė

