

AVIA SOLUTIONS GROUP AB

Consolidated Interim Financial Information,
For the Three-Month Period Ended 31 March 2015
(Unaudited)

Beginning of the financial period	1 January 2015
End of reporting period	31 March 2015
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	Aircraft and Helicopter Maintenance, Repair and Overhaul, Aircraft Ground Handling and Fuelling, Crew Training and Staffing, Private Jet Charter and Flights Operations

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CONSOLIDATED INTERIM FINANCIAL INFORMATION
FOR THE THREE-MONTH PERIOD ENDED 31 MARCH 2015

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**

	Note	January – March	
		2015	2014
Continuing operations			
Revenue	3	45 226	38 762
Other income	3	291	136
Cost of services and goods	3, 4	(31 419)	(26 391)
Employee related expenses	3	(9 204)	(7 180)
Other operating expenses	3, 5	(3 229)	(2 612)
Depreciation and amortisation	3, 10	(1 225)	(1 540)
Other gain/(loss) - net	3	508	(383)
Operating profit		948	792
Finance income	6	771	23
Finance cost	6	(445)	(324)
Finance costs – net		326	(301)
Profit before income tax		1 274	491
Income tax	7	(161)	(46)
Profit for the period from continuing operations		1 113	445
Discontinued operations			
(Loss) for the year from discontinued operations	15, 16	(461)	-
Profit for the period		652	445
Profit (loss) attributable to:			
Equity holders of the parent			
Profit (loss) for the period from continuing operations		1 161	474
Profit (loss) for the period from discontinued operations		(569)	-
Profit for the period attributable to equity holders of the parent		592	474
Non-controlling interests			
Profit (loss) for the period from continuing operations		(48)	(29)
Profit (loss) for the period from discontinued operations		108	-
Profit for the period attributable to non-controlling interests of the parent		60	(29)
		652	445

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CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONTINUED)

		January – December	
	Note	2015	2014
Other comprehensive income			
Continuing operations			
Net gain (loss) on cash flow hedges		5	(11)
Income tax		(1)	2
		4	(9)
Exchange differences on translation of foreign operations		(309)	(45)
Other comprehensive income (loss) for the period from continuing operations		(305)	(54)
Discontinued operations			
Exchange differences on translation of foreign operations from discontinued operations		227	-
Other comprehensive income (loss) for the period		(78)	(54)
Total comprehensive income for the period attributable to:			
Equity holders of the parent			
Total comprehensive income (loss) for the period from continuing operations		859	422
Total comprehensive income (loss) for the period from discontinued operations		(939)	-
Total comprehensive income (loss) for the period attributable to equity holders of the parent		(80)	422
Non-controlling interests			
Total comprehensive income (loss) for the period from continuing operations		(51)	(31)
Total comprehensive income (loss) for the period from discontinued operations		705	-
Total comprehensive income (loss) for the period attributable to non-controlling interests of the parent		654	(31)
		574	391
Earnings per share from continuing and discontinued operations attributable to owners of the parent during the period			
Basic earnings per share			
From continuing operations	9	0.149	0.078
From discontinued operations	9	(0.073)	-
From profit for the period	9	0.076	0.078

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**CONSOLIDATED BALANCE SHEET**

	Notes	31 March 2015	31 December 2014
Non-current assets			
ASSETS			
Non-current assets			
Property, plant and equipment	10	24 302	24 211
Intangible assets	10	1 768	1 792
Deferred income tax assets	7	4 251	3 971
Non-current trade and other receivables	11, 17	8 173	7 318
		38 494	37 292
Current assets			
Inventories	13	34 354	33 658
Trade and other receivables	11, 17	43 877	41 587
Amount due from customers for contract work		1 813	2 606
Prepaid income tax		1 329	1 367
Short-term bank deposit		-	14
Cash and cash equivalents	12	8 054	6 820
		89 427	86 052
Assets of disposal group classified as held for sale	16	31 170	27 620
Non-current assets classified as held for sale	3, 16	1 055	1 055
Total assets	3	160 146	152 019

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CONSOLIDATED BALANCE SHEET (CONTINUED)

	Notes	31 March 2015	31 December 2014
EQUITY			
Equity attributable to the Group's equity shareholders			
Share capital	8	2 256	2 256
Share premium	8	33 133	33 133
Legal reserve		79	79
Merger reserve		(457)	(457)
Fair value reserve		(65)	(69)
Cumulative translations differences		420	1 096
Retained earnings		19 082	18 490
Equity attributable to equity holders of the parent		54 448	54 528
Non-controlling interests		6 503	5 849
Total equity		60 951	60 377
LIABILITIES			
Non-current liabilities			
Borrowings		8 752	8 754
Government grants		900	784
Security deposits received		660	639
Trade and other payables	14	309	322
Derivative financial instruments		76	81
Deferred income tax liabilities	7	68	69
		10 765	10 649
Current liabilities			
Trade and other payables	14	30 895	29 875
Borrowings		23 960	22 998
Advances received		4 667	3 283
Security deposits received		245	240
Current income tax liabilities		193	101
Government grants		25	25
		59 985	56 522
Total liabilities		70 750	67 171
Liabilities of disposal group classified as held for sale	16	28 445	24 471
Total equity and liabilities		160 146	152 019

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CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group							Non-	Total equity
	Share capital	Share premium	Merger reserve	Legal reserve	Fair value reserve	Currency translation differences	Retained earnings	controlling interests	
Balance at 1 January 2014	1 755	18 691	(454)	92	(54)	(263)	24 132	9	43 908
Comprehensive income	-	-	-	-	-	-	-	-	-
Net profit on cash flow hedge	-	-	-	-	(9)	-	-	-	(9)
Currency translation difference from continuing operations	-	-	-	-	-	(43)	-	(2)	(45)
Profit (loss) for the period from continuing operations	-	-	-	-	-	-	474	(29)	445
Total comprehensive income	-	-	-	-	(9)	(43)	474	(31)	391
Transactions with owners	-	-	-	-	-	-	-	-	-
Disposal of interest in subsidiary (Note 15)	-	-	-	-	-	-	6	1	7
Total transactions with owners	-	-	-	-	-	-	6	1	7
Balance at 31 March 2014	1 755	18 691	(454)	92	(63)	(306)	24 612	(21)	44 306
Balance at 1 January 2015	2 256	33 133	(457)	79	(69)	1 096	18 490	5 849	60 377
Comprehensive income	-	-	-	-	4	-	-	-	4
Net gain on cash flow hedge	-	-	-	-	4	-	-	-	4
Currency translation difference from continuing operations	-	-	-	-	-	(306)	-	(3)	(309)
Currency translation difference from discontinued operations	-	-	-	-	-	(370)	-	597	227
Profit (loss) for the period from continuing operations	-	-	-	-	-	-	1 161	(48)	1 113
Profit (loss) for the period from discontinued operations	-	-	-	-	-	-	(569)	108	(461)
Total comprehensive income	-	-	-	-	4	(676)	592	654	574
Balance at 31 March 2015	2 256	33 133	(457)	79	(65)	420	19 082	6 503	60 951

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**CONSOLIDATED STATEMENT OF CASH FLOWS**

		January – March	
	Notes	2015	2014
Operating activities			
Profit for the period		652	445
Income tax including discontinued operations	7, 16	47	46
<i>Adjustments for:</i>			
Depreciation and amortisation	3, 10	1 225	1 540
Impairment-related expenses	5	405	250
Accruals of buildings lease payments, PBH contracts		270	763
Interest expenses	6	215	262
Fair value profit on derivative financial instruments		(4)	9
Discounting effect on financial assets	6	(6)	4
(Profit) / loss of PPE disposals		(9)	(15)
Amortisation of government grants		(64)	-
Interest income		(222)	(91)
Currency translations differences		(953)	(37)
<i>Changes in working capital:</i>			
- Inventories		(1 113)	(1 269)
- Trade and other receivables		(4 329)	(7 306)
- Short-term bank deposits		14	-
- Trade and other payables, advances received		2 139	6 099
- Security deposits received		21	51
Cash generated from operations		(1 712)	751
Interest received		10	13
Interest paid		(182)	(224)
Income tax paid		(63)	-
Net cash generated from operating activities from continuing operations		(1 947)	540
Net cash generated from operating activities from discontinued operations		2 966	-
Net cash generated from (used in) operating activities		1 019	540
Investing activities			
Purchase of PPE and intangible assets		(330)	(2 960)
Proceeds from PPE and intangible assets		216	67
Loans granted		-	(2)
Repayments of loans granted		2 001	-
Deposits placed		(38)	(350)
Repayments of deposits placed		64	2
Government grants received		180	-
Net cash (from) used in investing activities		2 093	(3 243)
Net cash generated from (used in) investing activities from discontinued operations		(1 605)	-
Net cash generated from (used in) investing activities		488	(3 243)

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CONSOLIDATED STATEMENT OF CASH FLOWS (CONTINUED)

		January – March	
	Notes	2015	2014
Financing activities			
Increase of non-controlling interests		-	11
Bank borrowings received		1 155	51
Repayments of bank borrowings		(875)	(486)
Borrowings from related parties received		-	682
Repayments of borrowings from related parties		-	(1 269)
Other borrowings received		-	9
Repayments of lease liabilities		(328)	(226)
Net cash generated from (used in) financing activities from continuing operations		(48)	(1 228)
Net cash generated from financing activities from discontinued operations		-	-
Net cash generated from (used in) financing activities		(48)	(1 228)
 Increase in cash and cash equivalents		 1 459	 (3 931)
At beginning of period	12	(8 206)	3 121
Increase (decrease) in cash and cash equivalents		1 459	(3 931)
At end of period	12	(6 747)	(810)

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**NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION****1 Accounting policies**

The consolidated interim financial information for the three-month period ended 31 March 2015 (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 2014.

The presentation currency is euro. The consolidated financial information is presented in thousands of euro, unless indicated otherwise. The consolidated financial information is prepared under the historical cost convention. The previous year comparative information is converted based on the official (Central Bank) conversion rate which is fixed as EUR 1.00 = LTL 3.4528.

The consolidated interim financial information for the three-month period ended 31 March 2015 is not audited. Financial Statements for the year ended 31 December 2014 were audited by the external auditor *PricewaterhouseCoopers UAB*.

2 Investments in subsidiaries and associates

The consolidated group (hereinafter *the Group*) consists of the Company, its subsidiaries and associates. The subsidiaries and associates are listed below.

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2015	31-12-2014	31-03-2014	
Avia Solutions Group - Airports Management OOO	Russia	Airport Infrastructure Management (classified as discontinued)	100	100	100	The subsidiary was established on 14 March 2014 (Notes 15, 16). The company's portfolio includes holding the development of the Moscow's fourth airport – Ramenskoye International.
Avia Solutions Group B.V.	Netherlands	The associate	30	30	-	The associate was acquired in the third quarter 2014 (Note 15).
AviationCV.com UAB	Lithuania	Crew Training and Staffing	100	100	100	The subsidiary was established in spring of 2011. The company provides aviation personnel solutions.
Baltic Aviation Academy UAB	Lithuania	Crew Training and Staffing	100	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	100	The subsidiary was acquired on 31 October 2008. The company provides aircraft ground handling and fuelling services in Lithuania.
Baltic Ground Services Sp.z.o.o.	Poland	Aircraft Ground Handling and Fuelling	100	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 fuelling services in Poland.
Baltic Ground Services s.r.l.	Italy	Aircraft Ground Handling and Fuelling	100	100	100	The subsidiary was established in winter of 2010. It is a direct subsidiary of Baltic Ground Services UAB. The shareholder initiated the liquidation procedure of the subsidiary.
Baltic Ground Services UA TOV	Ukraine	Aircraft Ground Handling and Fuelling	100	100	100	The subsidiary was established in summer of 2011. It is a direct subsidiary of Laserpas UAB. The subsidiary does not conduct active operations.
Baltic Ground Services RU OOO	Russia	Aircraft Ground Handling and Fuelling	100	-	-	The subsidiary was established on 23 March 2015 (Note 15). It is a direct subsidiary Baltic Ground Services UAB. The company will provide aircraft ground handling and fuelling services in Russia.

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2 Investments in subsidiaries and associates (continued)

The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2015	31-12-2014	31-03-2014	
Laserpas UAB (before Ground Handling CIS UAB)	Lithuania	Private Jet Charter and Flights Operations	100	100	100	The subsidiary was established in summer of 2011. It is a direct subsidiary of Baltic Ground Services UAB. The subsidiary has started preparations for unmanned aerial flight operations.
FL Technics AB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was established on 22 December 2005. In summer of 2007 the company started aircraft maintenance, repair and overhaul (MRO) services.
FL Technics Jets UAB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was acquired on 1 December 2010. The company provides maintenance services for business aircraft.
FL Technics Line OOO	Russia	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	93	93	93	The subsidiary was established in summer of 2011. It is a direct subsidiary of FL Technics AB. The company provides aircraft line station services and sells spare parts in Russia and the CIS.
FL Technics Ulyanovsk OOO	Russia	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	99	99	99	The subsidiary was established in summer of 2011. It is a direct subsidiary of FLT Trading House UAB. The subsidiary does not conduct active operations.
FLT Trading House UAB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was acquired on 19 November 2010. The subsidiary does not conduct active operations.
Globus Distributions OAO	Russia	Airport Infrastructure Management (classified as discontinued)	99.983	99.983	-	It is a direct subsidiary of Avia Solutions Group – Airports Management OOO. The subsidiary was established on 30 September 2014. The subsidiary does not conduct any significant active operations (Notes 15, 16).
Helisota UAB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was acquired on 16 December 2013. The company provides maintenance, repair and overhaul services for helicopters.
Kauno aviacijos gamykla UAB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was acquired on 16 December 2013. It is a direct subsidiary of Helisota UAB. The subsidiary does not conduct any significant active operations.
Locatory.com UAB	Lithuania	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	95	95	95	The subsidiary was established on 7 December 2010. Starting summer 2012, the company is acting as an aircraft parts locator and offers innovative tools for aircraft parts procurement.
RAMPORT AERO OAO	Russia	Airport Infrastructure Management (classified as discontinued)	75	75	-	It is a direct subsidiary of Avia Solutions Group – Airports Management OOO. The subsidiary was established on 30 July 2014 (Notes 15, 16). Starting autumn 2014 the subsidiary is engaged in construction and development of the Moscow's fourth airport – Ramenskoye International.
Small Planet Airlines s.r.l.	Italy	The associate	-	-	35.5	The subsidiary was established on 17 February 2010. In summer of 2011 the company started charter operations in Italy. On 16 April 2014 the Company sold its 35.50% stakes in the subsidiary to the third parties (Note 15).
Storm Aviation Ltd.	The United Kingdom	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	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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The Group's companies	Country of establishment	Operating segment	Share of equity, %			Date of acquiring/establishment and activity
			31-03-2015	31-12-2014	31-03-2014	
Storm Aviation (Cyprus) Ltd.	Republic of Cyprus	Aircraft and Helicopter Maintenance, Repair and Overhaul (MRO)	100	100	100	The subsidiary was acquired on 30 September 2011. It is a direct subsidiary of Storm Aviation Ltd. The company provides aircraft line station services in Cyprus.
Verslo skrydžiai UAB	Lithuania	Private Jet Charter and Flights Operations	75	75	75	The subsidiary was established on 9 October 2013. The subsidiary has started business charter activity in summer 2014. On 24 January 2014 the Company sold 25 per cent shareholding in the subsidiary (Note 15).

As at 31 March 2015 the Company had one representative Office (the branch) in the Russian Federation, 1st Tverskaya-Yamskaja Str., 23, building 1, 4th entrance, 4th floor, Moscow and no branches.

The number of full-time staff from continuing operations employed by the Group on 31 March 2015 amounted to 1 595 (31 December 2014: 1 534; 31 March 2014: 1 377). The number of full-time staff employed by the Company on 31 March 2015 amounted to 51 (31 December 2014: 54; 31 March 2014: 50).

3 Segment information

For management purposes, the Group is organized into business units based on the services provided, and has six reportable operating segments:

- (1) aircraft and helicopter maintenance, repair and overhaul (MRO);
- (2) aircraft ground handling and fuelling;
- (3) crew training and staffing;
- (4) private jet charter and flights operations;
- (5) unallocated segment;
- (6) airport infrastructure management (classified as discontinued; Note 16).

The unallocated sales include sales of management services, which cannot be attributed to the other segments. The management assesses the performance of the Group based on Operating 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, cost and operating expenses, other income, other gain/loss and segment operating profit include transfers between business segments. Those transfers are eliminated in consolidation.

The following table present sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit information according to the Group's business segments for the three-month period ended 31 March 2015:

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3 Segment information (continued)

	Aircraft maintenance, repair and overhaul	Aircraft ground handling and fuelling	Pilot and crew training	Private Jet Charter and Flights Operations	Airport Infra- structure Manage- ment*	Unallo- cated	Inter- segment trans- actions	Total
Three-month period ended 31 March 2015								
Continuing operations								
Sales to external customers	24 923	17 222	2 388	556	-	137	-	45 226
Inter-segment sales	437	141	14	-	-	475	(1 067)	-
Total revenue	25 360	17 363	2 402	556	-	612	(1 067)	45 226
Other income	276	66	19	-	-	201	(271)	291
Cost of services and goods purchased	(14 894)	(15 433)	(1 098)	(526)	-	(51)	583	(31 419)
Depreciation and amortisation	(790)	(275)	(123)	(1)	-	(40)	4	(1 225)
Employee related expenses	(6 935)	(1 255)	(459)	(66)	-	(489)	-	(9 204)
Other operating expenses	(2 652)	(317)	(427)	(113)	-	(200)	480	(3 229)
Other gain/(loss) - net	204	299	3	(6)	-	11	(3)	508
Segment operating profit from continuing operations	569	448	317	(156)	-	44	(274)	948
As at 31 March 2015								
Segment assets	90 941	16 908	5 754	570	31 170*	14 803	-	160 146

* As at the balance date the segment is disclosed as held for sale (Note 16).

The following table present sales to external customers, cost and operating expenses, other income, other gain/loss and operating profit information according to the Group's business segments for the three-month period ended 31 March 2014:

	Aircraft maintenance, repair and overhaul	Aircraft ground handling and fuelling	Pilot and crew training	Private Jet Charter and Flights Operations	Airport Infra- structure Manage- ment	Unallo- cated	Inter- segment trans- actions	Total
Three-month period ended 31 March 2014								
Sales to external customers	25 200	11 877	1 623	-	-	62	-	38 762
Inter-segment sales	1 999	3 338	13	-	-	391	(5 741)	-
Total revenue	27 199	15 215	1 636	-	-	453	(5 741)	38 762
Other income	133	46	27	-	-	156	(226)	136
Cost of services and goods purchased	(16 888)	(13 751)	(1 016)	(9)	-	(50)	5 323	(26 391)
Depreciation and amortisation	(1 083)	(279)	(121)	-	-	(30)	(27)	(1 540)
Employee related expenses	(5 505)	(943)	(345)	(20)	-	(367)	-	(7 180)
Other operating expenses	(2 221)	(338)	(235)	(11)	-	(263)	456	(2 612)
Other gain/(loss) - net	(352)	(29)	-	-	-	(2)	-	(383)
Segment operating profit	1 283	(79)	(54)	(40)	-	(103)	(215)	792
As at 31 March 2014								
Segment assets	91 402	17 208	4 626	46	-	2 085	-	115 367

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**3 Segment information (continued)**

Four 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 aircraft ground handling and fuelling and private jet charter and flights operations segments, and in the winter-season (October-April) increase of sales is recorded in aircraft and helicopters maintenance, repair and overhaul (MRO) and crew training segment. The Management motivates these seasonal movements to have a material effect on Group's consolidated revenue.

	January – March	
	2015	2014
4 Cost of goods and services		
Aircraft fuel expenses	14 511	9 477
Cost of goods purchased	7 915	7 257
Cost of purchased services	7 226	8 503
Rent and maintenance of premises	1 077	999
Rent of aircraft, training and other equipment	690	155
	31 419	26 391
5 Other operating expenses		
Transportation and related expenses	985	622
Consultation expenses	427	352
Impairment-related expenses	405	250
Business travel expenses	395	401
Office administrative, communications and IT expenses	358	350
Marketing and sales expenses	209	222
Insurance expenses	166	199
Other expenses	284	216
	3 229	2 612
6 Finance income and costs		
Foreign exchange gain on financing activities	658	19
Interest income on cash and cash equivalents	12	4
Unwinding of discounted financial assets placed	10	-
Other finance income	91	-
Finance income	771	23
Interest expenses on borrowings	(215)	(262)
Unwinding of discounted financial assets received	(4)	(4)
Fair value adjustment of financial guarantees issued	-	(47)
Other finance costs	(226)	(11)
Finance costs	(445)	(324)
Finance costs – net	326	(301)

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**7 Income tax and deferred income tax**

Domestic income tax is calculated at 15 per cent of the annual profit for the year, in Poland income tax – 19 per cent, in the United Kingdom – 20 per cent, in Russian Federation – 20 per cent, in Ukraine – 19 per cent, in Italy – 27.5 per cent. are calculated at 15% rate (2014: 15% rate), in Poland - at 19% rate (2014: 19% rate), in the United Kingdom – at 20% rate (2014: 20% rate), in Russian Federation – at 20% rate (2014: 20% rate), Ukraine – at 19% rate (2014: 19% rate), in Italy – at 27.5% rate (2014: 27.5% rate).

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. The tax expenses from continuing operations for the period comprise current and deferred tax as follows:

	January – March	
	2015	2014
Current income tax	(442)	(537)
Deferred income tax	281	491
Total income tax expenses	(161)	(46)

8 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 1 LTL per share to 0.29 EUR per share in the Central Securities Depository of Lithuania. On 31 March 2015 the share capital of the Company amounts to EUR 2 255 555 and consists of 7 777 777 ordinary registered shares with a nominal value of 0.29 Euro each (on 31 December 2014 – 7 777 777 ordinary registered shares).

On 10 December 2014 the Company issued additional 1 719 444 ordinary shares. Following the increase of the capital, share premium amounts to EUR 33 133 thousand. On 30 December 2014 newly issued additional shares of the Company were introduced to trading at Warsaw Stock Exchange.

9 Earnings per share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to the parent entity's ordinary equity holders by the weighted average number of ordinary shares in issue during the period. The Group has no dilutive potential ordinary shares and therefore diluted earnings per share are the same as basic earnings per share.

	January – March	
	2015	2014
Profit (loss) attributable to:		
Equity holders of the parent		
Profit (loss) for the period from continuing operations	1 161	474
Profit (loss) for the period from discontinued operations	(569)	-
Profit (loss) for the period attributable to equity holders of the parent	592	474
Weighted average number of ordinary shares (thousand)	7 778	6 058
Basic earnings per share		
From continuing operations	0.149	0.078
From discontinued operations	(0.073)	-
From profit for the period	0.076	0.078

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10 Property, plant and equipment, intangible assets

	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2014	27 822	2 011
Additions	1 227	47
Disposals	(19)	-
Cumulative currency differences	(11)	(2)
Depreciation charge (Note 3)	(1 399)	(141)
Closing net book amount as at 31 March 2014	27 620	1 915
Opening net book amount as at 1 January 2015	24 211	1 792
Additions (continuing operations)	1 229	52
Disposals	(77)	-
Cumulative currency differences (continuing operations)	80	8
Depreciation charge (continuing operations, Note 3)	(1 141)	(84)
Closing net book amount as at 31 March 2015	24 302	1 768

11 Trade and other receivables

	31 March 2015	31 December 2014
Trade receivables	32 806	30 017
Less: provision for impairment of trade receivables	(2 484)	(2 476)
Trade receivables – net	30 322	27 541
Loans granted	3 566	5 571
Less: provision for impairment of loans granted	(25)	(25)
Loans granted - net	3 541	5 546
Prepayments	3 437	2 824
Less: provision for impairment of prepayments	(507)	(507)
Prepayments – net	2 930	2 317
Other receivables	506	553
Less: provision for impairment of other receivables	(131)	(141)
Other receivables – net	375	412
Leasehold receivables	372	480
Discounting of leasehold receivables	(65)	(22)
Leasehold receivables – net	307	458
Receivables from related parties	251	128
Less: provision for impairment of trade receivables from related parties	(4)	(4)
Receivables from related parties - net (Note 17)	247	124
Receivables from investment in bonds from other related parties (Note 17)	6 916	6 166
VAT receivables	3 707	2 103
Deferred charges	1 412	970
Security deposit – net	849	926
Loans granted to related parties – net (Note 17)	664	663
Deferred revenue	567	1 515
Other receivables from related parties – net (Note 17)	213	128
Deferred charges to related parties (Note 17)	-	36
	52 050	48 905
Less non-current portion :	(8 173)	(7 318)
Current portion :	43 877	41 587

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	31 March 2015	31 December 2014
12 Cash and cash equivalents		
Cash and cash equivalents	8 054	6 820
Bank overdraft	(14 801)	(15 026)
	(6 747)	(8 206)
13 Inventories		
Spare parts and materials – gross amount	28 949	28 229
Less: provision for impairment of inventories	(2 153)	(1 834)
Spare parts and materials	26 796	26 395
Goods for sale	5 849	5 379
Aircraft fuel	1 042	1 266
Work in progress	107	53
Goods in transit	3	58
Other inventories	557	507
	34 354	33 658
14 Trade and other payables		
Trade payables	20 247	21 923
Accruals for hangar lease payments, PBH contracts and other accrued expenses	6 142	4 791
Salaries and social security payable	2 694	1 762
Deferred revenue	793	538
Amounts payable to related parties (Note 17)	382	300
Provisions	282	239
Other payables	664	644
	31 204	30 197
Less: non-current portion	(309)	(322)
Current portion	30 895	29 875
15 Business combination and disposals		

Establishment in 2015

On 23 March 2015, *Baltic Ground Services RU OOO* was established by the Company's subsidiary *Baltic Ground Services UAB*. The investment in the subsidiary was EUR 10 thousand, forming 100% of its share capital.

Disposals and acquisitions in 2014

On 24 January 2014, the Group sold 25% of the share capital of the subsidiary *Verslo skrydžiai UAB* to *Small Planet Airlines UAB*. Sales proceeds from the disposal of a 25 per cent shareholding in *Verslo skrydžiai UAB* amounted to EUR 10.9 thousand.

On 16 April 2014 the Group sold its 35.50% stake in *Small Planet Airlines s.r.l.* (Italy) to the third parties.

In the third quarter 2014, the Company acquired a 30% of the share capital in *Avia Solutions Group B.V.* The investment in the associate was EUR 7.5 thousand. The Group's investments in its associate as at 31 March 2015 amounted to EUR 0 thousand through post-acquisition changes in the Group's share of net assets of the associate (31 December 2014: EUR 0).

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**15 Business combination and disposals (continued)**

In February 2014 *Avia Solutions Group AB* signed the agreement for sale 49% stakes in *Baltic Aviation Academy UAB* to third party. On 15 April 2014 the first stage of sale transaction was completed: *Avia Solutions Group AB* sold its 23.09% stakes in *Baltic Aviation Academy UAB* to the third party. On 26 June 2014 the Group completed the sale of 49 percent of shares of its subsidiary – *Baltic Aviation Academy UAB*. Sales proceeds from the disposal of a 49 percent shareholding in *Baltic Aviation Academy UAB* amounted to EUR 1.28 million. Following the sale *Avia Solutions Group AB* remained the major shareholder of *Baltic Aviation Academy UAB* with a 51 per cent shareholding. In September 2014 *Avia Solutions Group AB* completed a buy-back of 49% of the share capital in *Baltic Aviation Academy UAB* from an unrelated third party. In June 2014 the Seller purchased 49 percent stake in the Subsidiary, however was unable to fulfil certain condition subsequent relating to business development. As a result the Company exercised call option and bought back entire shareholding in *Baltic Aviation Academy* at consideration received during the sale of the entity that amounted to EUR 1.28 million.

Establishments in 2014

On 14 March 2014, the Company established the subsidiary *Avia Solutions Group – Airports Management OOO*. The investment in the subsidiary was EUR 20 thousand, forming 100% of the share capital of the subsidiary. On 30 July 2014, *Avia Solutions Group – Airports Management OOO* established the subsidiary *RAMPORT AERO OAO*. The investment in the subsidiary was RUB 1 billion (equivalent to USD 26.8 million at the date of share capital formation), forming 75% of the share capital of the subsidiary. On 30 September 2014, *Avia Solutions Group – Airports Management OOO* established the subsidiary *Globus Distributions OAO*. The investment in the subsidiary was RUB 10 million (equivalent to USD 261 thousand at the date of share capital formation), forming 99.983% of the share capital of the subsidiary.

The assets and liabilities related to *Avia Solutions Group – Airports Management OOO* and its subsidiaries have been presented as held for sale on the 31 March 2015 balance sheet (more details in Note 16).

16 Non-current assets held for sale and discontinued operations

Further stages of development of Airport Infrastructure Development and Management activity through Group's subsidiary – *Avia Solutions Group – Airports Management OOO* will require additional equity in the project. The decision to attract additional shareholders to this Group's subsidiary has resulted, that assets and liabilities, related to *Avia Solutions Group – Airports Management OOO* companies, to be presented as held for sale in the consolidated balance sheet as at 31 March 2015. The completion date for the transaction is expected by September 2015.

GROUP

	31 March 2015	31 December 2014
(a) Assets of disposal group classified as held for sale		
Property, plant and equipment	10 718	8 395
Deferred income tax assets	1 972	1 564
Trade receivables	2 339	735
Short-term bank deposits	15 288	15 747
Cash and cash equivalents	853	1 179
Total, excluding IC transactions with the Group	31 170	27 20
(b) Liabilities of disposal group classified as held for sale		
Non-current liabilities	25 972	22 761
Deferred income tax liabilities	918	1 063
Trade and other payables	1 563	844
Total, excluding IC transactions with the Group	28 453	24 668
IC transactions with the Group	(8)	(197)
Total, including IC transactions with the Group	28 445	24 471

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16 Non-current assets held for sale and discontinued operations (continued)
(c) Revenue, cost of sales and income tax expenses of disposal group classified as held for sale

	January – March	
	2015	2014
Revenue	61	-
Cost of sales	(4)	-
Gross profit from discontinued operations	57	-
(Loss) before income tax for the period from discontinued operations	(575)	-
Income tax expense	114	-
(Loss) for the period from discontinued operations	(461)	-

(d) Non-current assets classified as held for sale

During November 2014 the subsidiary decided to sell four aircraft engines and on 30 November 2014 it met the conditions to be classified as held for sale:

	31 March 2015	31 December 2015
Cost of asset	3 042	3 042
Accumulated depreciation	(1 987)	(1 987)
Net book value of non-current assets held for sale	1 055	1 055

17 Related party transactions

Related parties of the Company and the Group include entities having significant influence over the Company, key management personnel of the Group and other related parties. Entities having significant influence over the Company and the Group are *ZIA Valda Cyprus Ltd* and *ZIA Valda AB* (the sole shareholder of *ZIA Valda Cyprus Ltd*). Transactions with these companies are presented separately. Related parties also include subsidiaries of *ZIA Valda AB* group. They are presented as other related parties. Related parties of the Company also include subsidiaries of the Group. The following transactions were carried out with related parties:

	January – March	
	2015	2014
Sales of services to:		
Entities having significant influence	3	-
Other related parties	152	1 344
	155	1 344
Total sales of assets and services	155	1 344
Purchases of assets from:		
Other related parties	-	4
	-	4
Purchases of services from:		
Entities having significant influence	13	6
Other related parties	452	457
	465	463
Total purchases of assets and services	465	467

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**17 Related party transactions (continued)**

	31 March 2015	31 December 2014
Trade receivables from related parties		
Receivables from investment in bonds from related parties	6 916	6 166
Loans provided to related parties (Note 11)	664	663
Trade receivables from related parties (Note 11)	247	124
Other receivables from related parties (Note 11)	213	128
Deferred charges to related parties	-	36
	8 040	7 117
Payables and advances received from related parties		
Loans received from related parties	2 296	2 048
Trade and other payables to related parties (Note 14)	382	300
Advances received from related parties	39	140
	2 717	2 488

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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 Bank of Lithuania, We, Linas Dovydenas, General Director 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 unaudited *Avia Solutions Group AB* Interim Consolidated Financial Information for the three-month period ended 31 March 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 of undertakings.

General Manager
Linas Dovydenas

A blue ink signature of Linas Dovydenas, consisting of stylized, overlapping loops and a long horizontal stroke.

15 May, 2015

Chief Financial Officer
Aurimas Sanikovas

A blue ink signature of Aurimas Sanikovas, featuring a large, stylized 'A' with a vertical line extending downwards.