

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014
UNAUDITED

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONTENTS	Pages
CONSOLIDATED INTERIM STATEMENTS OF COMPREHENSIVE INCOME	3
CONSOLIDATED INTERIM BALANCE SHEETS	4
CONSOLIDATED INTERIM STATEMENTS OF CHANGES IN EQUITY	5 – 6
CONSOLIDATED STATEMENTS OF CASH FLOW	7
NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION	8 – 20
CONFIRMATION OF RESPONSIBLE PERSONS	21

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONSOLIDATED INTERIM STATEMENT OF COMPREHENSIVE INCOME

	Note	July – September				January – September			
		2014		2013		2014		2013	
		USD	LTL	USD	LTL	USD	LTL	USD	LTL
Revenue	3	41,675	108,222	10,952	28,602	115,976	295,356	26,194	68,705
Interest income on loans		1,428	3,656	77	201	2,180	5,551	174	457
Depreciation and amortisation		(1,210)	(3,148)	(2,461)	(6,420)	(3,564)	(9,077)	(6,814)	(17,871)
Impairment of receivables and prepayments		-	-	-	-	(341)	(867)	-	-
Costs of aircraft sold		(34,093)	(88,287)	(5)	(11)	(86,104)	(219,281)	(269)	(705)
Costs of services rendered		(410)	(1,181)	(745)	(1,954)	(5,278)	(13,442)	(745)	(1,954)
Aircraft maintenance and servicing expenses		(743)	(2,051)	(1,428)	(3,726)	(6,342)	(16,152)	(3,756)	(9,851)
Employee-related expenses	4	(166)	(435)	(176)	(457)	(607)	(1,546)	(507)	(1,329)
Other operating expenses	5	(324)	(849)	(408)	(1,066)	(1,157)	(2,946)	(1,045)	(2,741)
Gain on sale of subsidiaries		-	-	-	-	5,251	13,374	-	-
Gain (loss) on sale of property, plant and equipment (net)		(1)	(1)	-	-	4,377	11,145	-	-
Other gain (losses) net		133	533	(204)	(538)	2,870	7,306	225	584
Operating profit		6,289	16,459	5,602	14,631	27,261	69,421	13,457	35,295
Finance income	6	517	1,321	837	2,192	623	1,588	1,266	3,320
Finance costs	6	(1,284)	(3,311)	(128)	(311)	(2,897)	(7,377)	(3,178)	(8,335)
Finance costs – net		(767)	(1,990)	709	1,881	(2,274)	(5,789)	(1,912)	(5,015)
Profit (loss) before income tax		5,522	14,469	6,311	16,512	24,987	63,632	11,545	30,280
Income tax	7	(840)	(2,191)	(947)	(2,477)	(2,739)	(6,974)	(1,732)	(4,542)
Profit (loss) for the period		4,682	12,278	5,364	14,035	22,248	56,658	9,813	25,738
Other comprehensive income									
Currency translation differences on translation to presentation currency		-	17,576	-	(5,719)	-	19,521	-	(4,351)
Total other comprehensive income		-	17,576	-	(5,719)	-	19,521	-	(4,351)
Total comprehensive income		4,682	29,854	5,364	8,316	22,248	76,179	9,813	21,387
Basic and diluted earnings per share (USD/LTL)	8	0.11	0.28	0.12	0.32	0.51	1.31	0.23	0.59

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONSOLIDATED INTERIM BALANCE SHEET

	Note	30 September 2014		31 December 2013	
		USD	LTL	USD	LTL
ASSETS					
Non-current assets					
Property, plant and equipment	9	33,158	90,217	42,838	107,516
Prepayments for property, plant and equipment		6,500	17,685	-	-
Intangible assets		1	4	2	5
Investments in associates and jointly controlled entities		4	10	-	-
Investments in other entities		1,345	3,660	-	-
Loans granted	11	10,125	27,549	9,958	24,993
Trade and other receivables	12	148	403	160	402
Deferred income tax assets		-	-	875	2,195
		51,281	139,528	53,833	135,111
Current assets					
Inventory	10	1,057	2,877	1,997	5,013
Loans granted	11	19,148	52,097	9,432	23,671
Trade and other receivables	12	8,286	22,545	19,842	49,800
Prepaid income tax		754	2,053	553	1,388
Cash and cash equivalents	13	39,582	107,696	43,953	110,314
		68,827	187,268	75,777	190,186
Total assets		120,108	326,796	129,610	325,297
EQUITY					
Equity attributable to the Group's equity shareholders					
Share capital	14	16,804	43,306	16,804	43,306
Share premium		27,972	72,088	27,972	72,088
Legal reserve		1,133	2,953	1,131	2,947
Revaluation reserve		3,431	8,612	3,431	8,612
Cumulative translation reserve		-	11,077	-	(8,444)
Retained earnings		43,528	114,643	24,824	67,625
Total equity		92,868	252,679	74,162	186,134
LIABILITIES					
Non-current liabilities					
Borrowings	15	11,490	31,262	27,821	69,826
Security deposits received	17	3,362	9,147	4,464	11,203
Deferred income tax liabilities		1,033	2,812	-	-
		15,885	43,221	32,285	81,029
Current liabilities					
Borrowings	15	2,726	7,416	4,297	10,785
Trade and other payables	16	2,854	7,767	6,468	16,231
Security deposits received	17	-	-	3,875	9,727
Advances received	16	69	188	4,270	10,717
Current income tax liabilities		5,706	15,525	4,253	10,674
		11,355	30,896	23,163	58,134
Total liabilities		27,240	74,117	55,448	139,163
Total equity and liabilities		120,108	326,796	129,610	325,297

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY

USD	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Retained earnings	Total equity
Balance at 1 January 2013		12,232	-	1,131	12,195	(2,958)	22,600
Comprehensive income							
Revaluation of aircraft		-	-	-	(10,310)	-	(10,310)
Deferred income tax on revaluation of aircraft		-	-	-	1,546	-	1,546
Other comprehensive income (loss)		-	-	-	(8,764)	-	(8,764)
Profit for the year		-	-	-	-	27,782	27,782
Total comprehensive income		-	-	-	(8,764)	27,782	19,018
Transactions with owners							
Increase of share capital of the Company		4,572	29,463	-	-	-	34,035
Cost of capital increase		-	(1,491)	-	-	-	(1,491)
Transfer to reserves		-	-	-	-	-	-
Dividends		-	-	-	-	-	-
Total transactions with owners		4,572	27,972	-	-	-	32,544
Balance at 31 December 2013/ 1 January 2014		16,804	27,972	1,131	3,431	24,824	74,162
Comprehensive income							
Profit for the period		-	-	-	-	22,248	22,248
Total comprehensive income		-	-	-	-	22,248	22,248
Transactions with owners							
Increase of share capital of the Company		-	-	-	-	-	-
Royalties		-	-	-	-	(66)	(66)
Transfer to reserves		-	-	2	-	-	2
Dividends		-	-	-	-	(3,478)	(3,478)
Total transactions with owners		-	-	2	-	(3,544)	(3,542)
Balance at 30 September 2014		16,804	27,972	1,133	3,431	43,528	92,868

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONSOLIDATED INTERIM STATEMENT OF CHANGES IN EQUITY (CONTINUED)

LTL	Note	Share capital	Share premium	Legal reserve	Revaluation reserve	Cum. trans.	Retained earnings	Total equity
Balance at 1 January 2013		29,448	-	2,947	31,779	(652)	(4,640)	58,882
Comprehensive income								
Revaluation of aircraft		-	-	-	(27,047)	-	-	(27,047)
Deferred income tax on revaluation of aircraft		-	-	-	3,880	-	-	3,880
Currency translation differences		-	-	-	-	(7,792)	-	(7,792)
Other comprehensive income (loss)		-	-	-	(23,167)	(7,792)	-	(30,959)
Profit for the year		-	-	-	-	-	72,265	72,265
Total comprehensive income		-	-	-	(23,167)	(7,792)	72,265	41,306
Transactions with owners								
Increase of share capital of the Company		13,858	75,930	-	-	-	-	89,788
Cost of capital increase		-	(3,842)	-	-	-	-	(3,842)
Transfer to reserves		-	-	-	-	-	-	-
Dividends		-	-	-	-	-	-	-
Currency translation differences		-	-	-	-	-	-	-
Total transactions with owners		13,858	72,088	-	-	-	-	85,946
Balance at 31 December 2013/ 1 January 2014		43,306	72,088	2,947	8,612	(8,444)	67,625	186,134
Comprehensive income								
Currency translation differences		-	-	-	-	19,521	-	19,521
Other comprehensive income (loss)		-	-	-	-	19,521	-	19,521
Profit for the period		-	-	-	-	-	56,658	56,658
Total comprehensive income		-	-	-	-	19,521	56,658	76,179
Transactions with owners								
Increase of share capital of the Company		-	-	-	-	-	-	-
Royalties		-	-	-	-	-	(178)	(178)
Transfer to reserves		-	-	6	-	-	-	6
Dividends		-	-	-	-	-	(9,462)	(9,462)
Total transactions with owners		-	-	6	-	-	(9,640)	(9,634)
Balance at 30 September 2014		43,306	72,088	2,953	8,612	11,077	114,643	252,679

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

CONSOLIDATED INTERIM STATEMENT OF CASH FLOW

	Note	9 months ended 30 September			
		2014		2013	
		USD	LTL	USD	LTL
Operating activities					
Profit (loss) before income tax		24,987	63,632	11,545	30,280
<i>Adjustments for:</i>					
Depreciation and amortisation		3,564	9,077	6,814	17,871
Impairment of accounts receivables and prepayments		341	867	-	-
Discounting effect		130	331	282	739
Finance costs – net		920	2,344	3,549	9,307
Gain on sale of subsidiaries		(5,251)	(13,374)	-	-
Profit / Loss from sale of fixed assets		(4,377)	(11,145)	549	1,440
<i>Changes in working capital:</i>					
Trade and other receivables		(2,089)	(5,316)	(2,545)	(6,672)
Trade and other payables		(3,033)	(7,724)	(2,203)	(5,777)
Security deposits and advances received		292	745	38,320	100,506
Prepayments		-	-	(27,104)	(71,089)
Inventory		179	455	(3,608)	(9,462)
Cash generated from operations		15,663	39,892	25,599	67,143
Interest paid		(1,250)	(3,183)	(2,329)	(6,109)
Income tax paid		(901)	(2,295)	(658)	(1,727)
Net cash generated from operating activities		13,512	34,414	22,612	59,307
Investing activities					
Purchase of property, plant and equipment and intangible assets		(21,198)	(53,985)	(4,561)	(11,964)
Prepayments for property plant and equipment		(6,500)	(16,554)	-	-
Sale of property, plant and equipment and intangible assets		21,900	55,773	91	237
Investments in other entities		(1,345)	(3,426)	-	-
Loans granted		(41,828)	(106,522)	(1,741)	(4,567)
Loans repaid		34,131	86,921	1,502	3,939
Interest received		105	269	-	-
Net cash used in investing activities		(14,735)	(37,524)	(4,709)	(12,355)
Financing activities					
Proceeds from issuance of ordinary shares		-	-	32,702	85,770
Dividends paid		(1,212)	(3,087)	(2,007)	(5,264)
Repayment of borrowings		-	-	(8,429)	(22,106)
Lease (finance lease) payments		(1,936)	(4,931)	(2,048)	(5,370)
Net cash generated from (used in) financing activities		(3,148)	(8,018)	20,218	53,030
Increase in cash and cash equivalents		(4,371)	(11,128)	38,121	99,982
Movement in cash and cash equivalents					
At the beginning of the period		43,953	110,314	8,081	21,060
Increase in cash and cash equivalents		(4,371)	(11,128)	38,121	99,982
Foreign translation differences		-	8,510	-	(2,820)
At the end of the period	13	39,582	107,696	46,202	118,222

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 General information

AviaAM Leasing AB (referred to as *the Company*) is a public limited liability company incorporated at State Enterprise Centre of the Republic of Lithuania as at 6 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 30 September 2014 was as follows:

	Number of shares	%
ZIA Valda Cyprus Leasing Limited	17,078,622	39.44
Mesotania Holdings Limited	10,899,858	25.17
Linus Dovydenas	441,717	1.02
Aurimas Sanikovas	294,478	0.68
Gediminas Žiemelis	162,962	0.38
Tadas Goberis	147,239	0.34
ING Otworthy Fundusz Emerytalny (Open pension fund)	5,000,000	11.54
Other shareholders	9,280,717	21.43
Total	43,305,593	100.00

The Company and its subsidiaries (together, *the Group*) are engaged in the business of aircraft leasing 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 30 September 2014 the Group owned 12 aircraft: 1 Boeing 737-300, 3 Boeing 737-500 and 8 Bombardier CRJ200 aircraft. All aircraft were leased out under operating lease contracts.

The subsidiaries, 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 30 September 2014	As at 31 December 2013	
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 B03 UAB	Lithuania	-	100	Date of acquiring: 22 January 2010 / Date of sale: 30 April 2014 / Aircraft leasing / Saltoniškių g. 29, 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 LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

1 General information (continued)

The Group's companies	Country of establishment	Share of equity, %		Date of acquiring (establishment) / activity / address of establishment
		As at 30 September 2014	As at 31 December 2013	
AviaAM B06 UAB	Lithuania	100	100	Date of establishment: 15 July 2011 / Aircraft leasing / Smolensko g. 10, Vilnius
AviaAM B07 UAB	Lithuania	100	100	Date of establishment: 30 September 2011 / Aircraft leasing / Smolensko g. 10, Vilnius
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 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM11, Bermuda
AviaAM B09 Ltd	Bermuda	100*	100*	Date of establishment: 27 June 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
Ice Aircraft Management Ltd	Bermuda	100*	100*	Date of establishment: 23 October 2013 / Aircraft leasing / Crawford House, 50 Cedar Avenue, Hamilton HM 11, Bermuda
Boulevard Two Aircraft Ltd	Ireland	100*	100*	Date of acquiring: 20 December 2013 / Aircraft leasing / 70 Sir John Rogerson's Quay, Dublin 2, Ireland

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

2 Accounting policies

The consolidated interim financial information for the nine month period ended 30 September 2014 (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 2013.

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 Lithuanian Litas (LTL) and all values are rounded to the nearest thousand (USD'000 and LTL '000) except when otherwise indicated.

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

2 Accounting policies (continued)

The Consolidated Interim Financial Information for the nine month period ended 30 September 2014 is not audited. Financial Statements for the year ended 31 December 2013 were audited by external auditor PricewaterhouseCoopers UAB.

3 Revenue

	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Sales of aircraft	91,150	232,132	1,431	3,754
Lease revenue	12,751	32,473	16,823	44,125
Commission income	7,575	19,291	2,878	7,550
Supplemental maintenance rent	4,500	11,460	5,062	13,276
	115,976	295,356	26,194	68,705

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):

	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Lease, sale and aircraft transaction management customers				
Customer F	72,500	184,636	2,878	7,550
Customer L	18,500	47,114	-	-
Customer B	9,020	22,971	8,484	22,252
Customer A	-	-	8,869	23,260
Customer C	-	-	3,081	8,080
Customer D	-	-	2,682	7,034
Customer E	-	-	-	-
Other customers	15,956	40,635	200	529
	115,976	295,356	26,194	68,705

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

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

3 Revenue (continued)

Country	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Bermuda	91,000	231,750	-	-
Russia	11,764	29,959	8,483	22,253
Iceland	4,575	11,651	2,878	7,550
Hong Kong	3,000	7,640	-	-
Belarus	1,970	5,017	-	-
Tajikistan	1,192	3,036	2,682	7,034
Kazakhstan	1,090	2,776	8,869	23,260
Lithuania	620	1,579	2,162	5,670
Italy	765	1,948	1,120	2,938
	115,976	295,356	26,194	68,705

4 Employee related expenses

	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Salaries	458	1,167	380	998
Social insurance expenses	149	379	127	331
	607	1,546	507	1,329

5 Other operating expenses

	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Legal and translation expenses	414	1,054	294	771
Management services	193	492	166	435
Travelling expenses	114	290	110	288
Representation expenses	89	227	72	189
Marketing expenses	78	199	132	346
Insurance expenses	42	107	63	164
Audit and accounting expenses	36	91	24	62
Bank fees	32	81	13	34
Expenses related to listing of shares	30	76	-	-
Other administrative expenses	129	329	171	452
	1,157	2,946	1,045	2,741

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

6 Finance costs – net

	9 months ended 30 September			
	2014		2013	
	USD	LTL	USD	LTL
Interest income on cash and cash equivalents	7	18	34	89
Discounting of security deposits received	62	158	160	419
Unwinding of discount of non-current receivables and loans from related parties	18	46	129	339
Other finance income	18	46	176	462
Foreign exchange gain on financing activities	518	1,320	767	2,011
Finance income	623	1,588	1,266	3,320
Interest expenses	(1,250)	(3,183)	(2,329)	(6,109)
Foreign exchange loss on financing activities	(1,416)	(3,606)	(144)	(378)
Unwinding of discount of security deposits received	(210)	(535)	(569)	(1,492)
Other finance costs	(21)	(53)	(136)	(356)
Finance costs	(2,897)	(7,377)	(3,178)	(8,335)
Finance costs – net	(2,274)	(5,789)	(1,912)	(5,015)

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 (2013: 15% rate).

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.

	July - September				January – September			
	2014		2013		2014		2013	
	USD	LTL	USD	LTL	USD	LTL	USD	LTL
Net profit attributable to shareholders	4,682	12,278	5,364	14,035	22,248	56,658	9,813	25,738
Weighted average number of ordinary shares issued	43,306		43,306		43,306		43,306	
Basic earnings per share (USD/LTL)	0.11	0.28	0.12	0.32	0.51	1.31	0.23	0.59

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

8 Earnings per share (continued)

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 2013	60,027	4,077	9	64,113
Additions	9,146	400	212	9,758
Disposals	(7,011)	-	-	(7,011)
Reclassifications	751	(1,118)	-	(367)
Depreciation charge	(9,292)	-	(11)	(9,303)
Revaluation surplus	584	951	-	1,535
Revaluation loss	(14,803)	(1,084)	-	(15,887)
Closing net book amount as at 31 December 2013	39,402	3,226	210	42,838
At 31 December 2013				
Cost or valuation	39,402	3,226	230	42,858
Accumulated depreciation	-	-	(20)	(20)
Net book amount	39,402	3,226	210	42,838
Opening net book amount as at 1 January 2014	39,402	3,226	210	42,838
Additions	22,300	750	(1)	23,049
Disposals	(29,145)	-	(1)	(29,146)
Reclassifications	3,226	(3,226)	-	-
Depreciation charge	(2,564)	-	(19)	(3,583)
Closing net book amount as at 30 September 2014	32,219	750	189	33,158
At 30 September 2014				
Cost or valuation	32,219	750	228	33,197
Accumulated depreciation	-	-	(39)	(39)
Net book amount	32,219	750	189	33,158

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

9 Property, plant and equipment (continued)

LTL	Aircraft and engines	Aircraft and engines under preparation for use	Other tangible fixed assets	Total
Opening net book amount as at 1 January 2013	156,429	10,626	24	167,079
Additions	23,791	1,040	551	25,382
Disposals	(18,237)	-	-	(18,237)
Reclassifications	1,954	(2,908)	-	(954)
Depreciation charge	(24,170)	-	(29)	(24,199)
Revaluation surplus	1,519	2,474	-	3,993
Revaluation loss	(38,506)	(2,820)	-	(41,326)
Exchange differences	(3,888)	(315)	(19)	(4,222)
Closing net book amount as at 31 December 2013	98,892	8,097	527	107,516
At 31 December 2013				
Cost or valuation	98,892	8,097	577	107,566
Accumulated depreciation	-	-	(50)	(50)
Net book amount	98,892	8,097	577	107,566
Opening net book amount as at 1 January 2014	98,892	8,097	527	107,516
Additions	56,791	1,910	(3)	58,698
Disposals	(74,224)	-	(3)	(74,227)
Reclassifications	8,216	(8,216)	-	-
Depreciation charge	(9,076)	-	(48)	(9,124)
Exchange differences	7,062	250	42	7,354
Closing net book amount as at 30 September 2014	87,661	2,041	515	90,217
At 30 September 2014				
Cost or valuation	87,661	2,041	613	90,315
Accumulated depreciation	-	-	(98)	(98)
Net book amount	87,661	2,041	515	90,217

Aircraft were pledged to the banks as collateral for borrowings. Carrying amounts of pledged aircraft as at 30 September 2014 and 31 December 2013:

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Aircraft	-	-	8,797	22,079
	-	-	8,797	22,079

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

10 Inventories

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Aircraft components	1,057	2,887	1,997	5,013
	1,057	2,887	1,997	5,013

11 Loans granted

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Non-current loans				
Loans granted to related parties	4,117	11,202	3,583	8,993
Loans granted to third parties	6,008	16,348	6,375	16,000
	10,125	27,549	9,958	24,993
Current loans				
Loans granted to related parties	14,097	38,355	11,695	29,352
Loans granted to third parties	5,051	13,742	7,695	19,312
	19,148	52,097	9,432	23,671
Total loans granted	29,273	79,646	19,390	48,664

12 Trade and other receivables

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Trade receivables from third parties	8,556	23,279	13,916	34,925
Less: provision for impairment of trade receivables	(1,278)	(3,477)	(1,158)	(2,906)
Trade receivables from third parties – net	7,278	19,802	12,758	32,019
Receivables from related parties	1,088	2,960	1,048	2,630
Less: provision for impairment of trade receivables from related parties	(1,048)	(2,851)	(1,048)	(2,630)
Receivables from related parties - net	40	109	-	-
Other receivables	177	482	190	474
Less: provision for impairment of other receivables	(29)	(79)	(29)	(70)
Other receivables - net	148	403	161	404
Prepayments	405	1,102	6,336	15,902
VAT receivables	563	1,532	747	1,877
	8,434	22,947	20,002	50,202
Non-current portion :	(148)	(403)	(160)	(402)
Current portion :	8,286	22,545	19,842	49,800

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

13 Cash and cash equivalents

Cash and cash equivalents are dominated in following currencies:

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
USD	39,046	106,236	42,221	105,967
EUR	359	978	131	329
LTL	163	445	1,601	4,018
PLN	14	37	-	-
Total cash and cash equivalents	39,582	107,696	43,953	110,314

14 Share capital

As at 30 September 2014 and as at 31 December 2013 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 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

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Non-current				
Bank borrowings	-	-	14,270	35,816
Finance lease liabilities	11,490	31,262	13,551	34,010
	11,490	31,262	27,821	69,826
Current				
Bank borrowings	-	-	1,696	4,257
Finance lease liabilities	2,726	7,416	2,601	6,528
	2,726	7,416	4,297	10,785
Total borrowings	14,216	38,678	32,118	80,611

Bank borrowings mature in 2015. Borrowings are secured by the aircraft and guarantees provided by related parties.

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

	30 September 2014	31 December 2013
Bank borrowings	-	6,96%
Finance lease liabilities	7,67%	7,76%

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

16 Trade and other payables and advances received

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Trade and other payables – financial liabilities				
Trade payables	1,182	3,218	1,273	3,191
Trade payables to related parties	919	2,500	1,561	3,919
Salaries and social security payable, including vacation accrual	115	313	169	424
Accruals	638	1,736	3,465	8,697
	2,854	7,767	6,468	16,231
Advance payments received – non-financial liabilities				
Advance payments from customers related to acquisition of aircraft	69	188	4,270	10,717
	69	188	4,270	10,717

17 Security deposits received

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Security deposits repayable after one year at nominal value	4,080	11,101	5,380	13,503
Less: discounting effect	(718)	(1,954)	(916)	(2,300)
Security deposits repayable after one year	3,362	9,147	4,464	11,203
Security deposits repayable within one year	-	-	4,000	10,039
Less: discounting effect	-	-	(125)	(312)
Security deposits repayable within one year	-	-	3,875	9,727
Security deposits	3,362	9,147	8,339	20,930

Average rates used for security deposits discounting are as follows: 2014: 8%; 2013: 7.50%.

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

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

18 Commitments and contingencies

Capital commitments

Capital expenditure contracted for at the balance sheet date is as follows:

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Aircraft	7,500	20,406	15,800	39,655
	7,500	20,406	15,800	39,655

As at 30 September 2014 non cancellable commitments of the Group related to acquisition of aircraft.

19 Business combination and disposals

On 30 April 2014 the Company sold 100 per cent of shares of one of its subsidiaries – AviaAM B03 UAB, company code 300887740, registered address at Saltoniškių str. 29, Vilnius, Lithuania – to unrelated party. The aforementioned subsidiary owned five aircraft as at the date of sale – four Boeing 737-500 and one Boeing 737-300.

Details of sale price and assets and liabilities arising from the disposal in Group's financial statements are as follows:

	AviaAM B03 UAB - disposal's carrying amount	
	USD	LTL
Property, plant and equipment	8,522	21,228
Receivables	7,093	17,668
Inventories	761	1,895
Cash and cash equivalents	293	731
Deferred income tax assets	1,960	4,882
Payables	(2,920)	(7,273)
Security deposits received	(4,302)	(10,715)
Borrowings	(16,568)	(41,263)
Total identifiable net assets	(5,161)	(12,847)
Proceeds from sale of interest in subsidiaries	90	224
Other items:		
Exchange differences on translation of foreign operations	-	155
Gain on disposal, directly recognized in Group's profit or loss	5,251	13,226

20 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 ZIA Valda Cyprus Leasing Ltd and ZIA Valda AB (the sole shareholder of ZIA Valda Cyprus Leasing 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:

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

20 Related party transactions (continued)

Transactions with related parties:

	9 months ended 30 September			
	USD	2014 LTL	USD	2013 LTL
Sales of services to:				
Other related parties	692	1,762	164	430
	692	1,762	164	430
Purchases of assets from:				
Other related parties	1,372	3,494	801	2,101
	1,372	3,494	801	2,101
Purchases of services from:				
Other related parties	2,151	5,478	1,168	3,063
	2,151	5,478	1,168	3,063
Total purchases of assets and services	3,523	8,972	1,969	5,164

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

Trade and other receivables from related parties

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Other related parties	1,088	2,960	1,048	2,630
Trade and other receivables at nominal value	1,088	2,960	1,048	2,630
Less: provision for impairment of receivables from other related parties	(1,048)	(2,851)	(1,048)	(2,630)
	40	109	-	-

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

Payables to and prepayments from related parties

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Other related parties	919	2,500	1,561	3,919
Total payables to and prepayments from related parties	919	2,500	1,561	3,919

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

20 Related party transactions (continued)

Loans granted to related parties

	30 September 2014		31 December 2013	
	USD	LTL	USD	LTL
Beginning of the period	11,695	29,352	3,034	7,907
Loans advanced during the period as monetary transactions	14,159	36,059	40,827	106,199
Loans advanced during the period by transferring trade receivables to loans	-	-	-	-
Loan repayments received as monetary transactions	(5,684)	(14,475)	(32,360)	(84,175)
Loan repayments received as non-monetary transactions	(2,211)	(5,631)	(22)	(57)
Interest charged	541	1,378	325	845
Interest received	(250)	(637)	(85)	(221)
Exchange rate differences	(36)	3,511	(24)	(1,146)
End of the period	18,214	49,557	11,695	29,352

21 Events after the balance sheet date

In October 2014 the Group acquired one Bombardier CRJ200 aircraft in a business jet configuration and entered into operating agreement with Verslo Skrydziai UAB (dba KlasJet) in respect to operations of the subject aircraft.

AVIAAM LEASING AB
CONSOLIDATED CONDENSED INTERIM FINANCIAL INFORMATION
FOR THE NINE MONTH PERIOD ENDED 30 SEPTEMBER 2014

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

MANAGEMENT CONFIRMATION OF THE CONSOLIDATE INTERIM FINANCIAL INFORMATION

I, Tadas Goberis, General Manager of *AviaAM Leasing AB*, hereby confirm that, to the best of my knowledge, the unaudited Consolidated Interim Financial Information for the nine month period ended 30 September 2014 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.

General Manager
Tadas Goberis



7 November 2014