AVIA SOLUTIONS GROUP AB

Consolidated Interim Financial Information
For the Nine Months Period Ended 30 September 2011
(Unaudited)

Beginning of the financial period	1 January 2011
End of reporting period	30 September 2011
Name of the company	**Avia Solutions Group, AB** (hereinafter "the Company")
Legal form	public company (joint-stock company)
Date of registration	31 August 2010
Code of enterprise	302541648
Name of Register of Legal Entities	State Enterprise Centre of Registers
Registered office	Smolensko Str. 10, LT-03201 Vilnius, Lithuania
Telephone number	+370 5 252 5500
Fax number	+370 5 252 5501
Internet address	www.AviaSG.com
Main activities of consolidated Group	Charter Operations, Aircraft Maintenance, Repair and Overhaul, Aircraft Ground Handling and Fuelling, Pilot and Crew Training

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

MANAGEMENT REPORT

Avia Solutions Group AB and its subsidiaries (hereinafter – the Group) produced strong results in the third quarter of 2011. During three-month period ended 30 September 2011 the revenue of the Group increased by 77% as compared to the same period in 2010 up to LTL 163.9 million and net profit amounted to LTL 9.5 million. The result was driven by revenue growth in aircraft maintenance, repair and overhaul (MRO) segment that increased by 82%; in aircraft ground handling and fuelling segment that increased 79%; in charter operations segment that increased 75%; in training segment that increased 30%.

The Group also focused on obtaining additional licenses and further business development. Key events during three-month period ended 30 September 2011 are summarized below:

Date	Operating Segment	Event
July 2011	Aircraft Ground Handling and Fuelling	*Baltic Ground Services Sp.z.o.o.* started providing into-plane fuelling services for its new client Norwegian Air Shuttle ASA at the John Paul II International Airport in Krakow.
July 2011	Pilot and crew training	*Baltic Aviation Academy UAB* signed an agreement with CAE, a leading provider of simulation and modelling technologies and integrated training solutions for the civil aviation and defence forces. *Baltic Aviation Academy UAB* will lease an Airbus A320 FFS from CAE and relocate it to Vilnius, Lithuania.
July 2011	Pilot and crew training	*Baltic Aviation Academy UAB* obtained an approval certificate allowing the academy to introduce Bombardier Dash 8Q-400 type rating training courses. From now on *Baltic Aviation Academy UAB* may conduct ground training sessions in its facilities in Vilnius, Lithuania.
July 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics AB* has acquired 7 Boeing 737-300 aircraft from AirAsia, global low cost airline, for tear down into parts and components.
July 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics AB* established a new subsidiary *FL Technics Ulyanovsk OOO*. The company will provide a full range of aircraft maintenance services in Ulyanovsk, Russia.
August 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics AB* launched cabin modification and reconfiguration services on two brand new long-range Boeing 737-800 and cabin refurbishment services on Boeing 737-300 for Transaero Airlines.
August 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics Ulyanovsk OOO* was granted a residence certificate for operating within the free economic zone in Ulyanovsk, Russia.
August 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics AB* established a new subsidiary *FL Technics Line OOO*. The company will provide a full range of customer services for consumable supply, transport and warehouse management for Line stations in Russia and the CIS.
September 2011	Aircraft Maintenance, Repair and Overhaul (MRO)	*FL Technics AB* has completed acquisition of *Storm Aviation Limited (UK)*, the leading provider of Line Maintenance services for narrow-bodied and wide-bodied aircraft including Boeing 737, Boeing 777, Airbus 340, and Airbus 380. Storm Aviation Limited provides services at airports in the United Kingdom and Europe including Poland, Czech Republic, Romania, Spain and Cyprus with a headcount of almost 100 people. This acquisition will enable *FL Technics AB* to have a network of 24 Line Stations in total across Europe and the CIS and extend capability list of line maintenance services for further expansion of the business *(see Note 9)*.

Members of the managing bodies

According to the By-laws of Avia Solutions Group AB (hereinafter – the Company) managing bodies are General Meeting, Supervisory Council, Management Board and General Manager. The Management Board, the Supervisory Council and the Key Executives of the Company as at 30 September 2011 were as follows:

Name	Position within the Company	In the position	
		Since	Until
Supervisory Council			
Vladas Bagavičius	Chairman of the Supervisory Council	23 August 2010	23 August 2014
Michal Ireneusz Bobrowski	Member of the Supervisory Council	23 August 2010	23 August 2014

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

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

Share capital and shareholders

The authorised capital of the Company as at 30 September 2011 was LTL 5,893,333 and is divided into 5,893,333 ordinary shares with a par value of LTL 1 each. All shares carry equal voting rights.

Shareholders and share capital of the Company as at 30 September 2011 were as follows:

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

Personnel

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

	30 September 2011	30 September 2010
Number of employees	1 045	661

Key figures of the Group

	July – September		
Operating figures	**2011**	**2010**	**Change**
Number of SOLD man-hours in base maintenance	56 095	19 417	*188.9*
Number of SOLD man-hours in engineering	11 629	12 195	*(4.6)*
Number of SOLD man-hours in maintenance training	1 849	2 101	*(12.0)*
Number of line stations at the end of the period	9	6	*50.0*
Number of aircraft at the end of the period	7	5	*40.0*

	July – September		
Operating figures	**2011**	**2010**	**Change**
Number of flights	2 763	1 516	*82.3*
Number of passengers carried (in thousands)	339 821	184 064	*84.6*
ASKs (in million)	786	448	*75.5*
RPKs (in million)	662	364	*81.9*
Number of block hours	7 480	4 023	*85.9*
Number of aircraft served	3 214	1 088	*195.4*
Number of passengers served	321 358	106 076	*203.0*
Volume of fuel sold (tonnes)	12 898	8 074	*59.7*
TRTO - Number of sold theoretical training hours	1 924	874	*120.1*
TRTO - Number of sold practical training (FFS) hours	2 486	1 040	*139.0*

	January – September		
Operating figures	**2011**	**2010**	**Change**
Number of SOLD man-hours in base maintenance	224 586	94 353	*138.0*
Number of SOLD man-hours in engineering	36 588	27 120	*34.9*
Number of SOLD man-hours in maintenance training	6 362	2 732	*132.9*
Number of line stations at the end of the period	9	6	*50.0*
Number of aircraft at the end of the period	7	5	*40.0*
Number of flights	4 734	2 672	*77.2*
Number of passengers carried (in thousands)	555 667	341 636	*62.6*
ASKs (in million)	1 371	942	*45.5*
RPKs (in million)	1 118	789	*41.7*
Number of block hours	13 207	8 177	*61.5*
Number of aircraft served	6 342	3 902	*62.5*
Number of passengers served	621 605	380 541	*63.3*
Volume of fuel sold (tonnes)	24 866	23 955	*3.8*
TRTO - Number of sold theoretical training hours	6 372	2 678	*137.9*
TRTO - Number of sold practical training (FFS) hours	8 377	4 726	*77.3*

	July – September		
Financial figures	**2011**	**2010**	**Change**
Revenue (LTL thousand)	163 881	92 793	*77%*
Operating profit (LTL thousand)	13 520	12 748	*6%*
Operating profit margin (%)	*8.25%*	*13.74%*	-
Profit before income tax (LTL thousand)	12 226	13 446	*-9%*
Profit for the period (LTL thousand)	9 457	11 212	*-16%*
Profit for the period margin (%)	*5.77%*	*12.08%*	-
Earnings per share (LTL)	1.605	1.848	*-13%*
Number of shares (thousand)	5 893	5 893	-

	January – September		
Financial figures	**2011**	**2010**	**Change**
Revenue (LTL thousand)	357 142	229 255	*56%*
Operating profit (LTL thousand)	21 649	20 510	*5%*
Operating profit margin (%)	*6.06%*	*8.95%*	-
Profit before income tax (LTL thousand)	19 707	17 923	*10%*
Profit for the period (LTL thousand)	15 330	14 888	*3%*
Profit for the period margin (%)	*4.29%*	*6.49%*	-
Earnings per share (LTL)	2.601	2.500	*4%*
Number of shares (thousand)	5 893	5 893	-

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

	Note	July – September 2011	July – September 2010	January – September 2011	January – September 2010
Revenue		**163 881**	**92 793**	**357 142**	**229 255**
Other income		121	-	635	92
Aircraft fuel expenses		(44 079)	(25 590)	(95 684)	(69 781)
Rent of aircraft and equipment		(25 755)	(17 034)	(50 880)	(39 389)
Aircraft servicing and handling expenses		(21 203)	(8 947)	(37 595)	(20 676)
Employee related expenses		(16 796)	(9 612)	(42 459)	(28 403)
Spare parts and consumables expenses		(11 453)	(2 967)	(29 885)	(11 393)
Aircraft maintenance expenses		(6 701)	(973)	(14 711)	(5 188)
Training and related expenses		(3 625)	(2 301)	(10 690)	(5 159)
Cost of services resold		(2 794)	(3 542)	(9 510)	(8 035)
Depreciation and amortization	3, 6	(2 324)	(1 624)	(5 702)	(4 071)
Rent and maintenance of premises		(1 928)	(1 491)	(5 688)	(973)
Impairment of receivables		(33)	(146)	(73)	(103)
Other operating expenses		(13 787)	(5 818)	(33 927)	(15 674)
Other gain/(loss) - net		(4)	-	676	8
Operating profit (loss)		**13 520**	**12 748**	**21 649**	**20 510**
Finance income		102	1 106	320	1 393
Finance cost		(1 396)	(408)	(2 262)	(3 980)
Finance costs – net		**(1 294)**	**698**	**(1 942)**	**(2 587)**
Profit before income tax		**12 226**	**13 446**	**19 707**	**17 923**
Income tax	4	(2 769)	(2 234)	(4 377)	(3 035)
Profit for the period		**9 457**	**11 212**	**15 330**	**14 888**
Profit (loss) for the period attributable to:					
Equity holders		9 197	11 212	15 483	14 888
Non-controlling interests		260	-	(153)	-
		9 457	**11 212**	**15 330**	**14 888**
Other comprehensive income:					
Currency translation differences		(162)	(36)	(128)	(4)
Total comprehensive income for the period		**9 295**	**11 176**	**15 202**	**14 884**
Total comprehensive income attributable to:					
Equity holders		9 039	11 176	15 359	14 884
Non-controlling interests		256	-	(157)	-
		9 295	**11 176**	**15 202**	**14 884**
Basic and diluted earnings (loss) per share (in LTL)	1, 5	1.605	1.848	2.601	2.500

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

CONSOLIDATED BALANCE SHEETS

	Note	30 September 2011	31 December 2010
ASSETS			
Non-current assets			
Property, plant and equipment	6	40 698	29 198
Intangible assets	6	10 538	2 723
Trade and other receivables	7	16 115	1 920
Deferred income tax assets		2 371	1 157
		69 722	**34 998**
Current assets			
Inventories		29 808	12 319
Trade and other receivables	7	97 803	54 303
Prepaid income tax		311	240
Short-term bank deposits		1 262	1 926
Cash and cash equivalents		31 597	10 713
		160 781	**79 501**
Total assets	3	**230 503**	**114 499**
EQUITY			
Equity attributable to the Group's equity shareholders			
Share capital		5 893	4 420
Share premium		58 770	-
Merger reserve		(3 250)	(3 473)
Cumulative translations differences		(140)	(16)
Retained earnings		39 261	24 001
		100 534	**24 932**
Non-controlling interests		108	119
Total equity		**100 642**	**25 051**
LIABILITIES			
Non-current liabilities			
Borrowings		27 000	10 580
Security deposits received		9 204	9 380
Trade and other payables		2 917	1 746
Deferred income tax liabilities		712	33
		39 833	**21 739**
Current liabilities			
Borrowings		20 030	24 716
Trade and other payables		55 934	37 080
Advances received		8 265	2 908
Current income tax liabilities		4 799	2 058
Security deposits received		1 000	947
		90 028	**67 709**
Total liabilities	3	**129 861**	**89 448**
Total equity and liabilities		**230 503**	**114 499**

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

	Equity attributable to equity holders of the Group							Non-controlling interests	Total equity
	Share capital	Share premium	Merger reserve	Currency translation differences	Retained earnings	Invested capital	Total		
Balance at 1 January 2010	**-**	**-**	**-**	**-**	**-**	**7 015**	**7 015**	**-**	**7 015**
Currency translation difference	-	-	-	(4)	-	-	**(4)**	-	**(4)**
Profit for the period	-	-	-	-	14 888	-	**14 888**	-	**14 888**
Total comprehensive income	**-**	**-**	**-**	**(4)**	**14 888**	**-**	**14 884**	**-**	**14 884**
Transactions with owners									
Share issue pursuant to share acquisition agreements	150	-	-	-	-	-	**150**	-	**150**
Issue of additional shares	4 270	-	-	-	-	-	**4 270**	-	**4 270**
Reallocation of accumulated invested capital pursuant to the Pre-IPO Reorganisation	-	-	26	-	6 352	(7 015)	**(637)**	297	**(340)**
Effect of transactions with non-controlling interest	-	-	(3 517)	-	-	-	**(3 517)**	-	**(3 517)**
Total transactions with owners	**4 420**	**-**	**(3 491)**	**(4)**	**6 352**	**(7 015)**	**266**	**297**	**563**
Balance at 30 September 2010	**4 420**	**-**	**(3 491)**	**(4)**	**21 240**	**-**	**22 165**	**297**	**22 462**
Balance at 1 January 2011	**4 420**	**-**	**(3 473)**	**(16)**	**24 001**	**-**	**24 932**	**119**	**25 051**
Profit (loss) for the period - **total comprehensive income**	-	-	-	**(124)**	**15 483**	-	**15 359**	**(157)**	**15 202**
Increase in share capital	1 473	66 282	-	-	-	-	**67 755**	**-**	**67 755**
Cost of capital increase	-	(7 512)	-	-	-	-	**(7 512)**	**-**	**(7 512)**
Increase in non-controlling interests	-	-	-	-	-	-	**-**	**146**	**146**
Transfer to legal reserve	-	-	223	-	(223)		**-**	**-**	**-**
Balance at 30 September 2011	**5 893**	**58 770**	**(3 250)**	**(140)**	**39 261**	**-**	**100 534**	**108**	**100 642**

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Notes	January – September 2011	January – September 2010
Operating activities			
Profit (loss) for the period		15 330	14 888
Income tax	4	4 377	3 035
Adjustments for:			-
Depreciation and amortisation	6	5 702	4 071
Accruals of c-check costs, hangar lease payments		2 618	(2 315)
Interest expenses		843	928
Discounting effect		1	42
Impairment of accounts receivable		34	103
Interest income		(69)	(92)
Changes in working capital:			
- Inventories		(17 489)	(3 470)
- Trade and other receivables		(40 192)	(25 360)
- Trade and other payables, advances received		18 119	5 730
- Security deposits received		53	5 176
Cash generated from (used in) operations		**(10 673)**	**2 736**
Interest received		24	-
Interest paid		(814)	(460)
Income tax paid		(1 833)	-
Net cash generated from (used in) operating activities		**(13 296)**	**2 276**
Investing activities			
Purchase of PPE and intangible assets		(16 080)	(2 680)
Proceeds from PPE and intangible assets		1	81
Loans granted		(7 262)	-
Repayments of loans granted		3 782	-
Loans granted to related parties	10	(97)	(5 217)
Repayments of loans granted to related parties	10	46	8
Deposits placed		(10 877)	(2 042)
Repayments of deposits placed		97	-
Purchase of subsidiaries (net of cash acquired)	9	(4 001)	-
Net cash used in investing activities		**(34 391)**	**(9 850)**
Financing activities			
Contribution to share capital in cash		60 243	-
Proceeds from issue of ordinary shares		-	4 420
Increase of non-controlling interests		-	101
Bank borrowings received		34 528	15 374
Repayments of bank borrowings		(12 968)	(6 829)
Borrowings from related parties received		38	7 539
Repayments of borrowings from related parties		(8 487)	(10 394)
Other borrowings received		796	-
Repayment of other borrowings		(9 348)	-
Increase in financial lease liabilities		2 541	-
Decrease in financial lease liabilities		(268)	(383)
Net cash generated from financing activities		**67 075**	**9 828**
Increase in cash and cash equivalents		**19 388**	**2 254**
At beginning of period		10 006	4 416
Increase (decrease) in cash and cash equivalents		19 388	2 254
At end of period	8	**29 394**	**6 670**

NOTES TO THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

1 Accounting policies

The consolidated interim financial information for the 9 months period ended 30 September 2011 (hereinafter *The Consolidated Financial Information*) is prepared in accordance with the International Financial Accounting Standards, as adopted by the European Union, includes IAS 34 „Interim financial reporting". In all material respects, the same accounting principles have been followed as in the preparation of financial statements for 2010.

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

The consolidated interim financial information for the period ended 30 September 2011 is not audited. The Group's annual Combined Financial Statements for the three years ended 31 December 2009, 2008, 2007 and annual Consolidated Financial Statements for the year ended 31 December 2010 are audited by the external auditor UAB PricewaterhouseCoopers.

Invested capital

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

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

Share capital

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

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

Earnings per share

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

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

2 Investments in subsidiaries

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

The Group's companies	Country of establishment	Operating segment	Share of equity, % 30-09-2011	31-12-2010	30-09-2010	Date of acquiring/establishment and activity
AviationCV.com UAB	Lithuania	Pilot and Crew Training	91	-	-	The subsidiary was established in spring of 2011. Currently it has started preparations for active sales.
Baltic Aviation Academy UAB	Lithuania	Pilot and Crew Training	100	100	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 fueling services.
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 fueling services in Poland.
Baltic Ground Services s.r.l.	Italy	Aircraft Ground Handling and Fuelling	100	100	-	The subsidiary was established in winter of 2010. It is a direct subsidiary of Baltic Ground Services UAB. The subsidiary does not conduct active operations.
Ground Handling CIS UAB	Lithuania	Aircraft Ground Handling and Fuelling	100	-	-	The subsidiary was established on 4 July 2011. It is a direct subsidiary of Baltic Ground Services UAB. Currently it has started preparations for aircraft ground handling and fueling activity.
FL Technics AB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	100	The subsidiary was established on 22 December 2005. In summer of 2007 the Company started active sales of aircraft maintenance, repair and overhaul (MRO) services.
FL Technics Jets UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	-	The subsidiary was acquired on 1 December 2010. In summer of 2011 the Company started active sales of maintenance services for business aircraft.
FL Technics Line OOO		Aircraft maintenance, repair and overhaul (MRO)	100	-	-	The subsidiary was established on 3 August 2011. It is a direct subsidiary of FL Technics AB. Currently it has started preparations for aircraft line stations activity in Russia and the CIS .
FL Technics Ulyanovsk OOO		Aircraft maintenance, repair and overhaul (MRO)	100	-	-	The subsidiary was established on 22 July 2011. It is a direct subsidiary of FLT Trading House UAB. Currently it has started preparations for aircraft maintenance activity in Ulyanovsk, Russia.
FLT Trading House UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	100	100	-	The subsidiary was acquired on 19 November 2010. The subsidiary does not conduct active operations.
Locatory.com UAB	Lithuania	Aircraft maintenance, repair and overhaul (MRO)	95	100	-	The subsidiary was established on 7 December 2010. Starting summer 2011, the Company provides a platform for the aviation industry to search, buy and sell aviation inventory.
Small Planet Airlines UAB	Lithuania	Charter operations	95.5	95.5	100	The subsidiary was established on 14 March 2007. In autumn of 2008 the Company started active sales of charter flights.
Small Planet Airlines AS	Estonia	Charter operations	95.5	95.5	100	The subsidiary was established on 5 December 2008. In spring of 2009 the Company started active sales of charter flights.
Small Planet Airlines Sp.z.o.o.	Poland	Charter operations	95.5	95.5	100	The subsidiary was established on 25 November 2009. In spring of 2010 the Company started active sales of charter flights.
Small Planet Airlines s.r.l.	Italy	Charter operations	95.5	95.5	100	The subsidiary was established on 17 February 2010. In summer of 2011 the Company started active sales of charter flights.
Storm Aviation Ltd.	The United Kingdom	Aircraft maintenance, repair and overhaul (MRO)	100	-	-	The subsidiary was acquired on 30 September 2011 (see Note 9). It is a direct subsidiary of FL Technics AB. The company provides aircraft line station services.

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

3 Segment information

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

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

The following table present sales to external customers, costs of sales and gross profit information according to the Group's business segments for the six-month period ended 30 September 2011:

	Charter operations	Aircraft maintenance, repair and overhaul (MRO)	Aircraft ground handling and fuelling	Pilot and crew training	Unallo-cated	**Inter-segment elimina-tions**	**Total continuing operations**
Nine-month period ended 30 September 2011							
Revenue							
Sales to external customers	178 403	100 363	62 289	15 882	205	-	**357 142**
Other income	137	428	26	-	44	-	**635**
Inter-segment sales	10 850	5 825	18 180	608	3 045	(38 508)	**-**
Total revenue	**189 390**	**106 616**	**80 495**	**16 490**	**3 294**	**(38 508)**	357 777
Cost of sales	(182 050)	(71 007)	(76 776)	(11 116)	(1 526)	35 657	(306 818)
Segment gross profit	**7 340**	**35 609**	**3 719**	**5 374**	**1 768**	**(2 851)**	50 959
As at 30 September 2011							
Segment assets	53 038	110 796	40 123	6 465	20 081		**230 503**
Segment liabilities	(38 337)	(69 902)	(16 437)	(4 140)	(1 045)		**(129 861)**
Acquisition of non-current assets	1 619	6 308	7 611	781	278		**16 597**
Depreciation and amortization	335	3 756	1 288	263	60		**5 702**

The following table present sales to external customers, costs of sales and gross profit information according to the Group's business segments for the six-month period ended 30 September 2010:

	Charter operations	Aircraft maintenance, repair and overhaul (MRO)	Aircraft ground handling and fuelling	Pilot and crew training	Unallo-cated	**Inter-segment elimina-tions**	**Total continuing cperations**
Nine-month period ended 30 September 2010							
Revenue							
Sales to external customers	124 941	50 013	45 127	9 174	-		**229 255**
Other income	92	-	-	-	-		**92**
Inter-segment sales	3 164	5 871	13 563	306	-	(22 904)	**-**
Total revenue	**128 197**	**55 884**	**58 690**	**9 480**	**-**	**(22 904)**	229 347
Cost of sales	(120 539)	(38 586)	(53 292)	(6 295)	-	20 289	(198 423)
Segment gross profit	**7 658**	**17 298**	**5 398**	**3 185**	**-**	**(2 615)**	30 924

3 Segment information (continued)

As at 30 September 2010	Charter operations	Aircraft maintenance, repair and overhaul (MRO)	Aircraft ground handling and fuelling	Pilot and crew training	Unallo-cated	**Inter-segment elimina-tions**	**Total continuing cperations**
Segment assets	36 303	45 650	20 284	4 809	248		**107 294**
Segment liabilities	(33 668)	(28 967)	(14 064)	(4 139)	(3 994)		**(84 832)**
Acquisition of non-current assets	212	983	1 364	125	-		**2 684**
Depreciation and amortization	85	2 929	894	163	-		**4 071**

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

4 Income tax

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

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

5 Earnings per share

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

	July – September		**January – September**	
	2011	**2010**	**2011**	**2010**
Profit for the period	**9 457**	**11 212**	**15 330**	**14 888**
Less: profit (loss) attributable to minority interests calculated in accordance with the structure as at 30 September 2011	-	(321)	-	(151)
Profit (loss) attributable to equity ownership holders of the Company calculated in accordance with shareholders structure as at 30 September 2011	**9 457**	**10 891**	**15 330**	**14 737**
Weighted average number of ordinary shares (thousand)	5 893	5 893	5 893	5 893
EPS – basic and diluted (in LTL)	**1.605**	**1.848**	**2.601**	**2.501**

6 Property, plant and equipment and intangible assets

	Property, plant and equipment	**Intangible assets**
Opening net book amount as at 1 January 2010	**25 340**	**2 235**
Additions	2 629	55
Disposals	(69)	-
Depreciation charge	(3 441)	(630)
Closing net book amount as at 30 September 2010	**24 459**	**1 660**

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

6 Property, plant and equipment and intangible assets (continued)

	Property, plant and equipment	Intangible assets
Opening net book amount as at 1 January 2011	**29 198**	**2 723**
Additions	14 827	1 770
Acquisition (Note 9)	1 313	6 705
Disposals	(1)	-
Write-offs	(1)	-
Depreciation charge	(4 639)	(661)
Closing net book amount as at 30 September 2011	**40 698**	**10 538**

7 Trade and other receivables

	30 September 2011	31 December 2010
Trade receivables	51 380	30 480
Less: provision for impairment of trade receivables	(33)	(1 306)
Trade receivables – net	**51 347**	**29 174**
Receivables from related parties	21	197
Less: provision for impairment of trade receivables from related parties	-	(17)
Receivables from related parties - net	**21**	**180**
Security deposit with lessor	16 138	5 406
Discounting of security deposit (at 6 per cent)	(146)	(110)
Security deposit – net	**15 992**	**5 296**
Other receivables	2 779	826
Less: provision for impairment of other receivables	-	(96)
Other receivables - net	**2 779**	**730**
Loans granted	3 773	401
Less: provision for impairment of loans granted	(10)	-
Loans granted - net	**3 763**	**401**
Prepayments	15 461	8 182
Deferred charges	12 457	7 103
Amount due from customers for contract work	7 190	2 937
VAT receivables	4 430	1 449
Loans to related parties (Note 10)	475	243
Other receivables from related parties	3	490
Prepayments from related parties	-	14
Deferred charges to related parties	-	24
	113 918	**56 223**
Less non-current portion :	(16 115)	(1 920)
Current portion :	**97 803**	**54 303**

8 Cash and cash equivalents

	30 September 2011	30 September 2010
Cash and cash equivalents	31 597	9 746
Bank overdraft	(2 203)	(3 076)
	29 394	**6 670**

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

9 Business combination

On 30 September 2011, the subsidiary of the Company (FL Technics AB) acquired 100% of the share capital of Storm Aviation Ltd., domiciled in the United Kingdom. Details of purchase consideration and assets and liabilities arising from the acquisitions are as follows:

	Storm Aviation Ltd. - acquiree's carrying amount	Storm Aviation Ltd. - acquiree's fair value
Property, plant and equipment	1 313	1 313
Intangible assets	3 907	-
Deferred income tax assets	-	1 137
Trade and other receivables	5 126	5 126
Cash and cash equivalents	1 204	1 204
Borrowings	(5 641)	(5 641)
Trade and other payables	(4 639)	(4 639)
Net assets acquired	**1 270**	**(1 500)**
Excess of fair value of the acquiree's net assets over cost (recognised as goodwill)		6 705
Total purchase consideration - paid in cash		**5 205**
Total purchase consideration - paid in cash		(5 205)
Cash and cash equivalents in subsidiary acquired		1 204
Cash outflow on acquisition		**(4 001)**

10 Related party transactions

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

During nine-month period ended 30 September 2010 the Group was controlled by ŽIA Valda AB which owned 45% of the Initial Holding Companies and was the ultimate parent company (hereinafter - *the Ultimate Parent*). Transactions and balances with the Ultimate Parent and with Other Initial Group Companies are disclosed below separately. Related parties also include other shareholders of the Group, subsidiaries of ŽIA Valda AB and other ŽIA Valda AB related parties with which the Group is under common control (hereinafter – *Other Related Parties*).

The Group's related parties during nine-month period ended 30 September 2011 include shareholders of the Group and members of the key management personnel of the Company (hereinafter – *Other Related Parties*).

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

	9 months ended 30 September	
	2011	**2010**
Sales of assets:		
Other Initial Group Companies	-	193
Other Related Parties	-	-
	-	**193**
Sales of services to:		
Other Initial Group Companies	-	814
Other Related Parties	-	216
	-	**1 030**
Total sales of assets and services	**-**	**1 223**

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

10 Related party transactions (continued)

	9 months ended 30 September	
	2011	**2011**
Purchases of assets from:		
Other Initial Group Companies	-	-
Other Related Parties	-	8
	-	**8**
Purchases of services from:		
The Ultimate Parent	-	227
Other Initial Group Companies	-	18 020
Other Related Parties	-	10 433
	-	**28 680**
Total purchases of assets and services	**-**	**28 688**

	As at 30 September	
	2011	**2010**
Loans granted to other related parties		
Opening balance as at 1 January	**243**	**1 774**
New loans granted to Other Initial Group Companies	-	5 072
New loans granted / set-offs to other related parties	315	145
Repayments of loans granted / set-offs to Other Initial Group Companies	-	(1 256)
Repayments of loans granted / set-offs to other related parties	(84)	(8)
Closing balance as at 30 September	**475**	**5 727**

MANAGEMENT CONFIRMATION OF THE CONSOLIDATED INTERIM FINANCIAL INFORMATION

Following Article 22 of the Law on Securities of the Republic of Lithuania and Rules on Preparation and Submission of Periodic and Additional Information of the Lithuanian Securities Commission, we, Linas Dovydėnas, General Manager of Avia Solutions Group AB, and Aurimas Sanikovas, Chief Financial Officer of Avia Solutions Group AB, hereby confirm that, to the best of our knowledge, the not audited Avia Solutions Group AB Consolidated Interim Financial Information for the nine-month period ended 30 September 2011, prepared in accordance with International Financial Reporting Standarts as adopted by the European Union, give a true and fair view of the assets, liabilities, financial position and profit of the Group.

General Manager	Linas Dovydėnas
Chief Financial Officer	Aurimas Sanikovas

Vilnius, 17 November 2011