



2010 -2012 RELATED PARTY TRANSACTIONS

We are controlled by members of the Sabancı family through their beneficial ownership of our shares, both directly and indirectly through Esas Holding. Esas Holding owns 96.5% of our outstanding shares and will own approximately 66.1% of our outstanding shares after the Offering assuming no Additional Shares are sold (62.9% assuming all Additional Shares are sold). Set forth below is a summary of our material transactions and arrangements with Esas Holding and our other related parties. Because of the scope of our various relationships with our affiliates, we cannot assure you that each of the agreements and transactions, if considered separately, has been effected on terms no less favorable to us than could have been obtained from an unrelated party. For additional information about our transactions with related parties, see Note 6 to the IFRS Financial Statements.

Aircraft Financing

Esas Holding provides financial guarantees for the financing of aircraft we own through finance leases. We pay Esas Holding commission payments for these guarantees, which we record as finance expenses. These expenses amounted to TL11,692,202, TL6,973,686 and TL3,672,656 in 2012, 2011 and 2010, respectively. In addition, in 2010 we received loans from Esas Holding to fund certain of our aircraft pre-delivery payments. Later in 2010, these loans were offset against Esas Holding's contribution to our share capital. The interest expense related to these loans in 2010 amounted to TL3,454,936.

Headquarters Lease

On August 9, 2012 we entered into a lease agreement with a term of five years with EAG Turizm İnsaat Sanayi ve Ticaret A.Ş., a subsidiary of Esas Holding, for the lease of our new headquarters. The agreement is automatically renewable for another term of five years. Our previous headquarters were leased from Esas Holding. For information on our historical rent payments to Esas Holding, see Note 6(ii)(d) to the IFRS Financial Statements. Pursuant to an additional protocol with EAG Turizm İnsaat Sanayi ve Ticaret A.Ş., we executed a sub-lease agreement with PUEM. on September 1, 2012 leasing out space within our headquarters to PUEM for a term of five years. İZAir leases its headquarters from İZmirliler Otelcilik. İZAir held 49.99% of İZmirliler Otelcilik's shares from 2006 to May 2012, when these shares were transferred to us.

Wet Lease Agreements

On March 11, 2013, we entered into a wet lease agreement with İZAir. The wet lease agreement became effective on April 1, 2013. The agreement will expire on September 30, 2013. Under the wet lease agreement, we have wet leased three Boeing 737-800 aircraft (two with a configuration of 189 seats and one with a configuration of 186 seats) from İZAir on an ACMI basis. We maintain the commercial control of the three aircraft which operate under our call sign while İZAir is responsible for the operational control of the aircraft. Rent payments related to the wet lease arrangement will be determined between İZAir and us based on the flight schedules of the aircraft.

Service Agreements

We procure call center services from CallPex, in which the chairman of our board of directors, Ali Sabancı, holds a 28% interest. See "Business—Sales and Distribution—Call Center." Our purchases of call center services from CallPex totaled TL6,841,288, TL5,940,943 and TL3,949,552 in 2012, 2011 and 2010, respectively. We procure services related to archiving and storage of our documents or electronic records, images or any other electronic data through RM Arsiv Yonetim Hizmetleri A.Ş., where the chairman of our board of directors, Ali Sabancı, serves as a director and in which he holds a 0.002% interest. Our purchases from RM Arsiv Yonetim Hizmetleri A.Ş. totaled TL26,137, TL6,934 and TL3,754 in 2012, 2011 and 2010, respectively. We entered into a technical services agreement with İZAir on June 15, 2012.



The agreement was valid until December 20, 2012 but was subsequently extended pursuant to an additional protocol until June 20, 2013. Under the agreement, we provide certain engineering and planning services relating to IzAir's aircraft and their components via our technical department located at Sabiha Gokcen Airport. Under the terms of the agreement, we control the aircraft checks, unit change plans, scheduled component changes, modifications and development as well as maintenance of engines and auxiliary on behalf of IzAir. IzAir retains the ultimate responsibility for the airworthiness of its aircraft. We are also party to a maintenance services agreement with IzAir, which has been in effect since January 1, 2011. The agreement is initially valid for a period of one year, and can be extended by additional annual periods unless terminated by either party. The agreement relates to the provision of planned and unplanned maintenance services by us, within the scope of our SHY 145 line maintenance authority to the aircraft in IzAir fleet. Pursuant to the terms of the agreement IzAir ultimately remains accountable for the airworthiness of its aircraft and obtaining the necessary approvals, including for its maintenance program, from the Civil Aviation Authority as the aircraft operator. Under the agreement, we are allowed to procure services from other SHY 145 / EASA PART 145 approved maintenance service providers whenever necessary or if the required work is beyond our authorization. Pursuant to the agreement, we provide the necessary insurance for the aircraft in IzAir's fleet as part of the insurance coverage procured for our own fleet.

Other Agreements

We have acquired consultancy services related to revenue management and maintenance from Wordison Limited Trading (PlaneConsult.com), a company that is controlled by Conor McCarthy who is a member of our board of directors. Mr. McCarthy was not involved in the decisionmaking regarding these services. The total amount we paid to Wordison Limited Trading for these services in 2012 was TL112,737. We did not acquire any consultancy services from Wordison Limited Trading in 2011 or 2010. We also have a business relationship with Thomas Cook Group Plc ("Thomas Cook"), one of our charter customers, and Hedef Medya Tanıtım İnteraktif Medya Pazarlama A.Ş. ("Hedef Tanıtım"), from which we procure marketing services. Emre Berkin, who is a member of our board of directors, is also a member of the boards of directors of these two companies. The total amount we received from Thomas Cook for the charter services provided in 2012, 2011 and 2010 was TL9,978,472, TL693,151 and TL476,085, respectively, and the total amount we paid to Hedef Tanıtım for the marketing services procured in 2012, 2011 and 2010 was TL165,893, TL134,667 and TL128,254, respectively.