

DETAILED INCOME STATEMENT AND FOOTNOTES

based on USD accounting



INCOME STATEMENT (USD)

| | <u>Unaudited</u> | <u>Unaudited</u> |
|---|--------------------------------------|--------------------------------------|
| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
| <u>PROFIT OR LOSS</u> | | |
| Sales Revenue | 2.315.274.851 | 2.014.565.690 |
| Cost of Sales (-) | (2.085.535.076) | (1.769.113.660) |
| GROSS PROFIT/(LOSS) | 229.739.775 | 245.452.030 |
| General Administrative Expenses (-) | (64.616.168) | (57.693.588) |
| Marketing and Sales Expenses (-) | (267.496.465) | (235.407.488) |
| Other Operating Income | 27.071.636 | 28.260.012 |
| Other Operating Expenses (-) | (7.166.078) | (19.922.143) |
| OPERATING PROFIT | (82.467.300) | (39.311.177) |
| Income from Investment Activities | 12.527.942 | 17.549.846 |
| Share of Investments' Profit / Loss Accounted By Using the Equity method | (8.284.912) | 3.295.001 |
| OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE | (78.224.270) | (18.466.330) |
| Financial Income | 7.873.607 | 37.085.115 |
| Financial Expenses (-) | (66.469.461) | (35.167.329) |
| PROFIT BEFORE TAX FROM CONTINUING OPERATIONS | (136.820.124) | (16.548.544) |
| Tax Income/ Expense of Continuing Operations | 34.601.291 | 2.587.290 |
| Current Tax Expense for the Period | - | - |
| Deferred Tax (Expense)/Income | 34.601.291 | 2.587.290 |
| PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS | (102.218.833) | (13.961.254) |



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GROSS PROFIT (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|-------------------------|--------------------------------------|--------------------------------------|
| Scheduled flights | | |
| Passenger | 2.009.119.419 | 1.768.433.328 |
| Cargo and mail | 231.867.895 | 189.821.315 |
| Total scheduled flights | 2.240.987.314 | 1.958.254.643 |
| Unscheduled flights | 10.753.441 | 8.482.992 |
| Technical Revenue | 53.822.791 | 34.693.679 |
| Other revenue | 9.711.305 | 13.134.376 |
| Net sales | 2.315.274.851 | 2.014.565.690 |
| Cost of sales (-) | (2.085.535.076) | (1.769.113.660) |
| Gross profit | 229.739.775 | 245.452.030 |

GEOGRAPHICAL DETAILS OF REVENUE FROM THE SCHEDULED FLIGHTS (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|-----------------------------|--------------------------------------|--------------------------------------|
| - Europe | 679.185.054 | 597.267.666 |
| - Far East | 529.617.933 | 444.523.804 |
| - Middle East | 331.338.395 | 283.946.923 |
| - America | 216.650.927 | 184.075.937 |
| - Africa | 208.802.565 | 172.326.408 |
| Total international flights | 1.965.594.874 | 1.682.140.738 |
| Domestic flights | 275.392.440 | 276.113.905 |
| Total revenue | 2.240.987.314 | 1.958.254.643 |

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OPERATING COSTS BY TYPE (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|--|--------------------------------------|--------------------------------------|
| Fuel expenses | 887.469.040 | 769.306.646 |
| Personnel expenses | 398.347.178 | 384.968.638 |
| Depreciation expenses | 172.947.976 | 163.581.533 |
| Ground services expenses | 145.362.923 | 125.850.796 |
| Passenger service catering expenses | 125.527.576 | 97.252.432 |
| Air traffic control expenses | 123.836.596 | 94.209.381 |
| Landing and navigation expenses | 94.923.623 | 74.462.613 |
| Short term leasing expenses | 91.460.815 | 35.265.940 |
| Maintenance expenses | 85.852.414 | 56.260.158 |
| Commissions and incentive expenses | 77.696.061 | 75.642.731 |
| Reservation systems expenses | 56.041.503 | 50.549.293 |
| Advertising and promotion expenses | 38.248.147 | 20.574.610 |
| Operating lease expenses | 36.021.131 | 41.103.807 |
| Service expenses | 19.248.500 | 12.043.201 |
| Other rent expenses | 10.777.949 | 14.197.783 |
| Communication and information expenses | 9.081.057 | 8.516.569 |
| Insurance expenses | 8.200.857 | 9.144.587 |
| Transportation expenses | 5.678.638 | 4.520.159 |
| Tax expenses | 5.271.982 | 4.218.597 |
| Consultancy expenses | 2.917.345 | 3.564.027 |
| Utility expenses | 2.096.182 | 2.202.570 |
| Membership fees | 1.378.894 | 1.308.350 |
| System use and membership expenses | 1.030.216 | 977.558 |
| Other expenses | 18.231.106 | 12.492.757 |
| | 2.417.647.709 | 2.062.214.736 |

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COST OF SALES (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|-------------------------------------|--------------------------------------|--------------------------------------|
| Fuel expenses | 887.311.695 | 769.114.097 |
| Personnel expenses | 289.194.389 | 282.009.768 |
| Depreciation expenses | 162.691.230 | 154.462.304 |
| Ground services expenses | 145.362.923 | 125.850.796 |
| Passenger service catering expenses | 125.527.576 | 97.252.432 |
| Air traffic control expenses | 123.836.596 | 94.209.381 |
| Landing and navigation expenses | 94.923.623 | 74.462.613 |
| Maintenance expenses | 85.251.900 | 55.114.078 |
| Short term leasing expenses | 91.460.815 | 35.265.940 |
| Operating lease expenses | 36.021.131 | 41.103.807 |
| Service expenses | 14.032.119 | 8.596.866 |
| Insurance expenses | 7.888.794 | 9.020.648 |
| Other rent expenses | 5.283.334 | 8.436.754 |
| Transportation expenses | 5.678.638 | 4.520.159 |
| Tax expenses | 2.476.367 | 2.316.516 |
| Utility expenses | 1.207.112 | 1.572.512 |
| Other expenses | 7.386.834 | 5.804.989 |
| | <u>2.085.535.076</u> | <u>1.769.113.660</u> |

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GENERAL ADMINISTRATIVE EXPENSES (USD)

| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
|--|--------------------------------------|--------------------------------------|
| Personnel expenses | 37.407.118 | 33.487.965 |
| Depreciation expenses | 8.522.010 | 7.591.897 |
| Communication and information expenses | 7.043.329 | 6.694.234 |
| Service expenses | 3.505.893 | 2.382.619 |
| System use and membership expenses | 1.030.216 | 977.558 |
| Consultancy expenses | 1.386.560 | 2.314.470 |
| Rent expenses | 1.103.529 | 743.173 |
| Maintenance expenses | 600.514 | 1.146.080 |
| Utility expenses | 889.070 | 630.058 |
| Insurance expenses | 312.063 | 123.939 |
| Tax expenses | 336.574 | 784.300 |
| Other administrative expenses | 2.479.292 | 817.295 |
| | <u>64.616.168</u> | <u>57.693.588</u> |

MARKETING, SALES AND DISTRIBUTION EXPENSES (USD)

| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
|--|--------------------------------------|--------------------------------------|
| Commissions and incentive expenses | 77.696.061 | 75.642.731 |
| Personnel expenses | 71.745.671 | 69.470.905 |
| Reservation systems expenses | 56.041.503 | 50.549.293 |
| Advertising and promotion expenses | 38.248.147 | 20.574.610 |
| Rent expenses | 4.391.086 | 5.017.856 |
| Tax expenses | 2.459.041 | 1.117.781 |
| Consultancy expenses | 1.530.785 | 1.249.557 |
| Communication and information expenses | 2.037.728 | 1.822.335 |
| Depreciation expenses | 1.734.736 | 1.527.332 |
| Service expenses | 1.710.488 | 1.063.716 |
| Membership fees | 1.378.894 | 1.308.350 |
| Fuel expenses | 157.345 | 192.549 |
| Other sales and marketing expenses | 8.364.980 | 5.870.473 |
| | <u>267.496.465</u> | <u>235.407.488</u> |

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OTHER OPERATING INCOME (USD)

| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
|--|--------------------------------------|--------------------------------------|
| Foreign exchange gains on trade operations, net | 7.072.454 | - |
| Insurance, indemnities, penalties income | 4.882.829 | 8.534.039 |
| Grant credit income related to aircraft, engines and other purchases | 1.254.495 | 1.019.269 |
| Provisions released | 1.875.856 | 3.529.562 |
| TGS share premium | 1.686.139 | 1.584.388 |
| Non- interest revenues from banks | 1.236.515 | 1.143.221 |
| Late payment interest income | 127.428 | 71.096 |
| Rent income | 1.096.108 | 884.586 |
| Other operating income | 7.839.812 | 11.493.851 |
| | <u>27.071.636</u> | <u>28.260.012</u> |

OTHER OPERATING EXPENSE (USD)

| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
|--|--------------------------------------|--------------------------------------|
| Provision expenses | 4.588.971 | 498.529 |
| Indemnity and penalty expenses | 683.029 | 659.620 |
| Discount Interest expenses | 705.950 | 169.011 |
| Foreign exchange losses on trade operations, net | - | 13.770.463 |
| Other operating expenses | 1.132.194 | 4.809.200 |
| Loss on sale of fixed assets | 55.934 | 15.320 |
| | <u>7.166.078</u> | <u>19.922.143</u> |

INCOME FROM INVESTMENT ACTIVITIES (USD)

| | <u>1 January - 31 March 2014</u> | <u>1 January - 31 March 2013</u> |
|--------------------------------------|--------------------------------------|--------------------------------------|
| Income from investment assistance | 12.240.096 | 11.644.225 |
| Financial investment interest income | 287.846 | 5.905.621 |
| | <u>12.527.942</u> | <u>17.549.846</u> |

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FINANCIAL INCOME (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|--|--------------------------------------|--------------------------------------|
| Interest income | 6.767.076 | 8.481.160 |
| Rediscount Interest income related to aircraft prepayments | 1.106.531 | 782.406 |
| Gain on derivative financial instruments | - | 7.829.792 |
| Foreign Exchange gain | - | 19.991.757 |
| | <u>7.873.607</u> | <u>37.085.115</u> |

FINANCIAL EXPENSES (USD)

| | 1 January - 31 March 2014 | 1 January - 31 March 2013 |
|---|--------------------------------------|--------------------------------------|
| Finance lease interest expenses | 38.052.143 | 30.509.019 |
| Foreign exchange losses | 24.159.736 | - |
| Losses on derivative financial instruments | 629.931 | - |
| Finance lease administration expenses | 1.762.815 | 3.360.986 |
| Rediscount interest expense related to aircraft purchases | - | - |
| Cost of ETB interest | 960.006 | 838.489 |
| Other financial expenses | 904.830 | 458.835 |
| | <u>66.469.461</u> | <u>35.167.329</u> |