



RELATED PARTY TRANSACTIONS NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE MONTHS INTERIM PERIOD ENDED 30 SEPTEMBER 2013

NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2013

(Amounts are expressed in TL unless otherwise stated.)

NOTE 20 - RELATED PARTY TRANSACTIONS

The immediate parent and controlling party of the Group is Esas Holding. The Group has a number of operating and financial relationships with its shareholders and other entities owned by its shareholders. There are no set payment terms for any of the related party transactions. The related party receivable and payables resulting from operating activities are generally settled in normal course of business.

(i) Balances with related parties:

a) Due from related parties

	30 September 2013	31 December 2012
Balances with joint ventures:		
PUEM	62.000	181.718
İzair	-	16.358
	62.000	198.076

b) Due to related parties

	30 September 2013	31 December 2012
Balances with parent company:		
Esas Holding	1.257.630	2.434.041
Balances with joint ventures:		
İzair	-	825.016
Balances with other related parties:		
EAG Turizm ve İnşaat Sanayi Ticaret A.Ş.	69.520	216.535
RM Arşiv Yönetim Hizmetleri A.Ş.	1.947	3.756
	1.329.097	3.479.348



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FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2013**

(Amounts are expressed in TL unless otherwise stated.)

NOTE 20 - RELATED PARTY TRANSACTIONS (cont'd)

(ii) Significant transactions with related parties:

The significant transactions with Esas Holding consist of the financial guarantee Esas provides for aircraft acquisitions and their related commissions. The Group records these commissions within finance expense.

The Group also leases its head office building from Esas Holding A.Ş. and EAG Turizm ve İnşaat Sanayi Ticaret A.Ş., another Esas Holding subsidiary, and records rent expense as disclosed below.

The Group has significant transactions with Callpex Çağrı Merkezi ve Müşteri Hizmetleri A.Ş. ("Callpex") that provide call center services to Pegasus. The Company's chairman is a shareholder in Callpex.

The Group provides maintenance services to İzair. The Group also receives simulator training services from PUEM for its pilots.

(a) Sale of services

	1 January- 30 September 2013	1 July- 30 September 2013	1 January- 30 September 2012	1 July- 30 September 2012
Balances with parent company:				
Esas Holding	-	-	116.858	-
Balances with joint ventures:				
İzair	1.064.038	-	779.429	779.429
PUEM	629.707	238.235	178.765	102.198
	1.693.745	238.235	1.075.052	881.627

(b) Purchases of goods or services

	1 January- 30 September 2013	1 July- 30 September 2013	1 January- 30 September 2012	1 July- 30 September 2012
Balances with joint ventures:				
PUEM	3.635.745	1.197.341	2.279.098	386.606
İzair	1.091.086	-	201.469	201.469
Purchases from other related parties:				
Callpex	5.723.336	2.079.664	4.829.266	1.730.165
EAG Turizm ve İnşaat Sanayi Ticaret A.Ş.	652.667	231.948	20.933	20.933
RM Arşiv Yönetim Hizmetleri A.Ş.	17.851	5.665	20.340	10.975
Mars Sinema Turizm ve Sportif Tesisler İşletmeciliği A.Ş.	47.000	-	-	-
Other	34.879	-	-	-
	11.202.564	3.514.618	7.351.106	2.350.148



**NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE-MONTH INTERIM PERIOD ENDED 30 SEPTEMBER 2013**

(Amounts are expressed in TL unless otherwise stated.)

NOTE 20 - RELATED PARTY TRANSACTIONS (cont'd)

(ii) Significant transactions with related parties (cont'd)

(c) Rent expenses

	1 January- 30 September 2013	1 July- 30 September 2013	1 January- 30 September 2012	1 July- 30 September 2012
EAG Turizm ve İnşaat Sanayi Ticaret A.Ş.	647.035	233.069	155.733	155.733
Esas Holding	-	-	269.824	-
İzmirliiler Otelcilik	-	-	141.816	78.096
	647.035	233.069	567.373	233.829

(d) Commission expenses

	1 January- 30 September 2013	1 July- 30 September 2013	1 January- 30 September 2012	1 July- 30 September 2012
Esas Holding	9.160.471	3.185.694	7.580.946	2.983.752
	9.160.471	3.185.694	7.580.946	2.983.752

Commission expenses represent commissions and fees for Esas Holding's guarantee which is provided for financial leases of aircraft. The fee rate is 0.575% of the 115% of the amount guaranteed.

(iii) Compensation of key management personnel:

Key management personnel include General Manager and Assistant General Managers. The remuneration of directors and other members of key management during the period ended 30 September 2013 and 2012 are as follows:

	1 January- 30 September 2013	1 July- 30 September 2013	1 January- 30 September 2012	1 July- 30 September 2012
Salaries and other short term benefits	3.217.292	752.809	1.645.204	521.749
	3.217.292	752.809	1.645.204	521.749

