



RELATED PARTY TRANSACTION NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2013

NOTE 27 - RELATED PARTY TRANSACTIONS (cont'd)

(i) Significant transactions with related parties:

The significant transactions with Esas Holding consist of the financial guarantee that 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 to related parties

	1 January- 31 December 2013	1 January- 31 December 2012
Balances with parent company:		
Esas Holding	139.588	116.858
Balances with joint ventures and subsidiaries:		
İzair	1.064.038	4.923.631
PUEM	406.006	347.541
	1.609.632	5.388.030

(b) Purchases of goods or services from related parties



	1 January- 31 December 2013	1 January- 31 December 2012
Balances with joint ventures and subsidiaries:		
PUEM	4.975.463	3.187.075
İzair (*)	1.091.086	957.444
İzmirliiler Otelcilik	-	109.981
Purchases from other related parties:		
Callpex	7.289.365	6.841.288
EAG Turizm ve İnşaat Sanayi Ticaret A.Ş.	666.381	206.833
RM Arşiv Yönetim Hizmetleri A.Ş.	28.384	26.137
Mars Sinema Turizm ve Sportif Tesisler İşletmeciliği A.Ş.	47.000	-
Other	226.820	140.451
	14.324.499	11.469.209

(*) Amount is due to the period during that Izair was accounted for using the equity method from 1 January to 31 March 2013.



NOTE 27 - RELATED PARTY TRANSACTIONS (cont'd)

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

(c) Rent expenses

	1 January- 31 December 2013	1 January- 31 December 2012
EAG Turizm ve İnşaat Sanayi Ticaret A.Ş.	2.254.894	759.616
Esas Holding	-	359.633
İzmirliiler Otelcilik	-	141.816
	2.254.894	1.261.065

(d) Surety commission expenses

	1 January- 31 December 2013	1 January- 31 December 2012
Esas Holding	12.474.324	11.692.202
	12.474.324	11.692.202

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.

(e) Other income

	1 January- 31 December 2013	1 January- 31 December 2012
İzmirliiler Otelcilik	-	1.077
	-	1.077



NOTE 27 - RELATED PARTY TRANSACTIONS (cont'd)

(iii) Compensation of key management personnel:

Key management personnel include General Manager, Vice Presidents and Directors. The remuneration of directors and other members of key management during the period ended 31 December 2013 and 2012 are as follows:

	1 January- 31 December 2013	1 January- 31 December 2012
Salaries and other short term benefits	5.524.733	2.564.952
	5.524.733	2.564.952