

**NOTE 6 - 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) Other receivables from related parties**

	31 December 2014	31 December 2013
<b>Balances with other related parties:</b>		
Doğan Burda Dergi Yayıncılık ve Pazarlama A.Ş. ("Doğan Burda")	265.501	318.600
PUEM	35.671	-
	<b>301.172</b>	<b>318.600</b>

**b) Trade payables to related parties**

	31 December 2014	31 December 2013
<b>Balances with joint ventures and subsidiaries:</b>		
PUEM	-	46.569
<b>Balances with other related parties:</b>		
Esasburda İnşaat Sanayi ve Ticaret A.Ş. (*)	85.569	65.822
RM Arşiv Yönetim Hizmetleri A.Ş. (**)	-	3.180
	<b>85.569</b>	<b>115.571</b>

(\*) The trade name of EAG Turizm ve İnşaat Sanayi Ticaret A.Ş. has been changed as Esasburda İnşaat Sanayi ve Ticaret A.Ş. ("Esasburda").

(\*\*) RM Arşiv Yönetim Hizmetleri A.Ş. ("RM Arşiv") has been delisted from related parties list as of 19 August 2014.

## PEGASUS HAVA TAŞIMACILIĞI A.Ş. AND ITS SUBSIDIARIES

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS  
AS OF 31 DECEMBER 2014

(Amounts are expressed in TL unless otherwise stated.)

## NOTE 6 - RELATED PARTY TRANSACTIONS (cont'd)

## (ii) 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 their head office building from Esas Holding A.Ş. and Esasburda, another Esas Holding subsidiary, and records rent expense as disclosed below.

The Group generates advertising revenue by renting ad space via Doğan Burda.

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 their pilots.

## a) Sale of services

	1 January- 31 December 2014	1 January- 31 December 2013
<b>Balances with parent company:</b>		
Esas Holding	-	139.588
<b>Balances with joint ventures and subsidiaries:</b>		
PUEM	525.844	406.006
İzair (*)	-	1.064.038
<b>Balances with other related parties:</b>		
Doğan Burda	879.724	758.700
	<b>1.405.568</b>	<b>2.368.332</b>

## b) Purchases of goods or services

	1 January- 31 December 2014	1 January- 31 December 2013
<b>Balances with joint ventures and subsidiaries:</b>		
PUEM	5.867.160	4.975.463
İzair (*)	-	1.091.086
<b>Purchases from other related parties:</b>		
Callpex	7.544.340	7.289.365
Esasburda	465.624	666.381
RM Arşiv (**)	19.476	28.384
Mars Sinema Turizm ve Sportif Tesisler İşletmeciliği A.Ş.	-	47.000
Other	28.109	226.820
	<b>13.924.709</b>	<b>14.324.499</b>

(\*) Amount is due from the period İzair had been accounted by using the equity method before 1 April 2013.

(\*\*) Amount is due from the period up to 19 August 2014, the date RM Arşiv has been delisted from related parties list.

**NOTE 6 - RELATED PARTY TRANSACTIONS (cont'd)****(ii) Significant Transactions with Related Parties (cont'd)****c) Rent expenses**

	1 January- 31 December 2014	1 January- 31 December 2013
Esasburda	3.090.034	2.572.517
	<b>3.090.034</b>	<b>2.572.517</b>

**d) Surety commission expenses**

	1 January- 31 December 2014	1 January- 31 December 2013
Esas Holding	13.172.235	12.474.324
	<b>13.172.235</b>	<b>12.474.324</b>

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 members of the board of directors, general managers and assistant general managers. The remuneration of key management paid during the year ended 31 December 2014 and 2013 are as follows:

	1 January- 31 December 2014	1 January- 31 December 2013
Salaries and other short term benefits	6.736.860	4.781.199
Other long term benefits	1.176.268	563.534
	<b>7.913.128</b>	<b>5.344.733</b>