

# DETAILED INCOME STATEMENT AND FOOTNOTES

based on USD accounting

## INCOME STATEMENT (USD)

	Reviewed	Unreviewed	Reviewed	Unreviewed
	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
<b>PROFIT OR LOSS</b>				
Sales Revenue	5.222.428.064	2.907.153.213	4.530.820.175	2.516.254.485
Cost of Sales (-)	(4.410.610.819)	(2.327.483.853)	(3.716.263.819)	(1.944.971.332)
<b>GROSS PROFIT/(LOSS)</b>	<b>811.817.245</b>	<b>579.669.360</b>	<b>814.556.356</b>	<b>571.283.153</b>
General Administrative Expenses (-)	(135.477.950)	(68.453.672)	(123.289.474)	(67.774.713)
Marketing and Sales Expenses (-)	(570.668.377)	(303.171.912)	(486.740.697)	(251.333.209)
Other Operating Income	59.056.070	31.984.434	56.231.340	27.956.008
Other Operating Expenses (-)	(12.719.056)	(5.608.911)	(40.538.127)	(20.615.984)
<b>OPERATING PROFIT</b>	<b>152.007.932</b>	<b>234.419.299</b>	<b>220.219.398</b>	<b>259.515.255</b>
Income from Investment Activities	29.148.950	16.621.008	39.869.422	22.319.576
Expense from Investment Activities	(3.876.538)	(3.820.604)	(15.320)	-
Share of Investments' Profit / Loss Accounted By Using the Equity method	19.598.972	27.883.884	(3.210.552)	(6.505.553)
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE</b>	<b>196.879.316</b>	<b>275.103.587</b>	<b>256.862.948</b>	<b>275.329.278</b>
Financial Income	16.832.182	9.588.506	19.673.442	7.435.351
Financial Expenses (-)	(133.215.425)	(67.375.895)	(148.828.402)	(138.508.097)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>80.496.073</b>	<b>217.316.198</b>	<b>127.707.988</b>	<b>144.256.532</b>
<b>Tax Income/ Expense of Continuing Operations</b>	<b>7.708.998</b>	<b>(26.892.291)</b>	<b>(59.141.027)</b>	<b>(61.728.317)</b>
Current Tax Expense for the Period	(4.076.972)	(4.076.972)	-	-
Deferred Tax (Expense)/Income	11.785.970	(22.815.319)	(59.141.027)	(61.728.317)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>88.205.071</b>	<b>190.423.907</b>	<b>68.566.961</b>	<b>82.528.215</b>

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## GROSS PROFIT (USD)

	<b>1 January - 30 June 2014</b>	<b>1 April - 30 June 2014</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2013</b>
Passenger Revenue				
Scheduled flights	4.585.638.495	2.576.519.076	4.009.767.326	2.241.333.997
Unscheduled flights	33.215.889	22.462.448	20.755.771	12.272.779
Total Passenger Revenue	4.618.854.384	2.598.981.524	4.030.523.097	2.253.606.776
Cargo Revenue				
Carried by passenger aircraft	263.911.381	140.416.290	235.136.992	127.773.566
Carried by cargo aircraft	215.927.494	107.554.691	177.384.047	94.926.159
Total Cargo Revenue	479.838.875	247.970.981	412.521.039	222.699.725
Total Passenger and Cargo Revenue	5.098.693.259	2.846.952.505	4.443.044.136	2.476.306.501
Technical Revenue	105.710.179	51.887.388	65.871.339	31.177.661
Other Revenue	18.024.626	8.313.320	21.904.700	8.770.323
Net sales	5.222.428.064	2.907.153.213	4.530.820.175	2.516.254.485
Cost of sales (-)	(4.410.610.819)	(2.327.483.853)	(3.716.263.819)	(1.944.971.332)
Gross profit	811.817.245	579.669.360	814.556.356	571.283.153

## GEOGRAPHICAL DETAILS OF REVENUE FROM THE SCHEDULED FLIGHTS (USD)

	<b>1 January - 30 June 2014</b>	<b>1 April - 30 June 2014</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2013</b>
- Europe	1.610.817.582	927.346.205	1.449.304.657	847.991.058
- Far East	1.177.415.071	647.053.566	961.050.516	516.502.164
- Middle East	753.449.608	422.063.195	600.083.677	315.933.391
- America	515.453.612	298.771.288	437.417.411	253.331.309
- Africa	401.653.465	192.820.639	362.857.311	189.885.536
Total International Flights	4.458.789.338	2.488.054.893	3.810.713.572	2.123.643.458
Total Domestic Flights	639.903.921	358.897.612	632.330.564	352.663.043
Total Revenue	5.098.693.259	2.846.952.505	4.443.044.136	2.476.306.501

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## OPERATING COSTS BY TYPE (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Fuel expenses	1.885.329.170	997.860.130	1.602.154.034	832.847.388
Personnel expenses	830.553.205	432.206.027	763.637.796	378.669.158
Depreciation expenses	358.584.354	185.636.378	321.168.460	157.586.927
Ground services expenses	303.024.473	157.661.550	261.194.130	135.343.334
Passenger service catering expenses	262.614.682	137.087.106	206.069.824	108.817.392
Air traffic control expenses	261.796.572	137.959.976	207.432.968	113.223.587
Landing and navigation expenses	202.959.259	108.035.636	162.382.858	87.920.245
Short term leasing expenses	192.141.166	100.680.351	106.272.935	71.006.995
Maintenance expenses	184.486.968	98.634.554	136.136.682	79.876.524
Commissions and incentive expenses	185.027.690	107.331.629	164.011.649	88.368.918
Reservation systems expenses	116.942.489	60.900.986	106.971.492	56.422.199
Advertising and promotion expenses	74.176.838	35.928.691	49.072.133	28.497.523
Operating lease expenses	76.602.806	40.581.675	77.797.428	36.693.621
Service expenses	41.875.148	22.626.648	22.680.976	10.637.775
Other rent expenses	24.491.851	13.713.902	24.309.612	10.111.829
Communication and information expenses	20.216.563	11.135.506	22.343.292	13.826.723
Insurance expenses	16.458.177	8.257.320	17.705.213	8.560.626
Transportation expenses	9.610.842	6.340.314	12.229.226	7.709.067
Tax expenses	12.284.841	7.012.859	10.402.576	6.183.979
Consultancy expenses	5.496.280	2.578.935	7.254.435	3.690.408
Utility expenses	4.168.296	2.072.114	4.359.513	2.156.943
Membership fees	3.014.688	1.635.794	2.759.636	1.451.286
System use expenses	2.602.866	1.572.650	2.520.011	1.542.453
Other expenses	42.297.922	21.658.706	35.427.111	22.934.354
	<u>5.116.757.146</u>	<u>2.699.109.437</u>	<u>4.326.293.990</u>	<u>2.264.079.254</u>

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## COST OF SALES (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Fuel expenses	1.885.007.427	997.695.732	1.601.747.804	832.633.707
Personnel expenses	616.091.710	326.897.321	567.283.821	285.274.053
Landing and navigation expenses	202.959.259	108.035.636	162.382.858	87.920.245
Air traffic control expenses	261.796.572	137.959.976	207.432.968	113.223.587
Depreciation expenses	336.851.902	174.160.672	308.430.935	151.789.804
Ground services expenses	303.024.473	157.661.550	261.194.130	135.343.334
Passenger service catering expenses	262.614.682	137.087.106	206.069.824	108.817.392
Short term leasing expenses	192.141.166	100.680.351	106.272.935	71.006.995
Maintenance expenses	183.099.563	97.847.663	134.011.998	78.897.920
Operating lease expenses	76.602.806	40.581.675	77.797.428	36.693.621
Other rent expenses	11.042.553	5.759.219	15.234.474	6.797.720
Insurance expenses	15.886.067	7.997.273	17.350.106	8.329.458
Transportation expenses	9.610.842	6.340.314	12.229.226	7.709.067
Service expenses	30.978.044	16.945.925	15.081.351	6.484.485
Tax expenses	4.791.868	2.315.501	5.189.268	2.872.752
Utility expenses	2.405.194	1.198.082	3.101.405	1.528.893
Other expenses	15.706.691	8.319.857	15.453.288	9.648.299
	<u>4.410.610.819</u>	<u>2.327.483.853</u>	<u>3.716.263.819</u>	<u>1.944.971.332</u>

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## GENERAL ADMINISTRATIVE EXPENSES (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Personnel expenses	71.908.468	34.501.350	72.022.270	38.534.305
Depreciation expenses	18.312.771	9.790.761	9.634.418	4.221.348
Communication and information expenses	16.038.900	8.995.571	18.608.508	11.914.274
Service expenses	7.279.152	3.773.259	5.271.794	2.889.175
Consultancy expenses	2.243.836	857.276	3.357.091	1.042.621
Maintenance expenses	1.387.405	786.891	2.124.684	978.604
Rent expenses	4.583.449	3.479.920	2.747.538	2.004.365
System use expenses	2.602.866	1.572.650	2.520.011	1.542.453
Tax expenses	1.081.639	745.065	1.400.593	616.293
Utility expenses	1.763.102	874.032	1.258.108	628.050
Insurance expenses	572.110	260.047	355.107	231.168
Other administrative expenses	7.704.252	2.816.850	3.989.352	3.172.057
	135.477.950	68.453.672	123.289.474	67.774.713

## MARKETING, SALES AND DISTRIBUTION EXPENSES (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Commissions and incentive expenses	185.027.690	107.331.629	164.011.649	88.368.918
Personnel expenses	142.553.027	70.807.356	124.331.705	54.860.800
Reservation systems expenses	116.942.489	60.900.986	106.971.492	56.422.199
Advertising and promotion expenses	74.176.838	35.928.691	49.072.133	28.497.523
Rent expenses	8.865.849	4.474.763	6.327.600	1.309.744
Consultancy expenses	3.252.444	1.721.659	3.897.344	2.647.787
Tax expenses	6.411.334	3.952.293	3.812.715	2.694.934
Communication and information expenses	4.177.663	2.139.935	3.734.784	1.912.449
Depreciation expenses	3.419.681	1.684.945	3.103.107	1.575.775
Membership fees	3.014.688	1.635.794	2.759.636	1.451.286
Service expenses	3.617.952	1.907.464	2.327.831	1.264.115
Fuel expenses	321.743	164.398	406.230	213.681
Other sales and marketing expenses	18.886.979	10.521.999	15.984.471	10.113.998
	570.668.377	303.171.912	486.740.697	251.333.209

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## OTHER OPERATING INCOME (USD)

	<b>1 January - 30 June 2014</b>	<b>1 April - 30 June 2014</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2013</b>
Insurance, indemnities, penalties income	11.973.660	7.090.831	20.625.895	12.091.856
Grant credit income related to aircraft, engines and other purchases	3.598.682	2.344.187	7.511.987	6.492.718
Provisions released	8.303.298	6.427.442	6.078.356	2.548.794
TGS share premium	3.470.522	1.784.383	3.080.258	1.495.870
Non- interest revenues from banks	2.491.356	1.254.841	2.700.237	1.557.016
Rent income	1.161.845	65.737	1.031.879	147.293
Foreign exchange gains on trade operations, net	17.078.653	10.006.199	-	-
Late payment interest income	152.856	25.428	584.037	511.351
Other operating income	10.825.198	2.985.386	14.618.691	3.111.110
	<b>59.056.070</b>	<b>31.984.434</b>	<b>56.231.340</b>	<b>27.956.008</b>

## OTHER OPERATING EXPENSE (USD)

	<b>1 January - 30 June 2014</b>	<b>1 April - 30 June 2014</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2013</b>
Foreign exchange losses on trade operations, net	-	-	21.470.103	7.699.640
Indemnity and penalty expenses	1.727.093	1.044.064	2.174.224	1.514.604
Provision expenses	6.453.834	1.864.863	1.798.388	1.299.859
Discount Interest expenses on trade operations	840.757	134.807	1.696.875	1.527.864
Other operating expenses	3.697.372	2.565.177	13.398.537	8.574.017
	<b>12.719.056</b>	<b>5.608.911</b>	<b>40.538.127</b>	<b>20.615.984</b>

## INCOME FROM INVESTMENT ACTIVITIES (USD)

	<b>1 January - 30 June 2014</b>	<b>1 April - 30 June 2014</b>	<b>1 January - 30 June 2013</b>	<b>1 April - 30 June 2013</b>
Government Incentives	26.621.457	14.381.361	24.129.000	12.484.775
Financial investment interest income	2.467.773	2.179.927	11.317.355	5.411.734
Gain on sale of fixed assets	59.720	59.720	4.423.067	4.423.067
	<b>29.148.950</b>	<b>16.621.008</b>	<b>39.869.422</b>	<b>22.319.576</b>

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## EXPENSE FROM INVESTMENT ACTIVITIES (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Loss on sale of fixed assets	3.876.538	3.820.604	15.320	-

## FINANCIAL INCOME (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Interest Income	12.525.154	5.758.078	15.916.511	7.435.351
Rediscount interest income related to aircraft purchases	2.478.894	1.372.363	958.232	-
Gain on derivative financial instruments	1.828.134	2.458.065	2.798.699	-
	16.832.182	9.588.506	19.673.442	7.435.351

## FINANCIAL EXPENSES (USD)

	1 January - 30 June 2014	1 April - 30 June 2014	1 January - 30 June 2013	1 April - 30 June 2013
Finance lease interest expenses	77.088.502	39.036.359	68.320.634	37.811.615
Foreign exchange losses	46.990.860	22.831.124	60.066.025	80.057.783
Finance lease administration expenses	4.413.679	2.650.864	10.194.640	6.833.654
Rediscount interest expense related to aircraft purchases	-	-	7.469.456	7.293.630
Cost of ETB interest	2.315.158	1.355.152	1.485.513	647.024
Losses on derivative financial instruments	-	-	-	5.031.093
Other financial expenses	2.407.226	1.502.396	1.292.134	833.298
	133.215.425	67.375.895	148.828.402	138.508.097