

# DETAILED INCOME STATEMENT AND FOOTNOTES

based on USD accounting

## INCOME STATEMENT (USD)

	Unreviewed	Unreviewed	Unreviewed	Unreviewed
	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
<b>PROFIT OR LOSS</b>				
Sales Revenue	8.540.224.290	3.317.796.226	7.409.543.644	2.878.723.469
Cost of Sales (-)	( 6.859.306.284)	( 2.448.695.465)	( 5.855.606.243)	( 2.141.489.763)
<b>GROSS PROFIT/(LOSS)</b>	<b>1.680.918.006</b>	<b>869.100.761</b>	<b>1.553.937.401</b>	<b>737.233.706</b>
General Administrative Expenses (-)	( 201.223.163)	( 65.745.213)	( 175.684.710)	( 52.395.236)
Marketing and Sales Expenses (-)	( 838.390.529)	( 267.722.152)	( 733.003.247)	( 246.262.550)
Other Operating Income	71.297.353	12.241.283	64.786.844	10.702.843
Other Operating Expenses (-)	( 25.994.140)	( 13.275.084)	( 68.493.912)	( 27.955.785)
<b>OPERATING PROFIT</b>	<b>686.607.527</b>	<b>534.599.595</b>	<b>641.542.376</b>	<b>421.322.978</b>
Income from Investment Activities	54.205.188	25.056.238	63.250.206	23.380.784
Expense from Investment Activities	( 15.777.841)	( 11.901.303)	( 1.001.731)	( 986.411)
Share of Investments' Profit / Loss Accounted By Using the Equity method	66.690.889	47.091.917	49.599.911	52.810.463
<b>OPERATING PROFIT BEFORE FINANCIAL INCOME/EXPENSE</b>	<b>791.725.763</b>	<b>594.846.447</b>	<b>753.390.762</b>	<b>496.527.814</b>
Financial Income	233.986.649	268.452.355	17.575.387	1.658.876
Financial Expenses (-)	( 133.766.726)	( 51.849.189)	( 192.741.782)	( 47.670.311)
<b>PROFIT BEFORE TAX FROM CONTINUING OPERATIONS</b>	<b>891.945.686</b>	<b>811.449.613</b>	<b>578.224.367</b>	<b>450.516.379</b>
<b>Tax Income/ Expense of Continuing Operations</b>	<b>( 169.057.716)</b>	<b>( 176.766.714)</b>	<b>( 157.790.571)</b>	<b>( 98.649.544)</b>
Current Tax Expense for the Period	( 4.076.972)	-	( 842.371)	( 842.371)
Deferred Tax (Expense)/Income	( 164.980.744)	( 176.766.714)	( 156.948.200)	( 97.807.173)
<b>PROFIT FOR THE PERIOD FROM CONTINUING OPERATIONS</b>	<b>722.887.970</b>	<b>634.682.899</b>	<b>420.433.796</b>	<b>351.866.835</b>

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## GROSS PROFIT (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Passenger Revenue				
Scheduled flights	7.578.314.601	2.992.676.106	6.568.161.253	2.558.393.927
Unscheduled flights	70.542.880	37.326.991	57.155.055	36.399.284
Total Passenger Revenue	7.648.857.481	3.030.003.097	6.625.316.308	2.594.793.211
Cargo Revenue				
Carried by passenger aircraft	401.573.650	137.662.270	363.324.369	128.187.377
Carried by cargo aircraft	310.390.057	94.462.563	279.433.527	102.049.480
Total Cargo Revenue	711.963.707	232.124.833	642.757.896	230.236.857
Total Passenger and Cargo Revenue	8.360.821.188	3.262.127.930	7.268.074.204	2.825.030.068
Technical Revenue	152.684.362	46.974.183	111.269.092	45.397.753
Other Revenue	26.718.740	8.694.113	30.200.348	8.295.648
Net sales	8.540.224.290	3.317.796.226	7.409.543.644	2.878.723.469
Cost of sales (-)	(6.859.306.284)	(2.448.695.465)	(5.855.606.243)	(2.141.489.763)
Gross profit	1.680.918.006	869.100.761	1.553.937.401	737.233.706

## GEOGRAPHICAL DETAILS OF PASSENGER AND CARGO REVENUE (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
- Europe	2.752.800.178	1.130.121.660	2.444.240.478	990.743.654
- Far East	1.784.687.674	642.523.005	1.509.421.955	552.881.782
- Middle East	1.023.067.413	387.049.954	851.755.844	306.876.582
- America	954.347.590	383.318.139	789.500.357	322.340.980
- Africa	698.546.288	255.774.069	580.916.640	222.612.532
Total International Flights	7.213.449.143	2.798.786.827	6.175.835.274	2.395.455.530
Total Domestic Flights	1.147.372.045	463.341.103	1.092.238.930	429.574.538
Total Revenue	8.360.821.188	3.262.127.930	7.268.074.204	2.825.030.068

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## OPERATING COSTS BY TYPE (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Fuel expenses	2.948.162.164	1.062.832.994	2.527.110.694	924.956.660
Personnel expenses	1.261.881.918	431.328.713	1.151.512.872	387.875.076
Depreciation expenses	548.380.331	189.795.977	483.297.589	162.129.129
Ground services expenses	467.723.523	164.699.050	409.564.966	148.370.836
Passenger service catering expenses	418.670.035	156.055.353	327.848.501	121.778.677
Air traffic control expenses	405.393.547	143.596.975	330.347.281	122.914.313
Landing and navigation expenses	310.877.052	107.917.793	258.970.440	96.587.582
Short term leasing expenses	309.377.632	117.236.466	213.678.906	107.405.971
Maintenance expenses	274.792.580	90.305.612	223.365.844	87.229.162
Commissions and incentive expenses	276.211.280	91.183.590	250.727.366	86.715.717
Reservation systems expenses	169.368.341	52.425.852	154.092.714	47.121.222
Advertising and promotion expenses	103.076.168	28.899.330	72.125.347	23.053.214
Operating lease expenses	121.963.120	45.360.314	112.925.476	35.128.048
Service expenses	69.667.217	27.792.069	41.786.116	19.105.140
Other rent expenses	37.307.279	12.815.428	35.491.849	11.182.237
Communication and information expenses	28.515.815	8.299.252	30.635.155	8.291.863
Insurance expenses	25.544.425	9.086.248	26.991.210	9.285.997
Transportation expenses	17.134.758	7.523.916	16.605.422	4.376.196
Tax expenses	18.581.042	6.296.201	15.462.251	5.059.675
Consultancy expenses	8.721.720	3.225.440	10.913.516	3.659.081
Utility expenses	5.892.350	1.724.053	6.381.388	2.021.875
Membership fees	4.315.291	1.300.603	3.768.206	1.008.570
System use expenses	3.750.146	1.147.280	3.857.557	1.337.546
Other expenses	63.612.242	21.314.321	56.833.534	23.553.762
	<u>7.898.919.976</u>	<u>2.782.162.830</u>	<u>6.764.294.200</u>	<u>2.440.147.549</u>

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## COST OF SALES (USD)

	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2014</b>	<b>1 January - 30 September 2013</b>	<b>1 July - 30 September 2013</b>
Fuel expenses	2.947.676.633	1.062.669.206	2.526.480.808	924.733.004
Personnel expenses	945.988.706	329.896.996	860.363.402	293.079.581
Landing and navigation expenses	310.877.052	107.917.793	258.970.440	96.587.582
Air traffic control expenses	405.393.547	143.596.975	330.347.281	122.914.313
Depreciation expenses	512.754.089	175.902.187	462.917.313	154.486.378
Ground services expenses	467.723.523	164.699.050	409.564.966	148.370.836
Passenger service catering expenses	418.670.035	156.055.353	327.848.501	121.778.677
Short term leasing expenses	309.377.632	117.236.466	213.678.906	107.405.971
Maintenance expenses	272.591.307	89.491.744	220.712.683	86.700.685
Operating lease expenses	121.963.120	45.360.314	112.925.476	35.128.048
Other rent expenses	16.515.551	5.472.998	21.586.826	6.352.352
Insurance expenses	24.459.333	8.573.266	26.274.721	8.924.615
Transportation expenses	17.134.758	7.523.916	16.605.422	4.376.196
Service expenses	52.025.571	21.047.527	29.573.882	14.492.531
Tax expenses	7.918.919	3.127.051	7.443.844	2.254.576
Utility expenses	3.419.001	1.013.806	4.306.033	1.204.628
Other expenses	24.817.507	9.110.817	26.005.739	12.699.790
	<b>6.859.306.284</b>	<b>2.448.695.465</b>	<b>5.855.606.243</b>	<b>2.141.489.763</b>

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## GENERAL ADMINISTRATIVE EXPENSES (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Personnel expenses	105.721.129	33.812.661	100.138.424	28.116.154
Depreciation expenses	30.506.827	12.194.056	15.649.743	6.015.325
Communication and information expenses	22.227.902	6.189.002	24.711.589	6.103.081
Service expenses	11.647.349	4.368.197	8.580.599	3.308.805
Consultancy expenses	3.286.065	1.042.229	4.319.723	962.632
Maintenance expenses	2.201.273	813.868	2.653.161	528.477
Rent expenses	7.148.194	2.564.745	3.956.434	1.208.896
System use expenses	3.750.146	1.147.280	3.857.557	1.337.546
Tax expenses	1.307.500	225.861	2.606.802	1.206.209
Utility expenses	2.473.349	710.247	2.075.355	817.247
Insurance expenses	1.085.092	512.982	716.489	361.382
Other administrative expenses	9.868.337	2.164.085	6.418.834	2.429.482
	201.223.163	65.745.213	175.684.710	52.395.236

## MARKETING, SALES AND DISTRIBUTION EXPENSES (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Commissions and incentive expenses	276.211.280	91.183.590	250.727.366	86.715.717
Personnel expenses	210.172.083	67.619.056	191.011.046	66.679.341
Reservation systems expenses	169.368.341	52.425.852	154.092.714	47.121.222
Advertising and promotion expenses	103.076.168	28.899.330	72.125.347	23.053.214
Rent expenses	13.643.534	4.777.685	9.948.589	3.620.989
Consultancy expenses	5.435.655	2.183.211	6.593.793	2.696.449
Tax expenses	9.354.623	2.943.289	5.411.605	1.598.890
Communication and information expenses	6.287.913	2.110.250	5.923.566	2.188.782
Depreciation expenses	5.119.415	1.699.734	4.730.533	1.627.426
Membership fees	4.315.291	1.300.603	3.768.206	1.008.570
Service expenses	5.994.297	2.376.345	3.631.635	1.303.804
Fuel expenses	485.531	163.788	629.886	223.656
Other sales and marketing expenses	28.926.398	10.039.419	24.408.961	8.424.490
	838.390.529	267.722.152	733.003.247	246.262.550

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## OTHER OPERATING INCOME (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Insurance, indemnities, penalties income	15.296.201	3.322.541	22.553.591	1.927.696
Grant credit income related to aircraft, engines and other purchases	12.464.614	8.865.932	9.334.860	1.822.873
Provisions released	8.467.384	164.086	7.797.780	1.719.424
TGS share premium	5.203.375	1.732.853	4.496.207	1.415.949
Non- interest revenues from banks	3.871.409	1.380.053	4.055.374	1.355.137
Rent income	1.224.743	62.898	1.456.440	424.561
Foreign exchange gains on trade operations, net	11.134.434	(5.944.219)	-	-
Late payment interest income	208.069	55.213	1.118.922	534.885
Other operating income	13.427.124	2.601.926	13.973.670	1.502.318
	<u>71.297.353</u>	<u>12.241.283</u>	<u>64.786.844</u>	<u>10.702.843</u>

## OTHER OPERATING EXPENSE (USD)

	1 January - 30 September 2014	1 July - 30 September 2014	1 January - 30 September 2013	1 July - 30 September 2013
Foreign exchange losses on trade operations, net	-	-	46.201.842	24.731.739
Indemnity and penalty expenses	2.878.856	1.151.763	2.602.738	428.514
Provision expenses	11.633.544	5.179.710	3.161.734	1.363.346
Discount Interest expenses on trade operations	3.049.264	2.208.507	1.744.168	47.293
Other operating expenses	8.432.476	4.735.104	14.783.430	1.384.893
	<u>25.994.140</u>	<u>13.275.084</u>	<u>68.493.912</u>	<u>27.955.785</u>

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## INCOME FROM INVESTMENT ACTIVITIES (USD)

	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2014</b>	<b>1 January - 30 September 2013</b>	<b>1 July - 30 September 2013</b>
Government Incentives	41.890.321	15.268.864	36.592.843	12.463.843
Financial investment interest income	11.901.009	9.433.236	21.827.598	10.510.243
Gain on sale of fixed assets	413.858	354.138	4.829.765	406.698
	<u>54.205.188</u>	<u>25.056.238</u>	<u>63.250.206</u>	<u>23.380.784</u>

## EXPENSE FROM INVESTMENT ACTIVITIES (USD)

	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2014</b>	<b>1 January - 30 September 2013</b>	<b>1 July - 30 September 2013</b>
Loss on sale of fixed assets	15.777.841	11.901.303	1.001.731	986.411

## FINANCIAL INCOME (USD)

	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2014</b>	<b>1 January - 30 September 2013</b>	<b>1 July - 30 September 2013</b>
Interest Income	14.407.581	1.882.427	17.575.387	1.658.876
Foreign exchange gains	219.579.068	266.569.928	-	-
	<u>233.986.649</u>	<u>268.452.355</u>	<u>17.575.387</u>	<u>1.658.876</u>

## FINANCIAL EXPENSES (USD)

	<b>1 January - 30 September 2014</b>	<b>1 July - 30 September 2014</b>	<b>1 January - 30 September 2013</b>	<b>1 July - 30 September 2013</b>
Finance lease interest expenses	104.048.497	26.959.995	106.674.484	36.523.294
Foreign exchange losses	-	-	47.058.551	(13.618.690)
Finance lease administration expenses	6.602.574	2.188.895	12.001.326	1.806.686
Rediscount interest expense related to aircraft purchases	4.823.080	7.301.974	5.900.008	1.830.556
Cost of ETB interest	3.445.206	1.130.048	2.129.847	644.334
Losses on derivative financial instruments	11.269.316	13.097.450	15.380.129	18.178.828
Other financial expenses	3.578.053	1.170.827	3.597.437	2.305.303
	<u>133.766.726</u>	<u>51.849.189</u>	<u>192.741.782</u>	<u>47.670.311</u>