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Commercial Performance remain resilient

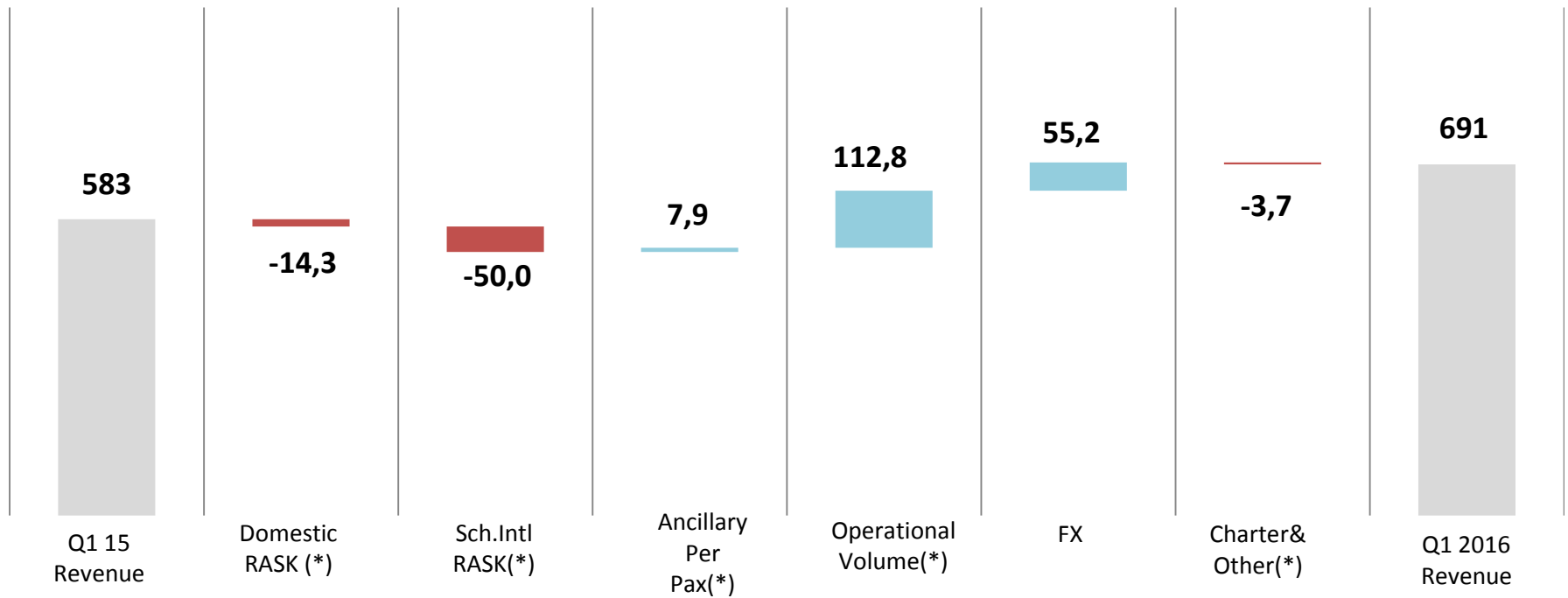
- Overall revenue performance improved by 18,5 % despite a difficult quarter
- Impact of Brussel, Istanbul, Ankara and Bursa terrorist attacks on load factor and yields
- Continue to develop network- Capacity growth of 23% (y-o-y ASK growth)
- Non Fuel Cask in Euro terms increased by 2,6 %
- Continue to invest in growth opportunities across our core markets

OPERATIONAL PERFORMANCE



	Q1 2016	Q1 2015	Change
PASSENGERS (MN)	5,36	4,52	18,6%
LOAD FACTOR	76,1%	77,8%	-1,7%pp
SEAT (MN)	7,04	5,80	21,3%
AVERAGE STAGE LENGTH (KM)	985	972	1,3%
YIELD (TOTAL TRY)	93,6	97,9	-4,4%
ANCILLARY REVENUE PER PAX (€)	10,1	10,1	0%
TOTAL REVENUE (TRYmn)	691,1	583,1	18,5%
PERIOD END A/C	69	59	16.9%

Q1 2016 REVENUE PERFORMANCE (TRYmn)



COMMENTS

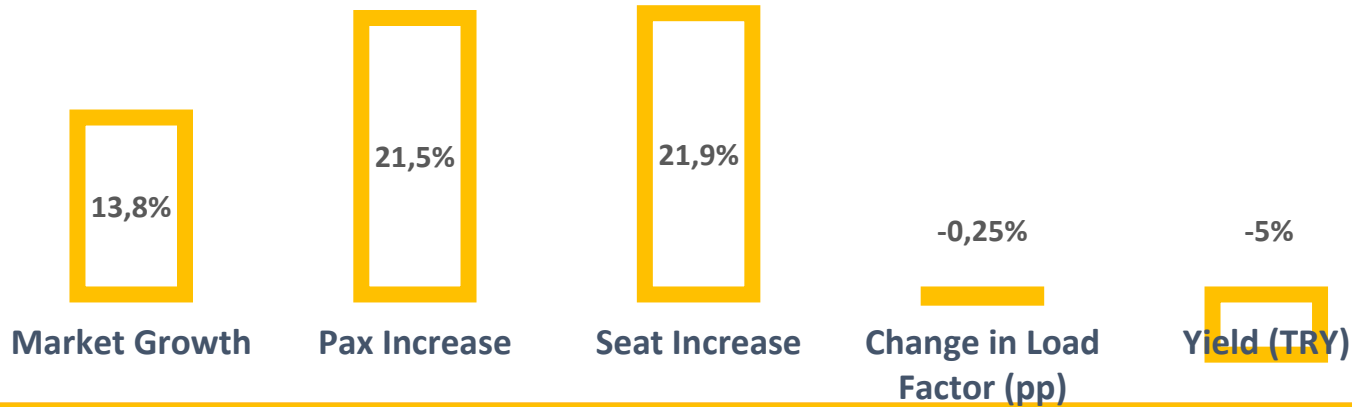
- ➔ Total revenue was up by 18,5 % in the first quarter of the year despite political tension with Russia and terrorist attacks in Brussel, Istanbul, Ankara and Bursa
- ➔ Increase in nominal ancillary revenue was 38 % which makes up 25% of the total revenue

(*) Constant currency

Q1 2016 GROWTH AND YIELD UPDATE



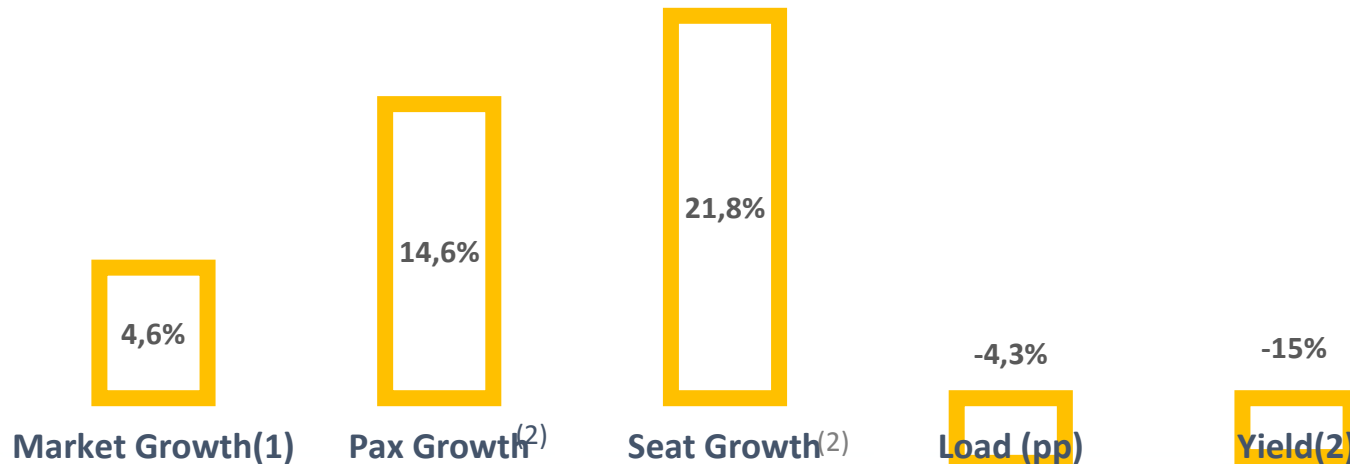
DOMESTIC



Domestic Yield

2015 Q1	62,0 TRY
2016 Q1	59,1 TRY

SCHEDULED INTERNATIONAL



International Yield

2015 Q1	57,3 €
2016 Q1	48,5 €

(1) Source: DHMI Data

(2) Charter data excluded in all international pax, seat data and Yield calculation. 5

Domestic Yields are in TRY and international yields are in Euro terms

FLEET UPDATE



FLEET EXPANSION (UNDER CONTRACT)

Year End	2016	2017	2018	2019	2020
Owned	3	3	3	3	4
Financial Lease	34	42	52	66	78
Operational Lease	45	42	40	32	24
Total	82	87	95	101	106

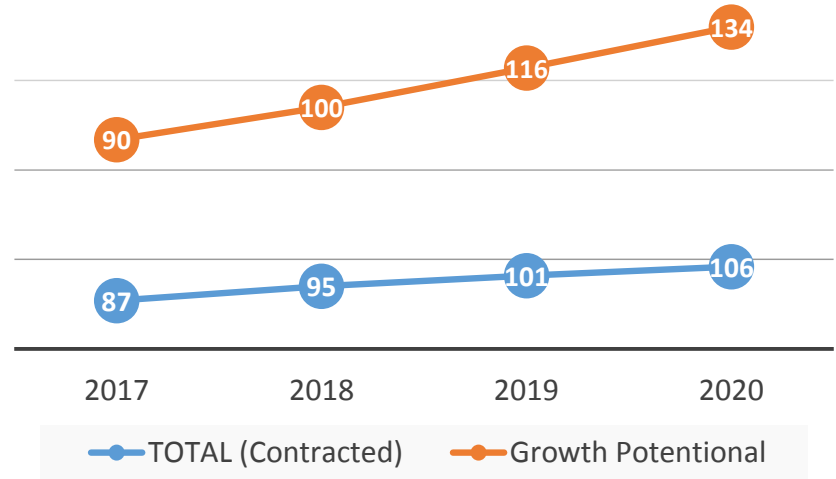
PEGASUS TODAY

- Fleet of 69 aircraft with average age of 5.5 years as of March 16
- #2 airline in domestic market with a market share of 30%
- Operates 103 routes to 41 countries

FLEET OVERVIEW

March '16	Owned	Fin. Lease	Opr. Lease	Total
Boeing 737-800	2	25	31	58
Boeing 737-400	1	0	0	1
Airbus A320 CEO	0	0	10	10
Total Fleet	3	25	41	69

FLEXIBLE FLEET DEVELOPMENT OPTIONS

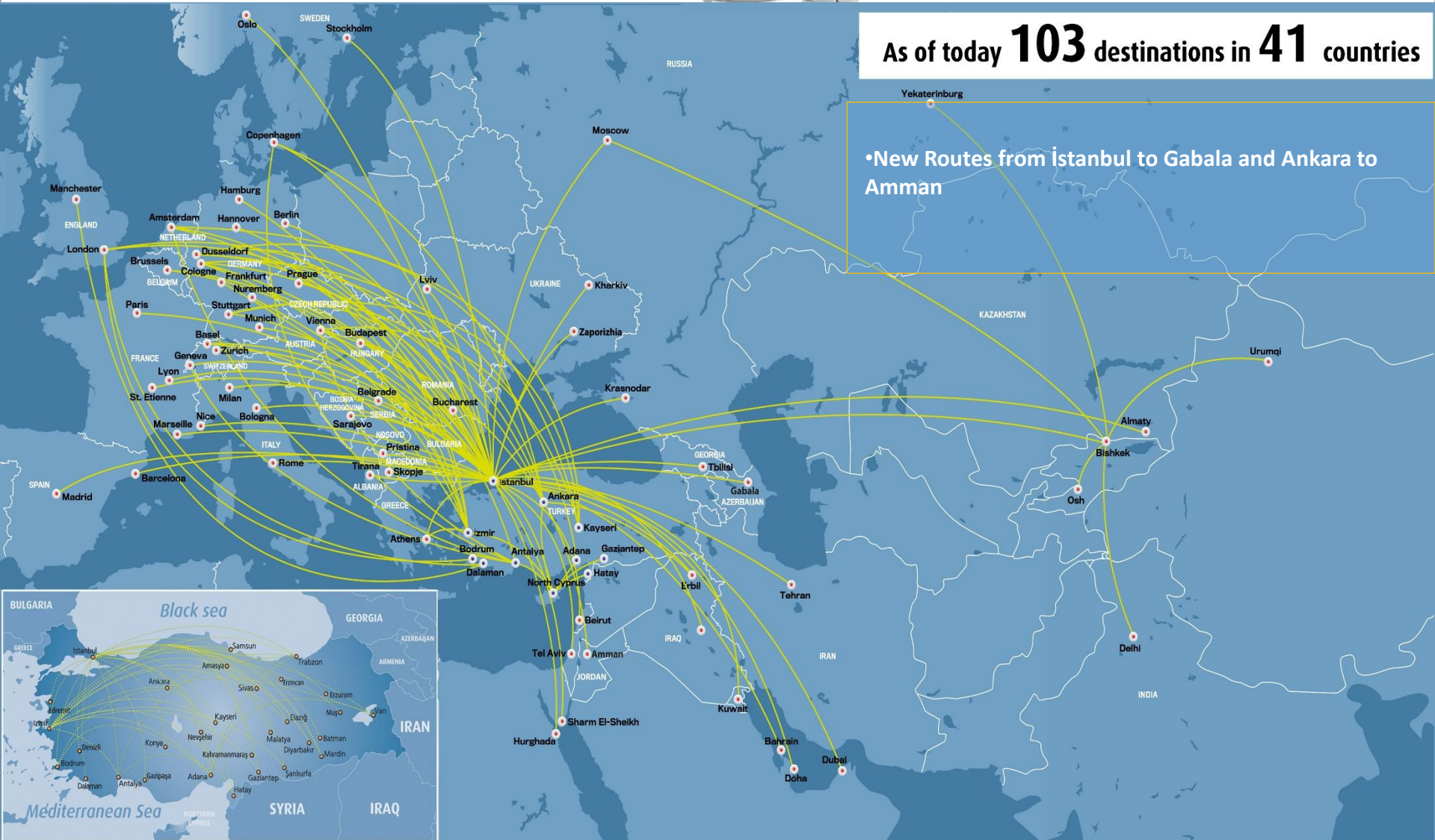


ROUTE UPDATE - 2016

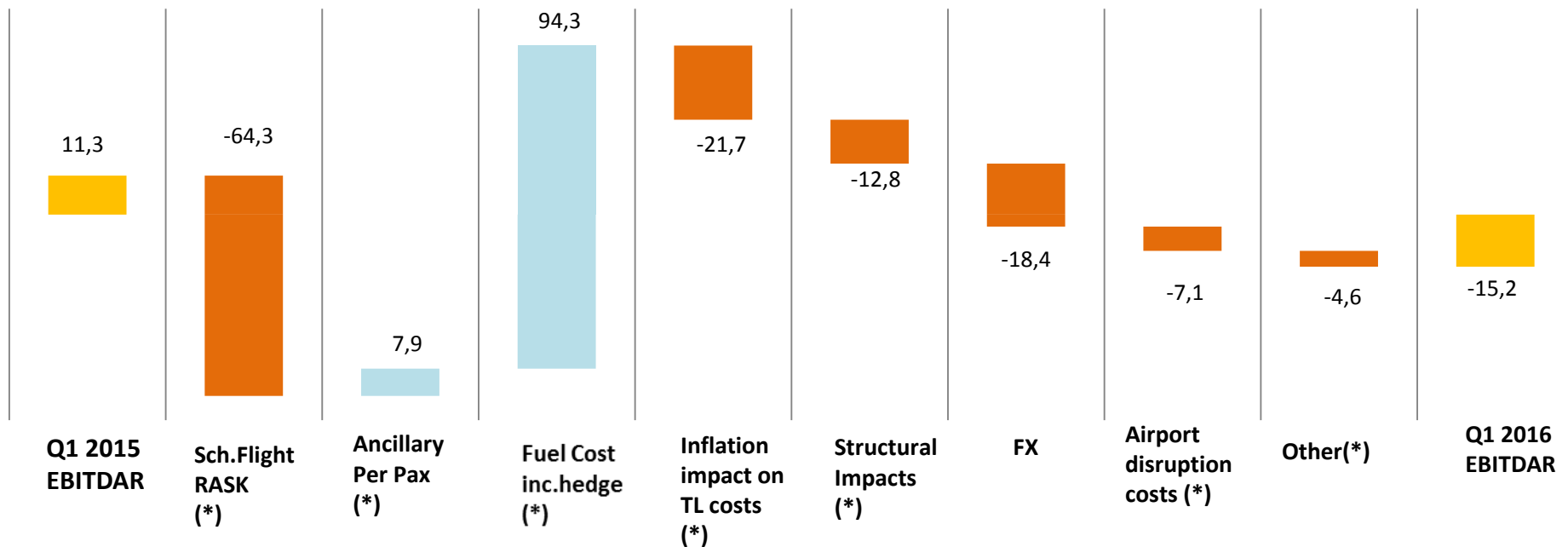


As of today **103** destinations in **41** countries

•New Routes from Istanbul to Gabala and Ankara to Amman



Q1 2016 EBITDAR (mnTRY) ANALYSIS



COMMENTS

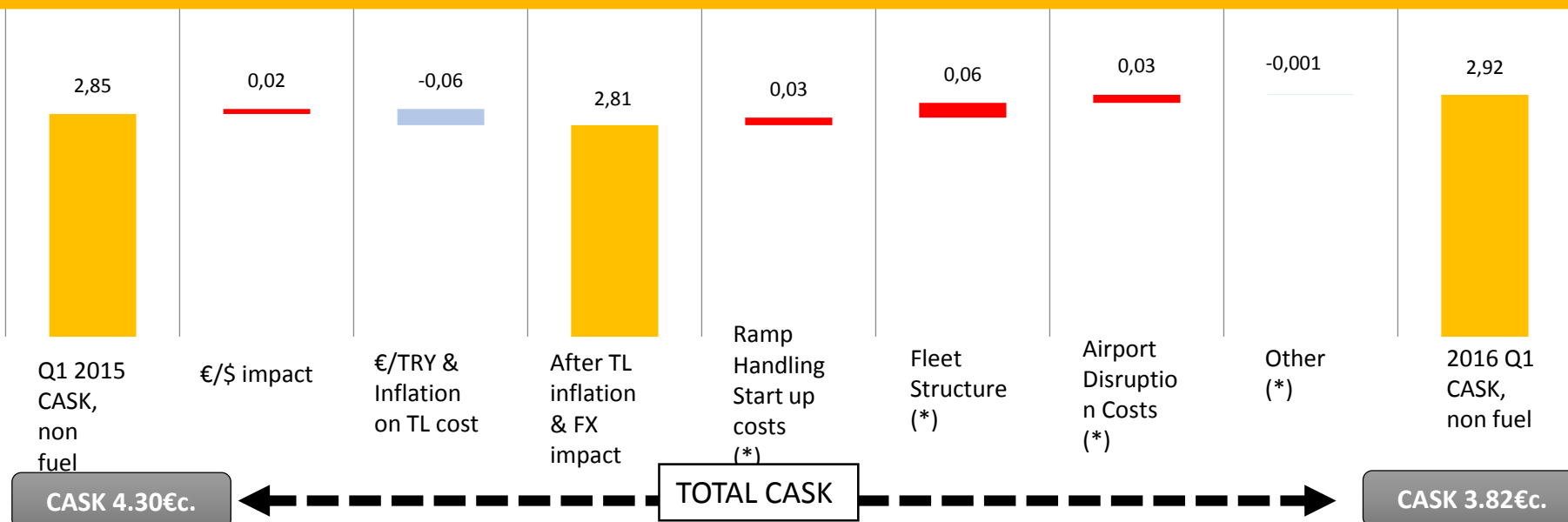
- ➔ EBITDAR negatively affected from the overall pricing and load factor in international, offset by positive contribution from ancillary.
- ➔ Structural impacts continue in Q1 (change in the fleet mix and self-ramp handling start-up cost)

(*) constant currency

Q1 2016 NON-FUEL CASK PERFORMANCE (€c)



2016 Q1 NON-FUEL CASK BRIDGE (€c)



COMMENTS

- ➔ Total Cask improved by 11 % led by fuel price decrease in 2016 Q1 (4.30€c in Q1'15 vs 3.82€c in Q1'16)
- ➔ Delayed flight costs, Change in the fleet structure (adding more operational lease aircraft) and self ramp handling start-up costs impact were the main items that trigger the increase in Non-Fuel CASK.

(*) constant currency

BALANCE SHEET

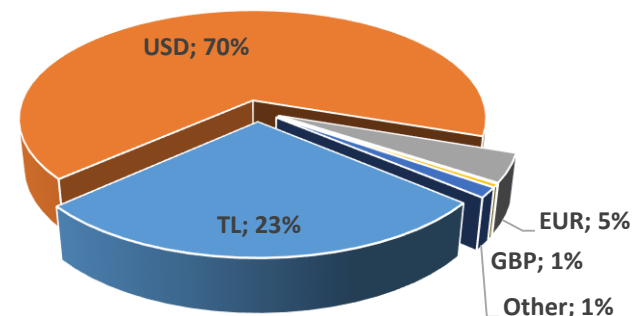


mnTRY	DEC '15	MARCH '16
Cash	955	665
Other Assets	746	859
PDP's	269	326
Fixed Assets	2.128	2.105
Total	4.098	3.955

Liabilities	1.230	1.304
Financial Debt	1.415	1.372
S/H Equity	1.453	1.279
Total	4.098	3.955

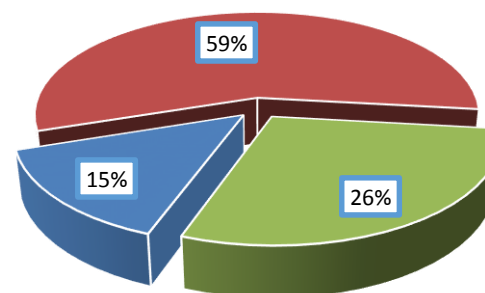
CASH / AIRCRAFT(TRYmn)	14,3	9,6
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CURRENT CASH & EQUIVALENTS (31/03/16)



FINANCIAL LEASE MATURITY BREAKDOWN (31/03/16)

■ < 1 year ■ 1 - 5 year ■ > 5 year

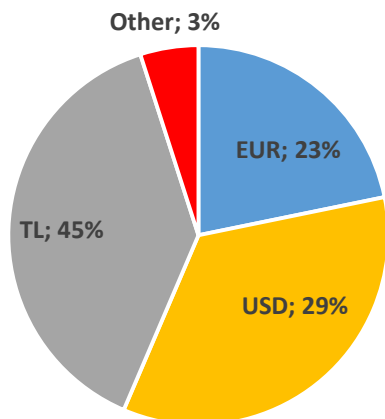


FOREIGN CURRENCY EXPOSURE

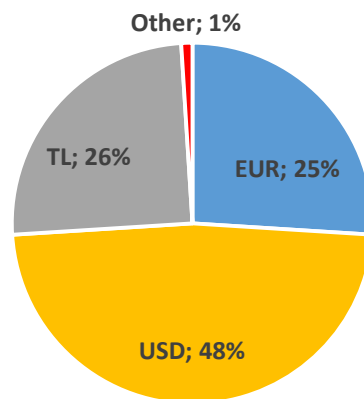


INCOME STATEMENT

REVENUE CURRENCY BREAKDOWN



EXPENSE CURRENCY BREAKDOWN-EBIT BASE



NET CASH FLOW POSITION(EBIT) Q1 '16

TRY mn	
EUR	(52,4)
USD	(206,5)
TL	83,2
OTHER	8,4

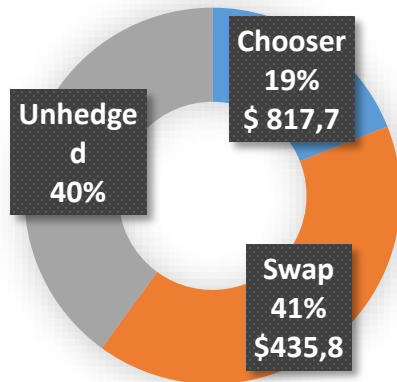
COMMENTS

- Increase in the USD revenue portion mainly driven by changing the international fares originating from Turkey to Europe into USD (15 % in Q1 2015)
- Strategy is to increase more US dollar priced destinations in order to balance our US dollar shortage
- Decrease in US dollar expense portion mainly driven by lower fuel prices (Q1 2015 : 54 %)

HEDGE & SENSITIVITY

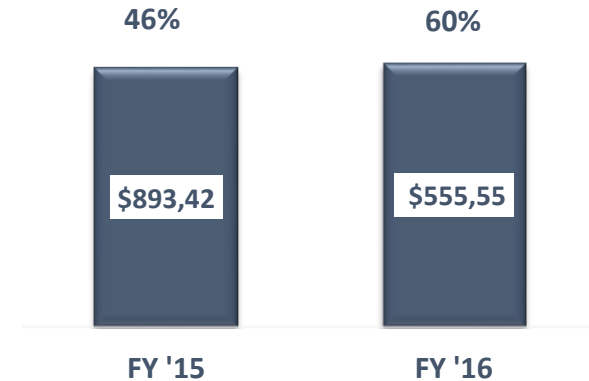


2016 FUEL HEDGING PROPORTION ⁽¹⁾



2016 USD Hedging coverage → USD % 48

HEDGE VOLUME & PER TON COST



SENSITIVITY TABLE

- A \$10 (per metric ton) price movement of jet fuel would impact Q1 '16 opex by 4.6 TRYmn
- A one kuruş movement in the US Dollar/TRY and EUR/TRY FX rate would impact Q1'16 EBIT by -0,7 TRYmn and -0.2 TRYmn respectively.

2016 Q1 P&L would be	+0,01 >	+0,01 >	+10\$ >
TRYmn	EUR/TL	USD/TL	Jet Fuel
Revenues	0,5	0,7	
Operating Costs (EBIT base)	0,7	1,4	4,6
EBIT	-0,2	-0,7	-4,6
EBITDAR	0,0	-0,4	-4,6

(1) Open chooser contracts are accounted in finance expense line under P&L and settled swap contracts are accounted under fuel cost



Traffic – Market Growth

- DHMI revised its forecasts with a passenger growth of 8% in Turkey in 2016
- We target a total PAX growth of c 13-15. % in 2016

Capacity Increase

- Full Year c. 18-20 growth in ASK's
- Utilization flat

Load Factor and Yields

- Domestic : Flat Load Factor / Flat in yields (TRY)
- International : Downside trend in Load Factor and Yields (€) due to capacity increase, competition and geopolitics

Ancillary Revenues/Pax

- €10 -11 per pax revenue expectation for FY16

CASK

- Total Cask c. 2-3 % decrease mostly driven by the fuel impact

Profitability (EBITDAR)

- Full Year c 19-21 % EBITDAR margin

Capex and Cash Flow

- -\$35M for aircraft pre delivery payment and \$50M+ for 5 spare engines and one Airbus 320 Simulator