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Resilient Commercial Performance in 2015

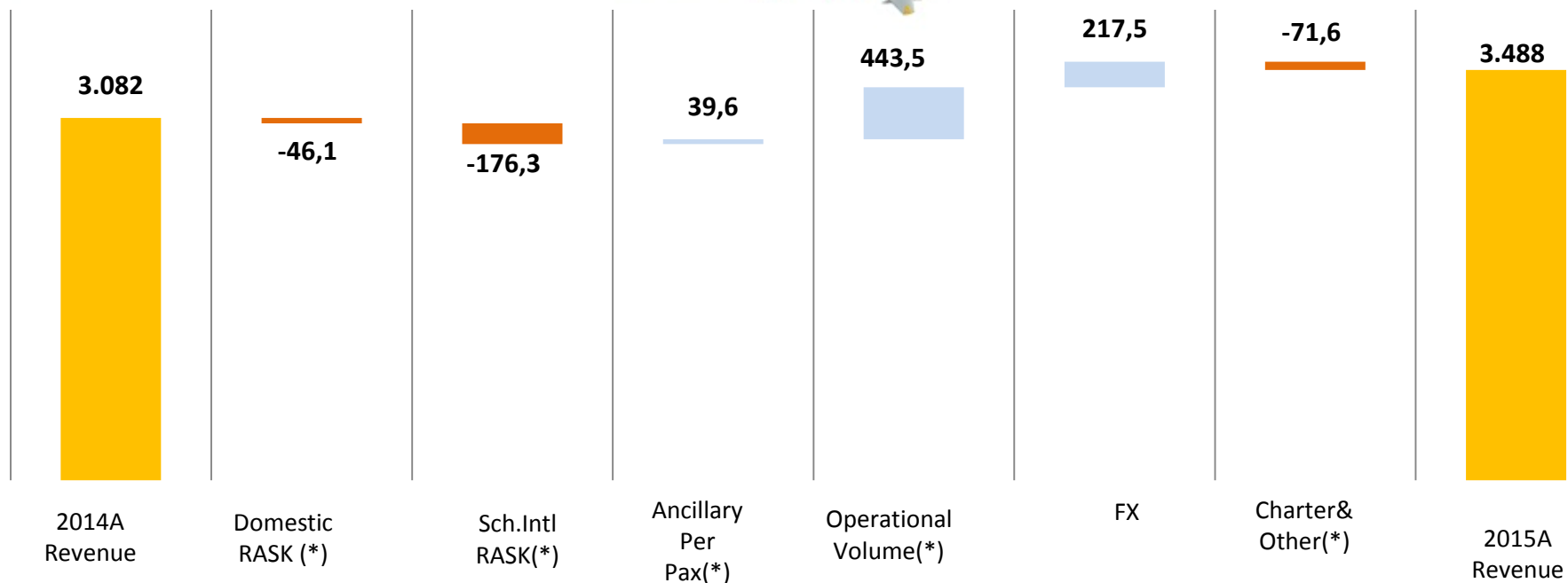
- Total cask beat FY2015 guidance of «full year %2-3% increase» (2015 3.90€c vs 4.02€c. 2014)
- Overall revenue performance improved by 13% despite a difficult year
- Delivered another successful year by carrying 22.34 million guests in 2015 (19.74 million pax in 2014)
- Introduced a new fare level - Fly without hold baggage, pay less
- Enhanced our network by adding 10 new routes from İstanbul. (Erbil, Kutaisi, London Gatwick, Oslo and Zaporizhia to our international routes; and Kars, Kastamonu and Ordu-Giresun to domestic routes)

OPERATIONAL PERFORMANCE



	2015	2014	Change %
PASSENGERS (MN)	22,34	19,74	13,2
LOAD FACTOR	79,0%	79,9%	-0,9%
SEAT (MN)	28,26	24,69	14,5%
AVERAGE STAGE LENGTH (KM)	990	987	0,2%
YIELD (TOTAL TRY)	124,02	126,33	-2%
ANCILLARY REVENUE PER PAX (€)	9,77	9,32	5%
TOTAL REVENUE (TRYmn)	3.488.3	3.081,7	13%
YEAR END A/C	67	55	21.8%

2015 REVENUE PERFORMANCE



COMMENTS

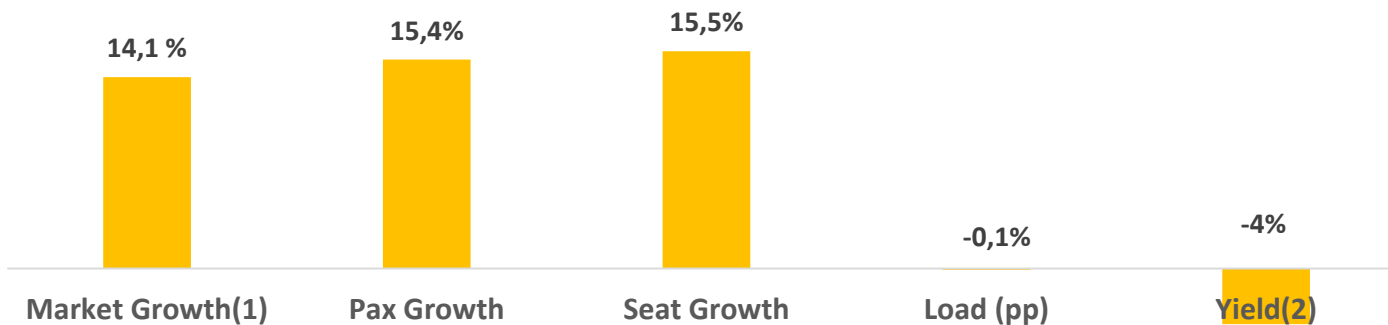
- ➔ Total revenue was up by 13 % in 2015
- ➔ Increase in ancillary revenue was 25 % which makes up 19% of the total revenue

(*) FX excluded

GROWTH AND YIELD UPDATE



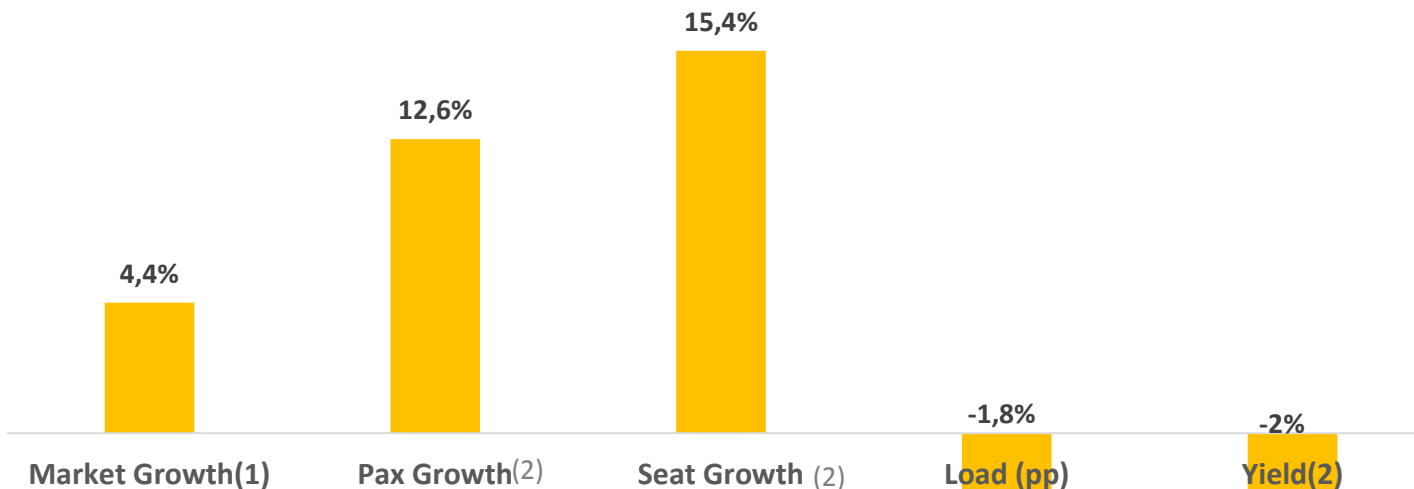
DOMESTIC



Domestic Yield

2014FY	76,45 TRY
2015 FY	73,34 TRY

SCHEDULED INTERNATIONAL



International Yield

2014 FY	68,10 €
2015 FY	66,84€

(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)

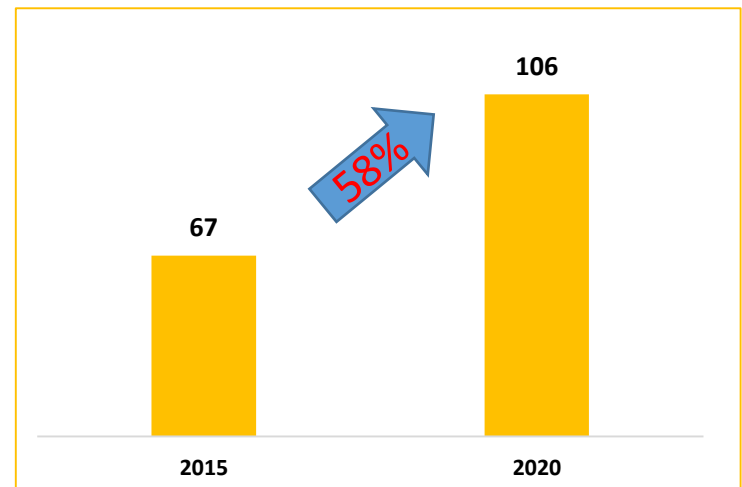
	2016	2017	2018	2019	2020
Owned	3	3	3	3	3
Financial Lease	32	42	54	68	79
Operational Lease	45	42	40	32	24
Total	80	87	97	103	106

FLEET OVERVIEW

Dec '15	Owned	Fin. Lease	Opr. Lease	Total
Boeing 737-800	2	25	30	57
Boeing 737-400	1	0	0	1
Airbus A320 CEO	0	0	9	9
Total Fleet	3	25	39	67

PEGASUS TODAY

- Fleet of 67 aircraft with average age of 5.3 years as of December 15
- #2 airline in domestic market with a market share of 28%
- Operates 103 routes to 41 countries

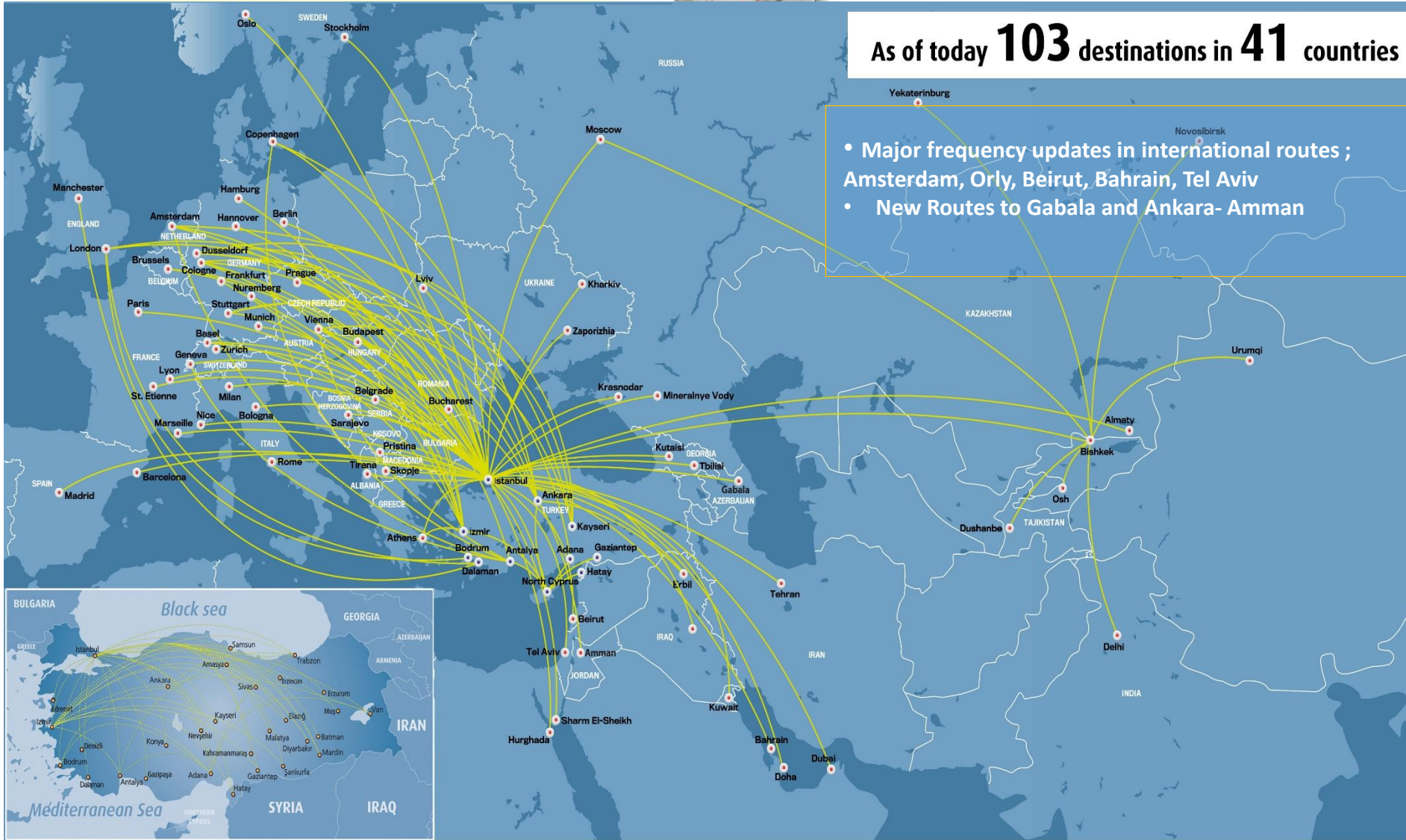


ROUTE AND FREQUENCY UPDATE - 2016



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

- Major frequency updates in international routes ; Amsterdam, Orly, Beirut, Bahrain, Tel Aviv
- New Routes to Gabala and Ankara- Amman



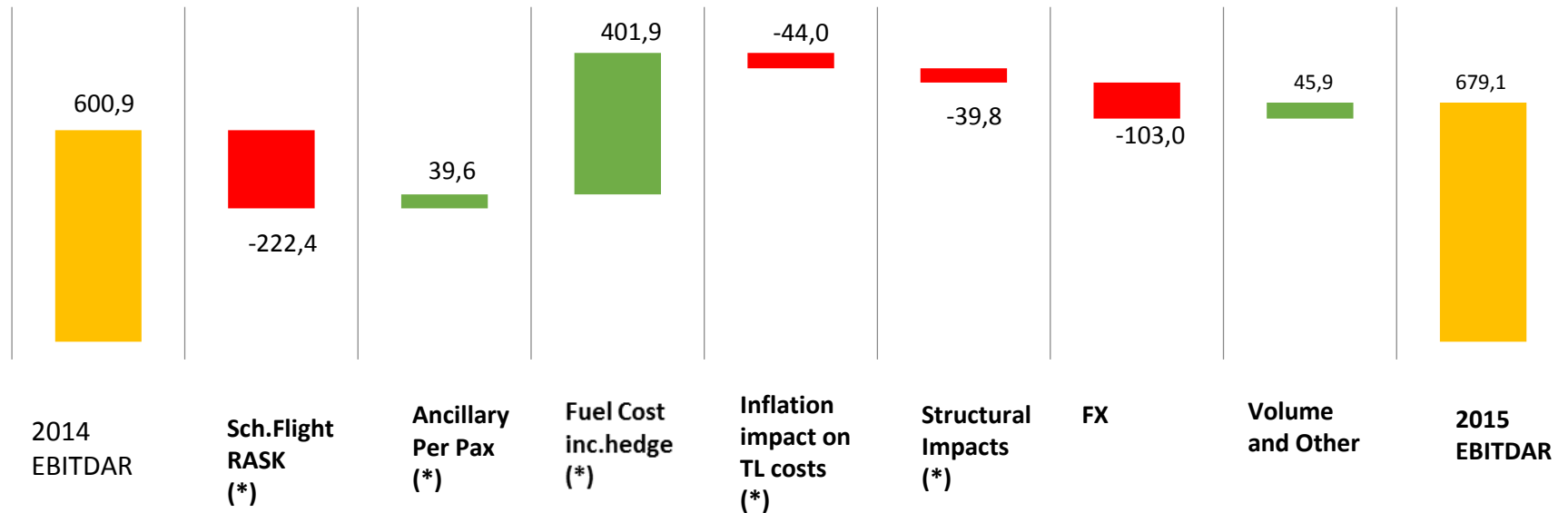
EBITDAR (mnTRY) ANALYSIS



19,5%

EBITDAR Margin

19,5%



COMMENTS

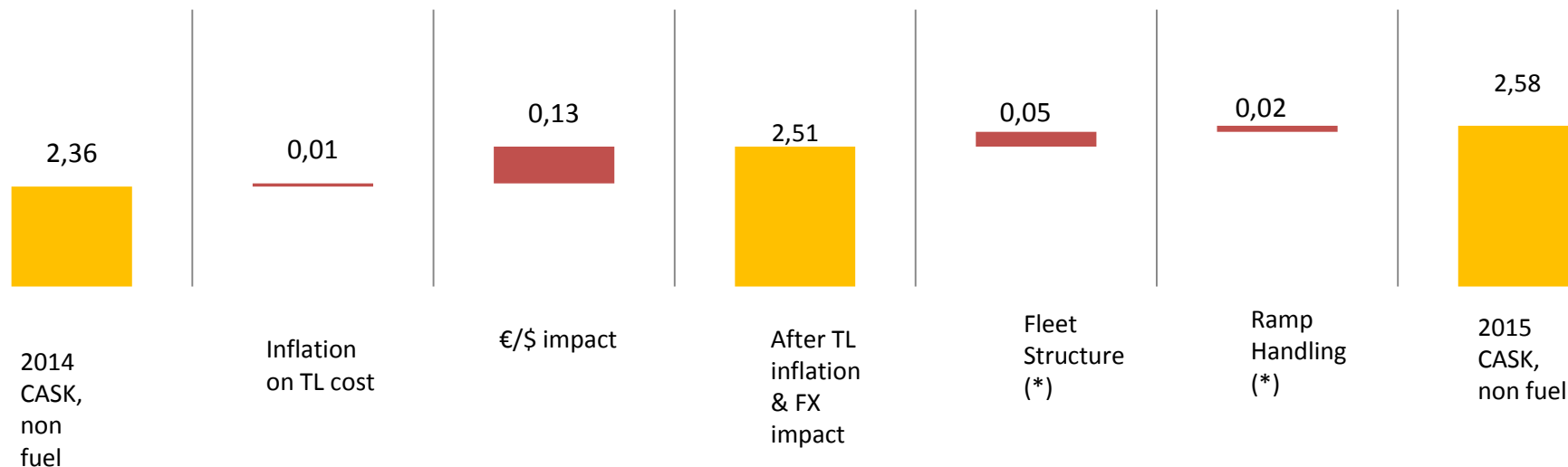
- ➔ EBITDAR improvement is driven by positive development in fuel cost ,ancillary and operational volume
- ➔ Structural changes comprise of fleet mix change and self ramp handling start up cost

(*) excluding FX impact

NON-FUEL CASK PERFORMANCE (€c)



2015 NON-FUEL CASK BRIDGE (€c)

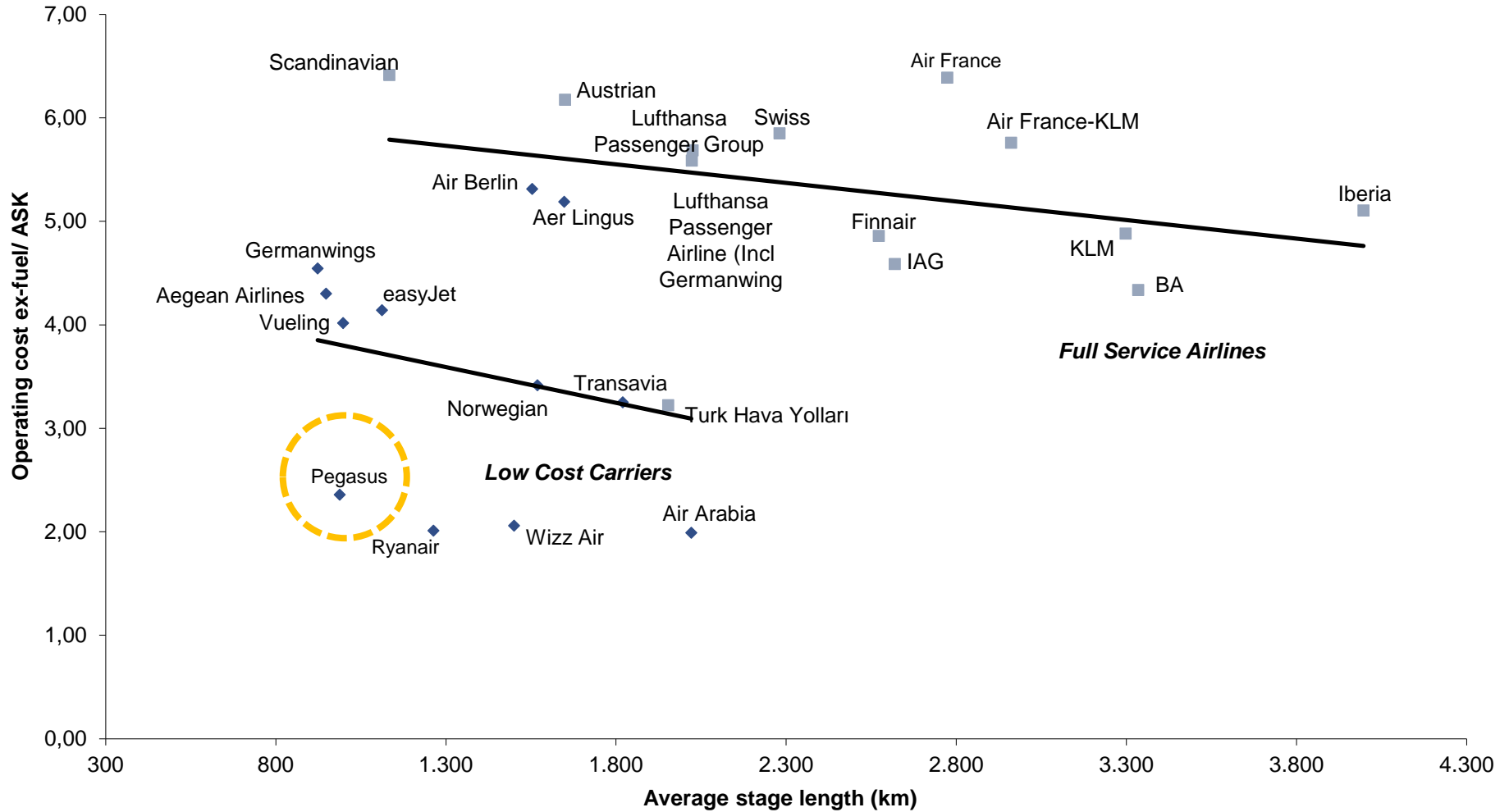


COMMENTS

- ➔ Total Cask improved by 3% led by fuel price decrease in 2015 (4.02€c in 2014 vs 3.90€c in 2015)
- ➔ Non-Fuel cask was up by 3 % after TL inflation and Fx impact
- ➔ Change in the fleet structure (adding more operational lease aircraft) and ramp handling project impact were the main items that stimulate the increase in Non-Fuel CASK.

(*) excluding FX impact

INDUSTRY LEADING NON FUEL CASK PERFORMANCE



Source : CITI EU Airlines report dated 26 January 2016 (Figure 22. European Airlines – Unit Operating Cost Ex-Fuel per ASK (CASK ex-fuel), 2014 (€cents))

BALANCE SHEET

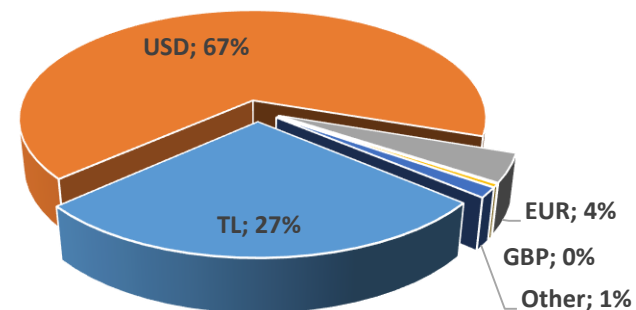


mnTRY	DEC '15	DEC '14
Cash	955	857
Other Assets	746	627
PDP's	269	88
Fixed Assets ⁽¹⁾	2.128	1.943
Total	4.098	3.515

Liabilities	1.230	999
Financial Debt	1.415	1.354
S/H Equity	1.453	1.161
Total	4.098	3.515

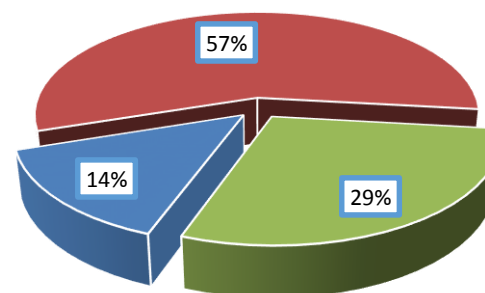
CASH / AIRCRAFT(TRYmn)	14,3	15,6
ADJ.NET DEBT/EBITDAR	3,8	2,9

CURRENT CASH & EQUIVALENTS (31/12/15)



FINANCIAL LEASE MATURITY BREAKDOWN (31/12/15)

■ < 1 year ■ 1 - 5 year ■ > 5 year



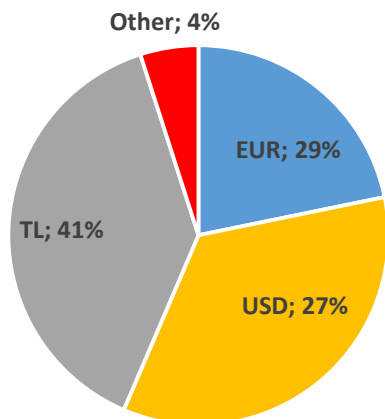
(1) Fixed assets : Property and equipment + Intangible assets

FOREIGN CURRENCY EXPOSURE

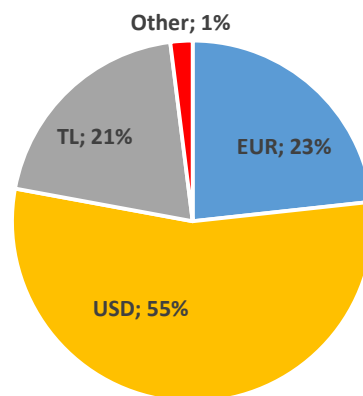


INCOME STATEMENT

REVENUE CURRENCY BREAKDOWN



EXPENSE CURRENCY BREAKDOWN-EBIT BASE



NET CASH FLOW POSITION(EBIT) FY2015

TRY mn	
EUR	259,2
USD	(893,0)
TL	727,9
OTHER	89,1

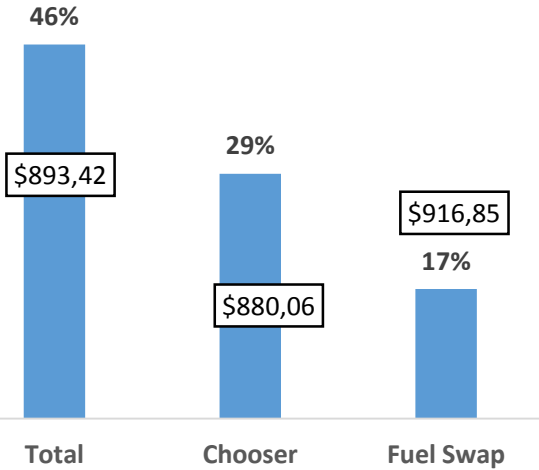
COMMENTS

- Starting from July'15 onwards all international fares originating from Turkey priced in USD
- USD denominated revenues increased 12 pp compared to 2014. (In 2014 USD denominated revenue was 15%)

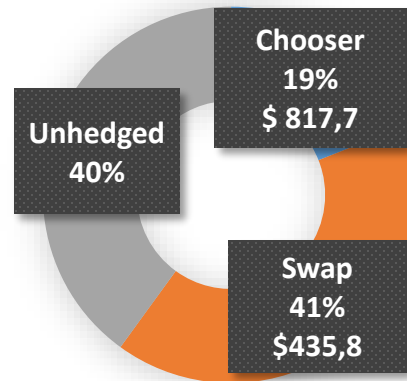
HEDGE & SENSITIVITY



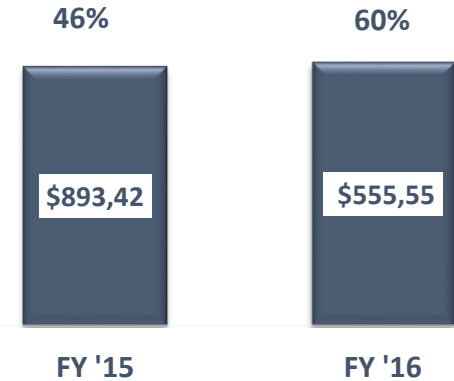
HEDGE COVER & PER TON COST FOR 2015



2016 FUEL HEDGEING PROPORTION (1)



HEDGE VOLUME & PER TON COST



2015 USD Hedging coverage → USD % 22
 2016 USD Hedging coverage → USD % 48

SENSITIVITY TABLE

- A \$10 (per metric ton) price movement of jet fuel would impact 15 FY opex by 16.9TRYmn
- A one kuruş movement in the US Dollar/TRY and EUR/TRY FX rate would impact 15 FY EBIT by -3.3 TRYmn and 0.9 TRYmn respectively.

2015 P&L would be	+0,01 >	+0,01 >	+10\$ >
TRYmn	EUR/TL	USD/TL	Jet Fuel
Revenues	3,4	3,4	
Operating Costs (EBIT base)	2,5	6,7	16,9
EBIT	0,9	-3,3	-16,9
EBITDAR	1,4	-2,1	-16,9

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

We delivered our guidance



OUTLOOK	GUIDANCE	REALIZATION
PGSUS TRAFFIC GROWTH	PAX growth of c. 13-15% in 2015	13,2%
CAPACITY INCREASE (ASK GROWTH)	17%-19% growth in ASK's	15%
LOAD FACTOR AND YIELDS	Domestic : Flat Load Factor / Slight decrease in yields (TRY) :International :Slight decrease in Load Factor / Flat International Yields (€)	Domestic LF; RY (TRY) (-0,1 pp ; -4%) International LF; RY (€) (-1,8pp; -2%)
ANCILLARY REVENUES/PAX	€10 per pax revenue expectation	€9,77 per pax
TOTAL CASK (€)	c.2-3 %. increase	Beat the guidance improved by 3% €3.90 2015 FY Total Cask
EBITDAR %	19-21 % EBITDAR margin	19,5%



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