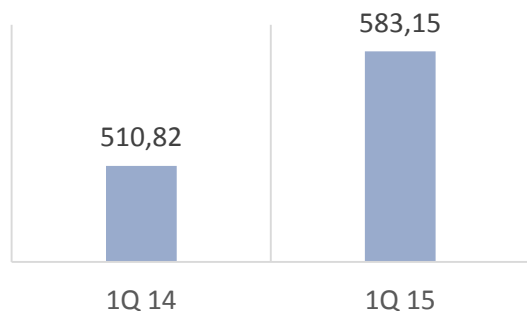




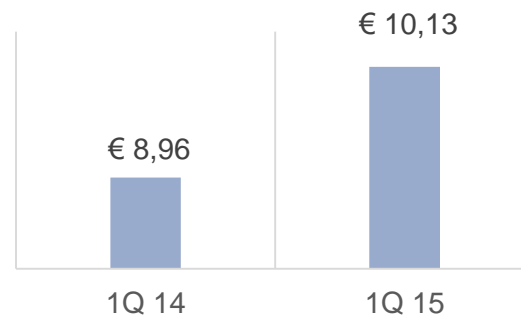
# Financial and Operational Highlights



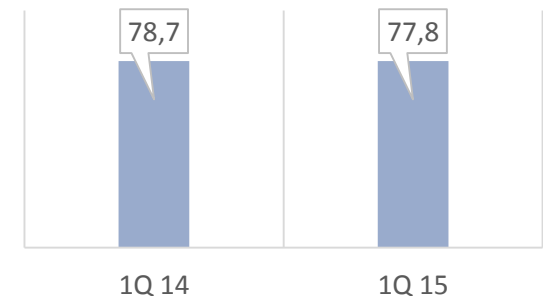
## Revenue mnTL



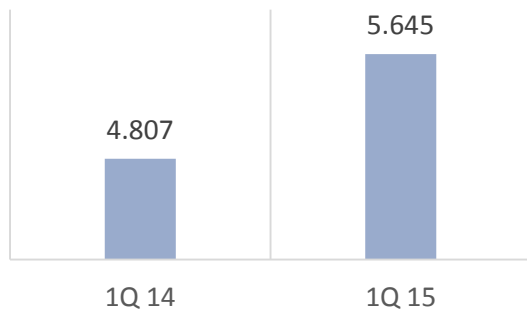
## Ancillary Revenue/Pax



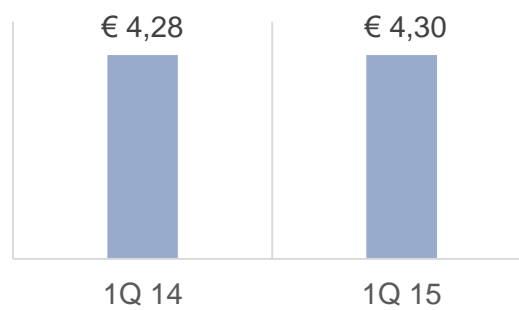
## Load Factor %



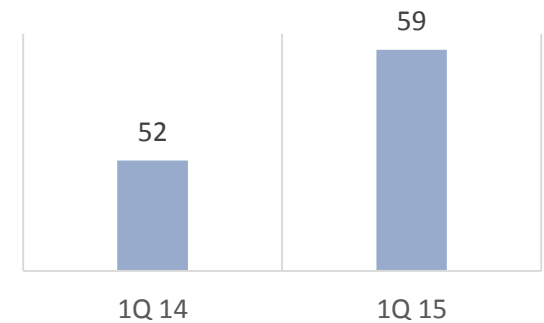
## ASK(mn)



## CASK €-cent



## Period End Fleet





# Route and Frequency Update

## New destinations

- Malpensa and Lyon as of summer period
- Nice , Gatwick, Oslo and Kutaisi as of May
- Planning to fly
  - Erbil
  - Baghdad,
  - Turkmenbashi
  - Kaliningrad,

## Major Frequency increase

- Dusseldorf - Additional 4 frequencies
- Kuwait - Additional 7 frequencies
- Tel Aviv - Additional 7 frequencies
- Moscow - Additional 4 frequencies
- Bahrain - Additional 4 frequencies

Domestic growth in frequencies

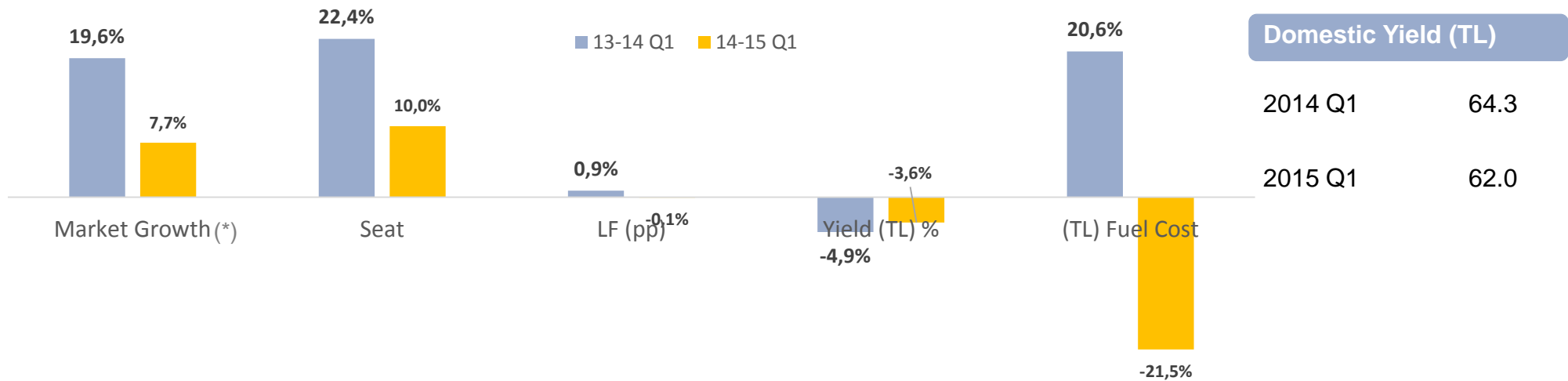
## Pegasus Today

- Fleet of 61 aircraft with average age of 5.0 years as of April 2015
- Second biggest airline in domestic market with market share of 28%
- Operates 91 routes to 37 countries

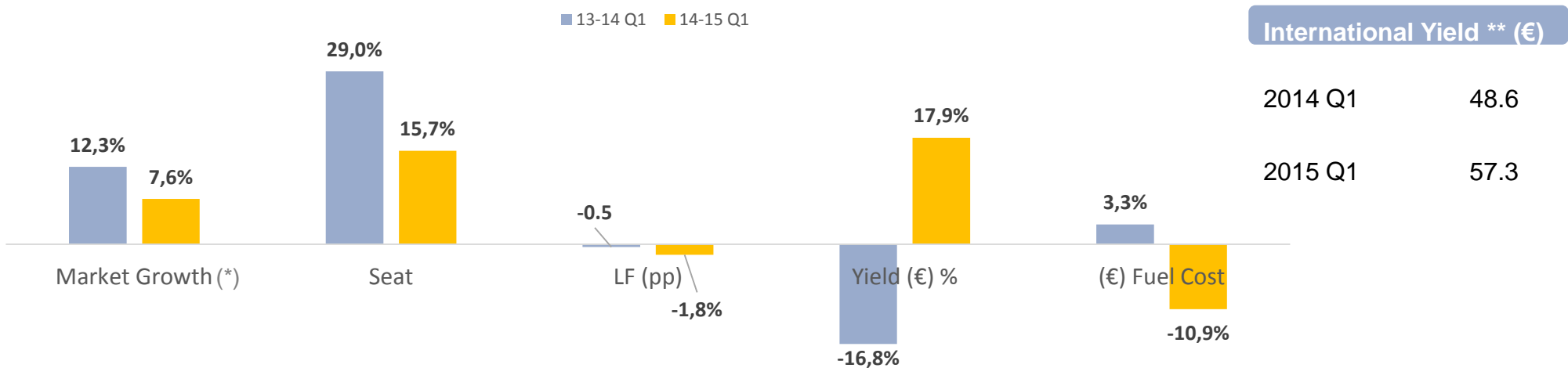
# Growth Drivers and Yield Update



## Domestic



## Scheduled International (\*\*)



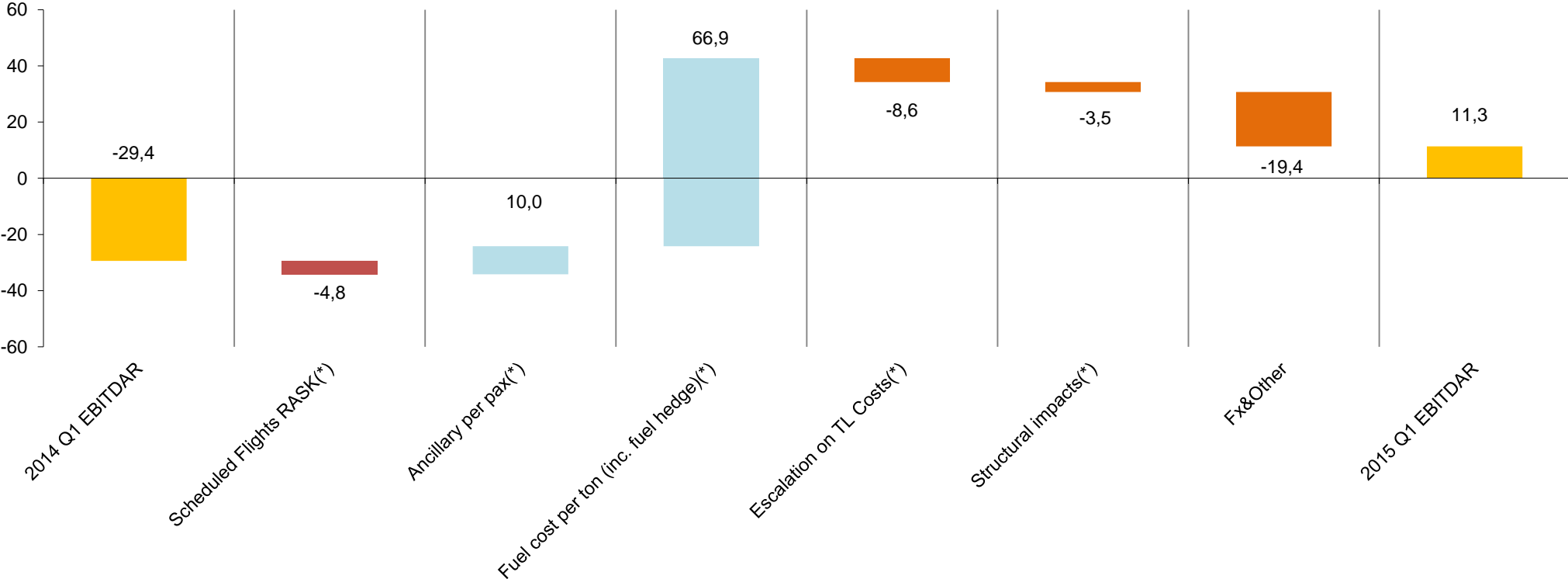
(\*) Source : DHMI

(\*\*) (excluding charter flights)

# EBITDAR Analysis



## EBITDAR Bridge (TRYmn) - Q1 2015



(\*) Excluding fx impact

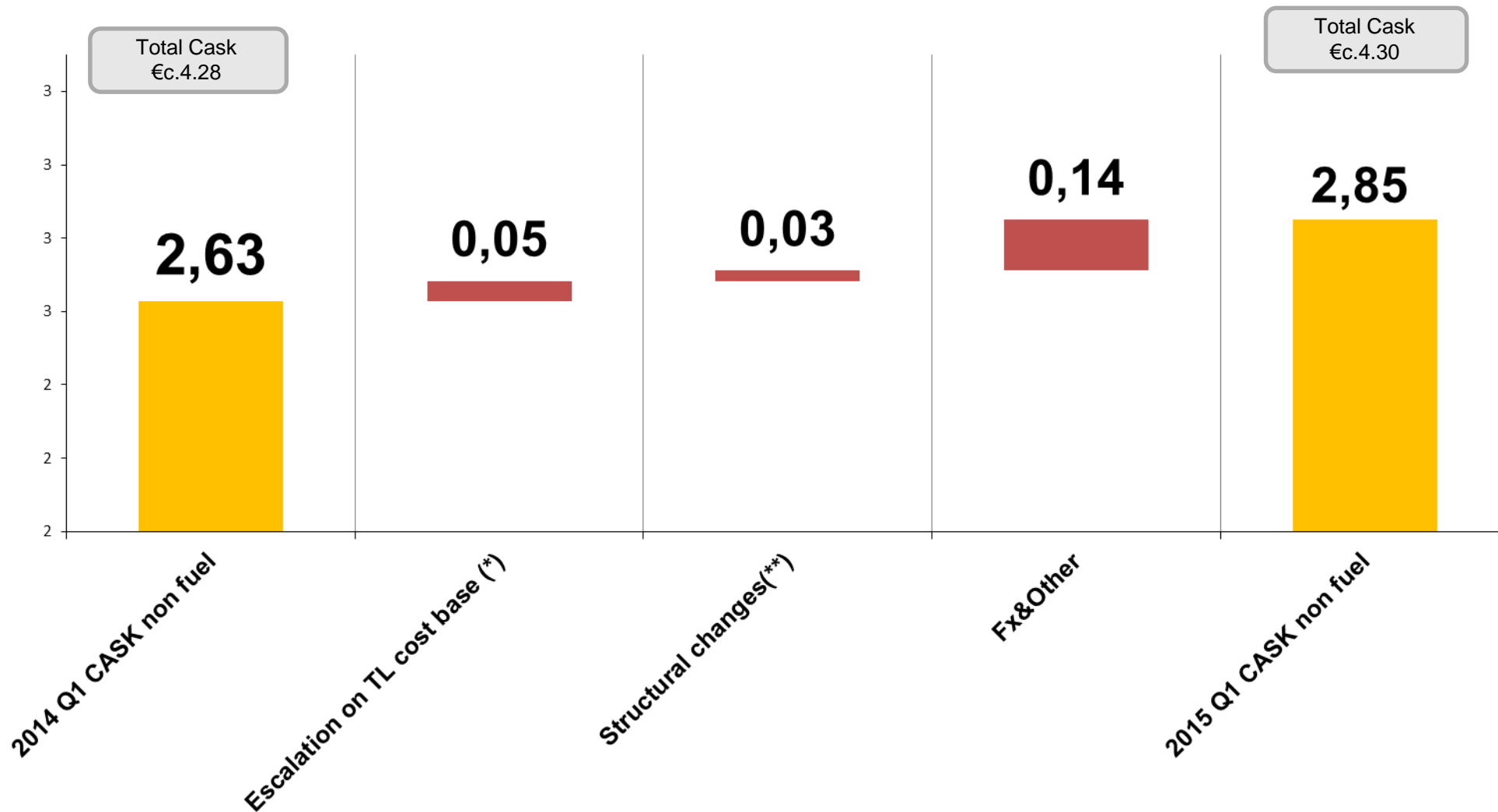
### Comments

- Positive impact of 1 ) Fuel cost per ton 2) Ancillary per pax

# CASK non-fuel Analysis



## CASK €c (non- fuel) Bridge – Q1 2015



(\*) Excluding fx impact

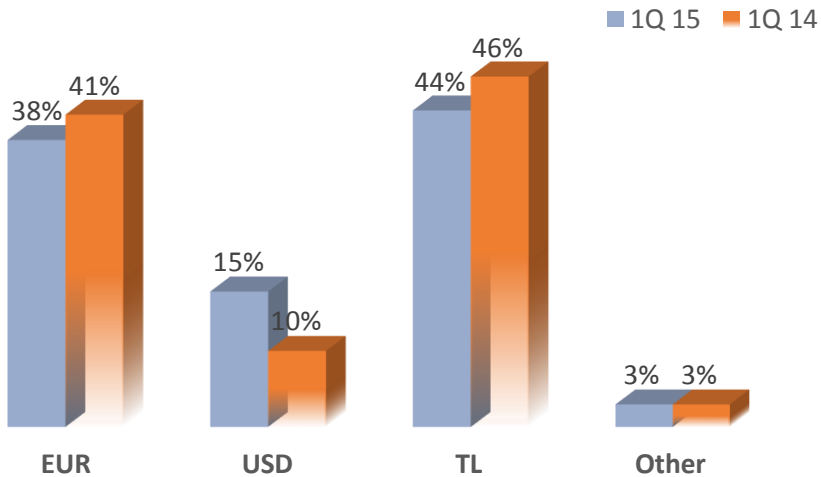
(\*\*) Fleet Structure and Ramp Handling

# Currency exposure

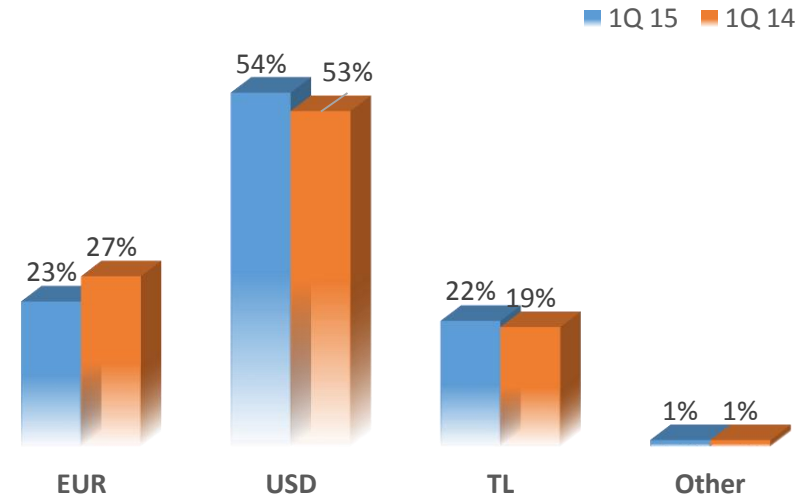


**Fig. 1: Foreign Currency Profile of Income Statement (%)**

## Revenue Currency Breakdown



## Expense Currency Breakdown



## Pegasus manages its FX exposure by Hedging

- Hedging volumes:
  - Fuel – 2015 : 46% - 2016 : %22
  - Dollar – 2015: 12%

**Fig. 2: Sensitivity Table (TLm)**

2015 Q1	EUR/TL	USD/TL	Jet Fuel /tonn
$\Delta$	+0.01	+0.01	+\$10
	EUR/TL	USD/TL	Fuel
<b>Revenues</b>	0.8	0.4	-
<b>Opex</b>	0.6	1.5	3
<b>EBIT</b>	0.2	-1.1	-3
<b>EBITDAR</b>	0.4	-0.9	-3

# Illustrative disclosure of the effects of hedge accounting on the financial results



(Mn TL)	31.Mar.2015	31.Dec.2014	Diff.	P&L impact of Maturing contracts	Total Impact	Accounted in
Derivatives subject to hedge accounting (i.e. Fuel Swaps)	-34,1	-72,6	38,5		30,8	S'Equity/Other Comp.inc.(net off tax)
Derivatives not subject to hedge accounting (i.e. Chooser, FX, Interest Rate Swaps)	-146,1	-165,7	19,6	-47,9	-28,2	P&L(Financial Income/ Expense)
Net Balance Sheet Value	-180,2	-238,3			-	

## Comments

Marked to market valuation of open contracts are booked under “Derivative Contracts” in the balance sheet as of the end of the fiscal period. Net change in this account compared to the previous period is booked under either in the equity or P&L statement as financial income/expense depending on whether these instruments are subject to hedge accounting. Above is the marked to market values of derivative instruments as of Mar 31, 2015 and impact of net change compared to Dec 31, 2014 on the Company’s financials.



# Balance Sheet Update



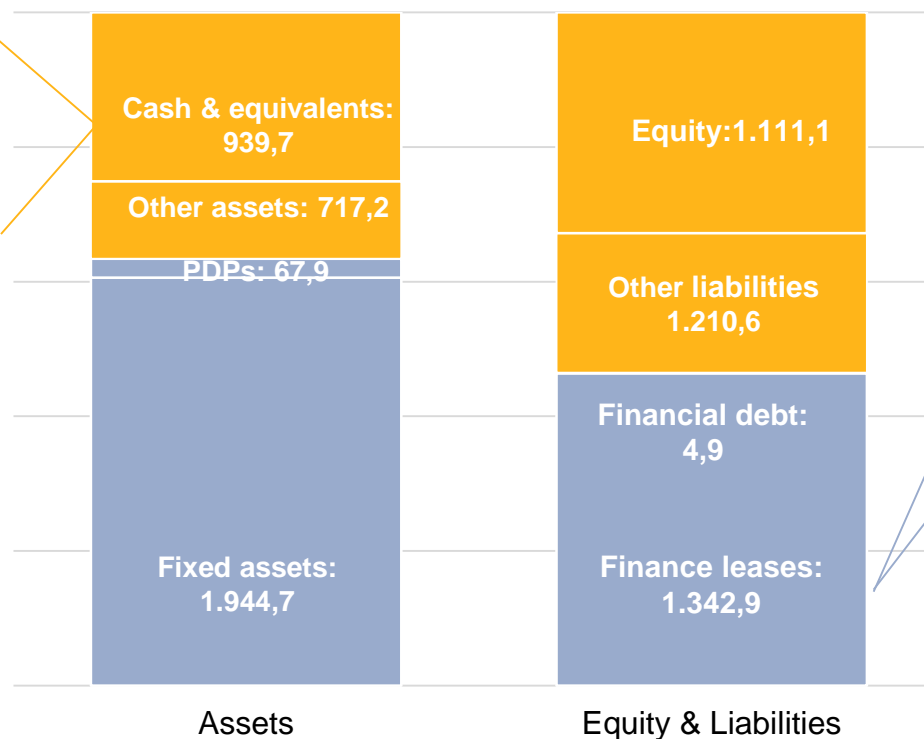
## Balance Sheet Structure (31 March 2015)

(mnTL)

3.669,5

3.669,5

Cash & equivalents currency breakdown	
	2015 Q1
TL	13.6 %
USD	65.0 %
EUR	17.5 %
GBP	2.4%
Other	1.5%



Financial lease maturity breakdown	
< 1 year	12.5 %
1 – 5 years	51.0 %
> 5 years	36.5 %

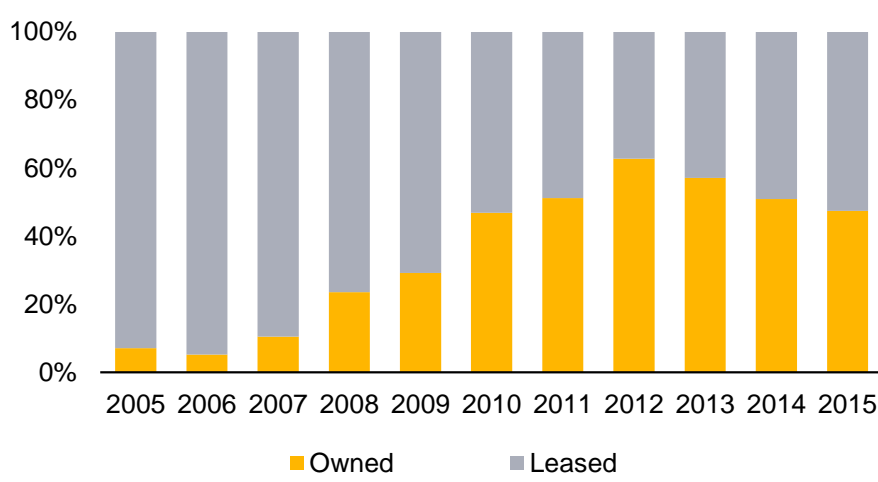
# Pegasus Fleet Update



## Fleet Overview

Fleet at Mar 2015	Owned	Financial Lease	Operational Lease	Total
Boeing 737-800	2	25	26	53
Boeing 737-400	1	0	0	1
Airbus A320 CEO	0	0	5	5
<b>Total Fleet</b>	<b>3</b>	<b>25</b>	<b>31</b>	<b>59</b>

## Ownership Profile



## Fleet Expansion (Under Contract)

Fleet	FY 2014	FY 2015	FY2016
Owned	3	3	3
Financial Lease	25	25	32
Operational Lease	27	37	37
<b>Total</b>	<b>55</b>	<b>65</b>	<b>72</b>

## Anticipated financing of Airbus order book

- Airbus Fleet Financing Plan
- We envisage to finance the first half of Airbus Neo's by using ECA backed financing, EETC and JOLCO structures and keep them on our balance sheet

Source: Pegasus information.

# Outlook & Trends



## Traffic – Market Growth

- DHMI forecasts a passenger growth of 12% in Turkey in 2015
- We target a total PAX growth of c.15-17 % in 2015

## Capacity Increase

- In total, we expect to add c. 17-19% of additional ASKs in 2015
- Aircraft utilization will remain at comparable levels in 2015

## Load Factors and Yields

- Domestic : Stable Load and Yield in TL terms.
- International : Stable Load and Yield in Euro terms.

## Ancillary Revenues/Pax

- €10 per pax revenue expectation for the FY15
- €10-12 per pax range within the two years

## Operating Costs (CASK)

- in 2015 we expect total CASK will go up c.3-4 %. mainly stemming from FX and fleet mix change

## 2015 EBITDAR margin

- Between 19-21%

## Capex and Cash Flow

- \$mn50 aircraft pre delivery payment and two spare engines
- Approximately €mn20 for potential ramp handling capex (which will be financed by financial leases)
- Other marginal non aircraft capex,

1. These trends and targets involve a number of risks and uncertainties and actual results may differ materially. See disclaimer at the end of the presentation.

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