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Q3 KEY MESSAGES FROM MANAGEMENT



1. Good Operating Results in a challenging environment

1. Industry leading cask performance among EU LCC's
2. Added 9 new destinations and flying 103 destinations in 40 countries
3. 16% total passenger growth in Q3 to 6.7m passengers
4. Introduced a new fare level - Fly without hold baggage, pay less!

2. Capacity Constraint @ Sabiha Gökçen Airport (SAW)⁽¹⁾

1. Second runway project – plan to be finalized by mid 2017
2. Night closure plans ⁽²⁾ for existing runway will continue in W/2015 and S/2016 on 3 night basis per week
3. Capacity building efforts is being assessed by Ministry of Transportation
 1. Separation between approaching airplanes from 8 miles to 6 miles
 2. Building high-speed exit taxi ways (C taxi way)

3. Remain committed to providing low cost travel for all

1. Low cost base and relentless focus on cost control
2. Low fares – 24% of our passengers have flown for less than TL50 and 68% of our customers have done so for under TL100 ⁽³⁾
3. Benefiting from Turkey's geographical position in terms of expanding transit traffic
4. Successful “Bespoke” LCC Model

(1) Source : HEAS and DHMI

(2) Closure plans comprises 3 nights per week starting from 02 NOV 2015 - 24 MAR 2016

MON: 2200-0400 UTC TUE, WED: 2300-0300 UTC.

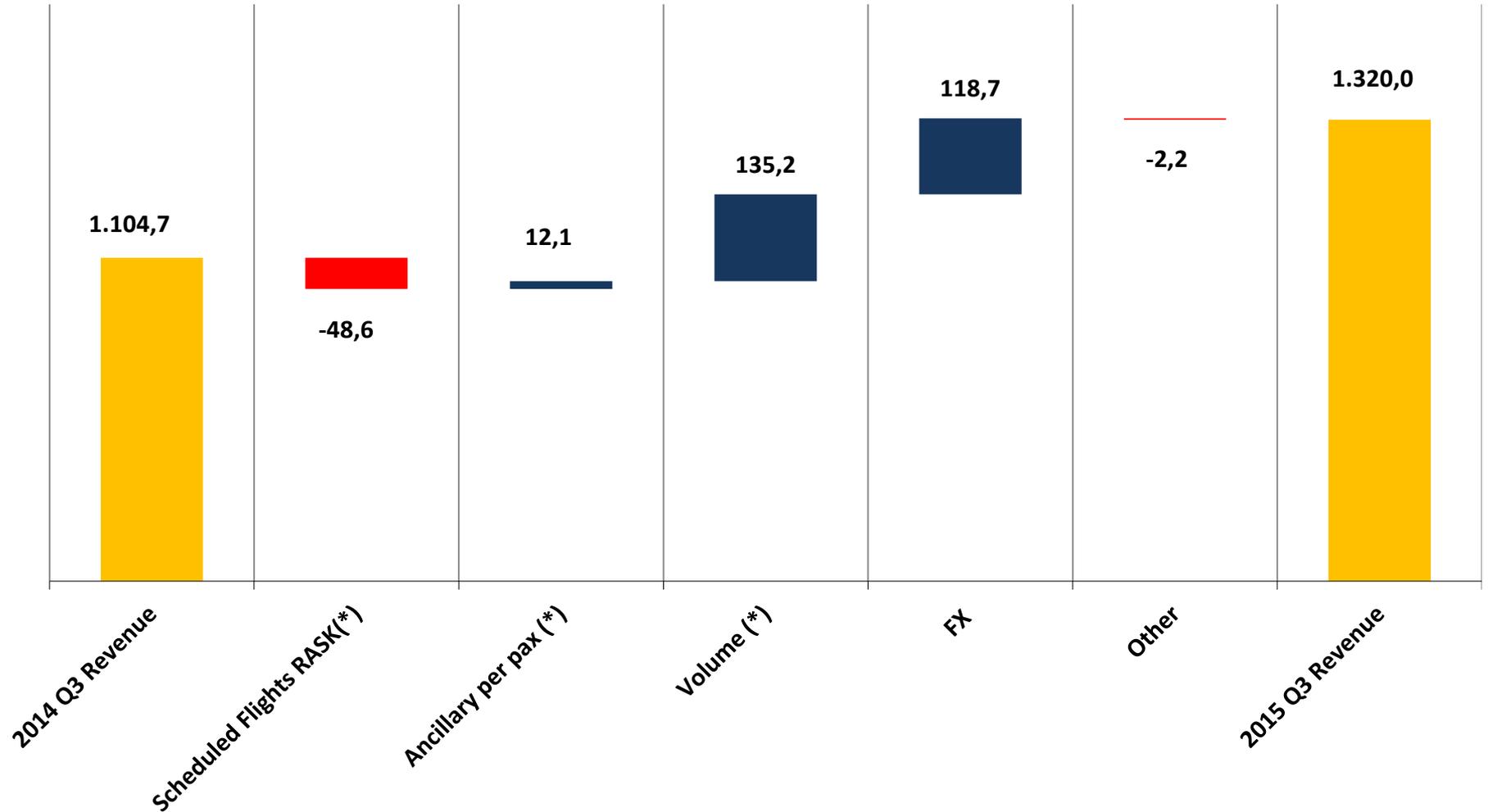
(3) Since the inception of the company - 2005

OPERATIONAL PERFORMANCE



	Q3 '15	Q3 '14	Change %
PASSENGERS (MN)	6,67	5,78	15,6%
LOAD %	82,0%	82,7%	-0,7%
SEAT (MN)	8,14	6,98	17%
AVERAGE STAGE LENGTH (KM)	1.008	1.035	-3%
YIELD (TOTAL TRY)	166,16	162,49	2%
ANCILLARY REVENUE PER PAX	€9,25	€9,06	2%
TOTAL REVENUE (TRYmn)	1.319,98	1.104,75	19%

Q3 REVENUE PERFORMANCE

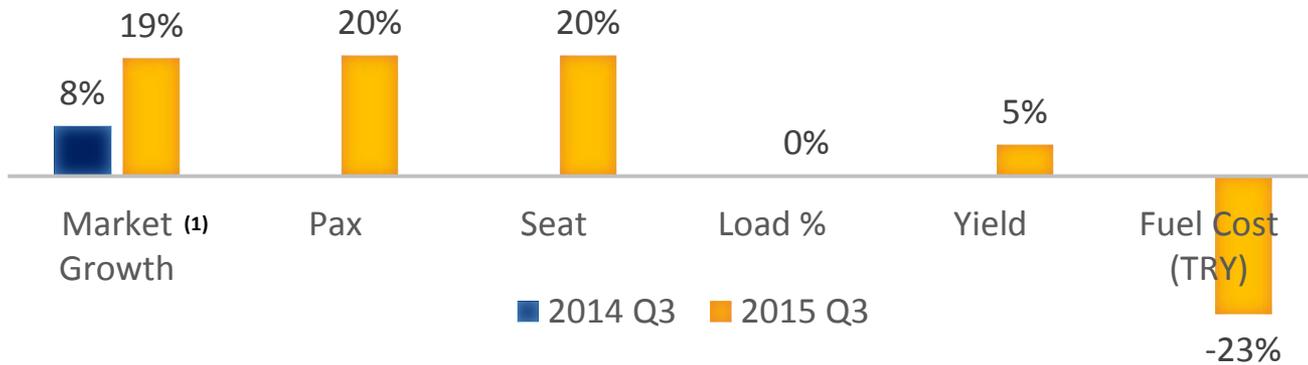


(*) excluding FX impact

GROWTH DRIVERS AND YIELD UPDATE (Y-o-Y)



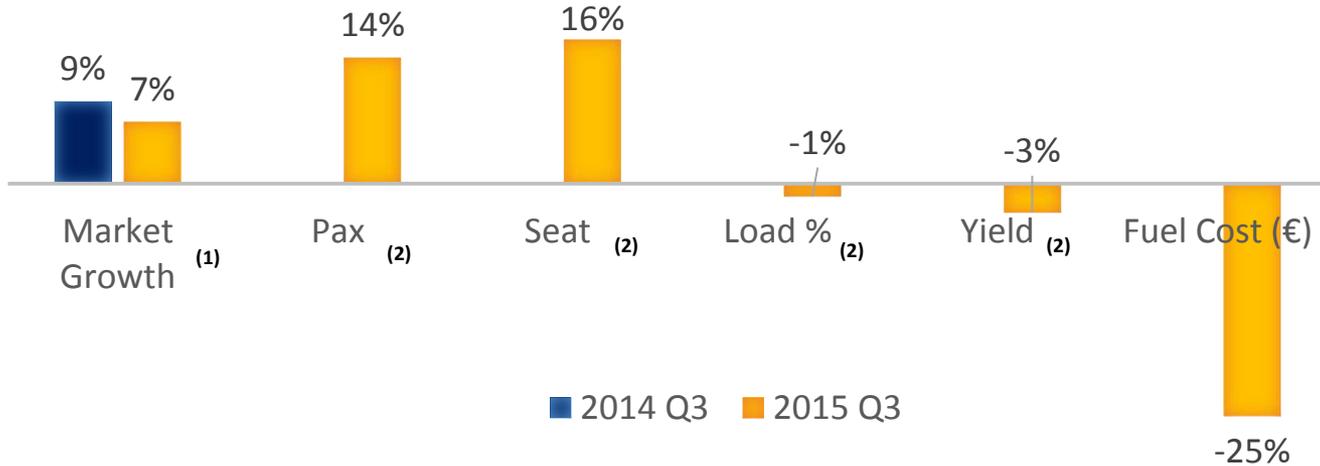
DOMESTIC



Domestic Yield

2014 Q3	92.1 TL
2015 Q3	96.8 TL

SCHEDULED INTERNATIONAL



International Yield

2014 Q3	88.9 €
2015 Q3	86.1 €

(1) Source: DHMI Data
 (2) Charter data excluded

FLEET UPDATE



FLEET EXPANSION (UNDER CONTRACT)

	2015	2016	2017	2018	2019	2020
Owned	3	3	3	3	3	3
Financial Lease	25	32	37	47	61	74
Operational Lease	39	44	41	37	30	23
Total	67	79	81	87	94	100

FLEET OVERVIEW

Oct '15	Own	Fin. Lease	Opr. Lease	Total
Boeing 737-800	2	25	29	56
Boeing 737-400	1	0	0	1
Airbus A320 CEO	0	0	9	9
Total Fleet	3	25	38	66

PEGASUS TODAY

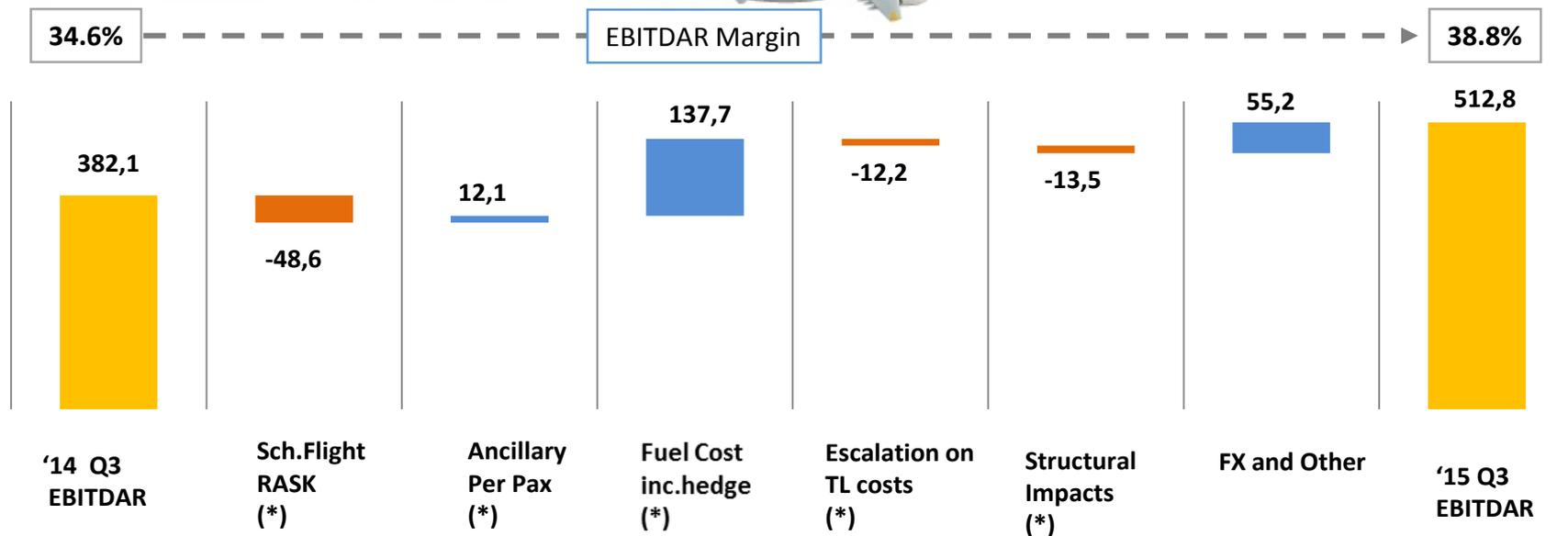
- Fleet of 66 aircraft with average age of 5.2 years as of October 15
- #2 airline in domestic market with a market share of 28%
- Operates 103 routes to 40 countries



ROUTE AND FREQUENCY UPDATE



EBITDAR ANALYSIS



COMMENTS

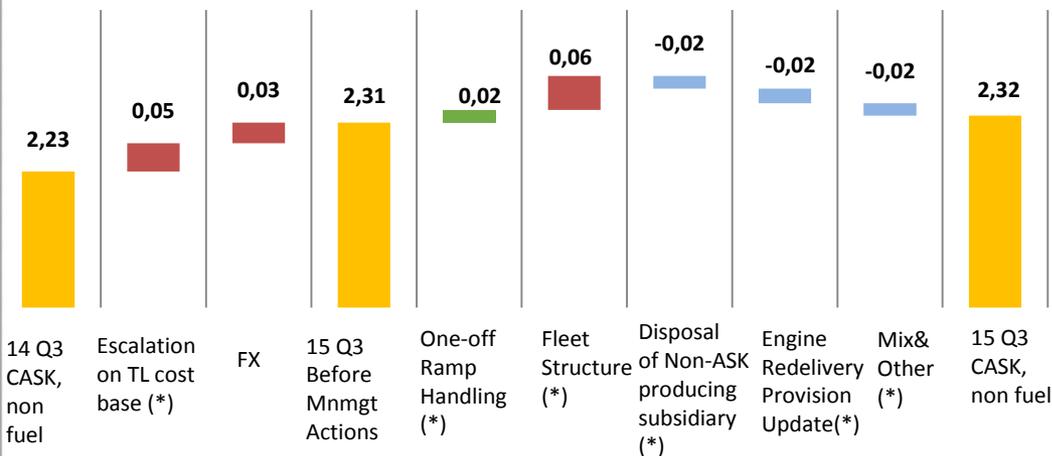
- EBITDAR improvement is driven by positive development in fuel cost, FX and ancillary
- Structural changes comprises of fleet mix change and self ramp handling start up cost

(*) excluding FX impact

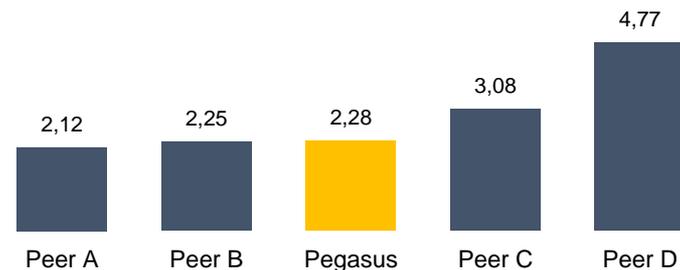
INDUSTRY LEADING CASK PERFORMANCE AMONG EU LCC's



Q3 NON-FUEL CASK BRIDGE (€c)



NON-FUEL CASK⁽¹⁾



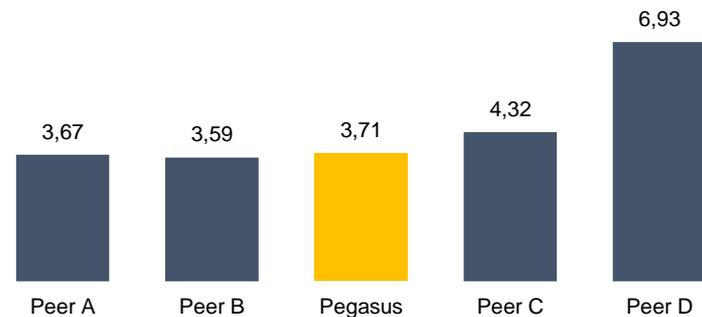
External Factors

Management Actions

COMMENTS

- ➔ Total Cask contracted by 9% led by fuel price decrease in Q3
- ➔ Non-Fuel CASK increase due to increase in personnel expenses for ramp handling project at SAW and operational lease expenses due to change in fleet structure
- ➔ The effective implementation of cost control continued in Q3

TOTAL CASK⁽¹⁾



(1) Company data (CASK calculations are LTM as of 30 June 2015, CAPA and Latest available company information)

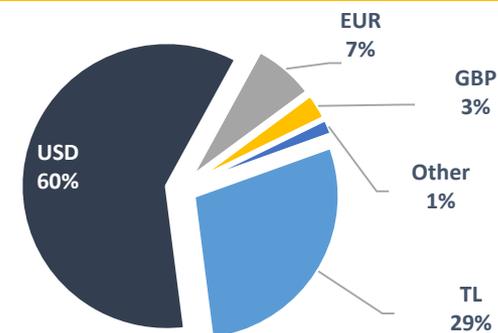
(*) excluding FX impact

Q3 BALANCE SHEET

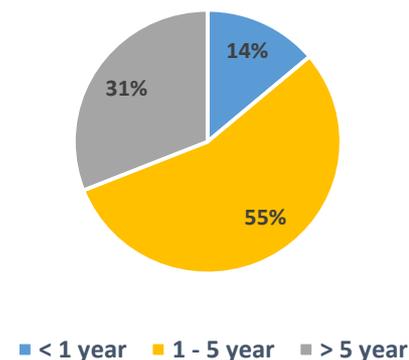


mnTRY	JUNE '15	SEP '15
Cash	1.098	1.358
Other Assets	721	764
PDP's	102	202
Fixed Assets	2.067	2.319
Total	3.988	4.643
Liabilities	1.355	1387
Financial Debt	1.419	1586
S/H Equity	1.214	1670
Total	3.988	4.643
CASH / AIRCRAFT	17.2	20.9
ADJ.NET DEBT/EBITDAR(1)	3,36	2,95

CURRENT CASH & EQUIVALENTS (30/09/15)



FINANCIAL LEASE MATURITY BREAKDOWN (30/09/15)



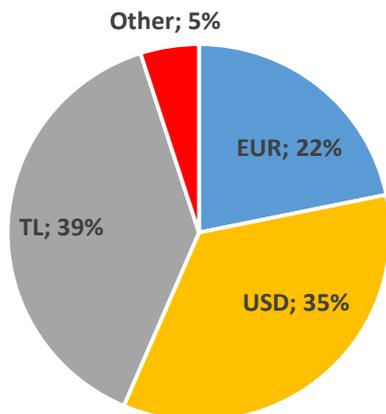
(1) Operating lease and EBITDAR figures are presented as last twelve months

FOREIGN CURRENCY EXPOSURE Q3 '15

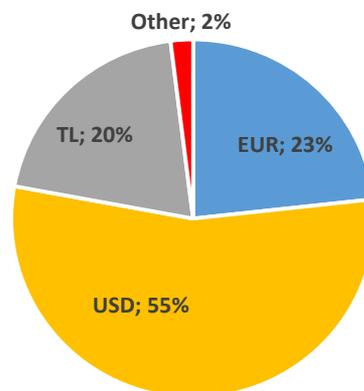


INCOME STATEMENT

REVENUE CURRENCY BREAKDOWN



EXPENSE CURRENCY BREAKDOWN-EBIT BASE



NET CASH FLOW POSITION(EBIT)

	TRY(mn)
EUR	63,8
USD	-63,1
TL	323,3
Other	51,6

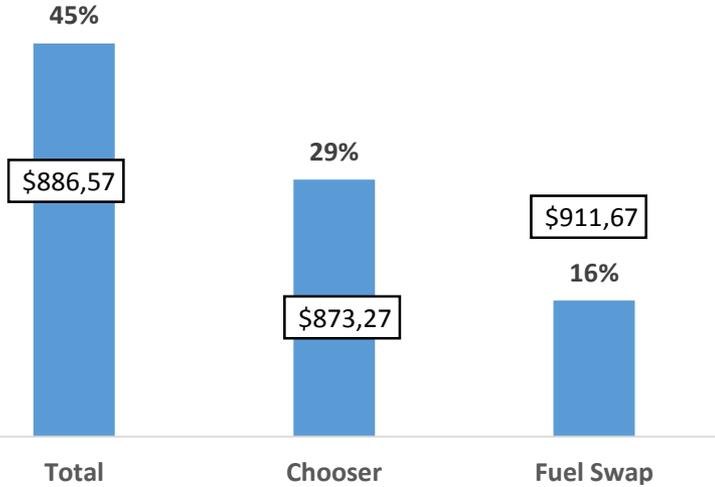
COMMENTS

- Starting from July'15 onwards all international fares originating from Turkey priced in USD
- USD denominated revenues increased 16 pp compared to Q2 2015.

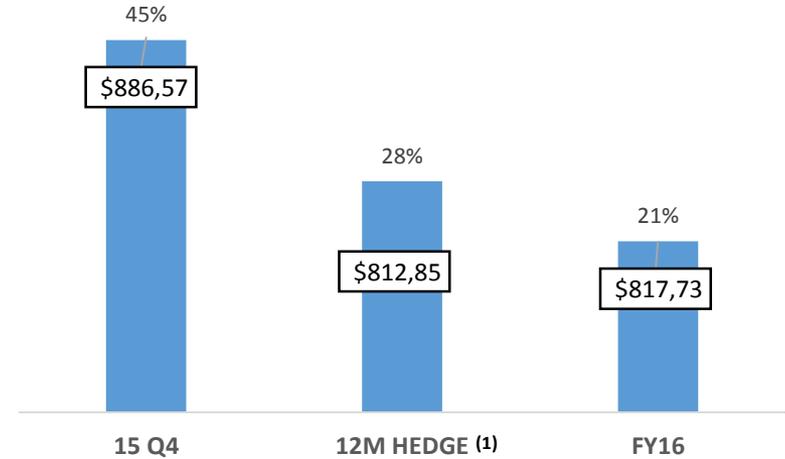
HEDGE & SENSITIVITY



HEDGE COVER & PER TON COST FOR 2015 Q4



HEDGE COVER & PER TON COST



2015 USD Hedging coverage → USD % 20

SENSITIVITY TABLE

- A \$10 (per metric ton) price movement of jet fuel would impact 15 Q3 opex by 5.3 TRYmn
- A one kuruş movement in the US Dollar/TRY and EUR/TRY FX rate would impact 15 Q3 EBIT by -0.2 TRYmn and 0.2 TRYmn respectively.

2015 Q3 P&L would be	+0,01 >	+0,01 >	+10\$ >
TRYmn	EUR/TL	USD/TL	Jet Fuel
Revenues	0,9	1,6	-
Operating Costs (EBIT base)	0,7	1,8	5,3
EBIT	0,2	-0,2	-5,3
EBITDAR	0,4	0,1	-5,3

(1) 12 Month hedge includes the hedges November 2015/October 2016

OUTLOOK



Traffic – Market Growth

- DHMI revised its forecasts with a passenger growth of 7% in Turkey in 2015 (previously 12%)
- We target a total PAX growth of c. 13-15% in 2015

Capacity Increase

- Full Year c. 17%-19% growth in ASK's
- Utilization flat

Load Factor and Yields

- Domestic : Flat Load Factor / Slight decrease in yields (TRY)
- International :Slight decrease in Load Factor / Flat International Yields (€)

Ancillary Revenues/Pax

- €10 per pax revenue expectation for FY15

CASK

- Full Year c.2-3 %. increase mainly from FX and fleet mix change

Profitability (EBITDAR)

- Full Year c.19-21 % EBITDAR margin

Capex and Cash Flow

- \$mn50 aircraft pre delivery payment and two spare engines
- Approximately €mn20 for potential ramp handling capex (which is financed by financial leases)