

11 October 2010

## **easyJet plc announces amended Brand Licence**

### **Highlights:**

- **Amended licence agreement resolves long running brand dispute and High Court case**
- **Improved agreement provides clarity for both easyJet and easyGroup**
- **easyJet's operational flexibility and commercial freedom is enhanced**
- **Shareholder agreement with easyGroup cancelled**
- **Independent shareholders to vote on the revised agreement**

easyJet, the UK's largest airline, today announces it has resolved its litigation with easyGroup IP over the terms of the 'easyJet' brand licence.

A revised brand licence agreement ends the long-standing uncertainty arising from the on-going dispute and confirms easyJet's right to generate revenues from ancillary activities.

The amended and re-stated licence agreement continues easyJet's worldwide rights to the use of its brand on a basis which protects easyJet's current commercial activities and provides clarity and certainty over the terms of the licence. Operational flexibility is considerably improved and easyJet will have the freedom to enter new co-branding agreements with other travel service providers as well as white label partners such as car hire, hotels and travel insurance companies. In addition, easyJet will have the right to enter co-branding promotions with other leading brands.

The rights will continue for a fifty year term, with a minimum commitment of ten years in return for an annual royalty payment of 0.25% of easyJet's revenues. The payment is fixed at £3.9 million and £4.95 million for the first two years of the agreement.

Upon obtaining shareholder approval for the revised brand licence, Sir Stelios has agreed to give up the right to appoint himself as easyJet Chairman and end easyGroup's rights of representation on the Board of easyJet.

easyJet Chairman Sir Mike Rake commented:

"easyJet has grown and developed since the brand licence was signed and the licence agreement needed to be clarified to allow the Company to move forward. I believe the revised agreement better aligns the interests of easyJet shareholders and the Licensor. I'd like to thank Sir Stelios for his constructive approach to our discussions over the past few weeks. Sir Stelios created easyJet and its success is a tribute to his vision and energy."

Sir Stelios Haji-Ioannou easyGroup Chairman commented:

"As the largest single shareholder in the airline as well as the owner of it's brand, I hope that the new team, led by Mike, Carolyn and Chris, will use this expanded scope of the brand licence to create value for all shareholders.

The way low cost airlines make money has changed over the 10 years since the original licence was signed. This amendment allows the airline to now grow its business even further by removing some of the restrictions imposed by the original agreement.

I am content this is a fair deal for both sides. The agreed amendments will result in increased competition from the airline for the other easyGroup licensees (such as easyHotel,

easyCar and easyBus). However the agreed royalty payable provides appropriate remuneration for easyGroup thereby aligning the interests of both parties.

Let's hope this is a win-win for all concerned!"

Carolyn McCall, easyJet Chief Executive commented:

"This is a sensible resolution of a difficult dispute that provides a fair, clear, workable outcome that is an improvement for both sides. It provides easyJet with operational flexibility and commercial freedom to grow our business and it provides both sides with clarity."

For further details on the agreement, visit easyJet's website. <http://corporate.easyjet.com>

**For media enquiries please contact:**

Oliver Aust, easyJet +44 (0)1582 525252  
Edward Simpkins, Finsbury +44 (0)7947 740551

**About easyJet:**

easyJet is now Europe's No. 1 air transport network due to its leading presence on Europe's top 100 routes and at Europe's 50 largest airports. More than 300 million Europeans live within one hour's drive of an easyJet airport, more than any other airline.

By offering the lowest fares to the most convenient airports, this year easyJet will grow profitably by 10% and will carry 50 million passengers on over 500 routes between 120 airports in 29 countries.

easyJet is the UK 's largest and Europe 's fourth largest airline by passenger numbers. In 2009, the airline carried 28 million passengers in the UK and 46 million in total. On average easyJet flies passengers 1100 km for just £45/€50.

easyJet takes sustainability seriously. Over the last 10 years, the airline has reduced CO2 emissions per passenger km by 25% by investing in the latest technology. Its fleet of nearly 200 state-of-the-art aircraft is only 3.5 years old.