

Q&A re brand licence

1. Why is there a court case?
 - a. To seek clarity on the use of the easyJet brand licence (which is a contract between easyJet and easyGroup which governs the airline's use of the easyJet brand) and what is known as "the 75:25 rule". At issue is the classification of various revenue streams to be included within the definition of easyJet's "Core Activity" and compliance with the 75:25 rule.
2. What is the Brand Licence agreement?
 - a. It's a contract between easyJet and easyGroup which governs the airline's use of the easyJet brand and is based on the 75:25 rule.
3. What is the 75:25 rule?
 - a. This rule provides that no less than 75% of the company's revenue is to be "derived from Core Activity" which relates to "transporting passengers in aeroplanes".
4. Why was this rule necessary?
 - a. It helps keep the company well focussed and prevents it from becoming a conglomerate. Indeed this has been a fundamental principle for easyJet for the last 10 years.
5. What's your position on the court case?
 - a. Our strong legal advice fully supports our interpretation that more than 90% of applicable revenues are derived from Core Activity. That includes passenger ticket revenues, infant charges, speedy boarding fees and baggage charges – services that are linked or that can only be taken in conjunction with a flight. These services are all related to running an efficient low cost airline.

6. When did all this begin?

- a. We received notification from easyGroup in August 2008 that it was to ask the High Court to clarify the terms of the Brand Licence agreement.

7. When was the Brand Licence established?

- a. It was signed and summarised in easyJet's original IPO prospectus in November 2000.

8. When does the court case start?

The hearing is due to start on 14th June 2010.