

Quarter 3 2009 Interim Management Statement

29 July 2009



Resilient performance



- Continued good commercial performance
 - Benefits as capacity targeted at better performing bases
 - Competitor retreat at Madrid and Belfast
 - Good load factors versus competitors
 - Underlying margin improvement in the year to date, revenue per seat +6.4% (at constant currency), cost per seat ex fuel +5.3% at constant currency
- Market share gains across Europe
 - Reduction in competitor capacity; minus 4% on easyJet routes
 - Position strengthened in key markets; Gatwick, Milan, Paris and Madrid
 - 12% growth in non-UK passengers
- Performance continues in line with expectations
 - Constant currency total revenue and costs ex fuel continue to perform in line with previous guidance
 - For the year to 30 September 2009 easyJet will deliver an underlying pre-tax profit in the range of £25million to £50million
 - 75% of available summer seats now sold

Solid growth in total revenue per seat



	Q3 '09	Q3 '08	Change
Passengers (m)	11.9	11.5	2.8%
Load factor (%)	84.7	83.5	1.2ppt
Seats (m)	14.0	13.8	1.4%
Sector length (km)	1,116	1,109	0.6%
Total revenue (£m)	721	641	12.4%
Total revenue per seat (£)	51.42	46.36	10.9%
@ constant exchange (£)	48.58	46.36	4.8%

Revenue performance in the quarter influenced by:

1. Movement of Easter from the second quarter of 2008 to third quarter 2009.
2. Overall reduction in supply to European short haul market of 4%
3. Strength of euro and swiss franc and a 12% increase in non-UK originating passengers, over half of easyJet's passengers now originate in mainland Europe

Improved passenger and ancillary revenues



	Q3 '09	Q3 '08	Change
Passenger revenue (£m)	581	538	7.9%
per seat (£)	42.42	38.91	6.4%
Ancillary revenue (£m)	140	103	35.9%
per seat (£)	10.00	7.45	34.1%

Good ancillary performance due to:

- Increased first bag charge £5 to £8
- Market specific in-flight offerings and EPOS driving spend per head on-board
- Improved partner revenues



Ancillary revenue per seat growth excluding first bag charge

Costs continue in line with expectations



- Third quarter operating costs¹ ex fuel per seat up 11.3% reported, up 1.8% per seat at constant currency
- Adverse movement of £30m for full year in net interest as previously guided
- Unrelenting focus on delivering £125m+ cost savings:
 - Leveraging easyJet scale and industry crisis to drive improvement in airports and ground handling costs
 - Maintenance in-sourcing project now complete - focus turned to extracting better value from contracts with suppliers
 - Ownership savings programme on-track
 - Crew efficiency remains a key focus

Targeted growth drives superior performance



- Capacity reduced at underperforming bases
 - Contribution on based aircraft at LGW and mainland Europe above the network average
- Levering scale at **Gatwick**
 - Non euro routes performing well
 - GB slots optimised
 - Superior load factors to competitors on key euro sun routes
- Building presence in mainland Europe
 - **Milan** - outperforming competition
 - Load twice that achieved by key competitors
 - Some yield softening expected as easyJet grows presence – currently 17 based aircraft
 - **Rome** - now 3 aircraft at Fiumicino
 - **France** – performing well with share gains at Lyon and Paris
 - **Germany** - improving profitability
 - Improved business product; additional capacity to Milan, Copenhagen and Brussels
 - Dortmund closed as a base but profitable routes retained



Continued prudent, flexible growth



Fleet plan:

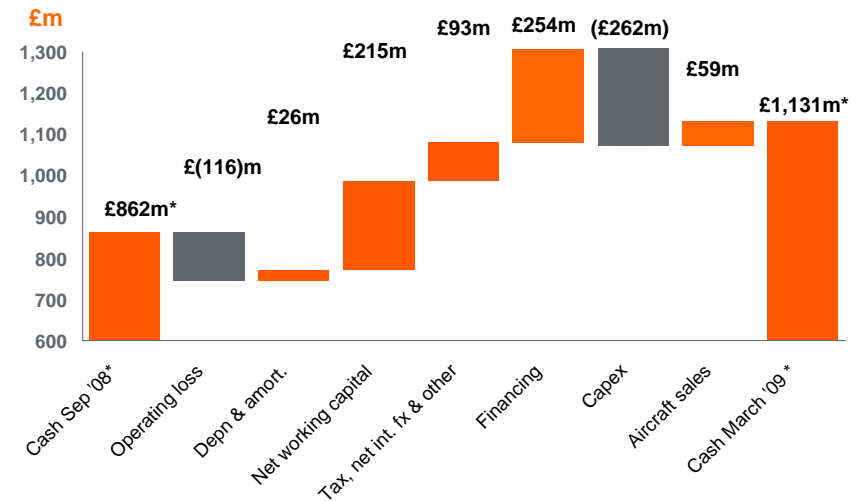
	30 Sept 2009	30 Sept 2010	30 Sept 2011	30 Sept 2012
A319	140	154	171	182
A320	15	23	23	25
A320 GB spec	5	2	-	-
A321 GB spec	4	-	-	-
B737	17	8	2	-
Total	181 ¹	187	196	207
Capital expenditure \$'m	850	850	750	500

- Fleet plan agreed by easyJet plc Board as part of the annual strategy process
- Anticipated average annual growth rate of 7.5% per annum

easyJet fleet plan well financed



- ✈ Undrawn financing of \$0.5billion at <100 bp above libor; many opportunities to secure further financing albeit at significantly higher rates
- ✈ Strong operating cash flow generation
- ✈ Cash and money market deposits of £962m* as 30 June 2009
- ✈ Flexibility of 26 cash purchased aircraft owned outright on balance sheet



Cash flow 6 months to 31.03.09.

Sweet spot of growth and margin improvement



The easyJet strategy delivers:

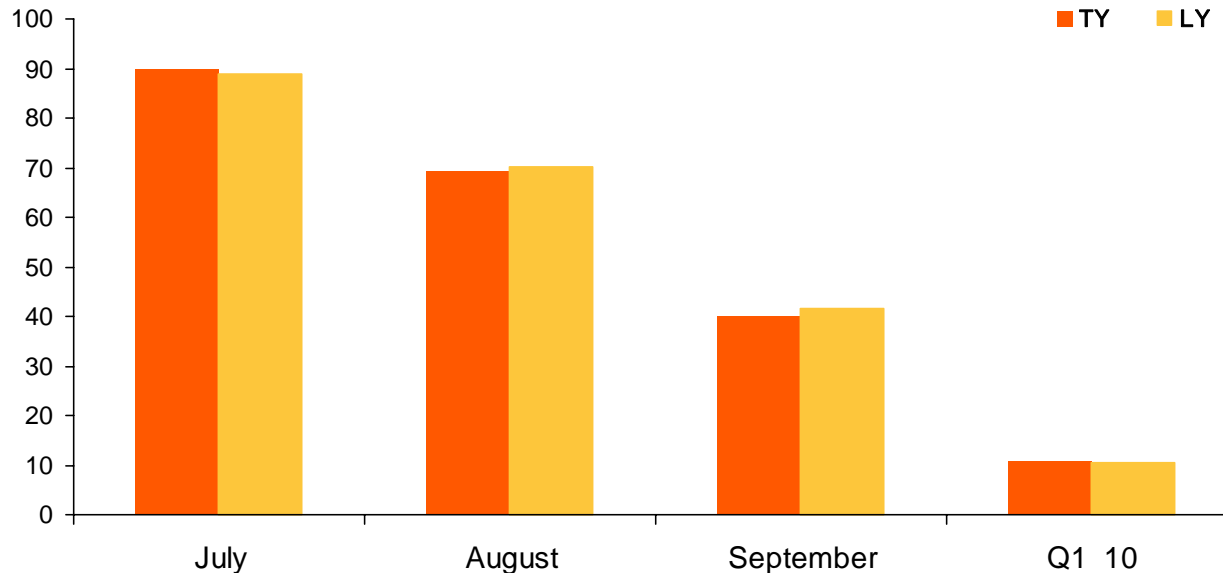
- The ability to optimise the network and exploit margin accretive opportunities to take market share
- Positive free cash flow generation, post the Boeing replacement programme*
- Maximum total shareholder return potential
- Flexibility to respond to changing economic conditions and market opportunities



Forward bookings in line with expectations



% seats sold *



- Second half bookings in-line with prior year
- 75% of available summer seats now sold
- Schedule now on sale for 12 months ahead; already has delivered £25million working capital benefit

Outlook



- ➔ In a difficult and uncertain market, easyJet continues to perform in line with previous guidance for the year.
 - ➔ Capacity measured in seats flown is expected to increase compared to the prior year by around 4% in the fourth quarter resulting in a 3% increase for the second half of the year.
 - ➔ Average sector length for the second half will be level with the prior year.
 - ➔ With over 75% of the available summer seats now booked total revenue per seat at constant currency in the second half of the year is expected to be at least at the same level as the prior year.
 - ➔ Total operating costs¹ per seat ex fuel remain in line with expectations previously set out and will grow by mid single digits at constant currency compared to the prior year principally due to reduced utilisation over the winter, growth in average sector length and increased crew costs, because of the October 2008 pay increase and increased costs associated with the introduction of overseas contracts.
 - ➔ As previously highlighted there will be a £30m reduction in net interest income compared to the prior year.
 - ➔ Second half fuel costs at current fuel prices and exchanges rates are expected to be broadly in line with the same period last year.
- ➔ Economic conditions remain uncertain and obviously August is an important month for easyJet, it is though expected that for the year to 30 September 2009 easyJet will deliver underlying pre tax profit in the range of £25million to £50million, with the key variables in determining the final outturn being the performance of late yields and the euro-sterling exchange rate.

Summary



Resilient performance in a tough and uncertain environment, easyJet's strengths continue to prevail:

1. Low cost, highly efficient and well financed
2. Europe's No. 1 transport network
 - Geographic diversity, wide range of destinations with a good schedule
 - Focus on convenient airports which appeal to time sensitive consumers
 - Extensive positions at slot constrained airports
3. Winning customer proposition
 - Pan European brand – with high recognition at both ends of routes
 - Industry leading distribution:
 - easyJet.com – the leading airline website
 - GDS and self booking portals for business travellers

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Appendix



Hedging update



- For the six months to end September 2009:
 - 75% fuel requirement hedged at \$1,031 per tonne
 - 76% of anticipated 2009 US\$ requirement hedged with 74% forwards at \$1.82 and 2% with collars between \$1.83 and \$1.92
 - 71% of anticipated 2009 euro surplus hedged at €1.24/£

- For the year to 30 September 2010:
 - 51% fuel requirement hedged at \$771 per tonne
 - 45% of anticipated 2010 US\$ requirement hedged at \$1.74
 - 38% of anticipated 2010 euro surplus hedged at €1.23/£