

20 January 2011**EASYJET INTERIM MANAGEMENT STATEMENT FOR THE QUARTER ENDED
31 DECEMBER 2010****Highlights:**

- Total revenue up by 7.5% to £654 million
- Seats flown grew by 7.7% to 13.8 million and total revenue per seat was flat at £47.48. At constant currency revenue per seat grew by 0.3% as growth in underlying yields more than offset some weakness on ancillary revenues
- Passengers carried increased by 8.8 % to 11.9 million, with 59% of passengers originating outside the UK. The load factor increased by 0.9 percentage points to 86.7%
- Cost per seat ex fuel reduced by 2.9% excluding additional costs resulting from disruption caused by ATC strike action and severe weather
- In the quarter disruption from ATC strike action and severe weather cost £6 million and £18 million respectively and in addition led to lost contribution of £7 million. easyJet is working to recover a significant proportion of this through additional costs savings and revenue opportunities
- easyJet placed an aircraft order with Airbus in the period; with 15 existing A320 aircraft options converted to firm orders, 20 A319 contracted aircraft deliveries converted to A320 deliveries and secured options over a further 33 A320 aircraft bringing the total number of options held by easyJet to 42 aircraft
- easyJet's position continued to strengthen with market share gains across Europe particularly London Gatwick, Paris Orly and CDG and Geneva
- Strong balance sheet with cash and money market deposits of £1,281 million (excluding restricted cash) and un-drawn committed financing facilities at favourable rates of \$641 million as at 31 December 2010

Commenting on the results, Carolyn McCall, easyJet Chief Executive said:

"Against a difficult economic backdrop aggravated by severe weather and ATC strike action, easyJet was able to deliver a solid trading performance and grow total revenue by 7.5% to £654 million whilst improving its position in mainland Europe.

easyJet will always support its passengers when external events impact their journey but we call on governments to provide sensible legislation for airport regulation and air traffic control. The severe snow disruption of the past two years also highlights the need for airports to invest in the appropriate infrastructure to keep passengers moving."

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A copy of this Interim Management Statement is available at www.easyJet.com/investors

Three months ended	31 Dec 2010	31 Dec 2009	Change %
Passengers (m) ¹	11.9	11.0	8.8
Seats (m)	13.8	12.8	7.7
Load factor (%) ²	86.7	85.8	+0.9pp
Total revenue (£m)	654	608	7.5
Passenger revenue (£m)	521	481	8.4
Ancillary revenue (£m) Including checked bag charge	133	127	4.8
Total revenue per seat (£)	47.48	47.50	0.0
Passenger revenue per seat (£)	37.85	37.60	0.7
Ancillary revenue per seat (£) Including checked bag charge	9.63	9.90	(2.7)
Total revenue per passenger (£)	54.78	55.38	(1.1)
Average number of owned / leased aircraft	195.6	184.5	6.0
Average operating aircraft	180.4	167.9	7.4
Average utilisation (hours per day)	10.1	10.1	0.6
ASKs (bn)	15.0	13.8	8.3
RPKs (bn)	13.2	12.1	8.9
Average sector length (km)	1,089	1,083	0.6

First quarter revenue and network performance

Passenger numbers grew by 8.8% in the quarter to 11.9 million and 59% of passengers originated outside the UK as easyJet continued to execute its strategy of carefully targeted growth. Seats flown, increased by 7.7%, with a 20% growth in mainland Europe. Capacity in the UK was level with the prior year as easyJet maintained its market share.

The load factor increased by 0.9 percentage points to 86.7% and total revenue per seat was flat at £47.48 on a reported basis and grew by 0.3% on a constant currency basis.

Passenger revenue grew by 0.7% per seat to £37.85 in the quarter driven by:

- Strong capacity growth in Europe naturally led to some yield dilution as easyJet continues to build its business in Europe. Capacity grew significantly in France (+32%), Germany (+12%), Italy (+13%) and Switzerland (+26%). easyJet is now a significant carrier in many of its European markets for example offering 50 routes out of Paris and in October was the first airline to move into Copenhagen's new low cost terminal
- Good unit revenue growth in the UK through focused growth at Gatwick, Edinburgh and Manchester and capacity reductions in less profitable markets
- The greater proportion of 180 seat A320 aircraft in the fleet improved easyJet's unit costs and overall contribution per seat more than offsetting a small dilution of yields

Ancillary revenue per seat declined by 27 pence to £9.63 as a reduction in the take up of checked bags meant that first bag revenue declined by 37 pence to £4.02. easyJet is now reviewing its baggage policy to accommodate the needs of consumers in different European

markets. A strong performance on fees and charges more than offset the continued impact of regulatory changes on the sale of insurance, VAT on in-flight and the one-off benefit in 2010 from the withdrawal of the easyJet credit card. In total these factors impacted the financial result by 44 pence per seat.

In the period easyJet improved its offering for the business traveller launching a flexible fare through the GDS and building frequency on key business routes such as Paris-Toulouse, Geneva-Barcelona, Barcelona-Milan and Orly-Nice.

Pleasingly www.easyjet.com continued to rank first for visitor numbers within the travel industry in markets such as the UK, Switzerland and showed strong improvement in the French and Italian markets.

Operational performance / impact from disruption

Following the difficulties of last summer On Time Performance (OTP) has been a key focus for easyJet during Q1 and we are beginning to see improvements, particularly in first wave OTP, and expect to see continued improvement over the coming months. However during the quarter the network experienced significant disruption, as for 30 consecutive days at least one of easyJet's airports was closed and as consequence over 3,500 sectors were cancelled. We saw unprecedented snow in the final month of the quarter with a number of major airports in the UK and continental Europe closed across the network. French ATC strikes and the wildcat Spanish ATC strikes also placed pressure on the network as flights were diverted or turned round due to air space closure. Each of these events created a challenge to operational performance particularly in December and thus whilst OTP was in line with our target for arrivals within 15 minutes in October and November, the performance in December meant that easyJet achieved only 65% OTP across the quarter.

In the quarter disruption from ATC strike action and severe weather cost £6 million and £18 million respectively and in addition led to lost contribution of £7 million. Pleasingly, easyJet handled the snow disruption far more proactively than in the previous winter, resulting in less uncertainty for passengers and reducing the cost per incident by around 10%.

First quarter cost performance

On a reported basis, costs per seat excluding fuel fell by 2.9% before the £24 million of additional cost resulting from the disruption caused by ongoing ATC strike action and snow.

Ground handling, maintenance and ownership costs all showed an improved performance on a per seat basis compared to the prior year.

Fleet plan

easyJet placed an aircraft order with Airbus in the period; with 15 existing A319 aircraft options converted to firm A320 orders, 20 A319 contracted aircraft deliveries converted to A320 deliveries and secured options over a further 33 A320 aircraft bringing the total number of options held by easyJet to 42 aircraft. Utilisation of the owned fleet improved by 2% in the period.

Total aircraft	
At 30 September 2010	196
At 31 December 2010	193
At 30 September 2011	204
At 30 September 2012	213
At 30 September 2013	220

Brand licence

On 11 October 2010, we announced a resolution to the ongoing Brand Licence dispute which was approved by shareholders at an Extraordinary General Meeting on 10 December 2010. The variations to the Brand Licence will ensure that we have a more workable agreement going forward that allows easyJet to carry out all current commercial activities and innovate without restriction within the parameters of the airline and airport environment.

Hedging

To reduce short term earnings volatility easyJet has put the following fuel and currency hedging positions in place:

Six months to 31 March 2011

70% of anticipated US\$ requirement hedged using forwards at \$1.61
78% of anticipated Jet requirement hedged using forwards at \$711/MT
63% of anticipated EURO surplus hedged using forwards at €1.10

Six months to 30 September 2011

72% of the anticipated US\$ requirement hedged using forwards at \$1.60
65% of the anticipated Jet requirement hedged using forwards at \$755/MT
64% of the anticipated EURO surplus hedged using forwards at €1.10

Full Year to 30 September 2011

71% of the anticipated US\$ requirement hedged using forwards at \$1.60
70% of the anticipated Jet requirement hedged using forwards at \$734/MT
64% of the anticipated EURO surplus hedged using forwards at €1.10

Full Year to 30 September 2012

50% of the anticipated US\$ requirement hedged using forwards at \$1.58
26% of the anticipated Jet requirement hedged using forwards at \$808/MT
21% of the anticipated EURO surplus hedged using forwards at €1.11

Outlook

In the quarter disruption from ATC strike action and severe weather cost £6 million and £18 million respectively and in addition led to lost contribution of £7 million. easyJet is working to recover a significant proportion of this through additional costs savings and revenue opportunities.

The current market price of jet fuel is \$897 a metric tonne compared to \$681 a metric tonne a year ago and therefore at current jet prices and dollar rates³ fuel costs are anticipated to be around £1.17 a seat higher than in the first half of last year and consequently the usual first half loss is anticipated to be between £140 million and £160 million, compared to a pre-tax loss of £78.7 million in the same period last year.

With over 65% of the available first half seats now sold, forward bookings are in line with the prior year. A slowdown in bookings during the recent severe weather combined with poorer than expected performance of checked bags has meant that total revenue per seat on a reported basis is likely to be down a couple of percentage points compared to the first half of last year.

Early indications are that second half unit revenues remain robust and therefore excluding the additional cost of fuel driven by the higher market price of jet and assuming no further significant disruption, our full year expectations remain broadly unchanged.

The economic outlook in Europe remains uncertain and the higher market price of fuel will inevitably put pressure on margins in the short term however the strength of the easyJet network combined with its proposition of offering consumers the best value fares to convenient airports combined with friendly service means that easyJet is well positioned.

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Notes:

1. Represents the number of earned seats flown. Earned seats include seats that are flown whether or not the passenger turns up because easyJet is a no-refund airline, and once a flight has departed a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.
2. Represents the number of passengers as a proportion of the number of seats available for passengers. No weighting of the load factor is carried out to recognise the effect of varying flight (or "sector") lengths.
3. Jet cif \$897 per metric tonne, US \$ to £ sterling 1.60, euro to £ sterling 1.19 as at noon on 19.1.11