

Q3 FY'15
ANALYST & INVESTOR
PRESENTATION

3 months to 30 June 2015

22 July 2015

europe by
easyJet

Q3 performance – key messages

1. Good commercial performance

- Good performance from UK and beach routes across Europe
- Revenue management initiatives

2. Proactive approach to offsetting a difficult operational environment

- External factors:
 - French ATC strikes
 - Rome Fiumicino fire
 - Gatwick – supplier issues

3. Strong underlying cost performance despite heightened level of disruption

- Q3 cost per seat excluding fuel up 2.8%¹
 - 1.1ppt due to French ATC strike and impact of Fiumicino fire
- easyJet lean continues to deliver
 - £7million in the quarter and £28 million year to date

4. Continuing to deliver successful strategy

- Invest and develop network, digital initiatives, easyJet lean

Solid revenue performance

	Q3 '15	Q3 '14	Change
Passengers (m)	19.1	17.9	6.2%
Load factor (%)	91.7	90.4	1.3ppt
Seats (m)	20.8	19.8	4.7%
Average sector length (km)	1,132	1,118	1.2%
Seat revenue (£m)	1,209	1,223	(1.1)%
Non-seat revenue (£m)	19	17	10.9%
Total revenue (£m)	1,228	1,240	(1.0) %
Total revenue per seat (£)	59.08	62.47	(5.4) %
@ constant currency (£)	60.74	62.47	(2.8) %

Cost performance – impact of disruption

	Q3 2015 Reported	Q3 2015 Constant currency
Cost per seat <u>excluding</u> fuel	2.1% Decrease	2.8% Increase
Cost per seat <u>including</u> fuel	3.3% Decrease	0.5% Decrease

Increases driven by:

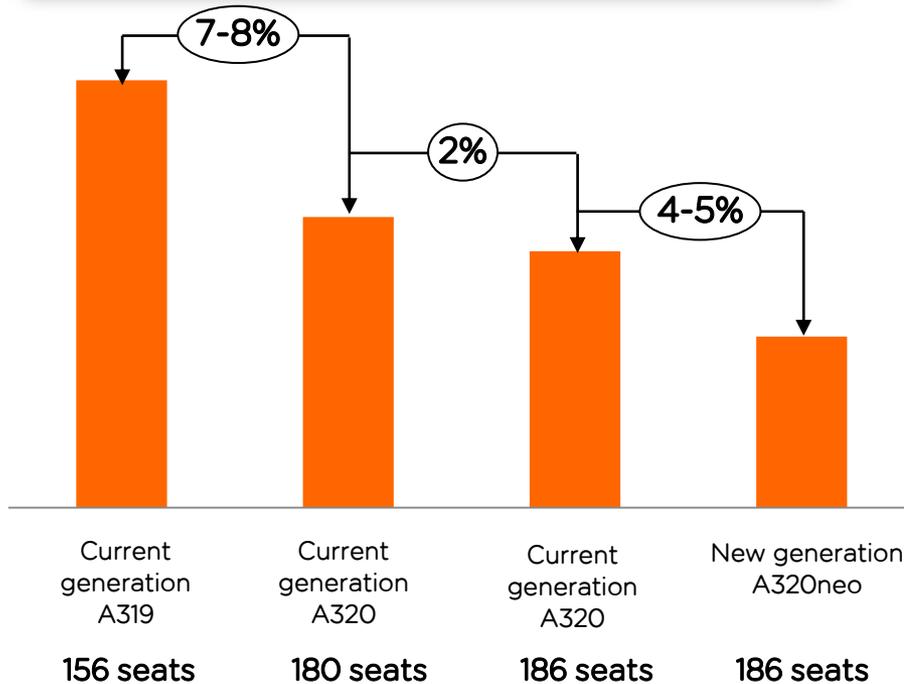
- Impact of French ATC strike and Fiumicino fire - 1.1 ppt
- Airport charges - 0.8 ppt
 - Regulated airports in Germany and Italy

Increases offset by:

- easyJet lean which delivered £7 million of sustainable savings in the quarter
 - £28 million delivered year to date
- Improvement in effective post hedged fuel price from \$976 per tonne in Q3'14 to \$881 per tonne in Q3'15
- Continued up-gauging with 9 A320 aircraft delivered in the quarter
 - 0.5% cost per seat reduction compared to the same quarter last year

Continued focus on cost

Fleet up-gauging



- 38% of the fleet currently A320 aircraft
- Up-gauging to deliver around 1% cost per seat CAGR saving over the next 5 years

easyJet lean

- Expect to deliver at high end of £30 million to £40 million in FY'15
- Pipeline of initiatives
 - Gatwick single terminal
 - Maintenance contracts
 - Airport and ground handling deals



Up-gauging and easyJet lean to deliver 2% cost per seat CAGR saving over the next five years

Strengthening the network to drive returns

Italy

- Investment in profitable and attractive markets where easyJet has strong positions and returns
- Strong focus on capital discipline with capital reallocated from less strong markets e.g. Rome

Venice

- 4 aircraft for a new base opening in April 2016
- Already #1 with 19% market share

Milan Malpensa

- 3 aircraft to be added from April 2016
- Already #1 with 45% market share

Naples

- 1 additional aircraft to be added from April 2016
- Already #1 with 30% market share

Netherlands

- Schiphol base opened in March, 4th aircraft to be based from October 2015
- Already #2 with a 9% market share
- Able to take advantage of first wave flying for key business market

Barcelona

- Opening in February 2016 with 3 based aircraft
- Key network point with c.3 million passengers flying to 14 different network points
- Barcelona base will provide additional cost flexibility alongside Porto

Hedging update

	Fuel requirement	US Dollar requirement	Euro Surplus	Swiss Franc surplus
Three months to 30 September 2015	83%	85%	91%	88%
Average rate	\$878 metric / tonne	\$1.58	€1.14	CHF1.49
Full year ending 30 September 2015	88%	83%	87%	100%
Average rate	\$922 metric / tonne	\$1.59	€1.18	CHF1.48
Full year ending 30 September 2016	80%	76%	79%	70%
Average rate	\$844 metric / tonne	\$1.63	€1.21	CHF1.46

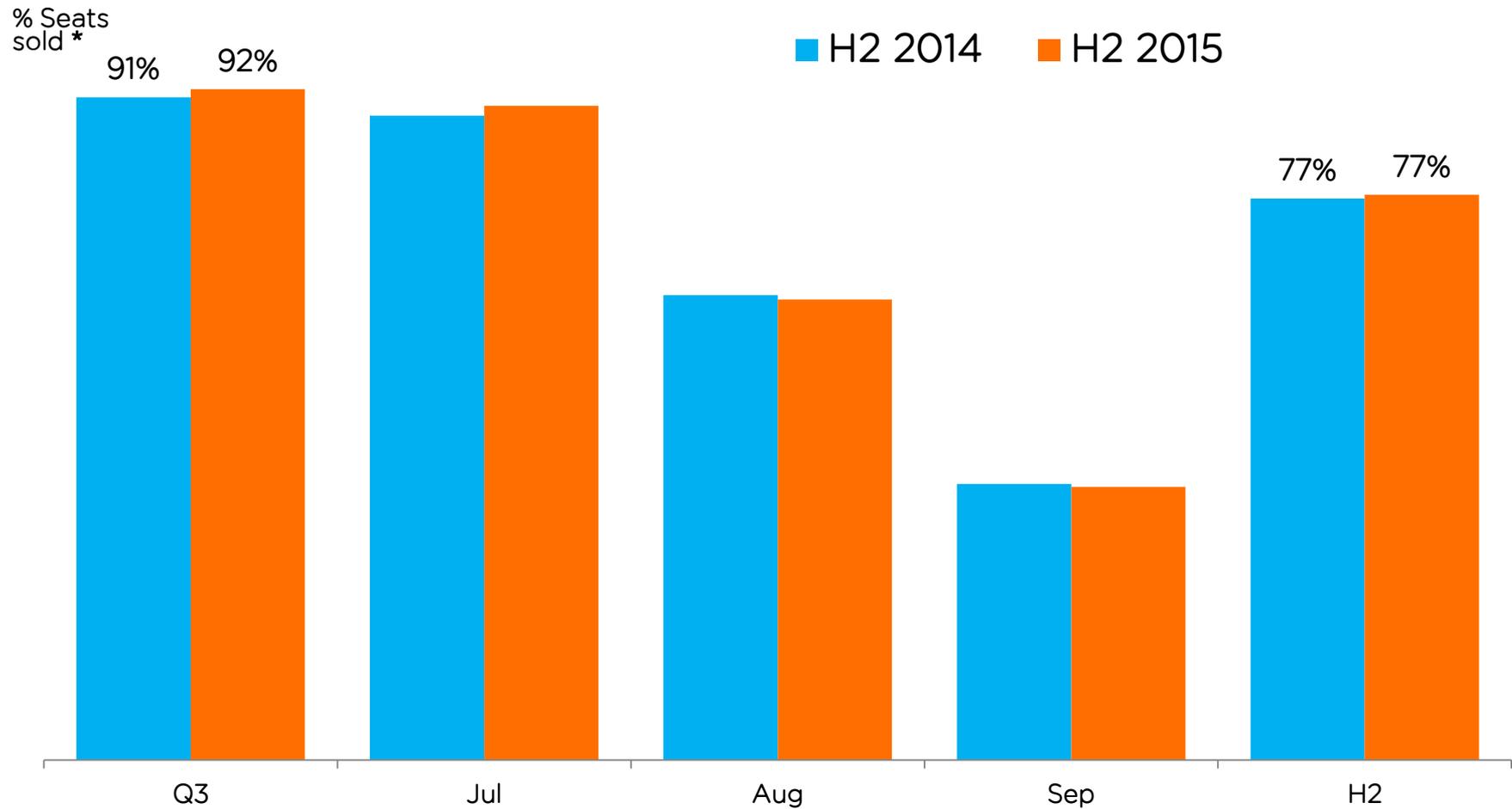
Sensitivities FY'15

- \$10 per tonne movement in the price of jet fuel will impact the full year pre-tax result by +/- \$1 million
- 1 dollar cent movement will impact the full year pre-tax result by +/- £0.3 million
- 1 euro cent movement will impact the full year pre-tax result by +/- £0 million
- 1 CHF cent movement will impact the full year pre-tax result by +/- £0 million

Sensitivities FY'16

- \$10 per tonne movement in the price of jet fuel will impact the full year pre-tax result by +/- \$4 million
- 1 dollar cent movement will impact the full year pre-tax result by +/- £1.9 million
- 1 euro cent movement will impact the full year pre-tax result by +/- £0.7 million
- 1 CHF cent movement will impact the full year pre-tax result by +/- £0.3 million

Forward bookings



Outlook

Fuel

- H2: unit fuel costs £65 million to £80 million favourable ^(1,2)
- FY: unit fuel costs £100 million to £115 million favourable ^(1,2)

Foreign exchange

- H2: c. £35 million adverse movement from foreign exchange rates⁽³⁾
- FY: c. £15 million adverse movement from foreign exchange rates⁽³⁾

Trading

- The underlying performance of the business remains consistent with the capacity and cost guidance given on 12 May 2015, despite absorbing an additional £15 million of disruption costs in the nine months to 30 June 2015 compared to the same period in the prior year
- Revenue per seat is trending better than outlined in May
- The current macro and operational environment is uncertain, caused by the situation in Greece and the events in North Africa, combined with the reduction in capacity at Fiumicino as a result of the fire at the airport and the various threats of industrial action

Full year result

- Despite this, easyJet expects to grow profit before tax from £581 million for the year to 30 September 2014 to a range of £620 million to £660 million for the year to 30 September 2015⁽⁴⁾

(1) Assuming fuel remains between \$550 / metric tonne to \$750 / metric tonne trading range

(2) Unit fuel calculated as the difference between latest estimate of FY15 fuel costs less FY14 fuel cost per seat multiplied by FY15 seat capacity

(3) Based on spot rates: US \$ to £ sterling 1.5559, euro to £ sterling 1.4360 at noon on 20.7.15

(4) Following the period end the Eurocontrol dispute was resolved. This will result in a £8 million additional navigation charge in Q4'15. This one-off charge is included in easyJet's FY15 profit before tax guidance range.

Summary

- Improving commercial performance in a difficult operating environment
- Good underlying cost performance
- Exciting profitable growth opportunities across our core markets
- Uncertain macro and operational environment with Greece, events in North Africa and potential industrial action
- Pipeline of revenue and cost initiatives to continue to drive returns
- Continued disciplined allocation of capital

easyJet remains well placed to grow revenue, profits and dividends this year

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