

THIS DOCUMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. If you are in any doubt as to the action you should take, you are recommended to seek your own financial advice immediately from your stockbroker, bank manager, solicitor, accountant or other independent financial adviser duly authorised under the Financial Services and Markets Act 2000.

If you have sold or transferred your entire holding of Ordinary Shares in easyJet plc, please send this document, together with the enclosed Form of Proxy, as soon as possible to the purchaser or transferee, or to the stockbroker, bank or other agent through whom the sale or transfer was effected, for transmission to the purchaser or transferee. If you have sold only part of your holding of Ordinary Shares in easyJet plc, you should immediately consult the stockbroker, bank or other agent through whom the sale or transfer was effected.

easyJet plc

(Registered in England under company number 3959649)

Proposed purchase of 52 Airbus Aircraft

Amendment of the Airbus Contract

and

Notice of Extraordinary General Meeting

This document should be read as a whole. Your attention is drawn to a letter from the Chairman of easyJet plc, which is set out on page 5 of this document and which recommends that you vote in favour of the Resolution to be proposed at the Extraordinary General Meeting referred to below.

PLEASE REFER TO PART 2 OF THIS DOCUMENT ENTITLED "RISK FACTORS" FOR A DISCUSSION OF CERTAIN FACTORS WHICH SHOULD BE TAKEN INTO ACCOUNT IN CONSIDERING THE MATTERS REFERRED TO IN THIS DOCUMENT.

Notice of an Extraordinary General Meeting of easyJet plc, to be held at 10.00 a.m. on 14 December 2006 at easyLand, London Luton Airport, Bedfordshire LU2 9LS, is set out at the end of this document. A Form of Proxy is enclosed for use by Shareholders in connection with the Extraordinary General Meeting. To be valid, Forms of Proxy, completed in accordance with the instructions printed thereon, must be received at the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA as soon as possible but in any event by no later than 10.00 a.m. on 12 December 2006. Completion and return of the Form of Proxy will not preclude Shareholders from attending and voting at the Extraordinary General Meeting should they so wish.

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DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

“A320 family”	Airbus A319, A320 and A321 aircraft;
“Act”	the Companies Act 1985, as amended;
“Additional Purchase Rights” or “Option”	the rights granted to the Company pursuant to the Airbus Contract to elect, at any time, to purchase up to 120 additional Airbus A319 aircraft at the price and on the other terms set out in the Airbus Contract;
“Airbus”	Airbus G.I.E.;
“Airbus Contract”	the agreement dated 30 December 2002 made between the Company and Airbus relating to the purchase of 120 Airbus A319 aircraft and incorporating the Additional Purchase Rights as amended and restated pursuant to a Deed of Confirmation dated 11 March 2003 between the Company, easyJet Leasing Limited and Airbus and as further amended by Amendment No. 1;
“Amendment No. 1”	the agreement dated 21 December 2005 made between the Company, easyJet Leasing Limited and Airbus pursuant to which the Additional Purchase Rights were exercised in respect of 20 aircraft;
“Amendment No. 2”	the agreement dated 13 November 2006 made between the Company, easyJet Leasing Limited and Airbus pursuant to which the Exercise of Option and certain amendments to the Airbus Contract will be made, contingent upon Shareholder approval;
“Board” or “Directors”	the directors of the Company, whose names are set out on page 5;
“CFM”	CFM International S.A.;
“CFM Contract”	the agreements dated 25 August 2003 made between the Company, easyJet UK and CFM relating to the purchase of CFM 56 engines;
“Company”	easyJet plc;
“easyGroup IP Licensing”	easyGroup IP Licensing Limited;
“easyJet” and “easyJet Group”	the Company and its subsidiary undertakings (including easyJet Switzerland S.A.);
“easyJet Share Option Schemes”	the easyJet Key Employee Pre-Flotation Share Option Scheme, the easyJet Approved Discretionary Share Option Scheme, the easyJet Non-Approved Discretionary Share Option Scheme 2000, the easyJet Management Combination Incentive Plan, the Long Term Incentive Plan, the Sharesave Scheme and the Share Incentive Plan;
“easyJet UK”	easyJet Airline Company Limited;
“Exercise of Option”	the exercise of the Additional Purchase Rights in respect of a further 52 Airbus A319 aircraft for delivery between 2008 and 2010 pursuant to Amendment No. 2;
“Extraordinary General Meeting” or “EGM”	the extraordinary general meeting of the Company convened for 10.00 a.m. on 14 December 2006 as set out in the notice contained in this document;
“Form of Proxy”	the form of proxy for use at the Extraordinary General Meeting;
“FSMA”	the Financial Services and Markets Act 2000, as amended;

“Further Additional Purchase Rights” or “Further Option”	the rights granted to the Company pursuant to Amendment No. 2 to elect to purchase up to 75 Airbus A320 family aircraft (in addition to the Additional Purchase Rights) on substantially the same terms as set out in the Airbus Contract;
“Listing Rules”	the listing rules of the UK Listing Authority made for the purposes of Part 6 of FSMA;
“Ordinary Shares”	the ordinary shares of 25p each in the share capital of the Company;
“Resolution”	the ordinary resolution to approve Amendment No. 2 to be proposed at the EGM;
“Shareholder(s)”	the holder(s) of Ordinary Shares;
“UK Listing Authority”	the Financial Services Authority, acting in its capacity as the competent authority for the purposes of Part VI of FSMA; and
“US\$” or “USD”	United States dollars.

PART 1 — LETTER FROM THE CHAIRMAN

easyJet plc

(Registered in England under company number 3959649)

Directors

Sir Colin Chandler (*Non-Executive Chairman*)
Andrew Harrison (*Chief Executive Officer*)
Jeff Carr (*Group Finance Director*)
Dawn Airey (*Non-Executive Director*)
David Bennett (*Non-Executive Director*)
Prof Rigas Doganis (*Non-Executive Director*)
Sir Stelios Haji-Ioannou (*Non-Executive Director*)
Diederik Karsten (*Non-Executive Director*)
Sir David Michels (*Non-Executive Director*)

Registered office

easyLand
London Luton Airport
Bedfordshire LU2 9LS

28 November 2006

To the holders of Ordinary Shares and, for information only, to holders of options under the easyJet Share Option Schemes

Dear Shareholder,

Proposed purchase of 52 Airbus Aircraft, Amendment of the Airbus Contract and Notice of Extraordinary General Meeting

Introduction

On 30 December 2002, easyJet entered into an agreement with Airbus, conditional on obtaining Shareholder approval, under which it agreed to purchase 120 new Airbus A319 aircraft and was granted the right to purchase, at the same basic price, up to 120 additional new Airbus A319 aircraft for delivery up to 31 December 2012, provided that delivery slots were available. The Airbus Contract was approved by the Shareholders at an extraordinary general meeting held on 12 March 2003.

Of the initial 120 Airbus A319 aircraft, Airbus has delivered 88 with the remainder scheduled for delivery between now and 2008. On 22 December 2005, the Company announced that it had, pursuant to Amendment No. 1, exercised its right under the Additional Purchase Rights to acquire a further 20 Airbus A319 aircraft for delivery during 2008 and 2009 so as to enable the Company to continue its planned expansion.

On 14 November 2006, the Company announced that, conditional on obtaining Shareholder approval, it had exercised its right under the Additional Purchase Rights to acquire a further 52 A319 aircraft for delivery between 2008 and 2010 bringing the total number of aircraft in respect of which Additional Purchase Rights have been exercised to 72. The total list price as at January 2001 (being the date by reference to which the contractual base price is quoted) for these 52 new A319 aircraft is approximately US\$2.3 billion. However, the Company has been granted very substantial price concessions by Airbus under the Airbus Contract (as amended by Amendment No. 2). Price concessions have also been granted by the selected engine manufacturer in respect of the original 120 aircraft and the 120 Additional Purchase Right aircraft. The Company believes that the additional aircraft will enable the Company to continue its planned expansion between 2008 and 2010.

The Exercise of Option will be made pursuant to Amendment No. 2 which is conditional upon Shareholder approval. Amendment No. 2 also makes certain other amendments to the Airbus Contract, details of which are summarised below and in Part 3 of this document. These amendments include the grant by Airbus of the Further Option in respect of 75 Airbus A320 family aircraft (which will bring the total number of Airbus aircraft in respect of which the Company has unexercised options to 123) on substantially the same terms as the Airbus Contract, the release by easyJet of an undertaking given by Airbus relating to the maintenance costs for the A319 aircraft and a number of provisions which are of considerable economic benefit to easyJet. The Directors consider that Amendment No. 2 brings added value and benefit to easyJet. In recognition of the exercise of the Additional Purchase Rights and the release of the undertaking referred to above, Airbus has granted price

concessions under Amendment No. 2 in relation to these 52 aircraft and the other 68 aircraft subject to the Additional Purchase Rights.

Given the size of the Exercise of Option, in accordance with the Listing Rules, Amendment No. 2 (which includes the Exercise of Option) is conditional upon Shareholder approval. This approval will be sought by way of the Resolution to be put to Shareholders at an EGM to be held at 10.00 a.m. on 14 December 2006 at easyLand, London Luton Airport, Bedfordshire LU2 9LS. Notice of the EGM is set out at the end of this document.

The Directors, who are beneficially interested in, in aggregate, 66,420,760 Ordinary Shares representing 16.03 per cent of the Company's issued share capital as at 27 November 2006, being the latest practicable date prior to the publication of this document, intend to vote in favour of the Resolution.

The Directors believe that the aircraft to be purchased pursuant to the Exercise of Option, together with the aircraft the Company has already agreed to buy under the Airbus Contract, will provide easyJet with the aircraft it needs to meet its planned growth up to 2010. The aircraft to be purchased pursuant to the Further Option will support growth well beyond 2010. The Directors believe that the terms of the purchase and operation of such aircraft offered under the Airbus Contract, as proposed to be amended by Amendment No. 2, are even more highly competitive than those under the Airbus Contract.

The purpose of this document is to provide you with further information regarding Amendment No. 2 (including the Exercise of Option) and to explain why your Directors consider that its terms are in the best interests of the Company and its Shareholders as a whole and why they unanimously recommend you to vote in favour of the Resolution.

The Exercise of Option and fleet expansion

As at 31 October 2006, easyJet's fleet comprised 123 aircraft. In order to support easyJet's planned growth, and taking into account the planned retirement or sale of aircraft to ensure that easyJet continues to operate a modern fleet, the Directors anticipate that easyJet will require an additional incremental 81 aircraft in the period up to 30 September 2010. This requirement will be met, in part, by the outstanding 32 of the original 120 aircraft purchased under the Airbus Contract and, in part, by the 20 aircraft purchased pursuant to the exercise of Additional Purchase Rights announced on 22 December 2005. The balance will be satisfied by deliveries expected to be made pursuant to the Exercise of Option. The following table summarises the deliveries expected to be made up to the end of 2010.

<u>Financial year ending 30 September</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>Total</u>
Outstanding deliveries under the Airbus Contract	20	13	20	—	—	53
Proposed Delivery profile for 52 Additional Purchase Right Aircraft			16	32	4	52

easyJet has been successfully operating the Airbus A319 aircraft since September 2003. The 52 Airbus A319 aircraft to be supplied pursuant to the Exercise of Option would have the same configuration of 156 seats as the other Airbus A319 aircraft presently operated by easyJet. By acquiring further aircraft of a type already operated, the Directors expect to minimise training and maintenance overheads and increase operational efficiency and flexibility.

Under the Airbus Contract, the aircraft basic price of each A319 aircraft (including the airframe basic list price, the sum of the specification change notices and the propulsion systems basic list price), as at January 2001 (being the date by reference to which the contractual base price is quoted), was approximately US\$44.2 million. Thus the total list price for 52 Airbus A319 aircraft would, on the basis of such basic price, be approximately US\$2.3 billion. However, the Company was granted very substantial price concessions by Airbus under the Airbus Contract and very substantial concessions by CFM, the selected engine manufacturer.

The Airbus Contract as amended by Amendment No. 2 sets out the terms of the Exercise of Option, including the procedure for obtaining the aircraft, the list prices and payment terms for the airframe and indicative prices for all the other necessary parts for the Airbus aircraft to be delivered to easyJet.

Certain components to be fitted into the 52 additional aircraft under the terms of the Airbus Contract, including the engines and avionics amongst others, will be supplied by easyJet's existing preferred suppliers on terms previously agreed. The terms of these supplies were agreed following a tender process held in 2003 and are more favourable to the Company than those provided for in the Airbus Contract. Further details are contained in Part 3 of this document.

Grant of the Further Additional Purchase Rights and other terms of Amendment No. 2

Under Amendment No. 2, Airbus has granted easyJet Further Additional Purchase Rights giving it the right to acquire a further 75 Airbus aircraft in addition to the 120 aircraft in respect of which it was originally granted Additional Purchase Rights. The terms of the Further Option, including the basic price, certain purchase incentives and credits made available, and the terms of payment are substantially the same as those for the purchase of the Additional Purchase Rights aircraft under the original Airbus Contract, which are described in Part 3 of this document. Amendment No. 2 extends the delivery period for the Option aircraft and the Further Option aircraft to 2015.

The terms of purchase of these 52 aircraft are broadly those set out in the Airbus Contract. However, in recognition of the Exercise of Option and the release of the undertaking referred to below, Airbus has granted price concessions under Amendment No. 2 in relation to these aircraft and the other 68 aircraft subject to Additional Purchase Rights.

In consideration of the considerable economic benefits described above and documented as part of the Amendment No. 2, easyJet and Airbus have agreed that the undertaking originally given by Airbus under the Airbus Contract to put in place arrangements to provide that the cost to easyJet of maintenance for the Airbus A319 aircraft should not exceed the cost of maintenance for its Boeing 737-700 aircraft will cease to have effect.

Further details of the Airbus Contract and Amendment No. 2 are contained in Part 3 of this document.

Rationale for the Exercise of Option and Amendment No. 2

The Directors expect the demand for low-cost air travel to continue to grow and, notwithstanding the continued competition in the low-cost sector, easyJet aims to remain one of the leading low-cost carriers in Europe. In order to meet this expected increase in demand, easyJet needs to continue to grow its capacity whilst minimising its total fleet operating cost. The Company believes that the terms offered under the Airbus Contract, which were negotiated during a period of considerable uncertainty for the airline industry and which reflect the large number of aircraft ordered, continue to offer significantly better value than those which could be negotiated with alternative suppliers at the present time and therefore provide the best way to achieve its growth objectives.

The Further Option to acquire another 75 aircraft granted by Airbus pursuant to Amendment No. 2 gives easyJet scope for further fleet expansion on terms substantially the same as those for the purchase of the Additional Purchase Rights aircraft under the original Airbus Contract.

Financing

easyJet presently finances its fleet through a mix of bank borrowing, in each case secured on the relevant aircraft which is owned by easyJet, sale and leaseback transactions and internal resources and cashflow. As at 30 September 2006, 29 per cent of the Company's fleet were financed under mortgage facilities, 5 per cent were financed under finance leases, 64 per cent were financed under operating leases and 2 per cent were owned outright. As at that date, the Company had committed finance for a further 18 of the then undelivered aircraft comprising a part of the original 120 aircraft purchased under the Airbus Contract.

The Company intends to retain flexibility in determining the method of financing additional aircraft. easyJet may use forms of debt finance, sale and leaseback transactions or other financing structures, which may include the sale or securitisation of aircraft, public debt offers or easyJet's internal resources and cashflow where the Board considers them to be more favourable to easyJet. It is anticipated that payments under the Airbus Contract (as amended by Amendment No. 2) will be financed out of easyJet's internal resources, cashflow and debt (this sentence does not qualify the statement made in Section 5 of Part 4 of this document).

The ability of easyJet to meet its continuing obligations under the Airbus Contract (as amended by Amendment No. 2) including under the Exercise of Option, depends on its ability to access the methods of finance described above, or other financing on acceptable terms. The Directors believe that such methods of financing are now available to it and are likely to remain available to easyJet but there can be no assurance that such sources of finance will remain available in the future or that the Company will not elect to use alternative finance, including public equity offerings, although no equity offering is envisaged to take place within the foreseeable future. Nor can there be any assurance that the cost of any such financing will not be higher than anticipated. This paragraph

does not apply to the Company's obligations in the 12 months from the date of publication of this document and does not qualify the statement made in section 5 of Part 4 of this document.

Financial effects of the Exercise of Option

In the opinion of the Directors, the proposed purchase of a further 52 aircraft is consistent with easyJet's continued planned growth strategy and will secure delivery of aircraft until 2010. This is in line with easyJet's strategy of acquiring additional aircraft to replace older aircraft in order to maintain a young fleet and is also consistent with the Board's growth target of a 15 per cent increase in capacity for 2007/08 and 2008/09. The resulting larger fleet will improve easyJet's ability to carry more passengers to more destinations and the Directors believe that this will contribute to earnings accretion. The effect on easyJet's assets and liabilities will depend on the ownership structure of the aircraft which the Board at the time decides to undertake.

As described above, the aircraft will be financed over a number of years and the financing is underpinned by the highly cash generative nature of easyJet's business model.

easyJet has received delivery of 88 aircraft and the remaining 32 aircraft of the original 120 aircraft to be purchased under the Airbus Contract are scheduled for delivery between now and 2008. Following the approval by Shareholders of the Exercise of Option, easyJet will have exercised Additional Purchase Rights over 72 aircraft and has Additional Purchase Rights over a remaining 123 aircraft.

Current trading and prospects

On 14 November 2006, the Company announced its preliminary results for the year ended 30 September 2006, which stated that the Company's pre-tax profit had increased by 56 per cent compared to the year ended 30 September 2005 to approximately £129.2 million, passenger revenues had increased by 5.9 per cent compared to the year ended 30 September 2005 to approximately £1,488.4 million and ancillary revenues had also increased by 34 per cent compared to the year ended 30 September 2005 to approximately £131.3 million. This selected financial information has been extracted, without material adjustment, from the audited preliminary results for the year ended 30 September 2006 prepared under IFRS.

The Exercise of Option underpins easyJet's future growth and the Company expects to increase capacity in 2007 by 15 per cent. easyJet carried 2.94 million passengers in October 2006, an increase of 7.3 per cent on October 2005 and the load factor for October 2006 was 83.2 per cent, down 2.4 per cent from October 2005. Current trading is in line with our expectations and easyJet sees yields for winter broadly in line with last year. As the Company looks further forward it anticipates more pressure on yields in the summer due to continued aggressive competition. easyJet remains focused on improving execution and delivery of results by revenue enhancement, network development and cost reduction. The year ended 30 September 2006 saw an encouraging step towards improved return on equity. The Board remains confident that the business will make good progress in the coming years.

Shareholders should read the whole of this document and should not rely on the key or summarised financial information set out in this letter.

Action to be taken

You will find enclosed a Form of Proxy for use at the Extraordinary General Meeting. Whether or not you intend to be present at the meeting you are requested to complete the Form of Proxy (in accordance with the instructions printed thereon) and return it to the Company's registrars, Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6DA as soon as possible and in any event so as to be received by no later than 10.00 a.m. on 12 December 2006. The completion and return of the Form of Proxy will not preclude you from attending the meeting and voting in person if you so wish.

Recommendation

The Board considers that Amendment No. 2 (including the Exercise of Option) is in the best interests of the Company and its Shareholders as a whole.

Accordingly, the Board unanimously recommends Shareholders to vote in favour of the Resolution to be proposed at the Extraordinary General Meeting. The Directors have indicated their intention to vote in favour of the Resolution in respect of their beneficial interests amounting, as at 27 November 2006, being the

latest practicable date prior to the publication of this document, to an aggregate of 66,420,760 Ordinary Shares, representing approximately 16.03 per cent, of the existing share capital of the Company.

Yours sincerely

A handwritten signature in black ink, appearing to read "Colin Chandler". The signature is written in a cursive, flowing style with a large initial "C".

Sir Colin Chandler
Chairman

PART 2 — RISK FACTORS

In addition to the other information presented in this document, the following risk factors should be carefully considered by Shareholders when deciding what action to take in relation to the Resolution. Additional risks and uncertainties not presently known to the Directors, or that the Board currently deems immaterial, may also adversely affect the business of easyJet. If any of the risks actually occur, the business, financial condition or results of future operations of easyJet could be materially adversely affected.

The risks and uncertainties are described under the following general categories:

- Risks related to easyJet.
- Risks related to easyJet's industry.
- Risks related to the Exercise of Option.

Risks related to easyJet

easyJet is dependent on the UK and continental European travel markets

easyJet's business model addresses a wide cross-section of the UK and continental European travel markets, including both business and leisure traffic. Because a substantial portion of such airline travel is discretionary (even business travel), the airline industry tends to experience adverse financial results during economic downturns. It is possible that easyJet will be adversely affected by any economic downturn, or through other events which may have an adverse effect on demand such as political disruptions, violence (including terrorism) whether actual or threatened, fare increases linked to increased costs including increases in airport access costs or taxes imposed on air passengers and fuel costs, technological change, changes in leisure travel or spending patterns or other circumstances. In such downturns or following the occurrence of such events, easyJet may be required to take delivery of the new aircraft to be purchased under the Exercise of Option whether or not easyJet requires the additional capacity provided by such aircraft or may be unable to dispose of unnecessary aircraft (whether leased or owned) on financially acceptable terms. Furthermore, easyJet could be materially adversely affected by such changes in the whole European market, or by changes in some of the key regional markets in which it operates.

easyJet operates in competitive markets

Every route which easyJet operates is subject to some competition. This can be from flag carrier or other low cost airlines, and can be on the same route or on the same city pairs. Furthermore, additional competition is provided on certain routes by rail or road networks or ferries. An increase in competition on routes which easyJet operates could have an adverse effect on the financial results of the business.

easyJet does not own its name or branding

easyJet does not own its trade marks, domain names or any rights in its orange and white livery, but instead licenses them from easyGroup IP Licensing, which is controlled by Sir Stelios Haji-Ioannou, the largest Shareholder and a non-executive Director. The licence imposes duties on easyJet to maintain high standards in its use of the brand. In addition, easyJet is restricted to carrying on business as an airline with a core activity of passenger transport in fixed wing aircraft and can only provide services ancillary and conducive to that business if (a) a number of its peer group members (EU flag carriers and Western European and North American low-cost airlines) do so first; and (b) the aggregate revenue from such ancillary and conducive activities does not exceed 25 per cent of easyJet's aggregate revenue during any consecutive 12 month period. If easyJet expands outside this business, easyJet may lose the rights it has to use the easyJet trade marks, branding and domain names. The terms of the licence from easyGroup IP Licensing may therefore in the future restrict easyJet's ability to develop its business as it wishes. It is, however, the Board's strategy to focus easyJet on its core activity and currently almost all its revenue is generated from its core activity. In return, easyGroup IP Licensing has agreed not to licence any other person to use the "easy" brand in the airline business with a core activity of passenger transport in fixed wing aircraft while the licence continues and for 3 years thereafter. easyGroup IP Licensing maintains control over what further "easy" ventures are introduced using the "easy" name and branding and undertakes to enter into a brand licence with every user of the "easy" brand which is no less onerous than the licence that has been agreed with easyJet. easyJet must rely heavily on easyGroup IP Licensing to apply for further trade marks, maintain trade mark registrations and take action against third party infringers although easyJet does have certain limited rights to take steps itself. The aggregate liability of easyGroup IP Licensing under the brand licence

throughout its term is limited to £10 million. easyJet must, at its own cost, assist other members of the “easy” group of companies to enforce their rights against third party infringers. easyGroup IP Licensing may terminate the brand licence in the event that easyJet UK suffers an insolvency event. If easyJet breaches the terms of the licence and fails to remedy such breach within 90 days, except in the case of the 25 per cent test mentioned above where the time limit is 180 days, or is insolvent for more than one year, its right to use the trade marks and branding could be terminated and it could be required to give up its URL, which is the main method of selling its tickets. However, the Directors believe the cure period to be adequate to remedy most likely breaches. A loss of the brand licence by easyJet could substantially and adversely affect easyJet’s results, financial condition and business.

Under the terms of the licence, easyGroup IP Licensing cannot change the easy “get up” without the consent of all the other licensees. This may restrict easyJet’s ability to refresh the brand if it so wishes.

Sir Stelios Haji-Ioannou has agreed not to be involved in another airline business with a core activity of passenger transport in fixed wing aircraft from the date of the licence until the expiry of the period ending three years after the later of: (a) his ceasing to control at least five per cent of the issued share capital of easyJet UK; and (b) his ceasing to control more than 50 per cent of the issued share capital of easyGroup IP Licensing, or, if earlier, the termination of the brand licence. If the brand licence terminates for insolvency the three year period shall not apply. This covenant will not prevent Sir Stelios Haji-Ioannou from being involved in the chartering of private jets or the holding of five per cent in a publicly quoted airline company provided he has no management role. For this purpose the chartering of private jets means the chartering of entire jets to an individual or company but not selling seats directly or indirectly to members of the public and not operating regular scheduled services. The Directors believe this does not compete with easyJet’s core business. However, under the terms of the brand licence it is open to other “easy” companies in their ancillary or conducive activities to compete with easyJet in its core area of activity using the “easy” brand. They can only do this if such activity is ancillary and conducive to their own core activity (for instance a tour operator) and only to the extent that their revenue from such activity does not constitute more than 25 per cent of their aggregate revenue. In addition, in certain circumstances it is possible for easyJet to act against other “easy” companies directly and for them to sue it under the terms of the licence. Each of easyGroup IP Licensing and easyJet UK have agreed to indemnify the other against any capital gains tax liability the other may suffer arising out of the assignment and brand licence. The Directors have been advised that it is unlikely easyGroup IP Licensing will suffer any capital gains tax liability.

Any failure by easyGroup IP Licensing to police properly the use of the “easy” brand by its licensees or to enforce trade mark or domain name or related rights in the brand against infringers or otherwise to comply with its obligations under the brand licence, may have a significant adverse effect on easyJet.

Whilst Sir Stelios Haji-Ioannou presently indirectly controls easyGroup Holdings Limited, which is the largest Shareholder and which controls easyGroup IP Licensing, there can be no certainty that he will continue to do so. Were he to sell his interest in either, easyGroup IP Licensing’s relationship with easyJet could deteriorate. While the Directors believe that the brand licence offers them sufficient protection, there can be no assurance that a change of the ownership of easyGroup Holdings Limited or easyGroup IP Licensing would not have a materially adverse effect on easyJet’s use of its brand.

easyJet operates only two types of aircraft utilising two types of engine

easyJet’s aircraft fleet consists entirely of Boeing 737 (all of which use CFM 56-7 engines) and Airbus A319 aircraft (all of which use CFM 56-5 engines). As a result, the business is at risk should either type of aircraft, or an aircraft using either type of engine, have an accident and be grounded, even if the incident is unrelated to easyJet. Whilst having only two types of aircraft and two types of engine gives easyJet cost advantages, it does increase the exposure relating to design or systemic manufacturing defects.

easyJet’s high aircraft utilisation rate makes them especially vulnerable to delays

easyJet has, and aims to maintain, a high aircraft utilisation rate. High utilisation is achieved in part by reducing turnaround times at airports, flying for more hours per day and reducing the amount of time during which spare aircraft are available for backup. Because of easyJet’s high utilisation rate compared to its competitors, it is, more than most of its competitors, exposed to, and adversely affected by, delays resulting from factors such as air traffic control, ground handling, air traffic or airport congestion, security alerts, weather, acts of third parties upon which they rely, maintenance and technical issues and other factors. In particular, a significant number of delays have occurred as a result of unexpected adverse weather including snow and fog, runway closures, airport incidents and the recent changes in security requirements resulting from security alerts. Significant delays in easyJet’s provision of services, especially if repeated on multiple occasions, could damage easyJet’s reputation

and materially adversely affect its business, financial condition and results of operations. Adverse effects may be further exacerbated to the extent that easyJet is required by the EU to make refunds, substantial compensation payments and provide financial and other assistance to passengers if flights have been cancelled. The extent of these payments vary, but are highest if flights have been cancelled in respect of issues within easyJet's control.

easyJet may not meet its growth targets

For a variety of reasons, easyJet may not be able to grow its business at a rate necessary to make sufficient use of the additional capacity it is likely to acquire and avoid the adverse financial effects of having acquired too much capacity. Growth could be hampered by an economic downturn, problems specific to the air passenger industry or the low-cost portion of the industry, competitor action, terrorism or other violence or political disruption, air traffic or airport congestion, shortages of key or specialised personnel, factors adversely affecting utilisation, yields or load factors, changes in consumer preferences or other risks described in this Part 2. In addition, if easyJet were perceived to be growing but not at a pace sufficiently in line with its plans or abilities or its competitors, then the market price of its shares could be adversely affected.

easyJet may in the future be exposed to fuel price fluctuations, and increases in fuel costs or fuel shortages could materially affect operations

Fuel costs constitute a substantial proportion of easyJet's total operating expenses and significant increases in fuel costs could materially affect easyJet's operating costs. Aircraft fuel costs have shown substantial volatility over the last few years and such volatility is expected to continue. Both the cost and availability of jet fuel are subject to economic and political factors and events occurring throughout the world that easyJet can neither control nor accurately predict. Although it is easyJet's policy to hedge its fuel costs where appropriate, there can be no assurance that such hedging activity will protect easyJet from the financial consequences of fuel cost volatility completely, and may limit the benefit that could be derived from significant decreases in the price of aviation fuel.

Airport access charges may increase

Airport access charges represent a significant operating cost to easyJet. Any substantial increase in such charges could have a material adverse impact on results of easyJet operations. There can be no assurance that airports at which easyJet operates will not impose higher airport charges in the future.

In addition, due to the application of competition law at EU and national levels, the airports easyJet serves in the UK, including London Luton, London Gatwick and London Stansted, are specifically regulated. This means that all users of the airports are required by law to be treated in a non-discriminatory manner and therefore the ability of easyJet or any other operator to negotiate preferential terms does not exist or is substantially restricted. At the airports where it has been permitted and has proved possible, easyJet has sought to negotiate the best arrangements it can make without regard to the arrangements made by other users of those airports. There can be no assurance that when these arrangements are due for renewal, regulatory intervention or other factors at these airports would not cause easyJet's airport charges there to rise substantially. Furthermore, there can be no assurance that the current arrangements will not be challenged by easyJet's competitors or the relevant authorities thereby causing easyJet's airport charges there to rise substantially.

Furthermore, even where airports are not specifically regulated, airport agreements that easyJet enters into may be subject to review on transparency and equal access grounds at either local, national or EU level.

Access to landing slots at airports may be limited, constrained or not available

Access to some congested European airports is regulated by a system of historical precedence in relation to slot allocation. Each slot represents an authorisation to take off or land at the particular airport at a specific time on a particular day. Airports subject to slot allocation are known as "fully co-ordinated airports". Gatwick, Stansted, Geneva, Amsterdam, Milan Malpensa, Madrid, Berlin Schoenfeld and both Paris airports (Orly and Charles de Gaulle) and a significant number of other European airports to which easyJet operates are fully co-ordinated. Although easyJet's bases at London Luton, Liverpool, East Midlands Airport and Bristol are not yet fully co-ordinated, they and a number of the other airports easyJet serves are capacity constrained to some degree. At fully co-ordinated airports an airline must use its slots on a regular timely basis or risk having those slots re-allocated to others. Where slots are not available, or their availability is restricted, or they cannot be used on a regular timely basis, airline schedules may have to be amended or aircraft utilisation reduced. Either alternative could have an adverse financial impact on easyJet. In addition, there is no assurance that easyJet will be able to obtain a sufficient number of slots at airports to expand services as proposed. It is possible that airports not currently fully co-ordinated may become fully co-ordinated in the future.

At some of the airports to which easyJet flies various operating restrictions apply, including curfews, limits on aircraft noise levels, limits on the number of average daily departures and runway restrictions. Restrictions such as these may limit easyJet's ability to continue to provide or to increase services at such airports. In addition, there is no assurance that airports at which there are no such restrictions may not implement some or all of these restrictions in the future or that where such restrictions exist they will not become more onerous.

Potential shortages of pilots and aircrew

Type-rated pilots and qualified aircrew are currently in short supply in the European airline industry and easyJet has had to spend significant time, money and effort to recruit and retain them. Additional pilot and/or aircrew shortages could also reoccur in the future. Any significant or continuing shortage of pilots and/or aircrew could have an adverse effect on easyJet's operations and on its growth plans.

In addition, easyJet is reliant on internal systems to project the numbers of flight crew and cabin crew required in the business. As the lead time for the sourcing and training of these personnel can extend as far as 12 months in some cases, there is the potential for shortages to occur should the internal systems deliver incorrect information. In any of the circumstances described above, easyJet will incur additional costs in respect of compensation, refunds and the cost of the sub-charter of additional aircraft, plus a loss of revenue through flight cancellations and weakened customer confidence. The financial effects of this could be substantial.

easyJet engages in consultation from time to time with its crew and representative unions about roster planning and processes. An unsuccessful outcome to such consultation could have an adverse impact on employee morale and could result in the threat of industrial action. Any such industrial action would have an adverse impact on operational and financial performance.

Turnover in CAA key postholder roles

The Company is obliged under the terms of its airline operating licence to appoint certain key postholders with requisite industry experience. There is no guarantee that the Company's employees who currently hold such posts will remain with the Company or that the Company will be able to immediately appoint others with the relevant experience to such posts.

Potential disruptions to business systems

easyJet's ability to receive and process seat purchases, manage reservations and its network, store and retrieve critical business data and engage in other critical business tasks depends on the efficient and uninterrupted operation of its computer and communications systems. All of easyJet's servers are kept at, or backed up at, secure off-site locations. Notwithstanding this, systems are vulnerable to damage, power loss, computer viruses, third-party disruptions, fire and similar events. The systems are backed up every night and the backup tapes are stored off-site. Contingency plans exist to ensure that the reservations system could be brought back on-line within 24 hours in the event of major damage such as fire at easyLand. Contingency plans also exist to counter disruption to the Aircraft Information Management system used to control the Company's network operations. However, this system could take a longer time to restore in the event of infrastructure damage or major network communications loss at easyLand which could have a severe impact on the Company's ability to continue network operations.

As with all companies for which e-commerce is an important sales channel, easyJet is reliant on the ability of customers to access its website. Most internet sites occasionally come under attack from external hackers, who may seek to redirect customers entering the site to another domain, disrupt the site through "denial of service attacks" or cause other difficulties. easyJet's website is occasionally subject to minor disruption from hackers. easyJet believes that its web server architecture and intrusion monitoring has greatly reduced the exposure. Nevertheless, any significant disruption to easyJet's website could adversely affect easyJet's business.

easyJet also has critical business systems to operate yield management, operational data and document storage. Failure or interruption of any of these systems could also adversely affect easyJet's business.

easyJet is dependent on third party service providers

easyJet has entered into agreements with contractors for most of its aircraft maintenance needs, for the provision of simulator time for training pilots, and for passenger and aircraft handling services at all airports to which it operates. easyJet attempts to obtain competitive rates for all such services by negotiating multi-year contracts at prices that are either fixed or subject to inflation-linked increases only. In some instances, easyJet has entered into exclusive arrangements with suppliers or has deemed it appropriate to rely on a single partner for services (including in respect of much of its requirements for aircraft maintenance and management of much of its aircraft

spare parts) rather than opting to work with several partners. In addition, easyJet seeks to have unit rates reduced if levels of business increase markedly during the life of the contract. These contracts are between one and twenty years in length and some can be terminated at earlier dates by either party subject to suitable notice.

The loss of easyJet's third party service contracts, any inability to renew them or any inability to negotiate suitable replacement contracts, or any counterparty disruption (such as insolvency) could result in an adverse effect on easyJet. The easyJet Group will need to enter into similar agreements in any new markets that it enters and there can be no assurance that it will be able to obtain the necessary services at favourable rates. Although easyJet seeks to monitor the performance of third parties that provide it with maintenance and passenger and aircraft handling services, the efficiency, timeliness and quality of contract performance by third party providers are often beyond its control. easyJet expects to be dependent on third party arrangements for such services for the foreseeable future.

Government or EU taxes may be imposed or increased

Airport taxes are levied as a fixed tax on the sale of airline seats in many of the countries in which easyJet operates. The United Kingdom currently levies one of the highest taxes in Europe, Air Passenger Duty. The level of Air Passenger Duty levied on easyJet customers flying from the United Kingdom is currently £5 per sector within the EEA, and £20 per sector to points outside the EEA. Similar taxes exist in a number of other countries in which easyJet operates, most notably France and Holland.

There has been much recent discussion within the EU, various European governments and the media concerning the desirability of additional tax burdens on airlines as a result of their perceived environmental impact. These may include tax on jet aviation fuel (currently zero rated), extension of the imposition of VAT on the price of flights, emissions caps, carbon rationing or other taxes or charges.

To date, the only additional tax which has been raised is in France where a tax of €1 per passenger has been levied by way of 'solidarity' with the continent of Africa, with the intention that proceeds from the tax should be applied to reduce the impact of AIDS. No other additional taxes have yet been applied, but there can be no guarantee that future taxes will not be levied. The effect of future taxes could have a material adverse effect on the business.

An increase in taxes may affect easyJet in one of two ways. First, an increase in tax may lead to loss of customers who are highly sensitive to increases in ticket price. Secondly, since easyJet's fares are often lower than those of other airlines, increases in taxes which are not proportionate to ticket price would have a larger proportionate effect on easyJet's fares than on those of its competitors. This could adversely affect easyJet's business.

Separately, easyJet currently operates a crew employment model that has the majority of its crew on UK based employment contracts, paying UK based social security and pension contributions. However, the employment terms of certain crew members have recently been challenged in the French courts on the basis of an allegation that these employees should be contributing to the French, not the UK social security system. easyJet is contesting these allegations, further details of which are set out in the section headed "Litigation" in Part 4 of this document. However, there can be no guarantee that easyJet will be successful. Should easyJet not succeed, it is likely to be exposed to potentially higher social security contributions in France for a percentage of its employees and increased administrative costs. There is no guarantee that similar challenges to easyJet's employment model, with similar potentially adverse consequences, might not occur in other jurisdictions too.

easyJet is exposed to currency fluctuations

easyJet's significant US dollar denominated costs relate to the purchase price of aircraft, principal and interest payments relating to debt-finance on aircraft owned by easyJet, lease financing on aircraft leased by easyJet pursuant to long-term operating leases, aircraft disposal proceeds, maintenance reserves, engine maintenance and aircraft fuel purchases. Additionally, easyJet has a substantial proportion of revenues and costs denominated in a number of currencies other than the British Pound, most notably the Euro and the Swiss Franc.

easyJet's results of operations and financial condition can be significantly affected by fluctuations in the respective values of the above-mentioned currencies, most importantly the value of the US dollar against the British Pound and the Euro. easyJet hedges its foreign currency exposure to a certain extent, however, there can be no assurance that such hedging activity will protect easyJet from the financial consequences of fluctuations in currency values.

easyJet is exposed to interest rate fluctuations

Some of the payments under leases and debt arrangements under which easyJet operates some of its aircraft are calculated by reference to a floating interest rate. As a result, easyJet's operational results and financial condition may be affected by fluctuations in the level of interest rates. At present, easyJet does not engage in any separate interest rate hedging instruments in relation to floating rate lease or debt payments.

As at 30 September 2006, interest payable on 44 per cent of easyJet's operating leases was calculated by reference to floating rates and interest payable on 56 per cent of easyJet's operating leases was calculated by reference to fixed rates. In line with easyJet's policy, 100 per cent of debt finance as at that date was calculated by reference to a floating rate interest rates in alignment with the interest basis of cash deposits.

easyJet is exposed to the second-hand aircraft market

easyJet has and intends to maintain a young fleet of aircraft. As a result, it expects to replace its aircraft after relatively short service periods, currently expected to be about seven to ten years per aircraft. Aircraft which are owned will be sold in the second-hand aircraft market. So long as it maintains an aggressive aircraft replacement strategy and continues to acquire aircraft other than through lease arrangements, easyJet will be exposed to fluctuations in this market. This exposure may lead to adverse effects on easyJet's results of operations or financial condition, including if second-hand prices drop or if easyJet faces delays in making sales. This will be especially the case to the extent that easyJet wishes or needs to rely on the proceeds of sales of replaced aircraft to discharge debts relating to the financing of such aircraft. There can be no assurance that easyJet will not be adversely affected by deteriorations in the second-hand aircraft market.

easyJet may suffer from industrial action

easyJet may be negatively affected by industrial action outside its control. easyJet believes that its relations with its employees, unionised and non-unionised, are generally good. However, should easyJet's staff (particularly its pilots and cabin crew), or those of its suppliers, elect to take industrial action, for whatever reason, the reliability of easyJet's operations could be compromised for extended periods of time. This would have an adverse impact on customer loyalty and operational and financial performance.

Potential disruption to surface access to easyJet's base airports

The effectiveness of all airports depends partly on maintaining the surface access links that permit passengers to reach the airport. Serious disruption to the business of easyJet could therefore be caused by a continued disruption to the surface links to any of easyJet's base airports, particularly London Luton, London Gatwick, Liverpool, London Stansted, Belfast, Bristol, Berlin Schoenefeld and Geneva. For example, at London Luton, which accounts for about 17 per cent of easyJet's total passenger traffic, serious disruption would occur from any continued problems with either the rail link (primarily north bound from central London) or with the M1 motorway which is the main road artery serving the airport. Since easyJet is the main user of both Liverpool and Luton any such disruption at either of these airports might not affect other airlines to the same extent. Other airports which are often used by easyJet also have similar infrastructure related issues.

Potential disruption to national infrastructure

easyJet's business could be adversely affected by disruption to national infrastructure even if it is only indirectly used by easyJet or is not used by it at all. For example, severe disruption to one of the terminals at London Heathrow (through for example fire or a terrorist attack) could result in some of the traffic at London Heathrow being redistributed to the three other London airports, which are all used by easyJet. This could cause additional congestion and mean that slots are not available for the growth of the business. easyJet is reliant on air traffic service provision across Europe. If one of these centres were to be non-operational, then there would be a reduction in the number of flights easyJet could operate. This would have an adverse effect on easyJet's business.

Risks related to easyJet's industry

Airlines are exposed to the risk of catastrophic loss

easyJet, like all airlines, is exposed to potential catastrophic losses in the event one of its aircraft is lost or an aircraft or one of, the airports easyJet uses, is subject to an accident, terrorist incident or other catastrophe. There can be no assurance that the amount of easyJet's insurance coverage available in the event of such losses would be adequate to cover such losses, or that easyJet would not be forced to bear substantial losses from such events regardless of its insurance cover. Such losses and any subsequent reduction in passenger numbers could have a severe material adverse effect on easyJet.

In addition, any loss, accident, terrorist incident or other catastrophe affecting another European airline, or any major terrorist attack anywhere in the world, could harm public confidence in the airline industry, or affect general political, economic or business conditions, in ways that could have a severe material adverse effect on easyJet. The threat of terrorist incidents may similarly adversely affect the airline industry. Most recently, on 10 August 2006, there was a terrorism alert in the United Kingdom which led to additional security restrictions at UK airports and the cancellation of certain flights. If an actual or perceived threat of terrorism were to continue for a prolonged period, it could have a material adverse effect on the business, financial condition and results of operations of easyJet.

Outbreaks of disease may adversely affect the demand for air travel

An outbreak of a contagious disease, such as avian flu, Severe Acute Respiratory Syndrome or foot and mouth disease, which affects travel behaviour by reducing passenger traffic, either generally or to offered destinations, could have a material adverse effect on easyJet's business, financial condition and results of operations.

Regulatory changes can have an adverse impact on airlines' costs, flexibility, marketing strategy, business model and ability to expand

The airline industry is highly regulated. Regulatory changes could have an adverse impact on easyJet's costs, flexibility, marketing strategy, business model and ability to expand. It may not be feasible to pass regulatory and compliance costs on to customers and regulatory charges may affect how easyJet markets its services. Regulatory authorities may, for example, impose operating restrictions at airports served by easyJet, such as restrictions on the availability of slots, landing and take-off curfews, mandatory flight paths, runway restrictions, limits on the average number of daily departures and restrictions on maximum total duty time for crew members. Changes to the regulatory environment in which easyJet operates, or action by regulatory authorities may adversely affect easyJet's business, financial condition and results of operations. For example, easyJet may be affected by changes to the European Commission slot allocation regulations, if, for example, such changes were to include a mechanism for random cancellation of slots, in which case some of the slots currently controlled by easyJet might be lost. Similarly, easyJet cannot predict the outcome of the ongoing Office of Fair Trading investigation into the UK Airports market which could have an adverse effect on the Company or the airline industry as a whole.

Airlines may be adversely affected by any future application of restrictions in regard to noise pollution, greenhouse gas emissions and other environmental Laws and Regulations

Airlines can have their activities restricted on account of noise control regulations. Such regulations could become more restrictive in the future, which may adversely affect easyJet's business, financial condition and results of operations.

Under the United Nations Framework Convention on Climate Change and the Kyoto Protocol, contracting states entered into obligations to control and reduce the emission of greenhouse gases. In 2003, to comply with its obligations, the European Union established a scheme for greenhouse gas emission allowance trading. Under this scheme as currently implemented, regulated companies may be allocated a certain number of allowances by the relevant regulatory authority and must surrender an amount equal to their actual emissions each calendar year. There are fines for non-compliance. If a company does not expect to have enough allowances to surrender, additional allowances may be purchased through trading markets or actual emissions may be reduced (e.g., by investment in new technology or limiting activities).

While the airline industry is not currently subject to this scheme, the European Commission anticipates providing a legislative proposal by the end of 2006, which is likely to deal with emission limitations, a trading scheme and other complementary measures for the airline industry, the implementation of which could have an adverse effect on the business, financial condition and results of operations of most airlines, including easyJet. As at the date of this document, it is not possible to predict what costs might arise for easyJet if it has to purchase greenhouse credits in an emissions trading market or what level of impact emission restrictions could have on easyJet's ability to expand in the future, or on its business, financial condition and results of operations.

The airline industry is also subject to environmental laws and regulations and is likely to be subject to more stringent environmental laws and regulations in the future. These environmental laws and regulations relate to, among other issues, the use and handling of hazardous materials, air emissions and environmental contamination clean-up. These requirements potentially could impose substantial ongoing compliance costs and operational restrictions on easyJet. easyJet expects to incur expenditure on an ongoing basis to comply with such regulations. Compliance with these laws and regulations is likely to increase easyJet's costs.

Insurance costs have increased significantly and the insurance market may face further disruptions

Following the events of 11 September 2001, insurance cover was initially withdrawn and then reintroduced for reduced levels of cover at sharply increased prices. Whilst easyJet has seen its unit insurance costs reduce since then, through a mixture of safe operation, innovative risk management techniques and a lower claims experience for the industry as a whole, there can be no guarantee that these conditions will continue. If events similar to those of 11 September 2001 occur in future, there can be no guarantee that cover will remain available at affordable rates, or at all. Indeed, the insurance industry has indicated its unwillingness to maintain third party liability cover for airlines against the threat of the use of weapons of mass destruction which may become unavailable in its current form to the industry during the course of 2007. This could have a material adverse effect on easyJet's business.

The airline industry is characterised by low profit margins and high fixed costs

The airline industry is characterised by low profit margins and high fixed costs. The expenses of an aircraft flight do not vary significantly with the number of passengers carried and, therefore, a relatively small change in the number of passengers in relevant markets, in pricing, in load factors or in traffic mix could have a disproportionate effect on operating results. In addition, any other minor shortfall in expected revenue levels could have a material adverse effect on easyJet's financial performance.

Furthermore, the business model of many airlines, and especially low cost airlines, is to collect cash from sales well in advance of having to pay for the costs of running the relevant services. This means that an airline in difficulties may be encouraged to grow in the short term rather than contract, as this will produce more short term cashflow. As a result, competitors in the industry who are in a poor state of financial health may retain capacity longer than in other industry segments. This increases the amount of competition, and will lead revenues to be lower than they would otherwise have been.

Airline share ownership is restricted by nationality of ownership and control requirements

It is a requirement of EU law that an EU member state may only permit an air carrier to operate airline services if the majority of its share capital is owned and the carrier is effectively controlled by member states of the EEA or their nationals. The carrier must be able to demonstrate this at any time. Failure to do so may result in revocation of the carrier's operating licence. Furthermore, the Air Service Agreements under which easyJet UK operates to Turkey, and might seek designation in the future to operate to other points outside the EEA, require easyJet to be owned and substantially controlled by UK nationals. Accordingly, the Company's Articles of Association give the Directors powers to limit the ownership of the Company's shares by non-UK nationals and a number of powers to enforce this limitation including the right to force a sale of any affected shares. However, there is a risk that in the future the Company may inadvertently breach these restrictions on its ownership. Any consequent revocation of the operating licences of easyJet would have a material adverse effect on the operational and financial performance of easyJet.

Risks related to the Exercise of Option

easyJet will incur significant costs acquiring additional aircraft

easyJet's strategy for continued growth is dependent on its ability to acquire additional aircraft and to replace older aircraft in line with its intention to always have a young fleet. To this end, easyJet entered into the Airbus Contract as to be amended by Amendment No. 2. The Airbus Contract as to be amended by Amendment No. 2 requires substantial payments by easyJet over the next five years. Cash deposits must be paid during the period two years before delivery of each aircraft. In addition, easyJet will require significant additional funds for the new aircraft and there can be no assurance that suitable financing arrangements will be available on commercially acceptable terms. This risk factor does not apply to payments to be made over the next 12 months and does not qualify the statement made in section 5 of Part 4 of this document.

PART 3 — SUMMARY OF THE TERMS AND CONDITIONS OF THE AIRBUS CONTRACT, AMENDMENT NO. 2 AND THE CFM CONTRACT

Airbus Contract

Introduction

The Company entered into the Airbus Contract on 30 December 2002 (which was subsequently amended and restated pursuant to a Deed of Confirmation dated 11 March 2003 between easyJet, easyJet Leasing Limited and Airbus) pursuant to which it purchased 120 new Airbus A319 aircraft and obtained Additional Purchase Rights in relation to a further 120 Airbus A319 aircraft. The Airbus Contract was conditional upon the approval by Shareholders which was obtained at an extraordinary general meeting held on 12 March 2003.

On 22 December 2005, the Company announced that it had exercised its right under the Additional Purchase Rights to acquire a further 20 Airbus A319 aircraft for delivery during 2008 and 2009 under Amendment No. 1.

Delivery schedule

Under the Airbus Contract easyJet took delivery of the first two aircraft in the financial year ending 30 September 2003 and to date has taken delivery of 88 A319 aircraft. A further 52 aircraft (including the 20 aircraft referred to above) are expected to be delivered by the end of the financial year ending 30 September 2009. The outstanding deliveries are scheduled as follows:

- 20 aircraft to be delivered in the financial year ending 30 September 2007,
- 13 aircraft to be delivered in the financial year ending 30 September 2008, and
- 20 aircraft to be delivered in the financial year ending 30 September 2009.

The Airbus Contract gave the Company the right to elect, at any time, to purchase up to 120 additional aircraft at the same basic price (provided that they are scheduled for delivery up to 31 December 2012 and delivery slots are available). Certain purchase incentives and other credits also apply to these Additional Purchase Rights. The Company has exercised this right in respect of 20 further A319 aircraft.

The Airbus Contract also gives the Company delivery date flexibility in respect of the first 120 aircraft in that it allows the Company to modify the timing of a number of scheduled deliveries in each calendar quarter, subject to appropriate notice and conditions. This flexibility does not however apply to Additional Purchase Rights aircraft.

Price

The aircraft basic price (equivalent to a standard list price for an aircraft of this type) is made up of the airframe basic list price, the sum of the Specification Change Notice (“SCN”) prices and the propulsion systems basic list price. SCNs, in this document, refer to easyJet’s currently identified aircraft specifications which customise the standard Airbus specifications for such aircraft.

The following table sets out the aircraft basic price:

<i>Aircraft</i>	<i>Total (US\$) as at January 2001</i>
A319	44,208,268
A320	51,155,282
A321	61,494,984

The basic prices for the airframe, propulsion systems and SCNs are subject to price escalation by applying a formula reflecting increases in the published relevant labour and material indices between the time the basic price was set and the delivery of such aircraft. The Company is responsible for the payment of any taxes (including VAT) except for taxes relating to the manufacture of the aircraft in, *inter alia*, France and/or Germany, which will be payable by Airbus. The final basic price is subject to increases/decreases resulting from changes in the relevant specifications.

Airbus and the selected engine manufacturer have granted to the Company very substantial price concessions with regard to the A320 family of aircraft. These will take the form of credit memoranda to the Company for the amount of such concessions, which easyJet may apply toward the purchase of goods and services from Airbus or

toward payments in respect of the purchase of the aircraft. Airbus and CFM (the manufacturer of the engines to be fitted on the purchased aircraft) have also agreed to give the Company certain allowances as well as providing other goods and services to the Company on concessionary terms. As a result the effective price of each aircraft has proved to be substantially below the basic price mentioned above. Further substantial credits have been granted by CFM under the CFM Contract described below.

The prices set out above are exclusive of (i) the cost of “buyer-furnished” equipment which the Company has asked Airbus to install on each of the aircraft which is estimated to be approximately US\$85,000 for the A319 aircraft and (ii) taxes.

Payment terms

Under the Airbus Contract, the Company is required to make certain pre-delivery payments in respect of each aircraft of a portion of the basic list price for that aircraft prior to its delivery. The balance of the final aircraft price, after taking account of the escalation factor and deduction of any credit memoranda and other concessions, is due at the time of delivery.

At the end of this Part 3 there is a table that sets out total payments at the aircraft basic list price which are payable per quarter under the Airbus Contract. This table does not reflect the substantial price concessions (under the Airbus Contract or Amendment No. 2), escalation factor or deposits required to be paid prior to delivery.

Principal conditions

The delivery of each of the aircraft will be conditional upon, amongst other things:

- the Company having paid the required advance payments prior to delivery and the final price; and
- the Company having delivered a signed acceptance certificate.

Airbus support

In addition to manufacturing and delivering the aircraft, the Airbus Contract will require Airbus to provide various ancillary goods and services to easyJet both prior to delivery of the aircraft and throughout the period when easyJet operates them. These ancillary goods and services include operations and field service engineering, technical support and training, spare parts support, training of easyJet’s flight crews in the operation of the aircraft and a complete set of technical manuals, software and other materials (including subsequent revisions) with respect to each aircraft.

Under the Airbus Contract, Airbus also provides the Company with airframe and spare part warranties (including warranties against defects in design, materials or workmanship and a warranty that the aircraft comply with agreed specifications). Airbus also agrees to indemnify the Company against any intellectual property infringement claims that may be brought against the Company in respect of the aircraft.

Airbus has also provided a guarantee as to the technical dispatch reliability of the A319 aircraft.

Termination and assignment

Either party may terminate the Airbus Contract if the other party becomes insolvent or subject to insolvency proceedings. If any scheduled delivery of an aircraft is delayed for more than 12 months after the scheduled month of delivery because of an excusable delay (being a delay due to causes outside of Airbus’ control) either party will have the right to terminate the Airbus Contract with respect to the affected aircraft.

If delivery of any aircraft is delayed for a reason other than an excusable delay or total loss of the aircraft, Airbus will pay liquidated damages to the Company at a fixed daily rate limited to a maximum agreed amount. If the Company were to terminate the Airbus Contract following such a delay, the liquidated damages may be the sole remedy available to the Company.

Airbus may terminate the Airbus Contract, among other reasons, for non-payment of pre-delivery payments or failure to take delivery of an aircraft.

The Airbus Contract also provides that the rights and obligations of the parties may not (subject to certain exceptions) be assigned or transferred without the consent of the non-transferring party, which shall not be unreasonably withheld.

The termination rights described above are without prejudice to either party’s rights and remedies available at law, for instance a suit for damages for breach of contract.

Amendment No. 2

On 13 November 2006, the Company (as buyer), easyJet Leasing Limited (as nominated buyer) and Airbus (as seller) entered into Amendment No. 2 subject to Shareholder approval. Under Amendment No. 2 easyJet is exercising the Additional Purchase Rights in respect of a further 52 Airbus A320 family aircraft. 16 such aircraft are to be delivered during the financial year to 30 September 2009, 32 such aircraft during the financial year to September 2010 and the remaining 4 during the financial year to September 2011. The aircraft to be purchased are all A319s, however easyJet has the right to convert any of these 52 aircraft into A320 or A321 aircraft.

The terms of purchase of these 52 aircraft are broadly those set out in the Airbus Contract. However, in recognition of the Exercise of Option and the release of the undertaking referred to below, Airbus has granted price concessions under Amendment No. 2 in relation to these aircraft and the other 68 aircraft subject to Additional Purchase Rights. easyJet has also been granted additional options in respect of a further 75 aircraft. These 75 Further Option aircraft are to be purchased on the same terms as the existing Option aircraft, other than the additional price concession referred to above.

In consideration of the economic benefits described above and documented as part of the Amendment No. 2, easyJet and Airbus have agreed that the undertaking originally given by Airbus under the Airbus Contract to put in place arrangements to ensure that the cost to the easyJet Group of maintenance for the Airbus A319 aircraft shall not exceed the cost of maintenance for easyJet's Boeing 737-700 aircraft, will cease to have effect.

Under Amendment No. 2, easyJet has the right at an early stage to elect to convert the Further Option aircraft into A320 or A321 aircraft, subject to based price adjustments in respect of the aircraft type chosen. Purchase incentives and credits similar to those given in respect of A319 Aircraft will also apply to such conversion.

CFM Contract

In August 2003, the Company and easyJet UK executed agreements with CFM in respect of the purchase of engines and related equipment. The agreements provide the Company with very substantial credits from CFM in respect of the purchase of engines for the first 120 aircraft purchased under the Airbus Contract and for 120 aircraft purchased under the Additional Purchase Rights, but do not apply to the 75 Further Option aircraft. The agreements also contain certain warranties from CFM in relation to the engines supplied and in addition provide the Company with very substantial guarantees from CFM in respect of the engines for the first 120 aircraft purchased under the Airbus Contract.

Summary of payments under the Airbus Contract and Amendment No.2

<i>Financial year ending 30 September</i>	<i>Quarter</i>	<i>Total payments at the aircraft basic list price for 120 A319 aircraft (US\$ million)</i>
2007	Q1	176.8
	Q2	265.2
	Q3	353.7
	Q4	88.4
2008	Q1	—
	Q2	221
	Q3	221
	Q4	132.6
2009	Q1	221
	Q2	574.7
	Q3	397.9
	Q4	397.9
2010	Q1	353.7
	Q2	353.7
	Q3	353.7
	Q4	353.7
2011	Q1	176.8

Note: This payment schedule does not take account of the escalation formula described above, the very substantial deductions resulting from the credit memoranda, other concessions, the “buyer furnished” equipment and/or taxes or the additional credits provided by CFM or deposits required to be paid prior to delivery. This schedule assumes that Amendment No. 2 will become unconditional and also assumes delivery of each aircraft taking place in accordance with the terms of the Airbus Contract (i.e. no changes in delivery time taking place).

PART 4 — ADDITIONAL INFORMATION

1 Responsibility statement

The Directors, whose names are set out in paragraph 2.1 below, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2 Directors and registered office

2.1 The Directors are as follows:

Sir Colin Chandler (*Non-Executive Chairman*)
Andrew Harrison (*Chief Executive Officer*)
Jeff Carr (*Group Finance Director*)
Dawn Airey (*Non-Executive Director*)
David Bennett (*Non-Executive Director*)
Prof Rigas Doganis (*Non-Executive Director*)
Sir Stelios Haji-Ioannou (*Non-Executive Director*)
Diederik Karsten (*Non-Executive Director*)
Sir David Michels (*Non-Executive Director*)

2.2 The Company is incorporated in England and Wales with registered number 3959649 and its registered office is at easyLand, London Luton Airport, Bedfordshire LU2 9LS. The telephone number of the registered office is 01582 525 330. The principal legislation under which the company operates is the Act and the regulations made thereunder.

3 Directors' interests and service contracts

3.1 As at 27 November 2006, being the latest practicable date prior to the publication of this document, the beneficial interests of the Directors, and of their connected persons (within the meaning of section 346 of the Act) in the issued ordinary share capital of the Company, which (i) have been notified to the Company pursuant to section 324 or section 328 of the Act; or (ii) are required pursuant to section 325 of the Act to be entered in the register referred to in that section or (iii) are the interests of a connected person (within the meaning of section 346 of the Act) of a Director which would, if the connected person were a Director, be required to be disclosed under (i) or (ii) above, and the existence of which is known or could with reasonable due diligence be ascertained by that Director are set out below:

<i>Directors</i>	<i>Ordinary Shares</i>	<i>Percentage of issued ordinary share capital</i>
Sir Stelios Haji-Ioannou	66,076,451	15.95
Sir Colin Chandler	39,700	0.01
Dawn Airey	10,000	0.00
Diederik Karsten	Nil	Nil
Jeff Carr	5,000	0.00
David Bennett	10,000	0.00
Andrew Harrison	267,109	0.06
Prof Rigas Doganis	9,000	0.00
Sir David Michels	3,500	0.00

3.2 In addition to the interests in the share capital of the Company described in paragraph 3.1 above, as at 27 November 2006, being the latest practicable date prior to the publication of this document, the

following options had been granted to Directors and remained outstanding under the easyJet Share Option Schemes:

<i>Director</i>	<i>Number of Ordinary Shares under option</i>	<i>Exercise price per Ordinary Share (£)</i>	<i>Date from which exercisable</i>	<i>Expiry date</i>	<i>Note</i>
Jeff Carr	108,079	2.3205	2 June 2008	2 June 2015	(1)
	12,928	2.3205	2 June 2008	2 June 2015	(2)
	75,793	Nil cost	1 Dec 2008	1 June 2009	(3)
Andrew Harrison	736,153	3.2985	1 Dec 2008	1 Dec 2015	(1)
	9,095	3.2985	1 Dec 2008	1 Dec 2015	(2)
	267,109	Nil cost	8 Feb 2009	8 Aug 2009	(4)

Notes:

- (1) Granted under the easyJet Non-Approved Discretionary Share Option Scheme and subject to meeting certain performance criteria.
- (2) Granted under the easyJet Approved Discretionary Share Option Scheme and subject to meeting certain performance criteria.
- (3) Granted under the easyJet Long Term Incentive Plan and subject to meeting certain performance criteria.
- (4) Granted under Andrew Harrison's Matching Award and subject to meeting certain performance criteria.

3.3 Apart from the interests set out in paragraphs 3.1 and 3.2 above, there are no interests of a Director, or of any person connected with a Director, which are required to be disclosed under the Act.

3.4 Details of service contracts and letters of appointment in place for current Directors and other Directors who have served since 1 October 2005 are as follows:

	<i>Date of service contract/letter of appointment</i>	<i>Unexpired term</i>	<i>Notice period</i>	<i>Provision for compensation</i>
<i>Non-Executive:</i>				
Sir Colin Chandler	26 February 2004	3 months	3-yr fixed term	None
Dawn Airey	5 April 2004	5 months	3-yr fixed term	None
Diederik Karsten	11 May 2004	6 months	3-yr fixed term	None
Sir Stelios Haji-Ioannou ⁽¹⁾	n/a	n/a	n/a	n/a
David Bennett	1 September 2005	1 year 10 months	3-yr fixed term	None
Prof. Rigas Doganis	1 December 2005	2 years 1 month	3-yr fixed term	None
Sir David Michels	3 January 2006	2 years 4 months	3 months	None
Amir Eilon ⁽²⁾	22 October 2003	n/a	n/a	n/a
<i>Executive:</i>				
Ray Webster ⁽³⁾	18 June 2002	n/a	6 months	6 months
Jeff Carr	24 November 2004	n/a	6 months	6 months
Andrew Harrison	15 September 2005	n/a	6 months	12 months

Notes:

- (1) Sir Stelios Haji-Ioannou was appointed as a Director on 16 May 2005. He does not have a service contract or a letter of appointment with the Company and receives no remuneration for being a Director.
- (2) Amir Eilon resigned as a Director on 22 February 2006.
- (3) Ray Webster resigned as chief executive officer of the Company on 30 November 2005 but his employment contract continues for a fixed term of 1 year from that date.

4 Major Shareholders

So far as is known to the Company, the names of any persons other than a Director who, directly or indirectly, are interested in 3 per cent or more of the Company's issued ordinary share capital as at

27 November 2006 (being the latest practicable date prior to the publication of this document) are as follows:

<i>Name</i>	<i>Number of Ordinary Shares</i>	<i>Percentage of issued share capital</i>
easyGroup Holdings Limited	66,076,451	15.95
Polys Holdings Limited	47,954,575	11.57
Clelia Holdings Limited	47,954,575	11.57
Standard Life Investments	45,755,369	11.04
Deutsche Bank AG	24,530,003	5.92

Save as set out above, the Company is not aware of any person other than a Director who is directly or indirectly interested in 3 per cent or more of the issued ordinary share capital of the Company.

5 Working capital

The Company is of the opinion that, following the Exercise of Option, the working capital available to easyJet, taking account its cash resources and existing bank and other available facilities, is sufficient for easyJet's present requirements, that is for at least the next 12 months from the date of publication of this document.

6 Material contracts

6.1 The following are summaries of all the contracts, other than contracts entered into in the ordinary course of business, that have been entered into by any member of the easyJet Group: (i) within the two years immediately preceding the publication of this document which are, or may be, material to the easyJet Group; or (ii) which contain a provision under which a member of the easyJet Group has an obligation or entitlement which is material to the easyJet Group as at the date hereof:

- (a) Amendment No. 2 further details of which are set out in Part 3 of this document;
- (b) Amendment No. 1: The Company exercised its rights to purchase an initial 20 Additional Purchase Right aircraft under a contract with Airbus and easyJet Leasing Limited dated 21 December 2005. These aircraft were purchased on substantially the same terms as the first 120 aircraft purchased under the Airbus Contract. These 20 aircraft are scheduled for delivery between 2008 and 2009;
- (c) SR Technics — Maintenance Agreement: In August 2005, easyJet UK and easyJet Switzerland SA respectively entered into strategic turn-key maintenance agreements with SR Technics Switzerland SA ("SR Technics") for a ten year term. These contracts cover comprehensive aircraft technical support services for the respective operating companies Airbus A319 Fleets. Under these maintenance agreements SR Technics are responsible for the performance of all scheduled or unscheduled maintenance for these aircraft. There are certain opportunities for easyJet to terminate parts of the respective contracts after the second and fifth anniversary of signing these contracts.

SR Technics UK Limited another part of the SR Technics group also provide ongoing support to easyJet Airline Company Limited on the Boeing 737-700 fleet.

On 7 September 2006, SR Technics, the parent company of the SR Technics group, announced that it had been acquired by a consortium of three investors from the United Arab Emirates;

- (d) the CFM Contract further details of which are set out in Part 3 of this document; and
 - (e) the Airbus Contract further details of which are set out in Part 3 of this document.
- 6.2 The following are all the contracts, other than contracts entered into in the ordinary course of business, that have been entered into: (i) within the two years immediately preceding the publication of this document which are, or may be, material to assets the subject of the Exercise of Option; or (ii) which contain a provision which has an obligation or entitlement which is material to assets the subject of the Exercise of Option as at the date hereof:
- (a) Amendment No. 2 further details of which are set out in Part 3 of this document;
 - (b) the CFM Contract further details of which are set out in Part 3 of this document; and
 - (c) the Airbus Contract further details of which are set out in Part 3 of this document.

7 Related party transactions

- 7.1 The following are the related party transactions (which for these purposes are those set out in the Standards adopted according to the Regulation (EC) No 1606/2002), that the Company has entered into during each of the years ended 30 September 2004, 2005 and 2006 and in the current financial year to date.
- 7.2 In the course of its business the easyJet Group has transacted with companies of which Sir Stelios Haji-Ioannou is the majority shareholder. Sir Stelios Haji-Ioannou is a non-executive Director and was formerly the Chairman of the Company. These transactions principally relate to the charging of advertising costs and web page click-through revenues between the Group and these companies.
- 7.3 easyJet UK, has signed an agreement with Eilon & Associates Limited, a company controlled by Amir Eilon, a former non-executive Director who resigned on 22 February 2006. The contract is to provide consulting services to easyJet in respect of a specific business development project. Payment for services is based on a daily rate of £1,500 or £2,000. Total remuneration paid during the years ended 30 September 2006, 2005 and 2004 was nil, £85,643 and nil respectively.
- 7.4 The Group has also transacted with The Big Orange Handling Company Limited, of which easyJet UK, owns 26 per cent of the equity.

The charges incurred by the easyJet Group under the above contracts are summarised below for the years ended 30 September 2006, 2005 and 2004, together with the balances outstanding at those dates.

	<i>Amounts under contracts with The Big Orange Handling Company Ltd</i>			<i>Amounts under contracts with easyBus Ltd</i>			<i>Amounts under contracts with easyGroup IP Licensing</i>			<i>Amounts under contracts with Eilon & Associates Ltd</i>		
	<i>2006 (£ millions)</i>	<i>2005 (£ millions)</i>	<i>2004 (£ millions)</i>	<i>2006 (£ millions)</i>	<i>2005 (£ millions)</i>	<i>2004 (£ millions)</i>	<i>2006 (£ millions)</i>	<i>2005 (£ millions)</i>	<i>2004 (£ millions)</i>	<i>2006 (£ millions)</i>	<i>2005 (£ millions)</i>	<i>2004 (£ millions)</i>
Charges to the easyJet Group	8.4	8.5	5.7	0.0	—	—	0.0	0.0	0.1	—	0.1	—
Charges by the easyJet Group	1.5	1.3	1.7	0.0	0.0	—	0.0	—	—	—	—	—
Year end debtor/ (creditor)	0.3	0.2	0.1	0.0	0.0	—	0.0	—	(0.1)	—	0.0	—

8 Litigation

- 8.1 Save as described below, no member of the easyJet Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened by or against any member of the easyJet Group of which the Company is aware) in the 12 months preceding the date of this document which may have, or have had in the recent past, significant effects on easyJet's financial position or profitability.
- 8.2 **Dispute with Liverpool Airport PLC**

On 6 October 2006, easyJet UK issued proceedings in the High Court against Liverpool Airport PLC. The claim concerns the validity and meaning of certain provisions of an agreement between easyJet UK and Liverpool Airport dated 7 February 2001, which provides the terms on which easyJet UK operates services to and from Liverpool Airport.

The agreement contains a provision that the discounted rate that is payable by easyJet UK to Liverpool Airport for operating services there does not apply (i.e. a higher rate is payable) in respect of any easyJet UK operator which operates scheduled flights from/to any other airport in the North West of England Planning Region. It is easyJet UK's claim that this provision is void on competition law grounds as contrary to Article 81 EC and the Chapter I prohibition of the Competition Act 1998. easyJet UK also claims that, on a proper construction of the relevant provision of the agreement, the discounted rate cannot be disappplied in the event that an easyJet UK operator other than easyJet UK itself (i.e. another entity in the easyJet Group) operates the services from/to either the other North West airport or Liverpool Airport. easyJet are seeking a declaration as to the validity of the contract and no monetary amount is involved in the claim.

8.3 French National Insurance contributions

The Caisse de Retraite du Personnel Navigant Professionnel de L'Aeronautique Civile ("CRPN") has alleged that certain of the Company's staff who are "based" in France are subject to a requirement to

contribute into the CRPN pension scheme for aviation industry employees, rather than into the UK national insurance system. In July 2006 the CRPN commenced a legal action against the Company before the Tribunal de Grand Instance in Paris to establish the principle of a requirement to contribute locally and to enforce recovery of as yet unquantified sums in this respect. The Company has also been made aware of an approach by the Centre des Liaisons Européennes et Internationales de Sécurité Sociale to HMRC with a view to confirming the application of French rules to flight crew allegedly wrongly included within the UK's social security regime.

To date, UK national insurance contributions have been made in respect of the majority of staff involved in operating the Company's French operations. Accordingly, the Company is reviewing the implications of the claim and is involved in dialogue with both British and French authorities. It is currently too early to quantify the potential value of the claim brought but the Company has indicated its intention to defend the allegations made in the claim.

Separately, the Company has recently been made aware of a proposed decree to be implemented by the Ministère des Transports in France that would potentially require social security contributions to be made to French authorities in respect of staff involved in the Company's French operations for whom the Company currently makes contributions to HMRC. The Company believes that such legislation might be incompatible with European legislation and is taking steps to protect its interests.

- 8.4 There are no governmental legal or arbitration proceedings (including any such proceedings which are pending or threatened in relation to the assets the subject of the Exercise of Option of which the Company is aware) in the 12 months preceding the date of this document which may have, or have had in the recent past, significant effect on the assets the subject of the Exercise of Option.

9 Significant change

There has been no significant change in the financial or trading position of easyJet since 30 September 2006, the date to which the Company's latest audited results were prepared.

10 Cross reference list

<i>Information incorporated by reference</i>	<i>Document reference</i>	<i>Page number in Circular</i>
Revenue and profit for the year ended 30 September 2005	Annual report and accounts for the year ended 30 September 2005 (page 62)	8
Profit, passenger revenues and ancillary revenues for the year ended 30 September 2005	Annual report and accounts for the year ended 30 September 2005 (pages 62 and 69)	8

11 Documents available for inspection

Copies of the following documents will be available for inspection during normal business hours on weekdays (Saturdays, Sundays and public holidays excepted) at the registered office of the Company and at the offices of Norton Rose, Kempson House, Camomile Street, London EC3A 7AN from the date of this document up to and including the date of the Extraordinary General Meeting:

- (a) the Memorandum and Articles of Association of the Company;
- (b) the consolidated audited financial statements for easyJet for the financial years ending 30 September 2004 and 30 September 2005 respectively and the preliminary statement of annual results of easyJet for the financial year ending 30 September 2006;
- (c) the Airbus Contract;
- (d) Amendment No. 1;
- (e) Amendment No. 2;
- (f) the CFM Contract; and
- (g) this document.

Dated: 28 November 2006

NOTICE OF EXTRAORDINARY GENERAL MEETING

OF

easyJet plc

(Registered in England and Wales No. 3959649)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of easyJet plc (the “**Company**”) will be held at easyLand, London Luton Airport, Bedfordshire LU2 9LS on 14 December 2006 at 10.00 a.m. for the purpose of considering and, if thought fit, passing the following resolution which will be proposed as an ordinary resolution.

Ordinary Resolution

THAT Amendment No. 2 (including the Exercise of Option) each as described in the circular to Shareholders dated 28 November 2006, of which this notice forms part, (the “**Circular**”) be approved and the Directors be authorised to exercise the Option (as defined in the Circular) and the Directors (or a duly authorised committee of the Directors) be and are hereby authorised to do all things as they may consider to be necessary or desirable in connection with or incidental to Amendment No. 2 and the Exercise of the Option.

BY ORDER OF THE BOARD

Sir Colin Michael Chandler

Chairman

Registered Office:

easyLand
London Luton Airport
Bedfordshire LU2 9LS

28 November 2006

Notes:

- 1 A member entitled to attend, speak and vote at the above meeting is entitled to appoint one or more proxies to attend, speak and vote on his/her behalf. A proxy need not be a member of the Company.
- 2 A Form of Proxy accompanies this notice. To be effective, the Form of Proxy, together with any power of attorney or other authority under which it is executed, or a notarially certified copy thereof, must be duly completed in accordance with the instructions set out on it and be received by Lloyds TSB Registrars, The Causeway, Worthing, West Sussex BN99 6ZL not less than forty-eight hours before the time fixed for the holding of the meeting.
- 3 In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, will be accepted to the exclusion of the votes of the other registered holder(s) and, for this purpose, seniority will be determined by the order in which the names stand in the Register of Members.
- 4 Completing and returning the Form of Proxy does not preclude a member from attending and voting at the meeting should he/she so wish.
- 5 Pursuant to Regulation 41 of the Uncertificated Securities Regulation 2001, entitlement to attend and vote at the above meeting or any adjourned meeting and the number of votes which may be cast thereat will be determined by reference to the register of members of the Company as at 10.00 a.m. on 12 December 2006, or in the event that the meeting is adjourned, as at such time falling 48 hours before the time of any adjourned meeting. Changes to entries on such register after this time shall be disregarded in determining the rights of any person to attend or vote at the meeting or any adjournment thereof, as the case may be.

