EASYJET INTERIM MANAGEMENT STATEMENT FOR THE QUARTER ENDED 31 DECEMBER 2012

A. HIGHLIGHTS:

- easyJet's total revenue for the first quarter grew by 9.2% to £833 million, driven by strong growth in unit revenues and improved load factors.

- Revenue per seat grew by 8% at constant currency or by 3.9% on a reported basis to £53.87 per seat driven by a programme of revenue initiatives including the 'europe by easyJet' campaign, improvements to revenue management and network optimisation and competitor capacity reductions.

- Seats flown grew by 5.0% to 15.5 million. Passengers carried increased by 6.2% to 13.7 million, and the load factor increased by 1.0 percentage points to 88.6% driven by easyJet and competitor capacity discipline.

- Cost per seat excluding fuel increased by 0.5% on a reported basis and by 2.9% on a constant currency basis. This better than expected performance was driven by lower disruption costs as a result of exceptionally mild weather in the quarter and limited external industrial action.

- Strong balance sheet with cash and money market deposits of £833 million (excluding restricted cash) as at 31 December 2012.

- With around 80% of first half seats now booked, easyJet expects to contain first half loss before tax to between £50 million and £75 million compared to the £112 million loss reported in the first half of last year. This assumes a normal level of disruption in the second quarter.

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

"easyJet has made a strong start to the year due to a combination of management action, competitor capacity reductions and the benign operating environment. The good performance in the quarter and the structurally advantageous position that easyJet occupies in the European short-haul market means we remain confident in our outlook for the business.

Although the economic environment remains challenging, easyJet's strong customer proposition, combined with the actions that management are taking ensures that easyJet is well positioned going forward to deliver sustainable growth and returns."

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B. KEY FINANCIALS

Three months ended	31 Dec 2012	31 Dec 2011	Change %
Passengers (m) [1]	13.7	12.9	6.2%
Seats (m)	15.5	14.7	5.0%
Load factor (%) [2]	88.6%	87.6%	1.0 ppt
Total revenue (£m)	833	763	9.2%
Seat revenue (£m)	821	749	9.6%
Non seat revenue (£m)	12	14	(13.0)%
Total revenue per seat reported (£)	53.87	51.83	3.9%
Total revenue per seat constant currency (£)	55.96	51.83	8.0%
Seat revenue per seat reported (£)	53.07	50.87	4.3%
Non seat revenue per seat reported(£)	0.80	0.96	(17.2)%
Total revenue per passenger (£)	60.80	59.17	2.8%
Average number of owned / leased aircraft	213.5	202.9	5.2%
Average operating aircraft	196.1	190.7	2.8%
Average utilisation owned aircraft (hours per day)	9.3	9.4	(1.4)%
Average utilisation operating aircraft (hours per day)	9.9	10.1	(2.0)%
ASKs (bn)	16.4	15.9	2.6%
RPKs (bn)	14.8	14.2	4.2%
Average sector length (km)	1,057	1,083	(2.4)%

C. STRATEGIC PROGRESS

In order to execute against its strategy to drive sustainable growth and returns, easyJet is focused on four key objectives:

1. Drive demand, conversion and yields across Europe
2. Maintain cost advantage
3. Build strong number 1 and 2 network positions
4. Disciplined use of capital

1. Drive demand, conversion and yields across Europe

First quarter revenue and network performance

Passenger numbers grew by 6.2% in the quarter to 13.7 million. Capacity (seats flown) increased by 5.0% as load factor improved by 1.0 percentage points. Capacity growth was focused on markets with the potential to generate higher return on capital employed such as Switzerland +14%, France +10% and Italy +8% with around 6% of capacity coming out of Spain.

Total revenue per seat grew by 3.9% to £53.87 on a reported basis and grew by 8.0% on a constant currency basis. The effective Euro : Sterling exchange rate for revenue in the quarter moved by 7.3% year on year from 1.14 to 1.23. The stronger than expected revenue performance was influenced by:

- reallocating capacity to routes which will generate the optimal returns such as the new French regional bases;

- competitor retrenchment with competitor capacity on easyJet routes declining by 2.1% or 0.8 million seats;

- limited disruption from weather and industrial action. easyJet cancelled 64 flights in the quarter this year against 236 in the same quarter last year;

- a positive end to the summer season with strong October trading to beach routes combined with a strong start to the ski season with good snow conditions in alpine resorts;

- on-going benefits from changes to easyJet.com; the 'europe by easyJet campaign' and improvements to the revenue management system;

easyJet continued to make progress during the quarter to attract more passengers travelling on business to the airline. In November easyJet announced a new travel deal which will enable Scottish public sector staff to travel with easyJet. It will deliver low cost, flexible fares on business trips between Scotland and London to employees within public sector organisations such as NHS Scotland, the police force, local government and MSPs. In total, around 25% of people in employment in Scotland will be covered by the deal. In December easyJet reached the milestone of carrying 10 million business passengers during the previous 12 months.

Non-seat revenue reduced by 16 pence per seat to 80 pence per seat. The fall continues to be driven by the structural decline in the travel insurance market. We expect non-seat revenue per seat for the full year to be broadly flat compared to the prior year.

As planned, the average sector length fell by 2.4% to 1,057 km due to the increase in capacity deployed on French domestic routes.

2. Maintain cost advantage

easyJet has a cost advantage over its competitors in the majority of the airports that it operates from, allowing it to offer competitive and affordable fares.

Operational performance

A strong operational performance is critical to easyJet maintaining its cost performance. Ensuring aircraft depart on time minimises the costs of disruption and is also a key driver of customer satisfaction and encourages repeat purchase.

Allocated seating was successfully rolled out across the network during the quarter and as expected, easyJet saw a slight decline in on-time performance in the initial implementation period. The decline in December was exacerbated by weather disruption throughout Europe including heavy snow falls within Geneva, Berlin, Verona and Milan.

OTP % arrivals within 15 minutes	October	November	December	Q1
2011	88%	91%	86%	88%
2012	88%	89%	81%	86%

First quarter cost performance

Cost per seat excluding fuel increased by 0.5% on a reported basis and by 2.9% on a constant currency basis which was favourable to H1 guidance. The effective Euro : Sterling exchange rate for costs in the quarter moved by 7% year on year from 1.16 to 1.24. The cost increase was driven by the anticipated annualisation of significant increases in airport charges at regulated airports, especially those in Spain and Italy.

Costs came in at the bottom end of expectations driven by lower than anticipated disruption costs due to mild winter weather in the UK and limited external industrial action.

easyJet lean continues to deliver sustainable savings and further progress was made in Ground Operations with significant ground handling deals concluded and new airports deals signed including a long term contract with Edinburgh Airport.

3. Build strong number 1 and 2 network positions

A significant source of easyJet's competitive advantage is its pan-European network which connects more of the top 100 city to city market pairs than any other airline in Europe. Additionally, easyJet has built number one and number two market share positions in its bases and at key slot constrained airports such as Gatwick, Paris Orly, Milan Malpensa, Amsterdam and Geneva.

easyJet's strategy is to continue to build positions of strength in its key markets to take advantage of competitor retrenchment and to reallocate aircraft to the routes and bases which will deliver the highest return on capital employed.

New network points launched this winter include Luxembourg, Moscow and Turin. easyJet is also looking to connect points on its network; for example, easyJet has increased the number of routes it offers from Manchester including Moscow, Reykjavik, Tel Aviv, Venice and Basel.

4. Disciplined use of capital

Consistent with its focus on return on capital employed, easyJet closed its Madrid base on 1 December and now serves Madrid and the rest of Spain from its other airports. Aircraft have been reallocated to airports and routes which will deliver higher returns and year on year easyJet has increased the number of aircraft it has based in Manchester, Edinburgh, Gatwick, Geneva, Rome and Lyon plus additional aircraft at the new bases in Southend, Nice and Toulouse.

easyJet has a strong balance sheet and low gearing and derives a competitive advantage through access to funding at a lower cost. Over the cycle, easyJet is committed to covering its cost of capital, and intends to self-fund both growth and the dividend from the cash flows of the business.

easyJet continues to be committed to the following targets to ensure its capital structure remains both robust and efficient:

- gearing limited to a maximum of 50%;
- net debt limited to a maximum of £10m per aircraft and;
- minimum liquidity of £4 million per aircraft.

As at 31 December 2012 easyJet had cash and money market deposits (excluding restricted cash) of £833 million and net cash of £40 million.

easyJet is in the process of closing sale and leasebacks for 12 new A320s and the 12 oldest A319 aircraft. The lease agreements in respect of 9 A320 and 12 A319 aircraft have been signed. Negotiations of the remaining 3 A320 leases are at an advanced stage and targeted to conclude within the next month.

Fleet

easyJet's existing Airbus deal, negotiated in 2002 and approved by shareholders in 2003, provides easyJet with competitive advantage through attractive pricing and flexibility in fleet planning.

In the quarter, easyJet took delivery of 2 A320 family aircraft and returned 3 A319 aircraft to lessors. As at 31 December 2012 the fleet comprised of 213 easyJet specification aircraft; with 56 A320s and 157 A319s. Utilisation of the owned fleet in the quarter was at a similar level to that of the prior year at an average 9.3 block hours per day.

New generation aircraft

easyJet continues to make good progress on its evaluation of the next generation of short-haul aircraft technology. The technical evaluation has been completed and it is clear that there is a substantial operating cost advantage from the next generation engine technology.

The commercial evaluation and discussions are well underway. To allow the time necessary to achieve the optimal commercial outcome, easyJet may consider converting options for three A320 aircraft under the terms of its existing framework agreement with Airbus. This will ensure there is sufficient capacity to fly the planned 2014 summer programme whilst the proposal to shareholders covering both the next generation of deliveries which are likely to be after 2017 and a plan for the bridging period from 2015 to 2017 is finalised.

The objective of any proposal will be to ensure that easyJet is able to continue to deliver returns for shareholders through:

- Improvement in easyJet's cost advantage over competitors on its routes through the introduction of the next generation of more fuel efficient aircraft.
- The introduction into the fleet of more cost efficient '180 seater' aircraft to replace the 156 seat A319s.
- Retention of easyJet's leading positions at primary airports as the existing fleet ages and older aircraft exit the fleet and therefore need to be replaced.
- Prudent planned capacity increases of 3% to 5%; in line with easyJet's strategy of delivering sustainable growth and returns.
- The ability to continue to benefit from the flexibility available in its fleet planning arrangements. This ensures that easyJet maintains the ability to phase timing of deliveries to reduce the risk of holding surplus capacity.

LOOKING FORWARD

Hedging

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

Six months to 31 March 2013

86% of anticipated US$ requirement hedged using forwards at $1.61
86% of anticipated Jet requirement hedged using forwards at $986/MT
80% of anticipated EURO surplus hedged using forwards at €1.18

12 months to 30 September 2013

82% of the anticipated US$ requirement hedged using forwards at $1.60
78% of the anticipated Jet requirement hedged using forwards at $985/MT
75% of the anticipated EURO surplus hedged using forwards at €1.18

Full Year to 30 September 2014

62% of the anticipated US$ requirement hedged using forwards at $1.58
55% of the anticipated Jet requirement hedged using forwards at $993/MT
56% of the anticipated EURO surplus hedged using forwards at €1.22

Outlook

There have been no changes to capacity plans for the year with c.3.5% seat growth planned for the first half of the financial year and a slightly lower level of capacity growth in the second half.

With around 80% of first half seats sold, easyJet expects first half revenue per seat to grow in the range of 6% to 8% at constant currency[4].

easyJet expects first half cost per seat excluding fuel growth at constant currency will be in the range 3.5% to 4.5%[4]. Full year cost per seat excluding fuel growth is expected to be between 3% and 4%[4].

The strong first quarter performance, driven by implementation of the strategy aided by competitor capacity constraint, stable fuel price and the benign operating environment has meant that easyJet expects its first half loss before tax to be in the range of £50 million to £75 million[4].

It is estimated that at current exchange rates[3] and with fuel remaining within $1,000 m/t to $1,100 m/t trading range, easyJet's unit fuel bill for the 2013 financial year would be between £5 million and £25 million higher than the prior year. In addition, exchange rate movements (excluding those related to fuel) are likely to have a £35million to £40 million negative impact in the 2013 financial year.

With around 15% of second half seats sold year to date, in line with this time last year, it is still too early to give guidance on second half yields or profit. easyJet has had a stronger than expected first quarter however the consumer environment is expected to remain tough and the impact of government austerity measures means that the industrial relations climate across Europe is expected to be increasingly difficult.

Although the economic environment remains challenging, easyJet's strong customer proposition, combined with the actions that management is taking ensures that easyJet is well positioned going forward to deliver sustainable growth and returns.

END

Notes:

1. Represents the number of earned seats flown. Earned seats include seats that are flown whether or not the passenger turns up because easyJet is a no-refund airline, and once a flight has departed a no-show customer is generally not entitled to change flights or seek a refund. Earned seats also include seats provided for promotional purposes and to staff for business travel.

2. Represents the number of passengers as a proportion of the number of seats available for passengers. No weighting of the load factor is carried out to recognise the effect of varying flight (or "sector") lengths.

3. Jet cif $1,054 per metric tonne, US $ to £ sterling 1.58, euro to £ sterling 1.19 as at noon on 23.1.13

4. Assuming normal levels of disruption