EASYJET INTERIM MANAGEMENT STATEMENT FOR THE QUARTER ENDED 30 JUNE 2013

A. HIGHLIGHTS:

- Total revenue for the third quarter grew by 10.5% to £1,142 million, driven by a 3.6% increase in capacity and improvement in revenue per seat.
- Revenue per seat grew by 6.1% at constant currency or by 6.7% on a reported basis to £61.44 per seat driven by network optimisation and the on-going programme of revenue initiatives including the 'europe by easyJet' campaign, improvements to the revenue management system and the benign capacity environment for easyJet.
- The load factor of 88.2% was 0.9 percentage points lower than prior year primarily driven by the timing of Easter which fell on 31 March 2013, a week earlier than in 2012. Passengers carried increased by 2.6% to 16.4 million.
- Cost per seat excluding fuel increased by 4.5% at constant currency or by 6.4% on a reported basis. The increase was driven by the anticipated annualisation of significant increases in airport charges at regulated airports, especially those in Spain and Italy together with higher than anticipated disruption.
- easyJet has secured its new framework arrangements for new aircraft through to 2022 to allow it to continue to execute its strategy.
- easyJet announced that it has reached an agreement to acquire Flybe's 25 slots at Gatwick from summer 2014 for a total consideration of £20 million, subject to Flybe's shareholder approval.
- Cash and money market deposits were £1,454 million and net cash was £714 million at 30 June 2013 demonstrating easyJet's continued strong balance sheet.
- easyJet expects profit before tax for the year to 30 September 2013 to be between £450 million and £480 million assuming no further significant disruption.

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

"easyJet has delivered a strong performance in the third quarter in a benign capacity environment for easyJet. The strong performance demonstrates further progress against the easyJet strategy and the commitment to deliver returns and profitable growth for shareholders.

With 73% of second half seats now booked, easyJet expects profit before tax for the year to 30 September 2013 to be between £450 million and £480 million compared to the £317 million profit before tax reported in the prior financial year assuming no further significant disruption."

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

KEY FINANCIALS

Three months ended	30 Jun 2013	30 Jun 2012	Change %
Passengers (m) [1]	16.4	16.0	2.6%
Seats (m)	18.6	17.9	3.6%
Load factor (%) [2]	88.2%	89.1%	(0.9ppt)
Total revenue (£m)	1,142	1,033	10.5%
Seat revenue (£m)	1,122	1,016	10.4%
Non seat revenue (£m)	20	17	13.8%
Total revenue per seat reported (£)	61.44	57.58	6.7%
Total revenue per seat constant currency (£)	61.10	57.58	6.1%
Seat revenue per seat reported (£)	60.38	56.62	6.7%
Non seat revenue per seat reported(£)	1.06	0.96	9.8%
Total revenue per passenger (£)	69.62	64.65	7.7%
Average number of owned / leased aircraft	211	209	1.0%
Average operating aircraft	203	199	2.2%
Average utilisation owned aircraft (hours per day)	11.5	11.3	1.9%
Average utilisation operating aircraft (hours per day)	11.9	11.9	0.7%
ASKs (m)	20,604	19,758	4.3%
RPKs (m)	18,497	17,808	3.9%
Average sector length (km)	1,109	1,101	0.7%

B. 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

Third quarter revenue and network performance

Passenger numbers grew by 2.6% in the quarter to 16.4 million. Capacity (seats flown) increased by 3.6% and load factors reduced by 0.9 percentage points driven by the timing of Easter, which fell on 31 March, a week earlier than 2012. Capacity growth was focused on markets with the potential to generate higher return on capital employed including increasing capacity in the UK by c.4%, Switzerland c.13% and Italy c. 7%.

Total revenue per seat grew by 6.7% to £61.44 on a reported basis and grew by 6.1% on a constant currency basis. The effective Euro : Sterling exchange rate for revenue in the quarter moved by 1.0% year on year from 1.20 to 1.19. The stronger than expected revenue performance was influenced by:

- reallocating capacity to routes which have the potential to generate higher returns such as the new French regional bases and new network points such as Moscow;

- continued competitor retrenchment with competitor capacity on easyJet routes declining by 1.2% or 0.5 million seats;

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

- allocated seating which drove 0.9 percentage points of the underlying RPS increase;

- increasing average sector lengths driven by longer routes introduced such as Manchester and London Gatwick to Moscow and routes into Sharm el Sheik from the UK and Milan.

Non-seat revenue increased by 10 pence per seat to £1.06 per seat driven by an improved in-flight offer and the benefits from new partners for products such as Hotels.

easyJet has made further progress in attracting more business passengers to the airline. Travelport, one of the major Global Distribution Systems, recently improved its Galileo booking system which will make it easier for agents to sell easyJet's fares. In addition, easyJet has secured further deals with European public sector bodies including the German government to provide access to easyJet fares. Business passengers grew by 4.2% in the quarter which was ahead of overall passenger growth of 2.6%.

2. Maintain cost advantage

Third quarter cost performance

Cost per seat excluding fuel increased by 6.4% year on year on a reported basis and by 4.5% on a constant currency basis. The increase in cost was driven by the anticipated annualisation of significant increases in airport charges at regulated airports, particularly those in Spain and Italy.

There were year on year cost increases from the need for extensive de-icing into April and May due to the cold weather across Europe. Disruption costs increased by £6 million year on year, largely as a result of the three day French Air Traffic Control strike in June.

easyJet lean continues to reduce costs with incremental sustainable savings delivered in Ground Operations and in Fuel and is on track to deliver £135 million cumulative savings by the end of the September 2013. Future savings will be delivered through significant ground handling deals including a long term contract at Geneva Airport and through non-regulated airport deals.

easyJet has recently secured a deal with its pilots in Italy, which will deliver improved lifestyle for pilots and increased flexibility and efficiency for easyJet. In the UK, easyJet secured an agreement to increase the number of directly employed pilots whilst retaining flexibility for easyJet.

Operational performance

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

easyJet has introduced the easyJet turn programme to drive continued strong on-time performance and this has delivered the improvement in OTP in the quarter. The June figures were impacted by the three day Air Traffic Control strike in France.

OTP % arrivals within 15 minutes	April	May	June	Q3	YTD
2012	84.8%	88.4%	88.1%	87.1%	88.4%
2013	90.5%	89.8%	86.2%	88.9%	87.0%

Fleet

Following shareholder approval on 11 July 2013, easyJet has secured its new framework arrangements for new aircraft through to 2022 to allow it to continue to execute its strategy. Airbus has agreed to provide the company with 35 current generation A320 aircraft for delivery between 2015 and 2017 and 100 new generation A320neo family aircraft for delivery from 2017 until 2022. In addition, easyJet has the right to acquire a further 100 new Generation A320neo family aircraft. The transaction agreed will further improve easyJet's cost advantage as the 180 seat New Generation A320neo Aircraft is expected to deliver a cost per seat saving of around 11% to 12% compared to the 156 seat current generation A319 Aircraft, comprising a 7% to 8% saving from up gauging from a current generation A319 Aircraft to a current generation A320 Aircraft and 4% to 5% from moving from a current generation A320 Aircraft to a new generation A320neo Aircraft.

3. Build strong number 1 and 2 network positions

A significant source of easyJet's competitive advantage is its pan-European network. New network points launched this summer include Belgrade from Milan and Bergen from London Gatwick. New business routes launched include Rome to Copenhagen and to Hamburg and leisure routes launched include Southend to Newquay and Edinburgh to Dubrovnik. In Italy, easyJet is now flying to Tel Aviv from Rome Fiumicino as part of an Italian Israeli bi-lateral agreement.

In the quarter, easyJet has taken steps to improve its competitive position in south east England. In May, easyJet announced an agreement to acquire Flybe's 25 pairs of arrival and departure slots at Gatwick airport from summer 2014 for a total consideration of £20 million. In June easyJet secured a five year agreement with Manchester Airports Group creating the opportunity to grow at Stansted Airport.

4. Disciplined use of capital

easyJet is focussed on maximising the returns from its network. This summer easyJet reallocated capacity from the closure of the base in Madrid and reduced its presence in Liverpool. Capacity was reallocated to bases with the potential to drive higher returns including Edinburgh, London Gatwick, Manchester, Rome Fuimicino, Lisbon and the regional French bases in Lyon, Nice and Toulouse.

easyJet continues to maintain a strong balance sheet with cash and money market deposits of £1,454 million (excluding restricted cash) compared to £1,096 million at 30 June 2012. Net cash was £714 million compared to net debt of £55 million at 30 June 2012.

easyJet has concluded the sale and leasebacks arrangements for the 12 new A320s and the 12 oldest A319 aircraft announced in the January 2013 IMS.

In the quarter, easyJet took delivery of 3 A320 family aircraft and returned 1 A319 aircraft to lessors. As at 30 June 2013 the fleet comprised of 212 easyJet specification aircraft; with 153 A319s and 59 A320s. Utilisation of the owned fleet in the quarter was at a similar level to that of the prior year at an average 11.9 block hours per day.

LOOKING FORWARD

Hedging

easyJet operates under a clear set of treasury policies agreed by the Board. The aim of easyJet's hedging policy is to reduce short term earnings volatility. Therefore, easyJet hedges forward, on a rolling basis, between 65% and 85% of the next 12 months anticipated fuel and currency requirements and between 45% and 65% of the following 12 months anticipated requirements. Details of current hedging arrangements are set out below:

Percentage of anticipated requirement hedged	Fuel Requirement	US Dollar requirement	Euro surplus
Three months to 30 September 2013	85%	82%	83%
Average rate	$974/ tonne	1.59	1.17
Full year ending 30 September 2013	85%	83%	85%
Average rate	$983/ tonne	1.60	1.18
Full year ending 30 September 2014	67%	65%	73%
Average rate	$984/ tonne	1.58	1.20

Outlook

With 73% of the second half seats now booked, revenue per seat at constant currency for the second half is performing better than the expectations set out at the time of the half year results and is now expected to increase by up to 6% compared to the second half of the prior year. Capacity (seats flown) in the second half of the financial year is expected to grow by 3.3% year on year assuming no further significant disruption.

Costs excluding fuel at constant currency are performing in line with management expectations and are anticipated to grow, as previously guided, by around 4% per seat in the second half of the year assuming no significant disruption.

It is estimated that at current exchange rates[3] and with fuel at around $985 m/t, easyJet's unit fuel bill for the second half of the financial year will be around £9 million favourable year on year. Using current exchange rates[3], it is estimated that year on year exchange rate movements (including those related to fuel) will have an adverse impact of around £10 million in the second half of the financial year.

easyJet is performing strongly driven by a combination of management initiatives and a benign capacity environment for easyJet in 2013. Therefore the Board expects that pre-tax profits for the year ended 30 September 2013 to be between £450 million and £480 million assuming no further significant disruption.

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. US $ to £ sterling 1.5326, euro to £ sterling 1.1630, Jet cif $986 per metric tonne as at noon on 22.07.13