Investor Day
17 September 2008



easyJet plc

Introduction
easyJet – Turning Europe Orange

Andy Harrison

Chief Executive Officer



easyJet plc

Vision: To be the best low fares airline in the world

Operational Excellence

Low cost and highly efficient

Measurement	F '06	F '07
OTP	75%	75%
Cost per seat ex fuel £	28.36	26.55

Safety

Our No.1 Priority

Measurement	F '06	F '07
Composite risk indicator	0.82	0.82

Customer

Low cost with care and convenience

Measurement	F '06	F '07
Strongly recommend	19%	23%
Revenue per seat £	41.66	40.42

People

Make easyJet a great place to work

Measurement	F '06	F '07
Satisfaction	68%	74%
Turnover	22%	10%
Absenteeism	5%	4.5%

Driving Financial Performance

Deliver a superior return

Target 15% ROE

PBT per seat £5+

Agenda

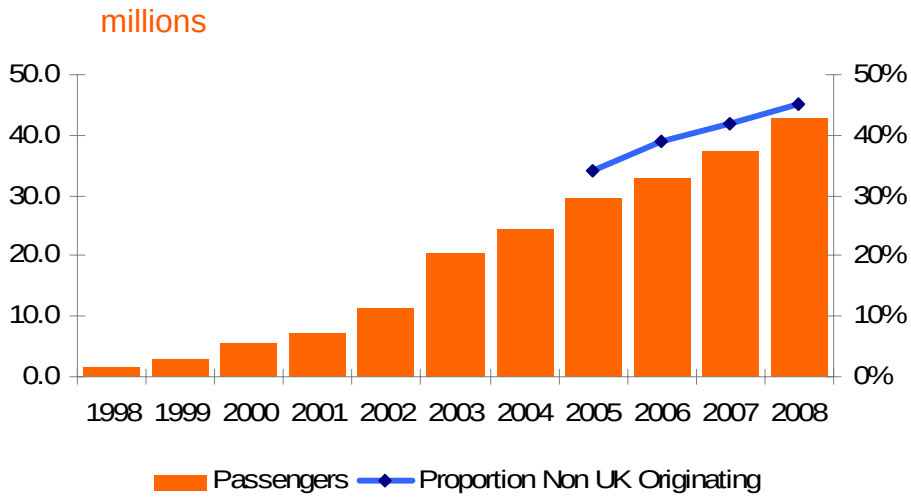


9.00	**Introduction**	Andy Harrison, Chief Executive
	Driving financial performance	Jeff Carr, Group Finance Director
	Operational excellence	Cor Vrieswijk, Operations Director and team Neil Mills, Procurement Director
	Q&A session	
11.00	**Break**	
11.15	**Safety**	Simon Stewart, SMS Development & Training Manager
	People	Mike Campbell, People Director
	Customer	Saad Hammad, Chief Commercial Officer and team
	Conclusion	Andy Harrison, Chief Executive
	Q&A session	
13.00	**Lunch**	

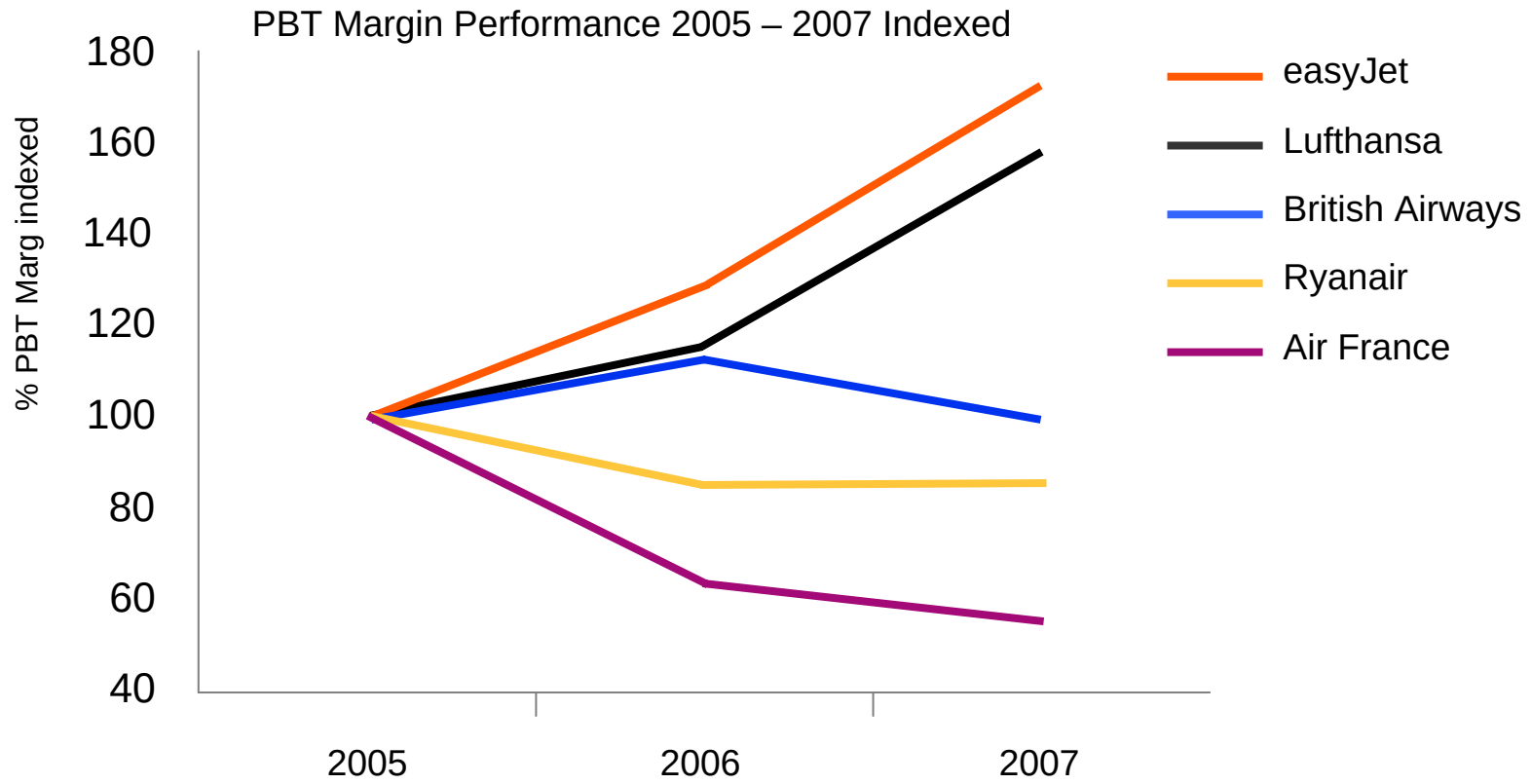
easyJet – painting Europe Orange

- Europe's 4th largest airline
  - 6.4% share
  - 43 million passengers
  - 165 aircraft situated in 20 bases
- Pan European network
  - 400 routes, 103 airports, 26 countries
- Increasing geographic diversity
  - 47% of passengers originate outside UK
  - Third of flying does not touch the UK

Growth in passengers 37% CAGR over past 10 years



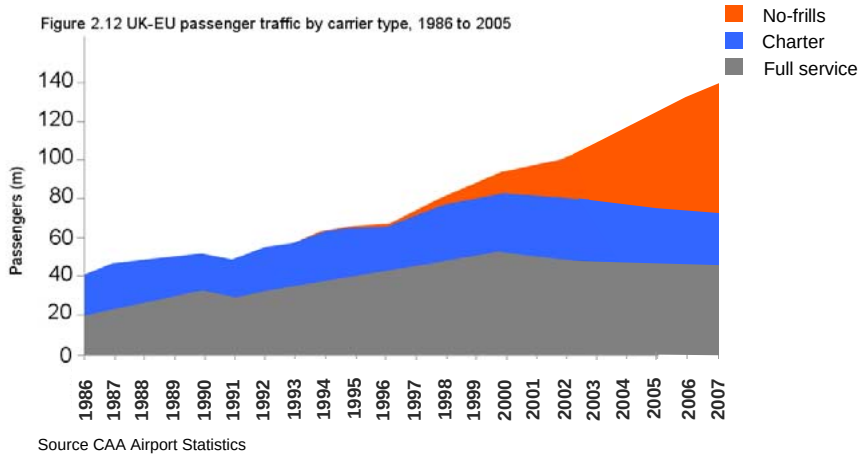
Superior margin improvement



Focus on network, revenue and costs has driven improved performance

Tactical reduction to growth in F’09

- European short-haul aviation is fundamentally a growth industry albeit with occasional short term corrections
- easyJet has grown via market share gains from charter and legacy carriers not just market stimulation - this trend will continue



Source CAA Airport Statistics

- Higher fuel costs are causing capacity to be cut back for F’09
  - easyJet – low single digit growth for the Winter, flexibility to increase for F’10
  - Consolidation is already evident
  - Weaker players are struggling to survive

easyJet – strongly positioned

- Low cost, financially strong and highly efficient
- Europe's No 1 Air transport network
- Strong customer proposition



Low cost, financially strong and highly efficient

- Focused, simple operation
- New fuel efficient fleet - average age 3.5 years
- Low ownership costs – Airbus contract
- High asset utilisation
  - aircraft in operation 11.6 hours a day *
  - Average turn time of c.30 minutes
- Strong cost reduction momentum
  - Cost per seat ex fuel reduced by 13% over the past 3 years
- Financial strength
  - Low gearing 29%
  - Strong cash position c.£900m
  - Agreed facilities of $1.25bn at attractive rates





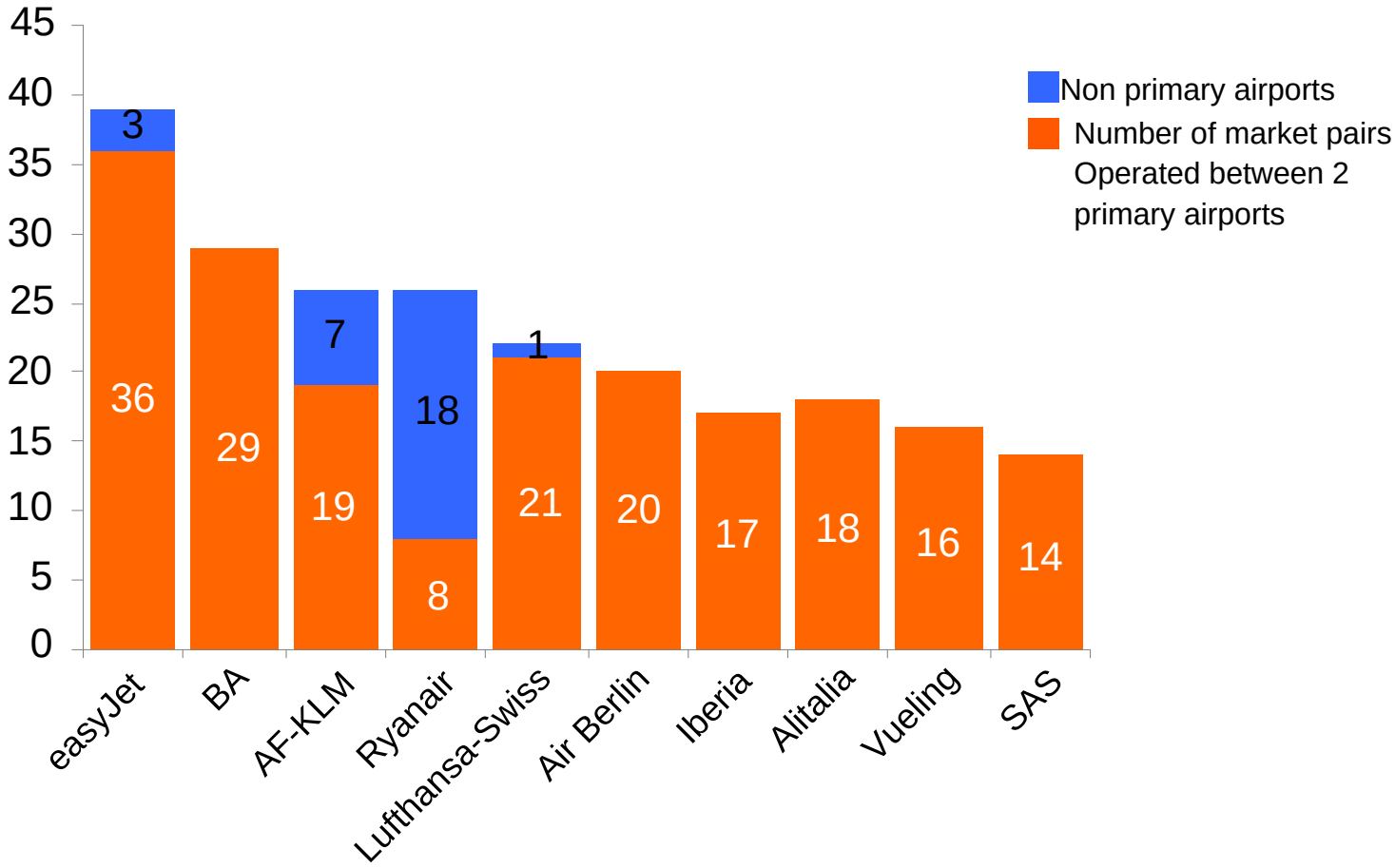
*year to 30 September 2007

Europe’s No 1 Air transport network

- Convenient airports
- Strong positions in key markets:
  - Gatwick No.1
  - Luton No.1
  - Milan No.1
  - Geneva No.1
  - Paris No.2
- No.1 consumer reach
  - Over 289 million passengers within one hours drive
- Broad appeal across geographies and customer types
  - Balanced revenue base



Europe's No 1 Air transport network



Presence on top 100 routes (market pairs)

Source: OAG May08

Strong customer proposition

- Across all customer groups

Business people



VFR & Commuters



Short breakers



Long breakers



- Strong customer perception

Source: Gfk Brand tracker	easyJet	BA	Ryanair
Value for money	No.1	No.3	No.2
Friendly service	No.1	No.2	No.3
Efficient	No.1	No.2	No.3

- Europe's leading airline website



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Driving Financial Performance

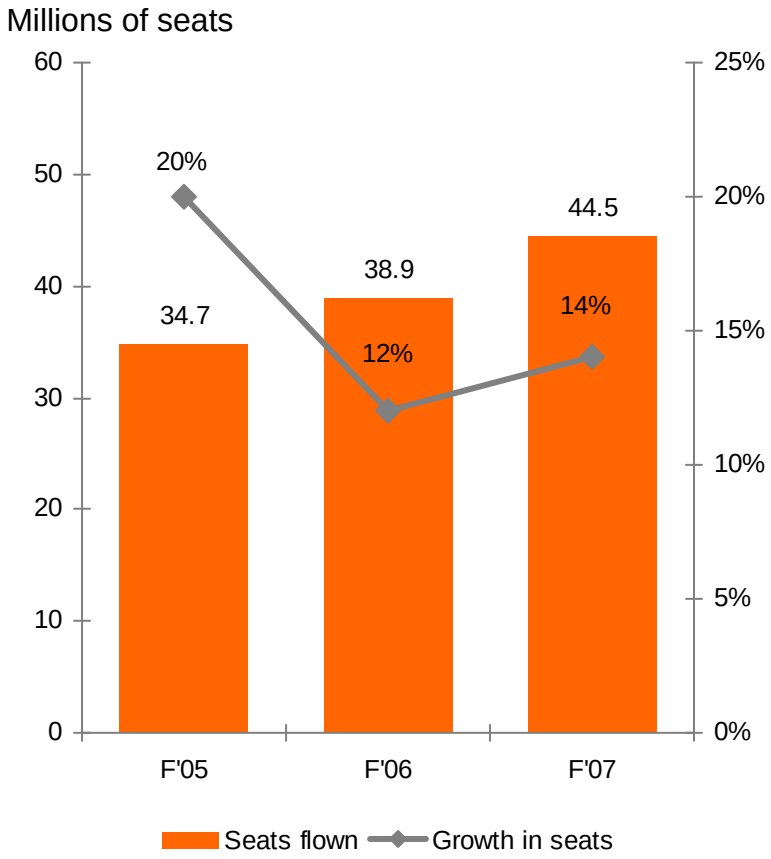
Jeff Carr

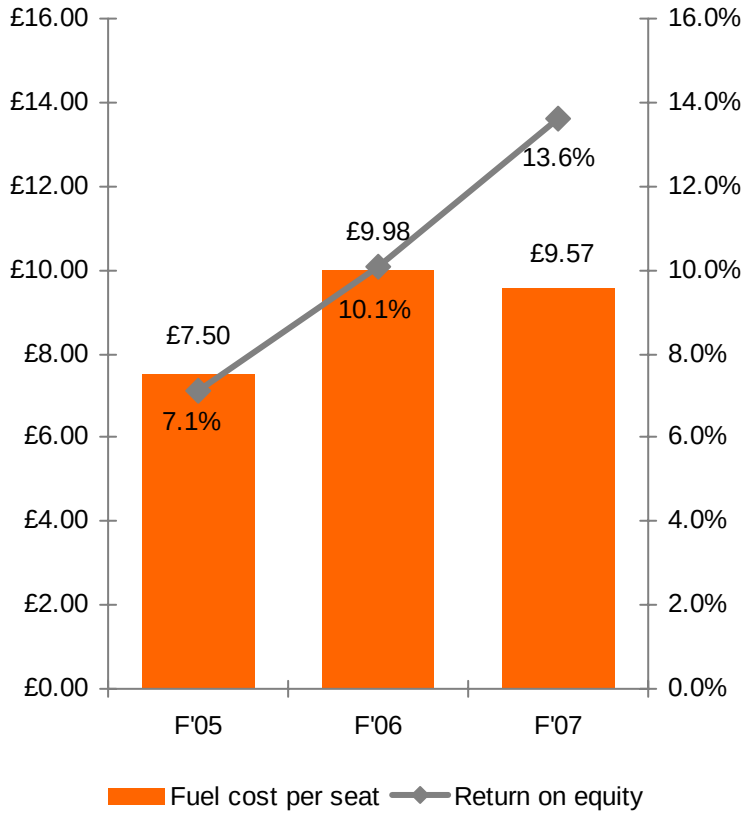
Group Finance Director



easyJet plc

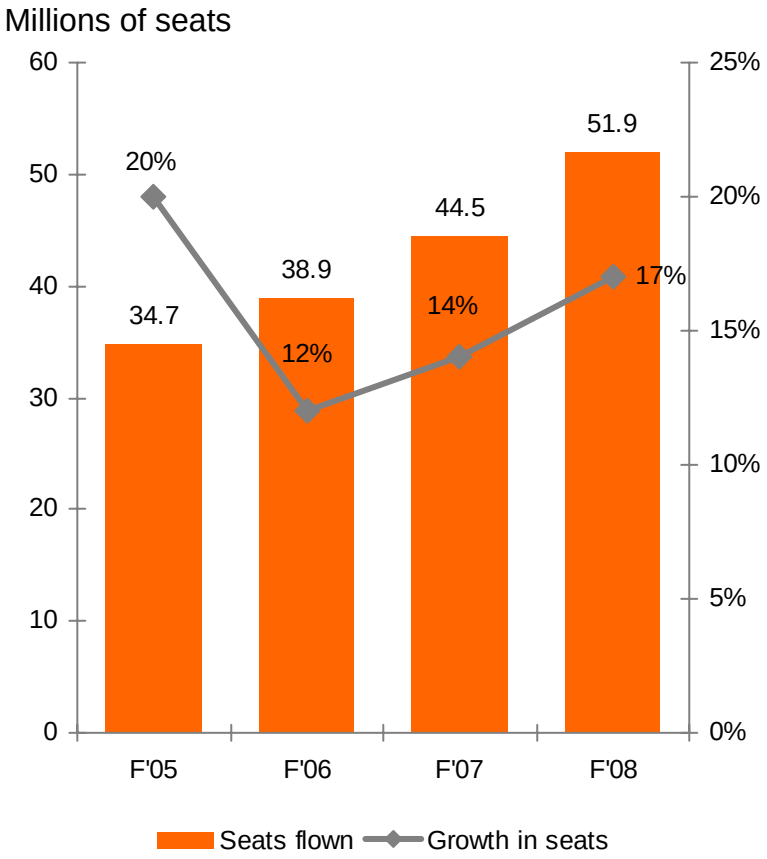
Growth with superior margin improvement

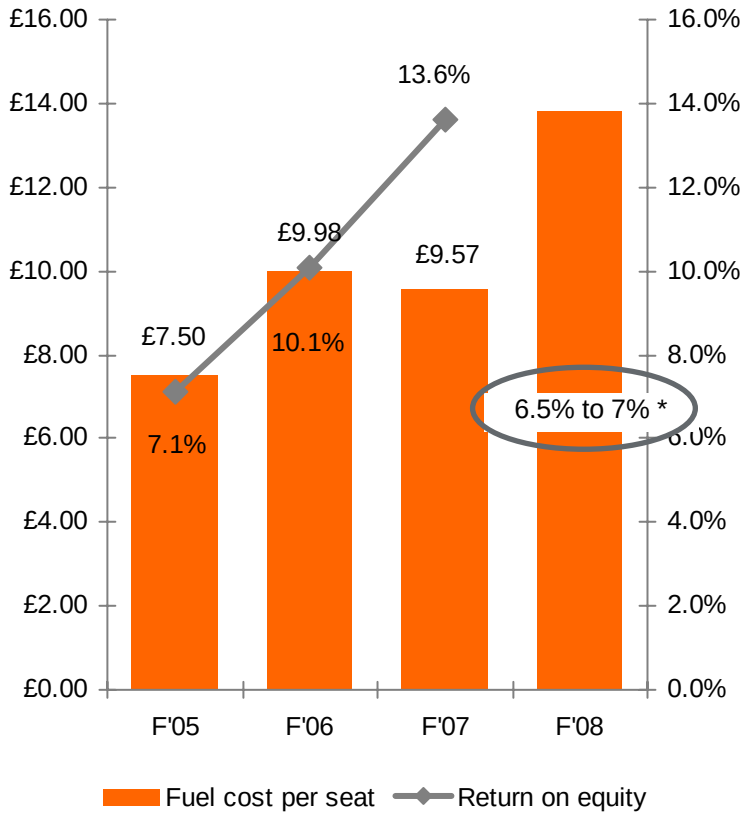




Growth predicated on acceptable capital returns

Fuel impacting industry margins





*Assumes PBT in F'08 of £110m to £120m

Continue to drive underlying business while adjusting short term tactics

Addressing fuel cost increases



Network	✈Tactical reduction in F'09 growth, minimises margin erosion ✈Continue to invest in key markets ✈Address areas of underperformance ✈Fleet plan and financial strength allows flexibility in F'10
Revenue	✈Target superior yield management versus peer group ✈Capitalise on supply side changes ✈Flexibility to react to changing demand patterns ✈Continue to drive ancillary revenues
Cost	✈Cost per seat ex. fuel down 13% over last 3 years ✈Inflationary pressures primarily from airports and regulators ✈Further improvements achievable, clear targets established

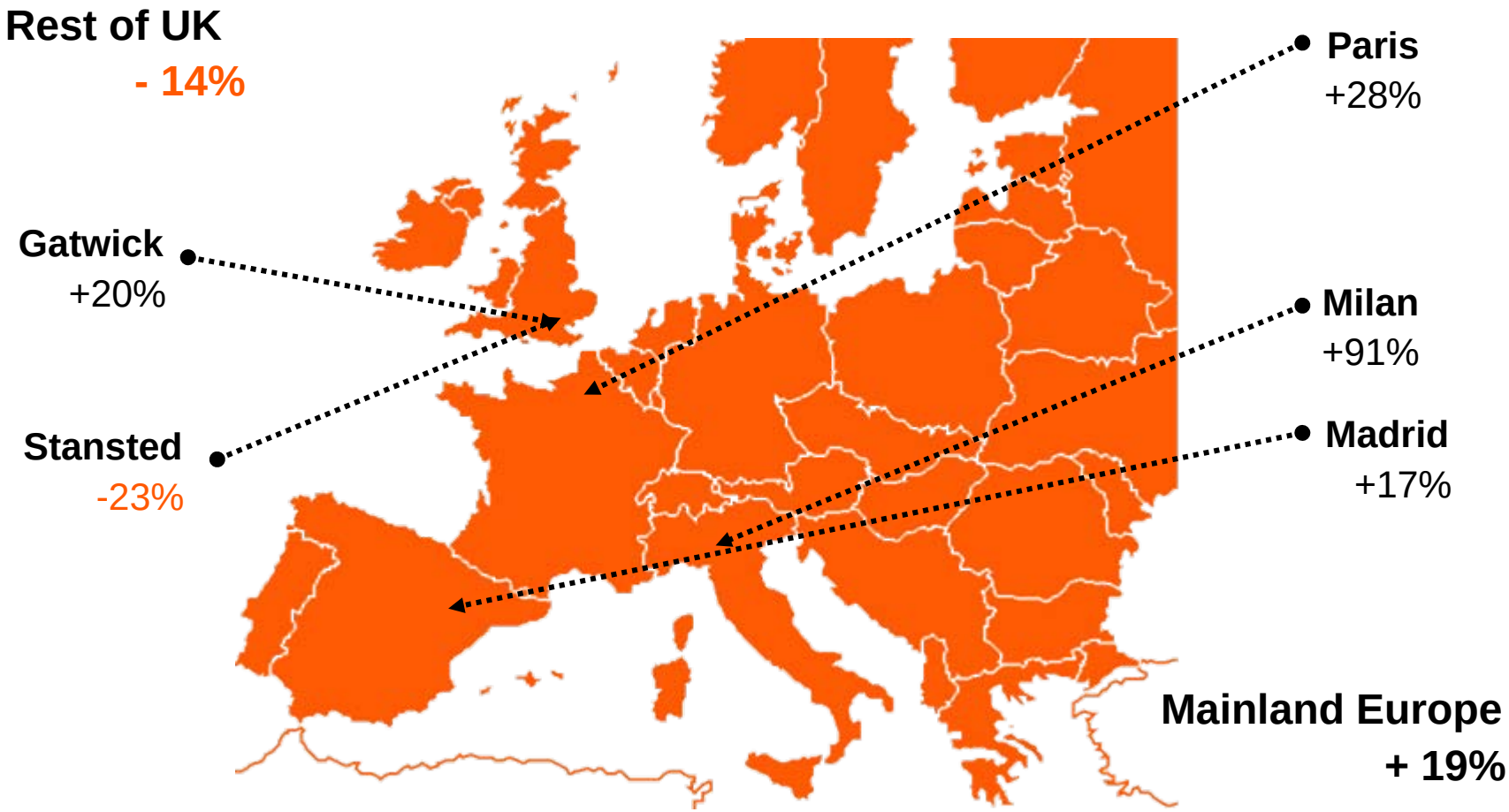
Network - reduced growth F'09



- Accelerated sale and return of expensive aircraft
  - A321 sale progressing
  - Removal of older A319 – 5 offered for sale
  - Accelerated return of B737-700
- Reduced winter utilisation
  - 11.6 hours per day to 9 hours per day for Winter 08/09
- Capacity removed from underperforming markets
  - Dortmund
- Focus on higher value key markets as capacity exits
  - Milan & Gatwick

Overall low single digit growth for Winter 08/ 09

Network - winter focus on key markets



Network – growth flexible beyond F'09



Current fleet plan – 85 deliveries in next 3 years

	F'08	F'09	F'10	F'11
A321 (GB spec)	7	0	0	0
A320 (GB spec)	9	5	0	0
A320 (easyJet spec)	0	15	25	25
A319	120	135	158	175
A320 family	136	155	183	200
B737	29	17	8	0
Total	165	172	191	200

Airbus deferral rights add further flexibility for F'10 and F'11 (not exercised to date)

Growth supported by strong balance sheet

£m	Mar '08	Sep '07
Fixed assets	1,133	936
Cash & money market deposits	850	913
Goodwill and other intangible assets	432	311
Other assets	540	355
Total assets	2,956	2,516
Debt	566	519
Other liabilities	1,227	845
Shareholders' funds	1,163	1,152
Total equity and liabilities	2,956	2,516
Gearing*	29%	20%

*Gearing defined as (debt + 7 x annual lease payments – cash including restricted cash) divided by (shareholders funds + debt +7 x annual lease payments – cash including. restricted cash)

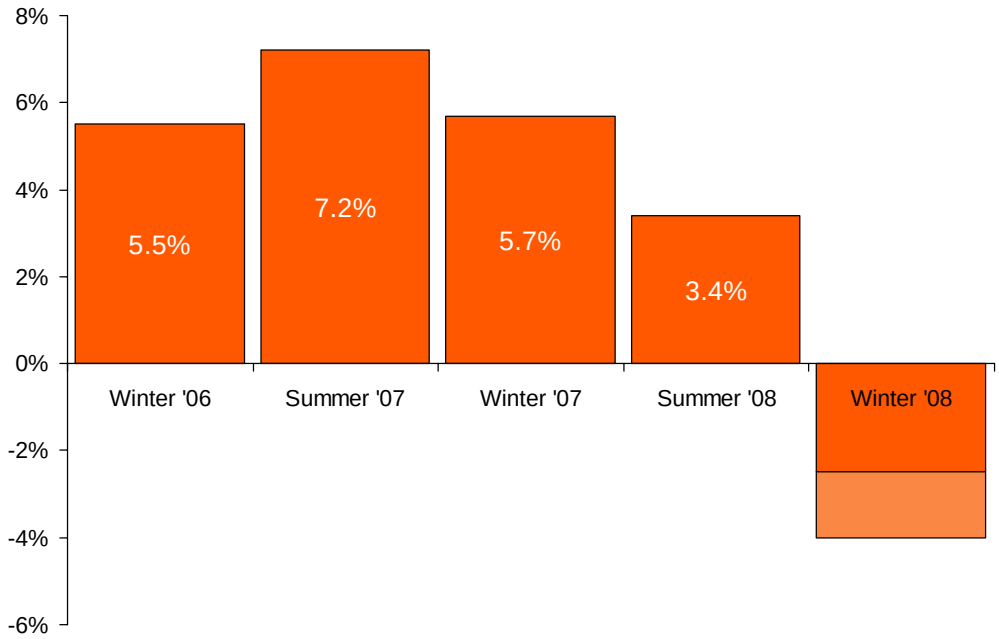
And financial flexibility



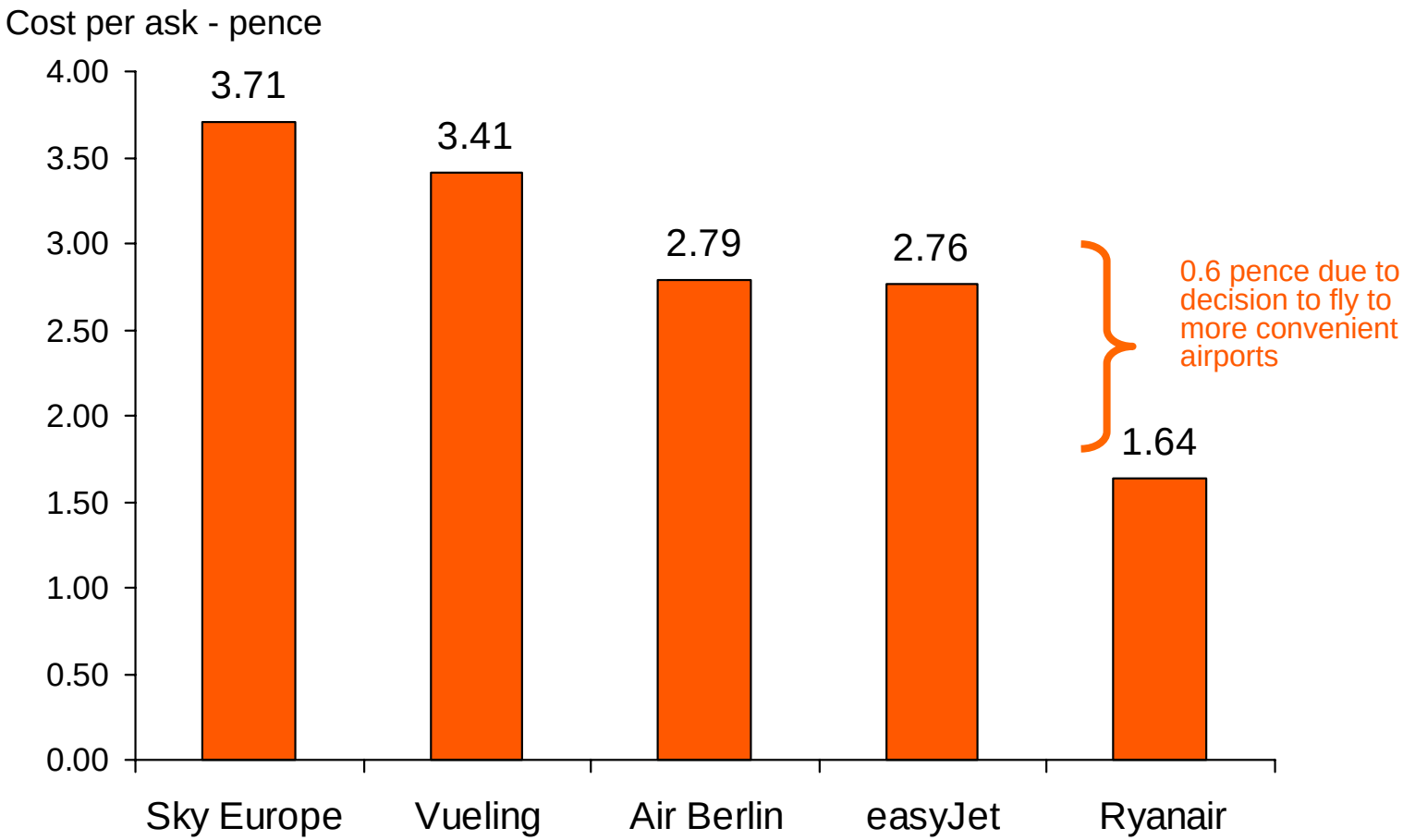
- Capital investment program
  - Continue to finance mainly on balance sheet
    - rebalancing owned versus leased mix; target 70:30
  - Indicative spend
    - F'09 - £500m
    - F'10 - £450m
- Significant financing flexibility
  - Cash at September 2008 year end, expected to be around £900m
  - Significant financing available at excellent rates (<100bp's)
    - 2006 standby facility c. $250m
    - December 2007 facilities c. $1,000m
    - No MAC or financial covenants
    - Availability period c. F'11
  - Flexibility of 23 cash purchased aircraft owned outright on balance sheet
  - Proceeds from sale of 7 A321's and 5 A319's due in F'09 (c.$400m)

Revenue – market capacity continues to slow

- OAG data still unclear; early tentative estimate for the winter is a capacity reduction in European short-haul of between 2% to 4%
- September OAG shows the following reductions for Winter ’08 vs the prior year
  - SAS minus 6.2%
  - Alitalia minus19.9%
  - Span Air minus 25.5%
  - Jet2 minus 51%
  - ClickAir minus 25%
  - Tui Fly minus16%



Costs - how we compare



Based on latest full year reported data:

Costs - need to drive harder

	F'04	F'07	Change
Ownership	£3.82	£2.40	£1.42
Maintenance	£3.54	£2.21	£1.33
Overheads	£5.33	£3.77	£1.56
Airports / handling	£10.51	£10.39	£0.12
Navigation	£3.04	£3.19	(£0.15)
Crew	£4.39	£4.59	(£0.20)
Total	£30.63	£26.55	£4.08



- F'09 costs impacted by price increases at Gatwick, Stansted and Amsterdam
- Clear targets in place for future cost reduction; ownership, crew, overheads and fuel burn

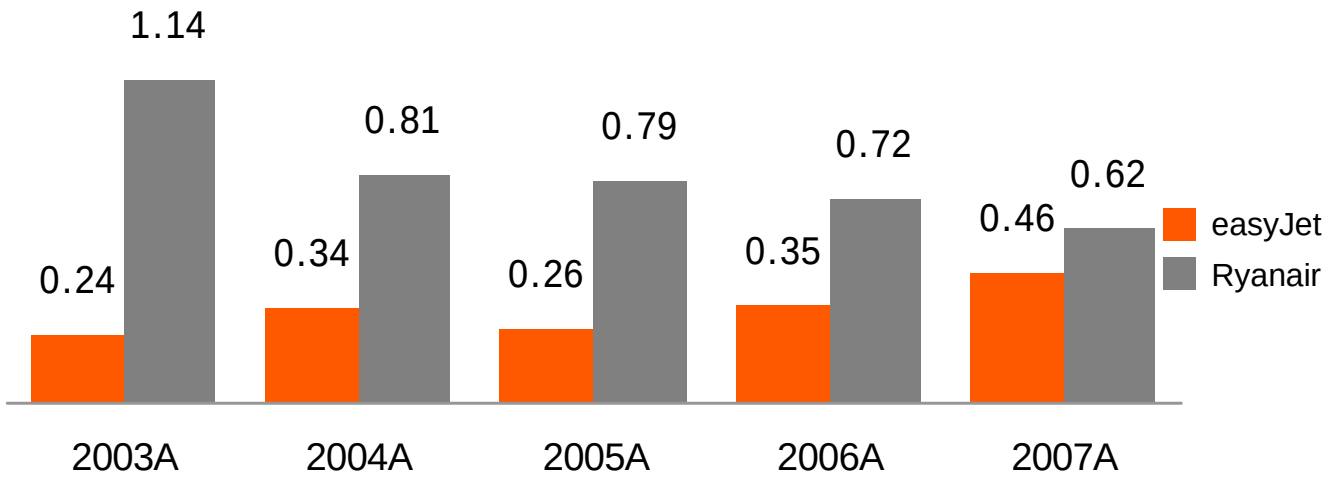
Current trading



- F'08 outlook unchanged
  - Profit before tax : £110m to £120m (before GB Airways one off costs)
  - GB Airways one off costs c. £12m
  - H2 total revenue per seat up mid teens versus prior year (including Euro benefit)
- F'09 will be challenging
  - To minimise margin erosion from higher fuel costs, our growth has been reduced for winter 08/09 to low single digit %
  - The strong year on year growth in total revenue per seat, seen in the summer, will moderate due to annualisation of the benefit from the strong Euro and the weakening UK consumer environment
  - Industry winter capacity changes expected to be in the range of minus 2% to minus 4%. Too soon to anticipate the impact of capacity change on yields
  - Hedging position for F'09
    - 48% fuel requirement hedged at $1,225 per tonne
    - 70% of anticipated F'09 US$ requirement hedged at $1.96
    - 80% of anticipated F'09 Euro surplus hedged at 1.24 euros

The strategy is delivering

Margin performance: RASK-CASK (pence)



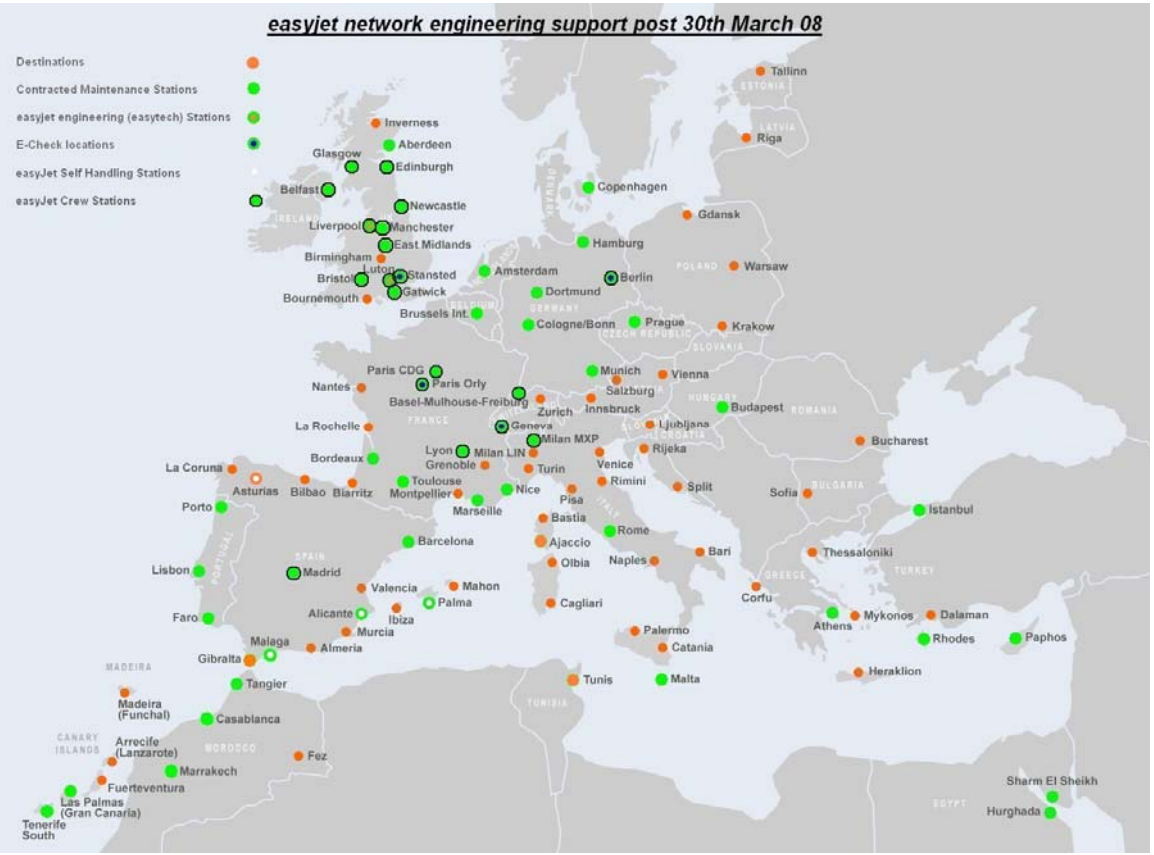
Source: Company data
Note: Year-end September; Ryanair financials are calendarised to September
[1] RASK is revenue divided by available seat kilometres
[2] CASK is operating cost divided by available seat kilometres
[3] Yield is revenue divided by RPK (number of passengers multiplied by number of kilometres those passengers were flown)

Operational Excellence:
Reducing cost, driving efficiency

Cor Vrieswijk
Chris Hope
Ian Davies
Neil Mills
Margit Kulcsar



Operations at easyJet



- Flight operations (1,700 pilots)
- Cabin crew operations (4,000 cabin crew)
- Ground operations (28 countries,106 destinations, 400 routes, 4 self handing bases)
- Engineering & Maintenance (165 aircraft, 4 base mtce bases, 21 line mtce bases)
- Operations control (20 aircraft/crew bases, 1,000 sectors/day)

Low cost and efficient delivery



- Effective and efficient delivery of:
  - Safety
  - Cost improvement
  - On time performance
  - Customer care
  - Employee satisfaction
- Ensuring that operations can support growth and European expansion effectively and at lower cost:
  - Building a world class but low cost organisation
  - Investing in systems to drive efficiency gains and robustness

Building a world class but low cost organisation

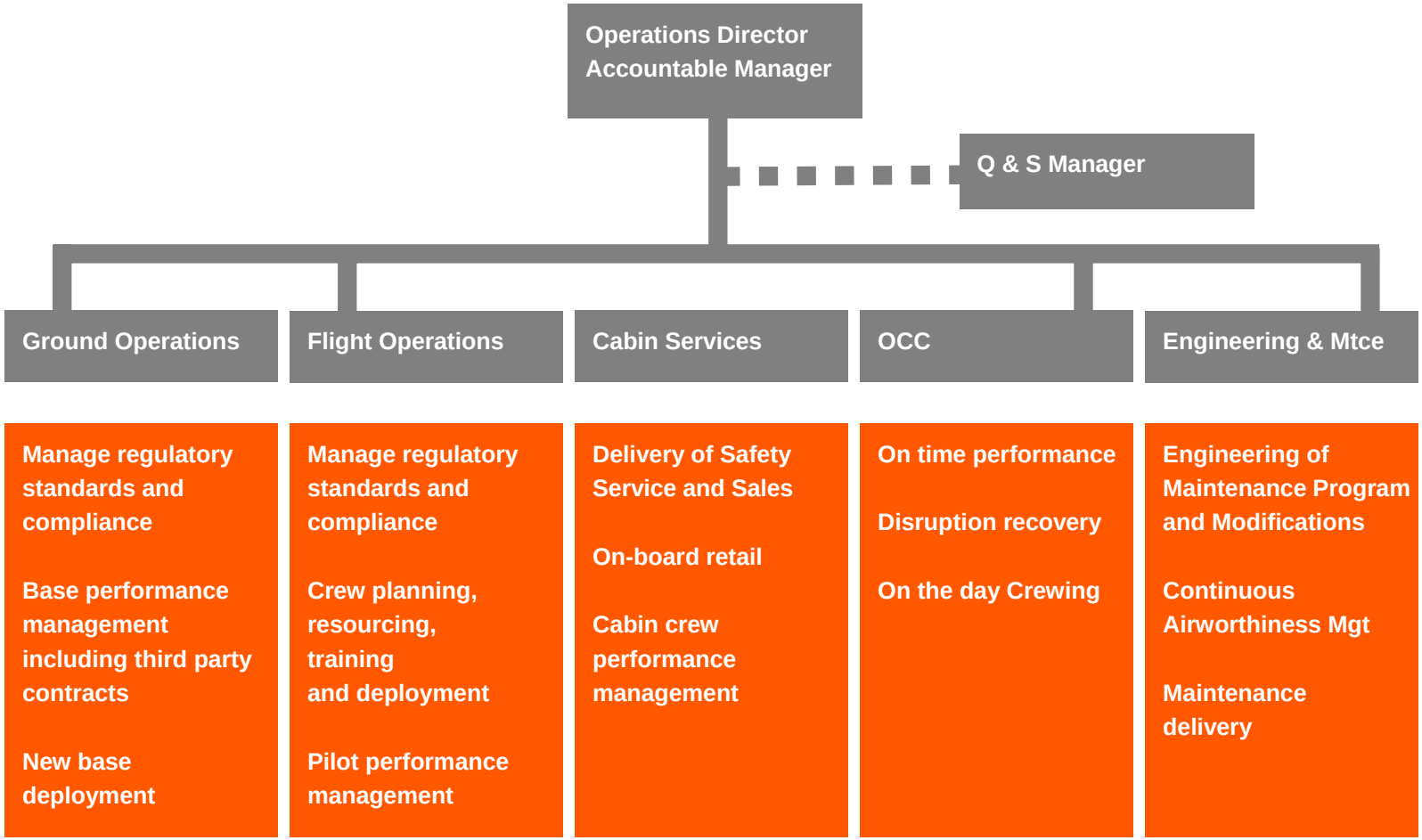
Rapid growth and European expansion has meant the organisation must change to continue be efficient, focused and simple

- Organisation redesign implemented
  - Recruitment of experienced airline managers with low cost mindset
  - In-sourcing of strategic parts of engineering and maintenance
  - IT upgrades in progress
- Organisation is able to scale up and expand efficiently
- Clear KPI's and performance management process in place



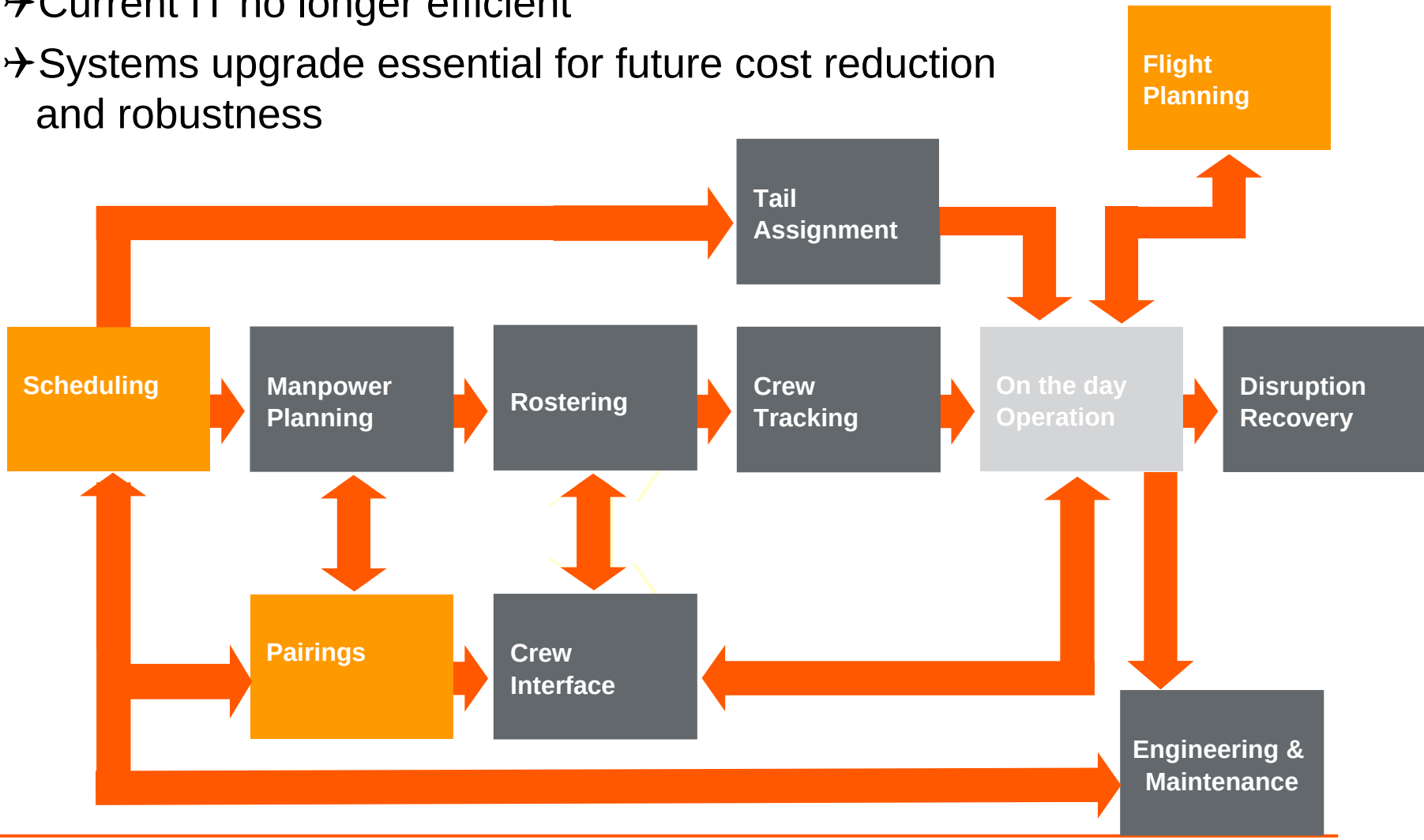
Highly focused organisation

Highly standardised, automated, hands on, focused on efficiency versus the legacy approach



Investing in systems to drive efficiency gains

- Current IT no longer efficient
- Systems upgrade essential for future cost reduction and robustness



Clear targets in place for cost reduction



Ownership	✈Higher cost aircraft exit -**Target £40m p.a. by F'11**
Maintenance	✈Near term additional costs from in-sourcing programme ✈Medium term will drive savings –**Target £10m p.a. by F'11**
Overheads	✈Continue to leverage scale ✈Head office redundancies, 60 heads – **Target £6m p.a. by F'09**
Airports & Handling	✈Above inflation price increases at airports e.g. Gatwick, Stansted, Amsterdam ✈'Share the pain' with suppliers – **Target £9m spread F'08/F'09**
Navigation	✈Growth in line with inflation
Crew	✈Wage inflation 4% p.a. ✈Airbus conversion of 2 bases ✈10% efficiency programme – **Target £30m by F'11**
Fuel	✈Fuel burn efficiency, 3% improvement – **Target £30m by F'11**

Fuel burn and crew efficiency

Chris Hope



easyJet plc

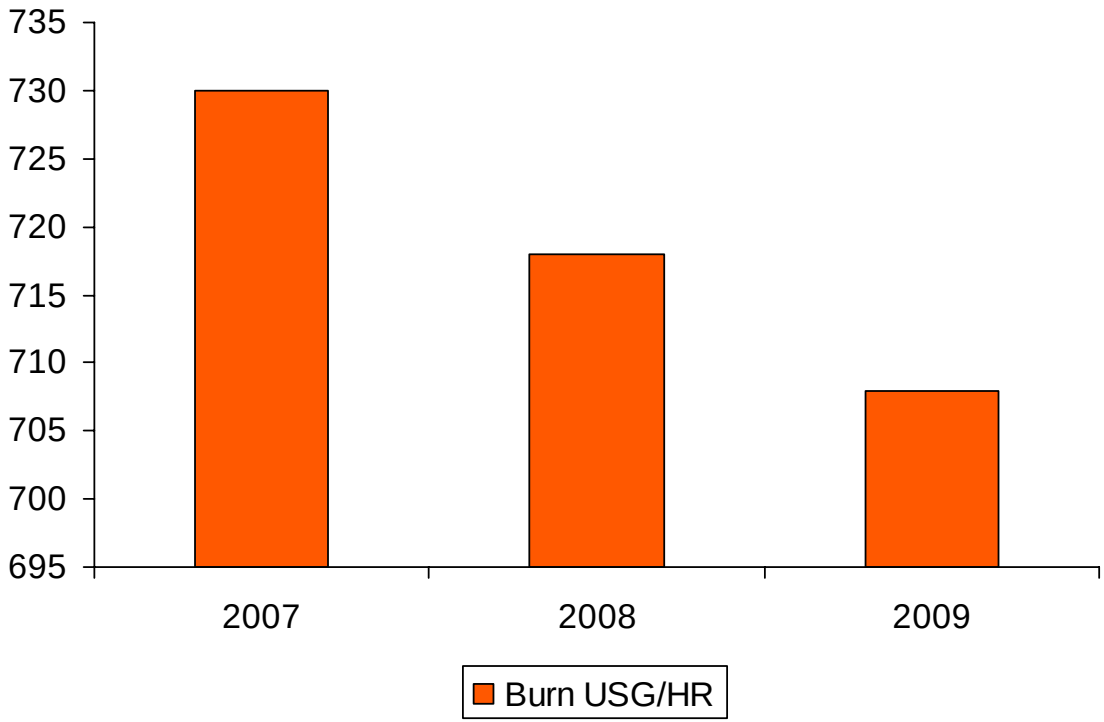
Fuel burn – target 3% reduction

- Safety is our No.1 priority
- Fuel bill is now nearly £1billion p.a. !
- Factors impacting fuel efficiency
  - Aircraft efficiency
    - Average aircraft age 3.5 years
  - Engine efficiency
    - Tech 56 insertion
  - Crew efficiency
    - Operating procedures
    - Pilot technique
    - Fuel policy
  - Operating environment



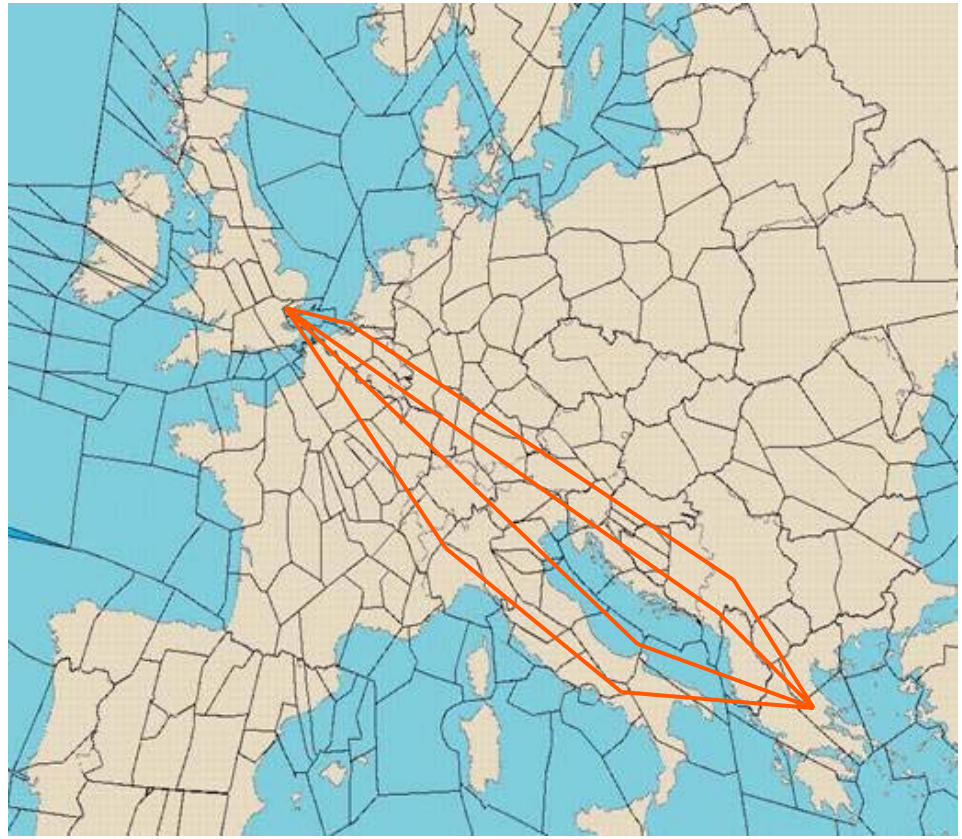
Fuel – good progress made in 2008

- Cross functional initiatives
- Fuel burn assessment complete in 2007
- Data driven analysis



Fuel – more to achieve in 2009

- New 4D flight planning system
  - Improved fuel analysis
  - Overall cost optimisation
- Engine performance monitoring
- Weight saving programme
  - Removable items
  - Lighter equipment
- Crew initiatives
  - Descent planning
  - Operating speeds
  - Acceleration altitude



Crew efficiency – target 10% improvement

- Already highly efficient
  - More productive vs legacy carriers
  - Crew tidy cabin between turns
- Unionised but few rules
- The easyJet difference
  - Simple operation
  - Team orientated
  - Customer focused
  - No frills e.g. crew room



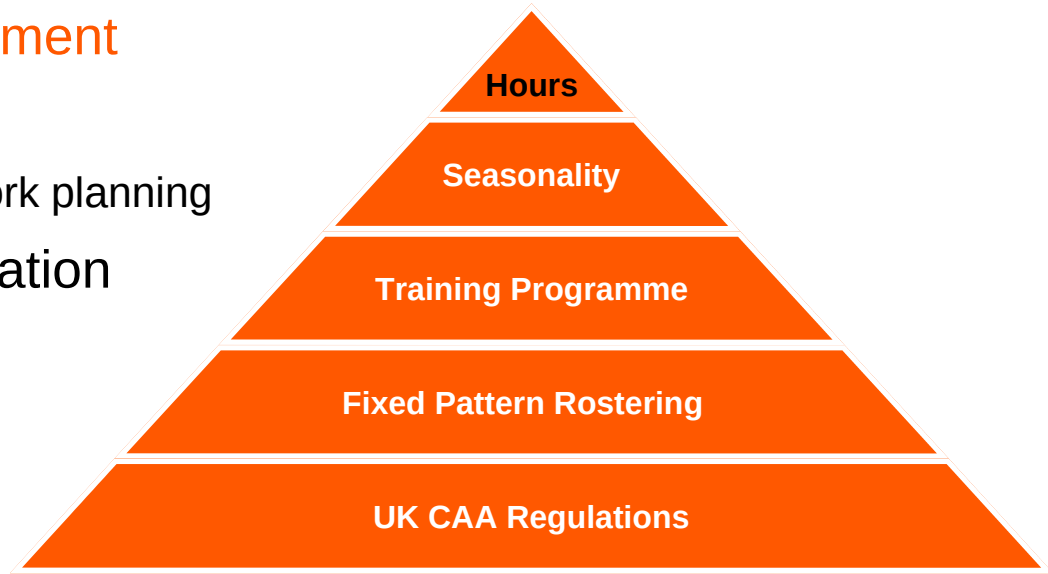
Crew room - Paris CDG

Crew supply chain and productivity



Three streams for improvement

- Processes
  - Connection to network planning
- Systems implementation
  - Roster Optimisation
- Improved flexibility
  - Seasonal contracts



Crew efficiency delivery already underway

Achievements so far…..

- Pairings optimiser
- Evaluation of rules & processes
- Review of basing strategy
- Optimisation of training



Engineering & Maintenance

Ian Davies



easyJet plc

Engineering & Maintenance overview



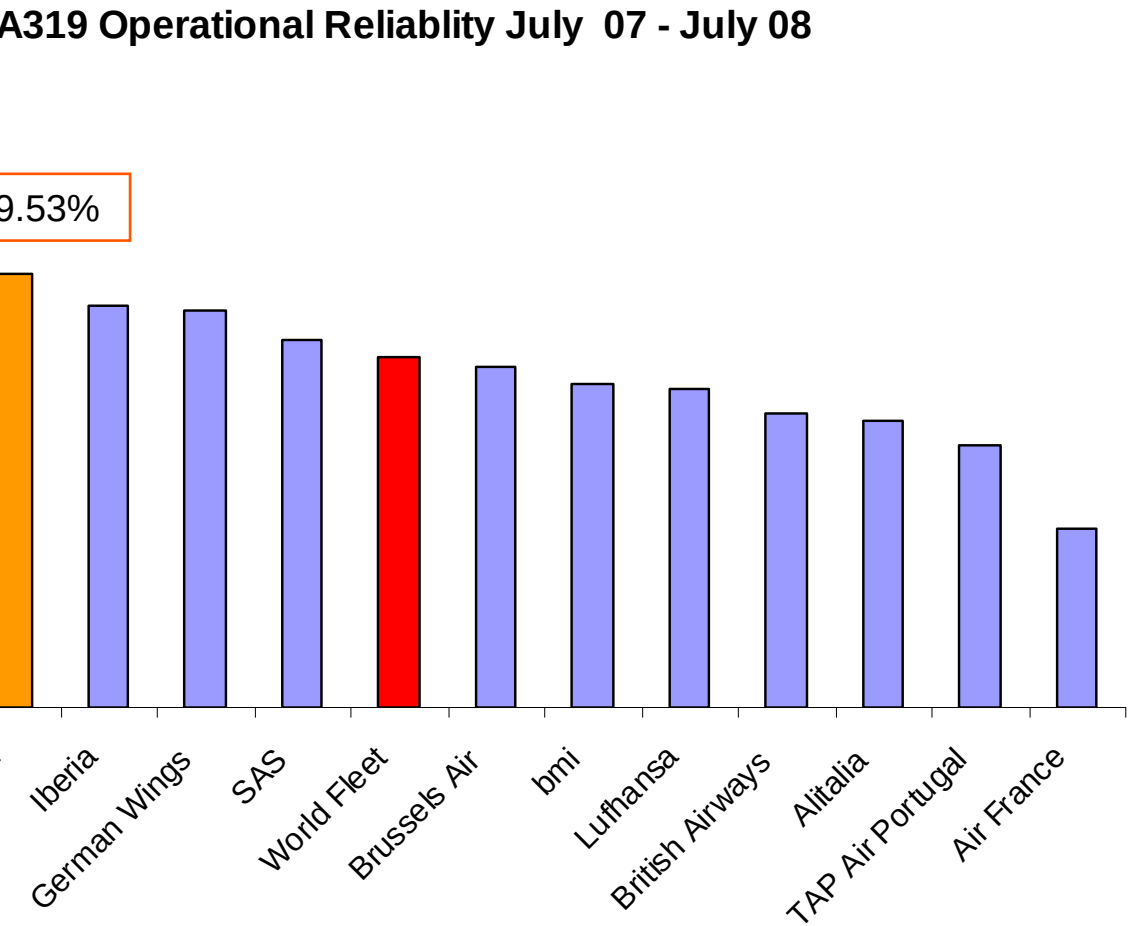
- Objectives
  - Highest standards of safety through SMS System
  - High reliability of A319, A320 fleet & Boeing sub-fleet
  - Continued focus on maintenance cost management
- easyJet maintenance activity predominantly outsourced
  - Outsourced maintenance represents 90% of all expenditure
  - General Electric (GE Wales) & SRT Technics key suppliers
- In the latter stages of a transition programme to build in house maintenance support functions to provide;
  - Optimised maintenance cost
  - Direct control over contract performance and SLA's
  - Direct management of airworthiness certification

Building a world class E&M team



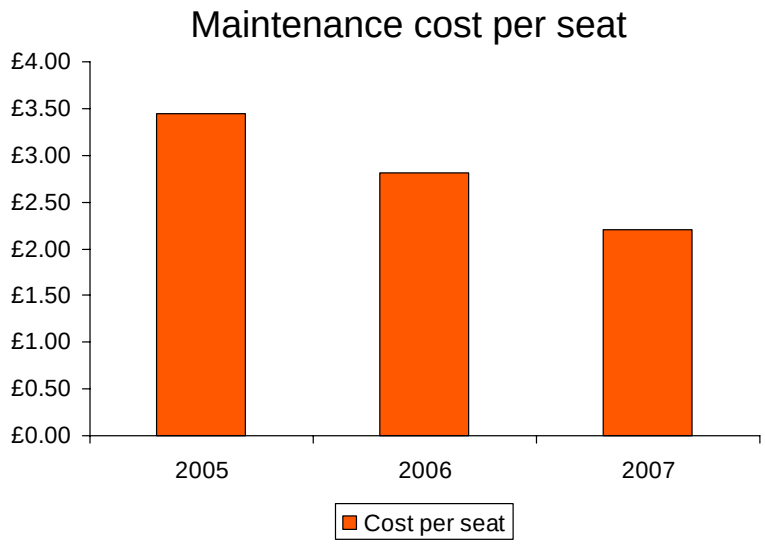
- Stage 1
  - In source Maintenance Operations Control (MOC) from SR Technics in Feb ‘08
    - Direct control over line maintenance planning and allocation
    - Line maintenance performed 18 locations (2 in-house Luton and Liverpool)
- Stage 2
  - Development of internal Engineering Planning and Tech Services management teams by Dec ’08
  - Implementation of Aircraft Maintenance Operations System (AMOS) by June ’09
    - Improved Airworthiness control to allow internal issue of ARC
    - Improved control of records, standards and cost management
    - Mitigate dependency on one supplier (SR Technics)
    - Improved cost control of suppliers and contracts

While delivering good reliability



…..and keeping a tight focus on costs

- Renewal of major contracts (airframes, engines)
- Fleet investment (replacement of 737 700's and ex GB 320 / 321)
- Change in fleet ownership structure
- Leveraging cost reduction through scale and competitive tendering



Airports & Ground Handling

Neil Mills



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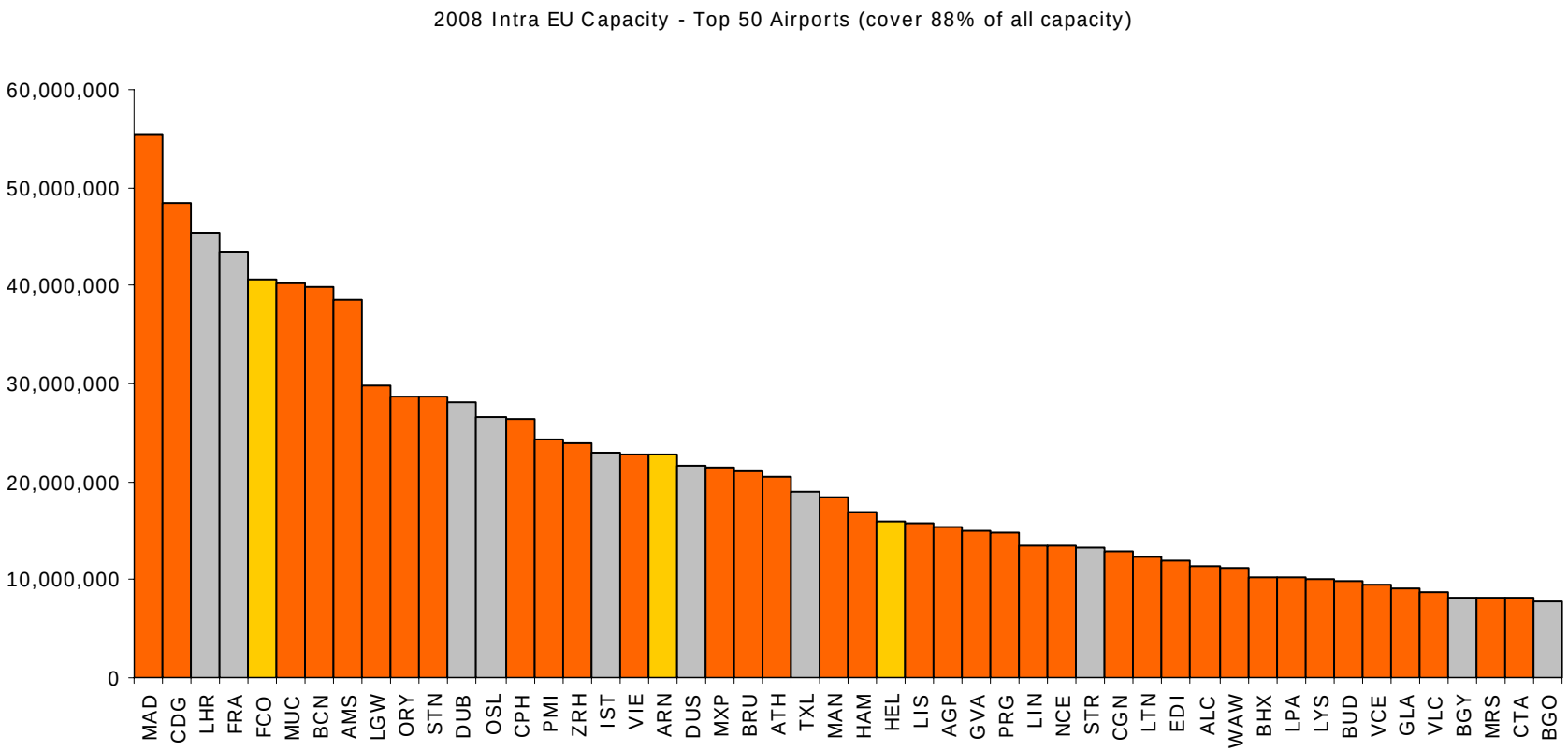
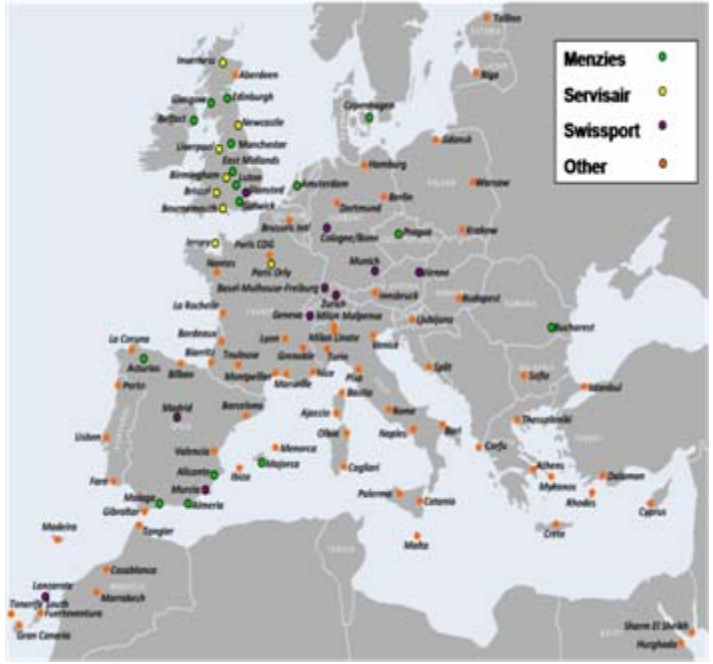
easyJet is present in 37 of the top 50 airports

- Top 50 airports cover 88% of intra European capacity



easyJet's ground handling operation

- Working with strategic partners
  - To further reduce costs by increasing efficiencies
  - Influencing equipment purchasing decisions
  - Close contract management
  - Deliver the customer service standards
  - Three suppliers account for 60% of volume
- Key suppliers include at a network level
  - Menzies, Servisair,Swissport
- At a regional level
  - Goldair Handling, Portway Handling, Group Europe



Delivering results



- GB Airways integration March 2008
  - GB Airways Ground handling saved circa 33%
  - Gatwick Menzies Contract (savings c£350 per turn) 40%
  - Malaga transition (saving c£720 per turn) 45%
- Share the pain – short term
  - Short term “Share The Pain” programme re fuel costs
  - Delivered **£9m** of benefit spread between FY08 and FY09
- Introduction of self handling in Spain
  - Introduced self-handling at 5 Spanish stations Spring 07 saved Eur4.5mil per year
  - Evaluating extension of self-handling at additional Spanish stations
  - Madrid and Barcelona the rates reduced 45%
- Change of terminal / handler in Paris
  - Jan 08 saved 17% of Handling cost or Eur2.5mil per year

Challenges at regulated airports



- Sharp price increases at regulated airports
  - Stansted +88% to £12.57 per pax From 01 Apr 2007
  - Gatwick +25% to £13.66 per pax from Apr/Jul 2008
  - Amsterdam +32% to £28.53 per pax from Nov 2008
  - Paris CDG & ORLY inflation set at 5.5% per year for 3 years
- The magnitude of increase is not acceptable
  - We have withdrawn capacity from Stansted

Opportunities at regulated airports



- London Gatwick
  - Judicial review of the CAA regarding the regulatory settlement
  - Initial position very positive
  - The emerging thinking from the CC re terminal tendering
- Amsterdam Schiphol
  - Formal complaint to the NMa (Dutch competition authorities) under various acts
  - Allocation of the costs is clearly incorrect and favour transfer passengers (Air-France / KLM are 94% of transfer passengers)
  - We have had recent success with similar challenges
- London Stansted
  - Challenge of the expansion plan at Stansted SG2
  - Review has already been delayed by one year
  - Further delay of 3 years is soon to be announced
  - The emerging thinking from the CC re terminal tendering
  - Entire plans are being reviewed in line with our challenges

Regulated airports going forward



- Regulated airports in the UK
  - Working with the Competition Commission (CC) for future airport regulation
  - Emerging thinking about the break up of the BAA is a first step but the best outcome is effective regulation at airports, ownership is a secondary issue
  - Competition between terminals with the runways and taxiways being treated as a “toll road” type infrastructure is a model which we have been proposing.
- Regulated airports in Mainland Europe
  - Working with the authorities in Spain as to how the regulatory mechanism will protect easyJet once the AENA group are partially privatised
  - Working with the authorities in France to ensure that the inflationary increases in Paris are applied on an equitable basis
  - Working with the Competition authorities in Holland to realign the allocation of future charges

Winning in Paris

Margit Kulcsar



easyJet plc

Winning in Paris - the easyJet way

- Paris is an important market for easyJet
  - Second largest airline with 6% share
  - Nine based aircraft between Orly and CDG
  - Broad range of routes
- Making the low cost model work at busy airports
  - Lean, efficient operation
  - Driving cost savings
- easyJet – “the acceptable face of low cost in France”
  - Positive engagement with key stakeholders
  - Good employer – local contracts







Managing turn times in busy airports



- Turn time in Paris is 30 minutes
  - For cost reasons we use air bridges (thus only one point of exit/entry compared to steps).

Delivered via:

- Clear procedures and very close control of their execution
- **Cabin crew** prepare aircraft within seven minutes
- **Handlers** have agreed on contracts where they get penalized when they are responsible for a delay upon departure.
- Clear messages to our **passengers**
  - if you are late we don’t wait, you must be at the gate 10 minutes before your departure time

Reducing cost – CDG terminal move



- Handling agent
  - Europe Handling, part of the CRIT Group
  - Eager to adopt easyJet approach
  - Actively supported ‘share pain initiative’ despite increasing labour costs
- Aeroport de Paris
  - Move from terminal 3 to terminal 2 B March 2008; capacity to grow to 7 million passengers
  - Longer term re -development of terminal 2B with ADP starts in early 2009
  - Aim is to design terminal efficient processes with lower cost infrastructure e.g simple baggage belt
  - easyJet provides ADP with a balance to the dominance of the national carrier

Conclusion

Cor Vrieswijk



easyJet plc

Reducing cost, driving efficiency



- Clear targets for cost reduction
- Investment in systems
- Efficient, scaleable pan European organisation

Safety

Captain Simon Stewart



easyJet plc

Safety – our vision



"Safety is our No.1 priority"

- Everyone committed to maintaining a safe and secure operational environment for our customers, our staff, and our shareholders

- Our goal is more that just regulatory compliance, our focus is proactive risk management, underpinning the needs of the business

We manage risks inherent in the system

Key risks:

- Cultural differences
- Operational environment
- Crew experience gradients
- Fatigue

System Risk Assessment & Process Analysis

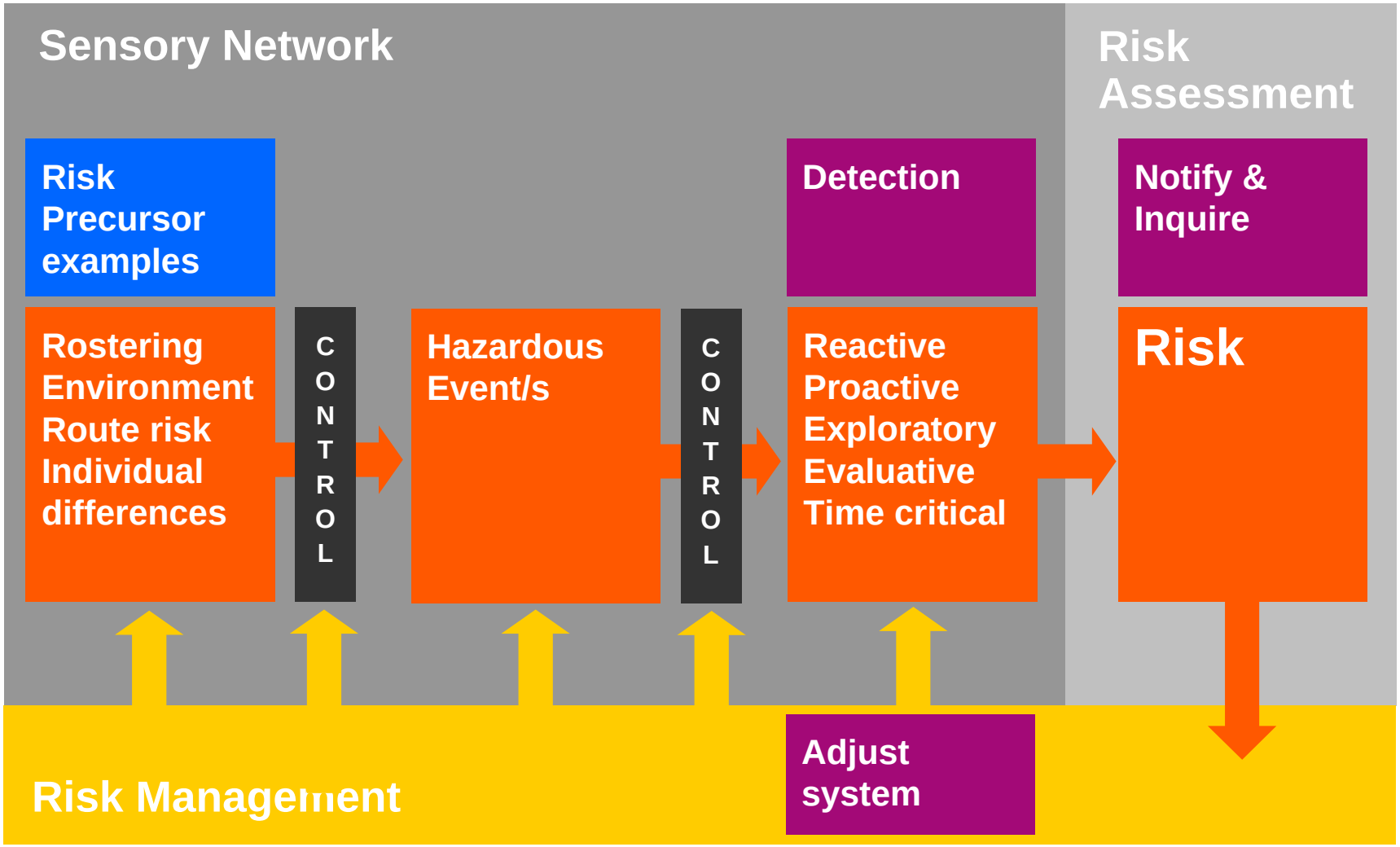
easyJet SAFETY RADAR



SIRA © **SAFETY ENGINE**

Self- Regulation

Tactical and strategic risk oversight

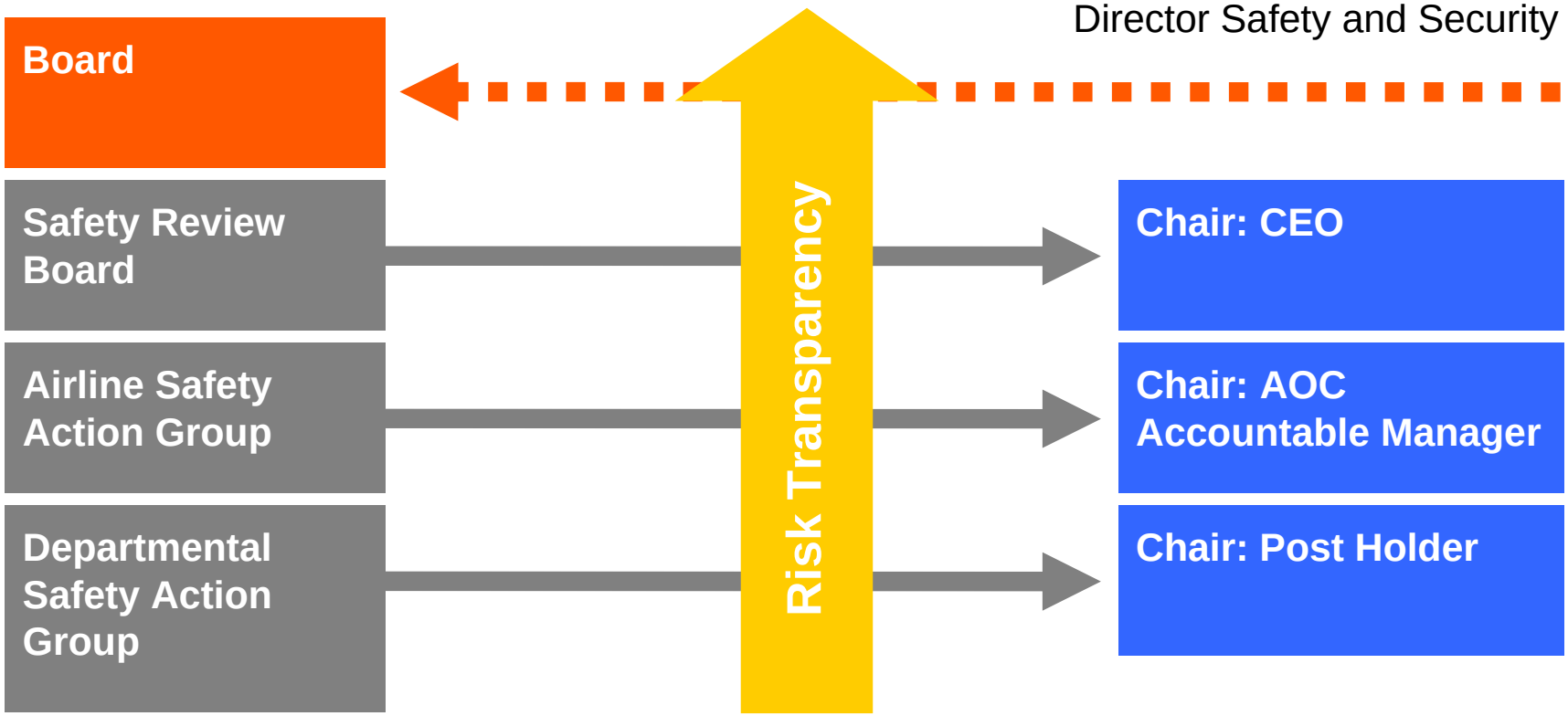


easyJet risk performance is improving



- Composite risk index (value/thousand sectors represented as Airline ASK/RV.)
  - Risk value current bench mark 0.8/1000. KPI set to maintain against company expansion rate versus ASK. Currently 0.81/1000.
- Safety Reporting Culture
  - Safety Reporting rate KPI 30/1000 flights. Currently 45/1000 sectors
- Safety Investigations
  - 90% MOR events Investigated within 30 days. On target.
  - 90% ASR events Investigated within 60 Days. On target.
- Flight Data Monitoring
  - Flight Data recovery within 24 hours.
  - 98% recovery rate currently 100%
- Quality Findings
  - 90% findings closed within set time scale (30 or 60 set against risk level).
  - On target.

We manage the risks inherent in the system



Just Culture

easyJet continuing to invest in safety

- easyJet strives to remain at the cutting edge of risk management capability to meet easyJet operational risk oversight and future regulatory requirement
- Our strategic partners:
  - Regulators
  - Rule Makers
  - EU HILAS programme
  - NASA
  - Academic Institutions



People

Mike Campbell, People Director



Engagement into delivery

People
- Job opportunities
- Financial reward
- Pride and satisfaction

Customers
- Market-leading low-cost
- Quality schedule
- Reliable service

Shareholders
- Capital growth

Investment and growth



Reward focused on performance



- Basic pay at market median
- Pay linked to productivity and delivery
  - Pilots 15+%
  - Cabin crew 70+%
  - General and administration 40+%
  - Senior management 150+%
- No frills, no seniority
- 85% employee share ownership
- Different countries, different timing, locally focused

Great results

easyJet 2008 Pulse

	2006	2008	Norm
Response Rate	67%	72%	
Overall Satisfaction	68%	72%	55%
Engagement	65%	70%	51%
Employer Advocacy	62%	74%	41%
Service Advocacy	72%	72%	46%

Case study: our people deliver great results

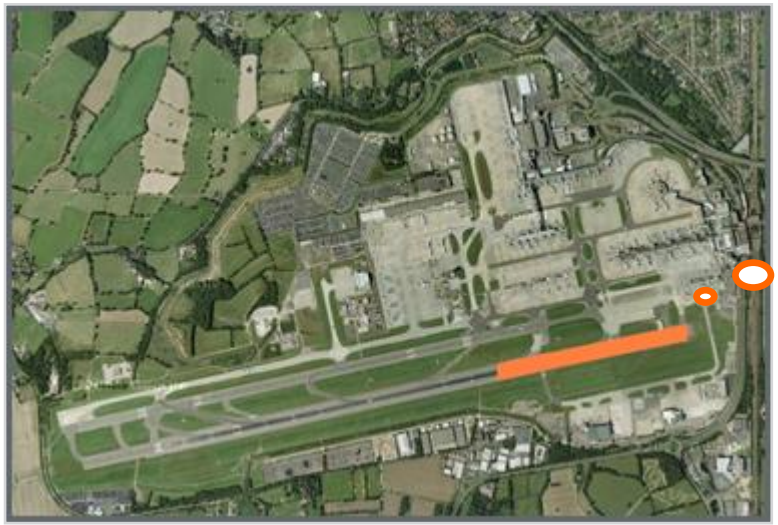
- GB Airways integration: changing colours
  - 15 Aircraft (9 x A320's and 6 x A321's)
  - 28 Gatwick slot pairs (plus Manchester)
  - Occupying North Terminal at Gatwick
  - 1,030 People primarily based at Gatwick



GB AIRWAYS

Case study: GB Airways

- Tight process discipline
- Light touch – no bureaucracy
- Receiving manager – clear accountabilities



easyJet has 36% of the capacity at LGW



Our people make the difference

- Drive in-flight revenues
- Customer care

	Friendly	Approachable
easyJet	49%	41%
BA	47%	38%
Ryanair	34%	27%



Customer:
Commercial Strategy and Execution

Saad Hammad – Chief Commercial Officer
Catherine Lynn – Head of Network Management
David Osborne - UK General Manager
Francois Bacchetta – France / Italy General Manager



Commercial strategy



- **Maximise product attractiveness**
  - Distinctive customer proposition through:
    - broad customer appeal
    - focus on key purchase drivers
    - listening to customers and acting on it
  - Network development translates proposition into appealing schedule:
    - leading presence on key routes across Europe
    - continuous improvement in schedule quality
    - active management of route portfolio
- **Drive website footfall**
  - High impact advertising, localised by market
  - Supplemented by structured promotional and website merchandising programme
- **Convert to purchase**
  - Proprietary pricing system
  - Up-sell through innovations e.g. dynamic packaging, Speedy Boarding

Broad customer appeal

Revenues roughly equal across all groups - not overly dependent on any one category

Business people



- Main city airports
- Schedule quality
- Excellent OTP
- Distribution key:
  - easyJet.com
  - GDS
  - Self-booking tools
- 60 day online check-in; Speedy Boarding
- Ticket flexibility
- Opportunities from trading down

VFR, 2nd Homers & Commuters



- Identify trends and respond to changing patterns e.g.
  - Poland downsizing
  - Romania to Spain/Italy
  - Bulgaria emerging 2nd home market (ski)
- Additional seasonal capacity

Short breakers



- Attractive and ever-fresh mix of destinations
- Quick city access
- Weekend timings
- Best-in-class hand baggage allowance

Long breakers



- Broad range of destinations
- Priority boarding for young families
- Pre-paid excess baggage and Family Bundle
- Great deals with hotel and car rental partners

We deliver against key purchase drivers

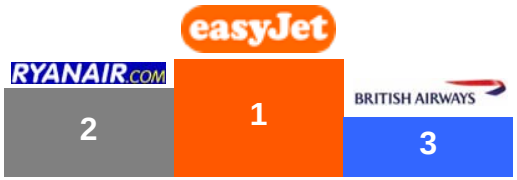
Key drivers of purchase intention

Cost
Low Fares & Fare Transparency
Value for Money

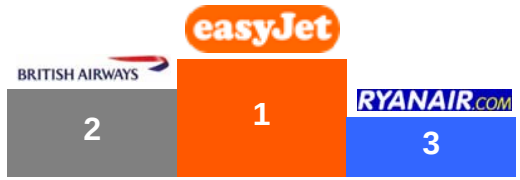
Convenience
Schedule & OTP
Network & Airport Location
Booking System & Online Check-in

Care
Friendly & Helpful Staff

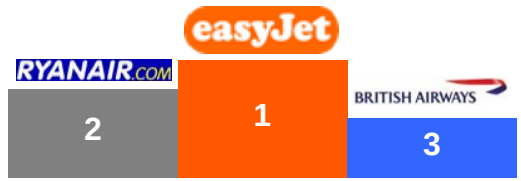
easyJet vs Main Competitors: Pan-European ratings



Good Value For Money



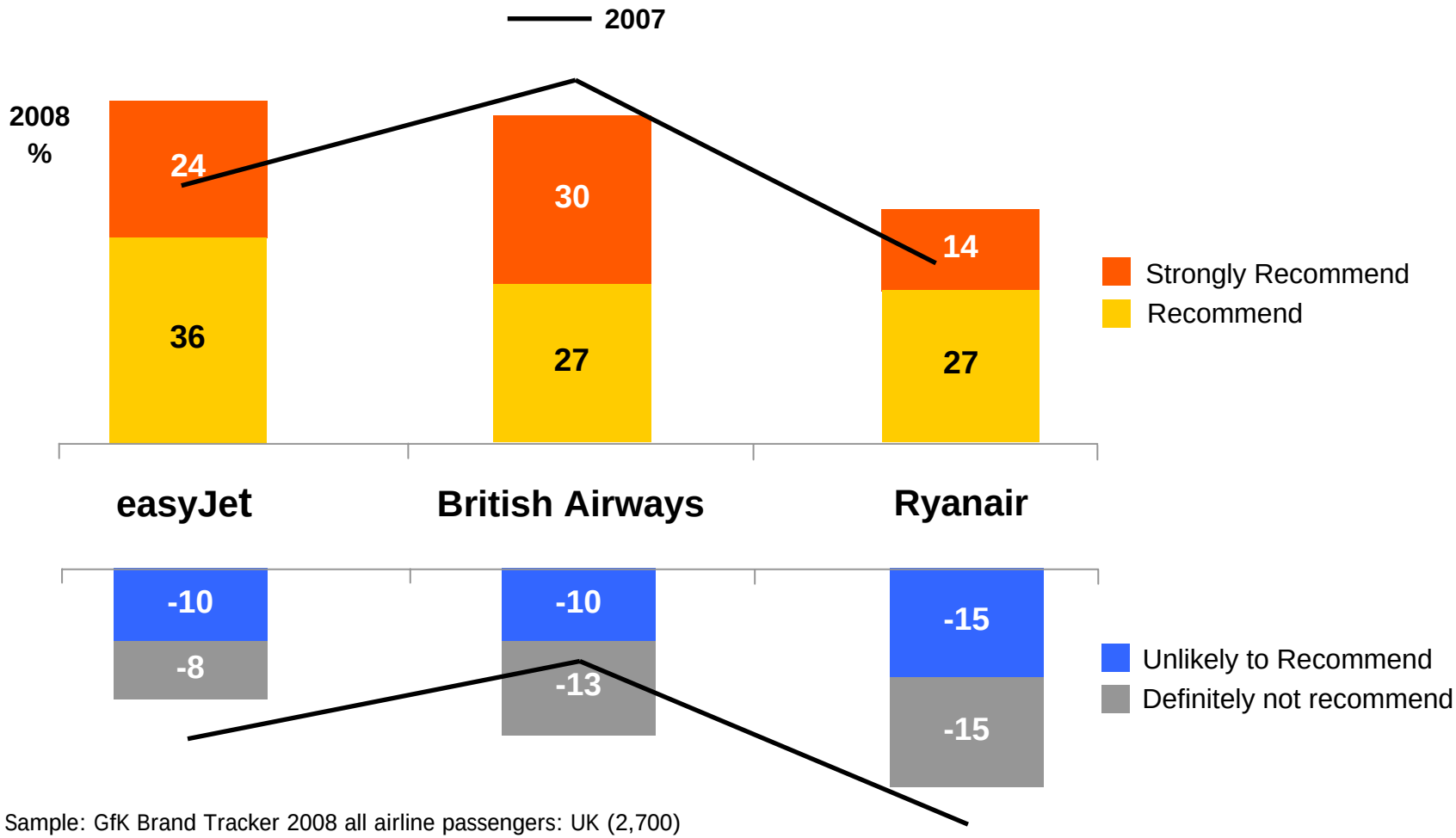
Friendly Service



Runs Flights On Time

Sample: GfK Brand Tracker April '08 all airline passengers in last 12 months: UK, France, Germany, Italy, Spain & Switzerland (5,008)

Customer advocacy is strong in the UK



Sample: GfK Brand Tracker 2008 all airline passengers: UK (2,700)

Advocacy is also growing in Mainland Europe

easyJet strengths vs competitors in *all* markets

- ✓ Good value for money
- ✓ Low fares
- ✓ Innovative
- ✓ Approachable

Growth in Domestic Recommendations



easyJet + 13%
Air France + 2%



easyJet + 15%
Lufthansa + 4%



easyJet + 8%
Alitalia - 13%



easyJet + 8%
Iberia +1%



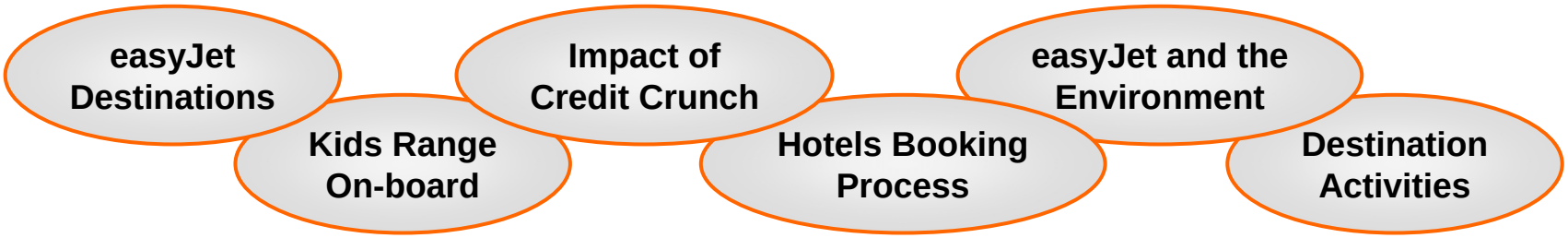
easyJet + 14%
BA -7%

Sample: GfK Brand Tracker 2008 all airline passengers in last 12 months: UK, France, Germany, Italy, Spain & Switzerland (5,008)

Customers - integral to product development

easyJet Community

- We have built a research forum to enable ongoing dialogue with our customers
  - representative sample (2000 customers) which engages twice weekly
- No other airline has an ongoing real-time customer dialogue in this way
- Recent topics include:



Network objective and strategy



Objective:

- **Paint Europe Orange**: establish easyJet as the short-haul airline of choice across Europe's largest unique catchments and point-to-point passenger flows

Measures:

- Population coverage; presence on top 100 routes
- Market share; % where we are no. 1 or 2

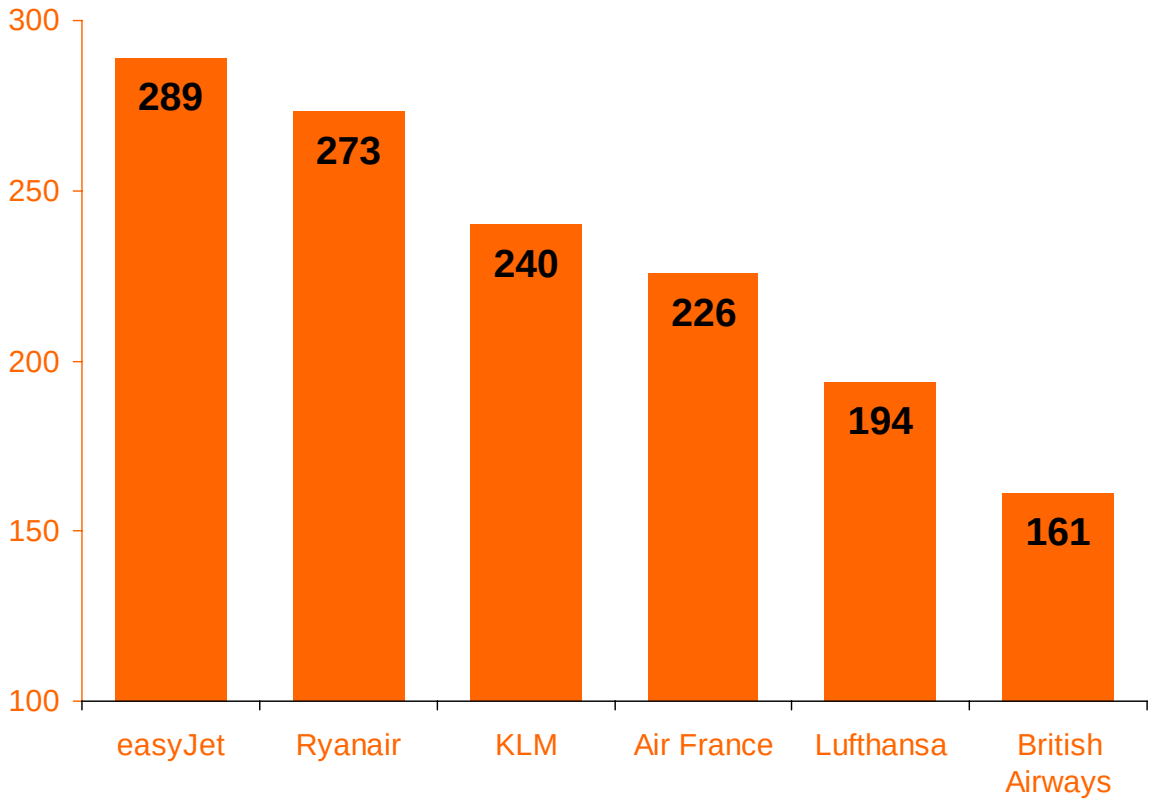
Strategy:

- Prioritise capacity investment in largest catchments and traffic flows
- Deliver optimal product quality: easy-to-access airports, right time of day, frequency
- Deliver lowest cost on any airport pair
- Balance risk through portfolio approach (geographies, competitors, route types, passenger profiles)

FY09 - pick off opportunities as they arise

Leadership in population coverage

Consumers (m)

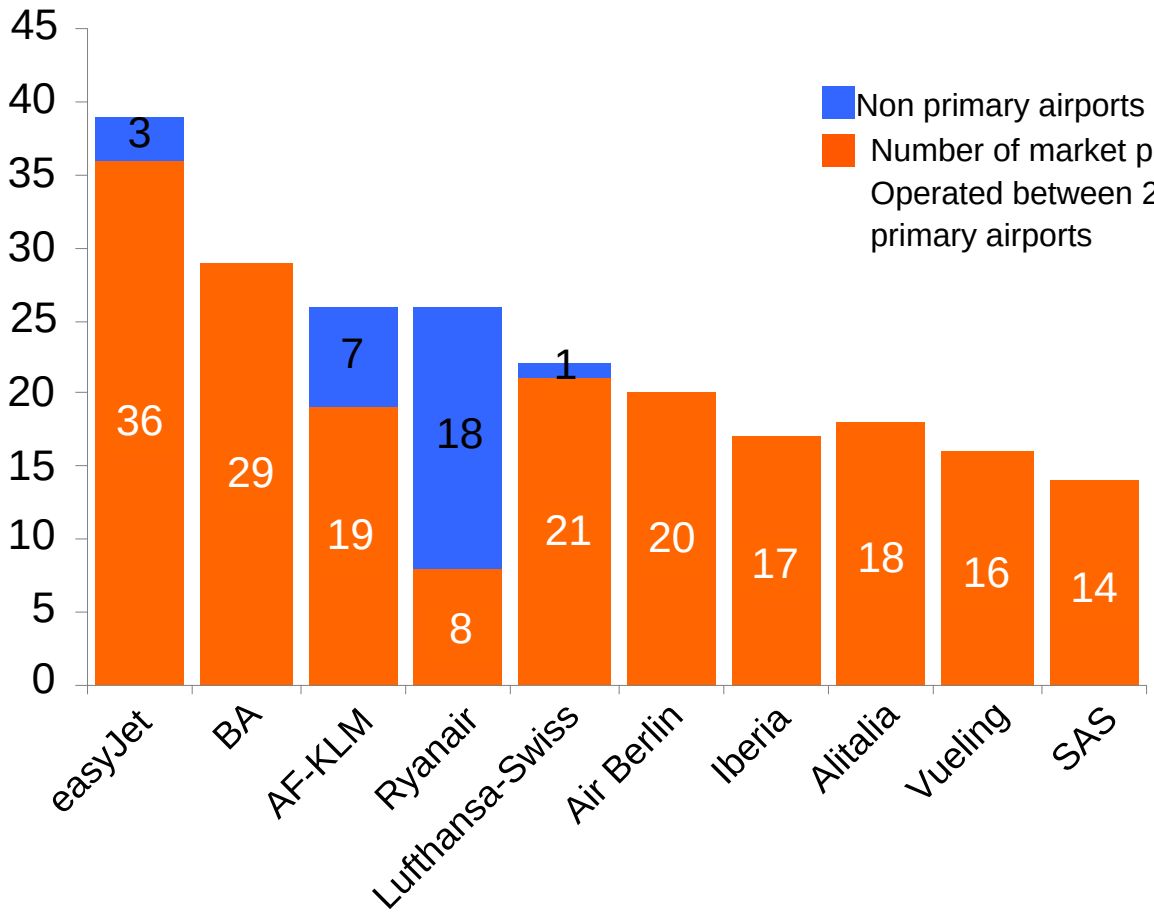


289m consumers within 60 minutes drive time of an easyJet airport
Europe's number 1 transport network

103 network points



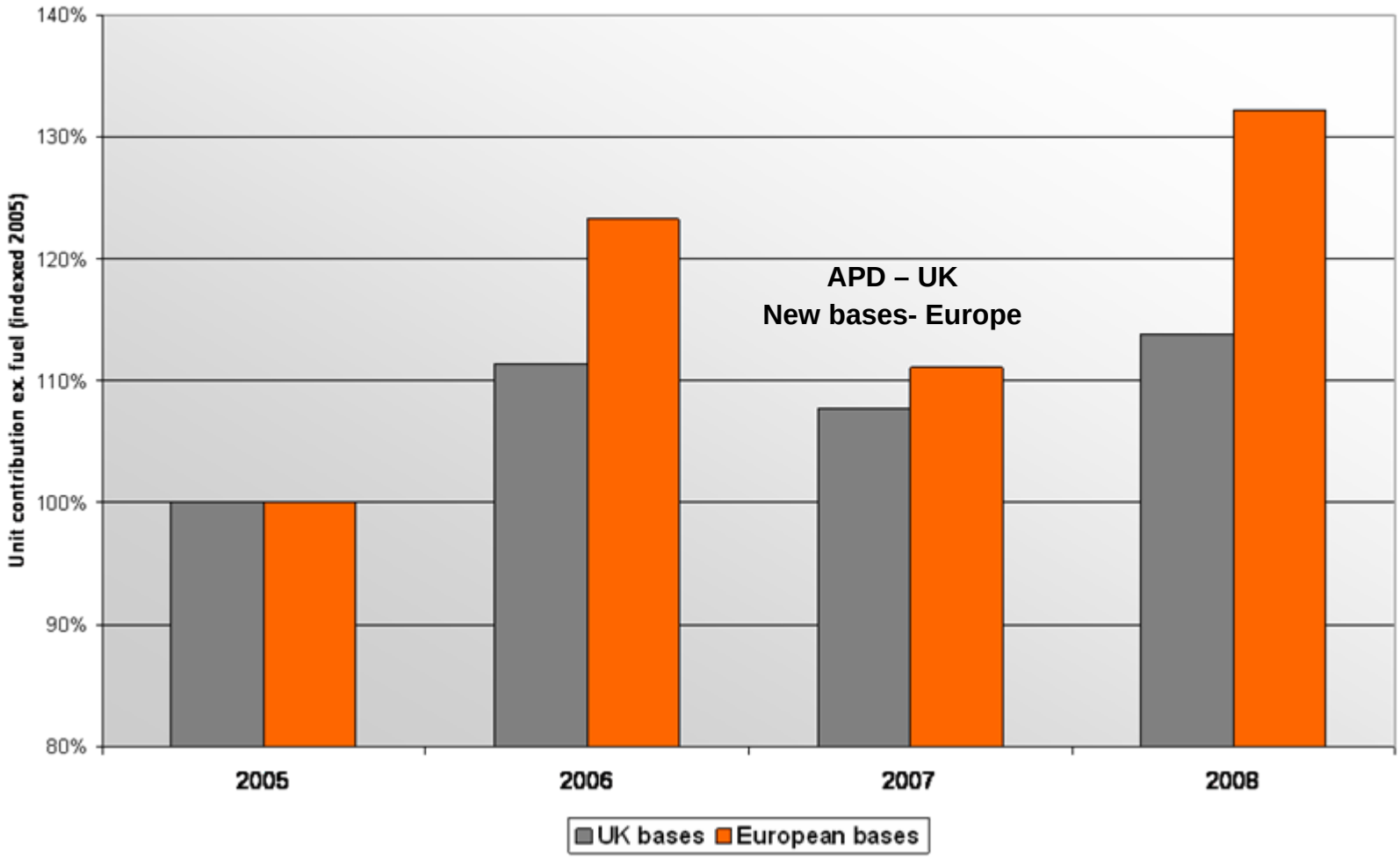
Europe's No 1 Air transport network



Presence on top 100 routes (market pairs)

Source: OAG May08

Investment in Europe is improving margin mix



We have been improving schedule quality

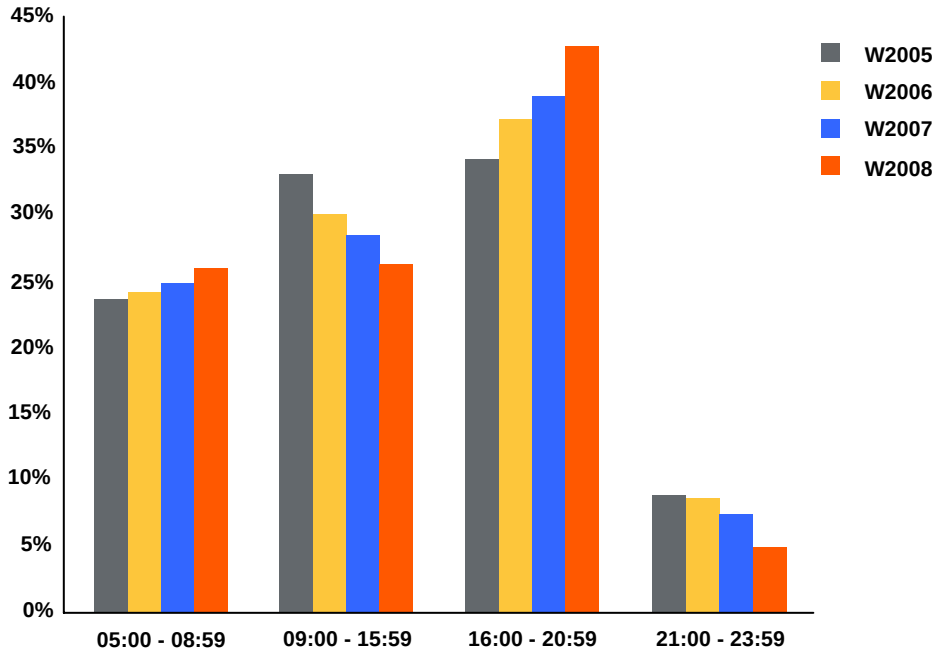
More routes with more frequencies

Daily Frequency	2005	2008
<1	9	68
1	141	242
2	48	55
3	18	30
4+	20	20

Growing in new markets

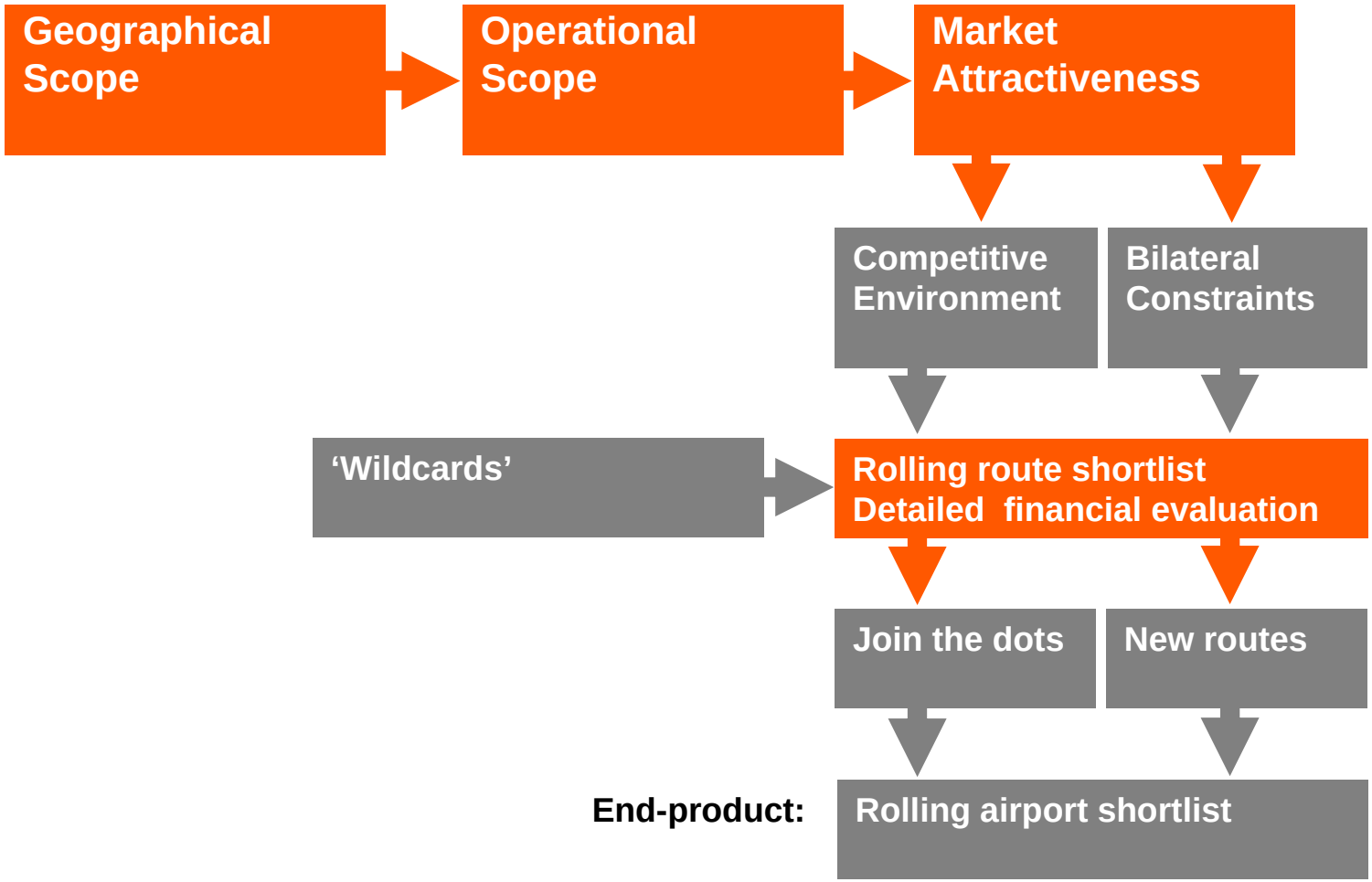
Increasing frequency on top 100 routes

Increasing peak departures for time sensitive customers



Route selection is a robust process





We actively manage our portfolio

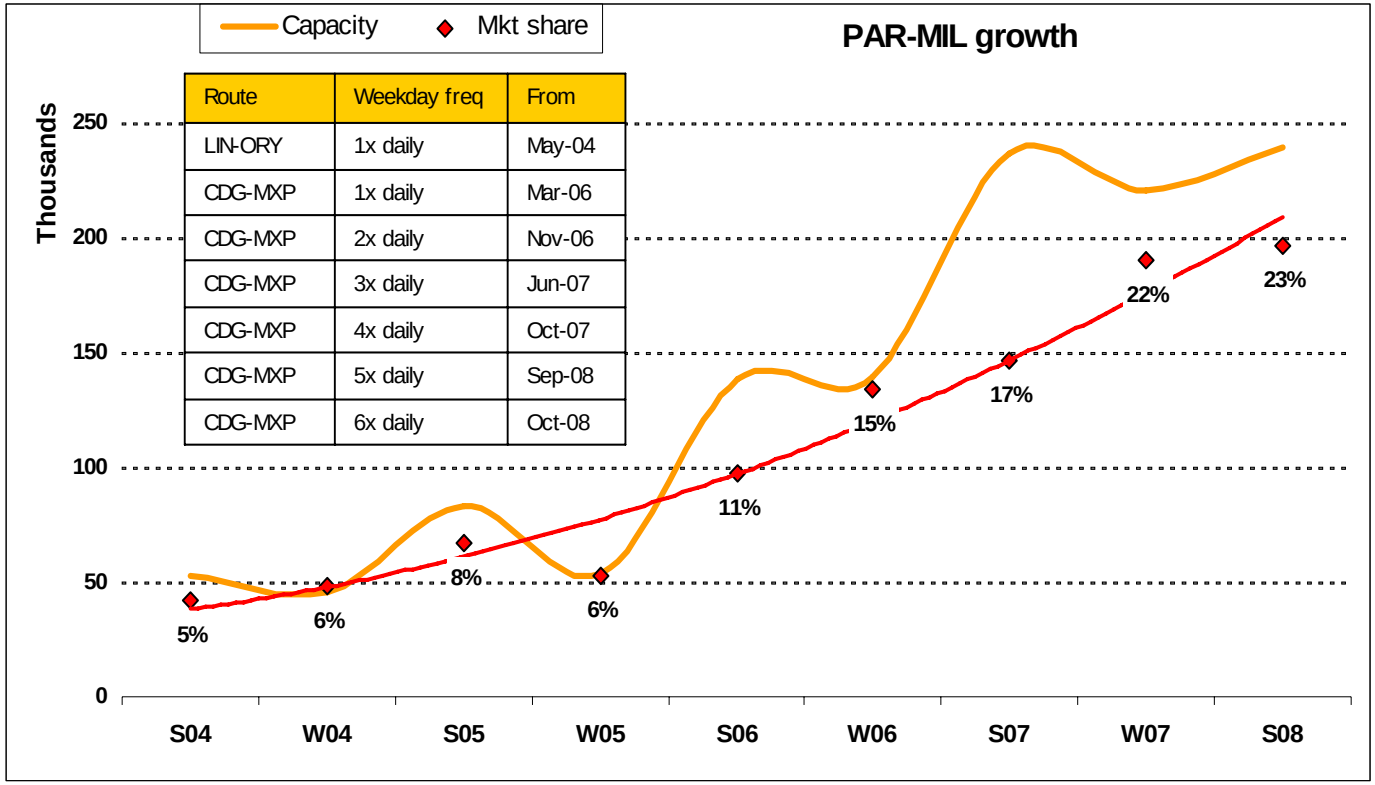


Unsuccessful routes are eliminated quickly

- Up to 12% annual route churn (past 4 years) depending on market conditions
- Dortmund routes
  - Poor ground transport links to Dortmund compared with Dusseldorf / Cologne: thin market with challenging yields
- Berlin (Schoenefeld) – Bratislava (Vienna)
  - Lower price insufficient to persuade customers to make long onward journey time to Vienna

Building strength: Paris–Milan





Route	Weekday freq	From
LIN-ORY	1x daily	May-04
CDG-MXP	1x daily	Mar-06
CDG-MXP	2x daily	Nov-06
CDG-MXP	3x daily	Jun-07
CDG-MXP	4x daily	Oct-07
CDG-MXP	5x daily	Sep-08
CDG-MXP	6x daily	Oct-08

- Average load factor exceeds 89%
- High contribution per block hour
- No. 23 in top 100
- Unit revenue remains above starting level, despite capacity investment

LIN-ORY = Milan Linate- Paris Orly
CDG-MXP = Paris CDG-Milan Malpensa

High impact “Objects” advertising









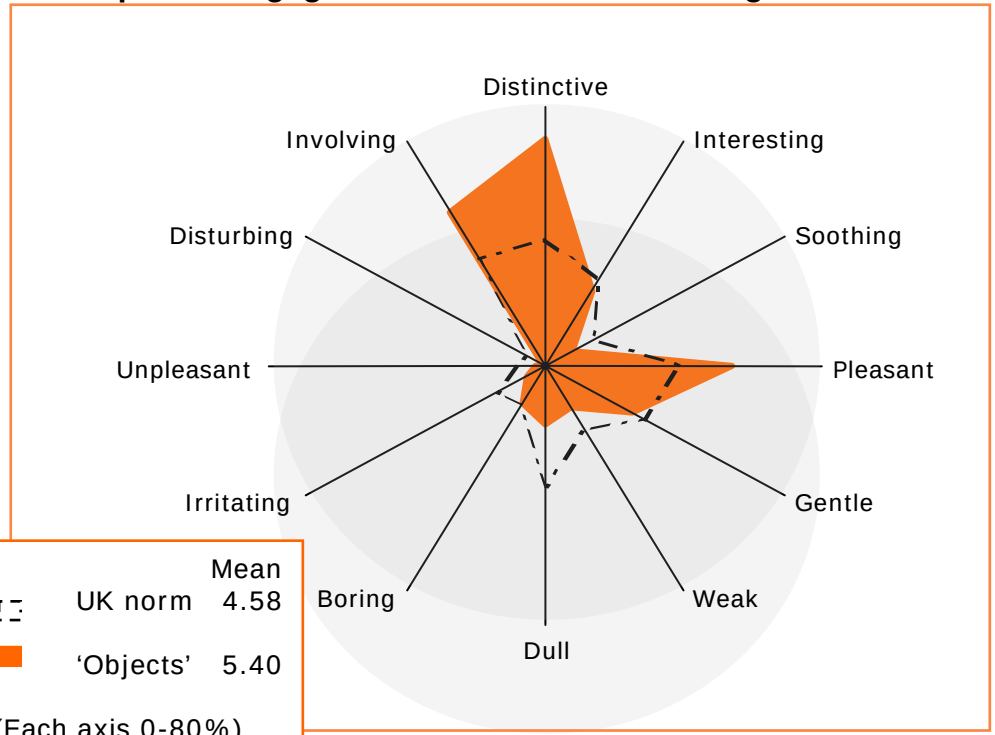




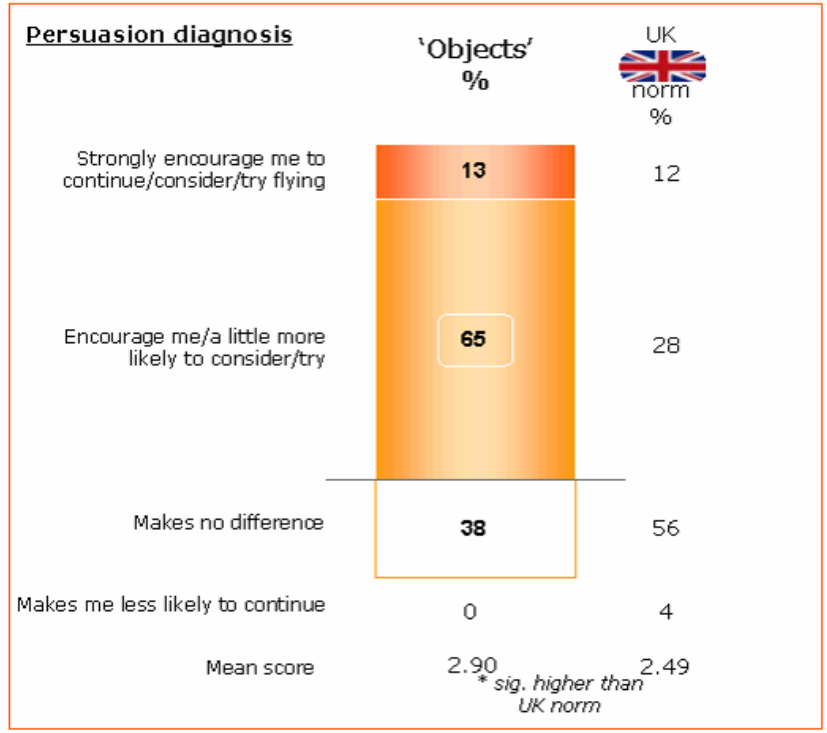


A campaign with proven cut-through

Impact & Engagement vs. ads in all UK categories



Motivation



Source: easyJet/Millward Brown Link Test 2007. Base: 150

Campaign targeted by market

Outdoor innovation in Germany







Re-branding
the Metro in Madrid

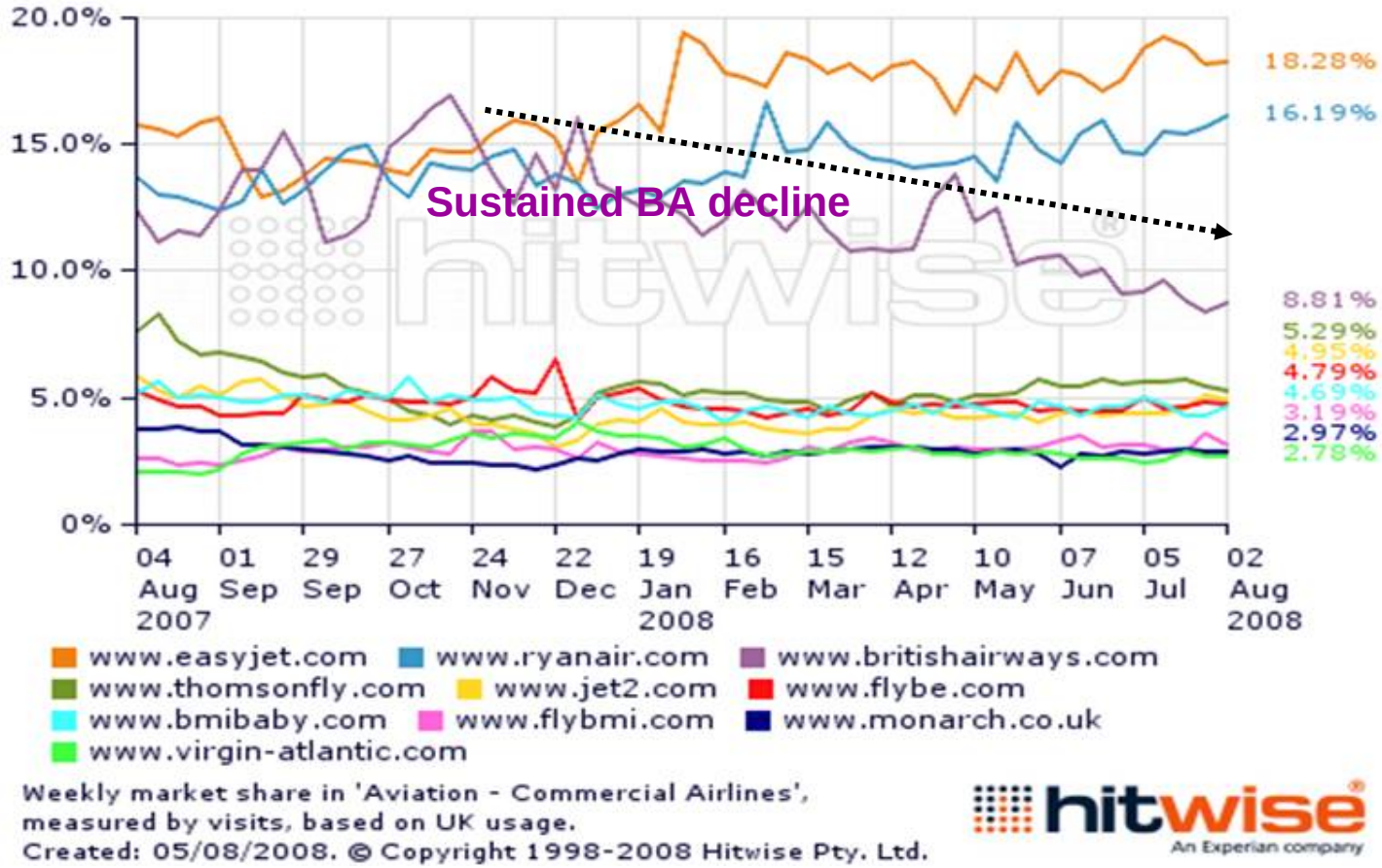


REM Concert in Naples



Drives consumers to easyJet.com

UK's most visited airline site

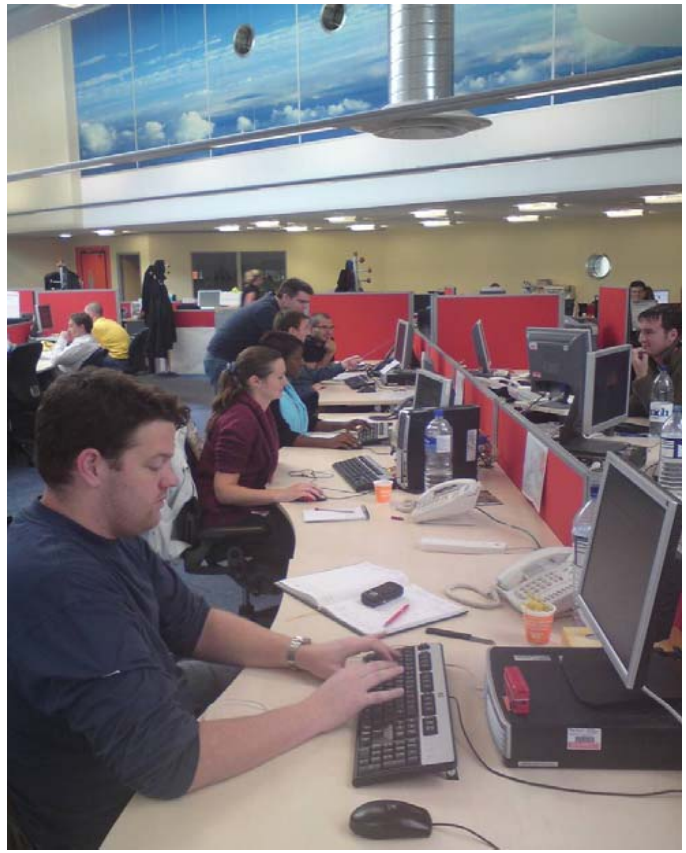


Continual improvement to easyJet.com



Conversion: Pricing for market share growth

- Proprietary revenue management system
- Transparent and simple for our customers
- Target to be significantly cheaper than our competitors
- Drive annual improvement subject to market conditions
- Six pricing managers, three yield developers
- Intervention daily e.g. for events



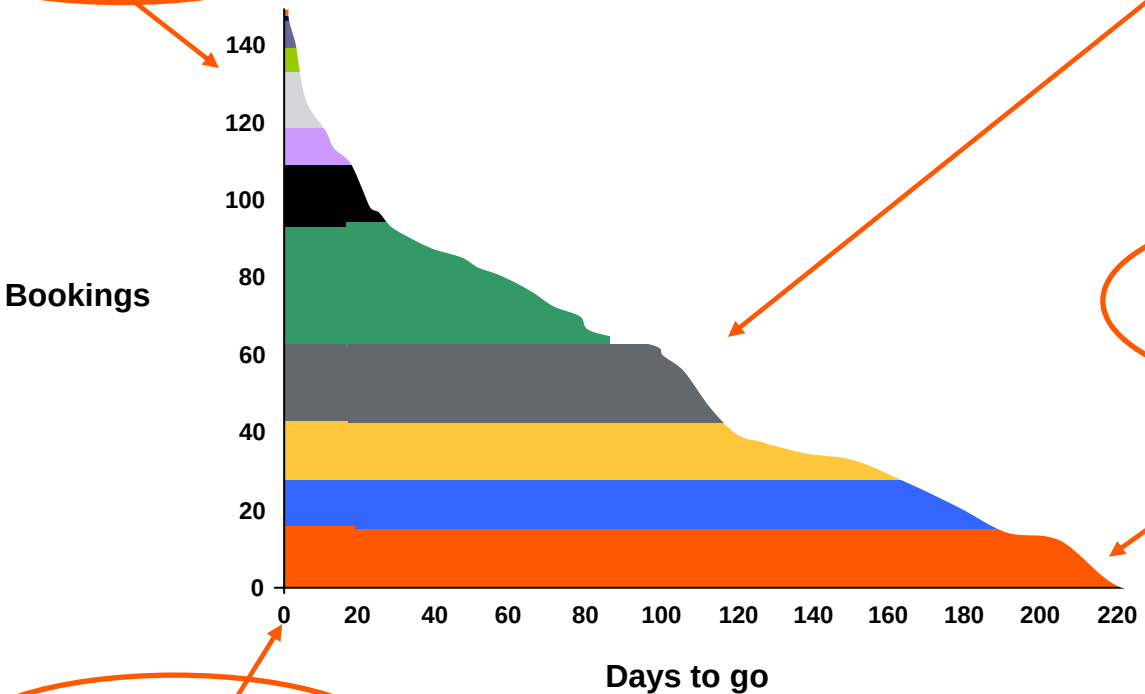
Conversion: maximising available revenue

Bookings by price level vs days to go

e.g. Luton - Lisbon 2367 19/08/08

Last-minute fare

Pre-set fare classes triggered by days to go or demand

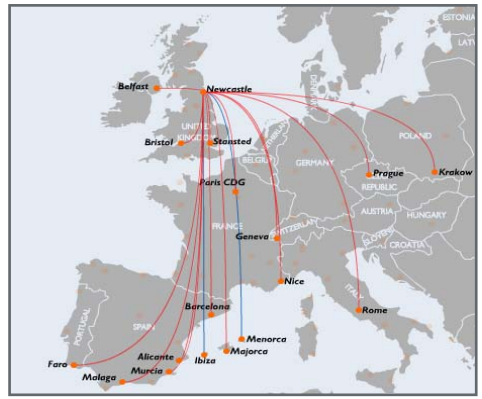


Entry-price point = cost-plus

Target to 100% sold out on the day

Reduction in capacity drives yield improvement

- Newcastle - Jet2 pulled capacity out for Summer ’08
  - Newcastle-Palma - 33% capacity reduction on route
  - Newcastle-Malaga - 36% capacity reduction on route
- Milan Malpensa– Alitalia capacity reduced from 47% to 21%
  - Milan-Madrid - Alitalia & Vueling reduced capacity by 63% and 50% respectively
  - Milan-Athens - Alitalia 100% capacity reduction
- Strong improvement in RPS versus last year





Strong progress in driving ancillary revenue

Working with great partners with dedicated teams

MONDIAL ASSISTANCE

€1.5bn travel insurance world leader; part of Elvia Travel Insurance (Allianz Group), operating in 33 countries with 8000 staff

Europcar

€2bn European market leader in car rental, large fleet & guaranteed availability

Gategourmet

CHF2.5bn largest independent provider of air catering services; deep industry understanding (250 global airlines)

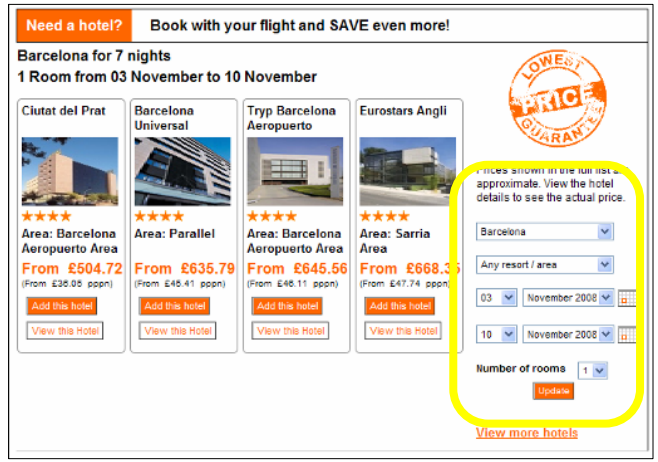
HOTELOPIA

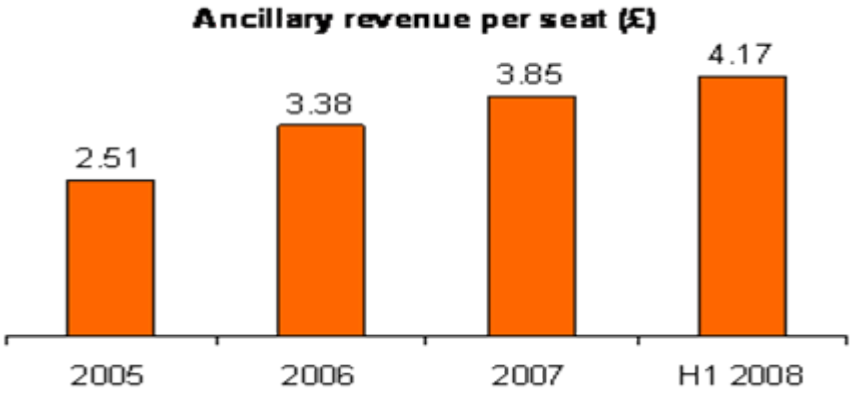
Part of TUI Group with over 20,000 hotels and pan-European product teams

Strong progress in driving ancillary revenue

We continue to provide significant focus on up-sell

- Improved user interface in the booking flow
- Enhanced in-flight range
- Optimisation of fees & charges
- Baggage charges
- Speedy Boarding



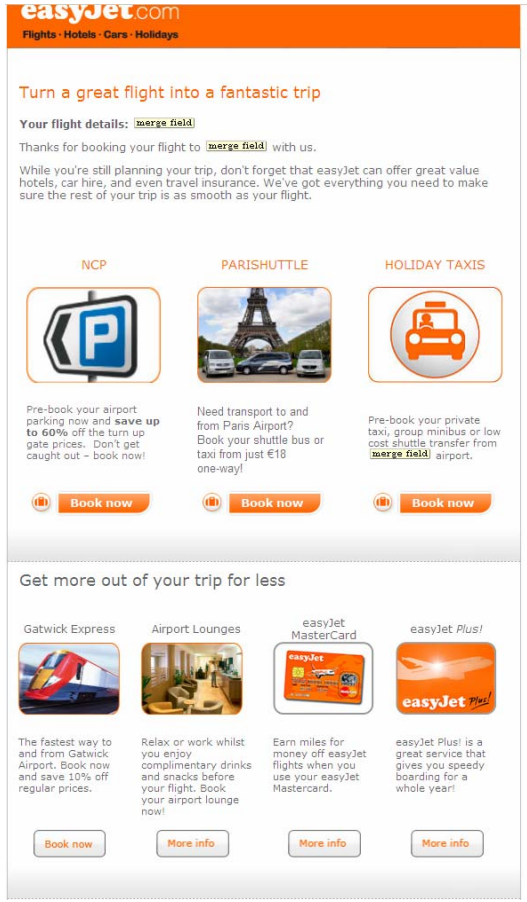


Excluding checked bag charge



We continue to drive ancillaries hard

- Focused improvements on core products;
  - Better pricing & availability = improved conversion
- Improved merchandising;
  - Simplify product communication on website
  - Improved post-booking (cross-sell) e-mails
- In-flight range performance
  - Get the right product on the right plane
  - Clearer visibility for cabin crew
- Continued focus on extensions to known successes
  - Hostels
  - Credit card roll-out outside UK
  - Consolidation of ground transport partners
- Market-by-Market focus to increase overall performance



Commercial strategy



- **Maximise product attractiveness**
  - Distinctive customer proposition through:
    - broad customer appeal
    - focus on key purchase drivers
    - listening to customers and acting on it
  - Network development translates proposition into appealing schedule:
    - leading presence on key routes across Europe
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  - Proprietary pricing system
  - Up-sell through innovations e.g. dynamic packaging, Speedy Boarding

Winning in key markets

London Gatwick

David Osborne



easyJet plc

Winning at Gatwick

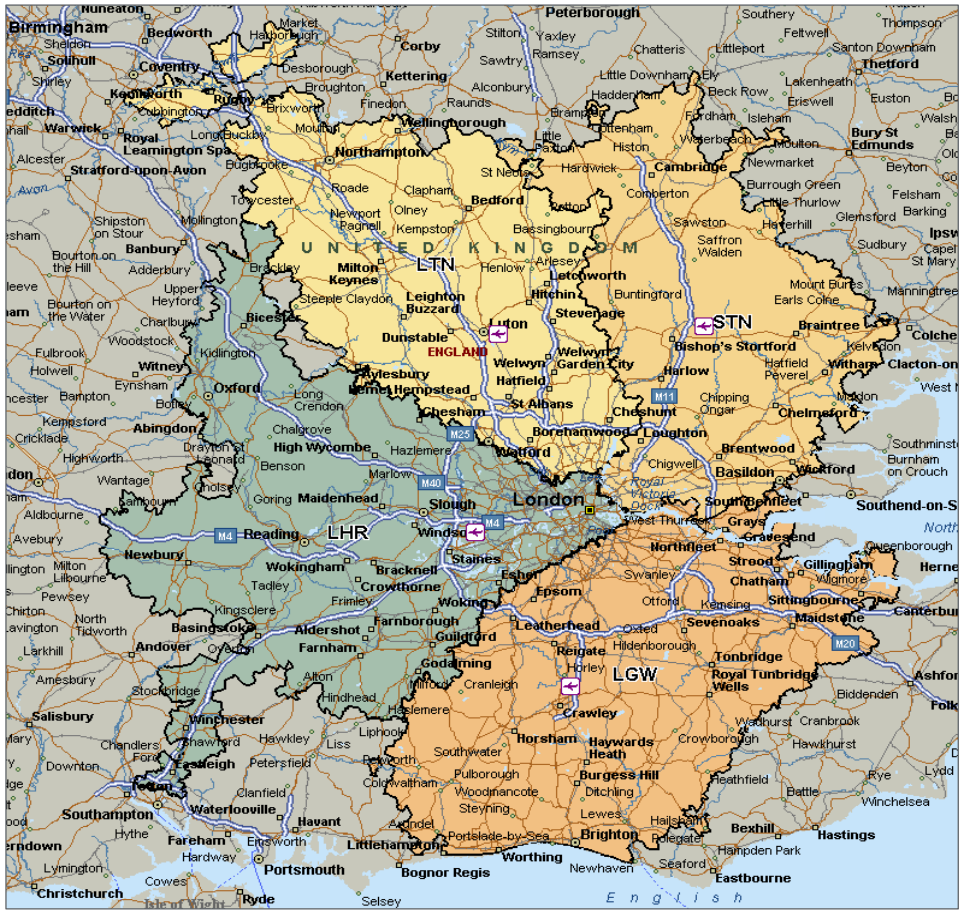


- We have made significant capacity investments
  - 35 aircraft, reinforced by GB acquisition, combination of A319s and A320s
  - 8.3m passengers in the next 12 months
  - Now the largest short haul airline at Gatwick and leader on 34 of the 44 markets served
- Structural cost advantage translates into significantly lower pricing
  - Communicated via aggressive local advertising
- Successful outcome
  - Higher load factors than BA
  - BA withdrawal continues

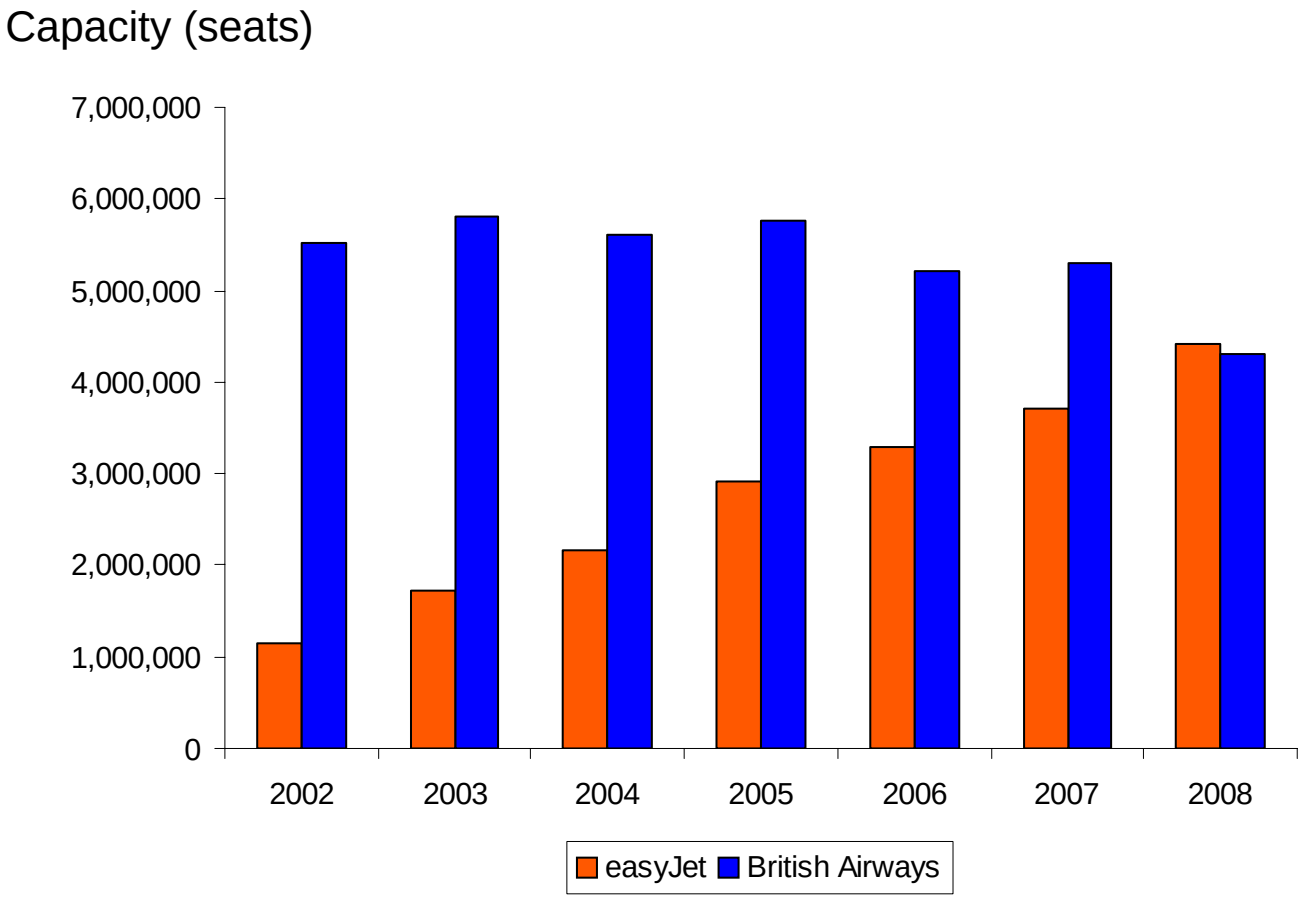
Great access to a large & affluent catchment area

- It's big:
  - 9.3m catchment
  - 35.2 m passengers in 2007
- It's wealthy:
  - 76% of the Top 50 UK councils are within the LGW catchment (**Source: Centre of Int'l Competitiveness**)
- It's easy to get to:
  - Direct, fast and frequent train service to/from London in 30 minutes, every 15 minutes
  - Good motorway access

Unique Catchment Areas of the Big 4 London Airports



Now the largest short haul airline at Gatwick



New easyJet routes this winter: Istanbul, Helsinki, Lyon, Salzburg and Basel

Now market leader on 34 of the 44 markets served

Source: CAA and OAG for short haul traffic (Europe, Turkey and North Africa), Sep 08

BA tried to fight back this summer



Fightback: BA aims to win in the Med

BA takes on easyJet with new sun routes

BRITISH AIRWAYS reopened air wars with easyJet today, unveiling a dozen new routes from Gatwick to European summer sunspots.

The budget airline became Gatwick's largest operator earlier this year when it took over former BA franchise partner GB Airways.

BA has now hit back, launching services on nine routes to the Mediterranean it lost in the GB defection. Other routes include new launches into the fast-growing Polish and Turkish markets.

While increased competition should be good for passengers, BA has signalled it is aiming to attract wealthier customers by dangling the opportunity to upgrade into the Club Europe cabin for £59 one way.

"As one of the only short-haul full-service carriers at Gatwick we combine low fares with complimentary food and drink, pre-allocated seats and opportunity to join the BA executive club [lounge]," said BA commercial director Robert Boyle.

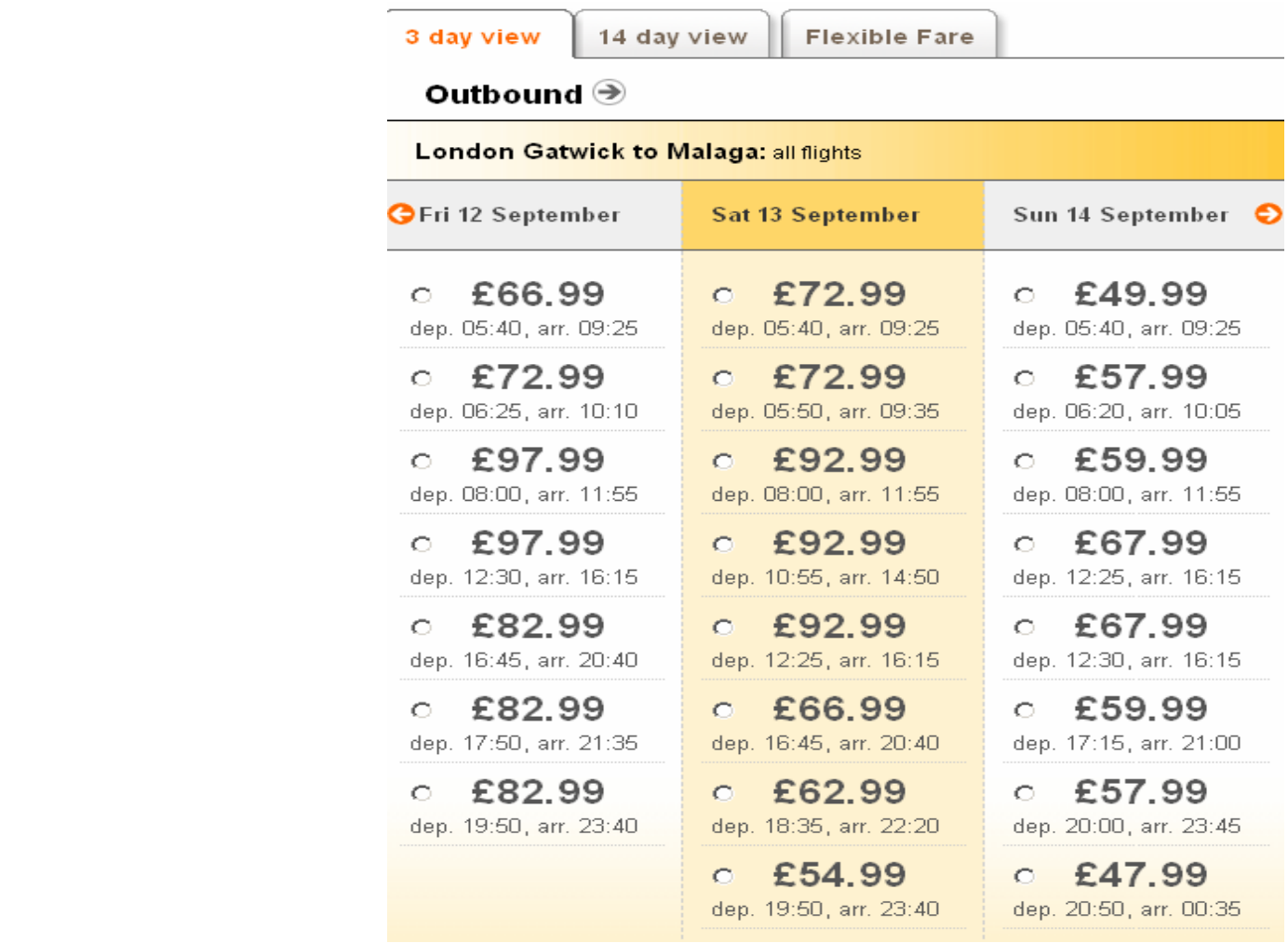
BA is also concentrating all its oil and gas industry services to places like Houston, Dallas, Algiers and Aberdeen and dropped services to motor industry-dominated Detroit.

AVIATION

ROBERT LEA

BA sun routes: daily to Paphos, Malta, Alicante, Faro, Gibraltar, Ibiza, Palma and **twice daily to Malaga**

We fly 8 daily to Malaga (vs. 2 daily from BA)



3 day view | 14 day view | Flexible Fare

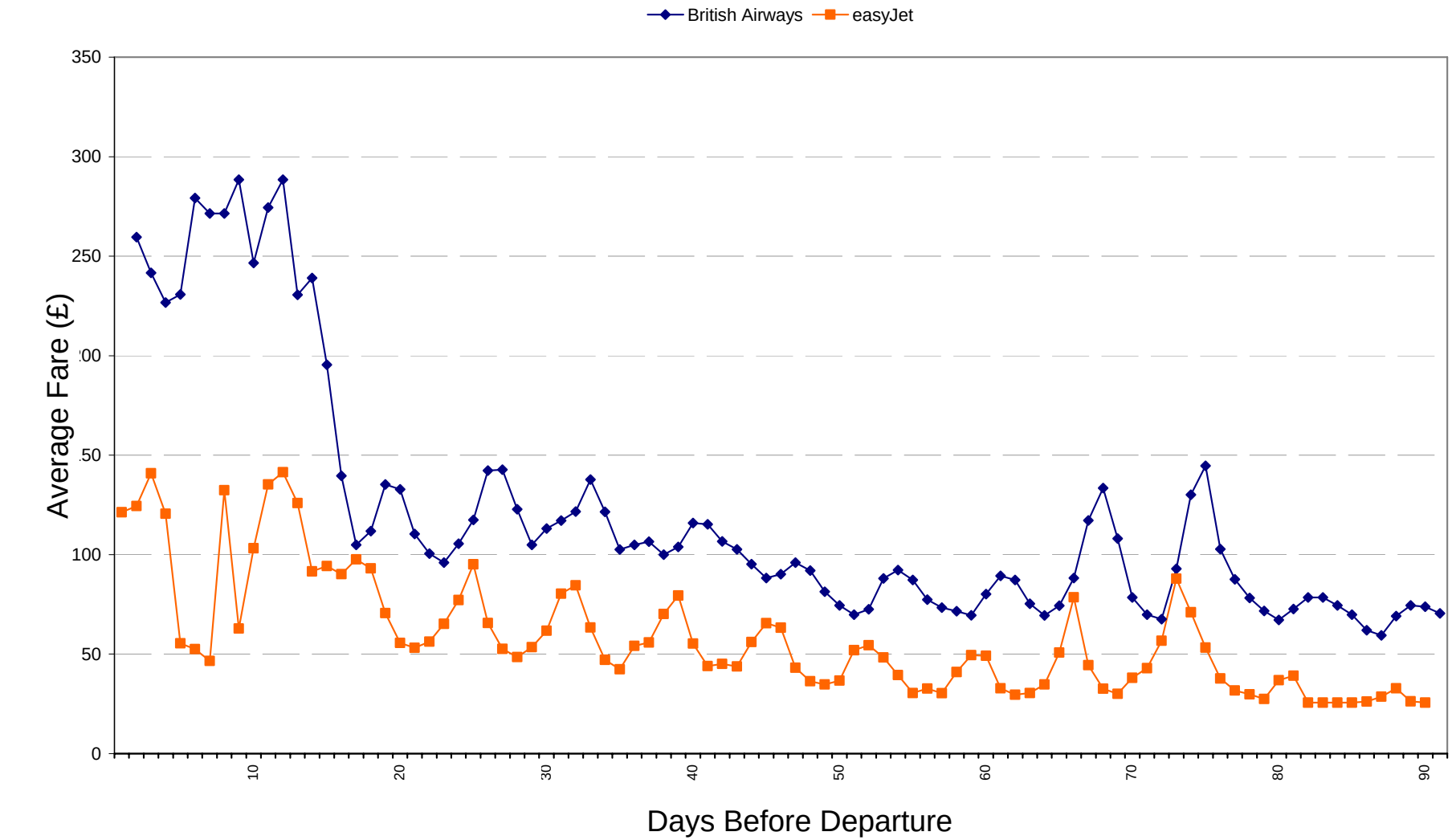
Outbound

London Gatwick to Malaga: all flights

Fri 12 September	Sat 13 September	Sun 14 September
£66.99 dep. 05:40, arr. 09:25	£72.99 dep. 05:40, arr. 09:25	£49.99 dep. 05:40, arr. 09:25
£72.99 dep. 06:25, arr. 10:10	£72.99 dep. 05:50, arr. 09:35	£57.99 dep. 06:20, arr. 10:05
£97.99 dep. 08:00, arr. 11:55	£92.99 dep. 08:00, arr. 11:55	£59.99 dep. 08:00, arr. 11:55
£97.99 dep. 12:30, arr. 16:15	£92.99 dep. 10:55, arr. 14:50	£67.99 dep. 12:25, arr. 16:15
£82.99 dep. 16:45, arr. 20:40	£92.99 dep. 12:25, arr. 16:15	£67.99 dep. 12:30, arr. 16:15
£82.99 dep. 17:50, arr. 21:35	£66.99 dep. 16:45, arr. 20:40	£59.99 dep. 17:15, arr. 21:00
£82.99 dep. 19:50, arr. 23:40	£62.99 dep. 18:35, arr. 22:20	£57.99 dep. 20:00, arr. 23:45
	£54.99 dep. 19:50, arr. 23:40	£47.99 dep. 20:50, arr. 00:35

Screen-grabs taken from easyJet.com on 03/09/2008

We offer significantly lower fares on Gatwick-Malaga which we advertise vigorously



As a result, our planes are fuller



Airport Pair from Gatwick	British Airways	easyJet
Malta	59.4%	91.2%
Palma	68.7%	84.0%
Malaga	77.4%	88.8%
Alicante	78.7%	84.2%
Faro	79.4%	86.9%
Pisa	82.0%	87.6%
Gibraltar	83.6%	89.1%
Thessaloniki	85.9%	89.2%

In past 3 yrs, BA has dropped 10 routes from Gatwick:

- ✈ Domestics: Aberdeen, Newcastle
- ✈ Euro-cities: Nice, Munich, Prague, Budapest, Athens, Split
- ✈ Beach: Murcia, Almeria

Winning in key markets

Milan breakthrough

Francois Bacchetta



easyJet plc

Milan breakthrough



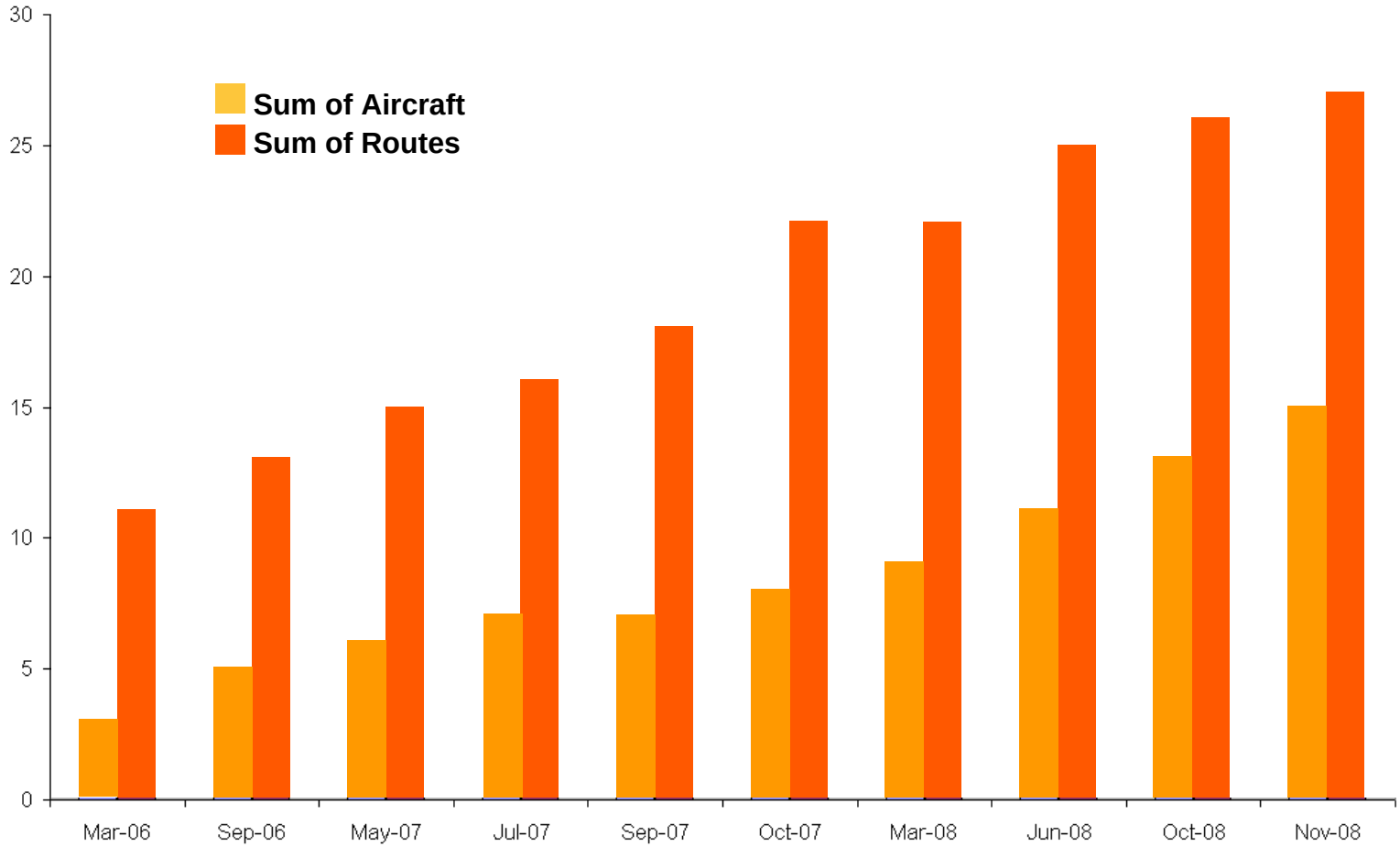
- We have made significant capacity investment in the largest catchment in Northern Italy
  - Moving rapidly to fill Alitalia vacuum
  - Network serves the best business & leisure routes
  - We are now the biggest carrier at Malpensa
- We have generated significant local support
  - Driving rapid build-up of brand awareness
- Successful outcome
  - Significantly higher load factors than our competitors
  - Strong yield development

Malpensa – largest, wealthy catchment



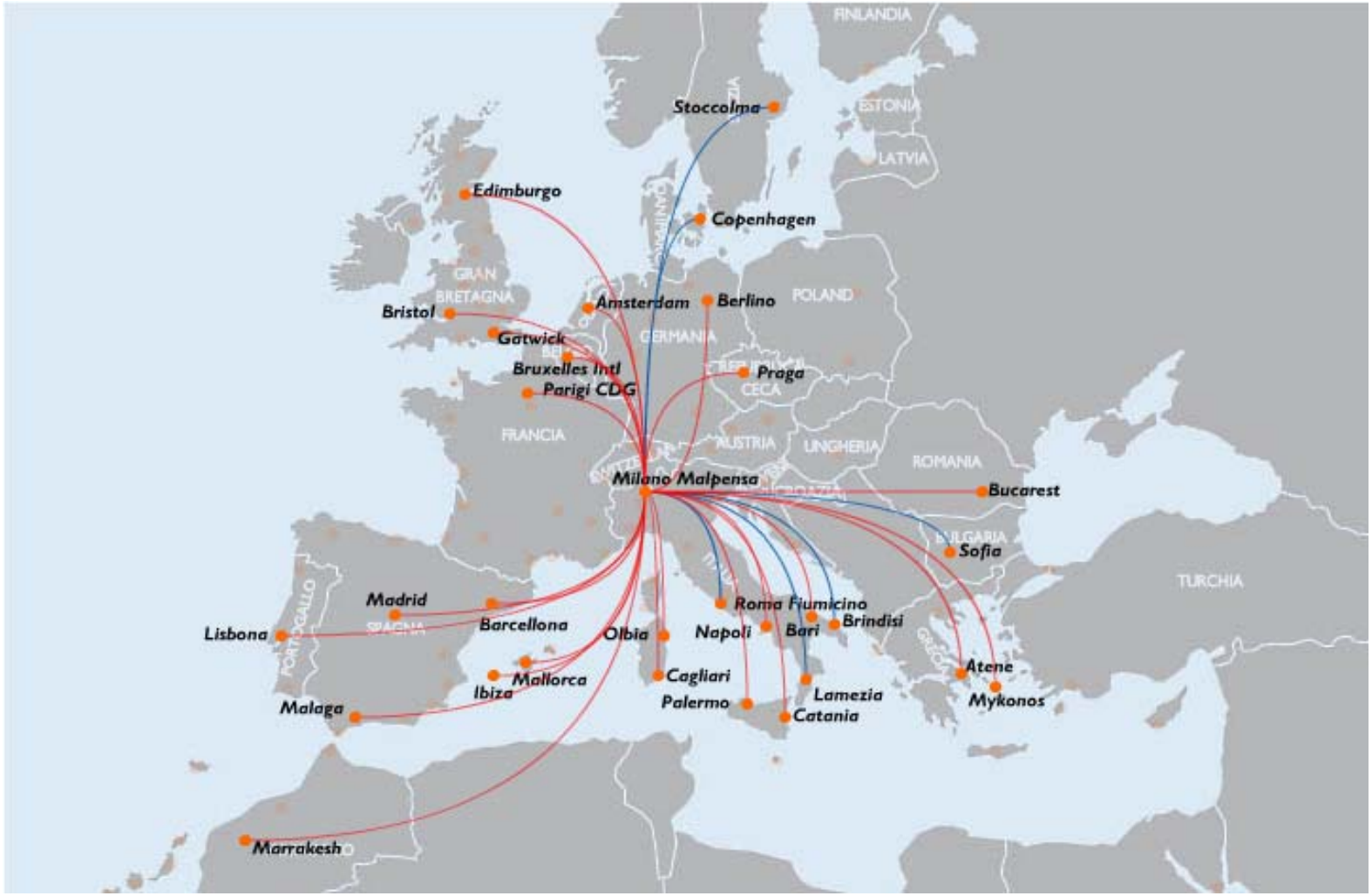
- Malpensa centre of catchment area of over 17m passengers within 2h
  - x2 Linate catchment x3 Bergamo catchment
- With Lombardy, richest region in Italy
- Biggest Business Pool (mostly SMEs)
- Relative low competition (Alitalia exit) and high growth potential

Strong capacity investment at Malpensa

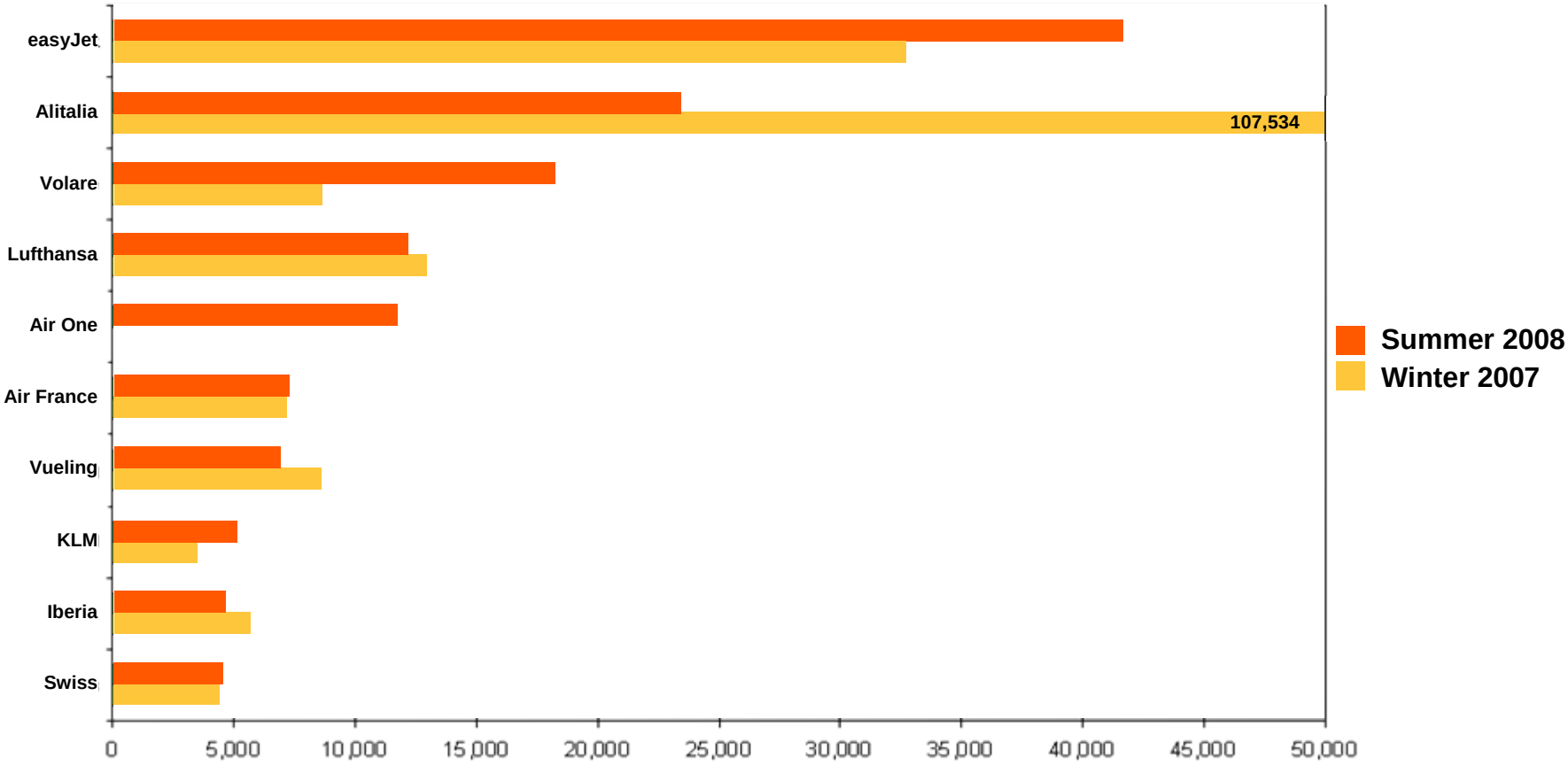


Over 3.5m pax p.a. to/from MXP at the end of FY08 (+41% growth vly)

We fly the best business & leisure routes



We are now the leading carrier at Malpensa



Top 10 Airlines at MXP (07 “Nov” & S08 “Aug”)
Weekly Departing Seats Source OAG)

easyJet has been welcomed by the local media

Trasporto aereo. Il Ceo Harrison: «Chiuderemo l'anno in utile nonostante il caro-greggio»

Easyjet: puntiamo su Malpensa

Investimenti per 600 milioni e raddoppio dei collegamenti

Mara Monti
MILANO

Easyjet la seconda compagnia low cost europea, investe su Malpensa puntando a raddoppiare i collegamenti domestici e internazionali, portando a 15 gli aeromobili a disposizione per la base italiana dagli attuali nove. Nonostante il caro greggio stia minando i conti delle compagnie aeree, il vettore inglese basato a Luton non intende ridurre la capacità offerta, ma affronta la crisi espandendo il suo network in Italia e in Francia dove ha appena inaugurato le nuove basi di Parigi Charles de Gaulle e di Lione.

«Nell'ultimo anno in Italia abbiamo trasportato 7 milioni di passeggeri con una crescita del 40%. Un risultato ottenuto in poco più di tre anni da quando Easyjet è arrivata a Malpensa», ha spiegato Andy Harrison Ceo di Easyjet in un'intervista al Sole24Ore. Il rafforzamento prevede investimenti per 600 milioni di euro e l'assunzione almeno di 200 dipendenti tra piloti e personale di volo portando a 500 i dipendenti entro la fine dell'anno. Attualmente Easyjet effettua 71 collegamenti in partenza da 12 dei principali aeroporti italiani. La compagnia controllata al 100% dall'imprenditore greco-cipriota Stelios Haji-Ioannou, conta circa 5mila dipendenti.

«Il caro greggio metterà a dura prova il settore, ma siamo convinti che soltanto chi ha un modello di business efficiente riuscirà a resistere alla crisi», ha aggiunto Harrison. La strategia del manager ruota attorno ad una crescita organica, mantenendo l'attuale livello tariffario e puntando a ridurre i costi.

Il vettore ieri ha diffuso i dati del primo semestre al 31 marzo riportando ricavi per 892,2 milioni di sterline, in crescita del 24% rispetto allo stesso periodo del 2007, in parte sostenuti anche dalla recente acquisizione di GB Airways. La perdita ante importa è salita, però, a 57,5 milioni di sterline (72,9 milioni di euro) da 17,1 milioni, «in prevalenza a causa del costo del carburante schizzato del 35% negli ultimi tre mesi e dell'80% rispetto allo scorso anno», ha spiegato il manager. Easyjet stima che nel secondo semestre il costo del carburante potrebbe essere superiore di circa 45 milioni di sterline. In Borsa ieri il titolo è salito del 3,1% a 306,75 sterline.

La ripresa è prevista nei mesi estivi che potrebbero aiutare a riportare la compagnia in utile. «Ci aspettiamo di chiudere l'anno in utile benché su livelli inferiori rispetto allo scorso anno per via del costo carburante», prevede Harrison. Nello scorso anno fiscale la compagnia ha terminato l'anno con profitti lordi di 191,3 milioni di sterline.

A differenza di quanto avviene per le grandi compagnie americane, Easyjet non prevede di ridurre la capacità offerta perché la domanda resta positiva e le prenotazioni per l'estate sono leggermente superiori rispetto allo scorso anno: i passeggeri trasportati nel semestre sono saliti del 15% pari a 18,9 milioni con un load factor (capacità di riempimento dell'aeromobile) dell'81%. Nel solo mese di aprile i passeggeri trasportati sono saliti del 13,4% a 3,5 milioni, ma il load factor è sceso del 3% a 80,1 per cento.

Complessivamente la compagnia ha trasportato in un anno 40,1 milioni di passeggeri, quasi il doppio di Alitalia con circa 25 milioni. Sul fronte della riduzione dei costi, il vettore low cost punta sull'utilizzo di nuovi aeromobili più efficienti e dopo avere finalizzato ordini per cinque Airbus A319 negli ultimi sei mesi, ha avviato una trattativa con il costruttore di Tolosa per sostituire gli A319 già ordinati con A320 più capienti. La flotta è attualmente composta da 157 aeromobili, Airbus A319 e Boeing 737-700. «L'età media della nostra flotta è di tre anni e vogliamo mantenere questi standard – osserva il Ceo –. Per questo non riteniamo che crescere acquisendo altre compagnie potrebbe essere la migliore soluzione per il nostro modello di business». Mai pensato di avere un ruolo in Alitalia? «No, grazie».

IL BILANCIO
Nel primo semestre i ricavi sono saliti del 24%.
Ma la compagnia segna una perdita ante-imposte di 72,9 milioni di euro



Al vertice. Il ceo di Easyjet Andy Harrison



Più tratte per l'hub lombardo

Ryanair snobba Malpensa Easyjet va al raddoppio

Per gli irlandesi l'offerta da un miliardo è capitolo chiuso. Gli inglesi invece assumono altri 200 dipendenti e creano 6 nuovi collegamenti

::: BENEDETTA VITETTA

C'è chi decide di atterrare e chi, invece, preferisce decollare. Il denominatore comune resta unico: lo scalo di Malpensa. E così se ieri la compagnia aerea britannica Easyjet, seconda low-cost in Europa, ha deciso d'incrementare la sua presenza sull'aeroporto varesino, i cugini irlandesi di Ryanair hanno confermato che l'offerta da un miliardo di dollari messa sul tavolo, lo scorso settembre, per Malpensa è oggi un capitolo chiuso.

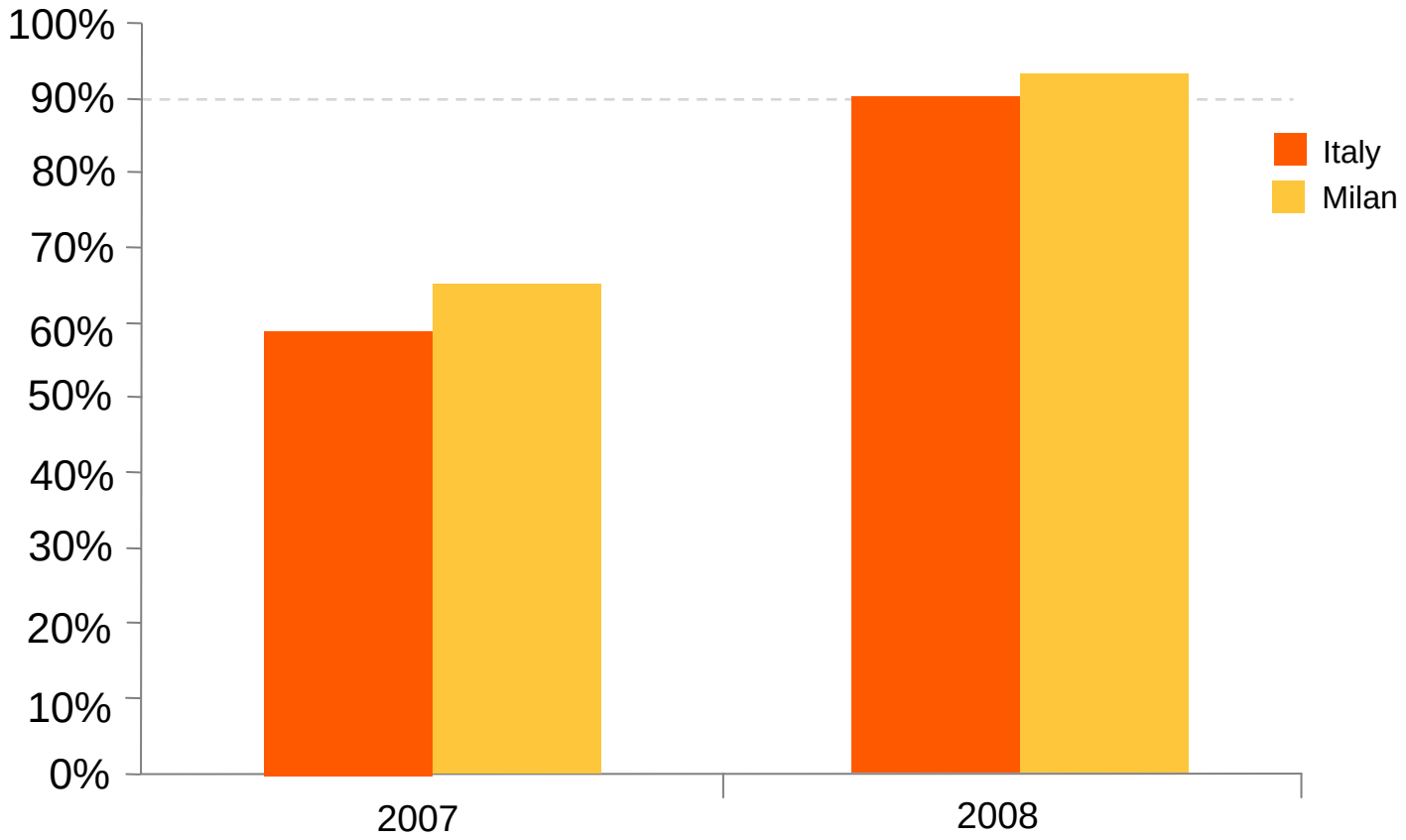
«Volevamo mettere dodici aerei a Malpensa - ha spiegato il direttore marketing Sud Europa del vettore a basso costo, Alessia Viviani - ma non è stato trovato un accordo sul lato dell'offerta. Se vi fosse la possibilità di riaprire il discorso saremmo disposti a sederci al tavolo, ma per ora non c'è nulla». Varese a parte, l'Italia per gli irlandesi resta comunque un Paese fondamentale tanto che già oggi rappresenta il secondo mercato mondiale (ossia rappresenta il 12% del traffico totale). «Quest'anno -ha precisato la Viviani - prevediamo di arrivare a 14 milioni di passeggeri in partenza e arrivo in Italia, contro i 12,7 del 2007, raggiungendo nei dieci anni di presenza nella Penisola un totale di 60 milioni di passeggeri trasportati. Mentre i volumi di traffico di Alitalia, nell'ultimo decennio, non sono cambiati, noi oggi trasportiamo in Italia più visitatori europei rispetto a ogni altra compagnia». Ma il manager non si accontenta e comincia a sferrare una serie di ganci contro i vertici della compagnia di bandiera, rei di non aver saputo tagliare le spese e di non essersi adeguati al mercato come tutti gli altri. «L'atteggiamento di Alitalia - ha continuato il direttore marketing di Ryanair - deve cambiare perchè magari tra sei mesi avranno bisogno di altri 300 milioni. Stiamo aspettando la valutazione della Ue, il Governo italiano prima deve dare una giustificazione del finanziamento e poi la Commissione deve darci una risposta».

A scommettere decisamente sullo scalo lombardo sono gli inglesi di Easyjet che prevedeno un forte aumento dei dipendenti e degli aeromobili operativi a Malpensa. Il numero dei dipendenti salirà, infatti, dagli attuali circa 300 a circa 500 a fine anno; mentre il numero di aeromobili impiegati (oggi 9) salirà gradualmente per arrivare a 15 aerei a gennaio 2009.

Infine, sul fronte della privatizzazione della compagnia di bandiera ieri c'è da registrare il secondo incontro, nello studio dei legali romani, dei possibili imprenditori interessati a dar vita alla cordata italiana pro-Alitalia e la riconferma, sempre per bocca di Giuseppe Guzzetti, di un probabile intervento da parte delle Fondazioni bancarie.

Brand awareness has increased significantly

90% awareness already reached



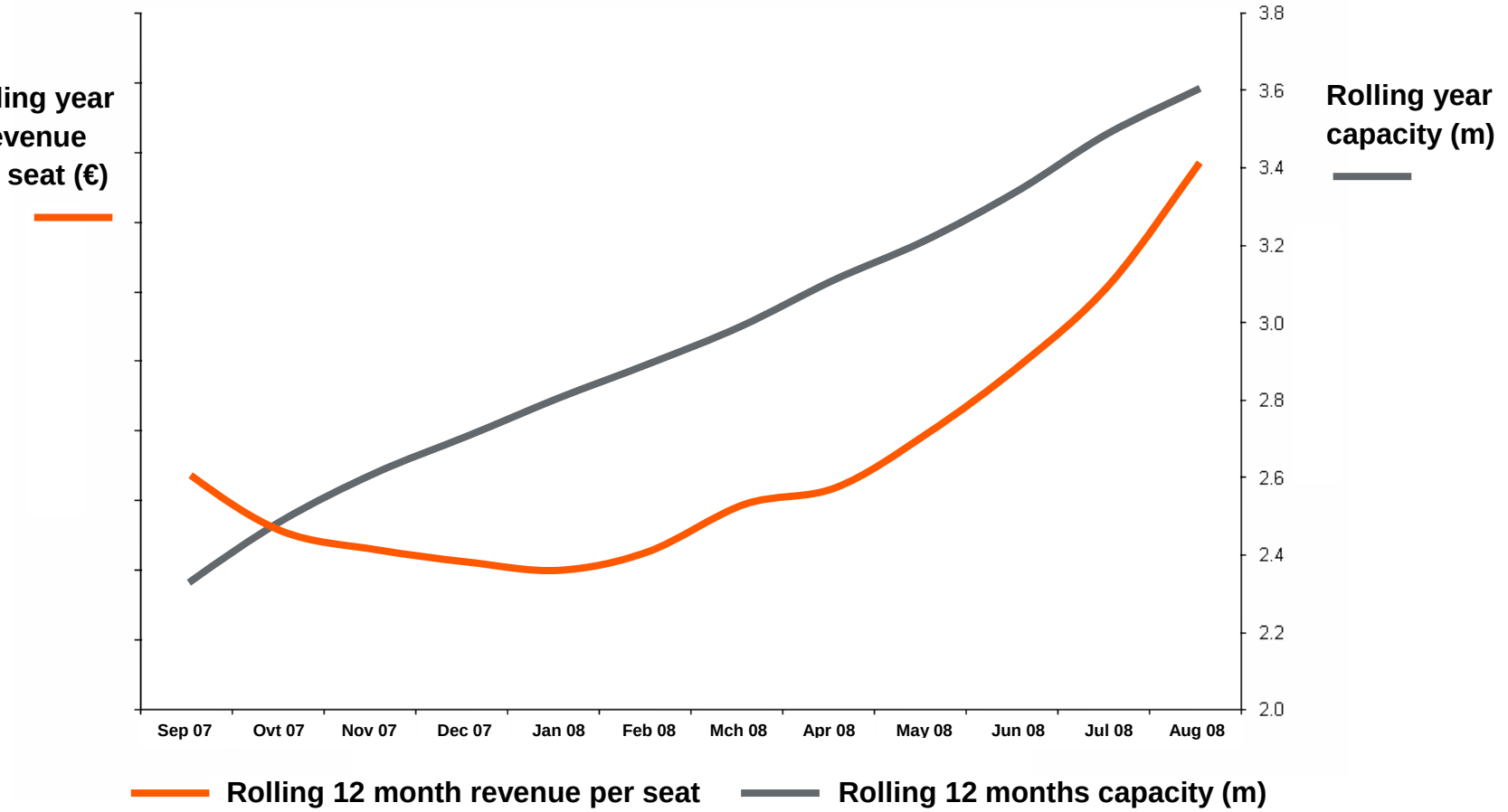
We are outperforming our competitors

Load factor performance

Airport Pair	Alitalia	easyJet
Malpensa-Bari	68%	92%
Malpensa-Catania	71%	94%
Malpensa-Naples	70%	92%
Malpensa-Palermo	68%	93%
Malpensa-Amsterdam	60%	93%
Malpensa-Paris CDG	57%	87%
Malpensa-Prague	48%	87%

Average easyJet load factor at Malpensa > 90% for the past 7 months

Our yields have developed strongly too



Revenue per seat growth of 9% on all routes touching Malpensa

Conclusion

Andy Harrison
Chief Executive Officer



Vision: To be the best low fares airline in the world

Operational Excellence

Low cost and highly efficient

Measurement	F '06	F '07
OTP	75%	75%
Cost per seat ex fuel £	28.36	26.55

Safety

Our No.1 Priority

Measurement	F '06	F '07
Composite risk indicator	0.82	0.82

Customer

Low cost with care and convenience

Measurement	F '06	F '07
Strongly recommend	19%	23%
Revenue per seat £	41.66	40.42

People

Make easyJet a great place to work

Measurement	F '06	F '07
Satisfaction	68%	74%
Turnover	22%	10%
Absenteeism	5%	4.5%

Driving Financial Performance

Deliver a superior return

Target 15% ROE

PBT per seat £5+

Summary



- 2009 will be a tough year
  - Weakening consumer environment
  - Uncertainty over scale and timing of competitor reductions
  - Volatility of fuel and US dollar
- easyJet strongly positioned
  - Strong, low cost highly efficient organisation with scale benefits
  - Europe's No.1 air transport network
  - Great customer proposition
  - Financial strength
- Market will return to growth once the economic, environment stabilises
- Medium term 15% Return on Equity remains an achievable goal

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Question and answer

