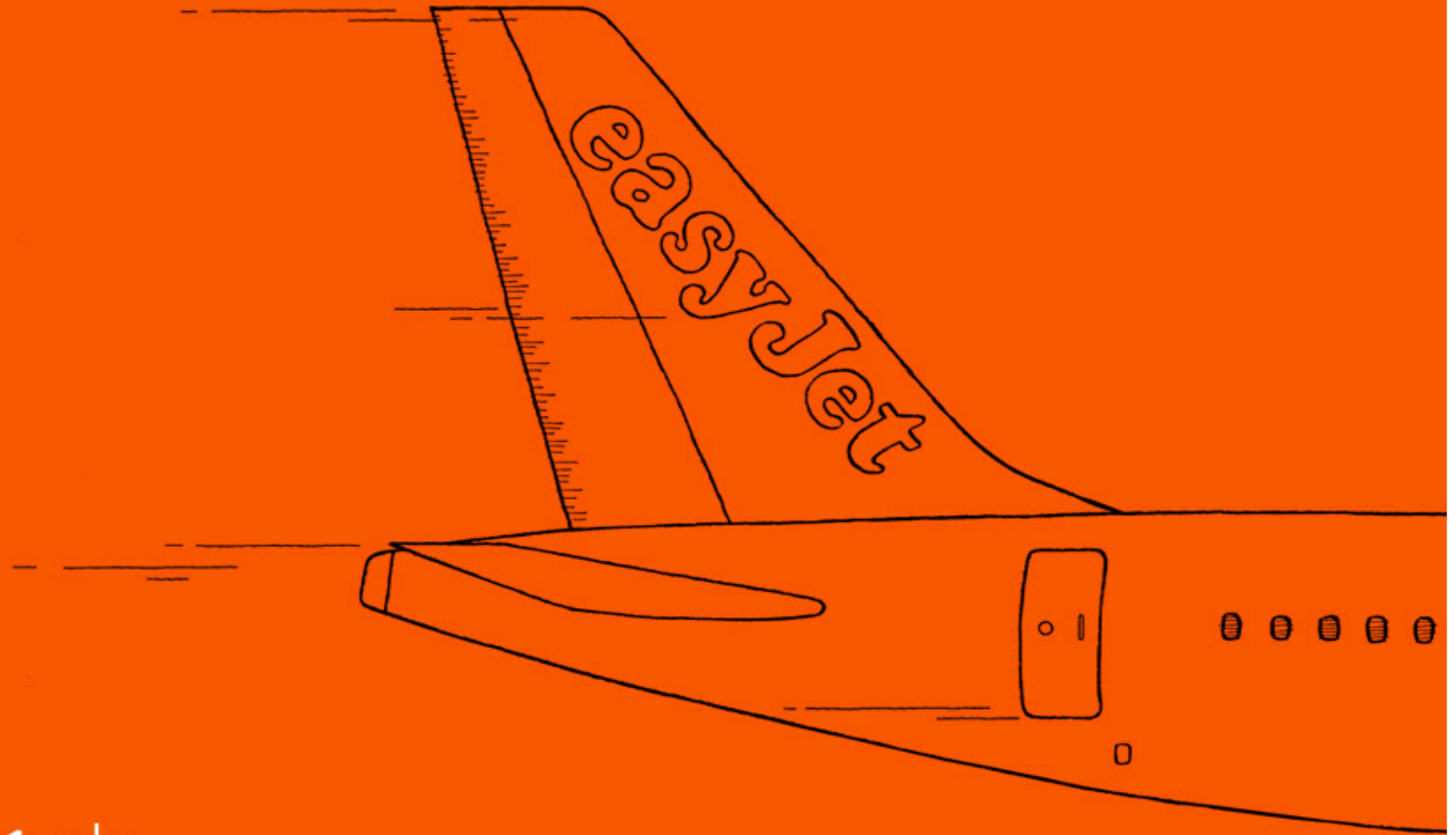


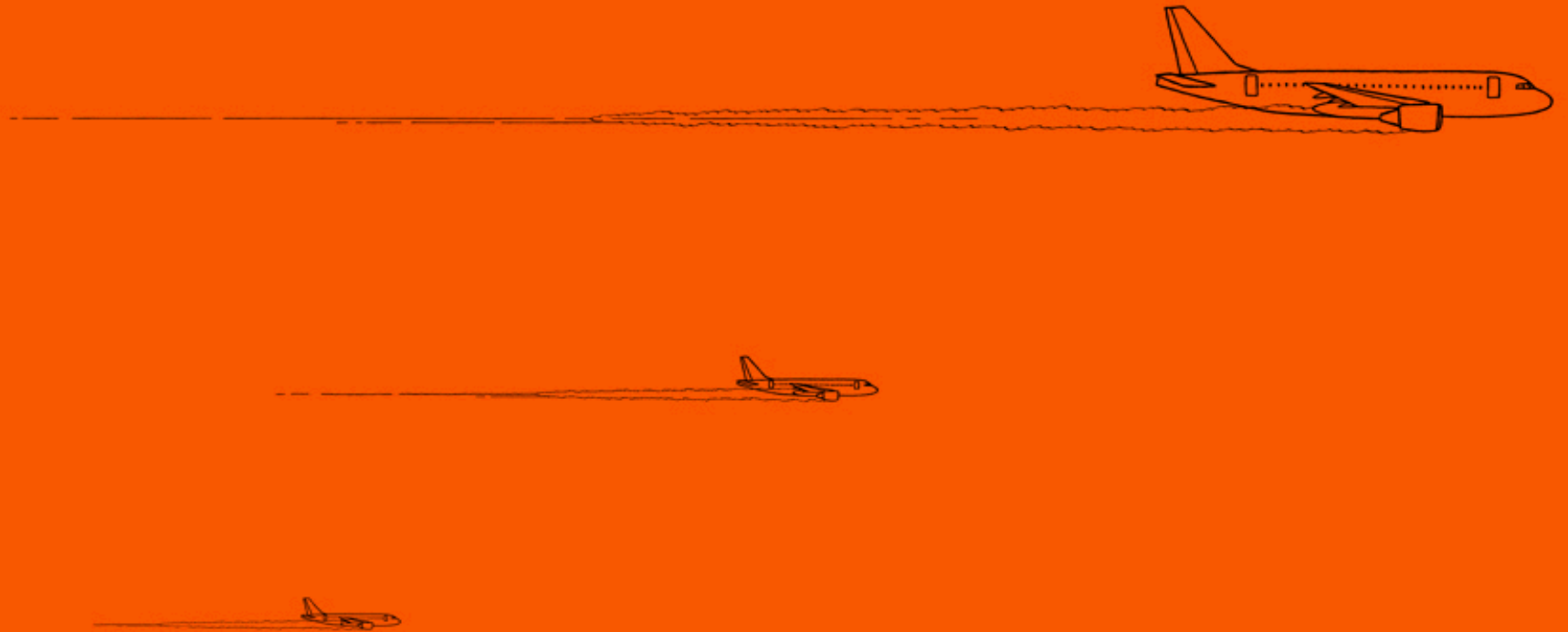
GB Airways integration update

February 19th, 2008



easyJet plc

Jeff Carr
Group Finance Director



easyJet plc

Purpose of today



- Reminder of the deal logic

- Update on the progress of integration
 - Commercial
 - Operations
 - Synergies

- Financial impact and reporting



A reminder of the deal logic



- Focus on Gatwick
 - easyJet's largest base, favourable yields
 - Attractive catchment area for high value consumers
 - Slot constrained

- Enhances easyJet's platform in North West of England
 - New base at Manchester
 - Complements existing Liverpool base
 - Catchment area - 8m consumers

- GB Airways - well run airline, few legacy issues albeit high cost



GB Airways delivers many benefits to easyJet



- Combined business 24% of LGW slots (easyJet 17% + GB 7%); BA 25%
 - 28 summer slot pairs giving a 50% increase in peak time slots
 - Significant improvement in network flexibility

- Young fleet of 15 A320 family aircraft
 - in common with existing easyJet fleet

- 18 new destinations giving enhanced network development options

- Significant opportunity for cost reduction and value creation



Where we are now



- Acquisition was completed January 31st 2008
- Consideration of £103.5m paid in cash
- BA franchise period continues until March 29th 2008
 - Transition Services Agreement in place between BA & GB Airways to ensure smooth operation until termination of franchise
 - GB Airways management and post holders in place during franchise period



Turning GB Airways orange



Pre completion	→ 1/1/08 Summer season on sale at easyJet.com
October to January	→ Aggressive launch campaign for new routes
Post completion	→ Winter sales continue through BA.com and other channels
BA franchise	→ White tailing and de-branding of aircraft
January 31 st - March 29 th	→ Cutover to single AOC; March 30th 2008
easyJet	→ Re-branding to easyJet and aircraft reconfiguration complete by May 2008
March 30 th - December 30 th	→ Integration of operations
	→ Closure of Beehive, July '08
	→ Alignment of terms and conditions



Commercial
Saad Hammad

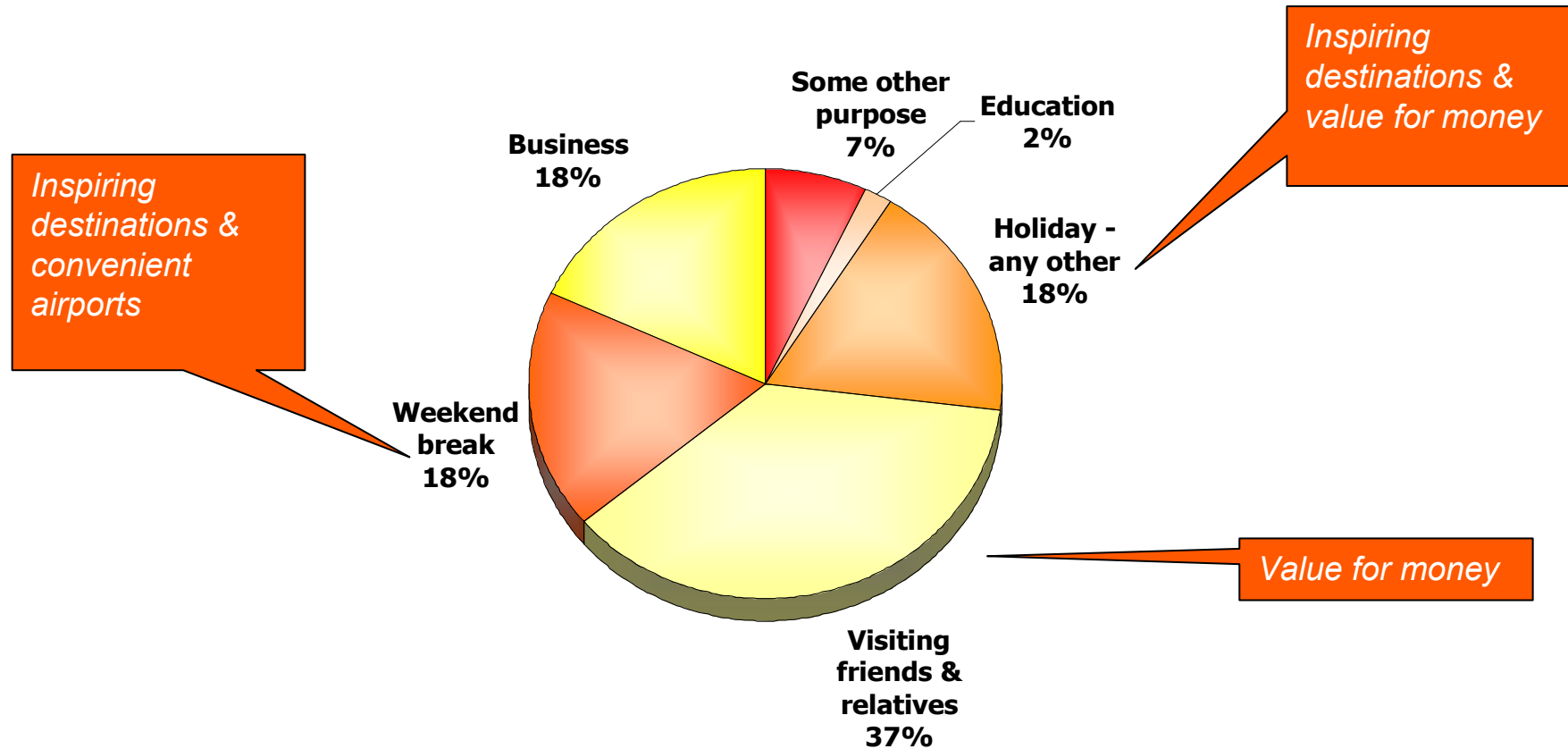


easyJet plc

GB routes appealing to easyJet customers



easyJet customer profile - Gatwick



Source: easyJet/Gfk NOP Customer Satisfaction. Base: easyJet passengers – Jan '08 (c.400)

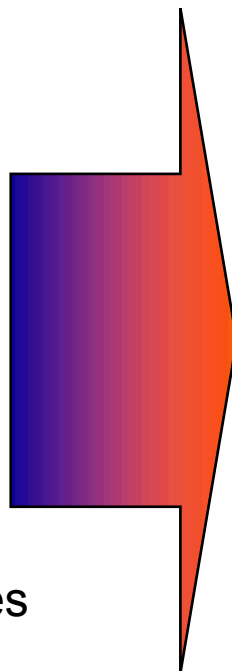


GB routes on sale via easyJet.com 1.1.08



GB Airways

- ba.com
 - Franchise fee
 - GDS fees
- Travel agent
 - Commission
- Tour operators
 - Margin
- Fuel and insurance surcharges



easyJet.com



- Great fares with no middle man: Value for money
- Pay-as-you-go product
- Ability to tailor holiday (dates, location, accommodation)
- Easy to book

18 exciting, new destinations for easyJet customers



From 1st Jan we've painted the town orange!



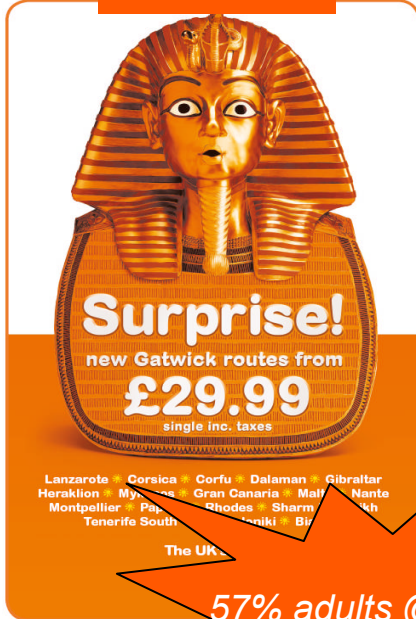
Poster

Press

Radio



91% adults @ 49.7 hits in London



57% adults @ 3.7 hits



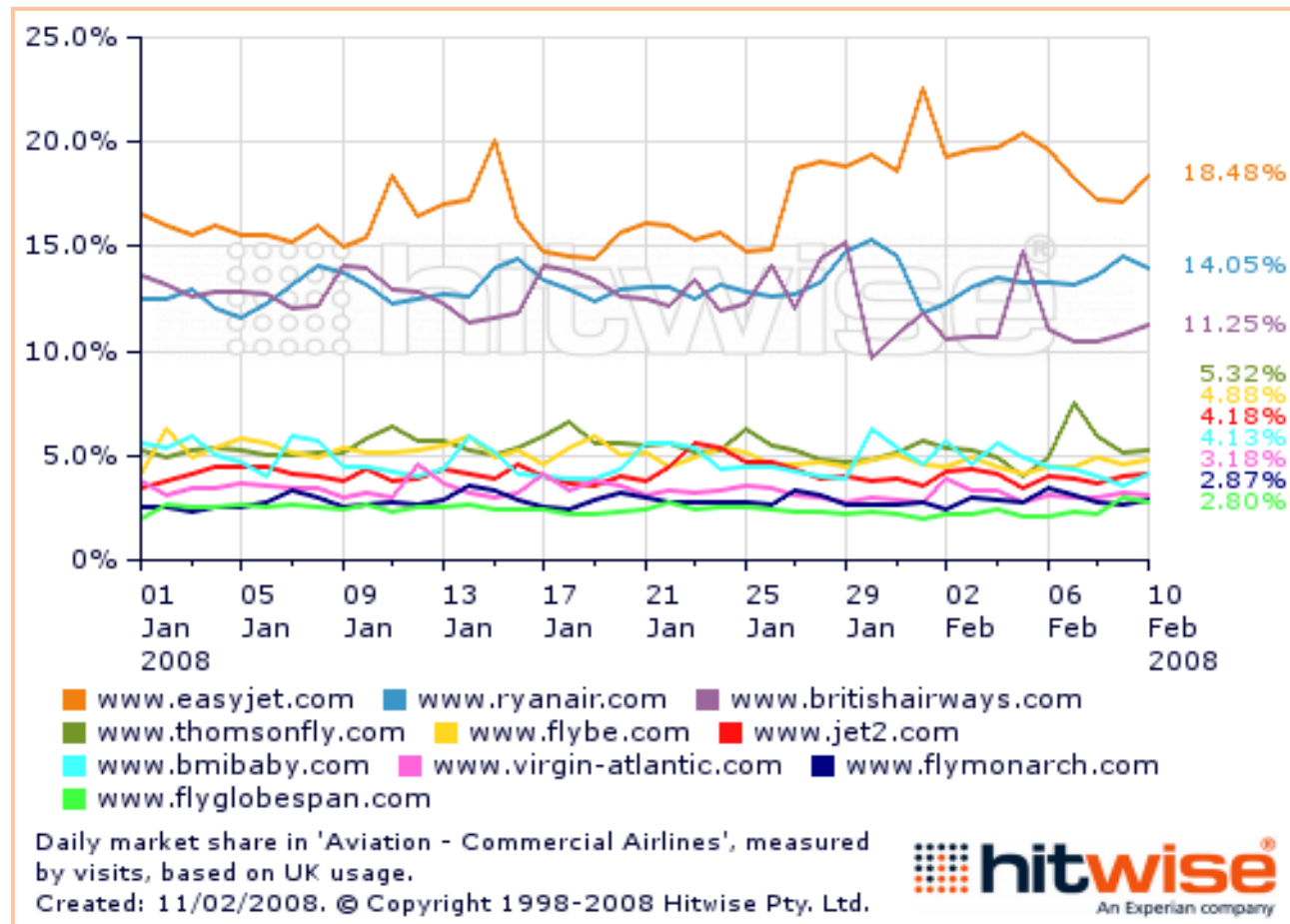
20% adults @ 15 hits



We have generated strong online traffic



Share of website hits amongst commercial airlines



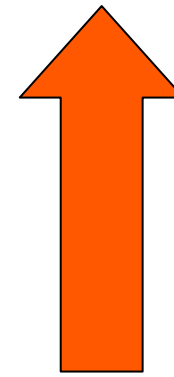
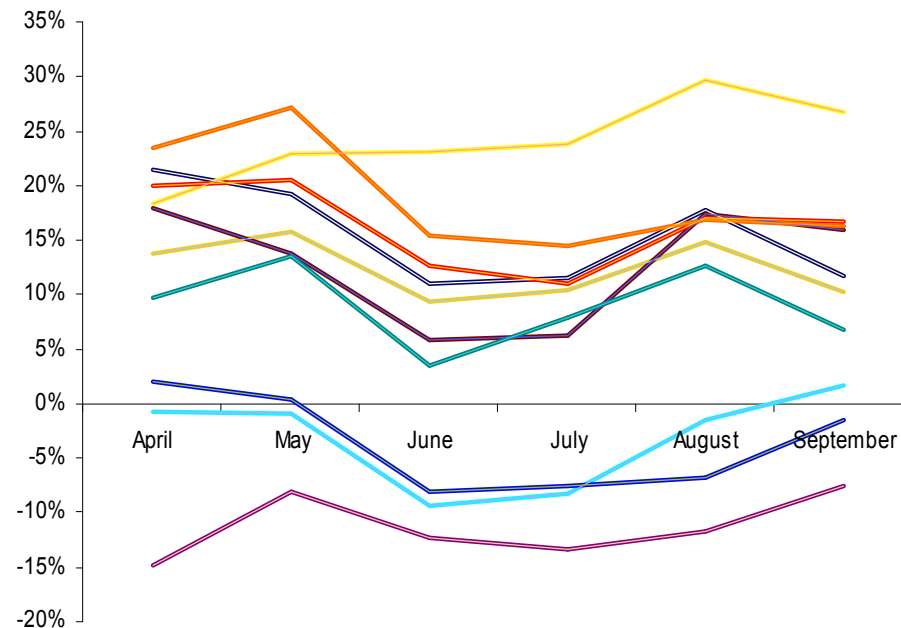
Forward bookings are encouraging



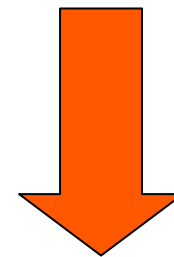
No loss in forward momentum from change in distribution

→ Over 30% of summer seats booked as at February 16th (similar to last year)

GB routes – forward load factor vs easyJet proxy routes



Good performance



Weaker performance



There is upside potential from ancillaries



- Ancillary revenue per seat
 - GB 2007 - £2.19
 - easyJet Q1 2008 - £5.06

- Additional services
 - Speedy Boarding
 - Sporting goods carriage

- Partner initiatives
 - Hotels, insurance etc...

- In flight - customer pays

- Extract value from existing assets
 - In-flight entertainment
 - Trial more hot food on longer, unique routes



We will optimise the network

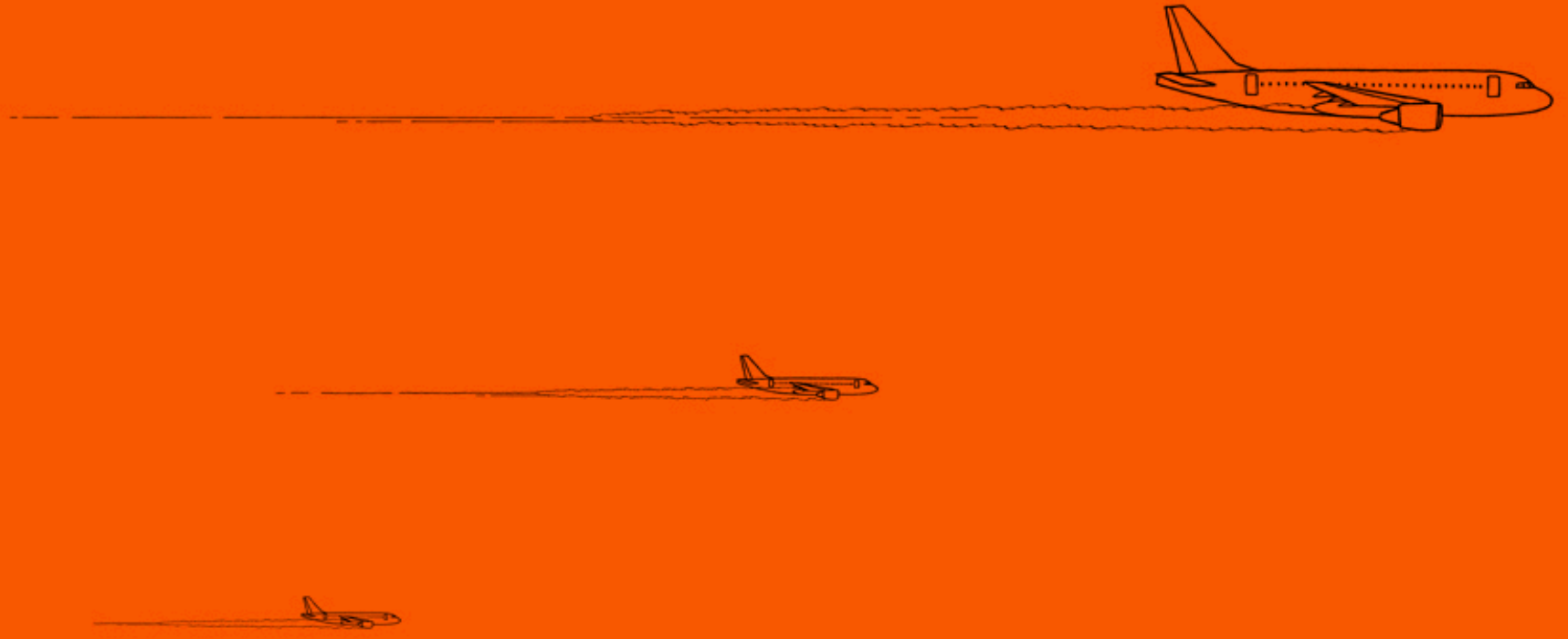


- Changes already made
 - New route launched Manchester to Malaga
 - A320 redeployed from GB route to LGW – Athens

- Winter '08/09 onwards
 - Rationalise capacity on marginal routes
 - Cull under-performing routes
 - Optimise use of slot portfolio e.g. deploy larger gauge aircraft on key routes at slot constrained airports
 - Potential to further develop business travel



Operations Cor Vrieswijk



Painting GB operations orange



- On track to deliver smooth transition to single operation by start Winter '08 / '09
- Cutover to easyJet AOC 29th / 30th March
- Complete aircraft re-branding and configuration by May '08
- Full transfer to easyJet IT systems
- Alignment of terms and conditions to easyJet by Winter '08 / '09



Gatwick - a big operation gets bigger



	<u>Current</u>	<u>Post acquisition</u>
<i>Passengers</i>	 6 million p.a.	8 million p.a.
<i>Ground Operations</i>	 28 check-in desks Handling agent – Menzies 75 departing flights per day	c45 check-in desks Menzies (additional 145 staff) 105 departing flights per day
<i>Fleet</i>	 20 aircraft	33 aircraft (35 as of Summer '08) GB engineering remains at LGW
<i>Crew</i>	 500 cabin crew 270 cockpit crew	920 cabin crew 480 cockpit crew



Gatwick ground operations post cut-over



- Initially split terminal operation at Gatwick
 - No operational capacity to consolidate early
 - Aircraft will be split by destination not gauge (14 in North, 21 in South)
 - Over time specific countries will be allocated a terminal
 - Crew will move to single crew room at cut-over weekend
 - Minimal cost impact from split terminal

- Consistent customer message at Gatwick is key
 - Flight numbers starting with 8xxx will be located in North and 5xxx in South
 - Designated terminal for each destination
 - Working with BAA to produce clear signage at all entry points
 - Floor walkers at airport
 - Email communication to customer

Medium term operations will consolidate to a single terminal



Fleet re-branding

- During BA franchise
 - No easyJet branding
 - White tailing (removal of BA branding)

- Cut-over weekend
 - AOC changeover, franchise ends
 - easyJet stickers on aircraft

- After franchise
 - Re-branding to easyJet
 - Reconfiguration:
 - 9 x A320 168 pax to 174 pax
 - 6 x A321 194 pax to 210 pax
 - Complete by end of May

easyJet white



White out BA logo and lettering



Crew – turning orange



- Culture and operating practises
 - Cabin tidy and minimum crewing levels agreed
 - Roll out of uniform has commenced
 - easyJet and GB cabin crew recruitment teams fully integrated
 - 70 voluntary crew seconded to GB
 - Crew communication: “changing colours”, crew room visits
 - Joint culture committee to plan/implement crew integration
 - Service and standards training has commenced (easyJet and GB instructors)

- Terms and conditions
 - Meetings with unions in progress
 - End game is alignment with easyJet business model for Winter '08/'09



Cut-over weekend 29th/30th March



- AOC cut-over and end of BA franchise

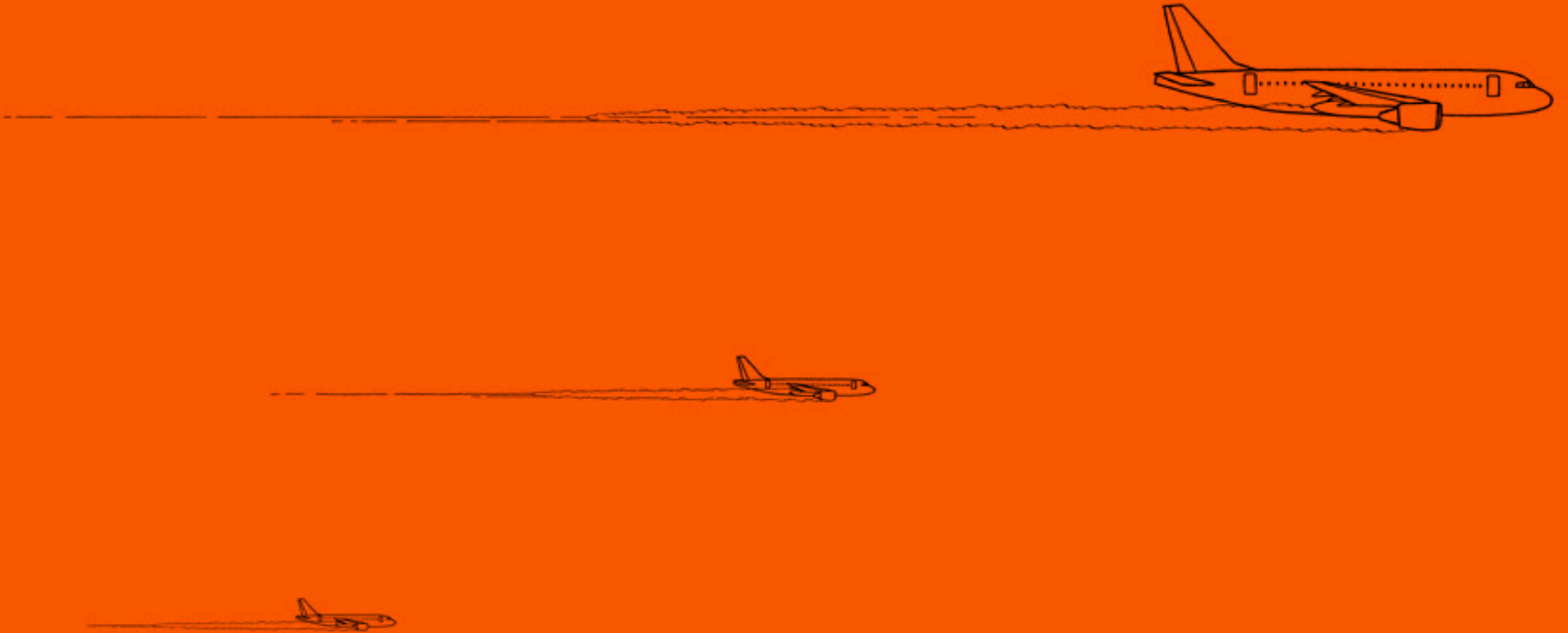
- 'Major military operation'
 - 15 aircraft converted in a six hour window
 - Five teams to modify, clean, strip and stuff every aircraft; one standby team
 - De-brand/re-brand LGW terminal, other stations and launch new sales desks
 - 85 people involved in 18 locations, 400 actions, check lists and sign off by the accountable manager

- Avoid operational delays and fly full schedule on March 30th

- And additionally...
 - Switch handling agents at LGW, MAN and overseas airports
 - Move all GB crew into the new LGW crew room
 - Launch the revised in-flight offering and crew uniform change
 - Cease Heathrow flying



Finance
Jeff Carr



easyJet plc

Significant synergies available



→ Timing of synergies

Immediate	Medium term (F'09)	Longer term
Overhead costs Franchise fee Ancillary revenues Ground handling Insurance	Engineering Crew cost	Aircraft ownership costs Network optimisation

→ Minimum targets

- F'08 eps positive after one off costs
- One off costs around £12m
- F'09 move GB to easyJet average profit per seat - equivalent to approximately £12m p.a.



Pro-forma results - 2007



Profit & loss

£m	<u>easyJet '07</u>	<u>GB '07</u>	<u>Total '07</u>
Revenue	1,797	250	2,047
Operating cost	1,499	216	1,715
EBITDA	298	34	332
Ownership	107	31	108
Profit before tax	191	3	194

KPIs

	<u>easyJet '07</u>	<u>GB '07</u>	<u>Total '07</u>
Pax (m)	37.2	2.8	40.0
Seats (m)	44.5	3.4	47.9
Loads	83.7%	81.8%	83.5%
Sectors	287,952	20,770	308,722
ASKs	43,501	7,046	50,547
Ave. sector length	978	2,055	1,055



Key metrics - per seat & per ask



Per seat (£)

	<u>easyJet '07</u>	<u>GB '07</u>	<u>Total '07</u>	<u>GB impact</u>
Total revenue	40.52	73.53	42.73	+5%
Total cost	36.12	72.77	38.69	+7%
Total cost ex fuel	26.55	53.65	28.46	+7%
Profit before tax	4.30	0.76	4.04	(6)%

Per available seat kilometre (pence)

	<u>easyJet '07</u>	<u>GB '07</u>	<u>Total '07</u>	<u>GB impact</u>
Total revenue	4.14	3.55	4.06	(2)%
Total cost	3.70	3.51	3.67	(1)%
Total cost ex fuel	2.72	2.59	2.70	(1)%
Profit before tax	0.44	0.04	0.38	(13)%



Revenue impact



- Impact on easyJet capacity growth 2007/08
 - Seats +12% (+18% with GB Airways)
 - ASKs +16% (+30% with GB Airways)

- GB Airways February - September 2008 key revenue statistics*

Revenue (£m)	199
Seats ('000)	2,674
Loads	83.7%
Passengers ('000)	2,237
ASK's (m)	5,512
Revenue per seat (£)	74.42
Revenue per ASK (pence)	3.61

**2 months BA franchise / 6 months easyJet with partial reconfiguration*



Synergies – immediate (this financial year)



- Elimination of BA franchise fee c£10m (offset by loss of business revenue)
- Development of ancillary revenues to easyJet levels, >£3 per seat
- Reduction of ground handling costs
 - Gatwick move to Menzies contract on March 30th (saving c£350 per turn)
 - Overseas contracts will change on March 30th (Malaga savings of c€900 per turn)
- Move to easyJet insurance rates, approximately 20% cheaper
- GB Head Office closure complete by July 2008; savings >£10m per annum
 - 220 redundancies and c50 transfers to easyJet



Synergies – medium & longer term



- Medium term (next year)
 - Move engineering maintenance onto easyJet contracts
 - Alignment of crew contracts
 - easyJet max hours 900 per annum, GB capped at 775 hours before overtime
 - Reduction of crew complement on A320 & A321's
 - Elimination of seniority

- Longer term (2-4 years)
 - Reduction in aircraft ownership costs
 - GB vs easyJet; £1.9m vs £1.2m per aircraft per annum*
 - Network optimisation

**GB figure adjusted to be comparable per seat*



One-off costs around £12m



- Key categories
 - Redundancy
 - Retention payments
 - Transfer to easyJet terms and conditions
 - Property dilapidations and write-offs
 - IT set up costs
 - Pre-acquisition marketing support

- Split biased with majority in 1st half and remainder in 2nd half



Reporting



- Traffic statistics
 - February & March, easyJet underlying statistics reported
 - GB / BA franchise load factors with prior years data reported separate
 - April onwards traffic statistics reported on a combined basis

- Half year – 31st March 2007
 - GB incorporated into numbers, revenue and pre tax results reported separately

- Full year
 - GB fully incorporated, no separate business segment



Summary



- Integration of GB Airways progressing well

- Current trading GB
 - February and March load factors >85%
 - Summer schedule selling well

- Current trading easyJet
 - Improving Q1 trends continuing into Q2
 - January total revenue per seat plus 2% vs prior year
 - February load factors broadly in line with prior year and total revenue per seat up between 3% and 5% vs prior year
 - Easter forward bookings remain encouraging



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Questions and answers

