UBS Transport conference

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easyJet plc

Andy Harrison

Chief Executive Officer



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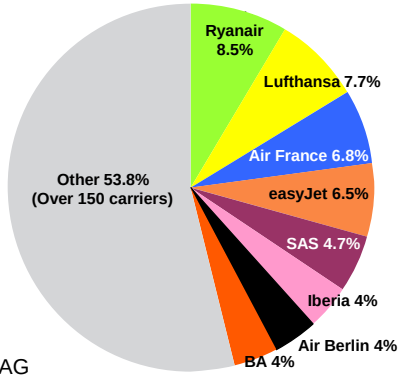
easyJet trading well through the recession

- Excellent revenue performance in weak economic conditions
- PBT ex fuel per seat over the winter improved from £9.28 to £9.69
- One of the few European airlines to make a profit this year
- Strong balance sheet; over £1billion of cash, $0.5bn financing available at <100bp above libor, with further financing available albeit at higher rates

The market - European short-haul aviation

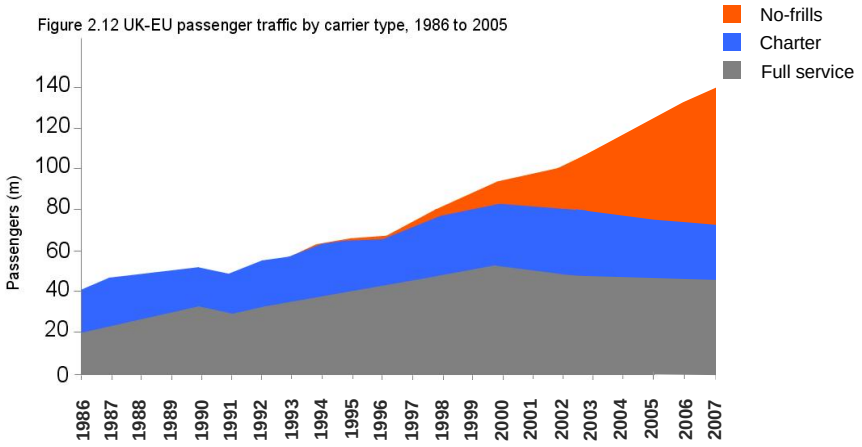
- European short-haul aviation – fundamentally a growth market average 4.5% p.a.
- Weakening economic conditions have caused industry capacity to be cut back
  - Consolidation is already evident
  - Weaker players are struggling to survive
- easyJet has grown via market share gains from charter and legacy carriers not just market stimulation

Market share by seats offered 12 months to Summer 08



Source OAG

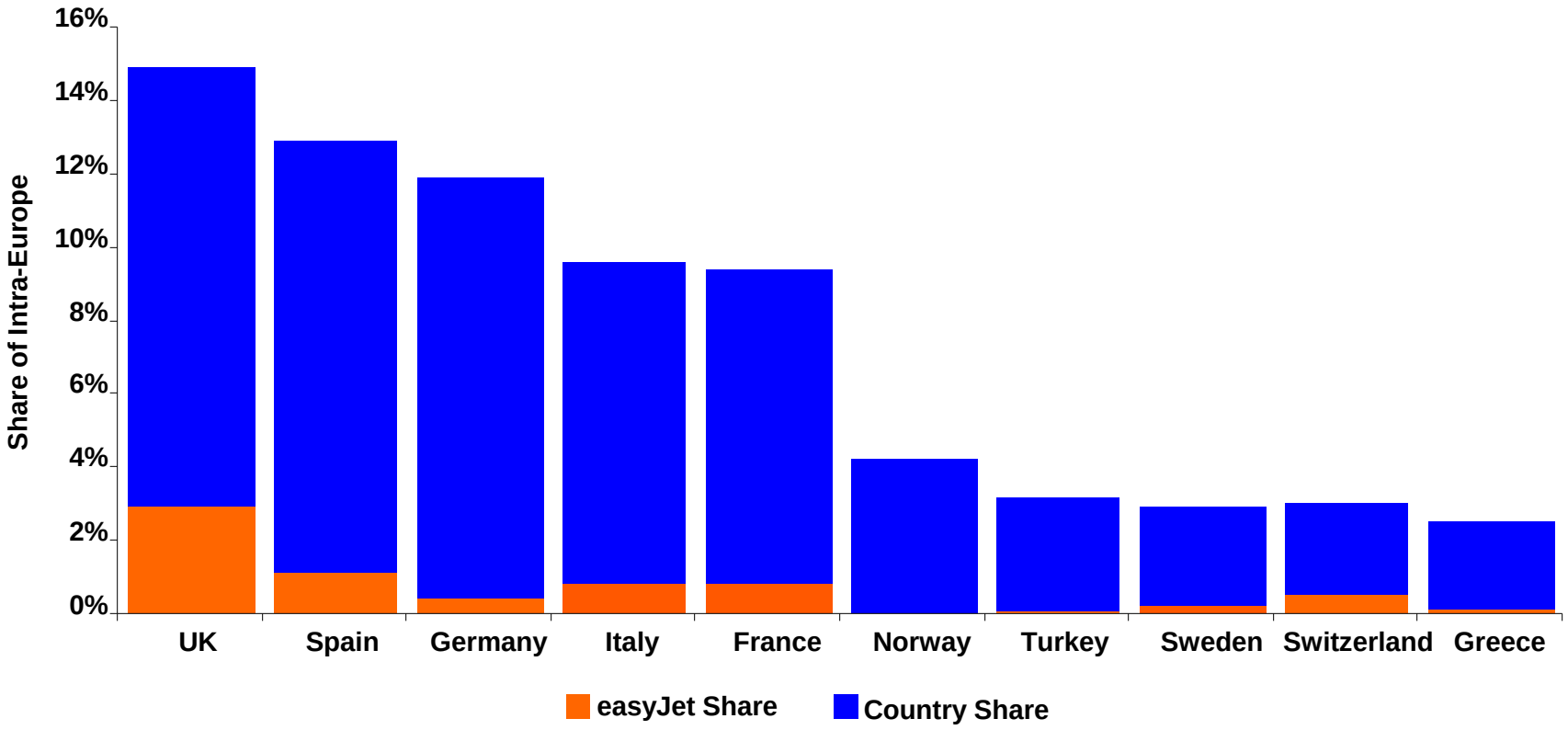
Short haul aviation in Europe - a fragmented market



Source CAA Airport Statistics

Significant potential for easyJet to grow

easyJet has only 6.5% of the European short haul market



Strategy of growth and margin improvement

- Anticipated average annual growth rate of 7.5% delivers the ability to optimise the network and exploit margin accretive opportunities to take market share
- Target to grow share of European short haul aviation from c.6.5% to 10% over the next five years
- Flexibility to respond to changing economic conditions and market opportunities
- Anticipated positive free cash flow generation, post the Boeing replacement programme*

	30 Sept 2009	30 Sept 2010	30 Sept 2011	30 Sept 2012
A319	140	154	171	182
A320	15	23	23	25
A320 GB spec	5	2	-	-
A321 GB spec	4	-	-	-
B737	17	8	2	-
Total	181	187	196	207
Capital expenditure $'m	850	850	750	500

* At current jet prices

Maximising margins

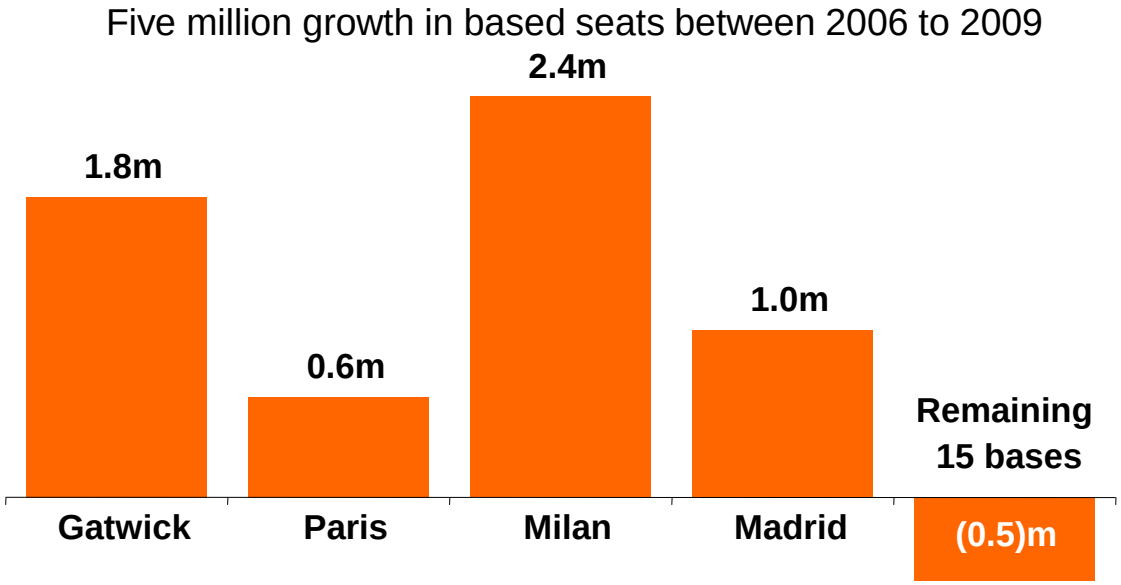


Targeting a 15% return on equity by focusing on all key levers:

Yield	Focused asset allocation – targeted growth to build Europe's No. 1 Air Transport network Balanced customer base
Ancillary Revenue	Indirect charges Value added goods and services
Cost	Low cost and highly efficient Deliver £125m+ cost savings by F'11 through fleet planning, procurement and systems

Yield management

Strategy of focused asset allocation delivering

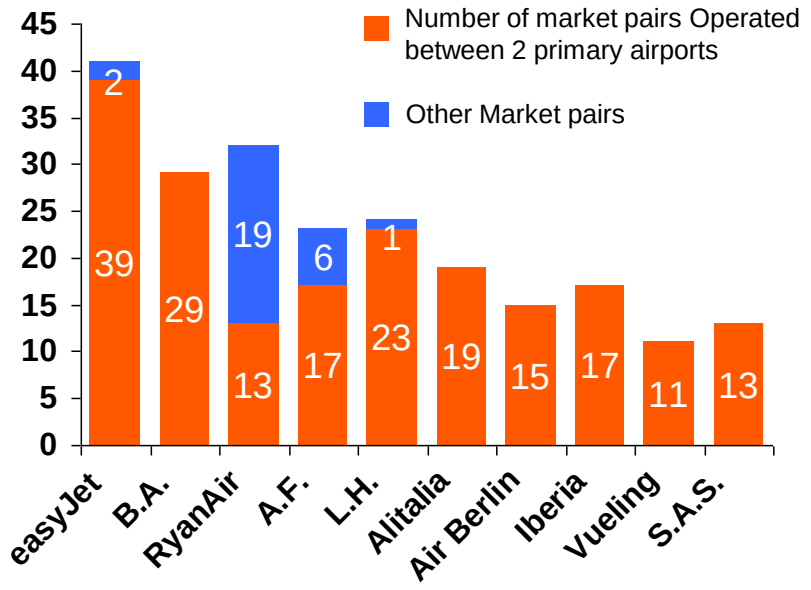


- Contribution on based aircraft at LGW and mainland Europe above network average
- Capacity reduced at underperforming bases
- Dortmund base closed October 2008
- Consultation underway re: East Midlands and Luton

Yield management

Europe's No.1 air transport network ensures balanced revenue base

- Broad appeal across geographies and customer types
- Leading presence on Europe's top 100 routes
- Convenient airports attractive to time sensitive consumers
- Strong positions in key markets:
  - London Gatwick No.1
  - Milan Malpensa No.1
  - Geneva No.1
  - Paris No.2



Presence on top 100 routes (market pairs)

Yield management

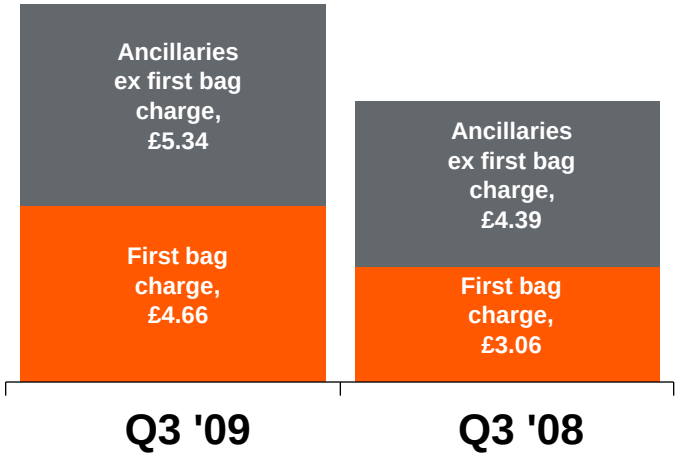
Growing share of the business travel market

- Improving schedule
- Taking advantage as weaker competitors retreat
- easyJet has a great business product:
  - Speedy Boarding
  - Available via GDS/API
    - 10% of business bookings now originate from this channel
    - Revenue per seat c. 20% higher than easyJet average
  - Good value; ITM research shows that:
    - easyJet cheapest carrier on 78% occasions over all itineraries surveyed
    - savings by flying with easyJet of over £100 on 44% of occasions

Route from LGW	BA	easy jet
Geneva	2	7
Madrid	-	4
Milan MXP	-	4
Edinburgh	4	4
Amsterdam	4	4
Munich	-	3
Toulouse	-	3
Barcelona	-	3
Rome FCO	1	3
Zurich	-	2

Drive ancillary revenues

- Indirect charges
  - Strong performance - F'08 and F'09 limited further growth
- Value added activities
  - Opportunity to continue to grow by c. 10% p.a. per seat
  - Drive continued growth through improved execution and innovation e.g. in-flight
  - Improvements to easyJet.com to drive conversion



Improved in-flight offering delivering results



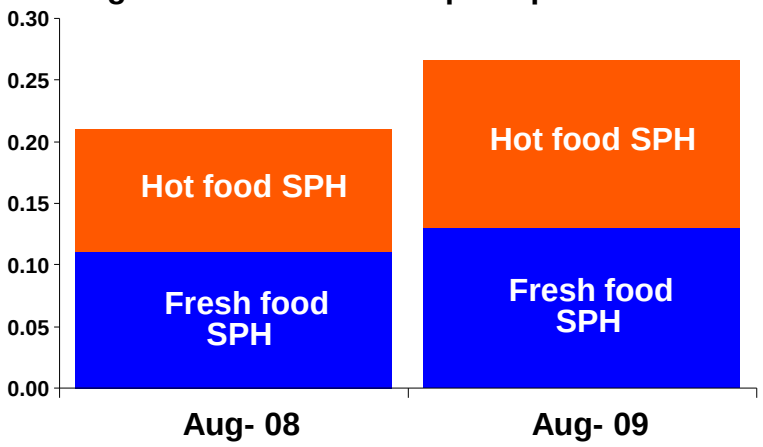
FY10: Fresh food as key profit driver:

- ✈ Shift change in availability
- ✈ Logistical and process developments
- ✈ Further Partnership ventures
- ✈ Key Country specific Bistro offering

FY09: Fresh waste % halved and SPH rose through:

- ✈ Improved localised offering
- ✈ Better consumer coms.
- ✈ Data availability for forecasting

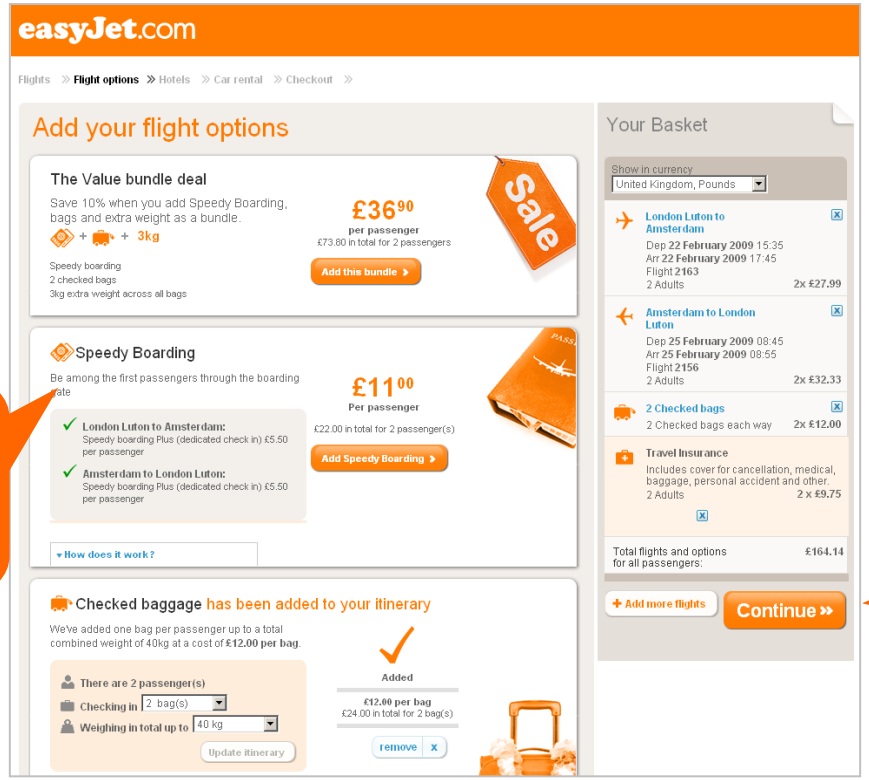
Aug fresh and hot food spend per head YOY



Improvements to easyJet.com being rolled-out

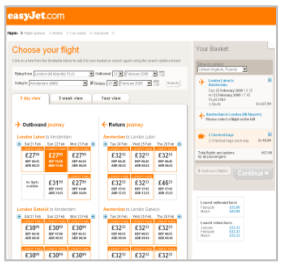
Simple, consistent modular panels for options (good usability & easier to optimise)

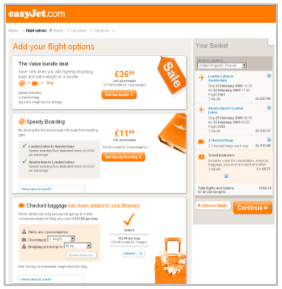
Product pricing simplified, consistently using unit prices but still shows total

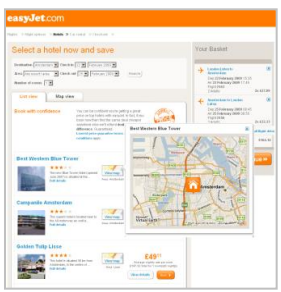


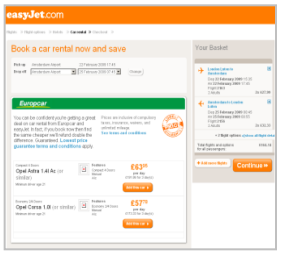
Basket always present. Updates as customers book.

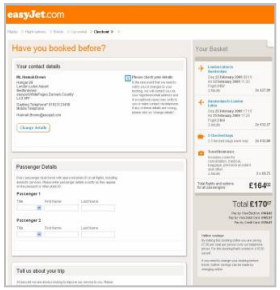
… with one simple subtotal. And a very obvious continue button

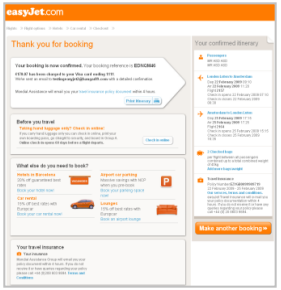












Low cost and highly efficient

- Focused, simple operation
- New fuel efficient fleet - average age 3.5 years
- Low ownership costs – Airbus contract
- High asset utilisation
  - Aircraft in operation 11.9 hours a day
  - Average turn time of c.30 minutes
- Deliver £125m+ cost savings by F'11





Deliver £125m+ cost savings by F'11



By end F'09 c.£40m initiatives will be place

	2009 initiatives
Ownership - exit expensive aircraft from fleet **Target £40m pa by F'11**	✈ Lease returns 2009: 12 x Boeing 737, 4 x GB A320 ✈ 2 A321 aircraft sold, 5 further held for sale ✈ 35 A320 family aircraft delivered F'09
Maintenance - in-sourcing programme **Target £8m+ pa**	✈ In-sourcing of planning & control and tech services ✈ Share the pain initiatives with suppliers ✈ Various efficiency projects
Overheads - leverage scale **Target £6m pa by F'09**	✈ 60 head office redundancies September 2008 ✈ Continue to squeeze overheads
Airports & Handling - share the pain **Target £9m+ pa by F'09**	✈ Share the pain with suppliers ✈ Move to self handling at Tenerife South and Ibiza ✈ LGW judicial review
Crew - 10% efficiency **Target £30m pa by F'11**	✈ Move to fixed term and seasonal contracts, unpaid leave initiatives ✈ Pairings optimiser ✈ Rostering system go live F'10
Fuel - 3% fuel burn improvement **Target £30m pa by F'11**	✈ 2% saving by end F'09 ✈ Flight planning LIDO implementation, pilot technique and GPU ✈ Fuel reporting system

Summary



- easyJet has traded well through a recession
- easyJet strongly positioned
  - Europe's No.1 air transport network
  - Strong, focused organisation with potential for further cost savings
  - Great customer proposition and strong brand
  - Financially resilient
- Medium term - focused growth with margin improvement
  - Grow market from 6.5% to 10%
  - Medium term Return on Equity target of 15%