EASYJET TRADING STATEMENT FOR THE QUARTER ENDED 30 JUNE 2015

A. HIGHLIGHTS:

easyJet performance in the quarter

- Good commercial performance with revenue per seat down 2.8% at constant currency or by 5.4% on a reported basis to £59.08 per seat, better than the guidance issued in May.

- The better than expected revenue per seat was driven by trading in the UK and beach routes across Europe in May and June and successful implementation of revenue management initiatives, offsetting in part the impact of the movement in Easter and the French Air Traffic Control ("ATC") strikes in April which together decreased revenue per seat at constant currency by three percentage points.

- Total revenue decreased by 1.0% to £1,228 million, capacity grew by 4.7% to 20.8 million seats, passengers carried increased by 6.2% to 19.1 million, and the load factor increased by 1.3 percentage points to 91.7%.

- Cost per seat including fuel decreased by 3.3% on a reported basis.

- Difficult operational environment due to increased levels of disruption including French ATC strike action and the fire at Fiumicino, which together caused 1,364 of the 1,463 flights cancelled in the quarter compared to a total of 648 flights cancelled in the same period last year. This was reflected in the cost per seat excluding fuel performance which increased by 2.8% at constant currency but decreased by 2.1% on a reported basis, with the French ATC strike and the impact of the fire at Rome Fiumicino driving 1.1 percentage points of the constant currency increase.

- easyJet lean delivered a further £7 million of sustainable savings in the quarter, £28 million year to date, the majority through airport and ground handling initiatives.

- Cash and money market deposits were £930 million and net cash was £421 million as at 30 June 2015 demonstrating easyJet's continued strong balance sheet.

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

"Our Q3 performance shows that easyJet's strategy continues to deliver, in particular with good performance in the UK and beach routes across Europe. With 77% of second half seats now booked, easyJet expects to grow profit before tax from £581 million for the year to 30 September 2014 to a range of £620 million to £660 million for the year to 30 September 2015. Our Q3 performance means that for the full year easyJet will grow revenue, profits and dividends."

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KEY FINANCIALS

Three months ended	30 Jun 2015	30 Jun 2014	Change
Passengers (million) [1]	19.1	17.9	6.2%
Seats flown (million)	20.8	19.8	4.7%
Load factor (%) [2]	91.7	90.4	1.3 ppt
Total revenue (£ million)	1,228	1,240	(1.0)%
Seat revenue (£ million)	1,209	1,223	(1.1)%
Non seat revenue (£ million)	19	17	10.9%
Total revenue per seat reported (£)	59.08	62.47	(5.4)%
Total revenue per seat constant currency (£)	60.74	62.47	(2.8)%
Seat revenue per seat reported (£)	58.16	61.60	(5.6)%
Non-seat revenue per seat reported (£)	0.92	0.87	5.9%
Total revenue per passenger reported (£)	64.42	69.12	(6.8)%
Average number of owned / leased aircraft	235	222	6.0%
Average operating aircraft	226	214	5.5%
Average utilisation owned aircraft (hours per day)	11.7	11.7	(0.6)%
Average utilisation operating aircraft (hours per day)	12.1	12.2	(0.2)%
ASKs (million)	23,517	22,198	5.9%
RPKs (million)	21,707	20,243	7.2%
Average sector length (km)	1,132	1,118	1.2%

B. STRATEGIC PROGRESS

1. Build strong number 1 and 2 network positions

easyJet continued to execute against the strong growth potential it sees in its core markets and capacity (seats flown) increased by 4.7% in the quarter. In the quarter capacity growth[3] was focused on investing in areas of the network such as Amsterdam (18%), Hamburg (50%) and Porto (44%) as well strengthening key structural positions in Basel (14%) and Geneva (9%).

easyJet continues to demonstrate its disciplined approach to capital allocation to drive the highest returns. On 18 June easyJet announced a strengthening of its Italian strategy through expanding its bases in Italy at Milan Malpensa and Naples and the opening of a new base in Venice from April 2016; these are markets where easyJet sees significant opportunities to drive improved growth and returns. This expansion will be supported through easyJet's capital discipline by redeploying aircraft and crew from Rome Fiumicino. easyJet also announced the opening of a new base at Barcelona with three based aircraft from February 2016. Barcelona is a key network point for easyJet and the new base will provide additional cost flexibility.

2. Drive demand, conversion and yields across Europe

Passenger numbers grew by 6.2% in the quarter to 19.1 million. After a difficult April due to the movement of Easter and the French ATC strike, which together reduced revenue per seat by three percentage points, easyJet delivered a better than expected performance in the quarter driven by trading in the UK and beach routes across Europe and a number of revenue management initiatives. April's disruption adversely impacted pre-tax profit by £25 million and was largely driven by the French ATC strike. The strike was particularly disruptive for easyJet due to its extended nature, easyJet's strong presence on French domestic routes and because around two-thirds of easyJet's network flies through French airspace which is more than other carriers.

easyJet continued to make good progress on the business passenger initiative in the quarter. Business passengers grew in line with expectations, momentum continued in the yield premium which increased by 3.4% per seat and sales of inclusive fares grew by 76% in the quarter.

During the quarter easyJet continued to demonstrate digital leadership with the launch of mobile host and a new iPhone app. The mobile host is now available at London Gatwick and Edinburgh and provides customers with notifications at relevant points of their journey through the airport such as bag drop and gate information. The new iPhone app includes a range of new features designed to make travel simpler and easier for passengers. Since the launch of easyJet's first iPhone app in 2011 the app has evolved from easy booking and check-in functionality to include popular features like passport scanning, live flight tracking, mobile boarding passes and Touch ID. It is also now complemented by the easyJet Apple Watch app.

3. Maintain cost advantage

Operational performance

The third quarter saw increased levels of disruption across the network. easyJet cancelled 1,463 flights in the quarter compared to 648 in the prior year. The majority of cancellations were driven by the reduced capacity caused by the fire at Fiumicino (773 cancellations) and the French ATC strike (591 cancellations).

easyJet's on-time performance was lower in the third quarter compared to the same period last year. This was predominantly driven by lower on-time performance at London Gatwick, which accounts for 25% of easyJet's capacity, caused by issues with the ground-handling supplier. easyJet has worked collaboratively with the supplier to address the issues and on-time performance at London Gatwick is now on an improving trajectory. Overall easyJet continues to be pleased with the commercial performance of Gatwick.

OTP % arrivals within 15 minutes	April	May	June	Q3	YTD
FY'15	82%	80%	75%	79%	83%
FY'14	88%	84%	79%	84%	87%

Cost performance

The increased level of disruption in the quarter was reflected in the cost performance with a 1.1 percentage point impact at constant currency from the French ATC strike in April and the reduced capacity caused by the fire at Rome Fiumicino in May. In addition, airport charges increased by 0.8 percentage points, mainly driven by increases in regulated airports in Italy and Germany.

Consequently cost per seat excluding fuel increased by 2.8% on a constant currency basis. Cost per seat including fuel fell by 3.3% on a reported basis.

easyJet lean delivered a further £7 million of sustainable savings in the quarter and £28 million has now been delivered year to date. Further savings in the quarter were driven by initiatives in airports and ground-handling. easyJet remains confident of delivering sustainable savings for the full year at the top end of the £30 million to £40 million range.

Fleet

In the quarter, easyJet took delivery of nine A320 aircraft. As at 30 June 2015 the fleet comprised of 239 aircraft; with 90 A320s and 149 A319s.

easyJet also announced that all A320 deliveries from May 2016 will have 186 seats compared to the current 180 seat configuration. In addition, the existing A320 fleet will be retrofitted over the winters of 2016 and 2017. The retrofit is expected to be completed by the summer of 2018. Increasing the number of seats to 186 on an A320 aircraft is expected to deliver a cost per seat saving of around 2%. easyJet will start taking delivery of A320neo aircraft from June 2017. The cost per seat saving delivered by moving from a 156 seat current generation A319 to a 186 seat A320neo is around 14%.

4. Disciplined use of capital

easyJet continues to maintain a strong balance sheet with cash and money market deposits of £930 million (excluding restricted cash) compared to £1,162 million at 30 June 2014. As expected the decrease is due to pre-delivery payments and the acquisition of aircraft. Net cash was £421 million compared to net cash of £603 million at 30 June 2014.

Chief Financial Officer update

Further to the announcement on 13 April 2015, easyJet confirms that Andrew Findlay will join the Board of easyJet as Chief Financial Officer on 2 October 2015. Chris Kennedy will step down from the Board and leave easyJet on 1 September 2015.

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	Swiss Franc surplus
Three months to 30 September 2015	83%	85%	91%	88%
Average rate	$878 / metric tonne	$1.58	€1.14	CHF1.49
Full year ending 30 September 2015	88%	83%	87%	100%
Average rate	$922 / metric tonne	$1.59	€1.18	CHF1.48
Full year ending 30 September 2016	80%	76%	79%	70%
Average rate	$844 / metric tonne	$1.63	€1.21	CHF1.46

Outlook

It is estimated that at current exchange rates[4] and with jet fuel remaining within a $550 metric tonne to $750 metric tonne trading range, easyJet's unit fuel bill for the second half of the financial year is likely to decrease by between £65 million and £80 million compared to the six months to 30 September 2014. On a full year basis it is estimated that at current exchange rates and with jet fuel within a $550 metric tonne to $750 metric tonne trading range, easyJet's unit fuel bill for the 12 months ending 30 September 2015 is likely to decrease by between £100 million and £115 million compared to the 12 months to 30 September 2014.

In addition, exchange rate movements are likely to have around a £35 million adverse impact compared to the six months to 30 September 2014 and are likely to have around a £15 million adverse impact compared to the 12 months to 30 September 2014

The underlying performance of the business remains consistent with the capacity and cost guidance given on 12 May 2015, despite absorbing an additional £15 million of disruption costs in the nine months to 30 June 2015 compared to the same period in the prior year. Revenue per seat is trending better than outlined in May. The current macro and operational environment is uncertain, caused by the situation in Greece and the events in North Africa, combined with the reduction in capacity at Fiumicino as a result of the fire at the airport and the various threats of industrial action. Despite this, easyJet expects to grow profit before tax from £581 million for the year to 30 September 2014 to a range of £620 million to £660 million for the year to 30 September 2015 including the impact of the settlement with Eurocontrol[5].

easyJet is successfully executing its strategy of offering its customers low fares to great destinations with friendly service so that it will continue to win in a more competitive market. With forward bookings in line with last year easyJet is well placed to grow revenue, profit and dividends this financial year and continue to deliver sustainable returns and growth for shareholders.

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. OAG 1 April 2015 - 30 June 2015.

4. US $ to £ sterling 1.5559, euro to £ sterling 1.4360 as at noon on 20.07.15.

5. Following the period end the Eurocontrol dispute was resolved. This will result in a £8 million additional navigation charge in Q4'15. This one-off charge is included in easyJet's FY'15 profit before tax guidance range.

A copy of this Trading Statement is available at http://corporate.easyjet.com/investors