

Consolidated reconciliation of movements in shareholders' funds

for the year ended 30 September

	2001 £000	2000 £000
Retained profit for the year	37,907	22,103
Foreign currency translation differences	(254)	4,098
Shares issued by easyJet plc	215,099	28
Movement in reserves for employee share scheme	(1,978)	-
	<hr/>	<hr/>
Net addition to shareholders' funds	250,774	26,229
Opening shareholders' funds	65,717	39,488
	<hr/>	<hr/>
Closing shareholders' funds	316,491	65,717
	<hr/>	<hr/>

Consolidated statement of total recognised gains and losses

for the year ended 30 September

	2001 £000	2000 £000
Retained profit for the year	37,907	22,103
Foreign currency translation differences	(254)	4,098
	<hr/>	<hr/>
Total recognised gains and losses for the year	37,653	26,201
	<hr/>	<hr/>

Notes

(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the consolidated financial statements of easyJet plc and its subsidiaries (the "group").

Basis of preparation

The consolidated financial statements have been prepared under the historical cost convention and in accordance with currently applicable accounting standards in the United Kingdom.

The company was incorporated on 24 March 2000 and, following a group reorganisation effected on 30 April 2000, it acquired from the former parent undertaking, easyJet Holdings Limited, its interests in the group subsidiaries and substantially all the assets and liabilities in consideration for the issue of shares. The group reorganisation qualified for merger accounting and, accordingly, the group's financial statements for the year ended 30 September 2000 were prepared as if the company had always been the parent company of the group. The profit and loss accounts and cash flow statements reflect the group's activities for each of the two years ended 30 September 2001 and 2000 and the consolidated balance sheets present the group's state of affairs at the end of each of those periods.

Basis of consolidation

The consolidated financial statements incorporate those of the holding company and its subsidiaries for the years made up to 30 September 2001 and 2000. Unless otherwise stated, the acquisition method of accounting has been adopted. Under this method, the results of subsidiary undertakings acquired or disposed of in the year are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal.

In accordance with Section 230 of the Companies Act 1985, the company is exempt from the requirement to present its own profit and loss account. The company's loss for the financial year was £3.1 million (2000: period from incorporation, 24 March 2000, to 30 September 2000 £2.7 million profit).

Goodwill

On the acquisition of a business fair values are attributed to the separable net assets acquired. Goodwill arises where the fair value of the consideration given for a business exceeds the fair value of such net assets. Goodwill is capitalised and amortised to the profit and loss account in equal instalments over its estimated useful life, not to exceed 20 years.

Associates

An associate is an undertaking, not being a subsidiary, in which the group holds a long term interest and over whose commercial and financial policy decisions it actually exercises significant influence. The group's share of the profit less losses from associated undertakings is included in the consolidated profit and loss account on the equity accounting basis. The carrying value of associated undertakings in the group's balance sheet is calculated by reference to the group's share of the net assets of such undertakings.

Investments

Fixed asset investments are stated at cost plus capitalised interest. To the extent that the carrying value exceeds the recoverable amount, an impairment loss is recognised in the profit and loss account.

Notes (continued)

1 Accounting policies (continued)

Revenue

Revenues comprise the invoiced value of airline services, net of passenger taxes, discounts, including internet booking discounts, plus ancillary and advertising revenue. Revenue from the sale of flight seats is recognised in the period in which the service is provided. Unearned revenue represents flight seats sold but not yet flown and is included in Creditors, within Accruals and deferred income. Refunds made to passengers in the pre-flight period are recorded as reductions in revenue and any refunds made post flight are ordinarily recorded as marketing expense in the profit and loss account.

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of assets, on a straight-line basis over their expected useful economic lives to the group over the following periods:

Aircraft - airframe, engines and landing gear	-	7 years
Aircraft - prepaid maintenance	-	3-6 years
Aircraft - spares	-	10 years from date of manufacture
Leasehold improvements	-	5 years
Fixtures, fittings and equipment	-	3 years
Computer hardware and software	-	3 years

The aircraft which the group holds are expected to have an operational life of 20-30 years. However, the group has a policy of using recently manufactured aircraft and, therefore, expects to hold them only for a period of approximately 7 years before selling them on to other airlines.

An element of the cost of a new aircraft is attributed on acquisition to prepaid maintenance of its engines and airframe and is amortised over a period ranging from 3 to 6 years from the date of manufacture. Subsequent costs incurred which lend enhancement to future periods such as long term scheduled maintenance and major overhaul of aircraft and engines are capitalised and amortised over the length of period benefiting from these enhancements. All other costs relating to maintenance are charged to the profit and loss account as incurred.

Depreciation is charged at approximately 7.5 per cent per annum which, over a 7 year period, reduces the net book value of an aircraft to its estimated resale value at that time.

Advance payments and option payments made in respect of aircraft purchase commitments and options to acquire aircraft are recorded at cost and separately disclosed. On acquisition of the related aircraft, these payments are included as part of the cost of aircraft and are depreciated from that date.

Interest incurred on borrowings that specifically fund progress payments on assets under construction is capitalised.

Pensions

The group contributes to defined contribution pension schemes for the benefit of employees. The assets of the schemes are held separately from those of the group in independently administered funds. Group contributions are charged to the consolidated profit and loss account in the year in which they are incurred.

Notes (continued)

1 Accounting policies (continued)

Employee share schemes

The cost of performance related awards to employees that take the form of rights to acquire or receive shares is recognised over the period of the employees' related performance. The cost represents the difference between the option exercise price (if any) and the market value of the shares at the date of gift or grant. Where there are no performance criteria, the cost is recognised over the period from gift or grant to when the employee becomes unconditionally entitled to the shares. Where contingently issuable shares are gifted the cost of the share gift is recognised upon the crystallisation of the contingency. These costs are included in administrative expenses.

Deferred taxation

The charge for taxation is based on the profit for the year and takes into account taxation deferred because of timing differences between the treatment of certain items for taxation and accounting purposes. Provision is made for deferred tax only to the extent that it is probable that an actual liability will crystallise.

Foreign currencies

The group holds its aircraft through overseas subsidiaries. The functional currency of these subsidiaries is considered to be US dollars because they are funded substantially with US dollar loans and the aircraft are anticipated to be sold for dollars within approximately 7 years of their acquisition. Profits and losses of these and other overseas subsidiaries are translated into pounds sterling at average rates of exchange during the period, with the adjustments to closing rates at the period end being taken to consolidated reserves. The net assets of the overseas subsidiaries, including the advance payments made to secure the delivery of aircraft, are translated at closing rates, with gains and losses on re-translation also being taken to consolidated reserves. Exchange differences on foreign currency borrowings that hedge foreign currency net assets are also taken to reserves.

Where foreign currency borrowings have been used to finance foreign equity investments or where those borrowings provide a hedge against the exchange risk associated with the existing foreign equity investments, the foreign equity investments are translated at the rate of exchange ruling at the balance sheet date. The resulting exchange difference on the foreign equity investments is taken to consolidated reserves and, to the extent thereof, the resulting exchange difference on the foreign borrowings is offset against these exchange differences.

Transactions in foreign currencies are recorded using the rate of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies, other than as referred to above, are translated using the rate of exchange ruling at the balance sheet date and the gains or losses on translation are included in the consolidated profit and loss account.

Other exchange differences are taken to the consolidated profit and loss account.

Financial instruments

Gains and losses on derivative financial instruments are recognised in the profit and loss account when realised as an offset to the related income or expense, as the group does not enter into any such transactions for speculative purposes.

Notes (continued)

1 Accounting policies (continued)

Leases

All of the group's lease contracts are of an operating lease nature and are accounted for as operating leases, where the rental charges are charged to the consolidated profit and loss account on a straight-line basis. Maintenance costs on leased aircraft are expensed as incurred.

Cash

Cash, for the purposes of the cash flow statement, comprises cash in hand and deposits repayable on demand, less overdrafts repayable on demand, where formal offset arrangements are in place.

2 Segmental information

All revenues derive from the group's principal activity as an airline and include scheduled services, in-flight and related sales. Substantially all of the group's external revenues are earned by companies incorporated in the United Kingdom.

The geographical analysis of turnover is as follows:

	2001 £000	2000 £000
Within the United Kingdom	86,545	73,008
Between the United Kingdom and the Rest of Europe	244,764	177,141
Within the Rest of Europe	25,550	13,545
	<hr/> 356,859 <hr/>	<hr/> 263,694 <hr/>

All the group's operating profit arises from airline-related activities.

The only revenue earning assets of the group are its aircraft fleet. Since the group's aircraft fleet is employed flexibly across its route network, there is no suitable basis of allocating such assets and related liabilities to geographical segments.

3 Profit on ordinary activities before taxation

	2001 £000	2000 £000
<i>Profit on ordinary activities before taxation is stated after charging/(crediting):</i>		
Amortisation of goodwill	168	164
Depreciation of tangible fixed assets	18,457	15,937
Impairment of fixed assets	-	1,134
Remuneration of the auditor and its associates:		
Audit	160	150
Other	654	212
Operating lease rentals:		
Aircraft	23,949	16,612
Other	963	50
Foreign currency translation differences	(49)	(138)
Exceptional administrative expenses	3,777	-
	<hr/> 3,777 <hr/>	<hr/> 16,612 <hr/>

Notes (continued)

3 Profit on ordinary activities before taxation (continued)

Excluded from the profit and loss account for other remuneration payable to the auditor is £0.3 million (2000: £1.5 million) in respect of flotation related services, bringing the total payable to the auditor for non-audit services during the year to £0.9 million (2000: £1.7 million).

Auditor's remuneration for audit of the company as a stand-alone entity was £15,000 (2000: £7,500).

Included within administrative expenses are the following exceptional items:

- £1.8 million, principally in respect of granting a one-off gift of shares to certain employees of the group, which crystallised upon the company obtaining a listing on the London Stock Exchange during the year. The charge to the profit and loss account during the year was based upon the estimated fair value of the shares of the company at the date it granted the shares to employees.
- £2.0 million in respect of a court decision against easyJet Switzerland. The Swiss Federal Tax Administration ("SFTA") brought a claim against easyJet Switzerland, relating to VAT on tour operators for charter services provided. Following successive proceedings and appeals, in 1998 the Federal Recourse Committee for VAT matters, a specialised court dealing with tax matters, ruled in favour of easyJet Switzerland, stating that its charter operations were not subject to VAT. In 1999, the SFTA appealed against this decision to the Swiss Federal Court (the highest court in Switzerland) and gained a decision in its favour during the 2001 financial year. The total amount claimed by the SFTA is approximately £9.4 million plus interest estimated at approximately £1.0 million. The group believes that the majority of this can be re-claimed from its customers. Taking into account amounts which the group believes it will collect from these customers has resulted in a net profit and loss account charge of approximately £1.0 million, plus interest of approximately £1.0 million.

4 Staff numbers and costs

The average number of persons employed by the group (including executive directors) during the year, analysed by category, was as follows:

	Number of employees	
	2001	2000
Operations and administration	1,362	855
Sales and marketing	237	285
	<hr/>	<hr/>
	1,599	1,140
	<hr/>	<hr/>

The aggregate payroll costs of these persons were as follows:

	2001	2000
	£000	£000
Wages and salaries	45,722	32,129
Social security costs	4,465	3,303
Pension costs	1,761	1,046
	<hr/>	<hr/>
	51,948	36,478
	<hr/>	<hr/>

Notes (continued)

4 Staff numbers and costs (continued)

Details of emoluments, paid by group companies to the current directors of easyJet plc are as follows:

	Emoluments excluding pension contributions			Pension contributions		
			2001	2000	2001	2000
	Salary/fees £000	Bonus £000	Total £000	Total £000	£000	£000
Non-executive:						
S Haji-Ioannou	-	-	-	-	-	-
A Eilon	28	-	28	9	-	-
N Hartley	28	-	28	9	-	-
A Illsley	30	-	30	1	-	-
C Day	30	-	30	1	-	-
D Karsten	13	-	13	-	-	-
J Quelch	26	-	26	-	-	-
Executive						
R Webster	219	-	219	*273	15	12
C Walton	132	16	148	120	9	5
M Cooper	132	10	142	94	9	1
V Hahn-Petersen	142	7	149	163	10	10
K McMann	92	7	99	35	7	1
	<hr/>		<hr/>	<hr/>	<hr/>	<hr/>
	872	40	912	705	50	29

* This amount includes £52,000 in respect of previous years.

An accrual has been made for directors' bonuses for the 2001 financial year, but no agreement has been reached as to the amounts to be paid to individual directors. The bonuses included in 2001 above represent the amounts paid to the directors, except for Ray Webster, for the period 1 April 2000 to 30 September 2000. Ray Webster's bonus for the period 1 April 2000 to 30 September 2000 was included in the 2000 financial year's emoluments.

In addition to their fees for services as non-executive directors included above, N Hartley and A Eilon, via companies which they control, charged easyGroup (UK) Limited for other consulting services, a proportion of which costs are recharged by easyGroup (UK) Limited to the group. The total amount recharged by easyGroup (UK) Limited to the group for consulting services provided by the companies controlled by N Hartley and A Eilon was £nil (2000: £23,633) and £nil (2000: £31,917), respectively. The arrangement for these non-executive directors providing consulting services ceased at the time of the flotation of the company. easyGroup (UK) Limited is a related party, by virtue of N Hartley and A Eilon being directors of that undertaking.

Notes (continued)

4 Staff numbers and costs (continued)

Details relating to the emoluments paid by the group to the directors of easyJet plc for the year as directors of that company are as follows (2000: from the date of their appointment as directors of that company):

	2001 £000	2000 £000
Total emoluments:		
Remuneration	912	387
Pensions contributions	50	19
	<hr/> 962	<hr/> 406
	<hr/> <hr/>	<hr/> <hr/>
In relation to the highest paid director:		
Remuneration	219	183
Pension contributions	15	6
	<hr/> 234	<hr/> 189
	<hr/> <hr/>	<hr/> <hr/>

5 Interest payable

	2001 £000	2000 £000
On bank loans	8,195	8,244
On all other loans	-	1,380
Amounts capitalised	-	(1,380)
	<hr/> 8,195	<hr/> 8,244
	<hr/> <hr/>	<hr/> <hr/>

6 Taxation

The taxation charge is made up as follows:

	Year ended 30 September 2001 £000	Year ended 30 September 2000 £000
UK corporation tax	1,936	-
Overseas taxation	290	-
	<hr/> 2,226	<hr/> -
	<hr/> <hr/>	<hr/> <hr/>
Effective tax rate	5.5%	-

Notes (continued)

6 Taxation (continued)

The effective tax rate is lower than the standard rate of tax for a number of reasons:

- brought forward losses are available in both the UK and Switzerland;
- an exemption exists from cantonal and communal taxes in Switzerland for the business of easyJet Switzerland until 31 December 2006, which reduces the effective rate of taxation in Switzerland to 7.8 per cent;
- tax allowances available in the UK and Switzerland in respect of share options granted to group employees.

The following tax losses were estimated to be available to offset against profits in future periods:

	At 30 September 2001 £000	At 30 September 2000 £000
United Kingdom	3,516	10,392
Overseas	14	8,117
	<hr/> 3,530 <hr/>	<hr/> 18,509 <hr/>

Share options

A deduction is available for the difference between the market value of the shares at the date of exercise of the share option (or the market value at 30 September 2001 if the options remain unexercised) and the option price for UK employees. This deduction has only been available since 22 November 2000, the date that easyJet plc's shares were first admitted to the Official List of the London Stock Exchange.

If the share price increases between 30 September 2001 and the date of exercise of the outstanding options, then a further tax deduction will be recognised in subsequent financial years. However, if the share price falls, then there will be a tax charge. Given the number of options outstanding, movements in the share price could potentially cause a significant variation in the tax charge and the effective tax rate in future years. For example, a one penny reduction in the share price will potentially reduce the deduction available against taxable profits by £0.2 million.

For Swiss employees, a similar tax deduction is available, but only when the stock options have been exercised.

7 Earnings per share

Basic earnings per share has been calculated by dividing the profit for the period retained for equity shareholders by the weighted average number of shares in issue during the period after adjusting for changes to the capital structure of the group.

The calculation for diluted earnings per share uses the weighted average number of ordinary shares in issue adjusted by the effects of all dilutive potential ordinary shares. The dilution effect is calculated on the full exercise of all ordinary share options granted by the group including other share schemes, which the group consider to have been earned. The calculation compares the difference between the exercise price of exercisable share options, weighted for the period over which they were outstanding during the year, with the average daily mid-market closing price over the period when they were in existence as options.

Notes (continued)

7 Earnings per share (continued)

The earnings per share are based on the following:

	2001 £000	2000 £000
Profit for the year retained for equity shareholders	37,907	22,103
	<hr/>	<hr/>
	Number	Number
Weighted average number of ordinary shares in issue during the year used to calculate basic earnings per share	249,322	186,515
	<hr/>	<hr/>
Weighted average number of dilutive share options used to calculate dilutive earnings per share	13,288	-
	<hr/>	<hr/>

8 Intangible fixed assets

	Goodwill £000
Cost	
At 1 October 2000 and 30 September 2001	3,398
	<hr/>
Amortisation	
At 1 October 2000	235
Charged for the year	168
	<hr/>
At 30 September 2001	403
	<hr/>
Net book value	
At 30 September 2001	2,995
	<hr/>
At 30 September 2000	3,163
	<hr/>

Goodwill, which arose on the initial investment in easyJet Switzerland SA and the subsequent acquisition of that undertaking, is amortised to the consolidated profit and loss account over its estimated useful life of 20 years.

Notes (continued)

9 Tangible fixed assets

	Aircraft	Payments on account-aircraft deposits	Leasehold improvements - buildings	Fixtures, fittings and equipment	Total
	£000	£000	£000	£000	£000
Cost					
At 1 October 2000	186,927	46,876	847	5,008	239,658
Exchange differences	642	76	-	-	718
Additions	9,759	41,724	467	2,198	54,148
Disposals	(1,856)	(30,358)	(26)	(472)	(32,712)
At 30 September 2001	195,472	58,318	1,288	6,734	261,812
Depreciation					
At 1 October 2000	34,605	-	369	2,525	37,499
Exchange differences	(108)	-	-	-	(108)
Charge for year	16,585	-	270	1,602	18,457
Disposals	(161)	-	(3)	(305)	(469)
At 30 September 2001	50,921	-	636	3,822	55,379
Net book value					
At 30 September 2001	144,551	58,318	652	2,912	206,433
At 30 September 2000	152,322	46,876	478	2,483	202,159

At 30 September 2001, aircraft with a net book value of £92.0 million (2000: £150.7 million) were mortgaged to lenders as security for loans (see Notes 12 and 13).

Notes (continued)

9 Tangible fixed assets (continued)

Interest, at the applicable rate of LIBOR + 0.8 per cent and LIBID, ultimately capitalised within aircraft and aircraft deposits was as follows:

	2001 £000	2000 £000
Amounts capitalised during the year	-	1,380
Aggregate amounts included within cost of aircraft and aircraft deposits	702	702

Prior to the delivery of aircraft, the interest is deferred in Debtors. Amounts over and above those included within cost of aircraft and aircraft deposits deferred as at 30 September 2001 are £0.7 million (2000: £1.4 million).

10 Investments

easyJet Airline Company Limited, a subsidiary of easyJet plc, is one of the seven shareholders in the Airline Group, which is a consortium of airlines set up to bid for the partial ownership of the UK air traffic control system (NATS). Following the success of the bid in March 2001, easyJet has invested £7.2 million (including £0.3 million legal and consultancy fees) as its investment to provide the Airline Group with the initial capital base needed for the purchase. The investment includes £0.3 million of accrued interest receivable.

11 Debtors

	2001 £000	2000 £000
Trade debtors	25,755	21,976
Other debtors	7,716	9,804
Prepayments and accrued income	13,635	9,179
	47,106	40,959

Notes (continued)

12 Creditors: amounts falling due within one year

	2001 £000	2000 £000
Bank loans	6,992	11,778
Trade creditors	16,709	11,860
Other taxes and social security	1,121	843
Other creditors	5,349	2,884
Accruals and deferred income	83,257	57,118
	<hr/> 113,428 <hr/>	<hr/> 84,483 <hr/>

13 Creditors: amounts falling due after more than one year

	2001 £000	2000 £000
Bank loans		
Due within one to two years	7,461	12,353
Due in two to five years	29,960	52,636
Due after five years	38,868	43,326
	<hr/> 76,289 <hr/>	<hr/> 108,315 <hr/>

The bank loans financed the acquisition of certain aircraft by the group. The aircraft acquired with the loans are provided as security against the borrowings. The bank loans are subject to certain financial and operating covenants.

Interest and repayment terms for the bank loans are set out in note 21.

Notes (continued)

14 Provisions for liabilities and charges

	Deferred taxation	Maintenance Provision	Total
	£000	£000	£000
At 1 October 2000	-	1,854	1,854
Provided during the year	-	528	528
Released during the year	-	(462)	(462)
At 30 September 2001	-	1,920	1,920

The maintenance provision represents the accrued costs of rectifying aircraft prior to their return to the lessors, in cases where the maintenance reserve payments to the lessors are insufficient to meet the estimated costs of rectification. The aircraft rectification obligations are imposed on the group in the lease agreements.

Deferred taxation

	2001 £000	2000 £000
Amounts unprovided:		
Capital allowances in advance of depreciation	(4,959)	(3,630)
Losses available	1,054	3,807
Other fixed asset timing differences	7,221	3,958
Total unprovided deferred tax asset	3,316	4,135

Notes (continued)

15 Called up share capital

	2001 £000	2000 £000
<i>Authorised</i>		
400 million Ordinary shares of 25 pence each	100,000	100,000
	<hr/>	<hr/>
<i>Allotted, called up and fully paid</i>		
260.4 million (2000: 186.6 million) Ordinary shares of 25 pence each	65,108	46,647
	<hr/>	<hr/>

On 22 November 2000 the company issued to various financial institutions 72,450,000 new 25p ordinary shares for a consideration of £224.6 million and was admitted to the Official List of the London Stock Exchange. Total costs in connection with this issue were £14.2 million. A further 1,393,191 new 25p ordinary shares were issued for a consideration of £4.7 million as a result of the exercise of employee share option schemes and other share awards during the year.

16 Share capital and reserves

	Share capital £000	Share premium £000	Profit and loss account £000	Total £000
At 1 October 2000	46,647	-	19,070	65,717
Issue of ordinary share capital	18,461	196,638	-	215,099
Movement in profit and loss account for employee share schemes			(1,978)	(1,978)
Retained profit for the year	-	-	37,907	37,907
Foreign currency translation differences	-	-	(254)	(254)
	<hr/>	<hr/>	<hr/>	<hr/>
At 30 September 2001	65,108	196,638	54,745	316,491
	<hr/>	<hr/>	<hr/>	<hr/>

Notes (continued)

17 Share options and other share awards

(a) Movements in share options during the year ended 30 September 2001 were as follows:

(i) under the easyJet Key Employee Pre-Flotation Share Option Scheme

Exercise price	At 1 October 2000	Granted or issued	Lapsed	Exercised	At 30 September 2001
£	Number	Number	Number	Number	Number
1.82	24,803,936	-	(866,021)	(428,501)	23,509,414
2.05	2,476,560	-	(212,719)	(14,806)	2,249,035
2.28	1,042,584	-	(43,937)	-	998,647
3.10	-	268,355	-	-	268,355
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	28,323,080	268,355	(1,122,677)	(443,307)	27,025,451
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>

Except for the 3,286,305 share options issued to A Eilon, a Non-Executive director of the company, which vested wholly upon initial Admission of the company to the Official List of the UK Listing Authority during the year, 25 per cent of the share options granted vest or vested at the dates below:

- Date of initial Admission of the company;
- First anniversary of initial Admission;
- Second anniversary of initial Admission; and
- Third anniversary of initial Admission.

Employees may not dispose of any shares that have resulted from the exercise of options within two years from the date of initial Admission to the Official List of the UK Listing Authority, except to the extent of settling their liabilities to personal tax, National Insurance contributions and the exercise price per option exercised. Substantially all of the employees accepted employer's Secondary National Insurance contributions due on the exercise of the first tranche of options. It is a condition of those options granted at an exercise price in excess of £1.82 per share that the option holders accept liability for the employer's Secondary National Insurance contributions due on the exercise of the options.

For UK employees, once vested, the options remain in place should the employee leave the group and may be exercised within a period ending ten years from the date of grant. For Swiss employees, once vested, the options remain in place should the employee leave the group and may be exercised within a period ending seven years from the date of grant.

An easyJet Supplemental Flotation Share Option Scheme was established in respect of both UK and Swiss employees to grant options to a number of participants who had inadvertently been issued with incorrect paperwork or who had been omitted from the original grants. These options replaced options which had lapsed but which had been included in the aggregate totals disclosed in the Listing Particulars for the company when it floated. These shares are included in the table of share options and grants outstanding above.