

## EasyJet profits tumble 28pc but expansion plans continue

By Marion Dakers

**EASYJET** has blamed unprecedented external events for a 28pc slump in its annual profits, following the tumble in the pound and a spate of terror attacks that discouraged travellers.

The budget airline trimmed its dividend by £5m after reporting profits of £495m, its worst result in three years.

The turbulence in the pound following the EU referendum triggered an easyJet profit warning last month, its first since 2009.

The FTSE 100 airline revealed that currency swings led to £112m in additional costs over the past year, resulting in a £88m dent in its earnings.

Europe's second-biggest no-frills airline, behind Ryanair, carried 73.1m people in the year to the end of September, up 6.6pc on the previous year, yet revenues fell 0.4pc to £4.7bn.

Revenue per seat fell 6.4pc to £58.46, as easyJet and other airlines slashed fares to take advantage of low fuel prices and to tempt back customers in the wake of atrocities such as the attacks in Nice, Brussels and Istanbul.

Despite its difficulties, easyJet said it plans to increase capacity by 9pc during the next 12 months.

EasyJet also plans to obtain a new air operator certificate in an EU member state, at a cost of £10m over the next two years, to protect its right to unlimited flights within the bloc. The group's headquarters will remain in the UK, said chief executive Dame Carolyn McCall. Around 30pc of Easyjet's flights are within and between EU countries outside the UK.

Shareholders will receive a dividend of 53.8p for the year, down 1.4p on the previous year. The company's shares, which have fallen by a third since June's Brexit vote, closed up 5.3pc at £10.87 yesterday.

