

- 1) The specific aircraft registration numbers that were involved in this transaction and their age. **The aircraft involved in this transaction are our oldest owned aircraft and are aged between 10.5 and 11.5 years old, with an average of 11 years. The tail numbers of each aircraft involved in the transaction are detailed in the table below:**

Tail	MSN
GEZIM	2495
GEZIV	2565
GEZIW	2578
GEZIX	2605
GEZIY	2636
GEZIZ	2646
GEZAA	2677
GEZAC	2691
GEZAF	2715
GEZAJ	2742

- 2) The lessor or lessors involved in the transaction; **The lessor involved is Aircastle Limited**
- 3) The term of these new leases (how many years will easyJet have to lease these aircraft for?) **The average lease term is 52 months.**
- 4) The overall value of the liability of all the future lease payments and maintenance reserves. **This transaction was a result of a very competitive tender process involving 31 bidders and the terms of the agreement, whilst very competitive, remain strictly confidential.**
- 5) Can you confirm that the average sale price for each of these aircraft was US dollars US14.4 million? **The average aircraft sale price was 14.4m US dollars**
 In your opinion is that the market value of the aircraft in a straight sale (without a leaseback) between a willing buyer and a willing sellers? If not is the open market value above or below that? **In our opinion the sale price is a good approximation of the fair value of the aircraft, assuming a half-life maintenance condition.**
- 6) Did easyJet invite bids from buyers who are not asking for a lease back? If yes what prices were offered? **We only invited bids for a lease back as part of our rolling sale and leaseback programme announced in May 2016.**
- 7) You have disclosed this non-cash charge of £16m in Sterling. Let's call it 20 million US dollars in total. That is 2 million dollars per aircraft. Is that correct? **It is not appropriate to look at the charge in US dollars given it includes an associated maintenance adjustment.**
 Why did the estimate a couple of months earlier was higher at £20m? What changed? Is the lease rate higher now? **The difference in the charge estimate is driven by foreign exchange. The sterling to US dollar exchange rate weakened and hence the US dollar cash proceeds were translated to a higher sterling amount.**
- 8) Does this mean that the average book value of each aircraft on the balance sheet of easyJet including capitalised maintenance was US\$16.4m before the transaction? **Our aircraft are all held in sterling, and the average NBV for these 10 aircraft at the date of the transaction was approximately £12m.**
- 9) Two questions arise from the above numbers:
- Are the directors satisfied that the depreciation policy and the maintenance capitalisation policy of the company are correct? **The depreciation policy and maintenance capitalisation policy are compliant with accounting standards. We review this on an ongoing basis as is normal practice.**

- b. Why were the aircraft not sold on an outright basis? What is the real objective of the leaseback component of this transaction? **This transaction was specifically related to our rolling sale and leaseback programme, the purpose of which was to manage residual value risk, maintain our flexibility and create an exit route for our oldest less efficient owned aircraft. This allows for a gradual and controlled release of aircraft into the market over time in line with our published fleet plan, and provides a timeline for lessors to develop a secondary market for the A319, benefitting easyJet.**