RYANAIR HOLDINGS PLC
Form 20-F
July 31, 2013
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As filed with the United States Securities and Exchange Commission on July 31, 2013

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

FORM 20-F

¨ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

x **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended: March 31, 2013

OR

¨ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

¨ **SHELL COMPANY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

Date of event requiring this shell company report: __________

For the transition period from __________ to __________

Commission file number: 000-29304

Ryanair Holdings plc

(Exact name of registrant as specified in its charter)

Ryanair Holdings plc

(Translation of registrant s name into English)

Republic of Ireland

(Jurisdiction of incorporation or organization)

c/o Ryanair Limited

Corporate Head Office

Dublin Airport

County Dublin, Ireland

(Address of principal executive offices)

Please see Item 4. Information on the Company herein.

(Name, telephone, e-mail and/or facsimile number and address of company contact person)

Securities registered or to be registered pursuant to Section 12(b) of the Act.

Title of each class	Name of each exchange on which registered
American Depositary Shares, each representing five Ordinary Shares	**The NASDAQ Stock Market LLC**

Ordinary Shares, par value 0.635 euro cent per share	**The NASDAQ Stock Market LLC (not for trading but only in connection with the registration of the American Depositary Shares)**

Securities registered or to be registered pursuant to Section 12(g) of the Act: **None**

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act: **None**

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Indicate the number of outstanding shares of each of the issuer s classes of capital or common stock as of the close of the period covered by the annual report.

1,447,051,752 Ordinary Shares

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes x No ¨

If this report is an annual or transition report, indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934. Yes ¨ No x

Note Checking the box above will not relieve any registrant required to file reports pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 from their obligations under those Sections.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No ¨

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes ¨ No ¨

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer x Accelerated filer ¨ Non-accelerated filer ¨

Indicate by check mark which basis of accounting the registrant has used to prepare the financial statements included in this filing:

U.S. GAAP ¨	International Financial Reporting Standards as issued by the International Accounting Standards Board x	Other ¨

If Other has been checked in response to the previous question, indicate by check mark which financial statement Item the registrant has elected to follow Item 17 ¨ Item 18 ¨

If this is an annual report, indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes ¨ No x

(APPLICABLE ONLY TO ISSUERS INVOLVED IN BANKRUPTCY PROCEEDINGS DURING THE PAST FIVE YEARS)

Indicate by check mark whether the registrant has filed all documents and reports required to be filed by Section 12, 13 or 15(d) of the Securities Exchange Act of 1934 subsequent to the distribution of securities under a plan confirmed by a court. Yes ¨ No ¨

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Presentation of Financial and Certain Other Information

As used herein, the term Ryanair Holdings refers to Ryanair Holdings plc. The term the Company refers to Ryanair Holdings or Ryanair Holdings together with its consolidated subsidiaries, as the context requires. The term Ryanair refers to Ryanair Limited, a wholly owned subsidiary of Ryanair Holdings, together with its consolidated subsidiaries, unless the context requires otherwise. The term fiscal year refers to the 12-month period ended on March 31 of the quoted year. The term Ordinary Shares refers to the outstanding par value 0.635 euro cent per share common stock of the Company. All references to Ireland herein are references to the Republic of Ireland. All references to the U.K. herein are references to the United Kingdom and all references to the United States or U.S. herein are references to the United States of America. References to U.S. dollars, dollars, $ or U.S. cents are to the currency of the United States, references to U.K. pound sterling, U.K. £ and the currency of the U.K. and references to , euro, euros and euro cent are to the euro, the common currency of seventeen member states of the European Union (the EU), including Ireland. Various amounts and percentages set out in this annual report on Form 20-F have been rounded and accordingly may not total.

The Company owns or otherwise has rights to the trademark Ryanair® in certain jurisdictions. See Item 4. Information on the Company Trademarks. This report also makes reference to trade names and trademarks of companies other than the Company.

The Company publishes its annual and interim consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (IASB). Additionally, in accordance with its legal obligation to comply with the International Accounting Standards Regulation (EC 1606 (2002)), which applies throughout the EU, the consolidated financial statements of the Company must comply with International Financial Reporting Standards as adopted by the EU. Accordingly, the Company s consolidated financial statements and the selected financial data included herein comply with International Financial Reporting Standards as issued by the IASB and also International Financial Reporting Standards as adopted by the EU, in each case as in effect for the year ended and as of March 31, 2013 (collectively referred to as IFRS throughout).

The Company publishes its consolidated financial statements in euro. Solely for the convenience of the reader, this report contains translations of certain euro amounts into U.S. dollars at specified rates. These translations should not be construed as representations that the converted amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated or at any other rate. Unless otherwise indicated, such U.S. dollar amounts have been translated from euro at a rate of 1.00= $1.2816, or $1.00= 0.7803, the official rate published by the U.S. Federal Reserve Board in its weekly H.10 release (the Federal Reserve Rate) on March 31, 2013. The Federal Reserve Rate for euro on July 19, 2013 was 1.00=$1.3142 or $1.00= 0.7609. See Item 3. Key Information Exchange Rates for information regarding historical rates of exchange relevant to the Company, and Item 5. Operating and Financial Review and Prospects and Item 11. Quantitative and Qualitative Disclosures About Market Risk for a discussion of the effects of changes in exchange rates on the Company.

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Cautionary Statement Regarding Forward-Looking Information

Except for the historical statements and discussions contained herein, statements contained in this report constitute forward-looking statements within the meaning of Section 27A of the U.S. Securities Act of 1933, as amended (the Securities Act), and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements may include words such as expect, estimate, project, anticipate, should, intend, and similar expressions or variations on such expressions. Any filing made by the Company with the U.S. Securities and Exchange Commission (the SEC) may include forward-looking statements. In addition, other written or oral statements which constitute forward-looking statements have been made and may in the future be made by or on behalf of the Company, including statements concerning its future operating and financial performance, the Company s share of new and existing markets, general industry and economic trends and the Company s performance relative thereto and the Company s expectations as to requirements for capital expenditures and regulatory matters. The Company s business is to provide a low-fares airline service in Europe, and its outlook is predominately based on its interpretation of what it considers to be the key economic factors affecting that business and the European economy. Forward-looking statements with regard to the Company s business rely on a number of assumptions concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the Company s control, that could cause actual results to differ materially from such statements. It is not reasonably possible to itemize all of the many factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair s expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for replacement aircraft and aircraft maintenance services, aircraft availability, costs associated with environmental, safety and security measures, terrorist attacks, actions of the Irish, U.K., EU and other governments and their respective regulatory agencies, fluctuations in currency exchange rates and interest rates, changes to the structure of the euro, airport handling and access charges, litigation, labor relations, the economic environment of the airline industry, the general economic environment in Ireland, the U.K. and elsewhere in Europe, the general willingness of passengers to travel, flight interruptions caused by volcanic ash emissions or other atmospheric disruptions, factors affecting the value of Ryanair s investment in Aer Lingus Group plc and other factors discussed herein. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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PART I

Item 1. ***Identity of Directors, Senior Management and Advisers***

Not applicable.

Item 2. ***Offer Statistics and Expected Timetable***

Not applicable.

Item 3. ***Key Information***

THE COMPANY

Ryanair operates an ultra-low cost, scheduled airline serving short-haul, point-to-point routes largely in Europe from its 57 bases in airports across Europe, which together are referred to as Ryanair s bases of operations or Ryanair s bases. For a list of these bases, see Item 4. Information on the Company Route System, Scheduling and Fares. Ryanair pioneered the low-fares operating model in Europe in the early 1990s. As of June 30, 2013, the Company offered over 1,600 scheduled short-haul flights per day serving approximately 180 airports largely throughout Europe, with an operating fleet of 303 aircraft flying approximately 1,600 routes. The Company also holds a 29.8% interest in Aer Lingus Group plc (Aer Lingus), which it has acquired through market purchases following Aer Lingus partial privatization in 2006. Ryanair s attempts to acquire the entire share capital of Aer Lingus have been blocked by the European authorities, with the latest ruling currently under appeal by Ryanair. For additional information, see Item 8. Financial Information Other Financial Information Legal Proceedings Matters Related to Investment in Aer Lingus. A detailed description of the Company s business can be found in Item 4. Information on the Company.

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SELECTED FINANCIAL DATA

The following tables set forth certain of the Company s selected consolidated financial information as of and for the periods indicated, presented in accordance with IFRS. This information should be read in conjunction with: (i) the audited consolidated financial statements of the Company and related notes thereto included in Item 18 and (ii) Item 5. Operating and Financial Review and Prospects.

Income Statement Data:

	Fiscal year ended March 31,					
	2013(a)	2013	2012	2011	2010	2009
	(in millions, except per-Ordinary Share data)					
Total operating revenues	$ 6,259.3	4,884.0	4,390.2	3,629.5	2,988.1	2,942.0
Total operating expenses	(5,338.9)	(4,165.8)	(3,707.0)	(3,141.3)	(2,586.0)	(2,849.4)
Operating income	920.4	718.2	683.2	488.2	402.1	92.6
Net interest (expense)	(92.1)	(71.9)	(64.9)	(66.7)	(48.6)	(55.0)
Other non-operating (expense) income	5.9	4.6	14.7	(0.6)	(12.5)	(218.1)
Profit (loss) before taxation	834.2	650.9	633.0	420.9	341.0	(180.5)
Taxation	(104.6)	(81.6)	(72.6)	(46.3)	(35.7)	11.3
Profit (loss) after taxation	$ 729.6	569.3	560.4	374.6	305.3	(169.2)
Ryanair Holdings basic earnings (loss) per Ordinary Share (U.S. cents)/(euro cent)	$ 50.56	39.45	38.03	25.21	20.68	(11.44)
Ryanair Holdings diluted earnings (loss) per Ordinary Share (U.S. cents)/(euro cent)	$ 50.41	39.33	37.94	25.14	20.60	(11.44)
Ryanair Holdings dividend paid per Ordinary Share (U.S. cents)/(euro cent)	$ 43.57	34.00	n/a	33.57	n/a	n/a

Balance Sheet Data:

	As of March 31,					
	2013(a)	2013	2012	2011	2010	2009
	(in millions)					
Cash and cash equivalents	$ 1,590.3	1,240.9	2,708.3	2,028.3	1,477.9	1,583.2
Total assets	$ 11,461.3	8,943.0	9,001.0	8,596.0	7,563.4	6,387.9
Long-term debt, including capital lease obligations	$ 4,483.4	3,498.3	3,625.2	3,649.4	2,956.2	2,398.4
Shareholders equity	$ 4,194.2	3,272.6	3,306.7	2,953.9	2,848.6	2,425.1
Issued share capital	$ 11.8	9.2	9.3	9.5	9.4	9.4
Weighted Average Number of Ordinary Shares	1,443.1	1,443.1	1,473.7	1,485.7	1,476.4	1,478.5

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Cash Flow Statement Data:

	Fiscal year ended March 31,					
	2013(a)	2013	2012	2011	2010	2009
	(in millions)					
Net cash inflow from operating activities	$ 1,311.7	1,023.5	1,020.3	786.3	871.5	413.2
Net cash (outflow) from investing activities	$ (2,334.4)	(1,821.5)	(185.4)	(474.0)	(1,549.1)	(388.3)
Net cash (outflow)/inflow from financing activities	$ (857.9)	(669.4)	(154.9)	238.1	572.3	87.5
(Decrease)/increase in cash and cash equivalents	$ (1,880.6)	(1,467.4)	680.0	550.4	(105.3)	112.4

(a) Dollar amounts are initially measured in euro in accordance with IFRS and then translated to U.S. $ solely for convenience at the Federal Reserve Rate on March 31, 2013, of 1.00=$1.2816 or $1.00= 0.7803.

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EXCHANGE RATES

The following table sets forth, for the periods indicated, certain information concerning the exchange rate between: (i) the U.S. dollar and the euro; (ii) the U.K. pound sterling and the euro; and (iii) the U.K. pound sterling and the U.S. dollar. Such rates are provided solely for the convenience of the reader and are not necessarily the rates used by the Company in the preparation of its consolidated financial statements included in Item 18. No representation is made that any of such currencies could have been, or could be, converted into any other of such currencies at such rates or at any other rate.

***U.S. dollars per 1.00*(a)**

Year ended December 31,	End of Period	Average (b)	Low	High
2008	1.395	1.471		
2009	1.433	1.394		
2010	1.336	1.326		
2011	1.296	1.392		
2012	1.319	1.291		
Month ended				
January 31, 2013			1.305	1.358
February 28, 2013			1.305	1.369
March 31, 2013			1.278	1.310
April 30, 2013			1.284	1.317
May 31, 2013			1.282	1.319
June 30, 2013			1.301	1.341
Period ended July 19, 2013			1.277	1.314

***U.K. pounds sterling per 1.00*(c)**

Year ended December 31,	End of Period	Average (b)	Low	High
2008	0.957	0.797		
2009	0.887	0.891		
2010	0.857	0.858		
2011	0.836	0.868		
2012	0.811	0.811		
Month ended				
January 31, 2013			0.810	0.859
February 28, 2013			0.846	0.872
March 31, 2013			0.843	0.875
April 30, 2013			0.842	0.858
May 31, 2013			0.841	0.856
June 30, 2013			0.848	0.858
Period ended July 19, 2013			0.851	0.868

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***U.K. pounds sterling per U.S.$1.00*(d)**

Year ended December 31,	End of Period	Average (b)	Low	High
2008	0.686	0.546		
2009	0.627	0.641		
2010	0.641	0.647		
2011	0.645	0.624		
2012	0.615	0.628		
Month ended				
January 31, 2013			0.615	0.638
February 28, 2013			0.632	0.662
March 31, 2013			0.656	0.672
April 30, 2013			0.644	0.662
May 31, 2013			0.642	0.665
June 30, 2013			0.637	0.657
Period ended July 19, 2013			0.655	0.674

(a) Based on the Federal Reserve Rate for euro.
(b) The average of the relevant exchange rates on the last business day of each month during the relevant period.
(c) Based on the composite exchange rate as quoted at 5 p.m., New York time, by Bloomberg.
(d) Based on the Federal Reserve Rate for U.K. pound sterling.

As of July 19, 2013, the exchange rate between the U.S. dollar and the euro was 1.00=$1.3142, or $1.00= 0.7609; the exchange rate between the U.K. pound sterling and the euro was U.K. £1.00= 1.1624, or 1.00=U.K. £0.8603; and the exchange rate between the U.K. pound sterling and the U.S. dollar was U.K. £1.00=$1.5260, or $1.00=U.K. £0.6553. For a discussion of the impact of exchange rate fluctuations on the Company s results of operations, see Item 11. Quantitative and Qualitative Disclosures About Market Risk.

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SELECTED OPERATING AND OTHER DATA

The following tables set forth certain operating data of Ryanair for each of the fiscal years shown. Such data are derived from the Company s consolidated financial statements prepared in accordance with IFRS and certain other data, and are not audited. For definitions of the terms used in this table, see the Glossary in Appendix A.

	Fiscal Year ended March 31,				
Operating Data:	**2013**	**2012**	**2011**	**2010**	**2009**
Average Yield per Revenue Passenger Mile (RPM) ( )	0.064	0.059	0.053	0.052	0.060
Average Yield per Available Seat Miles (ASM) ( )	0.052	0.048	0.045	0.043	0.050
Average Fuel Cost per U.S. Gallon ( )	2.381	2.075	1.756	1.515	2.351
Cost per ASM (CASM) ( )	0.056	0.051	0.049	0.047	0.058
Operating Margin	15%	14%	14%	13%	5%
Break-even Load Factor	70%	70%	72%	73%	79%
Average Booked Passenger Fare ( )	48.20	45.36	39.24	34.95	40.02
Cost Per Booked Passenger ( )	52.56	48.90	43.59	38.88	48.65
Ancillary Revenue per Booked Passenger ( )	13.43	11.69	11.12	9.98	10.21

	Fiscal Year ended March 31,				
Other Data:	**2013**	**2012**	**2011**	**2010**	**2009**
Revenue Passengers Booked	79,256,253	75,814,551	72,062,659	66,503,999	58,565,663
Revenue Passenger Miles	59,865,600,628	58,584,451,085	53,256,894,035	44,841,072,500	39,202,293,374
Available Seat Miles	72,829,956,243	71,139,686,423	63,358,255,401	53,469,635,740	47,102,503,388
Booked Passenger Load Factor	82%	82%	83%	82%	81%
Average Length of Passenger Haul (miles)	754	771	727	661	654
Sectors Flown	512,765	489,759	463,460	427,900	380,915
Number of Airports Served at Period End	167	159	158	153	143
Average Daily Flight Hour Utilization (hours)	8.24	8.47	8.36	8.89	9.59
Staff at Period End	9,137	8,388	8,560	7,168	6,616
Staff per Aircraft at Period End	30	30	31	31	36
Booked Passengers per Staff at Period End	8,674	9,038	8,418	9,253	8,852

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RISK FACTORS

Risks Related to the Company

Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood of Adverse Impact to the Company s Profitability Jet fuel costs are subject to wide fluctuations as a result of many economic and political factors and events occurring throughout the world that Ryanair can neither control nor accurately predict, including increases in demand, sudden disruptions in supply and other concerns about global supply, as well as market speculation. For example, although they declined in the 2010 fiscal year, oil prices increased substantially in fiscal years 2011, 2012 and 2013 and remain at elevated levels. As international prices for jet fuel are denominated in U.S. dollars, Ryanair s fuel costs are also subject to certain exchange rate risks. Substantial price increases, adverse exchange rates, or the unavailability of adequate fuel supplies, including, without limitation, any such events resulting from international terrorism, prolonged hostilities in the Middle East or other oil-producing regions or the suspension of production by any significant producer, may adversely affect Ryanair s profitability. In the event of a fuel shortage resulting from a disruption of oil imports or otherwise, additional increases in fuel prices or a curtailment of scheduled services could result.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. Ryanair (like many other airlines) has, in more recent periods, entered into hedging arrangements on a more selective basis. As of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90% of its estimated requirements for the fiscal year ending March 31, 2014 at prices equivalent to approximately $980 per metric ton. In addition, as of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 75% of its estimated requirements for the first half of the fiscal year ending March 31, 2015 at prices equivalent to approximately $935 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that period. Because of the limited nature of its hedging program, Ryanair is exposed to risks arising from fluctuations in the price of fuel, and movements in the euro/U.S. dollar exchange rate, especially in light of the recent volatility in the relevant currency and commodity markets. Any further increase in fuel costs could have a material adverse effect on Ryanair s financial performance. In addition, any strengthening of the U.S. dollar against the euro could have an adverse effect on the cost of buying fuel in euro. As of July 26, 2013, Ryanair had hedged approximately 90% of its forecasted fuel-related dollar purchases against the euro at a rate of approximately $1.31 per euro for the fiscal year ending March 31, 2014 and approximately 85% of its forecasted fuel related dollar purchases against the euro at a rate of approximately $1.32 per euro for the first 6 months of the fiscal year ending March 31, 2015.

No assurances whatsoever can be given about trends in fuel prices, and average fuel prices for future years may be significantly higher than current prices. Management estimates that every $10 movement in the price of a metric ton of jet fuel will impact Ryanair s costs by approximately 17.1 million, taking into account Ryanair s hedging programme for the 2014 fiscal year. There can be no assurance, however, in this regard, and the impact of fuel prices on Ryanair s operating results may be more pronounced. There also cannot be any assurance that Ryanair s current or any future arrangements will be adequate to protect Ryanair from increases in the price of fuel or that Ryanair will not incur losses due to high fuel prices, either alone or in combination with other factors. Because of Ryanair s low fares and its no-fuel-surcharges policy, as well as Ryanair s expansion plans, which could have a negative impact on yields, its ability to pass on increased fuel costs to passengers through increased fares or otherwise is somewhat limited. Moreover, the anticipated expansion of Ryanair s fleet from September 2014 onwards will result in an increase, in absolute terms, in Ryanair s aggregate fuel costs.

Ryanair Has Decided to Seasonally Ground Aircraft. In recent years, in response to an operating environment characterized by high fuel prices, typically lower winter yields and higher airport charges and/or taxes, Ryanair has adopted a policy of grounding a certain portion of its fleet during the winter months (from November to March). In the winter of fiscal year 2013, Ryanair grounded approximately 80 aircraft and the Company intends to again ground approximately 60 aircraft in the coming winter. Ryanair s adoption of the policy of seasonally grounding aircraft presents some risks. While Ryanair seeks to implement its seasonal grounding policy in a way that will allow it to reduce losses by operating flights during periods of high oil prices to high cost airports at low winter yields, there can be no assurance that this strategy will be successful.

Additionally, Ryanair s growth has been largely dependent on increasing summer capacity, and decreasing winter capacity may affect the overall future growth of Ryanair. Further, while seasonal grounding does reduce Ryanair s variable operating costs, it does not avoid fixed costs such as aircraft ownership costs and some staff costs, and it also decreases Ryanair s potential to earn ancillary revenues. Decreasing the number and frequency of flights may also negatively affect Ryanair s labor relations, including its ability to attract flight personnel only interested in full-time employment. Such risks could lead to negative effects on Ryanair s financial condition and/or results of operations.

Risks Associated with the Euro. The Company is headquartered in Ireland and its reporting currency is the euro. As a result of the ongoing uncertainty arising from the Eurozone debt crisis, in 2012 there was widespread speculation that some member states could exit the Eurozone or that there may be a potential break-up of the Eurozone currency union, including with regard to Ireland, the country in which the Company is headquartered. If a Eurozone participating member state were to leave the Eurozone, there is a risk of contagion spreading to the remaining members. Ryanair predominantly operates to/from countries within the Eurozone and has significant operational and financial exposures to the Eurozone that could result in a reduction in the operating performance of Ryanair or the devaluation of certain assets. Ryanair has taken certain risk management measures to minimize any disruptions, however these risk management measures may fail to address the potential fall-out from a break-up of the euro or an exit by one, or more, of the Eurozone members.

The Company has cash and aircraft assets and debt liabilities that are denominated in euro on its balance sheet. In addition, the positive/negative mark-to-market value of derivative-based transactions are recorded in euro as either assets or liabilities on the Company s balance sheet. A potential exit of a member state or the break-up of the Eurozone could have a materially adverse effect on the value of these assets and liabilities. In addition to the assets and liabilities on Ryanair s balance sheet, the Company has a number of cross currency risks as a result of the jurisdictions of the operating business including non-euro revenues, fuel costs, certain maintenance costs and insurance costs. A weakening in the value of the euro primarily against U.K. pound sterling and U.S. dollar, but also against other non-Eurozone European currencies and Moroccan Dirhams, could negatively impact the operating results of the Company.

Recession, austerity and the possible breakup of the euro could also mean that Ryanair is unable to grow. The current European recession and austerity measures introduced within Europe all mean that Ryanair may be unable to expand its operations due to lack of demand for air travel. Furthermore, the possible breakup of the euro and resulting financial crisis could also lead to a dampening of demand for air travel.

Currency Fluctuations Affect the Company s Results. Although the Company is headquartered in Ireland, a significant portion of its operations are conducted in the U.K. Consequently, the Company has significant operating revenues and operating expenses, as well as assets and liabilities, denominated in U.K. pounds sterling. In addition, fuel, aircraft, insurance, and some maintenance obligations are denominated in U.S. dollars. The Company s operations and financial performance can therefore be significantly affected by fluctuations in the values of the U.K. pound sterling and the U.S. dollar. Ryanair is particularly vulnerable to direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs are incurred in U.S. dollars and none of its revenues are denominated in U.S. dollars.

Although the Company engages in foreign currency hedging transactions between the euro and the U.S. dollar, between the euro and the U.K. pound sterling, and between the U.K. pound sterling and the U.S. dollar, hedging activities cannot be expected to eliminate currency risks. See Item 11. Quantitative and Qualitative Disclosures About Market Risk.

The Company May Not Be Successful in Increasing Fares and Revenues to Offset Higher Business Costs. Ryanair operates a low-fares airline. The success of its business model depends on its ability to control costs so as to deliver low fares while at the same time earning a profit. Ryanair has limited control over its fuel costs and already has comparatively low operating costs. In periods of high fuel costs, if Ryanair is unable to further reduce its other operating costs or generate additional revenues, operating profits are likely to fall. Ryanair cannot offer any assurances regarding its future profitability. Changes in fuel costs and fuel availability could have a material adverse impact on Ryanair s results and could also increase the likelihood that Ryanair may incur losses. See The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment below and Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood of Adverse Impact to the Company s Profitability above.

The Company is Subject to Legal Proceedings Alleging State Aid at Certain Airports. Formal investigations are ongoing by the European Commission into Ryanair s agreements with the Lübeck, Berlin (Schönefeld), Alghero, Pau, Aarhus, Frankfurt (Hahn), Dusseldorf (Weeze), Zweibrücken, Altenburg, Klagenfurt, Stockholm (Vasteras), Paris (Beauvais), La Rochelle, Carcassonne, Nimes, Angouleme, Marseille, Brussels (Charleroi) and Cagliari airports. The investigations seek to determine whether the arrangements constitute illegal state aid under EU law. The investigations are expected to be completed in late 2013/early 2014, with the European Commission s decisions being appealable to the EU General Court. Investigations into Ryanair s agreements with the Bratislava and Tampere airports concluded respectively in 2010 and 2012 with findings that these agreements contained no state aid. In addition to the European Commission investigations, Ryanair is facing allegations that it has benefited from unlawful state aid in a number of court cases, including in relation to its arrangements with Frankfurt (Hahn) and Lübeck airports. The court case regarding Frankfurt (Hahn) airport has been referred by the German courts to the Court of Justice of the European Union, which will make a ruling on the discretion national courts have in state aid proceedings running in parallel with European Commission investigations regarding the same airport. The ruling of the Court of Justice of the European Union is expected within one year and will be binding on all EU national courts. Adverse rulings in the above state aid matters could be used as precedents by competitors to challenge Ryanair s agreements with other publicly owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling-back of Ryanair s overall growth strategy due to the smaller number of privately owned airports available for development.

On July 25, 2012, the European Commission decided that Ryanair, along with Aer Lingus and Aer Arann, had been in receipt of unlawful state aid from the Irish government as a result of being an identified beneficiary of the two-tier air travel tax in place for flights departing from Irish airports between March 2009 and March 2011. Ryanair was the original complainant to the European Commission, alleging that the air travel tax favored Aer Arann and Aer Lingus. Ryanair appealed the decision of the European Commission to the EU General Court on November 14, 2012. Judgment is expected within 18-24 months of the date of filing. The EU General Court may affirm or annul the European Commission decision. The Irish State is obliged to recover the unlawful state aid from Ryanair before the Irish courts notwithstanding Ryanair s appeal of the EU Commission decision, and initiated its claim in April 2013. The Irish State is seeking approximately 12 million plus interest from Ryanair in these proceedings. Ryanair has also issued proceedings before the Irish courts for recovery of the entire amount of the air travel tax paid during the period March 2009 March 2011 on the basis of the two-tier nature of the tax being unlawful under EU law. Ryanair is seeking approximately 88 million from the Irish State in these proceedings.

No assurance can be given as to the outcome of these legal proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have an adverse effect on the results of operations or financial condition of Ryanair.

For additional information, please see Item 8. Financial Information Other Financial Information Legal Proceedings.

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The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment. Ryanair operates in a highly competitive marketplace, with a number of low-fare, traditional and charter airlines competing throughout its route network. Airlines compete primarily in respect of fare levels, frequency and dependability of service, name recognition, passenger amenities (such as access to frequent flyer programmes), and the availability and convenience of other passenger services. Unlike Ryanair, certain competitors are state-owned or state-controlled flag carriers and in some cases may have greater name recognition and resources and may have received, or may receive in the future, significant amounts of subsidies and other state aid from their respective governments. In addition, the EU-U.S. Open Skies Agreement, which came into effect in March 2008, allows U.S. carriers to offer services in the intra-EU market, which could eventually result in increased competition in the EU market. See Item 4. Information on the Company Government Regulation Liberalization of the EU Air Transportation Market.

The airline industry is highly susceptible to price discounting, in part because airlines incur very low marginal costs for providing service to passengers occupying otherwise unsold seats. Both low-fare and traditional airlines sometimes offer low fares in direct competition with Ryanair across a significant proportion of its route network as a result of the liberalization of the EU air transport market and greater public acceptance of the low-fares model. Although Ryanair s average booked passenger fare increased in the 2011, 2012 and 2013 fiscal years, it decreased in the 2010 fiscal year, and there can be no assurance that it will not decrease in future periods.

Although Ryanair intends to compete vigorously and to assert its rights against any predatory pricing or other similar conduct, price competition among airlines could reduce the level of fares and/or passenger traffic on Ryanair s routes to the point where profitability may not be achievable.

In addition to traditional competition among airline companies and charter operators who have entered the low-fares market, the industry also faces competition from ground transportation (including high-speed rail systems) and sea transportation alternatives, as businesses and recreational travellers seek substitutes for air travel.

The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair s Ability to Obtain Financing on Acceptable Terms. Ryanair s continued growth is dependent upon its ability to acquire additional aircraft to meet additional capacity needs and to replace older aircraft. Ryanair had 305 aircraft in its fleet by March 31, 2013 and has ordered an additional 175 new Boeing 737-800 next generation aircraft (the New Aircraft) for delivery during fiscal 2015 to fiscal 2019 pursuant to a contract with the Boeing Company (the 2013 Boeing Contract). Ryanair expects to have approximately 410 aircraft in its fleet by March 31, 2019, depending on the level of lease returns/disposals. For additional information on the Company s aircraft fleet and expansion plans, see Item 4. Information on the Company Aircraft and Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources. There can be no assurance that this planned expansion will not outpace the growth of passenger traffic on Ryanair s routes or that traffic growth will not prove to be greater than the expanded fleet can accommodate. In either case, such developments could have a material adverse effect on the Company s business, results of operations, and financial condition.

As a result of the 2013 Boeing Contract, the Company is expected to raise substantial debt financing to deliver all of the expected aircraft deliveries over the period from September 2014 to December 2018. This aircraft order is expected to increase the Company s outstanding debt from 2016 onwards. Furthermore, Ryanair s ability to draw down funds under its existing bank-loan facilities to pay for aircraft as they are delivered is subject to various conditions imposed by the counterparties to such bank loan facilities and related loan guarantees, and any future financing is expected to be subject to similar conditions. Any failure by Ryanair to comply with such conditions would have a material adverse effect on its operations and financial condition.

Using the debt capital markets to finance the 2013 Boeing Contract may require the Company to obtain a credit rating or potentially to obtain a credit rating for specific debt transactions, for example using an Enhanced Equipment Trust Certificate (EETC), a structured product that is widely used in the U.S. to finance aircraft deliveries. The requirement for a credit rating depends, amongst other things, on whether Ryanair finances via secured funding or through general corporate purposes. Other financing structures such as U.S. Ex-im Bank loan guarantees and capital markets financing, sale and operating leaseback financing and Japanese operating leases with call options (JOLCOs) will not require the Company to obtain a credit rating and these sources are widely used in the aviation industry.

Ryanair has also entered into significant derivative transactions intended to hedge its current aircraft acquisition-related debt obligations. These derivative transactions expose Ryanair to certain risks and could have adverse effects on its results of operations and financial condition. See Item 11. Quantitative and Qualitative Disclosures About Market Risk.

The Company s Growth May Expose It to Risks. Ryanair s operations have grown rapidly since it pioneered the low-fares operating model in Europe in the early 1990s. Ryanair intends to continue to expand its fleet and add new destinations and additional flights, with the goal of increasing Ryanair s booked passenger volumes to approximately 110 million passengers per annum by March 31, 2019, an increase of 39% from the approximately 79 million passengers booked in the 2013 fiscal year. However, no assurance can be given that this target will in fact be met. If growth in passenger traffic and Ryanair s revenues do not keep pace with the planned expansion of its fleet, Ryanair could suffer from overcapacity and its results of operations and financial condition (including its ability to fund scheduled purchases of the New Aircraft and related debt) could be materially adversely affected.

The continued expansion of Ryanair s fleet and operations, although somewhat lower in percentage terms than in previous years, in addition to other factors, may also strain existing management resources and related operational, financial, management information and information technology systems. Expansion will generally require additional skilled personnel, equipment, facilities and systems. An inability to hire skilled personnel or to secure required equipment and facilities efficiently and in a cost-effective manner may adversely affect Ryanair s ability to achieve its growth plans and sustain or increase its profitability.

Ryanair s New Routes and Expanded Operations May Have an Adverse Financial Impact on its Results. Currently, a substantial number of carriers operate routes that compete with Ryanair, and the Company expects to face further intense competition.

When Ryanair commences new routes, its load factors and fares tend to be lower than those on its established routes and its advertising and other promotional costs tend to be higher, which may result in initial losses that could have a material negative impact on Ryanair s results of operations as well as require a substantial amount of cash to fund. In addition, there can be no assurance that Ryanair s low-fares service will be accepted on new routes. Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes. Promotional fares may have the effect of increasing load factors and reducing Ryanair s yield and passenger revenues on such routes during the periods that they are in effect. Ryanair has other significant cash needs as it expands, including as regards the cash required to fund aircraft purchases or aircraft deposits related to the acquisition of additional Boeing 737-800 series aircraft. There can be no assurance that Ryanair will have sufficient cash to make such expenditures and investments, and to the extent Ryanair is unable to expand its route system successfully, its future revenue and earnings growth will in turn be limited. Further volcanic ash emissions, similar to those experienced in April and May 2010, could make consumers less willing and/or able to travel and impact the launch of new routes or bases. See Risks Related to the Airline Industry Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company s Results of Operations. See also The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair s Ability to Obtain Financing on Acceptable Terms.

Ryanair s Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase. Airline traffic at certain European airports is regulated by a system of grandfathered slot allocations. Each slot represents authorization to take-off and land at the particular airport during a specified time period. Although the majority of Ryanair s bases currently have no slot allocations, traffic at a minority of the airports Ryanair serves, including its primary bases, is currently regulated through slot allocations. There can be no assurance that Ryanair will be able to obtain a sufficient number of slots at slot-controlled airports that it may wish to serve in the future, at the time it needs them, or on acceptable terms. There can also be no assurance that its non-slot constrained bases, or the other non-slot constrained airports Ryanair serves, will continue to operate without slot allocation restrictions in the future. See Item 4. Information on the Company Government Regulation Slots. Airports may impose other operating restrictions such as curfews, limits on aircraft noise levels, mandatory flight paths, runway restrictions, and limits on the number of average daily departures. Such restrictions may limit the ability of Ryanair to provide service to, or increase service at, such airports.

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Ryanair s future growth also materially depends on its ability to access suitable airports located in its targeted geographic markets at costs that are consistent with Ryanair s ultra-low cost strategy. Any condition that denies, limits, or delays Ryanair s access to airports it serves or seeks to serve in the future would constrain Ryanair s ability to grow. A change in the terms of Ryanair s access to these facilities or any increase in the relevant charges paid by Ryanair as a result of the expiration or termination of such arrangements and Ryanair s failure to renegotiate comparable terms or rates could have a material adverse effect on the Company s financial condition and results of operations. For example in Spain, the Spanish government increased airport taxes at the two largest airports, Barcelona and Madrid, by over 100%, while smaller increases were implemented at other Spanish airports effective from July 1, 2012. As a result, Ryanair cancelled routes and reduced capacity on remaining routes from Madrid and Barcelona in response to the Spanish government s decision to double airport taxes at the two airports. For additional information, see Item 4. Information on the Company Airport Operations Airport Charges. See also The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports.

The Company s Acquisition of 29.8% of Aer Lingus and Subsequent Failure to Conclude a Complete Acquisition of Aer Lingus Could Expose the Company to Risk. During the 2007 fiscal year, the Company acquired 25.2% of Aer Lingus. The Company increased its interest to 29.3% during the 2008 fiscal year, and to 29.8% during the 2009 fiscal year at a total aggregate cost of 407.2 million. Following the acquisition of its initial stake and upon the approval of the Company s shareholders, management proposed to effect a tender offer to acquire the entire share capital of Aer Lingus. This 2006 offer was, however, prohibited by the European Commission on competition grounds.

In October 2007, the European Commission reached a formal decision that it would not force Ryanair to sell its shares in Aer Lingus. This decision has been affirmed on appeal. However, EU legislation may change in the future to require such a forced disposition. If eventually forced to dispose of its stake in Aer Lingus, Ryanair could suffer significant losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares.

The United Kingdom s Office of Fair Trading (OFT) wrote to Ryanair in September 2010, advising that it intends to investigate Ryanair s minority stake in Aer Lingus. Ryanair objected on the basis that the OFT s investigation was time-barred. On June 15, 2012, the OFT referred the investigation of Ryanair s minority stake in Aer Lingus to the U.K. Competition Commission (the Competition Commission).

On June 19, 2012, Ryanair announced its third all cash offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of 1.30 per ordinary share and immediately commenced pre-notification discussions with the European Commission for the purpose of preparing a merger filing. Pending the outcome of the European Commission s review of Ryanair s bid, on the basis of the duty of sincere cooperation between the EU and the Member States, and under the EU Merger Regulation, the UK Competition Commission s investigation of Ryanair s minority stake in Aer Lingus should not have properly proceeded. Nevertheless, Aer Lingus argued that the investigation should proceed and that Ryanair s offer was in breach of certain provisions of the UK Enterprise Act 2002.

On July 10, 2012, the Competition Commission ruled that Ryanair s bid was not in breach of the UK Enterprise Act, but nevertheless decided that its investigation of the minority stake can proceed in parallel with the European Commission s investigation of Ryanair s offer for Aer Lingus. In July 2012, Ryanair appealed the latter part of the Competition Commission s ruling to the UK Competition Appeal Tribunal, and the Competition Commission s investigation became suspended pending the appeal process. On August 8, 2012, the Competition Appeal Tribunal rejected Ryanair s appeal and found that the Competition Commission s investigation could proceed in parallel with the European Commission s investigation, but that the Competition Commission must avoid taking any final decision which could conflict with the European Commission s ultimate conclusion on Ryanair s bid. In August 2012, Ryanair appealed the Competition Appeal Tribunal judgment to the UK Court of Appeal. In December 2012, the Court of Appeal rejected Ryanair s appeal and subsequently the Competition Commission s investigation has restarted. On December 13, 2012, Ryanair applied to the UK Supreme Court for permission to appeal the judgment of the Court of Appeal. The Supreme Court refused permission to appeal on April 25, 2013.

On February 27, 2013, the European Commission prohibited Ryanair s bid to acquire the entire share capital of Aer Lingus on the claimed basis that it would be incompatible with the EU internal market. Ryanair appealed this decision to the EU General Court on May 8, 2013. The judgment of the EU General Court is expected within 18-24 months and may affirm or annul the decision of the European Commission.

Following the European Commission s decision to prohibit its offer for Aer Lingus, Ryanair has actively engaged with the UK Competition Commission s investigation of the minority stake. In its provisional findings on May 30, 2013, the UK Competition Commission (UKCC) stated that Ryanair, through its minority shareholding in Aer Lingus, has influence over Aer Lingus, that this could reduce competition , and that Ryanair should be required to divest some or all of its shares in Aer Lingus. Following an extension of the investigation timetable on June 24, 2013, the UKCC s final decision will be published by September 5, 2013. The UKCC could order Ryanair to divest some or all of its shares in Aer Lingus, as a result of which Ryanair could suffer losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares. Ryanair believes that the enforcement of any such decision should be delayed until the outcome of Ryanair s appeal against the European Commission s February 2013 prohibition decision of Ryanair s 2012 offer for Aer Lingus, and the conclusion of any appeals against the UKCC s decision in the UK courts. However, it is possible that the UKCC will seek to enforce any such sell-down remedy at an earlier date. On July 23, 2013 the Company announced that as part of its remedies discussions with the UKCC it had offered to give an undertaking to unconditionally sell its shareholding in Aer Lingus to any other EU airline that makes an offer for Aer Lingus and acquires acceptances in respect of more than 50% of Aer Lingus issued share capital. For more information, see Item 8. Financial Information Other Financial Information Legal Proceedings Matters Related to Investment in Aer Lingus.

Labor Relations Could Expose the Company to Risk. A variety of factors, including, but not limited to, Ryanair s profitability and its seasonal grounding policy, may make it difficult for Ryanair to avoid increases to salary levels and productivity payments. Consequently, there can be no assurance that Ryanair s existing employee compensation arrangements may not be subject to change or modification at any time. These steps may lead to deterioration in labor relations in Ryanair and could impact Ryanair s business or results. Ryanair also operates in certain jurisdictions with above average payroll taxes and employee-related social insurance costs, which could have an impact on the availability and cost of employees in these jurisdictions. Ryanair s crew in continental Europe operate on Irish contracts of employment on the basis that those crew work on Irish Territory, (i.e., on board Irish Registered Aircraft). A number of challenges have been initiated by government agencies in a number of countries to the applicability of Irish labor law to these contracts, and if Ryanair were forced to concede that Irish jurisdiction did not apply to those crew who operate from continental Europe then it could lead to increased salary, social insurance and pension costs and a potential loss of flexibility. In relation to social insurance costs, the European Parliament implemented amendments to Regulation (EC) 883/2004 which may impose substantial social insurance contribution increases for either or both Ryanair and the individual employees. While this change to social insurance contributions relates primarily to new employees, its effect in the long term may materially increase Company or employee social insurance contributions and could affect Ryanair s decision to operate from those high cost locations, resulting in redundancies and a consequent deterioration in labor relations. For additional details see Change in EU Regulations in Relation to Employers and Employee Social Insurance could Increase Costs below.

Ryanair currently conducts collective bargaining negotiations with groups of employees, including its pilots and cabin crew, regarding pay, work practices, and conditions of employment, through collective-bargaining units called Employee Representation . In the U.K., BALPA (the U.K pilots union) unsuccessfully sought to represent Ryanair s U.K.-based pilots in their negotiations with Ryanair in 2001, at which time an overwhelming majority of those polled rejected BALPA s claim to represent them. On June 19, 2009, BALPA made a request for voluntary recognition under applicable U.K. legislation, which Ryanair rejected. BALPA had the option of applying to the U.K. s Central Arbitration Committee (CAC) to organize a vote on union recognition by Ryanair s pilots in relevant bargaining units, as determined by the CAC, but BALPA decided not to proceed with an application at that time. The option to apply for a ballot remains open to BALPA and if it were to seek and be successful in such a ballot, it would be able to represent the U.K. pilots in negotiations over salaries and working conditions. Limitations on Ryanair s flexibility in dealing with its employees or the altering of the public s perception of Ryanair generally could have a material adverse effect on Ryanair s business, operating results, and financial condition. For additional details, see Item 6. Directors, Senior Management and Employees Staff and Labor Relations. Limitations on Ryanair s flexibility in dealing with its staff or the altering of the public s perception of Ryanair generally could have a material adverse effect on the Company s business, operating results, and financial condition.

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The Company is Dependent on External Service Providers. Ryanair currently assigns its engine overhauls and rotable repairs to outside contractors approved under the terms of Part 145, the European regulatory standard for aircraft maintenance established by the European Aviation Safety Agency (Part 145). The Company also assigns its passenger, aircraft and ground handling services at airports other than Dublin and certain airports in Spain and the Canary Islands to established external service providers. See Item 4. Information on the Company Maintenance and Repairs Heavy Maintenance and Item 4. Information on the Company Airport Operations Airport Handling Services.

The termination or expiration of any of Ryanair s service contracts or any inability to renew them or negotiate replacement contracts with other service providers at comparable rates could have a material adverse effect on the Company s results of operations. Ryanair will need to enter into airport service agreements in any new markets it enters, and there can be no assurance that it will be able to obtain the necessary facilities and services at competitive rates. In addition, although Ryanair seeks to monitor the performance of external parties that provide passenger and aircraft handling services, the efficiency, timeliness, and quality of contract performance by external providers are largely beyond Ryanair s direct control. Ryanair expects to be dependent on such outsourcing arrangements for the foreseeable future.

The Company is Dependent on Key Personnel. Ryanair s success depends to a significant extent upon the efforts and abilities of its senior management team, including Michael O Leary, the Chief Executive Officer, and key financial, commercial, operating and maintenance personnel. Mr. O Leary s current contract may be terminated by either party upon 12 months notice. See Item 6. Directors, Senior Management and Employees Compensation of Directors and Senior Management Employment and Bonus Agreement with Mr. O Leary. Ryanair s success also depends on the ability of its executive officers and other members of senior management to operate and manage effectively, both independently and as a group. Although Ryanair s employment agreements with Mr. O Leary and some of its other senior executives contain non-competition and non-disclosure provisions, there can be no assurance that these provisions will be enforceable in whole or in part. Competition for highly qualified personnel is intense, and either the loss of any executive officer, senior manager, or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect upon Ryanair s business, operating results, and financial condition.

The Company Faces Risks Related to its Internet Reservations Operations and its Announced Elimination of Airport Check-in Facilities. Over 99% of Ryanair s flight reservations are made through its website. Although Ryanair has established a contingency program whereby the website is hosted in three separate locations, each of these locations accesses the same booking engine, located at a single center, in order to make reservations.

A back-up booking engine is available to Ryanair to support its existing platform in the event of a breakdown in this facility. Nonetheless, the process of switching over to the back-up engine could take some time and there can be no assurance that Ryanair would not suffer a significant loss of reservations in the event of a major breakdown of its booking engine or other related systems, which, in turn, could have a material adverse effect on Ryanair s operating results or financial condition.

Since October 1, 2009, all passengers have been required to use Internet check-in. Internet check-in is part of a package of measures intended to reduce check-in lines and passenger handling costs and pass on these savings by reducing passenger airfares. Ryanair has deployed this system across its network. Any disruptions to the Internet check-in service as a result of a breakdown in the relevant computer systems or otherwise could have a material adverse impact on these service-improvement and cost-reduction efforts. There can be no assurance, however, that this process will continue to be successful or that consumers will not switch to other carriers that provide standard check-in facilities, which would negatively affect Ryanair s results of operations and financial condition.

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The Company Faces Risks Related to Unauthorized Use of Information from the Company s Website. Screenscraper websites gain unauthorized access to Ryanair s website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which include intermediary fees on top of Ryanair s fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenscraping also on the basis of certain legal principles, such as database rights, copyright protection, etc. Since November 2011, Ryanair has introduced a security screen check on its website which requires passengers who wish to book flights to enter a screen code to complete their bookings. This has had a positive impact and reduced the level of screenscraping. Ryanair is also involved in a number of legal proceedings against the proprietors of screenscraper websites in Ireland, Germany, the Netherlands, France, Spain, Italy and Switzerland. Ryanair s objective is to prevent any unauthorized use of its website, however Ryanair does allow certain companies who operate fare comparison (i.e. not reselling) websites to access the website provided they sign a license and use the agreed method to access the data. Ryanair has received favourable rulings in Ireland, Germany and The Netherlands, and unfavorable rulings in Spain, in its actions against screenscrapers. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screenscraper websites could lead to a reduction in the number of customers who book directly on Ryanair s website and consequently to a reduction in Ryanair s ancillary revenue stream. Also, some customers may be lost to Ryanair once they are presented by a screenscraper website with a Ryanair fare inflated by the screenscraper s intermediary fee. This could also adversely affect Ryanair s reputation as a low-fares airline, which could negatively affect Ryanair s results of operations and financial condition.

For additional details, see Item 8. Financial Information Other Financial Information Legal Proceedings Legal Proceedings Against Internet Ticket Touts.

The Irish Corporation Tax Rate Could Rise. The majority of Ryanair s profits are subject to Irish corporation tax at a statutory rate of 12.5%. Due to the size and scale of the Irish government s budgetary deficit and the bailout of the Irish government by a combination of loans from the International Monetary Fund and the European Union, there is a risk that the Irish government could increase Irish corporation tax rates above 12.5% in order to repay current or future loans or to increase tax revenues.

At 12.5%, the rate of Irish corporation tax is lower than that applied by most of the other European Union member states, and has periodically been subject to critical comment by the governments of other EU member states. Although the Irish government has repeatedly publicly stated that it will not increase corporation tax rates, there can be no assurance that such an increase in corporation tax rates will not occur.

In the event that the Irish government increases corporation tax rates or changes the basis of calculation of corporation tax from the present basis, any such changes would result in the Company paying higher corporate taxes and would have an adverse impact on our cash flows, financial position and results of operations.

Change in EU Regulations in Relation to Employers and Employee Social Insurance Could Increase Costs. The European Parliament passed legislation governing the payment of employee and employer social insurance costs in May 2012. The legislation was introduced in late June 2012. The legislation governs the country in which employees and employers must pay social insurance costs. Prior to June 2012, Ryanair paid employee and employer social insurance in the country under whose laws the employee s contract of employment is governed, which is either the UK or Ireland. Under the terms of this new legislation, employees and employers must pay social insurance in the country where the employee is based. The legislation includes grandfathering rights which means that existing employees (i.e. those employed prior to the introduction of the new legislation in June 2012) should be exempt. However, both new and existing employees who transfer from their present base location to a new base in another EU country may be impacted by the new rules in relation to employee and employer contributions. Each country within the EU has different rules and rates in relation to the calculation of employee and employer social insurance contributions. Ryanair estimates that the change in legislation will not have any initial material impact on its salary costs although it could have an adverse impact over time.

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Ryanair is Subject to Tax Audits. The Company operates in many jurisdictions and is, from time to time, subject to tax audits, which by their nature are often complex and can require several years to conclude. While the Company endeavors to be tax compliant in the various jurisdictions in which it operates, there can be no guarantee, particularly in the current economic environment, that it will not receive tax assessments following the conclusion of the tax audits. If assessed, the Company will robustly defend its position. In the event that the Company is unsuccessful in defending its position, it is possible that the effective tax rate, employment and other costs of the Group could materially increase. See The Irish Corporation Tax Rate Could Rise above.

Risks Related to the Airline Industry

The Airline Industry Is Particularly Sensitive to Changes in Economic Conditions: A Continued Recessionary Environment Would Negatively Impact Ryanair s Result of Operations. Ryanair s operations and the airline industry in general are sensitive to changes in economic conditions. Unfavorable economic conditions such as government austerity measures, the breakup of the Eurozone, high unemployment rates, constrained credit markets and increased business operating costs could lead to reduced spending by both leisure and business passengers. Unfavorable economic conditions, such as the conditions persisting as of the date hereof, also tend to impact Ryanair s ability to raise fares to counteract increased fuel and other operating costs. A continued recessionary environment, combined with austerity measures by European governments, will likely negatively impact Ryanair s operating results. It could also restrict the Company s ability to grow passenger volumes, secure new airports and launch new routes and bases, and could have a material adverse impact on its financial results.

The Introduction of Government Taxes on Travel Could Damage Ryanair s Ability to Grow and Could Have a Material Adverse Impact on Operations. The U.K. government levies an Air Passenger Duty (APD) of £13 per passenger. The tax was previously set at £5 per passenger, but it was increased to £10 per passenger in 2007, £11in 2009, £12 in 2010 and subsequently to £13 in April 2012. The increase in this tax is thought to have had a negative impact on Ryanair s operating performance, both in terms of average fares paid and growth in passenger volumes. In 2008, the Dutch government introduced a travel tax ranging from 11 on short-haul flights to 45 on long-haul flights (withdrawn with effect from July 1, 2009). On March 30, 2009, the Irish government also introduced a 10 Air Travel Tax on all passengers departing from Irish airports on routes longer than 300 kilometers but subsequently reduced it to 3 on March 30, 2011. In Germany, the government introduced an air passenger tax of 8 in January 2011 which was subsequently reduced to 7.50 in January 2012. In Austria, the government also introduced an ecological air travel levy of 8 in January 2011.

Other governments also have introduced or may introduce similar taxes. See Item 4. Information on the Company Airport Operations Airport Charges . The introduction of government taxes on travel has had a negative impact on passenger volumes, particularly given the current period of decreased economic activity. The introduction of further government taxes on travel across Europe could have a material negative impact on Ryanair s results of operations as a result of price-sensitive passengers being less likely to travel.

EU Regulation on Passenger Compensation Could Significantly Increase Related Costs. The EU has passed legislation for compensating airline passengers who have been denied boarding on a flight for which they hold a valid ticket (Regulation (EC) No. 261/2004). This legislation, which came into force on February 17, 2005, imposes fixed levels of monetary compensation to be paid to passengers in the event of a flight cancellation if the reason for the cancellation was within the control of the airline. In November 2009, the Court of Justice of the EU in the *Sturgeon* case decided that provisions of the legislation in relation to compensation are not only applicable to flight cancellations but also to delays of over three hours. However, such provisions do not apply to any cancellation, or any delay over three hours, in circumstances in which the airline is able to prove that such cancellation or delay was caused by extraordinary circumstances, such as weather, air-traffic control delays, or safety issues. The *Sturgeon* case was referred to the Court of Justice of the European Union for a preliminary ruling from the High Court of Justice (England & Wales), Queen s Bench Division (Administrative Court) on December 24, 2010. The Opinion of the Advocate General of the European Court of Justice has reinforced the legitimacy of the *Sturgeon* judgment. On October 23, 2012, the Court of Justice of the European Union affirmed its previous *Sturgeon* judgment. The regulation calls for compensation of 250, 400 or 600 per passenger, depending on the length of the flight. As Ryanair s average flight length is less than 1,500 km the upper limit for short-haul flights the amount payable is generally 250 per passenger per occurrence. Passengers subject to long delays (in excess of two hours for short-haul flights) are also entitled to assistance, including meals, drinks and telephone calls, as well as hotel accommodation if the delay extends overnight. For delays of over five hours, the airline is also required to offer the option of a refund of the cost of the unused ticket. There can be no assurance that the Company will not incur a significant increase in costs in the future due to the impact of this legislation if Ryanair experiences a large number of cancelled flights, which could occur as a result of certain types of events beyond its control. See Risks Related to the Airline Industry Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company s Results of Operations.

EU Regulation of Emissions Trading Will Increase Costs. On November 19, 2008, the European Council of Ministers adopted legislation to add aviation to the EU Emissions Trading Scheme (ETS) with effect from 2012. This scheme, which has thus far applied mainly to industrial companies, is a cap-and-trade system for CO_2 emissions to encourage industries to improve their CO_2 efficiency. Under the legislation, airlines are granted initial CO_2 allowances based on historical performance and a CO_2 efficiency benchmark. Any shortage of allowances will have to be purchased in the open market and/or at government auctions. The cost of such allowances in the context of the Company s energy costs are not material at current market prices. There can be no assurance that Ryanair will be able to obtain sufficient carbon credits or that the cost of the credits will not have a material adverse effect on the Company s business, operating results, and financial condition.

Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company s Results of Operations. Between April 15 and April 20, 2010 and May 4 and May 17, 2010, a significant portion of the airspace over northern Europe was closed by authorities as a result of safety concerns presented by emissions of ash from an Icelandic volcano. This closure forced Ryanair to cancel 9,490 flights. In May 2011, there were further periodic closures of parts of the European airspace due to emissions of ash from another Icelandic volcano, which resulted in the cancellation of 96 flights.

Under the terms of Regulation (EC) No. 261/2004, described above, Ryanair has certain duties to passengers whose flights are cancelled. In particular, Ryanair is required to reimburse passengers who have had their flights cancelled for certain reasonable, documented expenses primarily for accommodation and food. The Company to date estimates that the non-recoverable fixed costs associated with the cancellations, the repositioning costs for aircraft, and other costs associated with cancellations, as well as the aforementioned reimbursement claims for the initial 20 days of closure of European aerospace will amount to approximately 29 million for such periods of closure. The Company has re-accommodated or refunded fares to approximately 1.5 million passengers due to flight cancellations.

Volcanic emissions may happen again and could lead to further significant flight cancellation costs which could have a material adverse impact on the Company s financial condition and results of operations. Furthermore, volcanic emissions (whether from current or new sources) or similar atmospheric disturbances and resulting cancellations due to the closure of airports could also have a material adverse effect on the Company s financial performance indirectly, as a consequence of changes in the public s willingness to travel within Europe due to the risk of flight disruptions.

Any Significant Outbreak of any Airborne Disease, Including Swine Flu or Foot-and-Mouth Disease, Could Significantly Damage Ryanair s Business. Worldwide, there has, from time to time, been substantial publicity in recent years regarding certain potent influenza viruses and other disease epidemics. Publicity of this type may have a negative impact on demand for air travel in Europe. Past outbreaks of SARS, foot-and-mouth disease, avian flu and swine flu have adversely impacted the travel industries, including aviation, in certain regions of the world, including Europe. The Company believes that if any influenza or other pandemic becomes severe in Europe, its effect on demand for air travel in the markets in which Ryanair operates could be material, and it could therefore have a significantly adverse impact on the Company. A severe outbreak of swine flu, SARS, foot-and-mouth disease, avian flu or another pandemic or livestock-related disease also may result in European or national authorities imposing restrictions on travel, further damaging Ryanair s business. A serious pandemic could therefore severely disrupt Ryanair s business, resulting in the cancellation or loss of bookings, and adversely affecting Ryanair s financial condition and results of operations.

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The Company is Dependent on the Continued Acceptance of Low-fares Airlines. In past years, accidents or other safety-related incidents involving certain low-fares airlines have had a negative impact on the public s acceptance of such airlines. Any adverse event potentially relating to the safety or reliability of low-fares airlines (including accidents or negative reports from regulatory authorities) could adversely impact the public s perception of, and confidence in, low-fares airlines like Ryanair, and could have a material adverse effect on Ryanair s financial condition and results of operations.

Terrorism in the United Kingdom or Elsewhere in Europe Could Have a Material Detrimental Effect on the Company. On August 10, 2006, U.K. security authorities arrested and subsequently charged eight individuals in connection with an alleged plot to attack aircraft operating on transatlantic routes. As a result of these arrests, U.K. authorities introduced increased security measures, which resulted in all passengers being body-searched, and a ban on the transportation in carry-on baggage of certain liquids and gels. The introduction of these measures led to passengers suffering severe delays while passing through these airport security checks. As a result, Ryanair cancelled 279 flights in the days following the incident and refunded a total of 2.7 million in fares to approximately 40,000 passengers. In the days following the arrests, Ryanair also suffered reductions in bookings estimated to have resulted in the loss of approximately 1.9 million of additional revenue. As in the past, the Company reacted to these adverse events by initiating system-wide fare sales to stimulate demand for air travel.

In addition, reservations on Ryanair s flights to London dropped materially for a number of days in the immediate aftermath of the terrorist attacks in London on July 7, 2005. Although the terrorist attack in Glasgow on June 30, 2007 and the failed terrorist attacks in London on July 21, 2005 and June 29, 2007 had no material impact on bookings, there can be no assurance that future such attacks will not affect passenger traffic. In the 2013 fiscal year, 15.9 million passengers were booked on Ryanair s flights into and out of London, representing 20.1% of the total passengers booked on all of the Company s flights in the fiscal year. Future acts of terrorism or significant terrorist threats, particularly in London or other markets that are significant to Ryanair, could have a material adverse effect on the Company s profitability or financial condition should the public s willingness to travel to and from those markets decline as a result. See also The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry below.

The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry. The terrorist attacks on the United States on September 11, 2001, in which four commercial aircraft were hijacked, had a severe negative impact on the international airline industry, particularly on U.S. carriers and carriers operating international services to and from the United States. Although carriers such as Ryanair that operate primarily or exclusively in Europe were generally spared from such material adverse impacts on their businesses, the cost to all commercial airlines of insurance coverage for certain third-party liabilities arising from acts of war or terrorism increased dramatically after the September 11 attacks. See Item 4. Information on the Company Insurance. In addition, Ryanair s insurers have indicated that the scope of the Company s current act of war -related insurance may exclude certain types of catastrophic incidents, such as certain forms of biological, chemical or dirty bomb attacks. This could result in the Company s seeking alternative coverage, including government insurance or self-insurance, which could lead to further increases in costs. Although Ryanair to date has passed on increased insurance costs to passengers by means of a special insurance levy on each ticket, there can be no assurance that it will continue to be successful in doing so.

Because a substantial portion of airline travel (both business and personal) is discretionary and because Ryanair is substantially dependent on discretionary air travel, any prolonged general reduction in airline passenger traffic may adversely affect the Company. Similarly, any significant increase in expenses related to security, insurance or related costs could have a material adverse effect on the Company. Any further terrorist attacks in the U.S. or in Europe, particularly in London or other markets that are significant to Ryanair, any significant military actions by the United States or EU nations or any related economic downturn may have a material adverse effect on demand for air travel and thus on Ryanair s business, operating results, and financial condition. See also Terrorism in the United Kingdom or Elsewhere in Europe Could have a Material Detrimental Effect on the Company.

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The Company Faces the Risk of Loss and Liability. Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair currently maintains passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence that are consistent with industry standards.

Ryanair currently believes its insurance coverage is adequate (although not comprehensive). However, there can be no assurance that the amount of insurance coverage will not need to be increased, that insurance premiums will not increase significantly, or that Ryanair will not be forced to bear substantial losses from any accidents not covered by its insurance. Airline insurance costs increased dramatically following the September 2001 terrorist attacks on the United States. See The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry above. Substantial claims resulting from an accident in excess of related insurance coverage could have a material adverse effect on the Company s results of operations and financial condition. Moreover, any aircraft accident, even if fully insured, could lead to the public perception that Ryanair s aircraft were less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair s business.

EU Regulation No. 2027/97, as amended by Regulation No. 889/2002, governs air carrier liability. See Item 4. Information on the Company Insurance for details of this regulation. This regulation increased the potential liability exposure of air carriers such as Ryanair. Although Ryanair has extended its liability insurance to meet the requirements of the regulation, no assurance can be given that other laws, regulations, or policies will not be applied, modified or amended in a manner that has a material adverse effect on Ryanair s business, operating results, and financial condition.

Airline Industry Margins are Subject to Significant Uncertainty. The airline industry is capital intensive and is characterized by high fixed costs and by revenues that generally exhibit substantially greater elasticity than costs. Although fuel accounted for approximately 45% of total operating expenses in the 2013 fiscal year, management anticipates that this percentage may vary significantly in future years. See Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood of Adverse Impact on the Company s Profitability above. The operating costs of each flight do not vary significantly with the number of passengers flown, and therefore, a relatively small change in the number of passengers, fare pricing, or traffic mix could have a disproportionate effect on operating and financial results. Accordingly, a relatively minor shortfall from expected revenue levels could have a material adverse effect on the Company s growth or financial performance. See Item 5. Operating and Financial Review and Prospects. The very low marginal costs incurred for providing services to passengers occupying otherwise unsold seats are also a factor in the industry s high susceptibility to price discounting. See Risks Related to the Company The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment above.

Safety-Related Undertakings Could Affect the Company s Results. Aviation authorities in Europe and the United States periodically require or suggest that airlines implement certain safety-related procedures on their aircraft. In recent years, the U.S. Federal Aviation Administration (the FAA) has required a number of such procedures with regard to Boeing 737-800 aircraft, including checks of rear pressure bulkheads and flight control modules, redesign of the rudder control system, and limitations on certain operating procedures. Ryanair s policy is to implement any such required procedures in accordance with FAA guidance and to perform such procedures in close collaboration with Boeing. To date, all such procedures have been conducted as part of Ryanair s standard maintenance programme and have not interrupted flight schedules nor required any material increases in Ryanair s maintenance expenses. However, there can be no assurance that the FAA or other regulatory authorities will not recommend or require other safety-related undertakings or that such undertakings would not adversely impact Ryanair s operating results or financial condition.

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There also can be no assurance that new regulations will not be implemented in the future that would apply to Ryanair s aircraft and result in an increase in Ryanair s cost of maintenance or other costs beyond management s current estimates. In addition, should Ryanair s aircraft cease to be sufficiently reliable or should any public perception develop that Ryanair s aircraft are less than completely reliable, Ryanair s business could be materially adversely affected.

Risks Related to Ownership of the Company s Ordinary Shares or ADRs

EU Rules Impose Restrictions on the Ownership of Ryanair Holdings Ordinary Shares by Non-EU Nationals, and the Company Has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals. EU Regulation No. 1008/2008 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority-owned and effectively controlled by EU nationals. The regulation does not specify what level of share ownership will confer effective control on a holder or holders of Ordinary Shares. The Board of Directors of Ryanair Holdings is given certain powers under Ryanair Holdings articles of association (the Articles) to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals (Affected Shares) does not reach a level that could jeopardize the Company s entitlement to continue to hold or enjoy the benefit of any license, permit, consent, or privilege which it holds or enjoys and which enables it to carry on business as an air carrier. The directors, from time to time, set a Permitted Maximum on the number of the Company s Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU law. The Permitted Maximum is currently set at 49.9%. In addition, under certain circumstances, the directors can take action to safeguard the Company s ability to operate by identifying those Ordinary Shares, American Depositary Shares (ADSs) or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, the American Depositary Receipts (ADRs) evidencing such ADSs, or Affected Shares as Restricted Shares. The Board of Directors may, under certain circumstances, deprive holders of Restricted Shares of their rights to attend, vote at, and speak at general meetings, and/or require such holders to dispose of their Restricted Shares to an EU national within as little as 21 days. The directors are also given the power to transfer such Restricted Shares themselves if a holder fails to comply. In 2002, the Company implemented measures to restrict the ability of non-EU nationals to purchase Ordinary Shares, and non-EU nationals are currently effectively barred from purchasing Ordinary Shares, and will remain so for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted. Additionally, these foreign ownership restrictions could result in Ryanair s exclusion from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. On April 19, 2012, the Company obtained shareholder approval to repurchase ADRs as part of its general authority to repurchase up to 5% of the issued share capital in the Company. On June 5, 2013 the Company repurchased 2,018,800 ADRs equivalent to 10,094,000 ordinary shares at a price of 7.65 per ordinary share. See Item 10. Additional Information Limitations on Share Ownership by Non-EU Nationals for a detailed discussion of restrictions on share ownership and the current ban on share purchases by non-EU nationals.

As of June 30, 2013, EU nationals owned at least 55.2% of Ryanair Holdings Ordinary Shares (assuming conversion of all outstanding ADRs into Ordinary Shares).

Holders of Ordinary Shares are Currently Unable to Convert those Shares into American Depositary Receipts. In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed The Bank of New York Mellon, the depositary for its ADR program (the Depositary), to suspend the issuance of new ADRs in exchange for the deposit of Ordinary Shares until further notice. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADRs during this suspension, and there can be no assurance that the suspension will ever be lifted. See also EU Rules Impose Restrictions on the Ownership of Ryanair Holdings Ordinary Shares by Non-EU nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals above.

The Company s Results of Operations May Fluctuate Significantly. The Company s results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. See Item 5. Operating and Financial Review and Prospects Seasonal Fluctuations. Among the factors causing these variations are the airline industry s sensitivity to general economic conditions, the seasonal nature of air travel, and trends in airlines costs, especially fuel costs. Because a substantial portion of airline travel (both business and personal) is discretionary, the industry tends to experience adverse financial results during general economic downturns. The Company is substantially dependent on discretionary air travel.

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The trading price of Ryanair Holdings Ordinary Shares and ADRs may be subject to wide fluctuations in response to quarterly variations in the Company s operating results and the operating results of other airlines. In addition, the global stock markets from time to time experience extreme price and volume fluctuations that affect the market prices of many airline company stocks. These broad market fluctuations may adversely affect the market price of the Ordinary Shares and ADRs.

Ryanair Holdings May or May Not Pay Dividends. Since its incorporation as the holding company for Ryanair in 1996, Ryanair Holdings has only twice declared dividends on its Ordinary Shares. The directors of the Company declared on June 1, 2010 that Ryanair Holdings intended to pay a special dividend of 500 million, and following shareholder approval at its annual general meeting on September 22, 2010 this special dividend was paid on October 1, 2010. Directors of the Company also declared on May 21, 2012 that Ryanair Holdings intended to pay a special dividend of 0.34 per ordinary share (approx. 492 million) and following shareholder approval at the annual general meeting on September 21, 2012 this special dividend was paid on November 30, 2012. The Company may pay other dividends from time to time. In June, 2013 the Company detailed plans to return up to 1 billion to shareholders over the next two years with at least 400 million (176.6 million already completed in June 2013) in share buybacks to be completed in the fiscal year to March 31, 2014 and up to a further 600 million in either special dividends or share buybacks expected in fiscal 2015 (subject to shareholder approval, continuing profitability, the economic environment, capital expenditure and other commitments). See Item 8. Financial Information Other Financial Information Dividend Policy. As a holding company, Ryanair Holdings does not have any material assets other than the shares of Ryanair.

Increased Costs for Possible Future ADR and Share Repurchases. In April 2012, the Company held an extraordinary general meeting (EGM) to authorize the directors to repurchase Ordinary Shares and ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ Stock Market (NASDAQ). Up until April 2012, shareholders had only authorized the directors to repurchase Ordinary Shares. As the ADRs typically trade at a premium of 15% to 20% compared to Ordinary Shares, this may result in increased costs in performing share buy-backs in the future. In June 2013, the Company bought back 2,018,800 ADRs for cancellation. On June 20, 2013 the Company detailed plans to return up to 1 billion to shareholders over the next two years with at least 400 million (176.6 million already completed in June 2013) in share buybacks to be completed in the fiscal year to March 31, 2014 and up to a further 600 million in either special dividends or share buybacks. However, there can be no assurance that the 1 billion will be returned to shareholders, in whole or in part, as it is subject to shareholder approval, continuing profitability, the economic environment, capital expenditure and other commitments. At this time the Company has not decided whether it will conduct these further share repurchases in Ordinary Shares or ADRs or a combination of both.

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Item 4. ***Information on the Company***

INTRODUCTION

Ryanair Holdings was incorporated in 1996 as a holding company for Ryanair Limited. The latter operates an ultra-low cost, scheduled-passenger airline serving short-haul, point-to-point routes between Ireland, the U.K., Continental Europe, and Morocco. Incorporated in 1984, Ryanair Limited began to introduce a low-fares operating model under a new management team in the early 1990s. See Item 5. Operating and Financial Review and Prospects History. As of June 30, 2013, with its operating fleet of 303 Boeing 737-800 next generation aircraft, Ryanair Limited offered over 1,600 scheduled short-haul flights per day serving approximately 180 airports largely throughout Europe. See Route System, Scheduling and Fares Route System and Scheduling for more details of Ryanair s route network. See Item 5. Operating and Financial Review and Prospects Seasonal Fluctuations for information about the seasonality of Ryanair s business.

Ryanair recorded a profit on ordinary activities after taxation of 569.3 million in the 2013 fiscal year, as compared to a profit on ordinary activities after taxation of 560.4 million in the 2012 fiscal year. This 1.6% increase was primarily attributable to an increase in revenues of approximately 11% from 4,390.2 million to 4,884.0 million, partially offset by an increase in fuel costs of approximately 18% from 1,593.6 million to 1,885.6 million. Ryanair generated an average booked passenger load factor of approximately 82%, the same as in fiscal 2012, and average booked passenger fare of 48.20 per passenger in the 2013 fiscal year, up from 45.36 in the prior fiscal year. The Company has focused on maintaining low operating costs (52.56 per passenger in the 2013 fiscal year, an increase from 48.90 in fiscal 2012).

The market s acceptance of Ryanair s low-fares service is reflected in the Ryanair Effect Ryanair s history of stimulating significant annual passenger traffic growth on the new routes on which it has commenced service since 1991. For example, on the basis of the U.K. Airports Annual Statement of Movements, Passengers and Cargo published by the U.K. Civil Aviation Authority and statistics released by the International Civil Aviation Organization (the ICAO), the number of scheduled airline passengers traveling between Dublin and London increased from 1.7 million passengers in 1991 to 3.7 million passengers in the 2012 calendar year. Most international routes Ryanair has begun serving since 1991 have recorded significant traffic growth in the period following Ryanair s commencement of service, with Ryanair capturing the largest portion of such growth on each such route. A variety of factors contributed to this increase in air passenger traffic, including the relative strength of the Irish, U.K., and European economies in past years. However, management believes that the most significant factors driving such growth across all its European routes have been Ryanair s low-fares policy and its superiority to its competitors in terms of flight punctuality, levels of lost baggage, and rates of flight cancellations.

The address of Ryanair Holdings registered office is: c/o Ryanair Limited, Corporate Head Office, Dublin Airport, County Dublin, Ireland. The Company s contact person regarding this Annual Report on Form 20-F is: Howard Millar, Deputy Chief Executive and Chief Financial Officer (same address as above). The telephone number is +353-1-812-1212 and the facsimile number is +353-1-812-1213. Under its current Articles, Ryanair Holdings has an unlimited corporate duration.

STRATEGY

Ryanair s objective is to firmly establish itself as Europe s biggest scheduled passenger airline, through continued improvements and expanded offerings of its low-fares service. In the highly challenging current operating environment, Ryanair seeks to offer low fares that generate increased passenger traffic while maintaining a continuous focus on cost-containment and operating efficiencies. The key elements of Ryanair s long-term strategy are:

Low Fares. Ryanair s low fares are designed to stimulate demand, particularly from fare-conscious leisure and business travelers who might otherwise use alternative forms of transportation or choose not to travel at all. Ryanair sells seats on a one-way basis, thus eliminating minimum stay requirements from all travel on Ryanair scheduled services. Ryanair sets fares on the basis of the demand for particular flights and by reference to the period remaining to the date of departure of the flight, with higher fares typically charged on flights with higher levels of demand and for bookings made nearer to the date of departure. Ryanair also periodically runs special promotional fare campaigns. See Route System, Scheduling and Fares Low and Widely Available Fares below.

Customer Service. Ryanair s strategy is to deliver the best customer service performance in its peer group. According to the data available from the Association of European Airlines (AEA) and airlines own published statistics, Ryanair has achieved better punctuality, fewer lost bags, and fewer cancellations than its peer group in Europe. Ryanair achieves this by focusing strongly on the execution of these services and by primarily operating from un-congested airports. Ryanair conducts a daily conference call with Ryanair and airport personnel at each of its base airports, during which the reasons for each first wave flight delay and baggage short-shipment are discussed in detail and logged to ensure that the root cause is identified and rectified. Subsequent (consequential) delays and short shipments are investigated by Ryanair ground operations personnel. Customer satisfaction is also measured by regular online, mystery-passenger and by passenger surveys.

Frequent Point-to-Point Flights on Short-Haul Routes. Ryanair provides frequent point-to-point service on short-haul routes to secondary and regional airports in and around major population centers and travel destinations. In the 2013 fiscal year, Ryanair flew an average route length of 754 miles and an average flight duration of approximately 1.75 hours. Short-haul routes allow Ryanair to offer its low fares and frequent service, while eliminating the need to provide unnecessary frills, like free in-flight meals and movies, otherwise expected by customers on longer flights. Point-to-point flying (as opposed to hub-and-spoke service) allows Ryanair to offer direct, non-stop routes and avoid the costs of providing through service, for connecting passengers, including baggage transfer and transit passenger assistance.

In choosing its routes, Ryanair primarily favors secondary airports with convenient transportation to major population centers and regional airports. Secondary and regional airports are generally less congested than major airports and, as a result, can be expected to provide higher rates of on-time departures, faster turnaround times (the time an aircraft spends at a gate loading and unloading passengers), fewer terminal delays, more competitive airport access, and lower handling costs. Ryanair s on time performance record (arrivals within 15 minutes of schedule) for the 2013 fiscal year was 91%. Faster turnaround times are a key element in Ryanair s efforts to maximize aircraft utilization. Ryanair s average scheduled turnaround time for the 2013 fiscal year was approximately 25 minutes.

Low Operating Costs. Management believes that Ryanair s operating costs are among the lowest of any European scheduled-passenger airline. Ryanair strives to reduce or control four of the primary expenses involved in running a major scheduled airline: (i) aircraft equipment costs; (ii) personnel costs; (iii) customer service costs; and (iv) airport access and handling costs:

Aircraft Equipment Costs. Ryanair s primary strategy for controlling aircraft acquisition costs is focused on operating a single aircraft type. Ryanair currently operates only next generation Boeing 737-800s. Ryanair s continuous acquisition of new Boeing 737-800s has already and is expected, through the end of fiscal 2019, to increase the size of its fleet and thus increase its aircraft equipment and related costs (on an aggregate basis). However, the purchase of aircraft from a single manufacturer enables Ryanair to limit the costs associated with personnel training, maintenance, and the purchase and storage of spare parts while also affording the Company greater flexibility in the scheduling of crews and equipment. Management also believes that the terms of Ryanair s contracts with Boeing are very favorable to Ryanair. See Aircraft below for additional information on Ryanair s fleet.

Personnel Costs. Ryanair endeavors to control its labor costs by seeking to continually improve the productivity of its already highly productive work force. Compensation for personnel emphasizes productivity-based pay incentives. These incentives include commissions for onboard sales of products for flight attendants and payments based on the number of hours or sectors flown by pilots and flight attendants within limits set by industry standards or regulations fixing maximum working hours.

Customer Service Costs. Ryanair has entered into agreements on competitive terms with external contractors at certain airports for ticketing, passenger and aircraft handling, and other services that management believes can be more cost-efficiently provided by third parties. Management attempts to obtain competitive rates for such services by negotiating fixed-price, multi-year contracts. The development of its own Internet booking facility has allowed Ryanair to eliminate travel agent commissions and third-party reservation systems costs. Ryanair generates over 99% of its scheduled passenger revenues through direct sales via its website.

Airport Access and Handling Costs. Ryanair attempts to control airport access and service charges by focusing on airports that offer competitive prices. Management believes that Ryanair s record of delivering a consistently high volume of passenger traffic growth at many airports has allowed it to negotiate favorable contracts with such airports for access to their facilities. Secondary and regional airports also generally do not have slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings. Ryanair further endeavors to reduce its airport charges by opting, when practicable, for less expensive gate locations as well as outdoor boarding stairs, rather than jetways, which are more expensive and operationally less efficient to use. In addition, since October 2009, Ryanair has required all passengers to check-in on the Internet. This requirement was instituted to reduce waiting times at airports and speed a passenger s journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet at the time of booking and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. See Risk Factors Risks Related to the Company The Company Faces Risks Related to its Internet Reservations Operations and its Announced Elimination of Airport Check-in Facilities.

Taking Advantage of the Internet. In 2000, Ryanair converted its host reservation system to a new system, which it operates under a hosting agreement with Navitaire that was extended in 2011 and will terminate in 2020. As part of the implementation of the new reservation system, Navitaire developed an Internet booking facility. The Ryanair system allows Internet users to access its host reservation system and to make and pay for confirmed reservations in real time through the Ryanair.com website. After the launch of the Internet reservation system, Ryanair heavily promoted its website through newspaper, radio and television advertising. As a result, Internet bookings grew rapidly, and have accounted for over 99% of all reservations over the past several years. In May 2012, Ryanair further upgraded the reservation system, which offers more flexibility for future system enhancements and to accommodate the future growth of Ryanair.

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Commitment to Safety and Quality Maintenance. Safety is the primary priority of Ryanair and its management. This commitment begins with the hiring and training of Ryanair s pilots, flight attendants, and maintenance personnel and includes a policy of maintaining its aircraft in accordance with the highest European airline industry standards. Ryanair has not had a single passenger or flight crew fatality as a result of an accident with one of its aircraft in its 29-year operating history. Although Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair s low-cost operating strategy to the areas of safety, maintenance, training or quality assurance. Routine aircraft maintenance and repair services are performed primarily by Ryanair, at Ryanair s main bases, but are also performed at other base airports by maintenance contractors approved under the terms of Part 145. Ryanair currently performs heavy airframe maintenance, but contracts with other parties who perform engine overhaul services and rotable repairs. These contractors also provide similar services to a number of other airlines, including Southwest Airlines, British Airways, Air France and Alitalia.

Enhancement of Operating Results through Ancillary Services. Ryanair distributes accommodation services and travel insurance primarily through its website. For hotel services, Ryanair has a contract with Hotelscombined PTY Ltd, and they provide a hotel comparison website to Ryanair which generates commissions for Ryanair on the number of bookings made. In addition Ryanair has a contract with the Hertz Corporation (Hertz), pursuant to which Hertz handles all car rental services marketed through Ryanair s website or telephone reservation system. Ryanair also sells bus and rail tickets onboard its aircraft and through its website. For the 2013 fiscal year, ancillary services accounted for approximately 22% of Ryanair s total operating revenues, as compared to approximately 20% of such revenues in the 2012 fiscal year. See Ancillary Services below and Item 5. Operating and Financial Review and Prospects Results of Operations Fiscal Year 2013 Compared with Fiscal Year 2012 Ancillary Revenues for additional information.

Focused Criteria for Growth. Building on its success in the Ireland-U.K. market and its expansion of service to continental Europe and Morocco, Ryanair intends to follow a manageable growth plan targeting specific markets. Ryanair believes it will have opportunities for continued growth by: (i) initiating additional routes in the EU; (ii) initiating additional routes in countries party to a European Common Aviation Agreement with the EU that are currently served by higher-cost, higher-fare carriers; (iii) increasing the frequency of service on its existing routes; (iv) starting new domestic routes within individual EU countries; (v) considering acquisition opportunities that may become available in the future; (vi) connecting airports within its existing route network (triangulation); (vii) establishing new bases; and (viii) initiating new routes not currently served by any carrier.

Responding to Current Challenges. In recent periods, and with increased effect in the 2011, 2012 and 2013 fiscal years, Ryanair s ultra-low cost, low-fares model has faced substantial pressure due to significantly increased fuel costs and reduced economic growth (or economic contraction) in some of the economies in which it operates. The Company has aimed to meet these challenges by: (i) grounding (approximately 80 in fiscal 2012 and 2013) aircraft during the winter season; (ii) disposing of aircraft (lease hand backs totaled ten in the 2011 fiscal year, three in the 2012 fiscal year and four in the 2013 fiscal year); (iii) controlling labor and other costs, including through wage freezes for non-flight crew personnel in 2011 and 2013, selective redundancies and the introduction of Internet check-in in fiscal 2010; and (iv) renegotiating contracts with existing suppliers, airports and handling companies. There can be no assurance that the Company will be successful in achieving all of the foregoing or taking other similar measures, or that doing so will allow the Company to earn profits in any period. See Item 3. Key Information Risk Factors Risks Related to the Company Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood of Adverse Impact to the Company s Profitability and The Company May Not Be Successful in Increasing Fares and Revenues to Offset Higher Business Costs.

In recent years, in response to an operating environment characterized by high fuel prices, typically lower seasonal yields and higher airport charges and/or taxes, Ryanair has adopted a policy of grounding a certain portion of its fleet during the winter months (from November to March inclusive). In the winter months of fiscal year 2013, Ryanair grounded approximately 80 aircraft and the Company announced in May 2013 that it intends to ground approximately 60 aircraft during the winter months of fiscal year 2014. While seasonal grounding does reduce the Company s operating costs, it also decreases Ryanair s potential to record both flight and non-flight revenues. Decreasing the number and frequency of flights may also negatively affect the Company s labor relations, including its ability to attract flight personnel interested in full-time employment. See Item 3. Key Information Risk Factors Ryanair Has Decided to Seasonally Ground Aircraft.

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ROUTE SYSTEM, SCHEDULING AND FARES

Route System and Scheduling

As of July 19, 2013, the Company offered over 1,600 scheduled short-haul flights per day serving approximately 180 airports largely throughout Europe, and flying approximately 1,600 routes. The following table lists Ryanair s bases of operations:

Bases of Operations

Alghero	Dusseldorf (Weeze)	Manchester
Alicante	Edinburgh	Marrakech
Baden-Baden	Eindhoven	Milan (Bergamo)
Barcelona (Girona)	Faro	Nottingham East Midlands
Barcelona (El Prat)	Fez	Palma Mallorca
Bari	Frankfurt (Hahn)	Paphos
Billund	Glasgow (Prestwick)	Pescara
Bologna	Gran Canaria	Pisa
Bournemouth	Kaunas	Porto
Birmingham	Krakow	Oslo (Rygge)
Bremen	Lanzarote	Rome (Ciampino)
Brindisi	Leeds Bradford	Seville
Bristol	Liverpool	Shannon
Brussels (Charleroi)	London (Luton)	Stockholm (Skavsta)
Budapest	London (Stansted)	Tenerife South
Chania	Maastricht	Trapani
Cagliari	Madrid	Valencia
Cork	Malaga	Wroclaw
Dublin	Malta	Zadar

See Note 17, Analysis of operating revenues and segmental analysis, to the consolidated financial statements included in Item 18 for more information regarding the geographical sources of the Company s revenue.

Management s objective is to schedule a sufficient number of flights per day on each of Ryanair s routes to satisfy demand for Ryanair s low-fares service. Ryanair schedules departures on its most popular routes at frequent intervals; normally between approximately 6:00 a.m. and 11:00 p.m. Management regularly reviews the need for adjustments in the number of flights on all of its routes.

During the 2013 fiscal year, Ryanair announced 208 new routes across its network. See Risk Factors Risks Related to the Company Ryanair s New Routes and Expanded Operations May Have an Adverse Financial Impact on Its Results.

Low and Widely Available Fares

Ryanair offers low fares, with prices generally varying on the basis of advance booking, seat availability and demand. Ryanair sells seats on a one-way basis, thus removing minimum stay requirements from all travel on Ryanair scheduled services. All tickets can be changed, subject to certain conditions, including fee payment and applicable upgrade charges. However, tickets are generally non-cancelable and non-refundable and must be paid for at the time of reservation.

Ryanair s discounted fares are capacity controlled in that Ryanair allocates a specific number of seats on each flight to each fare category to accommodate projected demand for seats at each fare level leading up to flight time. Ryanair generally makes its lowest fares widely available by allocating a majority of its seat inventory to its lowest fare categories. Management believes that its unrestricted fares as well as its advance-purchase fares are attractive to both business and leisure travelers.

When launching a new route, Ryanair s policy is to price its lowest fare so that it will be significantly lower than other carriers lowest fares, but still provide a satisfactory operating margin.

Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes, and endeavors to always offer the lowest fare on any route it serves. Promotional fares may have the effect of increasing load factors and reducing Ryanair s yield and passenger revenues on the relevant routes during the periods they are in effect. Ryanair expects to continue to offer significant fare promotions to stimulate demand in periods of lower activity or during off-peak times for the foreseeable future.

MARKETING AND ADVERTISING

Ryanair s primary marketing strategy is to emphasize its widely available low fares and price guarantee. In doing so, Ryanair primarily advertises its services in national and regional newspapers, as well as through controversial and topical advertising, press conferences and publicity stunts. Other marketing activities include the distribution of advertising and promotional material and cooperative advertising campaigns with other travel-related entities, including local tourist boards. Ryanair also regularly contacts people registered in its database to inform them about promotions and special offers via e-mail.

RESERVATIONS ON RYANAIR.COM

Passenger airlines generally rely on travel agents (whether traditional or online) for a significant portion of their ticket sales and pay travel agents commissions for their services, as well as reimbursing them for the fees charged by reservation systems providers. In contrast, Ryanair requires passengers to make reservations and purchase tickets directly through the Company. Over 99% of such reservations and purchases are made through the website Ryanair.com. Ryanair is therefore not reliant on travel agents. See Strategy Taking Advantage of the Internet above for additional information.

In May 2012, Ryanair further upgraded its reservation system in order to facilitate the continued expansion of the airline. The upgraded system gives the Company the ability to offer more enhancements to passengers, as the new platform is far more flexible in terms of future development. Under the agreement with the system provider, Navitaire, the system serves as Ryanair s core seating inventory and booking system. In return for access to these system functions, Ryanair pays transaction fees that are generally based on the number of passenger seat journeys booked through the system. Navitaire also retains a back-up booking engine to support operations in the event of a breakdown in the main system. Over the last several years, Ryanair has introduced a number of Internet-based customer service enhancements such as Internet check-in, priority boarding service and limited reserved seating since January 2012. Since October 2009, Ryanair has required Internet check-in for all passengers. These enhancements and changes have been made to reduce waiting time at airports and speed a passenger s journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. See Item 3. Key Information Risk Factors Risks Related to the Company Ryanair Faces Risks Related to Unauthorized Use of Information from the Company s Website.

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AIRCRAFT

Aircraft

As of June 30, 2013, Ryanair s operating fleet was composed of 303 Boeing 737-800 next generation aircraft, each having 189 seats. Ryanair s fleet totaled 305 Boeing 737-800s at March 31, 2013. The Company expects to have an operating fleet comprising approximately 410 Boeing 737-800s at March 31, 2019 depending on the level of lease returns/disposals.

Between March 1999 and March 2013, Ryanair took delivery of 348 new Boeing 737-800 next generation aircraft under its contracts with Boeing and disposed of 43 such aircraft, including 17 lease handbacks.

Under the terms of the 2013 Boeing Contract, Ryanair has agreed to purchase the 175 New Aircraft over a five year period from fiscal 2015 to 2019, with delivery beginning in September 2014. The New Aircraft will benefit from a net effective price not dissimilar to that under the 2005 Boeing Contract which was approved by Shareholders in 2005 and will be used on new and existing routes to grow Ryanair s business.

The Boeing 737-800 represents the current generation of Boeing s 737 aircraft. It is a short-to-medium range aircraft and seats 189 passengers. The Basic Price (equivalent to a standard list price for an aircraft of this type) for each of the Boeing 737-800 series aircraft is approximately US$78.1 million and the Basic Price will be increased for certain buyer-furnished equipment, amounting to approximately US$2.9 million per New Aircraft, which Ryanair has asked Boeing to purchase and install on each of the New Aircraft. In addition, an Escalation Factor will be applied to the basic price to reflect increases in the Employment Cost Index and Producer Price Index between the time the basic price was set in the 2013 Boeing Contract and the period 18 to 24 months prior to the delivery of any such New Aircraft.

Boeing has granted Ryanair certain price concessions as part of the 2013 Boeing Contract. These will take the form of credit memoranda to Ryanair for the amount of such concessions, which Ryanair may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the New Aircraft. Boeing and CFMI (the manufacturer of the engines to be fitted on the New Aircraft) have also agreed to provide Ryanair with certain allowances for promotional and other activities, as well as providing certain other goods and services to Ryanair on concessionary terms. Those credit memoranda and promotional allowances will effectively reduce the price of each New Aircraft payable by Ryanair. As a result, the effective price (the purchase price of the New Aircraft net of discounts received from Boeing) of each New Aircraft will be significantly below the basic price mentioned above. The effective price applies to all New Aircraft due for delivery from September 2014.

For additional details on the Boeing contracts, scheduled aircraft deliveries and related expenditures and their financing, as well as the terms of the arrangements under which Ryanair currently leases 57 of the aircraft in its operating fleet, see Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources.

The Boeing 737 is the world s most widely used commercial aircraft and exists in a number of generations, the Boeing 737-800s being the most recent. Management believes that spare parts and cockpit crews qualified to fly these aircraft are likely to be more widely available on favorable terms than similar resources for other types of aircraft. Management believes that its strategy, to date, of having reduced its fleet to one aircraft type enables Ryanair to limit the costs associated with personnel training, the purchase and storage of spare parts, and maintenance. Furthermore, this strategy affords Ryanair greater flexibility in the scheduling of crews and equipment. The Boeing 737-800s are fitted with CFM 56-7B engines and have advanced CAT III Autoland capability, advanced traffic collision avoidance systems, and enhanced ground-proximity warning systems. During fiscal 2012, Boeing announced that it was going to manufacture a variant of the 737 with new, more fuel-efficient engines called the Boeing 737 MAX aircraft. A senior Ryanair working group is continuing to evaluate the benefits of the MAX aircraft. This new variant could impact the Company insofar as the residual value of its aircraft could be reduced when this new variant enters production, currently expected to be in late 2017.

At March 31, 2013, the average aircraft age of the Company s Boeing 737-800 fleet was just over 4.5 years.

Training and Regulatory Compliance

Ryanair currently owns and operates four Boeing 737-800 full flight simulators for pilot training, the first of which was delivered in 2002. The simulators were purchased from CAE Electronics Ltd. of Quebec, Canada (CAE). The second simulator was delivered in 2004, while the third and fourth simulators were delivered in the 2008 fiscal year. In September 2006, Ryanair entered into a new contract with CAE to purchase B737NG Level B flight simulators. Two such simulators were delivered in the 2009 fiscal year.

Management believes that Ryanair is currently in compliance with all applicable regulations and EU directives concerning its fleet of Boeing 737-800 aircraft and will comply with any regulations or EU directives that may come into effect in the future. However, there can be no assurance that the FAA or other regulatory authorities will not recommend or require other safety-related undertakings that could adversely impact the Company s results of operations or financial condition. See Item 3. Key Information Risk Factors Safety-Related Undertakings Could Affect the Company s Results.

ANCILLARY SERVICES

Ryanair provides various ancillary services and engages in other activities connected with its core air passenger service, including non-flight scheduled services, Internet-related services, and the in-flight sale of beverages, food, and merchandise. See Item 5. Operating and Financial Review and Prospects Results of Operations Fiscal Year 2013 Compared with Fiscal Year 2012 Ancillary Revenues for additional information.

As part of its non-flight scheduled and Internet-related services, Ryanair incentivizes ground service providers at many of the airports it serves to levy correct excess baggage charges for any baggage that exceeds Ryanair s published baggage allowances and to collect these charges in accordance with Ryanair s standard terms and conditions. Excess baggage charges are recorded as non-flight scheduled revenue.

Ryanair primarily distributes accommodation services and travel insurance through its website. For hotel and accommodation services, Ryanair has a contract with Hotelscombined PTY Ltd. (Hotelscombined), which operates a price comparison website, pursuant to which Hotelscombined handles all aspects of such services marketed through Ryanair s website and pays a fee to Ryanair. In addition, Ryanair has a contract with Hertz, pursuant to which Hertz handles all car rental services marketed through Ryanair s website or telephone reservation system.

Ryanair also sells bus and rail tickets onboard its aircraft and through its website. Ryanair also sells car parking, attractions and activities on its website, with the latter having gone on sale in-flight in spring 2012.

Ryanair sells mobile phone credit for smart phone devices on its website, introduced in December 2012. Ryanair also sells gift vouchers on its website. Such gift vouchers are redeemable online. In May 2009, Ryanair started to offer its passengers the possibility of receiving an SMS (text message) when booking, at a fee of £1.50 or 1.50, to inform them of their flight confirmation details.

In April 2009, Ryanair signed a contract with Webloyalty International Ltd, which offers Ryanair s customers who have a UK, German or French billing address a retail discount and cash-back program. In February 2009, Ryanair introduced Google Adsense to its search results pages in order to monetize the traffic levels that those pages generate. In March 2009, Ryanair expanded further into the area of third-party Internet advertising with the introduction of third-party display advertising on the homepages on its website and, more recently, on the subpages of Ryanair.com. In April 2011, Ryanair began to sell advertising on its boarding cards. In 2012, a boarding card redesign along with increased passenger volumes allowed for further growth in this area.

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Ryanair has entered into agreements pursuant to which the Company promotes Ryanair-branded credit and prepaid cards issued by Deutsche Bank, GE Money, Access Prepaid (a Mastercard company) and Banco Santander on its Internet site. The Deutsche Bank agreement relates to Italian residents only, the GE Money agreement relates to Swedish and Polish residents only and the Banco Santander agreement relates to UK residents only. Ryanair generates revenue from Deutsche Bank, GE Capital and Banco Santander on the basis of the number of cards issued and the revenues generated through the use of the credit cards. The Access Prepaid Limited prepaid card covers residents in the UK, Ireland, Italy, Spain and Germany.

In fiscal year 2012, Ryanair rolled out handheld Electronic Point of Sale (EPOS) devices across its route network. These EPOS devices replaced manual and paper based systems on board the aircraft. The EPOS device enables cabin crew to sell and record their on-board sales transactions more efficiently and generate vastly improved management sales reporting. The EPOS device also issues bus and rail tickets and tickets for tourist attractions.

In fiscal year 2011, Ryanair began offering reserved seating in twenty-one extra legroom seats on each aircraft for a fee on certain routes and this feature was rolled out to all routes in fiscal year 2012. There are currently 45 reserved seats available for purchase on each flight.

MAINTENANCE AND REPAIRS

General

As part of its commitment to safety, Ryanair endeavors to hire qualified maintenance personnel, provide proper training to such personnel, and maintain its aircraft in accordance with European industry standards. While Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair s low-cost operating strategy to the areas of maintenance, training or quality control.

Ryanair s quality assurance department deals with oversight of all maintenance activities in accordance with Part 145. The European Aviation Safety Agency (EASA), which established Part 145, came into being on September 28, 2003; through the adoption of Regulation (EC) No. 1592/2002 of the European Parliament, and its standards superseded the previous Joint Aviation Authority (JAA) requirements. See Government Regulation Regulatory Authorities.

Ryanair is itself an EASA Part 145-approved maintenance contractor and provides its own routine aircraft maintenance and repair services. Ryanair also performs certain checks on its aircraft, including pre-flight, daily, and transit checks at some of its bases, as well as A-checks at its Dublin, London (Stansted), Glasgow (Prestwick), Bremen and Frankfurt (Hahn) facilities. Since December 2003, Ryanair has operated a hangar facility at its base at Glasgow (Prestwick) in Scotland, where both A-checks and C-checks are performed on the fleet of Boeing 737-800 aircraft. The facility performs up to four C-checks per week and Ryanair has recently opened a new C-check hangar facility in Kaunas, Lithuania where it carries out between one and two light C-checks per week, enabling Ryanair to perform all of the heavy maintenance that is currently required on its Boeing 737-800 fleet in-house.

Ryanair opened a five-bay hangar and stores facility at its London (Stansted) airport base in October 2008 to allow Ryanair to carry out additional line maintenance on its expanding fleet. This facility also incorporates two flight simulator devices with space and provisions for two more, together with a cabin crew trainer and associated training rooms. Ryanair has completed the building of a separate training facility adjacent to the hangar to accommodate a full size 737NG training aircraft to allow for cabin crew and engineering training. Ryanair carries out A-checks and line maintenance in its single-bay aircraft hangar facility in Bremen. Ryanair has also entered into a 30-year sole-tenancy agreement with Frankfurt (Hahn) airport and has taken acceptance of a two-bay hangar and stores facility that also incorporates a two-bay simulator-training center. This facility was completed in January 2011 and allows Ryanair to carry out additional line maintenance including A-checks.

Maintenance and repair services that may become necessary while an aircraft is located at some of the other airports served by Ryanair are provided by other Part 145-approved contract maintenance providers. Aircraft return each evening to Ryanair s bases, where they are examined by either Ryanair s approved engineers or by local Part 145-approved companies.

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Heavy Maintenance

As noted above, Ryanair currently has sufficient capacity to be able to carry out all of the routine maintenance work required on its Boeing 737-800 fleet itself. Ryanair opened a new three-bay maintenance hangar at Glasgow (Prestwick) airport in winter 2010 to accommodate the additional maintenance requirements arising from its expanding and aging fleet and opened a new C-check facility in Kaunas in January 2013 to carry out light C-checks.

Ryanair contracts out engine overhaul service for its Boeing 737-800 aircraft to General Electric Engine Services pursuant to a 10-year agreement with an option for a 10-year extension, signed in 2004. This comprehensive maintenance contract provides for the repair and overhaul of the CFM56-7B series engines fitted to the first 155 of Ryanair s Boeing 737-800 aircraft, the repair of parts and general technical support for the fleet of engines. On June 30, 2008, the Company finalized a contract for a similar level of coverage and support for the engines on all of its aircraft that have been or were scheduled to be delivered over the period through November 2012. Due to the fact that engines on recently delivered aircraft will not require a scheduled engine overhaul prior to the expiry of the current contract with GE, Ryanair has decided, at this time, not to take up its option to have engines delivered with aircraft after October 2010 covered by this contract. General Electric Engine Services mainly uses its Part 145-approved repair facility in Cardiff, Wales for this work, but also uses the KLM Part 145-approved facility in Amsterdam, and occasionally its Part 145-approved facility in Celma, Brazil. By contracting with experienced Part 145-approved maintenance providers, management believes it is better able to ensure the quality of its aircraft and engine maintenance. Ryanair assigns a Part 145-certified mechanic to oversee all heavy maintenance and to authorize all engine overhauls performed by third parties. Maintenance providers are also monitored closely by the national authorities under EASA and national regulations.

Ryanair expects to be dependent on external service contractors, particularly for engine and component maintenance, for the foreseeable future, notwithstanding the additional capabilities provided by its maintenance facilities at Dublin, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn) and Kaunas. See Item 3. Key Information Risk Factors Risks Related to the Company The Company Is Dependent on External Service Providers.

SAFETY RECORD

Ryanair has not had a single passenger or flight crew fatality in its 29-year operating history. Ryanair demonstrates its commitment to safe operations through its safety training procedures, its investment in safety-related equipment, and its adoption of an internal open and confidential reporting system for safety issues. The Company s Board of Directors also has an air safety committee to review and discuss air safety and related issues. Michael Horgan, a Company director, is the chairman of this committee and reports to the Board of Directors.

Ryanair s flight training is oriented towards accident prevention and covers all aspects of flight operations. Threat and Error Management (TEM) is at the core of all flight crew training programs. Ryanair maintains full control of the content and delivery of all of its flight crew training, including initial, recurrent, and upgrade phases. All training programs are approved by the Irish Aviation Authority (the IAA), which regularly audits operation control standards and flight crew training standards for compliance with EU legislation.

All of the Boeing 737-800s that Ryanair has bought or committed to buy are certified for Category IIIA landings (automatic landings with minimum horizontal visibility of 200 meters and a 50 feet decision height).

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Ryanair has a comprehensive and documented safety management system. Management encourages flight crews to report any safety-related issues through the Safety Alert Initial Report reporting program or to use the confidential reporting system, which is available online through Ryanair s Crewdock system. The confidential reporting system affords flight crews the opportunity to report directly to Flight Safety Officer any event, error, or discrepancy in flight operations that they do not wish to report through standard reporting channels. The confidential reporting system is designed to increase management s awareness of problems that may be encountered by flight crews in their day-to-day operations. Management uses the information reported through all reporting systems to modify operating procedures and improve flight operation standards. Additionally, Ryanair promotes the use of *CHIRP*, a confidential reporting system that is endorsed by the UK CAA as an alternative confidential reporting channel.

Ryanair has installed an automatic data capturing system on each of its Boeing 737-800 aircraft which captures and downloads aircraft performance information for use as part of Operational Flight Data Monitoring (OFDM) which automatically provides a confidential report on variations from normal operating limitations detected during the course of each flight. The purpose of this system is to monitor operational trends and inform management of any instance of an operational limit being exceeded. By analyzing these reports, management is able to identify undesirable trends and potential areas of operational risk, so as to take steps to rectify such deviations, thereby ensuring adherence to Ryanair s flight safety standards.

In November 2008, a Ryanair aircraft suffered a multiple bird strike during its final approach to Rome (Ciampino) airport. This incident caused substantial damage to the aircraft, which resulted in an insurance claim being filed in respect of this aircraft. The damage that it suffered was such that the aircraft was not repaired, although Ryanair has retained ownership of it for certain parts and for training purposes.

AIRPORT OPERATIONS

Airport Handling Services

Ryanair provides its own aircraft and passenger handling and ticketing services at Dublin Airport. Third parties provide these services to Ryanair at most other airports it serves. Servisair plc provides Ryanair s ticketing, passenger and aircraft handling, and ground handling services at many of these airports in Ireland and the U.K. (excluding London (Stansted) Airport where these services are provided primarily by Swissport Ltd.), while similar services in continental Europe are generally provided by the local airport authorities, either directly or through sub-contractors. Management attempts to obtain competitive rates for such services by negotiating multi-year contracts at fixed prices. These contracts are generally scheduled to expire in one to five years, unless renewed, and certain of them may be terminated by either party before their expiry upon prior notice. Ryanair will need to enter into similar agreements in any new markets it may enter. See Item 3. Key Information Risk Factors Risks Related to the Company The Company Is Dependent on External Service Providers.

During 2009, Ryanair introduced Internet check-in for all passengers and also introduced kiosks at certain airports for the provision of other services. The Company has these kiosks in operation at many of its key bases.

Airport Charges

As with other airlines, Ryanair must pay airport charges each time it lands and accesses facilities at the airports it serves. Depending on the policy of the individual airport, such charges can include landing fees, passenger loading fees, security fees and parking fees. Ryanair attempts to negotiate discounted fees by delivering annual increases in passenger traffic, and opts, when practicable, for less expensive facilities, such as less convenient gates and the use of outdoor boarding stairs rather than more expensive jetways. Nevertheless, there can be no assurance that the airports Ryanair uses will not impose higher airport charges in the future and that any such increases would not adversely affect the Company s operations.

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As a result of rising airport charges and the introduction of an Air Travel Tax of 10 on passengers departing from Irish airports on routes longer than 300 kilometers from Dublin Airport (2 on shorter routes), Ryanair reduced its fleet at Dublin airport to 13 during winter 2010 (down from 22 in summer 2008 and 20 in winter 2008). The introduction of the aforementioned 10 tax has likely had a negative impact on the number of passengers traveling to and from Ireland. The Dublin Airport Authority (DAA) has reported that passenger volumes declined by 25% from 30 million in 2007 to 23 million in 2012. Ryanair believes that this is partly reflective of the negative impact of the tax on Irish travel. Ryanair has called for the elimination of the tax to stimulate tourism during the recession. The Company has cited the example of the Dutch government, which withdrew its travel tax with effect from July 1, 2009. The Dutch travel tax had ranged from 11 for short-haul flights to 45 for long-haul flights and had resulted in a significant decline in passenger volumes at Schiphol Airport, Holland s main airport, according to data published by the airport. Ryanair also complained to the European Commission about the unlawful differentiation in the level of the Irish Air Travel tax between routes within the EU. From April 2011, a single rate (3) of the Air Travel Tax has been introduced on all routes. In May 2011, the Irish Government announced that it would abolish the Air Travel Tax, although no details were provided as to when this decision would be implemented. No assurance can be given that the tax will be abolished or indeed that a higher rate of tax will not be applied in the future, which could have a negative impact on demand for air travel. In June 2011, Ryanair proposed to the Irish Government that it would deliver an incremental 5 million passengers per annum over a five year period in return for reduced airport charges and the abolition of the 3 air travel tax. Despite the fact that this offer was renewed in 2012, as of July 19, 2013, the Company has not yet received a positive response to this proposal. The Company is currently in negotiations with the DAA in relation to a growth incentive scheme whereby additional traffic will be delivered at Dublin airport in return for a reduction in airport charges. See Item 3. Key Information Risk Factors Risks Related to the Company The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports

The Greek government planned to introduce similar taxes; however, they have now cancelled plans to introduce these taxes. The German government introduced an 8 passenger tax on January 1, 2011 for all departing domestic or short-haul passengers and a passenger tax of 25 for all departing passengers on flights bound for southern Europe and northern Africa. The 8 tax was reduced to 7.50 in January 2012. In addition, the Austrian government introduced an ecological air travel levy of 8 effective January 1, 2011. In July 2013, the local Walloon Government in Belgium voted to introduce a 3 passenger travel tax from January 2014. Ryanair has threatened to cut its services at Charleroi Airport if the tax is introduced.

In March 2007, the discount arrangement formerly in place at London (Stansted) airport terminated, subjecting Ryanair to an average increase in charges of approximately 100%. The increase in these charges, which was passed on in the form of higher ticket prices, had a negative impact on yields and passenger volumes in the winter, resulting in Ryanair s decision to ground seven aircraft. Ryanair responded to the increases by filing complaints with the U.K. Office of Fair Trading (OFT) and the Competition Commission, calling for the break-up of the British Airports Authority plc (BAA) monopoly and the introduction of competition in the London airports market. The OFT referred the matter to the Competition Commission, which found that the common ownership by BAA of the three main airports in London negatively affected competition and that a light touch approach to regulating BAA by the Civil Aviation Authority adversely impacted competition. In March 2009 the Competition Commission ordered the break-up of BAA. In October 2009, London (Gatwick) was sold to Global Infrastructure Partners for £1.5 billion. Following a delay caused by various appeals by the BAA, the BAA proceeded to sell Edinburgh Airport in April 2012, and Stansted airport to Manchester Airports Group plc in March 2013. Following the December 2003 publication of the U.K. government s White Paper on Airport Capacity in the Southeast of England, the BAA in 2004 announced plans to spend up to £4 billion on a multi-year project to construct a second runway and additional terminal facilities at London (Stansted) airport with a target opening date of 2013. Ryanair and other airlines using London (Stansted) support the principle of a second runway at London (Stansted), but are opposed to this development because they believe that the financing of what they consider to be an overblown project will lead to airport costs approximately doubling from current levels. In May 2010 the BAA announced that it would not proceed with this £4 billion program. In April 2013 the UK Civil Aviation Authority proposed that the regulatory regime for airport charges at Stansted Airport between 2014 and 2019 should operate on the basis that charges can grow annually at half the rate of inflation. A final decision in this regard will be made by early 2014.

Ryanair announced on July 21, 2009 that, as a result of the U.K. government s then £10 APD tourist tax (as well as the then scheduled increase in APD from £10 to £11, which occurred in November 2009, from £11 to £12 which occurred in November 2010 and from £12 to £13 in April 2012) and the high costs of operating at its London (Stansted) base, it would implement a 40% reduction in capacity at such base between October 2009 and March 2010. In particular, the Company announced its intention to reduce its London (Stansted)-based aircraft from the then current 40 to 24 during the aforementioned period, and also reduce by 30% the number of weekly Ryanair flights to and from the airport. The Company announced at that time that it expected these cuts to result in 2.5 million fewer passenger trips during the period. In addition, on June 29, 2010, due to the continuance of the U.K. government s £11 APD tourist tax and high charges at London (Stansted) airport, the Company announced that capacity at London (Stansted) airport would be reduced from winter 2010 by 17% and the number of aircraft based at London (Stansted) would be reduced to 22. Ryanair also noted that, as a result of other capacity reductions at its U.K. bases except for the bases at Edinburgh and Leeds Bradford, its total U.K. capacity fell by 16% in the period from November 1, 2010 to March 31, 2011. In the 2013 fiscal year capacity to/from the U.K. was flat on the prior year. Capacity was increased in Manchester following the conclusion of a base agreement. This increase was offset by reductions in capacity in London (Gatwick) and Edinburgh as a result of cost increases. The Company is currently in negotiations with Manchester Airports Group plc, the owners of London (Stansted), in relation to an expansion of capacity at London (Stansted) in return for significant airport charge reductions for the incremental passenger volumes delivered. See Item 3. Risk Factors Risks Related to the Company Ryanair s Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase. See also Item 8. Financial Information Other Financial Information Legal Proceedings EU State Aid-Related Proceedings for information regarding legal proceedings in which Ryanair s economic arrangements with several publicly owned airports are being contested.

FUEL

The cost of jet fuel accounted for approximately 45% and 43% of Ryanair s total operating expenses in the fiscal years ended March 31, 2013 and 2012, respectively (in each case, this accounts for costs after giving effect to the Company s fuel hedging activities but excludes de-icing costs, which accounted for approximately 1% of total fuel costs in each of the fiscal years ended March 31, 2013 and 2012). The future availability and cost of jet fuel cannot be predicted with any degree of certainty, and Ryanair s low-fares policy limits its ability to pass on increased fuel costs to passengers through increased fares. Jet fuel prices are dependent on crude oil prices, which are quoted in U.S. dollars. If the value of the U.S. dollar strengthens against the euro, Ryanair s fuel costs, expressed in euro, may increase even absent any increase in the U.S. dollar price of jet fuel. Ryanair has also entered into foreign currency forward contracts to hedge against some currency fluctuations. See Item 11. Quantitative and Qualitative Disclosures About Market Risk Foreign Currency Exposure and Hedging.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. Ryanair (like many other airlines) has, in more recent periods, entered into hedging arrangements on a much more selective basis. As of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90% of its estimated requirements for the fiscal year ending March 31, 2014 at prices equivalent to approximately $980 per metric ton. In addition, as of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 75% of its estimated requirements for the first half of the fiscal year ending March 31, 2015 at prices equivalent to approximately $935 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that period. See Item 3. Key Information Risk Factors Risks Related to the Company Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood of Adverse Impact to the Company s Profitability and Item 11. Quantitative and Qualitative Disclosures About Market Risk Fuel Price Exposure and Hedging for additional information on recent trends in fuel costs and the Company s related hedging activities, as well as certain associated risks. See also Item 5. Operating and Financial Review and Prospects Fiscal Year 2013 Compared with Fiscal Year 2012 Fuel and Oil.

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INSURANCE

Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair maintains aviation third-party liability insurance, passenger liability insurance, employer liability insurance, directors and officers liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards. Ryanair believes its insurance coverage is adequate, although not comprehensive. There can be no assurance that the amount of such coverage will not need to be increased, that insurance premiums will not increase significantly or that Ryanair will not be forced to bear substantial losses from accidents. Ryanair s insurance does not cover claims for losses incurred when, due to unforeseen events, airspace is closed and aircraft are grounded, such as the airspace closures described on page 17, which resulted from volcanic ash in the northern European airspace during April and May 2010.

The cost of insurance coverage for certain third-party liabilities arising from acts of war or terrorism increased dramatically as a result of the September 11, 2001 terrorist attacks. In the immediate aftermath, aircraft liability war indemnities for amounts above $50 million were, in the absence of any alternative coverage, provided by the Irish Government at pre-September 11, 2001 levels of coverage on the basis of a per-passenger surcharge. In March 2002, once such coverage was again commercially available, Ryanair arranged coverage to replace that provided by the government indemnity. The replacement insurance coverage operated on the basis of a per-passenger surcharge with an additional surcharge based on hull values. Ryanair s insurers have indicated that the scope of the Company s current war-related insurance coverage may exclude certain types of catastrophic incidents, which may result in the Company seeking alternative coverage. Ryanair to date has passed increased insurance costs on to passengers by means of a special insurance levy on each ticket.

During the 2006 fiscal year, Ryanair established Aviation Insurance (IOM) Limited (AIL), a wholly owned insurance company subsidiary, to provide the Company with self-insurance as part of its ongoing risk-management strategy. AIL underwrites a portion of the Company s aviation insurance program, which covers not only the Company s aircraft but also its liability to passengers and to third parties. AIL reinsures virtually all of the aviation insurance risk it underwrites with recognized third parties in the aviation reinsurance market, with the amount of AIL s maximum aggregate exposure not currently subject to such reinsurance agreements being equal to approximately $16.5 million. In addition to aviation insurance, AIL has underwritten most of the single trip travel insurance policies sold on Ryanair.com since February 1, 2011.

Council Regulation (EC) No. 2027/97, as amended by Council Regulation (EC) No. 889/2002, governs air carrier liability. This legislation provides for unlimited liability of an air carrier in the event of death or bodily injuries suffered by passengers, implementing the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air, as amended by the Montreal Convention of 1999. Ryanair has extended its liability insurance to meet the appropriate requirements of the legislation. See Item 3. Key Information Risk Factors Risks Related to the Airline Industry The Company Faces the Risk of Loss and Liability for information on the Company s risks of loss and liability.

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FACILITIES

The following are the principal properties owned or leased by the Company:

Location	Site Area (Sq. Meters)	Floor Space (Sq. Meters)	Tenure	Activity
Dublin Airport	1,116	1,395	Leasehold	Corporate Headquarters
Concourse Building, Airside Business Park, Swords, Dublin	12,141	9,298	Freehold	New Corporate Headquarters
Dublin Airport (Hangar No.1)	1,620	1,620	Leasehold	Aircraft Maintenance
Dublin Airport (Hangar No.2)	5,200	5,000	Leasehold	Aircraft Maintenance
Dublin Airport Business Park	955	749	Leasehold	Administration Offices
Phoenix House,Conyngham Road, Dublin	2,566	3,899	Freehold	Administration Offices
Satellite 3,Stansted Airport	605	605	Leasehold	Operations Center and Administrative Offices
Stansted Airport (Hangar)	12,161	10,301	Leasehold	Aircraft Maintenance Hangar and Simulator Training Center
Stansted Airport	375	375	Leasehold	Training Centre
Stansted Storage Facilities	378	531	Leasehold	Aircraft Maintenance
East Midlands Airport	3,890	2,801	Freehold	Simulator and Training Center
East Midlands Airport	2,045	634	Leasehold	Training Center
Bremen Airport	5,952	5,874	Leasehold	Terminal and Aircraft Maintenance Hangar
Skavsta Airport (Hangar)	1,936	1,936	Leasehold	Aircraft Maintenance
Prestwick Airport (Hangar)	10,052	10,052	Leasehold	Aircraft Maintenance
Frankfurt (Hahn) Airport (Hangar)	5,064	5,064	Leasehold	Aircraft Maintenance Hangar and Simulator Training Center
Kaunas Airport (Hangar)	1,700	1,700	Leasehold	Aircraft Maintenance
Rygge Airport (Hangar)	1,700	1,700	Leasehold	Aircraft Maintenance

Ryanair has agreements with the DAA, the Irish government authority charged with operating Dublin Airport, to lease bag-drop counters and other space at the passenger and cargo terminal facilities at Dublin Airport. The airport office facilities used by Ryanair at London (Stansted) are leased from the airport authority; similar facilities at each of the other airports Ryanair serves are provided by Servisair plc or other service providers.

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TRADEMARKS

Ryanair s logo and the slogans Ryanair.com The Low Fares Website and Ryanair The Low Fares Airline have been registered as Community Trade Marks (CTMs). Ryanair has also registered the CTM for the word Ryanairhotels.com. A CTM allows a trademark owner to obtain a single registration of its trademark, which registration affords uniform protection for that trademark in all EU member states. The registration gives Ryanair an exclusive monopoly over the use of its trade name with regard to similar services and the right to sue for trademark infringement should another party use an identical or confusingly similar trademark in relation to identical, or similar services.

Ryanair has not registered either its name or its logo as a trademark in Ireland, as CTM-registration provides all of the protection available from an Irish registration, and management believes there are therefore no advantages in making a separate Irish application.

Ryanair s trademarks include:

Community (Word) Trade Mark registration number 004168721 comprised of the word Ryanair in classes 16, 28, 35, 36, 37, 38, 39 and 42 (Nice Classification);

Community (Figurative) Trade Mark registration number 001493329 comprising the following graphic representation:

in classes 16, 35, 36, 37, 38, 39 and 42 (Nice Classification) and class 27.5.1 (Vienna classification);

Community (Figurative) Trade Mark registration number 00446559 comprising the following graphic representation:

in classes 16, 35, 36, 37, 38, 39 and 42 (Nice Classification) and class 22.1.16 (Vienna classification);

Community (Figurative) Trade Mark registration number 000338301 comprising the following graphic representation:

in classes 16, 35, 36, 37, 38, 39 and 42 (Nice Classification) and class 22.1.16 (Vienna classification)

GOVERNMENT REGULATION

Liberalization of the EU Air Transportation Market

Ryanair began its flight operations in 1985, during a decade in which the governments of Ireland and the U.K. liberalized the bilateral arrangements for the operation of air services between the two countries. In 1992, the Council of Ministers of the EU adopted a package of measures intended to liberalize the internal market for air transportation in the EU. The liberalization included measures that allow EU air carriers substantial freedom to set air fares, provided EU air carriers greatly enhanced access to routes within the EU, and also introduced a licensing procedure for EU air carriers. Beginning in April 1997, EU air carriers have generally been able to provide passenger services on domestic routes within any EU member state outside their home country of operations without restriction.

Regulatory Authorities

Ryanair is subject to Irish and EU regulation, which is implemented primarily by the Department of Transport, the IAA, the European Commission, and the EASA. Management believes that the present regulatory environment in Ireland and the EU is characterized by high sensitivity to safety and security issues, which is demonstrated by intensive reviews of safety-related procedures, training, and equipment by the national and EU regulatory authorities.

Commission for Aviation Regulation. The CAR is currently primarily responsible for deciding maximum airport charges only at Dublin Airport. See Airport Operations Airport Charges above.

The CAR also has responsibility for licensing Irish airlines, subject to the requirements of EU law. It issues operating licenses under the provisions of EU Regulation 1008/2008 (formerly 2407/92). An operating license is an authorization permitting the holder to transport passengers, mail and/or cargo by air. The criteria for granting an operating license include, *inter alia*, an air carrier s financial fitness, the adequacy of its insurance, and the fitness of the persons who will manage the air carrier. In addition, in order to obtain and maintain an operating license, Irish and EU regulations require that (i) the air carrier must be owned and continue to be owned directly or through majority ownership by EU member states and/or nationals of EU member states and (ii) the air carrier must at all times be effectively controlled by such EU member states or EU nationals. The CAR has broad authority to revoke an operating license. See Item 10. Additional Information Limitations on Share Ownership by Non-EU Nationals. See also Item 3. Risk Factors Risks Related to Ownership of the Company s Ordinary Shares or ADRs EU Rules Impose Restrictions on the Ownership of Ryanair Holdings Ordinary Shares by Non-EU nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals above.

The CAR is also responsible for deciding whether a regulated airport should be coordinated or fully coordinated under Council Regulation (EEC) No. 95/93 (as amended by Regulation (EC) No. 793/2004) on slots and for authorizing ground handling operations under Council Directive 96/67/EC and its implementing legislation. In April 2005, the CAR announced that Dublin Airport would be fully slot-coordinated beginning in March 2006. Ryanair successfully challenged this decision in the Irish High Court, and the decision was overturned in July 2006. In February 2007, the CAR re-imposed full coordination at Dublin Airport. Ryanair again challenged this decision in the Irish High Court, but subsequently withdrew the challenge. See Slots below for additional information regarding this litigation.

Ryanair s current operating license became effective on December 1, 1993, and is subject to periodic review. The Flight Operations Department is also subject to ongoing review by the Irish Aviation Authority (the IAA), which reviews the department s audits, including flight audits, training audits, document audits, and quality audits. Ryanair s current Air Operator Certificate No IE 7/94 was issued on January 24, 2013.

Irish Aviation Authority. The IAA is primarily responsible for the operational and regulatory function and services relating to the safety and technical aspects of aviation in Ireland. To operate in Ireland and the EU, an Irish air carrier is required to hold an operator s certificate granted by the IAA attesting to the air carrier s operational and technical competence to conduct airline services with specified types of aircraft. The IAA has broad authority to amend or revoke an operator s certificate, with Ryanair s ability to continue to hold its operator s certificate being subject to ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any new rules and regulations that may be adopted in the future.

The IAA is also responsible for overseeing and regulating the operations of Irish air carriers. Matters within the scope of the IAA s regulatory authority include: air safety; aircraft certification; personnel licensing and training; maintenance, manufacture, repair, airworthiness, and operation of aircraft; implementation of EU legislation; aircraft noise; and ground services. Each of the Company s aircraft is required to have a Certificate of Airworthiness, which is issued by the IAA. The validity of Certificates of Airworthiness is subject to the review by the IAA. Each certificate is generally valid for a 12-month period. In March 2009, Ryanair received Sub-Part (I) approval from the IAA, which gives Ryanair the authority to extend the validity of its certificates, subject to certain record checks and physical aircraft inspections being performed by Ryanair s quality department. The Company s flight personnel, flight and emergency procedures, aircraft, and maintenance facilities are subject to periodic inspections by the IAA. The IAA has broad regulatory and enforcement powers, including the authority to require reports; inspect the books, records, premises, and aircraft of a carrier; and investigate and institute enforcement proceedings. Failure to comply with IAA regulations can result in revocation of operating certification.

In July 1999, the IAA awarded Ryanair an air operator s certificate, which is subject to routine audit and review, in recognition of Ryanair s satisfaction of the relevant EU requirements for the operation of commercial air transport (EU OPS 1). The requirements of EU OPS 1 have been incorporated into European law as prescribed in Regulation (EEC) 3922/91 and were applied in full on July 16, 2008. All current regulatory requirements are addressed in the Ryanair Operations Manual Part A (as amended). The current Manual, Issue 3 Revision 8, was approved by the IAA on May 1, 2012.

Department of Transport. The Department of Transport (DOT) is responsible for implementation of certain EU and Irish legislation and international standards relating to air transport (e.g., noise levels, aviation security, etc.).

In June 2005, the Irish Minister for Transport enacted legislation strengthening rights for air passengers following the enactment of EU legislation requiring compensation of airline passengers who have been denied boarding on a flight for which they hold a valid ticket (Regulation (EC) No. 261/2004), which came into force on February 17, 2005. See Item 3. Risk Factors Risks Related to the Airline Industry EU Regulation on Passenger Compensation Could Significantly Increase Related Costs.

The European Aviation Safety Agency. EASA is an agency of the EU that has been given specific regulatory and executive tasks in the field of aviation safety. EASA was established through Regulation (EC) No. 1592/2002 of the European Parliament and the Council of July 15, 2002, repealed by Basic Regulation (EC) 216-2008. The purpose of EASA is to draw-up common standards to ensure the highest levels of safety, oversee their uniform application across Europe and promote them at the global level. The EASA formally started its work on September 28, 2003, taking over the responsibility for regulating airworthiness and maintenance issues within the EU member states.

Eurocontrol. The European Organization for the Safety of Air Navigation (Eurocontrol) is an autonomous European organization established under the Eurocontrol Convention of December 13, 1960. Eurocontrol is responsible for, *inter alia*, the safety of air navigation and the collection of route charges for *en route* air navigation facilities and services throughout Europe. Ireland is a party to several international agreements concerning Eurocontrol. These agreements have been implemented in Irish law, which provides for the payment of charges to Eurocontrol in respect of air navigation services for aircraft in airspace under the control of Eurocontrol. The relevant legislation imposes liability for the payment of any charges upon the operators of the aircraft in respect of which services are provided and upon the owners of such aircraft or the managers of airports used by such aircraft. Ryanair, as an aircraft operator, is primarily responsible for the payment to Eurocontrol of charges incurred in relation to its aircraft.

The legislation authorizes the detention of aircraft in the case of default in the payment of any charge for air navigation services by the aircraft operator or the aircraft owner, as the case may be. This power of detention extends to any equipment, stores or documents, which may be onboard the aircraft when it is detained, and may result in the possible sale of the aircraft.

European Commission. The European Commission is in the process of introducing a single European sky policy, which would lead to changes to air traffic management and control within the EU. The single European sky policy currently consists of the Framework Regulation (Reg. (EC) No. 549/2004) plus three technical regulations on the provision of air navigation services, organization and use of the airspace and the interoperability of the European air traffic management network. These regulations have recently been amended by the so-called Single European Sky II regulation (EU Regulation 1070/09). The objective of the policy is to enhance safety standards and the overall efficiency of air traffic in Europe, as well as to reduce the cost of air traffic control services.

On September 6, 2005, the European Commission announced new guidelines on the financing of airports and start-up aid to airlines by regional airports based on its February 2004 finding in the Charleroi case, a decision that the Court of First Instance (CFI) has since annulled in December 2008. The guidelines only apply to publicly owned regional airports, and place restrictions on the incentives that these airports can offer airlines to deliver traffic. Ryanair believes that the CFI s annulment of the Charleroi decision severely undermines these guidelines. In April 2011, the European Commission launched a consultation on the revision of the 2005 guidelines. In May 2013, the European Commission launched a further consultation on the revision of the 2005 guidelines, a final revised version of which is expected to be published in the second half of 2013. However, no assurance can be given that the revised guidelines will better reflect the commercial reality of the liberalized air transport market and consequently allow public airports to offer similar incentives to those offered by private airports.

The European Union also adopted legislation on airport charges (EU Directive 2009/12), which was originally intended to address abusive pricing at monopoly airports. However, the legislation includes all European airports with over five million passengers per year. Management believes that this will likely increase the administrative burdens on smaller airports and may lead to higher airport charges, while the scope that exists within this Directive to address abuses of their dominant positions by Europe s larger airports is very limited. See Item 7. Major Shareholders and Related-Party Transactions Other Financial Information Legal Proceedings EU State Aid-Related Proceedings.

The European Union also passed legislation calling for increased transparency in airline fares, which requires the inclusion of all mandatory taxes, fees, and charges in advertised prices. Ryanair currently includes this information in its advertised fares in all markets where it operates. However, certain regulatory authorities have alleged that some fees applied by airlines, including Ryanair, on an avoidable basis are in fact mandatory. Ryanair amended its website to include information on fees in June 2012 and incorporated further changes to meet these requirements on its website in August 2012 and December 2012.

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Registration of Aircraft

Pursuant to the Irish Aviation Authority (Nationality and Registration of Aircraft) Order 2002 (the Order), the IAA regulates the registration of aircraft in Ireland. In order to be registered or continue to be registered in Ireland, an aircraft must be wholly owned by either (i) a citizen of Ireland or a citizen of another member state of the EU having a place of residence or business in Ireland or (ii) a company registered in and having a place of business in Ireland and having its principal place of business in Ireland or another member state of the EU and not less than two-thirds of the directors of which are citizens of Ireland or of another member state of the EU. As of the date of this report, nine of the ten directors of Ryanair Holdings are citizens of Ireland or of another member state of the EU. An aircraft will also fulfill these conditions if it is wholly owned by such citizens or companies in combination. Notwithstanding the fact that these particular conditions may not be met, the IAA retains discretion to register an aircraft in Ireland so long as it is in compliance with the other conditions for registration under the Order. Any such registration may, however, be made subject to certain conditions. In order to be registered, an aircraft must also continue to comply with any applicable provisions of Irish law. The registration of any aircraft can be cancelled if it is found that it is not in compliance with the requirements for registration under the Order and, in particular: (i) if the ownership requirements are not met; (ii) if the aircraft has failed to comply with any applicable safety requirements specified by the IAA in relation to the aircraft or aircraft of a similar type; or (iii) if the IAA decides in any case that it is not in the public interest for the aircraft to remain registered in Ireland.

Regulation of Competition

Competition/Antitrust Law. It is a general principle of EU competition law that no agreement may be concluded between two or more separate economic undertakings that prevents, restricts or distorts competition in the common market or any part of the common market. Such an arrangement may nevertheless be exempted by the European Commission, on either an individual or category basis. The second general principle of EU competition law is that any business or businesses having a dominant position in the EU common market or any substantial part of the common market may not abuse such dominant position. Ryanair is subject to the application of the general rules of EU competition law as well as specific rules on competition in the airline sector.

An aggrieved person may sue for breach of EU competition law in the courts of a member state and/or petition the European Commission for an order to put an end to the breach of competition law. The European Commission also may impose fines and daily penalties on businesses and the courts of the member states may award damages and other remedies (such as injunctions) in appropriate circumstances.

Competition law in Ireland is primarily embodied in the Competition Act 2002. This Act is modeled on the EU competition law system. The Irish rules generally prohibit anti-competitive arrangements among businesses and prohibit the abuse of a dominant position. These rules are enforced either by public enforcement (primarily by the Competition Authority) through both criminal and civil sanctions or by private action in the courts. These rules apply to the airline sector, but are subject to EU rules that override any contrary provisions of Irish competition law. Ryanair has been subject to an abuse-of-dominance investigation by the Irish Competition Authority in relation to service between Dublin and Cork. The Competition Authority closed its investigation in July 2009 with a finding in favor of Ryanair.

State Aid. The EU rules control aid granted by member states to businesses on a selective or discriminatory basis. The EU Treaty prevents member states from granting such aid unless approved in advance by the EU. Any such grant of state aid to an airline is subject to challenge before the EU or, in certain circumstances, national courts. If aid is held to have been unlawfully granted it may have to be repaid by the airline to the granting member state, together with interest thereon. See Item 3. Key Information Risk Factors Risks Related to the Company The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports and Item 8. Financial Information Other Financial Information Legal Proceedings.

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Environmental Regulation

Aircraft Noise Regulations. Ryanair is subject to international, national and, in some cases, local noise regulation standards. EU and Irish regulations have required that all aircraft operated by Ryanair comply with Stage 3 noise requirements since April 1, 2002. All of Ryanair s aircraft currently comply with these regulations. Certain airports in the U.K. (including London Stansted and London Gatwick) and continental Europe have established local noise restrictions, including limits on the number of hourly or daily operations or the time of such operations.

Company Facilities. Environmental controls are generally imposed under Irish law through property planning legislation, specifically the Local Government (Planning and Development) Acts of 1963 to 1999, the Planning and Development Act 2000 and regulations made there under. At Dublin Airport, Ryanair operates on land controlled by the DAA. Planning permission for its facilities has been granted in accordance with both the zoning and planning requirements of Dublin Airport. There is also specific Irish environmental legislation implementing applicable EU directives and regulations, to which Ryanair adheres. From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair s engineering facilities at Dublin Airport, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Stockholm (Skavsta), Oslo (Rygge) and Kaunas. However, at all times Ryanair s storage and handling of these substances complies with the relevant regulatory requirements. At Ryanair s Glasgow (Prestwick) and London (Stansted) maintenance facilities, all normal waste is removed in accordance with the Environmental Protection Act of 1996 and Duty of Care Waste Regulations. For special waste removal, Ryanair operates under the Special Waste Regulations 1998. At all other facilities Ryanair adheres to all local and EU regulations.

Ryanair s Policy on Noise and Emissions. Ryanair is committed to reducing emissions and noise through investments in next generation aircraft and engine technologies and the implementation of certain operational and commercial decisions to minimize the environmental impact of its operations. According to the Air Travel Carbon and Energy Efficiency Report published by Brighter Planet, Ryanair is the industry leader in terms of environmental efficiency, and the Company is constantly working towards improving its performance.

In December 2005, Ryanair completed the fleet replacement program it commenced in 1999. All of Ryanair s older Boeing 737-200A aircraft were replaced with Boeing 737-800 next generation aircraft, and Ryanair now operates a single-aircraft-type fleet of Boeing 737-800 next generation aircraft with an average age of just over 4.5 years. The design of the new aircraft is aimed at minimizing drag, thereby reducing the rate of fuel burn and noise levels. The engines are also quieter and more fuel-efficient. Furthermore, by moving to an all Boeing 737-800 next generation fleet, Ryanair reduced the unit emissions per passenger due to the inherent capacity increase in the Boeing 737-800 aircraft. The Boeing 737-800 next generation aircraft have a significantly superior fuel-burn to passenger-kilometer ratio than Ryanair s former fleet of Boeing 737-200A aircraft. See Aircraft above for details on Ryanair s fleet plan.

Ryanair has also installed winglets on all of its existing aircraft and all future aircraft will also be fitted with winglets. Winglets reduce both the rate of fuel burn and carbon dioxide emissions by approximately 4% and also reduce noise emissions.

In addition, Ryanair has distinctive operational characteristics that management believes are helpful to the general environment. In particular, Ryanair:

- operates with a high-seat density of 189 seats and an all-economy configuration, as opposed to the 162 seats and two-class configuration of the Boeing 737-800 aircraft used by traditional network airlines, reducing fuel burn and emissions per seat-kilometer flown;

- has reduced per-passenger emissions through higher load factors;

- better utilizes existing infrastructure by operating out of underutilized secondary and regional airports throughout Europe, which limits the use of holding patterns and taxiing times, thus reducing fuel burn and emissions and reducing the need for new airport infrastructure;

provides direct services as opposed to connecting flights, in order to limit the need for passengers to transfer at main hubs and thus reduces the number of take-offs and landings per journey from four to two, reducing fuel burn and emissions per journey;

has no late-night departures of aircraft, reducing the impact of noise emissions; and

is currently evaluating the benefits of the Boeing 737 MAX aircraft, a variant of the 737, with new more fuel-efficient engines.

Emissions Trading. On November 19, 2008, the European Council of Ministers adopted legislation to add aviation to the EU Emissions Trading Scheme as of 2012. This scheme, which has thus far applied mainly to energy producers, is a cap-and-trade system for CO_2 emissions to encourage industries to improve their CO_2 efficiency. Under the legislation, airlines were granted initial CO_2 allowances based on historical revenue ton kilometers and a CO_2 efficiency benchmark. Any shortage of allowances has to be purchased in the open market and/or at government auctions. Management believes that this legislation is likely to have a negative impact on the European airline industry. Ryanair takes its environmental responsibilities seriously and intends to continue to improve its environmental efficiency and to minimize emissions.

Aviation Taxes. Ryanair is fundamentally opposed to the introduction of any aviation taxes, including any environmental taxes, fuel taxes or emissions levies. Ryanair has and continues to offer the lowest fares in Europe, to make passenger air travel affordable and accessible to European consumers. Ryanair believes that the imposition of additional taxes on airlines will not only increase airfares, but will discourage new entrants into the market, resulting in less choice for consumers. Ryanair believes this would ultimately have adverse effects on the European economy in general. There is in particular no justification for any environmental taxes on aviation following the introduction of the Emissions Trading Scheme for airlines.

As a company, Ryanair believes in free market competition and that the imposition of aviation taxation would favor the less efficient flag carriers which generally have smaller and older aircraft, lower load factors, and a much higher fuel burn per passenger, and which operate primarily into congested airports and reduce competition. Furthermore, the introduction of a tax at a European level only would distort competition between airlines operating solely within Europe and those operating also outside of Europe. We believe that the introduction of such a tax would also be incompatible with international law.

Airport charges

The EU Airport Charges Directive of March 2009 sets forth general principles that are to be followed by airports with more than five million passenger per annum, and all capital city airports irrespective of their passenger throughput, when setting airport charges, and provides for an appeals procedure for airlines in the event they are not satisfied with the level of charges. However, Ryanair does not believe that this procedure will be effective or that it will constrain those airports that are currently abusing their dominant position, in part because the legislation was mis-transposed in certain countries, such as Ireland and Spain, so as to deprive airlines of even the basic safeguards provided for in the Directive. This legislation may in fact lead to higher airport charges, depending on how its provisions are applied by EU member states and subsequently by the courts.

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Slots

Currently, the majority of Ryanair s bases of operations have no slot allocation restrictions; however, traffic at a substantial number of the airports Ryanair serves, including its primary bases, are regulated by means of slot allocations, which represent authorizations to take off or land at a particular airport within a specified time period. In addition, EU law currently regulates the acquisition, transfer, and loss of slots. Applicable EU regulations currently prohibit the buying or selling of slots for cash. The European Commission adopted a regulation in April 2004 (Regulation (EC) No. 793/2004) that made some minor amendments to the current allocation system, allowing for limited transfers of, but not trading in, slots. Slots may be transferred from one route to another by the same carrier, transferred within a group or as part of a change of control of a carrier, or swapped between carriers. In April 2008, the European Commission issued a communication on the application of the slot allocation regulation, signaling the acceptance of secondary trading of airport slots between airlines. This is expected to allow more flexibility and mobility in the use of slots and will further enhance possibilities for market entry at slot constrained airports. Any future legislation that might create an official secondary market for slots could create a potential source of revenue for certain of Ryanair s current and potential competitors, many of which have many more slots allocated at primary airports at present than Ryanair. The European Union is currently considering such proposals as part of a review of the slots legislation, which is currently expected to be completed in 2014. Slot values depend on several factors, including the airport, time of day covered, the availability of slots and the class of aircraft. Ryanair s ability to gain access to and develop its operations at slot-controlled airports will be affected by the availability of slots for takeoffs and landings at these specific airports. New entrants to an airport are currently given certain privileges in terms of obtaining slots, but such privileges are subject to the grandfathered rights of existing operators that are utilizing their slots. While Ryanair generally seeks to avoid slot-controlled airports, there is no assurance that Ryanair will be able to obtain a sufficient number of slots at the slot-controlled airports that it desires to serve in the future at the time it needs them or on acceptable terms.

Other

Health and occupational safety issues relating to the Company are largely addressed in Ireland by the Safety, Health and Welfare at Work Act, 2005 and other regulations under that act. Although licenses or permits are not issued under such legislation, compliance is monitored by the Health and Safety Authority (the Authority), which is the regulating body in this area. The Authority periodically reviews Ryanair s health and safety record and when appropriate, issues improvement notices or prohibition notices. Ryanair has responded to all such notices to the satisfaction of the Authority. Other safety issues are covered by the Irish Aviation Orders, which may vary from time to time.

The Company s operations are subject to the general laws of Ireland and, insofar as they are applicable in Ireland, the laws of the EU. The Company may also become subject to additional regulatory requirements in the future. The Company is also subject to local laws and regulations at locations where it operates and the regulations of various local authorities that operate the airports it serves.

DESCRIPTION OF PROPERTY

For certain information about each of the Company s key facilities, see Facilities above. Management believes that the Company s facilities are suitable for its needs and are well maintained.

Item 4A. ***Unresolved Staff Comments***

There are no unresolved staff comments.

Item 5. ***Operating and Financial Review and Prospects***

The following discussion should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto included in Item 18. Those consolidated financial statements have been prepared in accordance with IFRS.

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HISTORY

Ryanair s current business strategy dates to the early 1990s, when a new management team, including the current chief executive, commenced the restructuring of Ryanair s operations to become a low-fares airline based on the low-cost operating model pioneered by Southwest Airlines Co. in the United States. During the period between 1992 and 1994, Ryanair expanded its route network to include scheduled passenger services between Dublin and Birmingham, Manchester and Glasgow (Prestwick). In 1994, Ryanair began standardizing its fleet by purchasing used Boeing 737-200A aircraft to replace substantially all of its leased aircraft. Beginning in 1996, Ryanair continued to expand its service from Dublin to new provincial destinations in the U.K. In August 1996, Irish Air, L.P., an investment vehicle led by David Bonderman and certain of his associates at the Texas Pacific Group, acquired a minority interest in the Company. Ryanair Holdings completed its initial public offering in June 1997.

From 1997 through June 30, 2013, Ryanair launched service on more than 1,600 routes throughout Europe and also increased the frequency of service on a number of its principal routes. During that period, in addition to Dublin, Ryanair established 57 airports as bases of operations. See Item 4. Information on the Company Route System, Scheduling and Fares for a list of these bases. Ryanair has increased the number of booked passengers from 4.9 million in the 1999 fiscal year to approximately 79.3 million in the 2013 fiscal year. Ryanair had 303 Boeing 737-800 aircraft as of June 30, 2013, and now serves approximately 180 airports with a team of over 9,000 people.

Ryanair expects to have approximately 410 aircraft in its operating fleet by March 31, 2019. This is subject to lease handbacks and disposals over the period to March 31, 2019 meeting current expectations. See Liquidity and Capital Resources and Item 4. Information on the Company Aircraft for additional details.

BUSINESS OVERVIEW

Since Ryanair pioneered its ultra-low cost operating model in Europe in the early 1990s, its passenger volumes and scheduled passenger revenues have increased significantly because it has substantially increased capacity and demand has been sufficient to match the increased capacity. Ryanair s annual booked passenger volume has grown from approximately 945,000 passengers in the calendar year 1992 to approximately 79.3 million passengers in the 2013 fiscal year.

Ryanair s revenue passenger miles (RPMs) increased approximately 2% from 58,584.5 million in the 2012 fiscal year to 59,865.6 million in the 2013 fiscal year due primarily to an increase of approximately 2% in scheduled available seat miles (ASMs) from 71,139.7 million in the 2012 fiscal year to 72,829.9 million in the 2013 fiscal year. Scheduled passenger revenues increased approximately 9% from 3,504.0 million in the 2012 fiscal year to 3,819.8 million in the 2013 fiscal year. Average booked passenger fare increased from 45.36 in the 2012 fiscal year to 48.20 in the 2013 fiscal year.

Expanding passenger volumes and capacity, high load factors and aggressive cost containment have enabled Ryanair to continue to generate operating profits despite increasing price competition and increases in certain costs. Ryanair s total break-even load factor was 70% in both the 2012 fiscal year and the 2013 fiscal year. Cost per passenger was 48.90 in the 2012 fiscal year and 52.56 in the 2013 fiscal year, with the increase primarily reflecting the higher fuel cost per passenger of 23.79 in the 2013 fiscal year, as compared to 21.02 in the 2012 fiscal year, as well as an increase of approximately 5% in passengers in the 2013 fiscal year. Ryanair recorded operating profits of 683.2 million in the 2012 fiscal year and 718.2 million in the 2013 fiscal year. The Company recorded a profit after taxation of 560.4 million in the 2012 fiscal year and profit after taxation of 569.3 million in the 2013 fiscal year. Ryanair recorded seat capacity growth of approximately 5% in the 2013 fiscal year, compared to approximately 6% in the 2012 fiscal year, and expects capacity to increase by approximately 3% in the 2014 fiscal year. See Item 3. Key Information Risk Factors Risks Related to the Company Ryanair Has Decided to Seasonally Ground Aircraft.

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Investment in Aer Lingus

The Company owns 29.8% of Aer Lingus, which it acquired in fiscal years 2007, 2008 and 2009 at a total cost of 407.2 million. Following the approval of its shareholders, management proposed in the 2007 fiscal year to effect a tender offer to acquire the entire share capital of Aer Lingus. This 2006 offer was, however, prohibited by the European Commission on competition grounds in June 2007. Ryanair s management viewed the acquisition of Aer Lingus in the context of the overall trend of consolidation among airlines in Europe and believed that the acquisition would lead to the formation of one strong Irish airline group able to compete with large carriers such as Lufthansa, Air France/KLM and British Airways/Iberia (now International Airlines Group). During the EU competition review, the Company made a commitment that if the acquisition was approved, Ryanair would eliminate Aer Lingus fuel surcharges and reduce its fares, which would have resulted in Aer Lingus passengers saving approximately 100 million per year. The Company was thus surprised and disappointed by the European Commission s decision to prohibit this offer. This decision was the first adverse decision taken in respect of any EU airline merger and the first-ever adverse decision in respect of a proposed merger of two companies with less than 5% of the EU market for their services. Ryanair filed an appeal with the CFI, which was heard in July 2009. On July 6, 2010, the CFI upheld the Commission s decision.

In October 2007, the European Commission also reached a formal decision that it would not force Ryanair to sell its shares in Aer Lingus. Aer Lingus appealed this decision before the CFI. This case was heard in July 2009 and on July 6, 2010 the court rejected Aer Lingus appeal and confirmed that Ryanair cannot be forced to dispose of its 29.8% stake in Aer Lingus. However, EU legislation may change in the future to require such a forced disposition. If eventually forced to dispose of its stake in Aer Lingus, Ryanair could suffer significant losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares.

On December 1, 2008, Ryanair made a new offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of 1.40 per ordinary share. Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and retain its Heathrow slots and connectivity. Ryanair also proposed to double Aer Lingus short-haul fleet from 33 to 66 aircraft and to create 1,000 associated new jobs over a five-year period. If the offer had been accepted, the Irish government would have received over 180 million in cash. The employee share ownership trust and employees, who owned 18% of Aer Lingus, would have received over 137 million in cash. The Company met Aer Lingus management, representatives of the employee share ownership trust and other parties, including members of the Irish Government. The offer of 1.40 per share represented a premium of approximately 25% over the closing price of 1.12 for Aer Lingus shares on November 28, 2008. As the Company was unable to secure the shareholders support, it decided on January 28, 2009 to withdraw its offer for Aer Lingus.

The United Kingdom s Office of Fair Trading (OFT) wrote to Ryanair in September 2010, advising that it intended to investigate Ryanair s minority stake in Aer Lingus. Ryanair objected on the basis that the OFT s investigation was time-barred. Ryanair maintains that the OFT had the opportunity, which it missed, to investigate Ryanair s minority stake within four months from the European Commission s June 2007 decision to prohibit Ryanair s takeover of Aer Lingus. The OFT agreed in October 2010 to suspend its investigation pending the outcome of Ryanair s appeal against the OFT s decision that its investigation is within time. On July 28, 2011, the Competition Appeal Tribunal ruled that the OFT was not time barred when it attempted in September 2010 to open an investigation into Ryanair s 2006 acquisition of a minority non-controlling stake in Aer Lingus. Ryanair subsequently appealed the Competition Appeal Tribunal s decision. On November 24, 2011, the UK Court of Appeal ordered a stay of the OFT s investigation pending the Courts review of whether the OFT s investigation was time barred. On May 22, 2012, the Court of Appeal found that the OFT was not time barred to investigate Ryanair s minority stake in Aer Lingus in September 2010. Ryanair subsequently sought permission to appeal that ruling to the UK Supreme Court, but permission was refused. On June 15, 2012, the OFT referred the investigation of Ryanair s minority stake in Aer Lingus to the UK Competition Commission. The Competition Commission s decision is expected by September 05, 2013. The Competition Commission could order Ryanair to divest some or all of its shares in Aer Lingus, as a result of which Ryanair could suffer losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares. On July 23, 2013 the Company announced that as part of its remedies discussions with the UKCC it had offered to give an undertaking to unconditionally sell its shareholding in Aer Lingus to any other EU airline that makes an offer for Aer Lingus and acquires acceptances in respect of more than 50% of Aer Lingus issued share capital.

On June 19, 2012, Ryanair made a third offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of 1.30 per ordinary share. The timing of the offer was influenced by: (i) the continued consolidation of European airlines, and more recently the International Airlines Group (the parent company of British Airways) takeover of British Midland International, where the No.1 airline at Heathrow was allowed to acquire the No. 2; (ii) the additional capacity available at Dublin airport following the opening of Terminal 2 and the decline in traffic from 23.3 million passengers per annum in 2007 to 18.7 million in 2011, has resulted in Dublin airport operating at approximately 50% capacity; (iii) the change in the Irish government policy since 2006 in that the Irish government has decided to sell its stake in Aer Lingus; (iv) the fact that under the terms of the bailout agreement provided by the European Commission, European Central Bank and the International Monetary Fund to Ireland, the Irish government has committed to sell its stake in Aer Lingus; (v) the fact that the ESOT (Employee Share Ownership Trust) which at the time of the unsuccessful 2006 offer controlled 15% of Aer Lingus, has been disbanded since December 2010 and the shares distributed to the individual members, with the result that Ryanair s new offer was, in Ryanair s view, capable of reaching over 50% acceptance either with or without government acceptance; and (vi) the fact that recently Etihad, an Abu Dhabi based airline, has acquired a 3% stake in Aer Lingus and has expressed an interest in buying the government s 25% stake in Aer Lingus (the offer therefore provided Etihad or any other potential bidder the opportunity to purchase the government s stake).

Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and to grow its traffic from 9.5 million to over 14.5 million passengers over a five year period post acquisition, by growing Aer Lingus short haul traffic at some of Europe s major airports where Aer Lingus currently operates and Ryanair does not. Ryanair also intended to increase Aer Lingus transatlantic traffic from Ireland, which has fallen in recent years, by investing in operations. If the offer was accepted, the Irish government would have received 173 million in cash. The offer of 1.30 per share represented a premium of approximately 38% over the closing price of 0.94 for Aer Lingus shares as of June 19, 2012. The offer was conditional on competition approval by the European Commission. However, on February 27, 2013, the European Commission prohibited the acquisition by Ryanair of the remaining share capital of Aer Lingus. Ryanair appealed this prohibition to the EU General Court on May 8, 2013. A judgment in this appeal is expected within 18-24 months of the date of filing.

The available for sale financial asset balance sheet value of 221.2 million reflects the market value of the Company s stake in Aer Lingus as of March 31, 2013, as compared to a value of 149.7 million as of March 31, 2012. In accordance with the company s accounting policy, this investment is held at fair value. This investment is classified as available-for-sale, rather than as an investment in an associate, because the Company does not have the power to exercise any influence over Aer Lingus. The increase in the amount of the available for sale financial asset from 149.7 million at March 31, 2012 to 221.2 million at March 31, 2013 is comprised of a gain of 71.5 million, recognized through other comprehensive income, reflecting the increase in Aer Lingus share price from 0.94 per share at March 31, 2012 to 1.39 per share at March 31, 2013. All impairment losses are required to be recognized in the income statement and are not subsequently reversed, while gains are recognized through other comprehensive income. The investment had in prior periods been impaired to 0.50 per share. In fiscal year 2010, the Company recorded an impairment charge of 13.5 million in the income statement on its Aer Lingus shareholding.

The Company s determination that it does not have control, or even exercise a significant influence, over Aer Lingus through its minority shareholding has been based on the following factors:

(i) Ryanair does not have any representation on the Aer Lingus Board of Directors; nor does it have a right to appoint a director;

(ii) Ryanair does not participate in Aer Lingus policy-making decisions; nor does it have a right to participate in such policy-making decisions;

(iii) There are no material transactions between Ryanair and Aer Lingus, there is no interchange of personnel between the two companies and there is no sharing of technical information between the companies;

(iv) Aer Lingus and its significant shareholder (the Irish government: 25.1%) have historically openly opposed Ryanair s investment or participation in the company;

(v) In 2007, 2009 and 2010, Aer Lingus refused Ryanair s attempt to assert its statutory right to requisition a general meeting (a legal right of any 5% shareholder under Irish law).

(vi) On April 15, 2011, the High Court in Dublin ruled that Aer Lingus was not obliged to accede to Ryanair s request that two additional resolutions (on the payment of a dividend and on payments to pension schemes) be put to vote at Aer Lingus annual general meeting; and

(vii) The European Commission has formally found that Ryanair s shareholding in Aer Lingus does not grant Ryanair de jure or de facto control of Aer Lingus and that Ryanair s rights as a minority shareholder are associated exclusively to rights related to the protection of minority shareholders (Commission Decision Case No. COMP/M.4439 dated October 11, 2007).The European Commission s finding has been confirmed by the European Union s General Court which issued a decision on July 6, 2010 that the European Commission was justified to use the required legal and factual standard in its refusal to order Ryanair to divest its minority shareholding in Aer Lingus and that, as part of that decision, Ryanair s shareholding did not confer control of Aer Lingus (Judgment of the General Court (Third Chamber) Case No. T-411/07 dated July 6, 2010).

Historical Results Are Not Predictive of Future Results

The historical results of operations discussed herein may not be indicative of Ryanair s future operating performance. Ryanair s future results of operations will be affected by, among other things, overall passenger traffic volume; the availability of new airports for expansion; fuel prices; the airline pricing environment in a period of increased competition; the ability of Ryanair to finance its planned acquisition of aircraft and to discharge the resulting debt service obligations; economic and political conditions in Ireland, the U.K. and the EU; terrorist threats or attacks within the EU; seasonal variations in travel; developments in government regulations, litigation and labor relations; foreign currency fluctuations, the impact of the banking crisis and potential break-up of the euro; competition and the public s perception regarding the safety of low-fares airlines; the value of its equity stake in Aer Lingus; changes in aircraft acquisition, leasing, and other operating costs; flight interruptions caused by volcanic ash emissions or other atmospheric disruptions; flight disruptions caused by periodic and prolonged air traffic controller strikes in Europe; the rates of income and corporate taxes paid, and the impact of the financial and Eurozone crisis. Ryanair expects its depreciation, staff and fuel charges to increase as additional aircraft and related flight equipment are acquired. Future fuel costs may also increase as a result of the depletion of petroleum reserves, the shortage of fuel production capacity and/or production restrictions imposed by fuel oil producers. Maintenance expenses may also increase as a result of Ryanair s fleet expansion and replacement program. In addition, the financing of new Boeing 737-800 aircraft will increase the total amount of the Company s outstanding debt and the payments it is obliged to make to service such debt. The cost of insurance coverage for certain third-party liabilities arising from acts of war or terrorism increased dramatically following the September 11, 2001 terrorist attacks. Although Ryanair currently passes on increased insurance costs to passengers by means of a special insurance levy on each ticket, there can be no assurance that it will continue to be successful in doing so. See Item 3. Key Information Risk Factors The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry.

RECENT OPERATING RESULTS

The Company s profit after tax for the quarter ended June 30, 2013 (the first quarter of the Company s 2014 fiscal year) was 78.1 million, as compared to 98.8 million for the corresponding period of the previous year. The Company recorded a decrease in operating profit, from 132.0 million in the first quarter of the 2013 fiscal year to 103.3 million in the recently completed quarter. Total operating revenues increased from 1,283.9 million in the first quarter of 2013 to 1,342.2 million in the first quarter of 2014. The decrease in operating profit was primarily due to a 4% reduction in average fares and an 8% increase in total operating expenses, offset by strong ancillary revenues. Operating expenses increased from 1,151.9 million in the first quarter of 2013 to 1,238.9 million in the first quarter of 2014, due primarily to the 6% increase in fuel costs and an increase in other operating costs associated with a higher level of activity in line with the growth of the airline. The Company s cash and cash equivalents, restricted cash and financial assets with terms of less than three months amounted to 3,592.7 million at June 30, 2013 as compared with 3,807.6 million at June 30, 2012.

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CRITICAL ACCOUNTING POLICIES

The following discussion and analysis of Ryanair s financial condition and results of operations is based on its consolidated financial statements, which are included in Item 18 and prepared in accordance with IFRS.

The preparation of the Company s financial statements requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from these estimates.

The Company believes that its critical accounting policies, which are those that require management s most difficult, subjective and complex judgments, are those described in this section. These critical accounting policies, the judgments and other uncertainties affecting application of these policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the consolidated financial statements included in Item 18 and the discussion and analysis below. For additional detail on these policies, see Note 1, Basis of preparation and significant accounting policies, to the consolidated financial statements included in Item 18.

Long-lived Assets

As of March 31, 2013, Ryanair had 4.9 billion of long-lived assets, virtually all of which were aircraft. In accounting for long-lived assets, Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets, and the potential for impairment based on the fair value of the assets and the cash flows they generate.

In estimating the lives and expected residual values of its aircraft, Ryanair has primarily relied on its own and industry experience, recommendations from Boeing, the manufacturer of all of the Company s aircraft, valuations from appraisers and other available marketplace information. Subsequent revisions to these estimates, which can be significant, could be caused by changes to Ryanair s maintenance program, changes in utilization of the aircraft, governmental regulations on aging of aircraft, changes in new aircraft technology, changes in governmental and environmental taxes, changes in new aircraft fuel efficiency and changing market prices for new and used aircraft of the same or similar types. Ryanair evaluates its estimates and assumptions in each reporting period, and, when warranted, adjusts these assumptions. Generally, these adjustments are accounted for on a prospective basis, through depreciation expense.

Ryanair periodically evaluates its long-lived assets for impairment. Factors that would indicate potential impairment would include, but are not limited to, significant decreases in the market value of an aircraft, a significant change in an aircraft s physical condition and operating or cash flow losses associated with the use of the aircraft. While the airline industry as a whole has experienced many of these factors from time to time, Ryanair has not yet been seriously impacted and continues to record positive cash flows from these long-lived assets. Consequently, Ryanair has not yet identified any impairments related to its existing aircraft fleet. The Company will continue to monitor its long-lived assets and the general airline operating environment.

The Company s estimate of the recoverable amount of aircraft residual values is 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods. Aircraft are depreciated over a useful life of 23 years from the date of manufacture to residual value.

Heavy Maintenance

An element of the cost of an acquired aircraft is attributed, on acquisition, to its service potential, reflecting the maintenance condition of the engines and airframe.

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For aircraft held under operating lease agreements, Ryanair is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines and life-limited parts upon return. In order to fulfill such conditions of the lease, maintenance, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, is required to be performed during the period of the lease and upon return of the aircraft to the lessor. The estimated airframe and engine maintenance costs and the costs associated with the restitution of major life-limited parts, are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance checks and restitution of major life-limited parts, calculated by reference to the number of hours flown or cycles operated during the year.

Ryanair s aircraft operating lease agreements typically have a term of seven years, which closely correlates with the timing of heavy maintenance checks. The contractual obligation to maintain and replenish aircraft held under operating lease exists independently of any future actions within the control of Ryanair. While Ryanair may, in very limited circumstances, sub-lease its aircraft, it remains fully liable to perform all of its contractual obligations under the head lease notwithstanding any such sub-leasing.

Both of these elements of accounting policies involve the use of estimates in determining the quantum of both the initial maintenance asset and/or the amount of provisions to be recorded and the respective periods over which such amounts are charged to income. In making such estimates, Ryanair has primarily relied on its own and industry experience, industry regulations and recommendations from Boeing; however, these estimates can be subject to revision, depending on a number of factors, such as the timing of the planned maintenance, the ultimate utilization of the aircraft, changes to government regulations and increases or decreases in estimated costs. Ryanair evaluates its estimates and assumptions in each reporting period and, when warranted, adjusts its assumptions, which generally impact maintenance and depreciation expense in the income statement on a prospective basis.

RESULTS OF OPERATIONS

The following table sets forth certain income statement data (calculated under IFRS) for Ryanair expressed as a percentage of Ryanair s total revenues for each of the periods indicated:

	Fiscal Year ended March 31,		
	2013	**2012**	**2011**
Total revenues	100%	100%	100%
Scheduled revenues	78.2	79.8	77.9
Ancillary revenues	21.8	20.2	22.1
Total operating expenses	85.3	84.5	86.5
Staff costs	8.9	9.5	10.4
Depreciation	6.7	7.0	7.7
Fuel and oil	38.6	36.3	33.8
Maintenance, materials and repairs	2.5	2.4	2.6
Aircraft rentals	2.0	2.1	2.7
Route charges	10.0	10.5	11.3
Airport and handling charges	12.5	12.6	13.5
Marketing, distribution and other	4.1	4.1	4.6
Operating profit	14.7	15.5	13.4
Net interest income (expense)	(1.5)	(1.5)	(1.8)
Other income (expenses)	0.1	0.3	
Profit before taxation	13.3	14.3	11.6
Taxation	(1.6)	(1.7)	(1.3)
Profit after taxation	11.7	12.6	10.3

FISCAL YEAR 2013 COMPARED WITH FISCAL YEAR 2012

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of 569.3 million in the 2013 fiscal year, as compared with a profit of 560.4 million in the 2012 fiscal year. This 1.6% increase was primarily attributable to an increase in revenues driven by a 4.3% increase in average fares and a 20.1% increase in ancillary revenues, partially offset by a 18.3% increase in fuel and oil costs from 1,593.6 million to 1.885.6 million. The result in fiscal 2012 included 57.8 million, net of tax, relating to a one off release of ticket sales revenue due to a change in accounting estimates arising in enhancements to Ryanair s revenue accounting system.

Scheduled revenues. Ryanair s scheduled passenger revenues increased 9.0%, from 3,504.0 million in the 2012 fiscal year, to 3,819.8 million in the 2013 fiscal year, primarily reflecting an increase of 4.3% in average fares. The number of passengers booked increased 4.5%, from 75.8 million to 79.3 million, reflecting increased passenger volumes on existing routes and the successful launch of new bases at Chania, Eindhoven, Fez, Krakow, Maastricht, Marrakech and Zadar in the 2013 fiscal year. Booked passenger load factors remained flat at 82% in both fiscal 2012 and fiscal 2013.

Passenger capacity during the 2013 fiscal year increased by 4.7% due to the addition of 11 Boeing 737-800 aircraft (net of lease handbacks). Scheduled passenger revenues accounted for 78.2 % of Ryanair s total revenues for the 2013 fiscal year, compared with 79.8% of total revenues in the 2012 fiscal year.

During fiscal year 2012, changes in estimates relating to the timing of revenue recognition for unused passenger tickets were made, resulting in increased revenue in the 2012 fiscal year of 65.3 million. This change reflects more accurate and timely data obtained through system enhancements.

Ancillary revenues. Ryanair s ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and Internet-related services, increased 20.1%, from 886.2 million in the 2012 fiscal year to 1,064.2 million in the 2013 fiscal year, while ancillary revenues per booked passenger increased to 13.43 from 11.69. Revenues from non-flight scheduled operations, including revenues from excess baggage charges, administration/credit card fees, sales of rail and bus tickets, priority boarding, reserved seating, accommodation, travel insurance and car rental increased 23.3% to 796.2 million from 645.6 million in the 2012 fiscal year. Revenues from in-flight sales increased 2.8%, to 110.2 million from 107.2 million in the 2012 fiscal year. Revenues from Internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites, increased 18.3%, from 133.4 million in the 2012 fiscal year to 157.8 million in the 2013 fiscal year. The rate of increase in revenues from all ancillary revenue categories exceeded that of the increase in overall passengers booked.

The following table sets forth the components of ancillary revenues earned by Ryanair and each component expressed as a percentage of total ancillary revenues for each of the periods indicated:

	Fiscal Year ended March 31,			
	2013		**2012**	
	(in millions of euro, except percentage data)			
Non-flight Scheduled	796.2	74.8%	645.6	72.9%
In-flight Sales	110.2	10.4%	107.2	12.1%
Internet-related	157.8	14.8%	133.4	15.0%
Total	1,064.2	100.0%	886.2	100.0%

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Operating expenses. As a percentage of total revenues, Ryanair s operating expenses increased from 84.5% in the 2012 fiscal year to 85.3% in the 2013 fiscal year, as total revenues increased by 11.2%, slower than the 12.4% increase in operating expenses. In absolute terms, total operating expenses increased 12.4%, from 3,707.0 million in the 2012 fiscal year to 4,165.8 million in the 2013 fiscal year, principally as a result of an 18.3% increase in fuel and oil costs from 1,593.6 million in the 2012 fiscal year to 1,885.6 million in the 2013 fiscal year. Staff costs, depreciation and amortization, aircraft rental expenses, route charges, airport handling charges and marketing, distribution and other costs decreased as a percentage of total revenues, while maintenance and fuel and oil expenses increased. Total operating expenses per passenger increased by 7.5%, with the increase reflecting, principally, the increase in passenger capacity during the 2013 fiscal year and the impact of the higher fuel costs.

The Company s decision to ground aircraft did not have a material impact on the results of the Company for the year ended March 31, 2013 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, due to significantly higher fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant staff can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair s operating expenses (on a per-passenger basis) for the fiscal years ended March 31, 2013 and March 31, 2012 under IFRS. These data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of booked passengers in the relevant year as shown in the table of Selected Operating and Other Data in Item 3 and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

	Fiscal Year Ended March 31, 2013	Fiscal Year Ended March 31, 2012	% Change
Staff costs	5.50	5.47	0.4%
Depreciation	4.16	4.08	2.0%
Fuel and oil	23.79	21.02	13.2%
Maintenance, materials and repairs	1.52	1.37	11.0%
Aircraft rentals	1.24	1.20	3.5%
Route charges	6.14	6.08	1.1%
Airport and handling charges	7.71	7.31	5.6%
Marketing, distribution and other	2.50	2.37	5.2%
Total operating expenses	52.56	48.90	7.5%

Staff costs. Ryanair s staff costs, which consist primarily of salaries, wages and benefits, increased 0.4% on a per-passenger basis, while in absolute terms, these costs increased 5.0%, from 415.0 million in the 2013 fiscal year to 435.6 million in the 2013 fiscal year. The increase in absolute terms was primarily attributable to a 3.7% increase in hours flown and a flight crew pay increase of 2% granted in fiscal 2013.

Depreciation and amortization. Ryanair s depreciation and amortization per passenger increased by 2.0%, while in absolute terms these costs increased 6.6% from 309.2 million in the 2012 fiscal year to 329.6 million in the 2013 fiscal year. The increase was primarily attributable to the addition of 11 owned aircraft to the fleet during the 2013 fiscal year. See Critical Accounting Policies Long-lived Assets above.

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Fuel and oil. Ryanair s fuel and oil costs per passenger increased by 13.2%, while in absolute terms, these costs increased by 18.3% from 1,593.6 million in the 2012 fiscal year to 1,884.6 million in the 2013 fiscal year, in each case after giving effect to the Company s fuel hedging activities. The 18.3% increase reflected a 15% increase in average fuel prices paid and the impact of a 3.7% increase in the number of hours flown, which were offset in part by a 2.2% decrease in the average sector length. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, aircraft de-icing and EU emissions trading costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) increased 14.4% from 2.08 per U.S. gallon in the 2012 fiscal year to 2.38 per U.S. gallon in the 2013 fiscal year, in each case after giving effect to the Company s fuel hedging activities.

Maintenance, materials and repairs. Ryanair s maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance, provision for leased aircraft and the overhaul of spare parts, increased 11.0% on a per-passenger basis, while in absolute terms these expenses increased by 16.0% from 104.0 million in the 2012 fiscal year to 120.7 million in the 2013 fiscal year. The increase in absolute terms during the fiscal year reflected the additional costs arising from increased level of activity and the opening of new bases.

Aircraft rentals. Aircraft rental expenses amounted to 98.2 million in the 2013 fiscal year, an 8.2% increase from the 90.7 million reported in the 2012 fiscal year, reflecting the negative impact of higher lessor financing costs and the adverse impact of changes in the euro/dollar exchange rate on new leased aircraft and the handback of 4 aircraft due to the maturity of leases.

Route charges and airport and handling charges. Ryanair s route charges per passenger increased 1.1% in the 2013 fiscal year, while airport and handling charges per passenger increased 5.6%. In absolute terms, route charges increased 5.7%, from 460.5 million in the 2012 fiscal year to 486.6 million in the 2013 fiscal year, primarily as a result of the 4.7% increase in sectors flown. In absolute terms, airport and handling charges increased 10.4%, from 554.0 million in the 2012 fiscal year, to 611.6 million in the 2013 fiscal year, reflecting the overall growth in passenger volumes and higher charges at Dublin and London (Stansted) airports, partially offset by lower average costs at Ryanair s newer airports and bases.

Marketing, distribution and other expenses. Ryanair s marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, increased 5.2% on a per-passenger basis in the 2013 fiscal year, while in absolute terms, these costs increased 9.9%, from 180.0 million in the 2012 fiscal year to 197.9 million in the 2013 fiscal year, with the overall increase primarily reflecting the higher level of activity and increased onboard product costs reflecting the higher level of sales.

Operating profit. As a result of the factors outlined above, operating profit increased 0.6% on a per-passenger basis in the 2013 fiscal year, and also increased in absolute terms, from 683.2 million in the 2012 fiscal year to 718.2 million in the 2013 fiscal year.

Finance income. Ryanair s interest and similar income decreased 38.2%, from 44.3 million in the 2012 fiscal year to 27.4 million in the 2013 fiscal year, reflecting the reduced yields on term deposits.

Finance expense. Ryanair s interest and similar charges decreased 9.0%, from 109.2 million in the 2012 fiscal year to 99.3 million in the 2013 fiscal year, primarily due to lower interest rates in the 2013 fiscal year compared to the 2012 fiscal year. These costs are expected to increase as Ryanair further expands its fleet.

Foreign exchange gains/losses. Ryanair recorded foreign exchange gains of 4.6 million in the 2013 fiscal year, as compared with foreign exchange gains of 4.3 million in the 2012 fiscal year, with the different result being primarily due to the positive impact of changes in the U.K. pound sterling and the U.S. dollar exchange rates against the euro.

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Taxation. The effective tax rate for the 2013 fiscal year was 12.5%, as compared to an effective tax rate of 11.5% in the 2012 fiscal year. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax provision of 81.6 million in the 2013 fiscal year, compared with a tax provision of 72.6 million in the 2012 fiscal year, with the increase primarily reflecting higher pre-tax profits. The determination regarding the recoverability of the deferred tax asset was based on future income forecasts, which demonstrated that it was more likely than not that future profits would be available in order to utilize the deferred tax asset. A deferred tax asset s recoverability is not dependent on material improvements over historical levels of pre-tax income, material changes in the present relationship between income reported for financial and tax purposes, or material asset sales or other non-routine transactions.

FISCAL YEAR 2012 COMPARED WITH FISCAL YEAR 2011

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of 560.4 million in the 2012 fiscal year, as compared with a profit of 374.6 million in the 2011 fiscal year. This profit was primarily attributable to an increase in revenues driven by a 15.6% increase in average fares and a 10.6% increase in ancillary revenues, partially offset by a 29.9% increase in fuel and oil costs from 1,227.0 million to 1,593.6 million.

Scheduled revenues. Ryanair s scheduled passenger revenues increased 23.9%, from 2,827.9 million in the 2011 fiscal year, to 3,504.0 million in the 2012 fiscal year, primarily reflecting an increase of 15.6% in average fares. The number of passengers booked increased 5.2%, from 72.1 million to 75.8 million, reflecting increased passenger volumes on existing routes and the successful launch of new bases at Manchester, Wroclaw, Baden-Baden, Billund, Palma, Paphos and Budapest in the 2012 fiscal year. There was a one percentage point decrease in booked passenger load factors from 83% in fiscal 2011 to 82% in fiscal 2012.

Passenger capacity during the 2012 fiscal year increased by 12.3% due to the addition of 22 Boeing 737-800 aircraft (net of handbacks), as well as a 5.8% increase in sectors flown and a 6.1% increase in the average length of passenger haul. Scheduled passenger revenues accounted for 79.8% of Ryanair s total revenues for the 2012 fiscal year, compared with 77.9% of total revenues in the 2011 fiscal year.

During fiscal year 2012, changes in estimates relating to the timing of revenue recognition for unused passenger tickets were made, resulting in increased revenue in the 2012 fiscal year of 65.3 million. This change reflects more accurate and timely data obtained through system enhancements.

Ancillary revenues. Ryanair s ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and Internet-related services, increased 10.6%, from 801.6 million in the 2011 fiscal year to 886.2 million in the 2012 fiscal year, while ancillary revenues per booked passenger increased to 11.69 from 11.12. Revenues from non-flight scheduled operations, including revenues from excess baggage charges, debit and credit card transactions, sales of rail and bus tickets, accommodation, travel insurance and car rental increased 12.4% to 645.6 million from 574.2 million in the 2011 fiscal year. Revenues from in-flight sales increased 6.4%, to 107.2 million from 100.7 million in the 2011 fiscal year. Revenues from Internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites, increased 5.3%, from 126.7 million in the 2011 fiscal year to 133.4 million in the 2012 fiscal year. The rate of increase in revenues from all ancillary revenue categories exceeded the increase in overall passengers booked.

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The following table sets forth the components of ancillary revenues earned by Ryanair and each component expressed as a percentage of total ancillary revenues for each of the periods indicated:

	Fiscal Year ended March 31,			
	2012		2011	
	(in millions of euro, except percentage data)			
Non-flight Scheduled	645.6	72.9%	574.2	71.6%
In-flight Sales	107.2	12.1%	100.7	12.6%
Internet-related	133.4	15.0%	126.7	15.8%
Total	886.2	100.0%	801.6	100.0%

Operating expenses. As a percentage of total revenues, Ryanair s operating expenses decreased from 86.5% in the 2011 fiscal year to 84.5% in the 2012 fiscal year, as total revenues increased by 21.0%, faster than the 18.0% increase in operating expenses. In absolute terms, total operating expenses increased 18.0%, from 3,141.3 million in the 2011 fiscal year to 3,707.0 million in the 2012 fiscal year, principally as a result of a 29.9% increase in fuel costs from 1,227.0 million in the 2011 fiscal year to 1,593.6 million in the 2012 fiscal year. Staff costs, depreciation and amortization, maintenance expenses, aircraft rental expenses, route charges, airport handling charges and marketing, distribution and other costs decreased as a percentage of total revenues, while fuel and oil increased. Total operating expenses per passenger increased by 12.2%, with the increase reflecting, principally, the increase in passenger numbers during the 2012 fiscal year and the impact of the higher fuel costs.

The Company s decision to ground aircraft did not have a material impact on the results of the Company for the year ended March 31, 2012 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, due to significantly higher fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant staff can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair s operating expenses per passenger for the fiscal years ended March 31, 2012 and March 31, 2011 under IFRS. These data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of ASMs in the relevant year as shown in the table of Selected Operating and Other Data in Item 3 and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

	Fiscal Year Ended March 31, 2012	Fiscal Year Ended March 31, 2011	% Change
Staff costs	5.47	5.22	4.9%
Depreciation	4.08	3.85	5.8%
Fuel and oil	21.02	17.03	23.5%
Maintenance, materials and repairs	1.37	1.30	5.3%
Aircraft rentals	1.20	1.35	(11.3)%
Route charges	6.08	5.70	6.6%
Airport and handling charges	7.31	6.82	7.1%
Marketing, distribution and other	2.37	2.32	2.5%
Total operating expenses	48.90	43.59	12.2%

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Staff costs. Ryanair s staff costs, which consist primarily of salaries, wages and benefits, increased 4.9% on a per-passenger basis, while in absolute terms, these costs increased 10.3%, from 376.1 million in the 2011 fiscal year (which included 4.6 million in relation to volcanic ash expenses) to 415.0 million in the 2012 fiscal year. The increase in absolute terms was primarily attributable to a 10.5% increase in hours flown and a Company-wide pay increase of 2% granted in April 2011, partially offset by a 2.5 million reversal of previously recognized share-based payment compensation expense for awards that did not vest.

Depreciation and amortization. Ryanair s depreciation and amortization per passenger increased by 5.8%, while in absolute terms these costs increased 11.3% from 277.7 million in the 2011 fiscal year, to 309.2 million in the 2012 fiscal year. The increase was primarily attributable to the addition of 14 owned aircraft to the fleet during the 2012 fiscal year. See Critical Accounting Policies Long-lived Assets above.

Fuel and oil. Ryanair s fuel and oil costs per passenger increased by 23.5%, while in absolute terms, these costs increased by 29.9% from 1,227.0 million in the 2011 fiscal year to 1,593.6 million in the 2012 fiscal year, in each case after giving effect to the Company s fuel hedging activities. The 29.9% increase reflected an 18.2% increase in average fuel prices paid, the impact of a 10.5% increase in the number of hours flown and a 6.1% increase in the average sector length. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, and aircraft de-icing costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) increased 18.2% from 1.76 per U.S. gallon in the 2011 fiscal year to 2.08 per U.S. gallon in the 2012 fiscal year, in each case after giving effect to the Company s fuel hedging activities.

Maintenance, materials and repairs. Ryanair s maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance and the overhaul of spare parts, increased 5.3% on a per-passenger basis, while in absolute terms these expenses increased by 10.8% from 93.9 million in the 2011 fiscal year to 104.0 million in the 2012 fiscal year. The increase in absolute terms during the fiscal year reflected the additional costs arising from increased level of activity and the opening of new bases.

Aircraft rentals. Aircraft rental expenses amounted to 90.7 million in the 2012 fiscal year, a 6.7% decrease from the 97.2 million reported in the 2011 fiscal year, reflecting the lower lease costs on newer aircraft and the handback of 3 aircraft due to the maturity of leases.

Route charges and airport and handling charges. Ryanair s route charges per passenger increased 6.6% in the 2012 fiscal year, while airport and handling charges per passenger increased 7.1%. In absolute terms, route charges increased 12.2%, from 410.6 million in the 2011 fiscal year to 460.5 million in the 2012 fiscal year, primarily as a result of the 5.8% increase in sectors flown. In absolute terms, airport and handling charges increased 12.6%, from 491.8 million in the 2011 fiscal year, to 554.0 million in the 2012 fiscal year, reflecting the overall growth in passenger volumes and higher charges at Dublin and Stansted airports, partially offset by lower average costs at Ryanair s newer airports and bases.

Marketing, distribution and other expenses. Ryanair s marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, increased 2.5% on a per-passenger basis in the 2012 fiscal year, while in absolute terms, these costs increased 7.8%, from 167.0 million in the 2011 fiscal year to 180.0 million in the 2012 fiscal year, with the overall increase primarily reflecting the higher level of activity and increased onboard product costs reflecting the higher level of sales.

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Operating profit. As a result of the factors outlined above, operating profit increased 33.0% on a per-passenger basis in the 2012 fiscal year, and also increased in absolute terms, from 488.2 million in the 2011 fiscal year to 683.2 million in the 2012 fiscal year. See Item 3. Key Information Risk Factors Ryanair Has Decided to Seasonally Ground Aircraft. The Company s decision to ground aircraft did not have a material impact on the results of the Company for the year ended March 31, 2012 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft, would have been lower than the operating costs associated with operating these aircraft, due to significantly higher fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant staff can be furloughed under the terms of their contract without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

Finance income. Ryanair s interest and similar income increased 62.5%, from 27.2 million in the 2011 fiscal year to 44.3 million in the 2012 fiscal year reflecting the improved yield on term deposits.

Finance expense. Ryanair s interest and similar charges increased 16.3%, from 93.9 million in the 2011 fiscal year to 109.2 million in the 2012 fiscal year, primarily due to higher interest rates in the 2012 fiscal year compared to the 2011 fiscal year. These costs are expected to increase as Ryanair further expands its fleet.

Foreign exchange gains/losses. Ryanair recorded foreign exchange gains of 4.3 million in the 2012 fiscal year, as compared with foreign exchange losses of 0.6 million in the 2011 fiscal year, with the different result being primarily due to the weakening of the euro against the U.K. pound sterling during the 2012 fiscal year.

Taxation. The effective tax rate for the 2012 fiscal year was 11.5%, as compared to an effective tax rate of 11.0% in the 2011 fiscal year. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax provision of 72.6 million in the 2012 fiscal year, compared with a tax provision of 46.3 million in the 2011 fiscal year, with the increase primarily reflecting higher pre-tax profits. The determination regarding the recoverability of the deferred tax asset was based on future income forecasts, which demonstrated that it was more likely than not that future profits would be available in order to utilize the deferred tax asset. A deferred tax asset s recoverability is not dependent on material improvements over historical levels of pre-tax income, material changes in the present relationship between income reported for financial and tax purposes, or material asset sales or other non-routine transactions.

SEASONAL FLUCTUATIONS

The Company s results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. Among the factors causing these variations are the airline industry s sensitivity to general economic conditions and the seasonal nature of air travel. Ryanair typically records higher revenues and income in the first half of each fiscal year ended March 31 than the second half of such year.

RECENTLY ISSUED ACCOUNTING STANDARDS

Please see Note 1 to the consolidated financial statements included in Item 18 for information on recently issued accounting standards that are material to the Company.

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LIQUIDITY AND CAPITAL RESOURCES

Liquidity. The Company finances its working capital requirements through a combination of cash generated from operations and bank loans for the acquisition of aircraft. See Item 3. Key Information Risk Factors Risks Related to the Company The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets could Negatively Impact Ryanair s Ability to Obtain Financing on Acceptable Terms for more information about risks relating to liquidity and capital resources. The Company had cash and liquid resources at March 31, 2013 and 2012 of 3,559.0 million and 3,515.6 million, respectively. The increase at March 31, 2013 primarily reflects cash generated from operating activities of 1,023.5 million offset in part by the cash used to fund the payment of a 491.5 million dividend and the purchase of property, plant, and equipment primarily 11 new Boeing 737-800 aircraft, as well as the purchase of 15.0 million Ordinary Shares via a share buy-back costing 67.5 million. During the 2013 fiscal year, the Company partially funded its 310.7 million in purchases of property, plant, and equipment out of 234.6 million in loans. Cash and liquid resources included 24.7 million and 35.1 million in restricted cash held on deposit as collateral for certain derivative financial instruments entered into by the Company with respect to its aircraft financing obligations and other banking arrangements at March 31, 2013 and 2012, respectively. See Item 8. Financial Information Other Financial Information Legal Proceedings.

The Company s net cash inflows from operating activities in the 2013 and 2012 fiscal years amounted to 1,023.5 million and 1,020.3 million, respectively. The 3.2 million increase in net cash flows from operating activities for fiscal year 2013 compared to fiscal 2012 was principally due to a number of factors including a 493.8 million increase in operating revenues, due to a combination of a 4.3% increase in average fares, a 4.5% increase in booked passengers and a 20.1% increase in ancillary revenues, partially offset by a 291.0 million, or 18.3%, increase in fuel and oil costs, due to the increase in the level of activity and increases in the average price of fuel, and a 146.4 million, or 8.1%, increase in non-fuel related operating expenses (excluding a 20.4 million, or 6.6%, increase in non-cash depreciation) due to the growth of the business. In addition, movements in working capital, related principally to cash received in advance for flights, and receipt of other receivables and increases in other payables balances, generated 67.4 million in cash in 2013, compared with 101.8 million in 2012. This decrease in net cash generated from working capital of 34.4 million, or approximately 34%, is primarily due to the timing of Easter, which led to lower future fly revenues at year end.

During the last two fiscal years, Ryanair s primary cash requirements have been for operating expenses, additional aircraft, including advance payments in respect of new Boeing 737-800s and related flight equipment, payments on related indebtedness and payments of corporation tax, as well as share buy-backs of 192.1 million and the payment of a 491.5 million special dividend to shareholders. Cash generated from operations has been the principal source for these cash requirements, supplemented primarily by aircraft-related bank loans

The Company s net cash inflows from operating activities in the 2012 and 2011 fiscal years amounted to 1,020.3 million and 786.3 million, respectively. The 234.0 million, or 29%, increase in net cash flows from operating activities for fiscal year 2012 compared to fiscal 2011 was principally due to a number of factors including a 760.7 million increase in operating revenues, due to a combination of a 15.6% increase in average fares, a 5.2% increase in booked passengers and a 10.6% increase in ancillary revenues, partially offset by a 366.6 million, or 29.9%, increase in fuel and oil costs, due to the increase in the level of activity and increases in the average price of fuel, and a 167.6 million, or 10.2%, increase in non-fuel related operating expenses (excluding a 31.5 million, or 11.3%, increase in non-cash depreciation) due to the growth of the business. In addition, movements in working capital, related principally to cash received in advance for flights, and receipt of other receivables and increases in other payables balances, generated 101.8 million in cash in 2012, compared with 86.5 million in 2011. This increase in net cash generated from working capital of 15.3 million, or 17.7%, primarily related to an increase in cash receipts from advance bookings.

The Company s net cash used in investing activities in fiscal years 2013 and 2012 totaled 1,821.5 million and 185.4 million, respectively, primarily reflecting the Company s capital expenditures, and increased investment of cash with maturities of greater than three months, as described in more detail below.

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The Company s net cash used in investing activities in fiscal years 2012 and 2011 totaled 185.4 million and 474.0 million, respectively, primarily reflecting the Company s capital expenditures, and decreased investment of cash with maturities of greater than three months.

Net cash used in financing activities totaled 669.4 million in the 2013 fiscal year, largely reflecting the receipt of proceeds from long-term borrowings of 234.6 million in fiscal year 2013 and shares issued of 21.4 million, offset in part by repayments of long-term borrowings of 366.4 million, the payment of a 491.5 million dividend and shares purchased under a share buy-back program of 67.5 million. The Company experienced a net cash outflow from financing activities of 154.9 million in fiscal year 2012. This was due to the receipt of proceeds from long term borrowings of 292.3 million being more than offset by repayments of long-term borrowings of 329.7 million and the expenditure of 124.6 million under the share buy-back program.

The Company s net cash provided by financing activities totaled 238.1 million in the 2011 fiscal year, largely reflecting the receipt of proceeds from long-term borrowings of 991.4 million in fiscal year 2011, offset in part by repayments of long-term borrowings of 280.7 million.

Capital Expenditures. The Company s net cash outflows for capital expenditures in fiscal years 2013 and 2012 were 310.7 million and 290.4 million, respectively. Ryanair has funded a significant portion of its acquisition of new Boeing 737-800 aircraft and related equipment through borrowings under facilities provided by international financial institutions on the basis of guarantees issued by the Export-Import Bank of the United States (Ex-Im Bank). At March 31, 2013, Ryanair had a fleet of 305 Boeing 737-800 aircraft, the majority of which (210 aircraft) were funded by Ex-Im Bank-guaranteed financing. Other sources of on-balance-sheet aircraft financing utilized by Ryanair are Japanese Operating Leases with Call Options (JOLCOs), which are treated as finance leases (30 of the aircraft in the fleet as of March 31, 2013) and commercial debt financing (6 of the aircraft in the fleet as of March 31, 2013). Of Ryanair s total fleet of 305 Boeing 737-800 aircraft at March 31, 2013 there were 59 aircraft which were financed through operating lease arrangements. Of the 15 new Boeing 737-800 aircraft which Ryanair took delivery of between April 1, 2012 and March 31, 2013, four were financed through sale-and-leaseback financings and the remainder through Ex-Im Bank guaranteed-financing. Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Management believes that the working capital available to the Company is sufficient for its present requirements and will be sufficient to meet its anticipated requirements for capital expenditures and other cash requirements for the 2014 fiscal year.

The Company s net cash outflows for capital expenditures in fiscal years 2012 and 2011 were 290.4 million and 897.2 million, respectively. Of the 25 new Boeing 737-800 aircraft which Ryanair took delivery of between April 1, 2011 and March 31, 2012, 11 were financed through sale-and-leaseback financings and the remainder through Ex-Im Bank guaranteed-financing.

The following table sets forth the dates on which and the number of aircraft that will be delivered to the Company pursuant to the 2013 Boeing Contract:

Fiscal Year End	Mar 31, 2013	Mar 31, 2014	Mar 31, 2015	Mar 31, 2016	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Summary
Opening Fleet	294	305	290	298	328	354	386	**294**
Aircraft delivered	11	0	11	35	50	50	29	**186**
Planned returns or disposals		(15)	(3)	(5)	(24)	(18)	(5)	**(70)**
Closing Fleet	**305**	**290**	**298**	**328**	**354**	**386**	**410**	**410**

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Capital Resources. Ryanair s long-term debt (including current maturities) totaled 3,498.3 million at March 31, 2013 and 3,625.2 million at March 31, 2012, with the change being primarily attributable to financing of new aircraft and repayment of existing debt facilities. Please see the table Obligations Due by Period below for more information on Ryanair s long-term debt (including current maturities) and finance leases as of March 31, 2013. See also Note 11 to the consolidated financial statements included in Item 18 for further information on the maturity profile of the interest rate structure and other information on, the Company s borrowings.

The Company s purchase of the 15 Boeing 737-800 aircraft delivered in the 2013 fiscal year has been funded by a combination of financing solutions, including bank loans supported by Ex-Im Bank guarantees (eleven aircraft) and sale-and-leaseback financings (four aircraft). At March 31, 2013, the majority of the aircraft in Ryanair s fleet had been financed through loan facilities with various financial institutions active in the structured export finance sector and supported by a loan guarantee from Ex-Im Bank. Each of these facilities takes essentially the same form and is based on the documentation developed by Ryanair and Ex-Im Bank, which follows standard market forms for this type of financing. In November 2010, Ryanair financed seven aircraft through a U.S. dollar-denominated Ex-Im Bank Capital Markets Product (Eximbond). The Eximbond has essentially the same characteristics as all previous Ex-Im Bank guaranteed financings with no additional obligations on Ryanair. On the basis of an Ex-Im Bank guarantee with regard to the financing of up to 85% of the eligible U.S. and foreign content represented in the net purchase price of the relevant aircraft, the financial institution investor enters into a commitment letter with the Company to provide financing for a specified number of aircraft benefiting from such guarantee; loans are then drawn down as the aircraft are delivered and payments to Boeing become due. Each of the loans under the facilities are on substantially similar terms, having a maturity of 12 years from the drawdown date and being secured by a first priority mortgage in favor of a security trustee on behalf of Ex-Im Bank.

Through the use of interest rate swaps or cross currency interest rate swaps, Ryanair has effectively converted a portion of its floating-rate debt under its financing facilities into fixed-rate debt. Approximately 34% of the loans for the aircraft acquired under the above facilities are not covered by such swaps and have therefore remained at floating rates linked to EURIBOR, with the interest rate exposure from these loans largely hedged by placing a similar amount of cash on deposit at floating interest rates. The net result is that Ryanair has effectively swapped or drawn down fixed-rate euro-denominated debt with maturities between seven and twelve years in respect of approximately 66% of its outstanding debt financing at March 31, 2013 and of this total approximately 49% of this debt has been partially swapped, with the relevant swaps covering the first seven years of the twelve-year amortizing period.

The table below illustrates the effect of swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair s total outstanding debt at March 31, 2013. See Item 11. Quantitative and Qualitative Disclosures About Market Risk Interest Rate Exposure and Hedging for additional details on the Company s hedging transactions.

At March 31, 2013	**EUR Fixed**	**EUR Floating**
	(in millions of euro)	
Borrowing profile before swap transactions	1,025.3	2,473.0
Interest rate swaps Debt swapped from floating to fixed	1,293.3	(1.293.3)
Borrowing profile after swap transactions	2,318.6	1,179.7

The weighted-average interest rate on the cumulative borrowings under these facilities of 3,498.3 million at March 31, 2013 was 2.5%. Ryanair s ability to obtain additional loans pursuant to each of the facilities to finance the price of future Boeing 737-800 aircraft purchases is subject to the issuance of further bank commitments and the satisfaction of various contractual conditions. These conditions include, among other things, the execution of satisfactory documentation, the requirement that Ryanair perform all of its obligations under the Boeing agreements and provide satisfactory security interests in the aircraft (and related assets) in favor of the lenders and Ex-Im Bank, and that Ryanair not suffer a material adverse change in its conditions or prospects (financial or otherwise).

As part of its Ex-Im Bank guarantee-based financing of the Boeing 737-800s, Ryanair has entered into certain lease agreements and related arrangements. Pursuant to these arrangements, legal title to the 210 aircraft delivered and remaining in the fleet as of March 31, 2013 rests with a number of United States special purpose vehicles (the SPVs) in which Ryanair has no equity or other interest. The SPVs are the borrowers of record under the loans made or to be made under the facilities, with all of their obligations under the loans being guaranteed by Ryanair Holdings.

The shares of the SPVs (which are owned by an unrelated charitable association) are in turn pledged to a security trustee in favor of Ex-Im Bank and the lenders. Ryanair operates each of the aircraft pursuant to a finance lease it has entered into with the SPVs, the terms of which mirror those of the relevant loans under the facilities. Ryanair has the right to purchase the aircraft upon termination of the lease for a nominal amount. Pursuant to this arrangement, Ryanair is considered to own the aircraft for accounting purposes under IFRS. Ryanair does not use special purpose entities for off-balance sheet financing or any other purpose which results in assets or liabilities not being reflected in Ryanair s consolidated financial statements.

Ryanair has a track record in securing finance for similar sized aircraft purchases. The 1998, 2002, 2003 and 2005 Boeing Contracts totaling 348 aircraft were financed with approximately 66% US Ex-Im Bank loan guarantees and capital markets (with 85% loan to value) financing, 24% through sale and operating leaseback financing, and 10% through Japanese operating leases with call options (JOLCOs). See Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources.

Under the new Aviation Sector Understanding which came into effect from January 1, 2013, the fees payable to Ex-Im Bank for the provision of loan guarantees have significantly increased, thereby making it more expensive than more traditional forms of financing. As a result, Ryanair intends to finance the new aircraft obtained under the 2013 Boeing Contract through a combination of internally generated cash flows, debt financing from commercial banks, debt financing through the capital markets in a secured and unsecured manner, commercial debt through JOLCOs and sale and operating leasebacks. These forms of financing are generally accepted in the aviation industry and are currently widely available for companies who have the credit quality of Ryanair. Ryanair may periodically use Ex-Im Bank loan guarantees when appropriate. Ryanair intends to finance pre-delivery payments (Aircraft Deposits) to Boeing in respect of the New Aircraft via internally generated cash flows similar to all previous Aircraft Deposit payments.

Using the debt capital markets to finance the 2013 Boeing Contract may require the Company to obtain a credit rating or potentially to obtain a credit rating for specific debt transactions, for example using an Enhanced Equipment Trust Certificate (EETC), a structured product that is widely used in the US to finance aircraft deliveries. The requirement for a credit rating depends amongst other things on whether Ryanair finances the aircraft via secured funding or through general corporate purposes.

At March 31, 2013, Ryanair had 59 operating lease aircraft in the fleet. As a result, Ryanair operates, but does not own, these aircraft, which were leased to provide flexibility for the aircraft delivery program. Ryanair has no right or obligation to acquire these aircraft at the end of the relevant lease terms. 30 leases are denominated in euro and require Ryanair to make fixed rental payments over the term of the lease. The remaining 29 operating leases are U.S. dollar-denominated and require Ryanair to make fixed rental payments. The Company has an option to extend the initial period of seven years on 41 of the 59 remaining operating lease aircraft as of March 31, 2013, on pre-determined terms. 15 operating lease arrangements will mature during the year ended March 31, 2014. In April 2013, the Company decided not to extend two leases that were maturing and handed these aircraft back to the lessor. In addition to the above, the Company financed 30 of the Boeing 737-800 aircraft delivered between March 2005 and March 2013 with 13-year euro-denominated JOLCOs. These structures are accounted for as finance leases and are initially recorded at fair value in the Company s balance sheet. Under each of these contracts, Ryanair has a call option to purchase the aircraft at a pre-determined price after a period of 10.5 years, which it may exercise. Six aircraft have been financed through euro-denominated 12-year amortizing commercial debt transactions.

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Since, under each of the Company s operating leases, the Company has a commitment to maintain the relevant aircraft, an accounting provision is made during the lease term for this obligation based on estimated future costs of major airframe and certain engine maintenance checks by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the year. Under IFRS, the accounting treatment for these costs with respect to leased aircraft differs from that for aircraft owned by the Company, for which such costs are capitalized and amortized.

Contractual Obligations. The table below sets forth the contractual obligations and commercial commitments of the Company with definitive payment terms, which will require significant cash outlays in the future, as of March 31, 2013. These obligations primarily relate to Ryanair s aircraft purchase and related financing obligations, which are described in more detail above. For additional information on the Company s contractual obligations and commercial commitments, see Note 23 to the consolidated financial statements included in Item 18.

The amounts listed under Finance Lease Obligations reflect the Company s obligations under its JOLCOs. See Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources.

The amounts listed under Purchase Obligations in the table reflect obligations for aircraft purchases and are calculated by multiplying the number of aircraft the Company is obligated to purchase under its current agreements with Boeing during the relevant period by the Basic Price for each aircraft pursuant to the relevant contract, with the dollar-denominated Basic Price being converted into euro at an exchange rate of $1.2805= 1.00 (based on the European Central Bank Rate on March 31, 2013). The relevant amounts therefore exclude the effect of the price concessions granted to Ryanair by Boeing and CFM, as well as any application of the Escalation Factor described below. As a result, Ryanair s actual expenditures for aircraft during the relevant periods will be lower than the amounts listed under Purchase Obligations in the table.

With respect to purchase obligations under the terms of the 2013 Boeing contract, the Company was required to pay Boeing 1% of the Basic Price of each of the 175 firm-order Boeing 737-800 aircraft at the time the contract was signed in April 2013 (such deposit being fully refundable if the Company had not received the shareholder approval it received at an extraordinary general meeting on June 18, 2013), and will be required to make periodic advance payments of the purchase price for each aircraft it has agreed to purchase during the course of the two-year period preceding the delivery of each aircraft. As a result of these required advance payments, the Company will have paid up to 30% of the Basic Price of each aircraft prior to its delivery (including the addition of an estimated Escalation Factor but before deduction of any credit memoranda and other concessions); the balance of the net price is due at the time of delivery. Similar terms applied under the 2005 Boeing contract, with the first payment due when the contract was signed in February 2005.

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The amounts listed under Operating Lease Obligations reflect the Company s obligations under its aircraft operating lease arrangements.

Obligations Due by Period

Contractual Obligations	Total	Less than 1 year	1-2 years	2-5 years	After 5 years
			(in millions of euro)		
Long-term Debt (a)	2,735.7	346.1	354.9	972.2	1,062.5
Finance Lease Obligations	762.6	53.4	55.8	290.4	363.0
Purchase Obligations (b)	10,726.8		674.2	8,275.0	1,777.6
Operating Lease Obligations	544.1	107.2	101.8	240.6	94.5
Future Interest Payments (c)	277.8	68.1	56.9	101.7	51.1
Total Contractual Obligations	15,047.0	574.8	1,243.6	9,879.9	3,348.7

(a) For additional information on Ryanair s long-term debt obligations, see Note 11 to the consolidated financial statements included in Item 18.
(b) These are noted at a non-discounted list price.
(c) In determining an appropriate methodology to estimate future interest payments we have applied either the applicable fixed rate or currently applicable variable rate where appropriate. These interest rates are subject to change and amounts actually due may be higher or lower than noted in the table above.

OFF-BALANCE SHEET TRANSACTIONS

Ryanair uses certain off-balance sheet arrangements in the ordinary course of business, including financial guarantees and operating lease commitments. Details of each of these arrangements that have or are reasonably likely to have a current or future material effect on the Company s financial condition, results of operations, liquidity or capital resources are discussed below.

Operating Lease Commitments. The Company has entered into a number of sale-and-leaseback transactions in connection with the financing of a number of aircraft in its fleet. See Liquidity and Capital Resources Capital Resources above for additional information on these transactions.

Guarantees. Ryanair Holdings has provided an aggregate of 5,973.6 million in letters of guarantee to secure obligations of certain of its subsidiaries in respect of loans and bank advances, including those relating to aircraft financing and related hedging transactions. This amount excludes guarantees given in relation to the 2013 Boeing Contract which total approximately $14.2 billion at list prices, and only became effective following Ryanair Holdings shareholder approval at an EGM on June 18, 2013.

TREND INFORMATION

For information concerning the principal trends and uncertainties affecting the Company s results of operations and financial condition, see Item 3. Key Information Risk Factors, Item 5. Operating and Financial Review and Prospects Business Overview, Results of Operations, Liquidity Capital Resources and Item 4. Information on the Company Strategy Responding to Current Challenges above.

INFLATION

Inflation did not have a significant effect on the Company s results of operations and financial condition during the three fiscal years ended March 31, 2013.

Item 6. ***Directors, Senior Management and Employees***

Ryanair Holdings was established in 1996 as a holding company for Ryanair. The management of Ryanair Holdings and Ryanair are integrated, with the two companies having the same directors and executive officers.

DIRECTORS

The following table sets forth certain information concerning the directors of Ryanair Holdings and Ryanair as of July 26, 2013:

Name	Age	Positions
David Bonderman (a)(b)	70	Chairman of the Board and Director
Michael Horgan (d)	76	Director
Charles McCreevy (c)	63	Director
Declan McKeon (c)	62	Director
Kyran McLaughlin (a)(b)	69	Director
Dick Milliken	62	Director
Michael O Leary (a)(b)(f)	52	Director and Chief Executive Officer
Julie O Neill (e)	58	Director
James Osborne (a)(c)(e)	64	Director
Louise Phelan (e)	46	Director

(a) Member of the Executive Committee.
(b) Member of the Nomination Committee.
(c) Member of the Audit Committee.
(d) Member of the Air Safety Committee.
(e) Member of the Remuneration Committee.
(f) Mr. O Leary is also the chief executive officer of Ryanair Holdings and Ryanair. None of the other directors are executive officers of Ryanair Holdings or Ryanair.

David Bonderman (Chairman). David Bonderman has served as a director since August 1996 and has served as the chairman of the Board of Directors since December 1996. In 1992, Mr. Bonderman co-founded TPG (formerly known as Texas Pacific Group), a private equity investment firm. He currently serves as an officer and director of the general partner and manager of TPG. Mr. Bonderman is also an officer, director and shareholder of 1996 Air G.P. Inc., which owns shares of Ryanair. He also serves on the boards of directors of the following public companies: CoStar Group, Inc. and General Motors Company and is a U.S. citizen.

Michael Horgan (Director). Michael Horgan has served as a director since January 2001. A former Chief Pilot of Aer Lingus, he has acted as a consultant to a number of international airlines, civil aviation authorities, the European Commission and the European Bank for Reconstruction and Development. Mr. Horgan is the Chairman of the Company s Air Safety Committee and is an Irish citizen.

Charles McCreevy (Director). Charles McCreevy has served as a director since May 2010. Mr. McCreevy has previously served as EU Commissioner for Internal Markets and Services (2004-2010) and has held positions in several Irish Government Ministerial Offices, including Minister for Finance (1997-2004), Minister for Tourism & Trade (1993-1994) and Minister for Social Welfare (1992-1993) and is an Irish citizen.

Declan McKeon (Director). Declan McKeon has served as a director since May 2010. Mr. McKeon is a former audit partner of PricewaterhouseCoopers and continues to act as a consultant to PricewaterhouseCoopers. He is currently a director, chairman of the audit committee, and a member of the compensation committee of Icon plc and is an Irish citizen.

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Kyran McLaughlin (Director). Kyran McLaughlin has served as a director since January 2001, and is also Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Mr. McLaughlin also advised Ryanair during its initial flotation on the Dublin and NASDAQ stock markets in 1997. Mr. McLaughlin serves on the Board of Directors of Elan Corporation plc, and he also serves as a director of a number of other Irish private companies and is an Irish citizen.

R.A. (Dick) Milliken (Director). Dick Milliken has served as a director of Ryanair since July 2013. Mr. Milliken is a former CFO of the Almac Group and CEO Lamont plc. A qualified Chartered Accountant, Mr. Milliken serves as a director of Bank of Ireland Mortgage Bank, NI Science Park Foundation and a number of private companies. Mr. Milliken is a graduate of Queens University Belfast, a Fellow of the Institute of Chartered Accountants in Ireland and former Council member and is a British citizen.

Michael O Leary (Executive Director). Michael O Leary has served as a director of Ryanair since 1988 and a director of Ryanair Holdings since July 1996. Mr. O Leary was appointed chief executive officer of Ryanair in 1994 and is an Irish citizen.

Julie O Neill (Director). Julie O Neill has served as a director of Ryanair since December 2012. Ms. O Neill served as Secretary General of the Department of Transport, Ireland from 2002 to 2009 and, in a career that spanned 37 years in the Irish public service, worked in strategic policy development and implementation in eight Government Departments. She is now an independent strategic management consultant and serves as a director of the Sustainable Energy Authority of Ireland and the Irish Museum of Modern Art. She also chairs the audit committee of Trinity College Dublin and is an Irish citizen.

James Osborne (Director). James Osborne has served as a director of Ryanair Holdings since August 1996, and has been a director of Ryanair since April 1995. Mr. Osborne is a former managing partner of A & L Goodbody Solicitors. He is also a former Chairman of Independent News and Media plc and a director of James Hardie Industries NV. He also serves as a director of a number of Irish private companies and is an Irish citizen.

Louise Phelan (Director). Louise Phelan has served as a director of Ryanair since December 2012. Ms. Phelan is currently serving as VP for PayPal Global Operations Europe Middle East and Africa leading 1,800 people in Dublin, Dundalk and Berlin. Louise has been part of PayPal since 2006 and prior to this she was a member of the Senior Management team for GE Money, a division of General Electric (GE), which specialises in small ticket lending for a client base comprising both consumers and commercial customers. Louise is also a member of the Board of the American Chamber of Commerce and a member of the Dublin Chamber of Commerce, CCMA Ireland, the Women s Executive Network (WXN) and the International Women s Forum and is an Irish citizen.

The Board of Directors has established a number of committees, including the following:

Executive Committee. The Board of Directors established the Executive Committee in August 1996. The Executive Committee can exercise the powers exercisable by the full Board of Directors in circumstances in which action by the Board of Directors is required but it is impracticable to convene a meeting of the full Board of Directors. Messrs. Bonderman, McLaughlin, O Leary and Osborne are the members of the Executive Committee.

Remuneration Committee. The Board of Directors established the Remuneration Committee in September 1996. This committee has authority to determine the remuneration of senior executives of the Company and to administer the stock option plans described below. The Board of Directors as a whole determines the remuneration and bonuses of the chief executive officer, who is the only executive director. Mr. Osborne, Ms. O Neill and Ms. Phelan are the members of the Remuneration Committee.

Audit Committee. The Board of Directors established the Audit Committee in September 1996 to make recommendations concerning the engagement of independent chartered accountants; to review with the accountants the plans for and scope of each annual audit, the audit procedures to be utilized and the results of the audit; to approve the professional services provided by the accountants; to review the independence of the accountants; and to review the adequacy and effectiveness of the Company s internal accounting controls. Messrs. McKeon, Osborne and McCreevy are the members of the Audit Committee. In accordance with the recommendations of the Irish Combined Code of Corporate Governance (the Combined Code), a senior independent non-executive director, Mr. McKeon, is the chairman of the Audit Committee. All members of the Audit Committee are independent for purposes of the listing rules of the NASDAQ and the U.S. federal securities laws.

Nomination Committee. The Board of Directors established the Nomination Committee in May 1999 to make recommendations and proposals to the full Board of Directors concerning the selection of individuals to serve as executive and non-executive directors. The Board of Directors as a whole then makes appropriate determinations regarding such matters after considering such recommendations and proposals. Messrs. Bonderman, McLaughlin and O Leary are the members of the Nomination Committee.

Air Safety Committee. The Board of Directors established the Air Safety Committee in March 1997 to review and discuss air safety and related issues. The Air Safety Committee reports to the full Board of Directors each quarter. The Air Safety Committee is composed of Mr. Horgan (who acts as the chairman), as well as the following executive officers of Ryanair: Messrs. Conway, Hickey, O Brien and Wilson.

Powers of, and Action by, the Board of Directors

The Board of Directors is empowered by the Articles to carry on the business of Ryanair Holdings, subject to the Articles, provisions of general law and the right of stockholders to give directions to the directors by way of ordinary resolutions. Every director who is present at a meeting of the Board of Directors of Ryanair Holdings has one vote. In the case of a tie on a vote, the chairman of the Board of Directors has a second or tie-breaking vote. A director may designate an alternate director to attend any Board of Directors meeting, and such alternate director shall have all the rights of a director at such meeting.

The quorum for a meeting of the Board of Directors, unless another number is fixed by the directors, consists of three directors, a majority of whom must be EU nationals. The Articles require the vote of a majority of the directors (or alternates) present at a duly convened meeting for the approval of any action by the Board of Directors.

Composition and Term of Office

The Articles provide that the Board of Directors shall consist of no fewer than three and no more than 15 directors, unless otherwise determined by the stockholders. There is no maximum age for a director and no director is required to own any shares of Ryanair Holdings.

Directors are elected (or have their appointments confirmed) at the annual general meetings of stockholders. Save in certain circumstances, at every annual general meeting, one-third (rounded down to the next whole number if it is a fractional number) of the directors (being the directors who have been longest in office) must stand for re-election as their terms expire. Accordingly the terms of Charles McCreevy and Declan McKeon will have expired and they will be eligible to offer themselves for re-election at the next annual general meeting of Ryanair. In addition, Julie O Neill and Louise Phelan, who were newly appointed to the board on December 13, 2012, and Dick Milliken, who was appointed to the Board on July 26, 2013, will also offer themselves for re-appointment at the next annual general meeting, which is scheduled to be held on September 20, 2013.

Exemptions from NASDAQ Corporate Governance Rules

The Company relies on certain exemptions from the NASDAQ corporate governance rules. These exemptions, and the practices the Company adheres to, are as follows:

The Company is exempt from NASDAQ s quorum requirements applicable to meetings of shareholders, which require a minimum quorum of 33% for any meeting of the holders of common stock, which in the Company s case are its Ordinary Shares. In keeping with Irish generally accepted business practice, the Articles provide for a quorum for general meetings of shareholders of three shareholders, regardless of the level of their aggregate share ownership.

The Company is exempt from NASDAQ s requirement with respect to audit committee approval of related-party transactions, as well as its requirement that shareholders approve certain stock or asset purchases when a director, officer or substantial shareholder has an interest. The Company is subject to extensive provisions under the Listing Rules of the Irish Stock Exchange (the Irish Listing Rules) governing transactions with related parties, as defined therein, and the Irish Companies Act also restricts the extent to which Irish companies may enter into related-party transactions. In addition, the Articles contain provisions regarding disclosure of interests by the directors and restrictions on their votes in circumstances involving conflicts of interest. The concept of a related party for purposes of NASDAQ s audit committee and shareholder approval rules differs in certain respects from the definition of a transaction with a related party under the Irish Listing Rules.

NASDAQ requires shareholder approval for certain transactions involving the sale or issuance by a listed company of common stock other than in a public offering. Under the NASDAQ rules, whether shareholder approval is required for such transactions depends, among other things, on the number of shares to be issued or sold in connection with a transaction, while the Irish Listing Rules require shareholder approval when the size of a transaction exceeds a certain percentage of the size of the listed company undertaking the transaction.

NASDAQ requires that each issuer solicit proxies and provide proxy statements for all meetings of shareholders and provide copies of such proxy solicitation to NASDAQ. The Company is exempt from this requirement as the solicitation of holders of ADSs is not required under the Irish Listing Rules or the Irish Companies Acts. Details of our annual general meetings and other shareholder meetings, together with the requirements for admission, voting or the appointment of a proxy are available on the website of the Company in accordance with the Irish Companies Acts and the Company s Articles of Association. ADS holders may provide instructions to The Bank of New York, as depositary, as to the voting of the underlying Ordinary Shares represented by such ADSs. Alternatively, ADS holders may convert their holding to Ordinary Shares, subject to compliance with the nationality ownership rules, in order to be eligible to attend our annual general meetings or other shareholder meetings.

NASDAQ requires that all members of a listed company s Nominating Committee be independent directors, unless the Company, as a foreign private issuer, provides an attestation of non-conforming practice based upon home country practice and then discloses such non-conforming practice annually in its Form 20-F. As permitted by the Irish Listing Rules, Michael O Leary, the Company s Chief Executive Officer, serves as a member of the Company s Nominating Committee.

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The Company also follows certain other practices under the UK Corporate Governance Code in lieu of those set forth in the NASDAQ corporate governance rules, as expressly permitted thereby. Most significantly:

Independence. NASDAQ requires that a majority of an issuer s Board of Directors be independent under the standards set forth in the NASDAQ rules and that directors deemed independent be identified in the Company s annual report on Form 20-F. The Board of Directors has determined that each of the Company s nine non-executive directors is independent under the standards set forth in the UK Corporate Governance Code. Under the UK Corporate Governance Code, there is no bright-line test establishing set criteria for independence, as there is under NASDAQ Rule 4200(a) (15). Instead, the Board of Directors determines whether the director is independent in character and judgment, and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director s judgment. Under the UK Corporate Governance Code, the Board of Directors may determine that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, but it should state its reasons if it makes such a determination. The UK Corporate Governance Code specifies that relationships or circumstances that may be relevant include whether the director: (i) has been an employee of the relevant company or group within the last five years; (ii) has had within the last three years a direct or indirect material business relationship with such company; (iii) has received payments from such company, subject to certain exceptions; (iv) has close family ties with any of the company s advisers, directors or senior employees; (v) holds cross-directorships or other significant links with other directors; (vi) represents a significant shareholder; or (vii) has served on the Board of Directors for more than nine years. In determining that each of the nine non-executive directors is independent under the UK Corporate Governance Code standard, the Ryanair Holdings Board of Directors identified such relevant factors with respect to non-executive directors Messrs. Bonderman, McLaughlin, Osborne and Horgan. When arriving at the decision that these directors are nonetheless independent, the Board of Directors has taken into account the comments made by the Financial Reporting Council in its report dated December 2009 on its review of the impact and effectiveness of the UK Corporate Governance Code. The NASDAQ independence criteria specifically state that an individual may not be considered independent if, within the last three years, such individual or a member of his or her immediate family has had certain specified relationships with the company, its parent, any consolidated subsidiary, its internal or external auditors, or any company that has significant business relationships with the company, its parent or any consolidated subsidiary. Neither ownership of a significant amount of stock nor length of service on the board is a *per se* bar to independence under the NASDAQ rules.

CEO compensation. The NASDAQ rules require that an issuer s chief executive officer not be present during voting or deliberations by the Board of Directors on his or her compensation. There is no such requirement under the UK Corporate Governance Code.

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EXECUTIVE OFFICERS

The following table sets forth certain information concerning the executive officers of Ryanair Holdings and Ryanair at June 30, 2013:

Name	Age	Position
Michael Cawley	59	Deputy Chief Executive; Chief Operating Officer
Ray Conway	58	Chief Pilot
Caroline Green	49	Director of Customer Service
Michael Hickey	50	Director of Engineering
Juliusz Komorek	35	Director of Legal & Regulatory Affairs; Company Secretary
Howard Millar	52	Deputy Chief Executive; Chief Financial Officer
David O Brien	49	Director of Flight Operations and Ground Operations
Michael O Leary	52	Chief Executive Officer
Edward Wilson	49	Director of Personnel and In-flight

Michael Cawley (Deputy Chief Executive; Chief Operating Officer). Michael Cawley was appointed Deputy Chief Executive and Chief Operating Officer on January 1, 2003, having served as Chief Financial Officer and Commercial Director since February 1997. From 1993 to 1997, Michael served as Group Finance Director of Gowan Group Limited, one of Ireland s largest private companies and the main distributor for Peugeot and Citröen automobiles in Ireland. On July 1, 2013, The Company announced that Michael has decided step down from his full-time executive role at the end of March 2014 as he wishes to pursue other business interests including a number of Non-Executive Board directorships. Michael has been invited to join the board of Ryanair after he steps down as a full-time executive and it is expected that he will join the board in a Non-Executive capacity on May 1, 2014.

Ray Conway (Chief Pilot). Captain Ray Conway was appointed as Chief Pilot in June 2002, having joined Ryanair in 1987. He has held a number of senior management positions within the Flight Operations Department over the last 25 years, including Fleet Captain of the BAC1-11 and Boeing 737 200 fleets. Ray was Head of Training between 1998 and June 2002. Prior to joining Ryanair, Ray served as an officer with the Irish Air Corps for 14 years where he was attached to the Training and Transport Squadron, which was responsible for the Irish government jet.

Caroline Green (Director of Customer Service). Caroline Green was appointed Director of Customer Service in February 2003. Prior to this, Caroline served as Chief Executive Officer of Ryanair.com between November 1996 and January 2003. Before joining Ryanair, Caroline worked in senior positions at a number of airline computerized reservations system providers, including Sabre.

Michael Hickey (Director of Engineering). Michael Hickey has served as Director of Engineering since January 2000. Michael has held a wide range of senior positions within the Engineering Department since 1988 and was Deputy Director of Engineering between 1992 and January 2000. Prior to joining Ryanair in 1988, Michael worked as an aircraft engineer with Fields Aircraft Services and McAlpine Aviation, working primarily on executive aircraft.

Juliusz Komorek (Director of Legal & Regulatory Affairs; Company Secretary). Juliusz Komorek was appointed Company Secretary and Director of Legal and Regulatory Affairs in May 2009, having served as Deputy Director of Legal and Regulatory Affairs since 2007. Prior to joining the Company in 2004, Juliusz had gained relevant experience in the European Commission s Directorate General for Competition and in the Polish Embassy to the EU in Brussels, as well as in the private sector in Poland and the Netherlands. Juliusz is a lawyer, holding degrees from the universities of Warsaw and Amsterdam.

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Howard Millar (Deputy Chief Executive; Chief Financial Officer). Howard Millar was appointed Deputy Chief Executive and Chief Financial Officer on January 1, 2003, having served as Director of Finance of Ryanair from March 1993. Between April 1992 and March 1993 he served as Financial Controller of Ryanair. Howard was the Group Finance Manager for the Almarai Group, the largest vertically integrated dairy food processing company in the world, in Riyadh, Saudi Arabia, from 1988 to 1992.

David O Brien (Director of Flight Operations and Ground Operations). David O Brien was appointed Director of Flight Operations and Ground Operations in December 2002; previously, he served as Director of Flight Operations of Ryanair from May 2002, having served as Director of U.K. Operations since April 1998. Prior to that, David served as Regional General Manager for Europe and CIS for Aer Rianta International. Between 1992 and 1996, David served as Director of Ground Operations and In-flight for Ryanair.

Michael O Leary (Chief Executive Officer). Michael O Leary has served as a director of Ryanair since 1988 and a director of Ryanair Holdings since July 1996. He was appointed chief executive officer of Ryanair in 1994.

Edward Wilson (Director of Personnel and In-flight). Edward Wilson was appointed Director of Personnel and In-flight in December 2002, prior to which he served as Head of Personnel since joining Ryanair in December 1997. Prior to joining Ryanair he served as Human Resources Manager for Gateway 2000 and held a number of other human resources-related positions in the Irish financial services sector.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The aggregate amount of compensation paid by Ryanair Holdings and its subsidiaries to the nine sitting non-executive directors and nine executive officers named above in the 2013 fiscal year was 6.0 million. For details of Mr. O Leary s compensation in such fiscal year, see Employment and Bonus Agreement with Mr. O Leary below

Each of Ryanair Holdings nine non-executive directors is entitled to receive 35,000 plus expenses per annum, as remuneration for their services to Ryanair Holdings. Mr. Bonderman executed an agreement with Ryanair Holdings waiving his entitlement to receive this remuneration for the 2013 fiscal year. The additional remuneration paid to Committee members for service on that committee is 15,000 per annum. Mr. Horgan receives 40,000 per annum in connection with his additional duties in relation to the Air Safety Committee.

For further details of stock options that have been granted to the Company s employees, including the executive officers, see Item 10. Additional Information Options to Purchase Securities from Registrant or Subsidiaries, as well as Note 15 to the consolidated financial statements included herein.

Employment and Bonus Agreement with Mr. O Leary

Mr. O Leary s current employment agreement with the Company is dated July 1, 2002 and can be terminated by either party upon 12 months notice. Pursuant to the agreement, Mr. O Leary serves as Chief Executive Officer at a current annual gross salary of 768,000, subject to any increases that may be agreed between the Company and Mr. O Leary. Mr. O Leary is also eligible for annual bonuses as determined by the Board of Directors of the Company; the amount of such bonuses paid to Mr. O Leary in the 2013 fiscal year totaled 504,000. Mr. O Leary is subject to a covenant not to compete with the Company within the EU for a period of two years after the termination of his employment with the Company. Mr. O Leary s employment agreement does not contain provisions providing for compensation on its termination.

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STAFF AND LABOR RELATIONS

The following table sets forth the details of Ryanair s team at each of March 31, 2013, 2012 and 2011:

Classification	Number of Staff at March 31, 2013	2012	2011
Management	99	99	95
Administrative	282	280	275
Maintenance	139	138	149
Ground Operations	229	243	268
Pilots	2,625	2,429	2,344
Flight Attendants	5,763	5,199*	5,429
Total	9,137	8,388	8,560

* Decrease on prior year due to lower aircraft in operation in March 2012 and cabin crew staff being furloughed.

Ryanair s pilots, flight attendants and maintenance and ground operations personnel undergo training, both initial and recurrent. A substantial portion of the initial training for Ryanair s flight attendants is devoted to safety procedures, and cabin crew are required to undergo annual evacuation and fire drill training during their tenure with the airline. Ryanair also provides salary increases to its engineers who complete advanced training in certain fields of aircraft maintenance. Ryanair utilizes its own Boeing 737-800 aircraft simulators for pilot training.

IAA regulations require pilots to be licensed as commercial pilots with specific ratings for each aircraft to be flown. In addition, IAA regulations require all commercial pilots to be medically certified as physically fit. At March 31, 2013, the average age of Ryanair s pilots was 35 years and their average period of employment with Ryanair was 4.8 years. Licenses and medical certification are subject to periodic re-evaluation and require recurrent training and recent flying experience in order to be maintained. Maintenance engineers must be licensed and qualified for specific aircraft types. Flight attendants must undergo initial and periodic competency training. Training programs are subject to approval and monitoring by the IAA. In addition, the appointment of senior management personnel directly involved in the supervision of flight operations, training, maintenance and aircraft inspection must be satisfactory to the IAA. Based on its experience in managing the airline s growth to date, management believes that there is a sufficient pool of qualified and licensed pilots, engineers and mechanics within the EU to satisfy Ryanair s anticipated future needs in the areas of flight operations, maintenance and quality control and that Ryanair will not face significant difficulty in hiring and continuing to employ the required personnel. Ryanair has also been able to satisfy its needs for additional pilots through the use of contract agencies. These contract pilots are included in the table above. In addition, Ryanair has also been able to satisfy its needs for additional flight attendants through the use of contract agencies. These contract flight attendants are included in the table above.

Ryanair has licensed approved organizations in Sweden and Holland to operate pilot training courses using Ryanair s syllabus, in order to grant Boeing 737 type-ratings. Each trainee pilot must pay for his or her own training and, based on his or her performance, he or she may be offered a position operating on Ryanair aircraft. This program enables Ryanair to secure a continuous stream of type-rated co-pilots.

Ryanair s employees earn productivity-based incentive payments, including a sales bonus for onboard sales for flight attendants and payments based on the number of hours or sectors flown by pilots and flight attendants (within limits set by industry standards or regulations fixing maximum working hours). During the 2013 fiscal year, such productivity-based incentive payments accounted for approximately 46% of an average flight attendant s total earnings and approximately 35% of the typical pilot s compensation. Pilots at 54 out of Ryanair s 57 bases are covered by four or five year agreements on pay, allowances and rosters which variously fall due for negotiation between 2014 and 2018. In March 2012, Ryanair agreed to increase the pay of pilots and cabin crew in accordance with the terms of individual base agreements. The remaining employees who were not covered by base agreements had their salary frozen for a period of 12 months. Ryanair s pilots are currently subject to IAA-approved limits of 100 flight-hours per 28-day cycle and 900 flight-hours per fiscal year. For the 2013 fiscal year, the average flight-hours for Ryanair s pilots amounted to approximately 66.5 hours per month and approximately 798 hours for the complete year, a 5% decrease on the previous fiscal year. Were more stringent regulations on flight hours to be adopted, Ryanair s flight personnel could experience a reduction in their total pay due to lower compensation for the number of hours or sectors flown and Ryanair could be required to hire additional flight personnel.

Ryanair considers its relations with its employees to be good. Ryanair currently negotiates with groups of employees, including its pilots, through Employee Representation Committees (ERCs) regarding pay, work practices and conditions of employment, including conducting formal negotiations with these internal collective bargaining units. Ryanair s senior management meets regularly with the different ERCs to discuss all aspects of the business and those issues that specifically relate to each relevant employee group.

On June 19, 2009, BALPA (the U.K. pilots union) made a request for voluntary recognition under applicable U.K. legislation, which Ryanair rejected. BALPA had the option of applying to the U.K. s Central Arbitration Committee (CAC) to organize a vote on union recognition by Ryanair s pilots in relevant bargaining units, as determined by the CAC but BALPA decided not to proceed with an application at that time. The option to apply for a ballot remains open to BALPA and if it were to seek and be successful in such a ballot, it would be able to represent the U.K. pilots in negotiations over salaries and working conditions.

Ryanair Holdings shareholders have approved a number of share option plans for employees and directors. Ryanair Holdings has also issued share options to certain of its senior managers. For details of all outstanding share options, see Item 10. Additional Information Options to Purchase Securities from Registrant or Subsidiaries.

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Item 7. ***Major Shareholders and Related Party Transactions***

As of June 30, 2013, there were 1,423,341,213 Ordinary Shares outstanding. As of that date, 116,316,349 ADRs, representing 581,581,745 Ordinary Shares, were held of record in the United States by 62 holders, and represented in the aggregate 40.86% of the number of Ordinary Shares then outstanding. See Item 10. Additional Information Articles of Association and Limitations on Share Ownership by Non-EU Nationals.

MAJOR SHAREHOLDERS

Based on information available to Ryanair Holdings, the following table summarizes the holdings of those shareholders holding 3% or more of the Ordinary Shares as of June 30, 2013, June 30, 2012 and June 30, 2011, the latest practicable date prior to the Company s publication of its statutory annual report in each of the relevant years.

	As of June 30, 2013		As of June 30, 2012		As of June 30, 2011	
	No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class
Capital Research and Management Company	190,022,595	13.4%	239,479,390	16.6%	242,547,995	16.3%
Baillie Gifford	71,863,457	5.0%	52,883,746	3.7%	Not Reportable	n/a
BlackRock Inc	68,532,811	4.8%	74,688,280	5.2%	82,794,588	5.6%
Manning and Napier	48,194,525	3.4%	85,044,870	5.9%	76,774,465	5.2%
Michael O Leary	51,081,256	3.6%	51,081,256	3.5%	55,081,256	3.7%
Lloyds Banking Group	Not Reportable	n/a	Not Reportable	n/a	50,892,144	3.4%

As of June 30, 2013, the directors and executive officers of Ryanair Holdings as a group owned 59,837,771 Ordinary Shares, representing 4.2% of Ryanair Holdings outstanding Ordinary Shares as of such date. See also Note 19(d) to the consolidated financial statements included herein. Each of our shareholders has identical voting rights with respect to its Ordinary Shares.

As of March 31, 2013, there were 1,447,051,752 Ordinary Shares outstanding.

Based on information available to Ryanair Holdings plc, the following table summarizes shareholdings in excess of 3% or more of the Ordinary Shares as of March 31, 2013, March 31 2012 and March 31, 2011.

	As of March 31, 2013		As of March 31, 2012		As of March 31, 2011	
	No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class
Capital Research and Management Company	191,997,595	13.3%	275,514,695	18.9%	242,844,495	16.3%
Baillie Gifford	70,323,718	4.9%	Not Reportable	n/a	Not Reportable	n/a
BlackRock Inc	66,399,232	4.6%	66,163,716	4.5%	Not Reportable	n/a
Manning and Napier	59,095,500	4.1%	73,249,220	5.0%	57,767,390	3.9%
Michael O Leary	51,081,256	3.5%	51,081,256	3.5%	55,081,256	3.7%

RELATED PARTY TRANSACTIONS

The Company has not entered into any related party transactions as defined in Item 7.B. of Form 20-F in the three fiscal years ending March 31, 2013 or in the period from March 31, 2013 to the date hereof.

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Item 8. ***Financial Information***

CONSOLIDATED FINANCIAL STATEMENTS

Please refer to Item 18. Financial Statements.

OTHER FINANCIAL INFORMATION

Legal Proceedings

The Company is engaged in litigation arising in the ordinary course of its business. Although no assurance can be given as to the outcome of any current or pending litigation, management does not believe that any of such litigation will, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company, except as otherwise described below.

EU State Aid-Related Proceedings. On December 11, 2002, the European Commission announced the launch of an investigation into the 2001 agreement among Ryanair, the Brussels (Charleroi) airport and the government of the Walloon Region of Belgium, the owner of the airport, which enabled the Company to launch new routes and base up to four aircraft at Brussels (Charleroi). The European Commission s investigation was based on an anonymous complaint alleging that Ryanair s arrangements with Brussels (Charleroi) constituted illegal state aid.

The European Commission issued its decision on February 12, 2004. As regards the majority of the arrangements between Ryanair, the airport and the region, the European Commission found that although they constituted state aid, they were nevertheless compatible with the EC Treaty provisions and therefore did not require repayment. However, the European Commission also found that certain other arrangements did constitute illegal state aid and therefore ordered Ryanair to repay the amount of the benefit received in connection with those arrangements. On April 20, 2004, the Walloon Region wrote to Ryanair requesting repayment of such state aid, although it acknowledged that Ryanair could offset against the amount of such state aid certain costs incurred in relation to the establishment of the base, in accordance with the European Commission s decision. Ryanair made the requested repayment.

On May 25, 2004, Ryanair appealed the decision of the European Commission to the CFI, requesting the court to annul the decision because:

- the European Commission infringed Article 253 of the EC Treaty by failing to provide adequate reasons for its decision; and

- the European Commission misapplied Article 87 of the EC Treaty by failing to properly apply the Market Economy Investor Principle (MEIP), which generally holds that an investment made by a public entity that would have been made on the same basis by a private entity does not constitute state aid.

In March 2008, Ryanair had its hearing before the CFI, and in December 2008, the CFI annulled the European Commission s decision, and Ryanair was repaid the 4 million that the Commission had claimed was illegal state aid. The Belgian government has also withdrawn a separate 2.3 million action against Ryanair arising from the European Commission s decision.

In January 2010, the European Commission concluded that the financial arrangements between Bratislava airport in Slovakia and Ryanair do not constitute state aid within the meaning of EU rules, because these arrangements were in line with market terms. In July 2012, the European Commission similarly concluded that the financial arrangements between Tampere airport in Finland and Ryanair do not constitute state aid.

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Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Lübeck, Berlin (Schönefeld), Alghero, Pau, Aarhus, Frankfurt (Hahn), Dusseldorf (Weeze), Zweibrücken, Altenburg, Klagenfurt, (Stockholm) Vasteras, Paris (Beauvais), La Rochelle, Carcassonne, Nimes, Angouleme, Marseille, Cagliari and Brussels (Charleroi). These investigations are ongoing and Ryanair currently expects that they will conclude in late 2013/early 2014, with any European Commission decisions appealable to the EU General Court.

State aid complaints by Lufthansa about Ryanair s cost base at Frankfurt (Hahn) have been rejected by German courts, as have similar complaints by Air Berlin in relation to Ryanair s arrangement with Lubeck airport, but following a German Supreme Court ruling on a procedural issue in early 2011, these cases will be re-heard by lower courts. The court case regarding Frankfurt (Hahn) airport has been referred by the German courts to the Court of Justice of the European Union, which will make a ruling on the discretion national courts have in state aid proceedings running in parallel with European Commission investigations regarding the same airport. The ruling of the Court of Justice of the European Union is expected within one year and will be binding on all EU national courts. In addition, Ryanair has been involved in legal challenges including allegations of state aid at Alghero and Marseille airports. The Alghero case (initiated by Air One) was dismissed in its entirety in April 2011. The Marseille case was withdrawn by the plaintiffs (subsidiaries of Air France) in May 2011.

In September 2005, the European Commission announced new guidelines on the financing of airports and the provision of start-up aid to airlines departing from regional airports, based on the European Commission s finding in the Brussels (Charleroi) case, which Ryanair successfully appealed. The guidelines apply only to publicly owned regional airports, and place restrictions on the incentives these airports can offer airlines to deliver traffic. The guidelines apply only in cases in which the terms offered by a public airport are in excess of what a similar private airport would have offered. Ryanair deals with airports, both public and private, on an equal basis and receives the same cost agreements from both. The guidelines have therefore had no impact on Ryanair s business, although they have caused significant uncertainty in the industry in relation to what public airports may or may not do in order to attract traffic.

Ryanair believes that the positive decision by the CFI in the Brussels (Charleroi) case has caused the European Commission to rethink its policy in this area. Ryanair believes that the CFI s findings should be addressed in the ongoing revision of the guidelines, whereby the European Commission announced on July 3, 2013 that it would finalize this revision by early 2014. However, adverse rulings in the above or similar cases could be used as precedents by other competitors to challenge Ryanair s agreements with other publicly owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling back of Ryanair s growth strategy due to the smaller number of privately owned airports available for development. No assurance can be given as to the outcome of these proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company.

In November 2007, Ryanair initiated proceedings in the CFI against the European Commission for its failure to take action on a number of state aid complaints Ryanair had submitted against Air France, Lufthansa, Alitalia, Volare and Olympic Airways. Following the European Commission s subsequent findings that illegal state aid had been provided to Air France and Olympic Airways, Ryanair withdrew the two relevant proceedings. The case related to Lufthansa concluded with the EU General Court s ruling in May 2011, in which the Court found that while the European Commission has not failed to act, it has unreasonably delayed the launch of the investigation, which justified Ryanair s action for failure to act. Consequently, the Court ordered the European Commission to pay 50% of Ryanair s costs in the proceedings. Similarly, in October 2011, the General Court found that the European Commission has failed to act on Ryanair s 2005-2006 complaints against state aid to Alitalia. The European Commission appealed the ruling to the Court of Justice of the European Union, and on May 16, 2013, the European Commission s appeal was rejected.

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In November 2008, Ryanair initiated proceedings in the CFI contesting the European Commission s refusal to grant Ryanair access to documents relating to the European Commission s state aid investigations at Hamburg (Lubeck), Tampere, Berlin (Schonefeld), Alghero, Pau, Aarhus, Bratislava and Frankfurt (Hahn) airports. These cases were heard on July 7, 2010 and a judgment was issued in December 2010. The CFI found that the European Commission had acted in line with applicable legislation, which highlighted the unfairness inherent in state aid procedures in the EU, whereby alleged beneficiaries of aid have no right of access to the European Commission s files and therefore cannot properly exercise their rights to defense and good administration. The CFI ordered the European Commission to pay Ryanair s costs in three of the eight access to documents cases.

As a result of rising airport charges and the introduction of an Air Travel Tax, in March 2009, of 10 on passengers departing from Irish airports on routes longer than 300 kilometers from Dublin Airport (2 on shorter routes), Ryanair reduced its fleet at Dublin airport to 13 during winter 2010 (down from 22 in summer 2008 and 20 in winter 2008). Ryanair also complained to the European Commission about the unlawful differentiation in the level of the Irish Air Travel tax between routes within the EU. From April 2011, a single rate (3) of the Air Travel Tax has been introduced on all routes. In July 2012 the European Commission found that Ryanair, Aer Lingus and Aer Arann had received state aid from the Irish government by way of a two-tier air travel tax levied on passengers departing from Irish airports. Also in July 2012, Ryanair issued proceedings before the Irish courts seeking repayment of the entire amount of the air travel tax paid by Ryanair during the period (87.8 million) where it was two-tier on the basis of its illegality. In April 2013 the Irish government issued proceedings against Ryanair seeking recovery of 12 million of alleged state aid attributable to Ryanair, arising from the European Commission decision. There is a risk that Ryanair will be ordered by the Irish courts to pay the 12 million amount to the Irish government notwithstanding our claim for repayment of the entire amount of the tax.

Matters Related to Investment in Aer Lingus. During the 2007 fiscal year, the Company acquired 25.2% of Aer Lingus. The Company increased its interest to 29.3% during the 2008 fiscal year, and to 29.8% during the 2009 fiscal year at a total aggregate cost of 407.2 million. Following the acquisition of its initial stake and upon the approval of the Company s shareholders, management proposed to effect a tender offer to acquire the entire share capital of Aer Lingus. This 2006 offer was, however, prohibited by the European Commission on competition grounds. Ryanair filed an appeal with the CFI, which was heard in July 2009. On July 6, 2010 the Court upheld the European Commission s decision. (see also: Item 5. Operating and Financial Review and Prospects Business Overview).

The then EU Commissioner for Competition, Neelie Kroes, said on June 27, 2007 that, Since Ryanair is not in a position to exert de jure or de facto control over Aer Lingus, the European Commission is not in a position to require Ryanair to divest its minority shareholding, which is, by the way, not a controlling stake. In October 2007, the European Commission also reached a formal decision that it would not force Ryanair to sell its shares in Aer Lingus. However, Aer Lingus appealed this decision before the CFI. In January 2008, the CFI heard an application by Aer Lingus for interim measures limiting Ryanair s voting rights, pending a decision of the CFI on Aer Lingus appeal of the European Commission s decision not to force Ryanair to sell the Aer Lingus shares. In March 2008, the court dismissed Aer Lingus application for interim measures. Aer Lingus main appeal was heard in July 2009. On July 6, 2010, the court rejected Aer Lingus appeal and confirmed that Ryanair cannot be forced to dispose of its 29.8% stake in Aer Lingus. Aer Lingus chose not to appeal this judgment to the Court of Justice of the EU. EU legislation may change in the future to require such a forced disposal. If eventually forced to dispose of its stake in Aer Lingus, Ryanair could suffer significant losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares.

On December 1, 2008, Ryanair made a second offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of 1.40 per ordinary share. Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and retain its Heathrow slots and connectivity. Ryanair also proposed to double Aer Lingus short-haul fleet from 33 to 66 aircraft and to create 1,000 associated new jobs over a five-year period. If the offer had been accepted, the Irish government would have received over 180 million in cash. The employee share ownership trust and employees who owned 18% of Aer Lingus would have received over 137 million in cash. The Company met Aer Lingus management, representatives of the employee share ownership trust and other parties. The offer of 1.40 per Aer Lingus share represented a premium of approximately 25% over the closing price of 1.12 on November 28, 2008. Ryanair also advised the market that it would not proceed to seek EU approval for the new bid unless the shareholders agreed to sell their stakes in Aer Lingus to Ryanair. However, as the Company was unable to secure the shareholders support it decided, on January 28, 2009, to withdraw its second offer for Aer Lingus.

The United Kingdom s Office of Fair Trading (OFT) wrote to Ryanair in September 2010, advising that it intended to investigate Ryanair s minority stake in Aer Lingus. Ryanair objected on the basis that the OFT s investigation was time-barred. Ryanair maintains that the OFT had and missed the opportunity to investigate Ryanair s minority stake within four months from the European Commission s June 2007 decision to prohibit Ryanair s takeover of Aer Lingus. The OFT agreed in October 2010 to suspend its investigation pending the outcome of Ryanair s appeal against the OFT s decision that its investigation is not time barred. On July 28, 2011, the Competition Appeal Tribunal ruled that the OFT was not time barred when it attempted in September 2010 to open an investigation into Ryanair s 2006 acquisition of a minority non-controlling stake in Aer Lingus. Ryanair subsequently appealed the Competition Appeal Tribunal s decision. On November 24, 2011, the UK Court of Appeal ordered a stay of the OFT s investigation into Ryanair s minority stake in Aer Lingus pending the outcome of the appeal. On May 22, 2012, the UK Court of Appeal found that the OFT was not time barred to investigate Ryanair s minority stake in Aer Lingus in September 2010. Ryanair subsequently sought permission to appeal this ruling to the UK Supreme Court but permission was refused. On June 15, 2012, the OFT referred the investigation of Ryanair s minority stake in Aer Lingus to the UK Competition Commission

On June 19, 2012, Ryanair announced its third all cash offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of 1.30 per ordinary share and immediately commenced pre-notification discussions with the European Commission for the purpose of preparing a merger filing. Pending the outcome of the European Commission s review of Ryanair s bid, on the basis of the duty of sincere cooperation between the EU and the Member States, and under the EU Merger Regulation, the UK Competition Commission s investigation of Ryanair s minority stake in Aer Lingus should not have properly proceeded. Nevertheless, Aer Lingus argued that the investigation should proceed and that Ryanair s offer was in breach of certain provisions of the UK Enterprise Act 2002.

On July 10, 2012, the Competition Commission ruled that Ryanair s bid was not in breach of the UK Enterprise Act, but nevertheless decided that its investigation of the minority stake can proceed in parallel with the European Commission s investigation of Ryanair s offer for Aer Lingus. In July 2012, Ryanair appealed the latter part of the Competition Commission s ruling to the UK Competition Appeal Tribunal, and the Competition Commission s investigation became suspended pending the appeal process. On August 8, 2012, the Competition Appeal Tribunal rejected Ryanair s appeal and found that the Competition Commission s investigation could proceed in parallel with the European Commission s investigation, but that the Competition Commission must avoid taking any final decision which could conflict with the European Commission s ultimate conclusion on Ryanair s bid. In August 2012, Ryanair appealed the Competition Appeal Tribunal judgment to the UK Court of Appeal. In December 2012, the Court of Appeal rejected Ryanair s appeal and subsequently the Competition Commission s investigation has restarted. On December 13, 2012, Ryanair applied to the UK Supreme Court for permission to appeal the judgment of the Court of Appeal. The Supreme Court refused permission to appeal on April 25, 2013.

On February 27, 2013 the European Commission prohibited Ryanair s bid to acquire the entire share capital of Aer Lingus on the claimed basis that it would be incompatible with the EU internal market. Ryanair appealed this decision to the EU General Court on May 8, 2013. The judgment of the EU General Court is expected within 18-24 months and may affirm or annul the decision of the European Commission.

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The timing of Ryanair s 2012 offer for Aer Lingus was influenced by; (i) the continued consolidation of European airlines, and more recently the International Airlines Group (the parent company of British Airways) takeover of British Midland International, where the No.1 airline at Heathrow was allowed to acquire the No. 2; (ii) the additional capacity available at Dublin airport following the opening of Terminal 2 and the decline in traffic from 23.3 million passengers per annum in 2007 to 18.7 million in 2011, resulting in Dublin airport operating at approximately 50% capacity; (iii) the change in the Irish government policy since 2006 in that the Irish government has decided to sell its stake in Aer Lingus; (iv) the fact that under the terms of the bailout agreement provided by the European Commission, European Central bank and International Monetary Fund to Ireland, the Irish government has committed to sell its stake in Aer Lingus; (v) the fact that the ESOT (Employee Share Ownership Trust) which at the time of the unsuccessful 2006 offer controlled 15% of Aer Lingus has been disbanded since December 2010 and the shares distributed to the individual members, with the result that Ryanair s new offer was, in Ryanair s view, capable of reaching over 50% acceptance either with or without government acceptance; and (vi) the fact that Etihad, an Abu Dhabi based airline, has acquired a 3% stake in Aer Lingus and has expressed an interest in buying the Irish government s 25% stake in Aer Lingus (the offer now provides Etihad or any other potential bidder the opportunity to purchase the government s stake).

Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and to grow its traffic from 9.5 million to over 14.5 million passengers over a five year period post acquisition, by growing Aer Lingus short haul traffic at some of Europe s major airports where Aer Lingus currently operates and Ryanair does not. Ryanair also intended to increase Aer Lingus transatlantic traffic from Ireland, which has fallen in recent years, by investing in operations. If the offer had been accepted, the Irish government would have received 173 million in cash. The offer of 1.30 per share represented a premium of approximately 38% over the closing price of 0.94 for Aer Lingus shares as of June 19, 2012. The offer was conditional on competition approval by the European Commission.

Following the European Commission s decision to prohibit its offer for Aer Lingus, Ryanair has actively engaged with the Competition Commission s investigation of the minority stake. In its provisional findings on May 30, 2013, the UK Competition Commission (UKCC) stated that Ryanair, through its minority shareholding in Aer Lingus, has influence over Aer Lingus, that this could reduce competition , and that Ryanair should be required to divest some or all of its shares in Aer Lingus. Following an extension of the investigation timetable on June 24, 2013, the UKCC s final decision will be published by September 5, 2013. The UKCC could order Ryanair to divest some or all of its shares in Aer Lingus, as a result of which Ryanair could suffer losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus shares. Ryanair believes that the enforcement of any such decision should be delayed until the outcome of Ryanair s appeal against the European Commission s February 2013 prohibition decision of Ryanair s 2012 offer for Aer Lingus, and the conclusion of any appeals against the UKCC s decision in the UK courts. However, it is possible that the UKCC will seek to enforce any such sell-down remedy at an earlier date. On July 23, 2013 the Company announced that as part of its remedies discussions with the UKCC it had offered to give an undertaking to unconditionally sell its shareholding in Aer Lingus to any other EU airline that makes an offer for Aer Lingus and acquires acceptances in respect of more than 50% of Aer Lingus issued share capital. For more information, see Item 8. Financial Information Other Financial Information Legal Proceedings Matters Related to Investment in Aer Lingus.

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Legal Actions Against Monopoly Airports. Ryanair has been involved in a number of legal and regulatory actions against the Dublin and London (Stansted) airports in relation to what Ryanair considers to be ongoing abuses of their dominant positions in the Dublin and London (Stansted) markets. Management believes that both of these airports have been engaging in regulatory gaming in order to achieve inflated airport charges under the regulatory processes in the U.K. and Ireland. By inflating its so-called regulated asset base (essentially the value of its airport facilities), a regulated airport can achieve higher returns on its assets through inflated airport charges. With respect to London (Stansted), the OFT, following complaints from Ryanair and other airlines, has recognized that the regulatory process is flawed and provides perverse incentives to regulated airports to spend excessively on infrastructure in order to inflate their airport charges. The OFT referred the case to the Competition Commission which released its preliminary findings in April 2008. It found that the common ownership by BAA of the three main airports in London affects competition and that the light touch regulation by the Civil Aviation Authority was having an adverse impact on competition. In March 2009, the Competition Commission published its final report on the BAA and ordered the breakup of the BAA, (which involved the sale of London (Gatwick) and London (Stansted) and either Glasgow or Edinburgh Airport in Scotland). In October 2009, London (Gatwick) was sold to Global Infrastructure Partners for £1.5 billion. In May 2009, BAA appealed the Competition Commission s decision on the bases of apparent bias and lack of proportionality. Ryanair secured the right to intervene in this appeal in support of the Competition Commission. The case was heard in October 2009 and in February 2010 the Competition Appeal Tribunal quashed the Competition Commission s ruling on the basis of the apparent bias claim. This decision was successfully appealed by both the Competition Commission and Ryanair before the Court of Appeal. The appeal was heard in June 2010 and the judgment was issued in October 2010, quashing the Competition Appeal Tribunal ruling and reinstating the Competition Commission March 2009 decision. In February 2011, the Supreme Court refused to grant the BAA permission to appeal the Court of Appeal ruling. The Competition Commission has subsequently reconsidered the appropriateness of the remedies imposed on the BAA in March 2009 in light of the passage of time, and confirmed in its preliminary report in April 2011 that the remedies are still appropriate and the sale of Stansted and one of either Glasgow or Edinburgh airports should proceed. In July 2011, the Competition Commission confirmed its March 2011 provisional decision on possible material changes of circumstances. It found that no material changes of circumstances (that would necessitate a change in the remedies package) had occurred since the March 2009 decision requiring the BAA to sell Gatwick, Stansted and one of either Glasgow or Edinburgh airports, and that consequently the BAA should proceed to dispose of Stansted and one of the Scottish airports. The BAA appealed this decision to the Competition Appeal Tribunal, and lost on February 1, 2012. The BAA then brought a further appeal to the Court of Appeal, which they also lost on July 26, 2012. While these appeals were ongoing, the BAA proceeded to sell Edinburgh airport in April 2012. BAA did not appeal the Court of Appeal judgment to the UK Supreme Court, and proceeded to complete the sale of Stansted airport to Manchester Airports Group plc in March 2013.

With respect to Dublin airport, Ryanair appealed the December 2009 decision of the CAR, which set maximum charges at the airport for 2010 through 2014, to the Appeals Panel set up by the Minister for Transport. In June 2010, the Appeals Panel found in favor of Ryanair on the matter of differential pricing between Terminal 1 and Terminal 2, recommending that such differential pricing be imposed by the CAR. The CAR subsequently overruled the decision of the Appeals panel and allowed the charges increase at Dublin Airport, with no differential pricing between Terminals 1 and 2.

Ryanair has also been trying to prevent both the BAA in London and the DAA in Dublin from engaging in wasteful capital expenditure. In the case of London (Stansted) Airport, the BAA was planning to spend £4 billion on a second runway and terminal, which Ryanair believes should only cost approximately £1 billion. Following the final decision of the Competition Commission forcing BAA to sell London (Stansted) airport, Ryanair believed that it was highly unlikely that BAA s planned £4 billion plans would proceed. The Liberal/Conservative government in the U.K. had also outlined that it would not approve the building of any more runways in the Southeast of England. Consequently, in May 2010, the BAA announced that it would not pursue its plans to develop a second runway at London (Stansted).

In the case of Dublin, the DAA has built a second terminal, costing over four times its initial estimate. When the DAA first announced plans to build a second terminal (Terminal 2) at Dublin Airport, it estimated that the proposed expansion would cost between 170 million and 200 million. Ryanair supported a development of this scale; however, in September 2006, the DAA announced that the construction of Terminal 2 would cost approximately 800 million. Subsequently, the cost of the new infrastructure rose in excess of 1.2 billion. Ryanair opposed expansion at what it believed to be an excessive cost. On August 29, 2007, however the relevant planning authority approved the planning application from the DAA for the building of Terminal 2, and other facilities, all of which went ahead. On May 1, 2010, the airport fees per departing passenger increased by 27% from 13.61 to 17.23, and by a further 12% in 2011 following the opening of Terminal 2 in November 2010 in accordance with the CAR s decision of December 4, 2009 in relation to airport charges between 2010 and 2014. Ryanair sought a judicial review of the planning approval, however, this appeal was unsuccessful. The increase in charges, in combination with the introduction of the 10 Air Travel Tax (subsequently reduced to 3) mentioned above, led to substantially reduced passenger volumes to and from Dublin Airport. See Item 3. Risk Factors Risks Related to the Company Ryanair s Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase and The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports, as well as Item 4. Information on the Company Airport Operations Airport Charges.

Legal Proceedings Against Internet Ticket Touts. The Company is involved in a number of legal proceedings against internet ticket touts (screenscraper websites) in Ireland, Germany, the Netherlands, France, Spain, Italy and Switzerland. Screenscraper websites gain unauthorized access to Ryanair s website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which include intermediary fees on top of Ryanair s fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenscraping also on the basis of certain legal principles, such as database rights, copyright protection, etc. The Company s objective is to prevent any unauthorized use of its website. The Company also believes that the selling of airline tickets by screenscraper websites is inherently anti-consumer as it inflates the cost of air travel. At the same time, Ryanair encourages genuine price comparison websites which allow consumers to compare prices of several airlines and then refer consumers to the airline website in order to perform the booking at the original fare. Ryanair offers licensed access to its flight and pricing information to such websites. The Company has received favorable rulings in Ireland, Germany and The Netherlands, and unfavorable rulings primarily in Spain. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screenscraper websites could lead to a reduction in the number of customers who book directly on Ryanair s website and loss of ancillary revenues which are an important source of profitability through the sale of car hire, hotels and travel insurance etc. Also, some customers may be lost to the Company once they are presented by a screenscraper website with a Ryanair fare inflated by the screenscraper s intermediary fee. See Item 3. Key Information Risk Factors Risks Related to the Company Ryanair Faces Risks Related to Unauthorized Use of Information from the Company s Website.

Dividend Policy

Following shareholder approval at the September 2010 annual general meeting of shareholders, a 500 million special dividend was paid in October 2010. Similarly, following shareholder approval at the September 2012 annual general meeting of shareholders, a dividend of 0.34 per Ordinary Share (approximately 492 million) was paid in November 2012. The Company may pay other dividends from time to time. In June 2013, the Company detailed plans to return up to 1 billion to shareholders over the next two years with at least 400 million (176.6 million already completed in June 2013) in share buybacks to be completed in the fiscal year to March 31, 2014 and up to a further 600 million in either special dividends or share buybacks. However, there can be no assurance that the 1 billion will be returned to shareholders, in whole or in part, as it is subject to shareholder approval, continuing profitability, the economic environment, capital expenditure and other commitments. Any cash dividends or other distributions, if made, are expected to be made in euro, although Ryanair Holdings Articles provide that dividends may be declared and paid in U.S. dollars. In the case of ADRs, the Depositary will convert all cash dividends and other distributions payable to owners of ADRs into U.S. dollars to the extent that, in its judgment, it can do so on a reasonable basis, and will distribute the resulting U.S. dollar amounts (net of conversion expenses and any applicable fees) to the owners of ADRs. See Item 12. Description of Securities Other than Equity Securities for information regarding fees of the Depositary.

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Share Buy-back Program

Following shareholder approval at the 2006 annual general meeting of shareholders, a 300 million share buy-back program was formally announced on June 5, 2007. Permission was received at the annual general meeting of the shareholders held on September 20, 2007 to repurchase a maximum of 75.6 million Ordinary Shares representing 5% of the Company s then outstanding share capital. The 300 million share buy-back of approximately 59.5 million Ordinary Shares, representing approximately 3.8% of the Company s pre-existing share capital, was completed in November 2007. In February 2008, the Company announced a second share buy-back program of up to 200 million worth of Ordinary Shares, which was ratified by shareholders at the annual general meeting of the shareholders held on September 18, 2008. 18.1 million Ordinary Shares were repurchased under this program at a cost of approximately 46.0 million. The Company also completed the share buy-back of 125 million in respect of 36.5 million Ordinary Shares in the 2012 fiscal year. In April 2012, the Company completed a share buy-back of 15 million Ordinary Shares at a cost of approximately 68 million. A further 24.1 million Ordinary Shares (including just over 2.0 million ADRs were repurchased in June 2013 at a cost of approximately 176.6 million. As a result, the total amount spent on the share buy-back programs to date was approximately 714.3 million. All Ordinary Shares (including ADRs which represent five Ordinary Shares) repurchased have been cancelled.

In April 2012, the Company held an extraordinary general meeting to authorize the Directors to repurchase Ordinary Shares and ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ. Up until April 2012, shareholders had only authorized the Directors to repurchase Ordinary Shares. As the ADRs typically trade at a premium of up to 20% compared to Ordinary Shares, this may result in increased costs in performing share buy-backs in the future. On June 20, 2013 the Company detailed plans to return up to 1 billion to shareholders over the next two years with at least 400 million (176.6 million already completed in June 2013) in share buybacks to be completed in the fiscal year to March 31, 2014 and up to a further 600 million in either special dividends or share buybacks. However, there can be no assurance that the 1 billion will be returned to shareholders, in whole or in part, as it is subject to shareholder approval, continuing profitability, the economic environment, capital expenditure and other commitments. At this time, the Company has not decided whether it will conduct these further share repurchases in Ordinary Shares or ADRs or a combination of both.

See Item 9. The Offer and Listing - Trading Markets and Share Prices below for further information regarding share buy-backs.

SIGNIFICANT CHANGES

On May 27, 2013 the Company issued a Class 1 circular to shareholders seeking their approval for the purchase of 175 new Boeing 737-800NG aircraft, with a list value of over US $14.2 billion. An EGM was held June 18, 2013 and shareholders approved the transaction.

In June 2013 the Company bought back 24.1 million ordinary shares at a total cost of 176.6 million, for cancellation. Cumulatively these buybacks are equivalent to 1.7% of the issued share capital of the Company.

On June 20, 2013 the Company detailed plans to return up to 1 billion to shareholders over the next two years with at least 400 million (176.6 million already completed in June 2013) in share buybacks to be completed in the fiscal year to March 31, 2014 and up to a further 600 million in either special dividends or share buybacks (subject to shareholder approval).

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Item 9. ***The Offer and Listing***

TRADING MARKETS AND SHARE PRICES

The primary market for Ryanair Holdings Ordinary Shares is the Irish Stock Exchange Limited (the Irish Stock Exchange); Ordinary Shares are also traded on the London Stock Exchange. The Ordinary Shares were first listed for trading on the Official List of the Irish Stock Exchange on June 5, 1997 and were first admitted to the Official List of the London Stock Exchange on July 16, 1998.

ADRs, each representing five Ordinary Shares, are traded on NASDAQ. The Bank of New York Mellon is Ryanair Holdings depositary for purposes of issuing ADRs evidencing the ADSs. The following tables set forth, for the periods indicated, the reported high and low closing sales prices of the ADRs on NASDAQ and for the Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange, and have been adjusted to reflect the two-for-one split of the Ordinary Shares and ADRs effected on February 26, 2007:

* All quarterly high and low prices for ADRs and Ordinary Shares in the following tables refer to calendar year quarters and not fiscal year quarters

	ADRs (in U.S. dollars)	
	High	**Low**
2007	49.560	36.210
2008	35.482	15.089
2009	29.586	20.779
2010	33.090	21.268
2011		
First Quarter*	31.990	26.580
Second Quarter	30.560	27.970
Third Quarter	29.730	24.200
Fourth Quarter	30.820	25.410
2012		
First Quarter	36.280	27.770
Second Quarter	36.890	29.330
Third Quarter	32.740	27.890
Fourth Quarter	36.140	31.900
Month ending:		
January 31, 2013	40.190	34.620
February 28, 2013	41.580	38.230
March 31, 2013	43.230	39.080
April 30, 2013	44.410	41.360
May 31, 2013	49.520	42.990
June 30, 2013	51.530	48.870
Period ending July 19, 2013	53.790	51.560

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	Ordinary Shares (Irish Stock Exchange) (in euro)	
	High	Low
2007	6.33	4.40
2008	4.20	1.80
2009	3.45	2.51
2010	4.19	2.77
2011		
First Quarter	3.98	3.13
Second Quarter	3.64	3.32
Third Quarter	3.58	2.82
Fourth Quarter	3.84	3.15
2012		
First Quarter	4.48	3.68
Second Quarter	4.49	3.83
Third Quarter	4.48	3.86
Fourth Quarter	5.00	4.43
Month ending:		
January 31, 2013	5.62	4.76
February 28, 2013	5.78	5.55
March 31, 2013	6.16	5.68
April 30, 2013	6.20	5.70
May 31, 2013	6.97	5.97
June 30, 2013	7.20	6.67
Period ending July 19, 2013	7.47	6.95

	Ordinary Shares (London Stock Exchange) (in euro)	
	High	Low
2007	6.30	4.44
2008	4.20	1.81
2009	3.45	2.50
2010	4.19	2.76
2011		
First Quarter	3.97	3.13
Second Quarter	3.65	3.31
Third Quarter	3.58	2.83
Fourth Quarter	3.85	3.14
2012		
First Quarter	4.48	3.68
Second Quarter	4.49	3.84
Third Quarter	4.47	3.88
Fourth Quarter	5.00	4.40
Month ending:		
January 31, 2013	5.63	4.76
February 28, 2013	5.79	5.52
March 31, 2013	6.20	5.72
April 30, 2013	6.18	5.80
May 31, 2013	6.98	5.96
June 30, 2013	7.18	6.69
Period ending July 19, 2013	7.48	6.95

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Since certain of the Ordinary Shares are held by brokers or other nominees, the number of direct record holders in the United States, which is reported above 62, may not be fully indicative of the number of direct beneficial owners in the United States, or of where the direct beneficial owners of such shares are resident.

In order to increase the percentage of its share capital held by EU nationals, beginning June 26, 2001, Ryanair Holdings instructed the Depositary to suspend the issuance of new ADRs in exchange for the deposit of Ordinary Shares until further notice. Therefore, holders of Ordinary Shares cannot currently convert their Ordinary Shares into ADRs. The Depositary will however convert existing ADRs into Ordinary Shares at the request of the holders of such ADRs. The Company in 2002 implemented additional measures to restrict the ability of non-EU nationals to purchase Ordinary Shares. As a result, non-EU nationals are currently effectively barred from purchasing Ordinary Shares. See Item 10. Additional Information Limitations on Share Ownership by Non-EU Nationals for additional information.

The Company, at its annual general meeting of the Shareholders, has, in recent years, passed a special resolution permitting the Company to engage in Ordinary Share buy-back programs subject to certain limits noted below. Since June 2007 (when the Company engaged in its first Ordinary Share buy-back program) the Company has repurchased the following Ordinary Shares:

Year ended March 31,	No. of shares (m)	Approx. cost (m)
2008	59.5	300.0
2009	18.1	46.0
2010		
2011		
2012	36.5	124.6
2013	15.0	67.5
Period through July 19, 2013	24.1	176.6
Total	153.2	714.7

All Ordinary Shares repurchased have been cancelled.

The maximum price at which the Company may repurchase Ordinary Shares, in accordance with the listing rules of the Irish Stock Exchange and of the Financial Services Authority, is the higher of 5% above the average market value of the Company s Ordinary Shares for the five business days prior to the day of the repurchase and the price stipulated by Article 5(1) of Commission Regulation (EC) of December 22 2003 (No. 2273/2003) (which is the higher of the last independent trade and the highest current independent bid on the Irish Stock Exchange). The minimum price at which the Company may repurchase Ordinary Shares is their nominal value, currently 0.635 euro cent per share.

At an extraordinary general meeting of Shareholders held on April 19, 2012, the Company obtained a new repurchase authority which enables the Company to repurchase the Company s ADRs which are traded on NASDAQ. The maximum price at which Ordinary Shares which underlie the Company s ADRs can be repurchased is 5% above one-fifth of the average market value of the Company s ADRs as quoted on NASDAQ, for the five business days prior to the date of purchase (as one ADS represents five Ordinary Shares). Any ADRs purchased will be converted to Ordinary Shares by the Company s brokers for subsequent repurchase and cancellation by the Company. . On June 5, 2013 the Company repurchased 2,018,800 ADRs equivalent to 10,094,000 ordinary shares at a price of 7.65 per ordinary share.

As of June 30, 2013, the total number of options over Ordinary Shares outstanding under all of the Company s share option plans was 11,142,430, representing 0.8% of the Company s issued share capital at that date.

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Item 10. ***Additional Information***

DESCRIPTION OF CAPITAL STOCK

Ryanair Holdings capital stock consists of Ordinary Shares, each having a par value of 0.635 euro cent. As of March 31, 2013, a total of 1,447,051,752 Ordinary Shares were outstanding. On February 26, 2007, Ryanair effected a 2-for-1 share split as a result of which each of its then existing Ordinary Shares, par value 1.27 euro cent, was split into two new Ordinary Shares, par value 0.635 euro cent. Each Ordinary Share entitles the holder thereof to one vote in respect of any matter voted upon by Ryanair Holdings shareholders.

OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES

Ryanair Holdings shareholders approved a stock option plan (referred to herein as Option Plan 2000), under which all employees and directors are eligible to receive options. Grants of options were permitted to take place at the close of any of the ten years beginning with fiscal year 2000 only if the Company s net profit after tax for such fiscal year had exceeded its net profit after tax for the prior fiscal year by at least 25%, or if an increase of 1% in net profit after tax for the relevant year would have resulted in such requirement being met.

Ryanair Holdings shareholders have also approved a stock option plan (referred to herein as Option Plan 2003) established in accordance with a then tax-favorable share option scheme available under Irish law, so that employees would not be subject to income tax on the exercise of options (subject to certain conditions). Option Plan 2003 was approved by the Revenue Commissioners on July 4, 2003 for the purposes of Chapter 4, Part 17, of the Irish Taxes Consolidation Act, 1997 and Schedule 12C of that Act. Following the publication of the Irish National Recovery Plan: 2011-2014 (the NRP) on November 24, 2010, Revenue approved share option plans, such as Option Plan 2003, no longer qualified for favorable tax treatment from that date. All employees and full-time directors were eligible to participate in the plan, under which grants of options could be made at the close of any of the ten years beginning with fiscal year 2002 only if the Company s net profit after tax for such fiscal year had exceeded its net profit after tax for the prior fiscal year by at least 25%, or if an increase of 1% in net profit after tax for the relevant year would have resulted in such requirement being met.

Under Option Plan 2000, 20 senior managers (including seven of the current executive officers) were granted 10,500,000 share options, in the aggregate, at a strike price of 3.21 in July 2005. Not all of the vesting conditions were met, and as a result only 80% of the options granted that satisfied the conditions were exercisable between August 1, 2011 and August 31, 2013. The Company recognized a credit of 2.5 million in relation to the options that did not vest in June 2011. Also, under Option Plan 2000, each of the non-executive directors were granted 25,000 share options, at a strike price of 4.96, during the 2008 fiscal year. These options are exercisable between June 2012 and June 2014. In addition, 39 senior managers (including eight of the current executive officers) were granted 10,000,000 share options, in the aggregate, under Option Plan 2000, at a strike price of 2.56, on September 18, 2008. These options will become exercisable between September 18, 2013 and September 17, 2015, but only for managers who continue to be employed by the Company through September 18, 2013.

The aggregate of 11,142,430 Ordinary Shares that would be issuable upon exercise in full of the options that were outstanding as of June 30, 2013 under Company s option plan represent approximately 0.8% of the issued share capital of Ryanair Holdings as of such date. Of such total, options in respect of an aggregate of 9,575,000 Ordinary Shares were held by the directors and executive officers of Ryanair Holdings. For further information, see notes 15 and 19 to the consolidated financial statements included herein.

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ARTICLES OF ASSOCIATION

The following is a summary of certain provisions of the Articles of Association of Ryanair Holdings. This summary does not purport to be complete and is qualified in its entirety by reference to the complete text of the Articles, which are included as an exhibit to this annual report.

Objects. Ryanair Holdings objects, which are detailed in its Articles, are broad and include carrying on business as an investment and holding company. Ryanair Holdings Irish company registration number is 249885.

Directors. Subject to certain exceptions, directors may not vote on matters in which they have a material interest. The ordinary remuneration of the directors is determined from time to time by ordinary resolutions of the shareholders. Any director who holds any executive office, serves on any committee or otherwise performs services, which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as the directors may determine. The directors may exercise all the powers of the Company to borrow money. These powers may be amended by special resolution of the shareholders. The directors are not required to retire at any particular age. There is no requirement for directors to hold shares. One-third of the directors retire and offer themselves for re-election at each annual general meeting of the Company. The directors to retire by rotation are those who have been longest in office since their last appointment or reappointment. As between persons who became or were appointed directors on the same date, those to retire are determined by agreement between them or, otherwise, by lot. All of the shareholders entitled to attend and vote at the annual general meeting of the Company may vote on the re-election of directors.

Annual and General Meetings. Annual and extraordinary meetings are called upon 21 days advance notice. At Ryanair s annual general meeting, held on September 22, 2010, the Company s Articles of Association were amended by special resolution to reflect the implementation of the Shareholders Rights (Directive 2007/36/EC) Regulations 2009 to allow all Ryanair shareholders to appoint proxies electronically to attend, speak, ask questions and vote on behalf of them at annual general meetings and to reflect certain other provisions of those Regulations. All holders of Ordinary Shares are entitled to attend, speak at and vote at general meetings of the Company, subject to limitations described below under Limitations on the Right to Own Shares.

Rights, Preferences and Dividends Attaching to Shares. The Company has only one class of shares, Ordinary Shares with a par value of 0.635 euro cent per share. All such shares rank equally with respect to payment of dividends and on any winding-up of the Company. Any dividend, interest or other sum payable to a shareholder that remains unclaimed for one year after having been declared may be invested by the directors for the benefit of the Company until claimed. If the directors so resolve, any dividend which has remained unclaimed for 12 years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The Company is permitted under its Articles to issue redeemable shares on such terms and in such manner as the Company may, by special resolution, determine. The Ordinary Shares currently in issue are not redeemable. The liability of shareholders to invest additional capital is limited to the amounts remaining unpaid on the shares held by them. There are no sinking fund provisions in the Articles of the Company.

Action Necessary to Change the Rights of Shareholders. The rights attaching to shares in the Company may be varied by special resolutions passed at meetings of the shareholders of the Company.

Limitations on the Rights to Own Shares. The Articles contain detailed provisions enabling the directors of the Company to limit the number of shares in which non-EU nationals have an interest or the exercise by non-EU nationals of rights attaching to shares. See Limitations on Share Ownership by Non-EU Nationals below. Such powers may be exercised by the directors if they are of the view that any license, consent, permit or privilege of the Company or any of its subsidiaries that enables it to operate an air service may be refused, withheld, suspended or revoked or have conditions attached to it that inhibit its exercise and the exercise of the powers referred to above could prevent such an occurrence. The exercise of such powers could result in non-EU holders of shares being prevented from attending, speaking at or voting at general meetings of the Company and/or being required to dispose of shares held by them to EU nationals.

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Disclosure of Share Ownership. Under Irish law, the Company can require parties to disclose their interests in shares. The Articles of the Company entitle the directors to require parties to complete declarations indicating their nationality and the nature and extent of any interest which such parties hold in Ordinary Shares before allowing such parties to transfer such Ordinary Shares. See, also Limitations on Share Ownership by non-EU nationals below. Under Irish law, if a party acquires or disposes of Ordinary Shares so as to bring his interest above or below 5% of the total issued share capital of the Company, he must notify the Company of that. The Irish Stock Exchange must also be notified of any acquisition or disposal of shares that brings the shareholding of a party above or below certain specified percentages i.e., 10%, 25%, 50% and 75%.

Other Provisions of the Articles of Association. There are no provisions in the Articles:

(i) delaying or prohibiting a change in the control of the Company, but which operate only with respect to a merger, acquisition or corporate restructuring;

(ii) discriminating against any existing or prospective holder of shares as a result of such shareholder owning a substantial number of shares; or

(iii) governing changes in capital,

in each case, where such provisions are more stringent than those required by law.

MATERIAL CONTRACTS

On March 19, 2013 the Company announced that it had entered into an agreement with Boeing to purchase 175 Boeing 737-800NG aircraft, with a list value of over $14.2 billion, over a five year period from fiscal 2015 to 2019 in accordance with the terms of the contract. The contract was approved by the shareholders of the Company at an extraordinary general meeting on June 18, 2013.

EXCHANGE CONTROLS

Except as indicated below, there are no restrictions on non-residents of Ireland dealing in Irish securities (including shares or depositary receipts of Irish companies such as the Company). Dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities.

Under the Financial Transfers Act 1992 (the 1992 Act), the Minister for Finance of Ireland may make provision for the restriction of financial transfers between Ireland and other countries. Financial transfers are broadly defined, and the acquisition or disposal of the ADRs, which represent shares issued by an Irish incorporated company, the acquisition or the disposal of Ordinary Shares and associated payments may fall within this definition. Dividends or payments on the redemption or purchase of shares and payments on the liquidation of an Irish-incorporated company would fall within this definition.

The 1992 Act prohibits financial transfers involving the late Slobodan Milosevic and associated persons, Belarus, Burma (Myanmar), certain persons indicted by the International Criminal Tribunal for the former Yugoslavia, the now deceased Usama Bin Laden, the Al-Qaeda network and the Taliban of Afghanistan, the Democratic Republic of Congo, Egypt, Eritrea, the Republic of Guinea, the Democratic People s Republic of Korea (North Korea), Iran, Iraq, Côte d Ivoire, Lebanon, Liberia, Libya, Afghanistan, Tunisia, Zimbabwe, Sudan, Somalia, Syria, certain known terrorists and terrorist groups, and countries that harbor certain terrorist groups, without the prior permission of the Central Bank of Ireland.

Any transfer of, or payment in respect of, an ADS involving the government of any country that is currently the subject of United Nations sanctions, any person or body controlled by any of the foregoing, or any person acting on behalf of the foregoing, may be subject to restrictions pursuant to such sanctions as implemented into Irish law. The Company does not anticipate that Irish exchange controls or orders under the 1992 Act or United Nations sanctions implemented into Irish law will have a material effect on its business.

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LIMITATIONS ON SHARE OWNERSHIP BY NON-EU NATIONALS

The Board of Directors of Ryanair Holdings is given certain powers under the Articles to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals does not reach a level which could jeopardize the Company s entitlement to continue to hold or enjoy the benefit of any license, permit, consent or privilege which it holds or enjoys and which enables it to carry on business as an air carrier (a License). In particular, EU Regulation 2407/92 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority-owned and effectively controlled by EU nationals. The regulation does not specify what level of share ownership will confer effective control on a holder or holders of shares. As described below, the directors will, from time to time, set a Permitted Maximum on the number of Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU law. The Permitted Maximum is currently set at 49.9%.

Ryanair Holdings maintains a separate register (the Separate Register) of Ordinary Shares in which non-EU nationals, whether individuals, bodies corporate or other entities, have an interest (such shares are referred to as Affected Shares in the Articles). Interest in this context is widely defined and includes any interest held through ADRs in the shares underlying the relevant ADRs. The directors can require relevant parties to provide them with information to enable a determination to be made by the directors as to whether Ordinary Shares are, or are to be treated as, Affected Shares. If such information is not available or forthcoming or is unsatisfactory then the directors can, at their discretion, determine that Ordinary Shares are to be treated as Affected Shares. Registered holders of Ordinary Shares are also obliged to notify the Company if they are aware that any Ordinary Share which they hold ought to be treated as an Affected Share for this purpose. With regard to ADRs, the directors can treat all of the relevant underlying shares as Affected Shares unless satisfactory evidence as to why they should not be so treated is forthcoming.

In the event that, *inter alia*, (i) the refusal, withholding, suspension or revocation of any License or the imposition of any condition which materially inhibits the exercise of any License (an Intervening Act) has taken place, (ii) the Company receives a notice or direction from any governmental body or any other body which regulates the provision of air transport services to the effect that an Intervening Act is imminent, threatened or intended or (iii) an Intervening Act may occur as a consequence of the level of non-EU ownership of Ordinary Shares or an Intervening Act is imminent, threatened or intended because of the manner of share ownership or control of Ryanair Holdings generally, the directors can take action pursuant to the Articles to deal with the situation. They can, *inter alia*, (i) remove any directors or change the chairman of the Board of Directors, (ii) identify those Ordinary Shares, ADRs or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, ADRs, or Affected Shares as Restricted Shares (see below) or (iii) set a Permitted Maximum on the number of Affected Shares which may subsist at any time (which may not, save in the circumstances referred to below, be lower than 40% of the total number of issued shares) and treat any Affected Shares (or ADRs representing such Affected Shares) in excess of this Permitted Maximum as Restricted Shares (see below).

In addition to the above, if as a consequence of a change of law or a direction, notice or requirement of any state, authority or person it is necessary to reduce the total number of Affected Shares below 40% or reduce the number of Affected Shares held by any particular stockholder or stockholders in order to overcome, prevent or avoid an Intervening Act, the directors may resolve to (i) set the Permitted Maximum at such level below 40% as they consider necessary in order to overcome, prevent or avoid such Intervening Act, or (ii) treat such number of Affected Shares (or ADRs representing Affected Shares) held by any particular stockholder or stockholders as they consider necessary (which could include all of such Affected Shares or ADRs) as Restricted Shares (see below). The directors may serve a Restricted Share Notice in respect of any Affected Share, or any ADR representing any ADS, which is to be treated as a Restricted Share. Such notices can have the effect of depriving the recipients of the rights to attend, vote at and speak at general meetings, which they would otherwise have as a consequence of holding such Ordinary Shares or ADRs. Such notices can also require the recipients to dispose of the Ordinary Shares or ADRs concerned to an EU national (so that the relevant shares (or shares underlying the relevant ADRs) will then cease to be Affected Shares) within 21 days or such longer period as the directors may determine. The directors are also given the power to transfer such Restricted Shares, themselves, in cases of non-compliance with the Restricted Share Notice.

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To enable the directors to identify Affected Shares, transferees of Ordinary Shares are generally required to provide a declaration as to the nationality of persons having interests in those shares. Stockholders are also obliged to notify Ryanair Holdings if they are aware that any shares, which they hold, ought to be treated as Affected Shares for this purpose. Purchasers or transferees of ADRs need not complete a nationality declaration because the directors expect to treat all of the Ordinary Shares held by the Depositary as Affected Shares. ADS holders must open ADR accounts directly with the Depositary if they wish to provide to Ryanair Holdings nationality declarations or such other evidence as the directors may require in order to establish to the directors satisfaction that the Ordinary Shares underlying such holder s ADRs are not Affected Shares.

In deciding which Affected Shares are to be selected as Restricted Shares, the directors can take into account which Affected Shares have given rise to the necessity to take action. Subject to that they will, insofar as practicable, firstly view as Restricted Shares those Affected Shares in respect of which no declaration as to whether or not such shares are Affected Shares has been made by the holder thereof and where information which has been requested by the directors in accordance with the Articles has not been provided within specified time periods and, secondly, have regard to the chronological order in which details of Affected Shares have been entered in the Separate Register and, accordingly, treat the most recently registered Affected Shares as Restricted Shares to the extent necessary. Transfers of Affected Shares to Affiliates (as that expression is defined in the Articles) will not affect the chronological order of entry in the Separate Register for this purpose. The directors do however have the discretion to apply another basis of selection if, in their sole opinion, that would be more equitable. Where the directors have resolved to treat Affected Shares held by any particular stockholder or stockholders as Restricted Shares (i) because such Affected Shares have given rise to the need to take such action or (ii) because of a change of law or a requirement or direction of a regulatory authority necessitating such action (see above), such powers may be exercised irrespective of the date upon which such Affected Shares were entered in the Separate Register.

After having initially resolved to set the maximum level at 49.0%, the directors increased the maximum level to 49.9% on May 26, 1999, after the number of Affected Shares exceeded the initial limit. This maximum level could be reduced if it becomes necessary for the directors to exercise these powers in the circumstances described above. The decision to make any such reduction or to change the Permitted Maximum from time to time will be published in at least one national newspaper in Ireland and in any country in which the Ordinary Shares or ADRs are listed. The relevant notice will specify the provisions of the Articles that apply to Restricted Shares and the name of the person or persons who will answer queries relating to Restricted Shares on behalf of Ryanair Holdings. The directors shall publish information as to the number of shares held by EU nationals annually.

In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed the Depositary to suspend the issuance of new ADSs in exchange for the deposit of Ordinary Shares until further notice to its shareholders. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADRs during such suspension, and there can be no assurance that the suspension will ever be lifted.

As a further measure to increase the percentage of Ordinary Shares held by EU nationals, on February 7, 2002, the Company issued a notice to shareholders to the effect that any purchase of Ordinary Shares by a non-EU national after such date will immediately result in the issue of a Restricted Share Notice to such non-EU national Purchaser. The Restricted Share Notice compels the non-EU national purchaser to sell the Affected Shares to an EU national within 21 days of the date of issuance. In the event that any such non-EU national shareholder does not sell its Ordinary Shares to an EU national within the specified time period, the Company can then take legal action to compel such a sale. As a result, non-EU nationals are effectively barred from purchasing Ordinary Shares for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted.

As an additional measure, to ensure the percentage of shares held by EU nationals remains at least 50.1%, at the extraordinary general meeting held on April 19, 2012, the Company obtained a new repurchase authority which will enable the repurchase of ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ

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Concerns about the foreign ownership restrictions described above could result in the exclusion of Ryanair from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. See also Item 3. Risk Factors Risks Related to Ownership of the Company s Shares or ADRs EU Rules Impose Restrictions on the Ownership of Ryanair Holdings Ordinary Shares by Non-EU Nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals above.

As of June 30, 2013, EU nationals owned at least 55.2% of Ryanair Holdings Ordinary Shares (assuming conversion of all outstanding ADRs into Ordinary Shares). Ryanair continuously monitors the ownership status of its Ordinary Shares, which changes on a daily basis.

TAXATION

Irish Tax Considerations

The following is a discussion of certain Irish tax consequences of the purchase, ownership and disposition of Ordinary Shares or ADSs. This discussion is based upon tax laws and practice of Ireland at the date of this document, which are subject to change, possibly with retroactive effect. Particular rules may apply to certain classes of taxpayers (such as dealers in securities) and this discussion does not purport to deal with the tax consequences of purchase, ownership or disposition of the relevant securities for all categories of investors.

The discussion is intended only as a general guide based on current Irish law and practice and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor or stockholder. Accordingly, current stockholders or potential investors should satisfy themselves as to the overall tax consequences by consulting their own tax advisers.

Dividends. If Ryanair Holdings pays dividends or makes other relevant distributions, the following is relevant:

Withholding Tax. Unless exempted, a withholding at the standard rate of income tax (currently 20%) will apply to dividends or other relevant distributions paid by an Irish resident company. The withholding tax requirement will not apply to distributions paid to certain categories of Irish resident stockholders or to distributions paid to certain categories of non-resident stockholders.

The following Irish resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any relevant distribution, an appropriate declaration of entitlement to exemption:

- Irish resident companies;
- Pension schemes approved by the Irish Revenue Commissioners (Irish Revenue);
- Qualifying fund managers or qualifying savings managers;
- Personal Retirement Savings Account (PRSA) administrators who receive the relevant distribution as income arising in respect of PRSA assets;
- Qualifying employee share ownership trusts;
- Collective investment undertakings;
- Tax-exempt charities;

Designated brokers receiving the distribution for special portfolio investment accounts;

Any person who is entitled to exemption from income tax under Schedule F on dividends in respect of an investment in whole or in part of payments received in respect of a civil action or from the Personal Injuries Assessment Board for damages in respect of mental or physical infirmity;

Certain qualifying trusts established for the benefit of an incapacitated individual and/or persons in receipt of income from such a qualifying trust;

Any person entitled to exemption to income tax under Schedule F by virtue of Section 192(2) Taxes Consolidation Act (TCA) 1997;

Unit trusts to which Section 731(5)(a) TCA 1997 applies; and

Certain Irish Revenue-approved amateur and athletic sport bodies.

The following non-resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any dividend, an appropriate declaration of entitlement to exemption:

Persons (other than a company) who (i) are neither resident nor ordinarily resident in Ireland and (ii) are resident for tax purposes in (a) a country which has signed a tax treaty with Ireland (a tax treaty country) or (b) an EU member state other than Ireland;

Companies not resident in Ireland which are resident in an EU member state or a tax treaty country, by virtue of the law of an EU member state or a tax treaty country and are not controlled, directly or indirectly, by Irish residents;

Companies not resident in Ireland which are directly or indirectly controlled by a person or persons who are, by virtue of the law of a tax treaty country or an EU member state, resident for tax purposes in a tax treaty country or an EU member state other than Ireland and which are not controlled directly or indirectly by persons who are not resident for tax purposes in a tax treaty country or EU member state;

Companies not resident in Ireland the principal class of shares of which is substantially and regularly traded on a recognized stock exchange in a tax treaty country or an EU member state including Ireland or on an approved stock exchange; or

Companies not resident in Ireland that are 75% subsidiaries of a single company, or are wholly-owned by two or more companies, in either case the principal classes of shares of which is or are substantially and regularly traded on a recognized stock exchange in a tax treaty country or an EU member state including Ireland or on an approved stock exchange.

In the case of an individual non-resident stockholder resident in an EU member state or tax treaty country, the declaration must be accompanied by a current certificate of tax residence from the tax authorities in the stockholder s country of residence. In the case of both an individual and corporate non-resident stockholder resident in an EU member state or tax treaty country the declaration also must contain an undertaking by the individual or corporate non-resident stockholder that he, she or it will advise the Company accordingly if he, she or it ceases to meet the conditions to be entitled to the DWT exemption. No declaration is required if the stockholder is a 5% parent company in another EU member state in accordance with section 831 TCA 1997. Neither is a declaration required on the payment by a company resident in Ireland to another company so resident if the company making the dividend is a 51% subsidiary of that other company.

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American Depositary Receipts. Special arrangements with regard to the dividend withholding tax obligation apply in the case of Irish companies using ADRs through U.S. depositary banks that have been authorized by the Irish Revenue. Such banks, which receive dividends from the company and pass them on to the U.S. ADS holders beneficially entitled to such dividends, will be allowed to receive and pass on the gross dividends (i.e., before withholding) based on an address system where the recorded addresses of such holder, as listed in the depositary bank s register of depositary receipts, is in the United States.

Taxation on Dividends. Companies resident in Ireland other than those taxable on receipt of dividends as trading income are exempt from corporation tax on distributions received on Ordinary Shares from other Irish resident companies. Stockholders that are close companies for Irish taxation purposes may, however, be subject to a 20% corporation tax surcharge on undistributed investment income.

Individual stockholders who are resident or ordinarily resident in Ireland are subject to income tax on the gross dividend at their marginal tax rate, but are entitled to a credit for the tax withheld by the company paying the dividend. The dividend will also be subject to the universal social charge. An individual stockholder who is not liable or not fully liable for income tax by reason of exemption or otherwise may be entitled to receive an appropriate refund of tax withheld. A charge to Irish social security taxes can also arise for such individuals on the amount of any dividend received from the Company.

Except in certain circumstances, a person who is neither resident nor ordinarily resident in Ireland and is entitled to receive dividends without deductions is not liable for Irish tax on the dividends. Where a person who is neither resident nor ordinarily resident in Ireland is subject to withholding tax on the dividend received due to not benefiting from any exemption from such withholding, the amount of that withholding will generally satisfy such person s liability for Irish tax.

Capital Gains Tax. A person who is either resident or ordinarily resident in Ireland will generally be liable for Irish capital gains tax on any gain realized on the disposal of the Ordinary Shares or ADSs. The current capital gains tax rate is 33%. A person who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency will not be subject to Irish capital gains tax on the disposal of the Ordinary Shares or ADSs.

Irish Capital Acquisitions Tax. A gift or inheritance of the Ordinary Shares or ADSs will be within the charge to Irish Capital Acquisitions Tax (CAT) notwithstanding that the donor or the donee/successor in relation to such gift or inheritance is resident outside Ireland. CAT is charged at a rate of 33% above a tax-free threshold. This tax-free threshold is determined by the amount of the current benefit and of previous benefits taken since December 5, 1991, as relevant, within the charge to CAT and the relationship between the donor and the successor or donee. Gifts and inheritances between spouses (and in certain cases former spouses) are not subject to CAT.

In a case where an inheritance or gift of the Ordinary Shares or ADSs is subject to both Irish CAT and foreign tax of a similar character, the foreign tax paid may in certain circumstances be credited in whole or in part against the Irish tax.

Irish Stamp Duty. It is assumed for the purposes of this paragraph that ADSs are dealt in on a recognized stock exchange in the United States (NASDAQ is a recognized stock exchange in the United States for this purpose). Under current Irish law, no stamp duty will be payable on the acquisition of ADSs by persons purchasing such ADSs or on any subsequent transfer of ADSs. A transfer of Ordinary Shares (including transfers effected through Euroclear U.K. & Ireland Limited) wherever executed and whether on sale, in contemplation of a sale or by way of a gift, will be subject to duty at the rate of 1% of the consideration given or, in the case of a gift or if the purchase price is inadequate or unascertainable, on the market value of the Ordinary Shares. Transfers of Ordinary Shares that are not liable for duty at the rate of 1% (e.g., transfers under which there is no change in beneficial ownership) may be subject to a fixed duty of 12.50.

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The Irish Revenue treats a conversion of Ordinary Shares to ADSs made in contemplation of a sale or a change in beneficial ownership (under Irish law) as an event subject to stamp duty at a rate of 1%. The Irish Revenue has indicated that a re-conversion of ADSs to Ordinary Shares made in contemplation of a sale or a change in beneficial ownership (under Irish law) will not be subject to a stamp duty. However, the subsequent sale of the re-converted Ordinary Shares will give rise to Irish stamp duty at the 1% rate. If the transfer of the Ordinary Shares is a transfer under which there is no change in the beneficial ownership (under Irish law) of the Ordinary Shares being transferred, nominal stamp duty only will be payable on the transfer. Under Irish law, it is not clear whether the mere deposit of Ordinary Shares for ADSs or ADSs for Ordinary Shares would be deemed to constitute a change in beneficial ownership. Accordingly, it is possible that holders would be subject to stamp duty at the 1% rate when merely depositing Ordinary Shares for ADSs or ADSs for Ordinary Shares and, consequently, the Depositary reserves the right in such circumstances to require payment of stamp duty at the rate of 1% from the holders.

The person accountable for payment of stamp duty is the transferee or, in the case of a transfer by way of a gift or for a consideration less than the market value, all parties to the transfer. Stamp duty is normally payable within 30 days after the date of execution of the transfer. Late or inadequate payment of stamp duty will result in liability for interest, penalties and fines.

United States Federal Income Tax Considerations

Except as described below under the heading Non-U.S. Holders, the following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of Ordinary Shares or ADRs by a holder that is a citizen or resident of the United States, a U.S. domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Ordinary Shares or the ADRs (U.S. Holders). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Ordinary Shares or the ADRs. In particular, the summary deals only with U.S. Holders that will hold Ordinary Shares or ADRs as capital assets and generally does not address the tax treatment of U.S. Holders that may be subject to special tax rules such as banks, insurance companies, dealers in securities or currencies, partnerships or partners therein, entities subject to the branch profits tax, traders in securities electing to mark to market, persons that own 10% or more of the stock of the Company, U.S. Holders whose functional currency is not U.S. dollars or persons that hold the Ordinary Shares or the ADRs as part of an integrated investment (including a straddle) consisting of the Ordinary Shares or the ADRs and one or more other positions.

Holders of the Ordinary Shares or the ADRs should consult their own tax advisors as to the U.S. or other tax consequences of the purchase, ownership, and disposition of the Ordinary Shares or the ADRs in light of their particular circumstances, including, in particular, the effect of any foreign, state or local tax laws.

For U.S. federal income tax purposes, holders of the ADRs will be treated as the owners of the Ordinary Shares represented by those ADRs.

Taxation of Dividends

U.S. Holders

Dividends, if any, paid with respect to the Ordinary Shares, including Ordinary Shares represented by ADRs, will be included in the gross income of a U.S. Holder when the dividends are received by the holder or the Depositary. Such dividends will not be eligible for the dividends received deduction allowed to U.S. corporations in respect of dividends from a domestic corporation. Dividends paid in euro will be includible in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day they are received by the holder or the Depositary. U.S. Holders generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in Euro are converted into U.S. dollars immediately upon receipt.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual post January 1, 2013 with respect to the Ordinary Shares or ADRs will be subject to taxation at a maximum rate of 20% (15% prior to January 1, 2013) if the dividends are qualified dividends.

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Dividends paid on the Ordinary Shares or ADRs will be treated as qualified dividends if (i) the issuer is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for the purposes of the qualified dividend rules and (ii) the Company was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a PFIC). The income tax treaty between Ireland and the United States has been approved for the purposes of the qualified dividend rules. Effective January 1, 2013, a Medicare contribution tax of 3.8% is also applicable to U.S. individuals, estates and trusts. Based on the Company s audited financial statements and relevant market data, the Company believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to its 2011/12 taxable year. In addition, based on the Company s audited financial statements and its current expectations regarding the value and nature of its assets, the sources and nature of its income, and relevant market data, the Company does not anticipate becoming a PFIC for its 2013/14 taxable year.

Under the U.S.-Ireland Income Tax Treaty currently in effect, in the event the Company were to pay any dividend, the tax credit attaching to the dividend (as used herein the Tax Credit ; see Irish Tax Considerations) generally will be treated as a foreign income tax eligible for credit against such U.S. Holder s United States federal income tax liability, subject to generally applicable limitations and conditions. Any such dividend paid by the Company to such U.S. Holder will constitute income from sources outside the United States for foreign tax credit purposes, and generally will constitute passive category income for such purposes.

Foreign tax credits may not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions in securities.

U.S. Holders should consult their own tax advisors concerning the implications of these rules in light of their particular circumstances.

Distributions of Ordinary Shares that are made as part of a *pro rata* distribution to all stockholders generally will not be subject to U.S. federal income tax.

Taxation of Capital Gains

Sale or Disposition of Ordinary Shares or ADRs. Gains or losses realized by a U.S. Holder on the sale or other disposition of ADRs generally will be treated for U.S. federal income tax purposes as capital gains or losses, which generally will be long-term capital gains or losses if the ADRs have been held for more than one year. The net amount of long-term capital gain recognized by an individual holder post January 1, 2013 generally is subject to taxation at a maximum rate of 20% (15% prior to January 1, 2013). Effective January 1, 2013, a Medicare contribution tax of 3.8% is also applicable to U.S. individuals, estates and trusts. The deductibility of capital losses is subject to limitations.

Deposits and withdrawals of Ordinary Shares by U.S. Holders in exchange for ADRs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Non-U.S. Holders. A holder of Ordinary Shares or ADRs that is, with respect to the United States, a foreign corporation or a nonresident alien individual (a Non-U.S. Holder) generally will not be subject to U.S. federal income or withholding tax on dividends received on such Ordinary Shares or ADRs unless such income is effectively connected with the conduct by such holder of a trade or business in the United States. A Non-U.S. Holder of ADRs or Ordinary Shares will not be subject to U.S. federal income tax or withholding tax in respect of gain realized on the sale or other disposition of Ordinary Shares or ADRs, unless (i) such gain is effectively connected with the conduct by such holder of a trade or business in the United States or (ii) in the case of gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

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DOCUMENTS ON DISPLAY

Copies of Ryanair Holdings Articles may be examined at its registered office and principal place of business at its Corporate Head Office, Dublin Airport, County Dublin, Ireland.

Ryanair Holdings also files reports, including annual reports on Form 20-F, periodic reports on Form 6-K and other information, with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Item 11. ***Quantitative and Qualitative Disclosures About Market Risk***

GENERAL

Ryanair is exposed to market risks relating to fluctuations in commodity prices, interest rates and currency exchange rates. The objective of financial risk management at Ryanair is to minimize the negative impact of commodity price, interest rate and foreign exchange rate fluctuations on the Company s earnings, cash flows and equity.

To manage these risks, Ryanair uses various derivative financial instruments, including cross currency interest rate swaps, foreign currency forward contracts and commodity forwards. These derivative financial instruments are generally held to maturity and are not actively traded. The Company enters into these arrangements with the goal of hedging its operational and balance sheet risk. However, Ryanair s exposure to commodity price, interest rate and currency exchange rate fluctuations cannot be neutralized completely.

In executing its risk management strategy, Ryanair currently enters into forward contracts for the purchase of some of the jet fuel (jet kerosene) that it expects to use. It also uses foreign currency forward contracts intended to reduce its exposure to risks related to foreign currencies, principally the U.S. dollar. Furthermore, it enters into interest rate contracts with the objective of fixing certain borrowing costs and hedging principal repayments, particularly those associated with the purchase of new Boeing 737-800s. Ryanair is also exposed to the risk that the counterparties to its derivative financial instruments may not be creditworthy. Were a counterparty to default on its obligations under any of the instruments described below, Ryanair s economic expectations when entering into these arrangements might not be achieved and its financial condition could be adversely affected. Transactions involving derivative financial instruments are also relatively illiquid as compared with those involving other kinds of financial instruments. It is Ryanair s policy not to enter into transactions involving financial derivatives for speculative purposes.

The following paragraphs describe Ryanair s fuel hedging, foreign currency and interest rate swap arrangements and analyze the sensitivity of the market value, earnings and cash flows of the financial instruments to hypothetical changes in commodity prices, interest rates and exchange rates as if these changes had occurred at March 31, 2013. The range of changes selected for this sensitivity analysis reflects Ryanair s view of the changes that are reasonably possible over a one-year period.

FUEL PRICE EXPOSURE AND HEDGING

Fuel costs constitute a substantial portion of Ryanair s operating expenses (approximately 45.3% and 43.0% of such expenses in fiscal years 2013 and 2012, respectively, after taking into account Ryanair s fuel hedging activities). Ryanair engages in fuel price hedging transactions from time to time, pursuant to which Ryanair and a counterparty agree to exchange payments equal to the difference between a fixed price for a given quantity of jet fuel and the market price for such quantity of jet fuel at a given date in the future, with Ryanair receiving the amount of any excess of such market price over such fixed price and paying to the counterparty the amount of any deficit of such fixed price under such market price.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. Ryanair (like many other airlines) has, in more recent periods, entered into hedging arrangements on a much more selective basis. See Item 3. Key Information Risk Factors Risks Related to the Company Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increases the Likelihood that the Company May Incur Losses and Item 11. Quantitative and Qualitative Disclosures About Market Risks Fuel Price Exposure and Hedging for additional information on recent trends in fuel costs and the Company s related hedging activities, as well as certain associated risks. See also Item 5. Operating and Financial Review and Prospects Fiscal Year 2013 Compared with Fiscal Year 2012 Fuel and Oil. As of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90% of its estimated requirements for the fiscal year ending March 31, 2014 at prices equivalent to approximately $980 per metric ton. In addition, as of July 26, 2013, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 75% of its estimated requirements for the first half of the fiscal year ending March 31, 2015 at prices equivalent to approximately $935 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that period.

While these hedging strategies can cushion the impact on Ryanair of fuel price increases in the short term, in the medium to longer-term, such strategies cannot be expected to eliminate the impact on the Company of an increase in the market price of jet fuel. The unrealized gains on outstanding forward agreements at March 31, 2013 and 2012, based on their fair values, amounted to 34.9 million and 145.8 million (gross of tax), respectively. Based on Ryanair s fuel consumption for the 2013 fiscal year, a change of $1.00 in the average annual price per metric ton of jet fuel would have caused a change of approximately 1.7 million in Ryanair s fuel costs. See Item 3. Key Information Risk Factors Risks Related to the Company Changes in Fuel Costs and Fuel Availability Affect the Company s Results and Increase the Likelihood that the Company May Incur Losses.

Under IFRS, the Company s fuel forward contracts are treated as cash-flow hedges of forecast fuel purchases for risks arising from the commodity price of fuel. The contracts are recorded at fair value in the balance sheet and are re-measured to fair value at the end of each fiscal period through equity to the extent effective, with any ineffectiveness recorded through the income statement. The Company has considered these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in the market price of jet fuel because the jet fuel forward contracts typically relate to the same quantity, time, and location of delivery as the forecast jet fuel purchase being hedged and the duration of the contracts is typically short. Accordingly, the quantification of the change in expected cash flows of the forecast jet fuel purchase is based on the jet fuel forward price, and in the 2013 fiscal year, the Company recorded no hedge ineffectiveness within earnings. The Company has recorded no level of ineffectiveness on its jet fuel hedges in its income statements to date. In the 2013 fiscal year, the Company recorded a positive fair-value adjustment of 30.6 million (net of tax) within accumulated other comprehensive income in respect of jet fuel forward contracts, and in the 2012 fiscal year, the Company recorded a positive fair-value adjustment of 127.6 million (net of tax) within accumulated other comprehensive income.

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FOREIGN CURRENCY EXPOSURE AND HEDGING

In recent years, Ryanair s revenues have been denominated primarily in two currencies, the euro and U.K. pound sterling. The U.K. pound sterling and the euro accounted for approximately 25% and 63%, respectively, of Ryanair s total revenues in the 2013 fiscal year, as compared to approximately 24% and 65%, respectively, in the 2012 fiscal year. As Ryanair reports its results in euro, the Company is not exposed to any material currency risk as a result of its euro-denominated activities. Ryanair s operating expenses are primarily denominated in euro, U.K. pounds sterling and U.S. dollars. Ryanair s operations can be subject to significant direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs (particularly those related to fuel purchases) is incurred in U.S. dollars, while none of its revenues are denominated in U.S. dollars. Appreciation of the euro against the U.S. dollar positively impacts Ryanair s operating income because the euro equivalent of its U.S. dollar operating costs decreases, while depreciation of the euro against the U.S. dollar negatively impacts operating income. It is Ryanair s policy to hedge a significant portion of its exposure to fluctuations in the exchange rate between the U.S. dollar and the euro. From time to time, Ryanair hedges its operating surpluses and shortfalls in U.K. pound sterling. Ryanair matches certain U.K. pound sterling costs with U.K. pound sterling revenues and may choose to sell any surplus U.K. pound sterling cash flows for euro.

Hedging associated with the income statement. In the 2013 and 2012 fiscal years, the Company entered into a series of forward contracts, principally euro/U.S. dollar forward contracts to hedge against variability in cash flows arising from market fluctuations in foreign exchange rates associated with its forecast fuel, maintenance and insurance costs and euro/U.K. pound sterling forward contracts to hedge certain surplus U.K. pound sterling cash flows. At March 31, 2013, the total unrealized gain relating to these contracts amounted to 47.4 million, compared to a 89.4 million unrealized loss at March 31, 2012.

Under IFRS, these foreign currency forward contracts are treated as cash-flow hedges of forecast U.S. dollar and U.K. pound sterling purchases to address the risks arising from U.S. dollar and U.K. pound sterling exchange rates. The derivatives are recorded at fair value in the balance sheet and are re-measured to fair value at the end of each reporting period through equity to the extent effective, with ineffectiveness recorded through the income statement. Ryanair considers these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in exchange rates, because the forward contracts are timed so as to match exactly the amount, currency and maturity date of the forecast foreign currency-denominated expense being hedged. In the 2013 fiscal year, the Company recorded a positive fair-value adjustment of 42.3 million (net of tax) within accumulated other comprehensive income in respect of these contracts, as compared to a positive adjustment of 86.1 million in the 2012 fiscal year.

Hedging associated with the balance sheet. In the 2012 and 2013 fiscal years, the Company entered into a series of cross currency interest rate swaps to manage exposures to fluctuations in foreign exchange rates of US dollar-denominated floating rate borrowings entered into during the 2012 and 2013 fiscal years, together with managing the exposures to fluctuations in interest rates on these US dollar-denominated floating rate borrowings. Cross currency interest rate swaps are primarily used to convert a portion of the Company s U.S. dollar-denominated debt to euro and floating rate interest exposures into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all classified as cash-flow hedges of the forecasted U.S. dollar variable interest payments on the Company s underlying debt and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges in the 2012 and 2013 fiscal years.

At March 31, 2013, the fair value of the cross currency interest rate swap agreements relating to this U.S. dollar-denominated floating rate debt was represented by a loss of 11.7 million (gross of tax) compared to a loss of 7.4 million in fiscal 2012. In the 2013 fiscal year, the Company recorded a negative fair-value adjustment of 10.2 million (net of tax), compared to a loss of 6.5 million in fiscal 2012, within accumulated other comprehensive income in respect of these contracts.

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Hedging associated with capital expenditures. During the 2013 and 2012 fiscal years, the Company also entered into a series of euro/U.S. dollar contracts to hedge against changes in the fair value of aircraft purchase commitments under the Boeing contracts, which arise from fluctuations in the U.K. pound sterling/U.S. dollar and euro/U.S. dollar exchange rates. There were no such contracts in effect at March 31, 2013.

Under IFRS, the Company generally accounts for these contracts as either cash-flow hedges or fair-value hedges. Fair-value hedges are recorded in the balance sheet at fair value. Any gains or losses arising on these instruments, as well as the related gain or loss on the underlying aircraft purchase commitment, are recorded in the balance sheet. Any related ineffectiveness is measured by the amount by which these adjustments to earnings do not match. Cash-flow hedges are recorded at fair value in the balance sheet and are re-measured to fair value at the end of the financial period through equity to the extent effective, with any ineffectiveness recorded through the income statement. The Company has found these hedges to be highly effective in offsetting changes in the fair value of the aircraft purchase commitments arising from fluctuations in exchange rates because the forward exchange contracts are always for the same amount, currency and maturity dates as the corresponding aircraft purchase commitments.

At March 31, 2013, the total unrealized gains relating to these contracts amounted to nil, while at March 31, 2012 unrealized gains amounted to 6.8 million. Under IFRS, the Company recorded fair-value adjustments of nil and positive fair-value adjustments of 6.0 million for cash-flow hedges in the 2013 and 2012 fiscal years, respectively. No amounts were recorded for such fair-value hedges from other accumulated comprehensive income in the 2013 and 2012 fiscal years.

Holding other variables constant, if there were an adverse change of 10% in relevant foreign currency exchange rates, the market value of Ryanair s foreign currency contracts outstanding at March 31, 2013 would decrease by approximately 160.0 million (net of tax), all of which would ultimately impact earnings when such contracts mature.

INTEREST RATE EXPOSURE AND HEDGING

The Company s purchase of 246 of the 305 Boeing 737-800 aircraft in the fleet as of March 31, 2013 has been funded by bank financing in the form of loans supported by a loan guarantee from Ex-Im Bank (with respect to 210 aircraft), JOLCOs and commercial debt. With respect to these 246 aircraft, at March 31, 2013, the Company had outstanding cumulative borrowings under these facilities of 3,498.4 million with a weighted average interest rate of 2.5%. See Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources Capital Resources for additional information on these facilities and the related swaps, including a tabular summary of the Effective Borrowing Profile illustrating the effect of the swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair s aircraft-related debt at March 31, 2013. At March 31, 2013, the fair value of the interest rate swap agreements relating to this floating rate debt was represented by a loss of 81.9 million (gross of tax), as compared with a loss of 80.3 million at March 31, 2012. See Note 11 to the consolidated financial statements included in Item 18 for additional information.

If Ryanair had not entered into such derivative agreements, a plus or minus one percentage point movement in interest rates would impact the fair value of this liability by approximately 28.8 million. The earnings and cash-flow impact of any such change in interest rates would have been approximately plus or minus 18.3 million in the 2013 fiscal year.

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Item 12. ***Description of Securities Other than Equity Securities***

Holders of ADSs are required to pay certain fees and expenses. The table below sets forth the fees and expenses which, under the deposit agreement between the Company and The Bank of New York Mellon, holders of ADRs can be charged or be deducted from dividends or other distributions on the deposited shares. The Company and The Bank of New York Mellon have also entered into a separate letter agreement, which has the effect of reducing some of the fees listed below.

Persons depositing or withdrawing ADSs must pay:	***For:***
$5.00 (or less) per 100 ADSs (or portion of 100 ADSs).	Issuance of ADSs, including issuances resulting from a distribution of common shares or rights or other property.
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates.
$0.02 (or less) per ADS.	Any cash distribution to the holder of the ADSs.
$0.02 (or less) per ADS per calendar year.	Depositary services.
A fee equivalent to the fee that would be payable if securities distributed to the holder of ADSs had been shares and the shares had been deposited for issuance of ADSs.	Distribution of securities distributed by the issuer to the holders of common securities, which are distributed by the depositary to ADS holders.
Registration or transfer fees.	Transfer and registration of shares on our share register to or from the name of the depositary or its agent when the holder of ADSs deposits or withdraws common shares.
Expenses of the depositary.	Cable, telex and facsimile transmissions (when expressly provided for in the deposit agreement).
	Expenses of the depositary in converting foreign currency to U.S. dollars.
Taxes and other governmental charges the depositary or the custodian have to pay on any ADSs or common shares underlying ADSs (for example, stock transfer taxes, stamp duty or withholding taxes).	As necessary.
Any charges incurred by the depositary or its agents for servicing the deposited securities.	As necessary.

Reimbursement of Fees

From April 1, 2012 to June 30, 2013 the Depositary collected annual depositary services fees equal to approximately $5.5 million from holders of ADSs, net of fees paid to the Depositary by the Company.

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PART II

Item 13. ***Defaults, Dividend Arrearages and Delinquencies***

None.

Item 14. ***Material Modifications to the Rights of Security Holders and Use of Proceed*****s**

None.

Item 15. ***Controls and Procedures***

DISCLOSURE CONTROLS AND PROCEDURES

The Company has carried out an evaluation, as of March 31, 2013, under the supervision and with the participation of the Company s management, including the chief executive officer and chief financial officer, of the effectiveness of the design and operation of the Company s disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the Company s evaluation, the chief executive officer and chief financial officer have concluded that, as of March 31, 2013, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported as and when required, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the Company s management, including the chief executive officer and chief financial officer, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company s management is responsible for establishing and maintaining adequate internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Company s internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company s internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;

- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors; and

- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company s assets that could have a material effect on the financial statements.

The Company s management evaluated the effectiveness of the Company s internal control over financial reporting as of March 31, 2013, based on the criteria established in the 1992 Framework in Internal Control Integrated Framework, issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). Based on the evaluation, management has concluded that the Company maintained effective internal control over financial reporting as of March 31, 2013.

Our independent registered public accounting firm, KPMG, has issued an auditor s report on the Company s internal control over financial reporting, which is included in its entirety below.

REPORT OF THE INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Board of Directors and Shareholders

Ryanair Holdings plc:

We have audited Ryanair Holdings plc s (the Company) internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company s management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management s Annual Report on Internal Control Over Financial Reporting, appearing under Item 15 in this Annual Report on Form 20-F. Our responsibility is to express an opinion on the Company s internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company s internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company s internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company s assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control Integrated Framework* issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company and subsidiaries as of March 31, 2013, 2012 and 2011 and the related consolidated income statements, consolidated statements of comprehensive income, changes in shareholders equity and cash flows for each of the years in the three-year period ended March 31, 2013, and our report dated July 26, 2013 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG

Dublin, Ireland

July 26, 2013

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CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in the Company s internal control over financial reporting during the 2013 fiscal year that has materially affected, or is reasonably likely to materially affect, the Company s internal control over financial reporting.

Item 16. ***Reserved***

Item 16A. ***Audit Committee Financial Expert***

The Company s Board of Directors has determined that Declan McKeon qualifies as an audit committee financial expert within the meaning of this Item 16A. Mr. McKeon is independent for purposes of the listing rules of NASDAQ.

Item 16B. ***Code of Ethics***

The Company has adopted a broad Code of Business Conduct and Ethics that meets the requirements for a code of ethics as defined in Item 16B of Form 20-F. The Code of Business Conduct and Ethics applies to the Company s chief executive officer, chief financial officer, chief accounting officer, controller and persons performing similar functions, as well as to all of the Company s other officers, directors and employees. The Code of Business Conduct and Ethics is available on Ryanair s website at http://www.ryanair.com. (Information appearing on the website is not incorporated by reference into this annual report.) The Company has not made any amendment to, or granted any waiver from, the provisions of this Code of Business Conduct and Ethics that apply to its chief executive officer, chief financial officer, chief accounting officer, controller or persons performing similar functions during its most recently completed fiscal year.

Item 16C. ***Principal Accountant Fees and Services***

Audit and Non-Audit Fees

The following table sets forth the fees billed or billable to the Company by its independent auditors, KPMG, during the fiscal years ended March 31, 2013, 2012 and 2011:

	Year ended March 31,		
	2013	2012	2011
		(millions)	
Audit fees	0.5	0.4	0.4
Tax fees	0.3	0.4	0.4
Total fees	0.8	0.8	0.8

Audit fees in the above table are the aggregate fees billed or billable by KPMG in connection with the audit of the Company s annual financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including the provision of comfort letters, statutory audits, discussions surrounding the proper application of financial accounting and reporting standards and services provided in connection with certain regulatory requirements including those under the Sarbanes-Oxley Act of 2002.

Tax fees include fees for all services, except those services specifically related to the audit of financial statements, performed by the independent auditor s tax personnel, work performed in support of other tax-related regulatory requirements and tax compliance reporting.

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Audit Committee Pre-Approval Policies and Procedures

The audit committee expressly pre-approves every engagement of Ryanair s independent auditors for all audit and non-audit services provided to the Company.

Item 16D. ***Exemptions from the Listing Standards for Audit Committees***

None.

Item 16E. ***Purchases of Equity Securities by the Issuer and Affiliated Purchasers***

The following table details purchases by the Company of its Ordinary shares in the 2013 fiscal year.

Month / Period	Total Number of Ordinary Shares Purchased (a) (Millions)	Average Price Paid Per Ordinary Share ( )
April 1, 2012 to April 30, 2012	15.0	4.45
May 1, 2012 to May 31, 2012		
June 1, 2012 to June 30, 2012		
July 1, 2012 to July 31, 2012		
August 1, 2012 to August 31, 2012		
September 1, 2012 to September 30, 2012		
October 1, 2012 to October 31, 2012		
November 1, 2012 to November 30, 2012		
December 1, 2012 to December 31, 2012		
January 1, 2013 to January 31, 2013		
February 1, 2013 to February 28, 2013		
March 1, 2013 to March 31, 2013		
Total (Year-end)	15.0	4.45
Post Year-end (b)	24.1	7.23

(a) The Ordinary Share purchases in the table above have not been made pursuant to publicly announced plans or programs, and consist of open-market transactions conducted within defined parameters pursuant to the Company s repurchase authority from shareholders granted via a special resolution.

(b) In June 2013, the Company bought back 24.1 million ordinary shares, at a total cost of 176.6 million, for cancellation. Cumulatively these buybacks are equivalent to 1.7% of the issued share capital of the Company at March 31, 2013.

See Item 8. Financial Information Other Financial Information Share Buy-Back Program and Item 9. The Offer and Listing Trading Markets and Share Prices for further information regarding the Company s Ordinary Share buy-back program, pursuant to which all of the shares purchased by the Company and disclosed in the table above were purchased.

Item 16F. ***Change in Registrant s Certified Accountant***

Not applicable.

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Item 16G. ***Corporate Governance***

See   Item 6. Directors, Senior Management and Employees   Directors   Exemptions from NASDAQ Corporate Governance Rules   for further information regarding the ways in which the Company   s corporate governance practices differ from those followed by domestic companies listed on NASDAQ.

Item 16H. ***Mine Safety Disclosure***

Not applicable.

PART III

Item 17. ***Financial Statements***

Not applicable.

Item 18. ***Financial Statements***

RYANAIR HOLDINGS PLC

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Item 19. ***Exhibits***

1.1 Memorandum and Articles of Association of Ryanair Holdings in effect as of the date of this Annual Report (incorporated herein by reference to Exhibit 1.1 of Ryanair Holdings Annual Report on Form 20-F filed on July 31, 2012 (Commission file No. 000-29304)).

1.2 The total amount of long-term debt securities of Ryanair Holdings authorized under any instrument does not exceed 10.0% of the total assets of the Company on a consolidated basis. Ryanair Holdings hereby agrees to furnish to the Securities and Exchange Commission upon request a copy of any instrument defining the rights of holders of long-term debt of the registrant or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

4.1 Purchase Agreement No. 2403 between The Boeing Company and Ryanair Holdings plc relating to Model Boeing 737-800 aircraft, together with ancillary documents (subject to a request for confidential treatment that has been granted) (incorporated herein by reference to Exhibit 4.1 of Ryanair Holdings Annual Report on Form 20-F filed on September 30, 2002 (Commission file No. 000-29304)).

4.2 Supplemental Agreement No. 6 to Purchase Agreement 2403 between The Boeing Company and Ryanair Holdings plc relating to Model Boeing 737-800 aircraft, dated as of February 28, 2005, together with ancillary documents (subject to a request for confidential treatment that has been granted) (incorporated herein by reference to Exhibit 4.2 of Ryanair Holdings Annual Report on Form 20-F filed on September 30, 2005 (Commission file No. 000-29304)).

4.3 Purchase Agreement No. 3941 between The Boeing Company and Aviation Finance and Leasing S.a.r.l. (a wholly owned subsidiary of Ryanair Ltd.) relating to Model Boeing 737-800 aircraft, together with ancillary documents (filed herewith subject to a request for confidential treatment).

8.1 List of principal subsidiaries of the registrant (incorporated herein by reference to Exhibit 8.1 of Ryanair Holdings Annual Report on Form 20-F filed on September 20, 2007 (Commission file No. 000-29304)).

12.1 Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

13.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

RYANAIR HOLDINGS PLC

/s/ MICHAEL O LEARY
Name: Michael O Leary
Title: Chief Executive Officer and Director

Date: July 26, 2013

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders

Ryanair Holdings plc:

We have audited the accompanying consolidated balance sheets of Ryanair Holdings plc and subsidiaries (the Company) as of March 31, 2013, 2012 and 2011 and the related consolidated income statements, consolidated statements of comprehensive income, changes in shareholders equity and cash flows for each of the years in the three-year period ended March 31, 2013. These consolidated financial statements are the responsibility of the Company s management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ryanair Holdings plc and subsidiaries as of March 31, 2013, 2012 and 2011, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2013, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and also IFRS as adopted by the European Union.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Ryanair Holdings plc s internal control over financial reporting as of March 31, 2013, based on criteria established in *Internal Control Integrated Framework* issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated July 26, 2013 expressed an unqualified opinion on the effectiveness of the Company s internal control over financial reporting.

KPMG

Dublin, Ireland

July 26, 2013

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Consolidated Balance Sheet

	Note	At March 31, 2013 M	At March 31, 2012 M	At March 31, 2011 M
Non-current assets				
Property, plant and equipment	2	4,906.3	4,925.2	4,933.7
Intangible assets	3	46.8	46.8	46.8
Available for sale financial assets	4	221.2	149.7	114.0
Derivative financial instruments	5	5.1	3.3	23.9
Total non-current assets		5,179.4	5,125.0	5,118.4
Current assets				
Inventories	6	2.7	2.8	2.7
Other assets	7	67.7	64.9	99.4
Current tax	12		9.3	0.5
Trade receivables	8	56.1	51.5	50.6
Derivative financial instruments	5	78.1	231.9	383.8
Restricted cash	9	24.7	35.1	42.9
Financial assets: cash > 3 months		2,293.4	772.2	869.4
Cash and cash equivalents		1,240.9	2,708.3	2,028.3
Total current assets		3,763.6	3,876.0	3,477.6
Total assets		8,943.0	9,001.0	8,596.0
Current liabilities				
Trade payables		138.3	181.2	150.8
Accrued expenses and other liabilities	10	1,341.4	1,237.2	1,224.3
Current maturities of debt	11	399.9	368.4	336.7
Current tax	12	0.3		
Derivative financial instruments	5	31.8	28.2	125.4
Total current liabilities		1,911.7	1,815.0	1,837.2
Non-current liabilities				
Provisions	13	135.9	103.2	89.6
Derivative financial instruments	5	50.1	53.6	8.3
Deferred tax	12	346.5	319.4	267.7
Other creditors	14	127.8	146.3	126.6
Non-current maturities of debt	11	3,098.4	3,256.8	3,312.7
Total non-current liabilities		3,758.7	3,879.3	3,804.9
Shareholders equity				
Issued share capital	15	9.2	9.3	9.5
Share premium account	15	687.8	666.4	659.3
Capital redemption reserve		0.8	0.7	0.5
Retained earnings		2,418.6	2,400.1	1,967.6
Other reserves	16	156.2	230.2	317.0

Shareholders equity	3,272.6	3,306.7	2,953.9
Total liabilities and shareholders equity	8,943.0	9,001.0	8,596.0

The accompanying notes are an integral part of the financial information.

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Consolidated Income Statement

	Note	Year ended March 31, 2013 M	Year ended March 31, 2012 M	Year ended March 31, 2011 M
Operating revenues				
Scheduled revenues	17	3,819.8	3,504.0	2,827.9
Ancillary revenues	17	1,064.2	886.2	801.6
Total operating revenues continuing operations	17	4,884.0	4,390.2	3,629.5
Operating expenses				
Staff costs	18	(435.6)	(415.0)	(376.1)
Depreciation	2	(329.6)	(309.2)	(277.7)
Fuel and oil		(1,885.6)	(1,593.6)	(1,227.0)
Maintenance, materials and repairs		(120.7)	(104.0)	(93.9)
Aircraft rentals		(98.2)	(90.7)	(97.2)
Route charges		(486.6)	(460.5)	(410.6)
Airport and handling charges		(611.6)	(554.0)	(491.8)
Marketing, distribution and other		(197.9)	(180.0)	(154.6)
Icelandic volcanic ash related costs es costs				(12.4)
Total operating expenses		(4,165.8)	(3,707.0)	(3,141.3)
Operating profit continuing operations		718.2	683.2	488.2
Other income/(expense)				
Finance income		27.4	44.3	27.2
Finance expense	20	(99.3)	(109.2)	(93.9)
Foreign exchange gain/(loss)		4.6	4.3	(0.6)
Gain on disposal of property, plant and equipment			10.4	
Total other expense		(67.3)	(50.2)	(67.3)
Profit before tax		650.9	633.0	420.9
Tax expense on profit on ordinary activities	12	(81.6)	(72.6)	(46.3)
Profit for the year all attributable to equity holders of parent		569.3	560.4	374.6
Basic earnings per ordinary share (euro cent)	22	39.45	38.03	25.21
Diluted earnings per ordinary share (euro cent)	22	39.33	37.94	25.14
Number of ordinary shares (in Ms)	22	1,443.1	1,473.7	1,485.7
Number of diluted shares (in Ms)	22	1,447.4	1,477.0	1,490.1

The accompanying notes are an integral part of the financial information.

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Consolidated Statement of Comprehensive Income

	Year ended March 31, 2013 M	Year ended March 31, 2012 M	Year ended March 31, 2011 M
Profit for the year	569.3	560.4	374.6
Other comprehensive income:			
Net actuarial (loss)/gain from retirement benefit plans	(1.1)	(6.3)	5.0
Cash-flow hedge reserve-effective portion of fair value changes to derivatives:			
Effective portion of changes in fair value of cash-flow hedges	(128.4)	147.3	227.1
Net change in fair value of cash-flow hedges transferred to property, plant and equipment	4.7	(11.1)	(15.2)
Net change in fair value of cash-flow hedges transferred to profit or loss	(14.4)	(255.0)	(14.8)
Net movements in cash-flow hedge reserve	(138.1)	(118.8)	197.1
Available for sale financial asset:			
Net increase/(decrease) in fair value of available-for-sale asset	71.5	35.7	(2.2)
Total other comprehensive (loss)/income for the year, net of income tax	(67.7)	(89.4)	199.9
Total comprehensive income for the year all attributable to equity holders of parent	501.6	471.0	574.5

The accompanying notes are an integral part of the financial information.

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Consolidated Statement of Changes in Shareholders Equity

	Ordinary Shares M	Issued Share Capital M	Share Premium Account M	Retained Earnings M	Capital Redemption Reserve M	Other Reserves Hedging M	Other Reserves Other Reserves M	Total M
Balance at March 31, 2010	**1,478.9**	**9.4**	**631.9**	**2,083.5**	**0.5**	**60.3**	**63.0**	**2,848.6**
Profit for the year				374.6				374.6
Other comprehensive income								
Net actuarial gains from retirement benefits plan				5.0				5.0
Net movements in cash-flow reserve						197.1		197.1
Net change in fair value of available- for -sale asset							(2.2)	(2.2)
Total other comprehensive income/ (loss)				5.0		197.1	(2.2)	199.9
Total comprehensive income				379.6		197.1	(2.2)	574.5
Transactions with owners of the Company, recognised directly in equity								
Issue of ordinary equity shares	10.7	0.1	27.4					27.5
Share-based payments							3.3	3.3
Transfer of exercised and expired share-based awards				4.5			(4.5)	
Dividend paid				(500.0)				(500.0)
Balance at March 31, 2011	**1,489.6**	**9.5**	**659.3**	**1,967.6**	**0.5**	**257.4**	**59.6**	**2,953.9**
Profit for the year				560.4				560.4
Other comprehensive income								
Net actuarial losses from retirement benefits plan				(6.3)				(6.3)
Net movements in cash-flow reserve						(118.8)		(118.8)
Net change in fair value of available- for -sale asset							35.7	35.7
Total other comprehensive income/ (loss)				(6.3)		(118.8)	35.7	(89.4)
Total comprehensive income				554.1		(118.8)	35.7	471.0
Transactions with owners of the Company, recognised directly in equity								
Issue of ordinary equity shares	2.5		7.1					7.1
Repurchase of ordinary equity shares				(124.6)				(124.6)
Cancellation of repurchased ordinary shares	(36.5)	(0.2)			0.2			
Share-based payments							(0.7)	(0.7)
Transfer of exercised and expired share-based awards				3.0			(3.0)	
Balance at March 31, 2012	**1,455.6**	**9.3**	**666.4**	**2,400.1**	**0.7**	**138.6**	**91.6**	**3,306.7**

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Consolidated Statement of Changes in Shareholders Equity Continued

	Ordinary Shares M	Issued Share Capital M	Share Premium Account M	Retained Earnings M	Other Reserves Capital Redemption Reserve M	Hedging M	Other Reserves M	Total M
Profit for the year				569.3				569.3
Other comprehensive income								
Net actuarial losses from retirement benefits plan				(1.1)				(1.1)
Net movements in cash-flow reserve						(138.1)		(138.1)
Net change in fair value of available- for -sale asset							71.5	71.5
Total other comprehensive income/ (loss)				(1.1)		(138.1)	71.5	(67.7)
Total comprehensive income				568.2		(138.1)	71.5	501.6
Transactions with owners of the Company, recognised directly in equity								
Issue of ordinary equity shares	6.5		21.4					21.4
Repurchase of ordinary equity shares				(67.5)				(67.5)
Cancellation of repurchased ordinary shares	(15.0)	(0.1)			0.1			
Share-based payments							1.9	1.9
Dividend Paid				(491.5)				(491.5)
Transfer of exercised share-based awards								