RYANAIR HOLDINGS PLC
Form 6-K
July 26, 2011

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16
of the Securities Exchange Act of 1934

For the month of JULY 2011

RYANAIR HOLDINGS PLC
(Translation of registrant's name into English)

c/o Ryanair Ltd Corporate Head Office
Dublin Airport
County Dublin Ireland
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ..... No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- ________

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Information on the Company is available online via the Internet at our website, www.ryanair.com. Information on our website does not constitute part of this Annual Report. This Annual Report and our 20-F are available on our website.

FINANCIAL HIGHLIGHTS

Operating revenue	3,629.5	2,988.1	+21%
Net profit after tax	374.6	305.3	+23%
Adjusted net profit after tax (i)	400.7	318.8	+26%
Basic EPS (in euro cent)	25.21	20.68	+22%

Adjusted basic EPS (in euro cent)	26.97	21.59	+25%

(i)Excludes, for the year ended March 31, 2011, estimated costs of €26.1m (net of tax) relating to the closure of airspace in April and May 2010 due to the Icelandic volcanic ash disruptions. Excludes, for the year ended March 31, 2010, an impairment charge of €13.5m on our investment in Aer Lingus. See reconciliation of profit for the financial year to adjusted profit for the financial year on pages 9 and 10.

Scheduled passengers	72.1m	66.5m	+8%
Fleet at period end	272	232	+17%
Average number of employees	8,063	7,032	+15%
Passengers per average no. of employees	8,942	9,457	-5%

CHAIRMAN'S REPORT

Dear Shareholders,

I am pleased to report a 26% increase in profit after tax to €401m. This was a robust performance during a year when we suffered a 37% increase in fuel costs which we partially offset with a 12% rise in average fares, almost in line with the 10% increase in average sector length.

During the year Ryanair delivered a number of milestones:

- Traffic grew by 8% to 72m passengers.
- We took delivery of 40 (net) new aircraft bringing the total fleet to 272.
- We opened 328 new routes.

- We opened 8 new bases at El Prat, Gran Canaria, Kaunas, Lanzarote, Malta, Seville, Tenerife and Valencia, bringing the total number of bases to 44. The opening of the Manchester base in October 2011 will bring the total number of bases to 45.

- Our Customer Service further improved and Ryanair continues to be the No. 1 on time major airline in Europe.

- We paid a dividend of €500m in October bringing the total returned to shareholders over the past 3 years to €846m.

As noted, our fuel bill rose by 37% to €1.2bn as oil prices rose from $62 per barrel to $73 per barrel. Fuel now accounts for 40% of our cost base. Next year our fuel bill will rise by over €350 million, even though we are 90% hedged at $82 per barrel. Higher oil prices will inevitably force many of our high fare competitors to further increase fuel surcharges thus making Ryanair's low fares even more attractive.

Higher oil prices have led us to tactically ground up to 80 aircraft during the winter (40 last winter), mainly at Dublin, Stansted and Spanish airports, as it is more profitable to ground these aircraft rather than suffer losses operating them to high cost airports at low winter yields. As a result in the coming year we expect our rate of passenger growth to slow to 4% and to deliver approximately 75 million passengers. Due to the winter grounding of aircraft our traffic will decline during the winter months.

Last year volcanic ash disruptions, airport snow closures and repeated ATC strikes resulted in 14,000 Ryanair flights being cancelled. The volcanic ash disruptions resulted in exceptional costs of €29 million as airlines are required under the unreasonable and discriminatory EU261 regulations to pay "right to care" and/or compensation during such force majeure events even though they are clearly completely beyond the control of the airline. We believe it is unacceptable that other transport providers or travel insurers are not obliged to reimburse the expenses of disrupted passengers during such force majeure events.

The year ahead will be challenging as we face rising fuel prices, and the continuing impact of recession, austerity measures, and falling European confidence. Ryanair is well positioned to cope with these potential headwinds as slowing growth will enhance yields and our fuel is well hedged, albeit at higher prices. We will continue to work hard to reduce costs and further improve customer service, while delivering the lowest fares in Europe to our passengers. This is the real strength of Ryanair and our outstanding people who continue to deliver robust profitability for shareholders even during difficult economic conditions.

Yours sincerely,

David Bonderman

Chairman

CHIEF EXECUTIVE'S REPORT

Dear Shareholders,

Ryanair's performance over the past year has demonstrated yet again the strength and robust nature of Ryanair's unique "lowest fares/lowest cost" model here in Europe which enabled us to deliver a 26% increase in profits to €401m. It is difficult to recall a year with more adverse circumstances, characterised by the economic slowdown in Europe, a significant rise in oil prices, the extraordinary disruptions in April and May 2010 during the totally unnecessary EU airspace closures caused by the Icelandic volcanic eruption (almost 2,000 kms remote from Europe!), widespread Air Traffic Control strikes across major European markets during the summer 2010 peak, repeated airport closures in November and December due to significant snow falls and prolonged sub-zero temperatures.

Despite this extraordinary series of regulatory and airport incompetencies, and the continuing failure of the policy makers to prohibit strikes in protected employment sectors such as ATC, booked passengers across Ryanair's network grew by 8% to 72m. Load factors improved by 1% to 83%, and average fares (which includes our optional checked in baggage fees) rose by 12% to €39. Group turnover rose by 21% to €3,630m, scheduled revenues were up 21% to €2,828m thanks to our 8% traffic growth, allied to our 12% increase in average fares, while ancillary revenues rose by 21% to €802m.

Total operating costs rose by 20% to €3,113m, due mainly to a 37% increase in our fuel bill from €894m to €1,227m and further unjustified price increases at Dublin, where in the face of recession and traffic declines, the monopoly owners (DAA Dublin) continue to raise airport charges. Only a monopoly can get away with raising airport charges, even as their routes and traffic volume continue to decline.

We welcome the UK Competition Commission's recent affirmation of its 2008 decision to break up the high cost BAA monopoly. We believe that this will deliver more efficient facilities, lower costs and a better service to airlines and passengers, where in recent years the BAA monopoly under its inadequate regulator, the CAA, has repeatedly failed airline and passenger users. We continue to campaign for a similar break-up of the failed DAA airport monopoly in Ireland, where grandiose, unnecessary and profligate building projects including the new terminal in Cork (cost €200m), and T2 in Dublin (€1.2bn) have delivered excess terminal capacity at a cost more than six times higher than the DAA's original forecast (of between €170m to €200m for T2). This wasteful and unnecessary capex has now been used to justify a 40% increase in Dublin's passenger charges, making Dublin and Stansted the two most expensive airports in Ryanair's 150 plus airports.

2011 will be the fourth consecutive year of traffic declines at Dublin Airport, where traffic has fallen by 30% from a peak of 24.5m in 2007 to just over 18m in 2010. Dublin now operates two terminals, both of them half empty, yet the two main airlines (Ryanair and Aer Lingus) are expected to pay for these expensive and profligate facilities which we neither wanted nor supported. It is impossible not to agree with Aer Lingus' recent description of the Dublin Airport charges as "insane". Similarly at Stansted, traffic declined in 2010 for the fourth year in a row. BAA Stansted's financial statements now clearly demonstrate that the BAA is using the regulatory system to overcharge Stansted airlines to cross subsidise Heathrow and the BAA, even as the number of routes and traffic continues to decline. In recent months airlines including easyJet, Air Berlin, Turkish, Thomson, Cyprus Airlines, Star1, and Air AsiaX have announced plans to reduce capacity further at Stansted, as the BAA gouges its airline customers. The fact that BAA Stansted has wasted more than £200m on a cancelled second runway project over the past 8 years is another stunning indictment of the regulatory failure of the CAA, and the waste and profligacy of the BAA airport monopoly.

Our Passengers

Despite these regulatory failures, Ryanair continues to grow its business, while delivering lower fares, better punctuality, fewer lost bags and fewer passenger complaints than any other airline in Europe. We deliver Europe's No.1 passenger service for the benefit of our passengers, our people and our shareholders.

When it comes to passenger service, no one beats Ryanair. During the current recession, price continues to be the key factor in most passengers' travel decision, and because Ryanair beats every other airline on price, we have grown to become the world's favourite airline, with 72.1m passengers carried in the fiscal year. IATA's recent 2010 traffic statistics confirm that Ryanair carries substantially more international passengers than any other scheduled airline in calendar 2010.

IATA Intl Sched Passengers 2010

Rank	Airline	Pax
1	Ryanair	71.2m
2	Lufthansa	44.4m
3	easyJet	37.6m
4	Air France	30.8m
5	Emirates	30.8m
6	British Airways	26.3m
…	…	…
25	Aer Lingus	9.3m

However Ryanair's growth and success is not based solely on price. In addition to the lowest fares in every market, we also offer:

1. The best punctuality. Last year 85% of all flights arrived on-time.
2. The fewest lost bags - last year we lost less than one bag for every 2,000 passengers carried.
3. The fewest complaints - last year we received less than one complaint per 1,000 passengers.
4. The youngest fleet - the average age of Ryanair's 272 aircraft is now just 3 years old.
5. Prompt response to passenger complaints - last year Ryanair replied to more than 99% of passenger complaints within our 7 working day commitment.
6. The world's greenest, cleanest airline - the most recent Brighter Planet research confirms that Ryanair is the world's greenest/cleanest airline.

Details of this Brighter Planet report are available to read on the www.ryanair.com website.

Over the past year Ryanair accommodated 72.1m passenger bookings, at an average fare of €39. These passengers have saved an average of €7bn over the high fares being charged by our higher fare competitors incl. easyJet, Aer Lingus, Air France, British Airways and Lufthansa.

Our people

Over the past year, average employment numbers in Ryanair rose by 15% from 7,032 to 8,063. Within this number, more than 350 people were promoted as Ryanair's growth created new opportunities for career development and progression. Ryanair's people know that they can advance their careers by taking advantage of our commitment to promote from within wherever possible. I am pleased that after two years of pay freezes, we were able to grant our people a small pay increase in April with an average 2% rise in basic pay, subject to performance, across most grades. In addition, Ryanair continues to improve our rosters in order to maximise our people's productivity while they are at work, while also maximising their time off.

Our shareholders

Unlike other airlines, Ryanair continues to put our shareholders and their interests at the front and centre of our activity. Unlike other airlines, the Board and Management team in Ryanair have a significant stake in the company. We think and act over the short and medium and long term, like shareholders, because we are substantial shareholders.

Our 2011 net profit after tax of €401m ($565m) makes Ryanair the world's most profitable low fares airline as highlighted by Air Transport World in July 2011.

The World's Leading Value Airlines - Net Profit

Rank	Airline	$'000
1	Ryanair	$565,000
2	Southwest Airlines	$459,000
3	AirAisa Berhad	$346,501
4	easyJet	$191,627
5	Cebu Pacific	$158,482
6	WestJet	$136,720
7	Gol	$128,570
8	IndiGo Airlines	$122,211
9	JetBlue Airways	$97,000
10	Air Arabia	$84,303

Over the past year, Ryanair paid a dividend of over €500m to shareholders. This brings total funds returned to shareholders (through share buybacks and dividends) to almost €850m over the past three years. We are extremely proud that we have returned more funds to shareholders, than the total net equity funds raised from them since we floated in 1997.

As a capital intensive company, in a very cyclical industry, it would be wrong for shareholders to expect a continuous dividend stream. We intend to continue to build up cash, so that we can avail of opportunities including aircraft purchases, or acquisitions that will enhance Ryanair's profitability and our returns to shareholders. Shareholders may rest assured that since the Board and Management of Ryanair continue to be significant shareholders in the company, our interests and theirs remain at one.

Finally, I would like to personally thank the Chairman, the Board, the Senior Management and all of the team in Ryanair for their hard work and commitment which has helped Ryanair to deliver another year of growth in fleet, traffic and profits for the benefit of the passengers, our people and our shareholders. Rest assured that we will continue to work hard to make Ryanair, not just the world's favourite airline, but also the world's most profitable airline, capable of generating significant returns for our passengers, our people and our shareholders.

Michael O'Leary
Chief Executive

SUMMARY OPERATING AND FINANCIAL OVERVIEW

CONSOLIDATED INCOME STATEMENT DATA

	Pre Exceptional Results Mar 31, 2011 €M	Exceptional Items Mar 31, 2011 €M	IFRS Year Ended Mar 31, 2011 €M	Pre Exceptional Results Mar 31, 2010 €M	Exceptional Items Mar 31, 2010 €M	IFR Yea Ende Ma 31 201 €
Operating revenues						
cheduled revenues..	2,827.9	-	2,827.9	2,324.5	-	2,324.
....						
Ancillary revenues..	801.6	-	801.6	663.6	-	663.
Total operating revenues continuing operations	3,629.5	-	3,629.5	2,988.1	-	2,988.
Operating expenses						
taff costs.. .	371.5	4.6	376.1	335.0	-	335.
Depreciation..	273.0	4.7	277.7	235.4	-	235.
uel and oil.. .	1,226.7	0.3	1,227.0	893.9	-	893.
Maintenance, materials and repairs...	93.9	-	93.9	86.0	-	86.
Aircraft rentals.. .	95.2	2.0	97.2	95.5	-	95.
Route charges.. .	410.5	0.1	410.6	336.3	-	336.
Airport and handling charges.. .	490.9	0.9	491.8	459.1	-	459.
Marketing, distribution & other.. .	151.6	3.0	154.6	144.8	-	144.
celandic volcanic ash related cost.. .	-	12.4	12.4	-	-	
Total operating expenses	3,113.3	28.0	3,141.3	2,586.0	-	2,586.
Operating profit - continuing operations	516.2	(28.0)	488.2	402.1	-	402.
Other income / (expense)						
Finance income..	27.2	-	27.2	23.5	-	23.
Finance expense..	(92.2)	(1.7)	(93.9)	(72.1)	-	(72.1
Foreign exchange (losses)..	(0.6)	-	(0.6)	(1.0)	-	(1.0
Loss on impairment of available for sale financial asset..	-	-	-	-	(13.5)	(13.5
Gain on disposal of property, plant and equipment........................	-	-	-	2.0	-	2.
Total other income / (expense)	(65.6)	(1.7)	(67.3)	(47.6)	(13.5)	(61.1
Profit / (loss) before tax	450.6	(29.7)	420.9	354.5	(13.5)	341.
Tax (expense) / benefit on profit / (loss) on ordinary activities......... ..	(49.9)	3.6	(46.3)	(35.7)	-	(35.7
Profit / (loss) for the period - all attributable to equity holders of parent	400.7	(26.1)	374.6	318.8	(13.5)	305.
Earnings per ordinary share (in € cent)						
Basic.. ..	26.97		25.21	21.59		20.6
Diluted.. ..	26.89		25.14	21.52		20.6

Veighted average number of ordinary shares (in M's)				
Basic...	1,485.7	1,485.7	1,476.4	1,476.
Diluted.. ..	1,490.1	1,490.1	1,481.7	1,481.

Reconciliation of profit for the year under IFRS to adjusted profit for the financial year

	Year ended March 31, 2011 €M	Year ended March 31, 2010 €M
Profit for the financial year - IFRS	374.6	305.3
Adjustments		
Icelandic volcanic ash related cost..	26.1	-
Loss on impairment of available for sale financial asset.......................	-	13.5
Adjusted profit for the financial year	400.7	318.8

Exceptional items

The Company presents certain items separately, which are unusual, by virtue of their size and incidence, in the context of our ongoing core operations, as we believe this presentation represents the underlying business more accurately and reflects the manner in which investors typically analysethe results. Any amounts deemed "exceptional" for management discussion and analysis purposes, in the Chairman's Report and Chief Executive's Report, have been classified for the purposes of the income statement in the same way as non-exceptional amounts of the same nature.

Exceptional items in the year ended March 31, 2011 amounted to €26.1m reflecting the estimated costs relating to the closure of airspace in April and May 2010 due to the Icelandic volcanic ash disruptions. The closure of European airspace in April and May 2010, due to the Icelandic volcanic ash disruption, resulted in the cancellation of 9,400 Ryanair flights. The impact on the Group's operating results totaled €29.7m (pre tax) for the year ended March 31, 2011, comprising €15.6m of operating expenses and €1.7m of finance expenses attributable to the period of flight disruption, together with estimated passenger compensation costs of €12.4m pursuant to Regulation (EC) No. 261/2004 ('EU261'). The Company's estimate of total passenger compensation costs has been determined based on actual claims received and processed to date together with probable future compensation payments and other related costs.

Exceptional items in the year ended March 31, 2010 amounted to €13.5m reflecting an impairment of the Aer Lingus shareholding.

Adjusted profit after tax excluding exceptional items increased by 26% to €400.7m. Including exceptional items the profit after tax for the year increased by 23% to €374.6m compared to a profit of €305.3m in the year ended March 31, 2010.

Summary year ended March 31, 2011

Adjusted profit after tax increased by 26% to €400.7m compared to €318.8min the year ended March 31, 2010 primarily due to a 12% increase in average fares and strong ancillary revenues, offset by a 37% increase in fuel costs. Total operating revenues increased by 21% to €3,629.5m as average fares rose by 12%. Ancillary revenues grew by 21%, faster than the 8% increase in passenger numbers, to €801.6m due to an improved product mix and higher internet related revenues. Total revenue per passenger, as a result, increased by 12%, whilst Load Factor was up 1% to 83% during the year.

Total operating expenses increased by 20% to €3,113.3m, primarily due to an increase in fuel prices, the higher level of activity, and the higher operating costs associated with the growth of the airline. Fuel, which represents 39% of total operating costs compared to 35% in the prior year, increased by 37% to €1,226.7m due to the higher price per gallon paid and a 17% increase in the number of hours flown. Unit costs excluding fuel increased by 3% and including fuel they rose by 11%. Operating margin rose by 1% to 14% whilst operating profit increased by 28% to €516.2m.

Adjusted net margin was 11%, similar to the prior year.

Adjusted earnings per share for the year were 26.97 euro cent compared to 21.59 euro cent for the prior year.

DIRECTORS' REPORT

Introduction

The directors submit their Annual Report, together with the audited financial statements of Ryanair Holdings plc, for the year ended March 31, 2011.

Review of business activities and future developments in the business

The Company operates a low fares airline business and plans to continue to develop this activity by expanding its successful low fares formula on new and existing routes. Information on the Company is set out on pages 53 to 75 of the Annual Report. A review of the Company's operations for the year is set out on pages 75 to 80 of the Annual Report.

Results for the year

Details of the results for the year are set out in the consolidated income statement on page 129 of the Annual Report and in the related notes to the financial statements.

Principle risks and uncertainties

Details of the principle risks and uncertainties facing the Company are set forth on pages 41 to 53 of the Annual Report.

Key performance indicators

Details of the key performance indicators relevant to the business are set forth on pages 40; 53 to 75; and 75 to 80 of the Annual Report.

Financial risk management

Details of the Company's financial risk management objectives and policies and exposures to market risk are set forth in Note 11 on pages 152 to 163 of the consolidated financial statements.

Share capital

The number of ordinary shares in issue at March 31, 2011 was 1,489,574,915 (2010: 1,478,935,935; 2009: 1,473,356,159). Details of the classes of shares in issue and the related rights and obligations are more fully set out in Note 15 on pages 167 to 169 of the consolidated financial statements.

Accounting records

The directors believe that they have complied with the requirements of Section 202 of the Companies Act, 1990 with regard to books of account by employing financial personnel with appropriate expertise and by providing adequate resources to the financial function. The books of account of the Company are maintained at its registered office, Corporate Headquarters, Dublin Airport, Co. Dublin, Ireland.

Company information

The Company was incorporated on August 23, 1996 with a registered number of 249885. It is domiciled in the Republic of Ireland and has its registered offices at Corporate Headquarters, Dublin Airport, Co. Dublin, Ireland. It is a public limited company and operates under the laws of Ireland.

Staff

At March 31, 2011, the Company's personnel numbered 8,560 people, including 1,476 pilots and 3,561 cabin crew employed on a contract basis. This compares to 7,168 staff at March 31, 2010 and 6,616 staff at March 31, 2009. The increase in staff levels consisted mainly of pilots and cabin crew and arose due to the expansion of the aircraft fleet and continued growth of the Company.

Substantial interests in share capital

Details of substantial interests in the share capital of the Company which represent more than 3% of the issued share capital are set forth on page 102 of the Annual Report. At March 31, 2011 the free float in shares was 95%.

Directors and company secretary

The names of the director are listed on pages 94 and 95 of the Annual Report. The name of the company secretary is listed on page 98 of the Annual Report. Details of the appointment and re-election of directors are set forth on page 15 of the Annual Report.

Interests of directors and company secretary

The directors and company secretary who held office at March 31, 2011 had no interests other than those outlined in note 19 on page 174 of the consolidated financial statements in the shares of the Company or other group companies.

Directors' and senior executives' remuneration

The Company's policy on senior executive remuneration is to reward its executives competitively, having regard to the comparative marketplace in Ireland and the United Kingdom, in order to ensure that they are properly motivated to perform in the best interests of the shareholders. Details of total remuneration paid to senior key management (defined as the executive team reporting to the Board of Directors) is set out in Note 27 on page 183 of the consolidated financial statements.

Executive director's service contract

Ryanair entered into an employment agreement with the only executive director of the Board, Mr. Michael O'Leary on July 1, 2002 for a one year period to June 30, 2003. Thereafter, the agreement continues for successive annual periods but may be terminated with 12 months notice by either party. Mr. O'Leary's employment agreement does not contain provisions providing for compensation on its termination.

Dividend policy

Details of the Company's dividend policy are disclosed on page 107 of the annual report.

Accountability and audit

The directors have set out their responsibility for the preparation of the financial statements on page 27 to 28. They have also considered the going concern position of the Company and their conclusion is set out on page 24. The Board has established an Audit Committee whose principal tasks are to consider financial reporting and internal control issues. The Audit Committee, which consists exclusively of independent non-executive directors, meets at least quarterly to review the financial statements of the Company, to consider internal control procedures and to liaise with internal and external auditors. In the year ended March 31, 2011 the Audit Committee met on seven occasions. On a semi-annual basis the Audit Committee receives an extensive report from the internal auditor detailing the reviews performed in the year, and a risk assessment of the Company. This report is used by the Audit Committee and the Board, as a basis for determining the effectiveness of internal control. The Audit Committee regularly considers the performance of internal audit and how best financial reporting and internal control principles should be applied.

In addition, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditor.

Social, environmental and ethical report

See pages 100 to 101 of the Annual Report for details of employee and labour relations.

See pages 72 to 74 of the Annual Report for details on environmental matters.

See page 125 of the Annual Report for details of Ryanair's Code of Ethics.

Air safety

Commitment to air safety is a priority of the Company. See page 63 of the Annual Report for details.

Critical accounting policies

Details of the Company's critical accounting policies are set forth on pages 78 to 80 of the Annual Report.

Subsidiary companies

Details of the principal subsidiary undertakings are disclosed in Note 27 on page 182 of the consolidated financial statements.

Political contributions

During the financial years ended March 31, 2011, 2010 and 2009 the Company made no political contributions which require disclosure under the Electoral Act, 1997.

Corporate Governance Statement

The Corporate Governance Statement on pages 14 to 25 forms part of the Directors' Report.

Post balance sheet events

Details of significant post balance sheet events are set forth in Note 26 on page 182 of the consolidated financial statements.

Auditor

In accordance with Section 160(2) of the Companies Act 1963, the auditor KPMG, Chartered Accountants, will continue in office.

Annual General Meeting

The Annual General Meeting will be held on September 29, 2011 at 10am in the Radisson Hotel, Dublin Airport, Co. Dublin, Ireland.

On behalf of the Board

D. Bonderman M. O' Leary
Chairman Chief Executive
July 25, 2011

CORPORATE GOVERNANCE REPORT

Ryanair has primary listings on the Irish and London Stock Exchanges and its American Depositary Shares are listed on the NASDAQ. The directors are committed to maintaining the highest standards of corporate governance and this statement describes how Ryanair has applied the main and supporting principles set out in Section 1 of the Combined Code on Corporate Governance (June 2008) ('Combined Code') published by the Financial Reporting Council ("FRC") in the UK and adopted by the Irish Stock Exchange. A copy of the Combined Code can be obtained from the FRC's website, www.frc.org.uk. The following statement describes how the principles set out in Section 1 of the Combined Code have been applied.

On May 28, 2010, the FRC introduced changes to the Combined Code, now known as the UK Corporate Governance Code. The new edition of the Code is to apply to financial years beginning on or after June 29, 2010 but Ryanair reviewed and applied as appropriate the new Combined Code for the financial year commencing on April 1, 2010.

The Board of Directors

Roles

The Board of Ryanair is responsible for the leadership, strategic direction and overall management of the Group. The Board's primary focus is on strategy formulation, policy and control. It has a formal schedule of matters specifically reserved to it for its attention, including matters such as appointment of senior management, approval of the annual budget, large capital expenditure, and key strategic decisions.

The Board has delegated responsibility for the management of the Group to the Chief Executive and executive management.

There is a clear division of responsibilities between the Chairman and the Chief Executive, which is set out in writing and has been approved by the Board.

Chairman

David Bonderman has served as the chairman of the Board since December 1996. The Chairman's primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual director level and that it upholds and promotes high standards of integrity and corporate governance. He ensures that Board agendas cover the key strategic issues confronting the Group; that the Board reviews and approves management's plans for the Group; and that directors receive accurate, timely, clear and relevant information.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the Chief Executive, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

While Mr Bonderman holds a number of other directorships (See details on page 94), the Board considers that these do not interfere with the discharge of his duties to Ryanair.

Senior Independent Director

The Board has appointed Mr James Osborne as the Senior Independent Director. Mr Osborne is available to shareholders who have concerns that cannot be addressed through the Chairman, Chief Executive or Chief Financial Officer and leads the annual Board review of the performance of the Chairman.

Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with.

Membership

The Board consists of one executive and eight non-executive directors. The composition of the Board and the principal Board Committees are set out in the table below. Brief biographies of the directors are set out on pages 94 to 95. The Board, with the assistance of the Nomination Committee, keeps Board composition under review to ensure that it includes the necessary mix of relevant skills and experience required to perform its role.

Each director has extensive business experience, which they bring to bear in governing the Company. The Board considers that, between them, the directors bring the range of skills, knowledge and experience, including international experience, necessary to lead the Company. The Company has a Chairman with an extensive background in this industry, and significant public company experience. Historically, the Company has always separated the roles of Chairman and Chief Executive for the running of the business and implementation of the Board's strategy and policy.

David Bonderman	Chairman	Yes	14	-	-	Chair	Chair	-
Michael O'Leary	Chief Executive	No	23	-	-	Member	Member	-
Michael Horgan	Non Executive	Yes	10	-	-	-	-	Chair
Kyran McLaughlin	Non Executive	Yes	10	Chair	-	Member	Member	-
James R. Osborne	Senior Independent	Yes	15	Member	Chair	-	Member	-
Paolo Pietrogrande	Non Executive	Yes	10	-	Member	-	-	-
Klaus Kirchberger	Non Executive	Yes	8	-	Member	-	-	-
Charles McCreevy	Non Executive	Yes	1	-	-	-	-	-
Declan McKeon	Non Executive	Yes	1	Member	-	-	-	-

Appointment

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the Annual General Meeting following their appointment. Ryanair's Articles of Association require that all of the directors retire and offer themselves for re-election within a three-year period. 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) will retire by rotation and be eligible for re-election at every Annual General Meeting.

Accordingly Mr. David Bonderman, Mr. James Osborne and Mr. Michael O' Leary will be retiring, and will be eligible to offer themselves for re-election at the AGM on September 29, 2011. Mr. Emmanuel Faber retired at the last AGM and did not offer himself for re-election.

In accordance with the recommendations of the Combined Code, Mr. Kyran McLaughlin is Chairman of the Audit Committee and Mr. James Osborne, the senior non-executive director, is Chairman of the Remuneration Committee.

Senior Management regularly brief the Board including new members in relation to operating, financial and strategic issues concerning the Company. The Board also have direct access to senior management as required in relation to any issues they have concerning the operation of the Company. The terms and conditions of appointment of non-executive directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

Independence

The Board has carried out its annual evaluation of the independence of each of its non-executive directors, taking account of the relevant provisions of the Combined Code, namely, whether the directors are independent in character andjudgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the directors' judgment. The Board regards all of the directors as independent and that no one individual or one grouping exerts an undue influence on others.

The Board has considered Mr. Kyran McLaughlin's independence given his role as Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Davy Stockbrokers are one of Ryanair's corporate brokers and provide corporate advisory services to Ryanair from time to time. The Board has considered the fees paid to Davy Stockbrokers for these services and believe that they are immaterial to both Ryanair and Davy Stockbrokers given the size of each organisation's business operations and financial results. Having considered this relationship, the Board has concluded that Mr. McLaughlin continues to be an independent non-executive director within the spirit and meaning of the Combined Code Rules.

The Board has also considered the independence of Mr. David Bonderman given his shareholding in Ryanair Holdings plc. As at March, 31 2011, Mr. David Bonderman had a beneficial shareholding in the Company of 13,230,671 ordinary shares, equivalent to 0.89% of the issued share capital. Having considered this shareholding in light of the number of issued shares in Ryanair Holdings plc and the financial interest of the director, the Board has concluded that the interest is not so material as to breach the spirit of the independence rule contained in the Combined Code.

The Board has further considered the independence of Mr. David Bonderman, Mr. James Osborne, Mr. Kyran McLoughlin, Mr. Michael Horgan and Mr. Paolo Pietrogrande as they have each served more than nine years on the Board. The Board considers that each of these directors is independent in character and judgment as each has other significant commercial and professional commitments and each brings his own level of senior experience gained in their fields of international business and professional practice. When arriving at this decision, the Board has taken into account the comments made by the FRC in their report dated December, 2009 on their review of the impact and effectiveness of the Combined Code, in particular their comment that independence is not the primary consideration when assessing the composition of the Board, and that the over-riding consideration should be that the Board is fit for purpose. For these reasons, and also because each director's independence is considered annually by the Board, the Board considers it appropriate that these directors have not been offered for annual re-election as is recommended by the Combined Code.

Board Procedures

All directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby directors wishing to obtain advice in the furtherance of their duties may take independent professional advice at the Company's expense.

Directors meet with key executives with a particular focus on ensuring non-executive directors are fully informed on issues of relevance to Ryanair and its operations. Extensive papers on key business issues are provided to all directors in connection with the Board meetings. All directors are encouraged to update and refresh their skills and knowledge, for example, through attending courses on technical areas or external briefings for non-executive directors.

The Company has Directors & Officers liability insurance in place in respect of any legal actions taken against the directors in the course of the exercise of their duties. New non-executive directors are encouraged to meet the executive director and senior management for briefing on the Company's developments and plans.

Meetings

The Board meets at least on a quarterly basis and in the year to March 31, 2011 the Board met on six occasions. Individual attendance at these meetings is set out in the table on page 20. Detailed Board papers are circulated in advance so that Board members have adequate time and information to be able to participate fully at the meeting.

The holding of detailed regular Board meetings and the fact that many matters require Board approval, indicate that the running of the Company is firmly in the hands of the Board. The non-executive directors meet periodically without executives being present. Led by the senior independent director, the non-executive directors will meet without the chairman present at least annually to appraise the chairman's performance and on such other occasions as are deemed appropriate.

Remuneration

Details of remuneration paid to the directors are set out in Note 19 to the consolidated Financial Statements on pages 172 and 173. Also, please see the Report of the Remuneration Committee on Directors' Remuneration on page 26.

Non-executive directors

Non-executive directors are remunerated by way of directors' fees and share options. While the Combined Code notes that the remuneration of the non-executive director should not include share options, the Board believes that the quantum of options granted to non-executive directors is not so significant as to raise any issue concerning their independence. Mr. Michael Horgan is remunerated on a consultancy basis on safety issues and also by way of share options.

Full details are disclosed in Note 19(b) and 19(d) on pages 173 and 174 of the consolidated financial statements.

Executive director remuneration

The Chief Executive of the Company is the only executive director on the Board. In addition to his base salary he is eligible for a performance bonus of up to 50% of salary and other bonuses dependent upon the achievement of certain financial targets and a pension. It is considered that the shareholding of the Chief Executive acts to align his interests with those of shareholders and gives him a keen incentive to perform to the highest levels.

Full details of the executive director's remuneration are set out in Note 19(a) on page 173 of the consolidated financial statements.

Share Ownership and Dealing

Details of the directors' interests in Ryanair shares are set out in Note 19(d) on page 174 of the consolidated financial statements.

The Board has adopted The Model Code, as set out in the Listing Rules of the Irish Stock Exchange and the UK Listing Authority, as the code of dealings applicable to dealings in Ryanair shares by directors and relevant Company employees. The code of dealing also includes provisions which are intended to ensure compliance with US securities laws and regulations of the NASDAQ National market. Under the policy, directors are required to obtain clearance from the Chairman or Chief Executive before dealing in Ryanair shares, whilst relevant Company employees must obtain clearance from designated senior management and are prohibited from dealing in the shares during prohibited periods as defined by the Listing Rules and at any time at which the individual is in possession of inside information (as defined in the Market Abuse (Directive 2003/6/EC) Regulations 2005).

Board Committees

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, O'Leary, McLaughlin and Osborne are the members of the Executive Committee.

Audit Committee

The Board of Directors established the Audit Committee in September 1996. The Audit Committee currently comprises three independent non-executive directors, Kyran McLaughlin (Chairman), Declan McKeon and James Osborne, considered by the Board to be independent. The Board has determined that Declan McKeon is the Committee's financial expert. Emmanuel Faber retired from the board and the Audit Committee at the AGM on September 22, 2010.

The Committee met seven times during the year ended March 31, 2011. Individual attendance at these meetings is set out in the table on page 20. It can be seen from the director biographies, appearing on page 94 and 95, that the members of the Committee bring to it a wide range of experience and expertise. The Chief Financial Officer, Finance Director, Financial Controller, Company Secretary and the Head of Internal Audit normally attend meetings of the Committee. The external auditors attend as required and have direct access to the Committee Chairman at all times. The Committee also meets separately at least once a year with the external auditors and with the Head of Internal Audit without executive management being present.

The role and responsibilities of the Audit Committee are set out in its written terms of reference, which are available on the Company's website www.ryanair.com, and include:

- monitoring the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance, profit guidance and reviewing significant financial reporting judgments contained in them;

- reviewing the interim and annual financial statements before submission to the Board;
- reviewing the effectiveness of the Group's internal financial controls and risk management systems;
- monitoring and reviewing the effectiveness of the Company's Internal auditors;
- considering and making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors and approving their terms of engagement;
- making recommendations concerning the engagement of independent chartered accountants; reviewing with the accountants the plans for and scope of each annual audit, the audit procedures to beutilised and the results of the audit;
- approving the remuneration of the external auditors, whether fees for audit or non audit services, and ensuring the level of fees is appropriate to enable an adequate audit to be conducted;
- assessing annually the independence and objectivity of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non audit services; and
- reviewing the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action.

These responsibilities of the Committee are discharged in the following ways:

- The Committee reviews the interim and annual reports as well as any formal announcements relating to the financial statements and guidance before submission to the Board. The review focuses particularly on any changes in accounting policy and practices, major judgmental areas and compliance with stock exchange, legal and regulatory requirements. The Committee receives reports at the meeting from the external auditors identifying any accounting or judgmental issues requiring its attention;
- The Committee also meets with external auditors to review the Annual Report, which is filed annually with the United States Securities and Exchange Commission;
- The Committee regularly reviews Turnbull Risk management reports completed by management;
- The Committee conducts an annual assessment of the operation of the Group's system of internal control based on a detailed review carried out by the internal audit department. The results of this assessment are reviewed by the Committee and are reported to the Board;
- The Committee makes recommendations to the Board in relation to the appointment of the external auditor. Each year, the Committee meets with the external auditor and reviews their procedures and the safeguards which have been put in place to ensure their objectivity and independence in accordance with regulatory and professional requirements;
- The Committee reviews and approves the external audit plan and the findings from the external audit of the financial statements;

- On a semi annual basis, the Audit Committee receives an extensive report from the Head of Internal Audit detailing the reviews performed during the year and a risk assessment of the company;

- The Head of Internal Audit also reports to the Committee on other issues including, in the year under review, updates in relation to Section 404 of the Sarbanes-Oxley Act 2002 and the arrangements in place to enable employees to raise concerns, in confidence, in relation to possible wrongdoing in financial reporting or other matters. (A copy of Section 404 of the Sarbanes-Oxley Act 2002 can be obtained from the United States Securities and Exchange Commission's website, www.sec.gov); and

- The Committee has a process in place to ensure the independence of the audit is not compromised, which includes monitoring the nature and extent of services provided by the external auditors through its annual review of fees paid to the external auditors for audit and non-audit work. Details of the amounts paid to the external auditors during the year for audit and other services are set out in note 19 on page 172.

In accordance with the recommendations of the Combined Code, an independent non-executive director, Mr. McLaughlin, 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.

The terms of Reference of the Audit Committee are reviewed annually.

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. Messrs. Osborne, Pietrogrande and Kirchberger are the members of the Remuneration Committee.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on the Company's website www.ryanair.com. The terms of Reference of the Remuneration Committee are reviewed annually.

Nomination Committee

Messrs. Bonderman, O'Leary and McLaughlin are the members of the Nomination Committee. The Nomination Committee assists the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Company by:

- assessing the skills, knowledge, experience and diversity required on the Board and the extent to which each are represented;
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- overseeing succession planning for the Board and senior management.

The role and responsibilities of the Nomination Committee are set out in its written terms of reference, which are available on the Company's website www.ryanair.com. The terms of Reference of the Nomination committee are reviewed annually.

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.

Code of Business Conduct

Ryanair's standards of integrity and ethical values have been established and are documented in Ryanair's Code of Business Conduct. This code is applicable to all Ryanair employees. There are established channels for reporting code violations or other concerns in a confidential manner. The Head of Internal Audit investigates any instances and reports findings directly to the Audit Committee. The Code is available on the Company's website, www.ryanair.com.

Attendance at Board and Committee meetings during the year ended 31 March 2011:

David Bonderman	6/6	-	-	-	4/4	1/1
Michael O'Leary	6/6	-	-	-	4/4	1/1
Michael Horgan	6/6	-	4/4	-	-	-
Kyran McLaughlin	4/6	7/7	-	-	4/4	0/1
James R. Osborne	6/6	7/7	-	3/3	4/4	-
Paolo Pietrogrande	5/6	-	-	3/3	-	-
Emmanuel Faber*	1/4	2/3	-	-	-	-
Klaus Kirchberger	6/6	-	-	3/3	-	-
Declan McKeon	4/4	5/5	-	-	-	-
Charles McCreevy	3/4	-	-	-	-	-

*Emmanuel Faber retired from the Board and Audit Committee and did not offer himself for re-election at the last AGM on 22 September 2010.

Performance Evaluation

The Board has established a process to annually evaluate the performance of the Board, that of its principal Committees, the Audit, Nomination and Remuneration committees, and that of individual directors. The Board anticipates that the formal evaluation will be completed yearly. Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year. As part of the Board evaluation of its own performance, a questionnaire is circulated to all directors. The questionnaire is designed to obtain directors' comments regarding the performance of the Board including any recommendations for improvement.

The Chairman, on behalf of the Board, reviews the evaluations of performance of the non-executive directors on an annual basis. The non-executive directors, led by the Senior Independent Director, meet annually without the Chairman present to evaluate his performance, having taken into account the views of the executive director. The non-executive directors also evaluate the performance of the executive director. These evaluations are designed to determine whether each director continues to contribute effectively and to demonstrate commitment to the role.

The Audit, Nomination and Remuneration committees carry out annual reviews of their own performance and terms of reference to ensure they are operating at maximum effectiveness and recommend any changes they consider necessary to the Board for approval.

The Board considers the results of the evaluation process and any issues identified.

Shareholders

Ryanair recognises the importance of communications with shareholders. Ryanair communicates with all of its shareholders following the release of quarterly and annual results directly via road shows, investor days and/or by conference calls. The Chief Executive, senior financial, operational, and commercial management participate in these events.

During the year ended March 31, 2011 the Company held discussions with a substantial number of institutional investors.

The Board is kept informed of the views of shareholders through the executive director's and executive management's attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings and investor relations analyst reports are provided to the entire Board on a regular basis. In addition, the Board determines, on a case by case basis, specific issues where it would be appropriate for the Chairman and/or Senior Independent Director to communicate directly with shareholders or to indicate that they are available to communicate if shareholders so wish. If any of the non-executive directors wishes to attend meetings with major shareholders, arrangements are made accordingly.

General Meetings

All shareholders are given adequate notice of the AGM at which the Chairman reviews the results and comments on current business activity. Financial, operational and other information on the Company is provided on our website at www.ryanair.com.

Ryanair will continue to propose a separate resolution at the AGM on each substantially separate issue, including a separate resolution relating to the Directors' Report and Accounts. In order to comply with the Combined Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The Board Chairman and the Chairmen of the Audit and Remuneration Committees are available to answer questions from all shareholders.

The Chief Executive makes a presentation at the Annual General Meeting on the Group's business and its performance during the prior year and answers questions from shareholders. The AGM affords shareholders the opportunity to question the Chairman and the Board.

All holders of Ordinary Shares are entitled to attend, speak and vote at general meetings of the Company, subject to limitations described under note "Limitations on the Right to Own Shares" on page 112. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy/proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the Meeting.

A shareholder or group of shareholders, holding at least 5% of the issued share capital has the right to requisition a general meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company, has the right to put an item on the agenda of an AGM or to table a draft resolution for an item on the agenda of the general meeting provided that such item is accompanied by reasons justifying its inclusion or the full text of any draft resolution proposed to be adopted at the general meeting. A request by a member to put an item on the agenda or to table a draft resolution shall be received by the company in hardcopy form or in electronic form at least 42 days before the AGM to which it relates.

Notice of the Annual General Meeting and the Form of Proxy are sent to shareholders at least twenty-one working days before the meeting. The Company's Annual Report is available on the Company's website, www.ryanair.com. The 2011 Annual General Meeting will be held at 10am on September 29, 2011 in the Radisson Hotel, Dublin Airport, Co Dublin, Ireland.

All general meetings other than the Annual General Meeting are called Extraordinary General Meetings (EGMs). An EGM must be called by giving at least twenty-one clear days' notice. Except in relation to an adjourned meeting, three members, present in person or by proxy, entitled to vote upon the business to be transacted, shall be a quorum. The passing of resolutions at a general meeting, other than special resolution, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast. Votes may be given in person by a show of hands, or by proxy.

At the Meeting, after each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld. This information is made available on the Company's website following the meeting.

Internal Control

The directors have overall responsibility for the Company's system on internal control and for reviewing its effectiveness. The directors acknowledge their responsibility for the system of internal control which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with the revised FRC (Turnbull) guidance for directors on internal control published in October 2005, 'Internal Control: Revised Guidance for Directors on the Combined Code', the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

In accordance with the provisions of the Combined Code the directors review the effectiveness of the Company's system of internal control including:

- Financial
- Operational
- Compliance
- Risk Management

The Board is ultimately responsible for the Company's system of internal controls and for monitoring its effectiveness. The key procedures that have been established to provide effective internal control include:

- a strong and independent Board which meets at least 4 times a year and has separate Chief Executive and Chairman roles;

- a clearly defined organisational structure along functional lines and a clear division of responsibility and authority in the Company;

- a comprehensive system of internal financial reporting which includes preparation of detailed monthly management accounts, providing key performance indicators and financial results for each major function within the Company;

- preparation and issue of financial reports to shareholders and the markets, including the Annual Report and consolidated financial statements, is overseen by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all subsidiary entities, which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, and Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board in advance of being presented to the full Board for their review and approval;

- quarterly reporting of the financial performance with a management discussion and analysis of results;

- weekly Management Committee meetings, comprising of heads of departments, to review the performance and activities of each department in the Company;

- detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;

- Board approved capital expenditure and Audit Committee approved treasury policies which clearly define authorisation limits and procedures;

- an internal audit function which reviews key financial/business processes and controls, and which has full and unrestricted access to the Audit Committee;

- an Audit Committee which approves audit plans, considers significant control matters raised by management and the internal and external auditors and which is actively monitoring the Company's compliance with section 404 of the Sarbanes Oxley Act of 2002;

- established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored by the Audit Committee and the Management Committee; and

- a risk management programme in place throughout the Company whereby executive management reviews and monitors the controls in place, both financial and non financial, to manage the risks facing the business.

On behalf of the Board, the Audit Committee has reviewed the effectiveness of the Company's system of internal control for the year ended March 31, 2011 and has reported thereon to the Board.

The Board has delegated to executive management the planning and implementation of the systems of internal control within an established framework which applies throughout the Company.

Takeover Bids Directive

Information regarding rights and obligations attached to shares are set forth in Note 15 on pages 167 to 169 of the consolidated financial statements.

Shares in the Ryanair employee share schemes carry no control rights and shares are only issued (and gain voting rights) when options are exercised by employees.

Ryanair's Articles of Association do not contain any restrictions on voting rights. However, there are provisions in the Articles which allow the directors to (amongst other things) suspend the voting rights of a share if the Board believes the number of non-qualifying nationals holding shares in Ryanair would put it in breach of the Air Navigation Acts and licences and permits which allow it to operate. This is not an absolute restriction and can only occur if the Board designates a number of shares to be so restricted.

Ryanair has not received any notifications from shareholders (as shareholders are obliged to do) regarding any agreements between shareholders which might result in restrictions on the transfer of shares.

Details of the rules concerning the removal and appointment of the directors are set out above as part of this Directors' Report. There are no specific rules regarding the amendment of the Company's Articles of Association.

Details of the Company's share buy-back programme are set forth on page 107 of the Annual Report. The shareholders approved the power of the Company to buy back shares at the 2006 AGM.

None of the significant agreements to which the Company is party to, contain change of control provisions. As referred to above in this Director's Report, Mr. O'Leary's employment agreement does not contain provisions providing for compensation on his termination.

Going Concern

After making enquiries, the directors have formed a judgment, at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The directors' responsibility for preparing the financial statements is explained on page 27 and the reporting responsibilities of the auditors are set out in their report on page 29.

Compliance Statement

Ryanair has complied, throughout the year ended March 31, 2011, with the provisions set out in Section 1 of the Combined Code except as outlined below. The Group has not complied with the following provisions of the Combined Code, but continues to review these situations on an ongoing basis:

- Non-executive directors participate in the Company's share option plans. The Combined Code requires that, if exceptionally, share options are granted to non-executive directors that shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the non-executive director leaves the board. In accordance with the Combined Code, the Company sought and received shareholder approval to make certain stock option grants to its non-executive directors and as described above, the

Board believes the quantum of options granted to non-executive directors is not so significant to impair their independence.

- Certain non-executive directors, namely Mr. David Bonderman, Mr. James Osborne, Mr. Kyran McLaughlin, Mr. Michael Horgan and Mr. Paolo Pietrogrande, have each served more than nine years on the Board without being offered for annual re-election. As described further above, given the other significant commercial and professional commitments of these non-executive directors, and taking into account that their independence is considered annually by the Board, the Board does not consider their independence to be impaired in this regard.

On behalf of the Board

D. Bonderman	M. O' Leary
Chairman	Chief Executive

July 25, 2011

REPORT OF THE REMUNERATION COMMITTEE ON DIRECTORS' REMUNERATION

The Remuneration Committee

Details of the Remuneration Committee are set out within the Corporate Governance Statement on page 17 of the Annual Report.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on the Company's website www.ryanair.com.

All members of the Remuneration Committee have access to the advice of the Chief Executive and may, in the furtherance of their duties, obtain independent professional advice at the Company's expense.

Remuneration Policy

The remuneration policy of the Company is to ensure that the executive director and the senior key management team are rewarded competitively, having regard to the comparative marketplace in Ireland and the United Kingdom, in order to ensure that they are properly motivated to perform in the best interests of the shareholders. Details of the total remuneration paid to senior key management (defined as the executive team reporting to the Board of Directors) are set out in Note 27 of the consolidated Financial Statements.

Non-Executive Directors

Details of the remuneration paid to non- executive directors are set out in Note 19(b) to the consolidated Financial Statements.

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the Annual General Meeting following their appointment. Ryanair's Articles of Association require that all directors retire after a fixed period not exceeding three years. Directors can then offer themselves for re-election at the Company's Annual General Meeting.

None of the non-executive Directors hold a service agreement with the Company that provides for benefits upon termination.

Executive Director

The Chief Executive of the Company is the only executive director on the Board. Details of the remuneration paid to the Chief Executive are set out in Note 19(a) to the consolidated Financial Statements.

The Company entered into an employment agreement with the Chief Executive on July 1, 2002 for a one year period to June 30, 2003. Thereafter, the agreement continues for successive annual periods but may be terminated with 12 months notice by either party. This employment agreement does not contain provisions providing for compensation on its termination.

Performance Related Bonuses

The Chief Executive and the key management team of the Company are eligible for a performance bonus and other bonuses dependent upon the achievement of certain financial targets.

Share Options

Details of the share options granted to executive and non-executive directors are set forth in Note 19(d) to the consolidated Financial Statements.

Details of employee share option plans are set forth in Note 15(c) to the consolidated Financial Statements.

Directors Pension Benefits

Details of the Chief Executive's pension benefits are set forth in Note 19(c) to the consolidated Financial Statements.

Directors Shareholdings

The interests of each Director, that held office at the end of fiscal 2011, in the share capital of the Company are set forth in Note 19(d) to the consolidated Financial Statements.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The directors are responsible for preparing the Annual Report and the consolidated and Company financial statements, in accordance with applicable law and regulations.

Company law requires the directors to prepare consolidated and Company financial statements for each financial year. Under that law, the directors are required to prepare the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU and as applied in accordance with the provisions of the Companies Acts, 1963 to 2009. In preparing the consolidated financial statements the directors have also elected to comply with IFRSs as issued by the International Accounting Standards Board (IASB).

The consolidated and Company financial statements are required by law and IFRSs as adopted by the EU, to present fairly the financial position of the Group and the Company and the performance of the Group. The Companies Acts, 1963 to 2009 provide in relation to such financial statements that references in the relevant part of these Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

In preparing each of the consolidated and Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRSs as adopted by the EU as applied in accordance with the Companies Acts, 1963 to 2009 and IFRSs as issued by the IASB; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue in business.

Under applicable law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the directors are also responsible for preparing a Directors' Report and reports relating to directors' remuneration and corporate governance that comply with that law and those Rules. In particular, in accordance with the Transparency (Directive 2004/109/EC) Regulations 2007 (the Transparency Regulations), the directors are required to include in their report a fair review of the business and a description of the principal risks and uncertainties facing the Group and Company and a responsibility statement relating to those and other matters, included below.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that its financial statements comply with the Companies Acts, 1963 to 2009 and, as regards the consolidated financial statements, Article 4 of the IAS Regulation. They are also responsible for taking such steps as are reasonably open to them to safeguard the assets of the Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance of integrity of the corporate and financial information included on the Company's website. Legislation in the Republic of Ireland governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement, in accordance with the Transparency Regulations

Each of the directors, whose names and functions are listed on pages 94 and 95 of the Annual Report confirm that, to the best of their knowledge and belief:

- the consolidated financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities and financial position of the Group at March 31, 2011 and of its profit for the year then ended;

- the Company financial statements, prepared in accordance with IFRSs as adopted by the EU, as applied in accordance with the Companies Acts, 1963 to 2009, give a true and fair view of the assets, liabilities and financial position of the Company at March 31, 2011, and

- the Directors' Report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risks and uncertainties that they face.

Also, as explained in Note 1 on page 133 of the consolidated financial statements, the Group, in addition to complying with its legal obligation to comply with IFRSs as adopted by the EU, has also prepared its consolidated financial statements in compliance with IFRSs as issued by the IASB. The directors confirm that to the best of their knowledge and belief these consolidated financial statements give a true and fair view of the assets, liabilities and financial position of the Group at March 31, 2011 and of its profit for the year then ended.

On behalf of the board

D. Bonderman	M. O'Leary
Chairman	Chief Executive

July 25, 2011

Independent Auditor's Report to the members of Ryanair Holdings plc

We have audited the consolidated and Company financial statements ("financial statements") of Ryanair Holdings plc for the year ended March 31, 2011, which comprise the consolidated and Company balance sheets, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated and Company statements of changes in shareholders' equity, the consolidated and Company statements of cash flows and the related notes.

These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990 and in respect of the separate opinion in relation to International Financial Reporting Standards (IFRSs) as issued by the International Accounting Standards Board (IASB), on terms that have been agreed. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and in respect of the separate opinion in relation to IFRSs, as issued by the IASB, those matters that we have agreed to state to them in our report, and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and IFRSs as adopted by the European Union (EU), and their separate responsibilities for electing to prepare the consolidated financial statements in accordance with IFRSs as issued by the IASB, are set out in the Statement of Directors Responsibilities on pages 27 to 28.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (United Kingdom and Ireland).

We report to you our opinion as to: whether the financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU and as issued by the IASB and, have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and, in the case of the consolidated financial statements, Article 4 of the IAS Regulation.

We also report to you, whether, in our opinion; proper books of account have been kept by the Company; whether at the balance sheet date, there exists a financial situation requiring the convening of an extraordinary general meeting of the Company under Section 40(1) of the Companies (Amendment) Act, 1983; and whether the information given in the Directors' Report is consistent with the financial statements. In addition, we state whether we have obtained all the information and explanations necessary for the purposes of our audit, and whether the Company balance sheet is in agreement with the books of account.

We also report to you if, in our opinion, any information specified by law or the Listing Rules of the Irish Stock Exchange regarding directors' remuneration and transactions is not disclosed and, where practicable, include such information in our report.

We are required by law to report to you our opinion as to whether the description of the main features of the internal control and risk management systems in relation to the process for preparing the consolidated group financial statements, set out in the annual Corporate Governance Statement is consistent with the consolidated financial statements. In addition, we review whether the Corporate Governance Statement reflects the Company's compliance with the nine provisions of the 2008 Financial Reporting Council Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's and Chief Executive's Reports; the Corporate Governance Report; the Operating and Financial Review; Principle Risks and Uncertainties; Critical Accounting Policies; Directors, Senior Management and Employees; Major Shareholders and Related Parties; and the Directors' Report. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of audit opinion

We conducted our audit in accordance with International Standards on Accounting (United Kingdom and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgements made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the Group's and Company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

Opinion

In our opinion:

- the consolidated financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of affairs of the Group as at March 31, 2011 and of its profit for the year then ended;

- the Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, as applied in accordance with the provisions of the Companies Acts, 1963 to 2009 of the state of affairs of the Company as at March 31, 2011;

- the consolidated financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009 and Article 4 of the IAS Regulation; and

- The Company financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2009.

Other matters

As explained in Note 1 on page 133 of the consolidated financial statements, the Group, in addition to complying with its legal obligation to comply with IFRSs as adopted by the EU, has also prepared its consolidated financial statements in compliance with IFRSs as issued by the IASB. In our opinion, the consolidated financial statements give a true and fair view, in accordance with IFRSs as issued by the IASB, of the state of the Group's affairs as at March 31, 2011 and of its profit for the year then ended.

We have obtained all the information and explanations which we considered necessary for the purposes of our audit. In our opinion, proper books of account have been kept by the Company. The Company's balance sheet is in agreement with the books of account.

In our opinion, the information given in the Directors' Report and the description in the annual corporate governance statement of the main features of the internal control and risk management systems in relation to the process for preparing the consolidated group financial statements is consistent with the financial statements.

The net assets of the Company as stated in the Company balance sheet on page 184 are more than half of the amount of its called up share capital, and, in our opinion, on that basis, there did not exist at March 31, 2011, a financial situation which, under Section 40(1) of the Companies (Amendment) Act, 1983, would require the convening of an extraordinary general meeting of the Company.

Chartered Accountants

Registered Auditor,

Dublin, Ireland,

July 25, 2011

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. 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 "£" are to 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 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 IFRS 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 at March 31, 2011 (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 = $1.4183, or $1.00 = €0.7051, the official rate published by the U.S. Federal Reserve Board in its weekly "H.10" release (the "Federal Reserve Rate") on March 31, 2011. The Federal Reserve Rate for euro on July 15, 2011 was €1.00 = $1.4156 or $1.00 = €0.7064. 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 Disclosure About Market Risk" for a discussion of the effects of changes in exchange rates on the Company.

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, 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, 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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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 a low-fares, scheduled passenger airline serving short-haul, point-to-point routes largely in Europe from its 45 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, 2011, the Company offered approximately 1,550 scheduled short-haul flights per day serving approximately 160 airports largely throughout Europe, with an operating fleet of 272 aircraft flying approximately 1,300 routes. The Company also holds a 29.8% interest in Aer Lingus, which it has acquired through market purchases following Aer Lingus' partial privatization in 2006. The European Commission prohibited Ryanair's 2006 offer for Aer Lingus and Ryanair filed an appeal with the European Court of First Instance ("CFI"). On July 6, 2010, the CFI upheld the Commission's decision. 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."

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,					
	2011(a)	2011	2010	2009	2008	2007
	(in millions, except per-Ordinary Share data)					
Total operating revenues..................	$5,147.7	€3,629.5	€2,988.1	€2,942.0	€2,713.8	€2,236.9
Total operating expenses..................	(4,455.3)	(3,141.3)	(2,586.0)	(2,849.4)	(2,176.7)	(1,765.2)
Operating income...............................	692.4	488.2	402.1	92.6	537.1	471.7
Net interest (expense) income...........	(94.6)	(66.7)	(48.6)	(55.0)	(13.2)	(19.9)
Other non-operating (expense) income	(0.9)	(0.6)	(12.5)	(218.1)	(85.0)	(0.8)
Profit (loss) before taxation..............	597.0	420.9	341.0	(180.5)	438.9	451.0
Taxation...	(65.7)	(46.3)	(35.7)	11.3	(48.2)	(15.4)
Profit (loss) after taxation..................	$531.3	€374.6	€305.3	€(169.2)	€390.7	€435.6
Ryanair Holdings basic earnings (loss) per Ordinary Share (U.S. cents)/(euro cent)(b).....................	$35.8	25.21	20.68	(11.44)	25.84	28.20
	$35.7	25.14	20.60	(11.44)	25.62	27.97

Ryanair Holdings diluted earnings (loss) per Ordinary Share (U.S. cents)/(euro cent)(b).....................						
Ryanair Holdings dividend paid per Ordinary Share (U.S. cents)/(euro cent)...	$47.6	33.57	n/a	n/a	n/a	n/a

Balance Sheet Data:

	As of March 31,					
	2011(a)	2011	2010	2009	2008	2007
	(in millions)					
Cash and cash equivalents................	$2,876.7	€2,028.3	€1,477.9	€1,583.2	€1,470.8	€1,346.4
Total assets...	$12,191.7	€8,596.0	€7,563.4	€6,387.9	€6,327.6	€5,763.7
Long-term debt, including capital lease obligations.............................	$5,175.9	€3,649.4	€2,956.2	€2,398.4	€2,266.5	€1,862.1
Shareholders' equity..........................	$4,189.5	€2,953.9	€2,848.6	€2,425.1	€2,502.2	€2,539.8
Issued share capital...........................	$13.5	€9.5	€9.4	€9.4	€9.5	€9.8
Weighted Average Number of Ordinary Shares..............................		1,485.7	1,476.4	1,478.5	1,512.0	1,544.5

Cash Flow Statement Data:

	Fiscal year ended March 31,					
	2011(a)	2011	2010	2009	2008	2007
	(in millions)					
Net cash inflow from operating activities	$1,115.2	€786.3	€871.5	€413.2	€703.9	€900.8
Net cash (outflow) from investing activities...	$(672.3)	€(474.0)	€(1,549.1)	€(388.3)	€(692.3)	€(1,189.0)
Net cash inflow from financing activities	$337.7	€238.1	€572.3	€87.5	€112.8	€195.6
Increase (decrease) in cash and cash equivalents..	$780.6	€550.4	€(105.3)	€112.4	€124.4	(€92.6)

(a) Dollar amounts are translated from euro solely for convenience at the Federal Reserve Rate on March 31, 2011, of €1.00 = $1.4183 or $1.00 = €0.7051.

(b) All per-Ordinary Share amounts have been adjusted to reflect the 2-for-1 split of Ordinary Shares (and ADRs) that occurred on February 26, 2007. For additional information, see "Item 10. Additional Information-Description of

Capital Stock."

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
2006	1.319	1.256	-	-
2007	1.458	1.371	-	-
2008	1.395	1.471	-	-
2009	1.433	1.394	-	-
2010	1.336	1.326	-	-
Month ended				
January 31, 2011	-	-	1.292	1.370
February 28, 2011	-	-	1.349	1.382
March 31, 2011	-	-	1.380	1.422
April 30, 2011	-	-	1.421	1.482
May 31, 2011	-	-	1.404	1.487
June 30, 2011	-	-	1.416	1.468
Period ended July 15, 2011	-	-	1.401	1.451

U.K. pounds sterling per €1.00(c)

Year ended December 31,	End of Period	Average (b)	Low	High
2006	0.674	0.682	-	-
2007	0.735	0.685	-	-
2008	0.957	0.797	-	-
2009	0.887	0.891	-	-
2010	0.857	0.858	-	-
Month ended				
January 31, 2011	-	-	0.830	0.863
February 28, 2011	-	-	0.837	0.856
March 31, 2011	-	-	0.848	0.883

April 30, 2011	-	-	0.873	0.890
May 31, 2011	-	-	0.863	0.899
June 30, 2011	-	-	0.877	0.903
Period ended July 15, 2011	-	-	0.876	0.903

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

Year ended December 31,	End of Period	Average (b)	Low	High
2006	0.511	0.543	-	-
2007	0.504	0.500	-	-
2008	0.686	0.546	-	-
2009	0.627	0.641	-	-
2010	0.641	0.647	-	-
Month ended				
January 31, 2011	-	-	0.623	0.645
February 28, 2011	-	-	0.615	0.624
March 31, 2011	-	-	0.610	0.625
April 30, 2011	-	-	0.598	0.620
May 31, 2011	-	-	0.599	0.621
June 30, 2011	-	-	0.608	0.626
Period ended July 15, 2011	-	-	0.619	0.628

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(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. pounds sterling.

As of July 15, 2011, the exchange rate between the U.S. dollar and the euro was €1.00 = $1.4156, or $1.00 = €0.7064; the exchange rate between the U.K. pound sterling and the euro was U.K. £1.00 = €1.1413, or €1.00 = U.K. £0.8762; and the exchange rate between the U.K. pound sterling and the U.S. dollar was U.K. £1.00 = $1.6149, or $1.00 = U.K. £0.6192. 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."

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.

Operating Data:	Fiscal Year ended March 31, 2011	2010	2009	2008
Average Yield per Revenue Passenger Mile ("RPM") (€)..	0.053	0.052	0.060	0.065
Average Yield per Available Seat Miles ("ASM") (€)..........	0.045	0.043	0.050	0.054
Average Fuel Cost per U.S. Gallon (€)................................	1.756	1.515	2.351	1.674
Cost per ASM ("CASM") (€)...	0.049	0.047	0.058	0.051
Operating Margin......................	14%	13%	5%	20%
Break-even Load Factor...........	72%	73%	79%	67%
Average Booked Passenger Fare (€)....................................	39.24	34.95	40.02	43.70
Ancillary Revenue per Booked Passenger (€).........................	11.12	9.98	10.21	9.58

Other Data:	Fiscal Year ended March 31, 2011	2010	2009	2008
Revenue Passengers Booked	72,062,659	66,503,999	58,565,663	50,931,723
Revenue Passenger Miles......	53,256,894,035	44,841,072,500	39,202,293,374	34,452,733,067
Available Seat Miles..............	63,358,255,401	53,469,635,740	47,102,503,388	41,342,195,458
Booked Passenger Load Factor....................................	83%	82%	81%	82%
Average Length of Passenger Haul (miles)..........................	727	661	654	662
Sectors Flown.........................	463,460	427,900	380,915	330,598
Number of Airports Served at Period End............................	158	153	143	147
Average Daily Flight Hour Utilization (hours)...............	8.36	8.89	9.59	9.87
Personnel at Period End.........	8,560	7,168	6,616	5,920
Personnel per Aircraft at Period End	31	31	36	36
Booked Passengers per Personnel at Period End......	8,418	9,253	8,852	8,603

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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 2009 and 2011. These increases had a significant impact on Ryanair's costs, and the fiscal year 2009 increase contributed to the decline in profit before exceptional items recorded in the 2009 fiscal year. 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 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 22, 2011, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90% of its estimated requirements for the fiscal year ending March 31, 2012 at prices equivalent to approximately $820 per metric ton. In addition, as of July 22, 2011, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 20% of its estimated requirements for the first quarter of the fiscal year ending March 31, 2013 at prices equivalent to approximately $1,035 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that quarter. Because of the limited nature of its hedging program, the Company is exposed to risks arising from fluctuations in the price of fuel, especially in light of the recent volatility. Any new increase in fuel costs could have a material adverse effect on the Company's financial condition and results of operations. 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 22, 2011, Ryanair had hedged 75% of its forecasted fuel-related dollar purchases against the euro at a rate of $1.38 per euro for the period to December 31, 2012, without, however, having entered into any material hedging arrangements with respect to periods thereafter. See "-The Company May Not Be Successful in Raising Fares to Offset Increased Business Costs" below.

No assurances whatsoever can be given about trends in fuel prices, and average fuel prices for the 2012 fiscal year or for future years may be significantly higher than current prices. Management estimates that every $10.00 movement in the price of a metric ton of jet fuel will impact Ryanair's costs by approximately €1.5 million, taking into account Ryanair's hedging program for the 2012 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 alone or in combination with other factors. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk-Fuel Price Exposure and Hedging." Because of Ryanair's low fares and its no-fuel-surcharges policy, as well as the Company'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 will result in an increase, in absolute terms, in Ryanair's aggregate fuel costs.

Based upon Ryanair's fuel consumption for the 2011 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 €1.5 million in the Company's annual fuel costs.

Ryanair's fuel costs in the 2011 fiscal year, after giving effect to the Company's fuel hedging activities, increased by approximately 37% from the comparable period ended March 31, 2010, to €1,227.0 million, primarily due to higher market prices per metric ton and growth of the airline. Ryanair estimates that its fuel costs would have been approximately €1,275.1 million in the 2011 fiscal year, as compared to €916.6 million in the 2010 fiscal year, had Ryanair not had any fuel hedging arrangements in place in either fiscal year.

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 2010-11, Ryanair grounded approximately 40 aircraft and the Company announced in May 2011 that it intends to ground up to 80 aircraft during the coming winter. As a result, while the Company still expects to grow passenger traffic during fiscal 2012 as a whole, it expects that its passenger volumes during the winter months of 2011-12 will be lower than those recorded during the winter months of 2010-11, which could have a negative impact on its results of operations and/or financial condition.

Ryanair's adoption of the policy of seasonally grounding aircraft presents some risks. While the Company seeks to implement its seasonal grounding policy in a way that will allow it to avoid suffering losses by operating flights to high cost airports at low winter yields, there can be no assurance that this strategy will be successful. Additionally, the Company's growth has been largely dependent on increasing capacity, and decreasing capacity may affect the overall future growth of the Company. Further, while seasonal grounding does reduce the Company's variable operating costs, it does not avoid aircraft ownership costs, and it also decreases Ryanair's potential to earn ancillary 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. Such risks could lead to negative effects on the Company's financial condition and/or results of operations.

The Company May Not Be Successful in Reducing Business Costs to Offset Reduced Fares. 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. The Company has limited control over its fuel costs and already has comparatively low other operating costs. In periods of high fuel costs, if the Company is unable to further reduce its other operating costs or generate additional revenues, operating profits are likely to fall. The Company cannot offer any assurances regarding its future profitability. 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 that the Company May Incur Additional Losses" 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, Schönefeld, Tampere, Alghero, Pau, Aarhus and Frankfurt (Hahn) airports. The investigations seek to determine whether the arrangements constitute illegal 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 Lubeck airports. Adverse rulings in these 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.

No assurance can be given as to the outcome of legal proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operation or financial condition of the Company. For additional information, please see "Item 8. Financial Information—Other Financial Information—Legal Proceedings."

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 the route network. Airlines compete primarily with respect to fare levels, frequency and dependability of service, name recognition, passenger amenities (such as access to frequent flyer programs), and the availability and convenience of other passenger services. Unlike Ryanair, certain of Ryanair's 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 entered into effect in March 2008, allows U.S. carriers to offer services in the intra-EU market, which should eventually result in increased competition. 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. Increased price competition and the resulting lower fares, combined with continuous increases in the Company's capacity in recent years (including an increase of approximately 8% during the 2011 fiscal year) have combined to put downward pressure on the Company's yields. Although Ryanair's Yield per Available Seat Mile ("YASM") increased by approximately 3% in the 2011 fiscal year, it decreased by approximately 13% 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 conduct, price competition among airlines could reduce the level of fares or passenger traffic on the Company'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 expects to have 294 aircraft in its fleet by March 31, 2012. With the Company's current orders for aircraft it is obligated to buy (i.e., "firm" orders) under its contracts with The Boeing Company ("Boeing"), the Company expects to increase the size of its fleet to as many as 299 Boeing 737-800 aircraft by March 2013 (assuming that planned disposals of aircraft and returns of leased aircraft are completed on schedule). 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.

Ryanair plans to finance its purchases of firm-order aircraft through a combination of bank loans, operating and finance leases - including via sale-and-leaseback transactions - and cash flow generated from the Company's operations. As in the past, Ryanair expects much of its financing to be supported by guarantees granted by the Export-Import Bank of the United States ("Ex-Im Bank"). Nonetheless, due to the general deterioration in the availability of bank credit facilities in recent years, no assurance can be given that sufficient financing will be available to Ryanair or that the terms of any such financing will be favorable. Any inability of the Company to obtain financing for new aircraft on reasonable terms could have a material adverse effect on its business, results of operations, and financial condition.

In addition, the financing of new and existing Boeing 737-800 aircraft has already and will continue to significantly increase the total amount of the Company's outstanding debt and the payments it is obliged to make to service such debt. 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. The Company currently has arranged a sale and leaseback transaction for five aircraft to be delivered in the period between the date hereof and March 2012. For additional details on Ryanair's financings, see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources."

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 Rapid 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. See "Item 5. Operating and Financial Review and Prospects—History." During the 2011 fiscal year, Ryanair announced 328 new routes across its network and intends to continue to expand its fleet and add new destinations and additional flights, which are expected to increase Ryanair's booked passenger volumes in the 2012 fiscal year to approximately 75 million passengers, an increase of approximately 4% over the approximately 72.1 million passengers booked in the 2011 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 aircraft purchases and related debt) could be materially adversely affected. 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."

The expansion of Ryanair's fleet and operations, in addition to other factors, may also strain existing management resources and related operational, financial, management information, and information technology systems, including Ryanair's Internet-based reservation system, to the point that they may no longer be adequate to support Ryanair's operations. This would require Ryanair to make significant additional expenditures. 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 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's, and the Company expects to face further intense competition. See "Item 4. Information on the Company-Industry Overview—European Market."

When Ryanair commences new routes, its load factors initially 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 the Company'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. See "Item 4. Information on the Company-Route System, Scheduling and Fares." Ryanair expects to have other substantial 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 737-800s. There can be no assurance that the Company 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 the Continued 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. Applicable EU regulations appear to prohibit the buying or selling of slots for cash, although media reports indicate that the buying and selling of slots may have occurred at certain airports in Europe. Regardless of any such sales, 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 bases, or the other non-slot airports Ryanair serves, will continue to operate without slot allocations 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.

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 low-fares 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 March 2007, the discount arrangement formerly in place at London (Stansted) airport terminated, subjecting Ryanair to an average increase in charges of approximately 100%. 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.

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. 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 attainable 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 to this investigation on the basis that the OFT's investigation is 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. Ryanair is currently awaiting the judgment of the

Competition Appeal Tribunal. If the OFT investigation proceeds, it may result in a referral to the Competition Commission. 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 significant losses due to the negative impact on attainable prices of the forced sale of such a significant portion of Aer Lingus' shares. For more information, see "Item 8. Financial Information-Other Financial Information-Legal Proceedings-Matters Related to Investment in Aer Lingus."

During the 2010 fiscal year, Ryanair recorded an impairment charge recognized in the income statement of €13.5 million on its Aer Lingus shareholding reflecting a decline in the Aer Lingus share price from €0.59 at March 31, 2009 to €0.50 at June 30, 2009. The subsequent increase in the Aer Lingus share price from €0.50 at June 30, 2009 to €0.73 at March 31, 2010 resulted in a gain of €36.5 million, which was recognized through other comprehensive income within equity. The subsequent decrease in the Aer Lingus share price from €0.73 at March 31, 2010 to €0.72 at March 31, 2011 resulted in a loss of €2.2 million, which was recognized through other comprehensive income within equity.

Deteriorations in conditions in the airline industry affect the Company not only directly, but also indirectly, because the value of its stake in Aer Lingus fluctuates with the share price. However, as the value of the Company's stake in Aer Lingus has already been written down to just €79.7 million (the equivalent of €0.50 per share as of June 30, 2009), the potential for future write-downs of that asset is currently limited to that amount.

Labor Relations Could Expose the Company to Risk. A variety of factors, including, but not limited to, the Company's historical and current level of profitability and its seasonal grounding policy may make it difficult for Ryanair to avoid increases to its base salary levels and employee 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. The Company agreed to provide a company-wide pay increase of up to 2% on basic pay for certain employees, effective April 1, 2011. In addition, the Company will eliminate any positions that may be identified as redundant. These steps may lead to a deterioration in labor relations in the Company and could impact the Company's business or results of operations. The Company 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 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 and Irish social insurance 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 would lead to substantial increase in employer social insurance contributions, salary and pension costs and potentially loss of flexibility if local contracts of employment were imposed.

Ryanair currently conducts collective bargaining negotiations with groups of employees, including its pilots, regarding pay, work practices, and conditions of employment, through collective-bargaining units called "Employee Representation Committees." In the U.K., BALPA unsuccessfully sought to represent Ryanair's U.K.-based pilots in their negotiations with the Company in 2001, at which time an overwhelming majority of those polled rejected BALPA's claim to represent them. 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. For additional details, see "Item 6. Directors, Senior Management and Employees-Employees and Labor Relations." 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 the Company's business, operating results, and financial condition.

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. The Company'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 Agreements." The Company'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 the Company'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 the Company'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. Approximately 99% of Ryanair's flight reservations are made through its website. Although the Company 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 affect on the Company'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. See "Item 4. Information on the Company-Reservations/Ryanair.com." The Company 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. The result of this requirement is that Ryanair has reduced airport and handling costs, as a result of the need to have fewer check-in personnel and rented check-in desks. 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 the Company's results of operations and financial condition.

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. The Company is involved in a number of legal proceedings against the proprietors of screenscraper websites in Ireland, Germany, the Netherlands, France, Spain, Italy and Switzerland. The Company's objective is to prevent any unauthorized use of its website. The Company has received favorable rulings in Ireland, Germany and The Netherlands. However, pending the outcome of these legal proceedings and if Ryanair were to be 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 in a reduction in the Company's ancillary revenue stream. 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. This could also adversely affect Ryanair's reputation as a low-fares airline, which could negatively affect the Company'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."

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 recent "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 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 Ryanair paying higher corporate taxes and would have an adverse impact on our cash flows, financial position and results of operations.

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. 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 below, 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. As of the date hereof, the Company is uncertain as to the number of claims it will receive or the amount it will have to reimburse passengers in respect of these claims, (as there is currently no time limitation on claims specified in the Regulation) but the Company expects that the amount will be significant. The Company 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 €1.5 million per day, or 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 affect 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.

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, high unemployment rates, constrained credit markets and increased business operating costs 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. Furthermore, demand for air travel could be impacted by emissions of volcanic ash, as noted above.

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 £12 per passenger. The tax was previously set at £5 per passenger, but it was increased to £10 per passenger in 2007 and £11 in 2009 and subsequently to £12 in 2010. 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.

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.

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.

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 compensation to be paid to passengers in the event of cancelled flights. 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, by their terms, 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 case is still pending. 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 accommodations 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 Could 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 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 will be 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 and amount of such allowances that Ryanair will have to buy in order to cover the shortage that will arise in 2012 are not yet known. The Company will be in a position to forecast its carbon credit requirements in respect of 2012 with a greater degree of certainty once the European Commission has published certain figures permitting the calculation of the efficiency benchmark (expected in late 2011). The Company estimates the related cost will be in the region of €20 million in fiscal year 2012 but could increase significantly over the coming years. 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.

Introduction of New or Increases in Existing Aviation Taxes Could Increase Costs. A number of European states, including the United Kingdom, Ireland, Germany and Austria, currently impose taxes on air travel, often disguised as environmental taxes. Although the Netherlands reduced its aviation tax to zero in 2009 and Ireland announced in May 2011 that it would abolish its Air Travel Tax, due to government budgetary deficits these taxes may be reinstated in their previous or a new form. Further, other state governments or the European Union may introduce aviation taxation. Any such taxes would increase costs and could have a negative impact on demand for air travel. See also "-Environmental Regulation-Aviation Taxes" below.

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 the Company'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 (in which a car filled with explosives was driven into Glasgow's airport) 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 2011 fiscal year, 16.2 million passengers were booked on Ryanair's flights into and out of London, representing 22.5% 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 service 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 "-Risks Related to the Company-Further Terrorist Attacks in London and Other Destinations Could Have a Detrimental Effect on the Company."

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 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 characterized by high fixed costs and by revenues that generally exhibit substantially greater elasticity than costs. Although fuel accounted for approximately 39% of total operating expenses in the 2011 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 that the Company May Incur Losses" 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 "-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 program 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 the Company's operating results or financial condition.

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, the Company's business could be materially adversely affected.

Currency Fluctuations Affect the Company's Results. Although the Company is headquartered in Ireland, a significant portion of its operations is 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 results of operations and financial condition can therefore be significantly affected by fluctuations in the respective values of the U.K. pound sterling and the U.S. dollar. Ryanair is particularly subject 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 Discussion About Market Risk."

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 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 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 shares, American Depositary Shares ("ADSs") or Affected Shares which give rise to the need to take action and treat such 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 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. 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, 2011, EU nationals owned at least 52.7% 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.

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 once declared or paid 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. The Company also indicated in the same announcement that it may pay a further dividend of up to €500 million before the end of fiscal year 2013, subject to, amongst other things, its continued profitability and the absence of further aircraft purchases or any other significant capital expenditures. The Company may ultimately determine not to pay any such dividend, or may fail to obtain shareholder approval (where required). The Company may pay other dividends from time to time, or it may not pay any dividends at all, as has been its general practice to date. No assurances can be given that the Company will, or will not, pay dividends. 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.

Item 4. Information on the Company

INTRODUCTION

Ryanair Holdings was incorporated in 1996 as a holding company for Ryanair Limited. The latter operates a low-fares, 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." At June 30, 2011, with its operating fleet of 272 Boeing 737-800 "next generation" aircraft, Ryanair Limited offered approximately 1,550 scheduled short-haul flights per day serving approximately 160 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 €374.6 million in the 2011 fiscal year, as compared to a profit on ordinary activities after taxation of €305.3 million in the 2010 fiscal year. This increase was primarily attributable to an increase in revenues of approximately 22% from €2,988.1 million to €3,629.5 million, partially offset by an increase in fuel costs of approximately 37% from €893.9 million to €1,227.0 million. Ryanair generated an average booked passenger load factor of approximately 82.6% and average scheduled passenger revenues of €0.068 per ASM in the 2011 fiscal year. The Company has focused on maintaining low operating costs (€0.049 per ASM in the 2011 fiscal year).

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 3.5 million passengers in the 2010 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 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 travellers 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 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 2011 fiscal year, Ryanair flew an average route length of 727 miles and an average flight duration of approximately 1.69 hours. Short-haul routes allow Ryanair to offer its low fares and frequent service, while eliminating the need to provide unnecessary "frills," like 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 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 2011 fiscal year was

85%. According to the last available comparative data published by the AEA (which relates to the 2008-2009 winter season), Ryanair's "on time" performance record exceeded that of its principal competitors that make such data available, including: Air France (approximately 83%); British Airways (approximately 83%); Iberia (approximately 70%) and Lufthansa (approximately 85%). Aer Lingus and easyJet do not regularly publish punctuality statistics. Easyjet only recently published its statistics for the period January to March 2011, which highlighted that their "on time" performance (arrivals within 15 minutes of schedule) was 81%. Ryanair's "on time" performance was 92% for the equivalent period. Faster turnaround times are a key element in Ryanair's efforts to maximize aircraft utilization. Ryanair's average scheduled turnaround time for the 2011 fiscal year was approximately 25 minutes. Secondary and regional airports also generally do not maintain slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings.

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 to continue 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. However, as Ryanair's existing delivery program expires in November 2012, the Company may have to consider other aircraft manufacturers for future deliveries for growth or fleet replacement purposes. 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 employees 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. 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 will terminate in 2013. 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 2008, Ryanair upgraded the reservation system to a more scalable version, which offers more flexibility for future system enhancements and to accommodate the planned growth of Ryanair.

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 26-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 British Airways, Finnair and Iberia. Ryanair assigns a Part 145-certified mechanic to oversee engine overhauls performed by other parties.

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 Booking.com, pursuant to which Booking.com handles all aspects of such services marketed through Ryanair's website and pays a fee to Ryanair. Ryanair also has contracts with other accommodation providers that enable Ryanair to offer camping, hostel, bed-and-breakfast, guesthouse, villa and apartment accommodation to its customers. 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 both the 2010 and 2011 fiscal years, ancillary services accounted for approximately 22% of Ryanair's total operating revenues. See "-Ancillary Services" below and "Item 5. Operating and Financial Review and Prospects-Results of Operations-Fiscal Year 2011 Compared with Fiscal Year 2010-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.

During the 2007 fiscal year, the Company acquired 25.2% of Aer Lingus. The Company thereafter 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 CFI upheld the Commission's decision.

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 option 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 option trust and other parties, including the Irish Government. The offer of €1.40 per share represented a premium of approximately 25% over the closing price of €1.12 of Aer Lingus on November 28, 2008. However, as the Company was unable to secure the shareholders' support (to sell their stakes in Aer Lingus to Ryanair), the Company decided on January 28, 2009, to withdraw its offer for Aer Lingus. There has also been litigation regarding an effort by the United Kingdom's Office of Fair Trading to investigate Ryanair's minority stake in Aer Lingus. See "Item 8. Financial Information-Other Financial Information-Legal Proceedings-Matters Related to Investment in Aer Lingus."

Responding to Current Challenges. In recent periods, and with increased effect in the 2009, 2010 and 2011 fiscal years, Ryanair's 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 (up to 80) aircraft during the winter season; (ii) disposing of aircraft (disposals totalled 17 in the 2009 fiscal year, three in the 2010 fiscal year and ten lease hand backs in the 2011 fiscal year); (iii) controlling labor and other costs, including through wage freezes in 2009 and 2010, selective redundancies and the introduction of Internet check-in; 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 that the Company May Incur Losses" and "-The Company May Not Be Successful in Raising Fares to Offset Increased 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 2010-11, Ryanair grounded approximately 40 aircraft and the Company announced in May 2011 that it intends to ground up to 80 aircraft during the coming winter. As a result, while the Company still expects to grow passenger traffic during fiscal 2012 as a whole, it expects that its passenger volumes during the winter months of 2011-12 will be below those recorded during the winter months of 2010-11. 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."

ROUTE SYSTEM, SCHEDULING AND FARES

Route System and Scheduling

As of June 30, 2011, the Company offered approximately 1,550 scheduled short-haul flights per day serving approximately 160 airports largely throughout Europe, and flying approximately 1,300 routes. The following table lists Ryanair's bases of operations:

Bases of Operations

Alghero	Dublin	Malta
Alicante	Dusseldorf (Weeze)	Manchester (b)
Barcelona (Girona)	Edinburgh	Milan (Bergamo)
Barcelona (El Prat)	Faro	Nottingham East Midlands
Barcelona (Reus) (a)	Frankfurt (Hahn)	Pescara
Bari	Glasgow (Prestwick)	Pisa
Bologna	Gran Canaria	Porto
Bournemouth	Kaunas	Oslo (Rygge)
Birmingham	Lanzarote	Rome (Ciampino)
Bremen	Leeds Bradford	Seville
Brindisi	Liverpool	Shannon
Bristol	London (Luton)	Stockholm (Skvasta)
Brussels (Charleroi)	London (Stansted)	Tenerife South
Cagliari	Madrid	Trapani
Cork	Malaga	Valencia

(a) On June 29, 2011, Ryanair announced the closure of the Barcelona (Reus) base with effect from October 30, 2011.

(b) On July 12, 2011, Ryanair announced it would open a new base at Manchester with effect from October 2011.

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 2011 fiscal year, Ryanair announced 328 new routes across its network. See "Risk Factors-Risks Related to the Company-Ryanair Has Decided to Seasonally Ground Aircraft."

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 travellers.

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 2008, Ryanair upgraded its reservation system in order to facilitate the continued expansion of the airline. The prior reservation system had been approaching its capacity in terms of the total number of passenger transactions processed each year. The upgraded system is much more scalable and will be able to cope with the planned growth of Ryanair. In addition, the new system also 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 and priority boarding service. 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."

AIRCRAFT

Aircraft

As of June 30, 2011, Ryanair's operating fleet was composed of 272 Boeing 737-800 "next generation" aircraft, each having 189 seats. Ryanair's fleet totaled 272 Boeing 737-800s at March 31, 2011. The Company expects to have an operating fleet comprising 294 Boeing 737-800s at March 31, 2012.

Between March 1999 and March, 2011, Ryanair took delivery of 308 new Boeing 737-800 "next generation" aircraft under its contracts with Boeing (and disposed of 36 such aircraft including 10 lease handbacks). The new Boeing 737-800s share certain basic characteristics with Ryanair's prior fleet of Boeing 737-200A aircraft, all of which were retired by December 2005. However, the new aircraft are larger (seating up to 189 passengers, as compared to 130 in the Boeing 737-200As), capable of longer flights without refueling, and incorporate more advanced aviation technology. The Boeing 737-800s also comply with Chapter 3 noise reduction requirements established by the ICAO, which took effect in the EU in 2002.

Ryanair entered into a series of agreements with Boeing for Boeing 737-800 "next generation" aircraft starting in 1998. As of January 2005, 89 firm-order aircraft remained to be delivered under those agreements, and the Company had options to purchase an additional 123 aircraft. On February 24, 2005, the Company announced that it had entered into a new agreement with Boeing for the purchase of a further 70 new Boeing 737-800s as well as purchase options for an additional 70 such aircraft.

Under the terms of the 2005 Boeing contract, while the basic price per aircraft that was applicable under the prior contracts continued to apply to the firm-order aircraft that remained to be delivered and purchase options outstanding thereunder, these firm-order and option aircraft became subject to the commercial and other terms applicable to the firm-order aircraft under the 2005 Boeing contract, including benefiting from more favorable price concessions.

On December 18, 2009, the Company announced that it was unable to conclude negotiations with Boeing in respect of a new agreement for the purchase of 100 new Boeing 737-800 series aircraft (with an option to purchase an additional 100) for delivery during the period 2013 to 2015. Although the Company had reached agreement with Boeing in relation to the aircraft price and delivery dates it was unable to conclude negotiations regarding other terms and conditions. The Company has not entered into any agreement to purchase additional aircraft. However, on June 22, 2011, the Company signed a Memorandum of Understanding with COMAC, a Chinese aircraft manufacturer, to co-operate and work together in relation to the development of a 174-200 seat commercial aircraft.

Ryanair expects to take delivery of an additional 40 aircraft under its contracts with Boeing over the period from June 30, 2011 to March 31, 2013. These deliveries will increase the size of Ryanair's fleet to 299 by March 2013 (assuming that the planned disposal or return (under the terms of an operating lease) of 13 such aircraft is completed on schedule). As of June 30, 2011, Ryanair had either sold to third parties or returned to the relevant lessor 36 Boeing 737-800 aircraft. Depending on market conditions and various other considerations, Ryanair expects to either dispose of 13 more aircraft or return such aircraft to the relevant lessor during the period through March 31, 2014. (The foregoing takes into account an aircraft involved in a bird strike at Rome (Ciampino) airport in November 2008, which has been retained but not repaired and is thus listed as a disposal in the table on page 89, bringing the total number of past and future disposals and/or returns to 49).

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 51 of the aircraft in its operating fleet, see "Item 5. Operating and Financial Review and Prospects-Liquidity and Capital Resources."

Management believes that the purchase of the additional new Boeing 737-800 aircraft will allow Ryanair to continue to grow over the next two years. Management also believes that the significant size of its orders allowed Ryanair to obtain favorable purchase terms, guaranteed deliveries, and a standard configuration for all of the aircraft it purchased.

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. On July 20, 2011, Boeing announced that it was seeking approval from its Board of Directors to manufacture a variant of the 737 with new, more fuel-efficient engines. This new variant could impact the Company insofar as the residual value of its aircraft could be reduced if this new variant is produced.

At March 31, 2011, the average aircraft age of the Company's Boeing 737-800 fleet was just over 3 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. The first two of these simulators were delivered in the 2009 fiscal year and are now fully operational. This contract also provides Ryanair with an option to purchase another five such simulators. The gross price of each simulator is approximately $8 million, not taking into account certain price concessions provided by the seller in the form of credit memoranda and discounts.

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 2011 Compared with Fiscal Year 2010-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 services, Ryanair has a contract with Booking.com, pursuant to which Booking.com handles all aspects of such services marketed through Ryanair's website and pays a fee to Ryanair. Ryanair also has contracts with other accommodation providers that enable Ryanair to offer camping, hostel, bed-and-breakfast, guesthouse, villa and apartment accommodation to its customers. 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.

Ryanair sells gift vouchers on its website. Such gift vouchers are also 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 or €1, 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.

Ryanair has entered into agreements pursuant to which the Company promotes Ryanair-branded credit cards issued by MBNA, GE Money and Banco Santander onboard its aircraft and on its Internet site. The MBNA agreement relates to Irish 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 MBNA, 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.

Ryanair has recently rolled out handheld Electronic Point of Sale ("EPOS") devices across its route network. These EPOS devices replace the existing 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 device also issues bus and rail tickets and tickets for tourist attractions and will replace the existing manual ticket systems.

Ryanair is currently, on a trial basis, offering reserved seating in twenty-one extra legroom seats on each aircraft for a fee on certain routes. If the trial is successful the Company may extend the reserved seating offering to more of its route network.

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) and Bremen facilities. Ryanair expects to commence A-checks at its facility in Frankfurt (Hahn) from September 2011. Since December 2003, Ryanair has operated a two-bay hangar facility at its base at Glasgow (Prestwick) in Scotland, where it carries out both A-checks and C-checks on the fleet of Boeing 737-800 aircraft. The facility performs two C-checks per week, enabling Ryanair to perform most of the heavy maintenance that is currently required on its Boeing 737-800 fleet in-house. Ryanair has recently completed the construction of a new three-bay maintenance hangar at Glasgow (Prestwick) airport which can perform up to an additional three C checks per week.

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 just 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 checks and line maintenance in its single-bay aircraft hangar facility in Bremen. Ryanair has recently entered into a 30-year sole-tenancy agreement with Frankfurt (Hahn) airport to occupy a two-bay hangar and stores facility that also incorporates a two-bay simulator-training center. This facility was completed in January 2011 and will allow 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 Ryanair's approved engineers or, in the case of Brussels (Charleroi), Stockholm (Skvasta), Rome (Ciampino), Frankfurt (Hahn), Milan (Bergamo), Barcelona (Girona), Madrid, Alicante, Dusseldorf (Weeze), Kaunas, Bristol, Brindisi, Bari, Bremen, Kaunas, Pescara, Trapini, Bologna and Cagliari, by local Part 145-approved companies.

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. However, Ryanair occasionally contracts with outside maintenance providers for some heavy maintenance services that it cannot accommodate in its own facilities. In particular, Ryanair enters into short-term, ad hoc contracts with reputable Part 145-approved suppliers of heavy maintenance in the U.K. and Europe, such as ATC Lasham, for the carrying-out of the heavy maintenance overhauls currently required on its relatively new fleet.

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.

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 CFM56-7 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 are scheduled to be delivered as well as any option aircraft delivered pursuant to the Company's current contracts with Boeing 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 Glasgow (Prestwick), London (Stansted) and Frankfurt (Hahn). 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 26-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 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. 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 both 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).

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 Crewdoc system. The confidential reporting system affords flight crews the opportunity to report directly to senior management 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.

Ryanair has installed an Operational Flight Data Monitoring (OFDM) system on each of its Boeing 737-800 aircraft, which automatically provides a confidential report on exceedances 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 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. It is scheduled as a "disposal" in the table on page 89, 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 payment services. The Company has these kiosks in operation at Dublin, London (Stansted), London (Gatwick), Frankfurt (Hahn), and many of its other bases. The introduction of Internet check-in and kiosks combined with the reduction in the number of bags carried by passengers, are expected to enable Ryanair to achieve further reductions in airport handling costs.

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.

With respect to Ryanair's bases in Ireland, the DAA has recently completed a second terminal ("Terminal 2") at Dublin Airport. When this was first announced, the DAA 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 €600 million. Subsequently, the cost of the new infrastructure rose to some €1.2 billion. Ryanair opposed this expansion at what it believed to be an excessive cost.

The CAR is responsible for regulating charges at Dublin Airport. In late September 2005, the CAR approved an increase in airport charges of more than 22% (effective January 1, 2006). On March 30, 2006, following an appeal by the DAA, charges at Dublin Airport were increased by an additional 3%. On September 5, 2006, the CAR announced the launch of a public consultation to review and obtain feedback on the levels of airport charges at Dublin Airport. In September 2007, the CAR announced its decision not to change the cap on airport charges but appeared to allow approximately €1.2 billion of additional planned capital expenditures (including approximately €800 million for the new terminal) to be counted towards the regulated asset base, enabling the DAA to substantially increase charges from 2010 onwards. Ryanair challenged this decision in the Irish High Court but was unsuccessful. The High Court did, however, confirm that the CAR's decision was a "determination" within the meaning of the Aviation Regulation Act 2001 and that Ryanair was therefore entitled to appeal this decision to an independent Appeal Panel established by the Minister for Transport.

In December 2008, the Appeal Panel issued its decision in which it criticized the CAR for its "passive approach" to regulating the DAA monopoly and found that the new terminal (Terminal 2) was "considerably oversized" and that DAA should have to bear the full risk for that over-sizing. Despite the Appeals Panel's findings, the CAR has refused to reduce airport charges.

In December 2009, the CAR issued its decision on charges at Dublin Airport for 2010-2014 and as a result, airport fees per departing passenger increased by 27% in May 2010, from €13.61 to €17.23, and increased by a further 8.0% in April 2011 to €18.64 following the opening of Terminal 2 in November 2010. However, the Appeal Panel, following a request from Ryanair, ruled on June 2, 2010, that the CAR should require the DAA to introduce differential pricing for the use of the existing Terminal 1 and the new Terminal 2. In July 2010, under pressure from the DAA and Aer Lingus (the main user of Terminal 2), the CAR decided not to follow the Appeal Panel's ruling and not to mandate the introduction of differential charging at Dublin Airport.

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 DAA has reported that passenger volumes fell by 13% in 2009, 13% in 2010 and by a further 7% in the period January 1, 2011 to March 31, 2011, in each case compared to the prior-year numbers. 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 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 will 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 abolishment of the €3 air travel tax. As of July 22, 2011, the Company has not yet received a response to this proposal.

Both the Belgian and Greek governments 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. In addition, the Austrian government introduced an APD tax of €8 effective April 1, 2011.

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 rit;font-size:10pt;">

3,854

(4)

80,587

2,287

(5)

47,821

Esben W. Pedersen

27,324

9,137

22.00

9/25/2023

6,333

(2)

132,423

10,898

(3)

227,877

3,069

(4)

64,173

1,715

(5)

35,861

(1) The securities underlying the unexercised options that are unexercisable vest in monthly installments through September 30, 2016.

(2) The RSAs were granted on April 10, 2015. One-third of the RSAs vested in December 2015. Subject to certain restrictions, the remaining RSAs will vest in two approximately equal installments in December 2016 and 2017.

(3) The RSAs were granted on April 10, 2015 and are subject to relative TSR performance. The number of awards represents the maximum that would vest after December 31, 2017 subject to attaining the pre-determined performance conditions.

(4) The RSAs were granted on March 24, 2014. One-third of the RSAs vested in December 2014 and one-third vested in December 2015. Subject to certain restrictions, the remaining RSAs will vest in December 2016.

(5) The RSAs were granted on October 9, 2013. Subject to certain restrictions, these RSAs will vest in 36 monthly installments through September 30, 2016.

(6) Market value is based on the fair value of shares of our Common Stock of $20.91 on December 31, 2015, as reported on the NASDAQ Global Select Market.

Potential Payments upon Termination and Change in Control

As described below under “- Employment and Severance Agreements,” the employment agreements of our named executive officers provide for a cash severance payment and continuation of medical and insurance benefits upon termination without cause, termination by the named executive officer for good reason, or termination due to non-extension of the agreement at our election. The employment agreements do not provide for additional severance payments, medical or insurance benefits or any other perquisites if their employment termination occurs following a change in control.

Our Equity Plan does not provide for accelerated vesting on a change of control, unless the successor corporation fails to assume or substitute for an award upon a change in control, in which case such award shall become fully vested and, if applicable, exercisable and all forfeiture restrictions on such award shall lapse immediately prior to the consummation of such change in control.

The following table provides information regarding potential payments to each of our named executive officers in connection with certain termination events, including termination related to a change of control of the Company, as of December 31, 2015.

Name	Acceleration of Vesting If Awards Not Assumed Stock Options ($) (1)	Restricted Stock ($) (2)	Severance Payment ($)	Continuation of Benefits ($)	Total ($)
Michael M. Garland, President and Chief Executive Officer					
Termination without cause	—	—	2,691,500	21,877	2,713,377
Termination with good reason	—	—	2,691,500	21,877	2,713,377
Termination due to non-extension of employment term	—	—	1,345,750	10,938	1,356,688
Non-assumption of equity in connection with a Change in Control	—	1,475,640	—	—	1,475,640
Michael J. Lyon, Chief Financial Officer					
Termination without cause	—	—	742,700	31,868	774,568
Termination with good reason	—	—	742,700	31,868	774,568
Termination due to non-extension of employment term	—	—	371,350	15,934	387,284
Non-assumption of equity in connection with a Change in Control	—	458,452	—	—	458,452
Hunter H. Armistead, Executive Vice President, Business Development					
Termination without cause	—	—	1,147,853	31,868	1,179,721
Termination with good reason	—	—	1,147,853	31,868	1,179,721
Termination due to non-extension of employment term	—	—	573,927	15,934	589,861
Non-assumption of equity in connection with a Change in Control	—	732,603	—	—	732,603
Daniel M. Elkort, Executive Vice President and General Counsel					
Termination without cause	—	—	897,781	31,868	929,649
Termination with good reason	—	—	897,781	31,868	929,649
Termination due to non-extension of employment term	—	—	448,891	15,934	464,825
Non-assumption of equity in connection with a Change in Control	—	531,762	—	—	531,762
Esben W. Pedersen, Chief Investment Officer					
Termination without cause	—	—	745,184	31,868	777,052
Termination with good reason	—	—	745,184	31,868	777,052
Termination due to non-extension of employment term	—	—	372,592	15,934	388,526
Non-assumption of equity in connection with a Change in Control	—	460,334	—	—	460,334

(1) Amount represents the intrinsic value of the acceleration of vesting of stock options under our Equity Plan. Stock options that become vested are valued based on the fair value of our Common Stock of $20.91 on December 31, 2015, less the exercise price on the date of grant or $22.00. The number of outstanding stock options subject to such acceleration can be found in the columns titled “Number of Securities Underlying Unexercised Options -

Exercisable" and "Number of Securities Underlying Unexercised Options - Unexercisable" in the Outstanding Equity Awards table.

(2) Amount represents the intrinsic value of the acceleration of vesting of restricted stock (both time-based and performance-based) under our Equity Plan. Restricted stock that become vested are valued based on the fair value of our Common Stock of $20.91 on December 31, 2015. The number of unvested restricted stock can be found in the column titled “Number of Shares of Stock That Have Not Vested” in the Outstanding Equity Awards table.

Employment and Severance Agreements

The named executive officers' employment agreements provide for an initial term of employment of one year and automatically renew for successive one-year periods unless either party provides a notice of non-renewal not less than 60 days prior to the next renewal date. The employment agreements also provide for a cash severance payment upon a termination by us without cause, by the named executive officer for good reason or due to a non-extension of the agreement at our election. “Cause” is defined for this purpose generally to mean (i) a material breach of the employment agreement by the named executive officer that remains uncorrected for 30 days after we provide written notice to the named executive officer, (ii) the named executive officer being the subject of an order obtained or issued by the SEC for any securities violation involving fraud, (iii) the conviction or plea of nolo contendere by the named executive officer to any felony or crime involving moral turpitude or (iv) the named executive officer’s material mismanagement in providing material services to us or our affiliates if such mismanagement is not corrected for 30 days after we provide written notice to the named executive officer. “Good reason” is defined for this purpose generally to mean (i) a material diminution in the named executive officer’s authority, title, position, duties or responsibilities, (ii) a material breach by us of our obligations to the named executive officer under the employment agreement or a material breach by us of our bylaws or certificate of incorporation, (iii) the involuntary relocation of the named executive officer’s principal place of employment to a location more than 40 miles from the current location or (iv) a diminution in the named executive officer’s base salary.

Each named executive officer’s employment agreement, other than the chief executive officer’s, provides that, in the event of a qualifying termination by us without cause or by the named executive officer for good reason, severance will be paid in a lump-sum equal to the sum of (i) 1.0 times the executive’s annual base salary and (ii) 1.8 times the executive’s average bonus amount, defined as the average of the two most recent annual bonus amounts paid to the executive. The chief executive officer’s employment agreement provides that in the event of a qualifying termination by us without cause or by the chief executive officer for good reason, his severance will be paid in a lump-sum equal to the sum of (i) 2.8 times his annual base salary and (ii) 2.8 times his average bonus amount, defined the same as in the other named executive officers’ employment agreements. In addition, each executive may be reimbursed for up to 12 months of premiums incurred to receive continued benefit coverage under the Consolidated Omnibus Budget Reconciliation Act, or “COBRA.” Severance payable under the agreements is subject to the execution and non-revocation of a general release of claims and is also conditioned on the executive’s compliance for a period of 24 months with an agreement to refrain from soliciting employees to leave their employment relationship with us. If a named executive officer’s employment is terminated due to non-extension of the executive’s employment term at our election, the executive will be entitled to receive 50% of the foregoing severance benefits.

2013 Equity Incentive Award Plan

The material terms of our Equity Plan are summarized below.

Eligibility and Administration. Our and our subsidiaries’ employees, consultants and directors, including our named executive officers and senior managers, are eligible to receive awards under the Equity Plan. The nominating, governance and compensation committee administers the Equity Plan unless our board of directors assumes authority for administration. The nominating, governance and compensation committee is authorized to delegate its duties and responsibilities as plan administrator to subcommittees comprised of our directors and/or officers, subject to certain limitations. Our board of directors administers the Equity Plan with respect to awards to non-employee directors. Subject to the express terms and conditions of the Equity Plan, the plan administrator has the authority to make all determinations and interpretations under the plan, prescribe all forms for use with the plan and adopt, amend and/or rescind rules for the administration of the plan. The plan administrator will also set the terms and conditions of all awards under the plan, including any vesting and vesting acceleration conditions.

Limitation on Awards and Shares Available. Initially, the aggregate number of shares of Common Stock available for issuance pursuant to awards granted under the Equity Plan was 3,000,000, subject to adjustment as described below. See “Certain Transactions” below. This number will also be adjusted due to the following shares of Common Stock becoming eligible to be used again for grants under the Equity Plan:

- shares subject to awards or portions of awards granted under the Equity Plan which are forfeited, expire or lapse for any reason, or are settled for cash without the delivery of shares, to the extent of such forfeiture, expiration, lapse or cash settlement; and

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• shares that we repurchase prior to vesting so that such shares are returned to us.

However, shares of Common Stock which are tendered by the recipient or withheld by us in payment of an exercise price or to satisfy any tax withholding obligation shall not be added to the shares authorized for grants and will not be available for future grants of awards under the Equity Plan. Shares of Common Stock granted under the Equity Plan may be treasury shares, authorized but unissued shares, or shares purchased in the open market. The payment of dividend equivalents in cash in conjunction with any outstanding awards will not be counted against the shares available for issuance under the Equity Plan. In addition, if we, or one of our subsidiaries, acquires or combines with another company that has shares available for grant pursuant to a qualifying equity plan, we may use those shares (until such date as they could not have been used under such company's plan) to grant awards pursuant to the Equity Plan to individuals who were not providing services to us immediately prior to the acquisition or combination.

The Equity Plan does not provide for individual limits on awards that may be granted to any individual participant under the Equity Plan. In addition, the Equity Plan does not provide for a limit on awards that may be granted to insiders of our company (as such term is defined under Canadian securities laws) under the Equity Plan. Rather, the amount of awards to be granted to individual participants will be determined by our board of directors or the nominating, governance and compensation committee from time to time, as part of their compensation decision-making processes, provided, however, that the Equity Plan will not permit awards to be granted to our independent directors in any fiscal year having a fair value as of the date of grant (as determined in accordance with FASB ASC Topic No. 718, or any successor standard) in excess of $500,000.

Awards. The Equity Plan provides for the grant of stock options (including non-qualified stock options, or "NQSOs," and incentive stock options, or "ISOs"), restricted stock, dividend equivalents, stock payments, restricted stock units, or "RSUs," performance awards, stock appreciation rights, or SARs, and other equity-based and cash-based awards, or any combination thereof. Awards under the Equity Plan will generally be set forth in award agreements, which will detail the terms and conditions of the awards, including any applicable vesting and payment terms and post-termination exercise limitations as well as any other consequences with respect to the awards upon a termination of the applicable eligible individual's service. Equity-based awards will generally be settled in shares of our Common Stock, but the plan administrator may provide for cash settlement of any award. A brief description of each award type follows.

• Non-qualified Stock Options. NQSOs will provide for the right to purchase shares of our Common Stock at a specified price which generally, except with respect to certain substitute options granted in connection with corporate transactions, will not be less than fair market value on the date of grant. Fair market value is calculated as the closing sales price for a share of Common Stock as quoted on an established securities exchange on the grant date or the last preceding day for which such quotation exists. NQSOs may be granted for any term specified by the plan administrator that does not exceed ten years and will usually become exercisable in one or more installments after the grant date, subject to vesting conditions which may include continued employment or service with us, satisfaction of performance targets and/or other conditions, as determined by the plan administrator.

• Incentive Stock Options. ISOs will be designed in a manner intended to comply with the provisions of Section 422 of the Internal Revenue Code of 1986, as amended, or the "Code," and will be subject to specified restrictions contained in the Code. ISOs will have an exercise price of not less than 100% of the fair market value of the underlying shares on the date of grant (or 110% in the case of ISOs granted to certain significant shareholders), except with respect to certain substitute ISOs granted in connection with a corporate transaction. Only employees will be eligible to receive ISOs, and ISOs will not have a term of more than ten years (or five years in the case of ISOs granted to certain significant shareholders). Vesting conditions may apply to ISOs as determined by the plan administrator and may include continued employment or service with us, satisfaction of performance targets and/or other conditions.

• Restricted Stock. Restricted stock may be granted to any eligible individual and made subject to such restrictions as may be determined by the plan administrator. Unless the plan administrator determines otherwise, restricted stock may be forfeited for no consideration or repurchased by us if the conditions or restrictions on vesting are not met. In general, restricted stock may not be sold or otherwise transferred until restrictions are removed or expire. Recipients of restricted stock, unlike recipients of options, will have voting rights and will have the right to receive dividends, if any, prior to the time when the restrictions lapse, subject to the terms of an applicable award agreement, which may provide for dividends to be placed in escrow and not released until the restrictions are removed or expire.

Restricted Stock Units. RSUs may be awarded to any eligible individual, typically without payment of consideration but subject to vesting conditions based upon continued employment or service with us, satisfaction of performance criteria and/or other conditions, all as determined by the plan administrator. Like restricted stock, RSUs generally may not be sold or otherwise transferred or hypothecated until the applicable vesting conditions are removed or expire. Unlike restricted stock, shares of Common Stock underlying RSUs will not be issued until the RSUs have vested (or later, if payment is deferred), and recipients of RSUs generally will have no voting or dividend rights with respect to such shares prior to the time when the applicable vesting conditions are satisfied.

- Dividend Equivalents. Dividend equivalents represent the per share value of the dividends, if any, paid by us, calculated with reference to the number of shares of Common Stock covered by an award. Dividend equivalents may be settled in cash or shares of Common Stock and at such times as determined by the plan administrator.

- Stock Payments. Stock payments may be authorized by the plan administrator in the form of shares of Common Stock or an option or other right to purchase shares of Common Stock as part of a deferred compensation or other arrangement in lieu of all or any part of compensation, including bonuses, that would otherwise be payable in cash to an employee, consultant or non-employee director.

- Stock Appreciation Rights. SARs may be granted in connection with stock options or other awards or separately. SARs typically provide for payment to the holder based upon increases in the price of a share of Common Stock over a set exercise price. The payment amount is determined by multiplying the difference between the exercise price and the fair market value on the date of exercise by the number of shares of Common Stock with respect to which the SAR is exercised. The exercise price of any SAR granted under the Equity Plan generally, except with respect to certain substitute SARs granted in connection with a corporate transaction, will be at least 100% of the fair market value of the underlying shares of Common Stock on the date of grant. The term of a SAR may not be longer than ten years. There are no restrictions specified in the Equity Plan on the exercise of SARs or the amount of gain realizable therefrom, although restrictions may be imposed by the plan administrator in the SAR award agreement. SARs granted under the Equity Plan may be settled in cash or shares of Common Stock, or in a combination of both, at the election of the plan administrator. Vesting conditions may apply to SARs as determined by the plan administrator and may include continued employment or service with us, satisfaction of performance goals and/or other conditions.

- Performance Awards. Performance awards may be granted by the plan administrator on an individual or group basis. Generally, these awards will consist of bonuses based upon attainment of specific performance targets and may be paid in cash, shares of Common Stock or a combination of both. Performance awards may also include “phantom” stock awards that provide for payments based upon the value of shares of our Common Stock.

Certain Transactions. The plan administrator has broad discretion to equitably adjust the provisions of the Equity Plan and the terms and conditions of existing and future awards, including with respect to aggregate number and type of shares subject to the Equity Plan and awards granted pursuant to the Equity Plan, to prevent the dilution or enlargement of intended benefits and/or facilitate necessary or desirable changes in the event of certain transactions and events affecting shares of our Common Stock, such as stock dividends, stock splits, mergers, acquisitions, consolidations and other corporate transactions. In the case of certain events or changes in capitalization that constitute “equity restructurings,” equitable adjustments will be non-discretionary. In the event of a change in control where the acquirer does not assume or replace awards granted under the Equity Plan, such awards will be subject to accelerated vesting so that 100% of such awards will become vested and exercisable or payable, as applicable, prior to the consummation of the change in control transaction and, if not exercised or paid, will terminate upon consummation of the transaction. The plan administrator may also provide for the acceleration, cash-out, termination, assumption, substitution or conversion of awards in the event of a change in control or certain other unusual or nonrecurring events or transactions. A “change in control” is defined in the Equity Plan to mean (i) the acquisition by a person or group of more than 50% of the total combined voting power of our outstanding securities, (ii) during any consecutive two-year period, the replacement of a majority of our incumbent directors with directors whose election was not supported by at least two-thirds of our incumbent directors, (iii) a merger, consolidation, reorganization or business combination or the sale of substantially all of our assets, in each case, other than a transaction which results in our voting securities before such transaction continuing to represent or being converted into a majority of the voting securities of the surviving entity and after which no person or group owns a majority of the combined voting power of

the surviving entity or (iv) where our shareholders approve a liquidation or dissolution of the company.
Transferability, Repricing and Participant Payments. With limited exceptions for estate planning, domestic relations orders, certain beneficiary designations and the laws of descent and distribution, awards under the Equity Plan are generally non-transferable and are exercisable only by the participant. The price per share of a stock option or SAR may not be decreased and an underwater stock option or SAR may not be replaced or cashed out without shareholder approval. With regard to tax withholding, exercise price and purchase price obligations arising in connection with awards under the Equity Plan, the plan administrator may, in its discretion, accept cash or check, shares of Common Stock that meet specified conditions, a “market sell order” (or other cashless broker-assisted transaction) or such other consideration as it deems suitable.
Amendment and Termination. Our board of directors may terminate, amend or modify the Equity Plan at any time and from time to time. However, we must generally obtain shareholder approval to increase the number of shares of Common Stock

available under the Equity Plan (other than in connection with certain corporate events, as described above), extend the term of a stock option held by an insider (as such term is defined under Canadian securities laws), an amendment to the amendment provision, or to the extent required by applicable law, rule or regulation (including any applicable stock exchange rule). As our Equity Plan does not limit the participation of insiders (as defined under Canadian securities laws), the rules of certain stock exchanges provide that the votes attached to securities held by insiders eligible to participate in our Equity Plan must be excluded from voting on certain matters relating to our Equity Plan which require shareholder approval, including specific amendments thereto.

Termination of Employment. The consequences of the termination of a participant's employment, membership on our board of directors or other service arrangement will generally be determined by the plan administrator in the terms of the relevant award agreement.

Expiration Date. The Equity Plan will expire on, and no option or other award may be granted pursuant to the Equity Plan after, the tenth anniversary of the date the Equity Plan was adopted by our board of directors. Any award that is outstanding on the expiration date of the Equity Plan will remain in force according to the terms of the Equity Plan and the applicable award agreement.

Awards Under the Equity Plan. As at April 21, 2016, we had issued 751,436 shares of Common Stock under the Equity Plan upon exercise of options, as restricted stock or otherwise, representing 1.0% of our issued and outstanding shares as at such date. Of those shares, 489,119 remain subject to time-vesting, performance-vesting or other vesting conditions.

As at April 21, 2016, there were 478,949 options, restricted stock units or other entitlements to acquire shares of Common Stock outstanding under the Equity Plan, representing 0.6% of our issued and outstanding shares as at such date.

As at April 21, 2016, a total of 2,248,564 shares of Common Stock remained available for issuance under the Equity Plan (including 478,949 shares of Common Stock issuable under outstanding grants or awards as described above), representing 3.0% of our issued and outstanding shares as at such date.

Description of Incentive Bonus Plan

Our board of directors has also adopted an Incentive Bonus Plan (the "Incentive Plan") under which we can provide incentives to our named executive officers and other key employees. The purpose of the Incentive Plan is to enable the Company and its subsidiaries to attract, retain, motivate and reward the best qualified executive officers and key employees by providing them with the opportunity to earn competitive compensation directly linked to our performance. The material terms of the Incentive Plan are summarized below.

Administration. The Incentive Plan is administered by our board of directors or our nominating, governance and compensation committee, or authority under the Incentive Plan may be delegated to any duly constituted subcommittees.

Performance Criteria. The plan administrator is authorized to establish the performance objective or objectives that must be satisfied in order for a participant to receive an award under the Incentive Plan or to make discretionary payments from the plan. Performance objectives under the Incentive Plan will be based upon the relative or comparative achievement of performance criteria, whether in absolute terms or relative to the performance of one or more similarly situated companies or a published index covering the performance of a number of companies, as determined by the plan administrator for the applicable performance period, which performance criteria may include, but is not limited to, the following: earnings before interest, taxes, depreciation and accretion; operating earnings; net earnings; income; earnings before interest and taxes; total shareholder return; return on assets; increase in the company's earnings or earnings per share; revenue; revenue growth; share price performance; return on invested capital; operating income; pre- or post-tax income; net income; economic value added; profit margins; cash flow; improvement in or attainment of expense or capital expenditure levels; improvement in or attainment of working capital levels; return on equity; debt reduction; gross profit; market share; cost reductions; workforce satisfaction and diversity goals; workplace health and safety goals; product quality goals; employee retention; customer satisfaction; customer retention; completion of key projects, including, but not limited to, asset acquisitions and dispositions and financial transactions; strategic plan development and/or implementation; and job profit or performance against a multiplier. Performance objectives may be established on a company-wide basis or with respect to one or more business units, divisions, subsidiaries or products, or with respect to an individual. The plan administrator is authorized to exclude any or all extraordinary, unusual or non-recurring items and the cumulative effects of accounting changes from performance objectives for a performance period and also to adjust performance objectives in its discretion.

Payment. Payment of awards are made as soon as practicable after the plan administrator determines that one or more of the applicable performance criteria have been attained or determines the payable amount of an award. The plan administrator determines whether an award will be paid in cash, stock (including restricted stock or RSUs) or other awards under the Equity Plan, or in a combination of cash, stock and other awards, and is authorized to impose whatever additional conditions on such shares or other awards as it deems appropriate, including conditioning the vesting of such shares or other awards on the performance of additional service.

Maximum Award; Discretion. The maximum award amount payable to a participant in cash per fiscal year under the Incentive Plan is established by the plan administrator. The plan administrator is authorized, in its discretion, to increase, reduce or eliminate awards otherwise payable under the Incentive Plan for any reason.

Termination of Employment. Unless otherwise determined by the plan administrator in its discretion, any participant whose employment terminates forfeits all rights to any and all unpaid awards under the Incentive Plan.

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table sets forth information with respect to all of our equity compensation plans as of December 31, 2015:

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Number of Securities Remaining Available for Future Issuance under Equity Compensation Plans (Excluding Securities Reflected in Column (a)
	(a)	(b)	(c)
Equity compensation plans approved by security holders	452,734 [1]	$ 22.00	2,083,734
Equity compensation plans not approved by security holders	—	—	—
Total	452,734	$ 22.00	2,083,734

(1) Does not include outstanding restricted stock awards because those are shares outstanding.

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INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Audit and Non-Audit Fees

The following table represents aggregate fees billed or to be billed to the Company for the fiscal years ended December 31, 2015 and December 31, 2014 by Ernst & Young LLP, our principal independent registered public accounting firm, all of which were approved by the audit committee.

	Year ended December 31,	
(in thousands)	2015	2014
Audit fees [1]	$5,896	$2,929
Audit related fees [2]	37	16
Tax fees [3]	—	55
All other fees	—	—
Total	$5,933	$3,000

(1) Audit fees consist of fees for professional services rendered for the audit of the Company's and various subsidiaries' financial statements, the reviews of the quarterly financial statements, the audit of the effectiveness of internal control over financial reporting, and services normally provided by the independent auditor in connection with statutory and regulatory filings with the SEC. This category also includes standalone project-level audits required by certain financial institutions, consultation and advice on audit and accounting matters that arose during, or as a result of, the audit or review of interim financial statements.

(2) Audit related fees consist of assurance and related services provided by Ernst & Young LLP that are reasonably related to the performance of the audit or review of our financial statements, and are not included in the fees reported in the table above under "Audit fees."

(3) Consists of tax services provided by Ernst & Young LLP with respect to tax consulting. There were no tax related services provided by Ernst & Young LLP for the year ended December 31, 2015.

PRE-APPROVAL POLICIES AND PROCEDURES

The audit committee's policy is to pre-approve all audit and allowable non-audit services rendered by Ernst & Young LLP, our independent registered public accounting firm. The audit committee pre-approves specified services in defined categories of audit services, audit-related services and tax services up to specified amounts, as part of the audit committee's approval of the scope of the engagement of Ernst & Young LLP or on an individual case-by-case basis before Ernst & Young LLP is engaged to provide a service. The audit committee has determined that the rendering of the services other than audit services by Ernst & Young LLP is compatible with maintaining the principal accountant's independence. The audit committee may delegate pre-approval authority for allowable non-audit services to a member of the audit committee. The decisions of any member of the audit committee to whom this authority has been delegated must be presented to the full audit committee at its next scheduled audit committee meeting. In 2015, such pre-approval authority for allowable non-audit services had been delegated to the chair.

REPORT OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS [1]

Review of Pattern Energy's Audited Financial Statements for the Fiscal Year Ended December 31, 2015

The Audit Committee has reviewed and discussed with our management our audited consolidated financial statements for the fiscal year ended December 31, 2015.

The Audit Committee has discussed with Ernst & Young LLP, our independent registered public accounting firm, the matters required to be discussed by Auditing Standard No. 16, "Communications with Audit Committees" issued by the Public Company Accounting Oversight Board ("PCAOB").

The Audit Committee has also received the written disclosures and the letter from Ernst & Young LLP required by applicable requirements of the PCAOB regarding Ernst & Young LLP's communications with the Audit Committee concerning independence and the Audit Committee has discussed the independence of Ernst & Young LLP with that firm.

Based on the Audit Committee's review and discussions noted above, the Audit Committee recommended to the Board of Directors that our audited consolidated financial statements be included in our Annual Report on Form 10-K, for the fiscal year ended December 31, 2015, for filing with the U.S. Securities and Exchange Commission.

Dated April 29, 2016

Submitted by:

Patricia Newson, Chair

Alan Batkin

Douglas Hall

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(1) The material in this report is not "soliciting material," is not deemed "filed" with the SEC and is not to be incorporated by reference in any filing of Pattern Energy Group Inc. under the Securities Act or the Exchange Act, whether made before or after the date hereof and irrespective of any general incorporation language in any such filing.

PROPOSAL 1
ELECTION OF DIRECTORS

Our board of directors currently consists of seven directors, each of whom shall hold office for a term of one year or until his/her successor is duly elected or appointed and qualified or until his or her earlier death, retirement, disqualification, resignation, or removal. Directors are elected at each annual meeting of the Company by a plurality of the votes properly cast in person or by proxy. The seven nominees for director receiving the highest number of votes "for" will be elected. Broker non-votes and abstentions will have no effect. The board of directors has adopted a majority voting policy pursuant to which if a nominee fails to receive "for" votes in an amount that exceeds the "against" and/or "withheld" votes in an election that is not a contested election, the nominating, governance and compensation committee shall make a recommendation to the board of directors as to whether to accept or reject the resignation of such director, and the board will determine whether to accept or reject such resignation. See "Board of Directors and Corporate Governance - Majority Voting Policy."

If you return a signed and dated proxy card without marking any voting selections, your shares will be voted "for" the election of all nominees for director. However, if you are not a record holder such that you are the beneficial owner of the shares, which means that your shares are held by a brokerage firm, bank, dealer, or other similar organization as your nominee, your shares will not be voted for the election of directors unless you have provided voting instructions to your nominee.

If any nominee becomes unavailable for election as a result of an unexpected occurrence, your shares will be voted for the election of a substitute nominee proposed by our current board of directors, if any. Each person nominated for election has agreed to serve if elected. We have no reason to believe that any nominee will be unable to serve.

Nominees for Directors

Name	Positions and Offices Held With the Company
Alan R. Batkin	Director, Chairman
Patricia S. Bellinger	Director
The Lord Browne of Madingley	Director
Michael M. Garland	Director, Chief Executive Officer and President
Douglas G. Hall	Director
Michael B. Hoffman	Director
Patricia M. Newson	Director

We have determined that each of these director nominees possesses the requisite communication skills, personal integrity, business judgment, ability to make independent analytical inquiries, and willingness to devote adequate time and effort necessary to serve as an effective member of the board. Other specific experiences, qualifications, attributes or skills of nominees that contributed to our conclusion that the nominees should serve as directors are noted above.

The Board of Directors Recommends
A Vote "FOR" the Nominees for Directors:

Alan R. Batkin, Patricia S. Bellinger, The Lord Browne of Madingley,
Michael M. Garland, Douglas G. Hall, Michael B. Hoffman, Patricia M. Newson

PROPOSAL 2
RATIFICATION OF APPOINTMENT OF ERNST & YOUNG LLP AS OUR
INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM
FOR THE FISCAL YEAR ENDING DECEMBER 31, 2016

The audit committee of the board of directors has selected Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016 and has further directed that management submit the selection of independent auditors for ratification by the stockholders at the Annual Meeting. Representatives of Ernst & Young LLP are expected to be present at the Annual Meeting, will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Neither our bylaws nor other governing documents or law require stockholder ratification of the selection of Ernst & Young LLP as our independent registered public accounting firm. However, the board is submitting the selection of Ernst & Young LLP to the stockholders for ratification as a matter of good corporate practice. If the stockholders fail to ratify the selection, the audit committee of the board will reconsider whether or not to retain that firm. Even if the selection is ratified, the audit committee of the board in its discretion may direct the appointment of a different independent registered public accounting firm at any time during the year if it determines that such a change would be in the best interests of the Company and its stockholders.

The affirmative vote of the holders of a majority of the shares present in person or represented by proxy and entitled to vote at the Annual Meeting will be required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending December 31, 2016. Abstentions will be counted toward the tabulation of votes cast on proposals presented to the stockholders and will have the same effect as negative votes. Broker non-votes are counted towards a quorum, but are not counted for any purpose in determining whether this matter has been approved.

The Board of Directors Recommends
A Vote “FOR” the Ratification the Appointment of Ernst & Young LLP
as our Independent Registered Public Accounting Firm
for the Fiscal Year Ending December 31, 2016.

PROPOSAL 3

ADVISORY VOTE TO APPROVE EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, we are providing our stockholders with the opportunity to vote to approve, on an advisory and non-binding basis, the compensation of our named executive officers as disclosed in this Proxy Statement in accordance with the SEC's rules.

As described in detail under the headings "Compensation Discussion and Analysis" and "Executive Compensation," our executive compensation programs are designed and individually tailored to attract, motivate, and retain our named executive officers, each of whom is critical to our success. The components of our executive compensation programs encourage performance in support of our organizational strategy, and reward our named executive officers based on Company performance and the objective and subjective evaluation of individual performance. Our equity plans are intended to align compensation with the long-term interests of our stockholders. Please read the "Compensation Discussion and Analysis" and "Executive Compensation" for additional details about our executive compensation programs and information about the fiscal 2015 compensation of our named executive officers. The board of directors and the nominating, governance and compensation committee believe that the policies and procedures described and explained in "Compensation Discussion and Analysis" and "Executive Compensation" are effective in achieving our goals and that the compensation of our named executive officers reported in this Proxy Statement has supported and contributed to our recent and long-term success.

Accordingly, we are asking our stockholders to indicate their support for our named executive officer compensation as described in this Proxy Statement by voting "FOR" the adoption of the following resolution:

"RESOLVED, that the compensation paid to the named executive officers of Pattern Energy Group Inc., as disclosed pursuant to Item 402 of Regulation S-K, including the compensation discussion and analysis, compensation tables and narrative discussion, is hereby APPROVED on an advisory basis."

This proposal, commonly known as a "say-on-pay" proposal, gives our stockholders the opportunity to express their views on our named executive officers' compensation. This vote is not intended to address any specific item of compensation, but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this Proxy Statement. While this advisory vote on executive compensation is non-binding, the board of directors and the nominating, governance and compensation committee will carefully assess the voting results and may consult directly with stockholders to better understand any issues or concerns raised through the stockholder vote.

The advisory vote to approve executive compensation requires the affirmative vote of a majority of the shares present and entitled to vote at the Annual Meeting in person or by proxy.

The Board of Directors Recommends A Vote "FOR" Approval
of Our Executive Compensation.

PROPOSAL 4

ADVISORY VOTE ON THE FREQUENCY OF HOLDING FUTURE ADVISORY VOTES ON EXECUTIVE COMPENSATION

In accordance with Section 14A of the Exchange Act, we are providing our stockholders with the opportunity to vote on whether future "say on pay" votes such as the one in Proposal 3 above should occur every 1 year, every 2 years, or every 3 years. This vote on the frequency of "say on pay" votes is advisory and non-binding in nature and must be held at least once every six years.

After consideration, our board of directors has determined that holding an advisory vote on executive compensation annually is the most appropriate policy for us at this time because this frequency aligns best with our compensation programs and provides us with the best opportunity to engage with our stockholders regarding their views on our compensation practices.

This advisory vote on the frequency of future advisory votes on executive compensation is non-binding; however, our board of directors and nominating, governance and compensation committee will review the voting results carefully, along with all other expressions of stockholder views received on this matter. Stockholders will be able to specify one of four choices for this proposal on the proxy card: every 1 year, every 2 years, every 3 years, or abstain. Stockholders are not voting to approve or disapprove our board of directors' recommendation. Notwithstanding our board of directors' recommendation and the outcome of the stockholder vote, our board of directors may in the future decide to conduct advisory votes on a more or less frequent basis and may vary its practice based on factors such as discussions with stockholders and the adoption of material changes to compensation programs.

The Board of Directors Recommends A Vote For Every 1 YEAR
As The Frequency With Which Stockholders Are Provided
An Advisory Vote To Approve Executive Compensation.

ADDITIONAL INFORMATION

Stockholder Proposals and Nominations

Requirements for Stockholder Proposals to be Considered for Inclusion in Next Year's Proxy Materials

Stockholder proposals to be considered for inclusion in the proxy statement and form of proxy relating to the 2017 annual meeting of stockholders must be received no later than December 31, 2016. In addition, all proposals will need to comply with Rule 14a-8 under the Exchange Act, which lists the requirements for the inclusion of stockholder proposals in company-sponsored proxy materials. Stockholder proposals must be delivered to the attention of our Corporate Secretary, at Pattern Energy Group Inc., Pier 1, Bay 3, San Francisco, CA 94111, or by facsimile at 415-362-7900.

Director Nominations or Other Stockholder Proposals for Presentation at Next Year's Annual Meeting

Notice of any director nomination or other proposal that you intend to present at the 2017 annual meeting of stockholders, but do not intend to have included in the proxy statement and form of proxy relating to the 2017 annual meeting of stockholders, must be delivered to, or mailed and received by, our Corporate Secretary, at Pattern Energy Group Inc., Pier 1, Bay 3, San Francisco, CA 94111, or by facsimile at 415-362-7900 not earlier than the close of business on February 15, 2017 and not later than the close of business on March 17, 2017. However, if the date of the 2017 annual meeting of stockholders is advanced more than 30 days prior to the first anniversary of the 2016 Annual Meeting or delayed more than 70 days after such anniversary date, then such notice must be received by us no earlier than 120 days prior to the date of the 2017 annual meeting of stockholders and no later than the later of 90 days prior to the date of the 2017 annual meeting of stockholders or the tenth day following the day on which public announcement of the date of the meeting was first made by us. In addition, your notice must set forth the information required by our bylaws with respect to each director nomination or other proposal that you intend to present at the 2017 annual meeting of stockholders. Copies of the provisions of our bylaws applicable to stockholder nominations and proposals will be forwarded to any stockholder upon written request.

IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE STOCKHOLDER MEETING TO BE HELD ON JUNE 15, 2016

The proxy statement and the annual report to stockholders are available at www.edocumentview.com/PEGI.

OTHER MATTERS

The Board of Directors knows of no other matters that will be presented for consideration at the Annual Meeting. If any other matters are properly brought before the Annual Meeting, it is the intention of the persons named in the accompanying proxy to vote on such matters in accordance with their best judgment.

By Order of the Board of Directors

Name: Kim H. Liou
Title: Corporate Secretary

April 29, 2016

Exhibit A

The following tables reconcile net cash provided by operating activities to cash available for distribution and net (loss) income to adjusted EBITDA, respectively, for the periods presented (in thousands):

	For the Year ended December 31,	
	2015	2014
Net cash provided by operating activities	$117,849	$110,448
Changes in operating assets and liabilities	(6,880)	(9,002)
Network upgrade reimbursement	2,472	2,472
Release of restricted cash to fund project and general and administrative costs	1,611	223
Operations and maintenance capital expenditures	(779)	(267)
Transaction costs for acquisitions	1,598	1,730
Distributions from unconsolidated investments	34,216	7,891
Reduction of other asset - Gulf Wind energy derivative deposit	6,205	—
Other	(1,921)	—
Less:		
Distributions to noncontrolling interests	(7,882)	(2,100)
Principal payments paid from operating cash flows	(54,041)	(49,246)
Cash available for distribution	$92,448	$62,149

	For the Year ended December 31,	
	2015	2014
Net (loss) income	$(55,607)	$(39,999)
Plus:		
Interest expense, net of interest income	75,309	66,729
Tax provision	4,943	3,136
Depreciation, amortization and accretion	143,376	104,417
Amortization of purchase power agreements, net (1)	1,946	—
EBITDA	$169,967	$134,283
Unrealized loss on energy derivative (1)	791	3,878
Loss (gain) on undesignated derivatives, net	5,490	15,743
Realized loss on designated derivatives	11,221	—
Early extinguishment of debt	4,941	—
Net loss (gain) on transactions	3,400	(13,843)
Plus, proportionate share from equity accounted investments:		
Interest expense, net of interest income	23,537	14,081
Tax provision (benefit)	—	102
Depreciation, amortization and accretion	22,680	13,720
Loss (gain) on undesignated derivatives, net	8,514	30,148
Adjusted EBITDA	$250,541	$198,112

(1) Amount is included in electricity sales on the consolidated statements of operations.

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Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas. X 02AZRD 1 U P X + Annual Meeting Proxy Card . Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign BelowC Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title. Signature 1 — Please keep signature within the box. Signature 2 — Please keep signature within the box.Date (mm/dd/yyyy) — Please print date below. + Change of Address — Please print your new address below. Comments — Please print your comments below. B Non-Voting Items A Proposals — The Board of Directors recommends a vote FOR all nominees, FOR Proposals 2 and 3, and every 1 YEAR for Proposal 4. For Against Abstain For Against Abstain 2. To ratify the appointment of Ernst & Young LLP as the Company's independent registered public accounting firm for fiscal year 2016. Meeting Attendance Mark the box to the right if you plan to attend the Annual Meeting. 01 - Alan Batkin 04 - Michael Garland 07 - Patricia Newson 02 - Patricia Bellinger 05 - Douglas Hall 03 - The Lord Browne of Madingley 06 - Michael Hoffman 1. Election of Directors: For Against Abstain For Against Abstain IMPORTANT ANNUAL MEETING INFORMATION For Against Abstain 3. An advisory vote to approve executive compensation. 4. An advisory vote on the frequency of holding future advisory votes on executive compensation. 1 Year 2 Years 3 Years Abstain MMMMMMMMMMMM MMMMMMMMMMMMMMM 000000000.000000 ext 000000000.000000 ext 000000000.000000 ext 000000000.000000 ext 000000000.000000 ext 000000000.000000 ext 000004 MR A SAMPLE DESIGNATION (IF ANY) ADD 1 ADD 2 ADD 3 ADD 4 ADD 5 ADD 6 ENDORSEMENT_LINE______________ SACKPACK_____________ 1234 5678 9012 345 MMMMMMM 2 7 5 7 3 0 1 MR A SAMPLE (THIS AREA IS SET UP TO ACCOMMODATE140 CHARACTERS) MR A SAMPLE AND MR A SAMPLE ANDMR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE ANDMR A SAMPLE AND MR A SAMPLE AND MR A SAMPLE AND MM MM MM MM M C 1234567890 J N T C123456789 q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.q Electronic Voting Instructions Available 24 hours a day, 7 days a week! Instead of mailing your proxy, you may choose one of the voting methods outlined below to vote your proxy. VALIDATION DETAILS ARE LOCATED BELOW IN THE TITLE BAR. Proxies submitted by the Internet or telephone must be received by 1:00 a.m., Eastern Time, on June 15, 2016. Vote by Internet • Go to www.envisionreports.com/PEGI • Or scan the QR code with your smartphone • Follow the steps outlined on the secure website Vote by telephone • Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada on a touch tone telephone • Follow the instructions provided by the recorded message

. Notice of 2016 Annual Meeting of Stockholders Offices of Pattern Energy Group Inc., Pier 1, Bay 3, San Francisco CA 94111 Proxy Solicited by Board of Directors for Annual Meeting - June 15, 2016 Alan Batkin, or failing him, Michael Garland, or either of them, each with the power of substitution, are hereby authorized to represent and vote the shares of the undersigned, with all the powers which the undersigned would possess if personally present, at the Annual Meeting of Stockholders of Pattern Energy Group Inc. to be held on June 15, 2016, or at any postponement or adjournment thereof. Shares represented by this proxy will be voted as directed by the stockholder. If no such directions are indicated, the Proxies will have authority to vote FOR all nominees, FOR Proposals 2 and 3, and every 1 YEAR for Proposal 4. In their discretion, the Proxies are authorized to vote upon such other business as may properly come before the meeting. (Items to be voted appear on reverse side.) Proxy for the 2016 Annual Meeting of Stockholders of Pattern Energy Group Inc. to be held on June 15, 2016 2016 Annual Meeting of Pattern Energy Group Inc. Stockholders Wednesday, June 15, 2016, 8:00 a.m. Local Time Offices of Pattern Energy Group Inc. Pier 1, Bay 3, San Francisco CA 94111 q IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.q