

# **RECORD ANNUAL PROFITS**

## **DELIVERED BY RYANAIR**

### **TRAFFIC GROWS BY 35%, PROFITS INCREASE BY 44% TO €104.5M**

Ryanair, Europe's largest low fares airline today (25 June 2001) announced a strong set of results for the year ended March, 2001. Traffic for the year increased by 35% to 7.4m passengers, total revenues grew by 32% to €487.4m reflecting a fall in average fares of some 3% which is in line with the airline's stated objective of driving down air fares each year. Operating expenses increased by 31% which was a slightly lower than revenue growth. As a result after tax profits increased by 44% to a new record of €104.4m. for the year, and the Net Profit Margin increased to 21%.

**Summary Table of Results (Irish GAAP) - in Euro's**

<b>Full Year</b>	<b>March 31, 2001</b>	<b>March 31, 2000</b>	<b>% Increase</b>
Passengers	7.4m	5.5m	35%
Revenue	€487.4m	€370.1m	32%
Profit after tax	€104.5m	€72.5m	44%
Basic EPS (Euro Cents)	29.61	21.62	37%

**Commenting on these results in London this morning Ryanair's CEO, Michael O'Leary said;**

*"These are another excellent set of results, delivered by the exceptional team of 1,500 people in Ryanair, the only genuine low fares airline in Europe. Trading conditions over the past 12 months have been difficult, characterised by significantly higher oil prices, fears of an economic downturn, significant retrenchment in the technology sector and the outbreak of foot and mouth disease in the UK in the last quarter. As a result most of our European competitors have issued profit warnings or reported losses.*

*"Despite these negative market conditions, Ryanair has continued to deliver disciplined growth in fleet, new routes, traffic, revenues and profitability. During the last six (Winter) months of the year, when all of the other low fares airlines in Europe have been recording losses, Ryanair's traffic increased by 35% and profitability by 37%. What makes Ryanair different from other low fare airlines, is that although our average air fares are some 30% lower, our profits rise, as our traffic grows and we continue to be profitable in all four quarters.*

*"These results cover a year during which Ryanair achieved new milestones;*

- *Ten new 737-800 series aircraft were purchased bringing the fleet to 36.*
- *Ten new routes were launched from London Stansted, Glasgow Prestwick and Shannon to Europe.*
- *Almost 2 million additional passengers were carried.*
- *RYANAIR.COM became the only internet travel site to offer a "lowest fare guarantee" and boosted our direct sales to 92% of bookings.*
- *A new five year agreement covering pay, benefits and share options was agreed with our pilots, cabin crew and ground operations staff.*

*“The amazing success of RYANAIR.COM continues to transform Ryanair’s business model. Unlike other airlines who claim to have high internet penetration, Ryanair’s internet development has delivered large savings in sales, marketing and distribution costs. Travel agency sales are now down to 8% with 92% of all sales being taken directly through RYANAIR.COM. This transformation in our distribution channel has enabled Ryanair to reduce sales, marketing and distribution costs by 62% during a half year in which traffic has grown by 37%. Again unlike other low cost airlines whose average fares are being increased Ryanair has passed on these cost savings in the form of lower average air fares, which in turn underpin our growth in traffic and profits especially during the Winter period.*

*“I could not let these results pass without highlighting the lost opportunities to the Irish economy and tourism due to the disastrous effects of the present Irish government’s policy of increasing costs at Dublin Airport (and protecting this high cost airport monopoly) which has resulted in higher fares and the ending of Dublin airport’s 15 year record of annual double digit traffic growth. This policy is catastrophic for a small island nation like Ireland, whose tourism industry is central to the growth of our economy. While access costs to Ireland rise and tourism declines, Ryanair continues to stimulate huge traffic growth at those other European airports such as London Stansted up 26%, Glasgow Prestwick up 29% and Frankfurt-Hahn up 127% all of whom are encouraging new route growth and tourism development. It is time for the Irish government to change this disastrous policy before any further damage is inflicted upon Irish tourism.*

*“Whilst current trading conditions continue to be challenging, Ryanair is maintaining its ambitious targets for new route development and traffic growth. Over the past three months, we have launched seven routes from London Stansted and six from our first Continental European base at Brussels Charleroi. We are offering Belgian consumers 80% plus savings over the high fares previously being charged by Sabena. Initial load factors have been ahead of expectations and are currently running at 70% plus for the full month at our Brussels base.*

*“The fact that Sabena has already been forced to lower some of its air fares on most of these routes merely confirms that Ryanair is good for competition, good for Belgian traffic and tourism growth and is giving Europe’s consumers more choice, low fares and high frequency services.*

*“Our disciplined profitable growth clearly differentiates Ryanair from other low fare imitators. Europe’s consumers are flocking to Ryanair for our unbeatable service package which provides them with guaranteed lowest air fares and the No.1 on-time flight services, delivered some of Europe’s newest aircraft. Our outstanding team of 1,500 people continue to revolutionise European air travel and continue to share in our growth and success thanks to Ryanair’s company wide share option schemes. We remain committed to ensuring that this profitable growth will continue”*

Ryanair has undertaken to notify the shareholders twice yearly of the percentage of ordinary shares held by EU nationals, and on March 31, 2001, not less than 51% of the ordinary shares were held by EU nationals. We are actively seeking to increase the percentage of its share capital held by EU nationals. Accordingly, Ryanair has instructed The Bank of New York, the depositary for the company's American Depositary Share (ADS) program to suspend the issuance of new ADSs in exchange for the deposit of ordinary shares until further notice, beginning on June 26, 2001. Holders of ordinary shares will not be able to convert their ordinary shares into ADSs. The Bank of New York will continue to convert existing ADSs into ordinary shares at the request of the holders of such ADSs. The company does not expect this action to have any material effect on the trading of its ordinary shares on the Irish Stock Exchange or the London Stock Exchange, or on the trading of its existing ADSs on the NASDAQ.

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For results and further information  
please contact:

Howard Millar  
Ryanair Holdings Plc

Pauline McAlester  
Murray Consultants  
Tel: 353-1-6633332

[www.Ryanair.com](http://www.Ryanair.com) Tel: 353-1-8121212

**Certain of the information included in this release is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise 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, costs associated with environmental, safety and security measures, actions of the Irish, U.K., European Union ("EU") and other governments and their respective regulatory agencies, fluctuations in currency exchange rates and interest rates, airport access and charges, labour relations, the economic environment of the airline industry, the general economic environment in Ireland, the UK and Continental Europe, the general willingness of passengers to travel and other economics, social and political factors.**

Ryanair is Europe's largest low fares airline with 45 low fare routes across 12 countries. Ryanair has a fleet of 36 Boeing 737's, orders for up to a further 30 new 737-800's which will be delivered over the next 4 years. Ryanair currently employs a team of 1,500 people and will carry 9 million scheduled passengers in the current year.

[www.RYANAIR.COM](http://www.RYANAIR.COM) was launched in January 2000 and is already Europe's largest travel website. This is the only internet site to guarantee the lowest fares on the web.

**Ryanair Holdings plc**  
**Management Discussion and Analysis of Results**

**Summary Year Ended March 31, 2001**

**Consolidated Profit and Loss**

**Profit after tax**, adjusted for non-recurring gains in 2000, has increased by 46% to €104.5m, compared to €71.6m in the previous year ended March 31, 2000. Excluding the adjustment for the non-recurring gain Profit after tax increased by 44%. **Total Operating Revenues**, grew by 32% to €487.4m whilst passenger volumes increased by 35% to 7.4m.

**Total Operating Expenses** increased by 31% to €373.4m, due to the increased level of activity, and the increased costs, primarily depreciation, fuel and airport & handling costs associated with the growth of the airline. These costs were partly offset by savings in Marketing and Distribution costs which declined by 33% due mainly to the dramatic increase in the level of direct bookings on **Ryanair.com**. **Profit before Tax** has increased by 37%. The effective **Corporation Tax** rate for the year was 15% compared to 20% for the previous year, and primarily reflects the impact of the decline in the headline rate of corporation tax in Ireland. For the reasons outlined **Net Margin** has increased from 20% to 21% in the fiscal year.

**Balance Sheet**

**Cash and Liquid Resources** have increased from €355.3m at March 31, 2000 to €626.7m at March 31, 2001, reflecting the increased cash flows from the profitable trading performance, and the receipt of the proceeds of the secondary offering amounting to €124.1m in February 2001. During the year the company incurred capital expenditure of €356.7m primarily financed by an increase in the level of debt. **Shareholder's Funds** at March 31, 2001 have increased to €669.9m, compared to €441.4m at March 31, 2000.

**Discussion and Analysis Year Ended March 31, 2001**

**Profit after tax**, adjusted for non-recurring gains on the sale of investments in 2000, increased by 46% to €104.5m driven by strong growth in passenger volumes and continued tight cost control. Excluding the adjustment for non-recurring gains in 2000 Profit after tax increased by 44%. Operating margins have remained consistent at 23% which has resulted in Operating Profit increasing by €30.0m to €114.0m compared to year ended March 31, 2000.

**Total Operating Revenues** increased by 32% to €487.4m whilst passenger volumes increased by 35% to 7.4m.

**Scheduled Passenger Revenues** increased by 31% to €432.9m due to a combination of increased passenger numbers on existing routes and the successful launch of ten new routes. The success of Ryanair.com generated substantial cost savings that were passed on to passengers in the form of lower average fares, which in turn further stimulated passenger volumes.

**Ancillary Revenues** increased by 38% to €54.5m, which is higher than the growth in passenger volumes, and primarily reflects the increase in the level of car hire rentals, other ancillary products, and internet-related revenues.

**Total Operating Expenses** increased by 31% to €373.4m due to the increased level of activity, and the increased costs primarily depreciation, fuel and airport and handling costs associated with the growth of the fleet and the airline.

**Staff costs** have increased by 26% to €61.2m. This increase reflects a 16% increase in average employee numbers to 1,467. Pilots, who earn higher than the average salary, accounted for 34% of the increase in employment. Staff costs also rose due to the impact of pay increases, which were between 3% and 5.5%.

**Depreciation and Amortization** increased by 34% to €59.2m due to an increase in the number of aircraft owned from 26 to 36, and the amortisation of capitalised maintenance costs.

**Fuel costs** rose by 52% to €63.5m due to a 29% increase in the number of hours flown, an increase in the average US\$ cost per gallon of fuel and the adverse impact of the strengthening of the US dollar to the Euro.

**Maintenance costs** increased by 19% to €20.1m reflecting an increase in the size of the fleet operated, an increase in the number of flight hours, and the increased line maintenance costs due to the expansion of our Stansted base, partly offset by a lower level of unscheduled engine maintenance.

**Marketing and Distribution Costs** decreased by 33% to €21.5m due to a combination of an increase in the level of direct bookings via the internet, a 33% reduction in the travel agent commission rate, and the termination of the distribution agreement with Galileo offset by a higher spend on the advertising of new routes and Ryanair.com.

**Aircraft Rental Costs** increased by €5.2m to €7.3m reflecting the need to rent additional seat capacity primarily during the peak summer period.

**Route Charges** increased by 36% to €35.7m due to an increase in the number sectors flown, and an increase in the average sector length.

**Airport and Handling Charges** increased by 54% to €66.3m due to an increase in the number of passengers flown, the impact of increased airport and handling charges on some existing routes, and the adverse impact of the strength of Sterling to the Euro, offset by, lower charges on our new European routes.

**Other Expenses** increased by 23% to €38.6m, which is less than the growth in ancillary revenues reflecting improved margins on some new and existing products.

**Operating Margins** have increased slightly due to the reasons outlined above which has resulted in **Operating Profits** increasing by 36% to €114.0m during the year.

**Interest Receivable** increased by €12.2m to €19.7m reflecting the strong growth in cash resources arising from the profitable trading performance during the year and the receipt of proceeds from a secondary offering in February 2001. **Interest Payable** increased by €8.2m due to the higher level of

debt arising from the acquisition of ten new aircraft.

**Taxation** increased in the year by €1.3m to €18.9m reflecting the increased profitability in the year whilst the tax rate declined from 20% to 15% primarily reflecting the reduction in the headline rate of Corporation Tax in Ireland.

The Company's **Balance Sheet** continues to strengthen due to the combined benefit of strong growth in profits and receipt of the net proceeds of the secondary offering of €124.1m during February 2001. The Company generated cash from operating activities of €229.8m, which partly funded the acquisition of ten 737-800 aircraft and the payment of additional aircraft deposits. Capital expenditure amounted to €356.7m, primarily consisting of new aircraft additions whilst debt funding increased to €402.6m during the same period. Cash and liquid resources at March 31, 2001 were €626.7m compared to €355.3 at March 31, 2000.

**Shareholder's Funds** at March 31, 2001 have increased to €669.9m compared to €441.4m at March 31, 2000.

## **Notes to the Financial Statements**

### **1. Accounting Policies**

The accounting policies followed in the preparation of these consolidated financial statements for the year ended March 31, 2001 are consistent with those set out in the Annual Report for the year ended March 31, 2000.

### **2. Approval of the Financial Statements**

The consolidated financial statements for the Year ended 31 March 2001 were approved by the Board of Directors on June 20th, 2001.

### **3. Generally Accepted Accounting Policies**

The Management Discussion and Analysis of Results for the Year ended March 31, 2001 are based on the results reported under Irish and UK GAAP.

### **4. Nationality Declaration**

The company has undertaken to notify the shareholders twice yearly of the percentage of Ordinary shareholders held by EU Nationals. Accordingly, on March 31, 2001 EU Nationals held not less than 51% of the ordinary shares.

## Ryanair Holdings plc and Subsidiarie

### Consolidated Profit and Loss Accounts in accordance with UK and Irish GAAP

	Year Ended March 31, 2001 <u>€'000</u>	Year Ended March 31, 2000 <u>€'000</u>
<b>Operating Revenues</b>		
Scheduled revenues	432,940	330,571
Ancillary revenues	54,465	39,566
<b>Total operating revenues</b>	<u>487,405</u>	<u>370,137</u>
<b>-continuing operations</b>	487,405	370,137
<b>Operating expenses</b>		
Staff costs	61,222	48,533
Depreciation and amortisation	59,175	44,052
Other operating expenses		
Fuel & Oil	63,468	41,676
Maintenance, materials and repairs	20,142	16,886
Marketing and distribution costs	21,526	32,123
Aircraft rentals	7,286	2,097
Route charges	35,701	26,301
Airport and Handling charges	66,269	43,095
Other	38,605	31,319
<b>Total operating expenses</b>	<u>373,394</u>	<u>286,082</u>
<b>Operating profit - continuing operations</b>	114,011	84,055
<b>Other income/(expenses)</b>		
Interest receivable and similar income	19,666	7,498
Interest payable and similar charges	(11,962)	(3,781)
Foreign exchange gains	1,621	1,358
Gains on disposal of fixed assets	52	964
<b>Total other income/(expenses)</b>	<u>9,377</u>	<u>6,039</u>
<b>Profit on ordinary activities</b>		
<b>before taxation</b>	123,388	90,094
Tax on profit on ordinary activities	(18,905)	(17,576)
<b>Profit for the year</b>	<u><u>104,483</u></u>	<u><u>72,518</u></u>
<b>Earnings per ordinary share*</b>		
-Basic(Euro cents)	29.61	21.62
-Diluted(Euro cents)	29.26	21.48
<b>Number of ordinary shares(in 000's)*</b>		
-Basic	352,811	335,478
-Diluted	357,098	337,681

\* The Company implemented a 2:1 share split on February 28th, 2000. Share capital and earnings per share figures have been restated to give effect to the share split.

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## Ryanair Holdings plc and Subsidiaries

### Consolidated Balance Sheets in accordance with UK and Irish GAAP

	<b>March 31, 2001 €'000</b>	<b>March 31, 2000 €'000</b>
<b>Fixed assets</b>		
Tangible assets	613,591	315,032
Financial assets	36	36
	<u>613,627</u>	<u>315,068</u>
<b>Total fixed assets</b>	<u>613,627</u>	<u>315,068</u>
<b>Current Assets</b>		
Cash and liquid resources	626,720	355,248
Accounts receivable	8,695	21,974
Other assets	12,235	6,478
Inventories	15,975	13,933
	<u>663,625</u>	<u>397,633</u>
<b>Total current assets</b>	<u>663,625</u>	<u>397,633</u>
<b>Total assets</b>	<u><u>1,277,252</u></u>	<u><u>712,701</u></u>
<b>Current liabilities</b>		
Accounts payable	29,998	22,861
Accrued expenses and other liabilities	139,406	107,445
Current maturities of long term debt	27,994	9,567
Short term borrowings	5,078	3,780
	<u>202,476</u>	<u>143,653</u>
<b>Total current liabilities</b>	<u>202,476</u>	<u>143,653</u>
<b>Other liabilities</b>		
Provisions for liabilities and charges	30,122	15,279
Long term debt	374,756	112,412
	<u>404,878</u>	<u>127,691</u>
<b>Shareholders' funds - equity</b>		
Called - up share capital	9,194	8,892
Share premium account	371,849	248,093
Profit and loss account	288,855	184,372
	<u>669,898</u>	<u>521,357</u>

<b>Shareholders' funds - equity</b>	<u>669,898</u>	<u>441,357</u>
<b>Total liabilities and shareholders' funds</b>	<u><u>1,277,252</u></u>	<u><u>712,701</u></u>





## Ryanair Holdings plc and Subsidiaries

### *Consolidated Cashflow Statements in accordance with UK and Irish GAAP*

	<b>Year Ended March 31, 2001 €'000</b>	<b>Year Ended March 31, 2000 €'000</b>
<b>Net cash inflow from operating activities</b>	229,802	149,575
Returns on investments and servicing of finance	5,570	1,953
Taxation	(13,813)	(15,545)
Capital expenditure (including aircraft deposits)	(356,214)	(154,079)
<b>Net cash (outflow) before financing and use of liquid resources</b>	<u>(134,655)</u>	<u>(18,096)</u>
Financing	404,829	214,862
(Increase) in liquid resources	<u>(230,633)</u>	<u>(196,110)</u>
<b>Increase in cash</b>	<u><u>39,541</u></u>	<u><u>656</u></u>
<b>Analysis of movement in liquid resources</b>		
Liquid resources at beginning of year	334,149	138,039
Increase in year	<u>230,633</u>	<u>196,110</u>
<b>Liquid resources at end of year</b>	<u><u>564,782</u></u>	<u><u>334,149</u></u>
<b>Analysis of movement in cash</b>		
At beginning of year	17,319	16,663
Net cash inflow	<u>39,541</u>	<u>656</u>
<b>Net cash at end of year</b>	<u><u>56,860</u></u>	<u><u>17,319</u></u>

## Ryanair Holdings plc and Subsidiaries

### *Consolidated Statement of Changes in Shareholders' Funds - Equity in accordance with UK and Irish GAAP*

	Ordinary shares €'000	Share premium account €'000	Profit and loss account €'000	Total €'000
Balance at April 1, 2000	8,892	248,093	184,372	441,357
Issue of ordinary equity shares (net of issue costs)	302	123,756	0	124,058
Profit for the year	0	0	104,483	104,483
<b>Balance at March 31, 2001</b>	<b>9,194</b>	<b>371,849</b>	<b>288,855</b>	<b>669,898</b>



## Ryanair Holdings plc and Subsidiaries

### *Consolidated Profit and Loss Accounts in accordance with US GAAP*

	Year Ended March 31, 2001 €'000	Year Ended March 31, 2000 €'000
Scheduled revenues	432,940	330,571
Ancillary revenues	54,465	39,566
<b>Total operating revenues</b>	<b>487,405</b>	<b>370,137</b>
<b>-continuing operations</b>	<b>487,405</b>	<b>370,137</b>
<b>Operating expenses</b>		
Staff costs	60,081	48,890
Depreciation and amortisation	57,465	41,614
Other operating expenses		
Fuel & Oil	63,468	41,676
Maintenance, materials and repairs	20,142	16,886
Marketing and distribution costs	21,526	32,123
Aircraft rentals	7,286	2,097
Route charges	35,701	26,301
Airport and Handling charges	66,269	43,095
Other	38,517	31,233
<b>Total operating expenses</b>	<b>370,455</b>	<b>283,915</b>
<b>Operating profit - continuing operations</b>	<b>116,950</b>	<b>86,222</b>
<b>Other income/(expenses)</b>		
Interest receivable and similar income	19,666	7,498
Interest payable and similar charges	(11,962)	(3,781)
Foreign exchange gains/(losses)	8,424	(2,397)
Gains on disposal of fixed assets	52	964
<b>Total other income/(expenses)</b>	<b>16,180</b>	<b>2,284</b>
<b>Profit on ordinary activities before taxation</b>	<b>133,130</b>	<b>88,506</b>
Tax on profit on ordinary activities	(20,742)	(16,640)
<b>Net Income</b>	<b>112,388</b>	<b>71,866</b>
<b>Net Income per ADS *</b>		
-Basic(Euro cents)	159.28	107.11
-Diluted(Euro cents)	157.36	106.41
<b>Weighted Average number of shares*</b>		
-Basic	352,811	335,478
-Diluted	357,098	337,681

*\* The Company implemented a 2:1 share split on February 28th, 2000. Share capital and earnings per share figures have been restated to give effect to the share split.(Each ADS represents five ordinary shares)*

## Ryanair Holdings plc and Subsidiaries

### *Summary of significant differences between UK, Irish and US generally accepted accounting principles*

#### (A) Net income under US GAAP

	<-----Year ended----->	
	March 31, 2001 €'000	March 31, 2000 €'000
<b>Profit as reported in the consolidated profit and loss accounts and in accordance with UK and Irish GAAP</b>	<b>104,483</b>	<b>72,518</b>
<b>Adjustments</b>		
Pension	740	363
Unrealised gains/(losses) on forward exchange contracts	6,803	(3,755)
Employment grants	401	(664)
Basis of accounting for August 1996 transaction	1,531	1,996
Basis of accounting for aircraft acquired from Northhill Limited	179	442
Darley Investments Limited	88	86
Share option compensation expense	0	(56)
Tax effect of adjustments	(1,837)	936
<b>Net income under US GAAP</b>	<b>112,388</b>	<b>71,866</b>

#### (B) Consolidated Cashflow Statements in accordance With US GAAP

	<-----Year ended----->	
	March 31, 2001 €'000	March 31, 2000 €'000
Cash inflow from operating activities	221,558	135,983
Cash (outflow) from investing activities	(360,056)	(327,006)
Cash inflow from financing activities	406,127	214,749
Increase in cash and cash equivalents	267,629	23,726
Cash and cash equivalents at beginning of year	121,430	97,704
<b>Cash and cash equivalents at end of year</b>	<b>389,059</b>	<b>121,430</b>
Cash and cash equivalents under US GAAP	389,059	121,430
Deposits with a maturity of between three and six months	237,661	233,818
<b>Cash and liquid resources under UK and Irish GAAP</b>	<b>626,720</b>	<b>355,248</b>



## Ryanair Holdings plc and Subsidiaries

### *Summary of significant differences between UK, Irish and US generally accepted accounting principles*

#### (C) Shareholders' funds - equity

	<b>March 31,</b>	<b>March 31,</b>
	<b>2001</b>	<b>2000</b>
	<b>€'000</b>	<b>€'000</b>
<b>Shareholders' equity as reported in the consolidated balance sheets (UK and Irish GAAP)</b>	669,898	441,357
<b>Adjustments:</b>		
Pension	1,663	923
Unrealised gains/(losses) on forward exchange contracts	4,189	(2,614)
Employment grants	(933)	(1,334)
Basis of accounting for August 1996 transactions	0	(1,531)
Basis of accounting for aircraft acquired from Northhill Limited	0	(179)
Darley Investments Limited	(415)	(503)
Investments	588	1,988
Tax effect of adjustments	(604)	1,233
<b>Shareholders' equity as adjusted to accord with US GAAP</b>	<b><u>674,386</u></b>	<b><u>439,340</u></b>
Opening shareholders' equity under US GAAP	439,340	249,913
Investments	(1,400)	(314)
Net income in accordance with US GAAP	112,388	71,866
Stock issued for cash	124,058	117,875
<b>Closing shareholders' equity under US GAAP</b>	<b><u>674,386</u></b>	<b><u>439,340</u></b>

