RYANAIR ANNOUNCES A SHARP JUMP IN PROFITS FOR THE HALF YEAR ENDED SEPTEMBER 30TH 2000

Traffic Grows by 33%, Profits Rise by 49%

Ryanair, Europe's Largest Low Fares Airline, today announced sharply higher results for the half year ended 30th September 2000. Passenger traffic grew by 33% to 3.9 million, an increase of almost 1 million over the same period last year. Average yields also increased due to the longer average sector lengths on the 10 new routes and the strength of Sterling against the Euro. As a result total revenues grew by 37% to €265.9m.

Continued tight cost controls (particularly in the area of sales and distribution due to the successful expansion of RYANAIR.COM) meant that total operating costs increased at a slightly lower rate than revenues, despite the launch of 10 new routes during the half year. Consequently profit after tax has risen sharply by 49.4% to €63.4m. Earnings per share grew by 43% to18.08 cents per share.

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

Half Year Ended:	September 30, 2000	September 30, 1999	% Increase
Passengers	3.85m	2.89m	33%
Revenue	€265.9m	€194.5m	37%
Profit after tax	€63.4m	€42.4m	49%
Basic EPS (Euro Cents)	18.08	12.66	43%

Announcing these results in London this morning Ryanair's, Chief Executive Michael O'Leary said;

"These strong results are a tribute to the outstanding team of people in Ryanair. Through their efforts in the first half of the year, we have opened up 10 new routes, added 5 new Boeing 737-800 aircraft, and carried almost 1 million additional people. To have done so (with reduced costs and increased profitability) in an adverse trading environment characterised by, intense competition, and higher fuel prices is an outstanding performance. These results underline the robustness of Ryanair's superior earnings model at a time when almost all of our principal European competitors are reporting downturns in profitability or losses.

"Our fleet has now grown to 31 aircraft, 10 of which are new Boeing 737-800 series aircraft which, unlike most other airlines, we own outright. These aircraft are delivering lower operating costs, whilst enabling us to carry more passengers per flight and increase our traffic growth this year by slightly more than our target of 25%. Our disciplined approach to cost control is reflected by the fact our financing costs have been locked away at low rates for the next 12 years, whilst our fuel costs continue to be substantially hedged on a rolling 12 month basis.

"The most dramatic change in our cost base this year has been the rapid growth of RYANAIR.COM. Unlike other low fare imitators in Europe, Ryanair last year sold over 60% of our seats through traditional travel agents and shouldered the heavy cost burdens of CRS fees and Travel Agent commissions. The other low fare imitators only sold direct (over the internet or through call centres), which meant that they already had a much lower cost of distribution. Conversely this means that there was far less of an opportunity for these other airlines to significantly reduce costs by moving a large proportion of their sales from call centres to the internet.

"By contrast we launched RYANAIR.COM in January of this year. During the past 8 months our proportion of sales through travel agents has fallen from 60% to just under 10% in recent weeks. The success of RYANAIR.COM enabled us to reduce commissions payable on these remaining sales from 7.5% to 5% and allowed us to eliminate expensive CRS distribution costs by terminating our participation in the Galileo CRS on the 1st of August last. The cost savings which have accrued to Ryanair as a result of this massive reduction in travel agency distribution have now been realised.

"These savings have enabled Ryanair to offer even more lower fares directly through the internet which has stimulated our growth in passenger volumes on both new and existing routes. RYANAIR.COM is the only internet site to guarantee the lowest airfares on every route we fly, even on routes where we compete with other low fare imitators such as EasyJet (Glasgow), GO (Venice) and Buzz (Hamburg).

"The success of RYANAIR.COM can be seen in these results where despite the fact that scheduled revenues have risen by 38% in the first half, our marketing and distribution costs as a percentage of scheduled revenues have actually declined by 31%.

"RYANAIR.COM is now the most successful travel internet site in Europe. It takes more bookings than any other internet airline or travel site. It is more popular than EasyJet, and is light years ahead of other competitors such as Aer Lingus who still don't have an online ticket sales service. With 90% of our sales now being sold directly to the public, Ryanair has eliminated the expensive middleman, enabling us to offer even lower fares at lower costs and this underlines both the sustainability and profitability of Ryanair's low fares formula.

"Ryanair is now by some considerable distance the largest low fares airline in Europe. We are in discussions with six airports in Europe who want us to establish new bases, and with over 20 possible new destinations all of whom are offering us efficient facilities and low costs. The only exception to this strong growth remains Ireland. In Ireland the Minister for Transport continues to pursue her failed policy of protecting the government owned airport monopoly.

"It has never been cheaper for UK people to visit Ireland. It has also never been more difficult. The Irish government's policy of protecting its airport monopoly has led to higher prices, escalating costs, awful facilities, and stagnating traffic. Monopolies don't work. Competition does. It is about time that the Irish Government changed its failed policy and opened up Dublin Airport to competition. Ryanair has offered to build and pay for its own terminal and in return we would open up at least ten new low fare European routes providing a major boost to Irish tourism, employment and the economy generally.

"In the meantime Ryanair continues to grow strongly in the UK and Europe. As we have highlighted in recent quarters these results are excellent, but are somewhat artificially enhanced by the continuing strength of Sterling against the Euro and the success of Ryanair's fuel hedging policies. As we have also highlighted in previous quarters we believe that over the medium term Sterling will weaken and fuel prices will rise, both of which will have a somewhat negative impact on our revenues and costs. However, the huge cost savings which have been achieved this year with the success of RYANAIR.COM, and the introduction of more cost efficient Boeing 737-800's, allied to the fact that a significant proportion of our aircraft fleet will go ex-depreciation next year means that Ryanair remains well positioned to maintain our margins.

"We expect average fares to fall for the next couple of years while competition remains intense in Europe. Unlike most of our competitors, and certainly some of our low fare imitators, our operating costs continue to fall in line with the expected decline in average air fares. We remain determined to stick to our plan of doubling our passenger volumes over the next 4 to 5 years. As long as we remain disciplined in the roll out of the Ryanairs successful low fares model, then we believe that we are well positioned to deliver superior returns for our staff, and our shareholders, whilst continuing to guarantee the lowest fares and huge savings for all of our customers."

ENDS.

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Ryanair is Europe's largest low fares airline with 45 low fare routes across 11 countries. Ryanair has a fleet of 30 Boeing 737's, orders for up to a further 35 new 737-800's which will be delivered over the next 4 years. Ryanair currently employs a team of over 1,500 people and will fly 7 million passengers in the current year.

www.RYANAIR.COM was launched in January 2000 and is already Europe's largest travel website. As Ryanair's low fares network continues to successfully expand in Europe, the growth in business and bookings at RYANAIR.COM continues to grow exponentially.

Ryanair Holdings plc
Management Discussion and Analysis of Results

Summary

Quarter Ended September 30, 2000

Profit after tax has increased by 59% to €45.3m, compared to €28.4m in the previous quarter ended September 30, 1999. **Total Operating Revenues**, grew by 37% to €150.9m whilst passenger volumes increased by 34% to 2.2m.

Total Operating Expenses increased by 30% to €97.9m, due to the increased level of activity, and the increased costs, primarily staff, fuel and airport & handling costs, associated with the growth of the airline. **Profit before Tax** has increased by 54% to €56.1m. The effective **Corporation Tax** rate for the quarter was 19% compared to 22% for the previous year, and primarily reflects the impact of the decline in the headline rate of corporation tax in Ireland.

Half Year ended September 30,2000

Profit after tax has increased by 49% to €63.4m, compared to €42.4m in the previous half year ended September 30, 1999. **Total Operating Revenues** grew by 37% to €265.9 whilst passengers volumes have increased by 33% to 3.9m.

Total Operating Expenses increased by 35% to €190.7m due to the increased level of activity, and the increased costs, primarily staff, fuel and airport & handing costs associated with the growth of the airline. **Profit before Tax** has increased by 45% to €78.9m. The effective **Corporation Tax** rate for the period was 20% compared to 22% for the previous six months.

Balance Sheet

Cash and Liquid Resources have increased from €355.2m at March 31, 2000 to €425.4m at September 30, 2000, reflecting the increased cash flows from the profitable trading performance. During the period the company incurred capital expenditure of €176.4m primarily financed by an increase in the level of long term debt. **Shareholder's Funds** at September 30, 2000 have increased to €505.2m, compared to €441.4m at March 31, 2000.

Detailed Discussion and Analysis - Quarter Ended September 30, 2000

Profit after tax has increased by 59% to €45.3m driven by strong growth in passenger volumes and continued tight cost control. Operating margins have, as a result, increased by 3% to 35%. **Operating Profit** increased by 49% to €52.9m compared to the quarter ended September 30, 1999. **Profit before tax** increased by 54%, which is higher than the percentage increase in Operating Profit due to the increased net interest receivable.

Total Operating Revenues increased by 37% to €150.9m whilst passenger volumes increased by 34% to 2.2m.

Scheduled Passenger Revenues increased by 36% to €134.6m, reflecting a 34% increase in passenger volumes, the successful launch of ten new routes, and the positive impact on average fares of the strength of sterling to the Euro. Furthermore, the success of Ryanair.com which is a low cost distribution network via the internet, generated substantial savings which were passed on to passengers in the form of lower average fares, and in turn further stimulated passenger volumes.

Ancillary Revenues increased by 46% to €16.3m, which is higher than the growth in passenger volumes, and reflects the successful growth of alternative revenue streams to compensate for the cessation of duty free on July 1, 1999.

Total Operating Expenses increased by 30% to €97.9m due to the increased level of activity, and the increased costs primarily staff, fuel and airport & handling costs associated with the growth of the airline.

Staff costs have increased by 29% to €15.7m. This increase reflects an 18% increase in average employee numbers to 1,509. Pilots, who earn higher than the average salary, accounted for 29% of the increase in employment. Staff costs also rose due to the impact of pay increases granted which were between 3% to 5.5%.

Depreciation and Amortisation increased by 24% to €13.5m due to an increase in the number of aircraft owned from 26 to 31 and the amortisation of capitalised maintenance costs.

Fuel costs rose by 50% to €16.9m due to a 24% increase in the number of sectors flown, an increase in the average sector length, and an increase in the average cost per gallon of fuel.

Maintenance costs increased by 37% to €5.7m 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 continued expansion of our Stansted base.

Marketing and Distribution Costs decreased by 45% to €4.6m due to a combination of, an increase in the level of direct bookings via the internet, a 33% reduction in the commission rate paid to travel agents, the termination of the distribution agreement with Galileo, partly offset by higher marketing costs associated with the promotion of Ryanair.com and the launch of ten new routes.

Aircraft Rental Costs increased by €1.8m to €2.6m reflecting the need to rent additional seat capacity during the quarter.

Route Charges increased by 40% to €10.3m due to an increase in the number sectors flown, and an increase in the average sector length.

Airport and Handling Charges increased by 51% to €18.5m due to an increase in the number of passengers flown, the impact of increased airport and handling charges primarily at Dublin and Stansted airports, 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 31% to €10.1m reflecting the increased ancillary product costs arising from the change of product mix, post the cessation of duty free.

Operating Profits have increased by 49% to €52.9m due to the reasons outlined above.

Interest Receivable increased by €3.2m to €5.1m reflecting the strong growth in cash resources arising from the profitable trading performance during the quarter. **Interest Payable** increased by €1.7m to €2.7m due to the increased level of debt arising from the acquisition of five new aircraft**.**

Taxation increased in the quarter by €2.9m to €10.9m whilst the Corporation Tax rate declined to 19% compared to 22% in the previous quarter due to the reduction in the headline rate of Corporation Tax in Ireland.

Detailed Discussion and Analysis - Half Year ended September 30, 2000

Profit after tax has increased by 49% to €63.4m driven by strong growth in passenger volumes and continued tight cost control. Operating margins have increased by 1% to 28%. Operating Profit increased by 43% to €75.2m compared to the half year ended September 30, 1999. Profit before tax increased by 45% €78.9m, which is higher than the percentage increase in Operating Profit due to net interest receivable increasing by €2.2m to €4.0m.

Total Operating Revenues increased by 37% to €265.9m whilst passenger volumes increased by 33% to 3.9m.

Scheduled Passenger Revenues increased by 38% to €237.9m primarily due to a combination of increased passenger numbers, and the positive impact on average fares of the strength of Sterling to the Euro.

Ancillary Revenues increased by 30% to €28.0m, which is lower than the growth in passenger volumes, due to a reduction in the average spend per passenger post the cessation of duty free on July 1,1999, being offset by strong growth in revenues from other ancillary activities.

Total Operating Expenses increased by 35% to €190.7m due to the increased level of activity, and the increased costs primarily staff, fuel and airport & handling costs associated with the growth of the airline.

Staff costs have increased by 30% to €30.5m. This increase reflects an 18% increase in average employee numbers to 1,466. Pilots, who earn a higher than the average salary, accounted for 27% of the increase in employment. Staff costs also rose due to the impact of pay increases granted which were between 3% to 5.5%.

Depreciation and Amortisation increased by 27% to €26.8m due to an increase in the number of aircraft owned from 25 to 31 and the amortisation of capitalised maintenance costs.

Fuel costs rose by 44% to €30.3m due to a 24% increase in the number of sectors flown, an increase in the average sector length, and an increase in the average cost per gallon of fuel.

Maintenance costs increased by 36% to €10.8m 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 continued expansion of our Stansted base.

Marketing and Distribution Costs decreased by 5% to €15.7m due to a combination of, an increase in the level of direct bookings, a 33% reduction in the commission rate paid to travel agents, the termination of the distribution agreement with Galileo on August 1, 2000, partly offset by higher marketing costs associated with the promotion of Ryanair.com and the launch of ten new routes.

Aircraft Rental Costs increased by €3.6m to €5.1m reflecting the need to rent additional seat capacity during the period.

Route Charges increased by 39% to €18.5m due to an increase in the number sectors flown, and an increase in the average sector length.

Airport and Handling Charges increased by 56% to €33.7m due to an increase in the number of passengers flown, the impact of increased airport and handling charges primarily at Dublin and Stansted airports, 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 28% to €19.4m slightly less than the growth in ancillary revenues.

Operating Profits have increased by 43% to €75.2m due to the reasons outlined above.

Interest Receivable increased by €5.2m to €8.4m reflecting the strong growth in cash resources arising from the profitable trading performance during the quarter. **Interest Payable** increased by €3.0m to €4.4m due to the increased level of debt arising from the acquisition of five new aircraft**.**

Taxation increased in the period by €3.5m to €15.5m whilst the Corporation Tax rate declined to 20% compared to 22% in the previous period due to the reduction in the headline rate of Corporation Tax in Ireland.

The Company's **Balance Sheet** continues to strengthen due to the strong growth in profits. Tangible fixed assets increased to €464.8m from €315.0m principally as a result of the acquisition of five new Boeing 737-800 aircraft. At September 30,2000 the Company had €425.4m in Cash and Liquid resources, an increase of €70.1m compared to March 31, 2000. Total Debt has increased since March 31, 2000 by €137.1 to €259.0m to part fund the additional aircraft acquired during the period.

Shareholder's Funds at September 30, 2000 have increased to €505.2m 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 half year ended September 30, 2000 are consistent with those followed in the financial year ended March 31, 2000.

2. **Approval of the Financial Statements**

The Audit Committee approved the consolidated financial statements for the Quarter and Half Year ended September 30, 2000 on November 6, 2000.

3. **Generally Accepted Accounting Policies**

The Management Discussion and Analysis of Results for the Quarter and Half Year ended September 30, 2000 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 November 4, 2000 not less than 52% of the ordinary shares were held by EU Nationals.

Independent review report to Ryanair Holdings plc

Introduction

We have been instructed by the company to review the financial information set out on pages 1 to 4 of the Financial Results and we have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by the directors. The Listing Rules of the Irish Stock Exchange require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed.

Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 issued by the Auditing Practices Board. A review consists principally of making enquiries of management and applying analytical procedures to the financial information and underlying financial data and based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the six months ended 30 September 2000.

KPMG
Chartered Accountants

6 November 2000