

Financial Statements

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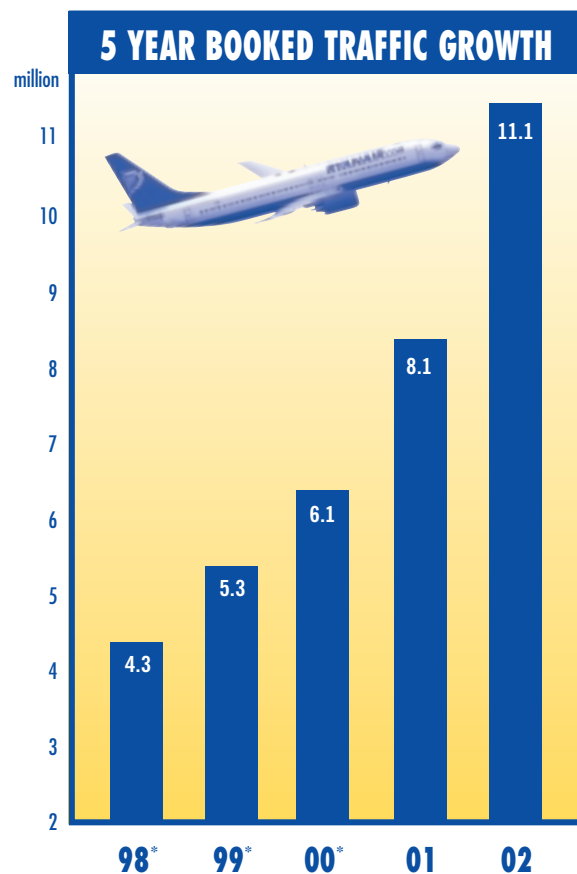
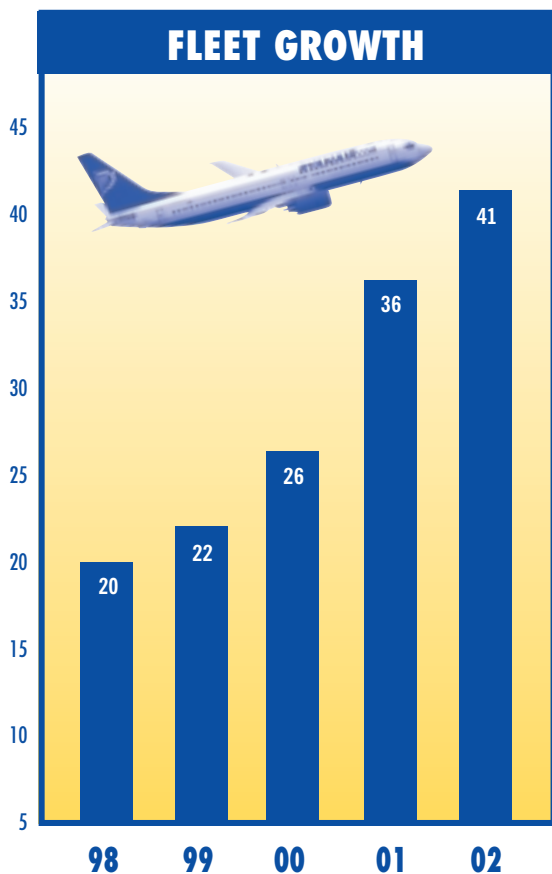
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Financial Highlights

for the year ended March 31, 2002

Summarised Consolidated Profit & Loss account (under Irish & UK GAAP)	2002 €m	2001 €m	% Change
Operating revenue	624.1	487.4	28%
Net profit	150.4	104.5	44%
EPS (in Euro cent)*	20.64	14.81	39%

* adjusted for 2:1 stock split on December 7, 2001



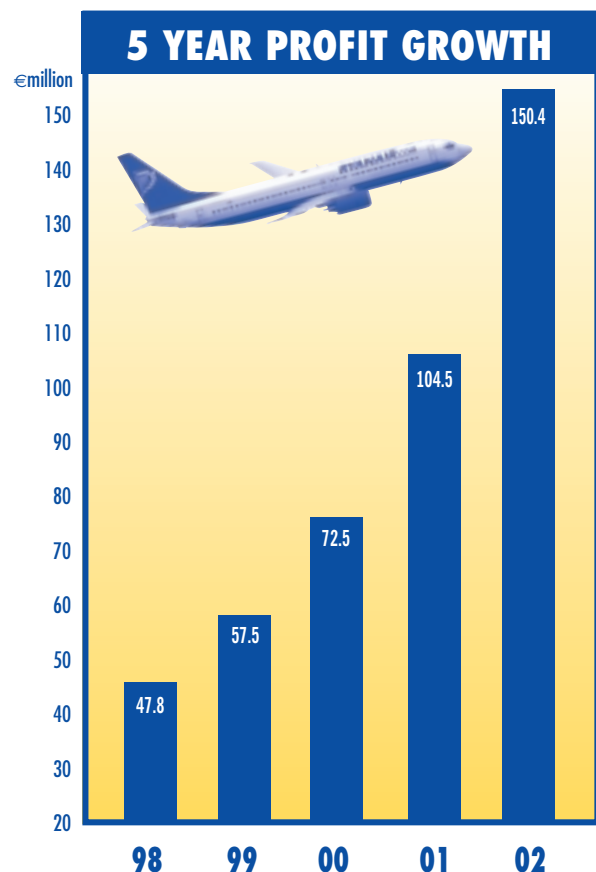
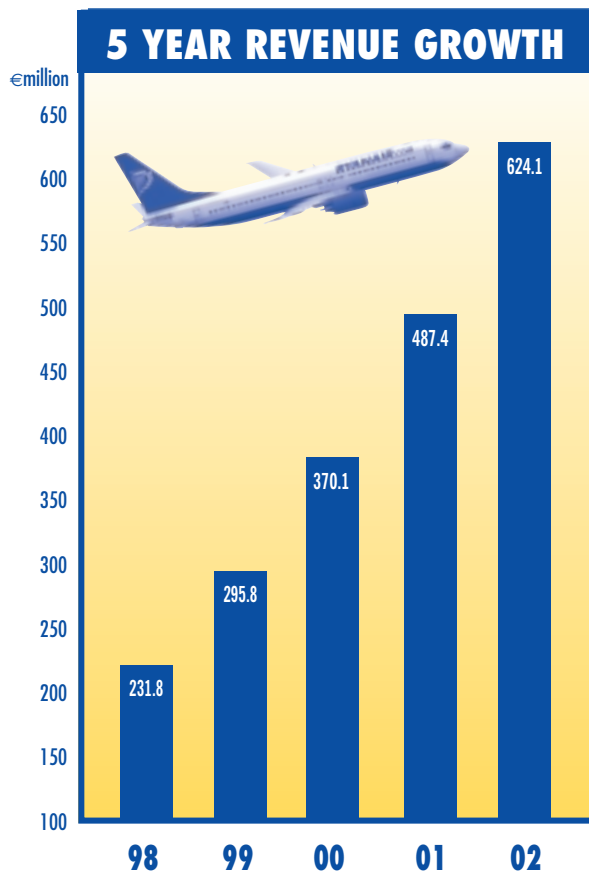
NOTE: This data refers to the financial year ending March 31 of the relevant years.

*Booked data not available for financial years ending March 31, 98, 99 and 00. These figures are therefore based on actual flown data adjusted to reflect an assumed 8% no show rate.

Financial Highlights

(Continued)

Key Statistics	2002	2001	% Change
Scheduled booked passengers	11.1m	8.1m	38%
Number of aircraft operated at period end	41	36	14%
Number of employees at period end	1,531	1,476	4%
Passengers per employee at period end	7,250	5,487	32%



Chairman's Report

Dear Shareholders,

Last year was perhaps the most difficult ever in the airline business with the outbreak of foot-and-mouth in the UK during the first quarter, followed by the tragic events of September 11th during the latter half of the year. Despite this adverse climate I am proud to report that Ryanair has delivered its 12th consecutive year of increased profitability. The net profit for the financial year increased by 44% to €150.4m which in turn resulted in a 39% increase in earnings per share to €20.64 cent.

The past year marked a considerable number of new initiatives in the development of Ryanair.

- We signed the largest ever order with Boeing for 100 next generation 737-800 aircraft with options to buy up to a further 50 aircraft to be delivered over the next 7 years.
- We successfully launched 22 new routes and opened two new continental European bases at Brussels Charleroi and Frankfurt Hahn.
- Our annual traffic grew by over 3 million passengers to 11.1 million.
- Ryanair.com has grown to be the largest internet travel site in Europe.
- We signed an agreement to purchase two more aircraft simulators for our pilot training centre in the UK.

Our disciplined control of costs resulted in net margins improving by 3% to 24%. This increase in margin and profitability provides further evidence of the strength of Ryanair's low fares formula, which, even in a very difficult period delivered a substantial increase in traffic and profits. We continue to focus on reducing unit costs, which have fallen again this year, and we anticipate a further decline in unit costs as we add more new and larger Boeing 737-800 aircraft to our fleet.

Our outstanding 1,500 people continue to perform heroically and during the period the productivity per passenger increased by a staggering 32%. Our people continue to lead the low fare revolution of air travel in Europe.

Ryanair has also maintained its disciplined rate of growth in terms of fleet, routes, traffic, revenues, and profitability despite the tragic events that occurred during the year. We have now clearly distanced ourselves from competitors, whose average fares continue to rise and are considerably higher than ours. We are the only really low fares carrier in Europe.

Our board continues to focus on safety as our highest priority and we have extended our 18-year safety record, which we intend to maintain and where possible improve. We have also continued to focus on customer service by improving punctuality, reducing lost baggage and customer complaints. During the year we launched further customer service initiatives by introducing one-way fares, thereby eliminating minimum stay restrictions, and this has in turn led to even lower fares. We have also improved the flexibility of our tickets, which are now changeable in all cases.

Since Ryanair floated in 1997 the group's market capitalisation has increased from €392m to €4.75bn as of August 16th 2002. The tragic events of September 11th has resulted in many major carriers reducing flights and further increasing air fares and has meant that there are now even more opportunities for the development of the low fares market in Europe. Ryanair is strongly positioned to take advantage of these opportunities and to deliver the lowest fares and to make affordable travel available to many more Europeans.

David Bonderman
Chairman

Chief Executive's Report

What an awful year 2001 was for the airline business!! In Europe, both Sabena and Swissair went bust, and more recently a number of US airlines have or are considering Chapter 11. It's difficult enough for an airline to make a profit (even in a good year!), and it isn't easy trying to grow by 25% every year, but to achieve both as Ryanair has, during a year when we suffered the double whammy of foot and mouth disease in the UK and the 9/11 atrocities in the US, was a truly remarkable performance. Our 12th consecutive year of growth and increased profitability is a tribute to the guts, commitment and talent of our 1,500 outstanding people.

David, in his Chairman's statement has already referred to many of last years' milestones. However, I am more proud of the fact that we again reduced our average fares which were 8% lower than the previous year. This meant that the 11 million Ryanair passengers, saved more than €1.5 billion in just one year over the average fares charged by our high fare competitors. The gap between Ryanair's low fares and the competition continues to get bigger. In their most recent quarter's results British Airways announced that passenger volumes fell by 14% but they had increased average fares by 6%. During the same quarter Ryanair passenger volumes increased by

38% but average fares were 8% lower than the previous year. With Ryanair, more and more people are saving more and more money. Not only did we save our customers a fortune, but we continued to deliver an outstanding service last year. Ryanair was again the number one on-time airline on many of our routes including Europe's busiest (the Dublin-London route) where we are more punctual than many so called full service airlines like Aer Lingus and British Midland. Regrettably flight delays continue to affect one in every five Ryanair flights, a figure that remains far too high, but the majority of these delays are outside of our direct control and are mainly due to air traffic control delays (particularly over the London area) which continue to bedevil European airlines.

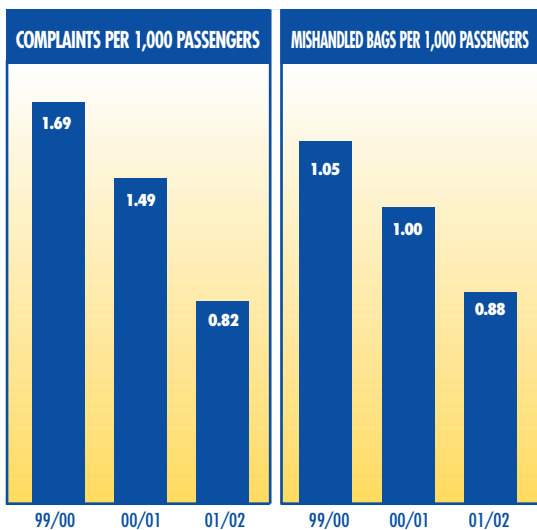
COMPETITORS AVERAGE FARES 2001/02		
	Average fare	More expensive than Ryanair
RYANAIR (Q1)	€49	—
EASYJET	€76	+55%
GO	€90	+84%
LUFTHANSA	€268	+447%
BRITISH AIRWAYS	€321	+555%

CAA PUNCTUALITY STATISTICS DUBLIN-LONDON ROUTE JAN-MAY 2002		
NO.1	RYANAIR	78% ON TIME
NO.2	BRITISH MIDLAND	75% on time
NO.3	AER LINGUS	74% on time
NO.4	BRITISH AIRWAYS	71% on time

Chief Executive's Report

(Continued)

Last year also saw Ryanair again improve our other customer service measures. The number of passenger complaints almost halved from 1.49 to 0.82 per 1,000 passengers. Our rate of mishandled baggage continued to decline from 1.00 to 0.88 per 1,000 passengers. If we were to compare ourselves with the very best of the U.S. airlines in this regard Ryanair would have once again, been the No.1 on-time airline, the No.1 for fewest passenger complaints and the No.1 for least mishandled bags, as well. Another customer service "triple crown" for Europe's largest low fares airline!!



Our new order for up to 150 new next generation Boeing 737-800 series aircraft guarantees us a secure delivery stream of phased capacity growth, at excellent prices, over the next eight years. This means more bases, more new routes, more frequencies, reduced costs and above all, even more lower fares. The exceptional reliability of this outstanding Boeing aircraft will allow us to further improve Ryanair's already industry high on-time performance record.

Some of our competitor airlines like to criticise Ryanair's service. They do this mainly because they can't compete with our prices and they can't match our growth. Many of these airlines are stuck in the last century when air travel was the exclusive preserve of the very rich and air fares were way beyond the pocket of ordinary people. Some of these snob airlines would have you believe that air travel is about rich people hobnobbing in private lounges, getting fast-tracked through security, guzzling champagne and eating (so called) "free" food off china plates. Rubbish! Efficient reasonably priced air travel should be affordable to everyone and not just the rich few.

Customer service in the airline business today is comprised of, a combination of:

1. Safety
2. Very low prices
3. No.1 punctuality
4. New modern aircraft
5. Efficient, uncrowded airports
6. Friendly, hospitable on-board service

Nobody but nobody beats Ryanair in the overall delivery of this customer service package, and that's why we remain Europe's fastest growing airline, because only Ryanair delivers what consumers really want. There will always be knockers and begrudgers, but as long as we continue to enjoy the support of our customers then this airline will continue to grow and prosper - and to hell with the begrudgers!

Chief Executive's Report

(Continued)

Current Trading

As our recent Q1 results confirmed current trading continues to be characterised by very strong traffic growth thanks to lower and lower fares. As our new larger aircraft and expanded route network delivers lower costs, we in turn keep passing these savings on in the form of lower fares. Our growth is not confined to one country or market segment. New markets in Germany and the UK are well ahead of schedule, but existing routes to/from Ireland, the UK and Europe are also enjoying strong growth too.

The new Irish Minister for Transport, Mr Seamus Brennan has been a breath of fresh air. After five years of muddle and fudge under the previous incumbent, the new Minister seems committed to change, and making decisions on behalf of consumers. The Irish Government are now calling for proposals for competing terminals at Dublin Airport. This initiative is to be warmly welcomed and applauded, because it is long overdue. Ryanair will strongly support Minister Brennan's pro-competition policy, and if he proceeds with these plans we will respond with more new routes, which will lead to substantial traffic and tourism growth in Ireland. Irish tourism has been hindered for five years by a high cost, inefficient airport monopoly which has wasted millions of pounds of state funds to deliver third rate, third world airport facilities which are a national disgrace for Irish people travelling abroad and an international embarrassment to arriving visitors. The sooner this inefficient, outdated monopoly is broken up the better.

The future

We remain guardedly optimistic for the future growth of Ryanair. Demand for competition, choice and low fare air travel across Europe remains phenomenal. Flag carrier airlines continue to cut back services and increase prices. Ryanair's new aircraft order should enable us to carry over 40 million passengers per annum within 7 or 8 years, making us Europe's largest carrier.

Maintaining this rate of growth won't be easy. We must continue to work hard. We will make mistakes from time to time, but I hope we will continue to have the honesty to own up to them and then correct them quickly. As long as we maintain our unbroken 18 year safety record, and avoid complacency and ill discipline, then Ryanair can become Europe's largest carrier.

Herb Kelleher and the people of Southwest have proven that it can be done in the US, so I see no reason why Ryanair can't repeat this success here in Europe. There are millions of consumers across the continent already supporting us, and many further millions who hope we will soon start services to their local airport. Don't worry - we'll get there! More importantly there are 1,500 outstanding people here determined and willing to deliver high quality low fare air services for our customers. This is a revolution that's really worth fighting for!

Hope to see you onboard soon.

Michael O'Leary
Chief Executive

Operating & Financial Review

for the year ended March 31, 2002

Consolidated profit and loss account in accordance with UK and Irish GAAP	2002 €000	2001 €000
Operating revenues		
Scheduled revenues	550,991	432,940
Ancillary revenues	73,059	54,465
Total operating revenues - continuing operations	624,050	487,405
Operating expenses		
Staff costs	(78,240)	(61,222)
Depreciation & amortisation	(59,010)	(59,175)
Fuel and oil	(103,918)	(63,468)
Maintenance, materials & repairs	(26,373)	(20,142)
Marketing & distribution costs	(12,356)	(21,526)
Aircraft rentals	(4,021)	(7,286)
Route charges	(46,701)	(35,701)
Airport & handling charges	(84,897)	(66,269)
Other costs	(45,601)	(38,605)
Total operating expenses	(461,117)	(373,394)
Operating profit - continuing operations	162,933	114,011
Operating income/(expenses)		
Foreign exchange gains	975	1,621
Gain on disposal of fixed and financial assets	527	52
Interest receivable and similar income	27,548	19,666
Interest payable and similar charges	(19,609)	(11,962)
Total other income/(expenses)	9,441	9,377
Profit on ordinary activities before tax	172,374	123,388
Tax on profit on ordinary activities	(21,999)	(18,905)
Profit for the financial year	150,375	104,483
Earnings per ordinary share(in € cent)*		
- Basic	20.64	14.81
- Diluted	20.32	14.63
Number of ordinary shares(in 000's)*		
- Basic	728,726	705,623
- Diluted	739,961	714,196

* The company implemented a 2:1 stock split on December 7, 2001. The number of ordinary shares and earnings per share figures have been restated to give effect to this stock split.

Operating & Financial Review

(Continued)

Profit for the Year

Profit after tax for the year ended March 31, 2002 increased by 44% to €150.4m, compared to €104.5m in the financial year ended March 31, 2001. Operating profits have increased by 43% to €162.9m. The increase in profitability reflects the positive impact of the growth in passenger volumes due to the increase in seat capacity on existing routes and the launch of a further 22 new routes and two European bases during the year.

Operating Revenues

Total operating revenues grew by 28% to €624.1m, whilst total passenger numbers increased by 38% to 11.1m. As anticipated, average fares per passenger during the year declined by 8%. Ancillary revenues, comprised primarily of charter sales, car hire, on-board sales, and non-flight scheduled services, increased by 34% to €73.1m reflecting strong growth in internet related income, car rentals and other ancillary products. Charter income remained static due to an increased focus on the scheduled programme which in turn led to a reduction in seat capacity available for charters.

Operating Expenses

Total operating expenses rose by 23% to €461.1m due to the increase in the level of activity associated with the growth of the airline.

Staff costs have increased by 28% to €78.2m. This increase reflects a 6% increase in average employee numbers to 1,547. Pilots, who earn higher than the average salary, accounted for 65% of the increase in employment. The increase in the level of activity has also resulted in an increase in the level of productivity based pay for both pilots and inflight crew. Staff costs also rose due to the impact of pay increases, which were between 3% and 7.5%.

Depreciation & amortisation declined by €0.2m to €59.0m due to an increase in the number of aircraft owned from 36 to 41, and the amortisation of capitalised maintenance costs, largely offset by savings due to the increased number of fully depreciated aircraft.

Fuel and oil costs rose by 64% to €103.9m 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 against the euro.

Maintenance costs increased by 31% to €26.4m reflecting an increase in the size of the fleet operated, an increase in the number of hours flown, and increased line maintenance costs due to the continued expansion of our Stansted base.

Marketing and distribution costs decreased by 43% to €12.4m due to a combination of an increase in the level of direct bookings via the internet and savings in commissions due to the cessation of travel agent bookings. This was partly offset by a higher spend on advertising new routes and on the two new bases at Brussels-Charleroi and Frankfurt-Hahn.

Aircraft rental costs declined by €3.3m to €4.0m reflecting the decline in the need to rent additional seat capacity due to the delivery of new aircraft.

Route charges increased by 31% to €46.7m due to an increase in the number of sectors flown, an increase in the average sector length and an increase in the basic unit cost in some countries, primarily the UK.

Airport and handling charges increased by 28% to €84.9m due to an increase in the number of passengers flown and the impact of increased airport and handling charges on some existing routes, offset by lower charges on our new European routes and at our new bases.

Other expenses increased by 18% to €45.6m, which is less than the growth in ancillary revenues, reflecting improved margins on some new and existing products and cost reductions achieved on other indirect costs.

Other Income/(Expenses)

Interest receivable rose by €7.9m to €27.5m due to the strong growth in cash resources arising from the profitable trading performance during the year and the receipts of €187.5m from a secondary offering in February 2002. Interest payable increased by €7.6m due to the higher level of debt arising from the acquisition of five new aircraft.

Taxation

The effective tax rate for the year was 13% compared to 15% for the previous year. The decline in the effective tax rate reflects the impact of the continuing decline in the headline rate of corporation tax in Ireland.

Operating & Financial Review

(Continued)

Earning per Share (EPS)

EPS increased by 39% to 20.64 euro cents and is based on 728,726,484 shares which represents the weighted average number of ordinary shares outstanding during the year. In February 2002 the company completed a further secondary offering of 30,000,000 shares. Earnings per share calculations have been restated to give effect to the increased number of shares issued.

Balance Sheet

The group's balance sheet continues to strengthen due to the combined benefit of strong growth in profits and receipt of the net proceeds of the additional offering amounting to €181.2m in February 2002. The group generated cash from operating activities of €333.7m which partly funded the acquisition of five Boeing 737 - 800 next generation aircraft and additional aircraft deposits. Capital expenditure amounted to €397.2m, primarily consisting of new aircraft additions whilst debt funding increased to €550.5m during the same period.

Review of Cash Flow

Cash generated from operating activities grew by €103.9m to €333.7m, due to the increased profitability of the group. Continued strong cash flows generated from trading operations combined with the proceeds of the February 2002 offering, and the receipt of debt financing for the five Boeing 737-800 next generation aircraft delivered, has enabled the group to increase its cash & liquid resources by €272.1m to €893.7m.

Capital Expenditure

During the year the group's aircraft related capital expenditure amounted to €397.2m. Most of this related to the purchase of five Boeing 737-800 aircraft and deposits relating to the future acquisition of further new Boeing 737-800's. The group has also entered into a new purchase agreement with Boeing to acquire up to a further 150 737-800 next generation aircraft between 2002 and 2009. Further details are given in note 27.

Capital Structure

The capital structure of the company changed during the year as in February 2002 the company completed a secondary offering of 30,000,000 ordinary shares bringing the total issued ordinary shares to 755,030,716. From this the company received €181.2m in proceeds net of expenses. These proceeds will be used to part fund the acquisition of up to a further 150 737-800's in accordance with the new Boeing agreement.

Recruitment and Promotion

During the year extra people were recruited, primarily in the flight and cabin crew department and 192 of our people were promoted internally within the group.

In 1998 the group launched its employee share option scheme. The scheme enables all employees to share in and benefit from the continuing success of the group.

Safety

Safety in the airline remains an absolute priority. This is Ryanair's 18th year of safe operations. Ryanair has extensive safety training programmes to ensure the recruitment of suitably qualified pilots and maintenance personnel. In addition, the group operates and maintains all of its aircraft in accordance with the highest European Aviation Industry Standards which are regulated by the Irish Aviation Authority.

At each Board Meeting a report prepared by the Air Safety Committee is circulated in advance and is reviewed by the Board. The Safety Committee, which comprises Michael Horgan (chairperson) a director, the Head of Flight Operations, the Chief Pilot, the Flight Safety Officer and the Head of Engineering, meets on a quarterly basis and reports directly to the Board of Directors. The Flight Safety Officer is responsible for monitoring and controlling all aircraft related safety issues. The group also has a Health and Safety Officer who is responsible for overseeing safety in all other areas. The group continues to operate extensive training and safety programmes to ensure the health and safety of all its passengers and employees.

Operating & Financial Review

(Continued)

Fuel, Currency and Interest Risk Management

The main risks arising from the group's financial operations are; commodity price, foreign exchange and interest rate risks. It is group policy that no speculative trading in financial instruments shall take place. The steps taken by the group to manage these risks are set out below.

The group's fuel risk management policy is to hedge between 70% to 90% of the forecasted rolling annual gallons required to ensure that the future cost per gallon of fuel is locked in. This policy has been adopted to prevent the group being exposed in the short term to adverse movements in world jet fuel prices. This is achieved by the use of fuel derivatives whereby any difference between the fixed price and the market price for an agreed amount of gallons of fuel is settled between the counterparty and Ryanair when the contract matures. At March 31, 2002 the company had in place fuel derivatives covering approximately 86% of its estimated fuel requirement for the period to March 31, 2003. Numerical details covering year end fuel derivatives are set out in notes 15 and 17.

Foreign currency risk in relation to the group's trading operations largely arises in relation to non-euro currencies, primarily sterling and the dollar. The exposure is managed

by the group by matching the group's sterling revenues against sterling costs. Any unmatched sterling revenues are primarily used to fund forward exchange contracts to hedge US\$ currency exposures which arise in relation to fuel, maintenance, aviation insurance, and capital expenditure costs, including advance aircraft deposit payments to Boeing.

Furthermore, in accordance with the group's risk management strategy, the group has entered into a series of sterling/euro forward exchange contracts to hedge any remaining unmatched sterling revenues.

In order to manage interest rate risk in relation to the financing of new Boeing 737-800 next generation aircraft, the group has entered into a series of forward starting interest rate swap agreements. The objective of these swap agreements is to hedge the group's exposure to movements in fixed interest rates in relation to forecasted draw-downs of debt. Numerical information on these swaps is set out in notes 13 to 17 of the financial statements. The impact of the swaps entered into by Ryanair is to cap interest rates for the full term of the forecasted borrowing.

Directors' Report

for the year ended March 31, 2002

The directors present their annual report together with the audited consolidated financial statements of the group for the year ended March 31, 2002.

Review of Business Activities and Future Developments in the Business

The group 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. A review of the group's operations for the year is set out on pages 8 to 11.

Results for the Year

Profit for the financial year amounted to €150.4m. Details of the results are set out in the consolidated profit and loss account on page 25 and in the related notes.

Share Capital

The number of shares in issue at March 31, 2002 was 755,030,716. In February 2002 the company issued 30,000,000 shares and received €181.2m in proceeds net of expenses principally to fund future aircraft acquisitions.

Accounting Policies

The accounting policies followed in the preparation of these consolidated financial statements for the year ended March 31, 2002 are consistent with those followed in the previous annual report.

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.

Substantial Interests in the Share Capital

On June 7, 2002 the directors are aware of the following substantial interests in the share capital of the company (excluding directors)* which represent more than 3% of the issued share capital. At March 31, 2002 the free float in shares was 93%.

NAME	SHARES HELD	% OF ISSUED SHARED CAPITAL
Fidelity Investments	104,408,500	13.8%
Putnam Investments	70,570,400	9.3%
Janus	70,548,175	9.3%
Capital Group Companies Inc.	37,797,275	5.01%
Wellington Management Co.	32,954,976	4.4%

* See note 22 (d) to the financial statements

Staff

At March 31, 2002, the group employed 1,531 people. This compares to 1,476 staff at March 31, 2001. The increase in staff levels arose due to the continued growth of the group, particularly pilots and cabin crew.

Air Safety

Commitment to air safety is a priority of the group. The group has designed and implemented a safety policy which operated throughout the year. The group operates continuous staff training programmes, has designated a senior pilot as full time Flight Safety Officer and has an Air Safety Committee comprising of a director of the Board, senior management and the Flight Safety Officer.

Health and Safety

The well being of the group's employees is safeguarded through the strict adherence to health and safety standards. The Safety, Health and Welfare at Work Act 1989 imposes certain requirements on employers and the group has taken the necessary action to ensure compliance with the Act. Ryanair has implemented safety statements and has a designated Health and Safety Officer.

Directors' Report

(Continued)

Corporate Governance

Corporate Governance is concerned with how companies are directed and controlled and in particular, with the role of the Board of Directors and the need to ensure a framework of effective accountability.

Combined Code

In November 1998, the Irish Stock Exchange published the Principles of Good Governance and Code of Best Practice ("the Combined Code") which embraces the work of the Cadbury, Greenbury and Hampel Committees and which became effective in respect of accounting periods ending on or after December 31 1998. This statement, together with the report of the Remuneration and Compensation Committee, set out on page 18 and in note 22 to the financial statements explains how Ryanair has applied the principles set out in Section 1 of the Combined Code.

Code Principles

Ryanair's Board are committed to governing the group in accordance with best practice, and support the principles of good governance contained in the Combined Code in relation to:

- Directors and the Board,
- Directors' remuneration,
- Relations with shareholders, and
- Accountability and audit.

Directors and the Board

The Board of Ryanair comprises 11 non-executive directors and 1 executive director. Each director has extensive business experience, which they bring to bear in governing the group. The group has a chairman with an extensive background in this industry, and significant public company experience. Historically, the group has always separated the roles of chairman and chief executive. The Chairman is primarily responsible for the working of the Board, and the Chief Executive for the running of the business and implementation of the Board's strategy and policy.

The Board meets at least on a quarterly basis and full attendance is usual. In the year to March 31, 2002 the Board met on 5 occasions. Detailed Board papers are circulated in advance so that Board members have adequate time and

adequate information to be able to participate fully at the meeting. The Board's focus is on strategy formulation, policy and control. The Board also has a schedule of matters reserved for its attention, including matters such as appointment of senior management, approval of the annual budget, capital expenditure in excess of €635,000, and key strategic decisions. The holding of detailed regular Board meetings and the fact that many matters require Board approval, indicate that the running of the group is firmly in the hands of the Board.

The Board regards the majority of directors as independent and that no one individual or one grouping exerts an undue influence on others. 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 group's expense.

New non-executive directors are encouraged to meet the executive director and senior management for briefing on the group's developments and plans. No non-executive directors were appointed in the current year. Directors can only be appointed following selection by the Nomination Committee.

Ryanair's Articles of Association have been amended to ensure that all of the directors retire and offer themselves for re-election within a three-year period. Accordingly J R Osborne, J A Shaw, D Bonderman and C M Ryan will be retiring, and being eligible, J R Osborne and D Bonderman will offer themselves for re-election at the AGM on September 25th, 2002. C M Ryan and J A Shaw although eligible, will not be seeking re-election at the forthcoming Annual General Meeting.

In accordance with the recommendations of the Combined Code, a senior independent non executive director, James Osborne has been appointed as Chairman of both the Audit Committee and the Remuneration Committee.

Board Committees

The following committees have been established as sub-committees of the Board;

The Audit Committee

The Audit Committee meets regularly and has clear terms of reference in relation to its authority and duties. Further information is detailed below under "Accountability and Audit." Its members are Mr. James Osborne, Mr. Ray MacSharry and Mr. Jeff Shaw.

Directors' Report

(Continued)

The Executive Committee

The Executive Committee can exercise the powers exercisable by the full Board of Directors in specific circumstances delegated by the Board when action by the Board of Directors is required and it is impracticable to convene a meeting of the full Board of Directors. Its members are Mr David Bonderman, Mr Michael O'Leary and Mr Declan Ryan.

The Remuneration Committee

The members of the Remuneration Committee are Mr Ray MacSharry, Mr James Osborne and Mr Jeff Shaw. The Remuneration Committee determines the remuneration of senior executives and administers the group's share option plans. The Committee makes recommendations to the Board on the group's policy framework for executive director remuneration.

The Nomination Committee

The members of the Nomination Committee are Mr James Osborne, Mr Declan Ryan and Mr Jeff Shaw. The Committee carries out the process of selecting executive and non executive directors to the Board and makes proposals to the Board. However the appointment of directors is a matter for the Board as a whole.

The Air Safety Committee

The Air Safety Committee comprises of a director, Mr Michael Horgan and senior management, comprising of the Chief Pilot, the Head of Flight Operations, the Flight Safety Officer and the Head of Engineering. The Air Safety Committee meets regularly to discuss relevant issues and reports to the Board on a quarterly basis.

Directors' Remuneration

The Chief Executive of the group is the only executive director on the Board. In addition to his base salary he is eligible for annual bonuses as determined by the Board of Directors which may not in any event exceed 50% of his base salary. 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 at the highest levels.

The report of the Remuneration and Compensation committee is contained on page 18.

Relations with Shareholders

Ryanair communicates with institutional shareholders following the release of quarterly and annual results directly via roadshows and/or by conference calls. The Chief Executive, senior financial, operational, and commercial management participate in these events. During the year ended March 31, 2002 the group held discussions with a substantial number of institutional investors. All private shareholders are given adequate notice of the AGM at which the Chairman presents a review of the results and comments on current business activity. Financial, operational and other information on the group 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 Chairman of the Audit and Remuneration Committees are available to answer questions from all shareholders.

Accountability and Audit

The directors have set out their responsibility for the preparation of the financial statements on page 19. They also considered the going concern of the group and their conclusion is set out on page 15. 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 group, to consider internal control procedures and to liaise with internal and external auditors. In the year ended March 31, 2002 the Audit Committee met on 6 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 group. This report is used by the 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.

Directors' Report

(Continued)

Internal Control

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 mis-statement or loss.

The Combined Code introduced a new requirement for the directors to review the effectiveness of the group's system of internal control. This expands the previous requirement in respect of internal financial controls to cover all controls including:

- Financial
- Operational
- Compliance
- Risk
- Management

The Board is ultimately responsible for the group's system of internal controls and for monitoring its effectiveness. Formal guidance for directors on the implementation of the new requirements entitled "Internal Control: Guidance for Directors on the Combined Code", was published in September, 1999 ("the Turnbull guidance"). The Board established the procedures necessary to implement the Turnbull guidance during 1999.

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 group;
- a very 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 group;
- 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 group;

- detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;
- Board approved capital expenditure and 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 and considers significant control matters raised by management and the internal and external auditors;
- 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 group 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 group's system of internal control 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 group.

Going Concern

After making enquiries the directors consider that the group has adequate resources to continue operating for the foreseeable future. For this reason, the going concern basis has been adopted in preparing the financial statements.

Statement of Compliance

The directors have fully adopted the provisions of the Combined Code. The group has achieved full compliance with the Code.

Directors' Report

(Continued)

Subsidiary Companies

Details of the principal subsidiary undertakings are disclosed on page 51 of the financial statements.

Directors and their interests

A list of the directors who held office in the period is set out on page 64. One third (rounded up 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. The directors who held office at March 31, 2002 had no interests other than those outlined in note 22 in the shares of the company or group companies.

Dividend Policy

Due to the capital intensive nature of the business and the group's projected growth, the directors do not intend to recommend the payment of any dividend for the foreseeable future.

Political Contributions

During the financial year ended March 31, 2002 the group made no political contributions which require disclosure under the Electoral Act, 1997.

Post balance sheet events

Post balance sheet events have been set out in notes 27 and 29 to the financial statements.

Format of financial statements

The financial statements have been prepared in accordance with the reporting and presentation requirements of the Companies (Amendment) Act, 1986. The directors consider that the format adopted in these financial statements is the most suitable for the group's purposes.

Auditors

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

Annual General Meeting

The Annual General Meeting will be held on September 25th 2002 at 11am in the Holiday Inn Hotel, Dublin Airport, Co. Dublin.

On behalf of the Board

D. Bonderman
Chairman

M. O' Leary
Chief Executive

June 7, 2002

Directors

David Bonderman (Chairman)

A director of Ryanair Holdings since August 1996 and Chairman of the Board since December 1996. He also serves as a director of Continental Airlines, ProQuest Company, Ducati Motorcycles S.p.A., Oxford Health Plans and is a principal of Texas Pacific Group.

Michael O'Leary (Chief Executive)

A director of Ryanair Holdings since July 1996 and has been a director of Ryanair Ltd. since 1988. Mr. O'Leary was appointed Chief Executive of the group on January 1, 1994.

Michael Horgan (Director)

Joined the Board of Ryanair Holdings in January 2001. A former Chief Pilot of Aer Lingus, he is consultant to a number of international airlines, Civil Aviation Authorities and the European Commission. Mr Horgan chairs the Safety Sub-committee of the Board of Ryanair.

Raymond MacSharry (Director)

A director of Ryanair Holdings since August 1996, and has been a director of Ryanair Ltd. since February 1993. From 1993 to 1995 he served as Chairman of Ryanair Ltd. He also serves as a director of Jefferson Smurfit Group plc, Bank of Ireland plc, London City Airport Ltd. and Green Property plc. He previously served as the European Commissioner for Agriculture (1989-1993) and was the Minister for Finance of Ireland in 1982 and from 1987 to 1988.

Kyran McLaughlin (Director)

Joined the Board of Ryanair Holdings in January 2001. Mr McLaughlin is Head of Equities at Davy Stockbrokers. Mr McLaughlin also advised Ryanair during its initial flotation on the Dublin and NASDAQ stock markets in 1997. Mr McLaughlin is also a director of Elan Corporation plc and Riverdeep Group plc.

James R. Osborne (Director)

A director of Ryanair Holdings since August 1996, and has been a director of Ryanair Ltd. since April 1995. Mr. Osborne is a former managing partner of A & L Goodbody Solicitors. He also serves as a director of Golden Vale plc.

Paolo Pietrogrande (Director)

Joined the Board of Ryanair Holdings in January 2001 and is also a director of Ducati Motors plc. Mr Pietrogrande is currently CEO of ERGA S.p.A. an electric power generating company, Managing Director of CISE S.r.l. and a board member of Comphoebus S.p.A.

Cathal M. Ryan (Director)

A director of Ryanair Holdings since August 1996 and has been a director of Ryanair Ltd. since January 1985. He was also employed by Ryanair as a pilot between 1991 and 1998.

Dedan F. Ryan (Director)

A director of Ryanair Holdings since August 1996 and has been a director of Ryanair Ltd since January 1985. He currently runs a private investment company, Irelandia Investments Ltd.

T. Anthony Ryan (Director)

A director of Ryanair Holdings since July 1996 and has been a director of Ryanair Ltd. since April 1995. Dr. Ryan served as Chairman of the Board of Ryanair Ltd. during 1996 and Ryanair Holdings from August to December 1996. Dr. Ryan served as chairman of GPA Group plc from 1983 to 1996.

Richard P. Schifter (Director)

A director of Ryanair Holdings since August 1996 and is also a director of America West Holdings Corp. and a principal of Texas Pacific Group.

Jeffrey A. Shaw (Director)

A director of Ryanair Holdings since August 1996 and is also a director of Del Monte Foods and a principal of Texas Pacific Group.

Report of the Remuneration & Compensation Committee to the Board

In forming the group's remuneration policy, the Board has complied with the Combined Code.

The Remuneration and Compensation Committee

The Remuneration and Compensation Committee comprises Mr Ray MacSharry, Mr James Osborne and Mr Jeff Shaw, all of whom are non executive directors. The Committee determines the remuneration of senior executives of Ryanair and administers the group's stock option plan. The Board determines the remuneration and bonuses of the Chief Executive who is the only executive director.

Remuneration Policy

The group'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 interest of the shareholders.

Non-executive Directors

Non-executive directors are remunerated by way of directors' fees, full details of which are disclosed in note 22(b) on page 43 of the financial statements.

Executive Director Remuneration

The elements of the remuneration package for the executive director are basic salary, performance bonus and pension. Full details of the executive director's remuneration are set out in note 22(a) on page 43 of the financial statements.

Executive Director's Service Contract

Ryanair entered into a new employment agreement with the only executive director of the Board, Mr. Michael O'Leary on July 1, 2001, for a minimum of one year to June 30, 2002. Thereafter, the agreement will continue but may be terminated with twelve months notice by either party. Mr. O'Leary's employment agreement does not contain provisions providing for compensation on its termination.

Statement of Directors' Responsibilities

The directors are responsible for preparing financial statements for each financial year which, in accordance with applicable Irish law and accounting standards, give a true and fair view of the state of affairs of the company and the group and of the profit or loss of the group for that period.

IN PREPARING THOSE FINANCIAL STATEMENTS, THE DIRECTORS ARE REQUIRED TO:
<ul style="list-style-type: none"> • select suitable accounting policies and then apply them consistently
<ul style="list-style-type: none"> • make judgements and estimates that are reasonable and prudent
<ul style="list-style-type: none"> • prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and of the group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 2001 and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

On behalf of the Board

D. Bonderman
Chairman

M. O' Leary
Chief Executive

Independent Auditors' Report to the Members of Ryanair Holdings plc

We have audited the financial statements on pages 21 to 52

Respective responsibilities of directors and auditors.

The directors are responsible for preparing the annual report. As described above, this includes responsibility for preparing the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. As also required by the Acts, we state whether we have obtained all

the information and explanations we require for our audit, whether the company's balance sheet is in agreement with the books of account, and report to you our opinion as to whether:

- the company has kept proper books of account;
- the directors' report is consistent with the financial statements;
- at the balance sheet date a financial situation existed that may require the company to hold an extraordinary general meeting, on the grounds that the net assets of the company, as shown in the financial statements, are less than half of its share capital.

Independent Auditors' Report to the Members of Ryanair Holdings plc

(Continued)

We also report to you if, in our opinion, information specified by Law or the Listing Rules regarding directors' remuneration and transactions with the group is not disclosed.

We review whether the statement on pages 13 to 15 reflects the group's compliance with the seven provisions of the Combined Code specified for our review by 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 group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the annual report, including the corporate governance statement, and consider whether it is consistent with the audited financial statements. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements.

Basis of audit opinion

We conducted our audit in accordance with Auditing Standards 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 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 financial statements give a true and fair view of the state of affairs of the group and the company at March 31, 2002 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 2001 and all Regulations to be construed as one with those Acts.

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

In our opinion, the information given in the directors' report on pages 12 to 16 is consistent with the financial statements.

The net assets of the company as stated on the balance sheet on page 28 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, 2002 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 Auditors, Dublin, Ireland.

June 7, 2002

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the UK and Ireland, under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. Where possible, however, financial information has also been presented in accordance with the presentation and terminology of United States (US) GAAP except where such presentation is not consistent with UK and Irish GAAP. A summary of the significant differences between UK and Irish GAAP and US GAAP as applicable to the group is set out on pages 53 to 63.

Basis of preparation

The preparation of the financial statements in conformity with generally accepted accounting principles in the UK and Ireland requires the use of management estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses. Actual results could differ from these estimates.

The consolidated financial statements are prepared in Euro.

Basis of consolidation

The group's consolidated financial statements comprise the financial statements of Ryanair Holdings plc and its subsidiary undertakings for the years ended March 31, 2002.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Upon the acquisition of a business, fair values

are attributed to the separable net assets acquired. In the company's financial statements, investments in subsidiary undertakings are stated at cost less any amounts written off.

Goodwill arising on acquisitions prior to March 31, 1998 has been written off against the profit and loss account.

A separate profit and loss account for the company is not presented, as provided by Section 3(2) of the Companies (Amendment) Act 1986. The retained profit for the year attributable to the company was €Nil (2001: €Nil).

Operating revenues

Operating revenues comprise the invoiced value of airline and other services, net of passenger taxes. Revenue from the sale of flight seats is recognised in the period in which the service is provided. Unearned revenue represents flight seats sold but not yet flown and is included in accrued expenses and other liabilities. It is released to the profit & loss account as passengers fly. Unused tickets are recognised as revenue on a systematic basis.

Statement of Accounting Policies

(Continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation and provisions for impairments, if any. Depreciation is calculated to write off the cost, less estimated residual value of assets, on a straight line basis over their expected useful lives at the annual rates in the table opposite:

Aircraft are depreciated over their estimated useful lives to estimated residual values.

The current estimates of useful lives and residual values are:

Rates of depreciation	
Plant and equipment	20 - 33.3%
Fixtures and fittings	20%
Motor vehicles	33.3%
Land and buildings	5%

AIRCRAFT TYPE	*NO. OF AIRCRAFT	USEFUL LIFE	RESIDUAL VALUE
Boeing 737-200	21	20 years from date of manufacture	US\$1 million
Boeing 737-800	20	23 years from date of manufacture	15% of original cost

* At March 31, 2002

An element of the cost of an acquired aircraft is attributed on acquisition to its service potential reflecting the maintenance condition of its engines and airframe. This cost is amortised over the shorter of the period to the next check or the remaining life of the aircraft.

The costs of subsequent major airframe and engine maintenance checks are capitalised and amortised over the shorter of the period to the next check or the remaining life of the aircraft.

Advance payments and option payments made in respect of aircraft purchase commitments and options to acquire aircraft are recorded at cost and separately disclosed. On acquisition of the related aircraft these payments are included as part of the cost of aircraft and are depreciated from that date.

Financial fixed assets

Financial fixed assets are shown at cost less provisions for impairments if any.

Inventories

Inventories, principally representing rotatable aircraft spares, are stated at the lower of cost and net realisable value. Cost is based on invoiced price on an average basis for all stock categories. Net realisable value is calculated as estimated selling price net of estimated selling costs.

Foreign currency

Transactions arising in currencies other than the Euro are translated into Euro at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are generally stated at the rates of exchange prevailing at the year end and all exchange gains or losses are accounted for through the profit and loss account. Foreign currency assets or liabilities that are hedged using forward foreign exchange contracts are translated at the rate specified in the contract.

Statement of Accounting Policies

(Continued)

Derivative financial instruments

The group enters into transactions in the normal course of business using a variety of financial instruments in order to hedge against exposures to fluctuating aircraft fuel prices, foreign exchange and interest rates. Derivative financial instruments are utilised to cap aircraft fuel prices, foreign exchange and interest rate exposures. Gains and losses on derivative financial instruments are recognised in the profit and loss account when realised as an offset to the related income or expense, as the group does not enter into any such transactions for speculative purposes.

Taxation

The charge for taxation is based on the profit for the period. Deferred taxation is provided under the liability method on timing differences between tax and accounting treatments where such differences are expected to crystallise in the foreseeable future. Net deferred tax assets are not recognised except to the extent that they are expected to be recoverable without replacement by equivalent asset balances.

Leases

Assets held under finance leases are capitalised in the balance sheet and are depreciated over their estimated useful lives. The present values of the future lease payments are recorded as obligations under finance leases and the interest element of the lease obligation is charged to the profit and loss account over the period of the lease in proportion to the balances outstanding.

Expenditure arising under operating leases is charged to the profit and loss account as incurred.

Aircraft maintenance costs

The accounting for the cost of providing major airframe and certain engine maintenance checks is described in the accounting policy for tangible fixed assets and depreciation.

All other maintenance costs are expensed as incurred.

Pension costs

The group operates both defined benefit and contribution schemes. In relation to the defined benefit scheme the cost of providing pensions to employees is charged to the profit and loss account on a systematic basis over the service lives of those employees. Pension costs are determined by an actuary by reference to a funding plan and funding assumptions. The regular pension cost is expressed as a substantially level proportion of current and expected future pensionable payroll. Variations from regular cost are spread over the remaining service lives of the current employees.

To the extent that the pension cost is different from the cash contribution to the pension scheme, a provision or prepayment is recognised in the balance sheet.

The cost of providing the defined contribution benefit plan is expensed as incurred.

Statement of cash flows

Cash represents cash held at bank available on demand, offset by bank overdrafts.

Liquid resources comprise bank fixed deposits with maturities of greater than one day. These deposits are readily convertible into known amounts of cash.

Government grants

Capital government grants received are shown as deferred income and credited to the profit and loss account on a basis consistent with the depreciation policy of the relevant assets.

Revenue grants are credited to the profit and loss account when conditions for receipt are met and it is likely the grant will be received.

Consolidated Balance Sheet

at March 31, 2002

	Note	2002 €000	2001 €000
Fixed assets			
Tangible assets	1	951,806	613,591
Financial assets	2	-	36
Total fixed assets		951,806	613,627
Current assets			
Cash and liquid resources		899,275	626,720
Accounts receivable	3	10,331	8,695
Other assets	4	11,035	12,235
Inventories	5	17,125	15,975
Total current assets		937,766	663,625
Total assets		1,889,572	1,277,252
Current liabilities			
Accounts payable	6	46,779	29,998
Accrued expenses and other liabilities	7	217,108	139,406
Current maturities of long term debt	8	38,800	27,994
Short term borrowings	9	5,505	5,078
Total current liabilities		308,192	202,476
Other liabilities			
Provisions for liabilities and charges	11	49,317	30,122
Accounts payable due after one year	6	18,086	-
Long term debt	8	511,703	374,756
Total other liabilities		579,106	404,878
Shareholders' funds - equity			
Called-up share capital	12	9,587	9,194
Share premium account	12	553,457	371,849
Profit and loss account		439,230	288,855
Shareholders' funds - equity		1,002,274	669,898
Total liabilities and shareholders' funds		1,889,572	1,277,252

On behalf of the Board

M. O' Leary
Director

D. Bonderman
Director

June 7, 2002

Consolidated Profit & Loss Account

for the year ended March 31, 2002

	Note	2002 €000	2001 €000
Operating revenues			
Scheduled revenues		550,991	432,940
Ancillary revenues	19	73,059	54,465
Total operating revenues - continuing operations	19	624,050	487,405
Operating expenses			
Staff costs	20	(78,240)	(61,222)
Depreciation & amortisation	1	(59,010)	(59,175)
Other operating expenses	21	(323,867)	(252,997)
Total operating expenses		(461,117)	(373,394)
Operating profit - continuing operations		162,933	114,011
Other income/(expenses)			
Foreign exchange gains		975	1,621
Gains on disposal of fixed and financial assets	2	527	52
Interest receivable and similar income		27,548	19,666
Interest payable and similar charges	23	(19,609)	(11,962)
Total other income/(expenses)		9,441	9,377
Profit on ordinary activities before tax	22	172,374	123,388
Tax on profit on ordinary activities	24	(21,999)	(18,905)
Profit for the financial year		150,375	104,483
Profit and loss account at beginning of year		288,855	184,372
Profit and loss account at end of year		439,230	288,855
Earnings per ordinary share (€Cent)*			
- Basic	26	20.64	14.81
- Diluted	26	20.32	14.63
Number of ordinary shares (in 000's)*			
- Basic	26	728,726	705,623
- Diluted	26	739,961	714,196

* The company implemented a 2:1 stock split on December 7, 2001. The number of ordinary shares and earnings per share figures have been restated in previous years to give effect to the stock split.

The company had no recognised gains and losses in the financial year or preceding financial year other than those dealt within the profit and loss account and accordingly, no statement of total recognised gains and losses is presented.

On behalf of the Board

M. O' Leary
Director

D. Bonderman
Director

June 7, 2002

Consolidated Cash Flow Statement

for the year ended March 31, 2002

	Note	2002 €000	2001 €000
Net cash inflow from operating activities	28(a)	333,747	229,802
Returns on investments and servicing of finance			
Interest received		30,193	14,303
Interest paid		(19,830)	(8,667)
Interest paid on finance leases		(3)	(67)
Net cash inflow from returns on investments and servicing of finance		10,360	5,569
Taxation			
Corporation tax paid		(5,071)	(13,813)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		(397,225)	(356,669)
Sales of financial and tangible fixed assets		563	456
Net cash (outflow) from capital expenditure		(396,662)	(356,213)
Net cash (outflow) before financing and management of liquid resources		(57,626)	(134,655)
Financing and management of liquid resources			
Loans raised		175,746	292,882
Debt repaid		(27,886)	(11,825)
Issue of share capital		188,331	128,607
Share issue costs		(6,330)	(4,549)
Capital element of finance leases		(107)	(286)
Financing		329,754	404,829
(Increase) in liquid resources	28(c)	(251,241)	(230,633)
Net cash inflow from financing and management of liquid resources		78,513	174,196
Increase in cash	28(d)	20,887	39,541

Consolidated Statement of Changes in Shareholders' Funds-equity

for the year ended March 31, 2002

	Called-up share capital €000	Share premium account €000	Profit and loss account €000	Total €000
Balance at April 1, 2001	9,194	371,849	288,855	669,898
Issue of ordinary equity shares (net of issue costs) (note 12)	393	181,608	-	182,001
Profit for the financial year	-	-	150,375	150,375
Balance at March 31, 2002	9,587	553,457	439,230	1,002,274

The accumulated balance on the profit & loss account is stated after write off of goodwill on acquisition of €4.1 million which arose in the year ended March 31, 1997.

Company Balance Sheet

at March 31, 2002

	Note	2002 €000	2001 €000
Fixed assets			
Financial assets	2	71,994	71,994
Current assets			
Other assets	4	528,628	344,878
Total assets		600,622	416,872
Current liabilities			
Accrued expenses and other liabilities		1,774	25
Other liabilities			
Amounts due to group undertakings	10	35,172	35,172
Shareholders' funds - equity			
Called-up share capital	12	9,587	9,194
Share premium account	12	553,457	371,849
Profit and loss account		632	632
Shareholders' funds - equity		563,676	381,675
Total liabilities and shareholders' funds		600,622	416,872

On behalf of the Board

M. O' Leary
Director

D. Bonderman
Director

June 7, 2002

Notes

forming part of the consolidated financial statements

1 TANGIBLE FIXED ASSETS

GROUP	Aircraft €000	Land & Buildings €000	Plant & Equipment €000	Fixtures & Fittings €000	Motor Vehicles €000	Total €000
Cost						
At beginning of year	768,881	5,154	2,364	7,048	997	784,444
Additions in year	394,813	1,404	363	493	152	397,225
Disposals in year	-	-	-	-	(163)	(163)
At end of year	1,163,694	6,558	2,727	7,541	986	1,181,506
Depreciation						
At beginning of year	163,233	1,412	1,342	4,117	749	170,853
Charge for year	56,619	229	409	1,394	359	59,010
Eliminated on disposals	-	-	-	-	(163)	(163)
At end of year	219,852	1,641	1,751	5,511	945	229,700
Net book value						
At March 31, 2002	943,842	4,917	976	2,030	41	951,806
At March 31, 2001	605,648	3,742	1,022	2,931	248	613,591

At March 31, 2002, aircraft with a net book value of €631,833,409 (2001: €455,650,699) were mortgaged to lenders as security for loans. Under the security arrangements for the group's new 737-800 "next generation" aircraft, the group does not hold legal title to those aircraft while loan amounts remain outstanding.

At March 31, 2002, the net book value of fixed assets held under finance leases was €164,590 (2001: €363,313). Depreciation on these assets for the year ended March 31, 2002 amounted to €198,723 (2001: €222,435).

At March 31, 2002, the cost and net book value of aircraft includes €199,044,581 (2001: €51,488,310) in respect of advance payments on aircraft. This amount is not depreciated.

Notes

(Continued)

2 FINANCIAL FIXED ASSETS

	GROUP		COMPANY	
	2002 €000	2001 €000	2002 €000	2001 €000
Investment in subsidiary undertakings	-	-	71,994	71,994
Listed investments (all of which are listed on the New York Stock Exchange)	-	36	-	-

In the year ended March 31, 2002, the group disposed of equity shares with a book value of €36,000 (2001: €nil). The profit on this disposal of €519,000 is included in gains on disposal of fixed and financial assets in the profit and loss account. In the opinion of the directors the fair value of investments in subsidiary undertakings is at least equal to cost as stated above.

3 ACCOUNTS RECEIVABLE

GROUP	2002 €000	2001 €000
Trade receivables	10,690	9,097
Provision for doubtful debts	(359)	(402)
	10,331	8,695

All amounts fall due within one year.

4 OTHER ASSETS

	GROUP		COMPANY	
	2002 €000	2001 €000	2002 €000	2001 €000
Prepayments	3,456	2,466	-	-
Interest receivable	6,117	8,662	-	-
Value Added Tax recoverable	1,462	1,107	-	-
Due from Ryanair Limited	-	-	528,628	344,878
	11,035	12,235	528,628	344,878

Notes

(Continued)

5 INVENTORIES

GROUP	2002 €000	2001 €000
Aircraft spares	15,712	14,336
Duty free and other inventories	1,413	1,639
	17,125	15,975

There are no material differences between the replacement cost of inventories and the balance sheet amounts.

6 ACCOUNTS PAYABLE

Accounts payable: - represents trade creditors payable within one year.

Accounts payable falling due after one year: - consists entirely of the long term obligations arising from an engine maintenance contract.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

GROUP	2002 €000	2001 €000
Current		
Accruals	48,398	28,924
Taxation	53,341	31,717
Unearned revenue	115,369	78,765
	217,108	139,406
Taxation above comprises		
PAYE (payroll taxes)	3,114	2,766
Corporation tax	6,563	8,830
Other tax (including air passenger duty)	43,664	20,121
	53,341	31,717

Notes

(Continued)

8 MATURITY ANALYSIS OF LONG TERM DEBT

GROUP	2002 €000	2001 €000
Due within one year:		
Secured debt	38,799	27,887
Obligations under finance leases	1	107
	38,800	27,994
Due between one and two years:		
Secured debt	40,499	27,111
Obligations under finance leases	-	1
Due between two and five years:		
Secured debt	136,545	91,860
Due after five years:		
Secured debt	334,659	255,784
	511,703	374,756
Total	550,503	402,750

Notes on long term debt other than finance leases.

(i) June 1996 property facility.

At March 31, 2002, the group had borrowings of €nil (2001: €158,717) with Allied Irish Banks plc to finance the purchase of property. The term loan was secured with a first legal charge over the property at Conyngham Road, Dublin 8. The loan was originally drawn down in June 1996. The loan bore interest at 7.61% per annum and was repayable in quarterly installments over five years.

(ii) ABN Amro N.V. 2000 aircraft facility

At March 31, 2002, the group had borrowings equivalent to €540,510,604 (2001: €402,482,984) in respect of a partial draw-down of a loan facility provided by ABN Amro Bank N.V. on the basis of a guarantee provided by the Export-Import Bank of the United States to finance the acquisition of twenty five 737-800 "next generation" aircraft. The guarantee was secured with a first fixed mortgage on the delivered aircraft. At March 31, 2002, the group had taken delivery of twenty of these aircraft.

(iii) CAE Financing

At March 31, 2002, the group had other borrowings of €9,990,753 (2001: €nil). This loan has been provided by Export Development Canada, a Canadian government agency, used to finance the acquisition of an aircraft simulator. The loan was originally drawn down in February 2002. The guarantee of the financing was secured via a mortgage on the delivered aircraft simulator.

Notes

(Continued)

8 MATURITY ANALYSIS OF LONG TERM DEBT (CONTINUED)

(iv) *Maturity of long-term debt other than finance leases*

		2002 €000
Years ending March 31	2003	38,799
	2004	40,499
	2005	42,888
	2006	45,502
	2007-2014	382,814
		550,502

(v) *Analysis of changes in borrowings during the year*

	Bank Loans €000	Finance Leases €000	Total 2002 €000	Total 2001 €000
Opening balance at start of year	402,642	108	402,750	121,979
Loans raised to finance aircraft purchases/simulator	175,746	-	175,746	292,882
Repayments of amounts borrowed	(27,886)	(107)	(27,993)	(12,111)
Closing balance at end of year	550,502	1	550,503	402,750

9 SHORT TERM BORROWINGS

GROUP	2002 €000	2001 €000
Bank overdrafts (represented by unrepresented cheques)	5,505	5,078

10 AMOUNTS DUE TO GROUP COMPANIES

COMPANY	2002 €000	2001 €000
Due to Ryanair Limited	35,172	35,172

At March 31, 2002, Ryanair Holdings plc had borrowings of €35,171,745 (2001: €35,171,745) from Ryanair Limited. The loan is interest free and is repayable on demand.

Notes

(Continued)

11 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP	2002 €000	2001 €000
Deferred taxation: (see note 24)		
At beginning of year	30,122	15,279
Charge for year	19,195	14,843
At end of year	49,317	30,122

12 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

GROUP AND COMPANY	2002 €000	2001 €000
Authorised 840,000,000 ordinary equity shares of €1.27 cents each	10,668	10,668
Allotted, called up and fully paid 755,030,716 ordinary equity shares of €1.27 cents each at March 31, 2002 and 724,106,728 ordinary equity shares of €1.27 cents each at March 31, 2001	9,587 -	- 9,194

On December 7, 2001, the company implemented a sub-division of the company's ordinary shares of €2.54 cent into ordinary shares of €1.27 cent (the "stock split"). Both the share capital and earnings per share figures have been restated to give effect to the stock split. In February 2002 and 2001 the company raised €187,500,000 and €127,600,000, before deduction of issue costs, from the issue of 30,000,000 and 22,000,000 ordinary shares, respectively. The purpose of both the February 2002 and 2001 share issues was to raise finance for general corporate purposes including the group's aircraft fleet purchase programme. A further 923,988 ordinary equity shares were issued arising from the exercise of options.

SHARE PREMIUM ACCOUNT	2002 €000	2001 €000
At beginning of year	371,849	248,093
Share premium arising on issue of 30,000,000 ordinary shares of €1.27 cents each	187,119	-
Share premium arising on issue of 22,000,000 ordinary shares of €1.27 cents each	-	127,321
Share premium arising from the exercise of 923,988 options	819	-
Share premium arising from the exercise of 1,807,472 options	-	984
Cost of share issue	(6,330)	(4,549)
At end of year	553,457	371,849

Notes

(Continued)

12 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT (CONTINUED)

Share options and share purchase arrangements

On May 21, 1997 the company granted seven senior managers options over ordinary shares with an equivalent value of IR£200,000 (€253,948) each at the Initial Public Offering (the "IPO") strike price of IR£1.95 (€2.48) less a discount of 10% resulting in the issue of 717,948 options (equivalent to 2,871,792 after the stock splits in both December, 2001 and February, 2000). Since May 2000, equivalent to 2,651,460 of these options have been exercised. The remaining options must be exercised within seven years of the date of their grant.

In addition, the group adopted a stock option plan (the "stock option plan") following shareholders' approval in 1998. Under the stock option plan, current or future employees or executive directors of the company may be granted options to purchase an aggregate of up to approximately 5% (when aggregated with other ordinary shares over which options are granted which have not been exercised) of the outstanding ordinary shares of Ryanair at an exercise price equal to the market price of the ordinary shares at the time options are granted. The options can be granted each year between 1998 and 2002 if the company has achieved certain earnings performance criteria. The terms of the stock option plan, and the number of ordinary shares subject to options granted under the stock option plan, may be changed from time to time. At March 31, 2002, 20,936,631 options (after taking account of the stock split) had been issued under these plans. Options issued under the 1998 plan will become exercisable after June 2003. The options outstanding under the stock option plans have been set out below:

SHARE OPTIONS	2002		2001	
	SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE	SHARE OPTIONS	WEIGHTED AVERAGE EXERCISE PRICE
Outstanding at start of year	21,855,302	2.92	12,954,490	1.27
Exercised	(923,988)	0.56	(1,807,472)	0.56
Granted	1,018,259	5.88	10,708,284	4.52
Expired	(1,012,942)	4.55	-	-
Outstanding at end of year	20,936,631	3.09	21,855,302	2.92

The mid market price of Ryanair Holdings plc ordinary shares on the Irish Stock Exchange at March 31, 2002 was €6.68. The highest and lowest prices at which the group's shares traded on the Irish Stock Exchange in the year ended March 31, 2002 were €7.20 and €3.75 respectively (as adjusted for the stock split).

13 FINANCIAL INSTRUMENTS

Ryanair utilises financial instruments to reduce exposure to market risks resulting from fluctuations in foreign exchange rates, interest rates and aircraft fuel prices. The group does not enter into these instruments for speculative purposes.

Derivative financial instruments are contractual agreements whose value reflects price movements in an underlying asset. Ryanair uses derivative financial instruments, where appropriate, to generate the desired effective profile of currency, interest and aircraft fuel price risk.

The main risks arising from the use of financial instruments are market risk and liquidity risk. Market risk is defined as the exposure of the group's financial condition to adverse movement in currency, interest and aircraft fuel price risks. Ryanair only enters into contracts with parties that have at least an A+ or equivalent rating. The counterparties to these contracts are major financial institutions.

Notes 14 to 17, below, give details as to the group's financial instruments held, in accordance with the requirements of Financial Reporting Standard No. 13 "Derivatives and Other Financial Instruments: Disclosures" (the "Standard"). As permitted by this Standard, short term debtors and creditors have been excluded from all numerical disclosures shown in Notes 14 to 17.

For a further understanding of the impact of financial instruments on the group's financial position please refer to page 11 which should be read in conjunction with notes 14 to 17.

Notes

(Continued)

14 INTEREST RATE RISK

Financial liabilities

The interest rate risk profile of Ryanair's financial liabilities at March 31, 2002 and March 31, 2001 was as follows:

PRINCIPAL CURRENCY - EURO	2002			2001		
	Fixed €000	Floating €000	Total €000	Fixed €000	Floating €000	Total €000
Short-term borrowings	-	5,505	5,505	-	5,078	5,078
Current maturities of long term debt	38,799	-	38,799	27,887	-	27,887
Non-current maturities of long term debt	511,703	-	511,703	374,755	-	374,755
Finance leases	1	-	1	108	-	108
	550,503	5,505	556,008	402,750	5,078	407,828

Average interest rates applicable to fixed rate financial liabilities shown above are as follows:

	Weighted average years remaining for which rate is fixed	Weighted average interest rate	2002 Total €000	Weighted average years remaining for which rate is fixed	Weighted average interest rate	2001 Total €000
Fixed Euro denominated long term debt	10.7	5.06%	540,511	10.5	5.06%	402,483
Other debt	10.0	5.61%	9,991	<1 yr	7.61%	159
Finance leases	<1 yr	4.50%	1	<1 yr	6.10%	108
			550,503			402,750

All long term debt shown above matures between 2011 and 2014 (2001: 2011 and 2013) and attracts a range of fixed interest rates of between 4.87% and 5.16% (2001: 4.87% and 5.54%).

Variable interest rates on financial liabilities are generally based on the appropriate Euribor or Euribor-based bank offered rates.

Financial assets

The interest rate risk profile of Ryanair's financial assets at March 31, 2002 and March 31, 2001 was as follows:

	2002			2001		
	Fixed €000	Floating €000	Total €000	Fixed €000	Floating €000	Total €000
Cash and liquid resources	816,023	83,252	899,275	564,782	61,938	626,720

Notes

(Continued)

14 INTEREST RATE RISK (CONTINUED)

Financial assets (continued)

Average interest rates applicable to fixed rate financial assets shown above are as follows:

	Weighted average years remaining for which rate is fixed	Weighted average interest rate	2002 Total €000	Weighted average years remaining for which rate is fixed	Weighted average interest rate	2001 Total €000
Cash and liquid resources	<1 yr	3.50%	816,023	<1 yr	5.22%	564,782

All fixed rate financial assets shown above mature between April, 2002 and March, 2003 and attract a range of fixed interest rates of between 3.20% and 5.45% on Euro deposits, between 3.84% and 3.97% on sterling deposits and between 1.75% and 1.91% on US dollar deposits. Variable interest rates on financial assets are generally based on the appropriate Euribor or Euribor-based bank offered rates.

Other financial instruments

Ryanair has entered into a series of 12 year forward starting interest rate swaps in order to cap interest rate risk which arises in respect of its forecasted draw-downs of long-term debt. Details of these are as follows:

	National amount €000	Loan commencement dates	Loan termination dates	Rate payable
2002 - Forward starting interest rate swaps	1,242,573	2002-2005	2014-2017	5.03-5.68%
2001 - Forward starting interest rate swaps	251,820	2002-2003	2014-2015	4.83-5.03%

15 CURRENCY RATE RISK AND AIRCRAFT FUEL PRICE RISK

Currency rate risk

Ryanair has exposure to various reporting currencies (principally sterling and US dollars) due to the international nature of its operations. The following table shows the net amount of monetary assets of Ryanair that are not denominated in Euro at March 31, 2002 and March 31, 2001:

MONETARY ASSETS	2002			2001		
	GBP £000	US\$ \$000	Euro Equiv €000	GBP £000	US\$ \$000	Euro Equiv €000
GBP cash and liquid resources	24,840	-	40,648	17,920	-	28,972
USD cash and liquid resources	-	11,697	13,286	-	8,611	9,762

Notes

(Continued)

15 CURRENCY RATE RISK AND AIRCRAFT FUEL PRICE RISK (CONTINUED)

Currency rate risk (continued)

Ryanair also enters into US dollar and sterling currency forward contracts in order to manage functional currency risk which arises on its forecasted aircraft deposit payments, fuel, maintenance and aviation insurance costs, which are primarily denominated in US dollars and certain of its revenue income streams, which arise in sterling. The following table gives details of Ryanair's currency forward contracts as at March 31, 2002 and at March 31, 2001:

CURRENCY FORWARD CONTRACTS	2002			2001		
	GBP £000	US\$ \$000	Euro Equiv €000	GBP £000	US\$ \$000	Euro Equiv €000
US dollar currency forward contracts for aircraft deposits	-	47,498	54,195	-	65,878	69,055
US dollar currency forward contracts for fuel and other purchases	-	78,032	89,058	-	61,000	65,455
Sterling currency forward contracts for sterling revenues	46,500	-	74,772	61,000	-	103,567

Aircraft fuel price risk

Ryanair enters into derivative contracts to fix the price of its forecasted aircraft fuel purchases. At March 31, 2002 and 2001, the following fuel price contracts were outstanding:

METRIC TONNES	2002 000s	2001 000s
Aircraft fuel fixed price contracts	381	223

Notes

(Continued)

16 LIQUIDITY RISK

The maturity profile of Ryanair's long term debt has been presented in detail in note 8 to the consolidated financial statements. Short term borrowings all fall due on demand.

Long term debt includes the group's loan facility of US\$708 million (2001:US\$708 million) with ABN Amro bank, supported by a loan guarantee from the Export Import Bank of America, and also includes a loan facility of €10 million from Export Development Canada.

There are no undrawn committed borrowing facilities under the Export Development Canada loan agreement. The group's undrawn borrowing facilities under the ABN Amro agreement are denominated in US dollars until they are drawn-down, when they are converted to Euro at the relevant exchange rate at that point. Accordingly, the total undrawn committed facility amounted to US\$205.8 million at March 31, 2002 (2001: US\$322.5 million). It is expected that the balance of this facility will be drawn-down by March 31, 2003 as Ryanair takes delivery of the remaining aircraft under the 1998 Boeing contract and that the resulting loan balances will be repaid over 12 years from the date of loan draw-down. The undrawn loan commitment expires if the aircraft are not delivered in accordance with the 1998 Boeing contract (described in greater detail in note 27).

17 FAIR VALUES

Fair value is the amount at which a financial instrument could be exchanged in an arm's length transaction between informed and willing parties, other than as part of a forced liquidation or sale. The following methods and assumptions were used to estimate the fair value of each material class of Ryanair's financial instruments:

- **Cash and liquid resources, current portions of bank loans and overdrafts:** carrying amount approximates to fair value due to the short term nature of these instruments.
- **Bank loans and finance leases carrying fixed rates of interest:** the repayments which Ryanair is committed to make have been discounted at the relevant rates of interest applicable at March 31, 2002 and March 31, 2001.
- **Off balance sheet interest rate contracts:** discounted cash flow analyses have been used to determine the estimated amount Ryanair would receive or pay to terminate the contracts. Discounted cash flow analyses are based on estimated future interest rates.
- **Off balance sheet currency forward and aircraft fuel contracts:** a comparison of the contracted rate to the market rate for contracts providing a similar risk management profile at March 31, 2002 and at March 31, 2001 has been made.

Notes

(Continued)

17 FAIR VALUES (CONTINUED)

The fair value of Ryanair's financial instruments at March 31, 2002 and at March 31, 2001 was as follows:

	2002 Carrying amount €000	2002 Fair value €000	2001 Carrying amount €000	2001 Fair value €000
CURRENCY FORWARD CONTRACTS				
On balance sheet instruments				
Cash on hand	83,252	83,252	61,938	61,938
Liquid resources	816,023	816,023	564,782	564,782
Short-term borrowings	(5,505)	(5,505)	(5,078)	(5,078)
Long term debt	(550,502)	(616,852)	(402,642)	(459,752)
Finance leases	(1)	(1)	(108)	(108)
Off balance sheet instruments				
Forward starting interest rate swaps gain	-	3,110	-	3,765
US dollar currency forward contracts gain	-	379	-	10,119
Sterling currency forward contracts gain	-	1,086	-	5,561
Aircraft fuel price contracts gain/(loss)	-	5,918	-	(1,391)

All of the off balance sheet instruments shown above were held for hedging purposes. The fair value of the off balance sheet instruments in the table above equates to the net unrealised gains and losses on these instruments which were unrecognised at March 31, 2002 and March 31, 2001. On the basis of no movement in fuel prices and exchange rates, these unrealised gains and losses would impact on Ryanair's profit and loss account in the following years:

Off balance sheet instruments	Maturing in 2003 €000	Maturing in 2004 €000	2002 Total €000	Maturing in 2002 €000	2001 Total €000
US dollar currency forward contracts gain	379	-	379	10,119	10,119
Sterling currency forward contracts gain	1,086	-	1,086	5,561	5,561
Aircraft fuel price contracts gain/(loss)	3,900	2,018	5,918	(1,391)	(1,391)
	5,365	2,018	7,383	14,289	14,289

Unrealised gains and losses on the group's forward starting interest rate swaps of €3.1 million (2001: €3.8 million) will be amortised to the profit and loss account over the twelve year period from the date of draw-down of the long term debt, as an offset to the related interest expense.

Notes

(Continued)

18 CONCENTRATIONS OF CREDIT RISK

The group's revenues derive principally from airline travel on scheduled and chartered services, car hire, inflight and related sales. Revenue is wholly derived from European routes. No individual customer accounts for a significant portion of total revenue.

19 ANALYSIS OF OPERATING REVENUES

All revenues derive from the group's principal activity as an airline and include scheduled and charter services, car hire, inflight and related sales.

	2002 €000	2001 €000
Revenue is analysed by geographical area (by country of origin) as follows:		
United Kingdom	355,708	299,399
Other European countries	268,342	188,006
	624,050	487,405

	2002 €000	2001 €000
Ancillary revenues included in total revenue above comprise:		
Car hire	18,905	12,562
Inflight	18,030	14,186
Internet income	4,831	1,023
Non-flight scheduled	16,662	12,802
Charter	14,631	13,892
	73,059	54,465

All of the group's operating profit arises from airline related activities. The major revenue earning assets of the group are comprised of its aircraft fleet, all of which are registered in Ireland and therefore all profits accrue in Ireland. Since the group's aircraft fleet is flexibly employed across its route network, there is no suitable basis of allocating such assets and related liabilities to geographical segments. Internet income comprises revenue generated from Ryanair.com excluding internet car hire revenue which is included under the heading car hire.

Notes

(Continued)

20 STAFF NUMBERS AND COSTS

The average weekly number of employees, including the executive director, during the year, analysed by category, was as follows:

	2002	2001
Flight and cabin crew	792	644
Sales, operations and administration	755	823
	1,547	1,467

The aggregate payroll costs of these persons were as follows:

	2002 €000	2001 €000
Wages, salaries and related costs	70,551	55,917
Social welfare costs	6,462	4,334
Other pension costs	1,227	971
	78,240	61,222

21 OTHER OPERATING EXPENSES

	2002 €000	2001 €000
Fuel and oil	103,918	63,468
Maintenance, materials and repairs	26,373	20,142
Marketing and distribution costs	12,356	21,526
Aircraft rentals	4,021	7,286
Route charges	46,701	35,701
Airport & handling charges	84,897	66,269
Other costs	45,601	38,605
	323,867	252,997

Other costs

Other costs include certain direct costs of providing inflight service, car hire costs and other non-flight scheduled costs. These costs which are collectively described as non-charter ancillary costs amounted to €30,445,000 (2001: €23,848,000).

Fuel and oil

Fuel and oil costs include fuel costs for scheduled services of €101,390,040 (2001: €61,645,183).

Notes

(Continued)

22 STATUTORY AND OTHER INFORMATION

	2002 €000	2001 €000
Directors		
Fees	160	96
Other emoluments, including consultancy fees, bonus and pension contributions	694	580
Depreciation of tangible fixed assets	59,010	57,706
Auditors' remuneration (including expenses)	121	121
Operating lease charges - aircraft (note 27(c))	4,021	7,286

DIRECTORS' EMOLUMENTS

(a) Fees and emoluments - Executive Director

	2002 €000	2001 €000
Basic salary	474	378
Performance related bonus	180	165
Pension contributions	40	37
	694	580

During the years ended March 31, 2002 and 2001 Michael O'Leary was the only executive director.

(b) Fees and emoluments - Non Executive Directors

DIRECTORS' FEES

	2002 €000	2001 €000
Michael Horgan	32	8
Ray MacSharry	32	32
Kyran McLaughlin	32	8
James Osborne	32	32
Paolo Pietrogrande	32	8
Arthur Walls	-	8
	160	96

During the year ended March 31, 2002 there were 11 non-executive directors. Non executive directors not referred to above received no fees or emoluments during the year.

Notes

(Continued)

22 STATUTORY AND OTHER INFORMATION (CONTINUED)

DIRECTORS' EMOLUMENTS (CONTINUED)

(c) Pension benefits

Directors	Increase in Accrued Benefit		Transfer Value Equivalent of Increase in Accrued Benefit		Total Accumulated Accrued Benefit	
	2002	2001	2002	2001	2002	2001
	€	€	€	€	€	€
Michael O'Leary	15,648	8,761	53,846	28,883	57,097	39,993

There have been no changes in pension benefits provided to directors during the year. No pension benefits are provided for non-executive directors. The executive director is a member of a defined benefit plan. The cost of the death-in-service and disability benefits provided during the accounting year is not included in the above figures. The pension benefits set out above have been computed in accordance with Section 12.43(x) of the Listing Rules of the Stock Exchange. The increases in transfer values of the accrued benefits have been calculated as at the year-end in accordance with Actuarial Guidance Note GN11.

(d) Shares and share options

(i) Shares

Ryanair Holdings plc listed on the Irish Stock Exchange on May 29, 1997.

The beneficial interests of the directors and of their spouses and minor children are as follows:

	March 31, 2002 Number of shares	March 31, 2001 Number of shares
David Bonderman	7,056,680	7,056,680
Raymond MacSharry	7,280	7,280
Michael O'Leary	52,000,008	52,000,008
James R. Osborne	705,128	705,128
Cathal M. Ryan	21,922,600	25,522,606
Declan F. Ryan	21,922,600	25,522,606
T. Anthony Ryan	13,272,878	16,872,868
Richard P. Schifter	664,820	664,820
Jeffrey A. Shaw	600	600

All figures have been adjusted for 2:1 stock split on December 7, 2001.

On 14 June, 2002, M O'Leary sold 7 million shares at €6.70 per share. T A Ryan, D F Ryan and C M Ryan each sold 2.5 million shares at €6.70 per share on that same date.

(ii) Share options

The eleven non executive directors were issued 50,000 share options at €3.70 (the market value at date of grant) over shares in Ryanair Holdings plc during the year ended March 31, 2001 which are exercisable between June 2005 and June 2007. No options were issued to any of the directors in the year ended March 31, 2002. Full details of share options in issue have been given in note 12.

Notes

(Continued)

23 INTEREST PAYABLE AND SIMILAR CHARGES

	2002 €000	2001 €000
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	-	68
Interest payable on bank loans wholly repayable after five years	19,608	11,827
Finance lease and hire purchase charges	1	67
	19,609	11,962

24 TAXATION

	2002 €000	2001 €000
The components of the corporation tax expense were as follows:		
Corporation tax	2,804	4,062
Deferred tax charge (see note 11)	19,195	14,843
	21,999	18,905

	2002 €000	2001 €000
The deferred tax charge can be further analysed as follows:		
Arising from origination and reversal of timing differences	23,300	17,133
Arising from changes in tax rates	(4,105)	(2,290)
	19,195	14,843

	2002 %	2001 %
The following table reconciles the statutory rate of Irish corporation tax to the group's effective tax rate:		
Statutory rate of Irish corporation tax	19.0	23.0
Benefit of effective 10% corporation tax rate applicable to profits on activities in Ryanair.com Limited (see note below)	(1.5)	(3.0)
Benefit of reducing taxation rate on deferred tax provision	(2.0)	(2.0)
Benefit of lower corporation tax rate applicable to profits of international aircraft leasing & internet businesses	(2.5)	(3.0)
Effective rate of taxation	13.0	15.0

At March 31, 2002 and 2001 the group had no unused net operating losses carried forward.

Ryanair.com Limited is engaged in international data processing and reservation services and, as detailed in Note 27(f), has received employment grants from Forbairt, an Irish Government Agency, in relation to the establishment and maintenance of such services. In these circumstances, Ryanair.com Limited is entitled to claim an effective 10% corporation tax rate on profits derived from qualifying activities. The relevant legislation provides for the continuation of the 10% effective corporation tax rate until 2010.

Notes

(Continued)

24 TAXATION (CONTINUED)

The principal components of deferred tax liabilities were as follows:	2002	2001
	€000	€000
Aircraft including maintenance provisions, property, fixtures and fittings	49,063	29,868
Other reversing timing differences principally in relation to unearned revenue and foreign exchange adjustments	254	254
	49,317	30,122

At March 31, 2002 and 2001, the group had fully provided for deferred tax liabilities. As explained above, profits from certain qualifying activities are levied at an effective 10% rate in Ireland until 2010.

25 PENSIONS

The company operates both a defined benefit and a defined contribution scheme.

The group has continued to account for pensions in accordance with the accounting standard SSAP 24 and the disclosures given in (a) below are those required by that standard. A new accounting standard on pensions (Financial Reporting Standard No.17 "Retirement Benefits" ("FRS 17")) was issued in November 2000 but is not yet fully applicable to the group. The transitional requirements of FRS 17 are shown under (b) below.

(a) SSAP 24 disclosures.

Pensions for certain employees are funded through a defined benefit pension scheme, the assets of which are vested in independent trustees for the benefit of the employees and their dependants. The contributions are based on the advice of an independent professionally qualified actuary, obtained at three yearly intervals. The latest actuarial valuation of the scheme was at December 31, 2000 and used the projected unit method.

THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED WERE AS FOLLOWS:	
Rate of long term investment returns will exceed rates of pensionable increases by	2%
Rate of long term investment returns will exceed the rate of post retirement pension increases by	5%

The actuarial report showed that at the valuation date the market value of the scheme's assets was €10.32 million, which was sufficient to cover more than 100% of the accrued liabilities, based on current earnings and 113% of the accrued liabilities allowing for expected future increases in earnings. The actuarial report recommends payment of contributions at 10% of staff and 12.8% of pilots' pensionable salaries respectively. The total pension charge for the group, for the year to March 31, 2002 was €1,227,000 (2001: €971,000). While the actuarial report is not available for public inspection, the results are advised to the members of the scheme.

Notes

(Continued)

25 PENSIONS (CONTINUED)

(b) FRS 17 disclosures

The valuation of Ryanair's defined benefit scheme used for the purposes of the FRS 17 disclosures has been based on the most recent triennial actuarial valuation of the scheme identified above and updated to March 31, 2002 by an independent qualified actuary.

The financial assumptions used for the Ryanair defined benefit pension scheme are:

	%
Rate of general increase in salaries	4.25
Rate of general increase in pensions in payment	3.25
Discount rate	6.25
Rate of price inflation	3.25

The assets in the Ryanair pension scheme (excluding AVC's and contributions due) and the expected rates of return were:

	Expected rate of return %	Value at March 31, 2002 €000
Equities	8.50	7,337
Properities	7.50	713
Bonds	5.50	1,834
Cash	3.25	306
Outstanding contributions at March 31, 2002 (paid in April 2002)		91
Total market value of scheme assets		10,281
Actuarial value of scheme liabilities		(9,209)
Recoverable surplus in scheme		1,072
Related deferred tax liability		(134)
Net pension asset		938

Net assets	2002
	€000
Net assets excluding pension asset	1,002,274
Net pension asset	938
Net assets including pension asset	1,003,212

Notes

(Continued)

26 EARNINGS PER SHARE AND ADJUSTED EARNINGS PER SHARE

Basic earnings per ordinary share (EPS) for Ryanair Holdings plc for the years ended March 31, 2001 and March 31, 2002 has been computed by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year. The earnings per share figures have been adjusted for a 2:1 stock split on December 7, 2001.

Diluted earnings per share, which takes account solely of the potential future exercise of share options granted under the group's share option schemes, is based on the weighted average number of shares in issue of 739,960,901 (2001:714,195,716), including weighted average share options assumed to be converted of 11,234,417 at March 31, 2002 (2001:8,572,914).

Details of share options in issue have been described more fully in note 12.

27 COMMITMENTS AND CONTINGENCIES

Commitments

- (a) The 2002 Boeing contract was approved at an Extraordinary General Meeting held on August 7, 2002. On January 24, 2002 the company entered into the 2002 Boeing contract pursuant to which the company will purchase 100 new Boeing 737-800 aircraft, and has additional purchase rights to purchase up to a further 50 such aircraft. The group is scheduled to take delivery of the first 5 737-800 aircraft under this contract in the fiscal year to March 31, 2003 (with the first two aircraft arriving in December, 2002) and with additional deliveries currently scheduled between 2003-2009. The "Basic Price" (equivalent to a standard list price for an aircraft of this type) for each of the Boeing 737-800 aircraft (defined as a per aircraft airframe price, including engines, plus the per aircraft price for certain optional features agreed between the parties) is US\$50,885,100. This "Basic Price" will be increased by (a) an estimated US\$900,000 per aircraft for certain "buyer-furnished" equipment Ryanair has asked Boeing to purchase and install on each of the aircraft, and (b) an "Escalation Factor" designed to increase the Basic Price of any individual aircraft by applying a formula which reflects increases in the published US Employment Cost and Producer Price indices between the time the Basic Price was set and the period of six months prior to the delivery of such aircraft.

Boeing has granted Ryanair certain price concessions with regard to the 737-800 aircraft. These will take the form of credit memoranda to the group for the amount of such concessions, which Ryanair may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the purchase of the aircraft under the 2002 Boeing contract. Boeing and CFMI (the manufacturer of the engines to be fitted on the purchased aircraft) have also agreed to give the group certain allowances as well as providing other goods and services to the group on concessionary terms. Those credit memoranda and allowances will effectively reduce the price of each aircraft to Ryanair. As a result the effective price of each aircraft will be significantly below the basic price mentioned above. The total potential commitment to acquire all 150 aircraft not taking into account such increases or decreases will be up to US\$7.6 billion.

On August 6, 2002 Ryanair exercised three of the purchase rights for the new 737-800 aircraft and the three aircraft will be delivered in April 2003.

Notes

(Continued)

27 COMMITMENTS AND CONTINGENCIES (CONTINUED)

- (b) Under the terms of an aircraft purchase contract dated March 9, 1998 with Boeing “the 1998 Boeing Contract”, the group committed to purchase 25 new 737-800 aircraft and has options to purchase up to an additional 20 such aircraft. The gross price for each aircraft was to be US\$46,631,900 including certain equipment purchased and fitted by Boeing on Ryanair’s behalf, subject to increase to take into account an “Escalation Factor” reflecting the changes in the US Employment Cost and Producer Price indices and to decrease to take into account certain concessions granted to the group by Boeing. The total amount committed by Ryanair over the period to January 2003 in respect of the 25 new aircraft, not taking into account any such increases or decreases, was approximately US\$1.2 billion. The group took delivery of the first fifteen 737-800 aircraft from fiscal 1999 and 2001, and a further five aircraft were delivered during fiscal 2002. Three options converted to firm purchases were delivered post year end. All additional option aircraft have now been cancelled.
- (c) The group incurred expenses of €4,020,678 in respect of operating lease rentals for the year ended March 31, 2002 (2001: €7,285,674) which are included in the profit and loss account. Such expenses consisted entirely of short term leases of aircraft.
- (d) Commitments resulting from the use of derivative financial instruments by the group are described in notes 13 to 17.

Contingencies

- (e) The group is engaged in litigation arising in the ordinary course of its business. Management does not believe that any such litigation will individually or in aggregate have a material adverse effect on the financial condition of the group. Should the group be unsuccessful in these litigation actions, management believes the possible liabilities then arising cannot be determined but are not expected to materially adversely affect the group’s results of operations or financial position.
- (f) Ryanair.com Limited, a subsidiary of the group, has previously claimed employment grants totalling €840,563 from Forbairt, an Irish Government industrial development agency. Under the terms of the grant agreement with Forbairt dated December 9, 1996, the grants received or part thereof may be repayable in certain circumstances. In addition, the agreement provides that if the shareholders in Ryanair Holdings plc at any date cease to control more than 50% of the share capital, or if Ryanair Limited or Ryanair.com Limited cease to be subsidiaries of Ryanair Holdings plc or if the partnership formerly known as Irish Air L.P. acquired more than 50% of the share capital of Ryanair Holdings plc, then Forbairt has an option to acquire 5% of the share capital in Ryanair.com Limited without making any further payments (other than nominal amounts). Since November 1998, when Irish Air, L.P. dissolved and distributed all of the ordinary shares held by its partners, Forbairt’s option has become exercisable. Prior to the year end Forbairt indicated its wishes to exercise its option. If Forbairt exercises this option then effectively, under the terms of the agreement, Ryanair.com Limited is immediately required to redeem or purchase the 5% shareholding for specified amounts decreasing over time through to 2003 from 30% to 25% of the cumulative grants received. Such repurchase amount was €690,458 as at March 31, 2002 (2001: €690,458). Subsequent to the year end Ryanair.com exercised its option to cancel the Forbairt option by making a payment of €690,458 to Forbairt on June 26, 2002.
- (g) In order to avail of the exemption contained in Section 17 of the Companies (Amendment) Act, 1986, the holding company, Ryanair Holdings plc, has guaranteed the liabilities of its subsidiary undertakings registered in Ireland. As a result, the subsidiary undertakings have been exempted from the provisions of Section 7 of the Companies (Amendment) Act, 1986. Details of the group’s principal subsidiaries have been included at note 30. The Irish subsidiaries of the group covered by the Section 17 exemption are listed at note 30 also. One additional Irish subsidiary covered by this exemption which is not listed as a principal subsidiary at note 30 is Airport Marketing Services Limited.

Notes

(Continued)

28 NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities	2002 €000	2001 €000
Operating profit	162,933	114,011
Foreign exchange gains	975	1,621
Depreciation of tangible fixed assets	59,010	57,706
(Increase) in inventories	(1,150)	(2,042)
(Increase)/decrease in accounts receivable	(1,636)	13,279
(Increase) in other assets	(1,445)	(393)
Increase in accounts payable	16,781	7,137
Increase in accrued expenses and other liabilities	98,279	38,483
Net cash inflow from operating activities	333,747	229,802

(b) Analysis of cash and liquid resources balances	2002 €000	2001 €000
Cash at bank, net of overdraft	77,747	56,860
Liquid resources	816,023	564,782
Total cash and liquid resources	893,770	621,642

(c) Analysis of movements in liquid resources	2002 €000	2001 €000
Liquid resources at beginning of year	564,782	334,149
Increase in year	251,241	230,633
Liquid resources at end of year	816,023	564,782

(d) Analysis of movements in cash	Cash at bank €000	Bank overdraft €000	Total €000
At beginning of year	61,938	(5,078)	56,860
Net cash inflow during the year	21,314	(427)	20,887
At end of year	83,252	(5,505)	77,747

Notes

(Continued)

28 NOTES TO CASH FLOW STATEMENT (CONTINUED)

	2002 €000	2001 €000
(e) Reconciliation of net cash flow to movement in net funds		
Increase in cash in the year	20,887	39,541
Movement in liquid resources	251,241	230,633
Cash flow from (increase) in debt	(147,858)	(281,057)
Movement in net funds/(debt) resulting from cash flows	124,270	(10,883)
Movement in finance leases	107	286
Movement in net funds/(debt) in year	124,377	(10,597)
Net funds at beginning of year	218,892	229,489
Net funds at end of year	343,269	218,892

Net funds arise when cash and liquid resources exceed debt.

29 POST BALANCE SHEET EVENTS

The 2002 Boeing contract was approved at an Extraordinary General Meeting held on August 7, 2002. (See note 27(a) for further details).

30 SUBSIDIARY UNDERTAKINGS

The following are the principal subsidiary undertakings of Ryanair Holdings plc:

Name	Effective date of acquisition/incorporation	Registered Office	Nature of Business
Ryanair Limited	23 August 1996	Corporate Headquarters Dublin Airport Co Dublin	Airline operator
Darley Investments Limited *	23 August 1996	Corporate Headquarters Dublin Airport Co Dublin	Investment holding company
Ryanair.com Limited *	23 August 1996	Corporate Headquarters Dublin Airport Co Dublin	International data processing services

* These subsidiaries are wholly owned by Ryanair Limited which is, in turn, wholly owned by Ryanair Holdings plc.

Notes

(Continued)

30 SUBSIDIARY UNDERTAKINGS (CONTINUED)

All of the above subsidiaries are 100% owned by the group. The shares owned by the group comprise one class (ordinary shares) in respect of each subsidiary.

Information regarding all other subsidiaries will be filed with the company's next annual return as provided for by S.16(3)(a) of the Companies (Amendment) Act, 1986.

In accordance with the basis of consolidation policy in the statement of accounting policies, the subsidiary undertakings referred to above have been consolidated in the financial statements of Ryanair Holdings plc for the years ended March 31, 2002 and March 31, 2001.

31 DATE OF APPROVAL

The financial statements were approved by the Board on June 7, 2002.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(a) Significant differences

The financial statements of Ryanair Holdings plc are prepared in accordance with generally accepted accounting principles ("GAAP") applicable in Ireland and the United Kingdom (UK) which differ significantly in certain respects from those generally accepted in the United States (US). These significant differences are described below:

(i) Deferred tax

Under UK and Irish GAAP, Ryanair Holdings plc provides for deferred taxation using the full liability method on all material timing differences to the extent that it is probable that liabilities will crystallise in the foreseeable future. Net deferred tax assets are not recognised except to the extent that they are expected to be recoverable without replacement by equivalent asset balances. Under US GAAP, as set out in Statement of Financial Accounting Standards (SFAS) No. 109 'Accounting for Income Taxes' deferred taxation is provided on all temporary differences between the financial statement carrying value of assets and liabilities and the tax value of such assets and liabilities on a full provision basis. Deferred tax assets are recognised if their realisation is considered to be more likely than not.

(ii) Accounting for derivatives

Under UK and Irish GAAP, unrealised gains and losses on derivative financial instruments utilised for hedging purposes are deferred and recognised in the profit and loss account when realised, as an offset to the related income or expense being hedged.

Under US GAAP, SFAS No. 133 became effective during 2001. This standard requires that all derivatives are recognised as either assets or liabilities and are measured at fair value. Changes in the fair value of derivatives are recorded in each reporting period within the profit and loss account (earnings) or within other comprehensive income, depending on whether the derivative is designated as part of a hedge transaction, and if it is, the type and effectiveness of that hedge.

(iii) August 1996 transaction

Under US GAAP, acquisition accounting does not apply in respect of the August 1996 transaction by which Ryanair Holdings plc acquired the entire issued share capital of Ryanair Limited because there has been no change in control. Accordingly, under US GAAP, Ryanair Holdings plc presents its assets and liabilities using the historical predecessor cost basis in Ryanair Limited.

Under UK and Irish GAAP, the August 1996 transaction is accounted for as an acquisition by Ryanair Holdings plc of Ryanair Limited and the assets and liabilities are recorded at their fair values on that date. As the fair value of the aircraft was higher than its cost basis in Ryanair Limited, the depreciation charge in the periods subsequent to August 1996 are higher under UK and Irish GAAP than under US GAAP.

Under UK and Irish GAAP, the difference between the fair value of the acquired assets and liabilities and the consideration is recorded as goodwill and written off directly against reserves. Under US GAAP the consideration paid in connection with the transaction is recorded as a reduction in shareholders' equity.

(iv) Darley Investments Limited

Under UK and Irish GAAP, the acquisition of Darley Investments Limited ("Darley") at March 31, 1996 has been treated as an acquisition and the acquired assets and liabilities have been recorded in the consolidated financial statements of Ryanair Limited at their fair values. Under UK and Irish GAAP, the assets acquired were recorded at their fair values and a fair value adjustment of €844,915 arose on the headquarters building. Under US GAAP, the assets are presented at historical cost and consequently, additional depreciation on the fair value adjustment on the headquarters building is not recorded.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(v) *Acquisition of certain aircraft*

Under UK and Irish GAAP, the aggregate consideration of US\$25 million paid by Ryanair Limited to Northhill Limited in August 1994 in respect of the acquisition of four aircraft is included in fixed assets as aircraft cost.

Under US GAAP, as Northhill Limited was controlled by T.A. Ryan, a connected person with the controlling shareholders of Ryanair Limited, the cost of the aircraft is recorded based on their cost to Northhill Limited of US\$22 million and the difference between that cost of the amount paid by Ryanair Limited to Northhill Limited is treated as a reduction of shareholders' equity.

(vi) *Pensions*

Under UK and Irish GAAP, plan assets are valued on the basis of discounted present value of expected future income. US GAAP requires that plan assets are valued by reference to their market value. Under UK and Irish GAAP, pension costs for defined benefit plans are assessed in accordance with the advice of independent actuaries using assumptions and methods which produce the actuaries' best estimates of the cost of providing the relevant pension benefits. US GAAP requires the use of the projected unit credit method and the matching of the projected benefit obligation against the fair value of the plan's assets, as adjusted to reflect any unrecognised obligations or assets. Under UK and Irish GAAP, the measurement of plan assets and obligations may be based on the most recent actuarial valuation. Under US GAAP, calculations must be made as of the date of the financial statements or a date not more than three months prior to that date. Under UK and Irish GAAP, pension credits are not recognised in the financial statements unless a refund of, or reduction in, contributions is likely. Under US GAAP, a negative pension cost may arise where a significant unrecognised net asset or gain exists at the time of implementation. This is required to be amortised on a straight line basis over the average remaining service period of employees. Note 25 to the financial statements gives the group pension disclosures under UK and Irish GAAP.

For the purposes of disclosure requirements under US GAAP, the pension cost of the group's retirement plan has been restated in the following tables, which are presented in accordance with the requirements of SFAS 132.

	2002 €000	2001 €000
Projected benefit obligation at beginning of year	8,782	6,793
Service cost	951	740
Interest cost	443	453
Employee contributions	485	463
Actuarial loss	826	729
Benefits paid	(668)	(396)
Projected benefit obligation at end of year	10,819	8,782
Change in plan assets		
Fair value of scheme assets at beginning of year	10,273	9,690
Actual return on assets	(758)	(52)
Employer contributions paid	595	568
Employee contributions paid	485	463
Benefits paid	(668)	(396)
Fair value of scheme assets at end of year	9,927	10,273

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(vi) Pensions (continued)

The funded status of the group's retirement plan under SFAS No. 132 is as follows:	2002 €000	2001 €000
Actuarial present value of vested benefit obligations	8,777	6,595
Accumulated benefit obligations	8,777	6,595
Projected benefit obligations	(10,819)	(8,782)
Plan assets at fair value	9,927	10,273
Plan assets in excess of benefit obligations	(892)	1,491
Unrecognised net gain/(loss)	2,261	(272)
Unrecognised net obligation on implementation	238	268
Prepaid pension cost	1,607	1,487

Plan assets consist primarily of investments in Irish and overseas equity and fixed interest securities.

The principal assumptions used in the plan for SFAS No.132 purposes were as follows:	2002 %	2001 %
Discount rate	6.25	6.00
Rate of increase in remuneration	4.25	4.00
Expected long term rate of return on assets	9.00	9.00

The net periodic pension cost in accordance with SFAS No.132 for the years ended March 31, 2002 and 2001 comprised:	2002 €000	2001 €000
Service cost - present value of benefits earned during the year	951	740
Interest cost on projected benefit obligations	443	453
Actual return on assets	737	52
Deferrals and amortisation	(1,655)	(1,014)
Net periodic pension cost	476	231

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(vii) *Employment grants*

Under UK and Irish GAAP, employment grants paid by an Irish government agency are recognised in the profit and loss account on receipt and a contingent liability is disclosed for amounts which may become repayable in certain predefined circumstances. Under US GAAP, these revenues are recognised in the profit and loss account over the period for which minimum employment levels apply under the terms of the agreement and the unamortised balance is treated as deferred income.

(viii) *Share option compensation expense*

Under U.S. GAAP, any excess of the fair market value over the exercise price under a share option plan on the date of the grant is recognised as compensation expense over the period the services are provided. Under U.K. and Irish GAAP, in effect in May 1997, when these share options were granted, compensation was not recognised for stock issued at a price less than market price.

Under US GAAP, the group applies Accounting Principles Board Opinion No. 25 (APB 25) in accounting for its stock option plans and, accordingly, except for the grant in May 1997, no compensation cost has been recognised for its stock option grants. Had Ryanair Holdings plc determined compensation cost based on the fair value of the options at the grant date for its stock options under Statement of Financial Accounting Standard No. 123 (SFAS 123), its U.S. GAAP net income and earnings per share would have been reduced by €2,222,730 and €8,699,556 for the years ended March 31, 2002, and March 31, 2001, and by €0.30 cent and €1.23 cent per share for each year respectively.

The weighted average fair value of the individual options granted during the year ended March 31, 2002 is estimated based on the following assumptions.

OPTIONS GRANTED

Date Granted	July 5, 2001
Date of exercise	June 30, 2003
Fair Value	€2.18
Assumptions:	
Risk-free interest rate	4.48%
Volatility	40%
Dividend Yield	Nil
Expected life (years)	4

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(ix) Investments

The group held one investment in a publicly quoted company in 2001. Under Irish GAAP this investment which was held for the long term and not traded, was recorded in the group's balance sheet at cost within the caption "Financial Assets". Profits or losses arising on disposals are booked in the profit and loss account when the shares are sold and represents the difference between sales proceeds and cost of purchase. Under US GAAP equity securities must be designated as trading or available for sale securities. Ryanair's investments were available for sale securities and were marked to market, with gains or losses arising taken to the statement of shareholders' equity. Under US GAAP the gain or loss arising on the ultimate sale of available for sale securities is recognised in the income statement.

(x) Capitalised interest

Under US GAAP interest costs associated with the cost of acquiring and making ready for their intended use certain 'qualifying' assets must be capitalised as part of the acquisition cost of the asset. Ryanair makes deposits in respect of its aircraft acquisition programme and in accordance with US GAAP capitalises interest costs which could have been avoided if the expenditure had not been made.

Under UK and Irish GAAP there is no mandatory requirement to capitalise interest costs in such circumstances. It is, however, optional to do so.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

	March 31, 2002 €000	March 31, 2001 €000
(b) Net income under US GAAP		
Profit for the financial year as reported in the consolidated profit and loss account and in accordance with UK and Irish GAAP	150,375	104,483
Adjustments		
Pensions	751	740
Unrealised gain on forward exchange contracts (prior to adoption of SFAS 133)	-	6,803
Employment grants	464	401
Capitalised interest re aircraft acquisition programme	5,027	-
Basis of accounting for August 1996 transaction	-	1,531
Basis of accounting for aircraft acquired from Northhill Limited	-	179
Darley Investments Limited	88	88
Taxation - effect of above adjustments	(1,156)	(1,837)
Net income accordance with U.S. GAAP	155,549	112,388

	2002 €000	2001 €000
(c) Shareholders' equity		
Shareholders' equity as reported in the consolidated balance sheets (UK and Irish GAAP)	1,002,274	669,898
Adjustments		
Pension	2,414	1,663
Unrealised gain on forward exchange contracts (prior to adoption of SFAS 133)	4,189	4,189
Employment grants	(469)	(933)
Capitalised interest re aircraft acquisition programme	5,027	-
Darley Investments Limited	(327)	(415)
Investments	-	588
Unrealised gain on derivative financial instruments	8,259	-
Tax effect of adjustments	(1,760)	(604)
Shareholders' equity as adjusted to accord with US GAAP	1,019,607	674,386
Opening shareholders' equity under U.S. GAAP	674,386	439,340
Comprehensive income		
Investments	(588)	(1,400)
Unrealised gain on derivative financial instruments	8,259	-
Net income in accordance with U.S. GAAP	155,549	112,388
Stock issued for cash	182,001	124,058
Closing shareholders' equity under U.S. GAAP	1,019,607	674,386

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(d) Total assets	2002 €000	2001 €000
Total assets as reported in the consolidated balance sheets (UK and Irish GAAP)	1,889,572	1,277,252
Adjustments		
Pension	2,414	1,663
Capitalised interest re aircraft acquisition programme	5,027	-
Darley Investments Limited	(327)	(415)
Investments	-	588
Total assets as adjusted to accord with US GAAP	1,896,686	1,279,088

(e) Cash flows

In accordance with UK and Irish GAAP, the group complies with Financial Reporting Standard No. 1 - "Cash flow statements" (FRS 1). Its objective and principles are similar to those set out in SFAS No. 95 "Statement of Cash Flows". The principal difference between the standards is in respect of classification. Under FRS 1, the group presents its cash flows for (a) operating activities; (b) returns on investments and servicing of finance; (c) taxation; (d) capital expenditure; (e) acquisitions and disposals; and (f) financing activities. SFAS No. 95 requires only three categories of cash flow activity (a) operating; (b) investing; and (c) financing.

Cash flows arising from taxation and returns on investments and servicing of finance under FRS 1 are included as operating activities under SFAS No. 95. In addition, under FRS 1, cash and liquid resources include short term borrowings repayable on demand. SFAS No. 95 requires movements in such borrowings to be included in financing activities.

Disclosure of accounting policy

For the purposes of cash flows under US GAAP, the group considers all highly liquid deposits with a maturity of three months or less to be cash equivalents. Under UK and Irish GAAP, cash represents cash held at bank available on demand offset by bank overdrafts and liquid resources comprise bank fixed deposits with maturities of greater than one day.

Under UK, Irish and US GAAP, transactions that are undertaken to hedge another transaction are reported under the same classification as the underlying transaction that is the subject of the hedge.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(e) Cash flows (continued)

A summarised consolidated cash flow under US GAAP is as follows:

	2002 €000	2001 €000
Cash inflow from operating activities	339,036	221,558
Cash (outflow) from investing activities	(575,784)	(360,056)
Cash inflow from financing activities	330,181	406,127
Increase in cash and cash equivalents	93,433	267,629
Cash and cash equivalents at beginning of year	389,059	121,430
Cash and cash equivalents at end of year	482,492	389,059

The following table reconciles cash and cash equivalents as presented under US GAAP with cash and liquid resources as presented under UK and Irish GAAP:

	2002 €000	2001 €000
Cash and cash equivalents under U.S. GAAP	482,492	389,059
Deposits with a maturity between three and six months	416,783	237,661
Cash and liquid resources under UK and Irish GAAP	899,275	626,720

Supplemental schedule of non cash investing and financing activities

The group did not enter into any new capital leases for fixtures and fittings, plant and equipment and motor vehicles during the year or the preceeding year. Principal payments under lease obligations arising prior to March 31, 2001 totalled €107,000 for the year (2001: €286,500).

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

	March 31, 2002 €000	March 31, 2001 €000
(f) Profit and loss account as restated under US GAAP		
Operating revenues		
Scheduled revenues	550,991	432,940
Ancillary revenues	73,059	54,465
Total operating revenues - continuing operations	624,050	487,405
Operating expenses		
Staff costs	(77,025)	(60,081)
Depreciation & amortisation	(59,010)	(57,465)
Other operating expenses	(323,779)	(252,909)
Total operating expenses	(459,814)	(370,455)
Operating income - continuing operations	164,236	116,950
Other income/(expenses)		
Foreign exchange gains	975	8,424
Gain on disposal of fixed and financial assets	527	52
Interest receivable and similar income	27,548	19,666
Interest payable and similar charges	(14,582)	(11,962)
Total other income/(expenses)	14,468	16,180
Income before taxation	178,704	133,130
Taxation	(23,155)	(20,742)
Net income	155,549	112,388

Total comprehensive income amounted to €163.2 million and €111.0 million for years ended March 31, 2002 and 2001 respectively.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

(f) Profit and loss account as restated per US GAAP (continued)	2002	2001
	€000	€000
Earnings per ordinary share (in cent)		
-Basic (cent)	20.64	14.81
-Diluted (cent)	20.32	14.63
Shares used in computing net income per share		
-No. of ordinary shares (in '000's)	728,726	705,623
-Diluted no.of ordinary shares (in '000's)	739,961	714,196

(g) New US accounting pronouncements

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations". This statement requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. The adoption of this standard did not have a material impact on Ryanair's consolidated financial statements.

In July 2001, the FASB issued SFAS No. 142, "Goodwill and Other Intangible Assets" ("SFAS No. 142"), which revises the accounting for purchased goodwill and other intangible assets. SFAS No. 142 is effective for fiscal years beginning after December 15, 2001, with earlier adoption permitted. Under SFAS No. 142, purchased goodwill and intangible assets with indefinite lives are no longer amortised, but instead tested for impairment at least annually.

SFAS No. 142 also requires a two step impairment test for goodwill. The first step is to identify reporting units within the business and compare the carrying amount of the reporting unit's assets to the fair value of the reporting unit. If the carrying amount exceeds the fair value then the second step is required to be completed, which involves the fair value of the reporting unit being allocated to each asset and liability with the excess being implied goodwill. The impairment loss is the amount by which the recorded goodwill exceeds the implied goodwill. A company applying SFAS No. 142 is required to complete a "transitional" impairment test for goodwill as of the beginning of the fiscal year in which the statement is adopted. The adoption of this standard did not have a material impact on Ryanair's financial statements.

SFAS No. 143, "Accounting for Asset Retirement obligations" ("SFAS No. 143"), addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement requires that the fair value of a liability for an asset retirement obligation be recognised in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalised as part of the carrying amount of the long-lived asset. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. Ryanair does not expect that SFAS No. 143 will have a material impact on its financial statements.

Summary of differences between United Kingdom, Irish and United States generally accepted accounting principles

(Continued)

g) New US accounting pronouncements (continued)

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The provisions of this statement are effective for financial statements issued for fiscal years beginning after December 15, 2001. Ryanair does not expect that SFAS No. 144 will have a material impact on its financial statements.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB statement No. 13, and Technical Corrections" ("SFAS No. 145"). SFAS No. 145 provides for the rescission of several previously issued accounting standards, new accounting guidance for the accounting for certain lease modifications and various technical corrections that are not substantive in nature to existing pronouncements, SFAS No. 145 will be adopted beginning April 1, 2002, except for the provisions relating to the amendment of SFAS No. 13, which will be adopted for transactions occurring subsequent to May 15, 2002. The adoption of SFAS No. 145 is not expected to have a material impact on the consolidated financial statements of the group.

Directors & Other Information

Directors	<p>D. Bonderman M. O'Leary M. Horgan R. MacSharry K. McLaughlin J. Osborne P. Pietrogrande C.M. Ryan D.F. Ryan T.A. Ryan J. Shaw R. Schifter</p>	<p><i>Chairman</i> <i>Chief Executive</i></p>
Registered office	<p>Corporate Headquarters Dublin Airport Co. Dublin</p>	
Secretary	<p>H. Millar</p>	
Auditors	<p>KPMG Chartered Accountants 1 Stokes Place St. Stephen's Green Dublin 2</p>	
Bankers	<p>Bank of Ireland Dublin Airport Co. Dublin</p> <p>Barclays Bank 47/48 St. Stephens Green Dublin 2</p> <p>Barclays Bank plc Hanover Square London</p>	
Solicitors & Attorneys at Law	<p>A & L Goodbody Solicitors Earlsfort Terrace Dublin 2</p> <p>Cleary, Gottlieb, Steen & Hamilton 1 Liberty Plaza, New York, NY 10006.</p>	