

RYANAIR ANNOUNCES PASSENGER GROWTH OF 45% PROFITS INCREASE BY 12%

Ryanair, Europe's largest low fares airline today (5 August '03) announced record traffic, and profit growth for the quarter ended 30 June '03. **Passenger traffic grew by 45% to 5.1m** although both average load factors and yields declined by 5 points to 78% and by 14% to €1.71, respectively. These predicted reductions were due to the launch of 50 new routes and two new bases; the weakness of Sterling to the Euro; the closure of Buzz for the month of April and Ryanair's commitment to offer the lowest fares in every market it serves. Total revenues rose by 26%, operating costs rose by 29%, after tax margins declined from 20% to 18%, while **Adjusted Net Profit increased by 12% to a record €43.8m**.

Summary Table of Results (Irish GAAP) - in Euro

Quarter ended	June 30,2002	June 30, 2003	% Increase
Passengers	3.5m	5.1m	45%
Revenue	€194.3m	€245.2m	26%
Adjusted Profit after tax Note 1	€9.0m	€43.8m	12%
Adjusted EPS (Euro Cent) Note 1	5.16 cent	5.8 cent	12%

Note 1 – Adjusted Profit after tax and EPS, excludes the exceptional costs arising from the re-organisation of "Buzz" in April'03 of €2.7m (net of tax) and the Goodwill charge from the "Buzz" acquisition of €0.6m

Ryanair's Chief Executive, Michael O'Leary said in London today;

"These record quarterly results reflect the continuing success right across Europe of Ryanair's low fares formula. During what B.A. last week described as the most testing period in aviation history, we continue to drive down airfares, reduce costs, but at the same time deliver increased profits and exceptional margins. Passenger volumes grew by 45% to a record 5.1m thanks to the successful launch of 50 new routes, two new bases at Milan-Bergamo and Stockholm-Skavsta, and the acquisition and relaunch of Buzz in May. This strong performance continues, as evidenced by the substantial increase in traffic and load factors for July'03 (statistics were released yesterday). These recorded a 40% growth in traffic over July'02 and a 6 point improvement in load factor from 79% in June to 85% in July.

"Yields, as we predicted, were impacted by a combination of (1) the launch of the 50 new routes and the 2 new bases, (2) the weakness of Sterling to Euro, and (3) by our continuing policy of driving down airfares. We believe that yields for the fiscal year will be lower than last year by between 10% and 15% as we offer consumers lower fares whilst dismaying our competitors who forlornly hope that yields and fares will rise during this year. Of the 14% decline in yields during the quarter, 6% was due to the weakness of Sterling (half of all our sales are in sterling). This yield dilution will be partially offset by sterling cost savings. Our margins have also been diluted by the operation of the inefficient Buzz BAe146 aircraft on some routes, but these will be replaced by larger and lower cost 737-800's in October following our next set of deliveries from Boeing.

"Apart from offering our passengers even lower air fares, we are tremendously proud of our outstanding customer service. The Association of European Airlines (AEA) has begun publishing customer service statistics since January, and these numbers prove that Ryanair is number one among Europe's major airlines for punctuality, least cancellations and fewest lost bags. As the recent British Airways strikes at Heathrow confirmed, the service that high fares airlines provide when things go wrong is no different to that provided by low fares carriers, despite the fact that people flying B.A. are paying air fares that are 5 to 10 times higher than they pay Ryanair.

“Recently some competitor airports and airlines have initiated spurious legal actions to try to restrict route development, competition and lower fares at publicly owned airports. It is quite beyond our comprehension how an administrative court in Strasbourg could recently require the Strasbourg Chamber of Commerce to terminate our low cost agreement within two months. Despite the fact that Ryanair is the only airline operating the London-Strasbourg route, and delivering almost six times the traffic previously delivered by Air France, we may now be forced - against our wishes - to either increase air fares on the route, or pull off the route in the short-term, until such time as we can appeal and reverse this decision.

“It is ludicrous that Air France having withdrawn ten international services from Strasbourg Airport over the last seven years (one of which was the London route) can win a local legal action which prevents 200,000 European consumers benefiting from low fare services between London and Strasbourg. We believe these passengers will not travel on a high fare Air France service which forces them to go via Charles de Gaulle to get to London or Strasbourg. This decision is wrong, it is bad for the regional airports of France, it is bad for regional tourism in France and could result in some 200 jobs being lost in the Strasbourg and Alsace region. We will appeal it, and are confident that this appeal will succeed and allow us to continue to develop low fare traffic at Strasbourg and tourism in the Alsace region.

“The only grey cloud on our commercial horizon at present is the continuing EU investigation of our low cost base at Brussels Charleroi Airport. The European Commission, which has consistently promoted and championed deregulation and competition in inter-EU air travel needs to send a strong signal to the market that it will not allow political lobbying or local court orders to prevent Ryanair (and other low fares airlines) making air travel more affordable for consumers all over Europe. Over the past twelve months our 18 million passengers will have saved over €2.0bn compared to the air fares charged by our high fare flag carrier competitors and this year more than 20,000 jobs will be created as a result of Ryanair’s traffic at secondary and regional airports all over Europe. Many European consumers who weren’t rich enough to fly with the flag carriers can now afford to travel to visit friends and families and/or go on holidays. We remain confident that Commissioner de Palacio will support competition and low fare air travel and will support the right of publicly owned airports to compete on an equal basis with privately owned airports for this business.

“We welcome Minister Brennan’s announcement that the Irish airport monopoly will be split up enabling Dublin, Cork and Shannon to compete against each other for traffic. Competition is good for consumers and will be good for Irish tourism. We remain concerned about the lengthy timescale for the implementation of the split and the mystifying lack of progress in the development of competing Terminals at Dublin airport. Why are we still waiting for the Irish Government to do something in order to kick start Irish tourism and to create more badly needed jobs in the Irish economy? Unless this competition is implemented by November it will mean that yet another year of tourism growth will be lost to the Irish economy. We therefore strongly urge Bertie Ahern’s government to stop dithering, take some decisions in the interest of consumers, and urgently split up the Aer Rianta monopoly by introducing multiple competing terminals at Dublin airport.

“As highlighted by the release of our July traffic statistics yesterday, current trading continues to be in line with expectations and previous guidance. In July Ryanair became the first low fares airline in Europe to carry over 2m passengers in one month, which renews our confidence that substantial traffic growth for the full year will be achieved. We still continue to believe that yields will be between 10% to 15% lower than last year, however, we expect profits to grow materially and that we will (as previously predicted) maintain net margins in excess of 20%.

“This continuing profit growth separates Ryanair from almost all other airlines in Europe, and re-emphasises the superiority of Ryanair’s low-cost, low fares business model, and disciplined way in which we are rolling it out across Europe”.

ENDS.

For results and further information
please contact:

www.Ryanair.com

Howard Millar
Ryanair Holdings Plc
Tel: 353-1-8121212

Pauline McAlester
Murray Consultants
Tel: 353-1-4980300

Certain of the information included in this release is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise all of the many factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair's expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for replacement aircraft, costs associated with environmental, safety and security measures, actions of the Irish, U.K., European Union ("EU") and other governments and their respective regulatory agencies, fluctuations in currency exchange rates and interest rates, airport access and charges, labour relations, the economic environment of the airline industry, the general economic environment in Ireland, the UK and Continental Europe, the general willingness of passengers to travel and other economics, social and political factors.

Ryanair is Europe's largest low fares airline with 125 low fare routes across 16 countries. Ryanair operates a fleet of 67 aircraft, with firm orders for up to a further 117 new Boeing 737-800's which will be delivered over the next 8 years. Ryanair currently employs a team of 2,100 people and expects to carry in excess of 23 million scheduled passengers in the current year.

Ryanair Holdings plc and Subsidiaries

Consolidated Profit and Loss Accounts in accordance
with UK and Irish GAAP (unaudited)

	Quarter ended June 30, 2003	Quarter ended June 30, 2002
Operating Revenues		
Scheduled revenues	214,031	172,761
Ancillary revenues	<u>31,125</u>	<u>21,501</u>
Total operating revenues		
-continuing operations	<u><u>245,156</u></u>	<u><u>194,262</u></u>
Operating expenses		
Staff costs	29,902	23,425
Depreciation and amortisation	23,037	18,373
Other operating expenses		
Fuel & Oil	40,658	33,645
Maintenance, materials and repairs	11,184	9,449
Marketing and distribution costs	7,683	5,485
Aircraft rentals	1,506	-
Route charges	25,149	16,491
Airport and Handling charges	34,517	28,163
Other	<u>18,446</u>	<u>13,876</u>
Total operating expenses	<u><u>192,082</u></u>	<u><u>148,907</u></u>
Operating profit before exceptional items and goodwill	53,074	45,355
Buzz re-organisation costs	(3,012)	-
Amortisation of goodwill	<u>(584)</u>	<u>-</u>
	<u><u>(3,596)</u></u>	<u><u>-</u></u>
Operating profit after exceptional items and goodwill	<u><u>49,478</u></u>	<u><u>45,355</u></u>
Other income/(expenses)		
Foreign exchange gains/(losses)	193	(2,581)
(Loss) on disposal of fixed assets	-	(22)
Interest receivable and similar income	6,470	7,002
Interest payable and similar charges	<u>(11,076)</u>	<u>(6,394)</u>
Total other income/(expenses)	<u><u>(4,413)</u></u>	<u><u>(1,995)</u></u>
Profit before taxation	45,065	43,360
Tax on profit on ordinary activities	<u>(4,545)</u>	<u>(4,396)</u>
Profit for the period	<u><u>40,520</u></u>	<u><u>38,964</u></u>
Earnings per ordinary share		
-Basic(Euro cent)	5.37	5.16
-Diluted(Euro cent)	5.30	5.09
Adjusted Earnings per ordinary share*		
-Basic(Euro cent)	5.80	5.16
-Diluted(Euro cent)	5.73	5.09
Number of ordinary shares(in 000's)		
-Basic	755,204	755,031
-Diluted	764,469	765,996

* Calculated on Profit for period before exceptional items (net of tax) and goodwill

Ryanair Holdings plc and Subsidiaries

Consolidated Balance Sheets in accordance with
UK and Irish GAAP (unaudited)

	June 30 2003 <u>€000</u>	March 31, 2003 <u>€000</u>
Fixed assets		
Tangible assets	1,455,784	1,352,361
Intangible Assets	<u>46,166</u>	<u>-</u>
Total fixed assets	<u>1,501,950</u>	<u>1,352,361</u>
Current Assets		
Cash and liquid resources	1,077,478	1,060,218
Accounts receivable	10,173	14,970
Other assets	19,850	16,370
Inventories	<u>23,610</u>	<u>22,788</u>
Total current assets	<u>1,131,111</u>	<u>1,114,346</u>
Total assets	<u><u>2,633,061</u></u>	<u><u>2,466,707</u></u>
Current liabilities		
Accounts payable	48,844	61,604
Accrued expenses and other liabilities	316,361	251,328
Current maturities of long term debt	68,999	63,291
Short term borrowings	<u>1,531</u>	<u>1,316</u>
Total current liabilities	<u>435,735</u>	<u>377,539</u>
Other liabilities		
Provisions for liabilities and charges	86,379	67,833
Accounts payable due after one year	4,223	5,673
Long term debt	<u>821,608</u>	<u>773,934</u>
	<u>912,210</u>	<u>847,440</u>
Shareholders' funds - equity		
Called - up share capital	9,611	9,588
Share premium account	556,357	553,512
Profit and loss account	<u>719,148</u>	<u>678,628</u>
Shareholders' funds - equity	<u>1,285,116</u>	<u>1,241,728</u>
Total liabilities and shareholders' funds	<u><u>2,633,061</u></u>	<u><u>2,466,707</u></u>

Ryanair Holdings plc and Subsidiaries

*Consolidated Cashflow Statements in accordance
with UK and Irish GAAP (unaudited)*

	Quarter ended June 30, 2003 <u>€000</u>	Quarter ended June 30, 2002 <u>€000</u>
Net cash inflow from operating activities	113,486	113,570
Returns on investments and servicing of finance	(3,842)	220
Taxation	-	(591)
Capital expenditure(including aircraft deposits)	(128,145)	(74,149)
Acquisitions and disposals	<u>(20,704)</u>	<u>-</u>
Net cash (outflow)/inflow before financing and management of liquid resources	(39,205)	39,050
Financing	56,250	46,442
(Increase) in liquid resources	<u>(66,371)</u>	<u>(126,749)</u>
(Decrease) in cash	<u>(49,326)</u>	<u>(41,257)</u>
Analysis of movement in liquid resources		
At beginning of year	982,352	816,023
Increase in period	<u>66,371</u>	<u>126,749</u>
At end of period	<u>1,048,723</u>	<u>942,772</u>
Analysis of movement in cash		
At beginning of year	76,550	77,747
Net cash (outflow)	<u>(49,326)</u>	<u>(41,257)</u>
At end of period	<u>27,224</u>	<u>36,490</u>

Ryanair Holdings plc and Subsidiaries

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

	Ordinary shares €000	Share premium account €000	Profit and loss account €000	Total €000
Balance at April 1, 2003	9,588	553,512	678,628	1,241,728
Issue of ordinary equity shares	23	2,845	-	2,868
Profit for the financial period	-	-	40,520	40,520
Balance at June 30, 2003	9,611	556,357	719,148	1,285,116

Ryanair Holdings plc and Subsidiaries

Consolidated Profit and Loss Accounts in accordance

with US GAAP (unaudited)

	Quarter ended June 30, 2003 €000	Quarter ended June 30, 2002 €000
Operating Revenues		
Scheduled revenues	214,031	172,761
Ancillary revenues	<u>31,125</u>	<u>21,501</u>
Total operating revenues		
-continuing operations	<u>245,156</u>	<u>194,262</u>
Operating expenses		
Staff costs	29,682	23,186
Depreciation and amortisation	23,037	18,373
Other operating expenses		
Fuel & Oil	40,658	33,645
Maintenance, materials and repairs	11,184	9,449
Marketing and distribution costs	7,683	5,485
Aircraft rentals	1,506	-
Route charges	25,149	16,491
Airport and Handling charges	34,517	28,163
Other	<u>18,424</u>	<u>13,854</u>
Total operating expenses	<u>191,840</u>	<u>148,646</u>
Operating profit before exceptional items	53,316	45,616
Buzz re-organisation costs	<u>(3,012)</u>	<u>-</u>
Operating profit after exceptional items	50,304	45,616
Other income/(expenses)		
Foreign exchange gains/(losses)	193	(2,581)
(Loss) on disposal of fixed assets	-	(22)
Interest receivable and similar income	6,470	7,002
Interest payable and similar charges	<u>(9,253)</u>	<u>(5,387)</u>
Total other income/(expenses)	<u>(2,590)</u>	<u>(988)</u>
Profit on ordinary activities before taxation	47,714	44,628
Tax on profit on ordinary activities	<u>(4,800)</u>	<u>(4,537)</u>
Net Income	<u>42,914</u>	<u>40,091</u>
Net Income per ADS		
-Basic(Euro cent)	28.41	26.55
-Diluted(Euro cent)	28.07	26.17
Adjusted Net Income per ADS *		
-Basic(Euro cent)	30.20	26.55
-Diluted(Euro cent)	29.84	26.17
Weighted Average number of shares		
-Basic	755,204	755,031
-Diluted	764,469	765,996

* Calculated on Net Income before exceptional items (net of tax)

Ryanair Holdings plc and Subsidiaries

Summary of significant differences between UK, Irish and US generally accepted accounting principles (unaudited)

(A) Net income under US GAAP

	<-----Quarter ended----->	
	June 30, 2003 <u>€000</u>	June 30, 2002 <u>€000</u>
Profit as reported in the consolidated profit and loss accounts in accordance with UK and Irish GAAP	40,520	38,964
Adjustments		
Pension	220	122
Amortisation of goodwill	584	-
Employment grants	-	117
Capitalised interest re aircraft acquisition programme	1,823	1,007
Darley Investments Limited	22	22
Tax effect of adjustments	<u>(255)</u>	<u>(141)</u>
Net income under US GAAP	<u>42,914</u>	<u>40,091</u>

	<-----Quarter ended----->	
	June 30, 2003 <u>€000</u>	June 30, 2002 <u>€000</u>
Cash inflow from operating activities	109,644	113,199
Cash inflow/(outflow) from investing activities	96,891	(241,106)
Cash inflow from financial activities	<u>56,465</u>	<u>48,310</u>
Increase/(decrease) in cash and cash equivalents	263,000	(79,597)
Cash and cash equivalents at beginning of year	<u>658,366</u>	<u>482,492</u>
Cash and cash equivalents at end of period	<u>921,366</u>	<u>402,895</u>
Cash and cash equivalents under US GAAP	921,366	402,895
Deposits with a maturity of between three and six months	<u>156,112</u>	<u>583,740</u>
Cash and liquid resources under UK and Irish GAAP	<u>1,077,478</u>	<u>986,635</u>

Ryanair Holdings plc and Subsidiaries

Summary of significant differences between UK, Irish and US generally accepted accounting principles(unaudited)

(C) Shareholders' funds - equity

	June 30, 2003 <u>€000</u>	June 30, 2002 <u>€000</u>
Shareholders' equity as reported in the consolidated balance sheets (UK and Irish GAAP)	1,285,116	1,041,238
Adjustments:		
Pension	3,331	2,536
Unrealised gains on forward exchange contracts	-	4,189
Employment grants	-	(352)
Goodwill	584	-
Capitalised interest re aircraft acquisition programme	12,112	6,034
Darley Investments Limited	(217)	(305)
Unrealised Pension deficit(net of tax)	(2,656)	-
Derivative financial instruments(net of tax)	(95,505)	(17,401)
Tax effect of adjustments	<u>(1,930)</u>	<u>(1,901)</u>
Shareholders' equity as adjusted to accord with US GAAP	<u>1,200,835</u>	<u>1,034,038</u>
Opening shareholders' equity under US GAAP	1,177,187	1,019,607
Comprehensive Income adjustments		
Unrealised Pension deficit(net of tax)	-	-
Unrealised (losses) on derivative financial instruments(net of tax)	<u>(22,134)</u>	<u>(25,660)</u>
	(22,134)	(25,660)
Net income in accordance with US GAAP	42,914	40,091
Stock issued for cash	<u>2,868</u>	<u>-</u>
Closing shareholders' equity under US GAAP	<u>1,200,835</u>	<u>1,034,038</u>

Ryanair Holdings plc
Management Discussion and Analysis of Results
For the quarter ended June 30, 2003

Introduction

Profit after tax increased by 4% to €40.5m including the exceptional costs and goodwill arising from the “Buzz” acquisition. Adjusted Profit after tax (excluding exceptional costs of €2.7m (net of tax) and goodwill of €0.6m arising from the “Buzz” acquisition), increased by 12% to €43.8m. For the purposes of the MD&A all discussion below is by reference to the adjusted Profit and Loss excluding the exceptional costs and goodwill arising from the “Buzz” acquisition.

Summary

Profit after tax increased by 12% to €43.8m compared to €39.0m in the previous quarter ended June 30, 2002 driven by continued strong growth in passenger volumes and tight cost control. **Operating margins** declined by 1 point to 22%, which resulted in **Operating Profit** increasing by 17% to €53.1m.

Total Operating Revenues grew by 26% to €45.2m whilst passenger numbers grew by 45% to 5.1m.

Scheduled Passenger revenues increased by 24% to €214.0m, which is lower than the growth in passenger volume, and reflects a decline in average fares of 14% during the quarter. The 14% decline in average fares is due to a combination of the, launch of new routes and new bases, the weakness of sterling to euro (which accounted for 6% of the decline), and Ryanair’s policy of driving down airfares.

Ancillary Revenue grew by 45% to €31.1m, and reflects strong growth in non-flight scheduled revenue, car hire, and on-board sales. There were no Charter revenues arising during the quarter due to the termination of the programme.

Total Operating Expenses increased by 29% to €192.1m due to the increased costs associated with the higher level of activity, primarily, staff, fuel, depreciation, route charges and airport & handling costs. Operating costs continue to rise at a slower rate than the growth in passenger volumes reflecting the increased operational efficiencies arising from the higher proportion of 737-800 aircraft operated.

Other Income/Expenses declined significantly by €2.4m primarily due to higher interest charges payable arising from the increased level of debt.

Net margins as a result declined by 2 points to 18% whilst **Net Profit** increased by 12% to €43.8m.

Earnings per share increased by 12% to 5.8 euro cent, which is in line with the growth in Net Profit.

Balance Sheet

Cash and Liquid Resources increased from €1,060.2m at March 31, 2003 to €1,077.5m at June 30, 2003, reflecting the increased cash flows from the profitable trading performance during the period offset by capital expenditure in respect of the aircraft acquisition programme. Three additional aircraft were delivered during the quarter, which in addition to aircraft deposits accounted for the majority of the €120.5m incurred in capital expenditure. Advance delivery deposits amounted to €89.7m at the quarter end. This increase was part funded by the draw down of long-term debt, which increased, (net of repayments) by €53.4m during the quarter. The cost of the Buzz acquisition amounting to €20.7m was also funded from internal cash resources during the period. **Shareholders’ Funds** at June 30, 2003 have increased to €1,285.1m, compared to €1,241.7m at March 31, 2003.

Detailed Discussion and Analysis – Quarter ended June 30, 2003

Profit after tax has increased by 12% to €43.8m driven by strong growth in passenger volumes at lower average fares and continued tight cost control. **Operating Margin** declined by just 1 point to 22% whilst, **Net Margin** declined by 2 points to 18% compared to the previous quarter due to the lower average fares achieved during the quarter and the impact of the increased interest charges arising from the higher level of debt.

Total Operating Revenues increased by 26% to €245.2m whilst passenger volumes increased by 45% to 5.1m.

Scheduled Passenger Revenues increased by 24% to €14.0m primarily due to a 45% increase in passenger volumes on new and existing routes, partly offset by a 14% decline in average fares. The decline in average fares is due to the launch of new routes and new bases, the weakness of sterling to the euro (which accounted for 6% of the decline), and Ryanair's policy of reducing airfares.

Ancillary Revenues increased by 45% to €31.1m, which is in line with the growth in passenger volumes, and reflects increases in, non-flight scheduled revenues, car hire revenues, and other ancillary product revenues. There were no Charter revenues arising, due to the cessation of the programme. Ancillary revenues increased to 13% of total revenues compared to 11% in the previous quarter.

Total Operating Expenses increased by 29% to €192.1m due to the increased level of activity, and the increased costs primarily staff, depreciation, fuel, route charges and airport & handling costs associated with the expansion of the airline.

Staff costs have increased by 28% to €29.9m, which reflects a 26% increase in employees to 2,135 and the impact of the 3% pay increases granted during the quarter.

Depreciation and Amortisation increased by 25% to €23.0m primarily due to the increase in the number of aircraft owned and the amortisation of capitalised maintenance costs.

Fuel costs rose by 21% to €40.7m due to a 56% increase in the number of hours flown, offset by a lower average US\$ cost per gallon, an improvement in the fuel burn rate due to a higher proportion of 737-800 aircraft operated, and the positive impact of the strengthening of the euro to the dollar.

Maintenance costs increased by 18% to €11.2m reflecting an increase in the size of the fleet operated, and an increase in the number of flight hours, offset by, increased reliability in the fleet due to the higher proportion of 737-800 aircraft operated, and a reduction in the level of unscheduled engine maintenance during the quarter.

Marketing and Distribution Costs rose by 40% to €7.7m due to a higher spend on the promotion of the new routes launched, and the additional marketing costs associated with the launch of the two new bases at Milan-Bergamo and Stockholm-Skavsta.

Aircraft Rental Costs of €1.5m arose during the quarter reflecting the lease rental costs associated with the acquired "Buzz" aircraft.

Route Charges increased by 53% to €25.1m due to an increase in the number of sectors flown, an increase in the average sector length and an increase in the size of aircraft operated which incur a higher charge offset by the impact by a weaker Sterling to Euro exchange rate.

Airport and Handling Charges increased by 23% to €34.5m 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 33% to €18.4m, which is less than the growth in ancillary revenues due to improved margins on some products, and cost reductions achieved on other indirect costs.

Operating margin has declined by 1 point to 22% due to the reasons outlined above and this in turn has resulted in **Operating Profits** increasing by 17% to €3.1m during the quarter.

Interest Receivable declined by 8% to €6.5m reflecting the increase in cash resources, offset by reductions in deposit rates during the period. **Interest Payable** increased by €4.4m to €11.1m due to the increased level of debt arising from the acquisition of new aircraft.

Taxation has increased by 10% to €4.9m, which is less than the growth in pre-tax profits and primarily reflects the continued decline in the headline rate of Corporation Tax in Ireland.

The Company's **Balance Sheet** continues to benefit from the profitable trading performance during the period. **Tangible fixed assets** increased to €1,455.8m from €1,352.4m principally as a result of the delivery of three additional aircraft since March 31, 2003 and the payment of deposits for future deliveries. **Advance delivery deposits** amounted to €289.7m at the quarter end. The Company generated cash from operating activities of €105.9m, which funded all advance payments on future deliveries whilst the balance is reflected in the higher cash and liquid resources figure of €1,077.5m. **Total Debt** has increased by a further €3.4m, net of repayments, since March 31, 2003 to €890.6m. **Shareholder's Funds** at June 30, 2003 have increased to €1,285.1m compared to €1,241.7m at March 31, 2003.

Cash Flow from operating activities amounted to €13.5m, which incorporates the exceptional items arising from the Buzz acquisition of €3.0m, was in line with the previous quarter and reflects the increase in Operating Profits including exceptionals augmented by non cash items offset by an adverse movement in working capital.

Notes to the Financial Statements

1. **Accounting Policies**

The accounting policies followed in the preparation of these consolidated financial statements for the quarter ended June 30, 2003 are consistent with those set out in the previous fiscal year ended March 31, 2003.

2. **Approval of the Financial Statements**

The Audit Committee approved the consolidated financial statements for the quarter ended June 30, 2003 on July 29, 2003.

3. **Generally Accepted Accounting Policies**

The Management Discussion and Analysis of Results for the Quarter ended June 30, 2003 are based on the results reported under Irish and UK GAAP.