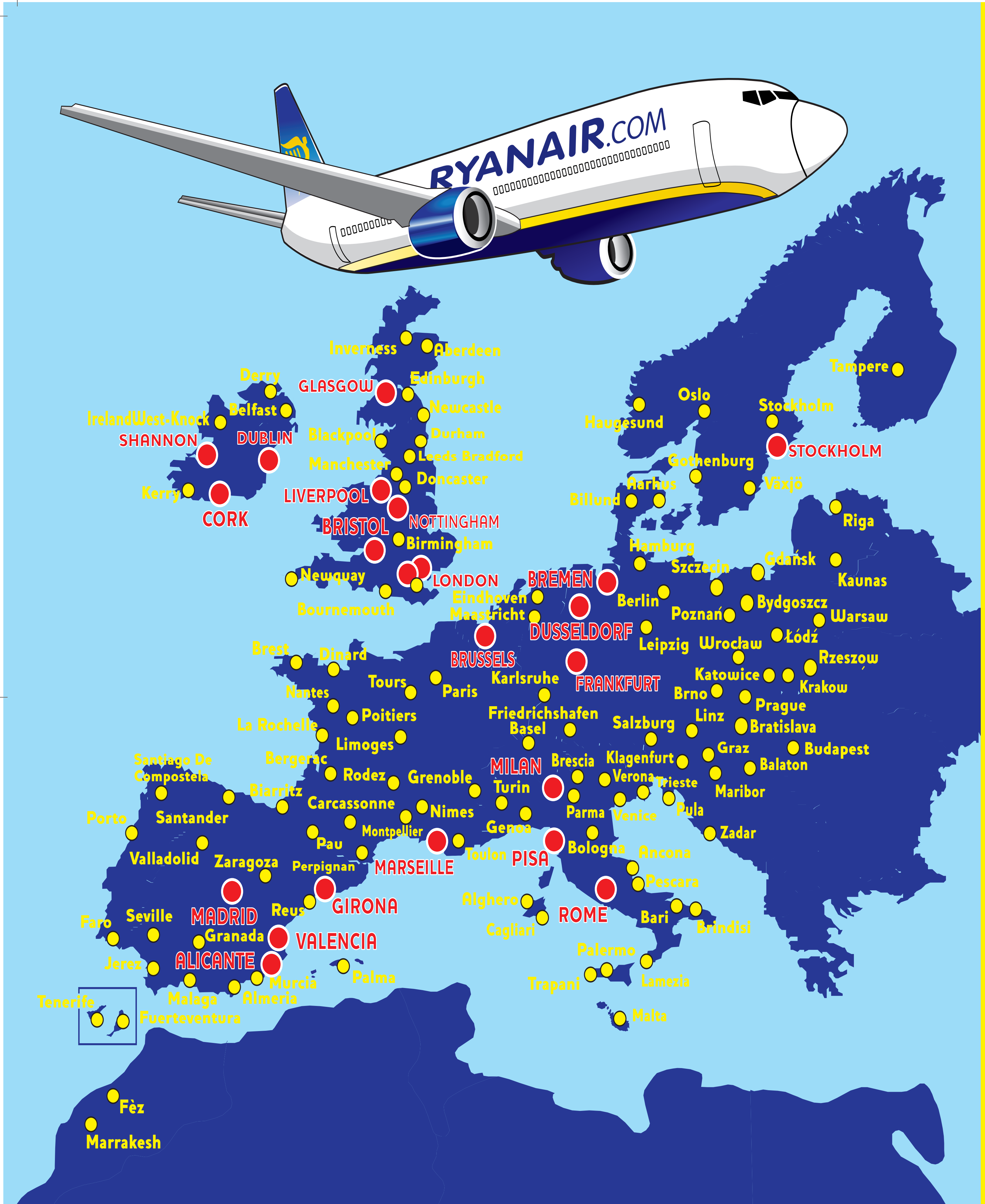
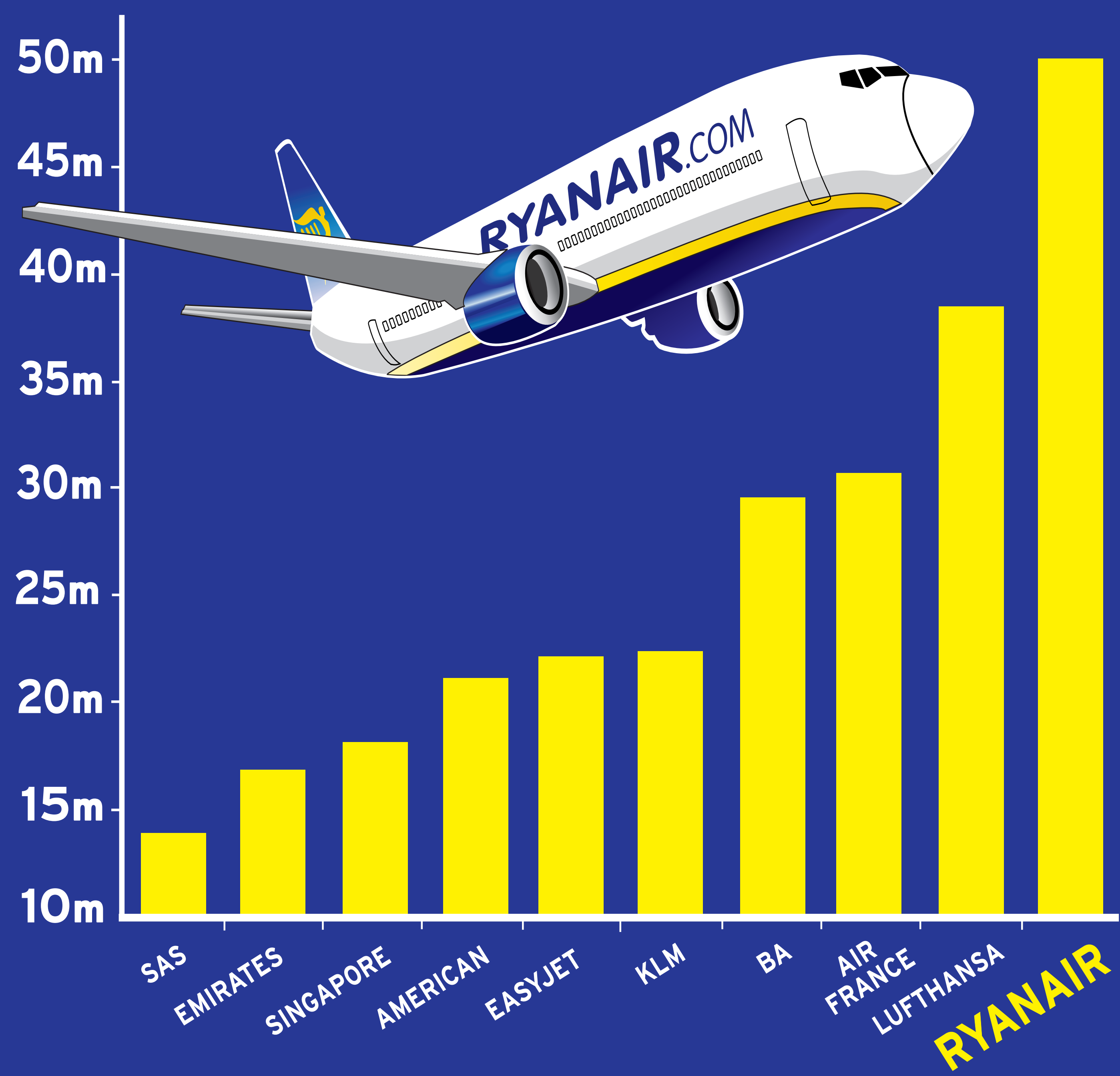


• 22 BASES • 136 AIRPORTS • 545 ROUTES

www.RYANAIR.com

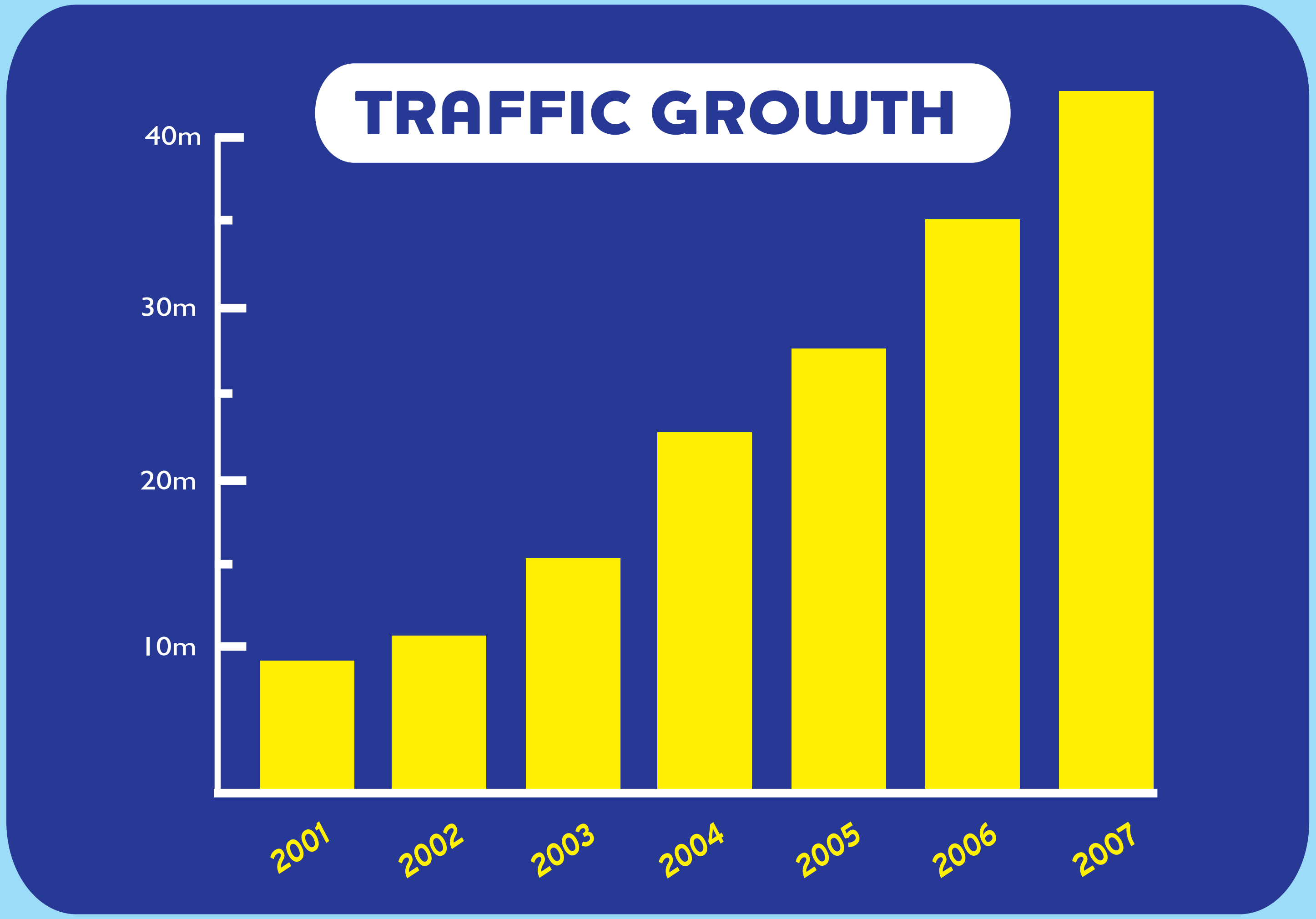
RYANAIR HOLDINGS plc Annual Report and Financial Statements 2007

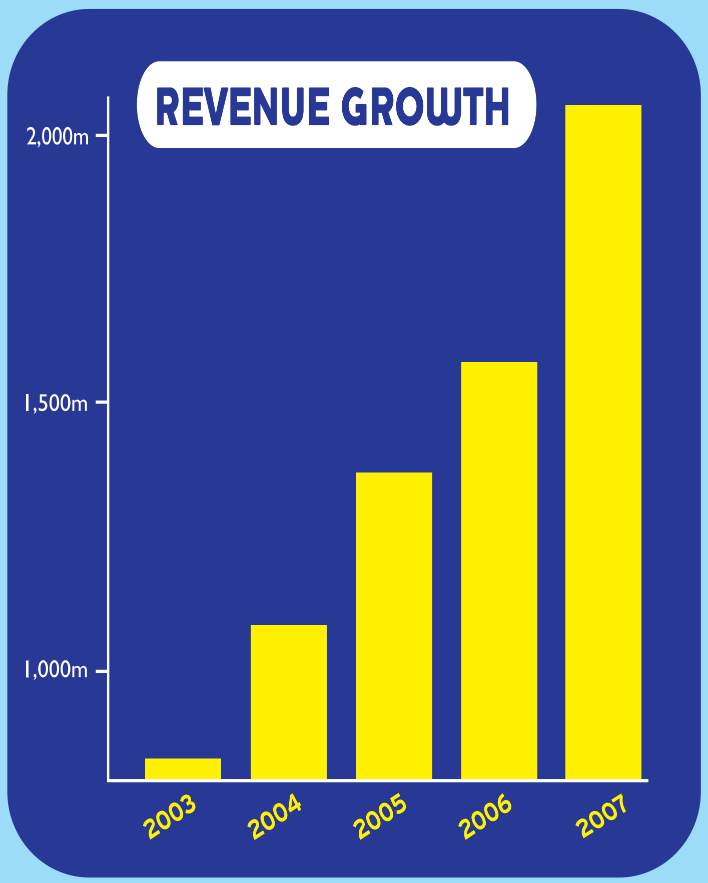
THE WORLD'S FAVOURITE AIRLINE

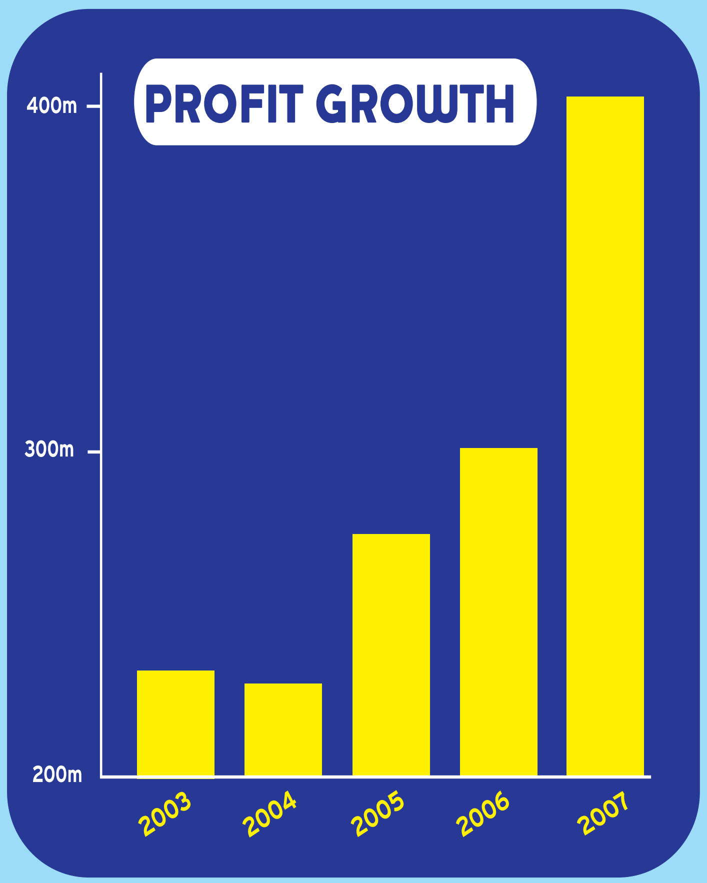


RYANAIR HOLDINGS plc | **Annual Report & Financial Statements 2007**

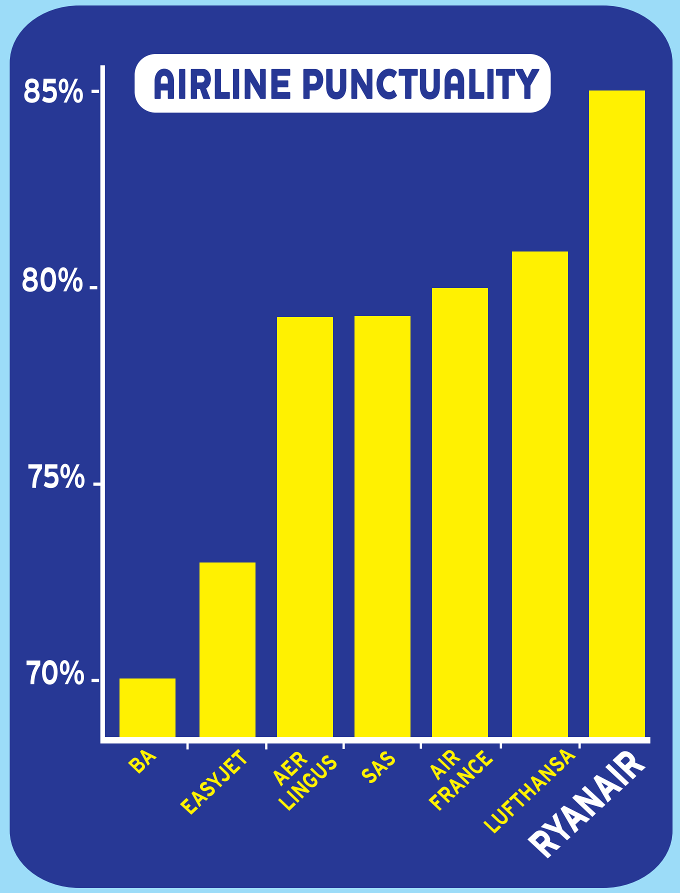
PROFITABLE GROWTH

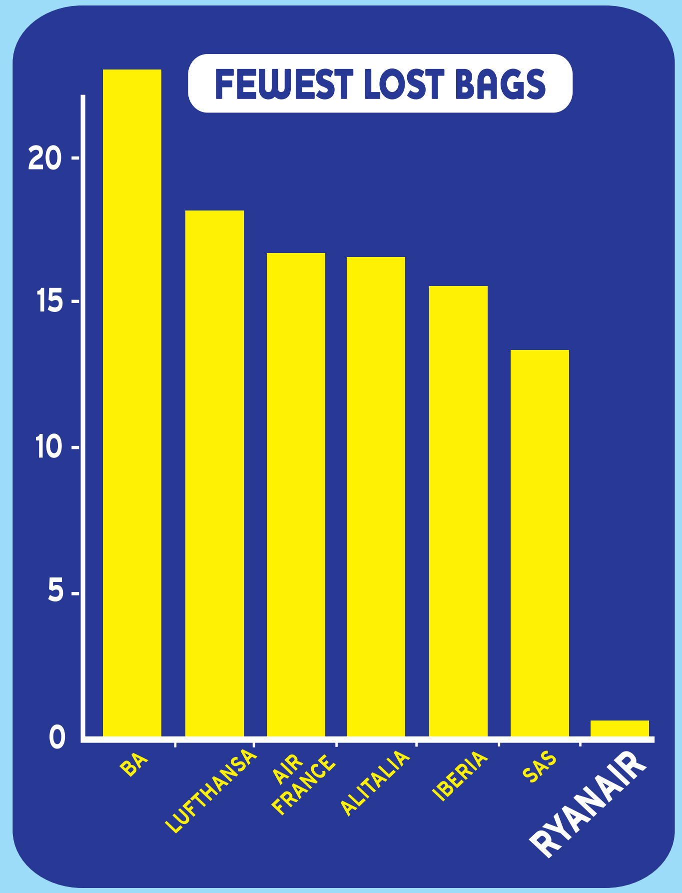


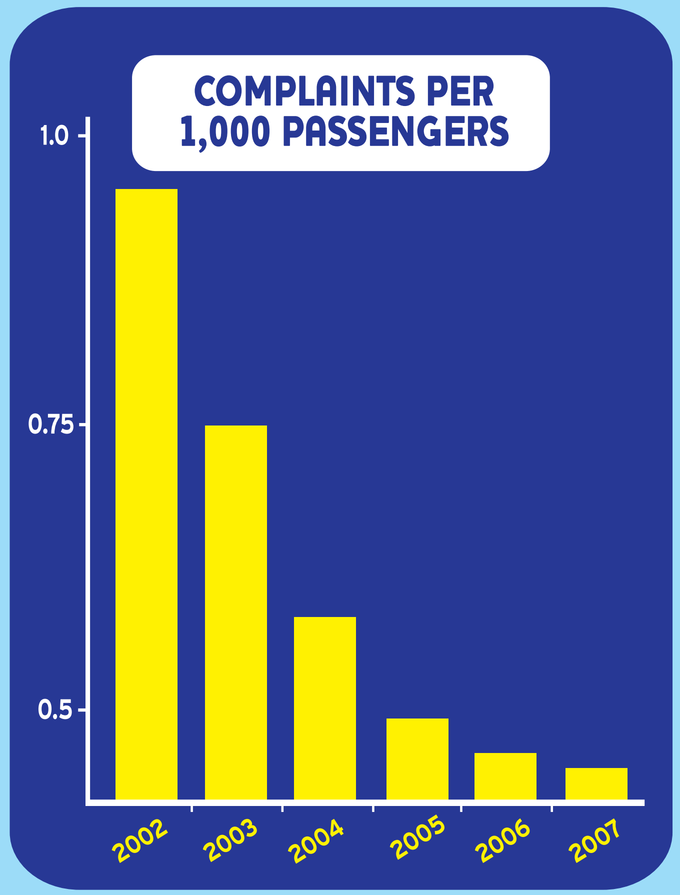


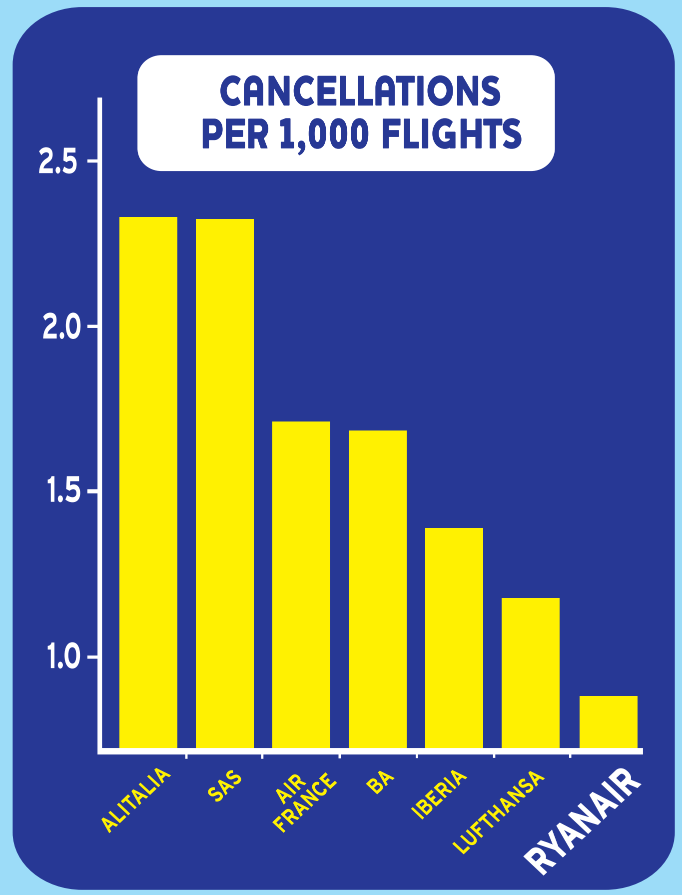


NO.1 CUSTOMER SERVICE









Source: Ryanair, Aer Lingus, Easyjet and AEA statistics Jan - Dec 2006

CONTENTS

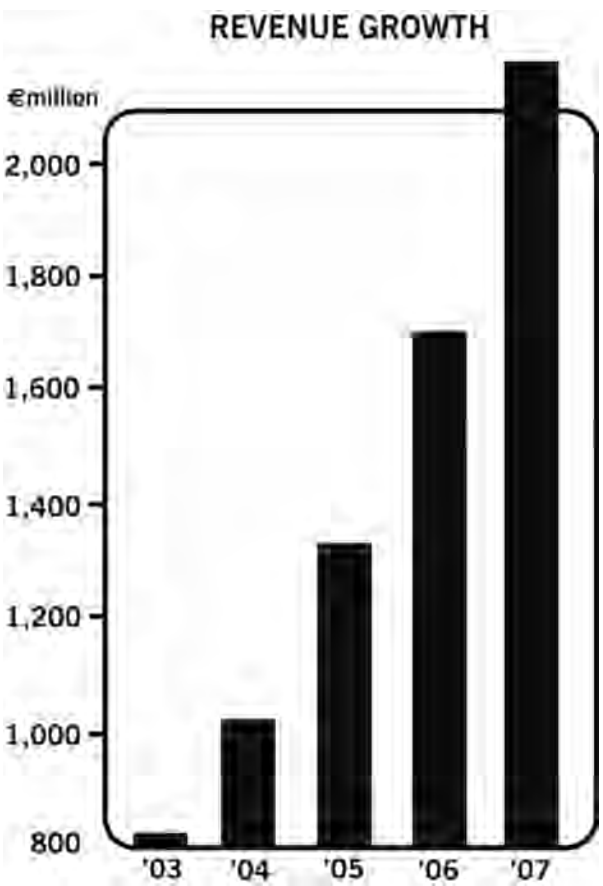
Certain information included in these statements are forward looking and are subject to certain risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise all of the many factors and specific events that could affect the outlook and results on an airline operating in the European economy. Among the factors that are subject to change and could significantly impact the Group's expected results are the airline pricing environment, the availability and cost of fuel, competition from new and existing carriers, market places for replacement aircraft, costs of compliance with environmental issues and emission standards, safety and security measures, actions of the Irish, UK, 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, terrorist acts, 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 economic, social and political factors.

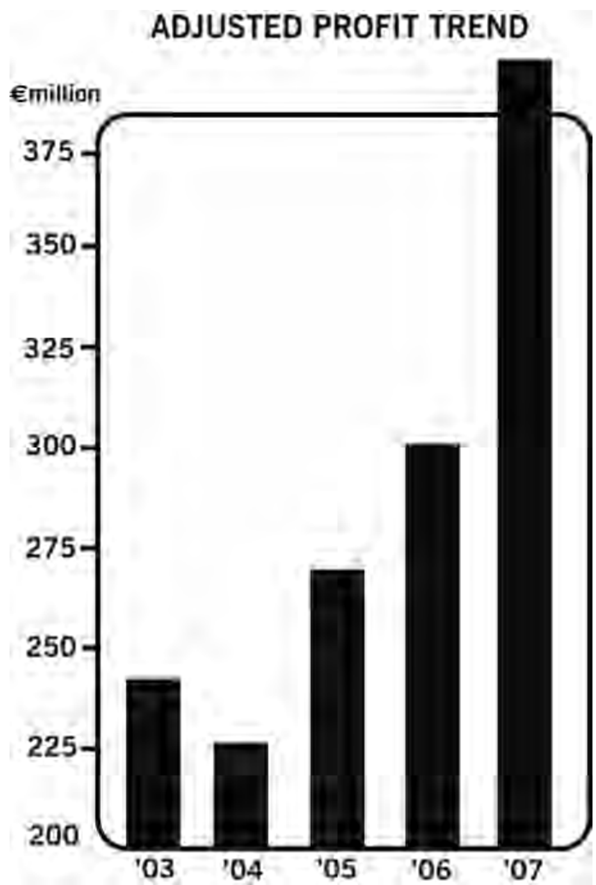
Financial Highlights

Summarised consolidated income statement in accordance with IFRS	2007 €m	2006 €m	Change
Operating revenue	**2,236.9**	1,692.5	+32%
Net profit	**435.6**	306.7	+42%
Adjusted net profit (i)	**401.4**	301.5	+33%
Adjusted Basic EPS (in euro cent) (ii)	**25.99**	19.66	+32%

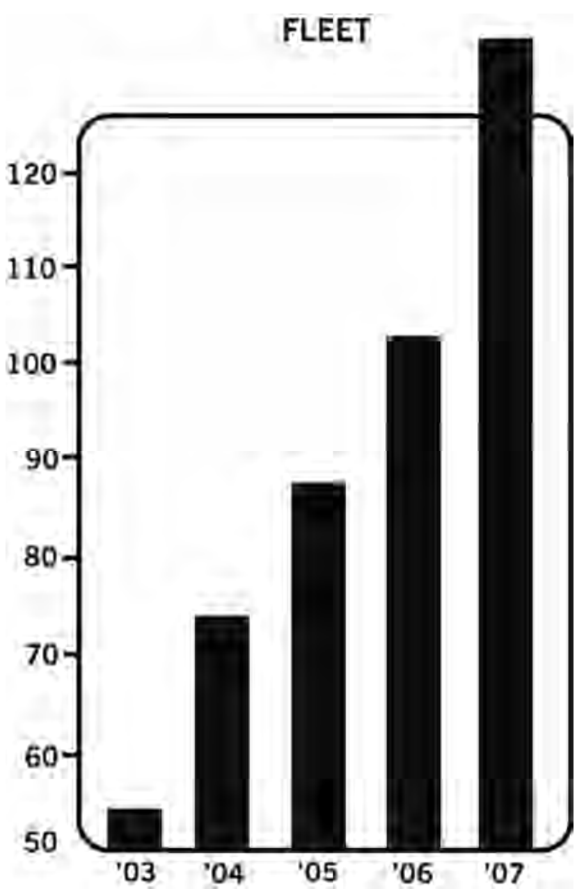
(i) The 2007 adjusted net profit excludes a release of €34.2m due to a prior year tax overprovision. The 2006 adjusted net profit excludes a receipt of €5.2m (net of tax) from the settlement on an insurance claim for the scribing of 6 Boeing 737-200 aircraft. Details of these adjustments are more fully set out in the table on page 14.

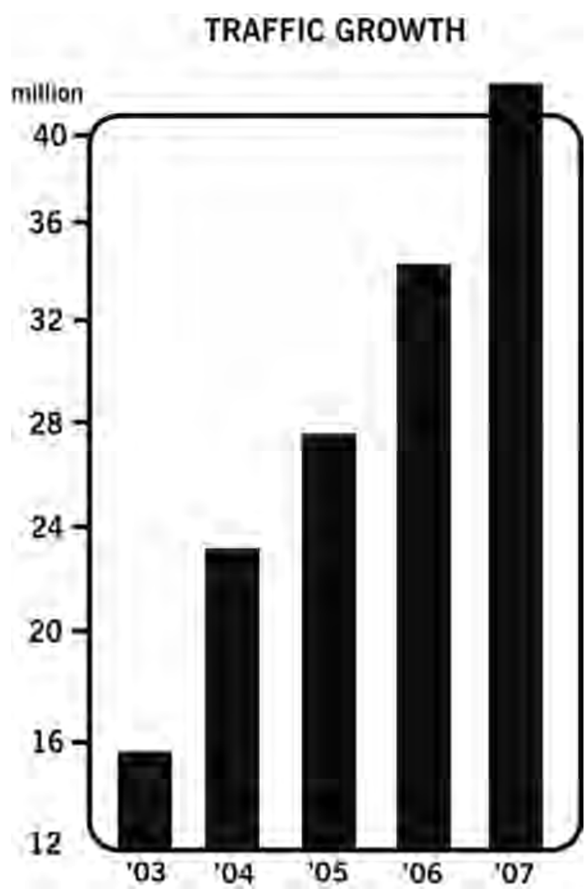
(ii) Adjusted for 2 for 1 stock split on February 26, 2007.





Key Statistics	2007	2006	Change
Scheduled passengers	**42.5m**	34.8m	+22%
Fleet at period end	**133**	103	+29%
Average number of employees	**3,991**	3,063	+30%
Passengers per average no. of employees	**10,648**	11,361	-6%





Chairman's Report

Dear Shareholders,

I am very pleased to report a 33% increase in adjusted net profit after tax to €401.4m. This is a tremendous performance during a year when we suffered a 50% increase in fuel costs which was largely offset by a 7% rise in average fares primarily driven by higher competitor fuel surcharges.

During this year we achieved a number of significant milestones:

- Our traffic grew by 22% to 42m passengers.
- Our year end cash balance increased by €226m to €2.2bn.
- We took delivery of 30 new aircraft during the year bringing the fleet to 133 aircraft.
- We opened 153 new routes and 3 new bases at Marseille, Madrid and Bremen.
- Average fares rose 7% despite our 22% traffic growth.
- We acquired a 29.44% stake in Aer Lingus.
- We exercised options over 42 Boeing 737-800 aircraft.

Fuel now accounts for almost 40% of our total operating costs and has significantly altered our cost structure. We were adversely impacted by a one off step up in our pilot crewing ratio, primarily due to longer sector lengths. As a result unit costs rose by 9% and we will continue to work even harder to reduce our cost base.

Our industry leading customer service delivery continues, and we remained the number one major airline in Europe with the best on time performance, fewest cancellations and the lowest level of lost baggage. This has been achieved by the outstanding efforts of all of Ryanair's people whose dedication to maintaining this record is part of what makes Ryanair such a special airline.

During the year the shareholders approved the decision to purchase 29.44% of Aer Lingus at a cost of €392m and to make an offer for the entire share capital of Aer Lingus. Consolidation among airlines in Europe continues. The strategy to acquire Aer Lingus was part of this trend which would in turn lead to the formation of one strong Irish airline Group able to compete with the mega carriers such as Lufthansa/Swiss and Air France/KLM. We also made a commitment to eliminate Aer Lingus fuel surcharges and reduce their fares, thus saving Aer Lingus passengers over €100m p.a. We were disappointed by the European Commission's decision to block this merger in order to appease the narrow vested interest of the Irish government. This prohibition, the first of any EU airline merger, and the first ever between 2 companies with less than 5% of the EU market, was we believe a politically motivated decision. We will appeal this decision to the European courts and we will make every effort to overturn this unfair decision.

Our commitment to offer passengers the lowest fares remains. We have recently introduced our unique "lowest price" guarantee whereby if passengers can find a lower fare from a competitor on any Ryanair city pair we will pay them double the difference. Unsurprisingly, we have had few claims. We are confident that our fare guarantee will ensure that we won't be beaten on price anywhere in Europe.

Market conditions have changed somewhat over recent months and as a result our forward bookings and yields have softened. Nevertheless we will continue to work even harder to reduce our costs while at the same time delivering the guaranteed lowest fares in Europe to our passengers. The successful roll out of Ryanair's low fares model across Europe continues with more countries and new destinations being added and this will deliver increased returns for our shareholders.

Yours sincerely,

David Bonderman

Chairman

Chief Executive's Report

Dear Shareholders,

These financial statements reflect another year of successful growth by Ryanair despite significantly higher oil prices, intense competition and increasing regulatory interventions which are designed to protect high fare flag carrier airlines by limiting consumer choice and competition.

What continues to make Ryanair unique is that we provide lowest fares are also the only airline to guarantee our passengers no fuel surcharges, not today, not tomorrow, not ever. At a time when most European flag carriers are increasing unjustified fuel surcharges, passengers continue to choose Ryanair, confident that even if oil hits $100 a barrel, they won't suffer a fuel surcharge.

Customer Service

Apart from the guaranteed lowest fares and a guarantee of no fuel surcharges, Ryanair's passengers continue to enjoy the No.1 customer service provided by any European airline.

Over the past year, Ryanair has continued to be Europe's No.1 customer service airline. We offer the best punctuality, the fewest lost bags and the fewest flight cancellations. Passengers who first choose Ryanair for our low fares, continue to return for our punctuality, our reliability, our frequency of services and our unmatched range of destinations.

RYANAIR NO.1 for punctuality % flights on time *	
Ryanair	85%
Lufthansa	81%
Air France	80%
SAS	79%
Aer Lingus	79%
Easyjet	73%
BA	70%

*Source: Ryanair, Aer Lingus, Easyjet and AEA published statistics 2006

Europe’s No 1 for Customer Service*		
Airline	**Bags miss. per 1,000 pax**	**% completions**
Ryanair	0.4	99.5
Air France	16.3	98.4
Lufthansa	16.0	99.1
Aer Lingus	RTP**	RTP**
Alitalia	17.7	97.9
Easyjet	RTP**	RTP**
British Airways	28.0	99.1

*Source: Ryanair and AEA published statistics 2006
**Refused to publish (“RTP”)

Our People

The past year has seen Ryanair’s growth deliver more and even better paid jobs for our people, as well as a significant number of promotions. Last year Ryanair created more than 1,000 new jobs and we are proud that over 745 of our people have been promoted as our expansion creates new opportunities for career development. Ryanair’s average pay (including cabin crew commissions) rose to €52,499 and remains higher than many other major European airlines. Whilst our pay is amongst the highest in Europe, we continue to manage our rosters to maximise our productivity while at work, but also maximising our people’s time off. We will continue to provide thousands of new jobs and hundreds of promotional opportunities for our people as we double in size over the coming 5 years.

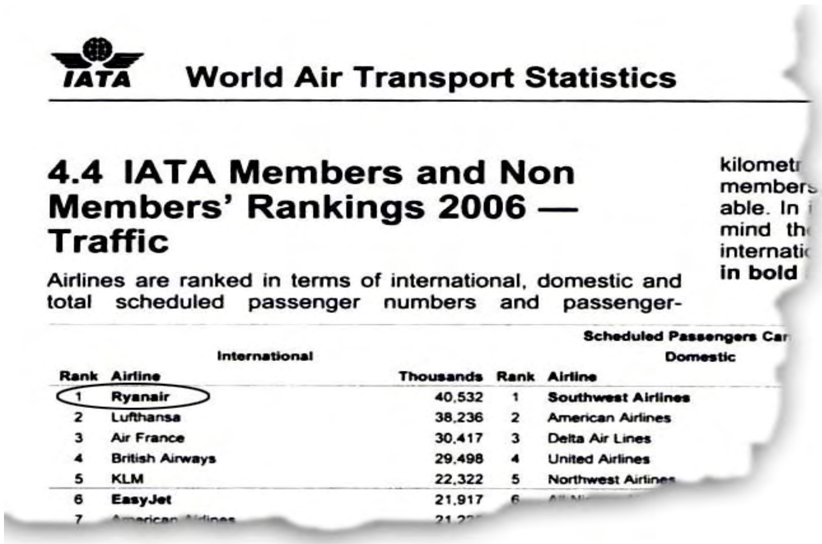
Average Pay*	
Ryanair	€52,499
Air France KLM	€47,540
British Airways	€46,562
Iberia	€44,057
Lufthansa	€42,837

*Source: Based on latest published annual reports

Growth

With an average fare of just €44 (£30) - which is 50% cheaper than that of any other major European airlines - it is no surprise that Ryanair continues to grow strongly. Last year we opened 3 new bases in Bremen, Madrid and Marseille. All 3 are performing strongly. For the coming fiscal year we have already announced 4 new bases in Alicante, Bristol, Düsseldorf Niederhein and Valencia. We plan to take delivery of a net 30 new aircraft from Boeing this year, to enable us to carry over 50 million passengers in the current year.

The recent IATA airline rankings confirmed that Ryanair has now become the world's largest carrier of international passengers, making Ryanair the world's favourite airline. This is a fantastic achievement by Ryanair's people. It is remarkable that Ryanair, an airline which floated just 10 years ago (when carrying 3 million passengers annually), has in a decade overtaken all of the world's largest international airlines.



IATA World Air Transport Statistics

4.4 IATA Members and Non Members' Rankings 2006 — Traffic

Airlines are ranked in terms of international, domestic and total scheduled passenger numbers and passenger-

Scheduled Passengers Car

International			Domestic	
Rank	Airline	Thousands	Rank	Airline
1	Ryanair	40,532	1	Southwest Airlines
2	Lufthansa	38,236	2	American Airlines
3	Air France	30,417	3	Delta Air Lines
4	British Airways	29,498	4	United Airlines
5	KLM	22,322	5	Northwest Airlines
6	EasyJet	21,917	6	[illegible]
7	American Airlines	[illegible]		

We have no intention of resting on our laurels. We have announced a 5 year plan to double our traffic to over 80m passengers by 2012 and we expect that our combination of lower fares and lower costs will over that 5 year period enable us to double profitability as well. Europe is full of so called low fares airlines who grow rapidly, but generally lose money. At Ryanair, like Southwest Airlines, we have grown rapidly over the past decade, but have been continuously profitable throughout this period.

As always this growth will be neither smooth nor challenge free. There are a number of clouds on our horizon, many of them centred around governmental and regulatory interference where there are renewed attempts across Europe to protect the vested interests of high fare flag carriers at the expense of more choice, more competition and more low fares for consumers.

The Environment

Air travel in general and low fare airlines in particular continue to be the target of inaccurate and misguided attacks from a small section of environmentalists, uninformed politicians and media. When study after study has factually proven that air travel accounts for less than 2% of world greenhouse gas emissions, and less than 2% of Europe's CO_2 emissions, it is blatantly clear that air travel is neither the cause of nor the solution to climate change or global warming.

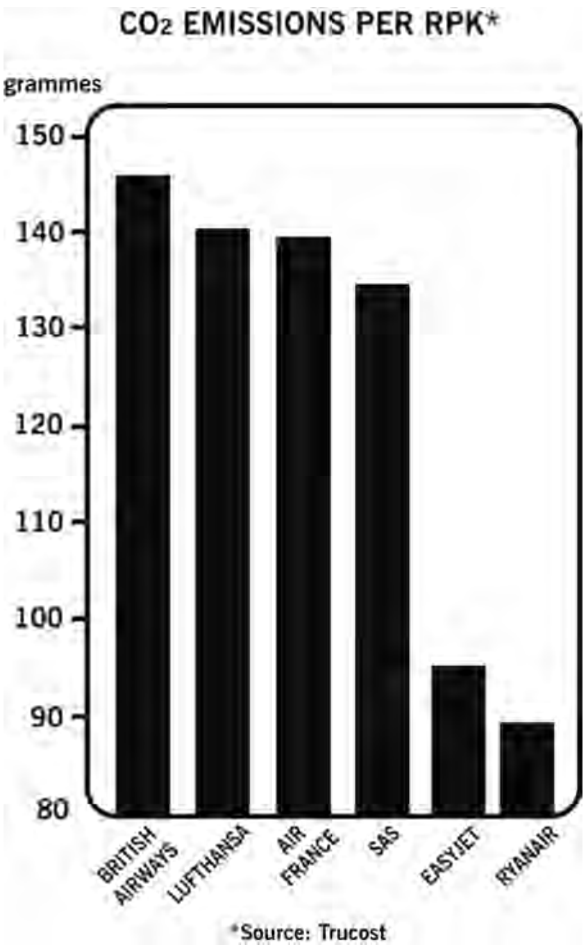
A number of recent studies into the environmental performance of European airlines have ranked Ryanair as the greenest cleanest airline in Europe.

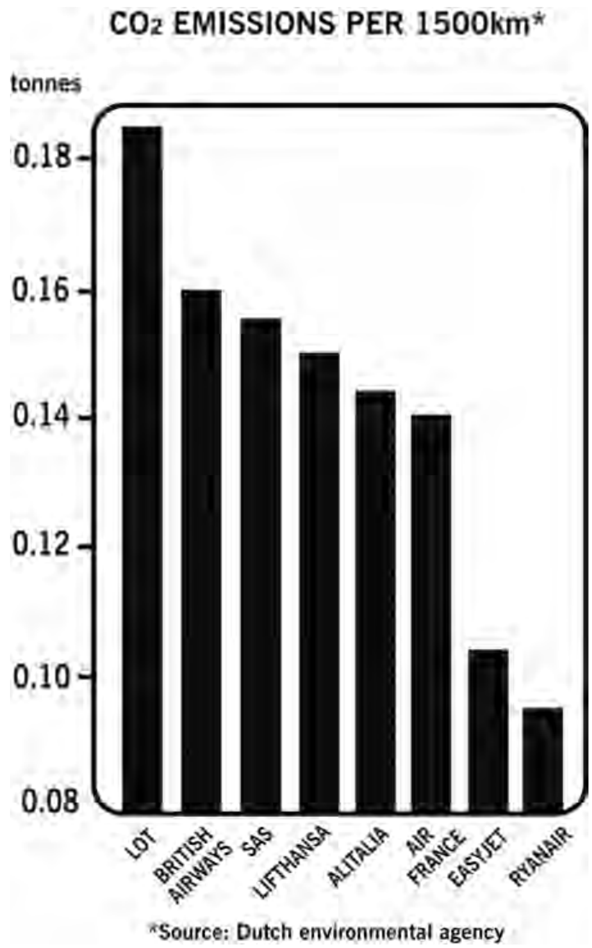
At Ryanair we have taken every possible step to reduce the impact of our passengers flights on the environment. No other European airline can match Ryanair's record of reducing our CO_2 emissions per passenger by almost 50% over the past 5 years.

This reduction has been achieved by:

- Flying brand new more efficient aircraft.
- Fitting these with winglets to reduce fuel consumption.
- Increasing the number of passengers per flight.
- Discouraging all connecting passenger flights.
- Ensuring that all our aircraft systems follow all fuel and noise minimisation procedures.
- Reducing our inflight packaging by 40%
- Switching from plastic to biodegradable products in our inflight services.

Independent recent surveys by both Trucost and the Dutch environmental agency have both confirmed that Ryanair is Europe's greenest cleanest airline.





Despite the enormous progress being made in this area by Europe's airlines this unfounded environmental hysteria has provided a convenient excuse for politicians such as Gordon Brown in the UK to raise unfair and regressive taxes upon air travel. The £10 UK airport departure tax is more than 33% of Ryanair's average fare of €44 (£30). It is unfair that price sensitive passengers flying with Ryanair should pay a tax of over 33%, when business class carriers pay the same flat tax which equates to less than 5% of their air fare. Despite claiming that this additional £1bn in tax revenue will be spent on environmental measures, the British Government refuses to provide any indication as to what "environmental measures" this unfair tax has been spent on.

The airline industry is already the most heavily taxed, and unsubsidised, form of mass transport in Europe. We must continue to oppose these unfair and regressive taxes being levied on our passengers under the false pretence of being an environmental measure. They are not. They are simply another Government tax.

Regulated Monopoly Airports

At two of our largest bases, Dublin and Stansted, we continue to be the victim of powerful monopoly airports, who abuse their market power under weak and ineffective regulatory regimes. In Sept. 2005 Ryanair supported Dublin airport's planned second terminal which was then announced at a cost of €170m-€200m.

Within 12 months of announcing this €170m terminal, the DAA monopoly "redesigned" it and are now trying to force through a second terminal and associated works which will cost four times more - over €800m. They also plan to scrap the eight year old Pier C which was built at a cost of some €150m. This is waste on a monumental scale, which is a direct consequence of the Irish Government's failure to honour its promise to deliver a competing second terminal at Dublin.

The Irish Commission for Aviation Regulation has confirmed that this new terminal is up to 50% larger than is necessary and that the construction costs of the DAA's proposed facilities are significantly above market rates. The Dublin Airport monopoly have also announced plans to spend "about €450m" extending and renovating the existing Terminal 1, but then bizarrely plans to reduce its capacity by 40% from 25 MPPA to just 15 MPPA in order to comply with planning restrictions. However since Dublin Airport will be rewarded – by the ineffectual regulator – with an annual rate of return on their capital expenditure, then clearly the more money they can waste, the higher their future income will be.

In Dublin we continue to campaign for a competing second terminal, which was promised by the Irish Government as far back as 2002. Sadly 5 years later there is still no sign of it. There is no justification for granting the Dublin Airport Authority (a Government owned monopoly which has so spectacularly mismanaged Dublin Airport for many years) the right to develop a second terminal. When they can't even manage one terminal properly, there is little chance of them building or running a second one efficiently.

The same problems recur at Stansted Airport, where the BAA airport monopoly are even less responsive to their airline users or passenger needs. The mismanagement of Stansted Airport this Summer has been shameful. Despite written promises that 20 security machines would be fully staffed during the morning peaks, Ryanair's flights are regularly delayed and disrupted because insufficient security staff are rostered to meet these minimum requirements. Passengers are frequently spending longer in security and passport queues at Stansted than they are on board Ryanair's flights! The BAA monopoly suffers no penalty for this appalling mismanagement and its abysmal customer service.

They continue to be guaranteed a 7.5% return on their excessive capital expenditure at Stansted and this inefficiency and mismanagement is now being used by the BAA monopoly as an excuse for even more waste on over specified facilities which users neither want nor wish to pay for.

Ryanair continues to oppose the wasteful G2 project at Stansted where a second terminal and runway are presently costed at almost £4bn. These facilities can and should be built for less than £1bn. The BAA Stansted have dismissed Ryanair's offers to develop and build this second terminal at Ryanair's own cost and risk, again because the CAA's failed regulatory regime will reward them for wasting £4bn instead of £1bn by quadrupling their projected income over the coming years.

In both cases, Ryanair is forced to shoulder an unfair and excessive regulatory burden. Our requirements – despite being the largest airline user at both Dublin and Stansted airports – are routinely ignored, not just by the airport monopoly, but also by the inept and ineffectual regulators. The Civil Aviation Authority in the UK (an organisation that has proven itself totally unwilling and unfit to regulate the BAA monopoly) has stood idly while the BAA Stansted doubled airport charges in April this year. The CAA promised Ryanair that any overcharging by BAA Stansted would be recovered during the next quinquennial review and yet now agrees with the BAA's suggestion that Stansted should be de-designated and released from all regulatory control. There is no justification for a private monopoly owning the three major London airports. The solution to the high costs and low service provided by the BAA is to break up the 3 London airports into separate ownership and force them to compete against each other for the custom of airlines and passengers.

Aer Lingus Offer

The European Commission published a decision on 27th June prohibiting Ryanair's offer for Aer Lingus. This prohibition was, we believe, a politically motivated decision. It totally overturns some 20 years of EU airline mergers and is the first time in any industry that the European Commission has blocked the merger of two companies, which between them control less than 5% of the European market. This prohibition demonstrates yet again that the European Commission panders to the needs of national governments. The Irish Government vigorously objected to Ryanair's acquisition of Aer Lingus and we believe this is the sole reason why the offer was blocked.

We will shortly file an appeal against this decision and will make every effort to overturn this unfair decision. It is illogical, for the European Commission to block the merger of Ryanair with Aer Lingus, at a time when it is encouraging and promoting intra European airline consolidation to form stronger European airline groups capable of competing with the American mega carriers in an Open Skies environment.

We also believe there was no sound legal basis for the Commission's decision. Their claims that Ryanair's offer would lead to less competition and higher fares are simply unsustainable, when Ryanair had already committed to maintaining Aer Lingus as a separate operation, lowering its fares and eliminating fuel surcharges.

It is interesting that in the weeks after this prohibition, Aer Lingus has now announced its withdrawal from the Shannon-Heathrow route in favour of a base in Belfast Aldergrove Airport. This continues Aer Lingus's strategy in recent years of withdrawing from routes where it faces competition from Ryanair and allocating capacity to routes where it does not compete with Ryanair.

We remain convinced that Aer Lingus has a bright future as part of a strong Irish airline group with Ryanair. We would significantly lower their costs enabling them to lower their air fares which would in turn guarantee a future of strong growth and improved profitability at Aer Lingus.

Conclusion

Over the past decade as a public company Ryanair has continued to revolutionise air travel across Europe. We have grown from 3m passengers to over 50m passengers per annum. From an airline which operated just 19 routes in 1997, this year Ryanair will operate over 550 routes from 22 base airports across the length and breadth of Europe. Our employee numbers have quadrupled to over 4,500 today. Most importantly our average passenger fare has fallen from €57 in 1997 to just €44 (£30) today.

Ryanair will continue to pursue lower costs and to pass on these savings in the form of lower fares to passengers all over Europe. Ryanair is the only European airline which is committed to guaranteeing the lowest fares in every market and guaranteeing that there will be no fuel surcharges today, tomorrow or ever. We intend to continue to grow, safely and profitably, for the benefit of our passengers, our people and our shareholders.

We take considerable pride from the knowledge that any shareholder who invested €100 in Ryanair's share during the flotation in 1997 has seen his investment multiply more than five fold to €617 today. This is a compound annual rate of return of 20%, making Ryanair one of the best performing stocks over the past decade. We are determined to continue this performance over the next 5 years as we expect to double our traffic, profits and hopefully our share price as well.

Your sincerely,

Michael O'Leary

Chief Executive

Operating and Financial Review

Consolidated Income Statement

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Operating revenues		
Scheduled revenues	1,874,791	1,433,377
Ancillary revenues	362,104	259,153
Total operating revenues—continuing operations	2,236,895	1,692,530
Operating expenses		
Staff costs	(226,580)	(171,412)
Depreciation	(143,503)	(124,405)
Fuel & oil	(693,331)	(462,466)
Maintenance, materials & repairs	(42,046)	(37,417)
Marketing & distribution costs	(23,795)	(13,912)
Aircraft rentals	(58,183)	(47,376)
Route charges	(199,240)	(164,577)
Airport & handling charges	(273,613)	(216,301)
Other	(104,859)	(79,618)
Total operating expenses	(1,765,150)	(1,317,484)
Operating profit – continuing operations	471,745	375,046
Other income/(expenses)		
Finance income	62,983	38,219
Finance expense	(82,876)	(73,958)
Foreign exchange (losses)	(906)	(1,234)
Gain on disposal of property, plant and equipment	91	815
Total other income/(expenses)	(20,708)	(36,158)
Profit before tax	451,037	338,888
Tax on profit on ordinary activities	(15,437)	(32,176)
Profit for the year –all attributable to equity holders of parent	435,600	306,712
Earnings per ordinary share (in € cent)		
-Basic	28.20	20.00
-Diluted	27.97	19.87
Adjusted earnings per ordinary share (in € cent)*		
-Basic	25.99	19.66
-Diluted	25.77	19.53
Weighted average number of ordinary share (in 000's)**		
-Basic	1,544,457	1,533,666
-Diluted	1,557,503	1,543,562

*Calculated on profit for the year before items set out in table overleaf and based on weighted average number of shares as stated above.
**Adjusted for share split of 2 for 1 which occurred on February 26, 2007.

Reconciliation of profit for the year to adjusted profit for the year

	Year ended March 31, 2007 €000	Year ended March 31, 2006 €000
Profit for the financial year	435,600	306,712
Adjustments		
Aircraft insurance claim	-	(5,939)
Tax adjustment for above	-	742
Release of income tax overprovision	(34,199)	-
Adjusted profit for the year	401,401	301,515

The item described above for the year ended March 31, 2007 consists of the one time release of an overprovision, principally from deferred tax. In the year ended March 31, 2006 adjusted items consist of a receipt of €5.2m (net of tax) arising from the settlement of an insurance claim for the scribing of 6 Boeing 737-200 aircraft. The tax provision adjustments are classified within tax expenses, and the aircraft insurance claim is classified within other expenses for the purposes of the Group's statutory financial statements.

Profit after tax increased by 42% to €435.6m compared to €306.7m in the previous year ended March 31, 2006, whilst adjusted profit after tax increased by 33% to €401.4m. For the purpose of the operating and financial review all figures and comments are by reference to the adjusted income statement which excludes certain items as detailed above. We believe that these adjusted operating measures represent our business more clearly as they exclude one off items that are not likely to recur.

Adjusted profit for the year

Profit after tax, increased by 33% to €401.4m due to a 7% increase in average fares (including checked in baggage revenues), strong growth in ancillary revenues, offset by increased fuel costs which rose by 50% to €693.3m, primarily reflecting the higher US dollar cost per gallon, and a one off step up in staff costs, due to higher pilot crewing ratios, which rose by 32% to €226.6m. **Operating margins,** as a result decreased by 1 point to 21%, which in turn resulted in **operating profit** increasing by 28% to €471.7m compared to year ended March 31, 2006.

Operating revenues

Total operating revenues increased by 32% to €2,236.9m whilst passenger volumes increased by 22% to 42.5m. **Total revenue per passenger** increased by 8% in the year due to higher average fares and strong ancillary revenue growth.

Scheduled passenger revenues increased by 31% to €1,874.8m due to a 7% increase in average fares (including checked baggage revenues) reflecting the benign yield environment during the year supported by competitor fuel surcharges. Passenger volumes increased by 22% to 42.5m reflecting increased passenger numbers on existing routes, and the successful launch of our new routes and bases. **Load factor** decreased by 1 point to 82% during the year due to the 23% increase in seat capacity.

Ancillary revenues continue to grow faster than passenger volumes with revenues increasing by 40% to €362.1m in the year. This performance reflects the strong growth in on board sales and non-flight scheduled revenues including excess baggage revenue. In March, 2007 we also announced a new 5 year hotel partnership with Expedia.

Adjusted operating expenses

Total operating expenses rose by 33% to €1,765.2m due to the increased level of activity, and the increased costs associated with the growth of the airline particularly higher fuel and staff costs. **Total operating expenses** were also adversely impacted by a 6% increase in the average sector length, whilst higher US dollar fuel prices were partially offset by the strength of the euro exchange rate against the US dollar.

Staff costs have increased by 32% to €226.6m. This primarily reflects a 30% increase in total employee numbers to 4,462 and the impact of pay increases granted during the year. Employee numbers rose due to an increase in pilot crewing ratios as a result of continued increases in sector length. Pilots, who earn higher than the average salary, accounted for 43% of the increase in employees during the year.

Depreciation and amortisation increased by 15% to €143.5m. There are an additional 19 'owned' Boeing 737-800 aircraft in the fleet this year compared to last year. The resultant higher depreciation charge was offset by a combination of lower amortisation due to the retirement of Boeing 737-200 aircraft and the positive impact of a new engine maintenance deal on the cost of amortisation of Boeing 737-800 aircraft. The strengthening of the euro versus the US dollar also had a positive impact on the depreciation and amortisation charge for new aircraft acquired.

Fuel costs rose by 50% to €693.3m due to a 25% increase in the number of hours flown and a 28% increase in the average US dollar cost per gallon of fuel partially offset by the positive impact of the strengthening of the euro versus the US dollar and a 3% reduction in fuel consumption due to the installation of winglets on our Boeing 737-800 fleet.

Maintenance costs increased by 12% to €42.0m, reflecting improved reliability of the Boeing 737-800's operated, due to a combination of the rise in the number of leased Boeing 737-800 aircraft from 17 to 32, a lower level of maintenance costs incurred due to the retirement of the Boeing 737-200's, and the positive impact of the strengthening of the euro versus the US dollar exchange rate.

Marketing and distribution costs increased by 71% to €23.8m due to a higher level of marketing activity and related expenditure compared to the previous year as the number of routes operated rose by 67% to 428 at the year end and the number of bases increased by 3 to 18.

Aircraft rental costs increased by 23% to €58.2m reflecting an additional 15 leased aircraft during the year.

Route charges rose by 21% to €199.2m due to an increase in the number of sectors flown and an increase of 6% in the average sector length, offset by a reduction in enroute charges in certain EU countries.

Airport and handling charges increased by 27% to €273.6m. This is higher than the growth in passenger volumes and reflects the impact of increased costs at certain existing airports, particularly at our Dublin base, which has grown significantly this year and has a much higher average cost per passenger, offset by lower costs at new airports and bases.

Other expenses increased by 23% to €104.9m, which is lower than the growth in ancillary revenues due to improved margins on some existing products and cost reductions on some indirect costs.

Adjusted operating profits

Operating margins have declined by 1 point to 21% due to the reasons outlined above whilst **operating profits** have increased by 28% to €471.7m during the year.

Finance income

Interest receivable has increased by 65% to €63.0m for the year due to the combined impact of higher levels of cash and cash equivalents and increases in average deposit rates earned in the year.

Finance expense

Interest payable increased by 12% to €82.9m due to the drawdown of further debt to part fund the purchase of new aircraft and the adverse impact of higher interest rates.

Foreign exchange (losses)

Foreign exchange losses have decreased during the year to €0.9m due to the positive impact of changes in the US dollar exchange rates against the euro compared to last year.

Adjusted earnings per share (EPS)

Adjusted earnings per share has increased by 32% to 25.99 euro cent for the year and is based on 1,544,457,436* shares which represents the weighted average number of ordinary shares in issue during the year. (* Adjusted for a share split of 2 for 1 which occurred on February 26, 2007)

Balance sheet

The consolidated **balance sheet** continues to strengthen due to the strong growth in profits during the year. The Group generated cash from operating activities of €869.9m which part funded the investment in financial assets (Aer Lingus) of €344.9m and capital expenditure incurred during the year with the balance reflected in **total cash** of €2,198.0m. Capital expenditure amounted to €495.0m which largely consisted of advance payments for future aircraft deliveries and the delivery of 15 owned aircraft during the year. **Long term debt**, net of repayments, increased by €184.3m during the year.

Shareholders' equity

Shareholders' equity at March 31, 2007 has increased by €547.8m to €2,539.8m, compared to March 31, 2006 reflecting the €401.4m increase in adjusted profitability during the year, the exercise of share options which increased shareholder funds by €11.2m and the impact of the IFRS accounting treatment for derivative financial instruments, financial assets, pensions and stock options which are accounted for within equity and which also increased shareholders' funds by €99.0m.

Capital expenditure

During the year the Group's **capital expenditure** amounted to €495.0m. The majority of this related to the purchase of 15 Boeing 737-800 "next generation" aircraft and deposits relating to the future acquisition of additional new Boeing 737-800's. An additional 15 new Boeing 737-800 "next generation" aircraft were financed by way of operating lease during the year bringing the increase in total new aircraft operated to 30. Further details are given in note 2.

Review of cash flow

Net cash provided by operating activities was €869.9m reflecting the overall profitability of the Group and working capital movements including advance revenues. This has enabled the Group to increase its total cash by €226.0m to €2,198.0m despite part funding capital expenditure of €155.6m from internal cash resources. At March 31, 2007 the Group had advance purchase deposits of €392.6m for future aircraft deliveries.

Outlook for fiscal 2008

We anticipate that the recent softness in yields and bookings will continue for the remainder of this fiscal year. Fuel prices are high although we have hedged 90% of our requirements for the remainder of the fiscal year at a cost of approximately $65 per barrel which is 10% lower than we achieved last year.

We also anticipate that ancillary revenues will continue to outpace the growth in passenger volumes. In terms of costs we face a doubling of airport charges at Stansted, significantly higher charges at Dublin, a one off step up in cabin crew ratios which, combined with a longer sector length, will result in unit costs increasing by approximately 5% in the coming year.

Ryanair's aircraft delivery programme net of planned disposals will result in our fleet increasing to 163 aircraft at the end of next year. This will in turn mean that capacity will grow by 18% to 50m passengers. We have already announced the launch of our new bases at Bristol, Alicante and Valencia which will commence this winter.

We will continue to grow over the winter period, however, due to the softness in yields, and the doubling of both UK APD and costs at Stansted, we plan to reduce the number of aircraft operated ex Stansted this winter by almost 20% from 40 to 33. This will mean reduced frequency or temporary cessation of services on routes which would be loss making due to Stansted's higher airport charges. Consequently passenger volumes this winter will now grow at a slower rate (by 18% to 50m) than the 24% to 52m previously guided. These capacity reductions should bring more stability to yields, whilst, at the same time, reducing operating costs and eliminating losses on these non profitable winter routes at Stansted.

Our outlook remains cautious for the fiscal year due to the softness of traffic and yields. Although we have little visibility beyond the next 2 months we expect this weaker demand to continue. We anticipate that yields in Q2 will be slightly down, and winter (H2) yields will be down by as much as -5% to -10% compared to last year. However, the reduction in capacity on non profitable winter routes, and the significant airport cost savings this cutback will generate, will enable us to slightly increase our previous guidance. We now expect that Net Profit will increase by (+10%) for the fiscal year compared to (+5%) previously guided, although, we caution that this guidance will be heavily dependent upon the accuracy of our forecast decline in yields for the second half of the year.

Legal proceedings

In February 2004 the European Commission ruled that Ryanair had received illegal state aid from the Walloon Regional government in connection with its establishment of a low cost base at Brussels (Charleroi). Ryanair immediately appealed the decision to the European courts on the basis that the Commission had ignored similar agreements that Ryanair has with private airports, thereby placing Charleroi at a competitive disadvantage. Subsequently Ryanair was requested by the Walloon regional government to repay what the Commission had deemed illegal state aid. However, Ryanair agreed with the Region to place the disputed funds in a joint escrow account pending the outcome of the appeal. Ryanair is still awaiting a hearing of its appeal in the European Court of First Instance.

In the meantime, Brussels Charleroi Airport has published a new tariff scheme, which complies with the new EU guidelines, whilst also maintaining the same cost base originally agreed with Ryanair. As a result Ryanair has based additional aircraft and launched new routes from Charleroi.

Following the Commission's decision in Charleroi other airlines have brought similar complaints against Ryanair in an attempt to block competition. However, Ryanair is confident that its agreements with publicly owned airports fully comply with the market economy investor principle (MEIP), i.e., they are the same as its agreements with privately owned airports, and therefore do not constitute state aid.

Ryanair has also filed complaints with the European Commission against Alitalia, Air France and Lufthansa on the basis of continued state aid to these national airlines. We also believe that Air France and Alitalia are the beneficiaries of substantial subsidies via routes that are subject to the so-called public service obligations (PSO's). In 2006 Ryanair was prevented from offering commercial services on the Rome to Alghero (Sardinia) route as a result of what Ryanair believes to be the Italian government's abusive application of the PSO system to favour Italian airlines. The European Commission has recently confirmed that the introduction of PSOs on routes between Sardinia and mainland Italy was in breach of the PSO regime.

As a result of the retirement of the Boeing 737-200 aircraft, Ryanair required its pilots to undergo a conversion training process to enable them to fly the new Boeing 737-800 aircraft. Starting in the Autumn of 2004, Ryanair made a number of written offers to its Dublin based pilots to enable them to participate in a re-training process in order to obtain the correct type rating for flying the Boeing 737-800 aircraft. After rejecting a series of offers, all of these pilots have now been trained on the Boeing 737-800 either by signing a 5 year bond, in which case the training was provided free of charge unless the pilots do not maintain their employment with Ryanair for a period of at least 5 years, in which case they are obligated to reimburse Ryanair for the training costs. However, these pilots are at the same time challenging the terms of these bonds before the Irish Labour Relations Commission and the Irish Labour Court.

The Supreme Court overturned the decision of the Labour Court in this case and found that the Labour Court had no jurisdiction. The Supreme Court has ordered that the case be reheard in the Labour Court and it has set down guidelines under which this hearing should be conducted. In separate proceedings, 64 of these pilots (only 26 of whom remain in the Company's employment) have also initiated proceedings before the Irish High Court, claiming that the terms of the bond infringed their freedom of association rights and their right to allow trade unions to negotiate on their behalf.

While Ryanair believes these court proceedings to be without merit and is contesting the pilots' claims, Ryanair could face potential sanctions in an amount up to a maximum of twice the annual salary of the pilots involved if the Labour Relations Commission rules in favour of the pilots. With respect to the Irish High Court proceedings, Ryanair estimates that damages up to a total of €100,000 could be awarded to each pilot.

Recruitment and promotion

During the year 745 of our people were promoted internally within the Group, and Ryanair employed over 1,000 more staff at the year end compared to the preceding year.

Safety

Safety in the airline remains an absolute priority. This is Ryanair's 22nd year of safe operations. Ryanair has extensive safety training programmes to ensure the recruitment of suitably qualified pilots, cabin crew, ground crews and maintenance personnel. In addition, the Group operates and maintains all of its aircraft in accordance with the highest European Aviation Industry Standards. Ryanair is regulated by the Irish Aviation Authority.

At each Board Meeting a report prepared by the Ryanair Safety Committee is circulated in advance and is reviewed by the Board. The Safety Committee, comprises Michael Horgan (Chairperson), a Director of the Board, the Director of Flight and Ground Operations, the Chief Pilot, the Flight Safety Officer, Director of Engineering, Director of Personnel and Inflight, Quality Assurance Manager-Maintenance, Deputy Director of Ground Operations, Deputy Director – Safety, Health and Safety Officer and the Chief Engineer. The Safety Committee meets on a quarterly basis and reports directly to the Board of Directors. The Flight Safety Officer is responsible for monitoring flight safety. The Group also has a Health and Safety Manager who is responsible for overseeing health and safety in all areas. The Group continues to operate extensive training and safety programmes to ensure the health and safety of all its passengers and employees.

Critical accounting policies

The Group believes that its critical accounting policies, which are those that require management's most difficult, subjective and complex judgments, are those described in this section. These critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the consolidated financial statements.

In accounting for long lived assets (principally aircraft and related parts), Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets and the potential for impairment based on the fair value of the assets and the cash flows they generate. In estimating the lives and expected residual values of its aircraft, Ryanair has primarily relied on it’s own and industry experience and recommendations from Boeing, the manufacturer of all of the Company's owned aircraft. Subsequent revisions to these estimates, which can be significant, could be caused by changes to Ryanair's maintenance program, changes in utilisation of the aircraft, governmental regulations on ageing of aircraft and changing market prices for new and used aircraft of the same or similar types.

Ryanair evaluates its estimates and assumptions in each reporting period, and when warranted adjusts these assumptions. Generally, these adjustments are accounted for on a prospective basis, through depreciation expense.

Ryanair periodically evaluates its long lived assets for impairment. Factors that would indicate potential impairment would include, but are not limited to, significant decreases in the market value of aircraft, a significant change in an aircraft’s physical condition and operating or cash-flow losses associated with the use of the aircraft. While the airline industry as a whole has experienced many of these factors from time to time, Ryanair has not yet been seriously impacted and continues to record positive cash flows from these long lived assets. Consequently, Ryanair has not yet identified any impairments related to its existing aircraft fleet. The company will continue to monitor its aircraft and the general airline operating environment.

An element of the cost of an acquired aircraft is attributed on acquisition to its service potential, reflecting the maintenance condition of the engines and airframe. Additionally, where Ryanair has a lease commitment to perform aircraft maintenance, a provision is made during the lease term for this obligation. Both of these accounting policies involve the use of estimates in determining the quantum of both the initial maintenance asset and/or the amount of provision to be set aside and the respective periods over which such amounts are charged to income. In making such estimates, Ryanair has primarily relied on industry experience, industry regulations and recommendations from Boeing; however, these estimates can be subject to revision, depending on a number of factors, such as the timing of the planned maintenance, the ultimate utilisation of the aircraft, changes to government regulations and increases and decreases in the estimated costs. Ryanair evaluates its estimates and assumptions in each reporting period and, when warranted, adjusts these assumptions, which generally impact on maintenance and depreciation expense in the income statement, on a prospective basis.

Treasury policy, fuel, currency and interest rate risk management

Details of our principal treasury policies are set out in notes 5 and 11.

Additional performance measures

The Group has referred to a number of additional performance measures throughout this operating and financial review, which are defined as follows:

- Adjusted profit for the year is as set out on page 14. Items adjusted for include the financial impact of once off events that are not normally expected to occur within the usual operating cycle of the Group.
- Adjusted operating expenses are total operating expenses as adjusted for the items defined on page 14.
- Adjusted operating margin is the adjusted operating profit expressed as a percentage of total revenues.
- Adjusted operating profit is the operating profit as adjusted for the items listed on page 14 excluding the effect of taxation.
- Adjusted earnings per share relates to basic earnings per share adjusted to take account of items listed on page 14 and as more fully described in note 23.

Directors' Report

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 13 to 21.

Results for the year

Profit for the financial year amounted to €435.6m. Details of the results are set out in the consolidated income statement on page 42 and in the related notes.

Share capital

The number of ordinary shares in issue at March 31, 2007 was 1,547,028,730 (2006: 1,542,033,246). (Adjusted for a 2 for 1 stock split on February 26, 2007)

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.

Staff

At March 31, 2007, the Group employed 4,462 people. This compares to 3,453 staff at March 31, 2006. The increase in staff levels consisted mainly of pilots and cabin crew and arose due to the expansion of the aircraft fleet and continued growth of the Group.

Air safety

Commitment to air safety is a priority of the Group. The Group has fully documented and implemented a Safety Management System. The Group operates continuous staff training programmes. In addition to the designation of a senior pilot as full time Flight Safety Officer, Ryanair has appointed a Flight Safety and Administration Manager and a Flight Safety Administrator. In addition, Ryanair has a Safety Committee as more fully discussed on page 19.

Company information

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

Substantial Interests in Share Capital

As at July 31, 2007 the directors are aware of the following substantial interests in the share capital of the Company which represent more than 3% of the issued share capital. At March 31, 2007 the free float in shares was 94%.

NAME	SHARES HELD JULY 31, 2007	% OF ISSUED SHARE CAPITAL	SHARES HELD MARCH 31, 2007
Capital Group Companies Inc.	180,029,994	11.85%	150,112,196
Gilder Gagnon Howe and Co LCC	93,749,190	6.17%	104,380,925
Wellington Investment Management	91,442,743	6.02%	83,659,650
Fidelity Investments	90,452,075	5.95%	154,261,320
Michael O'Leary	65,000,016	4.28%	65,000,016
Bank of Ireland Asset Management Ltd.	61,970,409	4.08%	27,736,521
Chieftain Capital Management Inc.	54,743,575	3.60%	49,473,500

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

The directors endorse the 2006 Combined Code on Corporate Governance which sets out Principles of Good Governance and a code of best practice and which was appended to the Listing Rules of the Irish and London Stock Exchanges. The directors have reviewed the Group's governance arrangements in light of the 2006 Code and believe that they are fully in compliance.

Code principles

Ryanair's Board is committed to governing the Group in accordance with best practice, and supports 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

At the financial year end the Board of Ryanair comprised 8 non-executive directors and 1 executive director. Biographies of these directors are set out on pages 31 to 32. 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 management 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 in the year to March 31, 2007 the Board met on 4 occasions. Detailed Board papers are circulated in advance so that Board members have adequate time and information to be able to participate fully at the meeting. The Board's primary 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, large capital expenditure, 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 has established a process to annually evaluate the performance of the Board and its principal Committees. The Board anticipates that the formal evaluation will be completed in the calendar year. Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year.

Directors' independence

The Board regards all of the 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.

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

The Board has also considered the independence of Mr. David Bonderman and Dr. Tony Ryan given their respective shareholdings in Ryanair Holdings plc. Mr. David Bonderman and Dr. Tony Ryan have a shareholding in the Company of 14,117,360 ordinary shares and 6,517,070 ordinary shares, equivalent to 0.91% and 0.42% of the issued share capital, respectively. Having considered their individual shareholdings in light of the number of issued shares in Ryanair Holdings plc and the respective financial interests of each of the directors, the Board has concluded that their respective interests are not so material as to breach the spirit of the independence rule contained in the Combined Code.

The Board has further considered the independence of Mr. David Bonderman, Mr. James Osborne and Dr. Tony Ryan as they have each served more than 9 years on the Board. The Board considers that each of these 3 directors is independent as each has other significant commercial and professional commitments and each brings his own level of senior experience gained in their fields of international business and professional practice. For these reasons, and also because each director's independence is considered annually by the Board, the Board considers it appropriate that these directors have not been offered for annual re-election as is recommended by the Combined Code.

New Non-executive directors are encouraged to meet the Executive director and senior management for briefing on the Group's developments and plans. Directors can only be appointed following selection by the Nomination Committee and approval by the Board and by the shareholders at the Annual General Meeting.

Ryanair's Articles of Association require that all of the directors retire and offer themselves for re-election within a three-year period. Accordingly Dr. Tony Ryan, Mr. Emmanuel Faber and Mr. Klaus Kirchberger will be retiring, and being eligible will offer themselves for re-election at the AGM on September 20, 2007.

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

Board Committees

The following Committees have been established as subcommittees of the Board:

The Audit Committee

The Audit Committee meets regularly and has clear terms of reference in relation to its authority and duties. The Committee's terms of reference are available from the Company Secretary and are displayed on the Company's website at www.Ryanair.com. Further information is detailed below under "Accountability and Audit."

Its members are Mr. Kyran McLaughlin, Mr. James Osborne and Mr. Emmanuel Faber. The Board consider that all of the Audit Committee members have relevant financial expertise and that Mr. Emmanuel Faber is a recognised financial expert.

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 Dr. Tony Ryan.

The Remuneration Committee

The members of the Remuneration Committee are Mr. James Osborne, Mr. Paolo Pietrogrande and Mr. Klaus Kirchberger. 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 in accordance with the provisions contained in Schedule A to the Combined Code.

The Nomination Committee

The members of the Nomination Committee are Mr. David Bonderman, Mr. Michael O'Leary and Dr. Tony Ryan. 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 Board Director, Mr. Michael Horgan, the Chief Pilot, the Director of Flight and Ground Operations, the Flight Safety Officer, the Director of Engineering, Director of Personnel and In-flight, Quality Assurance Manager-Maintenance, Deputy Director – Safety, the Health and Safety Officer and the Chief Engineer. The Air Safety Committee meets regularly to discuss relevant issues and reports to the Board on a quarterly basis.

The number of Board and Committee meetings held and attended during the year are given below.

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 a performance bonus of up to 50% of salary and other bonuses dependant upon the achievement of certain financial targets. It is considered that the shareholding of the Chief Executive acts to align his interests with those of shareholders and gives him a keen incentive to perform to the highest levels. The report of the Remuneration Committee is contained on page 36.

Relations with shareholders

Ryanair communicates with all of its shareholders following the release of quarterly and annual results directly via road shows, investor days and/or by conference calls. The Chief Executive, senior financial, operational, and commercial management participate in these events. During the year ended March 31, 2007 the Group held discussions with a substantial number of institutional investors.

All shareholders are given adequate notice of the AGM at which the Chairman reviews the results and comments on current business activity. Financial, operational and other information on the 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 Chairmen of the Audit and Remuneration Committees are available to answer questions from all shareholders.

The number of Board Committee meetings held and attended during the year was as follows:

	Board	Audit Committee	Remuneration Committee	Air Safety Committee
David Bonderman	3/4	-	-	-
Michael O'Leary	4/4	-	-	-
Michael Horgan	4/4	-	-	4/4
Kyran McLaughlin	4/4	6/6	-	-
James R. Osborne	4/4	3/6*	2/2	-
Paolo Pietrogrande	3/4	-	1/2	-
T. Anthony Ryan	3/4	-	-	-
Emmanuel Faber	1/4	2/6	-	-
Klaus Kirchberger	3/4	-	1/2	-

There were no Executive or Nomination Committee meetings held during the year.

*James Osborne replaced Ray MacSharry, who retired during the year, on the Audit Committee.

Accountability and audit

The directors have set out their responsibility for the preparation of the financial statements on page 37. They have also considered the going concern position of the Group and their conclusion is set out on page 29. 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, 2007 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.

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

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. In accordance with the provisions of the Combined Code the Directors review the effectiveness of the Group's system of internal control including:

- Financial
- Operational
- Compliance
- Risk
- Management

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

- a strong and independent Board which meets at least 4 times a year and has separate Chief Executive and Chairman roles;
- a clearly defined organisational structure along functional lines and a clear division of responsibility and authority in the Group;
- a comprehensive system of internal financial reporting which includes preparation of detailed monthly management accounts, providing key performance indicators and financial results for each major function within the 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, considers significant control matters raised by management and the internal and external auditors and which is actively monitoring the Group's compliance with section 404 of the Sarbanes Oxley Act of 2002;
- established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored by the Audit Committee and the Management Committee; and
- a risk management programme in place throughout the 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 for the year ended March 31, 2007 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.

Code of business conduct

Ryanair’s standards of integrity and ethical values have been established and are documented in Ryanair’s Code of Business Conduct. This code is applicable to all Ryanair employees. There are established channels for reporting code violations or other concerns in a confidential manner. The internal auditor investigates any instances and reports findings directly to the Audit Committee.

Going concern

After making enquiries the directors consider that the Group has adequate resources to continue operating for the foreseeable future. For this reason, they have continued to adopt the going concern basis in preparing the financial statements.

Statement of compliance

The Irish Stock exchange and UK Listing Authority require listed companies to disclose, in relation to section 1 of the 2006 Combined code, how they have applied its provisions throughout the year. The Company had fully complied with the provisions set out in Section 1 of the 2006 Combined code throughout the year.

Subsidiary companies

Details of the principal subsidiary undertakings are disclosed in note 27 of the financial statements.

Directors and their interests

A list of the directors who held office in the period is set out on page 87. 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, 2007 had no interests other than those outlined in note 20 to the financial statements 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.

Political contributions

During the financial years ended March 31, 2007 and 2006 the Group made no political contributions which require disclosure under the Electoral Act, 1997.

Share Split

On February 26, 2007 the Company implemented a sub-division of the Company's ordinary shares of €1.27 cent into ordinary shares of €0.635 cent (the "stock split"). Both the share capital and earnings per share figures have been restated to give effect to the stock split.

Post balance sheet events

A share buy back which was approved at the 2006 AGM was formally announced on June 5, 2007. With effect from June 7, 2007 the Company planned to repurchase up to €300m worth of shares. The buy back can take place at anytime up to September 20, 2007 for a total maximum of 77,171,868 shares. To date the Company had repurchased 37.6 million shares at a total cost of €187m.

Since the year end the Company has entered into sale agreements for the disposal of 20 Boeing 737-800 aircraft in the period September 2006 to April 2010.

Ryanair is in the process of preparing an appeal to the European Court of First Instance against a decision by the European Commission prohibiting its proposed acquisition of Aer Lingus, following the initial public offering of the Irish flag carrier airline**.** Subsequent to the year end, Ryanair increased its stake in Aer Lingus plc by a further 4.2%, taking its shareholding from 25.2% at March 31, 2007 to over 29.4% at August 21, 2007, at a total cost of €392m which amounted to an average cost of €2.52 per share. Ryanair offered remedies to the Commission in the first phase of the Commission's merger investigation, something that has not been done in other previous airline mergers, including Air France/KLM. Despite demonstrating that the merger of these two airlines would have significant consumer benefits and efficiencies, and despite offering substantial remedies – including guaranteed fare and fuel levy reductions/eliminations, and large numbers of slot surrenders – the Commission nevertheless prohibited the merger in June 2007. Ryanair has two months from the date of decision to submit an appeal.

In April 2007 the Group exercised 27 options under the 2005 contract with the Boeing Company whereby it will increase its "firm" aircraft deliveries by this amount during fiscal 2010.

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 20, 2007 at 10am in the Radisson Hotel, Dublin Airport, Co. Dublin, Ireland.

On behalf of the Board

D. Bonderman	**M. O' Leary**
Chairman	Chief Executive
August 21, 2007	

Directors*

David Bonderman (Chairman-USA)

A director of Ryanair Holdings plc since August 1996 and Chairman of the Board since December 1996. He also serves on the Board of the following public companies: CoStar Group, Inc.; Gemalto S.A.; and Burger King Holdings Inc. and serves as a principal and general partner of Texas Pacific Group.

Michael O'Leary (Chief Executive)

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

Michael Horgan (Director)

Michael Horgan has served as a director of Ryanair Holdings plc since January 12, 2001. A former Chief Pilot of Aer Lingus, he sometimes acts as a consultant to a number of international airlines, civil aviation authorities, the European Commission and the European Bank for Reconstruction and Development. Mr. Horgan is the Chairman of the Air Safety Committee of the Board.

Kyran McLaughlin (Director)

A director of Ryanair Holdings plc since January 2001, and is Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Mr. McLaughlin also advised Ryanair during its initial flotation on the Dublin and NASDAQ stock markets in 1997. He is also a Chairman of Elan Corporation plc, and he serves as a director of a number of Irish private companies.

James R. Osborne (Director)

A director of Ryanair Holdings plc 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 a number of Irish private companies.

Paolo Pietrogrande (Director-Italy)

Paolo Pietrogrande has served as a director of Ryanair since 2001. Mr. Pietrogrande is currently Chairman of Atmos Holding SpA, President, Netplan Management Consulting, LLC and also director of the Executive MBA program at Alma Graduate School, University of Bologna. Mr. Pietrogrande's past positions include CEO of Enel Green Power S.p.A. (power generation in Italy, North and Latin America), CEO of Nuovi Cantieri Apuania (shipbuilding), Business Development Director at General Electric Power Systems, Europe+, Manager at Bain and Company and Vice President of Marketing at Kinetics Technology International B.V.

T. Anthony Ryan (Director)

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

Emmanuel Faber (Director-France)

A director of Ryanair Holdings plc since September 2002 and is Executive Vice President Asia-Pacific for Group Danone. He also serves as a director of a number of French public companies.

Klaus Kirchberger (Director-Germany)

A director of Ryanair Holdings plc since September 2002 and is also the Chief Executive Officer of Bayerische Bau und Immobilien GmbH & Co. KG. He also serves as a director of a number of German listed corporations.

*Directors are of Irish nationality unless otherwise indicated.

Social, Environmental and Ethical Report

Social

The Group's aim is that employees understand the Group's strategy and are committed to Ryanair. The motivation and commitment of our people is key to our performance. The Group's policy is that training, career development and promotion opportunities will be available to all people. The Group remains committed to being an equal opportunities employer regardless of nationality, race, gender, marital status, disability, age and religious or political belief. The Group selects personnel on the basis of merit and capability, providing the most effective use of resources. During the year 745 of our people were promoted internally within the Group.

The Group recognises the importance of effective communication with its people. Our staff newsletter "The Limited Release" is distributed to all staff ensuring that employees are kept up to-date on the plans, issues and challenges facing our industry, and daily news bulletins are also issued on our internal TV network. Our Employee Representative Committee ("ERC's") for each department and our European Works Council provide a forum which ensure all elected department representatives can consult on current issues. Our IT department has developed an Intranet site which gives added value to our communication network.

The Group has launched a number of employee share option schemes. The Group also obtained Revenue approval on July 4, 2003 for the 2003 Group scheme under which the first tranche of shares will become exercisable in 2008.

All staff benefit from extensive travel concessions in Ryanair and discounted travel with other carriers.

Environmental

Ryanair's steady growth is being achieved in the most environmentally sustainable way through investing in the latest aircraft and engine technologies and adopting the most efficient operational and commercial measures that help to minimise the airline's impact on the environment. Ryanair is currently the industry leader in terms of environmental efficiency and is constantly working towards further improving its performance.

Technology

Ryanair's fleet expansion programme continues. As at December 2005 all of Ryanairs older Boeing 737-200 aircraft were replaced with Boeing 737-800 "Next Generation" aircraft and Ryanair currently operates a single aircraft type fleet of 137 aircraft with an average age of just under 2.7 years. Ryanair has a further 171 aircraft of this type on order from Boeing and options on another 110. The Boeing 737-800 has 59 more seats than the Boeing 737-200 and, hence, has significantly lower fuel burn and emissions per seat. The design of the new aircraft is aimed at minimising drag, thereby further reducing fuel burn and noise levels. Ryanair has also installed winglets on all of its existing aircraft and all future aircraft will also be fitted with winglets. The installation of winglets to Ryanair's Boeing 737-800 "Next Generation" aircraft has reduced fuel burn and CO_2 emissions by a further 2-4% and also further reduced noise emissions.

Operational and commercial characteristics

Ryanair has distinctive operational and commercial characteristics which further reduce the impact of its operations on the environment:

- Efficient seat density (189-seat, all economy configuration on a Ryanair aircraft as opposed to 162 seat, two-class configuration of the Boeing 737-800 "Next Generation" aircraft used by traditional network airlines- reducing fuel burn and emissions per seat kilometre flown);

- High load factors (reducing fuel burn and emissions per passenger kilometre flown);

- Use of under-utilised secondary and regional airports (limited use of holding patterns and short taxiing times reducing fuel burn and emissions; better utilisation of existing infrastructure thereby reducing the need for new airport infrastructure);

- Direct services as opposed to connecting flights (no need for passengers to transfer at main hubs- reducing the number of take-offs and landings per journey from 2 to 1, i.e. reducing fuel burn and emissions per journey);

- No late night departures of aircraft (reducing noise level emissions).

Emissions trading

Ryanair proves that air transport can be environmentally friendly whilst continuing to deliver huge economic benefits in terms of the lowest cost air travel for consumers, increased tourism, regional and social cohesion, job creation, inward investment, etc. In terms of the environment air transport only accounts for less than 2% of total EU CO_2 emissions compared to road transport which accounts for 9 times more and household emissions for 6 times more CO_2 emissions than aviation. Nevertheless, the European Commission is pushing to include air transport in the European Union Emissions Trading Scheme (ETS), instead of focusing on the real and larger sources of CO_2 emissions. The European Parliament and the Council are currently considering the Commission's proposals in this respect.

The effect of the ETS is likely to impose an "emissions levy" on airlines, particularly those that have already heavily invested in cleaner aircraft technology and already engage in efficient operations as they will have no further headroom to reduce emissions. We believe that this additional cost burden on airlines will increase fares and damage the competitiveness of the industry (see below).

Ryanair and the Low Fares Airline Association (ELFAA) have called on the European Commission to conduct a proper cost/benefit analysis before proceeding with any legislative proposals that could seriously damage the industry. A report recently issued by Ernst & Young and York Aviation estimated that the cost to aviation of being included in ETS could amount to over €4 billion per annum and result in 42,000 job losses. As noted above, Ryanair takes its environmental responsibilities very seriously and will continue to improve its efficiency and minimise emissions. We believe that the introduction of ETS would not affect this and will only punish the more efficient producers and lead to increased costs for ordinary consumers.

Fuel tax/emissions levy

Ryanair is fundamentally opposed to the introduction of any fuel tax or emissions levy. Ryanair continues to offer the lowest fares in Europe making air travel affordable to ordinary European consumers. Ryanair believes that the imposition of a tax on fuel or emissions will not only increase airfares but will most likely discourage new entrants into the market resulting in less choice for consumers. This will have adverse effects on the European economy generally.

As a company we believe in free market competition and believe that the imposition of any of the above measures would enable the traditional flag carriers (who have smaller and older aircraft, lower load factors, a much higher fuel burn per passenger, and who operate primarily into inefficient congested airports) to achieve their objectives of reducing competition. Furthermore the introduction of a fuel tax or emissions levy only at the European level would distort competition between airlines operating solely within Europe and those also operating outside long haul flights. We believe that the introduction of such a tax/levy would also be incompatible with international law.

Aircraft noise regulations

Ryanair is the European leader in minimising noise nuisance through the use of newer, quieter aircraft (all Ryanair aircraft fully comply with current noise requirements). The use of winglets further reduces noise nuisance by 6.5%, as do other operational measures adopted by Ryanair (absence of night operations etc.) Certain airports in the U.K. (including London Stansted and London Gatwick) and continental Europe have established local noise restrictions, including limits on the number of hourly or daily operations or the time of such operations and Ryanair fully complies with the restrictions.

Group facilities

Environmental controls are generally imposed under Irish law through property planning legislation specifically the Local Government (Planning and Development) Acts of 1963 to 1999, the Planning and Development Act 2000 and regulations made thereunder. At Dublin Airport, Ryanair operates on land controlled by the Dublin Airport Authority (DAA). Planning permission for Ryanair's facilities was granted in accordance with both the zoning, and planning requirements of Dublin Airport. There is also specific Irish environmental legislation implementing applicable EU Directives and Regulations, which Ryanair adheres to.

From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair's engineering facilities at Dublin airport and Glasgow Prestwick. However, at all times Ryanair's storage and handling of these substances complies with the relevant regulatory requirements. In our Glasgow Prestwick maintenance facility all normal waste is removed under the Environmental Protection Act of 1996 and Duty of Care Waste Regulations. For special waste removal, Ryanair operates under the special Waste Regulations 1998 (contaminated waste). At all other facilities Ryanair adheres to all local and EU regulations.

Code of business conduct and ethics

In January 2004 the Board of Ryanair adopted a Code of Business Conduct and Ethics. The code sets out the business principles to be adopted by the Group and its employees. In addition to the Code of Business Conduct and Ethics the employees are also bound by the business principles contained in their terms and conditions of employment.

The management of the Company are responsible to the Board for ensuring adherence to the code. The code is renewed annually and any amendments to the code must be approved by the Audit Committee on behalf of the Board.

The code governs all aspects of the way the Company conducts its business including, matters relating to conduct in the work environment, business activities, conflicts of interest and compliance with laws and regulations. The code also provides for confidential reporting, procedures for employees and all employees must comply with the code.

Report of the Remuneration Committee to the Board

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

The Remuneration Committee

The Remuneration Committee comprises Mr. James R. Osborne, Mr. Paolo Pietrogrande and Mr. Klaus Kirchberger, all of whom are non-executive directors. The Committee determines the remuneration of senior executives of Ryanair and administers the Group's stock option plans. 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 interests of the shareholders.

Non-executive directors

Non-executive directors are remunerated by way of directors' fees and share options. While the Combined Code notes that the remuneration of the non-executive director should not include share options the Board believes that the quantum of options granted to non-executive directors are not so significant as to raise any issue concerning their independence. Mr. Michael Horgan is remunerated on a consultancy basis on safety issues and by share options. Full details are disclosed in note 20(b) and 20(d) on pages 70 and 71 of the financial statements.

Executive director remuneration

The elements of the remuneration package for the executive director are basic salary, performance bonus and other bonuses dependent upon the achievement of certain financial targets and pension. Full details of the executive director's remuneration are set out in note 20(a) on page 70 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, 2002 for a one year period to June 30, 2003. Thereafter, the agreement will continue in full but may be terminated with 12 months notice by either party. Mr. O'Leary's employment agreement does not contain provisions providing for compensation on its termination.

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

Company law requires the directors to prepare Group and Company financial statements for each financial year. Under Company law, the directors are required to prepare the Group financial statements in accordance with IFRSs as adopted by the EU and have elected to prepare the Company financial statements in accordance with IFRSs as adopted by the EU, as applied in accordance with the provisions of the Companies Acts 1963 to 2006.

The financial statements are required by law and IFRSs as adopted by the EU to present fairly the financial position of the Company and the Group and the performance of the Group. The Companies Acts 1963 to 2006 provide in relation to financial statements that references in the relevant part of these Acts to financial statements giving a true and fair view are references to their achieving a fair presentation.

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

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the Company will continue business.

The directors are responsible for keeping proper books of account that disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that its financial statements comply with the Companies Acts 1963 to 2006. They are responsible 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.

Under Company law and the requirements of the Listing Rules issued by the Irish Stock Exchange, the directors are also responsible for preparing a Directors' Report and reports relating to directors' remuneration and corporate governance that comply with that law and those Rules.

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

On behalf of the board

D. Bonderman	M. O'Leary
Chairman	Chief Executive

Independent Auditors' Report to the Members of Ryanair Holdings plc

We have audited the Group and company financial statements of Ryanair Holdings plc for the year ended March 31, 2007 which comprise the Consolidated Income Statement, the Consolidated and Company Balance Sheets, the Consolidated and Company Cash Flow Statements, the Consolidated and Company Statements of Recognised Income and Expense and the related notes. These financial statements have been prepared under the accounting policies set out therein.

This report is made solely to the Company's members, as a body, in accordance with Section 193 of the Companies Act, 1990. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

The directors' responsibilities for preparing the Annual Report and the financial statements in accordance with applicable law and International Financial Reporting Standards (IFRSs) as adopted by the EU are set out in the Statement of Directors Responsibilities on page 37.

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

We report to you our opinion as to: whether the financial statements give a true and fair view in accordance with IFRSs as adopted by the EU, and in the case of the Company as applied in accordance with the provisions of the Companies Acts 1963 to 2006, and have been properly prepared in accordance with the Companies Acts 1963 to 2006 and Article 4 of the IAS Regulation.

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

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

We review whether the corporate governance statement reflects the Company's compliance with the nine provisions of the 2006 Combined Code specified for our review by the Listing Rules of the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the Group's corporate governance procedures or its risk and control procedures.

We read the other information contained in the Annual Report, and consider whether it is consistent with the audited financial statements. The other information comprises only the Chairman's and Chief Executive's report, the Operating and Financial review, the Directors' Report, the Social, Environmental and Ethical report and the Report of the Remuneration Committee. We consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the financial statements. Our responsibilities do not extend to any other information.

Basis of Audit Opinion

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

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

Opinion

In our opinion:

• The Group financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, of the state of affairs of the Group as at March 31, 2007 and of its profit for the year then ended;

• The Company financial statements give a true and fair view, in accordance with IFRSs as adopted by the EU, as applied in accordance with the provisions of the Companies Acts, 1963 to 2006 of the state of the Company's affairs as at March 31, 2007; and

• The financial statements have been properly prepared in accordance with the Companies Acts, 1963 to 2006 and Article 4 of the IAS Regulation.

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

In our opinion, the information given in the Directors' report is consistent with the financial statements.

The net assets of the Company as stated in the Company balance sheet on page 81 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, 2007, 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.

KPMG

Chartered Accountants

Registered Auditor, Dublin, Ireland,

August 21, 2007

Consolidated Balance Sheet

	Note	At March 31, 2007 €000	At March 31, 2006 €000
Non-current assets			
Property, plant and equipment	2	2,884,053	2,532,988
Intangible assets	3	46,841	46,841
Available for sale financial assets	4	406,075	-
Derivative financial instruments	5	-	763
Total non-current assets		3,336,969	2,580,592
Current assets			
Inventories	6	2,420	3,422
Other assets	7	77,707	29,453
Trade receivables	8	23,412	29,909
Derivative financial instruments	5	52,736	18,872
Restricted cash	9	258,808	204,040
Financial assets: cash > 3 months		592,774	328,927
Cash and cash equivalents		1,346,419	1,439,004
Total current assets		2,354,276	2,053,627
Total assets		5,691,245	4,634,219
Current liabilities			
Trade payables		54,801	79,283
Accrued expenses and other liabilities	10	807,136	570,614
Current maturities of debt	11	178,918	153,311
Derivative financial instruments	5	56,053	27,417
Current tax	12	20,822	15,247
Total current liabilities		1,117,730	845,872
Non-current liabilities			
Provisions	13	28,719	16,722
Derivative financial instruments	5	58,666	81,897
Deferred income tax liability	12	151,032	127,260
Other creditors	14	112,177	46,066
Non current maturities of debt	11	1,683,148	1,524,417
Total non-current liabilities		2,033,742	1,796,362
Shareholders' equity			
Issued share capital	15	9,822	9,790
Share premium account	15	607,433	596,231
Retained earnings	16	1,905,211	1,467,623
Other reserves	16	17,307	(81,659)
Shareholders' equity		2,539,773	1,991,985
Total liabilities and shareholders' equity		5,691,245	4,634,219

The accompanying notes are an integral part of the financial information.

On behalf of the Board

M. O'Leary　　D. Bonderman
Director　　Director

August 21, 2007

Consolidated Income Statement

	Note	Year ended March 31, 2007 €000	Year ended March 31, 2006 €000
Operating revenues			
Scheduled revenues		1,874,791	1,433,377
Ancillary revenues	17	362,104	259,153
Total operating revenues—continuing operations	17	2,236,895	1,692,530
Operating expenses			
Staff costs	18	(226,580)	(171,412)
Depreciation	2	(143,503)	(124,405)
Fuel & oil		(693,331)	(462,466)
Maintenance, materials & repairs		(42,046)	(37,417)
Marketing & distribution costs		(23,795)	(13,912)
Aircraft rentals		(58,183)	(47,376)
Route charges		(199,240)	(164,577)
Airport & handling charges		(273,613)	(216,301)
Other	19	(104,859)	(79,618)
Total operating expenses		(1,765,150)	(1,317,484)
Operating profit – continuing operations		471,745	375,046
Other income/(expenses)			
Finance income		62,983	38,219
Finance expense	21	(82,876)	(73,958)
Foreign exchange (losses)		(906)	(1,234)
Gain on disposal of property, plant and equipment		91	815
Total other income/(expenses)		(20,708)	(36,158)
Profit before tax		451,037	338,888
Tax on profit on ordinary activities	12	(15,437)	(32,176)
Profit for the year –all attributable to equity holders of parent		435,600	306,712
Basic earnings per ordinary share euro cent	23	28.20	20.00
Diluted earnings per ordinary share euro cent	23	27.97	19.87
Number of ordinary shares (in 000's)	23	1,544,457	1,533,666
Number of diluted shares (in 000's)	23	1,557,503	1,543,562

The accompanying notes are an integral part of the financial information.

On behalf of the board

M. O'Leary D. Bonderman
Director Director

August 21, 2007

Consolidated Cash Flow Statement

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Operating activities		
Profit before tax	451,037	338,888
Adjustments to reconcile profits before tax to net cash provided by operating activities		
Depreciation	143,503	124,405
Decrease/(increase) in inventories	1,002	(962)
Decrease/(increase) in trade receivables	6,497	(9,265)
(Increase) in other current assets	(30,849)	(882)
(Decrease) in trade payables	(24,482)	(12,835)
Increase in accrued expenses	233,839	150,083
Increase in other creditors	75,351	11,403
Increase in maintenance provisions	11,997	9,486
(Gain) on disposal of property, plant and equipment	(91)	(815)
Decrease/(increase) in interest receivable	48	(3,959)
Decrease in interest payable	2,671	1,159
Retirement costs	589	507
Share based payments	3,935	2,921
Income tax	(5,194)	436
Net cash provided by operating activities	869,853	610,570
Investing activities		
Capital expenditure (purchase of property, plant and equipment)	(494,972)	(546,225)
Proceeds from sale of property, plant and equipment	495	8,460
Purchase of equities classified as available for sale	(344,917)	-
Investment in restricted cash	(54,768)	-
(Investment)/reduction in financial assets: cash > 3 months	(263,847)	200,480
Net cash used in investing activities	(1,158,009)	(337,285)
Financing activities		
Net proceeds from shares issued	11,233	30,590
Proceeds from long term borrowings	339,409	386,809
Repayments of long term borrowings	(155,071)	(123,938)
Net cash provided by financing activities	195,571	293,461
(Decrease)/increase in cash and cash equivalents	(92,585)	566,746
Cash and cash equivalents at beginning of year	1,439,004	872,258
Cash and cash equivalents at end of year	1,346,419	1,439,004

The accompanying notes are an integral part of the financial information.

Consolidated Statement of Recognised Income and Expense

	Year ended March 31, 2007 €000	Year ended March 31, 2006 €000
Net actuarial gains from retirement benefit plans	1,988	2,327
Cash flow hedge reserve-effective portion of fair value changes to derivatives		
Effective portion of changes in fair value of cash flow hedges	79,025	65,966
Net change in fair value of cash flow hedges transferred to profit and loss	(32,920)	(22,960)
Net movements into cash flow hedge reserve	46,105	43,006
Net increase in fair value of available for sale asset	48,926	-
Income and expenditure recognised directly in equity	97,019	45,333
Profit for the year	435,600	306,712
Total recognised income and expense	532,619	352,045

Company only financial statements have been included on pages 81 to 86.

Notes forming part of the Financial Information

Notes 1 to 27 deal with our consolidated financial statements only. Notes 28 to 34 deal with the Company financial statements. Note 35 deals with both the Company and Group financial statements.

1 Basis of preparation and significant accounting policies - consolidated financial statements only

Business activity

Ryanair Limited and subsidiaries (Ryanair Limited) has operated as an international airline since it commenced operations in 1985. On August 23, 1996, Ryanair Holdings Limited, a newly formed holding Company, acquired the entire issued share capital of Ryanair Limited. On May 16, 1997, Ryanair Holdings Limited re-registered as a public limited Company, Ryanair Holdings plc (the Company). Ryanair Holdings plc and subsidiaries are hereafter referred to as "Ryanair Holdings plc" ("we", "our", "us", "Ryanair" or "the Company") and currently operates a low fares airline headquartered in Dublin, Ireland. All trading activity continues to be undertaken by the group of companies headed by Ryanair Limited. These financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) as more particularly detailed below. The following accounting policies have been applied consistently to all periods presented except as otherwise set out below. For a discussion of our critical accounting policies please refer to page 20 of the Operating and Financial Review.

Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU) that are effective for the year ended and as at March 31, 2007. IFRSs as adopted by the EU differs in certain respects from IFRS as issued by the International Accounting Standards Board ("IASB"). However, none of these differences are relevant in the context of Ryanair and the consolidated financial statements for the periods presented would be no different had IFRS as issued by the IASB been applied. Ryanair's financial statements are prepared in accordance with IFRS as issued by the IASB accordingly.

These consolidated financial statements are presented in euro rounded to the nearest thousand, being the functional currency of the Parent entity and the majority of the group companies. They are prepared on the historical cost basis, except for derivative financial instruments and available for sale securities which are stated at fair value, and share based payments which are based on fair value determined as at the grant date of the relevant share options. Any non-current assets classified as held for sale are stated at the lower of cost and fair value less costs to sell.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. Principal sources of estimation uncertainty have been set out in the critical accounting policy section on page 20 of the Operating and Financial Review.

Statement of compliance

The consolidated financial statements have been prepared in accordance with IFRSs as adopted by the EU and were effective for the year ended and as at March 31, 2007 further to the IAS Regulation (EC 1606/2002).

The IFRSs as adopted by the EU and applied by us in the preparation of these financial statements are those that were effective for the year ended and as at March 31, 2007. The following provides a brief outline of the likely impact on future financial statements of relevant IFRSs adopted by the EU which are not yet effective and have not been early adopted in these financial statements:

- Amendment to IAS 1 – Capital Disclosures (effective for annual periods beginning on or after January 1, 2007): this amendment will require additional disclosure about our capital structure;

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after January 1, 2007). This will require the Company to make further disclosures relating to our financial instruments than are currently required under IAS 32.

- IFRIC 9 – Reassessment of Embedded Derivatives (effective for annual periods beginning on or after June 1, 2006) deals with the requirement of an entity to re-assess embedded derivatives during the life of the underlying contract. This interpretation is not expected to have any material effect on the Company's future financial statements.

- IFRIC 10 – Interim Financial Reporting and Impairment (effective for annual periods beginning on or after November 1, 2006). This provides certain guidance to entities in accounting for impairments within interim period financial statements. This is not expected to have any material impact on the Company's financial statements when adopted.
- IFRIC 11 – IFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007) addresses how share based payment arrangements that affect more than one company in a Group are accounted for in each company's financial statements. This is not expected to result in any material change in the way that share based payment transactions are accounted for by the Group.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ryanair Holdings plc and its subsidiary undertakings as of March 31, 2007. Subsidiaries are entities controlled by us. Control exists when we have the power either directly or indirectly to govern the financial and operating policies of the entity so as to obtain benefit from its activities.

All intercompany account balances have been eliminated in preparing the consolidated financial statements.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated income statement 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.

Business combinations

The purchase method of accounting is employed in accounting for the acquisition of businesses. In accordance with IFRS 3, the cost of a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control, together with any directly attributable expenses. The assets and liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated are made within 12 months of the acquisition date and are effected prospectively from that date.

Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euro, which is the functional currency of the majority of the Group's entities.

Transactions arising in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date and all related exchange gains or losses are accounted for through the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated to euro at foreign exchange rates ruling at the dates the transactions were effected.

Property, plant & equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and provisions for impairments, if any. Depreciation is calculated so as to write off the cost, less estimated residual value, of assets on a straight line basis over their expected useful lives at the following annual rates:

	Rate of Depreciation
Plant and equipment	20-33.3%
Fixtures and fittings	20%
Motor vehicles	33.3%
Buildings	5%

Aircraft are depreciated on a straight line basis over their estimated useful lives to estimated residual values. The estimates of useful lives and residual values at year end are:

Aircraft Type	Number of Aircraft at March 31, 2007	Useful Life	Residual Value
Boeing 737-800s	101	23 years from date of manufacture	15% of original cost

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, which can equate to a substantial element of the total aircraft cost, is amortised over the shorter of the period to the next check (usually between 8 and 12 years for Boeing 737-800 aircraft) 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 and option payments made in respect of aircraft purchase commitments and options to acquire aircraft are recorded at cost and separately disclosed within property, plant and equipment. On acquisition of the related aircraft, these payments are included as part of the cost of aircraft and are depreciated from that date.

Rotable spare parts held by the Group are classified as property, plant and equipment if they are expected to be used over more than one period and are accounted for and depreciated in the same manner as the related aircraft.

Aircraft maintenance costs

The accounting for the cost of providing major airframe and certain engine maintenance checks for owned aircraft is described in the accounting policy for property, plant and equipment.

With respect to the Group's operating lease agreements, where the Group has a commitment to maintain the aircraft, provision is made during the lease term for the obligation based on estimated future costs of major airframe and certain engine maintenance checks by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the year.

All other maintenance costs are expensed as incurred.

Intangible assets - landing rights

Intangible assets acquired are recognised to the extent it is considered probable that expected future benefits will flow to the Group and the associated costs can be measured reliably. Landing rights acquired as part of a business combination are capitalised at fair value at that date and are not amortised, where those rights are considered to be indefinite. The carrying value of those rights are reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that carrying values may not be recoverable. No impairment to the carrying values of the Group's intangible assets has been recorded to date.

Available for sale securities - equities

The Group holds certain equity securities which are classified as available for sale, and are measured at fair value, less incremental direct costs, on initial recognition. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses, are recognised directly in equity. The fair values of available for sale securities is determined by reference to quoted prices at each reporting date. When an investment is de-recognised the cumulative gain or loss in equity is transferred to the income statement.

Such securities are considered to be impaired if there is objective evidence which indicates that there may be a negative influence on future cash flows of that asset. This includes where there is a significant or prolonged decline in the fair value below its cost. All impairment losses are recognised in the income statement and any cumulative loss in respect of an available for sale asset recognised previously in equity is transferred to the income statement.

Other financial assets

Other financial assets comprise cash deposits of greater than 3 months maturity. All are classified as held to maturity as there is a significant financial disincentive from redeeming such amounts at an earlier stage. All such amounts are carried initially at fair value and then subsequently at amortised cost in the balance sheet.

Derivative financial instruments

Ryanair is exposed to market risks relating to fluctuations in commodity prices, interest rates and currency exchange rates. The objective of financial risk management at Ryanair is to minimise the impact of commodity price, interest rate and foreign exchange rate fluctuations on the Group's earnings, cash flows and equity.

To manage these risks, Ryanair uses various derivative financial instruments, including interest rate swaps, foreign currency forward contracts and commodity contracts. These derivative financial instruments are generally held to maturity. The Group enters into these arrangements with the goal of hedging its operational and balance sheet risk. However, Ryanair's exposure to commodity price, interest rate and currency exchange rate fluctuations cannot be neutralised completely.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments continue to be restated to fair value.

The fair value of interest rate swaps is computed by discounting the projected cashflows on the company's swap arrangements to present value. The fair value of forward exchange contracts and commodity contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price. Recognition of any resultant gain or loss depends on the nature of the item being hedged.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised directly in equity (in the cash flow hedging reserve). When the hedged forecasted transaction results in the recognition of a non financial asset or liability, the cumulative gain or loss is removed from equity and included in the initial measurement of that asset or liability. Otherwise the cumulative gain or loss is removed from equity and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any hedging transaction and the gain or loss thereon is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the underlying hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in equity and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in equity is recognised in the income statement immediately.

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability or an unrecognised firm commitment, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item also is stated at fair value in respect of the risk being hedged, with any gain or loss also being recognised in the income statement.

Inventories

Inventories 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.

Trade and other receivables and payables

Trade and other receivables and payables are stated at cost less impairment losses, which approximate to fair value given the short dated nature of these assets and liabilities.

Cash and cash equivalents

Cash represents cash held at banks and available on demand.

Cash equivalents are current asset investments (other than cash) that are readily convertible into known amounts of cash. Cash equivalents include investments in commercial paper, certificates of deposit and cash deposits of more than one day, but less than 3 months. Deposits with a maturity of greater than 3 months are recognised as short term investments.

Interest bearing loans & borrowings

All loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, non-current interest bearing loans are measured at amortised cost, using the effective interest yield methodology.

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 income statement over the period of the lease in proportion to the balances outstanding.

Expenditure arising under operating leases is charged to the income statement as incurred. The Group also enters into sale and leaseback transactions whereby it sells the rights to acquire an aircraft to a third party and subsequently leases the aircraft back, by way of an operating lease. Any profit or loss on the disposal where the price achieved is not considered to be at fair value is spread over the period the asset is expected to be used. The profit or loss amount deferred is included within other creditors and analysed into its components of greater or less than one year.

Provisions and contingencies

A provision is recognised in the balance sheet when we have a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future outflow at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

We assess the likelihood of any adverse outcomes to contingencies, including legal matters, as well as probable losses. We record provisions for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Provisions are remeasured at each balance sheet date based on the best estimate of the settlement amount.

In relation to legal matters, we develop estimates in consultation with outside counsel handling our defence in these matters using the current facts and circumstances known to us. The factors that we consider in developing our legal provisions include the merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject to the litigation, and the likelihood of settlement and current state of settlement discussions, if any.

Segment reporting

A segment is a distinguishable component of the Group that is engaged either in providing products or services (business segment), or in providing products or services within a particular economic environment (geographical segment), which is subject to risks and returns different to those of other segments.

The Group's primary reporting segments comprise geographic segments relating to the origin of its turnover, as the Group only operates in one business segment, the provision of a low fares scheduled airline service across a European route network.

Revenues

Scheduled revenues comprise the invoiced value of airline and other services, net of government 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 income statement as passengers fly. Unused tickets are recognised as revenue on a systematic basis. Miscellaneous fees charged for any changes to flight tickets are recognised in revenue immediately.

Ancillary revenues are recognised in the income statement in the period the ancillary services are provided.

Share based payments

The Group engages in equity settled share-based payment transactions in respect of services received from certain of its employees. The fair value of the services received is measured by reference to the fair value of the share options granted on the date of the grant. The cost of the employee services received in respect of the share options granted is recognised in the income statement over the period that the services are received, which is the vesting period, with a corresponding credit to equity. The fair value of the options granted is determined using a Binomial Lattice option pricing model, which takes into account the exercise price of the option, the current share price, the risk free interest rate, the expected volatility of the Ryanair Holdings plc share price over the life of the option and other relevant factors. Non market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the income statement reflects the number of vested shares or share options.

On transitioning to IFRS for the first time in the year ended March 31, 2006 the Group also availed of the transition provisions in IFRS 1 for share based payments by only applying the fair value calculation to share option grants that were made after November 7, 2002, but which had not vested by January 1, 2005.

Pensions and other post retirement obligations

The Group provides employees with post retirement benefits in the form of pensions. The Group operates a number of defined contribution and defined benefit pension schemes.

Costs arising in respect of the Group's defined contribution pension schemes are charged to the income statement in the period in which they are incurred. Any contributions unpaid at the balance sheet date are included as a liability.

The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of each scheme's liabilities are determined by reference to market yields at the balance sheet date of high quality corporate bonds in the same currency and term that is consistent with those of the associated pension obligations. The net surplus or deficit arising on the Group's defined benefit schemes is shown within non-current assets or liabilities on the balance sheet. The deferred tax impact of any such amount is disclosed separately within deferred tax.

The Group separately recognises the operating and financing costs of defined benefit pensions in the income statement. The standard permits a number of options for the recognition of actuarial gains and losses. The Group has opted to recognise all actuarial gains and losses within equity as permitted under IFRS.

Income taxes including deferred income taxes

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in equity (such as certain derivative financial instruments, available for sale assets, pensions and other post retirement obligations), in which case it is recognised in equity. Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising from the tax bases of assets and liabilities and their carrying accounts in the consolidated financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and expected to apply when the temporary differences reverse.

The following temporary differences are not provided for: the initial recognition of assets and liabilities that effect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the future.

A deferred tax asset is recognised to the extent that it is probable that future tax profits will be available against which temporary differences can be utilised. The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that a sufficient taxable profit would be available to allow all or part of the deferred tax asset to be realised.

2 Property, plant and equipment

	Aircraft	Hangar & Buildings	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Total
	€000	€000	€000	€000	€000	€000
(i) Year ended March 31, 2007						
Cost						
At March 31, 2006	2,870,085	13,265	6,540	11,773	981	2,902,644
Additions in year	478,996	9,772	4,101	1,474	628	494,971
Disposals in year	(4,173)	-	(687)	-	-	(4,860)
At March 31, 2007	3,344,908	23,037	9,954	13,247	1,609	3,392,755
Depreciation						
At March 31, 2006	350,577	3,674	4,876	9,923	606	369,656
Charge for year	140,130	685	1,402	987	299	143,503
Eliminated on disposals	(4,025)	-	(432)	-	-	(4,457)
At March 31, 2007	486,682	4,359	5,846	10,910	905	508,702
Net book value						
At March 31, 2007	2,858,226	18,678	4,108	2,337	704	2,884,053

	Aircraft	Hangar & Buildings	Plant & Equipment	Fixtures & Fittings	Motor Vehicles	Total
(ii) Year ended March 31, 2006						
Cost						
At March 31, 2005	2,544,771	13,129	5,357	10,685	640	2,574,582
Additions in year	542,518	136	1,183	1,136	341	545,314
Disposals in year	(217,204)	-	-	(48)	-	(217,252)
At March 31, 2006	2,870,085	13,265	6,540	11,773	981	2,902,644
Depreciation						
At March 31, 2005	440,374	2,934	3,938	8,933	512	456,691
Charge for year	121,611	740	938	1,022	94	124,405
Eliminated on disposals	(211,408)	-	-	(32)	-	(211,440)
At March 31, 2006	350,577	3,674	4,876	9,923	606	369,656
Net book value						
At March 31, 2006	2,519,508	9,591	1,664	1,850	375	2,532,988

At March 31, 2007, aircraft with a net book value of €2,504.1m (March 31, 2006: €2,124.4m) were mortgaged to lenders as security for loans. Under the security arrangements for the Group's new Boeing 737-800 "next generation" aircraft, the Group does not hold legal title to those aircraft while these loan amounts remain outstanding.

At March 31, 2007, the cost and net book value of aircraft includes €392.6m (March 31, 2006: €301.5m) in respect of advance payments and options on aircraft. This amount is not depreciated. The cost and net book value also includes capitalised aircraft maintenance, aircraft simulators and the stock of rotable spare parts.

The net book value of assets held under finance leases at March 31, 2007 and 2006 was €183.1m and €91.6m respectively.

3 Intangible assets

	Landing Rights €000
At March 31, 2007	46,841
At March 31, 2006	46,841

Landing slots were acquired with the acquisition of Buzz Stansted Limited in April 2003. As these landing slots have no expiry date and are expected to be used in perpetuity, they are considered to be of indefinite life and accordingly are not amortised. The directors also consider that there has been no impairment of the value of these rights to date. The recoverable amount of these rights has been determined on a value in use basis, using discounted cash flow projections for a twenty year period for each route which has an individual landing right. The calculation of value in use is most sensitive to the operating margin and discount rate assumptions. Operating margins are based on the existing margins generated from these routes and adjusted for any known trading conditions. The trading environment is subject to both regulatory and competitive pressures that can have a material affect on the operating performance of the business. Foreseeable events, however, are unlikely to result in a change of projections of a significant nature so as to result in the landing rights carrying amounts exceeding their recoverable amounts. These projections have been discounted using a rate that reflects management's estimate of the long term pre tax return on capital employed for its scheduled airline business, estimated to be 5.0% for 2007 and 4.7% for 2006.

4 Available for sale financial assets

During the year the Company acquired a 25.2% stake in Aer Lingus plc., an Irish airline, at a cost of €344.9m. The balance sheet value of €406.1m reflects its market value as at March 31, 2007. In accordance with the Company's accounting policy, these assets are held at fair value with a corresponding adjustment to equity following initial acquisition. This investment is classified as available for sale because the Group does not have the power to exercise a significant influence over the entity.

5 Derivative financial instruments

The Audit Committee of the Board of Directors has responsibility for setting the treasury policies and objectives of the Group, which include controls over the procedures used to manage the main financial risks arising from the Group's operations. Such risks comprise commodity price, foreign exchange and interest rate risks. The Group uses financial instruments to manage exposures arising from these risks. These instruments include borrowings, cash deposits and derivatives (principally jet fuel derivatives, interest rate swaps and forward foreign exchange contracts). It is the Group's policy that no speculative trading in financial instruments takes place.

The Group's historical fuel risk management policy has been to hedge between 70% and 90% of the forecasted rolling annual volumes required to ensure that the future cost per gallon of fuel is locked in. This policy was adopted to prevent the Group being exposed, in the short term, to adverse movements in world jet fuel prices. However, when deemed to be in the best interests of the Group, it may deviate from this policy. In more recent times, due to fundamental changes in the world energy markets, the Group has adopted a more selective approach to fuel hedging. At March 31, 2007, the Group had hedged approximately 73% of its fuel exposure for the year ended March 31, 2008. (March 31, 2006: Nil).

Foreign currency risk in relation to the Group's trading operations largely arises in relation to non-euro currencies. These currencies are primarily Sterling pounds and U.S. dollar. The Group manages this risk by matching Sterling revenues against Sterling costs. Surplus Sterling revenues are used to fund forward foreign exchange contracts to hedge U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance, and capital expenditure costs in addition to euro currency on hand, or converted into euros.

The Group's objective for interest rate risk management is to reduce interest risk through a combination of financial instruments which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities. In addition, the Group aims to achieve the best available return on investments of surplus cash – subject to credit risk and liquidity constraints. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty based on third party market based ratings. In line with the above interest rate risk management strategy the Group has entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financial arrangements and certain other obligations. The Group has also entered into floating rate financing for certain aircraft which is matched with floating rate deposits. Additionally, certain cash deposits have been set aside as collateral to mitigate certain counterparty risk of fluctuations on certain derivative and other financing arrangements ("restricted cash"). At March 31, 2007, such restricted cash amounted to €255m (2006: €200.0m). Additional numerical information on these swaps and on other derivatives held by the Group is set out below and in note 11.

The Group utilises a range of derivatives designed to mitigate these risks. All of the above derivatives have been accounted for at fair value in the Group's balance sheet and have been utilised to hedge against these particular risks arising in the normal course of the Group's business. All have been designated as hedges for the purposes of IAS 39 and are fully set out below.

Derivative financial instruments, all of which have been recognised at fair value in the Group's balance sheet, are analysed as follows:

	2007	2006
	€000	€000
Non- current assets		
Gains on cash flow hedging instruments – maturing after one year	-	763
	-	763
Current assets		
Gains on fair value hedging instruments-maturing within one year	-	7,543
Gains on cash flow hedging instruments – maturing after one year	52,736	11,329
	52,736	18,872
Total derivative assets	52,736	19,635
Current liabilities		
Losses on fair value hedging instruments – maturing within one year	(17,217)	-
Losses on cash flow hedging instruments – maturing within one year	(38,836)	(27,417)
	(56,053)	(27,417)
Non-current liabilities		
Losses on fair value hedging instruments – maturing after one year	(236)	-
Losses on cash flow hedging instruments – maturing after one year	(58,430)	(81,897)
	(58,666)	(81,897)
Total derivative liabilities	(114,719)	(109,314)
Net derivative financial instrument position at year end	(61,983)	(89,679)

All of the above gains and losses were unrealised at the period end.

The table above includes the following derivative arrangements:

	Fair value 2007 €000	Fair value 2006 €000
Interest rate swaps		
Less than one year	(16,546)	(27,417)
More than one year	(55,812)	(81,897)
	(72,358)	(109,314)
Foreign currency forward contracts		
Less than one year	(39,507)	18,872
More than one year	(2,854)	763
	(42,361)	19,635
Commodity forward contracts		
Less than one year	52,736	-
	52,736	-
Net derivative position at year end	(61,983)	(89,679)

Additional information in relation to the above interest rate swaps and forward currency contracts (i.e. notional value and weighted average interest rates) can be found in note 11.

Interest rate swaps are primarily used to convert a portion of the Group's floating rate exposures on borrowings and operating leases into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt or lease being hedged (i.e. notional principal, interest rate settings, repricing dates). These are all classified as cash flow hedges of the forecasted variable interest payments and rentals due on the Group's underlying debt and operating leases and have been determined to be highly effective in achieving offsetting cash flows. Accordingly no material level of ineffectiveness has been recorded in the income statement relating to these hedges in the current year. Unrealised losses on the Group's interest rate swaps of €72.4m (2006: €109.3m) will be amortised to the income statement from equity over the period in which forecasted interest and lease payments will be made (typically 1-10 years from the year end), as an offset to the related interest and rental expense.

Foreign currency forward contracts are utilised in a number of ways: Forecast Sterling pounds and euro revenue receipts are converted into U.S. dollars to hedge against forecasted U.S. dollar payments principally for jet fuel, insurance and other aircraft related costs. These are classified as either cash flow or fair value hedges of forecasted and committed U.S. dollar payments and have been determined to be highly effective in offsetting variability in future cash flows and fair values arising from the fluctuation in the U.S. dollar to Sterling pounds and euro exchange rates for the forecasted and committed U.S. dollar purchases. No material level of ineffectiveness has been recorded for these foreign currency forward contracts in the current year as the underlying hedged items and hedging instruments have been consistently closely matched.

The Group also utilises jet fuel forward contracts to manage exposure to jet fuel prices. These are used to hedge the Group's forecasted fuel purchases, and are arranged so as to match against forecasted fuel delivery and payment requirements. These are classified as cashflow hedges of forecast fuel payments and have been determined to be highly effective in offsetting variability in future cash flows arising from fluctuations in jet fuel prices. No material level of ineffectiveness has been recorded on these arrangements in the current or prior year.

6 Inventories

	At March 31, 2007	At March 31, 2006
	€000	€000
Consumables	2,420	3,422

In the view of the directors, there are no material differences between the replacement cost of inventories and the balance sheet amounts.

7 Other assets

	At March 31, 2007	At March 31, 2006
	€000	€000
Prepayments	39,253	14,643
Interest receivable	9,028	9,076
Refundable deposits	24,088	-
Value Added Tax recoverable	5,338	5,734
	77,707	29,453

All amounts fall due within one year.

8 Trade receivables

	At March 31, 2007	At March 31, 2006
	€000	€000
Trade receivables	23,600	30,362
Provision for impairment	(188)	(453)
	23,412	29,909

All amounts fall due within one year.

The movement in the provision for trade receivable impairments is as follows:

	Balance at beginning of year	Additions charged to expenses	Write-offs	Balance at end of year
	€000	€000	€000	€000
Year ended March 31, 2007	453	-	(265)	188
Year ended March 31, 2006	405	48	-	453

9 Restricted cash

Restricted cash consists of €255m (2006: €200m) placed on deposit as collateral for certain derivative financial instruments and other financing arrangements entered into by the Group, and a further €4m (2006: €4m) held in escrow relating to ongoing legal proceedings.

10 Accrued expenses and other liabilities

	At March 31,	
	2007	2006
	€000	€000
Accruals	207,311	109,681
Taxation	193,887	111,291
Unearned revenue	405,938	349,642
	807,136	570,614

Taxation above comprises:

	At March 31,	
	2007	2006
	€000	€000
PAYE (payroll taxes)	4,969	4,012
Other tax (principally air passenger duty)	188,918	107,279
	193,887	111,291

11 Financial instruments including current and non-current debt

The Group utilises financial instruments to reduce exposures to market risks throughout its business. Borrowings, cash and cash equivalents and liquid investments are used to finance the Group's operations. Derivative financial instruments are contractual agreements with a value which reflects price movements in an underlying asset. The Group uses derivative financial instruments, principally jet fuel derivatives, interest rate swaps and forward foreign exchange contracts to manage commodity risks, interest rate risks, currency exposures and achieve the desired profile of borrowings and leases. It is the Group's policy that no speculative trading in financial instruments shall take place.

The main risks attaching to the Group's financial instruments and the details of the derivatives employed to hedge against these risks have been given in note 5.

(a) Commodity risk

The Group's exposure to price risk in this regard is primarily for jet fuel used in the normal course of operations.

At the year end, the Group had the following jet fuel arrangements in place;

	At March 31,	
	2007	2006
	$000	$000
Jet fuel forward contracts- fair value	52,736	-

All of the above commodity contracts mature within the year and are matched against highly probable forecast fuel purchases.

(b) Maturity and interest rate risk profile of financial assets and financial liabilities

At March 31, 2007, the Group had total borrowings of €1,862.1m (2006: €1,677.7m) from various financial institutions provided primarily on the basis of guarantees granted by the Export-Import Bank of the United States to finance the acquisition of 91 Boeing 737-800 "next generation" aircraft. The guarantees are secured with a first fixed mortgage on the delivered aircraft. The remaining long term debt relates to 8 aircraft held under finance leases, 3 aircraft financed under commercial debt and aircraft simulators.

The maturity profile of the Group's financial liabilities at March 31, 2007 was as follows:

		Year ended March 31,					
	Weighted average fixed rate (%)	2008 €000	2009 €000	2010 €000	2011 €000	Thereafter €000	Total €000
Fixed rate							
Secured long term debt	5.17%	57,363	60,758	64,379	68,240	139,662	390,402
Debt swapped from floating to fixed	5.92%	64,492	66,072	67,719	69,391	367,367	635,041
Secured long term debt after swaps	5.63%	121,855	126,830	132,098	137,631	507,029	1,025,443
Finance leases	2.70%	-	-	-	-	73,976	73,976
Total fixed rate debt		121,855	126,830	132,098	137,631	581,005	1,099,419
Floating rate							
Secured long term debt		109,092	112,299	114,659	120,033	774,295	1,230,378
Debt swapped from floating to fixed		(64,492)	(66,072)	(67,719)	(69,391)	(367,367)	(635,041)
Secured long term debt after swaps		44,600	46,227	46,940	50,642	406,928	595,337
Finance leases		12,463	13,012	13,587	14,186	114,062	167,310
Total floating rate debt		57,063	59,239	60,527	64,828	520,990	762,647
Total financial liabilities		178,918	186,069	192,625	202,459	1,101,995	1,862,066

All of the above debt which matures after 2011 will mature over each of the periods between 2012 and 2019.

The maturity profile of the Group's financial liabilities at March 31, 2006 was as follows:

		Year ended March 31,					
	Weighted average fixed rate (%)	2007 €000	2008 €000	2009 €000	2010 €000	Thereafter €000	Total €000
Fixed rate							
Secured long term debt	5.17%	54,174	57,363	60,758	64,379	207,902	444,576
Debt swapped from floating to fixed	5.91%	63,091	64,612	66,166	67,786	436,809	698,464
Secured long term debt after swaps	5.62%	117,265	121,975	126,924	132,165	644,711	1,143,040
Finance leases	2.70%	-	-	-	-	34,395	34,395
Total fixed rate debt		117,265	121,975	126,924	132,165	679,106	1,177,435
Floating rate							
Secured long term debt		93,198	95,655	98,280	100,977	729,267	1,117,377
Debt swapped from floating to fixed		(63,091)	(64,612)	(66,166)	(67,786)	(436,809)	(698,464)
Secured long term debt after swaps		30,107	31,043	32,114	33,191	292,458	418,913
Finance leases		5,939	6,195	6,462	6,740	56,044	81,380
Total floating rate debt		36,046	37,238	38,576	39,931	348,502	500,293
Total financial liabilities		153,311	159,213	165,500	172,096	1,027,608	1,677,728

Analysis of changes in borrowings during the year

	At March 31, 2007	2006
	€000	€000
Balance at start of year	1,677,728	1,414,857
Loans raised to finance aircraft/simulator purchases	339,409	386,809
Repayments of amounts borrowed	(155,071)	(123,938)
Balance at end of year	1,862,066	1,677,728
Less than one year	178,918	153,311
More than one year	1,683,148	1,524,417
	1,862,066	1,677,728

Interest rate repricing:

Floating interest rates on financial liabilities are generally referenced to European inter-bank interest rates (EURIBOR). Secured long term debt and interest rate swaps typically reprice on a quarterly basis with finance leases repricing on a semi-annual basis.

Fixed interest rates on financial liabilities are fixed for the duration of the underlying structures (typically between 10 and 12 years).

The Group holds significant cash balances that are invested on a short-term basis. At March 31, 2007, all of the Group's cash and liquid resources had a maturity of one year or less and attracted a weighted average interest rate of 3.85% (2006: 2.71%). The Group also holds an equity investment of €406.1m, which was classified as an available for sale security (2006: nil). This has no fixed maturity and is non interest bearing.

Financial assets:	Within 1 year	2007 Total	Within 1 year	2006 Total
	€000	€000	€000	€000
Cash and cash equivalents	1,346,419	1,346,419	1,439,004	1,439,004
Cash > 3 months	592,774	592,774	328,927	328,927
Restricted cash	258,808	258,808	204,040	204,040
Total financial assets	2,198,001	2,198,001	1,971,971	1,971,971

Interest rates on cash and liquid resources are generally based on the appropriate EURIBOR, LIBOR or bank rates dependant on the principal amounts on deposit.

(c) Foreign currency risk

The Group has exposure to various foreign currencies (principally Sterling pounds and U.S. dollars) due to the international nature of its operations. The Group manages this risk by matching Sterling pound revenues against Sterling pound costs. Any unmatched Sterling pound revenues are used to fund U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance and capital expenditure costs or are sold for euro. Further details of the hedging activity carried out by the Group are given in note 5.

The following table shows the net amount of monetary assets of the Group that are not denominated in euro at March 31, 2007 and March 31, 2006 and have been translated using the following year end foreign currency rates: 2007 EUR to GBP 0.6798, EUR to USD 1.3318 (2006: EUR to GBP 0.6964, EUR to USD 1.2104)

	March 31, 2007			March 31, 2006		
	GBP	U.S.$	euro equiv	GBP	U.S.$	euro equiv
	£000	$000	€000	£000	$000	€000
Monetary assets						
GBP cash and liquid resources	68,114	-	100,197	79,424	-	114,049
USD cash and liquid resources	-	15,877	11,921	-	54,839	45,307
	68,114	15,877	112,118	79,424	54,839	159,356

All of the Group's equity securities held as available for sale assets are denominated in euro currency. All of the Group's financial liabilities are denominated in euro.

The Group also enters into U.S. dollar and Sterling pound currency forward contracts in order to manage currency risk which arises on its forecasted aircraft payments, fuel, maintenance and aviation insurance costs, which are primarily denominated in U.S. dollars, and certain of its revenue income streams which arise in Sterling pounds. See further details in note 5.

The following table gives details of the notional amounts of the Group's currency forward contracts as at March 31, 2007 and at March 31, 2006:

	March 31, 2007			March 31, 2006		
Currency forward contracts	GBP	U.S.$	euro equiv	GBP	U.S.$	euro equiv
	£000	$000	€000	£000	$000	€000
U.S. dollar currency forward contracts						
- for aircraft purchases	-	870,000	668,915	-	480,000	384,268
- for fuel and other purchases	-	989,000	762,228	-	592,923	470,775
GBP currency forward contracts						
- sterling revenues	-	-	-	37,039	-	53,044
	-	1,859,000	1,431,143	37,039	1,072,923	908,087

(d) 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 sale. The following methods and assumptions were used to estimate the fair value of each material class of the Group's financial instruments:

- **Cash and liquid resources:** carrying amount approximates to fair value due to the short-term nature of these instruments.
- **Fixed-rate long-term debt:** the repayments which Ryanair is committed to make have been discounted at the relevant rates of interest applicable at March 31, 2007 and March 31, 2006, which would be payable to a third party to assume the obligation.
- **Derivative – interest rate swaps:** 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.
- **Derivative – currency forward and aircraft fuel:** a comparison of the contracted rate to the market rate for contracts providing a similar risk management profile at March 31, 2007 and March 31, 2006 has been made.

The fair value of the Group's financial instruments at March 31, 2007 and March 31, 2006 was as follows:

	2007 Carrying amount	2007 Fair value	2006 Carrying amount	2006 Fair value
	€000	€000	€000	€000
Financial assets				
Available for sale assets	406,075	406,075	-	-
Cash and liquid resources				
Cash and cash equivalents	1,346,419	1,346,419	1,439,004	1,439,004
Cash > 3 months	592,774	592,774	328,927	328,927
Restricted cash	258,808	258,808	204,040	204,040
Debt instruments				
Long term debt	(1,862,066)	(1,877,033)	(1,677,728)	(1,703,431)
Derivative instruments				
Interest rate swaps (loss)	(72,358)	(72,358)	(109,314)	(109,314)
U.S. dollar currency forward contracts gain	(42,361)	(42,361)	19,837	19,837
Sterling currency forward contracts gain/(loss)	-	-	(202)	(202)
Aircraft fuel price contracts gain	52,736	52,736	-	-

(e) Credit risk

The Group holds significant cash balances which are invested on a short-term basis and are classified as either cash equivalents or liquid investments. These deposits and other financial instruments (principally certain derivatives and loans as identified above) give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty primarily depending on its third party market based ratings and by regular review of these ratings. The Group typically enters into deposits and derivative contracts with parties that have at least an "A" or equivalent credit rating. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument.

The Group's revenues derive principally from airline travel on scheduled 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.

(f) Guarantees

Details of the Group's guarantees and the related accounting have been given in note 24.

(g) Sensitivity analysis

Interest rate risk: If the Group had not entered into its interest rate derivative agreements, a plus or minus one percentage point movement in interest rates would impact the fair value of its liability at March 31, 2007 by approximately €39m. The earnings and cashflow impact of such a change in interest rates would have been approximately plus or minus €10m per year.

Foreign currency risk: If the Group had not entered into its foreign currency forward contracts, holding other variables constant, if there was an adverse change of 10% in relevant foreign currency exchange rates, the market value of the Group's foreign currency forward contracts outstanding at March 31, 2007 would decrease by approximately €112m.

12 Deferred and current taxation

The components of the deferred and current taxation in the balance sheet were as follows:

	At March 31,	
	2007	**2006**
	€000	**€000**
Current income tax liabilities		
Corporation tax provision	20,822	15,247
Total current tax	20,822	15,247
Deferred income tax liabilities (non-current)		
Origination and reversal of temporary differences on property, plant and equipment, derivatives, pensions, and available for sale securities	151,032	127,260
Total non current	151,032	127,260
Total tax liabilities (net)	171,854	142,507

	At March 31,	
	2007	**2006**
Reconciliation of current tax	**€000**	**€000**
At beginning of year	15,247	17,534
Corporation tax charge in year	22,310	1,950
Adjustment in respect of prior year overprovision	(11,541)	(4,673)
Tax (paid)/refund	(5,194)	436
At end of year	20,822	15,247

	At March 31,	
	2007	**2006**
Reconciliation of deferred tax	**€000**	**€000**
At beginning of year	127,260	104,180
Adjustment in respect of prior year overprovision	(22,078)	-
New temporary differences on property, plant and equipment, derivatives, pensions and other items	45,850	23,080
At end of year	151,032	127,260

The release of the prior year overprovision included above relates to the recognition of certain previously unrecognised tax benefits, resulting in a benefit to the Group's effective tax rate which is not reasonably expected to recur. New temporary differences arising in the year to March 31, 2007 principally consisted of €26.7m for property, plant and equipment recognised within the income statement, €0.2m for pensions, €6.9m for derivatives and €12.2m in respect of available for sale assets, all recognised in equity. The charge to March 31, 2006 consisted of temporary differences of €34.9m for property, plant and equipment recognised in the income statement, €0.3m for pensions and a deferred tax credit of €12.1m for derivatives recognised in equity.

	Year ended March 31, 2007	**Year ended March 31, 2006**
The components of the tax expense in the income statement were as follows:	**€000**	**€000**
Current tax charge for year	22,310	1,950
Adjustment in respect of prior year overprovisions	(33,619)	(4,673)
Deferred tax charge relating to origination and reversal of temporary differences	26,746	34,899
	15,437	32,176

The following table reconciles the statutory rate of Irish corporation tax to the Group's effective corporation tax rate:

	Year ended March 31, 2007	Year ended March 31, 2006
	%	%
Statutory rate of Irish corporation tax	12.5	12.5
Adjustments for earnings taxed at higher rates	1.2	1.1
Adjustments for earnings taxed at lower rates	(3.2)	(4.5)
Other differences	0.5	0.4
Adjustments for prior year overprovisions	(7.6)	-
Total effective rate of taxation	3.4	9.5

Deferred tax applicable to items charged or credited directly to equity were as follows:

	At March 31,	
	2007	**2006**
	€000	**€000**
Defined benefit pension obligations	284	332
Derivative financial instruments	6,588	(12,151)
Available for sale securities	12,231	-
Total tax charge/(credit) in equity	19,103	(11,819)

At March 31, 2007, the Group had no unused net operating losses carried forward (2006: €20.3m). The majority of current and deferred tax recorded in each of fiscal 2007 and 2006 relates to domestic tax charges and there is no expiry date associated with these temporary differences. In fiscal 2007, the Irish headline corporation tax rate remained at 12.5%.

Ryanair.com Limited is engaged in international data processing and reservation services. In these circumstances, Ryanair.com Limited is entitled to claim 10% corporation tax rate on profits derived from qualifying activities in accordance with Section 448 of the Taxes Consolidated Act, 1997. This legislation provides for the continuation of the 10% effective corporation tax rate until 2010.

The principal components of deferred tax at each year end were:

	At March 31,	
	2007	**2006**
	€000	**€000**
Arising on capital allowances and other temporary differences	145,164	143,032
Arising on unused net operating losses carried forward	-	(2,537)
Arising on derivatives	(5,563)	(12,151)
Arising on pensions	(800)	(1,084)
Arising on available for sale securities	12,231	-
Total	151,032	127,260

At March 31, 2007 and 2006, the Group had fully provided for all required deferred tax assets and liabilities. No deferred tax has however, been provided on the unremitted earnings of overseas subsidiaries because there is no intention to remit these to Ireland.

13 Provisions

	At March 31,	
	2007	2006
	€000	€000
Provision for aircraft maintenance on operating leased aircraft:		
At beginning of year	16,722	7,236
Charge for the year	11,997	9,486
At end of year	28,719	16,722

14 Other creditors

This consists of:

- Deferred gains arising from the sale and leaseback of aircraft. During fiscal year 2007, Ryanair entered into a sale and leaseback arrangement for 15 new Boeing 737-800 "next generation" aircraft (2006: 4) in addition to a further 17 in previous years.
- The present value of the net pension obligation before tax of €7.0m (2006: €8.7m) in Ryanair Limited. See note 22 for further details.
- Loss on fair value movement in firm commitments to acquire aircraft – maturing within the year of €Nil (2006: €7.5m), (forming part of the Group's fair value hedge accounting - see note 5).

15 Issued share capital, share premium account and share options

(a) Share capital

	At March 31,	
	2007	2006
	€000	€000
Authorised:		
1,680,000,000 ordinary equity shares of 0.635 euro cent each	10,668	10,668
Allotted, called up and fully paid:		
1,547,028,730 ordinary equity shares of 0.0635 euro cent each	9,822	-
1,542,033,246 ordinary equity shares of 0.0635 euro cent each	-	9,790

On February 26, 2007 the Company implemented a sub-division of the Company's ordinary shares of €1.27 cent into ordinary shares of €0.635 cent (the "stock split"). Both the share capital and earnings per share figures have been restated to give effect to the stock split. The movement in the share capital balance year on year principally relates to 5.0m (2006: 18.1m) in new shares issued due to the exercise of share options.

(b) Share premium account

	At March 31,	
	2007	2006
	€000	€000
Balance at beginning of year	596,231	565,756
Share premium arising from the exercise of 4,995,486 options in fiscal 2007 and 18,107,030 in fiscal 2006	11,202	30,475
Balance at end of year	607,433	596,231

(c) Share options and share purchase arrangements

The Group has adopted a number of share option plans, which allow current or future employees or executive directors to purchase shares in the Company up to an aggregate of approximately 5% (when aggregated with other ordinary shares over which options are granted and which have not yet been exercised) of the outstanding ordinary shares of Ryanair Holdings plc, subject to certain conditions. These are exercisable at a price equal to the market price of the ordinary shares at the time options are granted.

The key terms of these option plans include:

- Certain non-market performance conditions to be met;
- Approval of the Remuneration Committee to be given; and
- Certain employees to remain in employment with the Group for a specified period of time.

Details of the share options outstanding (as adjusted for the stock split on February 26, 2007) are set out below:

	Share Options	Weighted Average Exercise Price
Outstanding at March 31, 2005	51,912,988	€2.20
Exercised	(18,107,030)	€1.73
Granted	10,400,000	€3.21
Expired	(1,571,956)	€1.30
Outstanding at March 31, 2006	42,634,002	€2.67
Exercised	(4,995,486)	€2.31
Granted	666,000	€3.77
Expired	(3,196,538)	€2.32
Outstanding at March 31, 2007	35,107,978	€2.77

The mid-market price of Ryanair Holdings plc's ordinary shares on the Irish Stock Exchange at March 31, 2007 was €5.83 (2006: €3.92). The highest and lowest prices at which the Company's shares traded on the Irish Stock Exchange in the year ended March 31, 2007 were €6.30 and €3.25, respectively (2006: €4.15 and €2.80). There were 1,939,190 options exercisable at March 31, 2007 (2006: 3,510,847). The average share price for the year was €4.43 (2006: €3.48)

The Group has accounted for its share option grants to employees at fair value, in accordance with IFRS 2, using a binomial lattice model to value the option grants. This has resulted in a charge of €3.9m (2006: €2.9m) being recognised within the income statement in respect of employee services rendered, which was based on 15.8m share options within the scope of IFRS 2 (2006: 16.0m) as compared to the total share options disclosed above.

The weighted average fair value of the individual options granted during the years ended March 31, 2007 and 2006 were estimated, using a binomial lattice model, based on the following assumptions:

Options Granted

	2007	2006
Date Granted	Apr 7, 2006	Aug 10, 2005
Date of earliest exercise	Apr 7, 2011	Aug 10, 2010
Date of expiration	Apr 7, 2013	Aug 10, 2012
Fair Value	€1.51	€1.43
Assumptions:		
Risk-free interest rate	3.7%	3.0%
Volatility*	40%	40%
Dividend Yield	Nil	Nil
Expected life (years)	5.5	5.5

*****historical daily volatility over a five and a half year average period

16 Retained earnings and other equity movements

	Ordinary shares	Share premium account	Retained earnings	Other Reserves	Total
	€000	€000	€000	€000	€000
Balance at March 31, 2005	9,675	565,756	1,158,584	488	1,734,503
Adjustment for impact of first time adoption of IAS 39		-	-	(128,074)	(128,074)
Effective portion of changes in fair value of cash flow hedges	-	-	-	65,966	65,966
Net change in fair value of cash flow hedges transferred to the profit and loss	-	-	-	(22,960)	(22,960)
Net movements into cash flow hedge reserve	-	-	-	43,006	43,006
Issue of ordinary equity shares (net of issue costs)	115	30,475	-	-	30,590
Profit for the financial year	-	-	306,712	-	306,712
Share-based payments	-	-	-	2,921	2,921
Retirement benefits	-	-	2,327	-	2,327
Balance at March 31, 2006	9,790	596,231	1,467,623	(81,659)	1,991,985
Effective portion of changes in fair value of cash flow hedges	-	-	-	79,025	79,025
Net change in fair value of cash flow hedges transferred to the profit and loss	-	-	-	(32,920)	(32,920)
Net movements into cash flow hedge reserve	-	-	-	46,105	46,105
Issue of ordinary equity shares (net of issue costs)	32	11,202	-	-	11,234
Net change in fair value of available for sale asset	-	-	-	48,926	48,926
Profit for the financial year	-	-	435,600	-	435,600
Share-based payments	-	-	-	3,935	3,935
Retirement benefits	-	-	1,988	-	1,988
Balance at March 31, 2007	9,822	607,433	1,905,211	17,307	2,539,773

The total share based payments reserve at March 31, 2007 was €7.3m (2006: €3.4m) and the total cash flow hedge reserve amounted to €39.0m (negative) at March 31, 2007 (2006: €85.1m negative). The total available for sale reserve amounted to €48.9m at March 31, 2007 (2006: Nil). Further details of the Group's derivatives are set out in notes 5 and 11. The accumulated balance on retained earnings is stated after a write off of goodwill on a previous Group reorganisation of €4.1m which arose in the year ended March 31, 1997. The Group has elected not to restate this transaction in accordance with the transitional provisions of IFRS 1.

17 Analysis of operating revenues and segmental analysis

All revenues derive from the Group's principal activity and business segment as a low fares airline and includes scheduled services, car hire, internet income and related sales to third parties.

Revenue is analysed by geographical area (by country of origin) as follows:

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
United Kingdom	984,010	809,706
Other European countries	1,252,885	882,824
	2,236,895	1,692,530

Ancillary revenues included in total revenue above comprise:

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Non-flight scheduled	241,990	166,796
Car hire	22,972	19,752
In-flight	60,079	45,306
Internet income	37,063	27,299
	362,104	259,153

All of the Group's operating profit arises from low fares airline-related activities, its only business segment. The major revenue earning assets of the Group are comprised of its aircraft fleet, which is registered in Ireland and therefore principally all profits accrue in Ireland. Since the Group's aircraft fleet is flexibly employed across its route network in Europe, 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. Non-flight scheduled revenue arises from the sale of rail and bus tickets, hotel reservations and other revenues generated, including excess baggage charges, all directly attributable to the low fares business.

18 Staff numbers and costs

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

	Year ended March 31, 2007	Year ended March 31, 2006
Flight and cabin crew	3,052	2,271
Sales, operations and administration	939	792
	3,991	3,063

The aggregate payroll costs of these persons were as follows:

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Salaries and related costs	204,654	151,962
Social welfare costs	15,547	13,338
Other pension costs (i)	2,444	3,191
Share based payments	3,935	2,921
	226,580	171,412

(i) Costs in respect of defined contribution benefit plans and other pension arrangements were €0.7m (2006 €1.4m) while costs associated with defined benefit plans included here were €1.7m (2006: €1.8m) (See note 22)

19 Other expenses-insurance claim

Included in the income statement for the year to March 31, 2006 is a credit of €5.2m (net of tax) arising from the settlement of an insurance claim for the scribing of 6 Boeing 737-200 aircraft. This credit has been included as a reduction to insurance costs included within operating expenses in the 2006 income statement. No such items arose in fiscal 2007.

20 Statutory and other information

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Directors' emoluments:		
-Fees	251	265
-Other emoluments, including bonus and pension contributions	1,032	877
Depreciation of property, plant and equipment	138,109	120,877
Depreciation of property, plant and equipment held under finance leases	5,394	3,528
Auditors' remuneration		
- audit (i)	281	213
- audit-related (ii)	18	67
- tax services (iii)	243	188
- integrated audit costs associated with Sarbanes-Oxley (i)	650	-
Operating lease charges, principally aircraft	58,183	47,376

(i) Audit services include integrated audit work performed on the consolidated financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including comfort letters, statutory audits, and discussions surrounding the proper application of financial accounting and/or reporting standards.

(ii) Audit-related services are for assurance and related services that are traditionally performed by the independent auditor, including due diligence related to mergers and acquisitions, employee benefit plan audits, and special procedures required to meet certain regulatory requirements.

(iii) Tax services include all services, except those services specifically related to the audit of financial statements, performed by the independent auditor's tax personnel, including tax analysis; supporting other tax-related regulatory requirements; and tax compliance and reporting.

(a) Fees and emoluments - Executive Director

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Basic salary	565	550
Bonus (Performance & target related)	365	200
Pension contributions	62	58
	992	808

During the years ended March 31, 2007 and 2006 Michael O'Leary was the only executive director.

b) Fees and emoluments - Non Executive Directors

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Fees		
Emmanuel Faber	47	47
Michael Horgan	32	32
Klaus Kirchberger	32	32
Raymond MacSharry (retired September, 2006)	23	47
Kyran McLaughlin	47	47
James R. Osborne	38	28
Paolo Pietrogrande	32	32
	251	265
Emoluments		
Michael Horgan	40	40
	291	305

(c) Pension benefits

Directors	Increase in Accrued Benefit		Transfer Value Equivalent of Increase in Accrued Benefit		Total Accumulated Accrued Benefit	
	Fiscal 2007	Fiscal 2006	Fiscal 2007	Fiscal 2006	Fiscal 2007	Fiscal 2006
	€	€	€	€	€	€
Michael O'Leary	9,535	8,885	56,735	49,549	116,907	104,244

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 Irish Stock Exchange. The increases in transfer values of the accrued benefits have been calculated as at each year-end in accordance with Actuarial Guidance Note GN11.

(d) Shares and share options

(i) Shares

Ryanair Holdings plc is listed on the Irish, London and Nasdaq Stock Exchanges.

The beneficial interests as at March 31, 2007 and 2006 of the directors and of their spouses and minor children in the share capital of the Company are as follows:

	March 31, 2007 No. of Shares	March 31, 2006 No. of Shares
David Bonderman	14,117,360	14,017,360
Michael O'Leary	65,000,016	70,000,016
James R. Osborne	1,410,256	1,410,256
T. Anthony Ryan	6,517,070	11,517,070
Kyran McLaughlin	50,000	50,000
Michael Horgan	50,000	50,000

All figures have been adjusted for 2:1 stock split on February 26, 2007

(ii) Share options

The number of share options held by directors in office at the end of fiscal 2007 were:

	March 31, 2007 Number of Options	March 31, 2006 Number of Options
David Bonderman*	-	100,000
Emmanuel Faber**	50,000	50,000
Klaus Kirchberger**	50,000	50,000
Kyran McLaughlin*	-	100,000
Michael O'Leary***	81,240	81,240
James R. Osborne*	-	100,000
Paolo Pietrogrande*	-	100,000
T. Anthony Ryan*	-	100,000

All figures have been adjusted for 2:1 stock split on February 26, 2007

Directors not referred to above held no shares or share options.

* These options were granted to these directors at €1.85 (the market value at date of grant) during the year ended March 31, 2001 and were exercisable between June 2005 and June 2007.

** These options were granted to these directors at €2.83 each (the market value at date of grant) during the year ended March 31, 2003 and are exercisable between June 2007 and June 2009.

*** These options were granted to Michael O'Leary as follows: 35,402 in fiscal 2003 at €2.86 and 45,838 in fiscal 2004 at €2.21 (the market value at date of grant), in either case under the 2003 share option plan these are exercisable between 2009 and 2011.

21 Finance expense

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Interest payable on bank loans wholly repayable after five years	82,891	73,758
Interest arising on pension liabilities, net (see note 22)...........................	(15)	200
	82,876	73,958

22 Pensions

The Group accounts for pensions in accordance with IAS 19, "Employee Benefits," (IAS 19).

The Company operates defined benefit and defined contribution schemes.

(i) Defined benefit schemes.

The Group funds the pension entitlements of certain employees through defined benefit plans. Two plans are operated for eligible Irish and UK employees. In general, on retirement, a member is entitled to pension calculated at 1/60th of final pensionable salary for each year of pensionable service, subject to a maximum of 40 years. Theses plans are fully funded on a discontinuance basis and the related pension costs and liabilities are assessed in accordance with the advice of a professionally qualified actuary. The investments of the plans at March 31, 2007 consisted of units held in independently administered funds. The most recent full actuarial valuations of the plans were carried out at December 31, 2003 in accordance with local regulatory requirements using the projected unit credit method and the valuation reports are not available for public inspection. A new 3 year actuarial evaluation is currently underway.

The 2003 actuarial report showed that at the valuation date the market value of the scheme's assets was €11.5m, which was sufficient to cover more than 100% of the accrued liabilities, based on current earnings and 78% of the accrued liabilities allowing for expected future increases in earnings. The actuarial report recommends payment of contributions at 11.5% of staff and 17.8% of pilots' pensionable salaries respectively, which is an increase from previous contribution rates, intended to make good the shortfall on accrued liabilities allowing for expected future increases in earnings. These rates may be revised following the new actuarial valuation.

A separate annual actuarial valuation has been performed for the purposes of preparing these financial statements. The principal actuarial assumptions used for the purpose of this actuarial valuation were as follows:

	At March 31,	
	2007	2006
	%	%
Discount rate used for Irish plan	4.75	4.75
Discount rate used for UK plan..	5.35	4.90
Return on plan assets for Irish plan..	6.95	6.61
Return on plan assets for UK plan	7.38	6.93
Rate of Euro inflation..	2.50	2.25
Rate of UK inflation..	2.75	2.75
Future pension increases in Irish plan	0.00	2.75
Future pension increases in UK plan..	2.75	2.75
Future salary increases for Irish plan	3.50	3.25
Future salary increases for UK plan..	3.75	3.75

The Group uses certain mortality rate assumptions when calculating scheme obligations. Both the Irish and UK schemes use the PMA/PFA92 mortality tables for calendar year 2020, for current employees, which include sufficient allowance for future improvements in mortality rates. Retirement ages for scheme members are 60 for pilots and 65 for staff. The current life expectancies underlying the value of the scheme liabilities for the Irish and UK schemes are the following.

	At March 31, 2007
	Years
Retiring at age 60:	
Male	24.4
Female	27.4
Retiring at age 65:	
Male	19.8
Female	22.8

The amount recognised in the consolidated balance sheet in respect of our defined benefit plans is as follows:

	At March 31,	
	2007	**2006**
	€000	**€000**
Present value of benefit obligations	(35,596)	(33,367)
Fair value of plan assets	28,616	24,690
Present value of net obligations	(6,980)	(8,677)
Related deferred tax asset	872	1,084
Net pension (liability)	(6,108)	(7,593)

The amount recognised in the consolidated income statement in respect of our defined benefit plans is as follows:

	Year ended March 31, 2007	**Year ended March 31, 2006**
	€000	**€000**
Included in payroll costs		
Service cost	1,722	1,812
Included in finance costs		
Interest on pension scheme liabilities	1,682	1,460
Expected return on plan assets	(1,697)	(1,260)
Net finance costs	(15)	200
Net periodic pension cost	1,707	2,012

Analysis of amounts included in the Statements of Recognised Income and Expense (SORIE);

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Actual return less expected return on pension scheme assets	748	3,531
Experience gains on scheme liabilities	1,586	62
Changes in assumptions underlying the present value of scheme liabilities	(62)	(934)
Actuarial gains recognised in the SORIE	2,272	2,659
Related deferred tax asset/(liability)	(284)	(332)
Net actuarial gains recognised in the SORIE	1,988	2,327

Changes in the present value of the defined benefit obligation of the plans are as follows:

	At March 31,	
	2007	2006
	€000	€000
Projected benefit obligation at beginning of year	33,367	29,213
Service cost	1,722	1,812
Interest cost	1,682	1,460
Plan participants' contributions	642	681
Actuarial (gain)/loss	(1,783)	978
Benefits paid	(294)	(672)
Foreign exchange rate changes	260	(105)
Projected benefit obligation at end of year	35,596	33,367

Changes in fair values of the plans' assets are as follows:

	At March 31,	
	2007	2006
	€000	€000
Fair value of plan assets at beginning of year	24,690	18,585
Actual gain on plan assets	2,272	4,867
Employer contribution	1,133	1,305
Plan participants' contributions	642	681
Benefits paid	(294)	(672)
Foreign exchange rate changes	173	(76)
Fair value of plan assets at end of year	28,616	24,690

The fair value of the plans' assets at March 31 is analysed as follows:

	At March 31,	
	2007	2006
	€000	€000
Equities	22,949	20,147
Bonds	3,173	2,469
Property	1,150	1,012
Other assets	1,344	1,062
Total fair value of plan assets	28,616	24,690

The plans' assets do not include any of our own financial instruments, nor any property occupied by, or other assets used by us.

The expected long-term rate of return on assets of 6.95% for the Irish Scheme was calculated based on the assumptions of the following returns for each asset class: Equities 7.25%; Bonds 3.76%; Property 6.25%; and Cash 2.5%. The expected long-term rate of return on assets of 7.38% for the UK Scheme was calculated based on the assumptions of the following returns for each asset class: Equities 7.75%; Corporate and Overseas Bonds 5.35%; UK Government Bonds 4.5%; and Other 4.75%.

Since there are no suitable euro-denominated AA rated corporate bonds, the expected return is estimated by adding a suitable risk premium to the rate available from Government bonds. The assumptions are based on long-term expectations at the beginning of the reporting period and are expected to be relatively stable.

The history of the plans for the current and prior period is as follows:

		At March 31,	
	2007	2006	2005
	€000	€000	€000
Difference between expected and actual return on assets	748	3,531	952
Expressed as a percentage of scheme assets	3%	14%	5%
Experience gains/(losses) on scheme liabilities	1,586	62	(242)
Expressed as a percentage of scheme liabilities	4%	-	(1%)
Total actuarial gains/(losses)	2,272	2,659	(3,419)
Expressed as a percentage of scheme liabilities	6%	8%	(12%)

We expect to contribute approximately €0.9m to our defined benefit plans in 2008.

(ii) Defined contribution schemes

The Group operates defined contribution retirement plans in Ireland and the UK. The costs of these plans are charged to the consolidated income statement in the period they are incurred. The pension cost of these defined contribution plans was €0.7m in 2007 (2006: €1.4m).

23 Earnings per share

Basic earnings per ordinary share (EPS) for Ryanair Holdings plc for the years ended March 31, 2007 and March 31, 2006 has been computed by dividing the profit attributable to shareholders by the weighted average number of ordinary shares outstanding during the year.

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 1,557,502,826 (2006: 1,543,562,546) including weighted average share options assumed to be converted of 13,045,390 (2006: 9,897,542).

Reconciliation of adjusted EPS

	At March 31,	
	2007	**2006**
	€ cent	**€ cent**
Basic EPS	28.20	20.00
Adjusted by:		
Aircraft insurance claim	-	(0.34)
Release of income tax overprovision	(2.21)	-
Adjusted basic EPS	25.99	19.66
Adjusted diluted EPS	25.77	19.53
Number of ordinary shares (in 000's) used for EPS and adjusted EPS*		
Basic	1,544,457	1,533,666
Diluted	1,557,503	1,543,562

Details of share options in issue have been described more fully in note 15

* Adjusted for share split of 2 for 1 which occurred on February 26, 2007

24 Commitments and contingencies

Commitments

In January 2002, the Group entered into a contract with The Boeing Company ("Boeing") (the "2002 Boeing contract"); whereby the Group agreed to purchase 100 new Boeing 737-800 "next generation" aircraft, and received purchase rights to acquire a further 50 such aircraft. The 2002 Boeing contract was superceded by a contract entered into with Boeing in January 2003 (the "2003 Boeing contract") whereby the Group agreed to purchase 125 new Boeing 737-800 "next generation" aircraft, thus adding "firm" orders for 22 aircraft to the existing "firm" orders (100 "firm" plus 3 options exercised) under the 2002 Boeing contract. In addition, the Group acquired purchase rights over a further 78 aircraft, bringing the number of option aircraft to 125.

In February 2005, the Group entered into a contract with Boeing (the "2005 Boeing contract") whereby the Group agreed to purchase 70 new Boeing 737-800 "next generation" aircraft and acquired additional purchase rights to acquire a further 70 such aircraft over a 5 year period from 2006 to 2011. The aircraft to be delivered after January 1, 2005, arising from the 2002 and 2003 Boeing contracts, benefit from the discounts and concessions under the 2005 Boeing contract. In addition, the orders for the 89 "firm" aircraft still to be delivered at January 1, 2005 and the remaining additional purchase rights in respect of 123 aircraft granted under the 2002 and 2003 Boeing contracts are governed by the 2005 Boeing contract from January 2005.

In June 2006 the Group exercised 10 options under the 2005 contract whereby it will increase its firm aircraft deliveries by this amount during fiscal 2008 (3) and 2009 (7).

In August 2006 the Group exercised 32 options under the 2005 contract whereby it will increase its "firm" aircraft deliveries by this amount during fiscal 2009 (22) and 2010 (10).

The table below details the firm aircraft delivery schedule at March 31, 2007 and March 31, 2006 for the Group respectively:

	Aircraft Delivered at March 31, 2007	**Firm Aircraft Deliveries Fiscal 2008-2012**	**Total "Firm" Aircraft**	**Basic price per aircraft (U.S.$'m)**	**Firm Aircraft Deliveries Fiscal 2007-2012 at March 31, 2006**
2002 Contract	80	23	103	50.885	51
2003 Contract	24	-	24	50.889	1
2005 Contract	1	125	126	50.916	84
Total................................	105	148	253		136

The "Basic Price" (equivalent to a standard list price for an aircraft of this type) for each aircraft governed by the 2005 Boeing contract will be increased by (a) an estimated U.S.$900,000 per aircraft for certain "buyer furnished" equipment the Group 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 U.S. Employment Cost and Producer Price indices between the time the Basic Price was set and the period of 6 months prior to the delivery of such aircraft.

Boeing has granted Ryanair certain price concessions with regard to the Boeing 737-800 "next generation" aircraft. These take the form of credit memoranda to the Group for the amount of such concessions, which the Company may apply toward the purchase of goods and services from Boeing or toward certain payments, in respect of the purchase of the aircraft under the various Boeing contracts.

Boeing and CFMI (the manufacturer of the engines to be fitted on the purchased aircraft) have also agreed to give the Group certain allowances in addition to providing other goods and services to the Group on concessionary terms. These credit memoranda and allowances will effectively reduce the price of each aircraft to the Group. As a result, the effective price of each aircraft will be significantly below the Basic Price mentioned above. At March 31, 2007, the total potential commitment to acquire all 148 "firm" aircraft, not taking such increases and decreases into account, will be up to U.S.$7.53 billion. (At March 31, 2006 the potential commitment was U.S.$6.9 billion to acquire 136 "firm" aircraft).

a) Total future minimum payments due under operating leases

	At March 31,	
	2007	2006
	€000	€000
Due within one year	75,322	45,097
Due between one and two years	75,322	45,097
Due between two and three years	75,322	45,097
Due between three and four years	69,320	45,097
Due between four and five years	44,277	39,314
Due after five years	44,471	14,194
Total	384,034	233,896

The above table sets out the committed future cost of leasing 32 (2006:17) Boeing 737-800 "next generation" aircraft at March 31, 2007 and 2006, respectively.

b) Commitments resulting from the use of derivative financial instruments by the Group are described in notes 5 and 11.

Contingencies

c) 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.

d) The Group has also entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financing arrangements. Cash deposits have been set aside as collateral to mitigate certain counterparty risk of fluctuations on long-term derivative and other financing arrangements ("restricted cash") (see note 11 for further details). Additional numerical information on these swaps and on other derivatives held by the Group is set out in notes 5 and 11 of the financial statements.

e) In February 2004, the European Commission ruled that Ryanair had received illegal state aid from the Walloon regional government in connection with its establishment of a low cost base at Brussels (Charleroi).

Subsequently Ryanair was requested by the regional government to repay all deemed illegal state aid, but in accordance with the Commission ruling Ryanair may deduct various costs incurred in establishing its base at Brussels (Charleroi) from this amount. Ryanair has advised the regional government that it believes no money is repayable as the cost of establishing the base exceeded the amount determined to be illegal state aid.

Ryanair is also appealing the decision of the European Commission to the European Court of First Instance, requesting that the Court annul the decision on the basis that Ryanair's agreement at Brussels (Charleroi) was consistent with agreements at similar privately owned airports and therefore did not constitute illegal state aid. The Company has placed €4m in an escrow account pending the outcome of this appeal.

25 Note to cash flow statements

	At March 31,	
	2007	2006
	€000	€000
Net funds at beginning of year	294,243	190,848
(Decrease)/increase in cash and cash equivalents in year	(92,585)	566,746
Movement in financial assets > 3 months	263,847	(200,480)
Movement in restricted cash	54,768	-
Net cash flow from (increase) in debt	(184,338)	(262,871)
Movement in net funds resulting from cash flows	41,692	103,395
Net funds at end of year	335,935	294,243
Analysed as:		
Cash & restricted cash	2,198,001	1,971,971
Total borrowings	(1,862,066)	(1,677,728)
Net funds	335,935	294,243

Net funds arise when cash and liquid resources exceed debt.

26 Post balance sheet events

A share buy back which was approved at the 2006 AGM was formally announced on June 5, 2007. With effect from June 7, 2007 the Company planned to repurchase up to €300m worth of shares. The buy back is expected to take place at anytime up to September 20, 2007 (the 2007 AGM) for a total maximum of 77,171,868 shares. To date the Company had repurchased 37.6 million shares at a total cost of €187m.

Since the year end the Company has entered into sale agreements for the disposal of 20 Boeing 737-800 aircraft in the period September 2006 to April 2010.

Ryanair is in the process of preparing an appeal to the European Court of First Instance against a decision by the European Commission prohibiting its proposed acquisition of Aer Lingus, following the initial public offering of the Irish flag carrier airline. Subsequent to the year end, Ryanair increased its stake in Aer Lingus plc by a further 4.2%, taking its shareholding from 25.2% at March 31, 2007 to over 29.4% at August 21, 2007, at a total cost of €392m which amounted to an average cost of €2.52 per share. Ryanair offered remedies to the Commission in the first phase of the Commission's merger investigation, something that has not been done in other previous airline mergers, including Air France/KLM. Despite demonstrating that the merger of these two airlines would have significant consumer benefits and efficiencies, and despite offering substantial remedies – including guaranteed fare and fuel levy reductions/eliminations, and large numbers of slot surrenders – the Commission nevertheless prohibited the merger in June 2007. Ryanair has two months from the date of decision to submit an appeal.

In April 2007 the Group exercised 27 options under the 2005 contract with the Boeing Company whereby it will increase its "firm" aircraft deliveries by this amount during fiscal 2010.

27 Subsidiary undertakings and related party transactions

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

Name	Effective date of acquisition/incorporation	Registered Office	Nature of Business
Ryanair Limited	August 23, 1996 (acquisition)	Corporate Headquarters Dublin Airport Co Dublin	Airline operator
Darley Investments Limited*......	August 23, 1996 (acquisition)	Corporate Headquarters Dublin Airport Co Dublin	Investment holding Company
Ryanair.com Limited*	August 23, 1996 (acquisition)	Corporate Headquarters Dublin Airport Co Dublin	International data processing services
Coinside Limited*.......................	August 8, 2006 (incorporation)	Corporate Headquarters Dublin Airport Co Dublin	Investment holding Company

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

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 Companies (Amendment) Act, 1986.

In accordance with the basis of consolidation policy as described in note 1 of these financial statements, the subsidiary undertakings referred to above have been consolidated in the financial statements of Ryanair Holdings plc for the years ended March 31, 2007 and March 31, 2006.

The total amount of remuneration paid to senior key management (defined as the executive team reporting to the Board) in the Group amounted to €3.4m in the year (2006: €3.1m) the majority of which comprises short term employee benefits.

Company Balance Sheet

	Note	At March 31, 2007 €000	2006 €000
Non-current assets			
Investments in subsidiaries	29	79,338	75,403
Current assets			
Loans and receivables from subsidiaries	30	581,065	569,831
Total assets		660,403	645,234
Current liabilities			
Amounts due to subsidiaries	31	35,172	35,172
Shareholders' equity			
Issued share capital	15	9,822	9,790
Share premium account	15	607,433	596,231
Retained earnings	15	632	632
Other reserves	15	7,344	3,409
Shareholders' equity	33	625,231	610,062
Total liabilities and shareholders' equity		660,403	645,234

On behalf of the Board

M. O'Leary   D. Bonderman
Director   Director

August 21, 2007

Company Cash Flow Statement

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	**€000**
Investing activities		
(Increase) in loans to subsidiaries………………………….	(11,234)	(30,590)
Net cash used in investing activities................................	(11,234)	(30,590)
Financing activities		
Net proceeds from share issued………………………..........	11,234	30,590
Net cash provided by financing activities.......................	11,234	30,590
Movement in cash and cash equivalents.........................	-	-
Cash and cash equivalents at beginning and end of year	-	-

The Company had no recognised income or expenses for the year and accordingly the amount recorded in the Statement of Recognised Income and Expense was €Nil (2006 €Nil). A reconciliation of movements in shareholders' funds has been included in note 33.

Notes- forming part of the Company Financial statements

28 Basis of preparation

The Parent's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union (EU) that are effective for the year ended and as at March 31, 2007, as applied in accordance with the Companies Acts 1963 to 2006. On publishing company financial statements together with Group financial statements the Company is taking advantage of the exemption contained in Section 148(8) of the Companies Act 1963 not to present its individual income statement and related notes that form a part of these approved financial statements.

The Company financial statements are presented in euro, rounded to the nearest thousand, being its functional currency. They are prepared on an historical cost basis except for certain share based payment transactions, which are based on fair values determined at grant date.

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. Principal sources of estimation uncertainty have been set out in the critical accounting policy section on page 20 of the operating and financial review.

Statement of compliance

The Parent entity financial statements have been prepared in accordance with IFRS as adopted by the EU that were effective at March 31, 2007 as applied in accordance with the Companies Acts 1963 to 2006.

The following provides a brief outline of the likely impact on future financial statements of relevant IFRSs adopted by the EU which are not yet effective and have not been early adopted in these financial statements:

- Amendment to IAS 1 – Capital Disclosures (effective for annual periods beginning on or after January 1, 2007): this amendment will require additional disclosure about our capital structure;

- IFRS 7 – Financial Instruments: Disclosures (effective for annual periods beginning on or after January 1, 2007. This will require us to make further disclosures relating to our financial instruments than are currently required under IAS 32.

- IFRIC 9 – Reassessment of Embedded Derivatives (effective for annual periods beginning on or after June 1, 2006) deals with the requirement of an entity to re-assess embedded derivatives during the life of the underlying contract. This interpretation is not expected to have any material effect on the Company's future financial statements.

- IFRIC 11 – IFRS 2 Group and Treasury Share Transactions (effective for annual periods beginning on or after March 1, 2007) addresses how share based payment arrangements that affect more than one company in a Group are accounted for in each company's financial statements. This is not expected to result in any material change in the way that share based payment transactions are accounted for by the Company.

Share based payments

The Company accounts for the fair value of share options granted to employees of a subsidiary as an increase in its investment in that subsidiary. The fair value of such options is determined in a consistent manner to that set out in the Group share based payment accounting policy and as set out in note 15 (c).

Income taxes

Income taxes are accounted for by the Company in a manner consistent to that set out in the Group income tax accounting policy.

Financial assets

The Parent entity holds investments in subsidiary companies, which are carried at cost less any impairments.

Guarantees

The Company occasionally guarantees certain liabilities of subsidiary companies. These are considered to be insurance arrangements and are accounted for as such i.e. a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee.

Loans and borrowings

All loans and borrowings are initially recorded at the fair value of consideration received, net of attributable transaction costs. Subsequent to initial recognition, non-current interest bearing loans are measured at amortised cost, using the effective interest yield methodology.

29 Investments in subsidiaries

	Year ended March 31, 2007	Year ended March 31, 2006
	€000	€000
Balance at start of year	75,403	72,482
New investments in subsidiaries by way of share option grant to subsidiary employees	3,935	2,921
Balance at end of year	79,338	75,403

30 Loans and receivables from subsidiaries

	Year ended March 31, 2007 €000	Year ended March 31, 2006 €000
Due from Ryanair Limited (subsidiary)	581,065	569,831
	581,065	569,831

All amounts due from subsidiaries are repayable upon demand.

31 Amounts due to subsidiaries

	Year ended March 31, 2007 €000	Year ended March 31, 2006 €000
Due to Ryanair Limited	35,172	35,172
	35,172	35,172

At March 31, 2007, Ryanair Holdings plc had borrowings of €35,171,745 (2006: €35,171,745) from Ryanair Limited. The loan is repayable on demand

32 Financial Instruments

The Company does not undertake hedging activities on behalf of itself or other companies within the Group. Financial instruments in the Company primarily take the form of loans to subsidiary undertakings.

Amounts due to or from subsidiary undertakings (primarily Ryanair Limited) in the form of inter company loans are interest free and are repayable upon demand and further details of these have been given in notes 30 and 31. These inter company balances are eliminated in the Group consolidation.

The euro is the functional and presentation currency of the Company's balance sheet and all transactions entered into by the Company are euro denominated. As such, the Company does not have any significant foreign currency risk.

The credit risk associated with the Company's financial assets principally relates to the credit risk of the Ryanair Group as a whole, which is not rated by an external rating agency. Additionally the Company had guaranteed certain of its subsidiary company liabilities. Details of these arrangements are given in note 34.

33 Reconciliation of movement in Shareholders' Equity

	Ordinary shares	Share premium account	Retained earnings	Other Reserves	Total
	€000	€000	€000	€000	€000
Balance at April 1, 2005	9,675	565,756	632	488	576,551
Issue of ordinary equity shares (net of issue costs)...........................	115	30,475	-	-	30,590
Share-based payments	-	-	-	2,921	2,921
Balance at March 31, 2006...	9,790	596,231	632	3,409	610,062
Issue of ordinary equity shares (net of issue costs)...........................	32	11,202	-	-	11,234
Share-based payments	-	-	-	3,935	3,935
Balance at March 31, 2007...	9,822	607,433	632	7,344	625,231

34 Contingencies

a) The Company has provided €9.8m in letters of guarantee to secure obligations of subsidiary undertakings in respect of loans and bank advances.

b) In order to avail itself 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 27. The Irish subsidiaries of the Group covered by the Section 17 exemption are listed at note 27 also. One additional Irish subsidiary covered by this exemption, which is not listed as a principal subsidiary at note 27 is Airport Marketing Services Limited.

35 Date of Approval

The Consolidated and Company financial statements were approved by the Board on August 21, 2007.

Directors and other Information

Directors	D. Bonderman	Chairman
	M. O'Leary	Chief Executive
	E. Faber	
	M. Horgan	
	K. Kirchberger	
	K. McLaughlin	
	J. Osborne	
	P. Pietrogrande	
	T. A. Ryan	
Secretary	J. Callaghan	
Registered Office	Corporate Headquarters Dublin Airport Co. Dublin Ireland	
Auditors	KPMG – Chartered Accountants 1 Stokes Place St. Stephens Green Dublin 2 Ireland	
Bankers	Bank of Ireland Dublin Airport Co Dublin Ireland	
	Barclays Bank Ireland PLC Two Park Place, Hatch Street, Dublin 2 Ireland	
	Barclays Bank PLC 1 Churchill Place Canary Wharf London, E14 5HP United Kingdom	
Solicitors & Attorneys at Law	A&L Goodbody - Solicitors IFSC North Wall Quay Dublin 1 Ireland	
	Cleary, Gottlieb, Steen & Hamilton LLP One Liberty Plaza, New York NY 10006, United States	