Financial Statements

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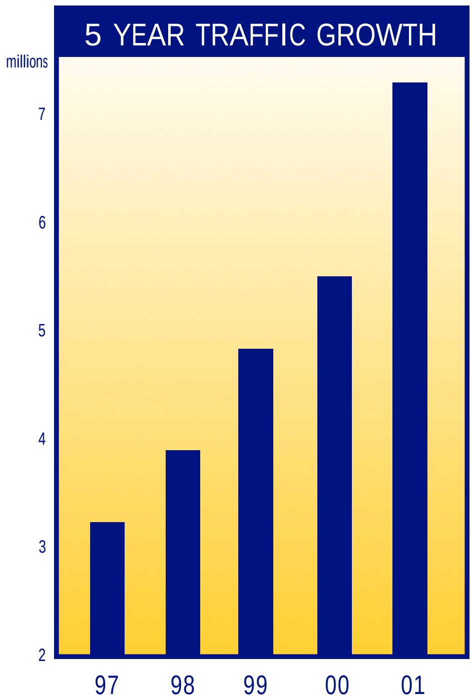
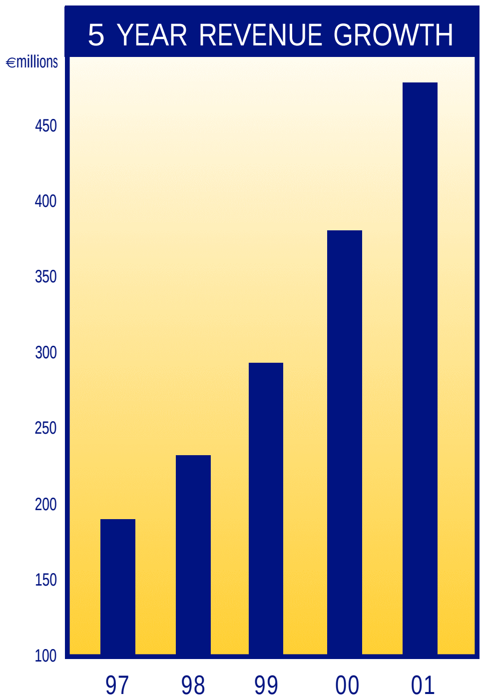
Financial Highlights

for the year ended 31 March 2001

Summarised Consolidated Profit & Loss account (under Irish & UK GAAP)	**2001 €m**	2000 €m	% Change
Operating revenue	**487.4**	370.1	32%
Net profit	**104.5**	72.5	44%
EPS (in Euro cent)*	**29.61**	21.62	37%

* adjusted for 2:1 share split on February 28th, 2000

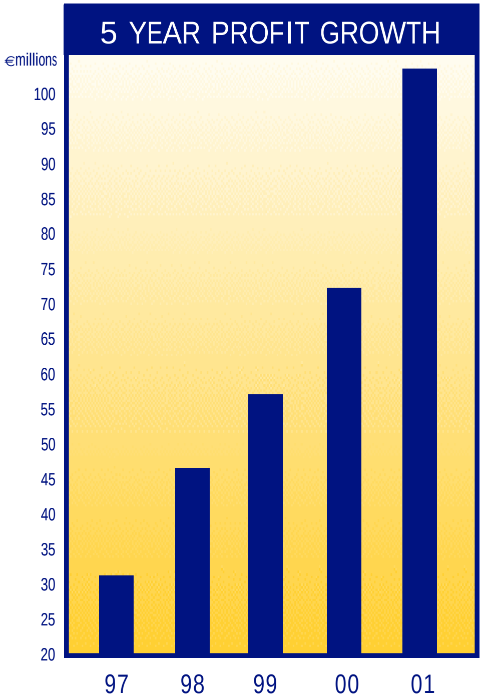


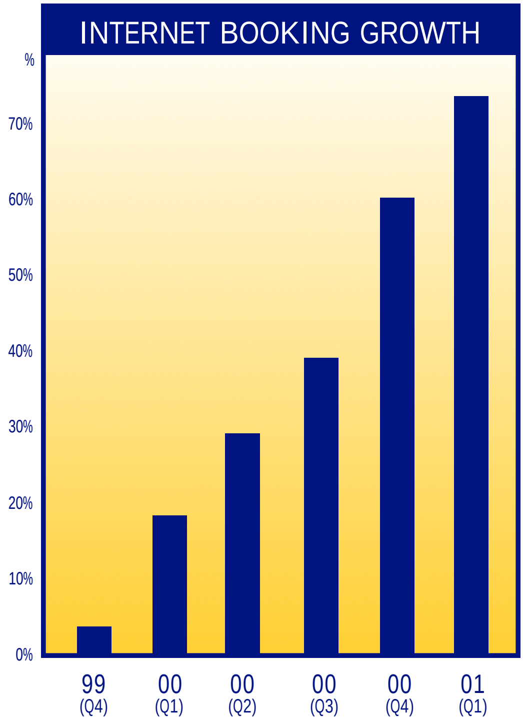


NOTE: This data refers to the financial year ending 31 March of the relevant years

Financial Highlights
(Continued)

Key Statistics	2001	2000	% Change
Scheduled passengers	**7.4**	5.5m	35%
Number of aircraft operated at period end	**36**	26	38%
Number of employees at period end	**1,476**	1,388	6%
Passengers per employee at period end	**5,037**	3,963	27%





Chairman's Report

I am pleased to report to you that Ryanair has delivered its 11th consecutive year of increased profitability. The net profit for the financial year rose by 44% to €104.5m which in turn resulted in a 37% increase in earnings per share to €29.61 cent. Ryanair is continuing to revolutionise air transport in Europe by making air travel affordable for everyone.

The past year has marked a number of new milestones in the development of Ryanair.

- Ten new Boeing 737-800 series aircraft were introduced into service bringing the fleet to 36.
- Ten new routes were launched from London Stansted, Glasgow Prestwick and Shannon airports.
- Our annual traffic grew by almost 2 million to a new record of 7.4m passengers.
- www.RYANAIR.COM became the only internet travel site in Europe to offer a lowest fare guarantee.
- The successful development of RYANAIR.COM boosted our direct sales to 92%.
- A new five year agreement was concluded with our pilots, cabin crew and ground operations staff covering pay increases, improved rostering, enhanced productivity rewards and share options.

Over the past ten years Ryanair has increased its annual traffic from under 700,000 to over 7 million. This phenomenal growth has been achieved by offering European consumers an unbeatable combination of guaranteed lowest air fares, industry leading punctuality, and an efficient, friendly, on board service. Our outstanding team of 1,500 people, whose average age is just 26 years old is unmatched in their enthusiasm, their competitive zeal, and their "can do" spirit. They are changing the face of air travel in Europe.

This annual report contains another excellent set of results. Whilst trading conditions over the past 12 months have been difficult, characterised by significantly higher oil prices, fears of an economic downturn and the outbreak of foot and mouth disease in the UK in the last quarter, Ryanair has continued to maintain its disciplined rate of growth in fleet, routes, traffic, revenues and profitability despite the fact that our average fares are already the lowest in Europe. Our growth model continues to be extremely resilient.

We have taken steps during the year to significantly strengthen our Board, and I would particularly like to welcome Mr Michael Horgan, Mr Kyran McLaughlin and Mr Paolo Pietrogrande each of whom brings a significant level of relevant industry expertise to our meetings.

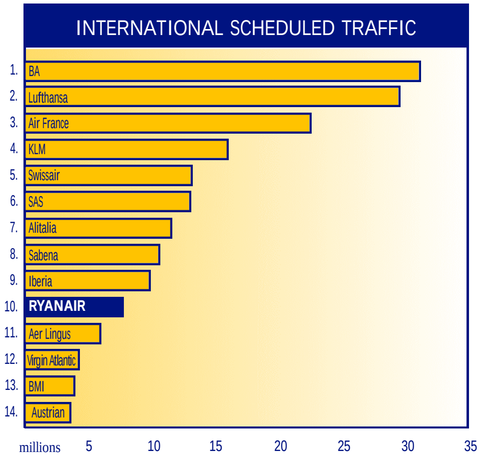
Over the past five years since Ryanair floated the capitalisation of our company has increased from €392m to over €4,000m as at July 31, 2001. The prospects for growth in the low fares market in Europe remain strong, and I believe that Ryanair - as the clear market leader in this sector - will continue to lead this growth as long as we remain dedicated to providing Europe's consumers with competition, choice and guaranteed lower fares.

David Bonderman
Chairman

Chief Executive's Report

The past year was a successful one for Ryanair, our people and our customers. Just ten years ago there were about 250 of us killing ourselves trying to carry less than 700,000 passengers a year. Last year we carried over 7 million, and last month (August '01) we carried more than 1 million passengers in a month for the first time ever.

Back in 1990, we spent all our time just trying to survive. Now we're Ireland's largest airline and Europe's largest low fares airline. We've moved up to being the tenth largest international scheduled airline in Europe in terms of passenger numbers.



Source: IATA Airline Rankings 2000.

So what makes Ryanair the real low fares airline of Europe?

Well a couple of things really.

1. **Only Ryanair guarantees the lowest air fares.**
   No other airline or travel website in Europe can match Ryanair's low air fares. Only Ryanair guarantees that the fares quoted by www.RYANAIR.COM will be the lowest, otherwise passengers can claim a refund of double the difference.

2. **Ryanair's fares are much, much lower.**
   Even compared to other low fare imitators in Europe such as Easyjet, GO and Virgin Express. Ryanair's average air fare is much, much lower.

	AVERAGE FARE* (£STERLING)	% MORE THAN RYANAIR
Ryanair	£35.74	-
Easyjet	£47.96	+34%
Virgin Express	£48.07	+35%
GO	£56.61	+58%

Source: Published accounts and industry publications.
*Fares shown are average for the 12 months ended 31/3/01

3. **Ryanair uses efficient secondary airports.**
   We ensure that our turnarounds are quick (just 25 minutes) which means that we operate more flights (with more low fares) per aircraft, per day. We also ensure that our handling costs are low and our customers get through these efficient airports quickly and on to their final destinations, without wasting time stacking, walking or queuing (as one does in Heathrow, for example).

4. **Ryanair is No.1 for frequency and punctuality.**
   As well as opening up new routes, we keep adding frequency (and more low fares) to existing routes as well. This summer we increased our frequency on London-Dublin to 23 return flights a day. Our daily Glasgow-London frequency also increased to 8 return flights. No other low fares airline in Europe offers this level of frequency. As for punctuality Ryanair was for the fourth year running, the No.1 on-time airline on London-Dublin, Europe's busiest scheduled route. Aer Lingus services to London Heathrow were the least punctual.

Chief Executive's Report

(Continued)

Punctuality Statistics Jan - Dec 2000

RANKING	AIRLINE	ROUTE	% ON-TIME
1	**RYANAIR**	**DUBLIN-LONDON LUTON**	**83%**
2	CityFlyer	Dublin-London Gatwick	77%
3	**RYANAIR**	**DUBLIN-LONDON GATWICK**	**74%**
4	**RYANAIR**	**DUBLIN-LONDON STANSTED**	**70%**
5	Aer Lingus	Dublin-London Gatwick	69%
6	Aer Lingus	Dublin-London City	68%
7	British Midland	Dublin-London Heathrow	66%
8	Aer Lingus	Dublin-London Heathrow	61%

Source: UK Civil Aviation Authority Punctuality Statistics Jan-Dec 2000

5. Unbeatable customer service.

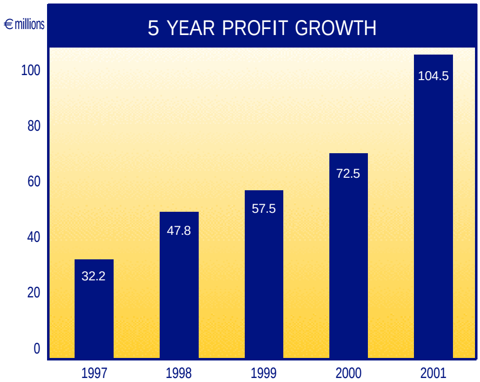
People fly with Ryanair for our low fares, but it's the friendly, efficient, on-time services that keep them coming back again and again. Over the past 12 months our levels of lost luggage and customer complaints declined yet again to just 1 complaint for every 1,000 passengers carried. These figures would make Ryanair the No.1 airline for customer service as compared to all the U.S. airlines whose complaints statistics are published by the U.S. Department of Transport.

AIRLINES	Mishandled Baggage Complaints per 1000 in 2000
Ryanair	0.98
Alaska Airlines (U.S. No 1)	3.48
Delta Airlines (U.S. No 2)	4.49
U.S. Airways (U.S. No 3)	4.76
Southwest Airlines (U.S. No 4)	5.00

*U.S. Dept. of Transportation - Air Travel Consumer Reports: Statistics Jan- Dec 2000

6. Eleven years of profitable growth.

Any fool can sell low air fares and lose money. The difficult bit is to sell the lowest air fares and make profits. If you don't make profits you can't lower your air fares or reward your people or invest in new aircraft or take on the really big airlines like BA and Lufthansa. This is Ryanair's eleventh consecutive year of increased profitability. No other airline in Europe can match this track record.



7. Humble management.

Hell it's hard, but we try… honestly!!!

Current Trading

The current year is going well particularly when you consider just how tough the trading environment is. As an industry we continue to suffer higher fuel prices, a strong dollar, the impact of the economic downturn and the outbreak of foot and mouth disease in the UK. As we have repeatedly predicted, this negative scenario has been very good for the growth of our low fares model as both businesses and individuals became more cost conscious. I believe that Ryanair's growth is very good news for Europe's consumers because we give people both ***choice and low fares,*** at a time when many of Europe's flag carriers are pursuing a strategy of cutting back capacity and using smaller aircraft to carry fewer passengers at much higher average air fares.

So far this year we have launched 14 new routes including 6 from our first continental European base at Brussels Charleroi Airport. The new Brussels base was a major strategic initiative by Ryanair, involving six new routes, over 30 daily flights from a secondary airport in a new country. Thanks to our low, low air fares which offer Belgian

Chief Executive's Report
(Continued)

consumers and visitors savings of up to 90% over Sabena's higher prices, we have operated through the summer with amazingly high load factors of 80% plus. We will work hard to build on this initial success as we enter our first Winter season in Brussels.

LOWEST ONE WAY FARES (BELGIAN FRANCS)

ROUTE	SABENA (BEF)	RYANAIR (BEF)	SAVINGS %
Brussels - London	3,615	590	84%
Brussels - Dublin	21,203	790	95%
Brussels - Shannon	23,542	790	97%
Brussels - Pisa/Florence	26,407	1,290	95%
Brussels - Venice	24,793	1,740	93%
Brussels - Carcassonne/Toulouse	24,026	1,740	93%
Brussels - Glasgow	14,627	1,740	88%

Fares correct as of 20/06/2001. Sabena fares qouted for Brussels - Dublin / Brussels - Shannon / Brussels - Venice are "industry fares" as no Sabena one-way fares qouted for routes.

We are presently negotiating with over 25 new airports all over Europe and up to 5 potential new bases. In the Spring of 2002 we will take delivery of 8 new Boeing 737-800 series aircraft which will bring our fleet to 44 and should enable us to grow to 11 million passengers per annum. It remains our ambition to grow to over 14m passengers the following year, almost double last year's numbers. Maintaining this growth will require focus, discipline and continued dedication to making low fares even more widely available.

High cost airports continue to damage Ireland

My only regret over recent years is that Ireland has missed out on this rapid growth solely because of the absurd monopoly protection policy of Minister Mary O'Rourke T.D. Over the past three years she has stood idly by and allowed the Aer Rianta government airport monopoly to substantially increase access and user costs. This has led to higher access air fares, which in turn has ended Ireland's 15 year record of double digit traffic and tourism growth. While Irish tourism stagnates, Ryanair and other low cost airports such as London Stansted, London Luton, Glasgow Prestwick and Brussels Charleroi are growing rapidly. This policy disaster in Ireland merely reinforces my view that nobody can damage a successful business (Irish tourism) quite as quickly or as badly as a monopoly protecting politician.

I can think of no other country or Transport Minister in Europe who would continuously penalise consumers by rejecting Ryanair's plan to open up a high cost airport monopoly to competition. On two separate occasions over the last two years Mrs O'Rourke has rejected Ryanair's plans to base up to 10 new aircraft at Dublin and Shannon, launch 10 new routes to Europe offering low return fares of £49 and £59 from Scandinavia, Germany, Italy and France. This plan would transform Ireland's stagnant tourism industry and create 500 new jobs directly in Ryanair and over 10,000 new jobs in the tourism sector generally. Instead, the Minister (who was the regulator of Aer Rianta's charges over the past two years) allowed them to double prices to the airlines and consumers using the monopoly airports. It is no surprise that Irish tourism has stagnated under this absurd, anti-consumer policy.

The future outlook

Apart from Ireland the future looks bright for Ryanair, our people and our customers. As Europe's flag carrier airlines pursue their policy of carrying fewer passengers and charging them even higher air fares, both business and leisure passengers are increasingly turning to the choice and value offered by Ryanair's low fares. We will continue to lead this revolution because only Ryanair guarantees to sell the lowest air fares. However the road ahead will be neither straight nor smooth. We will only succeed if we continue to be disciplined in offering customers even lower fares. To do this we must keep lowering costs, we must work harder and we must work smarter.

I take enormous pride in the fact that Ryanair is changing the face of European air travel. We were the first to offer really low air fares in Europe and even today, some ten years later we still sell millions more of them than any other airline. Low fare air travel is not a privilege; it's a right. Southwest Airlines in the U.S. has long since proven that this formula can be successful, and Ryanair is proud to be the leader of this revolution here in Europe, the home of high fares.

I'd like to finish by thanking each and every one of the 7.4m passengers we carried last year for their custom and support, and on their behalf I'd also like to sincerely thank our outstanding 1,500 people for delivering another year of extraordinary success for Ryanair.

Michael O'Leary
Chief Executive

Operating & Financial Review

for the year ended 31 March 2001

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

** The company implemented a 2:1 share split on February 28, 2000. The number of ordinary shares and earnings per share figures have been restated to give effect to the share split in the prior year.*

Operating & Financial Review

(Continued)

Profit for the Year

Profit after tax for the year ended March 31, 2001 increased by 44% to €104.5m, compared to €72.5m in the financial year ended March 31, 2000. Operating profits have increased by 36% to €114.0m. The increase in profitability reflects the positive impact of the growth in passenger volumes due to the increase in seat capacity on existing routes, and the launch of a further 8 new European routes during the year.

Operating Revenues

Total operating revenues grew by 32% to €487.4m, whilst total passenger numbers increased by 35% to 7.4m. As anticipated, average fares per passenger during the year declined by 3%. Ancillary revenues, comprising primarily of charter sales, car hire, on-board sales, and non-flight scheduled services, increased by 38% to €54.5m. This was higher than the growth in passenger volumes due to an increase in revenues from car hire rentals, other ancillary products and internet-related developments.

Operating Expenses

Total operating expenses rose by 31% to €373.4m due to the increase in the level of activity associated with the growth of the airline.

Staff costs increased by 26% to €61.2m reflecting the 16% increase in average employment to 1,467. Pilots, who earn higher than average salaries, accounted for 34% of the increase in employment. Staff costs also rose due to the pay increases granted which were between 3% and 5.5%.

Depreciation & amortisation increased by 34% to €59.2m reflecting the impact of the increase in the fleet size from 26 to 36 aircraft, and the amortisation of capitalised maintenance costs.

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

Maintenance costs increased by 19% to €20.1m due to the increase in the size of the fleet operated, an increase in the number of flight hours, and the increase in line maintenance costs associated with the expansion of our London-Stansted base.

Marketing and distribution costs decreased by 33% to €21.5m, due to an increase in the level of direct bookings via the internet, a 33% reduction in the travel agent commission rate, and the termination of the distribution agreement with Galileo.

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

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

Airport and handling charges increased by 54% to €66.3m, due to an increase in the number of passengers flown, the impact of increased airport & handling charges on some existing routes, and the adverse impact of the strength of sterling to the euro.

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

Other Income

Interest receivable rose by €12.2m to €19.7m due to the strong growth in cash resources arising from the profitable trading performance during the year and the receipts of €123.1m from a secondary offering in February 2001. Interest payable increased by €8.2m due the higher level of debt arising from the acquisition of ten new aircraft.

Taxation

The effective tax rate for the year was 15% compared to 20% for the previous year. The decline in the effective tax rate reflects the impact of the continuing decline in the headline rate of corporation tax in Ireland.

Earning per Share (EPS)

EPS increased by 37% to 29.61 cents and is based on 352,811,401 shares which represents the weighted average number of ordinary shares outstanding during the year. In February 2001 the company completed a further secondary offering of 11,000,000 shares. Earnings per share calculations have been restated to give effect to the increased number of shares issued.

Operating & Financial Review

(Continued)

Balance Sheet

The group's balance sheet continues to strengthen due to the combined benefit of strong growth in profits and receipt of the net proceeds of the additional offering amounting to €123.1m in February 2001. The group generated cash from operating activities of €229.8m which partly funded the acquisition of ten Boeing 737 - 800 next generation aircraft and additional aircraft deposits. Capital expenditure amounted to €356.7m, primarily consisting of new aircraft additions whilst debt funding increased to €402.6m during the same period.

Review of Cash Flow

Cash generated from operating activities grew by €80.2m to €229.8m, due to the increased profitability of the group. Continued strong cash flows generated from trading operations combined with the proceeds of the February 2001 offering, and the receipt of debt financing for the ten Boeing 737-800 next generation aircraft delivered, has enabled the group to increase its cash & liquid resources by €270.2m to €621.6m. The group's cash & liquid resources are equivalent to 127.5% of total annual revenues.

Capital Expenditure

During the year the group's aircraft related capital expenditure was €355m. Most of this related to the purchase of ten Boeing 737-800 aircraft and deposits relating to the future acquisition of 13 new Boeing 737-800's.

Capital Structure

The capital structure of the company changed during the year as in February 2001 the company completed a secondary offering of 11,000,000 ordinary shares bringing the total issued ordinary shares to 362,053,364. From this the group received €123.1m in proceeds net of expenses. These proceeds will be used to exploit opportunities to purchase good value new or used aircraft.

Recruitment and Promotion

During the year an extra 205 people were recruited, primarily in the flight and cabin crew department and in Ryanair.com Limited. Another 142 or 10% of our people were promoted internally within the group.

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

Safety

Safety in the airline remains an absolute priority. This is Ryanair's 17th year of safe operations. Ryanair has extensive safety training programmes to ensure the recruitment of suitably qualified pilots and maintenance personnel. In addition, the group operates and maintains all of its aircraft in accordance with the highest European Aviation Industry Standards which are regulated by the Irish Aviation Authority.

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

Fuel, Currency and Interest Risk Management

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

Operating & Financial Review

(Continued)

The group's fuel risk management policy is to hedge between 70% to 90% of the forecasted rolling annual gallons required to ensure that the future cost per gallon of fuel is locked in. This policy has been adopted to prevent the group being exposed in the short term, to adverse movements in world jet fuel prices. This is achieved by the use of fuel derivatives whereby any difference between the fixed price and the market price for an agreed amount of gallons of fuel is settled between the counterparty and Ryanair when the contract matures. At March 31, 2001 the company had in place fuel derivatives covering approximately 70% of its estimated fuel requirement in the period to March 31, 2002. Numerical details covering year end fuel derivatives are set out in notes 15 and 17.

Foreign Currency Risk in relation to the group's trading operations largely arises in relation to non-euro currencies, primarily sterling and the dollar. The exposure is managed by the group by matching the group's sterling revenues against sterling costs. Any unmatched sterling revenues are primarily used to fund forward exchange contracts to hedge US$ currency exposures which arise in relation to fuel, maintenance, aviation insurance, and capital expenditure costs, including advance deposit payments to Boeing.

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

In order to manage the foreign currency and interest rate risk in relation to the financing of new Boeing 737-800 next generation aircraft, the group has entered into a series of cross currency interest rate swaps and forward starting interest rate swap agreements. The objective of these swap agreements is to hedge the group's exposure to movements in U.S. dollar and Euro currency exchange and to cap interest rates in relation to the dollar denominated debt. Numerical information on the debt and related swaps is set out in notes 13 to 17 of the financial statements. The impact of the swaps entered into by Ryanair is to lock-in dollar borrowings into euros at specific exchange rates and cap interest rates for the full term of the borrowing.

Euro Implementation

The group has formed a Euro Committee whose task will be to implement the Euro introduction programme. The group has already reviewed all the systems that will be impacted by the changeover to the Euro. The Euro Committee is co-ordinating this programme and as part of the Euro programme the group changed its primary financial system to the Euro in June 2001. The group will implement the remainder of the plan over the coming months and the transition will be completed by end December 2001 prior to the replacement of certain currencies by the Euro on January 1, 2002.

Directors' Report

for the year ended 31 March 2001

The directors present their annual report together with the audited consolidated financial statements of the group for the year ended 31 March 2001.

Review of Business Activities and Future Developments in the Business

The group operates a low fares airline business and plans to continue to develop this activity by expanding its successful low fares formula on new and existing routes. A review of the group's operations for the year is set out on pages 8 to 11.

Results for the year

Profit for the financial year amounted to €104.5m. Details of the results are set out in the consolidated profit and loss account on page 25 and in the related notes.

Share Capital

The number of shares in issue at 31 March 2001 was 362,053,364. In February 2001 the company issued 11,000,000 shares and received €123.1m in proceeds net of expenses principally to fund future aircraft acquisitions.

Accounting Policies

The accounting policies followed in the preparation of these consolidated financial statements for the year ended March 31, 2001 are consistent with those followed in the previous annual report.

Substantial Interests in the Share Capital

On June 20, 2001 the directors are aware of the following substantial interests in the share capital of the company (excluding directors)* which represent more than 3% of the issued share capital. At March 31, 2001 the free float in shares was 93%.

NAME	SHARES HELD	% OF ISSUED SHARED CAPITAL
Fidelity Investments	45,600,000	12.6%
Guilder Gagnon Howe & Co.	36,000,000	9.9%
Putnam Investments	26,600,000	7.3%
Wellington Management Co.	16,700,000	4.6%
Janus	16,700,000	4.6%
Shane Ryan	12,800,000	3.5%

* See note 22 (d) to the financial statements

Staff

At March 31, 2001, the group employed 1,476 people. This compares to 1,388 staff at March 31, 2000. The increase in staff levels arose due to the continued growth of the group.

Air Safety

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

Health and Safety

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

Directors' Report

(Continued)

Corporate Governance

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

Combined Code

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

Code Principles

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

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

Directors and the Board

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

The Board meets at least on a quarterly basis and full attendance is usual. In the year to March 31, 2001 the Board met on 4 occasions. Detailed Board papers are circulated in advance so that Board members have adequate time and adequate information to be able to participate fully at the meeting. The Board's focus is on strategy formulation, policy and control. The Board also has a schedule of matters reserved for its attention, including matters such as appointment of senior management, approval of the annual budget, capital expenditure in excess of €635,000, and key strategic decisions. The holding of detailed regular Board meetings and the fact that many matters require Board approval, indicate that the running of the group is firmly in the hands of the Board.

The Board regards the majority of directors as independent and that no one individual or one grouping exerts an undue influence on others. All directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby directors, wishing to obtain advice in the furtherance of their duties, may take independent professional advice at the group's expense.

Three additional non-executive directors were appointed in the year ended March 31, 2001, and as per the articles of association offer themselves for election at the forthcoming AGM. Additional directors can only be appointed following selection by the Nomination Committee. New non-executive directors are encouraged to meet the executive director and senior management for briefing on the group's developments and plans.

Ryanair's Articles of Incorporation have been amended to ensure that all of the directors retire and become eligible for re-election within a three-year period, accordingly M.O'Leary, D.F. Ryan and T.A.Ryan will be retiring, and being eligible, will offer themselves for re-election at the AGM on September 25th, 2001.

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

Board Committees

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

The Audit Committee

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

Directors' Report

(Continued)

The Executive Committee

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

The Remuneration Committee

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

The Nomination Committee

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

The Air Safety Committee

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

Directors' Remuneration

The Chief Executive of the group is the only executive director on the Board. In addition to his base salary he is eligible for annual bonuses as determined by the Board of Directors which may not in any event exceed 50% of his base salary. It is considered that the shareholding of the Chief Executive acts to align his interests with those of shareholders and gives him a keen incentive to perform at the highest levels.

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

Relations with Shareholders

Ryanair communicates with institutional shareholders following the release of quarterly and annual results directly via roadshows and/or by conference calls. The Chief Executive, senior financial, operational, and commercial management participate in these events. During the year ended March 31, 2001 the group held discussions with a substantial number of institutional investors. All private shareholders are given adequate notice of the AGM at which the Chairman presents a review of the results and comments on current business activity. Financial and other information on the company is provided on our website at www.ryanair.com.

Ryanair will continue to propose a separate resolution at the AGM on each substantially separate issue, including a separate resolution relating to the Directors' Report and Accounts. In order to comply with the Combined Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The Board Chairman and the Chairman of the Audit and Remuneration Committees are available to answer questions from all shareholders.

Accountability and Audit

The directors have set out their responsibility for the preparation of the financial statements on page 19. They also considered the going concern of the group and their conclusion is set out on page 16. 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, meet at least quarterly to review the financial statements of the group, to consider internal control procedures and to liase with internal and external auditors. In the year ended March 31 2001 the Audit Committee met on 7 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 company. This report is used by the Committee and the Board, as a basis for determining the effectiveness of internal control. The Audit Committee regularly considers the performance of internal audit and how best financial reporting and internal control principles should be applied.

Directors' Report
(Continued)

Internal Control

The directors acknowledge their responsibility for the system of internal control which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material mis-statement or loss.

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

- Financial
- Operational
- Compliance
- Risk
- Management

The Board is ultimately responsible for the group's system of internal controls and for monitoring its effectiveness. Formal guidance for directors on the implementation of the new requirements entitled "Internal Control: Guidance for Directors on the Combined Code", was published in September, 1999 ("the Turnbull guidance"). The Board established the procedures necessary to implement the Turnbull guidance during 1999 and the group achieved full compliance with it during the year ended March 31, 2001.

The key procedures that have been established to provide effective internal control include:

- a strong and independent Board which meets at least 4 times a year and has separate chief executive and chairman roles;
- a clearly defined organisational structure along functional lines and a clear division of responsibility and authority in the group;
- a very comprehensive system of internal financial reporting which includes preparation of detailed monthly management accounts, providing key performance indicators and financial results for each major function within the group;
- Quarterly reporting of the financial performance with a management discussion and analysis of results;
- weekly management committee meetings, comprising of heads of departments, which review the performance and activities of each department in the group;
- detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;
- Board approved capital expenditure and treasury policies which clearly define authorisation limits and procedures;
- an internal audit function which reviews key financial / business processes and controls, and which has full and unrestricted access to the Audit Committee;
- an Audit Committee which approves audit plans and considers significant control matters raised by management and the internal and external auditors;
- established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored by the Audit Committee and the Management Committee; and
- a risk management programme in place throughout the group whereby executive management reviews and monitors the controls in place, both financial and non financial, to manage the risks facing the business.

On behalf of the Board, The Audit Committee has reviewed the effectiveness of the group's system of internal control and has reported thereon to the Board.

The Board has delegated to executive management the planning and implementation of the systems of internal control within an established framework which applies throughout the group.

Going Concern

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

Statement of Compliance

The directors have fully adopted the provisions of the Combined Code. In relation to the provisions requiring the directors to review the effectiveness of the group's system of internal control, as noted in the financial statements for the year ended March 31, 2000, procedures were put in place during 1999 to facilitate this process and they became fully operational during 2000. By March 31, 2001, the group had achieved full compliance with the code.

Directors' Report

(Continued)

Subsidiary Companies

Details of the principal subsidiary undertakings are disclosed on page 49 of the financial statements.

Directors and their interests

A list of the directors who held office at the year end is set out on page 58. 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, 2001 had no interests other than those outlined in note 22 in the shares of the company or group companies.

Dividend Policy

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

Political Contributions

During the financial year ended March 31, 2001 the group made contributions to the Fine Gael party amounting to €5,079, which require disclosure under the Electoral Act, 1997.

Post balance sheet events

There were no significant post balance sheet events.

Format of financial statements

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

Auditors

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

Annual General Meeting

The Annual General Meeting will be held on September 25th 2001 at 11am in the Forte Posthouse Hotel, Dublin Airport, Co. Dublin.

On behalf of the Board

D. Bonderman
Chairman

M. O' Leary
Chief Executive

June 20, 2001

Directors

David Bonderman (Chairman)

A director of Ryanair Holdings since August 1996 and Chairman of the Board since December 1996. He also serves as a director of Continental Airlines, Inc., Beringer Wine Estates Inc., Ducati Motorcycles S.p.A., Aerfi Group plc, and is a Principal of Texas Pacific Group.

Michael O'Leary (Chief Executive)

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

Michael Horgan (Director)

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

Raymond MacSharry (Director)

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

Kyran McLaughlin (Director)

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

James R. Osborne (Director)

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

Paolo Pietrogrande (Director)

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

Cathal M. Ryan (Director)

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

Declan F. Ryan (Director)

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

T. Anthony Ryan (Director)

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

Richard P. Schifter (Director)

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

Jeffrey A. Shaw (Director)

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

Report of the Remuneration & Compensation Committee to the Board

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

The Remuneration and Compensation Committee

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

Remuneration Policy

The group's policy on senior executive remuneration is to reward its executives competitively, having regard to the comparative marketplace in Ireland and the United Kingdom, in order to ensure that they are properly motivated to perform in the best interest of the shareholders.

Non-Executive Directors

Non-Executive directors are remunerated by way of directors' fees, full details of which are disclosed in note 22(b) on page 40 of the financial statements.

Executive Director Remuneration

The elements of the remuneration package for the executive director are basic salary, performance bonus and pension. Full details of the executive director's remuneration are set out in note 22(a) on page 40 of the financial statements.

Executive Director's Service Contract

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

Statement of Directors' Responsibilities

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

IN PREPARING THOSE FINANCIAL STATEMENTS, THE DIRECTORS ARE REQUIRED TO:

- select suitable accounting policies and then apply them consistently
- make judgements and estimates that are reasonable and prudent
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the group will continue in business.

The directors are responsible for keeping proper books of account which disclose with reasonable accuracy at any time the financial position of the company and of the group and to enable them to ensure that the financial statements comply with the Companies Acts 1963 to 1999 and all Regulations to be construed as one with those Acts. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the group and to prevent and detect fraud and other irregularities.

On behalf of the Board

D. Bonderman
Chairman

M. O' Leary
Chief Executive

June 20, 2001

Auditors Report to the Members of Ryanair Holdings plc

We have audited the financial statements on pages 21 to 49

Respective responsibilities of directors and auditors.

The directors are responsible for preparing the annual report. As described on page 19, this includes responsibility for preparing the financial statements in accordance with applicable Irish law and accounting standards. Our responsibilities, as independent auditors, are established in Ireland by statute, the Auditing Practices Board, the Listing Rules of the Irish Stock Exchange and by our profession's ethical guidance.

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Acts. As also required by the Acts, we state whether we have obtained all the information and explanations we require for our audit, whether the company's balance sheet is in agreement with the books of account, and report to you our opinion as to whether

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

Auditors Report to the Members of Ryanair Holdings plc

(Continued)

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

We review whether the statement on pages 13 to 15 reflects the company's compliance with the seven provisions of the combined code specified for our review by the Irish Stock Exchange, and we report if it does not. We are not required to consider whether the Board's statements on internal control cover all risks and controls, or form an opinion on the effectiveness of the group's corporate governance procedures or its risk and control procedures.

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

Basis of audit opinion

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

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

Opinion

In our opinion, the financial statements give a true and fair view of the state of affairs of the group and the company at March 31, 2001 and of the profit of the group for the year then ended and have been properly prepared in accordance with the Companies Acts, 1963 to 1999 and all Regulations to be construed as one with those Acts.

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

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

The net assets of the company as stated on the balance sheet on page 28, are more than half of the amount of its called up share capital, and, in our opinion, on that basis, there did not exist at March 31, 2001 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 Auditors, Dublin, Ireland.

June 20, 2001

Statement of Accounting Policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the group's financial statements. These financial statements are prepared in accordance with generally accepted accounting principles (GAAP) in the UK and Ireland, under the historical cost convention and comply with financial reporting standards of the Accounting Standards Board, as promulgated by the Institute of Chartered Accountants in Ireland. Where possible, however, financial information has also been presented in accordance with the presentation and terminology of United States (US) GAAP except where such presentation is not consistent with UK and Irish GAAP. A summary of the significant differences between Irish GAAP and US GAAP as applicable to the group is set out on pages 50 to 57.

Basis of preparation

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

The consolidated financial statements are prepared in Euros.

Basis of consolidation

The group's consolidated financial statements comprise the financial statements of Ryanair Holdings plc and its subsidiary undertakings for the years ended March 31, 2000 and March 31, 2001.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated profit and loss account from the date of acquisition or up to the date of disposal. Upon the acquisition of a business fair values are attributed to the separable net assets acquired. In the company's financial statements, investments in subsidiary undertakings are stated at cost less any amounts written off.

A separate profit and loss account for the company is not presented, as provided by Section 3(2) of the Companies (Amendment) Act 1986. The retained profit for the year attributable to the company was €Nil (2000: €Nil).

Operating revenues

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

Statement of Accounting Policies

(Continued)

Tangible fixed assets and depreciation

Tangible fixed assets are stated at cost less accumulated depreciation. Depreciation is calculated to write off the cost, less estimated residual value, of assets, other than land, on a straight line basis over their expected useful lives at the following annual rates:

Plant and Equipment	20 - 33.3%
Fixtures and fittings	20%
Motor vehicles	33.3%
Buildings	5%

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

The current estimates of useful lives and residual values are:

AIRCRAFT TYPE	USEFUL LIFE	RESIDUAL VALUE
Boeing 737-200's	20 years from date of manufacture	US$1 million
Boeing 737-800's	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 is amortised over the shorter of the period to the next check or the remaining life of the aircraft.

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

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

Financial fixed assets

Financial fixed assets are shown at cost less provisions for permanent diminutions in value.

Inventories

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

Foreign currency

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

Statement of Accounting Policies
(Continued)

Derivative financial instruments

Gains and losses on derivative financial instruments are recognised in the profit and loss account when realised as an offset to the related income or expense, as the group does not enter into any such transactions for speculative purposes.

Taxation

The charge for taxation is based on the profit for the period. Deferred taxation is accounted for in respect of timing differences between profit as computed for taxation purposes and profit as stated in the financial statements to the extent that such differences are expected to reverse in the foreseeable future. Net deferred tax assets are not recognised except to the extent that they are expected to be recoverable without replacement by equivalent asset balances.

Leases

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

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

Aircraft maintenance costs

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

All other maintenance costs are expensed as incurred.

Pension costs

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

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

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

Statement of cash flows

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

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

Government grants

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

Revenue grants are credited to the profit and loss account on receipt.

Consolidated Balance Sheet

at 31 March 2001

	Note	2001 €000	2000 €000
Fixed assets			
Tangible assets	1	**613,591**	315,032
Financial assets	2	**36**	36
Total fixed assets		**613,627**	315,068
Current assets			
Cash and liquid resources		**626,720**	355,248
Accounts receivable	3	**8,695**	21,974
Other assets	4	**12,235**	6,478
Inventories	5	**15,975**	13,933
Total current assets		**663,625**	397,633
Total assets		**1,277,252**	712,701
Current liabilities			
Accounts payable	6	**29,998**	22,861
Accrued expenses and other liabilities	7	**139,406**	107,445
Current maturities of long term debt	8	**27,994**	9,567
Short term borrowings	9	**5,078**	3,780
Total current liabilities		**202,476**	143,653
Other liabilities			
Provisions for liabilities and charges	11	**30,122**	15,279
Long term debt	8	**374,756**	112,412
Total other liabilities		**404,878**	127,691
Shareholders' funds - equity			
Called-up share capital	12	**9,194**	8,892
Share premium account	12	**371,849**	248,093
Profit and loss account		**288,855**	184,372
Shareholders' funds - equity		**669,898**	441,357
Total liabilities and shareholders' funds		**1,277,252**	712,701

On behalf of the Board

M. O' Leary *Director*

D. Bonderman *Director*

June 20, 2001

Consolidated Profit & Loss Account

for the year ended 31 March 2001

	Note	2001 €000	2000 €000
Operating revenues			
Scheduled revenues		**432,940**	330,571
Ancillary revenues		**54,465**	39,566
Total operating revenues			
- continuing operations	19	**487,405**	370,137
Operating expenses			
Staff costs	20	**(61,222)**	(48,533)
Depreciation & Amortisation		**(59,175)**	(44,052)
Other operating expenses	21	**(252,997)**	(193,497)
Total operating expenses		**(373,394)**	(286,082)
Operating profit			
- continuing operations		**114,011**	84,055
Other income / (expenses)			
Interest receivable and similar income		**19,666**	7,498
Interest payable and similar charges	23	**(11,962)**	(3,781)
Foreign exchange gains		**1,621**	1,358
Gains on disposal of fixed assets		**52**	964
Total other income / (expenses)		**9,377**	6,039
Profit on ordinary activities before tax	22	**123,388**	90,094
Tax on profit on ordinary activities	24	**(18,905)**	(17,576)
Profit for the financial year		**104,483**	72,518
Profit and loss account at beginning of year		**184,372**	111,854
Profit and loss account at end of year		**288,855**	184,372
Earnings per ordinary share (€Cent)*			
- Basic	26	**29.61**	21.62
- Diluted	26	**29.26**	21.48
Number of ordinary shares (in 000's)*			
- Basic	26	**352,811**	335,478
- Diluted	26	**357,098**	337,681

* The company implemented a 2:1 share split on February 28th, 2000. The number of ordinary shares and earnings per share figures have been restated in previous years to give effect to the share split.

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

On behalf of the Board

M. O' Leary — *Director*

D. Bonderman — *Director*

June 20, 2001

Consolidated Cash Flow Statement

for the year ended 31 March 2001

	Note	2001 €000	2000 €000
Net cash inflow from operating activities	28(a)	**229,802**	149,575
Returns on investments and servicing of finance			
Interest received		**14,303**	5,266
Interest paid		**(8,667)**	(3,229)
Interest paid on finance leases		**(67)**	(84)
Net cash inflow from returns on investments and servicing of finance		**5,569**	1,953
Taxation			
Corporation tax paid		**(13,813)**	(15,545)
Capital expenditure and financial investment			
Purchase of tangible fixed assets		**(356,669)**	(155,099)
Sales of tangible fixed assets		**456**	1,020
Net cash (outflow) from capital expenditure		**(356,213)**	(154,079)
Net cash (outflow) before financing and use of liquid resources		**(134,655)**	(18,096)
Financing and use of liquid resources			
Loans raised		**292,882**	101,851
Debt repaid		**(11,825)**	(4,381)
Issue of share capital		**128,607**	122,470
Share issue costs		**(4,549)**	(4,595)
Capital element of finance leases		**(286)**	(483)
Financing		**404,829**	214,862
(Increase) in liquid resources	28(c)	**(230,633)**	(196,110)
Net cash inflow from financing and use of liquid resources		**174,196**	18,752
Increase in cash	28(d)	**39,541**	656

Consolidated Statement of Changes in Shareholders' Funds-equity

for the year ended 31 March 2001

	Called-up share captial €000	Share premium account €000	Profit and loss account €000	Total €000
Balance at 1 April 2000	8,892	248,093	184,372	441,357
Issue of ordinary equity shares (net of issue costs) (note 12)	302	123,756	-	124,058
Profit for the financial year	-	-	104,483	104,483
Balance at 31 March 2001	**9,194**	**371,849**	**288,855**	**669,898**

The accumulated Profit & Loss is stated after write off of goodwill on acquisition of €4.1 million.

Company Balance Sheet

at 31 March 2001

	Note	2001 €000	2000 €000
Fixed assets			
Financial assets	2	**71,994**	71,994
Current assets			
Cash and liquid resources		**-**	-
Other assets	4	**344,878**	220,858
Total current assets		**344,878**	220,858
Total assets		**416,872**	292,852
Current liabilities			
Accrued expenses and other liabilities		**25**	63
Other liabilities			
Amounts due to group companies	10	**35,172**	35,172
Shareholders' funds - equity			
Called-up share capital	12	**9,194**	8,892
Share premium account	12	**371,849**	248,093
Profit and loss account		**632**	632
Shareholders' funds - equity		**381,675**	257,617
Total liabilities and shareholders' funds		**416,872**	292,852

On behalf of the Board

M. O' Leary *Director*

D. Bonderman *Director*

June 20, 2001

Notes

forming part of the consolidated financial statements

1 TANGIBLE FIXED ASSETS

GROUP	Aircraft €000	Land & Buildings €000	Plant & Equipment €000	Fixtures & Fittings €000	Motor Vehicles €000	Total €000
Cost						
At beginning of year	413,851	5,154	2,030	6,508	776	428,319
Additions in year	355,030	-	340	982	317	356,669
Disposals in year	-	-	(6)	(442)	(96)	(544)
At end of year	**768,881**	**5,154**	**2,364**	**7,048**	**997**	**784,444**
Depreciation						
At beginning of year	107,922	1,236	967	2,721	441	113,287
Charge for year	55,311	176	375	1,463	381	57,706
Disposals in year	-	-	-	(67)	(73)	(140)
At end of year	163,233	1,412	1,342	4,117	749	170,853
Net book value						
At 31 March 2001	**605,648**	**3,742**	**1,022**	**2,931**	**248**	**613,591**
At 31 March 2000	305,929	3,918	1,063	3,787	335	315,032

Lenders hold a first legal charge over premises at Conyngham Road with a net book value of €2,054,121 at 31 March 2001 (2000: €2,189,489).

At 31 March 2001, aircraft with a net book value of €455,650,699 (2000: €126,483,592) were mortgaged to lenders as security for loans. Under the security arrangements for the company's new 737-800 "next generation" aircraft, the group does not hold legal title to those aircraft while loan amounts remain outstanding.

At 31 March 2001, the net book value of fixed assets held under finance leases was €363,313 (2000: €585,748). Depreciation on these assets for the year ended 31 March 2001 amounted to €222,435 (2000: €485,756).

At 31 March 2001, the cost and net book value of aircraft includes €51,488,310 (2000: €87,463,400) in respect of advance payments on aircraft. This amount is not depreciated.

Notes
(Continued)

2 FINANCIAL FIXED ASSETS

	GROUP 2001 €000	GROUP 2000 €000	COMPANY 2001 €000	COMPANY 2000 €000
Investment in subsidiary undertakings	**-**	-	**71,994**	71,994
Listed investments (all of which are listed on the New York Stock Exchange)	**36**	36	**-**	-

The market value of the listed investments included above was €624,350 at 31 March 2001 (2000: €2,024,000). Equity shares listed on a recognised stock exchange are held as financial fixed assets. In the year ended 31 March 2001, the group disposed of equity shares with a book value of €nil (2000: €17,000).

3 ACCOUNTS RECEIVABLE

GROUP	2001 €000	2000 €000
Trade receivables	**9,097**	22,406
Provision for doubtful debts	**(402)**	(432)
	8,695	21,974

All amounts fall due within one year.

4 OTHER ASSETS

	GROUP 2001 €000	GROUP 2000 €000	COMPANY 2001 €000	COMPANY 2000 €000
Prepayments	**11,128**	5,155	**-**	-
Value Added Tax recoverable	**1,107**	1,322	**-**	-
Other receivables	**-**	1	**-**	-
Due from Ryanair Limited	**-**	-	**344,878**	220,858
	12,235	6,478	**344,878**	220,858

Notes
(Continued)

5 INVENTORIES

GROUP	2001 €000	2000 €000
Aircraft spares	**14,336**	13,322
Duty free and other inventories	**1,639**	611
	15,975	13,933

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

6 ACCOUNTS PAYABLE

Accounts payable represents trade creditors payable within one year.

7 ACCRUED EXPENSES AND OTHER LIABILITIES

GROUP	2001 €000	2000 €000
Current		
Accruals	**28,924**	20,789
Taxation	**31,717**	40,243
Unearned revenue	**78,765**	46,413
	139,406	107,445
Taxation above comprises		
PAYE (payroll taxes)	**2,766**	2,326
Corporation tax	**8,830**	18,581
Other tax (including foreign travel duty)	**20,121**	19,336
	31,717	40,243

Notes
(Continued)

8 MATURITY ANALYSIS OF LONG TERM DEBT

GROUP	2001 €000	2000 €000
Due within one year:		
Secured debt	**27,887**	9,247
Obligations under finance leases	**107**	320
	27,994	9,567
Due between one and two years:		
Secured debt	**27,111**	9,556
Obligations under finance leases	**1**	51
Due between two and five years:		
Secured debt	**91,860**	31,250
Obligations under finance leases	**-**	23
Due after five years:		
Secured debt	**255,784**	71,532
	374,756	112,412
Total	**402,750**	121,979

Notes on long term debt other than finance leases.

(i) June 1996 property facility.
At 31 March 2001, Ryanair Limited had borrowings of €158,717 (2000: €476,000) arranged through a term loan with Allied Irish Banks plc to finance the purchase of property. The term loan is secured with a first legal charge over the property at Conyngham Road, Dublin 8. The loan was originally drawn down in June 1996. The loan bears interest at 7.61% per annum and is repayable in quarterly instalments over five years.

(ii) ABN Amro N.V. 2000 aircraft facility
At 31 March 2001, the Group had US dollar borrowings equivalent to €402,482,924 (2000: €121,108,551) in respect of a partial drawdown of a loan facility provided by ABN Amro Bank N.V. on the basis of a guarantee provided by the Export -Import Bank of United States to finance the acquisition of twenty five 737-800 "next generation" aircraft. The guarantee was secured with a first fixed mortgage on the delivered aircraft. To date the Company has taken delivery of fifteen of these aircraft.

Details of interest rate and debt swap arrangements are described in note 16.

Notes

(Continued)

8 MATURITY ANALYSIS OF LONG TERM DEBT (CONTINUED)

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

The following table sets out the maturities of the loans described above, analysed by year of repayment:

		2001 €000
Years ending 31 March	2002	**27,887**
	2003	**27,111**
	2004	**28,732**
	2005	**30,555**
	2006 - 2013	**288,357**
		402,642

9 SHORT TERM BORROWINGS

GROUP	2001 €000	2000 €000
Bank overdrafts (represented by unpresented cheques)	**5,078**	3,780

10 AMOUNTS DUE TO GROUP COMPANIES

COMPANY	2001 €000	2000 €000
Due to Ryanair Limited	**35,172**	35,172

At 31 March 2001, Ryanair Holdings plc had borrowings of €35,171,745 (2000: €35,171,745) from Ryanair Limited. The loan is interest free.

11 PROVISIONS FOR LIABILITIES AND CHARGES

GROUP	2001 €000	2000 €000
Deferred taxation: (see note 24)		
At beginning of year	**15,279**	11,277
Charge for year	**14,843**	4,002
At end of year	**30,122**	15,279

Notes

(Continued)

12 SHARE CAPITAL AND SHARE PREMIUM ACCOUNT

GROUP AND COMPANY	2001 €000	2000 €000
Authorised 420,000,000 ordinary equity shares of €2.54 cents each	**10,666**	10,666
Allotted, called up and fully paid 362,053,364 ordinary equity shares of €2.54 cents each at 31 March 2001 and 350,149,628 ordinary shares of €2.54 cents each at 31 March 2000	**9,194**	8,892

On February 28, 2000 the company implemented a sub-division of the company's ordinary shares of IR4 pence into ordinary pence shares of IR2 pence/€2.54 cent (the "stock split"). Both the share capital and earnings per share have been restated to give effect to the share split. In March 2000 and February 2001 the company raised €122,469,633 and €127,600,000, before deduction of issue costs, from the issue of 15,300,000 and 11,000,000 ordinary shares, respectively. The purpose of the March 2000 and February 2001 fundraisings was to raise finance for general corporate purposes including the Company's aircraft fleet purchase programme. A further 903,736 ordinary equity shares were issued arising from the exercise of options issued in May 1997.

SHARE PREMIUM ACCOUNT	2001 €000	2000 €000
At beginning of year	**248,093**	130,607
Share premium arising on issue of 15,300,000 ordinary shares of 2.54 cents each	**-**	122,081
Share premium arising on issue of 11,000,000 ordinary shares of 2.54 cents each	**127,321**	-
Share Premium arising from the exercise of 903,736 options	**984**	-
Cost of share issue	**(4,549)**	(4,595)
At end of year	**371,849**	248,093

Share options and share purchase arrangements

On 21 May 1997 the company granted to seven senior managers options over ordinary shares with an equivalent value of IR£200,000 (€253,948) each at the Initial Public Offering (the "IPO") strike price of IR£1.95 (€2.48) less a discount of 10% resulting in the issue of 717,948 (1,435,896 after the stock split) options. Since May 2000, 903,736 of these options have been exercised. The remaining options must be exercised within seven years of the date of their grant.

In addition, the company adopted a stock option plan (the "stock option plan") following shareholders approval in 1998. Under the stock option plan, current or future employees or executive directors of the company may be granted options to purchase an aggregate of up to approximately 5% (when aggregated with other ordinary shares over which options are granted which have not been exercised) of the outstanding ordinary shares of the company at an exercise price equal to the market price of the ordinary shares at the time options are granted. The options can be granted each year between 1998 and 2002 if the company has achieved certain earnings performance criteria. The terms of the stock option plan, and the number of ordinary shares subject to options granted under the stock option plan, may be changed from time to time. At 31 March 2001, 10,395,491 options (after taking account of the share split) had been issued under this plan which will become exercisable after June 2003.

The mid market price of Ryanair Holdings plc ordinary shares on the Irish Stock Exchange at 31 March 2001 was €10.24.

Notes

(Continued)

13 LOANS AND FINANCE LEASES

(a) Total loans, and finance leases

		2001 €000	2000 €000
Bank	Euro	**159**	476
	Dollar - US$141,395		121,109
	Dollar – US$402,891	**402,483**	-
		402,642	121,585
Finance Leases		**108**	394
		402,750	121,979
Comprising:			
Bank Loans			
Repayable wholly within five years		**146,858**	50,053
Repayable in whole or part after five years		**255,784**	71,532
		402,642	121,585
Finance Leases			
Repayable wholly within five years		**108**	394
		402,750	121,979

Bank loans are repayable up to the year 2013.

The analysis required by FRS 13 "Derivatives and other Financial Instruments" excludes short term debtors and creditors in accordance with the exemption contained in the standard.

For a further understanding of the impact of derivative financial instruments on the company's financial position, please refer to page 11 of the Operating and Financial Review which should be read in conjunction with notes 13 to 17.

Short term borrowings of €5.078 million (2000: €3.780 million) which consist of unpresented bank cheques are set out in note 9.

(b) Analysis of type of borrowing after taking account of cross currency interest rate swaps

	Weighted Average Years Remaining for which Rate is fixed	Weighted Average Interest Rate	Total €000
Euro	0.5	7.61%	159
Euro	10.5	4.87 to 5.54%	402,483
			402,642

All borrowings are at fixed rates

(c) Incidence of repayments

	Bank Loans €000	Finance Leases €000	Total 2001 €000	Total 2000 €000
Instalments falling due:				
Within one year	27,887	107	**27,994**	9,567
Between one and two years	27,111	1	**27,112**	9,607
Between two and five years	91,860	-	**91,860**	31,273
In five years or more	255,784	-	**255,784**	71,532
	402,642	108	**402,750**	121,979

Notes
(Continued)

14 ANALYSIS OF CHANGES IN BORROWINGS DURING THE YEAR

	Bank Loans €000	Finance Leases €000	Total 2001 €000	Total 2000 €000
Opening balance April 1	121,585	394	121,979	24,969
Loans raised to finance aircraft purchases	292,882	-	292,882	101,851
Finance lease for equipment	-	-	-	23
Repayments of amounts borrowed	(11,825)	(286)	(12,111)	(4,864)
Closing balance March 31	**402,642**	**108**	**402,750**	121,979

The company has a loan facility of $708 million with ABN Amro Bank supported by a loan guarantee from the Export-Import Bank of America. At March 31, 2001 the undrawn element of this facility amounted to US$306.1m (2000: US$580.3m). The remainder of the undrawn facility will be utilised over the period to January 2003.

15 FORWARD TRANSACTIONS

Maturing within one year	In Currency 2001 000	In Currency 2000 000	Euro Equivalent 2001 €000	Euro Equivalent 2000 €000
to cover committed aircraft acquisition payments in US Dollars	**43,888**	38,619	**50,024**	38,822
to hedge future sterling revenues against the euro	**61,000**	70,000	**77,539**	109,267
to hedge future operating payments in US dollar	**17,240**	9,416	**15,124**	9,465
to hedge future fuel costs in US dollars	**65,750**	33,702	**57,683**	33,879

All forward transactions mature within one year.

16 INTEREST AND CURRENCY EXCHANGE RATE ARRANGEMENTS

To reduce interest and currency exchange rate risk on the group's fixed rate US dollar denominated debt the group has entered into Dollar to Euro Cross Currency Interest Rate Swap arrangements. To hedge the interest rate risk on its future aircraft deliveries the group has entered into a series of Forward Starting Interest Rate Swap Agreements.

Interest Rate Swaps	Balance €000	Termination Dates	Rate Payable
euro at March 31, 2001	251,820	2002-2003	4.83% to 5.03%
euro at March 31, 2000	491,649	2000-2003	4.44% to 5.03%

Notes

(Continued)

16 INTEREST AND CURRENCY EXCHANGE RATE ARRANGEMENTS (CONTINUED)

Cross Currency Interest Rate Swaps	Principal Balance $000	Euro Equivalent €000	Termination Dates	Fixed Interest Rate Payable
euro/US dollar at March 31 2001	402,891	402,483	2011-2013	4.87% to 5.54%
euro/US dollar at March 31 2000	127,646	124,414	2011	4.89% to 5.54%

At March 31, 2001 the outstanding euro value of the cross currency interest rate swaps exactly matches the euro borrowings, taken out as part of the company's financing of its aircraft acquisition programme and set out in note 13 (b). The borrowings and related swaps also match exactly in terms of maturity. As such the company has a complete hedge of currency and interest rate risk in respect of these borrowings.

17 FAIR VALUES OF FINANCIAL INSTRUMENTS

(a) Primary financial instruments held to finance the group's operations

	Carrying Amount 2001 €000	**Fair Value 2001 €000**	Carrying Amount 2000 €000	Fair Value 2000 €000
Cash on hand	**56,860**	**56,860**	17,319	17,319
Liquid Resources	**564,782**	**564,782**	334,149	334,149
Bank Borrowings	**402,642**	**422,822**	121,585	122,235
Finance Leases	**108**	**108**	394	394

The fair value of all other assets and liabilities is deemed to be equal to their carrying value unless stated otherwise in the relevant note to the accounts. The fair value of all other assets and liabilities is deemed to be equal to their carrying value unless stated otherwise in the relevant note to the accounts. The cost and fair value of bank borrowings is stated net of the fair value of related cross currency interest rate swaps set out in note 17 (b) below.

(b) Derivative financial instruments held to manage fuel, interest and currency exchange rate risk of the group

	Fair Value 2001 €000	Fair Value 2000 €000
Cross currency interest rate swaps	**46,600**	7,700
Forward starting interest rate swaps	**3,765**	27,430
Forward currency transactions	**11,415**	(4,652)
Fuel derivatives	**(1,535)**	27,509

Gains on cross currency interest rate swaps are reflected in the fair value of the related debt and will unwind over the period 2002 to 2013 as the related debt matures.
The unrealised gains on the forward starting interest rate swaps will crystallise as the swaps mature in 2002 and 2003. They will be deferred and reflected in the carrying amount of the related debt contracts.
Unrealised gains and losses on forward currency transactions and fuel derivatives will unwind in the year to March 31, 2002 as the related costs and revenues arise.

Notes

(Continued)

17 FAIR VALUES OF FINANCIAL INSTRUMENTS (CONTINUED)

(b) Derivative financial instruments held to manage fuel, interest and currency exchange rate risk of the group

The following methods and assumptions were used by the group in estimating its fair value disclosures for financial instruments:

Bank Loans and Finance Leases carrying fixed rates of interest - the repayments which the group is committed to make have been discounted at the relevant interest rates applicable at March 31, 2001

Off Balance Sheet Cross Currency Interest Rate Swaps and Interest Rate Swaps- discounted cash flow analysis has been used to determine the estimated amount the group would receive or pay to terminate the agreements. Discounted cash flow analyses are based on estimated future interest rates. These have also been used to calculate the hedging disclosures.

Off Balance Sheet Forward Currency Transactions and Off Balance Sheet Fuel Derivatives - difference between marked-to-market value and forward rate

(c) Hedges

At March 31, 2001 there were unrecognised gains of €15.2 million and unrecognised losses of €1.5 million. The instruments used to hedge future exposures are cross currency interest rate swaps, interest rate swaps, forward currency contracts and fuel derivatives.Gains of €46.6 million (2000: gain of €7.7 million) on cross currency interest rate swaps are reflected in the carrying value of related debt.

At March 31, 2000 there were unrecognised gains of €54.9 million and unrecognised losses of €4.6 million relating to hedges of future exposures.

18 CONCENTRATIONS OF CREDIT RISK

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

19 ANALYSIS OF OPERATING REVENUES

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

Revenue is analysed by geographical area (by country of origin) as follows:	2001 €000	2000 €000
United Kingdom	**299,399**	217,991
Other European countries	**188,006**	152,146
	487,405	370,137

Ancillary revenues included in total revenue above comprise:	2001 €000	2000 €000
Car hire	**12,562**	7,885
Inflight	**14,186**	13,624
Internet Income	**1,023**	-
Non flight scheduled	**12,802**	8,779
Charter	**13,892**	9,278
	54,465	39,566

All of the group's operating profit arises from airline related activities. The major revenue earning assets of the group are comprised of its aircraft fleet, all of which are registered in Ireland and therefore all profits accrue in Ireland. Since the group's aircraft fleet is flexibly employed across its route network, there is no suitable basis of allocating such assets and related liabilities to geographical segments.

Notes
(Continued)

20 STAFF NUMBERS AND COSTS

The average weekly number of employees, including the executive director, during the year, analysed by category, was as follows:	2001	2000
Flight and cabin crew	644	528
Sales, operations and administration	823	734
	1,467	1,262

The aggregate payroll costs of these persons were as follows:	2001 €000	2000 €000
Wages, salaries and related costs	55,917	44,124
Social welfare costs	4,334	3,683
Other pension costs	971	726
	61,222	48,533

This represents an average salary cost per employee of €41,733(2,000:€38,457).

21 OTHER OPERATING EXPENSES

	2001 €000	2000 €000
Fuel and oil	63,468	41,676
Maintenance, materials and repairs	20,142	16,886
Marketing and distribution costs	21,526	32,123
Aircraft rentals	7,286	2,097
Route charges	35,701	26,301
Airport & handling charges	66,269	43,095
Other costs	38,605	31,319
	252,997	193,497

Ancillary costs
Other costs include certain direct costs of providing inflight service, car hire costs and other non flight scheduled costs. These costs which are collectively described as non-charter ancillary costs amounted to €23,848,000 (2000: €19,106,000).

Fuel and oil
Fuel and oil costs include fuel costs for scheduled services of €61,645,183 (2000: €40,746,074).

Notes
(Continued)

22 STATUTORY AND OTHER INFORMATION

	2001 €000	2000 €000
Directors		
Fees	96	96
Other emoluments, including consultancy fees, bonus and pension contributions	580	650
Depreciation of tangible fixed assets	57,706	43,544
Auditors' remuneration (including expenses)	121	114
Operating lease charges - aircraft (note 27(b))	7,286	2,097
Government grants credited to profit and loss account (note 27(e))	-	841

DIRECTORS EMOLUMENTS

(a) Fees and emoluments - Executive Director

	2001 €000	2000 €000
Basic salary	378	378
Performance related bonus	165	170
Pension contributions	37	27
	580	575

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

(b) Fees and emoluments - Non Executive Directors

	2001				2000			
	Salary €000	Directors Fees €000	Consulting Fees €000	Total €000	Salary €000	Directors Fees €000	Consulting Fees €000	Total €000
Michael Horgan	-	8	-	8	-	-	-	-
Ray MacSharry	-	32	-	32	-	32	63	95
Kryan McLaughlin	-	8	-	8	-	-	-	-
James Osborne	-	32	-	32	-	32	12	44
Paolo Pietrogrande	-	8	-	8	-	-	-	-
Arthur Walls	-	8	-	8	-	32	-	32
	-	96	-	96	-	96	75	171

During the year ended March 31, 2001 there were 12 non-executive directors. Non executive directors not referred to above received no fees or emoluments during the year

Notes

(Continued)

22 STATUTORY AND OTHER INFORMATION (CONTINUED)

(c) Pension benefits

Directors	Increase in Accrued Benefit		Transfer Value Equivalent of Increase in Accrued Benefit		Total Accumulated Accrued Benefit	
	2001 **€**	2000 €	**2001** **€**	2000 €	**2001** **€**	2000 €
Michael O'Leary	**8,761**	8,110	**28,883**	28,928	**39,993**	30,133

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

(d) Shares and share options

(i) Shares

The company listed on the Irish Stock Exchange on 29 May 1997.

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

	31 March 2001 Number of shares	31 March 2000 Number of shares
David Bonderman*	**3,528,340**	4,838,720
Michael Horgan	**-**	-
Raymond MacSharry	**3,640**	3,640
Kyran McLaughlin	**-**	-
Michael O'Leary	**26,000,004**	30,000,000
James R. Osborne	**352,564**	352,564
Paolo Pietrogrande	**-**	-
Cathal M. Ryan	**12,761,303**	13,930,336
Declan F. Ryan	**12,761,303**	13,930,336
T. Anthony Ryan	**8,436,434**	8,436,434
Richard P. Schifter*	**332,410**	4,838,720
Jeffrey A. Shaw*	**300**	4,838,720
Arthur J. Walls	**-**	15,896

*Messrs. Bonderman, Schifter and Shaw are interested in the ordinary shares opposite their names through their interest in Irish Air GenPar, L.P., the holder of those shares. All figures have been adjusted for 2:1 share split on February 28th, 2000.
During the year Irish Air GenPar L.P. was dissolved and 4,553,200 shares were distributed to the partners. David Bonderman, Chairman of Ryanair was the principal partner and prior to the dissolution had a beneficial interest in 3,528,340 shares. Post the dissolution he transferred 3,278,730 shares into a trust for the benefit of his children and retained a beneficial interest in 249,610 shares. Jeff Shaw and Rick Schifter had a beneficial interest of 192,800 and 332,410 respectively before and after the distribution.
On the 9th of February 2001, Jeff Shaw sold 192,500 shares and thereby reduced his shareholding to 300 shares.

(ii) Share options

The eleven non executive directors were issued 25,000 share options at 7.40 euros(the market value at date of grant) in the Company during the year ended March 31, 2001 which are exercisable between June 2005 and June 2007.
The mid market price of Ryanair Holdings plc ordinary shares on the Irish Stock Exchange at 31 March 2001 was €10.24.

Notes
(Continued)

23 INTEREST PAYABLE AND SIMILAR CHARGES

	2001 €000	2000 €000
Interest payable on bank loans, overdrafts and other loans wholly repayable within five years	**68**	97
Interest payable on bank loans repayable after five years	**11,827**	3,601
Finance lease and hire purchase charges	**67**	83
	11,962	3,781

24 TAXATION

The components of the corporation tax expense were as follows:	2001 €000	2000 €000
Irish corporation tax	**4,062**	13,574
Deferred tax charge (see note 11)	**14,843**	4,002
	18,905	17,576

The following table reconciles the statutory rate of Irish corporation tax to the group's effective tax rate:	2001 %	2000 %
Statutory rate of Irish corporation tax	**23**	27
Benefit of effective 10% corporation tax rate applicable to profits on activities in Ryanair.com Limited (see note below)	**(3)**	(5)
Benefit of reducing taxation rate on defer red tax provision	**(2)**	(2)
Benefit of lower corporation tax rate applicable to profits of international aircraft leasing & internet businesses	**(3)**	-
Effective rate of taxation	**15**	20

At 31 March 2001, the group had no unused net operating loss carry forwards.

Ryanair.com Limited is engaged in international data processing and reservation services and, as detailed in Note 27(e), has received employment grants from Forbairt, an Irish Government Agency, in relation to the establishment and maintenance of such services. In these circumstances, Ryanair.com Limited is entitled to claim an effective 10% corporation tax rate on profits derived from qualifying activities. The relevant legislation provides for the continuation of the 10% effective corporation tax rate until 2010. Ryanair.com Limited (previously Ryanair Direct Limited) was incorporated in October 1996 and completed its first full year of trading in the year ended 31 March 1998.

Notes
(Continued)

24 TAXATION (CONTINUED)

The principal components of deferred tax liabilities were as follows:	2001 €000	2000 €000
Aircraft including maintenance provisions, property, fixtures and fittings	**29,868**	15,025
Other reversing timing differences principally in relation to unearned revenue and foreign exchange adjustments	**254**	254
	30,122	15,279

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

25 PENSIONS

The company operates both a defined benefit and defined contribution scheme. Pensions for certain employees are funded through a defined benefit pension scheme, the assets of which are vested in independent trustees for the benefit of the employees and their dependants. The contributions are based on the advice of an independent professionally qualified actuary obtained at three yearly intervals. The latest actuarial valuation of the scheme was at December 31, 1997 and used the attained age method. The actuarial valuation as at December 2000 is currently underway and will be finalised shortly.

THE PRINCIPAL ACTUARIAL ASSUMPTIONS USED WERE AS FOLLOWS:	
Rate of long term investment returns will exceed the rate of pensionable increases by	2%
Rate of long term investment returns will exceed the rate of post retirement pension increases by	7%

The actuarial report showed that at the valuation date the market value of the scheme's assets was €5.78 million, which was sufficient to cover more than 100% of the accrued liabilities, based on current earnings. This was calculated after allowing for expected future increases in earnings and the actuarial value of total scheme assets was sufficient to cover all of the benefits that had accrued to the members of the scheme. The pension charge for the group, for the year to March 31, 2001 was €971,000 (2000: €726,000). While the actuarial report is not available for public inspection, the results are advised to members of the scheme.

Notes
(Continued)

25 PENSIONS (CONTINUED)

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

	2001 €000	2000 €000
Projected benefit obligation at beginning of year	**6,793**	6,351
Service cost	**740**	616
Interest cost	**453**	383
Employee contributions	**463**	451
Actuarial loss/(gain)	**729**	(587)
Benefits paid	**(396)**	(421)
Projected benefit obligation at end of year	**8,782**	6,793
Change in plan assets		
Fair value of scheme assets at beginning of year	**9,690**	7,641
Actual return on assets	**(52)**	1,487
Employer contributions paid	**568**	532
Employee contributions paid	**463**	451
Benefits paid	**(396)**	(421)
Fair value of scheme assets at end of year	**10,273**	9,690

The funded status of the group's retirement plan under SFAS No. 132 is as follows:	2001 €000	2000 €000
Actuarial present value of vested benefit obligations	**6,595**	4,316
Accumulated benefit obligations	**6,595**	4,316
Projected benefit obligations	**(8,782)**	(6,793)
Plan assets at fair value	**10,273**	9,690
Plan assets in excess of benefit obligations	**1,491**	2,897
Unrecognised net (gain)	**(272)**	(2,043)
Unrecognised net obligation on implementation	**268**	298
Prepaid pension cost	**1,487**	1,152

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

Notes

(Continued)

25 PENSIONS (CONTINUED)

The principal assumptions used in the plan for SFAS No.132 purposes were as follows:	2001 %	2000 %
Discount rate	**6.00**	6.25
Rate of increase in remuneration	**4.00**	4.25
Expected long term rate of return on assets	**9.00**	9.00

The net periodic pension cost under SFAS No.132 for the year ended 31 March 2001 comprised:	2001 €000	2000 €000
Service cost - present value of benefits earned during the year	**740**	616
Interest cost on projected benefit obligations	**453**	383
Actual (return) on assets	**52**	(1,487)
Deferrals and amortisation	**(1,014)**	851
Net periodic pension cost	**231**	363

26 EARNINGS PER SHARE AND ADJUSTED EARNINGS PER SHARE

Basic earnings per ordinary share (EPS) for Ryanair Holdings plc for the years ended 31 March 2000 and 31 March 2001 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 weighted average number of shares in issue of 357,097,858 (2000:337,680,643), including share options assumed to be converted of 4,286,457 at March 31, 2001 (2000:2,202,248) .

As set out in note 12, Ryanair Holdings plc granted options to seven members of senior management and to all staff under the 1998 - 2000 share option plans.

27 COMMITMENTS AND CONTINGENCIES

Commitments

(a) Under the terms of an aircraft purchase contract dated March 9, 1998 with Boeing "the Boeing Contract", Ryanair Holdings plc will purchase 25 new 737-800 aircraft and has options to purchase up to an additional 20 such aircraft.The gross price for each aircraft will be US$46,631,900 including certain equipment purchased and fitted by Boeing on Ryanair Holdings plc's behalf, subject to increase to take into account an "Escalation Factor" reflecting the changes in the US Employment Cost and Producer Price Indexes and to decrease to take into account certain concessions granted to Ryanair Holdings plc by Boeing. The total amount to be paid by Ryanair Holdings plc over the period to January 2003 in respect of the 25 new aircraft, not taking into account any such increases or decreases, will be approximately US$1.2 billion.

Notes

(Continued)

27 COMMITMENTS AND CONTINGENCIES (CONTINUED)

The group took delivery of the first five 737-800 aircraft during fiscal 1999 and 2000, ten aircraft were delivered in the current fiscal year.
Additional deliveries, including three option aircraft ordered under the option agreement, are currently scheduled as follows: three aircraft in December 2001, eight aircraft in 2002 (of which three aircraft are options converted to fixed deliveries) and the final two aircraft in January 2003.
The remaining seventeen 737-800's under option to the group may be delivered between 2002 and 2005.

(b) The group incurred expenses of €7,285,674 in respect of operating lease rentals for the year ended 31 March 2001 (2000: €2,097,425) which are included in the profit and loss account. Such expenses consisted entirely of short term leases of aircraft.

(c) Commitments resulting from the use of derivative financial instruments by the group are described in Note 17.

Contingencies

(d) 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.

(e) During the year ended 31 March 2001, a subsidiary undertaking, Ryanair.com Limited claimed employment grants totalling €nil (2000: €840,563) from Forbairt, an Irish Government industrial development agency. Under the terms of the grant agreement with Forbairt dated 9 December 1996, the grants received or part thereof may be repayable in certain circumstances.In addition, the agreement dated 9 December 1996,provides that if the shareholders in Ryanair Holdings plc at any date cease to control more than 50% of the share capital, or if Ryanair Limited or Ryanair.com Limited cease to be subsidiaries of Ryanair Holdings plc or if Irish Air L.P. acquires more than 50% of the share capital of Ryanair Holdings plc, then Forbairt has an option to acquire 5% of the share capital in Ryanair.com Limited without making any further payments (other than nominal amounts). Since November 1998, when Irish Air, L.P. dissolved and distributed all of the Ordinary shares held by its partners, Forbairt's option has become exercisable. Forbairt has not yet exercised its options or indicated when it may do so. If Forbairt exercises its option then effectively under the terms of the agreement, Ryanair.com Limited is immediately required to redeem or purchase the 5% shareholding for specified amounts decreasing over time through to 2003 from 30% to 25% of the cumulative grants received. Such repurchase amount was approximately €690,420 as at 31 March 2001 (2000: €594,000). Ryanair.com Limited had an option to cancel the Forbairt option for €698,350 in the period from 1 April 2000 to 31 March 2003. Management does not believe that the settlement of this contingency will have a material impact on its results.

(f) In order to avail of the exemption under Section 17 of the Companies (Amendment) Act, 1986 the holding company 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.

Notes
(Continued)

28 NOTES TO CASH FLOW STATEMENT

(a) Reconciliation of operating profit to net cash inflow from operating activities

	2001 €000	2000 €000
Operating profit	**114,011**	84,055
Foreign exchange gains	**1,621**	1,358
Depreciation of tangible fixed assets	**57,706**	43,544
(Increase) in inventories	**(2,042)**	(1,016)
Decrease/(increase) in accounts receivable	**13,279**	(3,499)
(Increase)/decrease in other assets	**(393)**	2,058
Increase/(decrease) in accounts payable	**7,137**	(7,903)
Increase in accrued expenses and other liabilities	**38,483**	30,978
Net cash inflow from operating activities	**229,802**	149,575

(b) Analysis of cash and liquid resources balances

	2001 €000	2000 €000
Cash at bank, net of overdraft	**56,860**	17,319
Liquid resources	**564,782**	334,149
Total cash and liquid resources	**621,642**	351,468

(c) Analysis of movements in liquid resources

	2001 €000	2000 €000
Liquid resources at beginning of year	**334,149**	138,039
Increase in year	**230,633**	196,110
Liquid resources at end of year	**564,782**	334,149

(d) Analysis of movements in cash

	Cash at bank €000	Bank overdraft €000	Total €000
At beginning of year	21,099	(3,780)	17,319
Net cash inflow during the year	40,839	(1,298)	39,541
At end of year	**61,938**	**(5,078)**	**56,860**

Notes

(Continued)

28 NOTES TO CASH FLOW STATEMENTS (CONTINUED)

(e) Reconciliation of net cash flow to movement in net debt	2001 €000	2000 €000
Increase in cash in the year	**39,541**	656
Movement in liquid resources	**230,633**	196,110
Cash flow from (increase) in debt	**(281,057)**	(97,470)
Movement in net funds resulting from cash flows	**(10,883)**	99,296
Movement in finance leases	**286**	460
Movement in net funds in year	**(10,597)**	99,756
Net funds at beginning of year	**229,489**	129,733
Net funds at end of year	**218,892**	229,489

Net funds arise when cash and liquid resources exceed debt.

29 POST BALANCE SHEET EVENTS

There were no significant post balance sheet events.

30 RELATED PARTY TRANSACTIONS

Since 1992, Ryanair Limited has rented its corporate headquarters at Dublin Airport from Darley Investments Limited ("Darley") at an annual rental of €253,948 per annum. Darley developed the site at Dublin Airport under a 30 year licence on land from Ireland's Minister for Transport, Energy and Communications. Ryanair Limited provided loan facilities to Darley to develop the site. From the period of its incorporation (1988) to 31 March 1996 the share capital of Darley was held by CDS Trust, a trust established by T.A. Ryan for the benefit of C.M. Ryan, D.F. Ryan, S.T. Ryan and their children. Darley became a wholly owned subsidiary of Ryanair Limited with effect from March 31, 1996 (see note 31). The building is included in fixed assets in the consolidated balance sheet at a net book value of €903,190 at March 31, 2001 (2000: €1,060,000). The annual rental payable by the group to the Minister is €243,790 but payment of the rent is suspended for the first 12 years of the agreement and Darley will receive a 50% rebate on the rent for six years thereafter.

The aggregate amounts of directors' remuneration during the period including director's fees and consultancy fees, are set out in Note 22. There were no contractual arrangements with non-executive directors at March 31, 2001. Mr MacSharry received annual compensation of €63,487 plus travel and other reasonably incurred expenses in return for consulting services to the group under a three year agreement from April 1, 1997 to March 31, 2000.

Mr Osborne received annual compensation of €30,474 plus travel and other reasonably incurred expenses in return for consulting services to the group under a three year agreement from August 23, 1996 to August 22, 1999.

Notes
(Continued)

31 SUBSIDIARY UNDERTAKINGS

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

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

* These subsidiaries are wholly owned by Ryanair Limited which in turn is wholly owned by Ryanair Holdings plc. Information regarding all other subsidiaries will be filed with the Company's next annual return as provided for by s.16 (3) (a) of the Companies (Amendment) Act, 1986.

-In accordance with the basis of consolidation policy in the statement of Accounting Policies the subsidiary undertakings referred to above have been consolidated in the financial statements of Ryanair Holdings plc for the year ended March 31, 2001

32 DATE OF APPROVAL

The financial statements were approved by the Board on June 20, 2001.

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

(a) Significant differences

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

(i) Deferred tax

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

(ii) Forward exchange contracts

Certain outstanding foreign currency forward exchange contracts which hedge anticipated future transactions and qualify for hedge contracts treatment under UK and Irish GAAP would not qualify as hedges under US GAAP. Such contracts would be recorded at fair value at each balance sheet date based on the forward rates of exchange ruling at that date and the corresponding unrealised gain or loss would be included in the determination of net income.

(iii) August 1996 transaction

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

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

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

(iv) Darley Investments Limited

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

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

(v) Acquisition of certain aircraft

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

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

(vi) Pensions

Under UK and Irish GAAP, Ryanair Holdings plc accounts for pension costs under SSAP 24, 'Accounting for pension costs'. Its objectives and principles are broadly in line with those set out in the US accounting standard for pensions, SFAS 87 "Employers accounting for pensions'. However, SSAP 24 is less prescriptive in its provisions and allows the use of different measurement principles. Note 25 to the financial statements gives the group pension disclosures under UK, US and Irish GAAP.

(vii) Employment grants

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

(viii) Share option compensation expense

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

Under US GAAP, the Company applies Accounting Principles Board Opinion No. 25 (APB 25) in accounting for its plans and, accordingly, except for the grant in May 1997, no compensation cost has been recognised for its stock option grants. Had Ryanair Holdings plc determined compensation cost based on the fair value of the options at the grant date for its stock options under Statement of Financial Accounting Standards No. 123 (SFAS 123), its U.S. GAAP net income and earnings per share would have been reduced by €8,699,556, and €1,051,016 for the years ended March 31, 2001, and March 31, 2000, and by 2.47 cent and 0.31 cent per share for each year respectively.

The weighted average fair value of the individual options granted during the year ended March 31, 2001 is estimated based on the following assumptions.

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

(Continued)

OPTIONS GRANTED

Date Granted	June 26, 2000	June 26, 2000	Nov 9, 2000	Nov 30, 2000
Date of exercise	June 30, 2003	June 30, 2005	June 30, 2005	June 30, 2005
Fair Value	€3.24	€3.83	€5.32	€5.42
Assumptions:				
Risk-free interest rate	5.69%	5.55%	5.41%	5.14%
Volatility	40%	40%	40%	40%
Dividend Yield	Nil	Nil	Nil	Nil
Expected life (years)	5.0	7.00	6.6	6.6

(ix) Investments

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

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

(b) Net income under US GAAP

	March 31, 2001 €000	March 31, 2000 €000
Profit for the financial yearas reported in the consolidated profit and loss accounts and in accordance with UK and Irish GAAP	**104,483**	72,518
Adjustments		
Pensions	**740**	363
Unrealised gain/(loss) onforward exchange contracts	**6,803**	(3,755)
Employment grants	**401**	(664)
Basis of accounting for August 1996 transaction	**1,531**	1,996
Basis of accounting for aircraft acquired from Northill Limited	**179**	442
Darley Investments Limited	**88**	86
Share option compensation expense	**-**	(56)
Taxation - effect of above adjustments	**(1,837)**	936
Net income accordance with U.S. GAAP	**112,388**	71,866

(c) Shareholders' equity

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

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

(Continued)

(d) Total assets	2001 €000	2000 €000
Total assets as reported in the consolidated balance sheets (UK and Irish GAAP)	**1,277,252**	712,701
Adjustments		
Pension	**1,663**	923
Basis of accounting for August 1996 transaction	**-**	(1,531)
Basis of accounting for aircraft acquired from Northill Limited	**-**	(179)
Darley Investments Limited	**(415)**	(503)
Investments	**588**	1,988
Total assets as adjusted to accord with US GAAP	**1,279,088**	713,399

(e) Cash flows

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

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

Disclosure of accounting policy

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

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

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

(Continued)

A summarised consolidated cash flow under US GAAP is as follows:	2001 €000	2000 €000
Cash inflow from operating activities	**221,558**	135,983
Cash (outflow) from investing activities	**(360,056)**	(327,006)
Cash inflow from financing activities	**406,127**	214,749
Increase in cash and cash equivalents	**267,629**	23,726
Cash and cash equivalents at beginning of year	**121,430**	97,704
Cash and cash equivalents at end of year	**389,059**	121,430

The following table reconciles cash and cash equivalents as presented under US GAAP with cash and liquid resources as presented under UK and Irish GAAP:	2001 €000	2000 €000
Cash and cash equivalents under U.S. GAAP	**389,059**	121,430
Deposits with a maturity between three and six months	**237,661**	233,818
Cash and liquid resources under UK and Irish GAAP	**626,720**	355,248

Supplemental schedule of non cash investing and financing activities

The group entered into capital leases for new fixtures and fittings, plant and equipment and motor vehicles of €nil (2000:€23,000). Principal payments under these lease obligations totalled €286,000 (2000: €482,500).

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

(Continued)

(f) Profit and loss account as restated per US GAAP

	March 31, 2001 €000	March 31, 2000 €000
Operating revenues		
Scheduled revenues	**432,940**	330,571
Ancillary revenues	**54,465**	39,566
Total operating revenues		
- continuing operations	**487,405**	370,137
Operating expenses		
Staff costs	**(60,081)**	(48,890)
Depreciation & amortisation	**(57,465)**	(41,614)
Other operating expenses	**(252,909)**	(193,411)
Total operating expenses	**(370,455)**	(283,915)
Operating income		
- continuing operations	**116,950**	86,222
Other income / (expenses)		
Interest receivable and similar income	**19,666**	7,498
Interest payable and similar charges	**(11,962)**	(3,781)
Foreign exchange gains / (losses)	**8,424**	(2,397)
Gain on disposal of fixed assets	**52**	964
Total other income / (expenses)	**16,180**	2,284
Income before taxation	**133,130**	88,506
Taxation	**(20,742)**	(16,640)
Net income	**112,388**	71,866

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

(Continued)

(f) Profit and loss account as restated per US GAAP (continued)	2001 €000	2000 €000
Earnings per ordinary share		
-Basic (cent)	**32**	21
-Diluted (cent)	**31**	21
Shares used in computing net income per share		
-No. of ordinary shares (in '000's)	**352,811**	335,478
-Diluted no.of ordinary shares (in '000's)	**357,098**	337,681

(g) New US accounting pronouncements

(i) In June 1998, the Financial Standards Board issued Statement of Financial Accounting Standards No. 133 (SFAS 133), "Accounting for Derivative Instruments and Hedging Activities" which is required to be adopted by the Company beginning after April 1, 2000. This Standard requires all derivatives to be recognised in the balance sheet as either assets or liabilities and measured at fair value and changes in fair value are recognised immediately in earnings, unless the derivatives qualify as hedges of future cash flows. For derivatives qualifying as hedges of future cashflows, the effective portion of changes in fair values are recorded temporarily in equity(as other comprehensive income), then recognised in earnings along with the related effects of the hedged items. All ineffective portions of changes in fair values are recorded in earnings as the occur. To implement this Standard, all hedging relationships must be reassessed. The company has assessed the impact of SFAS No. 133 and is applying this statement from 2001 onwards. If the statement was applied for March 31, 2001 the impact on 'Other Comprehensive Income' would have been a gain of €60.8 million.

(ii) In March 2000, the FASB issued Interpretation No. 44, "Accounting for Certain Transactions Involving Stock Compensation" ("FIN No. 44"). FIN No. 44 clarifies the application of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees", with respect to certain issues in accounting for employee stock compensation and is generally effective as of July 1, 2000. The adoption of FIN No. 44 did not have any material effect on the group's financial statements.

Directors & Other Information

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

* Directors who held office at March 31, 2001

Notes

Notes