

21st May, 2009

**RE: AER LINGUS AGM – 5 JUNE 2009**

Dear Fellow Aer Lingus Shareholder,

I am sure you are, like us, concerned at the recent performance of the Chairman and Board of Aer Lingus who have presided over another disastrous collapse in the share price from over €1.30 in January to less than €0.60 in May. Aer Lingus' market cap has now fallen to just over €300m. Under this Board and Management the airline in recent months is losing money, losing cash, losing traffic on both its short and long-haul routes and has launched two bases in Belfast and Gatwick both of which are we believe, loss making.

We find it impossible to reconcile the airline's current plight with the positive and upbeat assurances given to shareholders by the Chairman, Mr Barrington and the Board in their letter of 22<sup>nd</sup> December last. In that letter Mr Barrington gave shareholders the following assurances:

1. ***"We expect to achieve profit overall in 2008"***.  
- but they reported an after-tax loss of €108m just 10 weeks later.
2. ***"We expect Aer Lingus to enhance profitability in 2009"***  
- but they warned of substantial increased losses for 2009 just 10 weeks later.
3. ***"Our short-haul business continues to grow"***.  
- but their short-haul traffic has declined by 6% in Q1 '09.
4. ***"Our long-haul business continues to grow"***.  
- but their long-haul traffic has declined by 15% in Q1 '09.
5. ***"Aer Lingus has net cash of €803m"***.  
- but on 11 March they warned that year end net cash is expected to be circa €400m.

It is clear that if Aer Lingus is to prosper and recover this calamitous loss of shareholder value – as well as the trust of its shareholders - then it needs radical action to, cut costs, increase efficiency, return its long-haul and short-haul businesses to growth, and to find a strong airline partner which can preserve the Aer Lingus brand as a separate identity. Mr Barrington himself "vowed" last December "to find a friendly investor who will take a majority stake in the airline". Perhaps he will update shareholders at the AGM on the progress of his quest?

Ryanair believes that the Chairman and Board of Aer Lingus cannot credibly lead this cost reduction programme unless they significantly reduce their bloated Directors fees which are excessive and inappropriate for a small company with a market cap of some €300m, facing substantially increased losses in 2009. In 2008, Aer Lingus' Non Executive Chairman received fees of over €200,000, and its Non Executive Directors (many of whom are Government or trade union appointees) received fees of €45,000 each, which is €13,000 more than the average industrial wage in Ireland.

At the forthcoming AGM on 5<sup>th</sup> June next, Ryanair has proposed three resolutions. The first of these would see the Non Executive Chairman's fees reduced from around €200,000 p.a. to the €35,000 p.a., which is what the Non Exec Chairman's fee was in 2006. The second would reduce the Non Exec Directors fees from €45,000 to €17,500 per person, which again is where it was in 2006. Aer Lingus has agreed that these resolutions may be voted on at the AGM as part of the ordinary business of the meeting.

Ryanair has also proposed a third resolution which would we believe avoid a repetition of the secret multi million euro resignation bonuses put in place for the previous Chief Executive, Mr Mannion and 5 other Senior Executives in late 2008. These excessive resignation bonuses were condemned by Aer Lingus Board members including Mr Barrington and Mr Begg, and by other major shareholders including the Irish Government and the ESOT when they were revealed in January. They were surrendered by those executives during the Ryanair takeover, thereby saving Aer Lingus and its shareholders any exposure to future multi million bonus claims.

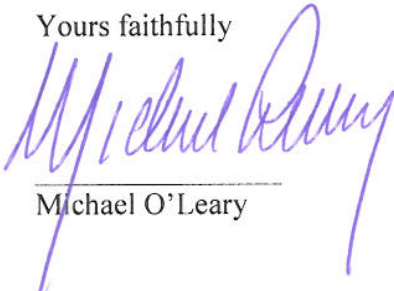
We believe that Aer Lingus shareholders at the AGM should be allowed to express their views on these multi million resignation bonuses and have asked the company to allow shareholders to vote on this third resolution which doesn't in any way restrict compensation for executives – as wrongly claimed by the Aer Lingus Board - but will require any similar multi million bonuses to be approved in advance by shareholders.

The company has refused to allow this resolution by trying to hide behind spurious legal arguments, and so we are taking the unusual step of writing to all Aer Lingus shareholders, copying you with this correspondence (attached) and asking you to support our call for this issue to be raised at the AGM, so that shareholders can be allowed to vote on it. Given the publicly stated position of the Minister for Transport and the ESOT, we believe there is a substantial majority of shareholders in favour of the company not entering into any similar million euro termination bonuses again and we believe that in the interests of good corporate governance the company should allow shareholders to vote democratically on this issue. We regret that your Chairman and the Board wish to prevent all shareholders from discussing these excessive bonuses openly, transparently and democratically at the AGM.

As a minority shareholder, Ryanair cannot influence or control the outcome of these resolutions. All we can do is propose that they be considered by all Aer Lingus shareholders at the AGM. In light of (a) the crisis currently facing Aer Lingus, (b) the failure of the Chairman and Board to deliver on any of the assurances they gave to shareholders in their 22 Dec Defence Document, (c) the collapse of the company's share price to under €0.60, and (d) the destruction of shareholder value as Aer Lingus' market cap falls to just €300m, we believe that these proposed resolutions reducing bloated Directors fees, as well as seeking transparency for any future Senior Executive termination bonuses, are fair, reasonable and in the best interests of the company and all its shareholders.

We would welcome your support for these resolutions at the forthcoming AGM. Please do not sign your voting proxy in favour of the Chairman. Instead we hope you will attend the AGM and work with all other shareholders to try to build a better, prosperous and viable future for Aer Lingus.

Yours faithfully



Michael O'Leary





Aer Lingus Group plc  
Aer Lingus Head Office  
Dublin Airport  
Co Dublin  
Ireland

## From the Chairman

22 December 2008

Dear Shareholder,

On 1 December 2008 Ryanair announced that it was making an offer for your company at €1.40 per share, and has since posted its Offer Document to you. The Board considered and unanimously rejected the Offer.

This letter sets out why you should reject Ryanair's opportunistic Offer. The Offer fundamentally undervalues Aer Lingus, its robust financial position and strong growth prospects. The Offer also misrepresents the significant progress of Aer Lingus since the IPO in 2006 and seeks to undermine Aer Lingus' vibrant future as an independent airline.

### The Aer Lingus business model is succeeding

Since I was appointed as Chairman of Aer Lingus in October 2008, I have been hugely impressed by the management team's successes and determination to continue to develop the Aer Lingus business in challenging markets.

③ Our short haul business model offers low fares which compete with those of other low cost carriers, while delivering a compelling product and superior service that passengers value. This business continues to grow and to generate high returns on capital. We are clearly meeting customer needs and meeting competition head-on. We cannot allow Ryanair to take Aer Lingus' superior brand and customer proposition at a price that fundamentally undervalues our business.

In 2007 we expanded Aer Lingus' bases outside the Republic of Ireland for the first time and we have now announced a significant new base at London Gatwick. We are extremely excited by this expansion into one of Europe's key markets, which has the potential to significantly increase our short haul business and, in turn, substantially increase our income, further reducing our unit costs and delivering a high return on your capital.

④ Our long haul business also continues to grow. We have increased capacity by 30% since the IPO. Our long haul service has proven itself against the large US carriers

Reject Ryanair's Offer 2

on the Ireland / transatlantic market, and we consistently achieve the largest share of this market. We continue to develop strategic alliances with partners such as United Airlines and jetBlue to facilitate further development of the long haul business.

The Aer Lingus business model has consistently generated high levels of return since the IPO in 2006 and we expect this to continue with the expansion of the business in Ireland and beyond.

#### **Aer Lingus is and will be profitable**

2008 has been a very difficult year for all airlines worldwide, as a result of the major increase in fuel prices experienced during the year and broader economic uncertainty. IATA, the global air transport organisation, predicts that the global airline industry will lose US\$5 billion in 2008. Despite these extremely challenging conditions, we expect to achieve Profit overall in 2008.

①

While maintaining revenue is crucial, we expect that significantly reduced fuel prices and a number of management cost reduction initiatives will enable Aer Lingus to continue to enhance profitability in 2009 and beyond. I would like to highlight the recent agreements with SIPTU and IMPACT as a defining moment for Aer Lingus – our employees have cooperatively agreed significant changes in work practices and reductions in costs which will allow the airline to grow further and will underpin both employment and profitability in the future. As a first step we have recommenced operations between Shannon and Heathrow which along with our other London routes will provide an important level of business connectivity between London and the west of Ireland.

②

#### **Aer Lingus has unmatched financial strength**

Aer Lingus has a strong balance sheet – one of the strongest in the industry – with total cash reserves of €1.3 billion and net cash of €803 million.

⑤

Ryanair seeks to pay other shareholders €525 million to acquire control of Aer Lingus in order to gain access to this €1.3 billion cash balance. For this reason alone, the Offer is worthy of rejection. That is before considering the market value of our owned fleet of €601 million. That is also before considering the value of our other assets including Heathrow slots, our fleet orders, our brand, our successful operations and our strong market position.

#### **Aer Lingus does not need Ryanair**

Aer Lingus has proven that it can compete with major flag carriers on the one hand and low cost operators on the other. This is not a model to be sacrificed for the benefit of Ryanair and its shareholders.

Ryanair has no experience of managing a long haul business. Ryanair has no experience of managing a business that offers a superior customer proposition. In



fact, it delights in not doing so. Ryanair has no experience of managing a unionised workforce in Ireland, and has publicly ridiculed and shown its contempt for employee unions. Ryanair's entire experience and focus has been on developing a low fares, low service short haul product.

Ryanair claims that Aer Lingus needs Ryanair to survive and to continue to grow. This is emphatically not the case. Aer Lingus has grown strongly in the face of direct and aggressive competition from Ryanair for over twenty years. Ryanair seeks to gain opportunity and value from what Aer Lingus has created.

Ryanair's proposition is simple – it is opportunistically attempting to capitalise on current market fears and uncertainties to profit from our proven business model and gain access to our huge cash resources and valuable assets. Do not let this rip-off happen.

### **Alternatives to airline consolidation**

It has been stated by Ryanair that airline consolidation is happening at a pace in Europe and that such consolidation justifies, and indeed requires, that Ryanair be joined with Aer Lingus. This is factually incorrect. Since the acquisition of KLM by Air France in October 2003, the European mergers of size that have actually completed have involved failing airlines needing to be rescued.

It is simply untrue that Aer Lingus is a uniquely isolated airline incapable of an independent future. The liberalisation of airline regulations in Europe has resulted in the development of a vibrant regional European airline industry. Airline failures in 2008 have generally been among the smaller, poorly financed and weaker airlines. Aer Lingus, with its 10 million passengers, its 106 routes, its 42 aircraft, and its €1.3 billion in the bank, is not one of these weak carriers. Aer Lingus does not need to be rescued by Ryanair!

In fact, Ryanair has failed to give a coherent explanation on where it stands on consolidation. On the one hand it bases the entire logic of the Offer as being a need to combine forces to create one Irish airline, and on the other hand Ryanair has argued that Aer Lingus will be separate from, and not managed by, Ryanair! Is it credible that Ryanair is really going to allow Aer Lingus to operate separately, with the existing management team, employees and business? What is Ryanair adding? We don't believe Ryanair. It will be a monopoly. It will be a monopoly that will flatter to deceive and give meaningless guarantees. That is what monopolies do.

### **The Offer is diversionary and flawed**

Ryanair's first bid for Aer Lingus was fatally flawed – and Ryanair has publicly acknowledged this. The European Commission ruled against Ryanair's last bid for Aer Lingus because of the anti-competitive nature of the combined entity. The Board sees no reason to believe the Commission would change its view, particularly as the

level of competition between Aer Lingus and Ryanair has increased and a number of airlines have withdrawn from Irish routes in the interim. Ryanair's appeal of this ruling is still outstanding.

Ryanair's posturing around this lower bid is pointless, and, we believe, will ultimately prove futile. Ryanair has not offered any new remedies nor provided any new evidence that clearance could be achieved. It has at its heart the same flaws in relation to shareholder value, passenger choice and credibility as its original diversionary attempt in 2006.

In the longer term, we believe that Ryanair's maintenance of a 29.8% shareholding in Aer Lingus – and use of this position to continue to harass Aer Lingus commercially in order to deflect Aer Lingus management from its continued progress – is a gross breach of the principles of competition. This distraction and the considerable expense incurred in responding to the unsolicited offer, especially in the absence of a comprehensive competition solution being provided by Ryanair, is to the significant detriment of Aer Lingus' other shareholders. Aer Lingus continues to pursue remedies to this situation.

#### **Take no action**

Ignore Ryanair's threats, contradictions and insinuations. Aer Lingus is a strong, growing, cash-rich and valuable airline that is dedicated to providing its customers with choice and with a high quality product, its employees with a vibrant workplace and its shareholders with superior returns. Do not hand over this value to our main competitor. Reject Ryanair's bid.

The Directors believe that Ryanair's Offer does not reflect the true value of the company based on its market position, its fleet, its cash and its brand. These assets will produce greater value for our shareholders in the future. The Directors, who have been so advised by Goldman Sachs International and Goodbody Corporate Finance, believe that the Offer significantly undervalues Aer Lingus. In providing advice to the Directors, Goldman Sachs International and Goodbody Corporate Finance have relied upon the commercial assessments of the Directors.

Accordingly, the Directors unanimously recommend that you take no action in relation to the Offer. The Directors will not be accepting the Offer in respect of their own legal and beneficial holdings of Aer Lingus Shares.

The way to reject the Offer is to **take no action**. Do not sign any document which Ryanair or its advisers send you.

Yours faithfully,

Colm Barrington  
Chairman



The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
Co Dublin

Attn. Donal Moriarty  
Company Secretary

**URGENT**

By ~~Hand~~ and Fax: 8863849  
*REST*

18<sup>th</sup> May, 2009

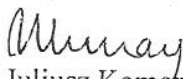
Dear Sirs,

Your letter dated 15<sup>th</sup> May refers.

As requested we hereby confirm that we intend to propose the first two resolutions (as submitted to the Company Chairman some three months ago on 27<sup>th</sup> February last) at the Annual General Meeting. Please copy us in due course with any RNS you intend to issue on this subject.

Furthermore we also intend to propose the third resolution at the Annual General Meeting and will be seeking the support of a majority of shareholders to ensure that any similar excessive and unjustified termination bonuses for Senior Executives can only be agreed with the prior approval of a majority of the company shareholders in general meeting.

Yours faithfully

*pp*   
Juliusz Komorek  
For and on behalf of  
Ryanair Limited

Dublin Airport, Dublin, Ireland

Telephone: Head Office 0818 365 022

General Fax +353 1 886 2332

<http://www.aerlingus.com>

Direct Telephone Number

Direct Fax Number

Ryanair Limited  
Corporate Head Office  
Dublin Airport  
Co. Dublin

15 May 2009

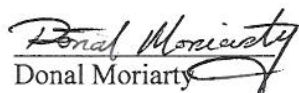
Dear Sirs,

We refer to your letter of 15 May.

Regarding the third resolution, our position is as stated in our letter of 14 May. For the reasons stated yesterday, this resolution cannot be proposed as part of the ordinary business of the annual general meeting to be held on 5 June 2009. We trust this definitively clarifies our position and that there will be no further correspondence on this point.

As previously advised on two occasions, we confirm that the first two resolutions which you have drafted (and as repeated in our letter of 14 May), can be proposed by Ryanair as part of the ordinary business of the annual general meeting to be held on 5 June 2009. We note however that you have not confirmed that you actually intend to propose these resolutions at the annual general meeting. If it is your intention to propose these first two resolutions, please confirm this and we will issue an RNS to this effect.

Yours faithfully,

  
Donal Moriarty  
Company Secretary  
Aer Lingus Group plc



The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
Co Dublin

Attn. Donal Moriarty  
Company Secretary

15<sup>th</sup> May 2009

**URGENT**

**By Hand and Fax: 8863849**

Dear Sirs

Your letter of the 14<sup>th</sup> May refers.

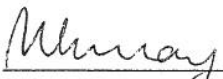
Our proposed third resolution places no restriction whatsoever on what the company may agree to include in the executive service contracts of its Chief Executive and other senior employees. Your claims in this regard are simply untrue.

The only effect of this resolution is to require that no similar multi-million euro resignation bonuses (to those recently agreed with Messrs Mannion, Coyle and others, which were then surrendered when some major shareholders (the Govt and ESOT) and some Board directors (Mr Begg) objected to them) shall be agreed with Directors or senior executives without the prior approval of the Company's shareholders in General meeting.

Your insistence that this third resolution constitutes special business could have been easily addressed (and still can be) by circulating this resolution to your shareholders at any time over the past 3 months (or today) since you first received it on 27<sup>th</sup> February last. Since this third resolution places no restriction whatsoever on the recruitment, retention or remuneration of executive directors and senior management of the company, please confirm before 1700 hrs today – Friday, 15<sup>th</sup> May – that all three proposed resolutions can now be proposed as part of the ordinary business of the AGM on 5<sup>th</sup> June next.

Should you fail to do so then we will take the actions set out in our previous (13<sup>th</sup> May) letter. Since the Board is obliged to run the company on behalf of the shareholders, surely you would not wish to deny your shareholders their entitlement to express their democratic view on any future multi-million euro resignation bonuses for Directors or senior executives?

Yours sincerely,

  
AP Juliusz Komorek  
For and on behalf of  
Ryanair Ltd

Dublin Airport, Dublin, Ireland

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<http://www.aerlingus.com>

Direct Telephone Number

Direct Fax Number

Ryanair Limited  
Corporate Head Office  
Dublin Airport  
Co. Dublin

14 May 2009

Dear Sirs,

We refer to your letter of 13 May.

As previously advised in our letter of 12 May, we confirm that the following two resolutions, which you have drafted, can be proposed by Ryanair as part of the ordinary business of the annual general meeting of the Company to be held on 5 June 2009:-

1. *IT WAS RESOLVED THAT in light of the Company's stated need to significantly reduce costs (and in particular in the recent "transformational programme" which required employees to accept job cuts and pay cuts) that the remuneration of the Non Executive Chairman should be reduced from €175,000 (in 2007), back to the amount of €35,000 earned by the previous Non Executive Chairman in 2006, and that any future increases in the remuneration of the Non Executive Chairman should not exceed the general level of pay increase agreed between the Company and its employees.*
2. *IT WAS RESOLVED THAT in light of the Company's ongoing need to significantly reduce costs (and particularly the recent "transformational programme" which required employees to accept job cuts and pay cuts) that the remuneration of the Non Executive Directors should be reduced from €45,000 (in 2007), back to the amount of €17,500 earned by each Non Executive Director in 2006, and that any future increases in the remuneration of the Non Executive Directors should not exceed the general level of pay increase agreed between the Company and its employees.*

If you confirm that you actually intend to propose these resolutions at the annual general meeting, we shall issue an RNS to this effect. Please note that these resolutions must be seconded before they can be proposed.

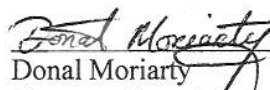
In regard to the third resolution referred to in your letter, we have previously explained to you that this resolution cannot be proposed as part of the ordinary business. Contrary to what you state in your letter, this resolution does not form part of the ordinary business of the annual general meeting for the following reasons:-

- (a) the ordinary business of the annual general meeting is limited to the six items listed in Article 59 of the articles of association. None of these items allows for a resolution to be proposed for the purpose of placing a restriction on what the Company may agree to include in the executive service contracts of its Chief Executive and other senior employees;



- (b) in the ordinary business of the annual general meeting, shareholders may propose an ordinary resolution which fixes the amount of ordinary remuneration which may be paid to the Directors pursuant to Article 80 of the articles of association. This does not allow Ryanair to propose an ordinary resolution which would restrict the remuneration of the Company's Chief Executive and Chief Financial Officer. This, remuneration is not ordinary remuneration of Directors but is paid to them in respect of the services they perform as executives in the Company. Article 81 of the articles of association expressly provides that the Directors are to determine the special remuneration which is paid to them in respect of these services. This third resolution is therefore not possible until there is a special resolution amending Article 81; and
- (c) Ryanair is our largest competitor and we believe that it is proposing this resolution to damage Aer Lingus as it will impact upon the recruitment and retention of the executive directors and senior management of the Company. In our view, this is anti-competitive.

Yours faithfully,

  
Donal Moriarty  
Company Secretary  
Aer Lingus Group plc

The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
Co Dublin

Attn. Donal Moriarty  
Company Secretary

**URGENT**

**By Hand and Fax: 8863849**

13<sup>th</sup> May, 2009

Dear Sirs,

Your letter of 12 May refers.

As you are well aware, Ryanair is a minority shareholder in Aer Lingus and cannot (as you claim) "*dictate*" the amounts paid to non-exec Directors. All we have requested is that these matters be democratically put to all shareholders at the forthcoming AGM. We believe given the enormous after tax losses reported by Aer Lingus in 2008 (and forecast again in 2009) that there is no justification for the recent explosion in Director fees, from €35,000 to €175,000 in the case of the non-exec Chairman, and from €17,500 to €45,000 each in the case of non-exec Directors. We believe that the overwhelming majority of shareholders including the Government and the ESOT, are also opposed to these enormous fat cat directors fees for a company whose market cap has now collapsed to little more than €300m.

Resolution 3 relates to the unjustified and excessive termination bonuses recently negotiated with the Chief Executive, the CFO and some other senior management. These were "*surrendered*" in January, when the majority of other shareholders including the Government and the ESOT publicly voiced their opposition to them. These issues are clearly matters of concern to all shareholders and should form part of the ordinary business of the AGM. Your efforts to censor or exclude this proposed resolution is unlawful. As you are aware Ryanair is only a minority shareholder and cannot as you claim "*influence (these) matters*". Our resolution 3 does not as you claim "*impact upon the recruitment and retention of executive directors and senior management*", since all it requests is that any future termination bonuses must be approved by a majority of the company shareholders at the AGM meeting. Given the current Board's mismanagement of this issue in the recent case of the multi million failure bonuses for Messrs Mannion, Coyle and others, this AGM resolution is a fair and reasonable request which shareholders are entitled to democratically consider at the AGM.

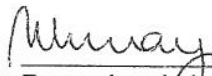
Please confirm in writing before 1700hrs on Thursday 14 May next, that all of these three proposed resolutions will be put to the members as part of the ordinary business, at the forthcoming 5 June AGM. Aer Lingus has had written notice of these three resolutions since 27 February last – over 10 weeks ago – and your continuing delay, obstruction and refusal of these reasonable shareholder requests is unwarranted and unlawful.



Should you fail to so confirm, then we will make application to the High Court for a declaration that we as a shareholder are lawfully entitled to have these resolutions brought before the members for their democratic consideration at the forthcoming 5 June AGM. Should you seek to delay the hearing of this application then we will seek an order postponing the AGM until such time as a determination has been made.

We trust you will now accede to this reasonable shareholder request and avoid any further delay, obstruction or unnecessary legal/court expenditure.

Yours faithfully

A handwritten signature in cursive script, appearing to read 'Murray', is written over a horizontal line.

For and on behalf of  
Ryanair Limited

Dublin Airport, Dublin, Ireland

Telephone: Head Office 0818 365 022

General Fax +353 1 886 3832

<http://www.aerlingus.com>

Direct Telephone Number

Direct Fax Number

Ryanair Limited  
Corporate Head Office  
Dublin Airport  
Co. Dublin

12 May 2009

Dear Sirs,

We refer to your letter of 7 May 2009.


The three resolutions which you are now demanding be put to our shareholders at the forthcoming annual general meeting are an attempt by Ryanair to interfere in our business.

As our largest competitor, it is entirely inappropriate that you should be seeking to dictate the amount which we pay our non executive Directors. We would also draw your attention to the fact that the company cannot be obliged to breach existing contractual commitments with its directors. Nevertheless and without prejudice to the foregoing, if Ryanair insists on proposing Resolutions 1 and 2 in your letter of 27 February 2009 it will be permitted to do so as part of the ordinary business of the forthcoming general meeting of the Company since the resolutions concern the ordinary remuneration of the Directors. Please note that each resolution will need to be seconded before it may be voted upon by shareholders. On receipt of confirmation from you that you intend to propose these motions, we will issue an RNS advising our shareholders of your intention to do so.

Resolution 3 in your letter of 27 February 2009 does not relate in any way to the ordinary remuneration of the Directors and would therefore not be capable of being considered as part of the ordinary general business of the forthcoming annual general meeting. Furthermore, as our largest competitor, it is not appropriate (and, in our view, unlawful) for Ryanair to seek to influence matters which impact upon the recruitment and retention of the executive directors and senior management of the Company.

As requested, please find enclosed a copy of the Register of Members of Aer Lingus Group plc. We also enclose a cheque for €61.20 as the payment which you had made was in excess of the amount required under Section 119(2) of the Companies Act 1963. Given the above, we do not consider that there is any requirement for you to further circulate the proposed resolutions to our shareholders. Should you nevertheless choose to do so, any costs incurred will be entirely at your expense. There is no basis in law for the Board and Secretary being held liable for costs incurred by you in circulating documentation to our shareholders.

Yours faithfully,

  
Donal Moriarty  
Company Secretary  
Aer Lingus Group plc



The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
Co Dublin

Attn. Donal Moriarty  
Company Secretary

**URGENT**  
**By Hand and Fax: 8863849**

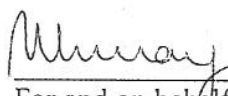
12<sup>th</sup> May, 2009

Dear Sirs,

We refer to our letter dated 7 May.

We are concerned, given the urgency of these matters, that we have not received an early response. Please provide us with a written response before 1700hrs tomorrow, Wednesday 13<sup>th</sup> May.

Yours faithfully

  
For and on behalf of  
Ryanair Limited

The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
County Dublin

Att'n: Donal Moriarty  
Company Secretary

**URGENT**

**By Hand and Fax: +353 1 886 2460**

7 May, 2009

Dear Sirs,

We refer to your letter of 6 May 2009.

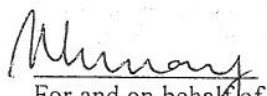
The Aer Lingus Board continues to show no regard for the fundamental rights of your shareholders under Aer Lingus' Articles, nor for your duty to use the AGM constructively to facilitate shareholder participation and debate. The Board's actions are totally at odds with the Combined Code and with the Board's duties to shareholders. Please confirm by return that the three proposed resolutions submitted to Aer Lingus in writing on 27<sup>th</sup> February last can, and will be allowed by the Board, to be treated as ordinary business at the upcoming AGM on 5 June next.

We refer to section 119(2) of the Companies Act 1963 and in accordance therewith require that a copy of the register of members of Aer Lingus (used recently for the AGM) be delivered by return to the above address marked for the attention of Mr. Juliusz Komorek, Company Secretary. We enclose a cheque in the sum of €100 in this regard. Please confirm by return when we may expect this copy to be delivered. The Aer Lingus Board and Secretary will be held personally liable for all costs incurred by Ryanair in circulating the resolutions set out in our 27 February letter to Aer Lingus members, and having the resolutions voted on at the forthcoming AGM, as well as any other actions required to be taken by Ryanair as a result of your unlawful and *ultra vires* actions.

As we are endeavouring to comply with all relevant procedural and other requirements, please also confirm if there are any matters which we should be aware of in order to ensure that we, your largest shareholder, will not be further obstructed by the Aer Lingus Board in having the three proposed resolutions put to the Aer Lingus members at the forthcoming AGM. We expect to be promptly appraised of these requirements by you in writing, to the above address marked for the attention of Mr. Juliusz Komorek and by fax to 8444409. Failure on your part to do so will constitute confirmation that there are no other such requirements.

We look forward to hearing from you by return.

Yours faithfully,

  
For and on behalf of  
Ryanair Limited

Enc.



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**BY HAND AND FAX: +353 1 812 1213**

Mr Juliusz Komorek  
Ryanair Limited  
Corporate Head Office  
Dublin Airport  
Co. Dublin

Direct Telephone Number

**+353 1 886 3140**

Direct Fax Number

**6 May 2009**

Dear Mr Komorek,

We refer to your letter of 1 May 2009.

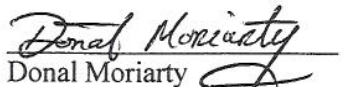
Your allegation that there has been a flagrant breach of the EU Shareholders Rights Directive is incorrect. This Directive has not been implemented into Irish law and nor is it required to be implemented until later this year.

Similarly, the Companies Acts do not confer on shareholders the rights which you are demanding in your letter. The right to propose resolutions as part of the ordinary business of the Annual General Meeting (as defined in the Articles of Association) is confined to shareholders who actually attend the meeting.

If you wish to attend the Annual General Meeting and propose a resolution as part of the ordinary business of the meeting as defined in Article 59 of the Articles of Association of the Company, you will be free to do so to the extent permitted by law. You might therefore indicate whether you intend to do so. For the reasons outlined above, a shareholder does not, however, have any right to insist that the Company circulate to shareholders in advance of the Annual General Meeting the particular form of a resolution which it might wish to propose or include such resolutions in the form of proxy.

I am available to discuss this matter with you further should you wish to contact me at the above number.

Yours faithfully,

  
Donal Moriarty  
For and on behalf of  
AER LINGUS GROUP PLC

The Board of Directors  
Aer Lingus Group plc  
Dublin Airport  
County Dublin

1<sup>st</sup> May 2009

Attn: Donal Moriarty  
Company Secretary

**URGENT**

**By Hand and Fax: +353 1 886 2460**

Dear Sirs,

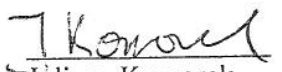
We refer to your letter dated 30 April 2009 in response to our letter sent over 2 months ago on 17 February 2009.

The fixing of the remuneration of directors is an item of ordinary business pursuant to Article 59, and Aer Lingus' shareholders have every right to propose a resolution on this subject. Please confirm by return, but no later than 1700hrs on Wednesday next, 6 May, that the company will (i) include our three proposed resolutions relating to remuneration of directors on the agenda of the forthcoming AGM; and (ii) circulate notice of these three proposed resolutions, along with an appropriately amended form of proxy to all Aer Lingus shareholders.

Please note that should you fail to provide the above confirmations Ryanair will apply to the High Court, without further notice to Aer Lingus, for orders compelling Aer Lingus to comply with these lawful requests and fixing Aer Lingus' Directors with personal liability for all costs arising as a result of their unlawful behaviour.

We trust you will now take the appropriate action to comply with your duty to your shareholders under Irish law, without the cost and expense of unnecessary court proceedings. The Board of Aer Lingus cannot act in a manner which is in flagrant breach of the EU Shareholders Rights Directive under which shareholders have a clear right to have resolutions proposed and considered at AGMs.

Yours faithfully,

  
Juliusz Komorek  
For and on behalf of  
Ryanair Limited



Dublin Airport, Dublin, Ireland

Telephone: Head Office 0818 365 022

General Fax +353 1 886 3832

<http://www.aerlingus.com>

Direct Telephone Number

Direct Fax Number

Ryanair Limited  
Corporate Head Office  
Dublin Airport  
Co. Dublin  
**By Fax: +353 1 812 1213**

30 April 2009

Dear Sirs,

I refer to your letter of 27 February 2009 to our Chairman, Mr Colm Barrington.

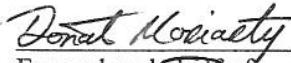
Aer Lingus Group plc (the "Company") will hold its Annual General Meeting on Friday 5 June 2009 at 2.00pm at the Crowne Plaza Hotel, Santry, Dublin 9.

As you will see from the AGM notice which has been published today, we have not included your proposed resolutions on the AGM agenda.

Your resolutions represent an attempt to interfere with matters which, under the Combined Code, are properly reserved to the Company's Remuneration Committee. Furthermore, as our largest competitor, it is not appropriate for you to seek to influence matters which impact upon the recruitment and retention of directors and senior managers by the Company.

Notwithstanding your contention to the contrary, you do not have a right under the Articles of Association of the Company to insist upon resolutions being put on the agenda of the Company's AGM. Furthermore, the Articles of Association of the Company clearly state that shareholders cannot direct the management of the Company in a way that invalidates any prior act of the directors. Your proposed resolutions purport to interfere with agreed contractual commitments and it is wholly inappropriate for you to attempt to dictate matters in this way.

Yours faithfully,

  
For and on behalf of  
Aer Lingus Group plc

27<sup>th</sup> February, 2009

Mr Colm Barrington  
Aer Lingus Group plc  
Dublin Airport  
County Dublin  
By Fax: +353 1 8863849

Dear Sirs,

Ryanair Limited holds approximately 29.82% of the current issued share capital of Aer Lingus Group plc (the **Company**) and is the Company's largest shareholder. In accordance with the Company's Articles of Association, we hereby notify you of our intention to propose the following ordinary resolutions (the **Resolutions**) at this year's Annual General Meeting of the Company.


Please confirm that the following Resolutions will be included in the Company's AGM Notice when issued and the date of this year's AGM.

*"1. IT IS RESOLVED THAT in light of the Company's stated need to significantly reduce costs (and in particular the recent "transformational programme" which required employees to accept job cuts and pay cuts) that the remuneration of the Non Executive Chairman should be reduced from €175,000 (in 2007), back to the amount of €35,000 earned by the previous Non Executive Chairman in 2006, and that any future increases in the remuneration of the Non Executive Chairman should not exceed the general level of pay increase agreed between the Company and its employees.*

*2. IT IS RESOLVED THAT in light of the Company's ongoing need to significantly reduce costs (and particularly the recent "transformational programme" which required employees to accept job cuts and pay cuts) that the remuneration of the Non Executive Directors should be reduced from €45,000 (in 2007), back to the amount of €17,500 earned by each Non Executive Director in 2006, and that any future increases in the remuneration of Non Executive Directors should not exceed the general level of pay increase agreed between the Company and its employees.*

*3. IT IS RESOLVED THAT the Board note this AGM's strong disapproval of the recent contract amendments granted to the Chief Executive and at least 5 other senior executives which would have rewarded them with excessive and unjustified bonuses should they choose to resign following a change in control of the Company. No similar termination bonuses shall be agreed with Directors or senior executives without the prior approval of the Company's shareholders in General Meeting.*

Yours faithfully,



For and on behalf of  
**Ryanair Limited**

c.c. Company Secretary – Mr Laurence Gourley  
A&L Goodbody – Mr John Given