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RYANAIR HOLDINGS PLC  
Form 6-K  
June 05, 2007

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of 1934

For the month of June, 2007

RYANAIR HOLDINGS PLC  
(Translation of registrant's name into English)

c/o Ryanair Ltd Corporate Head Office  
Dublin Airport  
County Dublin Ireland  
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F..X.. Form 40-F.....

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes ..... No ..X..

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- \_\_\_\_\_

RYANAIR REPORTS RECORD PROFITS OF EUR401m,  
PROFITS UP 33% AS TRAFFIC GROWS TO 42.5M

Ryanair, Europe's biggest low fares airline, today (5 June) released record net profits of EUR401m, a 33% increase over the prior year figure and EUR11m ahead of previous guidance. Ryanair's traffic grew by 22% to 42.5m, yields rose 7%, as revenues grew by 32% to EUR2.24bn. Unit costs increased by 9% mainly due to a 50% increase in fuel costs. Despite this significantly higher fuel bill, Ryanair maintained an industry leading after tax margin of 18%.

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Summary Table of Results (IFRS) - in Euro

Full Year Results	Mar 31, 2006	Mar 31, 2007	% Increase
Passengers	34.8m	42.5m	22%
Revenue	EUR1.693bn	EUR2.237bn	32%
Adjusted Profit after Tax Note1&2)	EUR301.5m	EUR401.4m	33%
Adjusted Basic EPS (EuroCents) (Note 1,2&3))	19.66	25.99	32%

Note 1 - Excludes EUR5.2m Net of Tax received from an insurance claim in y/e 31.03.06

Note 2 - Excludes EUR34.2m due to the release of a deferred Tax Overprovision in y /e 31.03.07

Note 3 - Adjusted by two for one stock split which occurred in February 2007

Ryanair's CEO Michael O'Leary said:

"These record profits and the strong growth in traffic, yields and revenues during a period of much higher oil prices and intense competition is a tribute to the strength of Ryanair's lowest fare model. The highlights of the past year include:

- Profit growth of 33% to EUR401m - Up EUR100m on last year.
- Traffic growth of 22% to 42.5m.
- Purchase of 30 new aircraft, bringing the fleet to 133 units at year end.
- Opening 153 new routes (including 3 new bases at Marseille, Madrid and Bremen).
- Fuel costs increased by 50% to EUR693m.
- Industry leading customer service and No.1 for pricing and punctuality.
- Widened the price gap between Ryanair and our competitors.
- Purchased 25.2% of Aer Lingus plc.
- Strengthened the balance sheet with year end cash of EUR2.2bn.

The unusual feature of these results was the 7% rise in average fares, despite the 22% growth in traffic. This increase was largely driven by competitor fare increases and competitor fuel surcharges, as well as our checked baggage fees which are designed to encourage passengers to travel with carry-on luggage only. Ancillary Revenues grew by 40% thanks to a better passenger spend, increased penetration, and the growth of excess baggage revenues. In March we announced an agreement with Expedia, our new hotel provider, and we expect that ancillary revenues will continue to grow at a faster rate than scheduled traffic.

Due primarily to a 50% increase in fuel costs, unit costs rose by 9%. This was also impacted by a one off step up in our pilot crewing ratio due to longer sector lengths. We took advantage of recent dollar and oil price weaknesses to extend our fuel hedges to 90% for the remainder of fiscal 2008 at an average cost per barrel which is 10% lower than last year. This cost saving will help us to offset significantly higher airport charges this year at Stansted (where airport charges doubled on 1 April), and Dublin Airport, who continue to impose unjustified price increases despite delivering a sub-standard service through a portacabin facility. These monopoly price increases demonstrate again the abject failure of Aviation Regulators in both Ireland and the UK to protect the interests of consumers.

We continue to press for the break-up of the BAA airport monopoly and welcome the recent OFT and Competition Commission investigation of the BAA. The current BAA Stansted plan to waste almost GBP4bn building a second runway and terminal (which should cost less than GBP1bn) provides further proof of this monopoly

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abuse. Similarly at Dublin, Ryanair opposes the ludicrous plans to waste over EUR800m building a 15 MPPA passenger terminal which Ryanair is willing to build (and pay for) at a cost of less than EUR200m. The Irish Regulator has failed to investigate or explain why the DAA's costs of this facility have quadrupled over the past year without any increase in capacity. His current proposal that Ryanair passengers who will never use T2 should pay higher airport charges to fund it, is contrary to the "User Pays" principle of aviation regulation. The significant cost increases associated with these higher airport charges at Stansted and Dublin since April, combined with Gordon Brown's decision to engage in "highway robbery" by doubling UK airport departure taxes has had a negative impact on traffic and yields.

Forward bookings and yields continue to be soft and Ryanair continues to respond with aggressive price promotions including a current offer of GBP20 off all return fares on all flights. As has always been the case, Ryanair will lead and win every fare war in Europe, because Ryanair has the lowest costs and the lowest fares.

Ryanair has recently extended this price war by launching a unique "lowest price" guarantee. Subject to the terms and conditions of this programme, Ryanair will refund double the difference to any passenger who can find a lower fare from any competitor airline on any Ryanair route. Thus far we have paid remarkably few claims, simply because no other airline can match Ryanair's low fares.

The European Commission's review of Ryanair's proposed offer for Aer Lingus has been ongoing for the past 6 months. The decision by DG Competition to refer this merger to a Phase 2 review was unprecedented and a radical departure from the Commission's long standing policy of encouraging EU airline consolidation. It is difficult to understand how the EU can wave through precedent mergers (such as Air France/KLM, Lufthansa/Eurowings and Lufthansa/SAS) in Phase 1 with minimal remedies, yet in this case a merger of two Irish airlines with bases at a peripheral European city (Dublin), which together account for less than 5% of EU traffic, has been referred to Phase 2. Ryanair's proposed remedies now include guaranteed fare and fuel surcharge reductions of over EUR100m per annum for Aer Lingus consumers, combined with the surrender of a significant number of Heathrow slots (the most valuable in the world) and Dublin slots. Accordingly, any failure by the European Commission to approve this merger will be an entirely political decision to put the narrow political interests of the Irish Government before those of European competition and European consumers. Ryanair will immediately refer any such prohibition to the European Courts, and given the significant inaccuracies and omissions in the Commission's Statement of Objection we believe that any Court challenge has a high prospect of success.

Ryanair's "lowest fare" business model is strongly cash generative. Cash on hand at March 31st 2007 amounted to EUR2.2bn. At the AGM on September 22nd 2006 the shareholders authorised that the Directors could re-purchase Ordinary shares ("buyback") amounting to 5% of the Company's issued share capital. The Directors have decided, in the best interests of the Company and its shareholders as a whole, to undertake a buyback programme, under which up to EUR300 million would be available for return. At the current market price of EUR5.20 this equates to a buy back of approximately 3.63% of the existing issued share capital of the Company. We anticipate starting the buyback programme on/after June 7th 2007 onward.

Ordinary shares will be repurchased under the programme in accordance with the provisions of the Company's annual re-purchase authority and the requirements of the Irish Stock Exchange and UK Listing Authority rules. The Company's brokers, Davy, will conduct the share buyback programme, and shares repurchased will be cancelled immediately. Only Ordinary shares (and no ADR's) will be repurchased.

As we indicated at the release of our April traffic statistics, we have recently

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noticed a softening of market conditions which has been reflected in lower load factors and yields. Whilst we remain confident that traffic over the coming year will grow by 22% to over 52 million passengers, we believe that if trading conditions continue to be soft, then yields will fall by up to 5% compared to last year's figure. Unit costs will rise over the coming year by 6% or 7%, largely due to longer sector lengths (+7%), substantially higher airport charges at Stansted and Dublin and a one time increase in cabin crew ratios, although these will be partially offset by the lower fuel costs already secured through our hedging programme. As a result we expect profit growth over the coming year to be more modest and to rise by approximately 5%. At this time with no visibility of Winter bookings and yields, we believe that the Company and our shareholders should remain cautious and conservative. We expect the seasonality established over recent years to continue and the vast majority of our annual profits will be generated in the first half of the fiscal year, with a consequent reduction in profitability and maybe even small losses being recorded during quarters 3 and 4.

Over the coming year Ryanair will increase its fleet by a net 30 aircraft as we have commenced our planned disposal programme and have already sold 5 aircraft delivered in 1999. We will launch at least 3 new bases (2 of which, Dusseldorf-Niederrhein and Bristol, have been announced), and we expect to open more than 50 new routes. We will continue to aggressively stimulate traffic growth by promoting Ryanair's lowest fare guarantee in every market. If market conditions continue to be soft, as is presently the case, then this ambitious traffic growth can only be delivered by discounting fares and reducing yields. This remains an extremely volatile and cyclical business, but over time the price leaders such as Southwest in the U.S. and Ryanair in Europe have repeatedly demonstrated that during periods of adverse trading conditions, the lowest fare and lowest cost carrier makes the greatest gains. Ryanair will continue to offer the lowest fares and the lowest costs in every market we operate to the benefit of our passengers, our people and our shareholders.

ends.

For further information  
please contact:

Howard Millar  
Ryanair Holdings Plc  
Tel: 353 1 812 1212

Pauline McAlester  
Murray Consultants  
Tel: 353 1 498 0300

[www.ryanair.com](http://www.ryanair.com)

The directors of Ryanair accept responsibility for the information contained in this announcement, save that the only responsibility accepted by the directors of Ryanair in respect of the information contained in this announcement relating to Aer Lingus and the Aer Lingus Group, which has been compiled from published sources, has been to ensure that such information has been correctly and fairly reproduced or presented (and no steps have been taken by the directors of Ryanair to verify this information). To the best of the knowledge and belief of the directors of Ryanair (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

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

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currency exchange rates and interest rates, airport access and charges, labour relations, the economic environment of the airline industry, the general economic environment in Ireland, the UK and Continental Europe, the general willingness of passengers to travel and other economics, social and political factors.

Ryanair is Europe's largest low fares airline with 20 bases and 487 low fare routes across 25 countries. By the end of March 2008 Ryanair will operate a fleet of 163 new Boeing 737-800 aircraft with firm orders for a further 99 new aircraft (all net of planned disposals), which will be delivered over the next 5 years. Ryanair currently employs a team of 4,500 people and expects to carry approximately 52 million scheduled passengers in the current fiscal year.

Ryanair Holdings plc and Subsidiaries  
Consolidated Income Statement measured in  
accordance with IFRS (unaudited)

	Year ended Mar 31, 2007 EUR'000 -----	Year ended Mar 31, 2006 EUR'000 -----
Operating revenues		
Scheduled revenues	1,874,791	1,433,377
Ancillary revenues	362,104	259,153
	-----	-----
Total operating revenues -continuing operations	2,236,895	1,692,530
	-----	-----
Operating expenses		
Staff costs	226,580	171,412
Depreciation	143,503	124,405
Fuel & oil	693,331	462,466
Maintenance, materials & repairs	42,046	37,417
Marketing & distribution costs	23,795	13,912
Aircraft rentals	58,183	47,376
Route charges	199,240	164,577
Airport & handling charges	273,613	216,301
Other	104,859	85,557
	-----	-----
Total operating expenses	1,765,150	1,323,423
	-----	-----
Operating profit before exceptional items	471,745	369,107
Aircraft insurance claim	-	5,939
	-----	-----
Operating profit after exceptional items - continuing operations	471,745	375,046
	-----	-----
Other income/(expenses)		

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Finance income	62,983	38,219
Finance expense	(82,876)	(73,958)
Foreign exchange (losses)	(906)	(1,234)
Gains on disposal of property, plant & equipment	91	815
	-----	-----
Total other income/(expenses)	(20,708)	(36,158)
	-----	-----
Profit before tax	451,037	338,888
Tax on profit on ordinary activities	(49,636)	(32,176)
Exceptional item - release of prior year tax overprovision	34,199	-
	-----	-----
Profit for the year - all attributable to equity holders of parent	35,600	306,712
	=====	=====
Basic earnings per ordinary share Euro cent**	28.20	20.00
Diluted earnings per ordinary share Euro cent**	27.97	19.87
*Basic adjusted earnings per ordinary share Euro cent**	25.99	19.66
*Diluted adjusted earnings per ordinary share Euro cent**	25.77	19.53
Number of ordinary shares (in 000's)**	1,544,457	1,533,666
Number of diluted shares (in 000's)**	1,557,503	1,543,562

\*Calculated on profit for the year before exceptional items (net of tax).

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

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Ryanair Holdings plc and Subsidiaries  
Consolidated Balance Sheet measured in accordance with  
IFRS (unaudited)

	Mar 31, 2007	Mar 31, 2006
	EUR'000	EUR'000
	-----	-----
Non-current assets		
Property, plant and equipment	2,884,053	2,532,988
Intangible assets	46,841	46,841
Available for sale financial asset	406,075	-
Derivative financial instruments	-	763
	-----	-----
Total non-current assets	3,336,969	2,580,592
	-----	-----
Current assets		

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

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Ryanair Holdings plc and  
Subsidiaries

Consolidated Cashflow Statement measured in accordance with  
IFRS (unaudited)

Mar 31,

Mar 31,

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	2007 EUR'000 -----	2006 EUR'000 -----
Operating activities -----		
Profit before tax	451,037	338,888
Adjustments to reconcile profits before tax to net cash provided by operating activities		
Depreciation	143,503	124,405
Decrease/(increase) in inventories	1,002	(962)
Decrease/(increase) in trade receivables	6,497	(9,265)
(Increase) in other current assets	(30,849)	(882)
(Decrease) in trade payables	(24,482)	(12,835)
Increase in accrued expenses	233,839	150,083
Increase in other creditors	75,351	11,402
Increase in maintenance provisions	11,997	9,486
(Gain) on disposal of fixed assets	(91)	(815)
Interest receivable	48	(3,959)
Interest payable	2,671	1,159
Retirement costs	589	507
Share based payment	3,935	2,921
Income tax	(5,194)	437
	-----	-----
Net cash provided by operating activities	869,853	610,570
Investing activities -----		
Capital expenditure (purchase of property, plant and equipment)	(494,972)	(546,225)
Proceeds from sale of property, plant and equipment	495	8,460
Purchase of equities classified as available for sale	(344,917)	-
(Investment) in restricted cash	(54,768)	-
(Investment)/reduction in financial assets: cash > 3months	(263,847)	200,480
	-----	-----
Net cash used in investing activities	(1,158,009)	(337,285)
Financing activities -----		
Net proceeds from shares issued	11,233	30,590
Proceeds from long term borrowings	339,409	386,809
Repayments of long term borrowings	(155,071)	(123,938)
	-----	-----
Net cash provided by financing activities	195,571	293,461
(Decrease)/increase in cash and cash equivalents	(92,585)	566,746
Cash and cash equivalents at beginning of year	1,439,004	872,258
	-----	-----

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Cash and cash equivalents at end of year	1,346,419	1,439,004
	=====	=====

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Ryanair Holdings plc and Subsidiaries  
Consolidated Statement of Recognised Income and Expense  
measured in accordance with IFRS (unaudited)

	Mar 31, 2007 EUR'000 -----	Mar 31, 2006 EUR'000 -----
Net actuarial gains from retirement benefit plans	1,988	2,327
	-----	-----
Cash flow hedge reserve		
New movements into cash flow hedge reserve	79,025	65,966
Movements from cash flow hedge reserve	(32,920)	(22,960)
	-----	-----
Net movements into cash flow hedge reserve	46,105	43,006
	-----	-----
Net change in fair value of available for sale financial asset	48,926	-
	-----	-----
Income and Expense recognised directly in equity	97,019	45,333
	-----	-----
Profit for the period	435,600	306,712
	-----	-----
Total recognised income and expense	532,619	352,045
	=====	=====
Reconciliation of adjusted earnings per share (unaudited)		
	Mar 31, 2007 EUR'000 -----	Mar 31, 2006 EUR'000 -----
Profit for the period under IFRS	435,600	306,712
Adjustments		
-----		
Aircraft insurance claim	-	(5,939)
Taxation adjustment for		

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above	-	742
Exceptional item - release of prior year tax overprovision	(34,199)	-
Adjusted profit under IFRS	401,401	301,515
Number of ordinary shares (in 000's)		
-Basic	1,544,457	1,533,666
-Diluted	1,557,503	1,543,562
Adjusted earnings per ordinary share		
-Basic (EUR cent)	25.99	19.66
-Diluted (EUR cent)	25.77	19.53

Consolidated changes in shareholders' equity

	Ordinary shares EUR'000	Share premium account EUR'000	Retained earnings EUR'000	Other reserves EUR'000	Total EUR'000
Balance at April 1, 2006	9,790	596,231	1,467,623	(81,659)	1,991,985
Issue of ordinary equity shares	32	11,202	-	-	11,234
New movements into cash flow hedge reserve	-	-	-	79,025	79,025
Movements from cash flow hedge reserve	-	-	-	(32,920)	(32,920)
Movement in reserves	-	-	-	46,105	46,105
Net change in fair value of available for sale financial asset	-	-	-	48,926	48,926
Share based payments	-	-	-	3,935	3,935
Retirement benefits	-	-	1,988	-	1,988
Profit for the period	-	-	435,600	-	435,600
Balance at March 31, 2007	9,822	607,433	1,905,211	17,307	2,539,773

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	Year ended Mar 31, 2007 EUR'000	Year ended Mar 31, 2006 EUR'000
Operating revenues		
Scheduled revenues	1,874,791	1,433,377
Ancillary revenues	362,104	259,153
	-----	-----
Total operating revenues -continuing operations	2,236,895	1,692,530
	-----	-----
Operating expenses		
Staff costs	226,770	168,921
Depreciation	145,080	125,876
Fuel & oil	693,331	462,466
Maintenance, materials & repairs	42,046	37,417
Marketing & distribution costs	23,795	13,912
Aircraft rentals	58,183	47,376
Route charges	199,240	164,577
Airport & handling charges	273,613	216,301
Other	104,859	85,494
	-----	-----
Total operating expenses	1,766,917	1,322,340
	-----	-----
Operating profit before exceptional items	469,978	370,190
Aircraft insurance claim	-	5,939
	-----	-----
Operating profit after exceptional items - continuing operations	469,978	376,129
	-----	-----
Other income/(expenses)		
Finance income	62,983	38,219
Finance expense	(70,425)	(65,986)
Derivative financial instruments	(13,337)	-
Foreign exchange (losses)	(906)	(1,234)
Gains on disposal of property, plant & equipment	91	815
	-----	-----
Total other income/(expenses)	(21,594)	(28,186)
	-----	-----
Income before taxation	448,384	347,943
Taxation	(49,304)	(33,111)
Exceptional item - release of prior year tax overprovision	34,199	-
	-----	-----
Net income attributable to equity holders of parent	433,279	314,832
	=====	=====

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Basic earnings per ADS (Euro cent)**	140.27	102.64
Diluted earnings per ADS (Euro cent)**	139.09	101.98
*Basic adjusted earnings per ADS (Eurocent)**	129.20	100.95
*Diluted adjusted earnings per ADS (Euro cent)**	128.12	100.30
No. of ordinary shares (in 000's)**	1,544,457	1,533,666
Diluted no. of ordinary shares (in 000's)**	1,557,503	1,543,562

\*Calculated on net income before non-recurring items (net of tax).  
(5 ordinary shares equal 1 ADS)

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

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Ryanair Holdings plc and Subsidiaries  
Summary of significant differences between IFRS and US generally  
accepted accounting principles (unaudited)

(A) Net income under US GAAP

-----Year ended-----

	Mar 31, 2007	Mar 31, 2006
	EUR'000	EUR'000
Net income in accordance with IFRS	435,600	306,712
Adjustments		
Pensions	(190)	(430)
Share based payments	-	2,921
Capitalised interest re aircraft acquisition programme	10,874	6,501
Derivative financial instruments	(13,337)	-
Darley Investments Limited	-	63
Taxation - effect of above adjustments	332	(935)
Net income in accordance with US GAAP	433,279	314,832
	=====	=====

(B) Consolidated cashflow statement in accordance  
with US GAAP

	Mar 31, 2007	Mar 31, 2006
	EUR'000	EUR'000
Cash inflow from operating activities	880,727	617,071
Cash (outflow) from investing activities	(1,168,883)	(343,786)
Cash inflow from financing activities	195,571	293,461
	-----	-----

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(Decrease)/increase in cash and cash equivalents	(92,585)	566,746
Cash and cash equivalents at beginning of period	1,439,004	872,258
	-----	-----
Cash and cash equivalents at end of period	1,346,419	1,439,004
	=====	=====
Cash and cash equivalents under US GAAP	1,346,419	1,439,004
Restricted cash	258,808	204,040
Deposits with a maturity of > three months	592,774	328,927
	-----	-----
Total Cash	2,198,001	1,971,971
	=====	=====

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Ryanair Holdings plc and Subsidiaries

Summary of significant differences between IFRS and US generally accepted accounting principles (unaudited)

(C) Shareholders' funds - equity

	Mar 31, 2007 EUR'000 -----	Mar 31, 2006 EUR'000 -----
Shareholders' equity as reported in the consolidated balance sheets in accordance with IFRS	2,539,773	1,991,985
Adjustments:		
Pension	-	9,240
Capitalised interest (net of amortisation) regarding aircraft acquisition programme	40,322	29,448
Derivative financial instruments	(8,609)	-
Minimum pension liability (net of tax)	-	(4,295)
Tax effect of adjustments (excluding pension)	(3,964)	(5,931)
	-----	-----
Shareholders' equity as adjusted to accord with US GAAP	2,567,522	2,020,447
	=====	=====
Opening shareholders' equity under US GAAP	2,020,447	1,629,819
Comprehensive income		
Minimum pension liability (net of tax)	-	2,201
Unrealised (losses)/gains on derivative financial instruments (net of tax)	50,241	43,005
Available for sale financial asset	48,926	-
Net income in accordance with US GAAP	433,279	314,832

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Reserve movement in pension benefits (net of tax)	2,178	-
Adoption of SFAS 158 (including elimination of additional minimum liability)	(2,718)	-
	-----	-----
Total comprehensive income	531,906	360,038
Share based payments	3,935	-
Stock issued for cash	11,234	30,590
	-----	-----
Closing shareholders' equity in accordance with US GAAP	2,567,522	2,020,447
	=====	=====

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### Ryanair Holdings plc Management Discussion and Analysis of Results

#### Introduction

For the purposes of the MD&A all figures and comments are by reference to the adjusted income statement excluding the exceptional items referred to below.

Exceptional items in the year ended March 31, 2007 amounted to EUR34.2m which primarily arose from the one time release of an overprovision, principally from deferred tax. In the year ended March 31, 2006 there was also an exceptional receipt of EUR5.2m (net of tax) arising from the settlement of an insurance claim for the scribbling of 6 Boeing 737-200 aircraft.

Profit after tax increased by 42% to EUR435.6m compared to EUR306.7m in the previous year ended March 31, 2006, whilst adjusted profit after tax increased by 33% to EUR401.4m

#### Summary Year ended March 31, 2007

Profit after tax increased by 33% to EUR401.4m, compared to EUR301.5m in the previous year ended March 31, 2006. These results reflect a 7% increase in average fares (including checked in baggage revenues), very strong growth in ancillary revenues, offset by significantly higher fuel costs, which increased by 50% to EUR693.3m, and a one off step up in pilot crewing ratios which resulted in staff costs rising by 32% to EUR226.6m. Total operating revenues increased by 32% to EUR2,236.9m, which was faster than the 22% growth in passenger volumes, as average fares rose by 7% and ancillary revenues grew by 40% to EUR362.1m. Total revenue per passenger as a result increased by 8%, whilst Passenger Load Factor decreased by 1 point to 82% during the year.

Total operating expenses increased by 33% to EUR1,765.2m, due to the increased level of activity, and the increased costs, associated with the growth of the airline. Fuel, which represents 39% of total operating costs compared to 35% last year, increased by 50% to EUR693.3m due to substantial increases in the US dollar cost per gallon, partially offset by a positive movement in the US dollar exchange rate versus the euro and an average 3% reduction in fuel consumption resulting from the installation of winglets on our Boeing 737-800 fleet. Unit costs excluding fuel and staff costs remained flat. Staff costs rose by 32% reflecting an increase in pilot crewing ratios primarily as a result of the ongoing increases in sector length. As a result, operating margins decreased by 1 point to 21%, whilst operating profit increased by 28% to EUR471.7m.

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Net Margins remained flat at 18% for the reasons outlined above.

Adjusted earnings per share have increased by 32% to 25.99 cent for the year.

### Balance Sheet

The strong growth in profitability continues to positively impact the balance sheet with Total Cash increasing by EUR226.0m to EUR2,198.0m despite acquiring a 25.2% stake in Aer Lingus for EUR344.9m and funding an additional EUR489.2m in capital expenditure largely from internal resources. This cashflow part funded the extensive aircraft delivery programme and additional aircraft advance payments. Total debt net of repayments increased during the year by EUR184.3m. Shareholders' Equity at March 31, 2007 have increased by EUR547.8m to EUR2,539.8m, compared to March 31, 2006 due to the EUR401.4m increase in profitability during the year, the exercise of share options which increased shareholder funds by EUR11.2m and the impact of the IFRS accounting treatment for derivative financial instruments, financial assets, pensions and stock options are accounted for within equity and which also increased shareholders funds by EUR99.0m.

### Detailed Discussion and Analysis Year ended March 31, 2007

Profit after tax, increased by 33% to EUR401.4m due to a 7% increase in average fares (including checked in baggage revenues), strong growth in ancillary revenues, offset by increased fuel costs which rose by 50% to EUR693.3m primarily reflecting the higher US dollar cost per gallon and a one off step up in staff costs, due to higher pilot crewing ratios, which rose by 32% to EUR226.6m. Operating margins, as a result decreased by 1 point to 21%, which in turn resulted in Operating profit increasing by 28% to EUR471.7m compared to year ended March 31, 2006.

Total operating revenues increased by 32% to EUR2,236.9m whilst passenger volumes increased by 22% to 42.5m. Total revenue per passenger increased by 8% in the year due to higher average fares and strong ancillary revenue growth.

Scheduled passenger revenues increased by 31% to EUR1,874.8m due to a 7% increase in average fares (including checked baggage revenues) reflecting the benign yield environment during the year supported by competitor fuel surcharges. Passenger volumes increased by 22% to 42.5m reflecting increased passenger numbers on existing routes, the successful launch of our new routes and bases. Load factor decreased by 1 point to 82% during the year due to the 23% increase in seat capacity.

Ancillary revenues continue to grow faster than passenger volumes with revenues increasing by 40% to EUR362.1m in the year. This performance reflects the strong growth in on board sales, non-flight scheduled revenues including excess baggage revenue. On March 22, 2007 we announced a new five year hotel partnership with Expedia.

Total operating expenses rose by 33% to EUR1,765.2m due to the increased level of activity, and the increased costs associated with the growth of the airline particularly higher fuel and staff costs. Total operating expenses were also adversely impacted by a 6% increase in the average sector length, whilst higher US dollar fuel prices were partially offset by the strength of the euro exchange rate against the US dollar.

Staff costs have increased by 32% to EUR226.6m. This primarily reflects a 30% increase in average employee numbers to 4,462 and the impact of pay increases granted during the year. Employee numbers rose due to an increase in pilot crewing ratios as a result of continued increases in sector length. Pilots, who

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earn higher than the average salary, accounted for 43% of the increase in employees during the year.

Depreciation and amortisation increased by 15% to EUR143.5m. There are an additional 19 'owned' Boeing 737-800 aircraft in the fleet this year compared to last year. The resultant higher depreciation charge was offset by a combination of lower amortisation due to the retirement of Boeing 737-200 aircraft and the positive impact of a new engine maintenance deal on the cost of amortisation of Boeing 737-800 aircraft. The strengthening of the euro versus the US dollar also had a positive impact on the depreciation and amortisation charge.

Fuel costs rose by 50% to EUR693.3m due to a 25% increase in the number of hours flown and a 28% increase in the average US dollar cost per gallon of fuel partially offset by the positive impact of the strengthening of the euro versus the US dollar and a 3% reduction in fuel consumption due to the installation of winglets on our Boeing 737-800 fleet.

Maintenance costs increased by 12% to EUR42.0m, reflecting improved reliability of the Boeing 737-800's operated, due to a combination of the rise in the number of leased Boeing 737-800 aircraft from 17 to 32, a lower level of maintenance costs incurred due to the retirement of the Boeing 737-200's, and the positive impact of the strengthening of the euro versus the US dollar exchange rate.

Marketing and distribution costs increased by 71% to EUR23.8m due to a higher level of marketing activity and related expenditure compared to the previous year as the number of routes operated rose by 67% to 428 at the year end and the number of bases increased by 3 to 18.

Aircraft rental costs increased by 23% to EUR58.2m reflecting an additional 15 leased aircraft during the year.

Route charges rose by 21% to EUR199.2m due to an increase in the number of sectors flown and an increase of 6% in the average sector length, offset by a reduction in enroute charges in certain EU countries.

Airport and handling charges increased by 27% to EUR273.6m. This is higher than the growth in passenger volumes and reflects the impact of increased costs at certain existing airports, particularly at our Dublin base, which has grown significantly this year and has a much higher average cost per passenger, offset by lower costs at new airports and bases.

Other expenses increased by 23% to EUR104.9m, which is lower than the growth in ancillary revenues due to improved margins on some existing products and cost reductions on some indirect costs.

Operating margins have declined by 1 point to 21% due to the reasons outlined above whilst operating profits have increased by 28% to EUR471.7m during the year.

Interest receivable has increased by 65% to EUR63.0m for the year due to the combined impact of higher levels of cash and cash equivalents and increases in average deposit rates earned in the year.

Interest payable increased by 12% to EUR82.9m due to the drawdown of further debt to part fund the purchase of new aircraft and the adverse impact of higher interest rates.

Foreign exchange losses have decreased during the year to EUR0.9m due to the positive impact of changes in the US dollar exchange rates against the euro compared to last year.

The gain on disposal of fixed assets of EUR0.1m arises from the disposal of

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various plant & equipment.

The Company's Balance Sheet continues to strengthen due to the strong growth in profits during the year. The Company generated cash from operating activities of EUR869.9m which part funded the investment in financial assets (Aer Lingus) of EUR344.9m and capital expenditure incurred during the year with the balance reflected in Total Cash of EUR2,198.0m. Capital expenditure amounted to EUR494.9m which largely consisted of advance payments for future aircraft deliveries and the delivery of fifteen aircraft. Long term debt, net of repayments increased by EUR184.3m during the year.

Shareholders' Equity at March 31, 2007 has increased by EUR547.8m to EUR2,539.8m, compared to March 31, 2006 reflecting the EUR401.4m increase in profitability during the year and the exercise of share options which increased shareholder funds by EUR11.2m and the impact of the IFRS accounting treatment for derivative financial instruments, financial assets, pensions and stock options which are accounted for within equity and which also increased shareholders funds by EUR99.0m.

### Notes to the Financial Statements

#### IFRS

##### 1. - Accounting Policies

This year's financial information has been prepared in accordance with the accounting policies set out in Ryanair's consolidated financial statements for the year ended March 31, 2007, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU.

##### 2. - Approval of the Preliminary Announcement

The Audit Committee approved the consolidated financial statements for the half year ended March 31, 2007 on June 01, 2007.

##### 3. - Available for Sale Securities

During the year the company acquired a 25.2% stake in Aer Lingus at a cost of EUR344.9m. This is reflected at market value at March 31, 2007 at EUR406.1m.

#### US GAAP

##### 4. - Accounting for Share-Based Payments

Under SFAS No. 123R, which was adopted by the Company on April 1, 2006, the Company is required to account for share-based employee compensation using a fair value based method. The Company has elected to use the Binomial Lattice option pricing model to determine the fair-value of share-based awards under SFAS No. 123R, consistent with that previously used for pro forma disclosures under SFAS No. 123 ("Accounting for Stock-Based Compensation").

The Company has elected to use the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior years have not been restated to reflect the impact of the revised standard. In this year's financial information, the Company has, as a result of the adoption of SFAS No. 123R, recorded incremental share-based compensation expense of EUR3.9m in its US GAAP income statement.

Prior to the adoption of SFAS No. 123R, the Company measured compensation

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expense for its employee share-based compensation plans using the intrinsic method prescribed by APB Opinion No. 25. The Company applied the disclosure provisions of SFAS No. 123, as if the fair value based method has been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Group's employee share options was equal to the market price of the underlying share on the date of grant, no compensation expense was recognised. If the Company had applied the fair value recognition provisions of SFAS No. 123 to share-based compensation during the year ended March 31, 2006, reported income under US GAAP would have changed from EUR314.8 million to EUR311.9 million with resulting Net income per ADS, basic and diluted, of 101.69 Euro cents and 101.04 Euro cents respectively.

### 5. - Accounting for Pensions - US GAAP

The Company also adopted the provisions of SFAS No. 158 "Employers' Accounting for Defined Benefit Pension and other Postretirement Plans" in the year to 31 March 2007. This requires the full fair value of the group's defined benefit pension obligations to be recognised within the group's US GAAP balance sheet, whereas previously, under SFAS No. 87 "Employers Accounting for Pensions" such obligations were permitted to be partially recognised in certain circumstances using the "Corridor Method". The adoption of this standard had no effect on the consolidated income statement of the group however, resulted in a net decrease of EUR2.7m in the group's shareholders' equity in accordance with US GAAP in the year to March 31, 2007 only. In accordance with the transition provisions of that standard shareholders' equity as previously reported for the year to March 31, 2006 remains unchanged.

### SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, hereunto duly authorized.

RYANAIR HOLDINGS PLC

Date: 05 June 2007

By:\_\_\_/s/ James Callaghan\_\_\_

James Callaghan  
Company Secretary & Finance Director