As filed with the Securities and Exchange Commission on September 30, 2002

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 20-F

☐ **REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934**

OR

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the Fiscal Year Ended: March 31, 2002

0-29304
(Commission file number)

Ryanair Holdings plc
(Exact name of registrant as specified in its charter)

Ryanair Holdings plc
(Translation of registrant's name into English)

Republic of Ireland
(Jurisdiction of incorporation or organization)

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

Securities registered or to be registered pursuant to Section 12(b) of the Act.

None

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Title of each class	Name of each national market on which registered
American Depositary Shares, each representing five Ordinary Shares	**Nasdaq National Market**
Ordinary Shares, par value 1.27 euro cents per Share	**Nasdaq National Market***

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None
(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital or common stock as of the close of the period covered by the annual report.

755,030,716 Ordinary Shares

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes No ☐

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17 ☐ Item 18

* Not for trading, but only in connection with the registration of the American Depositary Shares.

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PART II

PART III

Presentation of Financial and Certain Other Information

As used herein, the term "Ryanair Holdings" refers to Ryanair Holdings plc. The term the "Company" refers to Ryanair Holdings together with its consolidated subsidiaries. The terms "Ryanair Limited" and "Ryanair" refer to Ryanair Limited, a wholly-owned subsidiary of Ryanair Holdings, together with its consolidated subsidiaries. The term "fiscal year" refers to the twelve-month period ended on March 31 of such year. All references to "Ireland" herein are references to the Republic of Ireland. All references to the "U.K." herein are references to the United Kingdom and all references to the "United States" or "U.S." herein are references to the United States of America. References to "U.S. dollars," "dollars," "$" or "U.S. cents" are to the currency of the United States, references to "U.K. pounds sterling," "sterling," "U.K.£" and "U.K. pence" are to the currency of U.K. and references to "€," "euro" and "euro cents" are to the euro, the common currency of twelve Member States of the European Union (the "EU"), including Ireland. References to "Irish pounds" or "IR£" are to the former currency of Ireland. Various amounts and percentages set out in this Annual Report on Form 20-F (this "Report") have been rounded and accordingly may not total.

The Company owns or otherwise has rights to the trademark RYANAIR® in certain jurisdictions. See "Item 4. Information on the Company—Trademarks." This Report also makes reference to trade names and trademarks of companies other than the Company.

The Company publishes its Consolidated Financial Statements in accordance with accounting principles generally accepted in Ireland ("Irish GAAP"), which differ in certain respects from accounting principles generally accepted in the United States ("U.S. GAAP"). For a detailed discussion of the differences between Irish GAAP and U.S. GAAP that affect the Company's Consolidated Financial Statements, see Note 31 to the Consolidated Financial Statements included in Item 18.

The company publishes its Financial Statements in euro. Solely for the convenience of the reader, this Report contains translations of certain euro amounts into U.S. dollars at specified rates. These translations should not be construed as representations that the converted amounts actually represent such U.S. dollar amounts or could be converted into U.S. dollars at the rates indicated or at any other rate. Unless otherwise indicated, such U.S. dollar amounts have been translated from euro at a rate of €1.00 = $0.8717 or $1.00 = €1.1472, the noon buying rate in New York City for cable transfers of foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York (the "Noon Buying Rate") on March 29, 2002 (the last business day of the fiscal year ended March 31, 2002). The Noon Buying Rate for euro on September 23, 2002 was €1.00 = $0.9822 or $1.00 = €1.0181. See "Item 3. Key Information—Exchange Rates" for information regarding rates of exchange between the euro and the U.S. dollar, between the U.K. pound sterling and the euro and between the U.K. pound sterling and the U.S. dollar from 1997 to the present, and "Item 5. Operating and Financial Review and Prospects" and "Item 11. Quantitative and Qualitative Disclosure About Market Risk" for a discussion of the effects of changes of exchange rates on the Company.

Prior to March 31, 2000, the reporting currency of the Company was Irish pounds. To facilitate a comparison, the Consolidated Financial Statements included in Item 18 and all other Irish pound-denominated financial data for periods prior to March 31, 2000 included in this Report have been restated from Irish pounds to euro at the fixed rate of IR£ 0.787564 = €1.00 set by the European Central Bank as of December 31, 1998. The comparative balances for prior years now reported in euro depict the same trends as would have been presented had the Company continued to report such amounts in Irish pounds. The Company's Consolidated Financial Statements and other financial data for periods prior to March 31, 2000 may not be comparable to that of other companies reporting in euro if those companies had restated from a reporting currency other than Irish pounds, due to the fact that prior to the adoption of the euro the currencies of the other euro area countries fluctuated against the Irish pound.

Cautionary Statement Regarding Forward Looking Information

Except for the historical statements and discussions contained herein, statements contained in this Report constitute "forward looking statements" within the meaning of Section 27A of the U.S. Securities Act of 1933 and Section 21E of the U.S. Securities Exchange Act of 1934. Forward looking statements may include words such as "expect," "estimate," "project," "anticipate," "should," "intend" and similar expressions or variations on such expressions. Any filing of the Company with the U.S. Securities and Exchange Commission may include forward looking statements. In addition, other written or oral statements which constitute forward looking statements have been made and may in the future be made by or on behalf of the Company, including statements concerning its future operating and financial performance, the Company's share of new and existing markets, general industry and economic trends and the Company's performance relative thereto and the Company's expectation as to requirements for capital expenditures and regulatory matters. The Company's business is the provision of a low-fares airline service in Europe, and its outlook is predominately based on its interpretation of what it considers to be the key economic factors affecting that business and the European economy. Forward looking statements with regard to the Company's business rely on a number of assumptions concerning future events and are subject to a number of uncertainties and other factors, many of which are outside the Company's control, that could cause actual results to differ materially from such statements. It is not reasonably possible to itemize all of the many factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair's expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for replacement aircraft, costs associated with environmental, safety and security measures, actions of the Irish, U.K., EU and other governments and their respective regulatory agencies, fluctuations in currency exchange rates and interest rates, airport access and charges, labor relations, the economic environment of the airline industry, the general economic environment in Ireland, the U.K. and elsewhere in Europe, the general willingness of passengers to travel and other factors discussed herein. The Company disclaims any obligation to update or revise any forward looking statements, whether as a result of new information, future events or otherwise.

PART I

Item 1. ***Identity of Directors, Senior Management and Advisers***

Not applicable.

Item 2. ***Offer Statistics and Expected Timetable***

Not applicable.

Item 3. ***Key Information***

THE COMPANY

Ryanair operates a low-fares scheduled passenger airline serving short-haul, point-to-point routes in Europe from its bases at Dublin, London Stansted, Shannon, London Luton, Glasgow Prestwick, Brussels (Charleroi) and Frankfurt (Hahn) airports. In operation since 1985, Ryanair began to introduce a low cost operating model under a new management team in the early 1990s. At September 30, 2002, with its fleet of 44 planes, including 21 Boeing 737-200A jet aircraft and 23 Boeing 737-800 "next generation" aircraft, the Company offered approximately 300 scheduled short-haul flights per day serving 11 locations in England, five locations in Ireland, two locations in Scotland, one in each of Wales and Northern Ireland and 34 locations in continental Europe. A detailed description of the Company's business can be found in "Item 4. Information on the Company."

SELECTED FINANCIAL DATA

On January 1, 1999, the euro was introduced as the common legal currency of then eleven of the Member States of the EU, including Ireland. The Company has adopted the euro as its reporting currency in the Consolidated Financial Statements included in Item 18 and all Irish pound-denominated financial data for periods prior to March 31, 2000 included in this Report have been restated from Irish pounds to euro at the fixed rate of IR£ 0.787564 = €1.00 set by the European Central Bank as of December 31, 1998. The comparative balances for prior years now reported in euro depict the same trends as would have been presented had the Company continued to report such amounts in Irish pounds. However, they may not be directly comparable to the financial statements of other companies that have been restated in euro if those companies had restated from a reporting currency other than Irish pounds, due to the fact that prior to the adoption of the euro, the currencies of euro-area countries fluctuated against the Irish pound.

During the fiscal year ended March 31, 1999, the Company adopted two new Financial Reporting Standards, FRS 12, "Provisions, Contingent Liabilities and Contingent Assets," and FRS 15, "Tangible Fixed Assets." The provisions of these accounting standards required the Company to change the way in which it had previously accounted for maintenance and depreciation expenditure on its aircraft fleet. In accordance with Irish GAAP, the financial statements for fiscal years 1999, 2000 and 2001 have been presented in accordance with these new accounting standards and all prior periods have been adjusted accordingly. The effect of the adoption of this policy on the restated Irish GAAP financial statements has been to reduce the amount of historical maintenance costs in each fiscal period prior to fiscal year 1999 (with a consequent increase in profits and tax liability for the relevant period) by €18.7 million in 1998 and €10.3 million in 1997, to increase the amount of historical depreciation costs in each fiscal period prior to fiscal year 1999 (with a consequent decrease in the tax liability for the relevant period) by €4.4 million in 1998 and €2.8 million in 1997, and to increase the tax charge in each fiscal period prior to fiscal year 1999 by €4.7 million in 1998 and €2.3 million in 1997. The change in accounting treatment has also been adopted by the Company in presenting its U.S. GAAP reconciliation. However, in accordance with the principles of U.S. GAAP regarding changes in accounting policies, the cumulative effect of the change has been shown in the

U.S. GAAP reconciliation of the Company's financial statements for the fiscal year ended March 31, 1999 and prior periods have not been restated.

The following tables set forth certain of the Company's selected consolidated financial information and should be read in conjunction with the audited Consolidated Financial Statements of the Company and related notes thereto included in Item 18 and with "Item 5. Operating and Financial Review and Prospects."

Profit and Loss Account Data:

	Fiscal Year ended March 31,					
Irish GAAP	**2002(a)**	**2002**	**2001**	**2000**	**1999**	**1998**
	(in thousands, except per Ordinary Share and per ADS data)					
Total operating revenues	$543,984	€624,050	€487,405	€370,137	€295,759	€231,862
Total operating expenses	(401,956)	(461,117)	(373,394)	(286,082)	(227,898)	(175,581)
Operating profit	142,028	162,933	114,011	84,055	67,861	56,281
Net interest income (expense)	6,920	7,939	7,704	3,717	6,373	3,100
Other non-operating income (expenses)	1,309	1,502	1,673	2,322	1,576	2,053
Profit before taxation	150,257	172,374	123,388	90,094	75,810	61,434
Taxation	(19,177)	(21,999)	(18,905)	(17,576)	(18,339)	(15,909)
Profit after taxation	$131,080	€150,375	€104,483	€72,518	€57,471	€45,525
Ryanair Holdings basic earnings per Ordinary Share (U.S. cents)/(euro cent) (b)	17.99	20.64	14.81	10.81	8.72	7.48
Ryanair Holdings diluted earnings per Ordinary Share (U.S. cents)/(euro cent)	17.71	20.32	14.63	10.74	8.69	7.46
Ryanair Holdings basic earnings per ADS (U.S. cents)/(euro cent)(c)	89.95	103.20	74.05	54.05	43.60	37.40

See notes on page 5.

Profit and Loss Account Data:

U.S. GAAP	Fiscal Year ended March 31,					
	2002(a)	2002	2001	2000	1999	1998
	(in thousands, except per Ordinary Share and per ADS data)					
Total operating revenues..............	$543,984	€624,050	€487,405	€370,137	€295,759	€231,862
Total operating expenses	(400,820)	(459,814)	(370,455)	(283,915)	(225,664)	(188,488)
Operating income	143,164	164,236	116,950	86,222	70,095	43,374
Net interest income......................	11,302	12,966	7,704	3,717	6,373	3,099
Other non-operating income (expenses)	1,309	1,502	8,476	(1,433)	4,594	629
Income before taxation	155,775	178,704	133,130	88,506	81,062	47,102
Taxation......................................	(20,184)	(23,155)	(20,742)	(16,640)	(19,291)	(10,409)
Net income before cumulative effect of accounting change	135,591	155,549	112,388	71,866	61,771	36,693
Cumulative effect of changes in accounting principles	-	-	-	-	23,122	-
Net income..................................	$135,591	€155,549	€112,388	€71,866	€84,893	€36,693
Basic earnings per Ordinary Share (U.S. cents)/(euro cent) before cumulative effect of accounting changes..................................	18	21	16	11	10	6
Cumulative effect on prior years of accounting changes (U.S. cents)/(euro cent)	–	–	–	–	4	–
Basic earnings per Ordinary Share (U.S. cents)/(euro cent) (b)........	18	21	16	11	14	6
Diluted earnings per Ordinary Share (U.S. cents)/(euro cent)(b)..................................	17	21	16	11	14	6
Net income per ADS (U.S. cents)/(euro cent) (c)........	90	105	80	55	70	30

See notes on page 5.

Balance Sheet Data:

Irish GAAP	As of March 31, 2002(a)	2002	2001	2000	1999	1998
	(in thousands)					
Cash at bank and liquid resources	$783,898	€899,275	€626,720	€355,248	€158,595	€64,719
Total assets	1,647,140	1,889,572	1,277,252	712,701	399,839	219,488
Long-term debt, including capital lease obligations	479,873	550,503	402,750	121,979	24,969	4,951
Shareholders' equity.........................	873,682	1,002,274	669,898	441,357	250,964	133,472

U.S. GAAP	As of March 31, 2002(a)	2002	2001	2000	1999	1998
	(in thousands)					
Cash and cash equivalents	$420,588	€482,492	€389,059	€121,430	€97,704	€55,367
Total assets	1,653,341	1,896,686	1,279,088	713,399	397,964	201,982
Long-term debt, including capital lease obligations	479,873	550,503	402,750	121,979	24,969	4,951
Shareholders' equity.........................	888,791	1,019,607	674,386	439,340	249,913	102,696

See notes on page 5.

Cash Flow Statement Data:

Irish GAAP	Fiscal Year ended March 31, 2002(a)	2002	2001	2000	1999	1998
Net cash inflow from operating activities	$290,927	€333,747	€229,802	€149,575	€124,411	€99,029
Net cash inflow from returns of investment and servicing of finance	9,031	10,360	5,569	1,953	6,043	2,227
Taxation	(4,420)	(5,071)	(13,813)	(15,545)	(11,125)	(9,211)
Net cash (outflow) from capital expenditure	(345,771)	(396,662)	(356,213)	(154,079)	(107,124)	(88,082)
Net cash (outflow)/inflow before financing and management of liquid resources	(50,233)	(57,626)	(134,655)	(18,096)	12,205	3,963
Net cash inflow/(outflow) from financing and management of liquid resources	68,440	78,513	174,196	18,752	434	(3,079)
Increase in cash	$ 18,207	€ 20,887	€ 39,541	€ 656	€ 12,639	€ 884

U.S. GAAP	Fiscal Year ended March 31, 2002(a)	2002	2001	2000	1999	1998
Net cash inflow from operating activities	$295,538	€339,036	€221,558	€135,983	€119,330	€82,420
Net cash (outflow) from investing activities	(501,911)	(575,784)	(360,056)	(327,006)	(158,664)	(72,841)
Net cash inflow from financing	287,819	330,181	406,127	214,749	81,671	30,349
Increase in cash and cash equivalents	81,446	93,433	267,629	23,726	42,337	39,928
Cash and cash equivalents at beginning of year	339,143	389,059	121,430	97,704	55,367	15,439
Cash and cash equivalents at end of the year	$420,589	€482,492	€389,059	€121,430	€97,704	€55,367

(a) Dollar amounts are translated from euro solely for convenience at the Noon Buying Rate on March 29, 2002 of €1.00 = $0.8717 or $1.00 = €1.1472.

(b) Earnings per share and net income per share data have been adjusted to give effect to the two-for-one stock splits effected in February 2000 and December 2001 and those shares issued in connection with the stock offerings conducted outside the United States in accordance with Regulation S under the Securities Act (the "Regulation S Offerings") in July 1998, March 2000, February 2001 and February 2002.

(c) Represents earnings per Ordinary Share or net income per Ordinary Share multiplied by five.

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EXCHANGE RATES

The following table sets forth, for the periods indicated, certain information concerning the exchange rate between (i) the U.S. dollar and the euro, (ii) the U.K. pound sterling and the euro, and (iii) the U.K. pound sterling and the U.S. dollar. Such rates are provided solely for the convenience of the reader and are not necessarily the rates used by the Company in the preparation of its Consolidated Financial Statements included in Item 18. No representation is made that any of such currencies could have been, or could be converted into any of the other such currencies at such rates or at any other rate.

U.S. dollars per €1.00(1)

Year Ended December 31,	End of period	Average(2)	Low	High
1997	1.120	1.187	1.120	1.253
1998	1.174	1.122	1.071	1.183
1999	1.007	1.059	1.007	1.137
2000	0.939	0.920	0.827	1.034
2001	0.882	0.892	0.837	0.954
Month ending				
March 30, 2002	—	—	0.865	0.884
April 30, 2002	—	—	0.875	0.903
May 31, 2002	—	—	0.902	0.937
June 30, 2002	—	—	0.939	0.989
July 31, 2002	—	—	0.973	1.016
August 31, 2002	—	—	0.964	0.988

U.K. pounds sterling per €1.00(3)

Year ended December 31,	End of period	Average(2)	Low	High
1997	0.682	0.730	0.680	0.782
1998	0.708	0.676	0.640	0.708
1999	0.621	0.659	0.621	0.712
2000	0.631	0.610	0.573	0.639
2001	0.612	0.622	0.596	0.643
Month ending				
March 31, 2002	—	—	0.610	0.621
April 30, 2002	—	—	0.611	0.620
May 31, 2002	—	—	0.617	0.642
June 30, 2002	—	—	0.639	0.650
July 31, 2002	—	—	0.625	0.647
August 31, 2002	—	—	0.627	0.641

U.K. pounds sterling per US$1.00(4)

Year Ended December 31,	**End of period**	**Average(2)**	**Low**	**High**
1997	0.609	0.610	0.587	0.634
1998	0.601	0.602	0.581	0.621
1999	0.619	0.619	0.599	0.645
2000	0.667	0.662	0.606	0.714
2001	0.688	0.695	0.665	0.728
Month ending				
March 31, 2002	—	—	0.700	0.707
April 30, 2002	—	—	0.685	0.699
May 31, 2002	—	—	0.681	0.691
June 31, 2002	—	—	0.654	0.686
July 31, 2002	—	—	0.633	0.658
August 31, 2002	—	—	0.637	0.658

(1) Based on the Noon Buying Rate for euro, and, for periods prior to January 1, 1999, the Noon Buying Rate for Irish pounds, calculated on the basis of the fixed exchange rate of €1.00=IR£0.787564, as established by the European Central Bank.
(2) The average of the relevant exchange rates on the last business day of each month during the relevant period.
(3) Based on the mid-market quote, as fixed by the Central Bank of Ireland at 4 p.m. local time on the relevant date and, for periods after January 1, 1999, the mid-range rate of trading in New York among banks in amounts of $1 million or more, as quoted at 4 p.m. New York time by Telerate.
(4) Based on the Noon Buying Rate for U.K. pounds sterling.

As of September 23, 2002, the exchange rate between the U.S. dollar and the euro was €1.0181 = $1.00, or $0.9822 = €1.00, the exchange rate between the U.K. pound sterling and the euro was U.K.£0.6294 = €1.00, or €1.5887 = U.K.£1.00; and the exchange rate between the U.K. pound sterling and the U.S. dollar was U.K.£0.6421 = $1.00, or $1.5575 = U.K.£1.00. The fixed exchange rate between the Irish pound and the euro, as established by the European Central Bank, is €1.00 = IR£ 0.787564. For a discussion of the impact of exchange rate fluctuations on the Company's results of operations, see "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

SELECTED OPERATING AND OTHER DATA

The following table sets forth certain operating data of Ryanair for each of the fiscal years ended March 31, 1998, 1999, 2000, 2001 and 2002. Such data are derived from the Consolidated Financial Statements prepared in accordance with Irish GAAP (except as otherwise indicated) and certain other data and are not audited. For definitions of the terms used in this table, see the Glossary in Appendix A. See the notes following the table for explanatory material and Note 31 to the Consolidated Financial Statements included in Item 18 for a detailed discussion of the principal differences between Irish GAAP and U.S. GAAP.

	Fiscal Year ended March 31,				
Operating Data:	**2002**	**2001**	**2000**	**1999**	**1998**
Irish GAAP and U.S. GAAP					
Average Yield per RPM (€)	0.122	0.139	0.157	0.158	0.175
Adjusted Average Yield per RPM (€)	0.124	0.143	0.161	0.165	0.183
Average Yield per ASM (€)	0.091	0.098	0.106	0.112	0.126
Adjusted Average Yield per ASM (€)	0.092	0.100	0.108	0.118	0.131
Average Passenger Spend per Flight (€)	3.630	3.600	3.910	5.110	4.380
Average Fuel Cost per U.S. Gallon (€)	1.007	0.750	0.630	0.660	0.690
Irish GAAP					
Cost per ASM (CASM) (€)(a)	0.071	0.079	0.085	0.092	0.101
Adjusted Cost per ASM (ACASM) (€)(a)	0.071	0.079	0.085	0.092	0.099
Operating Margin	26%	23%	23%	23%	24%
U.S. GAAP					
Cost per ASM (CASM)(€)(a)	0.071	0.078	0.085	0.091	0.109
Adjusted Cost per ASM (ACASM) (€)(a)	0.071	0.078	0.085	0.091	0.108
Operating Margin	26%	24%	23%	24%	19%
Other Data: (Irish GAAP, except where described as U.S. GAAP)					
EBITDA (thousands of €)(b)	223,444	174,859	130,429	105,646	83,474
EBITDA Margin(b)	36%	36%	35%	36%	36%
EBITDAR (thousands of €)(b)	227,465	182,145	132,526	108,555	88,587
EBITDAR Margin(b)	36%	37%	36%	37%	38%
Adjusted EBITDA (thousands of €)(b)	223,444	174,859	130,429	105,646	86,845
Adjusted EBITDA Margin(b)	36%	36%	35%	36%	37%
Adjusted EBITDAR (thousands of €)(b)	227,465	182,145	132,526	108,555	91,961
Adjusted EBITDAR Margin(b)	36%	37%	36%	37%	40%
Revenue Passengers Booked	11,091,066	8,051,633	N/A	N/A	N/A
Revenue Passengers Flown	10,202,193	7,434,640	5,501,272	4,854,395	3,918,513
Revenue Passenger Miles (RPMs)	4,505,861,947	3,118,098,414	2,103,848,249	1,643,267,849	1,159,284,877
Available Seat Miles (ASMs)	6,081,007,925	4,439,036,540	3,126,069,535	2,304,838,185	1,620,897,150
Flown Passenger Load Factor	74%	70%	67%	71%	72%
Booked Passenger Load Factor	81%	77%	N/A	N/A	N/A
Break-even Load Factor (a)	58%	57%	54%	58%	58%
Adjusted Break-even Load Factor (a)	57%	55%	53%	56%	54%
Break-even Load Factor (U.S. GAAP) (a)	58%	56%	54%	58%	58%
Adjusted Break-even Load Factor (U.S. GAAP) (a)	57%	55%	53%	56%	55%
Average Length of Passenger Haul (miles)	442	419	382	339	296
Sectors Flown	90,124	72,655	59,140	51,219	42,085
Average Flown Passenger Fare (€)	54.01	58.23	60.09	53.33	52.01
Average Booked Passenger Fare (€)	49.68	53.77	N/A	N/A	N/A
Number of Airports Served at Period End	52	45	35	27	20
Average Daily Flight Hour Utilization (hours)	7.28	6.82	6.37	6.47	4.99
Employees at Period End	1531	1,476	1,388	1,203	988
Employees per Aircraft at Period End (c)	37	41	53	57	49
Booked Passengers per Employee at Period End	6,664	5,037	3,963	4,035	3,966

(a) For the purposes of calculating Cost per ASM, Adjusted Cost per ASM, Break-Even Load Factor and Adjusted Break-Even Load Factor, costs include the costs of Ryanair's charter operations (excluding non-charter ancillary costs) but not the revenues or seat miles of such charter operations.

(b) EBITDAR and EBITDA provide information regarding a company's ability to service and incur debt. EBITDAR and EBITDA should not, however, be considered in isolation as a substitute for net income, cash flow provided by operating activities or other income or cash flow data prepared in accordance with generally accepted accounting principles or as a measure of a company's profitability or liquidity. Adjusted EBITDA and Adjusted EBITDAR exclude the effect of non-recurring staff costs, including €2.5 million in payments and bonuses paid to employees at the time of the industrial dispute at Dublin Airport in March 1998. For a discussion of the increase in the Company's consolidated maintenance and depreciation expense in fiscal year 1999, see "—Selected Financial Data."

Management believes the data based on EBITDA, EBITDAR, Adjusted EBITDA and Adjusted EBITDAR set forth in the table above when considered in conjunction with (but not in lieu of) other measures that are computed in accordance with generally accepted accounting principles, enhance an understanding of the Company's results of operations, because they permit an investor to analyze operating income before certain items that are (i) non-cash items, such as depreciation and amortization, or (ii) no longer applicable to the Company based on current operations, such as the bonuses paid to employees at the time of the March 1998 industrial dispute at Dublin Airport. EBITDAR is provided in addition to EBITDA to enable investors to consider the Company's operating performance without regard to the method by which the Company's aircraft are operated and financed (i.e., leased rather than purchased). In evaluating this data, you should carefully consider the adjustments involved in calculating each measure and that the Company's results of operations and this data has at times varied significantly from quarter to quarter. You should also consider that management expects these variations to continue in the future and that the airline industry is characterized by high fixed costs and revenues that generally exhibit substantially greater elasticity than costs. A relatively small change in the number of passengers or in fare pricing or traffic mix could have a disproportionate effect on operating and financial results. The items excluded in computing certain of these measures, such as depreciation and amortization, are significant components in understanding and assessing the Company's financial performance. These measures should be considered in conjunction with "Item 5. Operating and Financial Review and Prospects" and the Company's Consolidated Financial Statements including the Notes thereto included elsewhere in this Report. The measures based on EBITDA, EBITDAR, Adjusted EBITDA and Adjusted EBITDAR computed for the Company may not be comparable to other similarly-titled measures of other companies.

(c) On March 19, 1999, Ryanair accepted delivery of its first 737-800 "next generation" aircraft, the twenty-second aircraft in its fleet. As this 737-800 aircraft had only been used for training and test flights prior to March 31, 1999, it has not been included in the computations of the Number of Owned Aircraft Operated at Period End and the number of Employees per Aircraft at Period End through March 31, 1999.

RISK FACTORS

The Company Will Incur Significant Costs Acquiring New Aircraft

Ryanair's continued growth is dependent upon its ability to acquire additional aircraft to meet additional capacity needs and to replace aging aircraft. From 1997 through September 2002, Ryanair launched service on 43 routes to the U.K. and Continental Europe, and also increased the frequency of service on a number of its principal routes. The new routes and expanded service are expected to increase Ryanair's scheduled passenger volumes in fiscal year 2003 to approximately 14.5 million passengers, an increase of approximately 30% over current levels, although no assurance can be given that these targets will in fact be met.

Six of the Boeing 737-200A aircraft currently in Ryanair's fleet were manufactured in 1980, with the remainder of the current fleet of Boeing 737-200A aircraft having been manufactured between 1981 and 1983. On March 9, 1998, Ryanair entered into a series of agreements with The Boeing Company ("Boeing") to purchase 25 new Boeing 737-800 "next generation" aircraft, together with options to purchase up to a further 20 "next generation" aircraft. At September 30, 2002, Ryanair had taken delivery of 23 of these aircraft, with the final five aircraft to be delivered under this contract being scheduled for delivery by early 2003.

On January 24, 2002, the Company announced it had entered into a new series of agreements with Boeing to purchase an additional 100 new Boeing 737-800 "next generation" aircraft over a six-year period from December 2002 to December 2008, as well as acquiring options to purchase up to an additional 50 such aircraft, three of which it has already exercised. Nevertheless, the average age of Ryanair's 21 737-200A aircraft at March 31, 2002 was 21 years, and a number of its current or potential competitors own fleets of aircraft with a lower average age. Ryanair currently plans to phase out its 737-200A aircraft by March 2007.

Ryanair expects to increase the size of its fleet to 54 aircraft by February 2003 by taking delivery of the five remaining aircraft from the 1998 Boeing contract and the first five aircraft from the 2002 Boeing contract. The delivery of the remaining 98 aircraft (including three option aircraft) that Ryanair is currently obligated to purchase under the 2002 Boeing contract, together with the retirement of the 737-200As, will increase the size of Ryanair's fleet to 131 by December 2008, with that number increasing should Ryanair choose to exercise any of the 47 options remaining under the 2002 Boeing contract. Although there can be no assurance that this expansion will not outpace the growth of passenger traffic on Ryanair's routes, if traffic growth proves to be greater than the expanded fleet can accommodate, the Company may exercise its options to cater to this demand. See "Item 4. Information on the Company—Aircraft" and "Item 5. Operating and Financial Review and Prospects."

Ryanair's purchase of the 737-800 aircraft under the 1998 Boeing contract is being financed by a combination of a bank loan facility supported by a guarantee from the Export-Import Bank of the United States and cash flow generated from the Company's operations. Ryanair expects to draw down funds from this bank facility as it takes delivery of these new aircraft, and has drawn down such funds with respect to the 23 737-800s delivered to date. This facility is partially secured by a mortgage on each of the 737-800 aircraft financed. Ryanair's purchase of the 737-800 aircraft under the 2002 Boeing contract is expected to be financed under similar arrangements that are in the process of being negotiated. However, no assurance can be given that such financing will be available to Ryanair, or that the terms of any such financing will be as advantageous as those available at the time of the 1998 Boeing contract. Any inability of the Company to obtain financing for the new aircraft on advantageous terms could have a material adverse effect on its business, results of operations and financial condition. The financing of the new and existing 737-800 aircraft will significantly increase the total amount of the Company's outstanding debt and the payments it is obliged to make to service such debt. In addition, Ryanair's ability to draw down funds to pay for aircraft as they are delivered under the 1998 Boeing contract is subject to various conditions imposed by the counterparties to the bank loan facility and loan guarantee, and any future financing is expected to be subject to similar conditions. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources."

The Company's Rapid Growth May Expose It To Risks

Ryanair's operations have grown rapidly since it introduced a low cost operating model in the early 1990s. In recent years, Ryanair has expanded its fleet, added new destinations and flights to its schedule and established London Stansted, Glasgow Prestwick, London Luton, Shannon, Brussels (Charleroi) and Frankfurt (Hahn) airports as additional bases of operations. Since 1997, Ryanair has more than tripled its number of passengers, number of aircraft and the number of airports it serves and more than doubled the number of people it employs. Ryanair intends to continue to expand its fleet (which is scheduled to increase to a minimum of 131 aircraft by December 2008) and add new destinations and additional flights to its schedule. If growth in passenger traffic and Ryanair's revenues do not keep pace with the planned expansion of its fleet, Ryanair could suffer from overcapacity and its results of operations and financial condition (including its ability to fund scheduled aircraft purchases and related debt) could be materially adversely affected. Ryanair has also entered into significant derivative transactions intended to hedge both its current aircraft acquisition related debt obligations and the substantial debt obligations it expects to incur in the future as it expands its fleet. These derivative transactions expose Ryanair to certain risks that could have an adverse effect on its results of operations and financial condition. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

This expansion of Ryanair's fleet and operations, in addition to other factors, may also strain existing management resources and related operational, financial, management information and information technology systems and controls, including its internet-based reservation system, to the point that they may no longer be adequate to support Ryanair's operations. This would require Ryanair to make significant additional expenditures. This expansion will also require additional skilled personnel, equipment facilities and systems, as well as the upgrading of internal audit functions and the implementation of more detailed budgeting procedures. An inability to hire skilled personnel or to secure the required equipment and facilities efficiently and in a cost-effective manner may adversely affect Ryanair's ability to achieve growth plans and sustain or increase its profitability.

Ryanair expects that it will need to develop further its financial and management controls, reporting systems and procedures to accommodate future growth. There can be no assurance that Ryanair will be able to develop such controls, systems or procedures effectively or on a timely basis, and the failure to do so could have a material adverse effect on the Company's business, operating results and financial condition.

EU Rules Impose Restrictions on the Ownership of Ryanair Holdings' Ordinary Shares by Non-EU Nationals, and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals

The Board of Directors of Ryanair Holdings are given certain powers under Ryanair Holdings' Articles of Association (the "Articles") to take action to ensure that the amount of shares held in Ryanair Holdings by non-EU nationals ("Affected Shares") does not reach a level which could jeopardize the Company's entitlement to continue to hold or enjoy the benefit of any license, permit, consent or privilege which it holds or enjoys and which enables it to carry on business as an air carrier (a "License"). In particular, EU Regulation 2407/92 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority owned and effectively controlled by EU nationals. EU Regulation 2407/92 does not specify what level of share ownership will confer effective control on a holder or holders of shares. As described below, the Directors will, from time to time, set a "Permitted Maximum" on the number of Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU Regulation 2407/92. The Permitted Maximum is currently set at 49.9%.

In the event that, *inter alia*, (i) the refusal, withholding, suspension or revocation of any License or the imposition of any condition which materially inhibits the exercise of any License (an "Intervening Act") has taken place, (ii) the Company receives a notice or direction from any governmental body or any other body which regulates the provision of air transport services to the effect that an Intervening Act is imminent, threatened or intended or (iii) an Intervening Act may occur as a consequence of the level of non-EU ownership of shares or an Intervening Act is imminent, threatened or intended because of the manner of share ownership or control of Ryanair Holdings generally, the Directors can take action pursuant to the Articles to deal with the situation. They can, *inter alia*, (i) remove any Director or change the Chairman of the Board, (ii) identify those shares, American Depositary Shares ("ADSs") or Affected Shares which give rise to the need to take action and treat such shares, ADSs, or Affected Shares as Restricted Shares (see below) or (iii) set a "Permitted Maximum" on the number of Affected Shares which may subsist at any time (which may not, save in the circumstances referred to below, be lower than 40% of the total number of issued shares) and treat any Affected Shares (or ADSs representing such Affected Shares) in excess of this Permitted Maximum as Restricted Shares (see below). Also, if as a consequence of a change of law or a direction, notice or requirement of any state, authority or person it is necessary to reduce the total number of Affected Shares below 40% or reduce the number of Affected Shares held by any particular stockholder or stockholders in order to overcome, prevent or avoid an Intervening Act, the Directors may resolve to (i) set the Permitted Maximum at such level below 40% as they consider necessary in order to overcome, prevent or avoid such Intervening Act, or (ii) treat such number of Affected Shares (or ADSs representing Affected Shares) held by any particular stockholder or stockholders as they consider necessary (which could include all of such Affected Shares or ADSs) as Restricted Shares (see below). The Directors may serve a Restricted Share Notice in respect of any Affected Share, or any ADR representing any ADS, which is to be treated as a Restricted Share. Such Notices can have the effect of depriving the recipients of the rights to attend, vote and speak at general meetings, which they would otherwise have had as a consequence of holding such shares or ADSs. Such Notices can also require the recipients to dispose of the shares or ADSs concerned to an EU national (so that the relevant shares (or shares underlying the relevant ADSs) will then cease to be Affected Shares) within 21 days or such longer period as the Directors may determine. The Directors are also given the power to transfer such shares themselves where there is non-compliance with the Restricted Share Notice.

As of August 30, 2002, EU nationals owned at least 51% of Ryanair Holdings' Ordinary Shares. Ryanair Holdings continues to monitor the EU national ownership status of its Ordinary Shares, which changes on a daily basis. Ryanair Holdings has undertaken to notify its shareholders of the percentage of Ordinary Shares held by EU nationals annually.

In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed The Bank of New York, the depositary for its ADS program, to suspend the issuance of new ADSs in exchange for the deposit of Ordinary Shares until further notice to its shareholders. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADSs during such suspension, and there can be no assurance that the suspension will ever be lifted.

As a further measure to increase the percentage of shares held by EU nationals, on February 7, 2002, the Company issued a notice to shareholders to the effect that any purchase of Ordinary Shares by a non-EU national after such date will immediately result in the issue of a Restricted Share Notice to such non-EU national purchaser. The Restricted Share Notice compels the non-purchaser to sell the affected shares to an EU national within 21 days of the date of issuance. In the event that any such non-EU national shareholder does not sell its shares to an EU national within the specified time period, the Company can then take legal action to compel such a sale. As a result, non-EU nationals are effectively barred from purchasing Ordinary Shares for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted.

In addition, all of the Ordinary Shares offered by EU nationals in the 1999 public offering (and a small portion of the Ordinary Shares then offered by non-EU nationals), as well as all of the Ordinary Shares offered by Ryanair Holdings in the Regulation S Offerings conducted outside the United States in each of 2000, 2001 and 2002, were allocated to purchasers who were EU nationals. Because a larger percentage of the Ordinary Shares are available on the open market as a result of these offerings, there can be no assurance that the percentage of Ordinary Shares owned by EU nationals will not drop, thereby requiring the Directors to exercise the power related to the "Affected Shares" described above. See "Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals."

Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on Its Results

At the date of this Report, several low-fares carriers operate routes between the U.K., Ireland and continental Europe. See "Item 4. Information on the Company—Industry Overview—Service to Continental Europe." Ryanair may face substantially greater competition in these markets compared to the Ireland-U.K. market. Although readily accepted on Ryanair's current routes, there can be no assurance that Ryanair's low-fares service will be accepted on new routes.

When Ryanair commences new routes, its load factors tend to be lower than those on its established routes and its advertising and other promotional costs tend to be higher, which may result in initial losses that could have a material negative impact on the Company's results of operations as well as require a substantial amount of cash to fund. Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes. Promotional fares may have the effect of reducing Ryanair's yield and passenger revenues on such routes during the period that they are in effect. See "Item 4. Information on the Company—Route System, Scheduling and Fares." Ryanair expects to have other substantial cash needs as it expands, including cash required to fund aircraft purchases or aircraft deposits as additional aircraft or replacement aircraft are bought to service new routes and increased flight frequencies on existing routes, including the substantial cash commitments related to the acquisition of the new fleet of 737-800s. There can be no assurance that the Company will have sufficient cash to fund such projects.

EU air carriers are generally entitled to set air fares freely as a consequence of EU regulations introduced in 1993 as part of a package of measures designed to liberalize the market for air transportation services within the EU. However, EU Member States may intervene to stop further fare reductions on a route or group of routes where market forces have led to a sustained downward movement in fares deviating from seasonal norms and resulting in widespread losses among all carriers on the routes concerned. In addition, certain European nations outside the EU could reserve the right to set minimum fares. Such factors could adversely affect Ryanair's ability to set its own fares freely on its new routes in such markets.

To the extent Ryanair may be unable to expand its route system successfully, its future revenue and earnings growth will be limited.

The Company's Growth Is Dependent on Its Access to Airports, and Charges for Airport Access Are Subject to Increase

Airline traffic at certain European airports is regulated by a system of "grandfather" rights in relation to "slot" allocations. Each slot represents authorization to take-off and land at the particular airport during a specified time period. Among Ryanair's bases of operations, Dublin, Shannon, London Luton, Glasgow Prestwick, Brussels (Charleroi) and Frankfurt (Hahn) airports currently have no slot allocations. Nevertheless, traffic at seven of the airports Ryanair serves, London Gatwick, Manchester, Turin, Milan (Bergamo), Rome Ciampino, Eindhoven and London Stansted (Ryanair's other base), is currently regulated through slot allocations. Applicable EU regulations currently prohibit the buying or selling of slots for cash, and there is no assurance that Ryanair will be able to obtain a sufficient number of slots at slot-controlled airports that it may wish to serve in the future at the time it needs them or on acceptable terms. There can also be no assurance that its non-slot bases or the other airports Ryanair serves will continue to operate without slot allocations in the future. See "Item 4. Information on the Company—Government Regulation—Slots."

Airports also may impose other operating restrictions such as curfews, limits on aircraft noise levels, mandatory flight paths, runway restrictions and limits on number of average daily departures. Such restrictions may limit the ability of Ryanair to provide service to or increase service at such airports.

Ryanair's future growth is materially dependent on its ability to access suitable airports located in its targeted geographic markets at costs that are consistent with Ryanair's low-fares strategy. See "Item 4. Information on the Company—Airport Operations—Airport Charges." Any condition that would deny, limit or delay Ryanair's access to airports it serves or seeks to serve in the future would constrain Ryanair's ability to grow. A change in the terms of Ryanair's access to these facilities or any increase in the relevant charges paid by Ryanair as a result of the expiration or termination of such arrangements and Ryanair's failure to renegotiate comparable terms or rates could have a material adverse effect on the Company's financial condition and results of operations.

Ryanair's operations are principally based at Dublin, London Stansted, Shannon, London Luton, Glasgow Prestwick, Brussels (Charleroi) and Frankfurt (Hahn) airports. There can be no assurance that these airports will not impose higher airport charges in the future or that any such increases would not adversely affect Ryanair's operations. In 1999, Aer Rianta, the Irish government authority charged with operating Ireland's major airports, announced that it planned to phase out landing fee discounts granted to certain airlines that operate out of Dublin Airport, including Ryanair. In response to the announcement, Ryanair cancelled plans to launch five new routes to continental Europe from Dublin and proposed a plan that would result in reduced landing fees and would have the Company guarantee a substantial increase in long-term passenger volume. This plan was rejected by Aer Rianta. In February 2001, the Irish Government established a Commission for Aviation Regulation that is now responsible for regulating charges at Dublin, Cork and Shannon airports. In August 2001, the commission issued a report setting charges which are to remain in effect until September 2006. Current base charges are approximately 5% lower than the charges previously in effect, although an escalation mechanism provides that the charges will increase in line with inflation in Ireland. See "Item 4. Information on the Company—Government Regulation."

In May 2002, a new minister was appointed to lead the Department of Transport in Ireland following the general election. The minister has completed a review of Ireland's airport facilities and recently requested proposals from interested parties for the development of new terminals and piers at Dublin Airport. Ryanair is currently preparing such a proposal for the government, as are other parties. Management expects that its proposal, if accepted and implemented, would either involve Ryanair building and operating a terminal and pier at Dublin Airport itself or it becoming the "anchor tenant" for terminal built by another consortium. Although the cost to Ryanair of such a role in the development of any such facilities cannot be determined at this time, any such project could require substantial capital expenditures, as well as significant additional costs in relation to the maintenance and operation of the terminal and pier.

The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry

The terrorist attacks on the United States on September 11, 2001, in which four commercial aircraft were hijacked, with two being flown into the World Trade Center in New York, another being flown into the Pentagon in the Washington D.C. area and the fourth crashing in Western Pennsylvania, had a severe negative impact on the international airline industry, particularly on U.S. carriers and carriers operating international service to and from the U.S. All airline traffic in the U.S. was suspended for several days following the attacks, and a number of major airports were closed for an extended period of time in order to review and enhance security measures. Airline traffic in the U.S. fell precipitously in the period immediately following the attacks, with most major airlines reporting dramatic declines in load factors notwithstanding significant reductions in capacity introduced in the wake of the attacks. In connection with these reductions in capacity, U.S. airlines laid off tens of thousands of workers, and US Airways, Inc. and a handful of smaller carriers have sought bankruptcy protection and/or suspended operations completely. Non-U.S. carriers with significant U.S. operations, including British Airways plc ("British Airways") and Virgin Atlantic plc ("Virgin Atlantic"), have also suffered significant losses and laid off thousands of workers.

Although carriers such as Ryanair that operate exclusively in Europe have largely been spared from such material adverse impacts on their businesses, the cost to all commercial airlines of insurance coverage for certain third party liabilities arising from "acts of war" or terrorism has increased dramatically since the 2001 attacks. Although Ryanair has passed on the increased insurance costs to passengers by means of a special "insurance levy" on each ticket, there can be no assurance that it will continue to be successful in doing so. In response to the dramatic drop in revenue and expected increases in costs, airlines in the U.S. and certain European carriers with significant U.S. operations have sought, and in certain cases, already received, governmental assistance in the form of financial aid, although Ryanair has not received any such aid.

Ryanair does not fly to the U.S., and although it experienced a decline of approximately 10% in reservations in the week following the terrorist attacks, the number of flight bookings had returned to normal levels by the end of September 2001. Nonetheless, because a substantial portion of airline travel (both business and personal) is discretionary and because Ryanair is substantially dependent on discretionary air travel, any prolonged general reduction in airline passenger traffic may adversely affect the Company. Similarly, any significant increase in expenses related to security, insurance or related costs could have a material adverse effect on the Company. Any further terrorist attacks in the U.S., or particularly in Europe, any significant military response by the U.S. and any allies (including, without limitation, any attack on Iraq) or any related economic downturn would be likely to have a material adverse effect on demand for air travel and thus on Ryanair's business, operating results and financial condition.

Ryanair's Industry Is Highly Competitive

The level of competition among airlines is high. Airlines compete primarily with respect to fare levels, frequency and dependability of service, name recognition, passenger amenities (such as access to frequent flyer programs) and the availability and convenience of other passenger services. In addition, unlike Ryanair, certain of Ryanair's principal actual and potential competitors are state-owned or controlled flag carriers and may have greater name recognition and resources and may have received or may receive in the future significant amounts of subsidies and other state aid from their respective governments. See "Item 4. Information on the Company—Government Regulation—Regulation of Competition." Management expects further competition from start-up low-fares airlines (including Buzz, the low-fare subsidiary of KLM Royal Dutch Airlines ("KLM"), and other carriers formed by or affiliated with other major airlines) that may be formed to compete in the low-fares segment of the market as a result of continuing liberalization of the EU air transport market. Competition has led to a general reduction in the level of air fares in certain market segments of the industry in the EU, and Ryanair expects to face substantial competition from established and new carriers, possibly including other low-fares carriers operating in the Ireland-U.K. market.

The airline industry is highly susceptible to price discounting, in part because airlines incur very low marginal costs for providing service to passengers occupying otherwise unsold seats. Since Ryanair began to restructure its operations in the early 1990s, a number of its competitors have inaugurated or increased the frequency of their service on routes that Ryanair currently operates or may operate in the future. From time to time, certain of these competitors have substantially reduced fares in an apparent attempt to match or compete with the fares charged by Ryanair. There can be no assurance that competitors will not continue to undercut Ryanair's fares in the future or increase capacity on competing routes in an effort to increase their respective market shares.

Although Ryanair intends to compete vigorously and to assert its rights against any predatory conduct, such activity by other airlines could reduce the level of fares or passenger traffic on its routes to the point where profitable levels of operations could not be achieved. Due to Ryanair's smaller size and reduced financial resources compared to some of its competitors, it may be less able to withstand aggressive marketing tactics or fare wars engaged in by competitors should such conditions exist. Furthermore, if Ryanair were to achieve a dominant position on any route it operates, it would be prevented, by virtue of EU competition law, from setting fares at a level below the cost of providing the relevant service.

In addition to traditional competition among airline companies, the industry faces competition from ground and sea transportation alternatives and may also be subject to new forms of competition in the future such as video teleconferencing and other methods of electronic communication that may add a new dimension of competition to the industry as businesses and recreational travelers seek lower-cost substitutes for air travel.

The Company Is Dependent on the Ireland-U.K. Market

For the fiscal years ended March 31, 2001 and 2002, passengers on Ryanair's routes between Ireland and the U.K. accounted for 50.1% and 43.8% of total passenger revenues, with Dublin and London accounting for approximately 21.3% and 17.4%, respectively, of total passenger revenues, and the Dublin-London Stansted route alone accounting for approximately 11.9% and 9.7%, respectively, of such total. Ryanair's business would be adversely affected by any circumstance causing a reduction in general demand for air transportation services in Ireland or the U.K., including, but not limited to, adverse changes in local economic conditions, political disruptions or violence (including terrorism) or significant price increases linked to increases in airport access costs or taxes imposed on air passengers. In addition, so long as the Company's operations remain dependent on routes between Ireland and the U.K., the Company's future operations and growth will be adversely affected if this market does not grow and by increased competition in this market. See "Item 4. Information on the Company—Industry Overview—Ireland-U.K. Market."

Labor Relations Could Expose the Company to Risk

A variety of factors, including, but not limited to, the Company's recent profitability, may make it more difficult to maintain its current base salary levels and current employee compensation arrangements. Consequently, there can be no assurance that Ryanair's existing employee compensation arrangements may not be subject to change or modification at any time.

Although Ryanair currently consults with groups of employees, including its pilots, through "Employee Representation Committees," regarding work practices and conditions of employment, it does not conduct formal binding negotiations with collective bargaining units, as is the case at many other airlines.

Ryanair considers its relationship with its employees to be good. However, from January 9 to March 9, 1998, 39 of Ryanair's ground-handling employees participated in industrial action with respect to terms and conditions of their employment. Although the action did not have a material effect on Ryanair's ability to fulfill its flight schedules or on its results of operations or financial condition, a secondary action on the weekend of March 7 and 8, 1998 by members of the Service, Industrial, Professional and Technical Union ("SIPTU") working for other airlines and airport service providers led to the closure of Dublin Airport for certain periods. As part of a government-sponsored arrangement to end the secondary action, Ryanair agreed to cooperate with a governmental inquiry into the facts of the dispute and the reasons for the closure of the airport. The governmental inquiry report, which was issued in July 1998, was critical of the actions of both Ryanair and SIPTU during the dispute. Management believes that the dispute and related governmental and judicial action will not have any impact on Ryanair's policy of not conducting formal binding negotiations with collective bargaining units or on the public's perception of the Company generally.

In the United Kingdom, the British Airline Pilots Association ("BALPA") recently sought to represent Ryanair's U.K. based pilots in their negotiations with the company. A legally-required ballot of the pilots conducted by the Central Arbitration Committee in September 2001 resulted in only 18% of those eligible to vote opting for formal recognition of BALPA, well below the required 51% threshold for recognition of the union. Under applicable U.K. labor legislation, BALPA cannot reapply for recognition at Ryanair until October 2004.

If any of these events were to alter Ryanair's historical experience of flexibility in dealing with employees or were to alter the public's perception of Ryanair generally, it could have a material adverse effect on the Company's business, operating results and financial condition. See "Item 6. Directors, Senior Management and Employees—Employees and Labor Relations."

The Company Is Dependent on Key Personnel

The Company's success depends to a significant extent upon the efforts and abilities of its senior management team, including Michael O'Leary, the Chief Executive of Ryanair, and key financial, commercial, operating and maintenance personnel. Mr. O'Leary's current contract may be terminated by either party upon twelve months notice. See "Item 6. Directors, Senior Management and Employees—Compensation of Directors and Senior Management—Employment Agreements." The Company's success also depends on the ability of its executive officers and other members of senior management to operate and manage effectively both independently and as a group. Although the Company's employment agreement with Mr. O'Leary and its employment agreements with each of its other seven senior executives contain non-competition and non-disclosure provisions, there can be no assurance that these provisions will be enforceable in whole or in part. Competition for highly qualified personnel is intense, and the loss of any executive officer, senior manager or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect upon the Company's business, operating results and financial condition.

Safety-Related Undertakings Could Affect the Company's Results

Aviation authorities in Europe and the United States periodically require or suggest that airlines implement certain safety-related procedures on their aircraft. In recent years, the U.S. Federal Aviation Administration (the "FAA") has required a number of such procedures with regard to Boeing 737 aircraft, including checks of rear pressure bulkheads and flight control modules, redesign of the rudder control system and limitations on certain operating procedures. Ryanair's policy is to implement any such required procedures in accordance with FAA guidance, and to perform such procedures in close collaboration with Boeing. To date, all such procedures have been conducted as part of Ryanair's standard maintenance program and have not interrupted flight schedules or required any material increases in Ryanair's maintenance expenses. However, there can be no assurance that the FAA, or other regulatory authorities, will not recommend or require other safety-related undertakings or that such undertakings would not adversely impact the Company's results of operations or financial condition.

The Company Faces the Risk of Loss and Liability

Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve not only repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service, but also significant potential claims of injured passengers and others. Ryanair currently maintains passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, insurance for pilots' loss of license and other business insurance in amounts per occurrence that is consistent with industry standards. Although Ryanair currently believes its insurance coverage is adequate, there can be no assurance that the amount of such coverage will not need to be increased, that insurance premiums will not increase significantly or that Ryanair will not be forced to bear substantial losses from accidents. Airline insurance costs increased dramatically following the September 2001 terrorist attacks on the United States. See "—The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry." Substantial claims resulting from an accident in excess of related insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. Moreover, any aircraft accident, even if fully insured, could cause a public perception that Ryanair's aircraft are less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair's business.

EC Council Regulation No. 2027/97 on air carrier liability in the event of accidents came into force on October 17, 1998. This regulation removes certain monetary limits on the liability of an air carrier in the event of death or bodily injuries suffered by passengers which are in effect by virtue of the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air. This regulation also limits the ability of an air carrier to rely on certain defenses in an action for damages, which would otherwise have been available to it at law. The potential exposure of air carriers, such as Ryanair, has therefore been increased and, although Ryanair has extended its liability insurance accordingly to meet the requirements of the new regulation, no assurance can be given that other laws, regulations or policies will not be applied, modified or amended in a manner that has a material adverse effect on the Company's financial condition or results of operations.

The Company Is Dependent on the Continued Acceptance of Low-Fares Airlines

In past years, accidents or other safety-related incidents involving certain low-fares airlines have had a negative impact on the public's acceptance of those airlines. Any adverse event potentially relating to the safety or reliability of low-fares airlines (including accidents or negative reports from regulatory authorities) could adversely impact the public's perception of, and confidence in, airlines like Ryanair and could have a material adverse effect on the Company's financial condition and results of operations.

The Company's Results of Operations Can Fluctuate Significantly

The Company's results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. Among the factors causing these variations are the airline industry's sensitivity to general economic conditions and the seasonal nature of air travel. Because a substantial portion of airline travel (both business and personal) is discretionary, the industry tends to experience adverse financial results during general economic downturns. Any prolonged general reduction in airline passenger traffic may adversely affect the Company, particularly since it is substantially dependent on discretionary air travel. In addition, the airline industry tends to be seasonal in nature. Historically, Ryanair has experienced its lowest load factors and yields for the year in January and February. As a result, the Company's operating revenues and profit before taxation have generally been significantly lower in the last quarter of a fiscal year ended March 31 than in the other quarters thereof.

The trading price of Ryanair Holdings' Ordinary Shares and ADSs may be subject to wide fluctuations in response to quarterly variations in the Company's operating results and operating results of other airlines. In addition, the global stock markets from time to time experience extreme price and volume fluctuations that affect the market prices of many airline company stocks. These broad market fluctuations may adversely affect the market price of the Ordinary Shares and ADSs.

The Company Is Dependent on Third Party Service Providers

Ryanair contracts with outside maintenance providers for heavy maintenance services. Ryanair currently contracts its heavy airframe maintenance overhauls, engine overhauls and "rotable" repairs to contractors approved under the terms of Joint Aviation Requirement ("JAR") 145, the European airline industry standard for maintenance. See "Item 4. Information on the Company—Maintenance and Repairs—Heavy Maintenance."

The loss or expiration of these or any other of Ryanair's third party service contracts or any inability to renew them or negotiate replacement contracts with other service providers at comparable rates could have a material adverse effect on the Company's results of operations. Ryanair will need to enter into similar agreements in any new markets it enters, and there can be no assurance that it will be able to obtain the necessary facilities and services at competitive rates in new markets. In addition, although Ryanair seeks to monitor the performance of third parties that provide passenger and aircraft handling services, the efficiency, timeliness and quality of contract performance by third party providers are largely beyond Ryanair's direct control. Ryanair expects to be dependent on such third party arrangements for the foreseeable future.

Changes in Fuel Costs and Fuel Availability Affect the Company's Results

Jet fuel costs have been subject to wide fluctuations as a result of sudden disruptions in global supply and continued to exhibit substantial volatility in the fiscal years ended March 31, 2001 and 2002. As international prices for jet fuel are denominated in U.S. dollars, Ryanair's fuel costs are also subject to certain exchange rate risks.

Ryanair's 21 737-200A aircraft are generally less fuel efficient than newer aircraft used by many of Ryanair's competitors. A significant increase in the price of jet fuel would therefore result in a higher percentage increase in Ryanair's average overall operating costs than those of its competitors that use more fuel efficient aircraft. See "Item 4. Information on the Company—Fuel." Ryanair's new Boeing 737-800 "next generation" aircraft burn fuel at an hourly rate that is comparable to that of the Boeing 737-200As. However, as the 737-800s are configured to have 45% more seats (189 seats as compared to 130 in the 737-200As), the fuel burn per hour for the new aircraft on a per seat basis has been approximately 31% lower than that for the 737-200A fleet to date. Nonetheless, there can be no assurance that this reduction in fuel burn per hour on a per seat basis will translate into a reduction in fuel costs on a per seat basis, as Ryanair's cost of fuel varies with fluctuations in both world fuel prices and the conversion rate between the U.S. dollar and the euro. See "Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2002 Compared with Fiscal Year 2001—Fuel and Oil."

Both the cost and availability of fuel are subject to many economic and political factors and events occurring throughout the world that Ryanair can neither control nor accurately predict. Substantial price increases, adverse exchange rates or the unavailability of adequate supplies, including, without limitation, any such events resulting from significant military action or prolonged hostilities in the Middle East or other oil-producing regions, could have a material adverse effect on Ryanair's profitability. In the event of a fuel shortage resulting from a disruption of oil imports or otherwise, higher fuel prices or curtailment of scheduled service could result. Ryanair has entered into limited arrangements providing for protection against fluctuations in fuel prices and exchange rates, but there can be no assurance that such agreements will be adequate to protect Ryanair from significant increases in the price of fuel in the near or longer term. Ryanair has not otherwise entered into agreements to guarantee its supply of fuel. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Fuel Price Exposure and Hedging."

Based upon Ryanair's fuel consumption for the fiscal year ended March 31, 2002, a change of one U.S. cent in the average annual price per gallon of aviation fuel would have caused a change of approximately €1.05 million in the Company's annual fuel costs. Ryanair's fuel costs in the fiscal year ended March 31, 2002, after giving effect to the Company's fuel hedging activities, increased by approximately 64% over the comparable period ended March 31, 2001, primarily due to an increase in the dollar-denominated cost of fuel and the increase in the number of sectors flown and the average sector length as a result of the expansion of Ryanair's fleet and route network. Because of Ryanair's low-fares policy, its ability to pass on increased fuel costs to passengers through increased fares or otherwise may be limited. Moreover, the anticipated substantial expansion of Ryanair's fleet will result in a substantial increase, in absolute terms, in Ryanair's aggregate fuel costs.

The Company Faces Risks Related to Its Reservations Operations

In 1996, Ryanair transferred its reservations operation from two locations in London and Dublin to a single new facility in Dublin operated by its Ryanair.com Limited subsidiary. See "Item 4. Information on the Company—Reservations/Ryanair.com." The single center exposes Ryanair to the risks of system breakdowns, damage to, or the loss of, its reservations center and other events which could materially affect Ryanair's ability to process a portion of its passenger reservations and rapidly recover reservations information in the event of a system failure. As of September 2002, in excess of 90% of Ryanair's daily flight reservations were made through its website. Although the Company has established a contingency program whereby the website is hosted in two separate locations, each of these locations accesses the same OpenSkies booking engine, located at the single center, in order to make reservations. Therefore, there can be no assurance that Ryanair would not suffer a significant loss of reservations in the event of a breakdown of such system, which in turn could have a material adverse affect on the Company's financial condition or results of operations.

Ryanair is Subject to Aircraft Maintenance Requirements and the Risks of Aircraft Reliability

As 21 out of 44 of Ryanair's aircraft are 737-200A aircraft that were manufactured between 1980 and 1983, it is likely that they will require greater maintenance expenditures than would a newer fleet. The average age of Ryanair's fleet of owned 737-200A aircraft at March 31, 2002 (in other words, not including the 23 new 737-800 aircraft that are now in the fleet) was approximately 21 years. A number of Ryanair's current or potential competitors own fleets of aircraft with a lower average age. In general, the cost of maintaining or operating aging aircraft exceeds that of maintaining or operating newer aircraft. Ryanair's maintenance expense assumptions are based upon historical experience and current requirements to comply with existing regulations. In addition, there can be no assurance that Ryanair's new 737-800 aircraft will not cause the Company to incur significant maintenance or other operating costs. There also can be no assurance that new regulations will not be implemented in the future that would apply to Ryanair's aircraft and result in an increase in Ryanair's cost of maintenance beyond management's current estimates. In addition, should Ryanair's aircraft cease to be sufficiently reliable or should any public perception develop that Ryanair's aircraft are less than completely reliable, the Company's business could be materially adversely affected. See "Item 4. Information on the Company—Maintenance and Repairs."

Currency Fluctuations Affect the Company's Results

Although the Company is headquartered in Ireland, a significant portion of its operations is conducted in the U.K. Consequently, the Company has operating revenues and operating expenses, as well as assets and liabilities, denominated in currencies other than the euro; for example, fuel costs and debt service obligations are denominated in U.S. dollars and U.K.-related revenues and expenses are denominated in sterling. The Company's results of operations and financial condition can therefore be significantly affected by fluctuations in the respective values of those currencies. Ryanair's operations can be subject to significant direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs (particularly those related to fuel purchases) is incurred in U.S. dollars, while none of its revenues are denominated in U.S. dollars. Although the Company engages in foreign currency hedging transactions between the euro and the U.S. dollar, between the euro and sterling, and between sterling and the U.S. dollar, hedging activities cannot be expected to eliminate currency risks. See "Item 11. Quantitative and Qualitative Discussion About Market Risk."

The Airline Industry Yields Low Margins of Return

The airline industry is characterized by high fixed costs and revenues that generally exhibit substantially greater elasticity than costs. The operating costs of each flight do not vary significantly with the number of passengers flown and, therefore, a relatively small change in the number of passengers or in fare pricing or traffic mix could have a disproportionate effect on operating and financial results. Accordingly, a relatively minor shortfall from expected revenue levels could have a material adverse effect on the Company's growth or financial performance. See "Item 5. Operating and Financial Review and Prospects." The very low marginal costs incurred for providing services to passengers occupying otherwise unsold seats are also a factor in the industry's high susceptibility to price discounting. See "—Ryanair's Industry Is Highly Competitive."

The Company Benefits from the Availability of Government Incentives

Ryanair.com Limited ("Ryanair.com"), a wholly-owned subsidiary of Ryanair, has incurred capital expenditures of approximately €3.8 million in connection with its Dublin reservations center. Part of the expenditure was financed with job-creation incentive grants from Forbairt Limited ("Forbairt"), a state agency charged with promoting the development of Irish enterprise. See “Item 4. Information on the Company—Reservations/Ryanair.com.”

Ryanair.com also benefits from a corporate tax rate of 10% that is available under Irish tax law for corporations that operate international data processing services in Ireland and that have been provided with employment grants by the Irish Development Authority. See “Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2002 Compared with Fiscal Year 2001—Taxation.”

There can be no assurance that Ryanair will continue to qualify for such government benefits or that current legislation will not be amended to deny such benefits in the future.

Holders of Ordinary Shares are Currently Unable to Convert those Shares into American Depository Shares

In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed The Bank of New York, the depositary for its ADS program, to suspend the issuance of new ADSs in exchange for the deposit of Ordinary Shares until further notice to its shareholders. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADSs during such suspension, and there can be no assurance that the suspension will ever be lifted. See also “EU Rules Impose Restrictions on the Ownership of Ryanair Holdings’ Ordinary Shares by Non-EU nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals” above.

Ryanair Holdings Does Not Intend to Pay Dividends

Since its organization as the holding company for Ryanair in 1996, Ryanair Holdings has not declared or paid dividends on its Ordinary Shares. Ryanair Holdings anticipates, for the foreseeable future, that it will retain any future earnings in order to fund the business operations of the Company, including the acquisition of additional aircraft needed for Ryanair’s planned entry into new markets and its expansion of its existing service, as well as replacement aircraft for its current fleet. Ryanair Holdings does not, therefore, anticipate paying any cash or share dividends on its Ordinary Shares in the foreseeable future. As a holding company, Ryanair Holdings does not have any material assets other than interests in the shares of Ryanair. See “Item 8. Financial Information—Other Financial Information—Dividend Policy.”

Future Sales of Ordinary Shares Could Depress Ryanair Holdings’ Stock Price

Sales of substantial amounts of ADSs or Ordinary Shares (including Ordinary Shares issued upon the exercise of stock options) in the public market, or the perception that such sales could occur, could adversely affect the prevailing market price of the ADSs and the Ordinary Shares or the Company’s ability to raise capital though a public offering of our equity securities.

The Company seeks to attract and retain employees in part by offering its employees stock options and other rights to purchase Ordinary Shares, which vest over time. As of March 31, 2002, a total of 20,936,631 options to purchase an equal number of Ordinary Shares were outstanding. Of this total, 220,332 options are currently exercisable, 14,870,283 options become exercisable on June 30, 2003, and the balance become exercisable on June 30, 2005. Future grants of stock options under the Company’s existing plans are made at the discretion of the Board of Directors of Ryanair Holdings and can only be considered by the Board if the Company meets certain financial performance targets. The issuance of Ordinary Shares for such purposes may have the effect of reducing the percentage ownership in Ryanair

Holdings of the then existing stockholders. See “Item 10. Additional Information. Options to Purchase Securities from Registrant or Subsidiaries.”

Item 4. ***Information on the Company***

INTRODUCTION

The Company operates a low-fares scheduled passenger airline serving short-haul, point-to-point routes primarily between Ireland and the U.K. In operation since 1985, the Company began to introduce a low cost operating model under a new management team in the early 1990s. See “Item 5. Operating and Financial Review and Prospects—History.” At September 30, 2002, with its fleet of 44 aircraft, including 21 Boeing 737-200A jet aircraft and 23 new Boeing 737-800 “next generation” aircraft, the Company offered approximately 300 scheduled short-haul flights per day serving 11 locations in England, five locations in Ireland, two locations in Scotland, one in each of Wales and Northern Ireland and 34 locations in continental Europe.

In April 2001, Ryanair launched service from London Stansted to Brussels (Charleroi) in Belgium, Stockholm (Västerås) and Gothenburg in Sweden, Salzburg in Austria, Esbjerg in Denmark and Pescara and Trieste in Italy, as well as introducing a service from Glasgow (Prestwick) and Shannon to Brussels (Charleroi) and service from Brussels (Charleroi) to Toulouse (Carcassonne) in France and Pisa and Venice (Treviso) in Italy. In August and November 2001, Ryanair launched service from Dublin to Edinburgh and from London Stansted to Bologna (Forli) in Italy. In February and March 2002, Ryanair launched service from Frankfurt (Hahn) to Bournemouth in the U.K., Milan (Bergamo), Pescara and Pisa in Italy, Montpellier and Perpignan in France and Oslo (Torp) in Norway. Between April and June 2002, Ryanair launched service from London Stansted to Newquay in the U.K., Friedrichshafen in Germany, Rome Ciampino and Milan (Bergamo) in Italy, Montpellier in France, Eindhoven in the Netherlands, and Graz and Klagenfurt in Austria. Service was also launched in April 2002 from Dublin to Aberdeen in Scotland, and from Glasgow (Prestwick) to Oslo (Torp) in Norway, and from Brussels (Charleroi) to Liverpool in the U.K. and Rome Ciampino in Italy in June 2002. To help serve its existing network and provide capacity for additional routes to be launched in the future, Ryanair expects to expand its fleet to approximately 54 aircraft by taking delivery of 10 additional Boeing 737-800 aircraft during the period from December 2002 through February 2003, and to increase its fleet to a minimum of 131 Boeing 737-800 aircraft by December 2008.

Offering widely-available low fares, Ryanair carried more than 9.7 million passengers during calendar year 2001. On the basis of the U.K. Airports Annual Statement of Movements, Passengers and Cargo (the “CAA Statistics”) published by the Civil Aviation Authority of the U.K. (the “CAA”), in calendar year 2001, Ryanair had the leading market share (in terms of passenger volume) on most of its scheduled routes between Ireland and provincial cities in the U.K. and carried approximately 36% of all scheduled passenger traffic between Dublin and London, a share comparable to that of Aer Lingus plc (“Aer Lingus”), its primary competitor. Ryanair has also achieved competitive market share results on the routes it launched to continental Europe from the dates it began service on these routes.

By generating an average scheduled passenger load factor of approximately 75% and average scheduled passenger yield of €0.091 per available seat mile (“ASM”) and focusing on maintaining low operating costs (€0.071 per ASM), Ryanair achieved an Adjusted EBITDA Margin of approximately 36% on operating revenues of €624 million for the fiscal year ended March 31, 2002. See “Item 5. Operating and Financial Review and Prospects” and “Glossary.”

The market’s acceptance of Ryanair’s low-fares service is reflected in the “Ryanair Effect” — Ryanair’s history of stimulating significant growth in annual passenger traffic on the new routes it has entered since 1991. On the basis of the CAA Statistics and statistics released by the International Civil Aviation Organization (the "ICAO"), the number of scheduled airline passengers traveling between Dublin and London increased from approximately 1.7 million passengers in 1991 to more than 4 million passengers in 2001. On the basis of the CAA Statistics, each international route Ryanair has entered since 1991 has recorded significant traffic growth in the period following Ryanair's commencement of service, with Ryanair capturing the largest portion of such growth on each such route. Although a variety of factors contributed to this increase in air passenger traffic, including the relative strength of the Irish, U.K. and European economies and, with respect to routes between Ireland and the U.K., the large Irish population in the U.K., management believes that the most significant factor across all its European routes in such growth has been Ryanair's low-fares service.

Ryanair Holdings' registered office is located c/o Ryanair Limited, Corporate Head Office, Dublin Airport, County Dublin, Ireland. The general telephone number is +353-1-812-1212. Under its current Articles of Association, Ryanair Holdings has an unlimited corporate duration.

STRATEGY

Ryanair's objective is to firmly establish itself as Europe's leading low-fares scheduled passenger airline through continued improvements and expanded offerings of its low-fares service. Ryanair aims to offer low fares that generate increased passenger traffic while maintaining a continuous focus on cost-containment and operating efficiencies. The key elements of Ryanair's strategy are:

Low Fares. Ryanair's low fares are designed to stimulate demand, particularly from fare-conscious leisure and business travelers who might otherwise have used alternative forms of transportation or would not have traveled at all. In November 2001, Ryanair changed the way it sells seats on its flights from a return (round-trip) to a one-way basis, thus removing minimum stay requirements from all travel on Ryanair scheduled services, regardless of fare. Ryanair sets fares on the basis of the demand for particular flights, with higher fares charged on flights with higher levels of demand. Currently, Ryanair's average fare on the Dublin to London Stansted route, its largest in terms of passenger volume, is approximately €50 one-way, with fares ranging from €19.99 to €169.99, and occasional special offer fares as low as €9.99. Ryanair's competitors do not operate a one-way pricing policy, so direct comparison is not possible, but current fares on Aer Lingus, Ryanair's largest competitor on the London-Dublin route, are €85.94 for restricted return tickets, €245.74 for same/next day return and €525.74 for unrestricted return tickets. In September 2002, Ryanair launched a fare promotion offering a total of one million seats on certain routes for "free" (excluding government taxes and passenger service charges) for travel during the period between October 1 and December 17, 2002.

Frequent Point-to-Point Flights on Short-Haul Routes. Ryanair provides frequent point-to-point service on short-haul routes to secondary and regional airports in and around major population centers and travel destinations. In the fiscal year ended March 31, 2002, Ryanair flew an average of approximately 2.2 round-trips per route per day with an average route length of 442 miles and an average duration of approximately 1.1 hours. Short-haul routes allow Ryanair to offer frequent service, while eliminating the necessity to provide "frill" services otherwise expected by customers on longer flights. Point-to-point flying (as opposed to hub-and-spoke service) allows Ryanair to offer direct, non-stop routes and avoid the costs of providing through service for connecting passengers, including baggage transfer and transit passenger assistance costs.

In choosing its routes, Ryanair favors secondary airports with convenient transportation to major population centers and regional airports. Secondary and regional airports are generally less congested than major airports and, as a result, can be expected to provide higher rates of on-time departures, faster turnaround times (the time an aircraft spends at a gate loading and unloading passengers), fewer terminal delays and more competitive airport access and handling costs. Faster turnaround times are a key element in Ryanair's efforts to maximize aircraft utilization. Ryanair's average scheduled turnaround time for the fiscal year ended March 31, 2002 was approximately 25 minutes. Secondary and regional airports also generally do not maintain slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings.

Low Operating Costs. Management believes that Ryanair's operating costs are among the lowest of any European scheduled passenger airline. Ryanair strives to reduce or control four of the primary expenses involved in running a major scheduled airline: (i) aircraft equipment costs; (ii) personnel expenses; (iii) customer service costs; and (iv) airport access and handling costs:

Aircraft Equipment Costs. Ryanair's initial strategy for controlling aircraft acquisition costs was to purchase used aircraft of a single type. From 1991 to 1998, Ryanair purchased used Boeing 737-200A aircraft that were, at the date of purchase, between 11 and 17 years old (with an average age of 21 years at March 31, 2002). In the late 1990s, however, there was a significant reduction in the number of such used aircraft available for purchase in the market. Accordingly, in March 1998, Ryanair announced that it would take delivery from Boeing of 25 new Boeing 737-800 "next generation" aircraft between 1999 and 2003 and that it had acquired an option to purchase an additional 20 new 737-800s. Ryanair exercised the first three of these options in September 2000. On January 24, 2002, the company announced that it entered into an agreement with Boeing to purchase an additional 100 new Boeing 737-800 aircraft over a six-year period from December 2002 to December 2008 and had also acquired options to purchase up to an additional 50 such aircraft. In connection with the new contract, the unexercised options under the 1998 contract were cancelled. The 737-800s represent the latest generation of Boeing's 737 aircraft and share certain basic attributes in common with Ryanair's current fleet. Although Ryanair's acquisition of the 737-800s has already, and will continue to significantly increase the size of its fleet from that in 1998 and thus significantly increase its aircraft equipment and related costs (both on an aggregate and per plane basis), management believes that its strategy of limiting its fleet to two related aircraft types enables it to limit the costs associated with personnel training, maintenance and the purchase and storage of spare parts, as well as affording greater flexibility in the scheduling of crews and equipment. Management also believes that the terms of the new Boeing contract are very favorable to Ryanair.

Personnel Expenses. Ryanair endeavors to control its labor costs by continually improving the productivity of its highly-productive work force. Compensation for employees emphasizes productivity-based pay incentives, including commissions for on-board sales of merchandise for flight attendants and payments based on the number of hours or sectors flown by pilots and cabin crew personnel within limits set by industry standards or regulations fixing maximum working hours, as well as participation in Ryanair's stock option programs.

Customer Service Costs. Ryanair has entered into agreements on competitive terms with third party contractors at certain airports for passenger and aircraft handling, ticketing and other services that management believes can be more efficiently provided by third parties. Management attempts to obtain competitive rates for such services by negotiating multi-year contracts at prices that are fixed or subject only to periodic increases linked to inflation. The development of its own reservations center and internet booking facility has allowed Ryanair to eliminate travel agent commissions. For the fiscal year ended March 31, 2002, Ryanair generated 100% of its scheduled passenger revenues through direct sales, with direct telephone reservations and sales through Ryanair's website generating approximately 10% and approximately 90% of the total, respectively. In fiscal year 2001, direct sales had accounted for approximately 77% of scheduled passenger reservations.

Airport Access Fees. Ryanair attempts to control airport access and service charges by focusing on airports that offer competitive cost terms. Management believes that Ryanair's record of delivering a consistently high volume of passenger traffic growth at many of these airports has allowed it to negotiate favorable contracts with such airports for access to their facilities. Ryanair further endeavors to reduce its airport charges by opting, when practicable, for less expensive gate locations as well as outdoor boarding stairs rather than more expensive jetways.

Commitment to Safety and Quality Maintenance. Ryanair's commitment to safety is a primary priority of the Company and its management. This commitment begins with the hiring and training of Ryanair's pilots, cabin crews and maintenance personnel and includes a policy of maintaining its aircraft in accordance with the highest European airline industry standards. Ryanair has not had a single incident involving major injury to passengers or flight crew in its 18-year operating history. Although Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair's low cost operating strategy to the areas of safety, maintenance, training or quality assurance. Routine aircraft maintenance and repair services are performed at Dublin, London Stansted, London Luton, Glasgow Prestwick, Shannon, Brussels (Charleroi) and Frankfurt (Hahn) by Ryanair and, at other airports, by maintenance contractors approved under the terms of Joint Aviation Requirement ("JAR") 145, the European airline industry standard for maintenance. Ryanair currently contracts heavy airframe maintenance, engine overhaul services and rotable repairs to single contractors. These contractors also provide similar services to a number of other airlines, including British Airways and Aer Lingus. Ryanair assigns a JAR 145 certified mechanic to supervise heavy maintenance and authorize engine overhauls performed by third parties.

Enhancement of Operating Results through Ancillary Services. Ryanair offers a variety of ancillary, revenue-generating services in conjunction with its core transportation service, including on-board merchandise, beverage and food sales, charter flights, cargo services, accommodation reservation services, advertising, travel insurance, car rentals and rail and bus tickets. Ryanair distributes car rentals, accommodation services and travel insurance through both its website and its traditional telephone reservation offices. Management believes that providing these services through the internet allows Ryanair to increase sales, while at the same time reducing costs on a per unit basis.

Ryanair also makes available the exterior of its planes for paid advertising purposes, whereby a corporate sponsor pays Ryanair for the right to paint one of its aircraft with the sponsor's name and logos for a specified period. For the fiscal year ended March 31, 2002, ancillary services accounted for 11.7% of Ryanair's total operating revenues, as compared to 11.2% of such revenues in the fiscal year ended March 31, 2001. The increase reflected higher revenues from car rentals, other ancillary products and services (including advertising) provided through the Ryanair.com website.

Focused Criteria for Growth. Building on its success in the Ireland-U.K. market and its expansion of service to continental Europe, Ryanair intends to follow a manageable growth plan targeting specific markets. Ryanair introduced its first routes to Continental Europe in the spring of 1997 and now serves a total of 34 continental European destinations from Dublin, London Stansted, Glasgow Prestwick, Shannon, Brussels (Charleroi) and Frankfurt (Hahn). Over the same period, Ryanair added several new British and Irish destinations and increased the number of flights on certain of its routes.

The new routes and expanded services launched in 2001 increased Ryanair's scheduled passenger capacity by 30% during fiscal year 2002, and the new routes inaugurated earlier this year are expected to further increase seat capacity during fiscal year 2003 by approximately 30%, as compared with fiscal year

2002. Ryanair believes it will have opportunities for continued growth by: (i) initiating additional routes from the U.K. to other locations in continental Europe that are currently served by higher-cost, higher-fare carriers; (ii) increasing the frequency of service on its existing routes out of London, Glasgow Prestwick, Brussels (Charleroi) and Frankfurt (Hahn); (iii) starting new routes within the U.K.; (iv) considering possible acquisitions that may become available in the future; (v) landing at other airports within its existing route network ("triangulation"); and (vi) establishing more new bases in continental Europe.

Taking Advantage of the Internet. During January 2000, Ryanair converted its host reservation system from the BABS (British Airways Booking System) to a new system called Flightspeed, which it operates under a five year hosting agreement with Accenture Open Skies ("Open Skies"). Open Skies provides the reservations systems for most of the low-fares carriers in Europe and many of the smaller low-fares carriers in the United States. As part of the implementation of the new reservation system, Open Skies and Ryanair jointly developed an internet booking facility called Takeflight. The Takeflight system allows internet users to access Ryanair's host reservation system and to make and pay for confirmed reservations in real time through Ryanair's website, known as Ryanair.com.

Ryanair launched its Takeflight internet booking system in mid January 2000. Since that time it has heavily promoted its website through newspaper, radio and television advertising with the result that internet bookings have grown rapidly, accounting for in excess of 92% of all reservations on a daily basis as of September 2002.

INDUSTRY OVERVIEW

European Airline Market

The Western European air transport market has historically been subject to significant governmental regulation, encompassing both domestic regulations imposed by individual countries and rules enacted by the EU that apply throughout its territory. The EU commenced a program to reduce the level of regulation during the 1980s, followed by a package of liberalization measures substantially reducing the ability of individual EU Member States to restrict access to routes for air travel that were originally adopted in 1992. Since April 1997, EU carriers have been able to provide passenger service on domestic routes within individual EU Member States outside their home country of operation without restriction.

Partially as a result of this progressive movement towards deregulation, there has been a significant increase in the number of airlines providing scheduled passenger service in the EU over the course of the past decade. The prospects for additional market liberalization measures provided further impetus for new entrants, and management expects that other new carriers may be formed to capitalize on these opportunities. Notwithstanding the overall increase in the number of carriers, a large majority of the new entrants are quite small, although this may change, and the overall market has been volatile, with several of the new entrants ceasing operations. Among the major causes of their failure were the competitive responses from major airlines serving the same routes, including a number of sustained price wars, the difficulty the new entrants encountered in obtaining a sufficient number of slots at major airports at peak times and rapid, unmanageable expansion.

Air carriers operating in the intra-EU market generally have traditionally fallen into one of four principal categories: flag carriers, independent airlines, franchises of major airlines and charter operators. The flag carriers, which fly inter-continental routes as well as those within Western Europe, include both those that have traditionally been heavily dependent on aid from their respective governments (including Air France Group ("Air France"), Alitalia S.p.A. ("Alitalia"), Aer Lingus, and Iberia, S.A.) and "commercial" flag carriers such as British Airways, KLM, Scandinavian Airline System ("SAS") and

Lufthansa AG ("Lufthansa") that have operated with no or little state aid in recent years. The independent carriers include low-fares, carriers such as Ryanair, easyJet airline company ltd ("easyJet") (which recently acquired Go) and Buzz, a subsidiary of KLM, and carriers providing "frills" services more comparable to those of the flag carriers but at slightly lower fares than the flag carriers, such as British Midland Airways Ltd. ("British Midland"). Certain small carriers, including Virgin Express and Deutsche BA Luftfahrt GmbH (which easyJet now has an option to acquire), have become franchises of major airlines, sharing some ticketing and other distribution systems with the flag carriers. These franchises serve mainly regional routes where flag carriers cannot operate profitably due to their high overhead costs and serve to feed regional passengers to their flag carrier partners for interline service. For the flag carriers, franchises represent a possible means of competing with low-fares start-up carriers. Charter flight operators are significantly more established and more competitive in Europe than in the United States, with many charter operations being owned by major travel groups or commercial airlines. Charter operators currently account for a significant portion of total intra-EU annual passenger traffic and operate primarily on routes between northern and southern Europe, targeting mainly price-conscious leisure travelers.

Although the liberalization measures adopted by the EU were expected to reduce air fares and increase competition significantly, the European market continues to be characterized by higher operating costs per ASM than those with respect to scheduled passenger service in the United States. While active competition has increased with the launch of the low fare carriers, fares for scheduled passenger services on intra-EU routes continue to be generally higher than those on domestic U.S. routes of comparable distances. Management believes that the higher fares are the result of carriers passing on their higher costs to passengers and the lack of significant competition on some intra-EU routes. In addition, EU Member States may intervene to stop further fare reductions on a route or group of routes where market forces have led to a sustained downward movement in fares deviating from seasonal norms and resulting in widespread losses among all carriers on the routes concerned. Further, certain European nations outside the EU could reserve the right to set minimum fares. Although the number of promotional fares have increased and average fares have fallen on certain routes since the liberalization measures came into effect in 1993, substantial across-the-board reductions in air fares such as those that followed the deregulation of the air transport market in the United States in 1978 have not yet been experienced in Europe. In fact, a number of major carriers have recently announced plans to reduce seat capacity through the utilization of smaller aircraft and most are now planning to reduce fares on most routes.

Ireland-U.K. Market

The market for scheduled passenger air travel between Ireland and the U.K. can be divided into two principal segments, the Dublin-London route and the routes between Ireland and other locations in the U.K. outside of London.

Dublin-London Route. The Dublin-London route (including service from Dublin to each of Heathrow, Gatwick, Stansted, Luton and London City airports) is currently served by four carriers. Ryanair serves three London airports (Stansted, Gatwick and Luton), Aer Lingus serves three airports (Heathrow, Gatwick and London City) while British Midland and CityFlyer Express each serve one airport (Heathrow and Gatwick, respectively).

Before Ryanair entered the Dublin-London route in 1986, it was serviced only by British Airways and Aer Lingus. Management believes that Ryanair's introduction of competition based on low fares contributed to the significant growth in passenger volume and the heightened competition between airlines that has characterized the Dublin-London route since Ryanair first commenced service in 1986. British Midland entered the route in 1989 and British Airways withdrew in 1991, while CityFlyer Express and CityJet Limited (a former Virgin Atlantic franchise) entered the route in 1992 and 1994, respectively, with CityJet withdrawing in 2000. As a result of increased competition, the lowest available fares have declined while the route has experienced substantial annual traffic growth. In calendar year 2001, according to the CAA Statistics, annual traffic had risen to more than 4 million passengers.

*Ireland-U.K. Route*s. Prior to 1993, the market for air travel between Ireland and other locations in the U.K. was dominated by Aer Lingus. As with the London-Dublin route prior to Ryanair's entry, routes to provincial cities in the U.K. were generally characterized by high fares, service on small-capacity turboprop aircraft and slow traffic growth. Ryanair entered this market by launching low-fares service using jet aircraft between Dublin and Birmingham in 1993 and has since expanded its service to include 19 routes. See "—Route System, Scheduling and Fares—Route System and Scheduling" for a complete list of routes and the dates of their introduction. Since Ryanair's entry into these routes with jet aircraft service and low fares, each of the routes has experienced a significant reduction in fares and, according to the CAA Statistics, a significant increase in traffic growth. In each of these cases, Ryanair has captured a majority of this incremental growth, and, as a result, Ryanair is currently the market leader in terms of passenger volume on most of its routes between Ireland and provincial cities in the U.K.

For the fiscal years ended March 31, 2001 and 2002, passengers flown on Ryanair's routes between Dublin and London accounted for approximately 19.3% and 15.4%, respectively, of Ryanair's total passenger revenues, with the Dublin-London Stansted route alone accounting for approximately 10.9% and 8.8%, respectively, of such total. Ryanair's business would be adversely affected by any circumstance causing a reduction in general demand for air transportation services in Ireland or the U.K., including, but not limited to, adverse changes in local economic conditions, political disruptions or violence (including terrorism) or significant price increases linked to increases in airport access costs or taxes imposed on air passengers. In addition, so long as a significant proportion the Company's operations remain dependent upon routes between Ireland and the U.K., the Company's future operations and growth will be adversely affected if this market does not grow and by increased competition in this market. See "Item 3. Key Information—Risk Factors—The Company is Dependent on the Ireland—U.K. Market."

Service to Continental Europe

In 1997, Ryanair began service on new routes to four locations in continental Europe (Dublin to Paris (Beauvais) and Brussels (Charleroi), and London Stansted to Stockholm (Skavsta) and Oslo (Torp)). Since that time Ryanair has substantially expanded its continental European service and now serves a total of 34 routes. See "—Route System, Scheduling and Fares—Route System and Scheduling" for a complete list of routes and the dates of their introduction. In continental Europe, Ryanair recently established its first continental European bases at Brussels (Charleroi) and Frankfurt (Hahn). Ryanair currently competes with a number of flag carriers, including British Airways, Lufthansa, Air France, KLM and Alitalia, and a larger number of smaller carriers, including low fares airlines such as easyjet and Buzz, with the number and identity of its competitors varying according to the route flown.

ROUTE SYSTEM, SCHEDULING AND FARES

Route System and Scheduling

The following table lists each of the routes served by Ryanair and sets forth certain information with respect to Ryanair's route system based upon the flight schedule in effect at September 1, 2002:

Route served	Date service commenced	Round trip flights scheduled per day	Number of passengers flown in calendar year 2001 (in thousands)
Between Dublin Airport and:			
London Luton	January 1986	5	358
Liverpool	May 1988	3	169
London Stansted	November 1988	13	854
Birmingham	November 1993	3	240
Manchester	May 1994	5	326
Glasgow Prestwick	May 1994	3	205
London Gatwick	November 1994	4	303
Leeds/Bradford	May 1996	3	106
Bournemouth	May 1996	2	85
Cardiff	May 1996	1	69
Bristol	May 1997	2	180
Paris (Beauvais)	May 1997	4	244
Brussels (Charleroi)	May 1997	4	211
Teesside	November 1997	2	68
Edinburgh	August 2001	4	99
Aberdeen	April 2002	1	-
Between London Stansted Airport and:			
Knock	May 1991	2	145
Cork	October 1991	4	291
Glasgow Prestwick	May 1997	9	623
Stockholm (Skavsta)	June 1997	3	246
Kerry	June 1997	1	70
Oslo (Torp)	June 1997	3	135
Venice (Treviso)	May 1998	3	269
Lyon (St. Etienne)	May 1998	1	68
Pisa	June 1998	5	279
Rimini[1]	June 1998	-	33
Toulouse (Carcassonne)	June 1998	2	119
Frankfurt (Hahn)	April 1999	4	259
Biarritz	April 1999	2	109
Brittany (Dinard)	April 1999	1	65
Genoa	May 1999	2	153
Turin	July 1999	1	188
Ancona	July 1999	2	122
City of Derry	July 1999	2	129
Aarhus	September 1999	2	156
Shannon	April 2000	4	268
Hamburg (Lübeck)	June 2000	3	125
Nimes	June 2000	2	155
Perpignan	June 2000	1	99
Malmo	July 2000	2	175
Brescia	July 2000	2	187
Alghero (Sardinia)	July 2000	2	99
Brussels (Charleroi)	April 2001	4	152
Gothenburg	April 2001	2	82
Salzburg	April 2001	2	136
Esbjerg	April 2001	1	66

[1] Service to Rimini was discontinued in June 2001 after the airport initiated legal action to recover marketing support that it had previously paid and to retroactively increase airport charges.

Route served	Date service commenced	Round trip flights scheduled per day	Number of passengers flown in calendar year 2001 (in thousands)
London Stansted (cont.)			
Pescara	April 2001	1	69
Trieste	April 2001	1	73
Stockholm (Västerås)	April 2001	1	71
Bologna (Forli)	November 2001	1	-
Newquay	April 2002	1	-
Friedrichshafen	April 2002	1	-
Rome Ciampino	April 2002	3	-
Milan (Bergamo)	April 2002	2	-
Montpellier	April 2002	1	-
Eindhoven	April 2002	1	-
Graz	April 2002	1	-
Klagenfurt	April 2002	1	-
Between Glasgow Prestwick Airport and:			
Paris (Beauvais)	November 1998	2	128
Frankfurt (Hahn)	March 2000	1	66
Brussels (Charleroi)	April 2001	1	51
Oslo (Torp)	April 2002	1	-
Between Shannon Airport and:			
Frankfurt (Hahn)	May 2000	1	69
Brussels (Charleroi)	April 2001	1	52
Paris (Beauvais)	February 2002	1	-
Between Brussels (Charleroi) and:			
Toulouse (Carcassonne)	April 2001	1	80
Pisa	April 2001	2	90
Venice (Treviso)	April 2001	2	85
Liverpool	June 2002	1	-
Rome Ciampino	June 2002	1	-
Between Frankfurt (Hahn) and:			
Bournemouth	February 2002	1	-
Milan (Bergamo)	February 2002	2	-
Pescara	February 2002	1	-
Oslo (Torp)	February 2002	1	-
Montpellier	March 2002	1	-
Perpignan	March 2002	1	-
Pisa	March 2002	2	-

Management's objective is to schedule a sufficient number of flights per day on each route to satisfy demand for Ryanair's low-fares service. Ryanair schedules departures on its most popular routes at frequent intervals normally between approximately 6:30 a.m. and 11:00 p.m. During peak demand periods and periods with high advanced bookings, Ryanair attempts to increase seat capacity by increasing the number of flights with its existing aircraft. Management regularly reviews the need for adjustments in the number of flights on all of its routes.

Low and Widely-Available Fares

Ryanair offers low, multi-tier fare pricing, with prices generally varying depending on advance booking, seat availability and demand. In November 2001, Ryanair changed the way it sells seats on its flights from a return (round-trip) to a one-way basis, thus removing minimum stay requirements from all travel on Ryanair scheduled services, regardless of fare. All tickets can be changed subject to certain conditions, including payment of a fee and applicable upgrade charge, but are non-cancelable and non-refundable and must be paid for when the reservation is made.

Ryanair's discounted fares are "capacity controlled" in that Ryanair allocates a specific number of seats on each flight to each fare category to accommodate projected demand for seats at each fare level leading up to flight time. Ryanair generally makes its lowest fares widely available by endeavoring to allocate a majority of its seat inventory to its lowest fare categories. Management believes that its unrestricted fares as well as its advance purchase fares are attractive to both the business and the leisure traveler.

When launching a new route, Ryanair's policy is to price its lowest fare so that it will be significantly lower than other carriers' lowest fares, but still provide a satisfactory operating margin.

Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes, and endeavors to underprice attempts by its competitors to lower their fares on a particular route. Ryanair offers weekday one-way fares starting at €9.99 on many of its routes, and is offering lower-fare trips on certain routes from time to time. In September 2002, Ryanair launched a fare promotion with up to one million seats available for "free" (excluding government taxes and passenger service charges) for travel during the period between October 1 and December 17, 2002. Reservations for Ryanair's "every seat, every flight" promotions must be made during a limited period of time and are only available for travel during a specific period. Other promotional fares generally are available only for mid-week travel, for a limited period and for a limited number of seats per flight, and also require reservations in advance. Promotional fares may have the effect of reducing Ryanair's yield and passenger revenues on the relevant routes during the period they are in effect.

MARKETING AND ADVERTISING

Ryanair's primary marketing strategy is to emphasize its widely-available low fares. In doing so, Ryanair primarily advertises its services in national and regional newspapers in Ireland and the U.K., as well as on radio and television in those markets. In continental Europe, Ryanair advertises primarily through regional and national newspapers, as well as on radio, billboards and other local media. Currently, the slogan "Ryanair.com, the Low Fares Airline" is prominently featured in all of the airline's marketing to build its brand identity. Other marketing activities include the distribution of advertising and promotional material and cooperative advertising campaigns with other travel-related entities, including local tourist boards.

Ryanair generally runs special promotions in coordination with the inauguration of service into new markets. Starting approximately four to six weeks before the launch of a new route, Ryanair undertakes a major advertising campaign in the target market and local media and editorial attention frequently focuses on the introduction of Ryanair's low fares. Ryanair's sales teams also visit each area and target pubs, clubs, shopping malls, factories, offices and universities with a view to increasing consumer awareness of the new service.

RESERVATIONS/RYANAIR.COM

Passenger airlines generally rely on travel agents for a significant portion of their ticket sales and pay travel agents a commission for their services. Following the introduction of its website-based reservations program, Ryanair's reliance on travel agents has been eliminated.

In recent years, Ryanair has initiated significant changes in its reservations operations with the aim of improving direct contact between its customers and its own reservations center. In 1996, Ryanair transferred its reservations operation from two locations in London and Dublin to a single new facility in Dublin operated by its Ryanair Direct Limited subsidiary, and arranged for callers to be able to reach the center from anywhere in the U.K. for the price of a domestic call. To reflect Ryanair's increased focus on internet-based reservations, Ryanair Direct Limited changed its name to Rynanair.com Limited in 2000. For the fiscal year ended March 31, 2002, the percentage of Ryanair's passengers booked through the Dublin telephone reservations center was approximately 10%, as compared with 31% for the fiscal year ended March 31, 2001.

Ryanair has also entered into agreements with call center operators to provide foreign language reservations services to customers in France, Italy, Germany, the Netherlands and Scandinavia. Management believes that these companies will provide competitively priced reservation services in language other than English, which will in turn mean that Ryanair does not have to recruit and train foreign language speakers for its Dublin reservations center. Remuneration for these operators is based on the volume of confirmed reservations they produce, thus ensuring the operators are highly incentivized to maximize the bookings in their country.

In August 1999, Ryanair launched an internet-based reservation and ticketing service that allows passengers to access its reservations system through Ryanair's website at www.ryanair.com. Information included on Ryanair's website is not incorporated by reference into this Report. In January 2000, the system was enhanced and integrated with Ryanair's new Flightspeed reservations system. Passengers can now make reservations and purchase tickets directly through the website. The level of internet bookings has grown rapidly, accounting for approximately 92% of all daily reservations as of September 2002.

Ryanair currently uses Flightspeed from Open Skies to provide its core seat inventory and booking system. In return for access to these systems, Ryanair pays transaction fees that are generally based on the number of passenger seat journeys booked through such systems.

Management anticipates that the internet-based direct sales system will allow it to continue to benefit from substantially reduced distribution costs. However, Ryanair may incur additional costs in the promotion and advertising of Ryanair.com, and overall passenger revenues may also be negatively affected by discounted fares used to promote the internet site.

Ryanair.com currently benefits from a corporate tax rate of 10% that is available under Irish tax law for corporations that operate international data processing services in Ireland and that have been provided with employment grants by Forbairt, the Irish Development Authority. There can be no assurance, however, that Ryanair will continue to qualify for such government benefits or that current legislation will not be amended to deny such benefits in the future. See "Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2002 Compared with Fiscal Year 2001—Taxation."

Ryanair.com has incurred capital expenditures of approximately €3.8 million in connection with its Dublin reservations center. Part of the expenditure was financed with job-creation incentive grants from Forbairt. A portion of the Forbairt grant consists of an employment grant of €11,428 for each permanent full-time position created at the reservations center prior to March 31, 2001, up to a total of

€2.3 million. As of March 31, 2002, the total amount of grants claimed by Ryanair was €2.3 million. However, the employment grant given in respect of any full-time position may be revoked if the position becomes vacant and remains vacant for more than six months. The remainder of the grant consists of a capital grant of up to €508,000 or 45% of the actual expenditure on buildings, office facilities and equipment for the center, whichever is less. The disbursement of the capital grants is conditional upon Ryanair.com meeting certain performance criteria. As a condition to the grant, the amount paid to Ryanair.com by Forbairt must be matched by an investment of an equal amount in Ryanair.com by Ryanair Holdings or Ryanair.

Any disbursement of grants after March 31, 1997, is subject to Forbairt's being satisfied with the reservations center's overall performance. No scheduled grant has been withheld by Forbairt through the fiscal year ended March 31, 2002. In addition, if, among other events, Ryanair.com fails to meet certain performance criteria, breaches any provision of the grant agreement or becomes insolvent, the grants may be revoked in whole or in part and Ryanair Holdings, Ryanair and Ryanair.com could be jointly and severally obligated to repay all or a portion of the grants accordingly. In connection with the grant agreement, the Company granted Forbairt an option to purchase for their par value up to 5% of the issued shares of Ryanair.com; Ryanair terminated this option by making a payment of €690,458 to Forbairt in June 2002.

AIRCRAFT

As of September 30, 2002, Ryanair's owned fleet consisted of 21 Boeing 737-200A aircraft, each having 130 seats and 23 Boeing 737-800 "next generation" aircraft, each having 189 seats. Six of the Boeing 737-200A aircraft were acquired from Boeing Equipment in 1994, with five others acquired from various industry sources between 1994 and 1996. In November 1996 and March 1997, Ryanair entered into agreements to purchase a total of eight used Boeing 737-200A aircraft formerly operated by Lufthansa, which were delivered between December 1996 and January 1998. In July 1997, Ryanair acquired an additional used Boeing 737-200A aircraft from a Swedish leasing company. In June 1998, Ryanair acquired an additional used Boeing 737-200A aircraft from a leasing subsidiary of the General Electric Company, bringing the size of its fleet to 21.

Between March 1999 and July 2002, Ryanair took delivery of the first 23 of 28 new Boeing 737-800 "next generation" aircraft to be delivered under a contract it entered into with Boeing in 1998. The new 737-800s share certain basic characteristics with the Company's fleet of 737-200A aircraft, but are larger (seating up to 189 passengers, as compared to 130 in the 727-200As), capable of longer flights without refuelling and incorporate more advanced aviation technology. The 737-800s also comply with Chapter 3 noise reduction requirements established by the International Civil Aviation Organization, which take effect in the EU from 2002.

On January 24, 2002, Ryanair announced that it had entered into a new series of agreements with Boeing to purchase an additional 100 new Boeing 737-800 seat aircraft over a six-year period from December 2002 to December 2008; the contract also provides Ryanair with options to purchase up to an additional 50 such aircraft. These new aircraft are identical in all significant respects to the 737-800s already being operated by Ryanair, having 189 seats and the same cockpits and engine configuration. In June 2002, Ryanair exercised three of its options under the 2002 contract for delivery in April 2003. For additional details on the Boeing contracts, see "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources" and "Item 10. Additional Information—Material Contracts".

Management believes that the purchase of the additional new Boeing 737-800 aircraft will allow Ryanair to continue to grow over the next seven years and that the significant size of the order allowed

Ryanair to obtain favorable purchase terms, guaranteed deliveries, and a standard configuration for all of the aircraft. The purchase is also expected to allow Ryanair to phase out its existing 21 Boeing 737-200s, which are on average 21 years old, over a four-year period ending in 2007. Ryanair's fleet is thus expected to consist entirely of Boeing 737-800 "next generation" aircraft by March 2007.

Ryanair expects to increase the size of its fleet to 54 aircraft by February 2003 by taking delivery of the five remaining aircraft from the 1998 Boeing contract and the first five aircraft from the 2002 Boeing contract. The delivery of the remaining 98 aircraft (including three option aircraft) that Ryanair is currently obligated to purchase under the 2002 Boeing contract, together with the retirement of the 737-200As, will increase the size of Ryanair's fleet to 131 by December 2008, with that number increasing should Ryanair choose to exercise any of the 47 options remaining under the 2002 Boeing contract.

Ryanair's purchase of the 737-800 aircraft under the 1998 Boeing contract is being financed by a combination of a bank loan facility supported by a guarantee from the Export-Import Bank of the United States and cash flow generated from the Company's operations. Ryanair expects to draw down funds from this bank facility as it takes delivery of these new aircraft, and has drawn down such funds with respect to the 23 737-800s delivered to date. This facility is partially secured by a mortgage on each of the 737-800 aircraft financed. In addition, Ryanair's ability to draw down funds to pay for aircraft as they are delivered is subject to various conditions imposed by the counterparties to the bank loan facility and loan guarantee. Ryanair's purchase of the 737-800 aircraft under the 2002 Boeing contract is expected to be financed under similar arrangements that are in the process of being negotiated. This financing will significantly increase the total amount of the Company's outstanding debt and the payments it is obliged to make to service such debt. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources."

The Boeing 737 exists in a number of generations and is the world's most widely-used commercial aircraft. The 737-800s represent the latest generation of Boeing's 737 aircraft and share certain basic attributes in common with Ryanair's fleet of 737-200As. Management believes that spare parts and cockpit crews qualified to fly the aircraft are likely to be more widely available on favorable terms than similar resources for other types of aircraft, and that its strategy of limiting its fleet to two related aircraft types enables Ryanair to limit the costs associated with personnel training, maintenance and the purchase and storage of spare parts, as well as affording greater flexibility in the scheduling of crews and equipment. All of the Boeing 737-200A aircraft currently in Ryanair's fleet are equipped with Pratt & Whitney JT8D engines and with CAT II or CAT III avionics capability and GPS or Omega and PDCS avionics systems. The 737-800s are fitted with CFM 56-7B24 engines and have advanced CAT III Autoland capability, advanced traffic collision avoidance systems, and enhanced ground proximity warning systems.

Ryanair currently owns and operates 737-200 and 737-800 flight simulators for pilot training, and recently entered into a contract to purchase two additional 737-800 flight simulators from CAE Electronics Ltd. of Quebec, Canada. The first of these additional simulators is scheduled for delivery in summer 2003 and the second simulator is expected to be delivered in 2005. The CAE contract also provides Ryanair with an option to purchase another such simulator for delivery in 2007.

Management believes that Ryanair is currently in compliance with all applicable directives concerning its fleet of Boeing 737-200A and 737-800 aircraft and will comply with any regulations or directives that may come into effect in the future. However, there can be no assurance that the FAA, or other regulatory authorities, will not recommend or require other safety-related undertakings or that such undertakings would not adversely impact the Company's results of operations or financial condition. See "Item 3. Key Information—Risk Factors—Safety-Related Undertakings Could Affect the Company's Results

ANCILLARY SERVICES

Ryanair offers various ancillary services in conjunction with its core air passenger service, including the in-flight sale of beverages and merchandise, charter flights, car rentals, rail tickets and the sale of advertising space on the exterior of its aircraft, in its timetables and on its website. Ryanair also derives revenues from hotel reservations and other transactions made through its website or via its Ryanair.com reservations center. See "Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2002 Compared with Fiscal Year 2001—Ancillary Revenues." Prior to the elimination of duty-free sales on intra-EU flights on June 30, 1999, Ryanair sold traditional duty-free items, such as spirits, cigarettes and fragrances, on all of its scheduled international flights; Ryanair still charges for all beverages served on all of its scheduled flights within the EU (which still may be sold duty-free). Ryanair's merchandise sales on all of its scheduled flights and both merchandise and beverage sales on flights within the U.K., are now on a duty-paid, rather than duty-free basis. In fiscal year 2002, the in-flight sale of beverages and duty-free merchandise accounted for 2.9% of Ryanair's revenues, or €18.0 million, as compared to 2.9% of Ryanair's revenues, or €14.2 million, in fiscal year 2001. In addition, as much as 20% of the compensation of Ryanair's flight attendants was derived from the in-flight sale of beverages and merchandise in fiscal year 2002. See "Item 6. Directors, Senior Management and Employees—Employees and Labor Relations."

Ryanair endeavors to use its excess aircraft capacity at particular periods for the operation of charter services, as well as occasionally increasing capacity through the utilization of wet-leased aircraft in periods of peak demand. Such charter services principally include summer weekend service from Ireland to vacation destinations in Europe, winter weekend flights from Ireland to ski resorts and charters from Ireland for special events, such as international soccer and rugby matches. In fiscal year 2002, Ryanair generated revenues of €14.6 million from charter operations, a 5.3% increase from €13.9 million in the prior fiscal year.

Ryanair has entered into a contract with the Hertz Corporation ("Hertz") for car rental services, pursuant to which Hertz handles all automobile-related aspects of such services and pays a per-rental fee to Ryanair.com (or other relevant reservations agent) as well as a set amount to Ryanair for marketing support. Ryanair's revenues from car rentals were €18.9 million in fiscal year 2002, an increase of 50.0% from the prior fiscal year, when these rentals generated €12.6 million in revenues. Ryanair distributes car rentals, accommodation services and travel insurance through both its website and its traditional telephone reservation offices. Management believes that providing these services through the internet allows Ryanair to increase sales, while at the same time reducing costs on a per unit basis.

Beginning in the second half of 1996, Ryanair began to make available the exterior of its aircraft for paid advertising purposes, whereby a corporate sponsor pays Ryanair for the right to paint one of its aircraft with the sponsor's name and logos for a specified period. Ryanair's aircraft currently carry the logos of Vodafone (two aircraft), Jaguar Cars Limited, Kilkenny Beer, Hertz and Tipperary Crystal.

MAINTENANCE AND REPAIRS

General

As part of its commitment to safety, Ryanair endeavors to hire qualified maintenance personnel, provide proper training to such personnel and maintain its aircraft in accordance with European industry standards. While Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair's low cost operating strategy to the area of maintenance, training or quality control.

Ryanair's quality assurance department deals with the overall supervision of all maintenance activities in accordance with JAR 145, the European airline industry standard for aircraft maintenance, and standards established by the Joint Aviation Authorities ("JAA") (JARs are developed and adopted by the JAA, an associated body of the European Civil Aviation Conference formed to enhance co-operation between the national civil aviation authorities of participating European countries, including Ireland. See "—Government Regulation—Regulatory Authorities"). Ryanair is itself a JAR 145-approved maintenance contractor and provides its own routine aircraft maintenance and repair services on its aircraft other than scheduled heavy maintenance. Ryanair also performs certain checks on its aircraft, including pre-flight, daily and transit checks at its bases, as well as A and B checks at its Dublin facility. Maintenance and repair services that may become necessary while an aircraft is located at one of the other airports served by Ryanair (on-call maintenance) are provided by other JAR 145 approved contract maintenance providers. Aircraft return each evening to Ryanair's bases at Dublin, London Stansted, Shannon, London Luton, Glasgow Prestwick, Brussels (Charleroi) and Frankfurt (Hahn) airports, where they are examined each night by Ryanair's approved engineers (or, in the case of London Luton, Brussels (Charleroi) and Frankfurt (Hahn), by local JAR 145 approved companies). In August 2002, Ryanair announced that it would be expanding its in-house maintenance capability to include C and D checks by building a new two bay hangar facility at its base at Glasgow Prestwick in Scotland. The new facility is expected to cost approximately €10 million and to employ approximately 100 people.

Heavy Maintenance

Ryanair contracts with outside maintenance providers for heavy maintenance services. Ryanair currently contracts its heavy airframe maintenance overhauls to a single JAR 145-approved contractor, FLS Aerospace Ltd. ("FLS"), its engine overhaul service to two JAR 145-approved contractors, Lufthansa Airmotive Ireland ("Airmotive") for maintenance of the CFM 56 engines that power its fleet of Boeing 737-800 aircraft and Israeli Aircraft Industries Limited ("IAI") for the JT8D engines fitted to the Boeing 737-200 aircraft. Ryanair also contracts its "rotable" repairs to IAI. Services provided by FLS include heavy airframe maintenance, technical engineering and various maintenance support services, while those provided by IAI include engine overhauls, wheel and brake services, landing gear overhaul and auxiliary power unit repair services.

In January 2000, Ryanair entered into a new heavy maintenance agreement with FLS covering both its Boeing 737-200 and 800 aircraft. The agreement formally expires in January 2005, though Ryanair may terminate FLS's services at any time after July 2002 on six months notice, if FLS has not performed to a reasonable level. Under this contract, man-hour rates for maintenance on the Boeing 737-200 aircraft are fixed for the first three years and then are subject to escalation on the basis of the annual increase in the cost index for the Manufacturers of Aircraft and Spacecraft in the U.K. The Boeing 737-800 aircraft checks are initially to be completed on the basis of the number of man-hours incurred at a fixed rate per hour, plus the actual cost of the materials consumed. Once the first series of checks have been completed, the contract provides for both parties to agree to fix the price for labor and materials for each check thereafter.

The contract also provides for penalties and a bonus incentive for FLS for the on-time completion of checks, which have been capped at a specific level for each year of the contract. In relation to the major P12 checks on the 737-200 aircraft, the Company does not have a fixed materials cost, but will instead pay FLS on the basis of the manufacturer's list price, with Ryanair having an option to supply spare parts to FLS either in advance of the aircraft check or to pay FLS for such parts.

In November 1999, Ryanair entered into an agreement with Airmotive for the repair and overhaul of the CFM56-7 engines fitted to its 737-800 aircraft. The contract is for a period of 10 years and thereafter can be terminated after 5 years by either party, upon six months notice. Labor charges for the repair and overhaul of engines are fixed until January 2003. Thereafter, the rate per hour will be increased to a new fixed rate for one year, and from January 2004 will be adjusted annually based on rates established by the mechanics trade union. All parts required for the overhaul should initially be supplied from Ryanair's inventory of spare parts. If the spare parts are not within Ryanair's inventory, they are to be supplied on the basis of the manufacturer's list price plus a fixed percentage for handling which is subject to a cap.

Effective November 1, 2001, Ryanair entered into an agreement with IAI , which is based at Ben Gurion Airport in Israel, for the repair and overhaul of all of the Pratt & Whitney JT8D engines on its 21 Boeing 737-200A aircraft, including seven spare engines. The contract terminates on December 31, 2005, and requires IAI to complete all scheduled and unscheduled shop visits for these engines, including spare parts and labor, at a fixed rate per engine cycle. IAI will also provide other repair and overhaul services for these engines at fixed rates throughout the period of the contract. Ryanair can terminate the contract upon 30 days notice if there is material default in IAI's performance or in the event of IAI's bankruptcy, or upon six months notice if certain delays occur. IAI can terminate the contract upon 30 days notice if Ryanair fails to pay, except where items are disputed in good faith, or if Ryanair is declared bankrupt.

By contracting with JAR 145-approved maintenance providers, management believes it is better able to control the quality of its aircraft and engine maintenance. Ryanair assigns a JAR 145-certified mechanic to supervise all heavy maintenance or engine overhaul performed by third parties. Maintenance providers are also monitored closely by the national authorities under JAA and national regulations.

The loss or expiration of these or any other of Ryanair's third party service contracts or any inability to renew them or negotiate replacement contracts with other service providers at comparable rates could have a material adverse effect on the Company's business, results of operations and financial condition. Ryanair will need to enter into similar agreements in any new markets it enters, and there can be no assurance that it will be able to obtain the necessary facilities and services at competitive rates in new markets. In addition, although Ryanair seeks to monitor the performance of third parties that provide passenger and aircraft handling services, the efficiency, timeliness and quality of contract performance by third party providers are largely beyond Ryanair's direct control. Ryanair expects to be dependent on such third party arrangements for the foreseeable future, notwithstanding the new capabilities to be provided at its new maintenance facility at Glasgow Prestwick.

SAFETY RECORD

During its 18-year operating history, Ryanair has not had a single incident involving major injury to passengers or flight crew, nor has Ryanair experienced any reportable incidents involving a breach of security, such as hijackings. Ryanair's commitment to safe operations is manifested by its safety training procedures, its investment in safety-related equipment and the adoption of an internal confidential reporting system for safety issues.

Ryanair's flight training is oriented towards accident prevention and covers all aspects of flight operations. Ryanair conducts all of its own flight crew training, both initial and recurrent, with the approval of the Irish Aviation Authority (the "IAA"), which regularly audits both operation control standards and flight training standards.

Ryanair's older Boeing 737-200A aircraft currently operate in accordance with Category II minimum landing requirements. Category II landing standards require a minimum horizontal visibility of 350 meters and a vertical visibility of 100 feet. The addition to its fleet of the Boeing 737-200As delivered in 1997 and 1998, which are equipped with more advanced avionics, allowed Ryanair to operate these aircraft in accordance with the more stringent Category IIIA minimum landing criteria. All of the Boeing 737-800s which Ryanair has bought or committed to buy operate in accordance with the Category IIIA minimum landing criteria, which require a minimum horizontal visibility of 200 meters and no vertical visibility.

Management encourages flight crews to report any safety-related issues through the use of a confidential reporting system which is available through Ryanair's Flight Safety Office. The confidential reporting system affords flight crews the opportunity to report directly to senior management any event, error or discrepancy in flight operations that they do not wish to report through standard channels. The confidential reporting system is designed to increase management's awareness of problems that may be encountered by flight crews in their day-to-day operations. Management uses the information reported through the system to modify operating procedures and improve flight operation standards.

In June 2002, the IAA awarded Ryanair an Air Operator Certificate in recognition of Ryanair's satisfaction of the relevant JAR OPS 1 regulatory requirements.

AIRPORT OPERATIONS

Airport Handling Services

Ryanair provides its own aircraft and passenger handling and ticketing services at Dublin Airport. A limited number of established third parties provide these services to Ryanair at the other airports it serves. Servisair plc provides Ryanair's ticketing, passenger and aircraft handling and ground handling services at many of these airports in Ireland and the U.K., excluding London Stansted (where these services are now provided by Groundstar Ltd.), while similar services in continental Europe are generally provided by the local airport authority, either directly or through sub-contractors. Management attempts to obtain competitive rates for such services by negotiating multi-year contracts at prices that are fixed or subject only to periodic increases linked to inflation. These contracts are generally scheduled to expire in one to five years, unless renewed, and certain of such contracts may be terminated by either party by prior notice. The loss or expiration of such contracts or any inability to renew such contracts or negotiate contracts with other providers at comparable rates could have a material adverse effect on the Company's business, results of operations and financial condition. Ryanair will need to enter into similar agreements in any new markets it may enter, and there can be no assurance that Ryanair will be able to obtain the necessary facilities and services at competitive rates in such new markets.

Airport Charges

As with other airlines, Ryanair is assessed airport charges each time it lands and accesses facilities at the airports it serves. Depending on the policy of the individual airport, such charges can include landing fees, passenger loading fees and parking fees. Noise surcharges have also been imposed by a limited number of European airports in response to concerns expressed by local residents. Ryanair attempts to negotiate advantageous terms for such fees by delivering a consistently high volume of passenger traffic and opts, when practicable, for less expensive facilities, such as less convenient gates, as well as the use of outdoor boarding stairs rather than more expensive jetways.

Aer Rianta, the Irish government authority charged with operating Ireland's major airports, announced in 1999 that it planned to phase out landing fee discounts granted to certain airlines that operate out of Dublin Airport, including Ryanair. In response to the announcement, Ryanair cancelled plans to launch five new routes to continental Europe from Dublin and proposed a plan that would result in reduced landing fees and would have Ryanair guarantee a substantial increase in long-term passenger volume. This plan was rejected by Aer Rianta. In December 1999, the Irish Minister for Public Enterprise announced that almost all of the current landing fee discounts would terminate once a new system came into effect.

In February 2001, the Irish Government established a Commission for Aviation Regulation (the "CAR"). The CAR is now responsible for regulating charges at Dublin, Cork and Shannon airports. In August 2001, the CAR issued a report setting charges which are to remain in effect for five years, beginning September 24, 2001. The base charges for 2002 are approximately 5% lower than the charges previously in effect, although an escalation mechanism provides that the charges will increase in line with inflation in Ireland.

In addition, the CAR reduced Aer Rianta's proposed capital expenditure program for the period from 2001 through 2006 from IR£998 million to IR£272 million, after it determined that only a significantly smaller portion of the announced program had been adequately justified in terms of contribution to the operation and the development of cost effective airports which meet the requirements of users. Nevertheless, there can be no assurance that the airports Ryanair uses will not impose higher airport charges in the future and that any such increases would not adversely affect the Company's operations.

In May 2002, a new minister was appointed to lead the Department of Transport in Ireland following the general election. The minister has completed a review of Ireland's airport facilities and recently requested proposals from interested parties for the development of new terminals and piers at Dublin Airport. Ryanair is currently preparing such a proposal for the government, as are other parties. Management expects that its proposal, if accepted and implemented, would either involve Ryanair building and operating a terminal and pier at Dublin Airport itself or it becoming the "anchor tenant" for terminal built by another consortium. Although the cost to Ryanair of such a role in the development of any such facilities cannot be determined at this time, any such project could require substantial capital expenditures, as well as significant additional costs in relation to the maintenance and operation of the terminal and pier.

FUEL

The cost of jet fuel accounted for approximately 22.5% and 17.0% of Ryanair's total operating expenses in the fiscal years ended March 31, 2002 and 2001, respectively, in each case after giving effect to the Company's fuel hedging activities. Jet fuel costs have been subject to wide fluctuations as a result of sudden disruptions in supply and continued to exhibit substantial volatility in the fiscal years ended March 31, 2001 and 2002.

The future availability and cost of jet fuel cannot be predicted with any degree of certainty, and because of Ryanair's low-fares policy, its ability to pass on increased fuel costs to passengers through increased fares or otherwise may be limited. See "Item 3. Risk Factors—Changes In Fuel Costs and Fuel Availability Affect the Company's Results." As international prices for jet fuel are denominated in U.S. dollars, Ryanair's fuel costs are also subject to certain exchange rate risks. Ryanair has entered into fuel and currency hedging agreements with various counterparties providing for price protection in connection with the purchase of fuel. Ryanair has not otherwise entered into agreements to guarantee its supply of fuel. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Fuel Price Exposure and Hedging."

The following table details Ryanair's fuel consumption and costs for scheduled operations (thus excluding fuel costs related to charter operations), after giving effect to the Company's fuel hedging activities, for the fiscal years ended March 31, 2000, 2001 and 2002:

	Fiscal Year ended March 31,		
	2002	2001	2000
Scheduled fuel consumption (U.S. gallons)	101,903,433	82,854,337	65,041,470
Available seat miles (ASM)	6,081,007,925	4,439,036,540	3,126,069,535
Scheduled fuel consumption (U.S. gallons) per ASM	0.017	0.019	0.020
Total scheduled fuel costs	€102,616,757	€61,645,183	€40,746,074
Cost per gallon	€1.007	€0.75	€0.63
Total scheduled fuel costs as a percentage of total operating costs	22.25%	16.51%	14.24%

INSURANCE

Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve not only repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service, but also significant potential claims of injured passengers and others. Ryanair currently maintains passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, insurance for pilots' loss of license and other business insurance in amounts per occurrence that is consistent with industry standards. Although Ryanair currently believes its insurance coverage is adequate, there can be no assurance that the amount of such coverage will not need to be increased, that insurance premiums will not increase significantly or that Ryanair will not be forced to bear substantial losses from accidents. The cost of insurance coverage for certain third party liabilities arising from "acts of war" or terrorism increased dramatically as a result of the terrorist attacks on the U.S. in September 2001. Following the attacks, all insurance underwriters withdrew aircraft hull war liability cover and imposed a per passenger surcharge of $1.25 for reinstatement of such cover up to a $50 million limit. Aircraft hull war liability indemnities for amounts above $50 million were, in the absence of any alternative cover, provided by the Irish Government at pre-September 11 levels of coverage on the basis of a per passenger surcharge. In March 2002, once such coverage was again commercially available, Ryanair arranged cover to replace that provided by the Government indemnity on the basis of a per passenger surcharge and an additional surcharge based on hull values. Ryanair has passed these increased insurance costs on to passengers by means of a special "insurance levy" on each ticket. Substantial claims resulting from an accident in excess of related insurance coverage could also have a material adverse effect on the Company's results of operations and financial condition. Moreover, any aircraft accident, even if fully insured, could cause a public perception that Ryanair's aircraft are less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair's business.

EC Council Regulation No. 2027/97 on air carrier liability in the event of accidents came into force on October 17, 1998. This regulation removes certain monetary limits on the liability of an air carrier in the event of death or bodily injuries suffered by passengers which are in effect by virtue of the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air. This regulation also limits the ability of an air carrier to rely on certain defenses in an action for damages, which would otherwise have been available to it at law. The potential exposure of air carriers, such as Ryanair, has therefore been increased and, although Ryanair has extended its liability insurance accordingly to meet the requirements of the new regulation, no assurance can be given that other laws, regulations or policies will not be applied, modified or amended in a manner that has a material adverse effect on the Company's financial condition or results of operations.

FACILITIES

The following are the principal properties owned or leased by the Company:

Location	Site Area (Sq. Meters)	Covered Area (Sq. Meters)	Tenure	Activity
Dublin Airport (Corporate Headquarters)	1,116	1,395	Leasehold	Corporate Headquarters
Phoenix House, Conyngham Road, Dublin	2,566	3,899	Freehold	Reservations Center
Satellite 3, Stansted Airport	605	605	Leasehold	Sales Office and Operations Center
Dublin Airport (hangar)	2,993	2,175	Leasehold	Aircraft Maintenance
East Midlands Airport	3,647	3,647	Freehold	Simulator and training center

Ryanair has entered into agreements with Aer Rianta to lease ticket counters and other space at the passenger and cargo terminal facilities at Dublin Airport. Ryanair has also financed the construction of and leased a new hangar extension at Dublin Airport, which was completed in May 1997. The airport office facilities used by Ryanair at London Stansted are leased from the airport authority; similar facilities at each of the other airports Ryanair serves are provided by Servisair plc or other service providers.

TRADEMARKS

Ryanair's name, logo and slogans "Ryanair.com The Low Fares Website" and the "Low Fares Airline" have been registered as Community Trade Marks ("CTM"). A CTM allows trademark owners to obtain a single registration of their trademarks, which registration affords uniform protection for those trademarks throughout the EU.

Ryanair has also registered its name as a trademark in the Benelux countries, Germany and the U.K. The registrations give Ryanair an exclusive monopoly over the use of its trade name with regard to similar services in these jurisdictions and the right to sue for trademark infringement should a third party use an identical or confusingly similar trade mark in relation to identical, or similar services. The registrations in each of these jurisdictions is due for renewal in January 2005 and management currently intends to maintain these registrations notwithstanding its CTM registration.

At present, Ryanair has not registered either its name or its logo as a trademark in Ireland. As CTM registration provides all of the protection available from an Irish registration, management believes there are no advantages in making a separate Irish application.

GOVERNMENT REGULATION

Liberalization of the EU Air Transportation Market

Ryanair began its flight operations in 1985, during a decade in which the governments of Ireland and the U.K. liberalized the bilateral arrangements for the operation of air services between the two countries. In 1992, the Council of Ministers of the EU adopted a package of measures intended to liberalize the internal market for air transportation in the EU, including measures allowing EU air carriers substantial freedom to set air fares, allowing EU air carriers greatly enhanced access to routes within the EU and introducing a licensing procedure for EU air carriers. Beginning in April 1997, EU air carriers have generally been able to provide passenger services on domestic routes within any EU Member State outside their home country of operations without restriction.

Regulatory Authorities

As an Irish air carrier with routes to the U.K. and other EU countries, Ryanair is subject to Irish and EU regulation which is implemented primarily by the Department of Transport, the IAA and the JAA. Management believes that the present regulatory environment in Ireland and the EU is characterized by an increased sensitivity to safety and security issues and an increased intensity of review of safety-related procedures, training and equipment by the national and EU regulatory authorities.

Commission for Aviation Regulation. The CAR was established on February 27, 2001 under the Aviation Regulation Act, 2001. The CAR is primarily responsible for deciding maximum airport charges at Ireland's major airports, namely Dublin, Cork and Shannon (the "Regulated Airports"). In August 2001, the CAR issued a report setting charges which are to remain in effect for five years, beginning September 24, 2001. The base charges for 2001 are approximately 5% lower than the charges previously in effect, although an escalation mechanism provides that the charges will increase in line with a formula based on the rate of inflation in Ireland, adjusted to account for airport efficiencies.

CAR also has responsibility for licensing Irish airlines, subject to the requirements of EU law. It issues Operating Licenses under the provision of Council Regulation 2407/92. An operating license is an authorization permitting the holder to carry out carriage by air of passengers, mail and/or cargo.

Finally, CAR has responsibility for deciding whether a Regulated Airport should be co-ordinated or fully co-ordinated under Council Regulation No. 95/93; and authorizing ground handling operations under Council Directive 96/97/EC and its implementing legislation.

The criteria for granting an operating license are set out in the relevant EU regulation and include, *inter alia*, an air carrier's financial fitness, the adequacy of its insurance, and the fitness of the persons who will manage the air carrier. In addition, in order to obtain and maintain an operating license, Irish and EU regulations require that (i) the air carrier must be owned and continue to be owned directly or through majority ownership by EU Member States and/or nationals of EU Member States and (ii) the air carrier must at all times be effectively controlled by such EU Member States or EU nationals. The Minister of Transport has broad authority to revoke an operating license. See "Item 10. Additional Information—Limitations on Share Ownership by Non-EU nationals."

Ryanair’s current operating license was awarded effective November 30, 1993, reviewed on November 30, 1999, and is automatically subject to renewal each year. Ryanair’s current operating certificate was issued by the IAA with effect from June 2002 through January 2003.

Irish Aviation Authority. The IAA is primarily responsible for Irish air carrier licensing and certification. To operate in Ireland and the EU, an Irish air carrier is required to hold an operator’s certificate granted by the IAA. An operator’s certificate attests to the air carrier’s operational and technical competence to conduct an air service with specified types of aircraft. The IAA has broad authority to amend or revoke an operator’s certificate, with Ryanair’s ability to continue to hold its operator’s certificate being subject to on-going compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any new rules and regulations that may be adopted in the future.

The IAA is responsible for overseeing and regulating the operations of Irish air carriers. Matters within the scope of the IAA’s regulatory authority include air safety, aircraft certification, personnel licensing and training, maintenance, manufacture, repair, airworthiness and operation of aircraft, implementation of JARs, aircraft noise and ground services. Each of the Company’s aircraft has received an airworthiness certificate issued by the IAA and any additional aircraft the Company adds to the fleet will be required to obtain an airworthiness certificate. These airworthiness certificates are issued for a period of 12 months, after which application for a further certificate must be made. The Company’s flight personnel, flight and emergency procedures, aircraft and maintenance facilities are subject to periodic inspections and tests by the IAA. The IAA has broad and powerful regulatory and enforcement authority, including the authority to require reports, inspect the books, records, premises and aircraft of a carrier and investigate and institute enforcement proceedings. Failure to comply with IAA Regulations can result in revocation of operating authority or certification.

Department of Transport. The Department of Transport (“DOT”) has a more limited role in the regulation of Irish air transport as the majority of its regulatory functions have been transferred to CAR under the Aviation Regulation Act. DOT retains responsibility for implementation of EU and national legislation and international standards relating to air transport, e.g., noise levels, etc.

Joint Aviation Authorities. The JAA is an associated body of the European Civil Aviation Conference formed to enhance co-operation between the national civil aviation authorities of the participating European countries (including Ireland) in aspects of aviation relating to, among other things, the safety of aircraft and, in particular, the design, manufacture, continued airworthiness, maintenance and operation of aircraft. The primary function of the JAA is to develop, adopt and implement JARs for the use of authorities in the field of design, manufacture, maintenance and operations. The aim of the JAA is to ensure that each individual JAR becomes a uniform code for all JAA countries without any national regulatory differences. EU regulations provide for the harmonization of technical requirements and administrative procedures on the basis of the JAR codes of the JAA and for the acceptance of certification in accordance with common technical requirements and administrative procedures.

Eurocontrol. The European Organization for the Safety of Air Navigation (“Eurocontrol”) is an autonomous European organization established under the Eurocontrol Convention of December 13, 1960. Eurocontrol is responsible for; *inter alia*, the safety of air navigation and the collection of route charges for en route air navigation facilities and services throughout Europe. Ireland is a party to several international agreements concerning Eurocontrol. These agreements have been implemented into Irish law, which provides for the payment of charges to Eurocontrol in respect of air navigation services provided for aircraft in airspace under the control of Eurocontrol. The relevant legislation imposes liability for the payment of any charges upon the operators of the aircraft in respect of which services are provided, upon the owners of such aircraft or the managers of airports used by such aircraft. Ryanair, as an aircraft operator, is primarily responsible for the payment to Eurocontrol of charges incurred in relation to its aircraft.

The legislation authorizes the detention of aircraft in the case of default in the payment of any charge for air navigation services by the aircraft operator or the aircraft owner, as the case may be. This power of detention extends to any equipment, stores or documents, which may be on board the aircraft when it is detained, and may result in the possible sale of the aircraft.

Registration of Aircraft

Pursuant to the Irish Aviation Authority (Nationality and Registration of Aircraft) Order, 1996 and 1997 (the "Orders"), the IAA regulates the registration of aircraft in Ireland. In order to be registered or continue to be registered in Ireland, an aircraft must be wholly owned by either (i) a citizen of Ireland or a citizen of another Member State of the EU having a place of residence or business in Ireland or (ii) a company incorporated in and having a place of business in Ireland and having its principal place of business in Ireland or another Member State of the EU and not less than two-thirds of the directors of which are citizens of Ireland or of another Member State of the EU. As of September 1, 2002, nine of the 12 directors of Ryanair Holdings are citizens of Ireland or of another Member State of the EU. An aircraft will also fulfill these conditions if it is wholly owned by such citizen or company in combination. Notwithstanding the fact that these particular conditions may not be met, the IAA retains discretion to register an aircraft in Ireland so long as it is in compliance with the other conditions for registration under the Orders. Any such registration may, however, be made subject to certain conditions. In order to be registered, an aircraft must also continue to comply with any applicable provisions of Irish law. The registration of any aircraft can be cancelled if it is found that it is not in compliance with the requirements for registration under the 1996 Order and, in particular, (i) if the ownership requirements are not met, (ii) the aircraft has failed to comply with any applicable safety requirements specified by the IAA in relation to the aircraft or aircraft of a similar type or (iii) if the IAA decides in any case that it is satisfied that it is inexpedient in the public interest for the aircraft to remain registered in Ireland.

Regulation of Competition

Competition/Antitrust Law. It is a general principle of EU competition law that no agreement may be concluded between two or more separate economic undertakings that prevents, restricts or distorts competition in the common market or any part of the common market. Such an arrangement may nevertheless be exempted by the European Commission ("EC"), on either an individual or category basis. The second general principle of EU competition law is that any business or businesses having a dominant position in the common market or any substantial part of the common market may not abuse such a dominant position. Ryanair is subject to the application of the general rules of EU competition law as well as specific rules on competition in the airline sector (principally, Regulation 3975/87, as amended).

An aggrieved person may sue for breach of EU competition law in the courts of the Member States and/or complain to the EC for an order to terminate the breach of competition law. The EC also may impose fines and daily penalties on businesses and the courts of the Member States may award damages and other remedies (such as an injunction) in appropriate circumstances.

Competition law in Ireland is primarily embodied in the Competition Act 2002. This Act is modeled on the EU competition law system. The Irish rules generally prohibit anti-competitive arrangements among businesses and prohibit the abuse of a dominant position. These rules are enforced either by public enforcement (primarily by the Competition Authority) through both criminal and civil sanctions or by private action in the courts. These rules apply to the airline sector, but subject to EU rules that override any contrary provision of Irish competition law.

State Aid. The EU controls aid granted by Member States to businesses on a selective or discriminatory basis. The EU Treaty prevents Member States granting such aid unless approved in advance by the EU. Any such grant of state aid to an airline is subject to challenge before the EU or, in certain circumstances, national courts. If aid is held to have been unlawfully granted it may have to be repaid by the airline to the granting Member State, together with interest thereon.

Environmental Regulation

Ryanair is subject to international, national and, in some cases, local noise regulation standards. EU and Irish regulations have required that aircraft must comply with Stage 3 noise requirements since April 1, 2002. All of Ryanair's aircraft currently comply with these regulations.

Certain airports in the U.K., including London Stansted and London Gatwick, have established local noise restrictions, including limits on the number of hourly or daily operations or the time of such operations. These restrictions may cause curtailment of service or increases in operating costs and could limit Ryanair's ability to expand its operations at affected airports. Local authorities at other airports are considering adopting similar noise regulations.

Environmental controls are generally imposed under Irish law through property planning legislation (specifically the Local Government (Planning and Development) Acts of 1963 to 1999, the Planning and Development Act 2000 and regulations made thereunder). At Dublin Airport, Ryanair operates on land controlled by Aer Rianta. Planning permission for its facility is in line with both the zoning and planning requirements of Dublin Airport. There is also specific Irish environmental legislation, generally implementing applicable EU Directives and Regulations. From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair's hangar at Dublin Airport. However, at all times Ryanair's storage and handling of these substances complies with the relevant regulatory requirements.

Slots

Currently, only seven airports served by Ryanair: London Stansted, London Gatwick, Turin, Manchester, Milan (Bergamo), Rome Ciampino and Eindhoven, are regulated by means of "slot" allocations, which represent authorizations to take off or land at a particular airport within a specified time period. EU law currently regulates the acquisition, transfer and loss of slots. Applicable EU regulations currently prohibit the buying or selling of slots for cash. The EC adopted a proposal in June 2001 to modernize the current allocation system. It allows for a limited transfer of slots between carriers, but only in execution of a competition policy decision of the EC (e.g. in a merger control case). The EC proposes to conduct an in-depth analysis of all possible options that will allow it to propose further measures to introduce a market mechanism for the allocation of slots which will allow more flexibility and mobility in the use of slots and will further enhance possibilities for market entry. Any future proposals that might create a secondary market for the auction of slots or allow trading of slots among airlines could create a potential source of revenue for certain of Ryanair's current and potential competitors, many of which have many more slots allocated at present than Ryanair. Slot values depend on several factors, including the airport, time of day covered, the availability of slots and the class of aircraft. Ryanair's ability to gain access to and develop its operations at slot-controlled airports will be affected by the availability of slots for takeoffs and landings at these specific airports. New entrants to an airport are given certain privileges in terms of obtaining slots, but such privileges are subject to the "grandfather rights" of existing operators who are utilizing their slots. While Ryanair generally seeks to avoid slot-controlled airports, there is no assurance that Ryanair will be able to obtain a sufficient number of slots at the slot-controlled airports that it desires to serve in the future at the time it needs them or on acceptable terms.

EU regulations require the use of each slot at least 80% of the time during the season to which the slot relates and provide for forfeiture of slots without compensation in certain circumstances. A minor amendment was made to the legislation in 2002 to reflect the fact that, due to the events of September 11, 2001, many airlines could not meet this "use it or lose it" requirement for maintaining their slots. The amendment recognized that the events of September 11, 2001 were exceptional circumstances, which merited deviation from the rule.

Other

Health and safety at work issues relating to the Company are largely controlled in Ireland by compliance with the Safety, Health and Welfare at Work Act, 1989, the Safety, Health and Welfare at Work (General Application) Regulations, 1993 and other regulations under that Act. Although licenses or permits are not issued under such legislation, compliance is monitored by the Health and Safety Authority (the "Authority"), which is the regulating body in this area. The Authority periodically reviews Ryanair's health and safety record and where appropriate, issues improvement notices/prohibition notices. Ryanair has responded to all such notices to the satisfaction of the Authority, with the exception of a single notice relating to the institution of certain mechanized procedures for baggage handling at Dublin Airport, which Ryanair is currently appealing in accordance with applicable rules and which remains suspended pending the outcome of such appeal.

The Company's operations are subject to the general laws of Ireland and, in so far as they are applicable in Ireland, the laws of the EU. The Company may also become subject to additional regulatory requirements in the future. The Company is also subject to local laws and regulations at locations where it operates and the regulations of various local authorities that operate the airports it serves.

DESCRIPTION OF PROPERTY

For certain information about each of the Company's key facilities, see "—Facilities" above. Management believes that the Company's facilities are suitable for its needs and are well maintained.

Item 5. ***Operating and Financial Review and Prospects***

The following discussion should be read in conjunction with the audited Consolidated Financial Statements of the Company and the notes thereto included in Item 18. Those financial statements have been prepared in accordance with Irish GAAP. For a discussion of certain differences between Irish GAAP and U.S. GAAP, see Note 31 to the Consolidated Financial Statements included in Item 18.

Unless stated otherwise, the financial and operating data presented below for each of fiscal year 2000, fiscal year 2001 and fiscal year 2002 are for the Company.

HISTORY

Ryanair's current business strategy dates to the early 1990s, when a new management team, including the current chief executive, commenced the restructuring of Ryanair's operations to become a low-fares airline based on the low cost operating model pioneered by Southwest Airlines Co. in the United States. During the period between 1992 and 1994, Ryanair expanded its route network to include scheduled passenger service between Dublin and Birmingham, Manchester and Glasgow Prestwick. In 1994, Ryanair began standardizing its fleet by purchasing used Boeing 737-200A aircraft to replace substantially all of its leased aircraft. Beginning in 1996, Ryanair continued to expand its service from Dublin to new provincial destinations in the U.K. In August 1996, Irish Air, L.P., an investment vehicle led by David Bonderman and certain of his associates at the Texas Pacific Group, acquired a minority interest in the Company. Ryanair Holdings completed its initial public offering in June 1997.

Over the next seven years, Ryanair expects to increase the size of its current fleet of 21 Boeing 737-200A aircraft and 23 Boeing 737-800 "next generation" aircraft to a total of approximately 131 aircraft by taking delivery of 108 additional new Boeing 737-800s "next generation" aircraft between December 2002 and December 2008, while retiring the 737-200As. The new 737-800s, which Ryanair began to acquire in 1999, share certain basic characteristics with the Company's fleet of 737-200A aircraft, but are larger (seating up to 189 passengers, as compared to 130 in the 737-200As), capable of longer flights without refueling and incorporate more advanced aviation technology. The 737-800s also comply with Chapter 3 noise reduction requirements established by the International Civil Aviation Organization, which take effect in the EU from 2002. The Company also has an option to acquire up to 47 additional "next generation" aircraft from Boeing between 2004 and 2007.

BUSINESS OVERVIEW

Since Ryanair began to introduce its low cost operating model in the early 1990s, its passenger volumes and scheduled passenger revenues have significantly increased as Ryanair has substantially increased capacity. Ryanair's annual scheduled booked passenger volume has increased more than tenfold over the past decade, from approximately 945,000 passengers in calendar year 1992 to approximately 11.1 million passengers in fiscal year 2002.

Ryanair's revenue passenger miles ("RPMs") increased from 2,103.8 million in fiscal year 2000 to 3,118.1 million in fiscal year 2001 and 4505.9 million in fiscal year 2002, due primarily to an increase in scheduled available seat miles ("ASMs") from 3,126.1 million in fiscal year 2000 to 4,439.0 million in fiscal year 2001 and 6,081.0 million in fiscal year 2002. Scheduled passenger revenues increased from €330.6 million in fiscal year 2000 to €432.9 million in fiscal year 2001 and €551.0 million in fiscal year 2002. During this period, flown passenger load factors were 67% in fiscal year 2000, 70% in fiscal year 2001 and 74% in fiscal year 2002. Average yield per RPM was €0.157 in fiscal year 2000, €0.139 in fiscal year 2001, and €0.122 in fiscal year 2002, while adjusted average yield per RPM was €0.161 in fiscal year 2000, and €0.143 in fiscal year 2001 and €0.124 in fiscal year 2002. The decrease in both average and adjusted average yield per RPM in fiscal years 2001 and 2002 was principally attributable to an increase in average sector length without a corresponding increase in average yield per passenger.

The combination of expanding passenger volumes and capacity, high load factors and aggressive cost containment has enabled Ryanair to generate substantial increases in operating profit and profit after taxation. Ryanair's break-even load factor was 54% in fiscal year 2000, 57% in fiscal year 2001 and 58% in fiscal year 2002, while its adjusted break-even load factor was 53% in fiscal year 2000, 55% in fiscal year 2001 and 57% in fiscal year 2002. Cost per ASM declined from €0.085 in fiscal year 2000 to €0.079 in fiscal year 2001 and to €0.071 in fiscal year 2002, and adjusted cost per ASM declined from €0.085 in fiscal year 2000 to €0.079 in fiscal year 2001 and to €0.071 in fiscal year 2002. Ryanair's operating profit increased from €84.1 million in fiscal year 2000 to €114.0 million in fiscal year 2001 and to €162.9 million in fiscal year 2002, while profit after taxation increased from €72.5 million in fiscal year 2000 to €104.5 million in fiscal year 2001 and to €150.4 million in fiscal year 2002.

The historical results of operations discussed herein may not be indicative of Ryanair's future operating performance. Ryanair's future results of operations will be affected by, among other things, overall passenger traffic volume, the ability to finance its planned acquisition of aircraft and to discharge the resulting debt service obligations, economic and political conditions in Ireland, the U.K. and the EU, seasonal variations in travel, government regulations, fuel prices, foreign currency fluctuations, competition and the public's perception regarding the safety of low-fares airlines, as well as changes in aircraft acquisition and leasing costs, and, other operating expenses and the rates of income taxes paid. Ryanair expects its depreciation, staff and fuel charges to continue to increase as additional aircraft and related flight equipment are acquired. Future fuel costs may also increase as a result of the current shortage of fuel production capacity and/or production restrictions imposed by fuel oil producers. Maintenance expenses may also increase as a result of Ryanair's fleet expansion and replacement program. The elimination by the EU of duty-free sales on aircraft (other than beverages served to passengers on board) and in airports in connection with intra-EU travel, which took effect from June 30, 1999, has adversely affected Ryanair's revenues from in-flight sales. In-flight sales, which had previously included duty free sales, accounted for approximately 2.9% of the Company's total operating revenues and for as much as 20% of the compensation of its flight attendants in fiscal year 2002. The cost of insurance coverage for certain third party liabilities arising from "acts of war" or terrorism has increased dramatically as a result of the terrorist attacks on the U.S. in September 2001. Although Ryanair currently passes on increased insurance costs to passengers by means of a special "insurance levy" on each ticket, there can be no assurance that it will continue to be successful in doing so. See "Item 3. Key Information—Risk Factors—The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry."

RECENT OPERATING RESULTS

For the quarter ended June 30, 2002 (the first quarter of the Company's fiscal year 2003), Ryanair recorded an increase in profit after taxation of 67.8%, from €23.2 million in the three months ended June 30, 2001 to €39.0 million in the first quarter of fiscal year 2003. Total operating revenues increased 28.8%, from €150.8 million in the first quarter of fiscal year 2002 to €194.3 million in the three months ended June 30, 2002, primarily as a result of an increase approximately of 38% in scheduled passenger volume, which totaled €3.54 million for the quarter. Operating expenses increased by 22.0%, from €122.1 million in the three months ended June 30, 2002 to €148.9 million in the first quarter of fiscal 2003, reflecting increased costs (particularly staff, fuel, route charges, and airport and handling costs) related to the growth of Ryanair's fleet and route network and the general level of activity. As a result, Ryanair's operating profit increased by 57.7% to €45.4 million. Ryanair's effective tax rate for the quarter was 10%, as compared to 16% in the same quarter last year, primarily due to a reduction in the statutory level of corporate income tax in Ireland. The Company had cash and liquid resources of €986.6 million at June 30, 2002, as compared with €899.3 million in cash and liquid resources at March 31, 2002, as increased cash flows from operating activities reflected Ryanair's profitable performance. Capital expenditures for the quarter, primarily relating to future aircraft deliveries, totaled €74.1 million.

CRITICAL ACCOUNTING POLICIES

The following discussion and analysis of Ryanair's financial condition and results of operations are based on its Consolidated Financial Statements, which are included in Item 18 and prepared in accordance with Irish GAAP. Irish GAAP differs in certain significant respects from U.S. GAAP. For additional information regarding the material differences between Irish GAAP and U.S. GAAP, please refer to Note 31 to the Consolidated Financial Statements included in Item 18. The preparation of these financial statements requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from these estimates under different conditions or assumptions.

Ryanair believes that its most critical accounting policies, which are those that require management's most difficult, subjective and complex judgments, are those described in this section. These critical accounting policies, the judgments and other uncertainties affecting application of those policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the Consolidated Financial Statements included in Item 18. and the discussion and analysis below. For additional detail on these policies, see Note 1b to the Consolidated Financial Statements included in Item 18.

Passenger revenues

Ryanair records sales of passenger tickets in deferred income until such time as the transportation is provided, at which time the related revenue is recognized in the profit and loss account. The value of passenger tickets not yet recognized as revenue is reported as deferred revenue in the consolidated balance sheet. Ryanair performs periodic evaluations of this estimated liability for tickets sold but not flown, with any adjustments being included in the results of operations for the period in which the relevant evaluation is completed. These adjustments, which primarily relate to tickets that are exchanged or not used, can be significant.

Long lived assets

Ryanair depreciates its aircraft on a straight line basis to their estimated residual values over their respective estimated useful lives. When events and circumstances indicate that assets may be impaired, Ryanair estimates the future cash flows to be generated by these assets and their current fair value in determining the amount of the loss, if any, that might arise. Historically, Ryanair has generated significant profits and cash flows, and management currently forecasts that it will continue to do so in the future. Ryanair has therefore not recorded any impairment against the carrying value of its aircraft and does not expect to do so in the future. Changes to these estimates arising from a change in any such forecasts could have a material effect on Ryanair's consolidated financial statements.

Inventory obsolescence reserves

Ryanair provides an allowance for inventory obsolescence over the remaining useful life of the related aircraft for spare parts expected to be on hand on the date the aircraft are released from service, plus allowances for spare parts currently identified as excess. These allowances are based on Ryanair's best estimates and current industry trends, each of which are subject to change.

RESULTS OF OPERATIONS

The following table sets forth certain income statement data (calculated under Irish GAAP) for Ryanair expressed as a percentage of Ryanair's total revenues for each of the periods indicated:

	Fiscal Year ended March 31,		
	2002	**2001**	**2000**
Total Revenues	100.0%	100.0%	100.0%
Scheduled Revenues	88.3	88.8	89.3
Ancillary Revenues	11.7	11.2	10.7
Total Operating Expenses	73.9	76.6	77.3
Staff Costs	12.5	12.6	13.1
Depreciation and Amortization	9.5	12.1	11.9
Fuel and Oil	16.7	13.0	11.3
Maintenance, Materials and Repairs	4.2	4.1	4.6
Marketing and Distribution Costs	2.0	4.4	8.7
Aircraft Rentals	0.6	1.5	0.6
Route Charges	7.5	7.3	7.1
Airport and Handling Charges	13.6	13.6	11.6
Other Ancillary and Operating Expenses	7.3	7.9	8.5
Operating Profit	26.1	23.4	22.7
Other Income (Expenses)	1.5	1.9	1.6
Profit before Taxation	27.6	25.3	24.3
Taxation	3.5	3.9	4.7
Profit after Taxation	24.1	21.4	19.6

The following tables set forth the components of ancillary revenues earned by Ryanair and each component expressed as a percentage of total ancillary revenues for each of the periods indicated:

	Fiscal Year ended March 31,					
	2002		**2001**		**2000**	
	(in thousands of euro, except percentage data)					
Car Rental	€18,905	25.9%	€12,562	23.0%	€7,885	19.9%
In-flight Sales	18,030	24.7	14,186	26.0%	13,624	34.4
Non-flight Scheduled	16,662	22.8	12,802	23.5%	8,779	22.2
Internet-Related	4,831	6.6	1,023	2.0%	-	-
Charter	14,631	20.0	13,892	25.5%	9,278	23.5
Total	€73,059	100.0%	€54,465	100.0%	€39,566	100.0%

FISCAL YEAR 2002 COMPARED WITH FISCAL YEAR 2001

Profit after Taxation. Ryanair's profit on ordinary activities after taxation increased 43.9%, from €104.5 million in the fiscal year ended March 31, 2001 to €150.4 million in the fiscal year ended March 31, 2002, while total operating revenues increased 28.0% from €487.4 million to €624.1 million. This result reflected a significant increase in the revenues generated by a record number of scheduled passengers (notwithstanding a decline in average fares that reflected the launch of 22 new routes and promotional fares introduced to increase traffic in the aftermath of the September 11 terrorist attacks and the foot and mouth disease outbreak in the U.K.), an increase in ancillary revenues and a decrease in operating expenses as a percentage of total operating revenues. Ryanair's profit on ordinary activities before taxation increased 39.7%, from €123.4 million in the fiscal year ended March 31, 2001 to €172.4 million in the fiscal year ended March 31, 2002.

Scheduled Revenues. Ryanair's scheduled passenger revenues increased 27.3%, from €432.9 million in the fiscal year ended March 31, 2001 to €551.0 million in the fiscal year ended March 31, 2002. This increase reflected growth of 37.2% in scheduled passenger volumes, from 7.4 million to 10.2 million passengers flown, and a 24.0% increase in sectors flown from 72,655 to

90,124, as well as the positive exchange rate impact of the translation of sterling-denominated revenues into euro. The increase in scheduled revenues was achieved despite a decrease in adjusted average yield per RPM from €0.143 to €0.124, the negative effects of which were partially offset by increases in flown passenger load factor from 70% to 74%.

Much of the increase in scheduled passenger revenue was directly attributable to the increase in sectors flown due to the impact of the operation of five more new Boeing 737-800 aircraft and the expansion of Ryanair's route network during the period. The increase in scheduled passenger revenues and sectors flown also reflected Ryanair's launch of 22 additional routes during the period and an increase in frequencies on certain of its existing routes. The 22 new routes added during the fiscal year ended March 31, 2002 accounted for approximately 59% of the growth in passenger volume. Increased capacity on Ryanair's existing route network resulting from more frequent flights and the use of larger aircraft on certain of its routes between Ireland and the U.K and the U.K. and continental Europe accounted for the remaining 41% of the increase in passenger volume. Passenger capacity (as measured in ASMs) increased 37.0% during this period due to the addition of five 737-800 aircraft, as well as an increase in the average length of passenger haul and the increase in sectors flown. Scheduled passenger revenues accounted for 88.3% of Ryanair's total revenues for the fiscal year ended March 31, 2002, compared with 88.8% of total revenues in fiscal year ended March 31, 2001.

Ancillary Revenues. Ryanair's ancillary revenues, which consist primarily of revenues from car rentals, in-flight sales of beverages and merchandise, sales of rail tickets, hotel accommodation and travel insurance, internet-related activities and charter services increased 34.1%, from €54.5 million in the fiscal year ended March 31, 2001 to €73.1 million in the fiscal year ended March 31, 2002. The increase was primarily attributable to a significant increase in revenues from car rentals, non-flight scheduled services, and internet-related activities. Revenues from car rentals rose during the period from €12.6 million to €18.9 million, or 50.5%; and revenues from non-flight scheduled operations (primarily rail ticket, hotel accommodation and travel insurance sales) increased from €12.8 million to €16.7 million, or 30.2%. Revenues from in-flight sales increased 27.1%, from €14.2 million in fiscal year 2001 to €18.0 million in fiscal year 2002, as the average passenger spend per flight increased from €3.60 to €3.63. Charter revenues increased from €13.9 million to €14.6 million, or 5.3%. Revenues from internet-related services, primarily commissions received from products sold on websites linked to the Ryanair.com website, increased by more than four times, from €1.0 million in fiscal year 2001 to €4.8 million in fiscal year 2002.

Operating Expenses. As a percentage of total revenues, Ryanair's operating expenses decreased from 76.6% in the fiscal year ended March 31, 2001 to 73.9% in the fiscal year ended March 31, 2002. In absolute terms, total operating expenses increased 23.5%, from €373.4 million in the fiscal year ended March 31, 2001 to €461.1 million in the fiscal year ended March 31, 2002, principally as a result of the increase in scheduled passenger volume and the 24.0% increase in number of sectors flown, which were reflected in increases in fuel expenses, route and airport and handling charges and staff and maintenance costs in absolute terms. Nonetheless, total operating expenses per ASM declined by 9.9%, reflecting declines on a per ASM basis in all components other than fuel costs.

The following table sets forth the amounts in euro cents and percentage changes of Ryanair's operating expenses (on a per ASM basis) for the fiscal years ended March 31, 2001 and March 31, 2002 under Irish GAAP:

	Fiscal Year Ended March 31, 2002	Fiscal Year Ended March 31, 2001	% Change
Staff Costs	1.29	1.38	-6.7%
Depreciation and Amortization	0.97	1.33	-27.2%
Fuel and Oil	1.71	1.43	19.5%
Maintenance, Materials and Repairs	0.43	0.45	-4.4%
Marketing and Distribution	0.20	0.48	-58.1%
Aircraft Rentals	0.07	0.16	-59.7%
Route Charges	0.77	0.80	-4.5%
Airport and Handling Charges	1.40	1.49	-6.5%
Other Operating Expenses	0.74	0.87	-13.8%
Total Operating Expenses(c)	7.58	8.41	-9.9%

(a) For the purposes of calculating Operating Expenses per Available Seat Mile (ASM), operating expenses include the costs of the Company's charter operations.

(b) These data are calculated by dividing the relevant expense amount (as shown in the Consolidated Financial Statements) by the number of ASMs in the relevant year as shown in the table of "Selected Operating and Other Data" in Item 3 and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

(c) Total Operating Expenses per ASM does not equal the Cost per ASM (CASM) reported in the table of "Selected Operating and Other Data" in Item 3, as the latter figure excludes Non-Charter Ancillary Costs, which were 0.54 euro cents and 0.50 euro cents per ASM in the fiscal years ended March 31, 2001 and 2002, respectively.

Staff Costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, decreased 6.7% on a per ASM basis, while in absolute terms, these costs increased 27.8%, from €61.2 million in the fiscal year ended March 31, 2001 to €78.2 million in the fiscal year ended March 31, 2002, due to an increase in the number of pilots employed, increased productivity payments to staff reflecting the growth of the airline and the impact of increases in basic pay granted to certain employees.

Depreciation and Amortization. Ryanair's depreciation and amortization per ASM decreased by 27.2%, while in absolute terms these costs decreased slightly from €59.2 million in the fiscal year ended March 31, 2001 to €59.0 million in the fiscal year ended March 31, 2002.

Fuel and Oil. Ryanair's fuel and oil costs per ASM increased 19.5%, although in absolute terms these costs increased 63.7%, from €63.5 million in the fiscal year ended March 31, 2001 to €103.9 million in the fiscal year ended March 31, 2002. The increase was principally due to the 24.0% increase in sectors flown (resulting from the expansion of Ryanair's fleet), an increase in average sector length reflecting the addition of 22 new routes and an increase of approximately 34.3% in fuel prices (in euro terms) during this period. Fuel and oil costs include both the direct cost of fuel and the cost of delivering fuel to the aircraft. The average fuel price paid by Ryanair (calculated by dividing total scheduled fuel costs by the number of U.S. gallons of fuel consumed) increased from €0.75 per U.S. gallon in the fiscal year ended March 31, 2001 to €1.007 per U.S. gallon in the fiscal year ended March 31, 2002.

Maintenance, Materials and Repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance and the overhaul of spare parts, decreased 4.4% on a per ASM basis, while in absolute terms these expenses increased 30.9%, from €20.1 million in the fiscal year ended March 31, 2001 to €26.4 million in the fiscal year ended March 31, 2002. The increase was largely due to the increase in sectors flown (resulting from the expansion of Ryanair's fleet), the increase in sector length and increased line maintenance costs associated with the expansion of Ryanair's line maintenance operation at the London Stansted base.

Marketing and Distribution Costs. Ryanair's marketing and distribution costs per ASM decreased 58.1%, while in absolute terms these costs decreased 43.0%, from €21.5 million in the fiscal year ended March 31, 2001 to €12.4 million in the fiscal year ended March 31, 2002. The declines were primarily the result of the increase in the level of reservations made directly through Ryanair.com and elimination of commissions due to the cessation of travel agent bookings. The effect of these factors was partially offset by increased marketing and advertising expenses arising from the launch of 22 new routes and the launch of two new bases at Brussels (Charleroi) and Frankfurt (Hahn).

Aircraft Rentals. Ryanair's aircraft rental expenses decreased 59.7% on a per ASM basis, while in absolute terms these expenses decreased by 44.8% from €7.3 million in the fiscal year ended March 31, 2001 to €4.0 million in the fiscal year ended March 31, 2002. The declines reflected Ryanair's decreased need for rental aircraft following the delivery of new aircraft during the period.

Route and Airport and Handling Charges. Ryanair's route charges per ASM decreased 4.5% in the fiscal year ended March 31, 2002, while airport and handling charges per ASM decreased 6.5%. In absolute terms, route charges increased 30.8%, from €35.7 million in the fiscal year ended March 31, 2001 to €46.7 million in the fiscal year ended March 31, 2002, primarily as a result of the 24.0% increase in sectors flown and the increase in average sector length, as well as an increase in basic unit charges in some countries, principally the U.K. In absolute terms, airport and handling charges increased 28.1%, from €66.3 million in the fiscal year ended March 31, 2001 to €84.9 million in the fiscal year ended March 31, 2002, reflecting the growth in passenger volume and increased costs on certain existing routes, the effects of which were offset in part by lower average costs on new routes to continental Europe and at Ryanair's new bases.

Other Ancillary and Operating Expenses. Ryanair's other operating expenses, including those applicable to the generation of ancillary revenues, decreased 13.8% on a per ASM basis in the fiscal year ended March 31, 2002, although in absolute terms these costs increased by 18.1%, from €38.6 million in the fiscal year ended March 31, 2001 to €45.6 million in the fiscal year ended March 31, 2002. The decline on a per ASM basis reflected improved margins on some new and existing products, as well as cost reductions realized in relation to certain indirect costs.

Operating Profit. As a result of the factors described above, Ryanair's operating profit as a percentage of total revenues increased from 23.4% in the fiscal year ended March 31, 2001 to 26.1% in the fiscal year ended March 31, 2002. In absolute terms, operating profit increased 42.9%, from €114.0 million in the fiscal year ended March 31, 2001 to €162.9 million in the fiscal year ended March 31, 2002.

Interest Receivable and Similar Income. Ryanair's interest receivable and similar income increased 40.1%, from €19.7 million in the fiscal year ended March 31, 2001 to €27.5 million in the fiscal year ended March 31, 2002, primarily reflecting higher average cash balances on hand due to the increase in Ryanair's profitability and the receipt of net proceeds of €181.2 million from the issuance and sale of 30 million new Ordinary Shares in the Regulation S Offering conducted outside the United States in February 2002.

Interest Payable and Similar Charges. Ryanair's interest payable and similar charges increased significantly, from €12.0 million in the fiscal year ended March 31, 2001 to €19.6 million in the fiscal year ended March 31, 2002, reflecting the increase in debt related to the acquisition of five new 737-800 aircraft. These costs are expected to continue to increase as Ryanair expands its fleet.

Other Income. Ryanair's other income decreased slightly from €1.7 million in the fiscal year ended March 31, 2001 to €1.5 million in the fiscal year ended March 31, 2002, primarily reflecting lower foreign exchange gains due to less favorable movements in the euro dollar exchange rate.

Taxation. The effective tax rate for the fiscal year ended March 31, 2002 was 13%, compared to 15% in the fiscal year ended March 31, 2001. The decline in the effective tax rate reflects a reduction in the statutory rate of Irish corporation tax, the positive impact of Ryanair.com (which benefits from a reduced income tax rate) and the continued benefit of Ryanair's international leasing and internet-related businesses. Profits from certain qualifying activities at Ryanair.com are currently levied at an effective 10% rate in Ireland. Ryanair.com will continue to be eligible for the 10% preferential tax treatment until the scheduled expiration of its license in 2010. Ryanair recorded an income tax provision of €22.0 million for the fiscal year ended March 31, 2002, and an income tax provision of €18.9 million for the fiscal year ended March 31, 2001.

FISCAL YEAR 2001 COMPARED WITH FISCAL YEAR 2000

Profit after Taxation. Ryanair's profit on ordinary activities after taxation increased 44.1%, from €72.5 million in the fiscal year ended March 31, 2000 to €104.5 million in the fiscal year ended March 31, 2001, while total operating revenues increased 31.7% from €370.1 million to €487.4 million. This result reflected a significant increase in the revenues generated by a record number of scheduled passengers (notwithstanding a decline in average fares that reflected the launch of ten new routes and lower fares offered through Ryanair.com), an increase in ancillary revenues and a decrease in operating expenses as a percentage of total operating revenues. Ryanair's profit on ordinary activities before taxation increased 37.0%, from €90.1 million in the fiscal year ended March 31, 2000 to €123.4 million in the fiscal year ended March 31, 2001.

Scheduled Revenues. Ryanair's scheduled passenger revenues increased 30.1%, from €330.6 million in the fiscal year ended March 31, 2000 to €432.9 million in the fiscal year ended March 31, 2001. This increase reflected growth of 35.1% in scheduled passenger volumes, from 5.5 million to 7.4 million passengers, and an 22.9% increase in sectors flown from 59,140 to 72,653, as well as the positive exchange rate impact of the translation of sterling-denominated revenues into euro. The increase in scheduled revenues was achieved despite a decrease in adjusted average yield per RPM from €0.161 to €0.143, the negative effects of which were partially offset by increases in average flown passenger load factor from 67% to 70%.

Much of the increase in scheduled passenger revenue was directly attributable to the increase in sectors flown due to the impact of the operation of ten more new Boeing 737-800 aircraft and the expansion of Ryanair's route network during the period. The increase in scheduled passenger revenues and sectors flown also reflected Ryanair's launch of ten additional routes during the period and an increase in frequencies on certain of its existing routes. The ten new routes added during the fiscal year ended March 31, 2001 (London Stansted to each of Malmo, Shannon, Perpignan, Nimes, Alghero, Lamezia, Brescia and Hamburg (Lübeck), Glasgow Prestwick to Frankfurt (Hahn) and Shannon to Frankfurt (Hahn)) accounted for approximately 16% of the growth in passenger volume. Increased capacity on Ryanair's existing route network resulting from more frequent flights and the use of larger aircraft on certain of its routes between Ireland and the U.K and the U.K. and continental Europe, accounted for the remaining approximately 84% of the increase in passenger volume. Passenger capacity (as measured in ASMs) increased 42.0% during this period due to the addition of ten 737-800 aircraft, as well as an increase in the average length of passenger haul and the increase in sectors flown. Scheduled passenger revenues accounted for 88.8% of Ryanair's total revenues for the fiscal year ended March 31, 2001, compared with 89.3% of total revenues in fiscal year ended March 31, 2000.

Ancillary Revenues. Ryanair's ancillary revenues, which consist primarily of revenues from in-flight sales of beverages and merchandise, sales of rail tickets and travel insurance, charter services and car rentals, increased 37.7%, from €39.6 million in the fiscal year ended March 31, 2000 to €54.5 million in the fiscal year ended March 31, 2001. The increase was attributable to a significant increase in revenues from car rentals, charter services and other activities ancillary to in-flight services, as well as to €1.0 million in revenues generated from internet-related activities. Revenues from car rentals rose during the period from €7.9 million to €12.6 million, or 59.5%; charter revenues increased from €9.3 million to €13.9 million, or 49.5%; and revenues from non-flight scheduled operations (primarily rail ticket and travel insurance sales) increased from €8.8 million to €12.8 million, or 45.5%. Revenues from in-flight sales increased 4.4%, from €13.6 million in fiscal year 2000 to €14.2 million in fiscal year 2001, as the average passenger spend per flight decreased from €3.91 to €3.60.

Operating Expenses. Ryanair's operating expenses as a percentage of total revenues amounted to 77.3% in the fiscal year ended March 31, 2000 and decreased to 76.6% in the fiscal year ended March 31, 2001. Ryanair's total operating expenses increased 30.5%, from €286.1 million in the fiscal year ended March 31, 2000 to €373.4 million in the fiscal year ended March 31, 2001, principally as a result of a 35.1% increase in scheduled passenger volume and a 22.9% increase in number of sectors flown, which were reflected in increases in fuel expenses, depreciation, airport and handling charges and staff and maintenance costs in absolute terms, as total operating expenses per ASM declined by 8.1%.

The following table sets forth the amounts in euro cents and percentage changes of Ryanair's operating expenses (on a per ASM basis) for the fiscal years ended March 31, 2000 and March 31, 2001 under Irish GAAP:

	Fiscal Year Ended March 31, 2001	**Fiscal Year Ended March 31, 2000**	**% Change**
Staff Costs	1.38	1.55	-11.2%
Depreciation and Amortization	1.33	1.41	-5.4%
Fuel and Oil	1.43	1.33	7.2%
Maintenance, Materials and Repairs	0.45	0.55	-16.0%
Marketing and Distribution	0.48	1.03	-52.8%
Aircraft Rentals	0.16	0.06	144.6%
Route Charges	0.80	0.84	-4.4%
Airport and Handling Charges	1.49	1.38	8.3%
Other Operating Expenses	0.87	1.00	-13.2%
Total Operating Expenses(c)	8.41	9.89	-8.1%

(a) For the purposes of calculating Operating Expenses per Available Seat Mile (ASM), operating expenses include the costs of the Company's charter operations.

(b) These data are calculated by dividing the relevant expense amount (as shown in the Consolidated Financial Statements) by the number of ASMs in the relevant year as shown in the table of "Selected Operating and Other Data" in Item 3. and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

(c) Total Operating Expenses per ASM does not equal the Cost per ASM (CASM) reported in the table of "Selected Operating and Other Data" in Item 3., as the latter figure excludes Non-Charter Ancillary Costs, which were 0.61 euro cents and 0.54 euro cents per ASM in the fiscal years ended March 31, 2000 and 2001, respectively.

Staff Costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, decreased 11.2% on a per ASM basis. In absolute terms, Ryanair's staff costs increased 26.1%, from €48.5 million in the fiscal year ended March 31, 2000 to €61.2 million in the fiscal year ended March 31, 2001. The increase was primarily due to the growth in the average number of Ryanair's employees from 1,262 to 1,467 (in particular, an increase of approximately 34% in the number of pilots, who earn higher than average salaries), as well as the impact of annual pay increases of between 3.0% and 5.5%.

Depreciation and Amortization. Ryanair's depreciation and amortization per ASM decreased by 5.4%, although in absolute terms these costs increased 34.3%, from €44.1 million in the fiscal year ended March 31, 2000 to €59.2 million in the fiscal year ended March 31, 2001. The increase reflected a full year's depreciation for the additional Boeing 737-800 aircraft delivered in fiscal year 2000, a partial year's depreciation for the ten 737-800s delivered during fiscal year 2001 and the amortization of capitalized maintenance costs.

Fuel and Oil. Ryanair's fuel and oil costs per ASM increased 7.2%, although in absolute terms these costs increased 52.3%, from €41.7 million in the fiscal year ended March 31, 2000 to €63.5 million in the fiscal year ended March 31, 2001. The increase was principally due to the 22.9% increase in sectors flown (resulting from the expansion of Ryanair's fleet), an increase in average sector length reflecting the addition of ten new routes and an increase of approximately 18% in fuel prices (in euro terms) during this period. Fuel and oil costs include both the direct cost of fuel and the cost of delivering fuel to the aircraft. The average fuel price paid by Ryanair (calculated by dividing total scheduled fuel costs by the number of U.S. gallons of fuel consumed) increased from €0.63 per U.S. gallon in the fiscal year ended March 31, 2000 to €0.75 per U.S. gallon in the fiscal year ended March 31, 2001.

Ryanair's new Boeing 737-800 "next generation" aircraft burn fuel at an hourly rate that is comparable to that of its fleet of Boeing 737-200As. However, as the 737-800s are configured to have 45% more seats (189 seats, as compared to 130 in the 737-200As), the fuel burn per hour for the new aircraft on a per seat basis has been approximately 31% lower than that for the 737-200A fleet to date. Nonetheless, there can be no assurance that any such reduction in fuel burn per hour on a per seat basis will translate into a reduction in fuel costs on a per seat basis, as Ryanair's cost of fuel varies with fluctuations in both world fuel prices and the conversion rate between the U.S. dollar and the euro. In absolute terms, Ryanair's fuel costs are expected to increase as its fleet expands.

Maintenance, Materials and Repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance and spare parts, decreased 16.0% on a per ASM basis, while in absolute terms these expenses increased 19.3%, from €16.9 million in the fiscal year ended March 31, 2000 to €20.1 million in the fiscal year ended March 31, 2001. The increase was largely due to the increase in sectors flown (resulting from the expansion of Ryanair's fleet), an increase in sector length and the increased line maintenance costs associated with the expansion of Ryanair's London Stansted base, the effects of which were partially offset by a reduction in costs related to unscheduled engine maintenance.

Marketing and Distribution Costs. Ryanair's marketing and distribution costs per ASM decreased 52.8%, while in absolute terms these costs decreased 33.0%, from €32.1 million in the fiscal year ended March 31, 2000 to €21.5 million in the fiscal year ended March 31, 2001, primarily as a result of the increase in the level of reservations made directly through Ryanair.com, the reduction of the standard travel agent commission rate by one-third and the termination of the distribution agreement with Galileo. The effect of these factors was partially offset by increased marketing and advertising expenses arising from the launch of ten new routes and the expansion of Ryanair.com.

Aircraft Rentals. Ryanair's aircraft rental expenses increased 144.6% on a per ASM basis, while in absolute terms these expenses increased from €2.1 million in the fiscal year ended March 31, 2000 to €7.3 million in the fiscal year ended March 31, 2001, reflecting increased rental of aircraft during the peak summer season.

Route and Airport and Handling Charges. Ryanair's route charges per ASM decreased 4.4% in the fiscal year ended March 31, 2001, while airport charges per ASM increased 8.3%. In absolute terms, route charges increased 35.8%, from €26.3 million in the fiscal year ended March 31, 2000 to

€35.7 million in the fiscal year ended March 31, 2001, primarily reflecting the 22.9% increase in sectors flown and a 9.7% increase in average sector length. In absolute terms, airport and handling charges increased 53.8%, from €43.1 million in the fiscal year ended March 31, 2000 to €66.3 million in the fiscal year ended March 31, 2001, due to the growth in passenger volume, increased costs on certain existing routes and the strength of sterling (in which U.K. charges are denominated) against the euro, the effects of which were partially offset by lower average costs on certain new routes.

Other Ancillary and Operating Expenses. Ryanair's other operating expenses, including those applicable to the generation of ancillary revenues, decreased 13.2% on a per ASM basis in the fiscal year ended March 31, 2001, although in absolute terms these costs increased by 23.3%, from €31.3 million in the fiscal year ended March 31, 2000 to €38.6 million in the fiscal year ended March 31, 2001, primarily due to a reduction in some ancillary product costs arising from the change in product mix following the abolition of duty-free sales on intra-EU flights.

Operating Profit. As a result of the factors described above, Ryanair's operating profit as a percentage of total revenues increased from 22.7% in the fiscal year ended March 31, 2000 to 23.4% in the fiscal year ended March 31, 2001. In absolute terms, operating profit increased 35.6%, from €84.1 million in the fiscal year ended March 31, 2000 to €114.0 million in the fiscal year ended March 31, 2001.

Interest Receivable and Similar Income. Ryanair's interest receivable and similar income increased from €7.5 million in the fiscal year ended March 31, 2000 to €19.7 million in the fiscal year ended March 31, 2001, primarily reflecting the positive impact on cash resources of the increase in Ryanair's profitability and the receipt of net proceeds of €124.1 million from the sale of 11 million new Ordinary Shares in the Regulation S Offering conducted in February 2001.

Interest Payable and Similar Charges. Ryanair's interest payable and similar charges increased significantly, from €3.8 million in the fiscal year ended March 31, 2000 to €12.0 million in the fiscal year ended March 31, 2001, reflecting the increase in debt related to the acquisition of ten new 737-800 aircraft.

Other Income. Ryanair's other income decreased from €2.3 million in the fiscal year ended March 31, 2000 to €1.7 million in the fiscal year ended March 31, 2001, primarily reflecting the fact that a profit on the sale of investments of €1.0 million in fiscal 2000 did not recur in fiscal 2001.

Taxation. The effective tax rate for the fiscal year ended March 31, 2001 was 15%, compared to 20% in the fiscal year ended March 31, 2000. The decline in the effective tax rate reflects a reduction in the statutory rate of Irish corporation tax and the positive impact of Ryanair.com (which benefits from a reduced income tax rate) and the continued benefit of Ryanair's international leasing and internet business. Ryanair recorded an income tax provision of €18.9 million for the fiscal year ended March 31, 2001, and an income tax provision of €17.6 million for the fiscal year ended March 31, 2000. Profits from certain qualifying activities are currently levied at an effective 10% rate in Ireland. Ryanair.com will continue to be eligible for the 10% preferential tax treatment until the scheduled expiration of its license in 2010.

QUARTERLY FLUCTUATIONS

The Company's results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. Among the factors causing these variations are the airline industry's sensitivity to general economic conditions and the seasonal nature of air travel. Historically, Ryanair has experienced its lowest load factors and yields for the year in January and

February. As a result, the Company's operating revenues and profit before taxation have generally been significantly lower in the last quarter of a fiscal year ended March 31 than in the other quarters thereof.

U.S. GAAP RECONCILIATION

The Company's consolidated net income determined in accordance with U.S. GAAP would have been €155.5 million, €112.4 million and €71.9 million, for the fiscal years ended March 31, 2002, 2001 and 2000, respectively, as compared with net income of €150.4 million, €104.5 million and €72.5 million, respectively, for the same periods, as determined under Irish GAAP.

The Company's total assets determined in accordance with U.S. GAAP would have been €1,896.7 million and €1,279.1 million at March 31, 2002 and 2001, respectively, as compared with €1,889.6 million and €1,277.2 million, respectively, under Irish GAAP. Shareholders' equity determined in accordance with U.S. GAAP would have been €1,019.6 million and €674.4 million at March 31, 2002 and 2001, respectively, as compared with €1,002.3 million and €670.0 million, respectively, under Irish GAAP. The main differences affecting the determination of shareholders' equity at March 31, 2002 include the different treatment of derivative financial instruments, pension costs, capitalized interest on aircraft acquisitions and employment grants received from Forbairt under U.S. GAAP. For a discussion of the principal differences between Irish GAAP and U.S. GAAP as they relate to the Group's consolidated net income and shareholders' equity, see Note 31 to the Consolidated Financial Statements included in Item 18.

RECENTLY ISSUED ACCOUNTING STANDARDS

Irish GAAP

Ryanair has adopted the transitional provisions of Financial Reporting Standard 17 "Retirement Benefits," and the full provisions of Financial Reporting Standards 18 and 19, "Accounting Policies" and "Deferred Tax," respectively, in preparing the Consolidated Financial Statements for the fiscal year ended March 31, 2002 included in Item 18. The adoption of these financial reporting standards did not have any impact on Ryanair's results of operations for the period.

U.S. GAAP

In June 2001, the Financial Accounting Standards Board ("FASB") issued SFAS No. 141, "Business Combinations". This statement requires that the purchase method of accounting be used for all business combinations initiated after June 30, 2001. The adoption of this standard did not have a material impact on Ryanair's consolidated financial statements.

In July 2001, the FASB issued SFAS No. 142, " Goodwill and Other Intangible Assets" ("SFAS No. 142"), which revises the accounting for purchased goodwill and other intangible assets. SFAS No. 142 is effective as of April 1, 2002, with earlier adoption permitted. Under SFAS No. 142, purchased goodwill and intangible assets with indefinite lives are no longer amortized, but are instead tested for impairment at least annually. Ryanair does not expect that the adoption of SFAS No. 142 will have a material impact on its consolidated financial statements.

SFAS No. 143, "Accounting for Asset Retirement Obligations" ("SFAS No. 143"), addresses financial accounting and reporting for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. The statement requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset. This statement is effective for financial statements issued for fiscal years beginning after June 15, 2002. Ryanair does not expect that the adoption of SFAS No. 143 will have a material impact on its consolidated financial statements.

SFAS No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS No. 144"), addresses financial accounting and reporting for the impairment or disposal of long-lived assets. The provisions of this statement are effective as of April 1, 2002. Ryanair does not expect that the adoption of SFAS No. 144 will have a material impact on its consolidated financial statements.

In April 2002, the FASB issued SFAS No. 145, "Rescission of FASB Statements No. 4, 44 and 64, Amendment of FASB Statement No. 13, and Technical Corrections" ("SFAS No. 145"). SFAS No. 145 provides for the rescission of several previously issued accounting standards, new accounting guidance on the accounting for certain lease modifications and various technical corrections that are not substantive in nature to existing pronouncements, Ryanair adopted SFAS No. 145 on April 1, 2002, except for the provisions relating to the amendment of SFAS No. 13, which were adopted for transactions occurring subsequent to May 15, 2002. Ryanair does not expect that the adoption of SFAS No. 145 will have a material impact on the consolidated financial statements.

In June 2002, the FASB issued SFAS No. 146, "Accounting for Costs Associated with Exit or Disposal Activities" ("SFAS No. 146"). SFAS No. 146 addresses financial accounting and reporting for costs associated with exit or disposal activities and nullifies Emerging Issues Task Force (EITF) Issue No. 94-3, "Liability Recognition for Certain Costs Incurred in a Restructuring." The statement also establishes that fair value is the objective for initial measurement of the liability. The statement is effective for exit or disposal activities initiated after December 31, 2002. Ryanair does not expect that the adoption of SFAS No. 146 will have a material impact on its consolidated financial statements.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity. The Company finances its working capital requirements through a combination of cash generated from operations and bank loans for the acquisition of aircraft. The Company had cash and liquid resources under Irish GAAP at March 31, 2000, 2001 and 2002 of €355.2 million, €626.7 million and €899.3 million, respectively, with the increase at March 31, 2002 in part reflecting the growth in profits and the receipt of net proceeds of €181.2 million from the sale of 30 million new Ordinary Shares in the Regulation S Offering conducted outside the United States in February 2002.

The Company's net cash inflow from operating activities in fiscal year 2000, fiscal year 2001 and fiscal year 2002 totaled €149.6 million, €229.8 million and €333.7 million, respectively. During the last three fiscal years, Ryanair's primary cash requirements have been for operating expenses, additional aircraft, advance payments in respect of the new fleet of Boeing 737-800s and related flight equipment, payments on related indebtedness and payments of corporation tax. Equity offerings and cash generated from operations have been the principal sources for these cash requirements, supplemented primarily by aircraft related bank loans.

The Company's net cash inflow from returns on investments and servicing of finance in fiscal year 2000, fiscal year 2001 and fiscal year 2002 totaled €2.0 million, €5.6 million and €10.4 million, respectively, primarily reflecting interest earned by the Company on its cash balances, as offset in part by interest payments on long-term aircraft purchase loans.

The Company's net cash inflow from financing and management of liquid resources in fiscal year 2000, fiscal year 2001 and fiscal year 2002 totaled €18.8 million, €174.2 million and €78.5 million, respectively, principally reflecting the increase in long-term aircraft-related debt and the issuance of new Ordinary Shares in the Regulations S Offerings in 2001 and 2002.

Under U.S. GAAP, the Company's cash and cash equivalents at March 31, 2000, 2001 and 2002 were €121.4 million, €389.1 million and €482.5 million, respectively. Under U.S. GAAP, the cash inflows from operating activities in fiscal years 2000, 2001 and 2002 were €136.0 million, €221.6 million and €339.0 million, respectively; the cash outflows from investing activities in fiscal years 2000, 2001 and 2002 were €327.0 million, €360.1 million and €575.8 million, respectively; and the cash inflows from financing activities were €214.7 million, €406.1 million and €330.2 million, respectively. See Note 31 to the Consolidated Financial Statements included in Item 18.

Capital Resources. Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Ryanair has a loan facility with ABN AMRO Bank N.V., which it has used to finance the 737-800 aircraft being purchased under the 1998 Boeing contract which is described in more detail below, and a €2.0 million loan facility from the Bank of Ireland to guarantee the electronic payment of certain operating expenses, including staff salaries and foreign travel duty taxes. At March 31, 2002, the Company had other borrowings of €9,990,753, consisting of a loan provided by Export Development Canada, a Canadian Government agency that was used to finance the acquisition of a 737-800 aircraft simulator. Loans outstanding totaled €122.0 million at March 31, 2000, €402.8 million at March 31, 2001 and €550.5 million at March 31, 2002, with the increase being primarily attributable to debt incurred in connection with the purchase of new aircraft. For more information on the maturity profile and debt and currency structure of the Company's borrowings, see Notes 12 through 17 to the Consolidated Financial Statements included in Item 18. Management believes that the working capital available to the Company, including its long term financing facilities, is sufficient for its present requirements and will be sufficient to meet its anticipated requirements for capital expenditures and other cash requirements for fiscal year 2003.

The following table sets forth the contractual obligations and commercial commitments of the Company with definitive payment terms which will require significant cash outlays in the future, as of March 31, 2002. These obligations primarily relate to Ryanair's aircraft purchase and related financing obligations, which are described in more detail under "—Capital Expenditures" below.

	Payments Due by Period				
Contractual Obligations	**Total €000**	**Less than 1 year €000**	**1-2 years €000**	**2-5 years €000**	**After 5 years €000**
Long Term Debt	550,502	38,799	40,499	136,545	334,659
Purchase Obligations (a)	6,546,886	724,998	1,069,326	772,291	3,980,271
Engine maintenance	24,652	6,566	6,566	11,520	-
Total Contractual Obligations	€7,122,040	€770,363	€1,116,391	€920,356	€4,314,930

(a) Represents the number of aircraft the Company has contracted to purchase in each period multiplied by the "Basic Price" for each aircraft, before any adjustment due to the Escalation Factor, and excluding the effect of price concessions granted to Ryanair; as converted to euro at an exchange rate of U.S.$ 0.8717 = €1.00.

Capital Expenditures. The Company's net cash outflows from capital expenditures in fiscal year 2000, fiscal year 2001 and fiscal year 2002 were €154.1 million, €356.2 million and €396.7 million, respectively. Ryanair has funded its acquisition of aircraft and flight equipment primarily through net proceeds from equity offerings (aggregating €484.0 million in the period from fiscal year 2000 through fiscal year 2002), bank loans and funds generated from operations.

On March 9, 1998, Ryanair entered into a series of agreements with Boeing to purchase 25 new Boeing 737-800 "next generation" aircraft, together with options to purchase up to a further 20 aircraft (which may include 737-700s, 737-800s or 737-900s). Ryanair exercised the first three of these options in September 2000; the remaining options were cancelled in connection with the 2002 Boeing contract described below.

The "Basic Price" (or gross price) for each 737-800 aircraft purchased under the 1998 Boeing contract is $46,361,900 (€48,424,796) including certain equipment purchased and fitted by Boeing on the Company's behalf, subject to increase to take into account an "Escalation Factor" reflecting the changes in the U.S. Employment Cost and Producer Price Indices and subject to decrease to take into account certain concessions granted to the Company by Boeing. The total amount to be paid by the Company over the period from March 1998 through January 2003 in respect of the 25 firm commitment aircraft, not taking into account any such increases or decreases, is expected to be approximately $1.35 billion (€1.5 billion). Due to the application of the Escalation Factor, the gross price for each of the three option aircraft is expected to be approximately $51 million (€53.3 million), not taking into account any concessions.

Boeing has granted the Company certain price concessions with regard to the 737-800 aircraft purchased under the 1998 Boeing contract. These take the form of credit memoranda to the Company for the amount of such concessions, which the Company may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the purchase of the aircraft. Boeing and CFM International S.A. (the manufacturer of the CFM56-7B24 engines that power the 737-800 aircraft) have also agreed to give the Company certain allowances for promotional and other activities, as well as providing other goods and services to the Company on concessionary terms.

On January 24, 2002, Ryanair announced that it had entered into a new series of agreements with Boeing to purchase an additional 100 new Boeing 737-800 seat aircraft over a seven-year period from December 2002 to December 2009; the contract also provides Ryanair with options to purchase up to an additional 50 such aircraft. These new aircraft are identical in all significant respects to the 737-800s already being operated by Ryanair, having 189 seats and the same cockpits and engine configuration. In June 2002, Ryanair exercised three of its options under the 2002 contract for delivery in April 2003.

Management believes that the purchase of the additional new Boeing 737-800 aircraft will allow Ryanair to continue to grow over the next seven years and that the significant size of the order allowed Ryanair to obtain favorable purchase terms, guaranteed deliveries, and a standard configuration for all of the aircraft. The purchase is also expected to allow Ryanair to phase out its existing 21 Boeing 737-200s, which are on average 21 years old, over a four-year period ending in 2007. Ryanair's fleet is thus expected to consist entirely of Boeing 737-800 "next generation" aircraft by March 2007.

The 100 firm orders and the three options already exercised under the 2002 Boeing contract will enable the Company to increase the size of its summer schedule fleet by between ten and nineteen additional units each fiscal year over the period from summer 2003 to 2009, almost trebling the size of its fleet over that period (net of the retirement of the 737-200As). If traffic growth proves to be greater than can be satisfied by these new aircraft, the Company may exercise its rights to acquire some or all of the 47 remaining option aircraft to cater for this demand. The delivery of the 103 aircraft Ryanair is currently obligated to purchase under the 2002 Boeing contract, together with the retirement of the 737-200As, will increase the size of Ryanair's fleet to 131 by December 2008, with that number increasing should Ryanair choose to exercise any of the 47 options remaining under the 2002 Boeing contract.

The gross price for each 737-800 aircraft to be purchased under the 2002 Boeing contract is $51,851,000 (€59,008,763) including certain equipment purchased and fitted by Boeing on the Company's behalf, subject to increase to take into account an "Escalation Factor" reflecting the changes in the U.S. Employment Cost and Producer Price Indices and subject to decrease to take into account certain concessions granted to the Company by Boeing. The total amount to be paid by the Company over the period from January 2002 through December 2008 in respect of the 100 firm commitment aircraft and the three aircraft for which options have already been exercised, not taking into account any such increases or decreases, is expected to be approximately $5.3 billion (€6.03 billion).

Boeing has granted the Company certain price concessions with regard to the 737-800 aircraft being purchased under the 2002 Boeing contract. These take the form of credit memoranda to the Company for the amount of such concessions, which the Company may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the purchase of the aircraft. Boeing and CFM International S.A. (the manufacturer of the CFM56-7B24 engines that power the 737-800 aircraft) have also agreed to provide other goods and services to the Company on concessionary terms.

The Company's purchase of the original 25 firm commitment 737-800 aircraft and the three option aircraft under the 1998 Boeing contract is being funded by a combination of bank financing in the form of loans under a loan facility with ABN AMRO Bank N.V. (the "ABN Facility"), supported by a loan guarantee from the Export-Import Bank of the United States ("EXIM") and the Company's cash flow generated from operations. On the basis of an EXIM guarantee with regard to the financing of up to 85% of the eligible U.S. and foreign content represented in the net purchase price of the aircraft, ABN AMRO Bank N.V. ("ABN AMRO") entered into a commitment letter (the "Commitment Letter") with the Company to provide an aggregate of $705 million in financing for those aircraft benefiting from such a guarantee. ABN AMRO's original financing commitment related only to the 25 firm commitment aircraft. Ryanair has financed the three option aircraft which were delivered in May, June, and July 2002 through a combination of loans supported by a similar EXIM guarantee and cash flow from operations. Each of the loans under the ABN Facility is to be on substantially similar terms as the first of these loans, which is a twelve-year dollar-denominated loan that is secured by a first priority mortgage in favor of a security trustee on behalf of EXIM.

Between December 2001 and February 2002, Ryanair took delivery of five additional 737-800 aircraft that it financed through loans under the ABN Facility. On February 11, 2002, Ryanair exercised its option to convert the floating rate financing obtained under the ABN Facility for these five 737-800 aircraft to fixed rate financing; the financing for these five aircraft now is in the form of a fixed rate loan in the amount of $143.2 million, which bears interest at a rate of 5.75% per annum and is repayable in 48 quarterly installments from April 2002 to January 2014. Through the use of swaps, Ryanair has effectively converted this dollar-denominated debt into an approximately equivalent amount (at current exchange rates) of euro-denominated debt that bears interest at a lower effective interest rate. At March 31, 2002, the Company had U.S. dollar borrowings equivalent to $502.2 million in respect of the drawdown used to finance a portion of the acquisition price of the first twenty 737-800 aircraft, which it converted into an obligation of €540.5 million through the use of swaps. At March 31, 2001, the equivalent amounts were $402.9 million and €402.5 million. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exposure and Hedging and —Interest Rate Risk Exposure and Hedging."

Between May and July 2002, Ryanair took delivery of three additional 737-800 aircraft that it financed through loans based on the EXIM guarantee. In April 2002, Ryanair exercised its option to convert the floating rate financing obtained under the EXIM guarantee for these three 737-800 aircraft to fixed rate financing; the financing for these five aircraft now is in the form of a fixed rate loan in the amount of $78.1 million, which bears interest at a rate of 4.87% per annum and is repayable in 48 quarterly installments from September 25, 2002 to June 25, 2014. Through the use of swaps, Ryanair has effectively converted this dollar-denominated debt into an approximately equivalent amount (at current exchange rates) of euro-denominated debt that bears interest at 5.37%. As a result of the series of transactions described above, Ryanair effectively draws down fixed rate euro-denominated debt in respect of its financing of these aircraft and has no ongoing currency or increase rate exposure in respect of this debt. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exposure and Hedging and —Interest Rate Risk Exposure and Hedging."

Ryanair's ability to obtain additional loans pursuant to the ABN Facility in order to finance a portion of the purchase price of the remaining 737-800 aircraft being purchased under the 1998 Boeing contract and scheduled to be delivered between December 2002 and January 2003, as well as its ability to enter into related swap transactions with ABN AMRO in connection with hedging its obligations under such loans, is subject to the satisfaction of various conditions contained in the documentation for the loans made to date under the ABN Facility (as to the twenty three 737-800 aircraft delivered between 1999 and 2002) and various conditions set forth in the Commitment Letter (as to the five 737-800 aircraft scheduled to be delivered between December 2002 and January 2003), as well as in the related swaps. These conditions include, among other things, the execution of satisfactory documentation, the requirement that Ryanair perform all of its obligations under the Boeing agreements and provide satisfactory security interests in the aircraft (and related assets) in favor of the lenders and EXIM, and that Ryanair does not suffer a material adverse change in its conditions or prospects (financial or otherwise). With respect to the 737-800 aircraft scheduled to be delivered after September 2002, Ryanair must first obtain a binding final commitment from EXIM to provide loan guarantees in respect of the financing of such aircraft before any such aircraft may be financed under the ABN Facility.

EXIM's policy on facilities of this type is to only issue a binding final commitment six months prior to delivery of each aircraft being financed. EXIM has already issued binding final commitments and related guarantees in the amount of $688.5 million with respect to the first twenty three 737-800 aircraft delivered between 1999 and 2002. EXIM's final binding commitment with regard to these aircraft is also subject to certain conditions set forth in the documentation for the ABN Facility and the EXIM guarantee. These conditions include, among other things, the execution of satisfactory documentation, the creation and maintenance of the lease and related arrangements described below, that Ryanair provide satisfactory security interests in the aircraft (and related assets) in favor of EXIM and the lenders, and that the twenty aircraft be registered in Ireland, be covered by adequate insurance and maintained in a manner acceptable to EXIM. Ryanair expects that any future commitments or guarantees issued by EXIM will contain similar conditions, as well as requiring Ryanair to pay EXIM fees based on the amount of any such commitment or guarantee of the type described in more detail below.

Management has no reason to believe that EXIM will not issue a further final binding commitment and guarantee in relation to each of the other 737-800 aircraft to be delivered under the 1998 Boeing contract and thus believes it will be eligible for further loans under the ABN Facility in relation to the remaining aircraft to be delivered. If, however, EXIM does not issue its final binding commitment or a related guarantee in respect of any aircraft purchase, this could result in a significant increase in the financing costs for the relevant aircraft. The Company has entered into and will enter into currency and interest rate swaps in connection with its financing of the new aircraft. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exposure and Hedging and —Interest Rate Risk Exposure and Hedging."

As part of its financing of the 737-800 aircraft purchased under the 1998 Boeing contract that benefit from the EXIM guarantee, Ryanair has entered into certain lease agreements and related arrangements. Pursuant to these arrangements, legal title to each of the 23 aircraft delivered to date rests with five United States special purpose vehicles (the "SPV's") in which Ryanair has no equity or other interest. The SPV's are the borrower of record under the loans made or to be made under the ABN Facility, with all of its obligations under the loans being guaranteed by Ryanair Holdings. The shares of the SPV's (which are owned by an unrelated charitable association) are in turn pledged to a security trustee in favor of EXIM and the lenders. Ryanair Limited operates each of the aircraft pursuant to a finance lease it has entered into with the SPV's, the terms of which mirror those of the relevant loan under the ABN Facility. Ryanair has the right to purchase the aircraft upon termination of the lease for a nominal amount. Pursuant to this arrangement, Ryanair is considered to own the aircraft for accounting purposes under both Irish GAAP and U.S. GAAP. Ryanair does not engage in the use of special purpose entities for off-balance sheet financing or any other purpose which results in asset or liabilities not being reflected in Ryanair's consolidated financial statements.

The terms of the ABN Facility and the EXIM guarantee require that Ryanair pay certain fees in connection with such financing. In particular, these fees include a fixed program fee payable to ABN AMRO at each aircraft delivery as the arranger of the ABN Facility, and a commitment fee based on the unutilized and uncancelled portion of the guarantee commencing 60 days from date of issuance of the guarantee and is payable semiannually in arrears and in addition an exposure fee for the issue of the guarantee on the date of delivery is also payable to EXIM (based on the amount of the guarantee). Ryanair's payment of the exposure fee to EXIM is eligible for financing under the ABN Facility. Ryanair expects that the aggregate amount of all such aircraft-finance related fees will be approximately $12.0 million in fiscal year 2003; these fees will be capitalized and amortized over the life of the aircraft. Ryanair anticipates that similar fees will be incurred as additional aircraft are delivered and financed.

Ryanair currently expects to finance the 100 firm commitment aircraft it is obligated to purchase under the 2002 Boeing contract and any option aircraft it acquires under that contract (including those to be delivered in respect of the three options it has already exercised) though the use of similar financing arrangements based on an EXIM guarantee, supplemented as necessary with its own cash resources and other forms of loan-based financing. The first of the option aircraft is scheduled for delivery in April 2003, and the Company has already received a preliminary commitment from EXIM in relation to the first 33 aircraft which are to be delivered over the period from December 2002 to March 2005. The terms of this preliminary commitment are the same as those outlined above in relation to the guarantee in respect of the 1998 Boeing contract, and it is expected that any such EXIM guarantee-based financing will also be subject to terms and conditions similar to those described above. Ryanair recently solicited bids from six leading commercial banks for a committed euro-denominated financing facility backed by an EXIM guarantee to cover the first eight aircraft to be delivered between December 2002 and April 2003, and currently anticipates selecting and issuing a mandate to one of these banks in relation to such financing during the fourth calendar quarter of 2002. However, no assurance can be given that such financing will be available to Ryanair, or that the terms of any such financing will be as advantageous to the Company as those available at the time of the 1998 Boeing contract. Any inability of the Company to obtain financing for the new aircraft on advantageous terms could have a material adverse effect on its business, results of operation and financial condition.

In connection with its expected financing of the first 33 737-800s to be delivered under the 2002 Boeing contract, Ryanair has entered into a series of forward starting 12 year interest rate swaps. These swaps have the effect of capping the effective interest rate in euro terms on an estimated total of €1.2 billion in borrowings commencing between December 2002 and March 2005 and terminating between December 2014 and March 2017 (with the starting dates corresponding to the scheduled delivery dates for the aircraft) at interest rates from 5.03% to 5.68%. See Note 13 to the Consolidated Financial Statements included in Item 18 and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Risk Exposure and Hedging." The effectiveness of these hedges will be compromised to the extent the Company is unable to obtain financing on terms matching those of its estimates. In September 2000, Ryanair entered into a contract to purchase a Boeing 737-800 flight simulator from CAE Electronics Ltd. of Quebec, Canada ("CAE"). The simulator is being used for pilot training purposes. The gross purchase price of the simulator and the necessary software was approximately $10.3 million, not taking into account certain price concessions provided by the seller in the form of credit memoranda. The Company financed this expenditure with a 10-year euro-denominated loan provided by the Export Development Corporation of Canada for up to 85% of the net purchase price, with the remainder provided by cash flows from operations.

Ryanair entered into a contract in 2002 to purchase two additional 737-800 flight simulators from CAE. The first of these simulators is scheduled for delivery in summer 2003 and the second simulator is expected to be delivered in 2005. The CAE contract also provides Ryanair with an option to purchase another such simulator for delivery in 2007. The gross price for each simulator is approximately $10.3 million, not taking into account certain price concessions provided by the seller in the form of credit memoranda.

TREND INFORMATION

For information on Ryanair's results of operations in the quarter ended June 30, 2002, see "—Recent Operating Results" above. For information on the principal trends and uncertainties affecting the Company's results of operations and financial condition, see "Item 3. Key Information—Risk Factors" and "—Business Overview," "—Results of Operations" and "—Liquidity and Capital Resources" above.

INFLATION

Inflation has not had a significant effect on the Company's results of operations and financial condition during the three years ended March 31, 2002.

Item 6. *Directors, Senior Management and Employees*

Ryanair Holdings was established in 1996 as a holding company for Ryanair. The management of Ryanair Holdings and Ryanair are integrated, with the two companies having the same Board of Directors and all executive officers of Ryanair Holdings being executive officers of Ryanair.

DIRECTORS

The following table sets forth certain information concerning the Directors of Ryanair Holdings during fiscal year 2002:

Name	Age	Position
David Bonderman	59	Chairman of the Board and Director
Raymond MacSharry(b)(c)	63	Director
Michael O'Leary(a)(d)	41	Director and Chief Executive
James R. Osborne(b)(c)	53	Director
Cathal M. Ryan (e)	42	Director
Declan F. Ryan(a)	38	Director
T. Anthony Ryan	66	Director
Richard P. Schifter	48	Director

Jeffrey A. Shaw(a)(b)(c)(e)	38	Director
Michael Horgan	66	Director
Kyran McLaughlin.......................................	58	Director
Paolo Pietrogrande	45	Director

(a) Member of the Executive Committee.
(b) Member of the Remuneration Committee.
(c) Member of the Audit Committee.
(d) Mr. O'Leary is also the chief executive officer of Ryanair Holdings and Ryanair Limited. None of the other Directors are executive officers of Ryanair Holdings or Ryanair Limited.
(e) Did not stand for re-election at the Annual General Meeting in September 2002.

David Bonderman has served as a Director of Ryanair Holdings and Ryanair Limited since August 23, 1996 and as Chairman of the Board of Ryanair Holdings and Ryanair Limited since December 1996. Mr. Bonderman is a director and officer of 1996 Air G.P., Inc., the general partner Irish Air GenPar, and founder and Principal of Texas Pacific Group ("TPG"), which organized Irish Air, L.P. and Irish Air GenPar, L.P. Prior to forming TPG, Mr. Bonderman was Chief Operating Officer and Chief Investment Officer of Keystone Inc., the personal investment vehicle of Texas-based investor Robert M. Bass. Prior to joining Keystone Inc. in 1983, Mr. Bonderman was a partner in the law firm of Arnold & Porter in Washington, D.C. Mr. Bonderman serves on the Board of Directors of ProQuest Company, formerly Bell & Howell, Inc., Continental Airlines, Inc. (where he formerly served as Chairman), Co-Star Group, Inc., Denbury Resources, Inc., Ducati Motor Holdings S.p.A., J. Crew Group, Inc., Korea First Bank, Magellan Health Services, Inc., ON Semiconductor Corporation, Oxford Health Plans, Inc., Paradyne Networks, Inc. and Washington Mutual, Inc. Mr. Bonderman also serves in general partner advisory board roles for Air Partners III, LLC, Aqua International, Newbridge Asia Partners, Newbridge Latin America and TPG Ventures, all of which are affiliated with Texas Pacific Group.

Raymond MacSharry has served as a Director of Ryanair Holdings since August 22, 1996, and as a Director of Ryanair Limited since February 11, 1993. From 1993 to 1995, Mr. MacSharry served as Chairman of the Board of Ryanair Limited. From 1993 to 1996 and from April 1997 to March 2000, Mr. MacSharry served as a consultant to Ryanair. From 1989 to 1993, Mr. MacSharry served as the European Commissioner for Agriculture. Prior to his service on the EC, Mr. MacSharry served in the Irish Parliament for over 20 years and was the Minister for Finance of Ireland in 1982 and from 1987 to 1988. Mr. MacSharry currently serves as a member of the Court of the Bank of Ireland, and as the non-executive chairman of London City Airport, Green Property plc and Coillte Teoranta.

Michael O'Leary has served as a Director of Ryanair Holdings since July 2, 1996 and as a Director of Ryanair Limited since November 25, 1988. Mr. O'Leary was the Deputy Chief Executive of Ryanair Limited from 1991 to May 1993 and Chief Operating Officer from June 1993 to December 1993, and Chief Executive from January 1, 1994. Mr. O'Leary was appointed the Chief Executive of Ryanair Holdings on April 21, 1997.

James R. Osborne has served as a Director of Ryanair Holdings since August 22, 1996, as a Director of Ryanair Limited since April 12, 1995 and as a consultant to Ryanair since that date. Mr. Osborne was the managing partner of the law firm of A & L Goodbody Solicitors, Irish counsel to the Company, from May 1982 to April 30, 1994 and served as a consultant to the firm from May 1, 1994 to March 2000. Mr. Osborne also serves on the Board of Directors of Golden Vale plc and Adare Printing Group plc.

Cathal M. Ryan has served as a Director of Ryanair Holdings since August 22, 1996 and as a Director of Ryanair Limited since January 29, 1985. Mr. Ryan has also been employed by Ryanair as a pilot from 1991 to 1999. From April 1993 to March 1996, Mr. Ryan served as an executive of Ryanair responsible for operational safety and development. Mr. Ryan is the son of T.A. Ryan and the brother of Declan Ryan.

Declan F. Ryan has served as a Director of Ryanair Holdings since August 22, 1996 and as a Director of Ryanair Limited since January 29, 1985. Mr. Ryan held a number of executive positions at Ryanair beginning in 1986 and from April 1993 to March 1996 had executive responsibility for aircraft procurement and finance. Mr. Ryan no longer holds an executive position at Ryanair and currently operates a private investment company, Irelandia Investments Limited. Mr. Ryan is the son of T.A. Ryan and the brother of Cathal Ryan.

T. Anthony Ryan has served as a Director of Ryanair Holdings since July 2, 1996 and as a Director of Ryanair Limited since April 12, 1995. Dr. Ryan served as Chairman of the Board of Ryanair Holdings from August 23, 1996 until December 1996 and as Chairman of the Board of Ryanair Limited from January 1996 until December 1996. Dr. Ryan was one of the founders in 1975 of GPA Group plc ("GPA"), an operating lessor of commercial aircraft, and served as Chairman of GPA from 1985 to 1993. Following a restructuring of GPA involving General Electric Capital Corporation ("GECC") in 1993, Dr. Ryan served as Executive Chairman of, and subsequently as a consultant to, GE Capital Aviation Services, Limited, a company established by GECC to manage the aircraft assets of GPA, from 1993 to 1996.

Richard P. Schifter has served as a Director of Ryanair Holdings and Ryanair Limited since August 23, 1996. Mr. Schifter is a director and officer of 1996 Air G.P., Inc. and a Managing Partner of TPG and Newbridge Latin America. Prior to joining TPG, Mr. Schifter was a partner at the law firm of Arnold & Porter in Washington, D.C., where he currently serves as counsel. Mr. Schifter currently serves on the Board of Directors of America West Airlines, Inc., Bristol Group, Divco Broadband Networks, Inc., Grupo Milano, S.A., Productora de Papel, S.A. de C.V., Empresas and Chocolates La Corona S.A..

Jeffrey A. Shaw has served as a Director of Ryanair Holdings and Ryanair Limited since August 23, 1996. Mr. Shaw is a director and officer of 1996 Air G.P. and a General Partner of TPG. Prior to joining TPG in 1993, Mr. Shaw was a principal investor from 1990 to 1993 with Acadia Partners/Oak Hill Partners, an affiliate of Keystone Inc. From 1986 to 1988, Mr. Shaw was an investment banker in the Emerging Growth Group as well as the Corporate Finance Department of Goldman, Sachs & Co. Mr. Shaw currently serves on the Board of Directors of America West Airlines, Inc., Del Monte Foods Corp., The Leisure Company and Quantum Bridge Communications. From April 2000 to May 2001, Mr. Shaw served as chairman of Convergent Communications, Inc., which filed for protection under Chapter 11 of the U.S. Bankruptcy Code in April of 2001.

Michael Horgan has served as a director of Ryanair Holdings since January 12, 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 Air Safety Committee of the Board.

Kyran McLaughlin has served as a director of Ryanair Holdings since January 12, 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 plc and Riverdeep Group plc.

Paolo Pietrogrande has served as a director of Ryanair Holdings since January 12, 2001. Mr. Pietrogrande is the Chief Executive Officer of Enel GreenPower S.p.A. and Chairman of its subsidiaries CHI Energy Inc. and EGI Ltd. He is also a member of the Board of Directors of Ducati Motor Holding S.p.A.

Cathal M. Ryan and Jeffrey A. Shaw, whose terms expired at the Annual General Meeting in September 2002, did not stand for re-election to the board at such meeting, and are no longer directors of Ryanair Holdings.

The Board of Directors has established a number of committees, including the following:

Executive Committee. The Board of Directors established the Executive Committee in August 1996. The Executive Committee can exercise the powers exercisable by the full Board of Directors in circumstances where action by the Board of Directors is required and it is impracticable to convene a meeting of the full Board of Directors. Messrs. O'Leary, Bonderman and D.F. Ryan are the members of the Executive Committee.

Remuneration Committee. The Board of Directors established the Remuneration Committee in September 1996 to have authority to determine the remuneration of senior executives of Ryanair Holdings and to administer the Ryanair Holdings Stock Option Plan. Messrs. MacSharry and Osborne are the members of the Remuneration Committee, with one seat currently vacant.

Audit Committee. The Board of Directors established the Audit Committee in September 1996 to make recommendations concerning the engagement of independent chartered accountants; to review with the accountants the plans for and scope of the audit, the audit procedures to be utilized and the results of the audit; to approve the professional services provided by the accountants; to review the independence of the accountants; and to review the adequacy and effectiveness of the Company's internal accounting controls. Messrs. Osborne and MacSharry are the members of the Audit Committee, with one seat currently vacant.

Nomination Committee. The Board of Directors established the Nomination Committee in May 1999, to make recommendations to the full Board of Directors, concerning the selection of individuals to serve as executive and non-executive Directors to make proposals. Messrs. Osborne and D.F. Ryan are the members of the Nomination Committee, with one seat currently vacant.

Air Safety Committee. The Board of Directors established the Air Safety Committee in March 1997 to review and discuss air safety and related issues. The Air Safety Committee reports to the full Board of Directors each quarter. The Air Safety Committee is comprised of the following executive officers of Ryanair: Messrs. Conway, Hickey, O'Leary and O'Brien, and director Michael Horgan (chairperson).

Action and Powers of Board of Directors

The Board of Directors is empowered by the Articles of Association of Ryanair Holdings to carry on the business of Ryanair Holdings, subject to the Articles of Association, provisions of general law and the right of stockholders to give directions to the Directors by way of ordinary resolution. Every Director of Ryanair Holdings who is present at a meeting of the Board of Directors shall have one vote. In the case of a tie on a vote, the Chairman of the Board of Directors shall not have a second or tie-breaking vote. A Director may designate an alternate to attend any Board of Directors meeting, and such alternate shall have all the rights of a Director at such meeting.

The quorum for a meeting of the Board of Directors, unless another number is fixed by the Directors, consists of three Directors. A majority of the Directors present must be EU nationals. The Articles of Association of Ryanair Holdings require the vote of a majority of the Directors (or alternates) present at a duly convened meeting for the approval of all actions by the Board of Directors.

Composition and Term of Office

The Articles of Association provide that the Board of Directors shall consist of no less than three Directors and no more than 15 Directors, unless otherwise determined by the stockholders.

Directors are elected (or have their appointment by the Directors confirmed) at Annual General Meetings of stockholders. Save in certain circumstances, at every Annual General Meeting one-third (rounded down 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.

There is no maximum age for a Director and no Director shall be required to own any shares of Ryanair Holdings.

Ryanair Holdings' Articles of Association have been amended to ensure that all of the directors retire and offer themselves for re-election over a three-year period. Accordingly, James R. Osborne, Jeffrey A. Shaw, David Bonderman and Cathal M. Ryan retired, and being eligible, James R. Osborne and David Bonderman were re-elected to new terms at the Annual General Meeting in September 2002. Cathal M. Ryan and Jeffrey A. Shaw, although eligible, chose not to stand for re-election at such meeting. Ryanair Holdings currently expects that two new members of the board of directors will be selected during the fourth calendar quarter of 2002.

SENIOR MANAGEMENT

The following table sets forth certain information concerning the executive officers of Ryanair Holdings and Ryanair Limited at September, 2002:

Name	Age	Position
Michael O'Leary	41	Chief Executive
Michael Cawley	48	Chief Financial Officer and Commercial Director
David O'Brien	38	Director of Flight Operations
Howard Millar	41	Director of Finance and Company Secretary
Michael Hickey	39	Director of Engineering
Ray Conway	47	Chief Pilot
Charles Clifton	38	Director of Ground Operations and In-flight
Edward Wilson	39	Head of Personnel
James Callaghan	34	Head of Regulatory Affairs

Michael O'Leary has served as a Director of Ryanair Holdings since July 2, 1996 and as a Director of Ryanair Limited since November 25, 1988. Mr. O'Leary was the Deputy Chief Executive of Ryanair Limited from 1991 to May 1993 and Chief Operating Officer from June 1993 to December 1993, and Chief Executive from January 1, 1994. Mr. O'Leary was appointed the Chief Executive of Ryanair Holdings on April 21, 1997.

Michael Cawley was appointed as Group Financial Director of Ryanair Limited in February 1997 and Chief Financial Officer of Ryanair Holdings on April 21, 1997. From 1993 to 1997, Mr. Cawley served as Group Finance Director of Gowan Group Limited, one of Ireland's largest private companies and the main distributor for Peugeot and Citröen automobiles in Ireland. Prior to joining Gowan Group Limited, Mr. Cawley served as Joint Managing Director of Athlone Extrusions plc, a plastics manufacturing and sales company, where he led a management buyout in 1990. Mr. Cawley qualified as a chartered accountant in 1978.

David O'Brien has served as Director of Flight Operations of Ryanair Limited since May 2002, having served as Director of UK Operations since April 1998. Prior to that, Mr O'Brien served as Regional General Manager-Europe and CIS for Aer Rianta International. Between 1992 and 1996, Mr. O'Brien served as Director of Ground Operations and Inflight with Ryanair. Prior to joining Ryanair, Mr O'Brien worked as Group Training Manager for the Almarai Group, an international food processing company in Riyadh, Saudi Arabia. Mr. O'Brien is a graduate of the Irish Military College and served as a Cavalry Officer in the Irish Army from 1983 to 1989.

Howard Millar has served as Director of Finance of Ryanair Limited since March 1993, having served as Financial Controller since April 1992. On July 2, 1996, Mr. Millar was appointed Secretary of Ryanair Holdings. Prior to joining Ryanair, Mr. Millar served as the Group Financial Accounting Manager for the Almarai Group, an international food processing company in Riyadh, Saudi Arabia, from 1988 to 1992. Prior to joining the Almarai Group, Mr. Millar was employed by the Smith Group, the Irish distributor for Renault automobiles in Ireland. Mr. Millar is a graduate of Trinity College, Dublin (B.Sc. Management) and a fellow of the Institute of Chartered Certified Accountants.

Michael Hickey has served as Director of Engineering and Chief Engineer since January 2000. Mr. Hickey has held a wide range of senior positions within the engineering department since 1988 and was Deputy Director of Engineering between 1992 and January 2000. Prior to joining Ryanair in 1988, Mr. Hickey worked as an aircraft engineer with Fields Aircraft Services and McAlpine Aviation, working primarily on executive aircraft. Mr. Hickey trained and served with the Irish Air Corps from 1979 to 1985.

Captain Ray Conway joined Ryanair in 1987. He has held a number of senior management positions within the Flight Operations Department over the last 12 years, including Fleet Captain on the BAC1-11 and Boeing 737–200 fleets. Mr Conway was appointed Head of Training in 1998 and promoted to Chief Pilot in June 2002. Prior to joining Ryanair, Mr Conway served as a flying officer with the Irish Air Corps for 14 years where he was attached to the Training and Transport Squadron and responsible for the government jet as part of the Ministerial Air Transport service.

Charles Clifton has served as Director of Ground Operations and Inflight since 1996. Prior to his appointment to this position, Mr. Clifton was Inflight and Cabin Services Manager. Mr. Clifton joined Ryanair in 1986 and has held various posts including Reservations Agent, Station Manager, Catering Manager and Cabin Services Manager. Prior to joining Ryanair, Mr. Clifton completed a training course in hotel management with the Doyle Hotel Group. Mr. Clifton's current responsibilities include maintaining the cost effectiveness and on-time performance of Ryanair's ground handling operations and maximizing the cost effectiveness of agreements with airports throughout the route network. Mr. Clifton is also responsible for the management of Ryanair's inflight cabin crew and on board sales.

Edward Wilson has served as Head of Personnel since joining Ryanair in December 1997. Prior to joining Ryanair he served as Human Resources Manger for Gateway 2000 and previously held a number of other human resources related positions in the Irish financial services sector. Mr. Wilson is a graduate of Dublin City University (BBS) and a graduate member of the Corporate Institute for Personnel & Development.

James Callaghan has served as Head of Regulatory Affairs of Ryanair Limited since May 2000. Prior to joining Ryanair, Mr. Callaghan practiced as a competition lawyer for the Brussels office of Linklaters & Alliance. Mr. Callaghan is a U.S.-trained lawyer and completed a dual degree in Law and Public and International Affairs at the University of Pittsburgh in Pennsylvania.

COMPENSATION OF DIRECTORS AND SENIOR MANAGEMENT

Compensation

The aggregate amount of compensation paid by Ryanair Holdings and its subsidiaries to the Directors and executive officers named above in the fiscal year ended March 31, 2002 was €2.52 million. For details of Mr. O'Leary's compensation in such fiscal year, see "—Employment Agreements—Employment and Bonus Agreement with Mr. O'Leary" below. For details of stock options that have been granted to the Company's employees, including the executive directors named above, see "Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries."

Each of Ryanair Holdings' eleven non-executive Directors is entitled to receive €31,743 plus expenses per annum, as remuneration for his services to Ryanair Holdings. Each of Messrs. Bonderman, C. Ryan, D. Ryan, T.A. Ryan, Schifter and Shaw has executed an agreement with Ryanair Holdings by which he has waived his respective entitlement to receive annual remuneration of €31,743 in respect of his service as a Director for the fiscal year ended March 31, 2002.

Each of the 11 non-executive directors then in office were issued 50,000 share options after the 2 for 1 share split in December 2001 in respect of an equivalent number of Ordinary Shares having a strike price of €3.70 under Ryanair's Share Option Plan 2000. See "Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries"

As of September 24, 2002, the Directors and executive officers of Ryanair Holdings as a group owned 103,109,597 Ordinary Shares, representing 13.7% of Ryanair Holdings' outstanding Ordinary Shares as of such date. See Note 21(d) to the Consolidated Financial Statements in Item 18.

Employment Agreements

Employment and Bonus Agreement with Mr. O'Leary. Mr O'Leary's current employment agreement with Ryanair Limited is dated July 1, 2001 and can be terminated by either party upon twelve months notice. Pursuant to the agreement, Mr. O'Leary serves as Chief Executive at a current annual gross salary of €507,895 subject to any increases that may be agreed between Ryanair Limited and Mr. O'Leary. Mr. O'Leary also is eligible for annual bonuses as determined by the Board of Directors of Ryanair Limited; the amount of such bonuses paid to Mr. O'Leary in fiscal year 2002 totaled €180,000. Mr. O'Leary is subject to a covenant not to compete with Ryanair within the EU for a period of two years after the termination of his employment with Ryanair. Mr. O'Leary's employment agreement does not contain provisions providing for compensation on its termination.

EMPLOYEES AND LABOR RELATIONS

The following table sets forth the number of Ryanair's employees at each of March 31, 2001 and 2002:

Classification	Number of Employees at March 31, 2002	Number of Employees at March 31, 2001
Management	77	77
Administrative	102	169
Reservations	165	223
Maintenance	152	134
Ground Operations	212	199
Cockpit Crew	359	273
Flight Attendants	464	401
Total	**1,531**	**1,476**

Ryanair's flight operations, maintenance and customer ground operations personnel undergo training, both initial and recurrent. A substantial portion of the initial training for Ryanair's cabin crews is devoted to safety procedures, and cabin crews are required to undergo annual evacuation and fire drill training during their tenure with the airline. Ryanair pays for the recurrent training of all employees. Ryanair purchases time on Boeing 737-200A and Boeing 737-800 aircraft simulators used for pilot training from third parties. Ryanair has established an in-house apprenticeship program to train maintenance engineers that currently produces four qualified engineers per year. Ryanair also provides salary increases to its engineers who complete advanced training in certain fields of aircraft maintenance.

IAA regulations require pilots to be licensed as commercial pilots with specific ratings for each aircraft to be flown and to be medically certified as physically fit. At March 31, 2002, the average age of Ryanair's pilots was 37 years and their average period of employment with Ryanair was six years. Licenses and medical certification are subject to periodic re-evaluation requirements, including recurrent training and recent flying experience. Maintenance engineers must be licensed and qualified for specific aircraft. Flight attendants must have initial and periodic competency fitness training. Training programs are subject to approval and monitoring by the IAA. In addition, the appointment of senior management personnel directly involved in the supervision of flight operations, training, maintenance and aircraft inspection must be satisfactory to the IAA.

Based on its experience in managing the airline's growth to date, management believes that there is a sufficient pool of qualified and licensed pilots, engineers and mechanics in Ireland, the U.K. and continental Europe to satisfy Ryanair's anticipated future needs in the areas of flight operations, maintenance and quality control and that Ryanair will not face significant difficulty in hiring and continuing to employ the required personnel. Ryanair has also been able to satisfy its short-term needs for additional pilots and cockpit crew by contracting with certain employment agencies that represent experienced flight personnel and currently has thirteen such pilots under contract.

Ryanair's employees earn productivity-based pay incentives, including commissions on in-flight sales for flight attendants and payments based on the number of hours or sectors flown by pilots and cabin crew personnel within limits set by industry standards or regulations fixing maximum working hours. During the fiscal year ended March 31, 2002, such productivity-based pay incentives accounted for approximately 80% of an average flight attendant's total pay package and approximately 20% of the typical pilot's compensation. Reservations personnel also receive incentive payments based on the number of bookings made and sales of ancillary services such as car rentals and travel insurance. In November 2000, Ryanair's pilots approved a new five-year pay arrangement (subject to review in "exceptional circumstances" after three years), which, in return for certain productivity enhancements, provides for annual increases in base salary of 3% and increases in payments per sector of between 3% and 20% (depending on the number of sectors flown).

Ryanair's pilots are currently subject to IAA-approved limits of 100 flight hours per 28-day cycle, 300 flight hours every three months and 900 flight hours per fiscal year. For the fiscal year ended March 31, 2002, the average flight hours for each of Ryanair's pilots were approximately 70 hours per full working month, 210 hours every three months and approximately 839 hours for the complete year. Were more stringent regulations on flight hours to be adopted, Ryanair's flight personnel could experience a reduction in their total pay due to lower compensation for the number of hours or sectors flown and Ryanair could be required to hire additional flight personnel.

Although Ryanair currently consults with groups of employees, including its pilots, through "Employee Representation Committees" ("ERCs"), regarding work practices and conditions of employment, it does not conduct formal binding negotiations with collective bargaining units, as is the case in many other airlines. For example, Ryanair senior management has quarterly meetings with the pilot ERC to discuss all aspects of the business and those issues that specifically relate to pilots.

Ryanair considers its relationship with its employees to be good. However, from January 9 to March 9, 1998, 39 of Ryanair's ground-handling employees participated in industrial action with respect to terms and conditions of their employment. Although the action did not have a material effect on Ryanair's ability to fulfill its flight schedules or on its results of operations or financial condition, a secondary action on the weekend of March 7 and 8, 1998 by members of the Service, Industrial, Professional and Technical Union ("SIPTU") working for other airlines and airport service providers led to the closure of Dublin Airport for certain periods. As part of a government-sponsored arrangement to end the secondary action, Ryanair agreed to cooperate with a governmental inquiry into the facts of the dispute and the reasons for the closure of the airport. The governmental inquiry report, which was issued in July 1998, was critical of the actions of both Ryanair and SIPTU during the dispute. Management believes that the dispute and related governmental and judicial action will not have any impact on Ryanair's historical policy of not conducting formal binding negotiations with collective bargaining units or on the public's perception of the Company generally.

In the United Kingdom, the British Airline Pilots Association ("BALPA") recently sought to represent Ryanair's U.K. based pilots in their negotiations with the company. A legally-required ballot of the pilots conducted by the Central Arbitration Committee in September 2001 resulted in only 18% of those eligible to vote opting for formal recognition of BALPA, well below the required 51% threshold for recognition of the union. Under applicable U.K. labor legislation, BALPA cannot reapply for recognition at Ryanair until October 2004.

If any of these events were to alter Ryanair's historical experience of flexibility in dealing with employees or were to alter the public's perception of Ryanair generally, it could have a material adverse effect on the Company's business, operating results and financial condition. See "Item 6. Directors, Senior Management and Employees—Employees and Labor Relations."

In April 1998, the Board of Directors of Ryanair Holdings adopted an employee share option plan (the "Option Plan"), with all employees being eligible to participate. The Option Plan was approved by the Company's shareholders at the Annual General Meeting held on September 29, 1998. Ryanair

Holdings has also issued share options to certain of its senior managers. For details of all outstanding share options, see "Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries."

The Option Plan allows for eligible employees to be granted options to purchase up to an aggregate of 5% of the outstanding Ordinary Shares of Ryanair Holdings at an exercise price equal to the closing price of such shares on the Irish Stock Exchange on the date of the grant of the option. Options may be granted over a five-year period beginning in 1998, with the amount of options granted to any individual employee being determined with reference to the amount of emoluments paid to such employee in the current or previous tax year, whichever is greater. Options will be exercisable beginning in June 2003.

Management has designed the Option Plan, so that, subject to the Board of Directors' discretion, employees can be rewarded for achieving certain financial performance criteria over a five-year period, thus allowing them to participate in the increase in the value of the Company over the coming years. Grants of options under the Option Plan are thus subject to the Company's achievement of the following criteria during the five-year period beginning with fiscal year 1998, as follows:

1. The Company's net profit after tax for each fiscal year must exceed its net profit after tax for the preceding fiscal year by at least 20%.

2. If the first criterion is not met, options will still be granted if the aggregate growth in the Company's net profit after tax (as compounded annually) during the period beginning with fiscal 1998 and ending with the fiscal year ending in the year in which the grant of yearly options is being considered is equal to, or greater than, an annual rate of 20%.

If, in any year, either of these two criteria are met, the Remuneration Committee may select eligible employees who will be invited to apply for options that were not granted in any prior year as a result of neither such criterion being met.

Ryanair Holdings' shareholders approved a new share option plan (the "Option Plan 2000") at the Annual General Meeting held on September 22, 2000. All employees and directors are eligible to participate in the plan, under which grants of options can only be made in any of the ten years beginning with fiscal year 2000 if the Company's net profit after tax for the relevant fiscal year has exceeded its net profit after tax for the preceding fiscal year by at least 20%, or if an increase of 1% in net profit after tax for any relevant year would have resulted in such criterion being met. The Option Plan 2000 is part of a incentive program for Ryanair's employees and directors. Under the terms of the plan, options will become exercisable five years from the time of the first grant under the program, provided that the grantee is still employed by the Company. If the grantee has ceased to be a full time employee before this vesting date, the grantee will generally lose their complete option entitlement automatically. However, if grantees have died prior to the vesting date, the number of options which their estate will be entitled to exercise (within 12 months of the grantee's death) will be limited to the proportion of their initial grant that is equal to the proportion of the complete period represented by the time elapsed from the date of the grant to the date of their death or termination.

Item 7. ***Major Shareholders and Related Party Transactions***

DESCRIPTION OF CAPITAL STOCK

Ryanair Holdings' capital stock consists of Ordinary Shares, par value 1.27 euro cents. As of September 30, 2002, a total of 755,030,716 Ordinary Shares were outstanding. On December 7, 2001, Ryanair effected a 2 for 1 share split by which each of its then existing Ordinary Shares, par value 2.54 euro cents Irish pence, was split into two new Ordinary Shares, par value 1.27 euro cents.

MAJOR SHAREHOLDERS

Based on information available to Ryanair Holdings, the following table summarizes the holdings of those shareholders holding 5% or more of the Ordinary Shares as of the dates indicated.

	As of March 31,					
	2002		2001		2000	
	No. of Shares	% of Class	No. of Shares	% of Class	No. of Shares	% of Class
Fidelity Investments	104,408,500	13.8%	91,200,000	12.6%	48,723,200	7.0%
Ryan Family [(1)]	71,497,691	9.5%	93,518,080	12.9%	100,454,888	14.3%
Putnam Investments	70,570,400	9.3%	53,200,000	7.3%	56,191,800	8.0%
Janus	70,548,175	9.3%	-	-	-	-
Michael O'Leary	52,000,008	6.9%	52,000,008	7.2%	60,000,000	8.6%
Capital Group Companies Inc.	37,797,275	5.1%	-	-	-	-
Wellington	-	-	-	-	47,618,674	6.8%
Guilder Gagnon Howe & Co.	-	-	72,000,000	9.9%	80,187,220	11.5%

(1) Includes T.Anthony Ryan and his three sons, Cathal Ryan, Declan Ryan and Shane Ryan, each of whom has disclaimed beneficial ownership of the Ordinary Shares held by the other members of the family.

RELATED PARTY TRANSACTIONS

The Company has not entered into any "related party transactions" as defined in Item 7.B. of Form 20-F, in the three fiscal years ending March 31, 2002.

Item 8. ***Financial Information***

CONSOLIDATED FINANCIAL STATEMENTS

Please refer to "Item 18. Financial Statements."

OTHER FINANCIAL INFORMATION

Legal Proceedings

The Company is engaged in litigation arising in the ordinary course of its business. Management does not believe that any of these proceedings will, individually or in the aggregate, have a material adverse effect on the results of operation or financial condition of the Company.

Dividend Policy

Since its organization as the holding company for Ryanair in 1996, Ryanair Holdings has not declared or paid dividends on its Ordinary Shares. Ryanair Holdings anticipates, for the foreseeable future, that it will retain any future earnings in order to fund the business operations of the Company, including the acquisition of additional aircraft needed for Ryanair's planned entry into new markets and its expansion of its existing service, as well as replacement aircraft for its current fleet. Ryanair Holdings does not, therefore, anticipate paying any cash or share dividends on its Ordinary Shares in the foreseeable future.

Any cash dividends or other distributions, if made, are expected to be made in euro, although Ryanair Holdings' Articles of Association provide that dividends may be declared and paid in U.S. dollars. For owners of ADSs, The Bank of New York, as depositary will convert all cash dividends and other distributions payable to owners of ADSs into U.S. dollars to the extent that in its judgment it can do so on a reasonable basis and will distribute the resulting U.S. dollar amount (net of conversion expenses) to the owners of ADSs.

SIGNIFICANT CHANGES

No significant change in the Company's financial condition has occurred since the date of the Consolidated Financial Statements included in this Report.

Item 9. ***The Offer and Listing***

TRADING MARKETS AND SHARE PRICES

The primary market for Ryanair Holdings' Ordinary Shares is the Irish Stock Exchange Limited (the "Irish Stock Exchange" or "ISE"); Ordinary Shares are also traded on the London Stock Exchange. The Ordinary Shares were first listed for trading on the Official List of the Irish Stock Exchange on June 5, 1997 and were first admitted to the Official List of the London Stock Exchange on July 16, 1998.

ADSs, each representing five Ordinary Shares, are traded on the Nasdaq National Market of the Nasdaq Stock Market, Inc. ("Nasdaq"). The Bank of New York is Ryanair Holdings' depositary for purposes of issuing American Depositary Receipts ("ADRs") evidencing the ADSs. The following tables set forth, for the periods indicated, the reported high, low and period-end closing sales prices of the ADSs on Nasdaq and for the Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange, and have been adjusted to reflect the two-for-one splits of the Ordinary Shares and ADSs effected on February 28, 2000 and December 7, 2001:

	ADSs (in dollars)		
	High	Low	Period End
1997			
Second Quarter (beginning June 5)	6.7813	6.000	6.7813
Third Quarter	7.5117	5.7500	7.5117
Fourth Quarter	7.5625	5.3750	6.2813
1998			
First Quarter	9.4688	5.6250	9.2500
Second Quarter	9.9375	8.1260	8.9063
Third Quarter	10.7813	7.1875	8.5625
Fourth Quarter	9.5000	5.9594	9.4375
1999			
First Quarter	10.4063	7.6250	10.1880
Second Quarter	13.2500	10.3125	13.2500

	Third Quarter	14.0313	11.1875	11.4690
	Fourth Quarter	14.0938	9.7813	13.7810
2000				
	First Quarter	23.2500	13.5625	22.9380
	Second Quarter	22.5625	17.3750	18.2500
	Third Quarter	21.5625	16.8750	19.2500
	Fourth Quarter	27.8438	18.5000	27.8438
2001				
	First Quarter	29.3438	20.8438	22.2500
	Second Quarter	28.1700	21.6250	25.9750
	Third Quarter	28.6950	17.4950	20.4850
	Fourth Quarter	32.0500	20.4000	32.0500
2002				
	First Quarter	34.2000	29.9800	30.0100
	Second Quarter	36.7700	28.0000	34.8710
	Third Quarter (through September 23)	35.4500	28.3900	31.5200
Month ending:				
	March 31, 2002	34.2000	30.0000	30.0100
	April 30, 2002	31.4000	29.0000	31.0000
	May 31, 2002	31.0000	28.0000	30.6100
	June 30, 2002	36.7700	31.1600	34.8710
	July 31, 2002	34.4000	28.3900	32.1600
	August 31, 2002	35.4500	31.5100	32.7100

		Ordinary Shares (Irish Stock Exchange) (in IR pence/euros)		
		High	**Low**	**Period End**
1997				
	Second Quarter (beginning June 5)	IRp139	IRp127	IRp138
	Third Quarter	100	79	99
	Fourth Quarter	114	99	114
1998				
	First Quarter	IRp143	IRp85	IRp138
	Second Quarter	144	122	127
	Third Quarter	154	126	140
	Fourth Quarter	120	79	120
1999 (1)				
	First Quarter	€1.90	€1.33	€1.90
	Second Quarter	2.52	1.90	2.52
	Third Quarter	2.59	2.15	2.20
	Fourth Quarter	2.69	1.93	2.65
2000				
	First Quarter	4.81	2.61	4.55
	Second Quarter	4.75	3.20	3.80
	Third Quarter	4.50	3.90	4.15
	Fourth Quarter	5.88	4.32	5.75
2001				
	First Quarter	6.23	4.70	5.12
	Second Quarter	6.65	4.90	6.12
	Third Quarter	6.50	3.75	4.48
	Fourth Quarter	7.10	4.43	7.10
2002				
	First Quarter	7.20	6.15	6.68
	Second Quarter	6.95	5.66	6.20
	Third Quarter (through September 23)	6.32	4.95	5.53

Month ending:			
March 31, 2002	7.20	6.45	6.68
April 30, 2002	6.62	6.02	6.02
May 31, 2002	6.12	5.66	5.99
June 30, 2002	6.95	5.89	6.20
July 31, 2002	6.25	4.95	6.10
August 31, 2002	6.32	5.75	5.75

(1) Since January 1, 1999, share prices on the Irish Stock Exchange have been quoted in euros. The fixed exchange rate between Irish pounds and euros is €1.00 = IR£0.787564, established by the European Central Bank.

	Ordinary Shares (London Stock Exchange) (in U.K. pence)		
	High	**Low**	**Period End**
1998			
Third Quarter (beginning July 16)	130.38	82.75	93.16
Fourth Quarter	110.00	70.38	110.00
1999			
First Quarter	129.63	93.75	125.63
Second Quarter	163.13	126.25	163.13
Third Quarter	171.13	139.63	139.63
Fourth Quarter	171.50	120.63	165.38
2000			
First Quarter	288.50	165.63	262.50
Second Quarter	288.00	233.25	240.00
Third Quarter	283.75	238.75	260.00
Fourth Quarter	356.25	252.50	326.25
2001			
First Quarter	390.50	293.75	316.25
Second Quarter	400.50	303.25	368.25
Third Quarter	394.25	236.25	276.75
Fourth Quarter	420.00	271.50	420.00
2002			
First Quarter	434.50	381.00	404.50
Second Quarter	450.00	356.00	394.50
Third Quarter (through September 23)	404.50	316.00	348.00
Month ending:			
March 31, 2002	434.50	402.00	404.50
April 30, 2002	404.50	371.00	373.00
May 31, 2002	394.00	356.00	394.00
June 30, 2002	450.00	379.00	394.50
July 31, 2002	397.50	316.00	381.50
August 31, 2002	404.50	370.50	377.50

As of September 30, 2002, 755,030,716 Ordinary Shares were outstanding. At such date, 59,168,510 ADRs, representing 295,842,550 Ordinary Shares, were held of record in the United States by 50 holders, and represented in the aggregate 39.18% of the number of Ordinary Shares then outstanding.

Since certain of the Ordinary Shares are held by brokers or other nominees, the number of direct record holders in the United States may not be fully indicative of the number of direct beneficial owners in the United States or of where the direct beneficial owners of such shares are resident.

Ryanair Holdings is seeking to increase the percentage of its share capital held by EU nationals. Accordingly, beginning June 26, 2001, Ryanair Holdings has instructed The Bank of New York to suspend the issuance of new ADSs in exchange for the deposit of ordinary shares until further notice to its shareholders. Holders of ordinary shares cannot convert their ordinary shares into ADSs. The Bank of New York will continue to convert existing ADSs into ordinary shares at the request of the holders of such ADSs. Ryanair Holdings does not expect this action to have any material effect on the trading of its Ordinary Shares on the Irish Stock Exchange or the London Stock Exchange, or on the trading of its existing ADSs on the Nasdaq National Market.

As a further measure to increase the percentage of shares held by EU nationals, on February 7, 2002, the Company issued a notice to shareholders to the effect that any purchase of Ordinary Shares by a non-EU national after such date will immediately result in the issue of a Restricted Share Notice to such non-EU national puchaser. The Restricted Share Notice compels the non-EU national purchaser to sell the affected shares to an EU national within 21 days of the date of the issuance. In the event that any such non-EU national shareholder does not sell its shares to an EU national within the specified time period, the Company can then take legal action to compel such a sale. As a result, non-EU nationals are effectively barred from purchasing Ordinary Shares for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted.

Item 10. ***Additional Information***

OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES

In May 1997, Ryanair Holdings granted options to seven members of the Company's senior management, including Howard Millar, the Secretary of Ryanair Holdings and Ryanair Limited, to purchase an aggregate total of 2,871,792 Ordinary Shares. The consideration for the grant of such options was €1.27 per participant in each case. The exercise price of the options is 90% of the price per Ordinary Share at the time of the IPO (or €0.557 per Ordinary Share). These options first became exercisable in May 2000 and must be exercised within seven years of the date of their grant. As of March 31, 2002, options in respect of 2,651,460 Ordinary Shares had been exercised.

In April 1998, the Board of Directors of Ryanair Holdings adopted an employee share option plan (the "Option Plan"), with all employees of the Company being eligible to participate. The Option Plan was approved by Ryanair Holdings' shareholders at the Annual General Meeting held on September 29, 1998 and replaced a comparable plan adopted at the time of the IPO, under which no options had been granted.

The Option Plan allows for eligible employees to be granted options to purchase up to an aggregate of 5% of the outstanding Ordinary Shares of Ryanair Holdings at an exercise price to be equal to the closing price of such shares on the Irish Stock Exchange on the date of the grant of the option. Options would be granted over a five-year period beginning in 1998, with the amount of options granted to any individual employee being determined with reference to the amount of emoluments paid to such employee in the current or previous tax year, whichever is greater. Options will be exercisable beginning in June 2003.

Management has designed the Option Plan, so that, subject to the Board of Directors' discretion, employees can be rewarded for achieving certain financial performance criteria over a five-year period, thus allowing them to participate in the increase in the value of the Company over the coming years. Grants of options under the Option Plan are thus subject to the Company's achievement of the following criteria during the five-year period beginning with fiscal year 1998, as follows:

1. The Company's net profit after tax for each fiscal year must exceed its net profit after tax for the preceding fiscal year by at least 20%.

2. If the first criterion is not met, options will still be granted if the aggregate growth in the Company's net profit after tax (as compounded annually) during the period beginning with fiscal 1998 and ending with the fiscal year ending in the year in which the grant of yearly options is being considered is equal to, or greater than, an annual rate of 20%.

If, in any year, either of these two criteria are met, the Remuneration Committee may select eligible employees who will be invited to apply for options that were not granted in any prior year as a result of neither such criterion being met.

Ryanair Holdings' shareholders approved a new share option plan (the "Option Plan 2000") at the Annual General Meeting held on September 22, 2000. All employees and directors are eligible to participate in the plan, under which grants of options can only be made in any of the ten years beginning with fiscal year 2000 if the Company's net profit after tax for the relevant fiscal year has exceeded its net profit after tax for the preceding fiscal year by at least 20%, or if an increase of 1% in net profit after tax for any relevant year would have resulted in such criteria being met. The Option Plan 2000 is part of a incentive program for Ryanair's employees and directors. Under the terms of the plan, options will become exercisable five years from the time of the first grant under the program, provided that the grantee is still employed by the Company. If the grantee has ceased to be a full time employee before this vesting date, the grantee will generally lose his or her complete option entitlement automatically. However, if grantees have died prior to the vesting date, the number of options which their estate will be entitled to exercise (within 12 months of the grantee's death) will be limited to the proportion of their initial grant that is equal to the proportion of the complete period represented by the time elapsed from the date of the grant to the date of their death or termination.

As of March 31, 2002, eight separate grants of an aggregate total of 21,809,241 options in respect of an equivalent number of Ordinary Shares had been made to eligible employees under the Option Plan, and an aggregate of 20,936,631 options to purchase an equal number of Ordinary Shares were outstanding. Of this total, which includes options granted to senior management in 1997 that have not yet been exercised, 220,332 options are currently exercisable, 14,870,283 options become exercisable on June 30, 2003, and the balance become exercisable on June 30, 2005. All of the options granted under the Option Plan have a strike price equal to the closing price of the Ordinary Shares on the date of the grant; and the consideration payable in respect of each of these grants is €1.27 per option. The terms of the 5,400,000 options granted under the Option Plan on December 9, 1998, which were granted to 15 key senior executives and managers as part of an incentive and retention program, are generally similar to those generally granted under the Option Plan, except for the requirement that the executives/managers must continue to be employed by the Company until June 2002. If they should leave or resign during the period they automatically lose their complete option entitlement; if they die or their contract of employment is terminated by the Company, the number of options to which they will be entitled will be limited to the proportion of their initial grant that is equal to the proportion of the complete period represented by the time elapsed from the date of the grant to the date of their death or termination.

The aggregate of 20,936,631 Ordinary Shares that would be issuable upon exercise in full of all of the options described in this section that were outstanding as of March 31, 2002 would represent approximately 2.8% of the current issued share capital of Ryanair Holdings. Of such total, options in respect of an aggregate of 4,227,695 Ordinary Shares are held by the Directors and executive officers of Ryanair Holdings.

MEMORANDUM AND ARTICLES OF ASSOCIATION

The following is a summary of certain provisions of the Memorandum and Articles of Association of Ryanair Holdings. This summary does not purport to be complete and is qualified in its entirety by reference to complete text of the Memorandum and Articles of Association, which are filed as an exhibit to this Report.

Objects. The Company's objects, which are detailed in its Memorandum of Association, are broad and include carrying on business as an investment and holding company. The Company's registered number is 249885.

Directors. Subject to certain exceptions, directors may not vote on matters in which they have a material interest. The ordinary remuneration of the directors is determined from time to time by ordinary resolution of the Company. Any director who holds any executive office, serves on any committee or otherwise performs services which, in the opinion of the directors, are outside the scope of the ordinary duties of a director may be paid such extra remuneration as the directors may determine. The directors may exercise all the powers of the Company to borrow money. These powers may be amended by special resolution of the shareholders. The directors are not required to retire at a particular age. There is no requirement for directors to hold shares. One third of the directors retire and offer themselves for re-election at each Annual General Meeting of the Company. The directors to retire by rotation are those who have been longest in office since their last appointment or reappointment. As between persons who became or were appointed directors on the same date, those to retire are determined by agreement between them or, otherwise, by lot. All of the shareholders entitled to attend and vote at the Annual General Meeting of the Company may vote on the re-election of directors.

Annual and General Meetings. Annual and Extraordinary Meetings where special resolutions are to be voted upon are called by 21 days clear notice. Extraordinary General Meetings where ordinary resolutions are to be voted upon are called by 14 days clear notice. All holders of ordinary shares are entitled to attend, speak and vote at general meetings of the Company, subject as described below under "Limitations on the Right to Own Shares."

Rights, Preferences and Dividends attaching to Shares. The Company has only one class of shares, being ordinary shares of €0.0127 each. All such shares rank equally with respect to payment of dividends and on any winding-up of the Company. Any dividend, interest or other sum payable to a shareholder which remains unclaimed for one year after having been declared may be invested by the directors for the benefit of the Company until claimed. If the directors so resolve, any dividend which has remained unclaimed for 12 years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The Company is permitted under its Articles of Association to issue redeemable shares on such terms and in such manner as the Company may, by special resolution, determine. The ordinary shares currently in issue are not redeemable. The liability of shareholders to invest additional capital is limited to the amounts remaining unpaid on the shares held by them. There are no sinking fund provisions in the Memorandum and Articles of Association of the Company.

Action Necessary to Change the Rights of Shareholders. The rights attaching to shares in the Company may be varied by special resolution passed at a meeting of the shareholders of the Company.

Limitations on the Rights to Own Shares. The Articles of Association contain detailed provisions enabling the directors of the Company to limit the number of shares in which non-EU nationals have an interest or the exercise by non-EU nationals of rights attaching to shares. See "Item 10. Additional Information—Limitations on Share Ownership by non-EU nationals." Such powers may be exercised by the directors if they are of the view that any license, consent, permit or privilege of the Company or any of its subsidiaries which enables it to operate an air service may be refused, withheld, suspended or revoked or have conditions attached to it which inhibit its exercise and exercise of the powers referred to above could prevent such an occurrence. The exercise of such powers could result in non-EU national holders of shares being prevented from attending, speaking or voting at general meetings of the Company and/or being required to dispose of shares held by them to EU nationals.

Disclosure of Share Ownership. Under Irish law, the Company can require parties to disclose their interests in shares. The Articles of Association of the Company entitle the directors to require parties to complete declarations indicating their nationality and the nature and extent of any interest, which such party holds in shares before allowing such parties to transfer shares in the Company. See "Item 10. Additional Information—Limitations on Share Ownership by non-EU nationals." Under Irish law, if a party acquires or disposes of shares in the Company bringing his interest above or below 5% of the total issued share capital of the Company or changing his percentage interest above 5% (once his interest has been rounded down to the nearest percentage), he must notify the Company of that. The Irish Stock Exchange must also be notified of any acquisition or disposal of shares which bring the shareholding of a party above or below certain specified percentages i.e. 10, 25, 50 and 70 %.

Other Provisions of the Memorandum and Articles of Association. There are no provisions in the Memorandum and Articles of Association:

- Delaying or prohibiting a change in the control of the Company, but which operate only with respect to a merger, acquisition or corporate restructuring;
- discriminating against any existing or prospective holder of shares as a result of such shareholder owning a substantial number of shares; or
- governing changes in capital

where such provisions are more stringent than those required by law.

MATERIAL CONTRACTS

In January 2002, the Company and Boeing entered into a series of agreements pursuant to which the Company will purchase 100 new 737-800 aircraft for delivery during the period from December 2002 through December 2008 and have the option to purchase an additional 50 such aircraft. The "Basic Price" for each of the 737-800s is approximately \$50,885,100 and will be increased for certain equipment Ryanair will purchase and Boeing will install on each of the aircraft. The "Basic Price" is also subject to increase by an "Escalation Factor" to reflect increases in the U.S. Employment Cost and Producer Prices Indices between the time the Basic Price was set and the period six months prior to the delivery of such aircraft.

Boeing has granted the Company certain price concessions with regard to the 737-800s and will issue credit memoranda to the Company in the amount of such concessions, which the Company may apply toward the purchase of goods and services from Boeing or toward certain payments in respect of the purchase of the aircraft. Boeing has also agreed to provide Ryanair with certain allowances for promotional and other activities, as well as providing certain other goods and services to the Company on concessionary terms.

A copy of the agreements comprising the 2002 Boeing contract, which is the subject of a request for confidential treatment, is filed as Exhibit 4.1 to this Annual Report.

EXCHANGE CONTROLS

Irish exchange control regulations ceased to apply from and after December 31, 1992. Except as indicated below, there are no restrictions on non-residents of Ireland dealing in Irish securities (including shares or depositary receipts of Irish companies such as the Company). Except as indicated below, dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities.

The Financial Transfers Act 1992 (the "1992 Act") was enacted in December 1992. The 1992 Act gives power to the Minister for Finance of Ireland to make provision for the restriction of financial transfers between Ireland and other countries. Financial transfers are broadly defined and include all transfers, which would be movements of capital or payments within the meaning of the treaties governing the EU. The acquisition or disposal of the ADSs, which represent shares issued by an Irish incorporated company, the acquisition or the disposal of the Shares and associated payments may fall within this definition. In addition, dividends or payments on the redemption or purchase of shares and payments on a liquidation of an Irish incorporated company would fall within this definition. Orders made by the Minister for Finance pursuant to the 1992 Act prohibit certain financial transfers to (or in respect of funds held by the governments of) Angola, the Federal Republic of Yugoslavia, the Republic of Serbia, Iraq and Libya.

The Company does not anticipate that Irish exchange controls or orders under the 1992 Act will have a material effect on its business.

LIMITATIONS ON SHARE OWNERSHIP BY NON-EU NATIONALS

The Board of Directors of Ryanair Holdings are given certain powers under Ryanair Holdings' Articles of Association (the "Articles") to take action to ensure that the amount of shares held in Ryanair Holdings by non-EU nationals does not reach a level which could jeopardize the Company's entitlement to continue to hold or enjoy the benefit of any license, permit, consent or privilege which it holds or enjoys and which enables it to carry on business as an air carrier (a "License"). In particular, EU Regulation 2407/92 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority owned and effectively controlled by EU nationals. EU Regulation 2407/92 does not specify what level of share ownership will confer effective control on a holder or holders of shares. As described below, the Directors will, from time to time, set a "Permitted Maximum" on the number of Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU Regulation 2407/92. The Permitted Maximum is currently set at 49.9%.

Ryanair Holdings maintains a separate register (the "Separate Register") of shares in which non-EU nationals, whether individuals, bodies corporate or other entities, have an interest (such shares are referred to as "Affected Shares" in the Articles). Interest in this context is widely defined and includes an interest held through ADRs in the shares underlying the relevant ADSs. The Directors can require relevant parties to provide them with information to enable a determination to be made by them as to whether shares are, or are to be treated as, Affected Shares. If such information is not available or forthcoming or is unsatisfactory then the Directors can, at their discretion, determine that shares are to be treated as Affected Shares. Registered holders of shares are also obliged to notify the Company if they are aware that any share which they hold ought to be treated as an Affected Share for this purpose. With regard to ADSs, the Directors can treat all of the relevant underlying shares as Affected Shares unless satisfactory evidence as to why they should not be so treated is forthcoming.

In the event that, *inter alia*, (i) the refusal, withholding, suspension or revocation of any License or the imposition of any condition which materially inhibits the exercise of any License (an "Intervening

Act") has taken place, (ii) the Company receives a notice or direction from any governmental body or any other body which regulates the provision of air transport services to the effect that an Intervening Act is imminent, threatened or intended or (iii) an Intervening Act may occur as a consequence of the level of non-EU ownership of shares or an Intervening Act is imminent, threatened or intended because of the manner of share ownership or control of Ryanair Holdings generally, the Directors can take action pursuant to the Articles to deal with the situation. They can, *inter alia*, (i) remove any Directors or change the Chairman of the Board, (ii) identify those shares, ADSs or Affected Shares which give rise to the need to take action and treat such shares, ADSs, or Affected Shares as Restricted Shares (see below) or (iii) set a "Permitted Maximum" on the number of Affected Shares which may subsist at any time (which may not, save in the circumstances referred to below, be lower than 40% of the total number of issued shares) and treat any Affected Shares (or ADSs representing such Affected Shares) in excess of this Permitted Maximum as Restricted Shares (see below). Also, if as a consequence of a change of law or a direction, notice or requirement of any state, authority or person it is necessary to reduce the total number of Affected Shares below 40% or reduce the number of Affected Shares held by any particular stockholder or stockholders in order to overcome, prevent or avoid an Intervening Act, the Directors may resolve to (i) set the Permitted Maximum at such level below 40% as they consider necessary in order to overcome, prevent or avoid such Intervening Act, or (ii) treat such number of Affected Shares (or ADSs representing Affected Shares) held by any particular stockholder or stockholders as they consider necessary (which could include all of such Affected Shares or ADSs) as Restricted Shares (see below). The Directors may serve a Restricted Share Notice in respect of any Affected Share, or any ADR representing any ADS, which is to be treated as a Restricted Share. Such Notices can have the effect of depriving the recipients of the rights to attend, vote and speak at general meetings, which they would otherwise have had as a consequence of holding such shares or ADSs. Such Notices can also require the recipients to dispose of the shares or ADSs concerned to an EU national (so that the relevant shares (or shares underlying the relevant ADSs) will then cease to be Affected Shares) within 21 days or such longer period as the Directors may determine. The Directors are also given the power to transfer such shares themselves where there is non-compliance with the Restricted Share Notice.

To enable the Directors to identify Affected Shares, transferees of Ordinary Shares generally will be required to provide a declaration as to the nationality of persons having interests in those shares and each stockholder is obliged to notify Ryanair Holdings if any of his, her or its Ordinary Shares become Affected Shares. Purchasers or transferees of ADSs need not complete a nationality declaration because the Directors expect to treat all of the Ordinary Shares held by the Depositary as Affected Shares. An American Depositary Receipt holder must open an American Depositary Receipt account directly with the Depositary if he, she or it wishes to provide to Ryanair Holdings a nationality declaration or such other evidence as the Directors may require in order to establish to the Directors' satisfaction that the Ordinary Shares underlying such holder's American Depositary Receipts are not Affected Shares.

In deciding which Affected Shares are to be selected as Restricted Shares, the Directors can take into account which Affected Shares have given rise to the necessity to take action. Subject to that they will, insofar as practicable, firstly view as Restricted Shares those Affected Shares in respect of which no declaration as to whether or not such shares are Affected Shares has been made by the holder thereof and where information which has been requested by the Directors in accordance with the Articles has not been provided within specified time periods and, secondly, have regard to the chronological order in which details of Affected Shares have been entered in the Separate Register and, accordingly, treat the most recently registered Affected Shares as Restricted Shares to the extent necessary. Transfers of Affected Shares to Affiliates (as that expression is defined in the Articles) will not affect the chronological order of entry in the Separate Register for this purpose. The Directors do however have the discretion to apply another basis of selection if, in their sole opinion, that would be more equitable. Where the Directors have resolved to treat Affected Shares held by any particular stockholder or stockholders as Restricted Shares (i) because such Affected Shares have given rise to the need to take such action or (ii) because of a change of law or a requirement or direction of a regulatory authority necessitating such action (see above), such powers may be exercised irrespective of the date upon which such Affected Shares were entered in the Separate Register.

After having initially resolved to set the maximum level at 49%, the Directors increased the maximum level to 49.9% on May 26, 1999, after the number of Affected Shares exceeded the initial limit. This maximum level could be reduced if it becomes necessary for the Directors to exercise these powers in the circumstances described above. The decision to make any such reduction or to change the Permitted Maximum from time to time will be published in at least one national newspaper in Ireland and in any country in which the Ordinary Shares or ADSs are listed. The relevant notice will specify the provisions of the relevant Article which can apply to Restricted Shares and the name of the person or persons who will answer queries relating to Restricted Shares on behalf of Ryanair Holdings. The Directors shall publish information as to the number of shares held by EU nationals annually.

As of August 30, 2002, EU nationals owned at least 51% of Ryanair Holdings' Ordinary Shares. Ryanair continues to monitor the EU national ownership status of its Ordinary Shares, which changes on a daily basis. In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed The Bank of New York, the depositary for its ADS program, to suspend the issuance of new ADSs in exchange for the deposit of Ordinary Shares until further notice to its shareholders. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADSs during such suspension, and there can be no assurance that the suspension will ever be lifted. As a further measure to increase the percentage of shares held by EU nationals, on February 7, 2002, the Company issued a notice to shareholders to the effect that any purchase of Ordinary Shares by a non-EU national after such date will immediately result in the issue of a Restricted Share Notice to such non-EU national Purchaser. The Restricted Share Notice compels the non-EU national purchaser to sell the affected shares to an EU national within 21 days of the date of issuance. In the event that any such non-EU national shareholder does not sell its shares to an EU national within the specified time period, the Company can then take legal action to compel such a sale. As a result, non-EU nationals are effectively barred from purchasing Ordinary Shares for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted.

In addition, all of the Ordinary Shares offered by EU nationals in the 1999 public offering (and a small portion of the Ordinary Shares then offered by non-EU nationals), as well as all of the Ordinary Shares offered by Ryanair Holdings in the Regulation S Offerings conducted outside the United States in each of 2000, 2001 and 2002, were allocated to purchasers who were EU nationals. Because a larger percentage of the Ordinary Shares are available on the open market as a result of these offerings, there can be no assurance that the percentage of Ordinary Shares owned by EU nationals will not drop, thereby requiring the Directors to exercise the power related to the "Affected Shares" described above.

TAXATION

Irish Tax Considerations

The following is a discussion of certain Irish tax consequences of the purchase, ownership and disposition of Ordinary Shares or ADSs. This discussion is based upon tax laws and practice of the Republic of Ireland at the date of this document which are subject to change, possibly with retroactive effect. Particular rules may apply to certain classes of taxpayers (such as dealers in securities) and this discussion does not purport to deal with the tax consequences of purchase, ownership or disposition of owning the relevant securities for all categories of investors.

The discussion is intended only as a general guide based on current Irish law and practice and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor or stockholder. Accordingly, current stockholders or potential investors should satisfy themselves as to the overall tax consequences by consulting their own tax advisers.

Dividends. As discussed herein, it is not currently anticipated that Ryanair Holdings will pay dividends. However, if it does pay dividends or makes other relevant distributions, the following is relevant:

Withholding Tax. Unless exempted, a withholding at the standard rate of income tax (currently 20%) will apply to dividends or other relevant distributions paid by an Irish resident company. The withholding tax requirement will not apply to distributions paid to certain categories of Irish resident stockholders nor to distributions paid to certain categories of non-resident stockholders.

The following Irish resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any relevant distribution, an appropriate declaration of entitlement to exemption:

- An Irish resident company;
- A pension scheme;
- A qualifying fund manager or qualifying savings manager;
- A qualifying employee share ownership trust;
- A collective investment undertaking;
- A charity;
- A designated broker receiving the distribution for a special portfolio investment account;
- A person who is entitled to exemption from income tax under Schedule F on dividends in respect of an investment in whole or in part of payments received in respect of a civil action for damages in respect of mental or physical infirmity;
- Certain qualifying trusts established for the benefit of an incapacitated individual and/or persons in receipt of income from such a qualifying trust; and

- A person entitled to exemption to income tax under Schedule F by virtue of Section 192(2) TCA 1997.

The following non-resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any dividend, an appropriate declaration of entitlement to exemption:

- Persons (other than a company) who are (i) neither resident nor ordinarily resident in Ireland and (ii) who are resident for tax purposes in (a) a country which has in force a tax treaty with Ireland (a "tax treaty country") or (b) an EU Member State other than Ireland;

- Companies not resident in Ireland which are resident in an EU Member State or a tax treaty country and are not controlled, directly or indirectly, by Irish residents;

- Companies not resident in Ireland which are directly or indirectly controlled by a person or persons who are resident for tax purposes under the law of a tax treaty country or an EU Member State in a tax treaty country or an EU Member State other than Ireland and which are not controlled directly or indirectly by persons who are not resident for tax purposes in that tax treaty country or EU Member State;

- Companies the principal class of shares of which, or of a company of which it is a 75% subsidiary, or where the company is wholly-owned by two or more companies, of each of those companies, is substantially and regularly traded on a recognized stock exchange in a tax treaty country or an EU Member State other than Ireland.

In the case of a non-resident stockholder resident in an EU Member State or tax treaty country, the declaration must be accompanied by a current certificate of residence from the revenue authorities in the stockholder's country of residence. In the case of non-resident companies which are controlled by residents of an EU Member State other than Ireland or of a tax treaty country or whose shares are substantially and regularly traded on a stock exchange in an EU Member State other than Ireland or a tax treaty country, certain certification by their auditors is required. The declaration also contains an undertaking by the non resident and non ordinarily resident person that they will advise the relevant person accordingly if they cease to be non resident or non ordinary resident. No declarations are required where the stockholder is a 25% parent company in another EU Member State pursuant to the Parent/Subsidiary directive. Neither is a declaration required on the payment by a company resident in Ireland to another company so resident where the company making the dividend is a 51% subsidiary of that other company.

American Depositary Receipts. Special arrangements with regard to the dividend withholding tax obligation apply in the case of Irish companies using ADRs through U.S. depositary banks which have been authorized by the Irish Revenue Commissioners. Such banks, which receive dividends from the company and pass them on to U.S. ADR holders beneficially entitled to such dividends will be allowed to receive and pass on the dividends gross based on an "address system" where the recorded address of such holder, as listed in depository bank's register of depository receipts, is in the U.S.

Taxation on Dividends. Companies resident in Ireland other than those taxable on receipt of dividends as trading income are exempt from corporation tax on distributions received from other Irish resident companies. Stockholders which are "close" companies for Irish taxation purposes may, however, be subject to a 20% corporation tax surcharge on undistributed investment income.

Individual stockholders who are resident or ordinarily resident in Ireland are taxable on the gross dividend (*i.e.*, before withholding) at their marginal rate, but are entitled to a credit for the tax withheld by the company paying the dividend. An individual stockholder who is not liable or not fully liable to income tax by reason of exemption or otherwise may be entitled to receive an appropriate refund of tax withheld. A charge to Irish social security taxes/levies can also arise for individuals on the amount of any dividend received from the Company.

Except in certain circumstances, (a) a person who is neither resident nor ordinarily resident in Ireland and is entitled to receive dividends without deductions is not chargeable to Irish tax on the dividend, (b) where a withholding is made on a payment to a person neither resident nor ordinarily resident in Ireland it will satisfy a liability to Irish tax of such stockholder.

Capital Gains Tax. A person who is either resident or ordinarily resident in Ireland will be liable for Irish capital gains tax on any gain realized on the disposal of the Ordinary Shares or ADSs. The current capital gains tax rate is 20%. A person who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency will not be subject to Irish capital gains tax on the disposal of the Ordinary Shares or ADSs.

Irish Capital Acquisitions Tax. A gift or inheritance of the Ordinary Shares or ADSs will be within the charge to Irish Capital Acquisitions Tax ("CAT") notwithstanding that the disponer (*e.g.*, a donor) or the donee/successor in relation to such gift or inheritance is resident outside Ireland. CAT is charged at a rate of 20% above a tax-free threshold. This tax-free threshold is determined by the amount of the current benefit and of previous benefits taken since December 2, 1988 within the charge to CAT and the relationship between the donor and the successor or donee. Gifts and inheritances between spouses (and in certain cases former spouses) are not subject to CAT. To the extent that Ordinary Shares or ADSs pass under a will or on intestacy, the Ordinary Shares or ADSs would be within the charge to this tax notwithstanding that the disponer or the successor is resident outside Ireland.

In a case where an inheritance of the Ordinary Shares or ADSs is subject to both Irish CAT and either U.S. federal estate tax or U.K. inheritance tax, the Irish CAT paid on the inheritance may in certain circumstances may be credited in whole or in part against the tax paid on the inheritance in the United States or U.K., as the case may be under the relevant Estate Tax Convention between Ireland and the United States or U.K. Neither Convention provides for relief from Irish CAT paid on gifts.

Irish Stamp Duty. It is assumed for the purposes of this paragraph that ADSs are dealt in on a recognized stock exchange in the United States (the Nasdaq National Market is a recognized stock exchange in the United States for this purpose). Under current Irish law, no stamp duty will be payable on the acquisition of ADSs by persons purchasing such ADSs or on any subsequent transfer of an ADS. A transfer of Ordinary Shares (including transfers effected through CREST) wherever executed and whether on sale, in contemplation of a sale or by way of a gift, will attract duty at the rate of 1% of the consideration given or, in the case of a gift or where the purchase price is inadequate or unascertainable, on the market value of the Ordinary Shares. Transfers of Ordinary Shares which are not liable to duty at the rate of 1% (*e.g.*, transfers under which there is no change in beneficial ownership) may attract a fixed duty of €12.50.

The transfer by a stockholder to the Depositary or Custodian of Ordinary Shares for deposit in return for ADSs and a transfer of Ordinary Shares from the Depositary or Custodian in return for the surrender of ADSs will be stampable at the rate of 1% if the transfer of Ordinary Shares relates to a sale or contemplated sale or any other change in the beneficial ownership (under Irish law) of such Ordinary Shares. If, however, the transfer of the Ordinary Shares is a transfer under which there is no change in the beneficial ownership (under Irish law) of the Ordinary Shares being transferred, nominal stamp duty only will be payable on the transfer. Under Irish law, it is not free from doubt that the mere deposit of Ordinary Shares for ADSs or ADSs for Ordinary Shares would not be deemed to constitute a change in beneficial ownership. Accordingly, it is not certain that holders would not be subject to stamp duty at the 1% rate when merely depositing Ordinary Shares for ADSs or ADSs for Ordinary Shares and, consequently, the Depositary reserves the right in such circumstances to require payment of stamp duty at the rate of 1% from the holders.

The person accountable for payment of stamp duty is the transferee or, in the case of a transfer by way of a gift or for a consideration less than the market value, all parties to the transfer. Stamp duty is normally payable within 30 days after the date of execution of the transfer. Late or inadequate payment of stamp duty will result in a liability to interest, penalties and fines.

United States Tax Considerations

Except as described below under the heading “Non-U.S. Holders,” the following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of Ordinary Shares or ADSs by a holder that is a citizen or resident of the United States, a U.S. domestic corporation or that is otherwise subject to U.S. federal income tax on a net income basis in respect of the Ordinary Shares or the ADSs (“U.S. Holders”). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Ordinary Shares or the ADSs. In particular, the summary deals only with U.S. Holders that will hold Ordinary Shares or ADSs as capital assets and generally does not address the tax treatment of U.S. Holders that may be subject to special tax rules such as banks, insurance companies, dealers in securities or currencies, traders in securities electing to mark-to-market, persons that own 10 percent or more of the stock of the Company, U.S. holders whose “functional currency” is not U.S. Dollars or persons that hold the Ordinary Shares or the ADSs as part of an integrated investment (including a “straddle”) consisting of the Ordinary Shares or the ADSs and one or more other positions.

Holders of the Ordinary Shares or the ADSs should consult their own tax advisors as to the U.S. or other tax consequences of the purchase, ownership, and disposition of the Ordinary Shares or the ADSs in light of their particular circumstances, including, in particular, the effect of any foreign, state or local tax laws.

For U.S. federal income tax purposes, holders of the ADSs will be treated as the owners of the Ordinary Shares represented by those ADSs.

Taxation of Dividends. Dividends, if any, paid with respect to the Ordinary Shares, including Ordinary Shares represented by ADSs, will be included in the gross income of a U.S. Holder when the dividends are received by the holder or the Depositary, as the case may be. Such dividends will not be eligible for the dividends received deduction allowed to U.S. corporations in respect of dividends from a domestic corporation. Dividends paid in euros will be includible in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day they are received by the holder or the Depositary, as the case may be. U.S. Holders generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in euros are converted into U.S. dollars immediately upon receipt.

Under the U.S.-Ireland Income Tax Treaty currently in effect, in the event the Company were to pay any dividends, the tax credit attaching to the dividend (as used herein the “Tax Credit”; see “—Irish Tax Considerations”) will generally be treated as a foreign income tax eligible for credit against such U.S. Holder’s United States federal income tax liability, subject to generally applicable limitations and conditions. Any such dividends payable by the Company to such U.S. Holder will constitute income from sources without the United States for foreign tax credit purposes, and generally will constitute "passive income" or, in the case of certain U.S. Holders, "financial services income."

Foreign tax credits may not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions in securities or in respect of certain arrangements in which a U.S. holder's expected economic profit is insubstantial. U.S. Holders should consult their own advisors concerning the implications of these rules in light of their particular circumstances.

Distributions of Ordinary Shares that are made as part of a *pro rata* distribution to all stockholders generally will not be subject to U.S. federal income tax.

Sale or Disposition of Ordinary Shares or ADSs. Gains or losses realized by a U.S. Holder on the sale or other disposition of ADSs generally will be treated for U.S. federal income tax purposes as capital gains or losses, which generally will be long-term capital gains or losses if the ADSs have been held for more than one year. Long-term capital gains recognized by an individual holder generally are taxed at lower rates than ordinary income or short-term capital gains.

Deposits and withdrawals of Ordinary Shares by U.S. Holders in exchange for ADSs will not result in the realization of gain or loss for U.S. federal income tax purposes.

Non-U.S. Holders. A holder of Ordinary Shares or ADSs that is, with respect to the United States, a foreign corporation or a nonresident alien individual (a "Non-U.S. Holder") generally will not be subject to U.S. federal income or withholding tax on dividends received on such Ordinary Shares or ADSs unless such income is effectively connected with the conduct by such holder of a trade or business in the United States. A Non-U.S. Holder of ADSs or Ordinary Shares will not be subject to U.S. federal income tax or withholding tax in respect of gain realized on the sale or other disposition of Ordinary Shares or ADSs, unless (i) such gain is effectively connected with the conduct by such holder of a trade or business in the United States or (ii) in the case of gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

DOCUMENTS ON DISPLAY

Copies of Ryanair Holdings' Articles of Association may be examined at its registered office and principal place of business at its Corporate Head Office, Dublin Airport, County Dublin, Ireland.

Ryanair Holdings also files reports, including annual reports on Form 20-F, periodic reports on Form 6-K and other information with the Securities and Exchange Commission pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its Public Reference Room at 450 Fifth Street, N.W., Washington, D.C. 20459. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330. You may also read and copy any materials we file with the SEC at the regional office of the SEC located at Citibank Center, 500 West Madison Street, Suite 1400, Chicago, Illinois 60661.

Item 11. *Quantitative and Qualitative Disclosures About Market Risk* .

GENERAL

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

To manage these risks, Ryanair uses various derivative financial instruments, including forward starting interest rate swaps, foreign currency forward contracts and commodity contracts. These derivative financial instruments are generally held to maturity and are not actively traded. The Company enters into these arrangements with the goal of hedging its operational and balance sheet risk. However, Ryanair's exposure to commodity price, interest rate and currency exchange rate fluctuations cannot be neutralized completely. The Company also does not use derivative financial instruments to counter other kinds of ambient risks that could affect its results of operations and financial condition.

In executing its risk management strategy, Ryanair enters into forward contracts for the purchase of aviation fuel, as well as foreign currency forward contracts intended to reduce its exposure to certain currencies, principally the U.S. dollar and sterling. It also enters into forward starting interest rate contracts with the objective of fixing certain borrowing costs and hedging principal repayments, particularly those associated with the purchase of new aircraft such as the Boeing 737-800s. Ryanair is also exposed to the risk that the counterparties to its derivative financial instruments may not be creditworthy. Were a counterparty to default on its obligations under any of the instruments described below, Ryanair's economic expectations when entering into these arrangements might not be achieved and its financial condition could be adversely affected. Transactions involving derivative financial instruments are also relatively illiquid as compared with those involving other kinds of financial instruments. It is Ryanair's policy not to enter into transactions involving financial derivatives for speculative purposes, and it is also the Company's policy only to enter into such contracts with counterparties that are major financial institutions that have at least an A+ or equivalent rating from a recognized credit rating agency.

The following paragraphs describe Ryanair's fuel hedging and foreign currency and interest rate swap arrangements and analyze the sensitivity of the market value, earnings and cash flows of the financial instruments to hypothetical changes in commodity prices, interest rates and exchange rates as if these changes had occurred at March 31, 2002. The range of changes selected for this sensitivity analysis reflects Ryanair's view of changes which are reasonably possible over a one-year period.

FUEL PRICE EXPOSURE AND HEDGING

Fuel costs constitute a substantial portion of Ryanair's operating expenses (approximately 14.6%, 17.0% and 22.5% of such expenses in fiscal years 2000, 2001 and 2002, respectively, after taking into account Ryanair's fuel hedging activities). Ryanair engages in fuel price hedging transactions from time to time, pursuant to which Ryanair and a counterparty agree to exchange payments equal to the difference between a fixed price for a given quantity of jet fuel and the market price for such quantity of jet fuel at a given date in the future, with Ryanair receiving the amount of any excess of such market price over such fixed price and paying to the counterparty the amount of any excess of such fixed price over such market price. Since the end of 1995, Ryanair has sought to hedge its expected fuel requirements for the coming 12 to 18 months on a rolling basis. Although these hedging strategies can cushion the impact on Ryanair of fuel price increases in the short term, in the medium to longer-term, such strategies cannot be expected to eliminate the impact on the Company of an increase in the market price of aviation fuel. The unrealized gains/losses on these forward agreements at March 31, 2001 and March 31, 2002, based on their fair values, were a gain of €5.92 million and a loss of €1.39 million, respectively. Based on Ryanair's fuel consumption for the fiscal year ended March 31, 2002, a change of one U.S. cent in the average annual price per U.S. gallon of aviation fuel would have caused a change of approximately €1.03 million in Ryanair's fuel costs.

Under U.K. and Irish GAAP, the Company's fuel forward contracts are treated as hedges, and any unrealized gains or losses arising on those contracts are deferred and recognized as an offset to fuel expenses, when realized. Under U.S. GAAP, Ryanair accounts for its fuel forward contracts as cash flow hedges. In accordance with Statement of Financial Accounting Standards No 133 "Accounting for Derivative Instruments and Hedging Activities" ("SFAS 133"), these financial instruments are recorded at fair value as an offset to accumulated other comprehensive income, net of applicable income taxes and the amount of estimated hedge ineffectiveness, and are recorded as a component of fuel expenses when the underlying fuel being hedged is used. The Company considers these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in the market price of fuel because the fuel forward contracts are always relate to the same quantity and time and location of delivery as the forecasted fuel purchase being hedged. Accordingly, the quantification of the change in expected cash flows of the forecasted fuel purchase is based on the fuel forward price, and in the fiscal year ended March 31, 2002, the Company recorded no material hedge ineffectiveness within earnings.

In the fiscal year ended March 31, 2002, the Company recorded a positive fair value adjustment of €4.7 million, net of tax, relating to fuel forward contracts within accumulated other comprehensive income. €3.1 million of this gain is expected to impact on Ryanair's earnings in fiscal 2003, with the balance impacting on earnings in fiscal 2004.

In fiscal years 2000 and 2001, prior to the adoption of SFAS 133, the Company's unrealized gains and losses on fuel forward contracts were deferred and recognized in earnings when realized as an offset to fuel expenses. Upon the adoption of SFAS 133 at April 1, 2001, the Company recorded a transition adjustment of negative €1.1 million within accumulated other comprehensive income relating to its fuel forward contracts.

FOREIGN CURRENCY EXPOSURE AND HEDGING

In recent years, Ryanair's revenues have been denominated primarily in two currencies, the euro (and its predecessors) and U.K. pounds sterling. The euro (and predecessor euro-area currencies) accounted for approximately 43% of Ryanair's total revenues in fiscal year 2002, as compared to approximately 38% in fiscal year 2001 and approximately 41% in fiscal year 2000, with sterling accounting for most of the balance in each period. As Ryanair reports its results in euro, the Company is not exposed to any material currency risk as a result of its euro-denominated activities. Ryanair's operating expenses are primarily denominated in euro, sterling and U.S. dollars. Ryanair's operations can be subject to significant direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs (particularly those related to fuel purchases) is incurred in U.S. dollars, while none of its revenues is denominated in U.S. dollars. Appreciation of the euro versus the U.S. dollar positively impacts Ryanair's operating income because the amount in euro of its U.S. dollar operating costs decreases, while depreciation of the euro versus the U.S. dollar negatively impacts operating income. It is Ryanair's policy to hedge against a certain portion of its exposure to fluctuations in the exchange rate between the U.S. dollar and sterling at the time Ryanair enters into U.S. dollar-denominated purchases. In general, Ryanair does not hedge its operating surpluses and shortfalls in currencies other than the U.S. dollar and sterling.

Management seeks to manage Ryanair's exposure to changes in the value of sterling by matching its sterling revenues against its sterling costs. Any unmatched sterling revenues are generally used to fund forward exchange contracts to hedge U.S. dollar currency exposure which arises in relation to Ryanair's fuel, maintenance, aviation insurance and capital expenditure costs, including the advance deposit payments to Boeing on the 737-800s.

As Ryanair's volume of traffic originating in the U.K. has increased, however, the volume of Ryanair's unmatched sterling revenues has also increased. Accordingly, in fiscal year 2001 and fiscal year 2002, the Company entered into a series of U.S. dollar/sterling and U.S. dollar/euro forward contracts to hedge against variability in cash flows arising from market fluctuations in foreign exchange rates associated with its forecasted fuel, maintenance and insurance costs. At March 31, 2002 and March 31, 2001, the total unrealized gains relating to these contracts amounted to €0.2 million and €4.1 million, respectively.

In the fiscal years ended March 31, 2001 and 2002, the Company also entered into a series of sterling/euro forward contracts to hedge against variability in cash flows arising from market fluctuations in foreign exchange rates associated with its forecasted sterling revenues. At March 31, 2002, the total unrealized gain relating to these contracts amounted to €1.1 million, while at March 31, 2001 such contracts contained an unrecognized loss of €5.2 million.

Under U.K. and Irish GAAP, the Company's foreign currency forward contracts are treated as hedges and any unrealized gains or losses arising on those contracts are deferred and recognized as an offset to the related income or expense when realized. Under U.S. GAAP, the Company accounts for these contracts as cash flow hedges in accordance with SFAS 133, and the change in fair value of these contracts is recorded as an offset to accumulated other comprehensive income, net of applicable income taxes and the amount of estimated hedge ineffectiveness. Ryanair considers these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in exchange rates, because the forward contracts are always for the same quantity, currency and maturity date as the forecasted U.S. dollar-denominated expense or sterling-denominated revenue being hedged. Accordingly, the quantification of the change in expected cash flows of the forecasted U.S. dollar expense or sterling revenue is based on the forward contract price and in the fiscal year ended March 31, 2002, no material hedge ineffectiveness was recorded in earnings. In the fiscal year ended March 31, 2002, the Company recorded a positive fair value adjustment of €0.2 million relating to its U.S. dollar/sterling forward contracts and a positive fair value adjustment of €0.9 million relating to its sterling/euro forward contracts. These gains have been included within accumulated other comprehensive income and are all expected to impact on earnings in fiscal year 2003.

In fiscal years 2000 and 2001, prior to the adoption of SFAS 133, the Company's unrealized gains and losses on these contracts were accounted for in accordance with "Statement of Financial Accounting Standard No 52 – Foreign Currency" ("SFAS 52"). Certain of these contracts did not qualify for hedge accounting, and accordingly a gain of €6.8 million and a loss of €3.8 million were recorded in earnings in fiscal year 2001 and fiscal year 2000, respectively.

On adoption of SFAS 133 at April 1, 2001, the Company recorded transition adjustments within accumulated other comprehensive income consisting of a gain of €3.2 million, net of tax, in respect of its U.S. dollar/sterling forward contracts and a loss of €4.5 million, net of tax, in respect of its sterling/euro forward contracts.

During fiscal years 2001 and 2002, the Company also entered into a series of U.S. dollar/sterling and U.S. dollar/euro contracts to hedge against changes in the fair value of aircraft purchase deposit commitments under the Boeing contracts which arise from fluctuations in the U.S. dollar/sterling and U.S. dollar/euro exchange rates. At March 31, 2002, the total unrealized gains relating to these contracts amounted to €0.2 million, while at March 31, 2001, such unrealized gains amounted to €6.0 million.

Under U.S. GAAP, the Company accounts for these contracts as fair value hedges in accordance with SFAS 133, and accordingly, such financial instruments are recorded at fair value. Any gains or losses arising on these instruments are recorded currently in earnings while the related gain or loss on the underlying aircraft purchase deposit commitment adjusts the carrying amount of aircraft purchase deposit commitments and is also recognized currently in earnings. Any related ineffectiveness is measured by the amount by which these adjustments to earnings do not match. The Company expects these hedges to be highly effective in offsetting changes in the fair value of the aircraft purchase deposit commitments arising from fluctuations in exchange rates because the forward exchange contracts are always for the same amount, currency and maturity dates as the aircraft purchase deposit commitments. Accordingly, the quantification of the change in the fair value of the aircraft purchase deposit commitment is based on the foreign currency forward rate, and in the fiscal year ended March 31, 2002, no material hedge ineffectiveness was recorded in earnings.

In fiscal years 2000 and 2001, prior to the adoption of SFAS 133, the Company's unrealized gains and losses on these contracts were accounted for in accordance with SFAS 52, and were deferred and recognized as an offset to the price of the aircraft when purchased. On adoption of SFAS 133 at April 1, 2002, the Company recorded a positive fair value transition adjustment of €4.8 million, net of tax, with respect to its aircraft purchase deposit commitments and related forward contracts.

Holding other variables constant, if there were an adverse change of ten percent in relevant foreign currency exchange rates, the market value of Ryanair's foreign currency contracts outstanding at March 31, 2002 would decrease by €24.2 million, all of which would impact earnings.

INTEREST RATE EXPOSURE AND HEDGING

The ABN Facility being used by Ryanair in order to finance its purchase of the Boeing 737-800 "next generation" aircraft under the 1998 Boeing contract is denominated in U.S. dollars and, subject to the rate conversion option described below, originally bore interest at a floating rate based on a spread over LIBOR. The Company has entered into a series of cross currency and interest rate swap agreements with ABN AMRO intended to hedge its exposure to movements in U.S. dollar and euro currency exchange and interest rates with respect to that portion of the total acquisition price of the 25 firm commitment and three option Boeing 737-800s that is being financed or is expected to be financed under the ABN Facility. These include cross currency swaps between the U.S. dollar and the euro intended to reduce the impact of changes in the euro-U.S. dollar exchange rate and interest rate swaps intended to reduce the impact of changes in the difference between interest rates on U.S. Treasury obligations and those on euro-denominated obligations and the effect of future increases in euro-denominated interest rates. As the financing under the ABN Facility was drawn down, it was swapped via a cross currency interest rate swaps into euro-denominated fixed-rate debt, with the relevant conversion rates depending on market foreign exchange and interest rates prevailing at the drawdown date and taking into account the impact of realized gains or losses on any matured forward starting interest rate swaps which Ryanair had previously entered into in respect of this debt. As a result of the series of transactions described above, Ryanair effectively draws down fixed rate euro-denominated debt in respect of its financing of these aircraft and has no ongoing currency or increase rate exposure in respect of this debt.

At March 31, 2002, the Company had outstanding borrowings under the ABN Facility of €540.5 million. These borrowings, which related to the financing of the Company's first twenty 737-800s, comprised five separate twelve-year fixed rate loans, which bore interest at fixed rates of between 4.87% and 5.54% at such date. If Ryanair had not entered into such swap agreements, a one-percentage point increase in interest rates would have increased the unrealised fair market value of this liability by €25 million. The negative earnings and cash flow impact of any such change would be approximately €5.0 million per year, holding other variables constant.

At March 31, 2002, Ryanair had remaining unutilized loan commitments under the ABN Facility of $205.8 million, which it expects to utilize in order to finance the purchase of additional Boeing 737-

800 ‘next generation’ aircraft under the 1998 Boeing contract, including those aircraft scheduled to be delivered after 2002. Ryanair also expects to have additional draw-downs of debt under new financing arrangements it expects to enter into with respect to the 737-800s being acquired under the 2002 Boeing contact in order to meet its expected growth targets beyond 2003. In order to hedge its exposure to movements in euro interest rates in relation to any such forecasted debt draw-downs, Ryanair entered into a series of forward starting interest rate swaps under which it has agreed to pay fixed interest rates of between 5.03% and 5.67% on a notional value of €1.24 billion. At March 31, 2002, the fair value of the forward starting interest rate swap agreements relating to forecasted debt drawdowns on a mark-to-market basis was represented by a gain of €3.1 million.

Under U.K. and Irish GAAP, the Company’s forward starting interest rate swaps are accounted for as hedges and any unrealized gains or losses on those swaps are deferred and recognized as an offset to the related financing charges once the debt is drawn down. Under U.S. GAAP, the Company accounts for its forward starting interest rates swaps as cash flow hedges in accordance with SFAS 133. These financial instruments are, accordingly, recorded at fair value with an offset to accumulated other comprehensive income, net of applicable income taxes and the estimated amount of hedge ineffectiveness, and are deferred and recorded in earnings on the same basis as the underlying interest expense once the debt is drawn-down, shown as an offset to interest expense.

The Company considers these hedges to be highly effective in offsetting variability in future cash flows arising from the fluctuation of interest rates associated with forecasted drawdowns of debt, because the notional amounts of forecasted debt and forward starting interest rate swaps match, the formula for computing net settlements under the swaps are uniform, the repricing dates match and both the swap and the forecasted debt draw-downs are based on the same index. Additionally, the other conditions set out in SFAS 133 for highly effective interest rate hedges have, in the opinion of the Company, been met. Accordingly, the quantification of the change in expected cash flows of the forecasted loan drawdowns is based on the forward starting interest rate, and in fiscal year 2002, no material hedge ineffectiveness has been recorded in earnings. In the fiscal year ended March 31, 2002, the Company recorded a positive fair value adjustment of €2.5 million relating to these forward starting interest rate swaps, which was included within accumulated other comprehensive income. All of this gain is expected to be realized within earnings during fiscal year 2003.

In fiscal years 2000 and 2001, prior to the adoption of SFAS 133, unrealized gains and losses on forward starting interest rate swaps were deferred and recognized in the income statement when realized, as an offset to actual interest expense on drawn-down debt. The unrealized gain on such contracts at March 31, 2001 and Mach 31, 2000, amounted to €3.8 million and €2.4 million, respectively. On adoption of SFAS 133 at April 1, 2002, the Company recorded a positive transition adjustment of €6.0 million in respect of these forward starting interest rate swaps in accumulated other comprehensive income.

Assuming that Ryanair had fully drawn down this forecasted debt on March 31, 2002, but that it had not entered into such forward starting interest rate swap agreements, a one percentage point increase in interest rates would have increased the negative fair market value of this liability by approximately € 70 million. The negative earnings and cash flow impact of any such change in interest rates would have been approximately €12 million.

Item 12. ***Description of Securities Other than Equity Securities***

Not applicable.

PART II

Item 13. ***Defaults, Dividend Arrearages and Delinquencies***

None.

Item 14. ***Material Modifications to the Rights of Security Holders and Use of Proceeds***

None.

Item 15. ***Controls and Procedures***

Not applicable.

Item 16. ***[Reserved]***

PART III

Item 17. ***Financial Statements***

Not applicable.

Item 18. ***Financial Statements***

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Item 19. ***Exhibits***

1.1 Memorandum and Articles of Association of Ryanair Holdings in effect as of the date of this Report (incorporated herein by reference to Exhibit 1.1 of Ryanair Holdings' Annual Report on Form 20-F/A filed on November 2, 2001 (Commission file No. 0-2930)).

1.2 The total amount of long-term debt securities of Ryanair Holdings authorized under any instrument does not exceed 10% of the total assets of the Company on a consolidated basis. Ryanair Holdings hereby agrees to furnish to the Securities and Exchange Commission upon request a copy of any instrument defining the rights of holders of long-term debt of the registrant or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

4.1 Purchase Agreement No. 2403 between The Boeing Company and Ryanair Holdings plc relating to Model 737-8AS aircraft, together with ancillary documents (subject to a request for confidential treatment).

8.1 Principal subsidiaries of the registrant.

SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

RYANAIR HOLDINGS PLC

/S/ MICHAEL O'LEARY
Name: Michael O'Leary
Title: Chief Executive Officer and Director

Date: September 30, 2002

CERTIFICATIONS

I, Michael O'Leary, Chief Executive Officer, certify that:

1. I have reviewed this annual report on Form 20-F of Ryanair Holdings plc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

Date: September 30, 2002

/S/ MICHAEL O'LEARY
Title: Chief Executive Officer

I, Michael Cawley, Chief Financial Officer, certify that:

1. I have reviewed this annual report on Form 20-F of Ryanair Holdings plc;

2. Based on my knowledge, this annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this annual report; and

3. Based on my knowledge, the financial statements, and other financial information included in this annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this annual report.

Date: September 30, 2002

/S/ MICHAEL CAWLEY
Title: Chief Financial Officer

RYANAIR HOLDINGS PLC INDEX TO FINANCIAL STATEMENTS

Appendix A

GLOSSARY

Certain of the terms included in the section on Selected Operating and Other Data and elsewhere in this Report have the meanings indicated below and refer only to Ryanair's scheduled passenger service.

Average Yield per RPM	Represents the average scheduled passenger fare revenue for each revenue passenger mile ("RPM"), or each mile a scheduled revenue passenger is flown.
Adjusted Average Yield per RPM	Represents the average scheduled flown passenger fare revenue (plus revenues from in-flight sales and car rental services less the cost of those sales and services) received for each RPM.
Average Yield per ASM	Represents the average scheduled flown passenger fare revenue for each available seat mile ("ASM").
Adjusted Average Yield per ASM	Represents the average scheduled flown passenger fare revenue (plus revenues from in-flight sales and car rental services less the cost of those sales and services) received for each ASM.
Average Passenger Spend per Flight	Represents the average revenue generated per scheduled passenger flown including in-flight purchases and car rental services.
Cost Per ASM (CASM)	Represents operating expenses (excluding Non-Charter Ancillary Costs) divided by ASMs.
Adjusted Cost Per ASM (ACASM)	Represents operating expenses (excluding discontinued executive director bonuses, IPO bonus, industrial dispute bonus and Non-Charter Ancillary Costs) divided by ASMs.
Average Fuel Cost Per U.S. Gallon	Represents the average cost per U.S. gallon of jet fuel for the fleet (including fueling charges) after giving effect to fuel hedging arrangements.
Operating Margin	Represents operating profit as a percentage of total revenues.
EBITDA	Represents "Earnings before Interest, Tax, Depreciation and Amortization" and is equal to the sum of profit after taxation, minority interest, net interest expense, tax, depreciation and amortization.
EBITDAR	Represents "Earnings before Interest, Tax, Depreciation, Amortization and aircraft Rental Charges" and is equal to the sum of EBITDA (as calculated above) and aircraft rental charges.
EBITDA Margin	Represents EBITDA as a percentage of total revenues.
EBITDAR Margin	Represents EBITDAR as a percentage of total revenues.
Adjusted EBITDA	Represents EBITDA plus the discontinued executive director bonuses, IPO bonus and industrial dispute bonus.

	bonuses, IPO bonus and industrial dispute bonus.
Adjusted EBITDAR	Represents EBITDAR plus the discontinued executive director bonuses, IPO bonus and industrial dispute bonus.
Adjusted EBITDA Margin	Represents Adjusted EBITDA as a percentage of total revenues.
Adjusted EBITDAR Margin	Represents Adjusted EBITDAR as a percentage of total revenues.
Revenue Passengers Flown	Represents the number of scheduled fare paying passengers flown.
Revenue Passenger Miles (RPMs)	Represents the number of miles flown by scheduled fare paying passengers.
Available Seat Miles (ASMs)	Represents the number of seats available for scheduled passengers multiplied by the number of miles those seats were flown.
Flown Passenger Load Factor	Represents RPMs divided by ASMs.
Booked Passenger Load Factor	Represents the total number of seats sold as a percentage of total seat capacity on all sectors flown..
Break-even Load Factor	Represents the number of RPMs at which scheduled passenger revenues would have been equal to operating expenses (excluding Non-Charter Ancillary Costs) divided by ASMs (based on Average Yield per RPM). For the purposes of this calculation, the number of RPMs at which scheduled passenger revenues would have been equal to operating expenses (excluding Non-Charter Ancillary Costs) is calculated by dividing operating expenses (excluding Non-Charter Ancillary Costs) by Average Yield per RPM.
Adjusted Break-even Load Factor	Represents the number of RPMs at which scheduled passenger revenues plus revenue from in-flight sales and car rental services less the cost of those sales and services would have been equal to operating expenses (excluding Non-Charter Ancillary Costs and discontinued executive director bonuses, IPO bonus and industrial dispute bonus) divided by ASMs.
Revenue Passengers Booked	Represents the number of fare paying passengers booked.

Non-Charter Ancillary Costs	Represents the direct cost of Ryanair's ancillary revenues, excluding costs in relation to Ryanair's charter operations.
Average Length of Passenger Haul	Represents the average number of miles traveled by a scheduled fare paying passenger.
Sectors Flown	Represents the number of scheduled passenger flight sectors flown.
Average Flown Passenger Fare	Represents the average fare paid by a scheduled fare paying passenger who has flown.
Average Booked Passenger Fare	Represents the average fare paid by a scheduled fare paying passenger who has booked a ticket.
Number of Owned Aircraft Operated	Represents the number of aircraft owned and operated at the end of the period.
Number of Airports Served	Represents the number of airports to/from which the carrier offered scheduled service at the end of the period.
Average Daily Flight Hour Utilization	Represents the average number of flight hours flown in scheduled service per day per aircraft for the total fleet of aircraft.

Index to Exhibits

Exhibit Number	Exhibit
1.1	Memorandum and Articles of Association of Ryanair Holdings in effect as of the date hereof (incorporated herein by reference to Exhibit 1.1 of Ryanair Holdings' Annual Report on Form 20-F/A filed on November 2, 2001 (Commission file No. 0-2930)).
1.2	The total amount of long-term debt securities of Ryanair Holdings authorized under any instrument does not exceed 10% of the total assets of the Company on a consolidated basis. Ryanair Holdings hereby agrees to furnish to the Securities and Exchange Commission upon request a copy of any instrument defining the rights of holders of long-term debt of the registrant or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.
4.1	Purchase Agreement No. 2403 between The Boeing Company and Ryanair Holdings plc relating to Model 737-8AS aircraft, together with ancillary documents (subject to a request for confidential treatment).
8.1	Principal subsidiaries of the registrant.

Exhibit 8.1 Principal Subsidiaries of the Registrant

Name	Jurisdiction of Incorporation
Ryanair Limited	Ireland
Darley Investments Limited*	Ireland
Ryanair.com Limited	Ireland

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