

14 November 2011

Mr Donal Moriarty
Company Secretary
Aer Lingus Group plc
Head Office
Dublin Airport
Co Dublin

OPEN LETTER

Re: EGM Requisition

Dear Donal,

We refer to your solicitor's letter dated 11 November, which purports but fails to explain the reasons for Aer Lingus' refusal to accede to Ryanair's EGM Requisition dated 1 November. May we respond to these points in sequence as follows:

1(a) **The EGM Requisition**

Aer Lingus claim that Ryanair's 1 November EGM Requisition was "invalid" on the basis that it was signed on my behalf "pp" by Jenny Lynch, has no legal validity whatsoever. It is absurd for Aer Lingus to claim that a letter signed "pp" from the Company Secretary of Ryanair "does not satisfy the requirements of Section 132 (2) of the Company's Act". While we do not accept this baseless claim, we prefer not to waste further time or resources on it, and accordingly, we now enclose a new requisition dated 14 November signed personally by myself, which now removes this objection.

1(b) **Advice of the ODCE**

We attach herewith, a copy of a reply from the Office of the Director of Corporate Enforcement ('ODCE'). We draw your attention to para 2, which states:

"Having regard in particular to Section 132 of the Companies Act 1963, it is clear that one or more members of a company holding 10% or more of its paid up capital carrying voting rights may requisition an EGM of the company. Where the requisition is properly made, the Directors of the company must proceed to convene the EGM".

Please confirm (as notified by the ODCE) that the Directors of Aer Lingus will now convene the EGM, which has been properly requisitioned by Ryanair, a holder of more than 10% of Aer Lingus' share capital.

2. **Resolution 1**

There is no legal basis for Aer Lingus' claimed opposition to Resolution 1 of our proposed EGM. This resolution proposes that the Deloitte & McCann Fitzgerald Report be circulated to the shareholders. As you are aware, the shareholders are not "third parties" but are members of the Company and are entitled to receive this report which was paid for out of shareholder funds.

In any event, such legal advice is not a valid or acceptable reason for failing to comply with a properly requisitioned EGM notice. This advice may form part of the discussion of this issue at the EGM, and clearly the Board are free to make their position known to the meeting, so that it can be considered by shareholders when voting on the resolution.

3. **Resolution 2**

The judgement of Mr Justice Brian McGovern clearly does not apply to Resolution 2. As you are aware, the Board of Aer Lingus in its 2006 IPO prospectus (and in each annual account published thereafter) - and more recently your Senior Management - have repeatedly confirmed to the Stock Exchange, the markets and shareholders, that the company operates a defined contribution pension scheme, and has no obligation to increase or vary these fixed contribution rates. Accordingly, the Directors' power to determine what pension benefits the company will provide, and what payments are to be made to the Company's pension scheme, have already been restricted by the legally binding commitments to shareholders in the Company's 2006 IPO prospectus. Ryanair's proposed Resolution 2, does not in any way attempt to override or fetter the power of the Directors of Aer Lingus in this matter. It simply requests shareholders to request the Directors not to vary or alter the Company's existing pension contribution rates (which the Board and Management of Aer Lingus have repeatedly assured shareholders that the Company has no obligation to vary) without prior agreement of shareholders.

4. **"Other reasons" for rejecting the EGM requisition**

Your final paragraph which claims "*Please note that the above are only some of the reasons that the purported requisition is invalid in both form and substance. However we do not believe it is necessary to elaborate at this stage in respect of the other reasons*". This is an extraordinarily arrogant, high handed and dismissive statement for Aer Lingus to make to its shareholders. If Aer Lingus has valid reasons for rejecting a properly made EGM requisition then under Irish Company Law and the EU Shareholder Rights Directive, Aer Lingus is obliged to list out these reasons in full to its shareholders. This "*gaming*" of shareholders is unacceptable, and indicative of the poor standards of corporate governance and respect for shareholder rights which is applied by the Board of Aer Lingus Group plc.

In the light of the attached EGM requisition, signed personally by Ryanair's Company Secretary, and the attached confirmation from the ODCE that "*where the requisition is properly made, the Directors of the Company must proceed to convene the EGM*", please now confirm that Aer Lingus will convene this EGM so that the Shareholders may consider the two requisitions proposed by Ryanair. The Board of Aer Lingus may of course raise whatever objections they wish against each of these resolutions at the EGM, but ultimately it must recognise and respect the democratic wishes of shareholders, as Ryanair will (should these resolutions be rejected by the EGM).

Yours sincerely,



Juliusz Komorek

Company Secretary

Cc: Enforcement Directorate, Central Bank of Ireland, Block D, Iveagh Court, Harcourt Road, Dublin 2
Regulation Department, Irish Stock Exchange, 28 Anglesea Street, Dublin 2, Ireland
UK Listing Authority, 25 The North Colonnade, Canary Wharf, London, E14 5HS
London Stock Exchange, 10 Paternoster Square, London, EC4M 7LS
Financial Services Authority (FSA), 25 The North Colonnade, Canary Wharf, LONDON E14 5HS
Office of the Director of Corporate Enforcement, 16 Parnell Square, Dublin 1, Ireland



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14 November 2011

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

Notice of Requisition of EGM of Aer Lingus Group plc ("the Company")

Dear Sirs,

We refer to our previous correspondence and are disappointed that you have again failed to engage with a 29.8% shareholder in a reasonable or meaningful manner in relation to our legitimate concerns.

Accordingly, and in accordance with Article 55 of the Articles of Association of the Company and S.132 of the Companies Act 1963 (the "Act"), we hereby requisition an Extraordinary General Meeting of the Company to consider, and if thought fit, pass the following resolutions as ordinary resolutions:

1. That the shareholders of the Company request its Board of Directors (the "Board") to immediately circulate to shareholders the Deloitte/McCann Fitzgerald report into the "leave and return" redundancy scheme which caused the Company to pay an approx. €30m penalty to the Revenue from shareholders funds, in early 2011, at a time when the Airline had reported a PBT of just €33m for 2010;
2. That the shareholders of the Company request the Board to confirm their unequivocal support for the CEO and CFO's recent statements to shareholders that the Company has no obligation to, and will not, make any additional payments to its defined contribution pension schemes, and furthermore that no such additional payments will be made without prior shareholder approval.

Please confirm in writing that you will convene the said meeting within 21 days of today's date in accordance with the Articles of Association of the Company and the Act.

Yours sincerely,

Juliusz Komorek
Company Secretary



Oifig an Stiúirhóra um
Fhorfheidhmiú Corparáideach
Office of the Director
of Corporate Enforcement

Your Ref: JK/10066

10 November 2011

Mr Juliusz Komorek
Company Secretary
Ryanair Ltd
Dublin Airport
Co Dublin

Dear Mr Komorek

On behalf of the Director of Corporate Enforcement, I refer to your fax of 8 November 2011 (which enclosed correspondence with Aer Lingus Group plc dated 1 and 4 November 2011) in relation to Ryanair's attempted requisition of an extraordinary general meeting (EGM) of the company. We have also received by fax this afternoon a copy of your further letter of 10 November 2011 to Aer Lingus.

Having regard in particular to Section 132 of the Companies Act 1963, it is clear that one or more members of a company holding 10% or more of its paid up capital carrying voting rights may requisition an EGM of the company. Where the requisition is properly made, the directors of the company must proceed to convene the EGM.

Where the company's directors fail to do so, the members in question may themselves call an EGM of the company after the expiry of the 21 day period specified by law, and the directors are liable for any reasonable expenses incurred by the requisitionists in convening the meeting.

Section 132 gives the Director no power to direct the holding of an EGM where one is required to be held. Neither does the Section make the failure to hold an EGM a criminal offence.

This contrasts with the failure by a company and its directors to hold an annual general meeting. Under Section 131 of the 1963 Act, this is a criminal offence, and the law also confers on the Director the power in certain circumstances to direct the holding of an overdue annual general meeting. By virtue of these provisions, the Director intervenes from time to time in appropriate cases.

In the light of the situation outlined in this letter, the onus rests with Ryanair, in consultation with its legal advisers, to ensure that any requisition it makes of Aer Lingus is valid. Given that it is a substantial shareholder in Aer Lingus, the Director is satisfied that Ryanair is in a position to secure the holding of an Aer Lingus EGM to discuss the matters of concern to it.

Yours sincerely


Sean Ward
Principal Officer

ARTHUR COX

Our Reference: SNH/dl/AE041/676
Your Reference: 01401117

11 November 2011

A&L Goodbody Solicitors
International Financial Services Centre
North Wall Quay
Dublin 1

Re: Aer Lingus Group plc EGM Requisition

Dear Sirs

We are instructed by Aer Lingus Group plc to respond to your letter to them of 7 November 2011. This letter is also written in response to your client's letters to our client dated 9 and 10 November 2011.

Requisition of an EGM under Section 132

Section 132(2) of the Companies Act 1963 requires any requisition to be signed by the requisitioner. The letter dated 1 November 2011 (the "Purported Requisition") which was delivered to Aer Lingus Group plc on 3 November 2011 was signed

Yours sincerely

pp: Jenny Lynch

Juliusz Komorek
Company Secretary – Ryanair

When a letter is signed "pp" (which is short for per procuracionem) the person who signed the letter has represented that he/she did so on behalf of the person whose name appears below the signature. By signing the letter in this way, Jenny Lynch (whose title or identity is unknown to our client) has therefore represented that she signed the letter on behalf of Juliusz Komorek. She did not therefore sign the requisition on behalf Ryanair Limited and nor is there any indication elsewhere in the letter that she had the authority to sign the requisition on behalf of Ryanair Limited. For this reason, the letter does not satisfy the requirement in section 132(2).

Resolution 1 in the Purported Requisition

Please note your client has already been informed in correspondence with our client that the release to third parties of the report by Deloitte and McCann Fitzgerald (the "Report") would be in

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Eugene McCague, Donogh Crowley, John S Walsh, Michael Meghen, William Johnston, Nicholas G Moore, Declan Hayes, David O'Donohoe, Colm Duggan, Carl O'Sullivan, Isabel Foley, John Meade, Conor McDonnell, Patrick McGovern, Grainne Hennessy, Séamus Given, Colin Byrne, Caroline Devlin, Ciarán Bolger, Gregory Glynn, David Foley, Stephen Hegarty, Declan Drislane, Sarah Cunniff, Kathleen Garrett, Pádraig Ó Riordáin, Elizabeth Bothwell, William Day, Andrew Lenny, John Menton, Patrick O'Brien, Orla O'Connor, Brian O'Gorman, Mark Saunders, Mark Barr, John Matson, Deborah Spence, Kevin Murphy, Cormac Kissane, Raymond Hurley, Kevin Langford, Eve Mulconry, Philip Smith, Kenneth Egan, Bryan J Strahan, Conor Hurley, Alex McLean, Glenn Butt, Níav O'Higgins, Fintan Clancy, Rob Corbet, Rachel Farrell, Siobhán Hayes, Pearse Ryan, Ultan Shannon, Dr Thomas B Courtney, Orla Keane, Aaron Boyle, Rachel Hussey, Colin Kavanagh, Kevin Lynch, Garrett Monaghan, Geoff Moore, Fiona McKeever, Chris McLaughlin, Maura McLaughlin, Joanelle O'Cleirigh, Paul Robinson, Richard Willis, Tim Kinney, Deirdre Barrett, Cian Beecher, Ailish Finnerty, Louise Gahan, John O'Connell, Conor O'Dwyer, Jenny Fisher, Robert Cain, Brendan Cooney, Alan Heuston, Connor Manning, Gary McSharry, Keith Smith, John Donald, Dara Harrington, David Molloy, Stephen Ranalow, Roland Shaw, Jonathan Sheehan, Brendan Slattery, Gavin Woods

Consultants: James O'Dwyer, Daniel E O'Connor, John V O'Dwyer, John Glackin, Dr Mary Redmond, Dr Yvonne Scannell, Dr Robert Clark

contravention of the Board's own policies and the legal advice which the Board of Aer Lingus has received.

Aer Lingus has confirmed to us that it has been advised by McCann Fitzgerald solicitors that the Report should not be released and/or published and the basis for this includes, but is not limited to the following:-

“the fact that the Report was produced solely for the Board of Aer Lingus on a confidential basis as well as being prepared in contemplation of possible litigation as well as containing legal advice and is therefore subject to legal professional privilege. As a consequence, the release and /or publication of the Report could prejudice either the Board's decision in respect of potential litigation or action or indeed the conduct of that action.”

In view of the above, a shareholder may not compel the Company to circulate the Report by proposing a resolution under section 132.

Resolution 2 in the Purported Requisition

We refer to the judgment of Mr. Brian McGovern delivered on 15 April 2011 (the “Judgment”) in the case brought by your client against our client.

Resolution 2 in the Purported Requisition is a restatement of the second resolution which your client unsuccessfully sought to propose at the annual general meeting of Aer Lingus Group plc earlier this year. For the reasons given in the Judgment, resolution 2 in the Purported Notice is therefore invalid.

Please note that the above are only some of the reasons that the Purported Requisition is invalid in both form and substance. However, we do not believe it is necessary to elaborate at this stage in respect of the other reasons. Your clients has corresponded at length with our client on the subject matter of these resolutions. Furthermore, we note from a letter dated 10 November 2011 your client is now copying its correspondence to 6 different regulators without any explanation for why they should be copied on this matter. In addition to becoming a burdensome waste of time and expense, your client's correspondence on this matter is bordering on harassment. If your client believes that it has any legal basis for complaint any further correspondence should be directed to this firm.

Yours faithfully



ARTHUR COX