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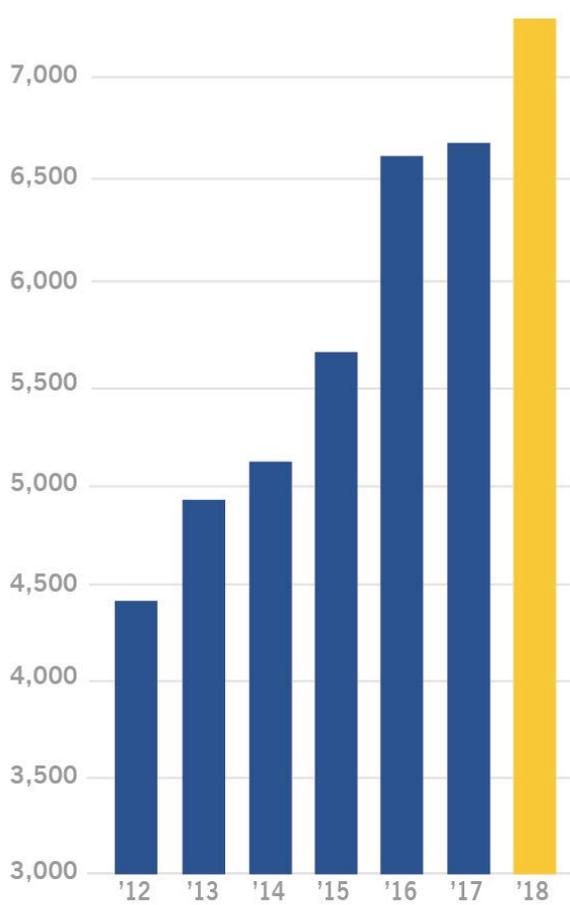
*See Index on page 50 and 51 for detailed table of contents.

Information on the Company is available online via the internet at our website, <http://corporate.ryanair.com>. Information on our website does not constitute part of this Annual Report. This Annual Report and our 20-F are available on our website.

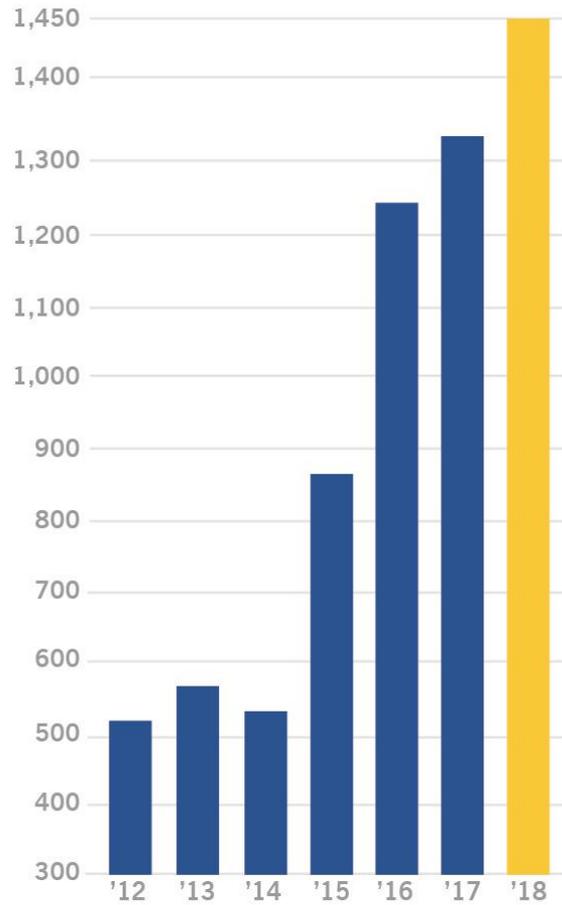
FINANCIAL HIGHLIGHTS



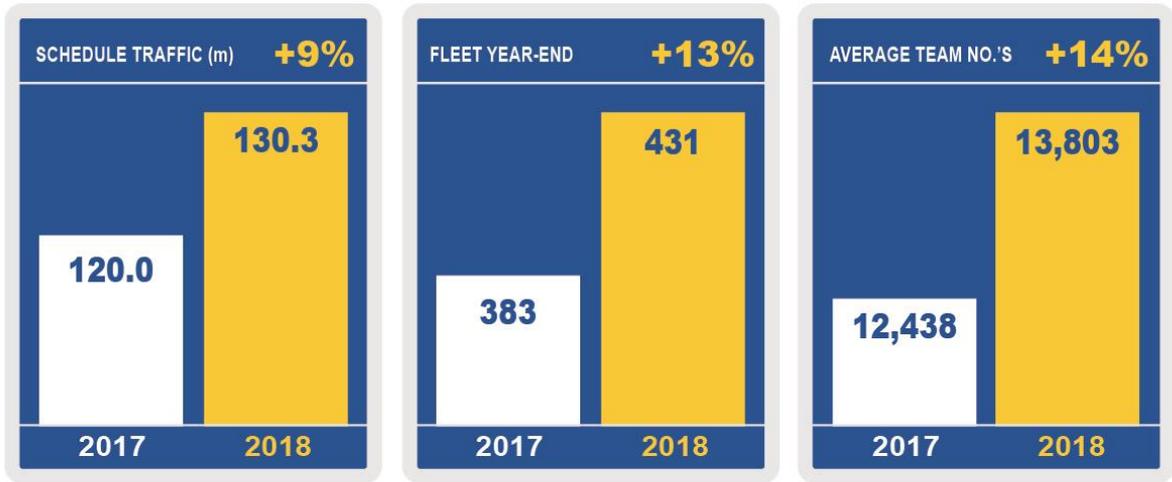
REVENUE (€m)



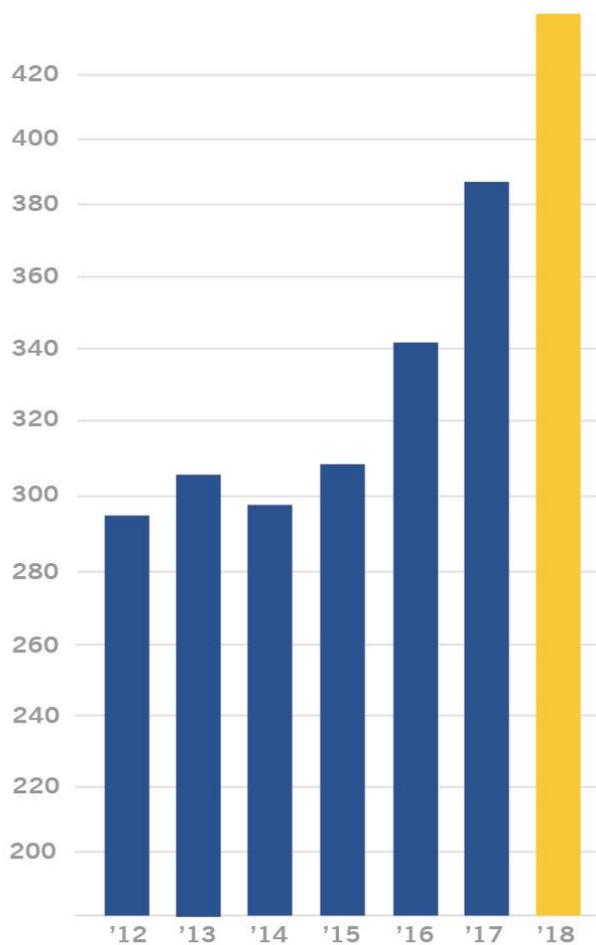
PROFIT AFTER TAX (€m)



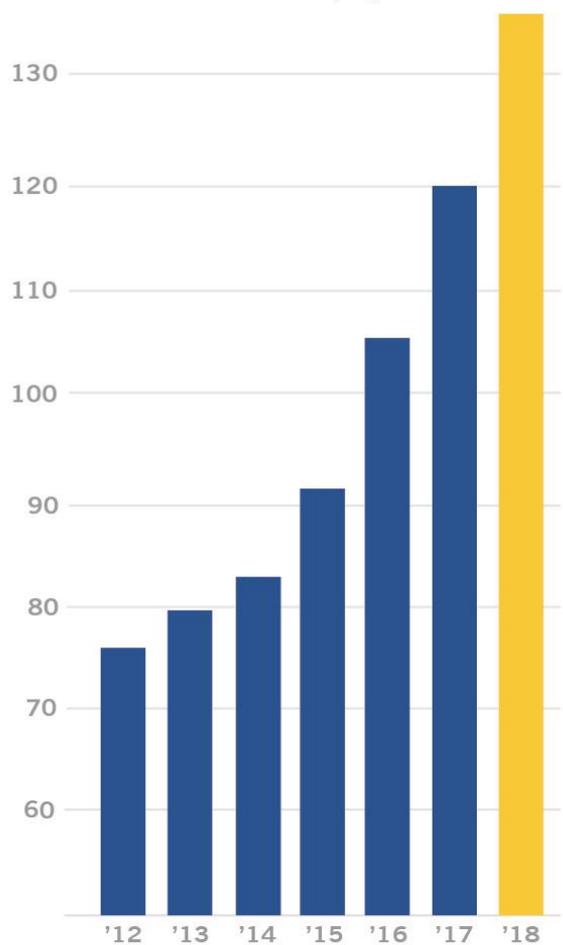
KEY STATISTICS



FLEET



TRAFFIC (m)



Chairman's Report

Dear Shareholders,

Last year, despite difficult trading conditions caused by overcapacity in Europe, a weaker fare environment, rising fuel prices, and our recovery from the September 2017 rostering situation, Ryanair delivered another strong performance. Highlights of the year include:

- Profit after tax increased by 10% to €1.45bn
- Traffic grew 9% to over 130m, despite grounding 25 Winter aircraft
- Average fare fell 3% to just €39.40
- Unit costs were cut by 1% (ex-fuel they rose +3%)
- Ryanair Labs stimulated record ancillary spend (+4% per guest)
- We took delivery of 50 B737 aircraft, bringing the year-end fleet to over 430 units
- Ryanair created 1,500 new jobs, and over 600 promotions
- New 5 year pay deals were concluded with most of our pilots and cabin crew
- Over €800m was returned to shareholders via share buybacks

Including last year's share buyback, we have purchased (and cancelled) approximately 25% of share capital since 2008 at an average price of just over €9.60 per share. We have delivered strong EPS growth over that period (+15% last year). In February, your Board approved a further €750m share buyback program which will, subject to market conditions, be completed by the end of October. Following completion of this latest distribution, we will have returned over €6bn to shareholders since 2008.

I welcome our new Directors, Ms. Emer Daly and Ms. Roisin Brennan who joined the Board in December 2017 and May 2018 respectively. Both Ms. Daly and Ms. Brennan will stand for election at the AGM. I also want to express my gratitude to Charlie McCreevy and Declan McKeon who have decided not to go forward for re-election at the next AGM and will retire from the Board.

I wish to thank the 14,500 highly skilled aviation professionals at Ryanair who strive to deliver the lowest fares, the best on-time performance, and an ever-improving customer experience for the 130m guests who chose to fly with Ryanair last year.

The Board and people of Ryanair express their deepest sympathy to the family and many friends of James Osborne, who served as a Director of Ryanair for 21 years, on his sudden and untimely passing in August 2017. We all miss him greatly.

Yours sincerely,

David Bonderman
Chairman

Chief Executive's Report

Dear Shareholders,

We are pleased to present Ryanair's 2018 Annual Report. Over the past year we grew traffic 9% to 130m guests, by once again cutting fares (down 3%), and saving our guests over €150m. More importantly, we reduced unit costs by 1%, so even at these lower prices, profit after tax (PAT) grew 10% to a record of €1.45bn, a net margin of 20%. This was a creditable performance by a robust business model in a difficult trading environment caused by overcapacity in Europe, weaker fares, rising fuel prices, and the recovery from our September 2017 pilot rostering failure. Despite these headwinds, we grew our load factor to an industry-leading 95%, concluded new 5 year pay deals with most of our pilots and cabin crew, and returned over €800m to shareholders via share buybacks.

September 2017 Pilot Rostering Failure

In September 2017 we suffered a systemic failure in our pilot rostering function which led to rosters being issued up to 4 weeks in advance with some 4% of duties uncovered. The principal cause of this breakdown was an early 2017 agreement with the IAA to implement a 9 month transition period to move from a fiscal FTL (flight time limitation) year ending in March 2017 to a calendar FTL year commencing on January 1, 2018. To achieve this transition, an exceptional volume of "month-off" annual leave was allocated in September and October leaving some 2% of our daily scheduled flights uncovered.

The only way to fix this failure, and protect the remaining 98% of our schedules, was the deeply regretted decision to cancel 2,000 of the 130,000 flights scheduled in September and October. This leave shortfall should have been addressed by slightly increasing pilot recruitment during the first half of 2017 (a year when we hired just over 1,000 pilots). It was a planning failure for which we sincerely apologise, especially to customers whose flights were delayed or cancelled. They all received their full EU261 compensation as well as a free flight voucher. We replaced the entire rostering management team, we doubled the headcount in the department and we invested heavily in new management in our Operations department. We grounded 25 aircraft for the Winter schedule so that we could clear all annual leave in 2017 and allocate more than 40% of 2018 total annual leave requirement in the first quarter.

We implemented a series of initiatives to make Ryanair more attractive to pilots and cabin crew, including a 20% pay increase under 5 year pay agreements which makes our pilots significantly better paid than competitor (Norwegian & Jet2) B737 pilots; we cut training/bonding costs for new pilot and cabin crew recruits, and we announced we would recognise trade unions in December 2017. We have made good progress with these union discussions and have signed recognition agreements with pilot unions in Italy and the UK, and cabin crew unions in Italy, Germany and the UK. Progress is slower in other, smaller, markets where some unions have made unreasonable demands that would damage our low fare model. We hope to conclude more recognition agreements shortly but cannot rule out occasional industrial action which may occur in Summer 2018 as we will not compromise either our low fare model or our efficiency.

European ATC Staff Shortages & Strikes

Repeated ATC staff shortages (mainly in Germany and the UK), and strikes (primarily in France) are causing widespread damage to all airline schedules this Summer. Europe's ATC performance considerably lags behind that of the US where there is only one ATC provider, compared to 37 national providers in the EU. In the USA 18% fewer air traffic controllers handle 56% more flights with fewer delays and almost no strikes. In European ATC there are two admin. staff per air traffic controller compared to just one in the US. US air traffic controllers on average handle just over 1,010 flights p.a. compared to just over 530 flights p.a. for an EU air traffic controller. This dismal productivity of Europe's ATC must be improved if "openskies" is to have any credibility.

EU VS. US ATC PRODUCTIVITY	EU 	USA 
Area (m km2)	11.5	10.4
No. ATC airports	415	517
No. ATC flights	9.8M	15.3M
Ave. length of flight (nautical miles)	575	524
No. ATC providers	37	1
No. Air Traffic Controllers (ATCO's)	18,300	15,100
Total ATC staff	56,300	31,500
Overhead staff to ATCO	2:1	1:1
No. flights per ATCO p.a.	535	1,010

Source: Eurocontrol study

Summer 2018 will be the worst ever for Europe ATC services. French ATC went on strike for 9 of the 13 weekends during April, May and June, leading to thousands of cancelled flights. On a daily basis, this Summer, Ryanair's first wave of departures are being repeatedly delayed by ATC staff shortages, mainly in UK, France, Germany and Greece. The German ATC Karlsruhe base is more than 50 air traffic controllers short of the target required to handle the volume of flights it is being paid to handle, and when it cannot cope, these flights are rerouted over neighbouring ATC centres such as Maastricht which causes knock-on delays at those centres as well.

Ryanair with active members of A4E (Airlines for Europe) is campaigning to persuade the European Commission to take control of the upper air space so that overflights at least are not disrupted during national ATC strikes. This does not remove or constrain the "right to strike" but does confine more of the impact of those strikes to the country where the strike occurs (i.e. France). The European Commission has been slow to act on these measures and so airlines continue to call on the EU to act decisively to minimise disruptions to EU consumers and their families this Summer. There is no justification for staff shortages among Europe's ATC providers.

Growth of New Routes and Bases

In fiscal 2018 we opened 4 new bases, in Burgas, Memmingen, Naples and Poznan. We expect our fleet to grow to almost 460 aircraft by March 2019 which will allow us to grow traffic to 139m guests.

Ryanair Sun - our new Polish charter airline - operated its first flights in April 2018. It has a Polish Air Operator Certificate ("AOC") and provides charter flights to/from Poland for the Summer 2018 holiday season with an initial fleet of 5 aircraft and it looks set to trade profitably in its first full year of operation. We expect Ryanair Sun to become Poland's No. 1 charter airline by Summer 2019.



In April, we acquired 24.9% of LaudaMotion. On July 12, 2018 the European Commission approved Ryanair's proposed acquisition of a further 50.1% enabling us to work with Niki Lauda and his team to re-launch LaudaMotion as Austria's No.1 low fares airline, serving markets from Austria and Germany to sun destinations primarily in Spain. In Summer 2018 LaudaMotion is operating a fleet of 19 (mainly Airbus) aircraft with its Austrian AOC. We are looking at opportunities to grow LaudaMotion's fleet of Airbus aircraft for Summer 2019 and beyond.

Always Getting Better (AGB) 2018

Our AGB Customer Experience program has improved load factors for the fourth year in a row. Ryanair.com, with 1 billion unique visitors annually, is one of the world's largest travel websites and we have continued to make significant improvements to our mobile app. We recently launched a 5-year Environmental Plan including a commitment to become "plastic free" in 5 years. We have set up a dedicated EU261 customer service team in Madrid and are processing valid compensation claims within 10 days against an industry average of over 30 days. 'Always Getting Better' continues to guide our operations and our people as we strive continuously to improve our guest experience while lowering our fares.

Our People

Last year Ryanair created 1,500 new jobs as our headcount grew to over 14,500 highly skilled aviation professionals. We promoted more than 600 team members to more senior positions. Our Labs team has grown to almost 600 by recruiting new development talent into our Travel Labs Development Centres in Dublin, Wroclaw, and Madrid. We expect to carry 200m guests p.a. by 2024 which will allow us to create a further 6,000 jobs directly in Ryanair, while sustaining more than 150,000 indirect jobs at airports all over Europe.

Our people remain one of our most important assets, and we continue to invest heavily in recruitment and training so that we recruit not just the best available talent, but also train them to the highest possible standards, both professionally and in the delivery of the Ryanair customer experience, while we bring low fare competition and choice to new and existing markets across Europe.

Our Aircraft

During the year to March 2018 we took delivery of 50 new Boeing 737-800NG aircraft with a further 14 delivered in April and May. All these were delivered with Boeing "Sky" interiors, and have enjoyed very positive feedback from our customers, who welcome the brighter, roomier interiors, the bigger hatbins, and the bigger seat pitch delivered by our more comfortable slimline seating. In April 2018, we converted 25 Boeing 737-MAX-200 aircraft options into firm orders, bringing our firm orders to 135 MAX-200s, the first 5 of which will deliver in Spring 2019, with a further 75 options remaining.



Our Environment

Ryanair has been independently verified as Europe's greenest, cleanest airline. Our commitment to the environment does not end at young and efficient aircraft, but extends to all other operations and facilities. In our offices and hangar premises we are maximising the use of solar power, LED lighting and recycling programs. We continue to invest heavily in electronic communications and digitalisation as a way of reducing the paper involved in ticket processing and travel. Ryanair was the first airline to move from travel agency ticket distribution to all internet ticketing, and we have now moved customers to mobile boarding passes and cut checked in baggage processing to reduce our impact on the environment. In Ryanair we are working hard to bring the people of Europe together with low cost air travel, and we are committed both to reducing the cost of air travel, but also its impact on our environment and on future generations.

In March 2018 we launched our new Environmental Policy, which commits Ryanair to a series of industry leading environmental targets, including moving to "plastic free" within 5 years, while allowing our guests to contribute voluntarily to a carbon offset program, the proceeds of which will be applied to support sustainable environmental projects.



Further detail on our environmental initiatives is included in our Environmental and Social Report on page 28.

Brexit

We remain concerned by the danger of a hard (i.e. "no-deal") Brexit in March 2019. While there is a general belief that a 21-month transition agreement from March 2019 to December 2020 will be agreed (and further extended), we continue to develop contingency plans for a hard Brexit which remains a real but underestimated risk. In these circumstances, it is likely that our UK shareholders will be treated as non-EU and in line with our Articles of Association, we plan to restrict the voting rights of all non-EU shareholders in the event of a hard Brexit, so that we can ensure that Ryanair remains majority owned and controlled by EU shareholders at all times to comply with our licences.

Our Shareholders

Last year was a rewarding one for our shareholders. We delivered share buybacks of over €800m during the 12 months, and in February 2018 we announced another €750m share buyback. The benefit of our buyback program can be demonstrated by the fact that over the past 8 years we have bought and retired some 25% of Ryanair's equity at an average price of just over €9.60 compared to a current share price of approximately €14.00. Our buybacks also ensured that in FY18 while we delivered 10% growth in profits, our shareholders enjoyed a 15% rise in earnings per share.

We hope that shareholders will continue to enjoy superior returns on their investment over the coming year as we strive to grow our low fare model, safely, in the best interests of our customers, our people and our shareholders.

Thank you for your continued support.

Michael O'Leary
Chief Executive

Directors' Report

Introduction

The Directors present their Annual Report and financial statements of Ryanair Holdings plc (“the Company”) a public limited company incorporated in the Republic of Ireland, and its subsidiary undertakings (with the Company and the subsidiaries being together “the Group”) for the year ended March 31, 2018.

Review of business activities and future developments in the business

The Company operates a low fares airline business and plans to develop this activity by expanding its successful low fares/low costs formula on new and existing routes. Information on the Company is set out on pages 73 to 95 of the Annual Report. A review of the Company’s operations for the year is set out on pages 95 to 110 of the Annual Report.

Results for the year

Results for the year are set out in the consolidated income statement on page 148 of the Annual Report and in the related notes to the financial statements.

Principal risks and uncertainties

Details of the principal risks and uncertainties facing the Company are set forth on pages 59 to 73 of the Annual Report.

Key performance indicators

Details of the key performance indicators of the business are set forth on pages 58; 73 to 95; and 95 to 110 of the Annual Report.

Financial risk management

Details of the Company’s financial risk management policies and exposures to market risk are set forth in Note 10 on pages 171 to 183 of the consolidated financial statements.

Share capital

The number of ordinary shares in issue at March 31, 2018 was 1,171,142,985 (2017: 1,217,870,999; and 2016: 1,290,739,865). Details of the classes of shares in issue and the related rights and obligations are more fully set out in Note 14 on pages 186 to 188 of the consolidated financial statements.

Accounting records

The Directors believe that they have complied with the requirements of Section 281 to 285 of the Companies Act, 2014 with regard to adequate accounting records by employing financial personnel with appropriate expertise and by providing adequate resources to the financial function. The accounting records of the Company are maintained at its registered office, Airside Business Park, Swords, Co. Dublin, K67 NY94, Ireland.

Company information

The Company was incorporated on August 23, 1996 with a registered number of 249885. It is domiciled in the Republic of Ireland and has its registered offices at Ryanair, Dublin Office, Airside Business Park, Swords, Co. Dublin, K67 NY94, Ireland. It is a public limited company and operates under the laws of Ireland.

People

At March 31, 2018, the Company had a team of 14,583 people, compared to 13,026 at March 31, 2017 and 11,458 at March 31, 2016.

Substantial interests in share capital

Details of substantial interests in the share capital of the Company, which represent 3% of the issued share capital, are set forth on page 120 of the Annual Report. At March 31, 2018 the free float in shares was 95.3%.

Directors and Company Secretary

The names of the Directors are listed on pages 111 and 112 of the Annual Report. The Company Secretary is listed on page 117 of the Annual Report. Details of the appointment and re-election of Directors are set forth on page 14 of the Annual Report.

Interests of Directors and Company Secretary

The Directors and Company Secretary who held office at March 31, 2018 had no interests other than those outlined in Note 18(d) on page 193 of the consolidated financial statements in the shares of the Company or other group companies.

Directors' and Senior Executives' remuneration

The Company's policy on Senior Executive remuneration is to reward its Executives competitively, but in the context of a low cost airline, having regard to the comparative marketplace in Europe, in order to ensure that they are motivated to perform in the best interests of the shareholders. Details of remuneration paid to senior key management (defined as the Executive team reporting to the Board of Directors) is set out in Note 26 on page 200 of the consolidated financial statements. Details of total remuneration paid to the Directors is set out in Note 18 on pages 191 to 194.

Executive Director's service contract

In October 2014, Michael O'Leary (CEO) signed a 5-year contract which commits him to the Company until September 2019. This contract replaces a rolling 12-month arrangement under which Mr. O'Leary had worked as CEO of the airline since 1994. Mr. O'Leary is subject to a covenant not to compete with the Company within the EU for a period of two years after the termination of his employment. Mr. O'Leary's employment agreement does not contain provisions providing for compensation on its termination.

Dividend policy

Details of the Company's dividend policy are disclosed on page 122 of the Annual Report.

Share buy-back

In the year ended March 31, 2018 the Company bought back 44.7m shares at a total cost €790m under its share buyback program and 2.0m shares underlying ADRs at a total cost of €39m under its €150m "Evergreen" ADR buyback program. These buybacks were equivalent to approximately 3.8% of the Company's issued share capital at March 31, 2017. All of these repurchased shares were cancelled at March 31, 2018.

In the year ended March 31, 2017 the Company bought back 72.3m shares at a total cost of approximately €1,018m under its share buyback program. This buyback was equivalent to approximately 6% of the Company's issued share capital at March 31, 2016. All of these repurchased shares were cancelled at March 31, 2017.

As a result of the share buybacks, in the year ended March 31, 2018, share capital decreased by 46.7m ordinary shares (72.8m ordinary shares in the year ended March 31, 2017) with a nominal value of €0.3m (€0.4m in the year ended March 31, 2017) and the capital redemption reserve increased by a corresponding €0.3m (€0.4m in the year ended March 31, 2017). The capital redemption reserve is required to be created under Irish law to preserve permanent capital in the Parent Company.

Directors' Compliance Statement

The Company complies with its relevant obligations (as defined in the Companies Act 2014). The Directors have drawn up a compliance policy statement (as defined in section 225(3)(a) of the Companies Act 2014) and appropriate arrangements and structures are in place that are, in the Directors' opinion, designed to secure material compliance with the Company's relevant obligations. The Directors confirm that these arrangements and structures were reviewed during the financial year. As required by Section 225(2) of the Companies Act 2014, the Directors acknowledge that they are responsible for the Company's compliance with the relevant obligations. In discharging their responsibilities under Section 225, the Directors relied on the advice both of persons employed by the Company and of persons retained by the Company under contract, who they believe have the requisite knowledge and experience to advise the Company on compliance with its relevant obligations.

Relevant audit information

The Directors believe that they have taken all steps necessary to make themselves aware of any relevant audit information and have established that the Company's statutory auditors are aware of that information. In so far as they are aware, there is no relevant audit information of which the Group's statutory auditors are unaware.

Accountability and audit

The Directors have set out their responsibility for the preparation of the financial statements on page 40 to 41. They have also considered the going concern position of the Company and their conclusion is set out on page 26.

The Board established an Audit Committee whose principal tasks are to consider financial reporting and internal control issues. The Audit Committee, which consists exclusively of independent Non-Executive Directors, meets at least quarterly to review the financial statements of the Company, to consider internal control procedures and to liaise with internal and external auditors. In the year ended March 31, 2018 the Audit Committee met on five occasions. At least quarterly, the Audit Committee receives an extensive report from the Head of Internal Audit detailing the reviews performed in the year to date, and a risk assessment of the Company. This report is used by the Audit Committee and the Board of Directors, as a basis for determining the effectiveness of internal control. The Audit Committee regularly considers the performance of internal audit and how best financial reporting and internal control principles should be applied.

In addition, the Audit Committee has responsibility for appointing, setting compensation and overseeing the work of the independent auditor. The Audit Committee pre-approves all audit and permissible non-audit services provided by the independent auditor.

Social, environmental and ethical report

See pages 118 to 119 of the Annual Report for details of employee and labor relations.

See pages 92 to 94 of the Annual Report for details on environmental matters.

See page 144 of the Annual Report for details of Ryanair's Code of Ethics.

Air safety

Commitment to air safety is a priority of the Company. See page 83 of the Annual Report for details.

Critical accounting policy

Details of the Company's critical accounting policy is set forth on page 98 of the Annual Report.

Subsidiary companies

Details of the principal subsidiary undertakings are disclosed in Note 26 on page 200 of the consolidated financial statements.

Political contributions

During the financial years ended March 31, 2018, 2017 and 2016 the Company made no political contributions which require disclosure under the Electoral Act, 1997.

Corporate Governance Statement

The Corporate Governance Statement on pages 13 to 27 forms part of the Directors' Report.

Post balance sheet events

Details of significant post balance sheet events are set forth in Note 25 on page 199 of the consolidated financial statements.

Auditor

In accordance with Section 383(2) of the Companies Act 2014, the auditor KPMG, Chartered Accountants, will continue in office.

Annual General Meeting

The Annual General Meeting will be held on September 20, 2018 at 9 a.m. in the CityNorth Hotel and Conference Centre, Gormanston, Co. Meath, K32 W562, Ireland.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O'Leary
Chief Executive

Corporate Governance Report

Ryanair has its primary listing on the Irish Stock Exchange, a standard listing on the London Stock Exchange and its American Depositary Shares are listed on the NASDAQ. The Directors are committed to maintaining the highest standards of corporate governance and this statement describes how Ryanair has applied the main and supporting principles of the 2016 U.K. Corporate Governance Code (the “2016 Code”), the version of the Code in force during the year ended March 31, 2018. This Report also covers the disclosure requirements set out in the Irish Corporate Governance Annex to the Listing Rules of the Irish Stock Exchange, which supplements the 2016 Code with additional corporate governance provisions and is also applicable to Ryanair.

A copy of the 2016 Code can be obtained from the Financial Reporting Council’s website, www.frc.org.uk. The Irish Corporate Governance Annex is available on the Irish Stock Exchange’s website, www.ise.ie.

The Board of Directors (“the Board”)

Roles

The Board of Ryanair is responsible for the leadership, strategic direction and oversight of management of the Group. The Board’s primary focus is on strategy formulation, policy and control. It has a formal schedule of matters specifically reserved to it for its attention, including matters such as approval of the annual budget, large capital expenditure, and key strategic decisions.

Other matters reserved to the Board include treasury policy, internal control, audit and risk management, remuneration of the Non-Executive Directors and Executive management and corporate governance.

The Board has delegated responsibility for the management of the Group to the CEO and Executive management.

There is a clear division of responsibilities between the Chairman and the CEO, which is set out in writing and has been approved by the Board.

Chairman

David Bonderman has served as the chairman of the Board since December 1996. The Chairman’s primary responsibility is to lead the Board, to ensure that it has a common purpose, is effective as a group and at individual Director level and that it upholds and promotes high standards of integrity and corporate governance. He ensures that Board agendas cover the key strategic issues confronting the Group; that the Board reviews and approves management’s plans for the Group; and that Directors receive accurate, timely, clear and relevant information.

The Chairman is the link between the Board and the Company. He is specifically responsible for establishing and maintaining an effective working relationship with the CEO, for ensuring effective and appropriate communications with shareholders and for ensuring that members of the Board develop and maintain an understanding of the views of shareholders.

While David Bonderman holds a number of other Directorships (see details on page 111), the Board considers that these do not interfere with the discharge of his duties to Ryanair.

Senior Independent Director

The Board has appointed Kyran McLaughlin as the Senior Independent Director. Kyran McLaughlin is available to shareholders who have concerns that cannot be addressed through the Chairman, CEO or CFO and leads the annual Board review of the performance of the Chairman.

Company Secretary

The appointment and removal of the Company Secretary is a matter for the Board. All Directors have access to the advice and services of the Company Secretary, who is responsible to the Board for ensuring that Board procedures are complied with.

Membership

The Board consists of one Executive and thirteen Non-Executive Directors. It is the practice of Ryanair that a majority of the Board comprises Non-Executive Directors, considered by the Board to be independent, and that the Chairman is Non-Executive. The Board considers the current size, composition and diversity of the Board to be appropriate. The composition of the Board and the principal Board Committees are set out in the table below as of June 30, 2018. Biographies of the Directors are set out on pages 111 and 112. The Board, with the assistance of the Nomination Committee, keeps Board composition under review to ensure that it includes the necessary mix of relevant skills and experience required to perform its role.

Each Director has extensive business experience, which they bring to bear in governing the Company. The Board considers that, between them, the Directors bring the range of skills, knowledge and experience, including international experience, necessary to lead the Company. The Chairman has an extensive background in this industry and significant public company experience. Historically, the Company has always separated the roles of Chairman and CEO for the running of the business and implementation of the Board's strategy and policy.

Name	Role	Independent	Years on Board	Committees				
				Audit	Remuneration	Nomination	Executive	Safety
D. Bonderman	Chairman	Yes	22	-	-	Member	Member	-
K. McLaughlin	Senior Indep.	Yes	17	-	-	-	Chair	-
R. Brennan (i)	Non-Exec.	Yes	-	Member	-	-	-	-
M. Cawley	Non-Exec.	Yes	4	-	-	Chair	-	-
E. Daly (ii)	Non-Exec.	Yes	-	Member	-	-	-	-
S. McCarthy (iii)	Non-Exec.	Yes	1	-	Member	-	Member	-
C. McCreevy	Non-Exec.	Yes	8	Member	-	-	-	-
D. McKeon	Non-Exec.	Yes	8	Chair	-	-	-	-
H. Millar	Non-Exec.	Yes	3	-	Chair	-	-	-
D. Milliken	Non-Exec.	Yes	5	Member	-	-	-	-
M. O'Brien	Non-Exec.	Yes	2	-	-	-	-	Co. Chair
M. O'Leary	Exec/CEO	No	22	-	-	-	Member	-
J. O'Neill	Non-Exec.	Yes	5	-	Member	-	-	-
L. Phelan	Non-Exec.	Yes	5	-	-	Member	-	-

(i) Roisin Brennan was appointed to the Board in May 2018.

(ii) Emer Daly was appointed to the Board in December 2017.

(iii) Stan McCarthy was appointed to the Board in May 2017.

Appointment

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the Annual General Meeting following their appointment. The focus of the Board, through the Nomination Committee, is to maintain a Board with the relevant expertise, quality and experience required by Ryanair to advance the Company and shareholder value. During the financial year the Nomination Committee identified candidates whose character, expertise and experience was known to the Company. Stan McCarthy was appointed to the board in May 2017, Emer Daly was appointed to the Board in December 2017 and Roisin Brennan was appointed to the Board in May 2018. Ryanair recognises the benefits of diversity, including gender diversity. Ryanair recognises the importance of balance and offers equal opportunities to all candidates and potential candidates, irrespective of gender. Ryanair's Articles of Association require that all of the Directors retire and offer themselves for re-election within a three-year period. Other than Charles McCreevy and Declan McKeon, all Directors (including Emer Daly and Roisin Brennan who were appointed to the Board in December 2017 and May 2018 respectively) will be offering themselves for re-election at the AGM on September 20, 2018.

In accordance with the recommendations of the 2016 Code, Declan McKeon is Chairman of the Audit Committee and Howard Millar is Chairman of the Remuneration Committee. Following Declan McKeon's departure from the Board in September, he will be replaced by Dick Milliken as Chairman of the Audit Committee.

Senior Management regularly briefs the Board, including new members, in relation to operating, financial and strategic issues concerning the Company. The Board also has direct access to senior management as required in relation to any issues they have concerning the operation of the Company. The terms and conditions of appointment of Non-Executive Directors are set out in their letters of appointment, which are available for inspection at the Company's registered office during normal office hours and at the Annual General Meeting of the Company.

Independence

The Board has carried out its annual evaluation of the independence of each of its Non-Executive Directors, taking account of the relevant provisions of the 2016 Code, namely, whether each Director is independent in character and judgement and free from relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgement. The Board regards all of the Non-Executive Directors as independent and that no one individual or group exerts an undue influence on others.

Within its independence review, the Board has considered the following items with respect to certain individual Non-Executive Directors.

Director	Role	Circumstances of relevance under the 2016 Code in determining independence	Basis upon which the Board has determined independence	Independent within the spirit and meaning of the 2016 Code
D. Bonderman	Chairman & Non-Exec.	<i>Length of service (22 years)</i>	David Bonderman is independent in character and judgement and the Board views his depth of experience and service as enhancing his independence in representing shareholder interests.	Yes
		<i>Material Holding</i> – As at March 31, 2018 D. Bonderman had a beneficial shareholding in the Company of 7,535,454 ord. shares, equivalent to 0.6% of the issued shares.	In light of the number of issued shares in Ryanair Holdings plc and the personal financial interests of the Director, the Board has concluded that the interest is not material and Mr. Bonderman's independence is not compromised.	
K. McLaughlin	Senior Independent Director	<i>Length of service (17 years)</i>	Kyran McLaughlin is independent in character and judgement and the Board views his depth of experience and service as enhancing his independence in representing shareholder interests.	Yes
		<i>Business relationship</i> – Deputy Chairman and Head of Capital Markets at Davy Stockbrokers (Joint Corporate Broker to Ryanair)	The fees paid to Davy Stockbrokers in respect of corporate advisory services provided to Ryanair are immaterial to both Ryanair and Davy Stockbrokers given the size of each organisation's business operations and financial results.	
M. Cawley	Non-Exec.	<i>Previous employment</i> - served as Deputy Chief Executive Officer and Chief Operating Officer of Ryanair from 2003 to March 2014.	The Board has considered Michael Cawley's outside business interests, as well as the gap (6 months) between finishing his Executive role with Ryanair and his election to the Board in 2014 and concluded that his previous employment with Ryanair in no way compromises his independence of judgement and character.	Yes

Director	Role	Circumstances of relevance under the 2016 Code in determining independence	Basis upon which the Board has determined independence	Independent within the spirit and meaning of the 2016 Code
H. Millar	Non-Exec.	<i>Previous employment</i> - served as Deputy Chief Executive and Chief Financial Officer of Ryanair from January 2003 to December 2014.	The Board has considered Howard Millar's outside business interests and the gap (9 months) between finishing his Executive role with Ryanair in 2014 and his election to the Board in 2015 and concluded that his previous employment with Ryanair in no way compromises his independence of judgement and character.	Yes
M. O'Brien	Non-Exec.	<i>Previous employment</i> – served as the Chief Pilot and Flight Ops Manager of Ryanair from 1987 to 1991.	The Board has considered Mike O'Brien's outside business interests, as well as the gap (25 years) between finishing his Executive role with Ryanair and his election to the Board in 2016 and concluded that his previous employment with Ryanair in no way compromises his independence of judgement and character.	Yes
L. Phelan	Non-Exec.	<i>Business relationship</i> – Vice President for PayPal for Continental Europe, Middle East and Africa (service provider to Ryanair).	The fees chargeable for services provided by PayPal to Ryanair are immaterial to both Ryanair and PayPal given the size of each organisation's business operations and financial results.	Yes

Other relevant factors

Non-Executive Directors hold share options over shares as set out on page 193. Whilst the 2016 Code notes that the remuneration of Non-Executive Directors should not ordinarily include share options, the Company has a NASDAQ listing and has a significant U.S. shareholder base. The granting of share options to Non-Executive Directors to align interests of shareholders and Directors is an established market practice in the U.S. which is encouraged by a wide number of U.S. investors. The Company in accordance with the 2016 Code sought and received shareholder approval to make these share option grants to its Non-Executive Directors and the Board believes the modest number of options granted to Non-Executive Directors does not impair their independence of judgement and character.

In relation to the remaining Non-Executive Directors, with the exception of a modest grant of share options, there were no relationships or circumstances of relevance under the 2016 Code impacting their independence.

Furthermore, in line with best governance practices, Ryanair has adopted a policy whereby all Directors retire on an annual basis and being eligible for re-election, offer themselves for election. This therefore affords Ryanair's shareholders an annual opportunity to vote on the suitability of each Director.

The Nomination Committee has confirmed to the Board that it considers all Directors offering themselves for re-election at the 2018 AGM to be independent and that they continue to effectively contribute to the work of the Board. The Nomination Committee recommends that the Company accept the re-election of the Directors.

Board Procedures

All Directors have access to the advice and services of the Company Secretary and the Board has established a procedure whereby Directors wishing to obtain advice in the furtherance of their duties may take independent professional advice at the Company's expense.

Directors meet with key Executives with a particular focus on ensuring Non-Executive Directors are fully informed on issues of relevance to Ryanair and its operations. Extensive papers on key business issues are provided to all Directors in connection with the Board meetings. All Directors are encouraged to update and refresh their skills and knowledge, for example, through attending courses on technical areas or external briefings for Non-Executive Directors.

The Company has Directors' and Officers' liability insurance in place in respect of any legal actions taken against the Directors in the course of the exercise of their duties. New Non-Executive Directors are encouraged to meet the Executive Director and senior management for briefing on the Company's developments and plans.

Meetings

The Board meets at least on a quarterly basis and in the year to March 31, 2018 the Board convened meetings on 12 occasions. Individual attendance at these meetings is set out in the table on page 22. Detailed Board papers are circulated in advance so that Board members have adequate time and information to be able to participate fully at the meeting.

The holding of detailed regular Board meetings and the fact that many matters require Board approval, demonstrates that the running of the Company is firmly in the hands of the Board. The Non-Executive Directors meet periodically without Executives being present. Led by the Senior Independent Director, the Non-Executive Directors meet without the Chairman present at least annually to appraise the Chairman's performance and on such other occasions as are deemed appropriate.

Remuneration

Details of remuneration paid to the Directors are set out in Note 18 to the consolidated financial statements on pages 191 to 194. Also, please see the Report of the Remuneration Committee on Directors' Remuneration on page 37.

Non-Executive Directors

Non-Executive Directors are remunerated primarily by way of Directors' fees and, from time to time, a modest number of share options.

Full details are disclosed in Note 18(b) and 18(d) on pages 191 to 194 of the consolidated financial statements.

Executive Director Remuneration

The CEO is the only Executive Director on the Board. In addition to his base salary he is eligible for a performance bonus of up to 100% of salary dependent upon the achievement of certain financial and personal targets. It is considered that the significant shareholding of the CEO acts to align his interests with those of shareholders and gives him a keen incentive to perform to the highest levels.

Full details of the Executive Director's remuneration are set out in Note 18(a) on page 191 of the consolidated financial statements.

Share Ownership and Dealing

Details of the Directors' interests in Ryanair shares are set out in Note 18(d) on page 193 of the consolidated financial statements.

The Board has adopted a code of dealing, to ensure compliance with the Listing Rules of the Irish Stock Exchange and the U.K. Financial Conduct Authority, applicable to transactions in Ryanair shares, debt instruments, derivatives or other financial instruments by persons discharging managerial responsibilities ("PDMRs") (e.g. Directors), persons closely associated with persons discharging managerial responsibilities ("PCAs") and relevant Company employees (together, "Covered Persons"). The code of dealing also includes provisions which are intended to ensure compliance with U.S. securities laws and regulations of the NASDAQ National market. Under the code, Covered Persons are required to notify the Company and in the case of PDMRs and PCAs only, the Central Bank, of any transaction conducted on their own account in Ryanair shares, debt instruments, derivatives or other financial instruments. Directors are also required to obtain clearance from the Chairman or CEO (or other person designated for such purpose) before undertaking such transactions, whilst Covered Persons who are not Directors must obtain clearance from designated senior management. Covered Persons are prohibited from undertaking such transactions during Closed Periods as defined by the code and at any time during which the individual is in possession of inside information (as defined in the E.U. Market Abuse Regulation (596/2014)).

Board Succession and Structure

The Board plans for its own succession with guidance from the Nomination Committee. The Nomination Committee regularly reviews the structure, size and composition (including the skills, knowledge and experience) required of the Board compared to its current position with regard to the strategic needs of Ryanair and recommends changes to the Board. There is a formal, thorough and transparent procedure for the appointment of new Directors to the Board. The Nomination Committee identifies and selects candidates on merit against objective criteria, to ensure that the Board has the skills, knowledge and expertise required.

The Board currently comprises fourteen Directors. The CEO is the only Executive Director. The thirteen Non-Executive Directors include Chairman David Bonderman. Biographies of all current Directors are set out on pages 111 to 112 of this report. Ryanair considers that the Board has the correct balance and depth of skills, knowledge, expertise and experience to optimally lead the Company and that all Directors give adequate time to the performance of their duties and responsibilities.

Ryanair considers that all Directors discharge their Directorial duties with the objectivity and impartiality they have demonstrated since commencing their respective roles and has determined that each of the Non-Executive Directors is independent. In reaching that conclusion, Ryanair considered the character, judgement, objectivity and integrity of each Director and had due regard for the 2016 Code. Ryanair continually endeavours to maintain the quality and independence of its Board.

Board Committees

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 in which action by the Board of Directors is required but it is impracticable to convene a meeting of the full Board of Directors. Messrs. David Bonderman, Stan McCarthy, Kyran McLaughlin and Michael O'Leary are the members of the Executive Committee.

Audit Committee

The Board of Directors established the Audit Committee in September 1996.

Names and qualifications of members of the Audit Committee

The Audit Committee currently comprises 5 Non-Executive Directors who are independent for the purposes of the listing rules of the NASDAQ and the U.S. federal securities laws: Declan McKeon (Chairman), Charles McCreedy Dick Milliken, Emer Daly and Roisin Brennan. The Board has determined that Declan McKeon is the Committee's financial expert. It can be seen from the Directors' biographies appearing on page 111 and 112, that the members of the committee bring to it a wide range of experience and expertise, much of which is particularly appropriate for membership of the Audit Committee.

Number of Audit Committee meetings

The Committee met five times during the year ended March 31, 2018. Individual attendance at these meetings is set out in the table on page 22. The Chief Financial Officer, the Head of Internal Audit and other senior Finance managers (as required) normally attend meetings of the Committee. The external auditors attend as required and have direct access to the Committee Chairman at all times. The Committee also meets separately at least once a year with the external auditors and with the Head of Internal Audit without Executive management being present. The Head of Internal Audit has direct access to the Audit Committee Chairman at all times.

Summary of the role of the Audit Committee

The role and responsibilities of the Committee are set out in its written terms of reference, which are available on the Company's website at <https://investor.ryanair.com/governance>, and include:

- monitoring the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance, profit guidance and reviewing significant financial reporting judgements contained therein;
- considering significant issues in relation to the financial statements, having regard to matters communicated to it by the auditors;
- reviewing the interim and annual financial statements and Annual Report before submission to the Board including advising the Board whether, taken as a whole, the content of the Annual Report and Form 20-F is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy;
- reviewing the effectiveness of the Group's internal financial controls and risk management systems;
- monitoring and reviewing the effectiveness of the Group's Internal Audit function;
- considering and making recommendations to the Board in relation to the appointment, reappointment and removal of the external auditors and approving their terms of engagement;
- reviewing with the external auditors the plans for and scope of each annual audit, the audit procedures to be utilised and the results of the audit;
- approving the remuneration of the external auditors, in particular ensuring that the pre-approval of non-audit services pertains only to those services deemed permissible under Statutory Instrument No. 312 of 2016 and U.S. SEC rules;
- assessing annually the independence and objectivity of the external auditors and the effectiveness of the audit process, taking into consideration relevant professional and regulatory requirements and the relationship with the external auditors as a whole, including the provision of any non-audit services;
- reviewing the Group's arrangements for its employees to raise concerns, in confidence, about possible wrongdoing in financial reporting or other matters and ensuring that these arrangements allow proportionate and independent investigation of such matters and appropriate follow up action; and
- reviewing the terms of reference of the Committee annually.

These responsibilities of the Committee are discharged in the following ways:

- The Committee reviews the interim and Annual Reports as well as any formal announcements relating to the financial statements and guidance before submission to the Board. The review focuses particularly on any changes in accounting policy and practices, major judgemental areas and compliance with stock exchange, legal and regulatory requirements. The Committee receives reports from the external auditors identifying any accounting or judgemental issues requiring its attention;
- The Committee also meets with management and external auditors to review the Annual Report and Form 20-F, which is filed annually with the Irish Companies Office and with the United States Securities and Exchange Commission respectively;
- The Committee regularly reviews risk management reports completed by management;
- The Committee conducts an annual assessment of the operation of the Group's system of internal control based on a detailed review carried out by the internal audit function. The results of this assessment are reviewed by the Committee and are reported to the Board;
- The Committee makes recommendations to the Board in relation to the appointment of the external auditor. Each year, the Committee meets with the external auditor and reviews their procedures and the safeguards which have been put in place to ensure their objectivity and independence in accordance with regulatory and professional requirements;
- The Committee reviews and approves the external audit plan and the findings from the external audit of the financial statements;

- During the year, the Committee receives reports from the Head of Internal Audit detailing the reviews performed during the year and a risk assessment of the Company;
- The Committee has a process in place to ensure the independence of the external auditor is not compromised, which includes monitoring the nature and extent of services provided by the external auditor through its annual review of fees paid to the external auditor for audit and non-audit services. Pre-approval from the Committee is required for all non-audit services to be provided by the external auditor. The Committee's review process was reviewed and updated during fiscal year 2017 to ensure full compliance with EU Audit Reform legislation which is applicable to the Company's financial year commencing April 1, 2017. Only those services deemed permissible under Statutory Instrument No. 312 of 2016 and U.S. SEC rules, may be provided by the external auditor. Accordingly, the external auditor is permitted to provide non-audit services that are not, or not perceived to be, in conflict with auditor independence, provided it has the skill, experience, competency and integrity to perform the work, and is considered by the Committee to be the most appropriate party to provide such services in the best interests of the Company. Furthermore, effective for the Company's financial year commencing April 1, 2020, permitted non-audit services will be capped at 70% of the average statutory audit fees over the preceding three years. Details of the amounts paid to the external auditors during the year for audit and other services are set out in Note 18 on page 191; and
- The Committee receives presentations in areas such as treasury operations, information systems and security, including cyber security, and specifically in relation to the Group.

In addition, the Committee was requested by the Board to consider whether the Annual Report, taken as a whole, is fair, balanced and understandable, and provides the information necessary for shareholders to assess the Company's performance, business model and strategy. In doing so, the Committee considered whether the financial statements are consistent with the Chairman's Report, the Chief Executive's Report and operating and financial information elsewhere in the Annual Report.

In considering the fairness, balance and understandability of the Annual Report, the Committee had regard to the significant issues considered by the Committee in relation to the financial statements, set out below. Each of these significant issues was addressed in the report received from the external auditor and was discussed with management and the external auditor.

The Committee reported to the Board its conclusion that the Annual Report, taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's performance, business model and strategy.

Significant issues considered by the Committee in relation to the financial statements and how these issues were addressed, having regard to matters communicated to it by the auditors

- On page 98, the critical accounting policy referred to is that for long lived assets. There is a detailed description of the matters of estimate and the judgemental issues arising from the application of the Company's policy for accounting for such assets and how the Company dealt with these. The Audit Committee had detailed discussions with management around its conclusions in relation to the expected useful lives of the assets, the expected residual value of the assets, the estimated cost of major airframe and engine overhaul, and whether there are impairment indicators in respect of the assets. In particular, the Audit Committee considered manufacturers' recommendations, expert valuation analysis and other available marketplace information in respect of the expected useful and residual lives of the assets, and whether there were any impairment indicators associated with Ryanair's aircraft fleet. The Committee agreed with management's approach and conclusions in relation to the accounting for long lived assets.
- In considering management's assessment of the Group's ability to continue as a going concern, the Committee had regard to available sources of finance including access to the capital markets, the cash on hand of approximately €3.7bn and the sensitivity to changes in these items. The Committee considered the Group's cash generation projections through to the end of the current aircraft purchase program in the financial year ending March 31, 2024. On the basis of the review performed, and the discussions held with management, the Committee was satisfied that it was appropriate that the financial statements should continue to be prepared on a going concern basis, and that there were no material uncertainties that may cast significant doubt on the Group's ability to continue as a going concern which need to be disclosed in the Annual Report. Please also refer to the Company's Viability Statement on page 26 of the Annual Report.

The Committee considered the requirements under section 225 of the Irish Companies Act 2014 in relation to the Directors' Compliance Statement which applied to the Company for the year ended March 31, 2018 and has ensured that the Directors are aware of their responsibilities and fully comply with this provision.

The Committee typically meets the external auditors four times per year. At these meetings:

- the external audit plan is considered and approved;
- the quarterly, interim and annual results are considered and are recommended to the Board for approval, following consideration of the significant issues relating to these matters, having regard to matters communicated to the Audit Committee by the external auditors;
- the Annual Report and Form 20-F, which is filed annually with the United States Securities and Exchange Commission, the Irish Stock Exchange and the London Stock Exchange, is considered and recommended to the Board for approval;
- the procedures and safeguards which the external auditors have put in place to ensure their objectivity and independence in accordance with regulatory and professional requirements are reviewed;
- the letters of engagement and representation are reviewed; and
- the fees paid to the external auditor for audit and non-audit work are reviewed, to ensure that the fee levels are appropriate and that audit independence is not compromised through the level of non-audit fees and the nature of non-audit work carried out by the external auditor. The Committee's policy is to expressly pre approve every engagement of Ryanair's independent auditor for all audit and non-audit services provided to the Company. Only those services deemed permissible under Statutory Instrument No. 312 of 2016 and U.S. SEC rules may be provided by the external auditor.

In addition, the Committee updated the prior year evaluation of the external audit process. The Committee considered a range of factors including the quality of service provided, the specialist expertise of the external auditor, the level of audit fees and independence. The Committee have evaluated the work completed by the external auditor in the year to March 31, 2018, taking into account the fees paid to KPMG, and are satisfied with their effectiveness, objectivity and their independence.

KPMG have been auditor to Ryanair since the incorporation of Ryanair DAC in 1985. The last external audit tender was conducted in 2010. Detailed consideration was given to the external audit arrangements in 2013. Under the requirements imposed by EU Audit Reform legislation for the rotation of the external auditor, KPMG will be required to cease acting as statutory auditor effective for the Company's financial year ending March 31, 2024.

Remuneration Committee

The Board of Directors established the Remuneration Committee in September 1996. This committee has authority to determine the remuneration of Senior Executives of the Company and to administer the stock option plans described below. Senior Management remuneration is comprised of a fixed basic pay and performance related bonuses which are awarded based on a combination of the achievement of individual objectives and the Company's financial performance. The Board of Directors as a whole determines the remuneration and bonuses of the CEO, who is the only Executive Director. Messrs. Howard Millar, Stan McCarthy and Ms. Julie O'Neill are the members of the Remuneration Committee.

The role and responsibilities of the Remuneration Committee are set out in its written terms of reference, which are available on the Company's website, <https://investor.ryanair.com/governance>. The terms of reference of the Remuneration Committee are reviewed annually.

Nomination Committee

Messrs. Michael Cawley, David Bonderman and Ms. Louise Phelan are the members of the Nomination Committee. The Nomination Committee assists the Board in ensuring that the composition of the Board and its Committees is appropriate to the needs of the Company by:

- assessing the skills, knowledge, experience and diversity required on the Board and the extent to which each are represented;
- establishing processes for the identification of suitable candidates for appointment to the Board; and
- overseeing succession planning for the Board and senior management.

The role and responsibilities of the Nomination Committee are set out in its written terms of reference, which are available on the Company's website, <https://investor.ryanair.com/governance>. The Nomination Committee uses its members' extensive business and professional contacts to identify suitable candidates. The Terms of Reference of the Nomination Committee are reviewed annually. The focus of the Nomination Committee is to maintain a Board which comprises the necessary expertise, quality and experience required by Ryanair to advance the Company and shareholder value. Ryanair recognises the benefits of gender diversity.

Safety Committee

The Board of Directors established the Air Safety Committee in March 1997 to review and discuss air safety and related issues. The Safety Committee reports to the full Board of Directors each quarter. The Safety Committee is composed of a main board Director, Mike O'Brien and the Accountable Manager for Safety, Mr. Neil Sorahan (who both act as co-chairman), as well as the following Executive Officers of Ryanair: Messrs. Bellew, Wilson, the Chief Pilot, Capt. Ray Conway and the Chief Risk Officer, Ms. Carol Sharkey. A number of other managers are invited to attend, as required, from time to time.

Code of Business Conduct

Ryanair's standards of integrity and ethical values have been established and are documented in Ryanair's Code of Business Conduct. This code is applicable to all Ryanair employees. There are established channels for reporting code violations or other concerns in a confidential manner. The Personnel Department investigates any instances and the Head of Internal Audit reports findings directly to the Audit Committee. The Code is available on the Company's website, <https://investor.ryanair.com/governance>.

Attendance at Board and Committee meetings during the year ended March 31, 2018:

Name	Board	Audit	Safety	Remuneration	Executive	Nomination
D. Bonderman	11/12	-	-	-	5/6	4/4
R. Brennan (i)	-	-	-	-	-	-
M. Cawley	11/12	-	-	-	-	4/4
E. Daly (ii)	6/6	1/1	-	-	-	-
S. McCarthy (iii)	11/12	-	-	2/2	2/3	-
C. McCreevy	12/12	5/5	-	-	-	-
D. McKeon	11/12	5/5	-	-	-	-
K. McLaughlin	12/12	-	-	-	6/6	-
H. Millar	12/12	-	-	3/3	-	-
D. Milliken	12/12	5/5	-	-	-	-
M. O'Brien	12/12	-	4/4	-	-	-
M. O'Leary	12/12	-	-	-	6/6	-
J. O'Neill	12/12	-	-	3/3	-	-
L. Phelan	11/12	-	-	-	-	4/4

- (i) Roisin Brennan was appointed to the Board in May 2018.
- (ii) Emer Daly was appointed to the Board in December 2017.
- (iii) Stan McCarthy was appointed to the Board in May 2017 and the Executive Committee in September 2017.

Performance Evaluation

The Board has established a formal process to annually evaluate the performance of the Board, that of its principal Committees, the Audit, Nomination and Remuneration committees, and that of the CEO, the Chairman and individual Non-Executive Directors. Based on the evaluation process completed, the Board considers that the principal Committees have performed effectively throughout the year. As part of the Board evaluation of its own performance, questionnaires are circulated to all Directors. The questionnaire is designed to obtain Directors' comments regarding the performance of the Board, the effectiveness of Board communications, the ability of Directors to contribute to the development of strategy and the effectiveness with which the Board monitors risk and oversees Ryanair's progress. Directors are also invited to make recommendations for improvement. The Board of Directors considered that the self-assessment process followed by Ryanair provides sufficient insights into the effectiveness of the Board, creates a roadmap of areas for improvement, and enhances the performance and effectiveness of the Board.

The Chairman, on behalf of the Board, reviews the evaluations of performance of the Non-Executive Directors on an annual basis. The Non-Executive Directors, led by the Senior Independent Director, meet annually without the Chairman present to evaluate his performance, having taken into account the views of the Executive Director. The Non-Executive Directors also evaluate the performance of the Executive Director. These evaluations are designed to determine whether each Director continues to contribute effectively and to demonstrate commitment to the role.

The Board considers the results of the evaluation process and any issues identified. The above evaluations were conducted in May 2017 and were presented to the Board at the September 2017 Board meeting in respect of the year under review.

Shareholders

Ryanair recognises the importance of communications with shareholders. Ryanair communicates with all of its shareholders following the release of quarterly and annual results directly via road shows, investor days and/or by conference calls. The CEO, senior financial, investor relations, operational, and commercial management participate in these events.

During the year ended March 31, 2018 the Company held discussions with a substantial number of institutional investors.

The Board is kept informed of the views of shareholders through the Executive Director and Executive management's attendance at investor presentations and results presentations. Furthermore, relevant feedback from such meetings and investor relations analyst reports are provided to the entire Board on a regular basis. In addition, the Board determines, on a case by case basis, specific issues where it would be appropriate for the Chairman and/or Senior Independent Director to communicate directly with shareholders or to indicate that they are available to communicate if shareholders so wish. If any of the Non-Executive Directors wishes to attend meetings with major shareholders, arrangements are made accordingly.

General Meetings

All shareholders are given adequate notice of the Annual General Meeting ("AGM") at which a Director reviews the results and comments on current business activity. Financial, operational and other information on the Company is provided on the Company website, <https://investor.ryanair.com>.

Ryanair will continue to propose a separate resolution at the AGM on each substantially separate issue, including a separate resolution relating to the Directors' Report and financial statements. In order to comply with the 2016 Code, proxy votes will be announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The Board Chairman and the Chairmen of the Audit and Remuneration Committees are available to answer questions from all shareholders.

The CEO makes a presentation at the Annual General Meeting on the Group's business and its performance during the prior year and answers questions from shareholders. The AGM affords shareholders the opportunity to question the Chairman and the Board.

All holders of Ordinary Shares are entitled to attend, speak and vote at general meetings of the Company, subject to limitations described under note "Limitations on the Right to Own Shares" on page 129. In accordance with Irish company law, the Company specifies record dates for general meetings, by which date shareholders must be registered in the Register of Members of the Company to be entitled to attend. Record dates are specified in the notes to the Notice convening the meeting.

Shareholders may exercise their right to vote by appointing a proxy or proxies, by electronic means or in writing, to vote some or all of their shares. The requirements for the receipt of valid proxy forms are set out in the notes to the Notice convening the Meeting.

A shareholder or group of shareholders, holding at least 5% of the issued share capital, has the right to requisition an extraordinary general meeting. A shareholder, or a group of shareholders, holding at least 3% of the issued share capital of the Company, has the right to put an item on the agenda of an AGM or to table a draft resolution for an item on the agenda of any general meeting (whether an AGM or an EGM) provided that such item is accompanied by reasons justifying its inclusion or the full text of any draft resolution proposed to be adopted at the general meeting. A request by a member to put an item on the agenda or to table a draft resolution shall be received by the Company in hardcopy form or in electronic form at least 42 days before the meeting to which it relates.

Notice of the Annual General Meeting and the Form of Proxy are sent to shareholders at least 21 days before the meeting. The Company's Annual Report is available on the Company's website, <https://investor.ryanair.com>. The Annual General Meeting will be held on September 20, 2018 at 9 a.m. in the City North Hotel and Conference Centre, Gormanston, Co. Meath, K32W562, Ireland.

All general meetings other than the Annual General Meeting are called Extraordinary General Meetings ("EGM"). An EGM must be called by giving at least 21 clear days' notice. Except in relation to an adjourned meeting, three members, present in person or by proxy, entitled to vote upon the business to be transacted, shall be a quorum. The passing of resolutions at a general meeting, other than special resolution, requires a simple majority. To be passed, a special resolution requires a majority of at least 75% of the votes cast. Votes may be given in person by a show of hands, or by proxy.

At the Meeting, after each resolution has been dealt with, details are given of the level of proxy votes cast on each resolution and the numbers for, against and withheld. This information is made available on the Company's website following the meeting.

Risk Management and Internal Control

The Directors have overall responsibility for the Company's system of risk management and internal control and for reviewing its effectiveness. The Directors acknowledge their responsibility for the system of risk management and internal control which is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.

In accordance with the Financial Reporting Council's "Guidance on Risk Management, Internal Control and Related Financial and Business Reporting", most recently revised in September 2014, the Board confirms that there is an ongoing process for identifying, evaluating and managing any significant risks faced by the Group, that it has been in place for the year under review and up to the date of approval of the financial statements and that this process is regularly reviewed by the Board.

In accordance with the provisions of the 2016 Code, the Directors review the effectiveness of the Company's system of internal control including:

- Financial
- Operational
- Compliance
- Risk Management

The Board is ultimately responsible for the Company's system of risk management and internal controls and for monitoring its effectiveness. The key procedures that have been established to provide effective risk management and internal control include:

- a strong and independent Board which meets at least four times per year and has separate CEO and Chairman roles;
- a clearly defined organisational structure along functional lines and a clear division of responsibility and authority in the Company, including the appointment of a Chief Risk Officer in May 2018;
- a comprehensive system of internal financial reporting which includes preparation of detailed monthly management accounts, providing key performance indicators and financial results for each major function within the Company;

- preparation and issue of financial reports to shareholders and the markets, including the Annual Report and consolidated financial statements, is overseen by the Audit Committee. The Company's financial reporting process is controlled using documented accounting policies and reporting formats, supplemented by detailed instructions and guidance on reporting requirements. The Company's processes support the integrity and quality of data, including appropriate segregation of duties. The financial information of the parent entity and all subsidiary entities, which form the basis for the preparation of the consolidated financial statements are subject to scrutiny by Group level senior management. The Company's financial reports, financial guidance, and Annual Report and consolidated financial statements are also reviewed by the Audit Committee of the Board in advance of being presented to the full Board for their review and approval;
- quarterly reporting of the financial performance with a management discussion and analysis of results;
- weekly Management Committee meetings, comprising of heads of departments, to review the performance and activities of each department in the Company;
- detailed budgetary process which includes identifying risks and opportunities and which is ultimately approved at Board level;
- Board approved capital expenditure and Audit Committee approved treasury policies which clearly define authorisation limits and procedures;
- an internal audit function which reviews key financial and business processes and controls, and which has full and unrestricted access to the Audit Committee;
- an Audit Committee which approves audit plans, considers significant control matters raised by management and the internal and external auditors and which is actively monitoring the Company's compliance with section 404 of the Sarbanes Oxley Act of 2002;
- established systems and procedures to identify, control and report on key risks. Exposure to these risks is monitored by the Audit Committee and the Management Committee; and
- a risk management program is in place throughout the Company whereby Executive management review and monitor the controls in place, both financial and non-financial, to manage the risks facing the business.

The Board has satisfied itself on the effectiveness of the internal control systems in operation and it has reviewed and approved the reporting lines to ensure the ongoing effectiveness of the internal controls and reporting structures.

On behalf of the Board, the Audit Committee has reviewed the effectiveness of the Company's system of risk management and internal control for the year ended March 31, 2018 and has reported thereon to the Board. The Audit Committee monitors management's response to significant control failure or weakness in the risk management process, receives regular progress updates, and ensures issues are sufficiently remediated.

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

Takeover Bids Directive

Information regarding rights and obligations attached to shares are set forth in Note 14 on pages 186 to 188 of the consolidated financial statements.

Shares in the Ryanair employee share schemes carry no control rights and shares are only issued (and gain voting rights) when options are exercised by employees.

Ryanair's Articles of Association do not contain any restrictions on voting rights. However, there are provisions in the Articles which allow the Directors to (amongst other things) restrict the voting rights of shares held by non-EU nationals if the Board believes the number of non-EU nationals holding shares in Ryanair would put it in breach of the regulations, licences and permits which allow it to operate.

Ryanair has not received any notifications from shareholders (as shareholders are obliged to do) regarding any agreements between shareholders which might result in restrictions on the transfer of shares.

Details of the rules concerning the removal and appointment of the Directors are set out above as part of the Directors' Report. There are no specific rules regarding the amendment of the Company's Articles of Association.

Details of the Company's share buy-back program are set forth on page 122 of the Annual Report. The shareholders approved the power of the Company to buy-back shares at the 2006 AGM and at subsequent general meetings.

None of the significant agreements to which the Company is party to, contain change of control provisions. As referred to above in the Directors' Report, the CEO's employment agreement does not contain provisions providing for compensation on his termination.

Going Concern

After making enquiries, the Directors have formed a judgement, at the time of approving the financial statements, that there is a reasonable expectation that the Company and the Group as a whole have adequate resources to continue in operational existence for a period of at least twelve months from the date of approval of the financial statements. For this reason, they continue to adopt the going concern basis in preparing the financial statements. The Directors' responsibility for preparing the financial statements is explained on page 40 and the reporting responsibilities of the auditor are set out in their report on page 42.

Viability Statement

The Company's internal strategic planning processes currently extend to March 2024 which covers the delivery timeframe for the Company's existing aircraft orders and its long-term passenger growth target to 200m customers p.a. Future assessments of the Company's prospects are subject to uncertainty that increases with time and cannot be guaranteed or predicted with certainty.

The Directors have taken account of the Company's strong financial and operating condition, its BBB+ (stable) credit rating, the principal risks and uncertainties facing the Company, as outlined in the Principal Risks and Uncertainties section starting on page 59 of the Annual Report, and the Company's ability to mitigate and manage those risks. Appropriate stress-testing of the Company's internal budgets are undertaken by management on an ongoing basis to consider the potential impact of severe but plausible scenarios in which combinations of principal risks materialise together.

Based on this assessment, the Directors have a reasonable expectation that the Company will be able to continue in operation and meet its liabilities as they fall due over the course of the existing Boeing aircraft orders.

Compliance Statement

Ryanair has complied, throughout the year ended March 31, 2018, with the provisions set out in the U.K. Corporate Governance Code and the requirements set out in the Irish Corporate Governance Annex, except as outlined below. The Group has not complied with the following provisions of the 2016 Code, but continues to review these situations on an ongoing basis:

- Non-Executive Directors participate in the Company's share option plans. The 2016 Code requires that, if exceptionally, share options are granted to Non-Executive Directors that shareholder approval should be sought in advance and any shares acquired by exercise of the options should be held until at least one year after the Non-Executive Director leaves the board. In accordance with the 2016 Code, the Company sought and received shareholder approval to make certain stock option grants to its Non-Executive Directors and as described above, the Board believes the quantum of options granted to Non-Executive Directors is not so significant to impair their independence.
- Certain Non-Executive Directors, namely Messrs. Bonderman and McLaughlin, having been offered for annual re-election for the duration of their tenure, have each served more than nine years on the Board. As described further above, given the other significant commercial and professional commitments of these Non-Executive Directors, and taking into account that their independence is considered annually by the Board, the Board does not consider their independence to be impaired in this regard.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O'Leary
Chief Executive

Environmental and Social Report

Ryanair is Europe's greenest, cleanest airline. Ryanair's low fare, customer friendly growth is being delivered in an environmentally sustainable way through investing in new aircraft and engine technology while adopting the most efficient operations and commercial procedures to minimise its impact on the environment. Ryanair has been independently verified as the industry leader in environmental efficiency and is continuously working to improve its environmental performance.

The launch of the Always Getting Better ("AGB") Customer Charter in 2014, and increased focus on digital technology through the release of the new website and app, has improved Ryanair's interaction with customers, providing them with the services and information required to make their travel more productive and comfortable.

Ryanair believes that in order to achieve its growth objectives while reducing its environmental impact it must continue to invest in, and develop, its business, with a passion for sustainability. Ryanair's Environmental, Social and Governance ("ESG") Policy comprises six key components:

1. Safety and Quality
2. Energy Efficiency
3. Environment and Carbon Emissions
4. People Management and Social
5. Ethics and Transparency
6. Corporate Governance

1. Safety and Quality

Ryanair is proud of its industry leading 33-year safety record. Safety is Ryanair's No.1 priority and we invest heavily in safety-related equipment, training and internal (confidential) reporting systems. Ryanair has:

- over 14,500 skilled aviation professionals;
- an industry leading Safety Management System;
- a Board Air Safety Committee to review and discuss air safety and related issues;
- launched its latest 3-year Safety Strategy in 2016 which will ensure that safety and security remain at the heart of everything we do in Ryanair;
- a world leading operational flight data monitoring ("OFDM") system;
- a Local Air Safety Group ("LASG") at each of the 86 bases across Europe. These LASGs comprise representatives from our front line operations teams including Flight Operations, In-Flight, Ground Operations and Engineering. The LASGs meet regularly to discuss safety and security matters. The LASGs operate independently of Ryanair Management. De-identified minutes are sent to the Safety Services Office in Dublin who are responsible for ensuring that matters raised are appropriately addressed by management;
- state of the art simulator training centers in the U.K., Italy and Dublin, including 9 full flight simulators with a further 7 on order;
- installed 7 Fixed Base Simulator in its training centers;
- the industry's first full size Boeing NG maintenance training aircraft based at London Stansted;
- acquired a Boeing 737-700 for pilot training;
- installed a Fixed Base Simulator at its Dublin Office & have 7 more simulators on order;
- begun equipping all of its fleet with the Runway Awareness and Advisory System ("RAAS"), which is an electronic detection system that provides aircraft crews with information relating to the aircraft's position relative to the airport's runway. The RAAS is a significant mitigation for three of the Company's Key Operational Risk Areas ("KORAs");
- a 24-hour Safety Office and training and reporting systems;
- independent safety audits and safety reporting channels from front line to Board level; and
- implemented industry leading fixed 5/4 rosters which consists of 5 days on, followed by 4 days off for pilots and 5/3 for Cabin Crew, 5 days on followed by 3 days off which provides an excellent work life balance.

2. Energy Efficiency

Current Fleet

Ryanair operates a fleet of over 440 Boeing 737-800NG aircraft, each with 189 seats with an average fleet age of 6.7 years. Ryanair expects to grow to approximately 585 aircraft by March 2024.

Boeing 737-MAX-200

The Boeing 737-Max-200 (“*Gamechanger*”), which starts delivering in Spring 2019, represents the newest generation of Boeing’s 737 aircraft. It is a short-to-medium range aircraft and seats 197 passengers (8 more than Ryanair’s existing 189 seat Boeing 737-800NG fleet). Ryanair has 135 firm orders and 75 options for the Gamechanger.

The new CFM LEAP-1B engines which, combined with Scimitar winglets, and other aerodynamic improvements, will reduce fuel consumption by up to 16% per seat compared to the Boeing 737-800NGs and will also cut noise emissions by up to 40% per seat.

Dublin Offices

In January 2014 Ryanair moved into a new 100,000 sq. ft. office building in Airside Business Park, Swords, Co. Dublin, K67 NY84, Ireland which houses its Irish operations including Ryanair Labs, the state-of-the-art digital and IT innovation hub.

Other initiatives include:

- Moving towards a paperless office, thereby reducing the need for printing
- Recycling paper, toner, computer equipment and other waste
- The use of solar panels to heat all water in the building
- A canteen with a focus on healthy food and nutrition
- Providing discounted gym membership programs for staff, to promote exercise and a healthy work/life balance
- Operating the “Cycle to Work” Scheme, which allows staff to purchase a bicycle in a tax efficient manner. This contributes to lowering carbon emissions, reducing traffic congestion and improving the health and fitness levels of its people.

3. Environmental Policy and Carbon Emissions

In March 2018 Ryanair launched its Environmental Policy Document which commits to ambitious future environmental targets building on impressive achievements to date, including commitments to address climate change, and the priorities and policies which will allow Ryanair to continue to lower CO₂ emissions and noise pollution.

This Environmental Policy illustrates Ryanair’s commitment to managing its impact on the environment by:

- Leading the way as Europe’s greenest, cleanest airline
- Committing to ambitious environmental targets
- Investing billions of euro in the newest, most fuel-efficient aircraft
- Committing to eliminate all non-recyclable plastics within 5 years
- Allowing customers to offset the carbon cost of their flights

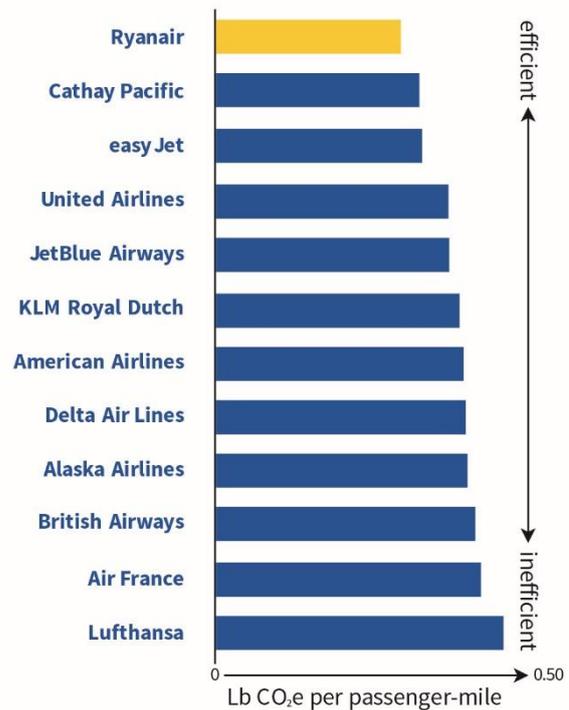
Europe's Cleanest Greenest Airline

Over the first years of the 'Always Getting Better' program, Ryanair has changed more than any other airline, as it rolled out a series of digital and customer experience improvements.

As well as being Europe's favorite airline, with the best customer service, Ryanair is also Europe's cleanest, greenest airline. Ryanair is committed to managing the demands and impacts that our business activities place on the environment, and published an environmental policy to highlight Ryanair's outstanding environmental achievements to date and our ambitious environmental targets for the future.

Aviation is the most efficient form of mass point-to-point transport, accounting for just 2% of EU man-made CO₂ emissions. (Road transport accounts for 26%). The fuel burn per passenger km for a Ryanair aircraft is 0.0191, 44% less than the fuel burn per passenger km of a typical family car of 0.0341. Nevertheless, as a very small part of a big problem, aviation must play its role in addressing climate change; and Ryanair, as Europe's largest and most successful airline, is committed to leading the way. We support the Paris Agreement to limit global temperature rise to less than 2°C above pre- industrial levels. We support IATA's 2050 target of an aviation sector that emits a net 50% less CO₂ against 2005 levels.

AIRLINE EFFICIENCY RANKINGS



Source: Brighter Planet Air Travel Carbon and Energy Efficiency Report

Priorities

Ryanair is committed to minimising our environmental impact. Through a process of continuous improvement, we will:

- Continue to comply fully with the environmental rules, regulations, standards, and codes of practice that apply to our sites, our people and our operations;
- Limit the impact of aircraft noise on local environments; our new Boeing 737-MAX-200 arriving in Spring 2019 will further reduce noise by up to 40% per seat;
- Minimise fuel and energy consumption to limit our emissions of greenhouse gases and pollutants impacting air quality;
- Commit to achieving an emissions rate of 61.4 grams of CO₂ per passenger km by 2030, which is 8% lower than our current rate and 31% lower than the average of the four other biggest European airlines;
- Offer our customers an easy-to-use voluntary mechanism to offset the carbon cost of their journeys; and
- Work to remove all non-recyclable plastics from our operations over the next 5 years.

Governance

Ryanair's Chief Operations Officer (COO) has direct accountability for environmental risks and impacts. The COO reports directly to the Board on issues related to Ryanair's environmental policy.

Accountability and Reporting

Ryanair management is responsible for implementing our priorities, including those that ensure compliance, enable the achievement of our targets, and manage environmental risk. The Board of Ryanair has oversight to ensure management fulfils company policy, including environmental policy.

Others' Responsibilities

Environmental regulation has to be well designed and fair in order to support a competitive market place. Regulation of other aspects of industry can produce significant environmental benefits. For instance real action

by Members States and the European Commission to tackle, at European level, the fragmentation and inefficiency of Air Traffic Management could produce an enormous environmental benefit through enabling efficient routing and reduced fuel burn and emissions. Ryanair will continue to push for these reforms.

Europe's Greenest Airline

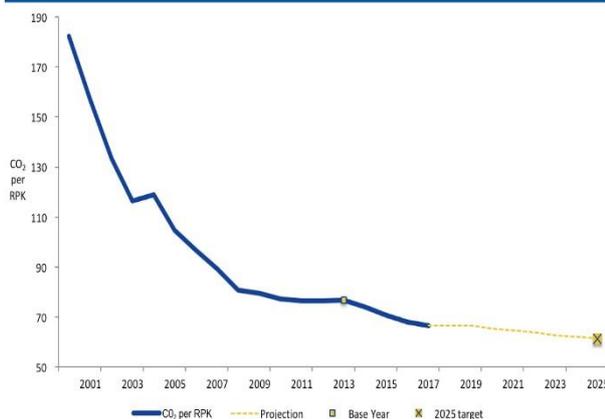
Our business model means Ryanair is Europe's greenest, cleanest airline, as we:

- Operate only point-to-point routes with industry-leading load factors (95% p.a.)
- Continuously invest in fuel-efficient new aircraft and improved engine technology
- Conduct the most efficient operational procedures in the industry
- Deliver a CO₂ per passenger km value which is 44% below the Morgan Stanley Capital International (MSCI) ACWI airline industry average, (MSCI 2018).
- Reduce our noise footprint by 86% with the introduction of the Boeing 737-800NG and will reduce it by 93% with the introduction of the Boeing 737-MAX.

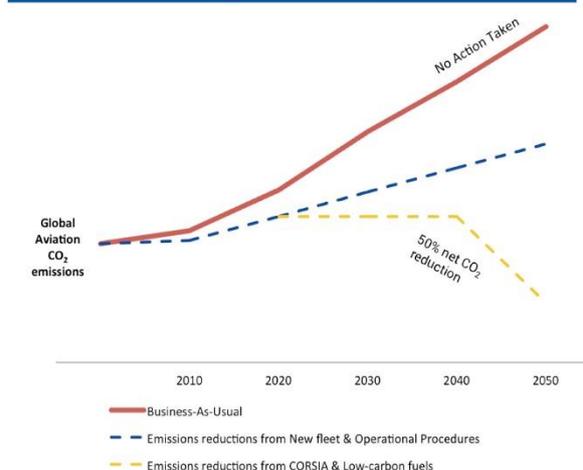
Our Climate Targets

To deliver on our environmental commitment, Ryanair has announced a 2030 carbon efficiency target and an absolute climate target for 2050.

2030 CARBON EFFICIENCY TARGET
We aim to reduce our CO₂ per RPK by 66% to 61.4 g CO₂ per RPK against 2000 levels.



2050 INDUSTRY CLIMATE TARGET
In line with IATA's 2050 Climate Target, we commit to help the aviation industry deliver a net 50% reduction in CO₂ by 2050 against 2005 levels.



This representation was produced from analysis in IATA's 2013 Technology Roadmap.

Our Framework for addressing Greenhouse Gas (GHG) Emissions

Avoiding GHG's: Our business model delivers direct, point-to-point flights with very high load factors. This reduces total flying relative to traditional hub-and-spoke models, which involve multiple journeys and numerous indirect flights. Increasing our load factors from 83% to 95% has reduced per passenger emissions by 13% in the last 4 years.

Reducing GHG's: We are industry leaders in fuel efficiency. We operate on of the youngest fleets of any major airline with an average age of 6.7 years and we deliver an industry-leading CO₂ per passenger-km metric, which is which is 44% below the MSCI ACWI airline industry average (MSCI 2018).

Substituting GHG Sources: Like many airlines, we do not purchase low-carbon alternative fuels (LCAF) due to their high cost and the lack of consensus on sustainability criteria. We commit to move to 100% LCAF when cost-competitive alternatives meeting globally-agreed sustainability criteria become available.

Market Based Measures: Ryanair has participated in the EU Emissions Trading System (ETS) since 2012. Ryanair will continue to comply fully with current and future emissions regulations.

As a short-haul airline operating almost entirely within the EU, 87% of Ryanair's emissions are subject to the EU ETS. This is a much higher proportion than legacy carriers, due to the EU's decision to suspend the operation of the ETS on flights to / from non-EU countries.

We believe that a single global market-based mechanism is the best way to govern emissions across the entire aviation industry. Accordingly, we support the replacement of ETS with ICAO's CORSIA, which represents an historic breakthrough in global carbon emission regulation.

Our principles for the use of alternative fuels:

- Alternative fuels are an opportunity for the aviation sector due to their potential to reduce lifecycle greenhouse gas emissions
- Governments and fuel suppliers must prioritise the development of alternative fuels that deliver significant lifecycle CO₂ savings
- Alternative fuels in aviation should be regulated by one set of global rules that treat all airlines equally
- The methods of quantifying lifecycle CO₂ savings from alternative fuels should apply uniformly to all airlines
- The CO₂ savings from an airline's use of alternative fuels must be traceable and verifiable

Engaging suppliers on the fuel-efficient design of new aircraft

To deliver on ambitious climate targets, the next-generation of aircraft must deliver a step change in fuel efficiency. To reinforce this requirement, Ryanair will advocate the development of ambitious, low-emissions aircraft designs from major aircraft manufacturers as part of our procurement process.

Carbon Offset Scheme

In 2018 we started a voluntary option within our booking process which allows customers to make a donation to offset carbon emissions. The funds raised from these voluntary guest donations will be distributed annually to environmental charities, NGOs and the investment in technologies that reduce fuel burn within the aviation industry as selected by our people.

Ryanair's five-year plan to eliminate plastic

Plastic pollution can unfavourably affect lands, waterways, oceans, animals and humans; and is one of the most significant threats to the environment.

Ryanair is committed to minimising our environmental impact, and over the next five years, Ryanair will work to eliminate all non- recyclable plastics from our operations.

We will work with our suppliers to replace our current non-recyclable plastics with environmentally friendly alternatives such as bio-degradable cups, wooden cutlery & paper packaging.

We will roll out our plastics-free policy across our entire operation – ground operations, engineering, inflight, at our bases and at our Head Office over the next 5 years.

Environmental Principles of the UN Global Compact

1. Business should support a precautionary approach to environmental challenges
2. Business should undertake initiatives to promote greater environmental responsibility
3. Businesses should encourage the development and diffusion of environmentally friendly technologies

Fuel Efficiency Across Departments

Route Network: Point to point flying avoids the excess emissions and noise produced by indirect transfer flights.

Fleet Planning: New fuel efficient, quieter aircraft and engine designs, winglets that save fuel by reducing drag.

Aircraft Operations: Single engine taxiing between runway and terminal. Continuous descent and low-drag landing approaches minimize excess noise and fuel consumption.

Cabin Design: The high-density seating design of an all economy class & high load factors maximise total passengers per flights. Strong light weight comfortable seats save fuel by reducing weight.

Action Plan

Environmental policy is an integral part of Ryanair's business, not a stand-alone issue. Our Environmental Policy Action Plan is, therefore, central to what we do. As part of our Action Plan we undertake to do the following:

1. Report our progress toward the 2030 climate target at least annually;
2. Report our emissions from jet fuel at least annually, with a view to incorporating additional emissions categories in future (e.g. from electricity consumption);
3. Procure fuel efficient new aircraft that deliver improvements in our fleet's fuel efficiency;
4. Deliver fuel efficient operations and report on the savings from these activities;
5. Engage aircraft manufacturers on the need for ambitious low emissions aircraft designs;
6. Monitor the opportunities and risks posed by the emerging low carbon aviation fuels market;
7. Monitor the opportunities and risks posed by the implementation of the ICAO CORSIA system;
8. Include in our corporate risk register a full set of climate related and environmental risks, including weather and physical events (e.g. volcanic activity), and geopolitical disruptions.
9. Offer our customers an easy-to-use transparent mechanism to offset the carbon cost of their journeys.

Fleet Replacement

Boeing 737-800NG

The phase out of all of Ryanair's older Boeing 737-200A aircraft was completed in December 2005 when Ryanair moved to an all Boeing 737-800NG aircraft fleet. Ryanair now operates a single aircraft fleet of Boeing 737-800NG aircraft with an average age of 6.7 years. By moving to an all Boeing 737-800NG fleet from a fleet of Boeing 737-200As, Ryanair cut emissions per passenger by 31%.

Boeing 737-MAX-200

In September 2014, Ryanair announced an order for up to 200 Boeing 737-MAX-200 aircraft (subsequently increased to 210 in June 2017). These aircraft, which will deliver between 2019 and 2024, have 197 seats (8 more than the existing 189 seat Boeing 737-800NG fleet), will be fitted with CFM LEAP 1B engines which, combined with new Scimitar winglets, slimline seats and other aerodynamic improvements, will reduce fuel consumption by up to 16% per seat and reduce operational noise emissions by up to 40% per seat.

Emissions and Emissions Trading

In the calendar year 2017, Ryanair's emissions equated to 0.084 t CO₂ per passenger. In calendar year 2017 Ryanair spent over €49m acquiring credits under the EU Emissions Trading Scheme to facilitate our growth.

Year	tCO₂ per passenger
2017	0.084
2016	0.083
2015	0.085
2014	0.090
2013	0.094

The EU passed legislation requiring aviation to operate under the EU Emissions Trading Scheme. This scheme is a cap-and-trade system for CO₂ emissions to encourage industry to improve its CO₂ efficiency. Airlines were granted initial CO₂ allowances based on historical “revenue ton kilometres” and a CO₂ efficiency benchmark. Any shortage of allowances has to be purchased in the open market and/or at government auctions. Ryanair takes its environmental responsibilities seriously and will continue to improve its environmental efficiency in order to minimise emissions.

Company Facilities

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 there under. At Dublin Airport, Ryanair operates on land controlled by the Dublin Airport Authority plc (“the DAA”). Planning permission for its facilities has been granted in accordance with both the zoning and planning requirements of Dublin Airport. There is also specific Irish environmental legislation implementing applicable EU directives and regulations, to which Ryanair adheres.

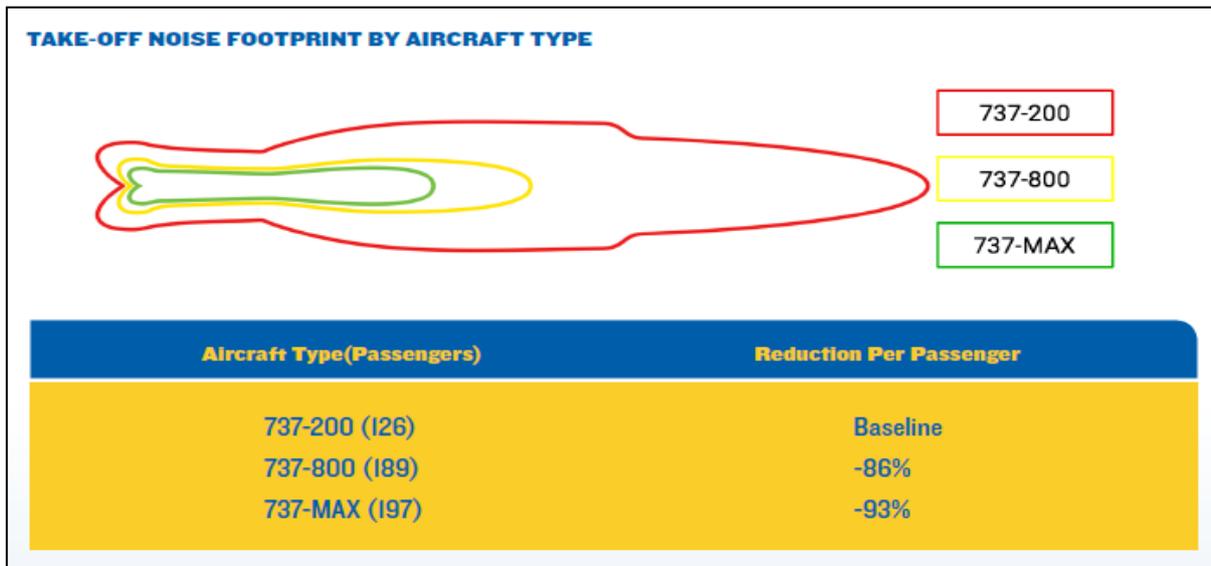
From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair’s engineering facilities at Dublin Airport, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Stockholm (Skavsta), Bergamo, Wroclaw and Kaunas. However, at all times Ryanair’s storage and handling of these substances complies with the relevant regulatory requirements. At Ryanair’s Glasgow (Prestwick) and London (Stansted) maintenance facilities, all normal waste is removed in accordance with the Environmental Protection Act of 1996 and Duty of Care Waste Regulations. For special waste removal, Ryanair operates under the Special Waste Regulations 1998. At all other non-UK facilities Ryanair adheres to all local and EU regulations.

Noise and Emissions

Ryanair is committed to reducing emissions and noise through investments in “next generation” aircraft and engine technologies and the implementation of operating and commercial processes that help minimise the environmental impact of its operations.

Ryanair cuts noise and emissions through its “one engine taxi” policy and strict compliance with Cost Index Flight Planning recommendations. Using the correct Cost Index optimises the speed for each flight and maximises fuel efficiency.

Ryanair’s current fleet of Boeing 737-800s have a reduced noise footprint of 86% over the Boeing 737-200 on a per passenger basis. The Boeing 737-MAX (“Gamechanger”) will further reduce this to 93% over the Boeing 737-200.



Ryanair was ranked No.1 of 30 airlines for Noise Abatement Compliance at London Stansted Airport (99.6%) & No.1 for Continual Descent Arrival at 7 UK airports

“Ryanair topped the tree once again for noise abatement compliance, and have every year since 2012. Ryanair’s CDA compliance was an incredible 98.8% . . . especially as this figure includes non CDAs that were beyond the control of Ryanair flight crew . . .” London Stansted Airport, 2017.

- 100% of Ryanair aircraft meet ICAO Environmental Protection NOx Standard (Chapter 6)
- 100% of Ryanair aircraft meet ICAO Environmental Protection Noise Standard (Chapter 4)

4. People Management and Social

Training, career development and promotion opportunities are available and encouraged for all of Ryanair's people. Ryanair remains a committed equal opportunities employer regardless of nationality, race, gender, marital status, disability, age, sexual orientation, religious or political beliefs. The Group selects and promotes its people on the basis of merit and capability, providing the most effective use of resources.

In December 2017 Ryanair announced that it would recognise pilot unions. The Company has made good progress with these union discussions and has signed recognition agreements with pilot unions in Italy and the UK, and cabin crew unions in Italy, Germany and the UK. Ryanair considers its relations with its people to be good.

Job Creation, Economic Growth & Integration

Ryanair has more than 14,500 aviation professionals from over 40 different nationalities who crew and support Ryanair's aircraft fleet. Last year over 600 of its people were promoted and we created approximately 1,500 new jobs. Ryanair has also created over 90,000 indirect jobs based on Airport Council International figures.

In May 2018 CEPS (Centre for European Policy Studies) released the findings of a research project exploring the impact of low-cost carriers in Europe in terms of integration and patterns of mobility. The report, titled 'Low-Cost Airlines: Bringing the EU Closer Together', considered several channels to assess the extent of the contribution of low-cost carriers like Ryanair to European integration including labour and student mobility, business travel and leisure tourism. Focusing on quantitative data as well as qualitative, individual case studies, the report served to highlight how low-cost connectivity improves the quality of people's lives. The report found that LCC's played a vital role in bringing Europe closer together by fostering mobility and making air travel affordable to a wider public.

Low-cost airlines – led by Ryanair – have revolutionised air travel over the past 30 years. By challenging the high-fare monopoly legacy carriers in Europe, Ryanair and other low-cost airlines have done more for European integration through travel, tourism and labour mobility, than perhaps any institution.

European Works Councils ("EWC")

Ryanair runs a forum whereby employees and the airline discuss the transnational affairs of the business. This forum, or EWC, is typically held annually.

The EWC provides further opportunity for employee representatives from all bases and departments to engage with the CEO and senior management regarding financial results, company growth and any other questions they may have.

Charities

Ryanair supports numerous charities across Europe. Each year Ryanair's people select nominated charities and the Company has recently selected ISPC / Childline as its chosen charity partner for 2018. The Group also regularly makes donations to various charities from the proceeds of sales of its onboard scratch cards. In 2017 the Company established the Ryanair Foundation to work with selected charitable partners and educational projects across Europe. In 2017 the foundation announced its sponsorship (€1.5m over 5-years) for a new Ryanair Professor of Entrepreneurship position at Trinity College Dublin's Business School.

Between 2008 and 2014, the Ryanair charity calendar contributed €100,000 per annum (€700,000 in the 7 years that it was produced) to designated charities across Europe.

In May 2018 Ryanair announced a new 3-year Premier Corporate Partnership with the National Gallery of Ireland in Dublin. The partnership, which runs until 2020, will enable Ryanair to support the arts under its "Always Getting Better" programme. The newly refurbished Gallery, which was founded in 1854, is located on Dublin's Merrion Square West and is one of Ireland's leading institutions of cultural importance, attracting over a million visitors per year.

5. Ethics and Transparency

Ryanair's Code of Business Conduct and Ethics

Ryanair is committed to conducting business in an ethical fashion that complies with all laws and regulations in all of the countries in which Ryanair operates. Employees and representatives of Ryanair must consider how their actions affect the integrity and credibility of the Company as a whole. Ryanair's Code of Business Conduct and Ethics ("Code") sets out the principles that constitute Ryanair's way of doing business. The Code is reviewed and approved by the Audit Committee of the Board at least annually.

The CEO and management at all levels of Ryanair are responsible for ensuring adherence to this Code. They are expected to promote an "open door" policy so that they are available to anyone with ethical concerns, questions or complaints. All concerns, questions, and complaints are taken seriously and handled promptly, confidentially and professionally.

Modern Slavery Act 2015

Ryanair does not tolerate any infringement of human rights, including the use of forced, compulsory or trafficked labor, or anyone held in slavery or servitude (whether adults or children) in any part of our business or supply chain. We endeavor to only use suppliers that adhere to these principles and provide a safe and healthy working environment for their employees.

Customer Charter, "Always Getting Better" ("AGB")

In 2014 Ryanair launched its "Always Getting Better" Customer Charter. This underpins the Company's relentless drive towards improving all aspects of the Ryanair experience for its 139m expected guests (FY19) and comprises an 8-promise plan as follows:

1. AGB is the way we promise to do things.
2. We promise to always prioritise safety.
3. We promise the lowest fares.
4. We promise the best choice of destinations.
5. We promise to strive to make your travel an enjoyable experience.
6. We promise we will always be Europe's most reliable airline.
7. We promise to be transparent and to make travel simple for you.
8. We promise to innovate, to make your travel exciting.

Ryanair is Europe's No. 1 customer service airline with the following Customer Service statistics in the financial year to March 31, 2018:

- 86% On Time Performance ("OTP")
- Less than 2.9 complaints per 1,000 customers
- Less than 0.30 bag complaints per 1,000 customers
- Over 99% of complaints answered within 7 days

6. Corporate Governance

For a detailed description of the corporate governance procedures and structures in place within the Group, please refer to the Corporate Governance statement on page 13 of this Annual Report.

Report of the Remuneration Committee on Directors' Remuneration

1. The Remuneration Committee ("Remco")

The Board of Directors established Remco in September 1996. This committee has the authority to determine the remuneration of Senior Executives of the Company and to administer the Company's stock options plans as described on page 127. The members of Remco are Howard Millar, Julie O'Neill & Stan McCarthy. The role and responsibilities of Remco are set out in its written terms of reference, which are available on the Company's website, <https://investor.ryanair.com/governance>. All members of Remco have access to the advice of the CEO and may, in the furtherance of their duties, obtain independent professional advice at the Company's expense.

2. Remuneration Policy

The policy of the Company is to ensure that the CEO and the senior management team are rewarded competitively, but in keeping with the ethos of a low cost airline, having regard to the comparative marketplace in Ireland and the United Kingdom, to ensure that they are motivated to deliver in the best interests of the shareholders.

The remuneration of senior management is structured towards a relatively low basic salary (by airline comparatives) and a bonus scheme which allows senior managers to earn up to a maximum of 100% of their basic pay each year by way of bonus. In selecting annual performance targets, Remco takes into account the Group's strategic objectives, short and long term business priorities. The bonus quantum is determined annually with up to 50% of the total quantum being determined by reference to achieving the company's budgeted profit after tax ("PAT") for the fiscal year, and up to 50% of the total quantum being determined by reference to a written assessment of each senior manager's personal performance against a list of rigorous performance targets for their individual department or areas of responsibility for that fiscal year. These personal performance targets focus on strategic objectives such as cost control, customer service and operational performance. Historically, senior managers have rarely received 100% of their bonus entitlement, the average in recent years (when budgeted PAT has been achieved) is between 80% to 90%.

The Company has a policy of minimising management expenses and accordingly it does not provide defined benefit pensions, company cars, or unvouched expenses to senior managers. All expense claims must be fully vouched and are rigorously vetted on a monthly basis by the CFO and CEO.

The total remuneration paid to senior management (defined as the Executive team reporting to the Board of Directors) is set out in Note 26 of the consolidated Financial Statements. Company policy in respect of granting share options is dealt with in section 6 below.

3. Performance

Profit after tax rose 10% to €1,450m for the year, this was despite challenging markets, a weak fare environment, rising fuel prices and the pilot rostering difficulties in September 2017, and is due to the hard work of our people and loyalty of our customers. This strong result shows the resilience of our business model.

4. Non-Executive Directors

Details of remuneration paid to Non-Executive Directors is set out in Note 18(b) on page 192 of the consolidated Financial Statements. In keeping with the Company's low-cost ethos, the level of Non-Executive Director fees is low by EU airline industry comparatives.

Directors can only be appointed following selection by the Nomination Committee and approval by the Board and must be elected by the shareholders at the AGM following their appointment. Ryanair's Articles of Association require that all Directors retire after a fixed period not exceeding 3 years. Ryanair has adopted a policy whereby all Directors retire on an annual basis and being eligible for re-election, offer themselves for election. This therefore gives Ryanair's shareholders an annual opportunity to vote on the suitability of each Director.

None of the Non-Executive Directors hold a service agreement with the Company that provides for benefits upon termination.

5. Chief Executive

The CEO is the only Executive Director of the Board. Details of the CEO's remuneration are disclosed in Note 18(a) to the consolidated Financial Statements.

The CEO's pay and bonus, compared against the CEO pay of other large EU airlines, is set out below. Despite record profitability in fiscal 2018, the CEO volunteered to waive all of his performance bonus for fiscal 2018 following the pilot rostering failure in September 2017.

Comparable EU Airline CEO Pay

Fiscal 2018	Base Pay €'000	Bonus €'000	Pension €'000	Share Based €'000	Other €'000	Total Pay €'000
IAG	974	1,810	244	1,474	29	4,531
Lufthansa	1,380	1,551	318	827	117	4,193
Ryanair	1,058	-	-	1,250	-	2,308
easyJet*	894	-	62	-	2	958

* The easyJet CEO announced her intention to resign after year-end and did not receive a bonus or share based payments

source: latest company accounts

Fiscal 2017	Base Pay €'000	Bonus €'000	Pension €'000	Share Based €'000	Other €'000	Total Pay €'000
Ryanair	1,058	950	-	1,250	-	3,258
Lufthansa	1,380	797	141	685	117	3,120
IAG	1,049	700	263	998	30	3,040
easyJet	894	240	62	658	6	1,861

source: latest company accounts

Fiscal 2016	Base Pay €'000	Bonus €'000	Pension €'000	Shared Based €'000	Other €'000	Total Pay €'000
IAG	1,168	935	293	6,439	37	8,871
easyJet	937	1,238	66	6,121	5	8,368
Lufthansa	1,207	706	543	626	115	3,197
Ryanair	1,058	855	-	1,250	-	3,163

source: company accounts

The Company does not provide the CEO with any pension contributions or other benefits which is in keeping with the low cost ethos of the airline.

In October 2014, the CEO signed a 5-year contract which commits him to the Company until September 2019. This contract replaced a rolling 12-month arrangement under which Michael O'Leary worked as CEO of the airline since 1994. The CEO is subject to a covenant not to compete with the Company within the E.U. for a period of 2 years after the termination of his employment. The contract does not contain provisions providing for compensation on termination.

6. Share Options

A description of the Company's share options scheme is available on page 127. Details of the share options granted to Executive and Non-Executive Directors are set forth in Note 18(d) to the consolidated Financial Statements.

Share options are granted occasionally, at the discretion of the Board and Remco to incentivise superior performance by the management team, to encourage their long term commitment to Ryanair and to align the objectives of management with those of the shareholders. We encourage management, through share options, to think and act like long term shareholders and prioritize shareholder returns. Options are allocated by reference to basic pay levels and will only be exercisable where exceptional profit or share price targets have been achieved over a 5-year period from date of grant. Executives must remain in full time employment with the group for a 5-year period from the grant date in order to exercise these options. The 5-year targets set by Remco are ambitious but commercially sensitive and have not, therefore, been disclosed.

As at March 31, 2018, Non-Executive Directors held a modest number of share options as set out on page 193. Whilst the 2016 Code discourages the grant of options to Non-Executive Directors, the Company has a policy of complying with these codes or explaining why it does not. In this case, because of its substantial NASDAQ listing and US shareholder base, where US investors encourage and promote modest Non-Executive Directors' options, the Company has granted a small amount of share options to certain Non-Executive Directors. The Company, in accordance with the 2016 Code, sought and received shareholder approval to make these share option grants and Remco believes that this very modest number of options does not impair the independence of judgement or character of Non-Executive Directors.

Details of employee share option plans are set forth on pages 187 and 188 in Note 14(c) to the consolidated Financial Statements.

7. Directors' Pension Benefits

None of the Directors, including the Executive Director, receive any pension benefits as set forth in Note 18(c) to the consolidated Financial Statements.

8. Directors' Shareholdings

The interests of each Director, that held office at the end of fiscal year 2018, in the share capital of the Company as at March 31, 2018, are set forth in Note 18(d) to the consolidated Financial Statements.

9. Shareholders' Vote on Remuneration

A resolution to approve the Remuneration Report is put to shareholders at the Company's AGM. This advisory and non-binding resolution is often referred to as a "say on pay". Details of the voting outcomes at the 2015, 2016 and 2017 AGMs are set out below:

	2015 AGM		2016 AGM		2017 AGM	
Votes for	753,357,074	81.04%	701,441,494	85.18%	692,092,964	88.73%
Votes against	176,207,196	18.96%	122,048,142	14.82%	87,914,461	11.27%
Total*	929,546,270		823,489,636		780,007,425	

**Between August 31, 2015 and August 31, 2017, the Company repurchased or cancelled over 161m ordinary shares.*

The Company has engaged with shareholders and the large proxy advisor firms (ISS, Glass Lewis & PIRC) on corporate governance matters in recent years. The Committee is pleased with the growing support from shareholders for the Company's remuneration policy.

Statement of Directors' Responsibilities in respect of the Annual Report and the Financial Statements

The Directors are responsible for preparing the Annual Report and the Consolidated and Company financial statements, in accordance with applicable law and regulations.

Company law requires the Directors to prepare Group and Company financial statements for each financial year. Under that law, the Directors are required to prepare the Group financial statements in accordance with IFRS as adopted by the European Union and applicable law including Article 4 of the IAS Regulation. The Directors have elected to prepare the Company financial statements in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of Companies Act 2014. In preparing the consolidated financial statements the Directors have also elected to comply with IFRS as issued by the International Accounting Standards Board ("IASB").

Under company law the Directors must not approve the Consolidated and Company financial statements unless they are satisfied that they give a true and fair view of the assets, liabilities and financial position of the Group and Company and of the Group's profit or loss for that year.

In preparing each of the Consolidated and Company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the financial statements comply with IFRS as adopted by the European Union and IFRS as issued by the IASB, and as regards the Company, as applied in accordance with the Companies Act 2014;
- assess the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulations 2007 and the Transparency Rules of the Central Bank of Ireland to include a management report containing a fair review of the business and a description of the principal risks and uncertainties facing the Group.

The Directors are responsible for keeping adequate accounting records which disclose with reasonable accuracy at any time the assets, liabilities, financial position and profit or loss of the Company and which enable them to ensure that the financial statements of the Company comply with the provision of the Companies Act 2014. The Directors are also responsible for taking all reasonable steps to ensure such records are kept by its subsidiaries which enable them to ensure that the financial statements of the Group comply with the provisions of the Companies Act 2014 including Article 4 of the IAS Regulation. They are responsible for such internal controls as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for safeguarding the assets of the Company and the Group, and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities. The Directors are also responsible for preparing a Directors' Report that complies with the requirements of the Companies Act 2014.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Group's and Company's website, <https://investor.ryanair.com>. Legislation in the Republic of Ireland concerning the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Responsibility Statement as required by the Transparency Directive and UK Corporate Governance Code

Each of the Directors, whose names and functions are listed on pages 111 to 112 of this Annual Report, confirm that, to the best of each person's knowledge and belief:

- The Consolidated financial statements, prepared in accordance with IFRS as adopted by the European Union and IFRS as issued by the IASB and the Company financial statements prepared in accordance with IFRS as adopted by the European Union and IFRS as issued by the IASB, as applied in accordance with the provisions of Companies Act 2014, give a true and fair view of the assets, liabilities, and financial position of the Group and Company at March 31, 2018 and of the profit or loss of the Group for the year then ended;
- The Directors' report contained in the Annual Report includes a fair review of the development and performance of the business and the position of the Group and Company, together with a description of the principal risk and uncertainties that they face; and
- The Annual Report and financial statements, taken as a whole, provides the information necessary to assess the Group's performance, business model and strategy and is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O'Leary
Chief Executive

Independent auditor's report to the members of Ryanair Holdings plc

1 Opinion: our opinion is unmodified

We have audited the financial statements of Ryanair Holdings plc (“the Company”) and subsidiaries (together, “the Group”) for the year ended March 31, 2018 which comprise the Consolidated and Company Balance Sheets, the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Changes in Shareholders' Equity, the Consolidated and Company Statements of Cash Flows, and the related notes, including the accounting policies in note 1. The financial reporting framework that has been applied in their preparation is Irish Law and International Financial Reporting Standards (IFRS) as adopted by the European Union and, as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2014.

In our opinion:

- the Consolidated Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group as at March 31, 2018 and of its profit for the year then ended;
- the Company Balance Sheet gives a true and fair view of the assets, liabilities and financial position of the Company as at March 31, 2018;
- the Consolidated Financial Statements have been properly prepared in accordance with IFRS as adopted by the European Union;
- the Company Financial Statements have been properly prepared in accordance with IFRS as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2014; and
- the Consolidated Financial Statements and Company Financial Statements have been properly prepared in accordance with the requirements of the Companies Act 2014 and, as regards the Consolidated Financial Statements, Article 4 of the IAS Regulation.

2 Our separate opinion in relation to IFRS as issued by the IASB is unmodified

As explained in note 1 on page 152 of the Consolidated Financial Statements, the Group, in addition to complying with its legal obligation to comply with IFRS as adopted by the European Union, has also prepared its consolidated financial statements in compliance with IFRS as issued by the International Accounting Standards Board (IASB). In our opinion:

- the Consolidated Financial Statements give a true and fair view of the assets, liabilities and financial position of the Group as at March 31, 2018 and of its profit for the year then ended; and
- the Consolidated Financial Statements have been properly prepared in accordance with IFRS as issued by the IASB.

BASIS FOR OPINIONS

We conducted our audit in accordance with International Standards on Auditing (Ireland) (“ISAs (Ireland)”) and applicable law. Our responsibilities under those standards are further described in the *Auditor's Responsibilities* section of our report. We believe that the audit evidence we have obtained is a sufficient and appropriate basis for our opinion. Our audit opinion is consistent with our report to the Audit Committee.

We were appointed as auditor by the Directors on December 31, 1985. The period of total uninterrupted engagement is the 32 years ended March 31, 2018. We have fulfilled our ethical responsibilities under, and we remained independent of the Group in accordance with, ethical requirements applicable in Ireland, including the Ethical Standard issued by the Irish Auditing and Accounting Supervisory Authority (IAASA) as applied to listed public interest entities. No non-audit services prohibited by that standard were provided.

3 Key audit matters: our assessment of risks of material misstatement

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the financial statements and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by us, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In arriving at our audit opinion above, the key audit matter was as follows:

Aircraft residual values, estimated useful lives, and estimated cost of major airframe and engine overhaul - carrying value of aircraft €8,052.2 million (2017 - €7,146.5 million)

Refer to page 20 (Audit Committee Report), page 153 (accounting policy) and pages 163 to 164 (financial disclosures)

The key audit matter

How the matter was addressed in our audit

The Group has aircraft with a carrying value of €8,052.2 million as at March 31, 2018 (2017: €7,146.5 million) including engines and related equipment. Aircraft are depreciated on a straight-line basis over their estimated useful lives, of 23 years from date of manufacture, to estimated residual values, of 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods. On acquisition, an element of the cost of the acquired aircraft is attributed to its service potential, reflecting the maintenance condition of its engines and airframe and is depreciated over the period until its next major overhaul (component accounting).

Our audit procedures included, amongst others, testing the design, implementation and effectiveness of the key controls over the estimates of useful economic life and residual value of the aircraft.

We assessed the allocation of purchase price to the various components of the aircraft to ensure that the value allocated to its service potential compares with actual historic experience.

We compared the Group's estimates of expected useful life and residual value to manufacturers' recommendations, to published estimates of other international airlines and to independent expert commentary.

The Group makes estimates about its expected useful lives, expected residual values and the estimated cost of major airframe and engine overhaul. The Group operates a fleet of Boeing 737-800 'next generation' aircraft, all of which are aged between one and 15 years. There is an active and established market for this asset class. However, changes to the expected useful lives, residual values or estimated major airframe and engine overhaul costs, of the Group's aircraft fleet, could have a material impact on the depreciation charge and consequently the profit for the year.

We agreed the fair value of this aircraft type to independent third party valuation reports prepared by specialist aircraft valuation experts to assess the accuracy of the residual value estimate.

We considered the key assumptions underpinning the Group's near and medium term financial projections and compared against historical performance and estimates of the likely economic conditions in its principal markets.

We assessed the adequacy of the related disclosures.

We are satisfied that the Group's judgement with regard to estimates of aircraft residual values, useful lives and cost of major airframe and engine overhaul was reasonable.

Due to the nature of the Company's activities, there are no key audit matters that we are required to communicate in accordance with ISAs (Ireland).

4 Our application of materiality and an overview of the scope of our audit

Materiality for the Consolidated Financial Statements as a whole was set at €80 million (2016: €74 million). Materiality for the Company financial statements was set at €15 million (2017: €10 million).

Materiality has been calculated as 5% of the benchmark of Group profit before tax which we have determined in our professional judgement, to be one of the principal benchmarks within the financial statements relevant to members of the Company in assessing the financial performance of the Group. For the Parent Company, materiality has been calculated based on 1% of the benchmark of net assets.

We report to the Audit Committee all corrected and uncorrected misstatements we identified through our audit with a value in excess of €4 million (Group) and €0.75 million (Parent Company) in addition to other audit misstatements below that threshold that we believe warranted reporting on qualitative grounds.

The Group is headquartered, managed and controlled from Ireland, and all of the audit work covering the Group's revenues, profit for the year and its assets and liabilities and the audit work covering the Company is undertaken and performed by the audit team based in Dublin.

5 We have nothing to report on going concern

We are required to report to you if we have concluded that the use of the going concern basis of accounting is inappropriate or there is an undisclosed material uncertainty that may cast significant doubt over the use of that basis for a period of at least twelve months from the date of approval of the financial statements. We have nothing to report in these respects.

6 We have nothing to report on the other information in the Annual Report

The Directors are responsible for the other information presented in the Annual Report together with the financial statements. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion or, except as explicitly stated below, any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether, based on our financial statements audit work, the information therein is materially misstated or inconsistent with the financial statements or our audit knowledge. Based solely on that work we have not identified material misstatements in the other information.

Based solely on our work on the other information;

- we have not identified material misstatements in the Directors' Report;
- in our opinion, the information given in the Directors' Report is consistent with the financial statements;
- in our opinion, the Directors' Report has been prepared in accordance with the Companies Act 2014.

DISCLOSURES OF PRINCIPAL RISKS AND LONGER-TERM VIABILITY

Based on the knowledge we acquired during our financial statements audit, we have nothing material to add or draw attention to in relation to:

- the Principal Risks and Uncertainties disclosures describing these risks and explaining how they are being managed and mitigated;
- the Directors' confirmation within the Viability Statement on page 26 that they have carried out a robust assessment of the principal risks facing the Group, including those that would threaten its business model, future performance, solvency and liquidity; and

- the Directors' explanation in the Viability Statement of how they have assessed the prospects of the Group, over what period they have done so and why they considered that period to be appropriate, and their statement as to whether they have a reasonable expectation that the Group will be able to continue in operation and meet its liabilities as they fall due over the period of their assessment, including any related disclosures drawing attention to any necessary qualifications or assumptions.

OTHER CORPORATE GOVERNANCE DISCLOSURES

We are required to address the following items and report to you in the following circumstances:

- *Fair, balanced and understandable*: if we have identified material inconsistencies between the knowledge we acquired during our financial statements audit and the Directors' statement that they consider that the Annual Report and financial statements taken as a whole is fair, balanced and understandable and provides the information necessary for shareholders to assess the Group's position and performance, business model and strategy;
- *Report of the Audit Committee*: if the section of the Annual Report describing the work of the Audit Committee does not appropriately address matters communicated by us to the Audit Committee;
- *Statement of compliance with UK Corporate Governance Code*: if the Directors' statement does not properly disclose a departure from provisions of the UK Corporate Governance Code specified by the Listing Rules for our review.

We have nothing to report in these respects.

In addition as required by the Companies Act 2014, we report, in relation to information given in the Corporate Governance Report on pages 13 to 27, that:

- based on the work undertaken for our audit, in our opinion, the description of the main features of internal control and risk management systems in relation to the financial reporting process, and information relating to voting rights and other matters required by the European Communities (Takeover Bids (Directive 2004/EC) Regulations 2016 and specified for our consideration is consistent with the financial statements and has been prepared in accordance with the Act; and
- based on our knowledge and understanding of the Company and its environment obtained in the course of our audit, we have not identified any material misstatements in that information.

We also report that, based on work undertaken for our audit, other information required by the Act is contained in the Corporate Governance Report.

7 Our opinions on other matters prescribed by the Companies Act 2014 are unmodified

We have obtained all the information and explanations which we consider necessary for the purpose of our audit.

In our opinion, the accounting records of the Company were sufficient to permit the financial statements to be readily and properly audited and the Company's Balance Sheet is in agreement with the accounting records.

8 We have nothing to report on other matters on which we are required to report by exception

The Companies Act 2014 requires us to report to you if, in our opinion, the disclosures of Directors' remuneration and transactions required by Sections 305 to 312 of the Companies Act 2014 are not made.

The Listing Rules of the Irish Stock Exchange and UK Listing Authority require us to review:

- the Directors' statement, set out on page 26, in relation to going concern and longer-term viability;

- the part of the Corporate Governance Statement on page 27 relating to the Company's compliance with the provisions of the UK Corporate Governance Code and the Irish Corporate Governance Annex specified for our review; and
- certain elements of disclosures in the report to shareholders by the Board of Directors' remuneration committee.

9 Respective responsibilities

DIRECTORS' RESPONSIBILITIES

As explained more fully in their statement set out on page 40, the Directors are responsible for: the preparation of the financial statements including being satisfied that they give a true and fair view; such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error; assessing the Group and parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and using the going concern basis of accounting unless they either intend to liquidate the Group or the parent Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue our opinion in an auditor's report. Reasonable assurance is a high level of assurance, but does not guarantee that an audit conducted in accordance with ISAs (Ireland) will always detect a material misstatement when it exists. Misstatements can arise from fraud, other irregularities or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements. The risk of not detecting a material misstatement resulting from fraud or other irregularities is higher than for one resulting from error, as they may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control and may involve any area of law and regulation not just those directly affecting the financial statements.

A fuller description of our responsibilities is provided on IAASA's website at https://www.iaasa.ie/getmedia/b2389013-1cf6-458b-9b8f-a98202dc9c3a/Description_of_auditors_responsibilities_for_audit.pdf

10 The purpose of our audit work and to whom we owe our responsibilities

Our report is made solely to the Company's members, as a body, in accordance with Section 391 of the Companies Act 2014. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for our report, or for the opinions we have formed.

July 20, 2018

Emer McGrath
for and on behalf of
KPMG
Chartered Accountants, Statutory Audit Firm
1 Stokes Place
St. Stephen's Green
Dublin 2
Ireland

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 or Ryanair Holdings together with its consolidated subsidiaries, as the context requires. The term “Ryanair” refers to Ryanair DAC, a wholly owned subsidiary of Ryanair Holdings, together with its consolidated subsidiaries, unless the context requires otherwise. The term “fiscal year” refers to the 12-month period ended on March 31 of the quoted year. The term “Ordinary Shares” refers to the outstanding par value 0.600 euro cent per share common stock of the Company. 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. pound sterling,” “U.K. £” and “£” are to the currency of the U.K. and references to “€,” “euro,” “euros” and “euro cent” are to the euro, the common currency of nineteen member states of the European Union (the “EU”), including Ireland. Various amounts and percentages set out in this Annual 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 annual and interim consolidated financial statements in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board (“IASB”). Additionally, in accordance with its legal obligation to comply with the International Accounting Standards Regulation (EC 1606 (2002)), which applies throughout the EU, the consolidated financial statements of the Company must comply with International Financial Reporting Standards as adopted by the EU. Accordingly, the Company’s consolidated financial statements and the selected financial data included herein comply with International Financial Reporting Standards as issued by the IASB and also International Financial Reporting Standards as adopted by the EU, in each case as in effect for the year ended and as of March 31, 2018 (collectively referred to as “IFRS” throughout).

The Company publishes its consolidated 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 = \$1.232, or \$1.00 = €0.812, the official rate published by the U.S. Federal Reserve Board in its weekly “H.10” release (the “Federal Reserve Rate”) on March 31, 2018. The Federal Reserve Rate for euro on July 13, 2018 was €1.00 = \$1.167 or \$1.00 = €0.857. See “Item 3. Key Information—Exchange Rates” for information regarding historical rates of exchange relevant to the Company, and “Item 5. Operating and Financial Review and Prospects” and “Item 11. Quantitative and Qualitative Disclosures About Market Risk” for a discussion of the effects of changes in exchange rates on the Company.

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, as amended (the “Securities Act”), and Section 21E of the U.S. Securities Exchange Act of 1934, as amended (the “Exchange Act”). Forward-looking statements may include words such as “expect,” “estimate,” “project,” “anticipate,” “should,” “intend,” and similar expressions or variations on such expressions. Any filing made by the Company with the U.S. Securities and Exchange Commission (the “SEC”) 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 expectations as to requirements for capital expenditures and regulatory matters. The Company’s business is to provide a low-fares airline service in Europe, and its outlook is predominantly 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 and aircraft maintenance services, aircraft availability, “Brexit” (as defined below), costs associated with environmental, safety and security measures, significant outbreaks of airborne disease, terrorist attacks, cyber-attacks, actions of the Irish, U.K., EU and other governments and their respective regulatory agencies, dependence on external service providers and key personnel, fluctuations in currency exchange rates and interest rates, fluctuations in corporate tax rates, changes to the structure of the European Community and the euro, airport handling and access charges, litigation, labor relations, the economic environment of the airline industry, the general economic environment in Europe, the general willingness of passengers to travel, continued acceptance of low fares airlines and flight interruptions caused by Air Traffic Controllers (“ATC”) strikes and staff shortages, extreme weather events or other atmospheric disruptions. The Company disclaims any obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

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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 an ultra-low fare, scheduled airline serving short-haul, point-to-point routes from 86 bases to airports across Europe, which together are referred to as “Ryanair’s bases.” For a list of these bases, see “Item 4. Information on the Company—Route System, Scheduling and Fares.” Ryanair pioneered the low-fares air travel model in Europe in the early 1990s. As of June 30, 2018, the Company offered over 2,000 short-haul flights per day serving over 200 airports across Europe, with a fleet of over 440 Boeing 737 aircraft. A detailed description of the Company’s business can be found in “Item 4. Information on the Company.”

SELECTED FINANCIAL DATA

The following tables set forth certain of the Company's selected consolidated financial information as of and for the periods indicated. Financial information presented in euro in the table below has been derived from the consolidated financial statements that are prepared in accordance with IFRS. The financial information for fiscal year 2018 has been translated from euro to US\$ using the Federal Reserve Rate on March 31, 2018. This information should be read in conjunction with: (i) the audited consolidated financial statements of the Company and related notes thereto included in Item 18 and (ii) "Item 5. Operating and Financial Review and Prospects."

Income Statement Data:

	Fiscal year ended March 31,					
	2018(a)	2018	2017	2016	2015	2014
	(in millions, except per-Ordinary Share data)					
Total operating revenues	\$ 8,810.0	€ 7,151.0	€ 6,647.8	€ 6,535.8	€ 5,654.0	€ 5,036.7
Total operating expenses	\$ (6,755.9)	€ (5,483.7)	€ (5,113.8)	€ (5,075.7)	€ (4,611.1)	€ (4,378.1)
Operating income	\$ 2,054.1	€ 1,667.3	€ 1,534.0	€ 1,460.1	€ 1,042.9	€ 658.6
Net interest/(expense)	\$ (71.6)	€ (58.1)	€ (63.0)	€ (53.2)	€ (56.3)	€ (66.7)
Other non-operating (expense)/income	\$ 2.6	€ 2.1	€ (0.7)	€ 315.0	€ (4.2)	€ (0.5)
Profit before taxation	\$ 1,985.1	€ 1,611.3	€ 1,470.3	€ 1,721.9	€ 982.4	€ 591.4
Tax expense on profit on ordinary activities	\$ (198.5)	€ (161.1)	€ (154.4)	€ (162.8)	€ (115.7)	€ (68.6)
Profit after taxation	\$ 1,786.6	€ 1,450.2	€ 1,315.9	€ 1,559.1	€ 866.7	€ 522.8
Ryanair Holdings basic earnings per Ordinary Share (U.S. dollars)/(euros)	\$ 1.4970	€ 1.2151	€ 1.0530	€ 1.1626	€ 0.6259	€ 0.3696
Ryanair Holdings diluted earnings per Ordinary Share (U.S. dollars)/(euros)	\$ 1.4839	€ 1.2045	€ 1.0464	€ 1.1563	€ 0.6246	€ 0.3686
Ryanair Holdings dividend paid per Ordinary Share (U.S. dollars)/(euros)	n/a	n/a	€ n/a	€ 0.2940	€ 0.3750	€ n/a

Balance Sheet Data:

	As of March 31,					
	2018(a)	2018	2017	2016	2015	2014
	(in millions)					
Cash and cash equivalents	\$ 1,866.5	€ 1,515.0	€ 1,224.0	€ 1,259.2	€ 1,184.6	€ 1,730.1
Total assets	\$ 15,229.7	€ 12,361.8	€ 11,989.7	€ 11,218.3	€ 12,185.4	€ 8,812.1
Current and long-term debt, including capital lease obligations	\$ 4,882.4	€ 3,963.0	€ 4,384.5	€ 4,023.0	€ 4,431.6	€ 3,083.6
Shareholders' equity	\$ 5,505.7	€ 4,468.9	€ 4,423.0	€ 3,596.8	€ 4,035.1	€ 3,285.8
Issued share capital	\$ 8.6	€ 7.0	€ 7.3	€ 7.7	€ 8.7	€ 8.8
Weighted Average Number of Ordinary Shares in issue during the year	1,193.5	1,193.5	1,249.7	1,341.0	1,384.7	1,414.6

Cash Flow Statement Data:

	Fiscal year ended March 31,					
	2018(a)	2018	2017	2016	2015	2014
			(in millions)			
Net cash inflow from operating activities	\$ 2,751.3	€ 2,233.2	€ 1,927.2	€ 1,846.3	€ 1,689.4	€ 1,044.6
Net cash (outflow)/inflow from investing activities	\$ (886.3)	€ (719.4)	€ (1,290.8)	€ (283.6)	€ (2,888.2)	€ 300.7
Net cash (outflow)/inflow from financing activities	\$ (1,506.5)	€ (1,222.8)	€ (671.6)	€ (1,488.1)	€ 653.3	€ (856.1)
Increase/(decrease) in cash and cash equivalents	\$ 358.5	€ 291.0	€ (35.2)	€ 74.6	€ (545.5)	€ 489.2

(a) Dollar amounts are initially measured in euro in accordance with IFRS and then translated to U.S.\$ solely for convenience at the Federal Reserve Rate on March 31, 2018 of €1.00 = \$1.232 or \$1.00 = €0.812.

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 other of such currencies at such rates or at any other rate.

U.S. dollars per €1.00(a)

Year ended December 31,	End of Period	Average (b)	Low	High
2013	1.378	1.328	1.277	1.382
2014	1.210	1.330	1.210	1.393
2015	1.086	1.103	1.052	1.202
2016	1.055	1.107	1.038	1.152
2017	1.202	1.130	1.042	1.204
Month ended				
January 31, 2018	1.243	1.220	1.192	1.249
February 28, 2018	1.221	1.234	1.221	1.248
March 31, 2018	1.232	1.233	1.222	1.244
April 30, 2018	1.207	1.227	1.207	1.238
May 31, 2018	1.167	1.182	1.155	1.200
June 30, 2018	1.168	1.168	1.158	1.182
Period ended July 13, 2018	1.167	1.169	1.160	1.174

U.K. pounds sterling per €1.00(c)

Year ended December 31,	End of Period	Average (b)	Low	High
2013	0.830	0.849	0.810	0.875
2014	0.776	0.806	0.776	0.840
2015	0.737	0.723	0.694	0.785
2016	0.852	0.823	0.732	0.912
2017	0.888	0.876	0.835	0.926
Month ended				
January 31, 2018	0.875	0.883	0.871	0.891
February 28, 2018	0.886	0.884	0.877	0.889
March 31, 2018	0.879	0.883	0.872	0.893
April 30, 2018	0.877	0.872	0.863	0.880
May 31, 2018	0.879	0.877	0.870	0.884
June 30, 2018	0.884	0.879	0.872	0.884
Period ended July 19, 2018	0.894	0.886	0.881	0.894

U.K. pounds sterling per U.S.\$1.00(d)

Year ended December 31,	End of Period	Average (b)	Low	High
2013	0.603	0.639	0.603	0.674
2014	0.642	0.607	0.583	0.644
2015	0.678	0.656	0.630	0.683
2016	0.811	0.741	0.676	0.823
2017	0.739	0.776	0.736	0.825
Month ended				
January 31, 2018	0.705	0.723	0.701	0.740
February 28, 2018	0.725	0.716	0.702	0.725
March 31, 2018	0.713	0.716	0.702	0.727
April 30, 2018	0.727	0.710	0.698	0.727
May 31, 2018	0.753	0.742	0.735	0.754
June 30, 2018	0.758	0.752	0.745	0.764
Period ended July 13, 2018	0.757	0.757	0.754	0.761

- (a) Based on the Federal Reserve Rate for euro.
- (b) The average of the relevant exchange rates on the last business day of each month during the relevant period.
- (c) Based on the composite exchange rate as quoted at 5 p.m., New York time, by Bloomberg/Reuters.
- (d) Based on the Federal Reserve Rate for U.K. pound sterling.

As of July 13, 2018, the exchange rate between the U.S. dollar and the euro was €1.00 = \$1.167, or \$1.00 = €0.857 and the exchange rate between the U.K. pound sterling and the U.S. dollar was U.K. £1.00 = \$1.322, or \$1.00 = U.K. £0.757. As of July 19, 2018 the exchange rate between the U.K. pound sterling and the euro was U.K. £1.00 = €1.118, or €1.00 = U.K. £0.894. 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 tables set forth certain operating data of Ryanair for each of the fiscal years shown. Such data are derived from the Company's consolidated financial statements prepared in accordance with IFRS and from certain other data, and are not audited. For definitions of the terms used in this table, see the Glossary in Appendix A.

Operating Data:	Fiscal Year Ended March 31,				
	2018	2017	2016	2015	2014
Operating Margin	23 %	22 %	22 %	18 %	13 %
Break-even Load Factor	73 %	73 %	72 %	72 %	72 %
Average Booked Passenger Fare (€)	39.40	40.58	46.67	47.05	46.40
Ancillary Rev. per Booked Passenger (€)	15.48	14.83	14.74	15.39	15.27
Cost Per Booked Passenger (€)	42.08	42.62	47.69	50.92	53.61
Average Fuel Cost per U.S. Gallon (€)	1.65	1.83	2.21	2.34	2.45

Other Data:	Fiscal Year Ended March 31,				
	2018	2017	2016	2015	2014
Revenue Passengers Booked (millions)	130.3	120.0	106.4	90.6	81.7
Booked Passenger Load Factor	95 %	94 %	93 %	88 %	83 %
Average Sector Length (miles)	775	770	762	776	788
Sectors Flown	725,044	675,482	609,501	545,034	524,765
Number of Airports Served at Period End	216	207	200	189	186
Average Daily Flight Hour Utilization (hours)	9.13	9.33	9.36	9.03	8.81
Team Members at Period End	14,583	13,026	11,458	9,394	8,992
Team Members per Aircraft at Period End	34	34	34	31	30

RISK FACTORS

Risks Related to the Company

Changes in Fuel Costs and Availability Affect the Company's Results. Jet fuel is subject to wide price fluctuations as a result of many economic and political factors and events occurring throughout the world that Ryanair can neither control nor accurately predict, including increases in demand, sudden disruptions in supply and other concerns about global supply, as well as market speculation. Oil prices in fiscal year 2018 decreased when compared to fiscal year 2017. As international prices for jet fuel are denominated in U.S. dollars, Ryanair's fuel costs are also subject to certain exchange rate risks. Substantial price increases, adverse exchange rates, or the unavailability of adequate fuel supplies, including, without limitation, any such events resulting from international terrorism, prolonged hostilities in the Middle East or other oil-producing regions or the suspension of production by any significant producer, may adversely affect Ryanair's profitability. In the event of a fuel shortage resulting from a disruption of oil imports or otherwise, additional increases in fuel prices or a curtailment of scheduled services could result.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. Ryanair is exposed to risks arising from fluctuations in the price of fuel, and movements in the euro/U.S. dollar exchange rate because of the limited nature of its hedging program, especially in light of recent volatility in the relevant currency and commodity markets. Any movements in fuel costs could have a material adverse effect on Ryanair's financial performance. In addition, any strengthening of the U.S. dollar against the euro could have an adverse effect on the cost of buying fuel in euro.

No assurances whatsoever can be given about trends in fuel prices. Average fuel prices for future years may be significantly higher than current prices. There also cannot be any assurance that Ryanair's current or any future arrangements will be adequate to protect Ryanair from increases in the price of fuel or that Ryanair will not incur losses due to high fuel prices, either alone or in combination with other factors. Because of Ryanair's low fares and its no-fuel-surcharges policy, as well as Ryanair's expansion plans, which could have a negative impact on yields, its ability to pass on increased fuel costs to passengers through increased fares or otherwise is somewhat limited. The expansion of Ryanair's fleet has resulted and will likely continue to result in an increase in Ryanair's aggregate fuel consumption.

Additionally, declines in the price of oil may expose Ryanair to some risk of hedging losses that could lead to negative effects on Ryanair's financial condition and/or results of operations.

Ryanair is Subject to Cyber Security Risks and May Incur Increasing Costs in an Effort to Minimize Those Risks. As almost all of Ryanair's reservations are made through its website and mobile App, security breaches could expose it to a risk of loss or misuse of customer information, litigation and potential liability. A third party service organization is used for the reservation process which is also subject to cyber security risks. Ryanair takes steps to secure its website and is fully compliant with the Payment Card Industry Data Security Standard "PCI DSS". Nevertheless, the security measures which have been or will be implemented may not be effective, and Ryanair's systems may be vulnerable to theft, loss, damage and interruption from a number of potential sources and events, including unauthorized access or security breaches, cyber-attacks, computer viruses, power loss, or other disruptive events. Ryanair may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber-attacks. Attacks may be targeted at Ryanair, its customers and suppliers, or others who have entrusted it with information.

In addition, data and security breaches can also occur as a result of non-technical issues, including breaches by Ryanair or by persons with whom it has commercial relationships that result in the unauthorized release of personal or confidential information. Any such cyber-attack or other security issue could result in a significant loss of reservations and customer confidence in the website and its business which, in turn, could have a material adverse effect on Ryanair's operating results or financial condition and potentially entail its incurring significant litigation or other costs.

Ryanair is subject to increasingly complex data protection laws and regulations. Ryanair's business involves the processing and storage on a large scale of personal data relating to its customers, employees, business partners and others and is therefore subject to new and increasingly complex data protection laws and regulations. Ryanair is subject to the GDPR (which became fully applicable on May 25, 2018) as well as relevant national implementing legislation (Irish Data Protection Act 2018), which introduce a number of new significant obligations and requirements upon subject companies. Ryanair has set up a Privacy Working Group, which assists the Company Data Protection Officer, to ensure data protection compliance and to implement any additional controls to facilitate compliance with the GDPR and other data protection laws in the future. Ensuring compliance with data protection laws is an ongoing commitment which involves substantial costs, and it is possible that despite Ryanair's efforts governmental authorities or third parties will assert that Ryanair's business practices fail to comply with these laws and regulations. If its operations are found to be in violation of any of such laws and regulations, Ryanair may be subject to significant civil, criminal and administrative damages, penalties and fines, as well as reputational harm, which could have a material adverse effect on its business, financial condition or results of operations.

Ryanair Has Seasonally Grounded Aircraft. In prior years, in response to typically lower Winter traffic and yields, higher airport charges and/or taxes and, at times, higher fuel prices, Ryanair adopted a policy of grounding a certain portion of its fleet during the Winter months (from November to March). Ryanair carries out its scheduled heavy maintenance during the Winter months which also results in the grounding of aircraft. In the Winter of fiscal year 2018, Ryanair grounded approximately 60 aircraft (consistent with the 40 aircraft in fiscal year 2017 plus an additional 25 groundings in response to the September 2017 pilot rostering management failure) and the Company intends to again ground a similar number of aircraft in fiscal year 2019 (excluding the 25 groundings referred to above). Ryanair's policy of seasonally grounding aircraft presents some risks. While Ryanair seeks to implement its seasonal grounding policy in a way that will allow it to reduce the negative impact on operating income by operating flights during periods of high oil prices to high cost airports at low Winter yields, there can be no assurance that this strategy will be successful.

While seasonal grounding does reduce Ryanair's variable operating costs, it does not avoid fixed costs such as aircraft ownership costs, and it also decreases Ryanair's potential to earn ancillary revenues. Decreasing the number and frequency of flights may also negatively affect Ryanair's labor relations, including its ability to attract flight personnel only interested in year round employment. Such risks could lead to negative effects on Ryanair's financial condition and/or results of operations.

Ryanair May Not Achieve All of the Expected Benefits of its Recent Strategic Initiatives. Ryanair is continuously implementing new strategic initiatives under its "Always Getting Better" ("AGB") customer experience program that could have a significant impact on its business. In recent fiscal years, Ryanair announced a series of customer-experience related initiatives under its AGB customer experience program, including a new easier-to-navigate website, a mobile app, reduced penalty fees, more customer-friendly baggage allowances, 24 hour grace periods to correct minor booking errors, the introduction of allocated seating for all passengers, security fast track in selected airports, family, business traveler and group booking facilities, new crew uniforms, new cabin interiors, an improved inflight menu, the introduction of additional routes, the introduction of connecting flights and express booking. For additional information on these initiatives, see "Item 4. Information on the Company — Strategy". Although customer reaction to the measures has so far been positive and management expects these initiatives to be accretive to the Company's results over time, no assurance can be given that the financial impact of the initiatives will be positive, particularly in the short to medium term. In particular, certain of the strategic initiatives may have the effect of increasing certain of the Company's costs (including airport fees and marketing expenses) while reducing ancillary revenues previously earned from website sales and from various penalty fees and charges. There can be no assurance that revenues from allocated seating will offset the reduction in ancillary revenues. Factors beyond Ryanair's control, including but not limited to customer acceptance, competitive reactions, market and economic conditions and other challenges described in this report could limit Ryanair's ability to achieve some or all of the expected benefits of these initiatives. A relatively minor shortfall from expected revenue levels (or an increase in expected costs) could have a material adverse effect on the Company's growth or financial performance.

Currency Fluctuations Affect the Company's Results. Although the Company is headquartered in Ireland, a significant portion of its operations are conducted in the U.K. Consequently, the Company has significant operating revenues and operating expenses, as well as assets and liabilities, denominated in U.K. pounds sterling. In addition, fuel, aircraft, insurance, and some maintenance obligations are denominated in U.S. dollars. The Company's operations and financial performance can therefore be significantly affected by fluctuations in the values of the U.K. pound sterling and the U.S. dollar. Ryanair is particularly vulnerable to direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs are incurred in U.S. dollars and substantially 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 and, from time to time, between the euro and the U.K. pound sterling, hedging activities cannot be expected to eliminate currency risks. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

The "Brexit" Referendum and the resulting uncertainty about the status of the U.K. could adversely affect Ryanair's business. Following the Brexit Referendum and the U.K. government's invocation of Article 50 of the Lisbon Treaty, necessary in order to begin the process by which the U.K. will leave the EU, negotiations have commenced to determine the future terms of the U.K.'s relationship with the EU. This includes the renegotiation, either for a transitional period or more permanently, or both, of a number of arrangements between the EU and the U.K. that directly impact Ryanair's business. These arrangements include, inter alia, freedom of movement between the U.K. and the EU, employment rules governing the relationship between the U.K. and the EU, the status of the U.K. in relation to the EU's open air transport market and the tax status of EU member state entities operating in the U.K. Adverse changes to any of these arrangements, and even uncertainty over potential changes during any period of negotiation, could potentially materially impact on Ryanair's financial condition and results of operations in the U.K. or other markets Ryanair serves.

Depending on the outcome of negotiations between the U.K. and the EU, there remains a distinct possibility that there may be no flights, for an unknown period of time, between the U.K. and the EU from the end of March 2019 if agreement has not been reached in relation to European "Open Skies" or replacement bilateral agreements. This may lead to a situation whereby the Company could temporarily relocate its U.K. based aircraft (approximately 22% of its current fleet) to alternative European bases. Ryanair may also be unable to operate its domestic U.K. flights (less than 1% of current capacity) under its existing Air Operator Certificate ("AOC") and has therefore applied for a U.K. AOC which it intends to receive before the end of 2018. Alternatively, the Company may decide to cancel such routes.

Ryanair is exposed to Brexit-related risks and uncertainties, as approximately 24% of revenue in fiscal year 2018 came from operations in the U.K., although this was offset somewhat by approximately 17% of Ryanair's non-fuel costs in fiscal year 2018 which were related to operations in the U.K.

Brexit could also present Ryanair with a number of potential regulatory challenges. Brexit could lead to potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate. It could also require special efforts to ensure Ryanair's continuing compliance with EU Regulation No. 1008/2008, which requires that air carriers registered in EU member states be majority-owned and effectively controlled by EU nationals. If U.K. holders of the Company's shares are no longer designated as EU nationals, the Board of Directors may have to take action to ensure continuing compliance with EU Regulation No. 1008/2008. For additional information, please see "Item 3 – Risks Related to Ownership of the Company's Ordinary Shares or ADRs".

Brexit has caused, and may continue to cause, both significant volatility in global stock markets and currency exchange rate fluctuations, as well as create significant uncertainty among U.K. businesses and investors. In particular, the pound sterling has lost approximately 6% and 15% of its value against the U.S. Dollar and the euro respectively since the Referendum. Further, the Bank of England and other observers have warned of a significant probability of a Brexit-related recession in the U.K. The Company earns a significant portion of its revenues in pounds sterling, and any significant decline in the value of the pound and/or recession in the U.K. would materially impact its financial condition and results of operations. For the remainder of fiscal year 2019, taking account of timing differences between the receipt of sterling denominated revenues and the payment of sterling denominated costs, Ryanair estimates that every 1 pence sterling movement in the €/£ exchange rate will impact income by approximately €6 million. For additional information, please see "Item 3 – Currency Fluctuations Affect the Company's Results".

The Company May Not Be Successful in Increasing Fares to Cover Rising Business Costs. Ryanair operates a low-fares airline. The success of its business model depends on its ability to control costs so as to deliver low fares while at the same time earning a profit. Ryanair has limited control over its fuel costs and already has comparatively low operating costs. In periods of high fuel costs, if Ryanair is unable to further reduce its other operating costs or generate additional revenues, operating profits are likely to fall. Furthermore, as part of its change in marketing and airport strategy, the Company will expect increased marketing and advertising costs along with higher airport charges due to the increasing number of primary airports to which it operates. Ryanair cannot offer any assurances regarding its future profitability. Changes in fuel costs and availability could have a material adverse impact on Ryanair's results. See “—The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment” below and “—Changes in Fuel Costs and Availability Affect the Company's Results” above.

The Company is Subject to Legal Proceedings Alleging State Aid at Certain Airports. Formal investigations are ongoing by the European Commission into Ryanair's agreements with the Paris (Beauvais), La Rochelle, Carcassonne, Girona, Reus, Târgu Mures and Montpellier airports. The investigations seek to determine whether the agreements constitute illegal state aid under EU law. The investigations are expected to be completed in late 2018, with the European Commission's decisions being appealable to the EU General Court. Between 2010 and 2018, investigations into Ryanair's agreements with the Bratislava, Tampere, Marseille, Berlin (Schönefeld), Aarhus, Dusseldorf (Weeze), Brussels (Charleroi), Frankfurt (Hahn), Alghero, Stockholm (Västerås) and Lübeck airports concluded with findings that these agreements contained no state aid. Between 2014 and 2016, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nîmes, Angoulême, Altenburg, Zweibrücken, Cagliari and Klagenfurt airports, ordering Ryanair to repay a total of approximately €22.5 million of alleged state aid. Ryanair is appealing these seven “aid” decisions to the EU General Court. These appeal proceedings are expected to take between two and four years. In addition to the European Commission investigations, Ryanair is facing an allegation that it has benefited from unlawful state aid in a German court case in relation to its arrangements with Frankfurt (Hahn). Adverse rulings in the above state aid matters could be used as precedents by competitors to challenge Ryanair's agreements with other publicly owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling-back of Ryanair's overall growth strategy due to the smaller number of privately owned airports available for development.

No assurance can be given as to the outcome of these legal proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have an adverse effect on the results of operations or financial condition of Ryanair.

For additional information, please see “Item 8. Financial Information—Other Financial Information—Legal Proceedings.”

The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment. Ryanair operates in a highly competitive marketplace, with a number of low-fare, traditional and charter airlines competing throughout its route network. Airlines compete primarily in respect of 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. Unlike Ryanair, certain competitors are state-owned or state-controlled flag carriers and in some cases 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. In addition, the EU-U.S. Open Skies Agreement, allows U.S. carriers to offer services in the intra-EU market, which could eventually result in increased competition in the EU market. See “Item 4. Information on the Company—Government Regulation—Liberalization of the EU Air Transportation 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. Both low-fare and traditional airlines sometimes offer low fares in direct competition with Ryanair across a significant proportion of its route network as a result of the liberalization of the EU air transport market and greater public acceptance of the low-fares model. Any decrease in fuel prices may enable weaker, unhedged, airlines to pass through fuel savings via lower fares. There is no guarantee that lower fuel prices will not lead to greater price competition and encourage new entrants to the market in the short to medium term.

Although Ryanair intends to compete vigorously and to assert its rights against any predatory pricing or other similar conduct, price competition among airlines could reduce the level of fares and/or passenger traffic on Ryanair's routes to the point where profitability may not be achievable.

In addition to traditional competition among airline companies and charter operators who have entered the low-fares market, the industry also faces competition from ground transportation (including high-speed rail systems) and sea transportation alternatives, as businesses and recreational travelers seek substitutes for air travel.

The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms. Ryanair's continued growth is dependent upon its ability to acquire additional aircraft to meet additional capacity needs and to replace older aircraft. Ryanair had over 440 aircraft in its fleet as at June 30, 2018 and has ordered an additional 225 new aircraft (a mix of 15 new Boeing 737-800 next generation aircraft and 210 737-MAX-200 aircraft (including 135 firm and 75 option aircraft) for delivery post June 30, 2018 to fiscal year 2024 pursuant to contracts with the Boeing Company (the "2013 Boeing Contract" and "2014 Boeing Contract"). Ryanair expects to have approximately 585 operating aircraft in its fleet by March 31, 2024, depending on the level of lease returns/disposals. For additional information on the Company's aircraft fleet and expansion plans, see "Item 4. Information on the Company—Aircraft" and "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources." There can be no assurance that this planned expansion will not outpace the growth of passenger traffic on Ryanair's routes or that traffic growth will not prove to be greater than the expanded fleet can accommodate. In either case, such developments could have a material adverse effect on the Company's business, results of operations, and financial condition.

As a result of the 2013 Boeing Contract, the 2014 Boeing Contract and other general corporate purposes, Ryanair DAC has raised and expects to continue to raise substantial debt financing, including Ryanair's issuance of €750 million in 1.125% unsecured Eurobonds with a 6.5-year tenor in February 2017 that is guaranteed by Ryanair Holdings. Ryanair's ability to raise unsecured or secured debt to pay for aircraft as they are delivered is subject to various conditions imposed by the counterparties and debt markets to such loan facilities and related loan guarantees, and any future financing is expected to be subject to similar conditions. Any failure by Ryanair to comply with such conditions would have a material adverse effect on its operations and financial condition. Additionally, Ryanair's ability to raise unsecured or secured debt to pay for aircraft is subject to potential volatility in the worldwide financial markets.

Using the debt capital markets to finance the Company requires the Company to retain its investment grade credit ratings (the Company has a BBB+ (stable) credit rating from S&P and a BBB+ (stable) credit rating from Fitch Ratings). There is a risk that the Company will be unable, or unwilling, to access these markets if it is downgraded or is unable to retain its investment grade credit ratings and this could lead to a higher cost of finance for Ryanair.

Ryanair has also entered into significant derivative transactions intended to hedge its aircraft acquisition-related debt obligations. These derivative transactions expose Ryanair to certain risks and could have adverse effects on its results of operations and financial condition. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

The Company's Growth May Expose it to Risks. Ryanair's operations have grown rapidly since it pioneered the low-fares operating model in Europe in the early 1990s. Ryanair intends to continue to expand its fleet and add new destinations and additional flights, with the goal of increasing Ryanair's booked passenger volumes to approximately 200 million passengers per annum by March 31, 2024, an increase of approximately 53% from the approximately 130 million passengers booked in fiscal year 2018. However, no assurance can be given that this target will be met. 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 purchases of the new aircraft and related debt repayments) could be materially adversely affected.

The continued expansion of Ryanair's fleet and operations combined with other factors, may also strain existing management resources and related operational, financial, management information and information technology systems. Expansion will generally require additional skilled personnel, equipment, facilities and systems. An inability to hire skilled personnel or to secure required equipment and facilities efficiently and in a cost-effective manner may adversely affect Ryanair's ability to achieve its growth plans and sustain or increase its profitability.

Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on its Results. When Ryanair commences new routes, its load factors and fares 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 Ryanair's results of operations as well as require a substantial amount of cash to fund. In addition, there can be no assurance that Ryanair's low-fares service will be accepted on new routes. 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 increasing load factors and reducing Ryanair's yield and passenger revenues on such routes during the periods that they are in effect. Ryanair has significant cash needs as it expands, including the cash required to fund aircraft purchases or aircraft deposits related to the acquisition of additional Boeing 737-800 and Boeing 737-MAX-200 series aircraft. There can be no assurance that Ryanair will have sufficient cash to make such expenditures and investments, and to the extent Ryanair is unable to expand its route system successfully, its future revenue and earnings growth will in turn be limited. See "—The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms" above.

Ryanair's Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase. Airline traffic at certain European airports is regulated by a system of grandfathered "slot" allocations. Each slot represents authorization to take-off and land at the particular airport at a specified time. As part of Ryanair's recent strategic initiatives, which include more flights to primary airports, Ryanair is operating to an increasing number of slot coordinated airports, a number of which have constraints at particular times of the day. There can be no assurance that Ryanair will be able to obtain a sufficient number of slots at slot-coordinated 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 constrained bases, or the other non-slot constrained airports Ryanair serves, will continue to operate without slot allocation restrictions in the future. See "Item 4. Information on the Company—Government Regulation—Slots." Airports may impose other operating restrictions such as curfews, limits on aircraft noise levels, mandatory flight paths, runway restrictions, and limits on the 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 also materially depends on its ability to access suitable airports located in its targeted geographic markets at costs that are consistent with Ryanair's strategy. Any condition that denies, limits, or delays 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. For additional information, see "Item 4. Information on the Company—Airport Operations—Airport Charges." See also "—The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports".

Labour Relations Could Expose the Company to Risk. Ryanair announced in December 2017 its decision to recognise trade unions for collective bargaining purposes. Since then Ryanair has concluded recognition agreements in the UK and Italy for pilots. The majority of cabin crew are also covered by recognition agreements. Ryanair is currently in negotiations with other unions representing both pilots and cabin crew throughout Europe to recognise those unions for collective bargaining whilst transitioning from the current Employee Representative Committees ("ERC") model.

Over 95% of Ryanair pilots have already accepted an updated pay deal but there is still the potential for claims from unions to increase pay over and above what has already been agreed. There may be a push for legacy type working conditions which if acceded to could decrease the productivity of pilots, increase costs and have an adverse effect on profitability. Ryanair intends to retain its low fare high people productivity model; however, there may be periods of labour unrest as unions challenge the existing high productivity model which may have an adverse effect on customer sentiment and profitability.

Ryanair crew with the exception of those based in the UK operate on Irish contracts of employment. That model has been challenged in the past by individuals and may continue to be challenged by trade unions who often favour local employment contracts. If local contracts were imposed it could impact on costs, productivity and complexity of the business. Any subsequent decision to switch capacity to lower cost locations could result in redundancies and a consequent deterioration in labour relations. Following the European Court of Justice (the “ECJ”) decision in the “Mons” case in September 2017, the case has been referred to the Belgian Labour Court in Mons, and with a hearing date set for November 2018 and a decision expected in early 2019. An unfavourable decision could mean the introduction of local Belgian contracts however, this decision may be appealed to the Supreme Court. Ryanair could face legal challenge from trade unions arising from unrealistic demands and expectations that do not align with the Company’s high productivity business model.

The Company is Dependent on External Service Providers. Ryanair currently assigns its engine overhauls and “rotable” repairs to outside contractors approved under the terms of Part 145, the European regulatory standard for aircraft maintenance established by the European Aviation Safety Agency (“Part 145”). The Company also assigns its passenger, aircraft and ground handling services at airports other than Dublin and certain airports in Spain (including the Canary Islands) and Portugal to established external service providers. See “Item 4. Information on the Company—Maintenance and Repairs—Heavy Maintenance” and “Item 4. Information on the Company—Airport Operations—Airport Handling Services.”

The termination or expiration of any of Ryanair’s 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 airport service 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 addition, although Ryanair seeks to monitor the performance of external parties that provide passenger and aircraft handling services, the efficiency, timeliness, and quality of contract performance by external providers are largely beyond Ryanair’s direct control. Ryanair expects to be dependent on such outsourcing arrangements for the foreseeable future.

The Company is Dependent on Key Personnel. Ryanair’s success depends to a significant extent upon the efforts and abilities of its senior management team, including Michael O’Leary, the CEO, and key financial, commercial, operating, IT and maintenance personnel. In October 2014, Mr. O’Leary signed a five-year contract with the Company. This contract can be terminated by either party giving twelve months’ notice. See “Item 6. Directors, Senior Management and Employees—Compensation of Directors and Executive Officers—Employment and Bonus Agreement with Mr. O’Leary.” Ryanair’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 Ryanair’s employment agreements with Mr. O’Leary and several of its other 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 either 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 Ryanair’s business, operating results, and financial condition.

The Company Faces Risks Related to its Internet Reservations Operations and its Elimination of Airport Check-in Facilities. Ryanair’s flight reservations are made through its website, mobile app and Global Distribution Systems (GDSs). Ryanair has established contingency programs which include hosting its website in multiple locations and having a back-up booking engine available to support its existing booking platform in the event of a breakdown in this facility. Nonetheless, the process of switching over to the back-up engine could take some time and there can be no assurance that Ryanair would not suffer a significant loss of reservations in the event of a major breakdown of its booking engine or other related systems, which, in turn, could have a material adverse effect on Ryanair’s operating results or financial condition.

All Ryanair passengers are required to use Internet check-in. Internet check-in is part of a package of measures intended to reduce check-in lines and passenger handling costs and pass on these savings by reducing passenger airfares. Ryanair has deployed this system across its network. Any disruptions to the Internet check-in service as a result of a breakdown in the relevant computer systems or otherwise could have a material adverse impact on these service-improvement and cost-reduction efforts. There can be no assurance, however, that this process will continue to be successful or that consumers will not switch to other carriers that provide standard check-in facilities, which would negatively affect Ryanair's results of operations and financial condition.

The Company Faces Risks Related to Unauthorized Use of Information from the Company's Website. Screenscraper websites gain unauthorized access to Ryanair's website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which may include hidden intermediary fees on top of Ryanair's fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenscraping also on the basis of certain legal principles, such as database rights, copyright protection, etc. Ryanair is currently involved in a number of legal proceedings against the proprietors of screenscraper websites in Ireland, Germany, The Netherlands, France, Spain, Italy and Switzerland. Ryanair's objective is to prevent any unauthorized use of its website. Ryanair does allow certain companies who operate fare comparison (i.e. not reselling) websites to access its schedule and fare information for the purposes of price comparison provided they sign a licence and use the agreed method to access the data. Ryanair also permits Travelport (trading as Galileo and Worldspan) and Sabre, GDS operators, to provide access to Ryanair's fares to traditional and corporate travel agencies. Ryanair has obtained both favorable and unfavorable rulings in its actions in EU member states against screenscrapers. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screenscraper websites could lead to a reduction in the number of customers who book directly on Ryanair's website and consequently to a reduction in Ryanair's ancillary revenue stream. Also, some customers may be lost to Ryanair once they are presented by a screenscraper website with a Ryanair fare inflated by the screenscraper's intermediary fee. This could also adversely affect Ryanair's reputation as a low-fares airline, which could negatively affect Ryanair's results of operations and financial conditions.

For additional details, see "Item 8. Financial Information—Other Financial Information—Legal Proceedings—Legal Proceedings Against Internet Ticket Touts."

The Irish Corporation Tax Rate Could Rise. The majority of Ryanair's profits are subject to Irish corporation tax at a statutory rate of 12.5%. There remains a risk that the Irish government could increase Irish corporation tax rates above 12.5% in order to repay current or future loans or to increase tax revenues.

At 12.5%, the rate of Irish corporation tax is lower than that applied by most of the other European Union member states, and has periodically been subject to critical comment by the governments of other EU member states. Although the Irish government has repeatedly publicly stated that it will not increase corporation tax rates, there can be no assurance that such an increase in corporation tax rates will not occur.

In the event that the Irish government increases corporation tax rates or changes the basis of calculation of corporation tax from the present basis, any such changes would result in the Company paying higher corporation taxes and would have an adverse impact on Ryanair's cash flows, financial position and results of operations.

Change in EU Regulations in Relation to Employers and Employee Social Insurance Could Increase Costs. European legislation governs the country in which employees and employers must pay social insurance costs. Under the terms of legislation introduced in 2012, employees and employers must pay social insurance in the country where the employee is based. Prior to June 2012, Ryanair paid employee and employer social insurance in the country under whose laws the employee's contract of employment was governed, which was either the U.K. or Ireland. The legislation introduced in 2012 included grandfathering rights whereby existing employees (i.e. those employed prior to the introduction of the new legislation in June 2012) were exempt from the effects of the new legislation for a period of 10 years up until 2022 provided they did not transfer between bases. Each country within the EU has different rules and rates in relation to the calculation of employee and employer social insurance contributions and any increase in the rates of contributions will have an adverse impact on Ryanair's cash flows, financial position and results of operations.

Ryanair is Subject to Tax Audits. The Company operates in many jurisdictions and is, from time to time, subject to tax audits, which by their nature are often complex and can require several years to conclude. While the Company is of the view that it is tax compliant in the various jurisdictions in which it operates, there can be no guarantee, particularly in the current economic environment, that it will not receive tax assessments following the conclusion of the tax audits. In the event that the Company is unsuccessful in defending its position, it is possible that the effective tax rate, employment and other costs of the Company could materially increase. See “—The Irish Corporation Tax Rate Could Rise” above.

Risks Associated with the euro. The Company is headquartered in Ireland and its reporting currency is the euro. As a result of the uncertainty arising from the Eurozone debt crisis, there was widespread speculation regarding the future of the Eurozone. In addition, following the 2016 Brexit Referendum, the U.K. invoked the declaration required by Article 50 of the Lisbon Treaty to begin the process by which the U.K. will leave the EU. As a result, the pound sterling has been volatile against the euro and could become more volatile as we approach the Brexit date. Ryanair predominantly operates to/from countries within the Eurozone and has significant operational and financial exposures to the Eurozone that could result in a reduction in the operating performance of Ryanair or the devaluation of certain assets. Ryanair has taken certain risk management measures to minimize any disruptions; however these risk management measures may be insufficient.

The Company has cash and aircraft assets and debt liabilities that are denominated in euro on its balance sheet. In addition, the positive/negative mark-to-market value of derivative-based transactions are recorded in euro as either assets or liabilities on the Company’s balance sheet. Uncertainty regarding the future of the Eurozone could have a materially adverse effect on the value of these assets and liabilities. In addition to the assets and liabilities on Ryanair’s balance sheet, the Company has a number of cross currency risks as a result of the jurisdictions of the operating business including non-euro revenues, fuel costs, certain maintenance costs and insurance costs. A strengthening in the value of the euro primarily against U.K. pound sterling and other non-Eurozone currencies such as Polish zloty or a weakening against the U.S. dollar could negatively impact the operating results of the Company.

Recession, austerity and uncertainty in connection with the euro could also mean that Ryanair is unable to grow. The recent European recession, austerity measures still in effect in several European countries and social and political instability associated with the influx of refugees related to the wars in Syria and Afghanistan could mean that Ryanair may be unable to expand its operations due to lack of demand for air travel.

Risks Related to the Airline Industry

The Airline Industry Is Particularly Sensitive to Changes in Economic Conditions: A Continued Recessionary Environment Would Negatively Impact Ryanair’s Result of Operations. Ryanair’s operations and the airline industry in general are sensitive to changes in economic conditions. Unfavorable economic conditions such as government austerity measures, the uncertainty relating to the Eurozone and in the U.K. following Brexit, high unemployment rates, constrained credit markets and increased business operating costs could lead to reduced spending by both leisure and business passengers. Unfavorable economic conditions, such as the conditions persisting as of the date hereof, also tend to impact Ryanair’s ability to raise fares to counteract increased fuel and other operating costs. A continued recessionary environment, combined with austerity measures by European governments and increased Brexit-related uncertainty in the U.K., will likely negatively impact Ryanair’s operating results. It could also restrict the Company’s ability to grow passenger volumes, secure new airports and launch new routes and bases, and could have a material adverse impact on its financial results.

Brexit and the resulting uncertainty could adversely affect Ryanair’s business. On March 29, 2017 the U.K. invoked the declaration required by Article 50 of the Lisbon Treaty to begin the process by which the U.K. will leave the EU. Please see “Risks Related to the Company — The “Brexit” Referendum and the resulting uncertainty about the status of the U.K. could adversely affect Ryanair’s business.” Above for further information.

The Introduction of Government Taxes on Travel Could Damage Ryanair's Ability to Grow and Could Have a Material Adverse Impact on Operations. The U.K. government levies an Air Passenger Duty ("APD") of £13 per passenger. The tax was previously set at £5 per passenger. The increase in this tax has had a negative impact on Ryanair's operating performance, both in terms of average fares paid and growth in passenger volumes. On December 3, 2014, the U.K. government announced that it was reducing APD for children under the age of 12 years from May 1, 2015. It was also announced that this reduction of APD would be extended to persons under the age of 16 years from March 1, 2016. In 2008, the Dutch government introduced a travel tax ranging from €11 on short-haul flights to €45 on long-haul flights (withdrawn with effect from July 1, 2009). In Germany, the government introduced an air passenger tax of €8 in January 2011 which was subsequently reduced to €7.50 in January 2012. In Austria, the government also introduced an ecological air travel levy of €8 in January 2011. The Moroccan government has also introduced a similar tax (equivalent to approximately €9) from April 2014. From June 2016, the Norwegian government introduced a passenger travel tax of NOK80 (equivalent to approximately €8.50) which resulted in Ryanair closing its Oslo Rygge base in late October 2016. The Swedish government has introduced a passenger tax of SEK60 (equivalent to approximately €6) on April 1, 2018.

Other governments have also introduced or may introduce similar taxes. See "Item 4. Information on the Company—Airport Operations—Airport Charges." The introduction of government taxes on travel has had a negative impact on passenger volumes, particularly given the current period of decreased economic activity. The introduction of further government taxes on travel across Europe could have a material negative impact on Ryanair's results.

Political uncertainty and an increase in trade protectionism could have a material adverse effect on Ryanair's business, results of operation and financial condition. The current U.S. administration has voiced strong concerns about imports from countries that it perceives as engaging in unfair trade practices, and has imposed tariffs on certain goods imported into the United States and has raised the possibility of imposing significant, additional tariff increases. The announcement of unilateral tariffs on imported products by the U.S. has triggered retaliatory actions from certain foreign governments and may trigger retaliatory actions by other foreign governments, potentially resulting in a "trade war". Certain foreign governments have instituted or are considering imposing trade sanctions on certain U.S. goods. Others are considering the imposition of sanctions that will deny U.S. companies access to critical raw materials. These measures could increase the price of goods and services globally and may affect Ryanair, which has exposure, either directly or indirectly, to certain raw materials, including steel used for aircraft purchases and jet fuel. A "trade war" of this nature or other governmental action related to tariffs or international trade agreements has the potential to adversely impact demand for Ryanair's services, its costs, customers, suppliers and/or the Irish, E.U., U.S. or world economy or certain sectors thereof and, thus, to adversely impact Ryanair's business.

The Company is Substantially Dependent on Discretionary Air Travel. As 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 could have a material adverse effect on the Company's profitability or financial condition. Similarly, any significant increase in expenses related to security, insurance or related costs could have a material adverse effect on the Company. As a consequence, future terrorist attacks in Europe, the U.S. or elsewhere, any significant military actions by the United States or EU nations, or any related economic downturn may have a material adverse effect on demand for air travel and thus on Ryanair's business, operating results, and financial condition.

EU Regulation on Passenger Compensation Could Significantly Increase Related Costs. EU Regulation (EC) No. 261/2004 requires airlines to compensate passengers (holding a valid ticket) who have been denied boarding or whose flight has been cancelled or delayed more than 3 hours on arrival. The regulation calls for compensation of €250, €400, or €600 per passenger, depending on the length of the flight and the cause for the cancellation or delay, i.e. whether it is caused by “extraordinary circumstances”. As Ryanair’s average flight length is less than 1,500 km – the upper limit for short-haul flights – the amount payable is generally €250 per passenger. Passengers subject to flight delays over two hours are also entitled to “assistance,” including meals, drinks and telephone calls, as well as hotel accommodation if the delay extends overnight. For delays of over five hours, the airline is also required to offer the option of a refund of the cost of the unused ticket. On September 15, 2017, the Company announced the cancellation of 40 to 50 flights daily until the end of October as the Company’s system-wide punctuality fell below 80 percent in the first two weeks of September 2017. The drop in punctuality was due to a combination of ATC capacity delays and strikes, weather disruptions and the impact of increased holiday allocations to pilots and cabin crew. Customers were offered alternative flights or full refunds in connection with this cancellation. There can be no assurance that the Company will not incur a significant increase in costs in the future due to the impact of this regulation if Ryanair experiences a large number of delays or cancelled flights, which could occur as a result of certain types of events beyond its control. Further, recently courts in several jurisdictions have been broadening the definition of the term “extraordinary circumstances” thus allowing increased consumer claims for compensation. In September 2015, the European Court of Justice, in *Van der Lans v KLM*, held that airlines are required to provide compensation to passengers even in the event of a flight cancellation on account of unforeseen technical defects. See “—Risks Related to the Airline Industry— Extreme Weather Events Could Affect the Company and Have a Material Adverse Effect on the Company’s Results of Operations” below.

Under the terms of Regulation (EC) No. 261/2004, described above, in addition to the payment of compensation, Ryanair has certain duties to passengers whose flights are cancelled. In particular, Ryanair is required to reimburse passengers who have had their flights cancelled for certain reasonable, documented expenses – primarily for accommodation and food. Passengers must also be given a re-routing option if their flight is delayed over three hours or if it is cancelled. Such re-routing options are not limited to Ryanair flights and other carriers must be considered if no suitable Ryanair flight can be sourced. If a passenger elects for a refund, Ryanair’s reimbursement and re-routing obligations cease.

EU Regulation of Emissions Trading Will Increase Costs. The EU Emissions Trading Scheme (“ETS”), is a cap-and-trade system for CO₂ emissions to encourage industries to improve their CO₂ efficiency. Under the legislation, airlines are granted initial CO₂ allowances based on historical performance and a CO₂ efficiency benchmark. Any shortage of allowances has to be purchased in the open market and/or at government auctions. The cost of such allowances increased significantly during fiscal year 2018 and has continued to rise in the fiscal year 2019. There can be no assurance that Ryanair will be able to obtain sufficient carbon credits or that the cost of the credits will not have a material adverse effect on the Company’s business, operating results, and financial condition.

Extreme Weather Events Could Affect the Company and Have a Material Adverse Effect on the Company’s Results of Operations. In 2010 and 2011 a significant portion of the airspace over northern Europe was closed by authorities as a result of safety concerns presented by emissions of ash from an Icelandic volcano, which resulted in the cancellation of a significant number of flights.

Extreme weather events may happen again and could lead to further significant flight cancellation costs which could have a material adverse impact on the Company’s financial condition and results of operations. Furthermore, the occurrence of such events and the resulting cancellations due to the closure of airports could also have a material adverse effect on the Company’s financial performance indirectly, as a consequence of changes in the public’s willingness to travel within Europe due to the risk of flight disruptions.

Any Significant Outbreak of any Airborne Disease Could Significantly Damage Ryanair's Business. Worldwide, there has, from time to time, been substantial publicity in recent years regarding certain potent influenza viruses and other disease epidemics. Publicity of this type may have a negative impact on demand for air travel in Europe. Past outbreaks of MERS, SARS, foot-and-mouth disease, avian flu, swine flu and the Zika virus have adversely impacted the travel industries, including aviation, in certain regions of the world, including Europe. The Company believes that if any influenza or other pandemic becomes severe in Europe, its effect on demand for air travel in the markets in which Ryanair operates could be material, and it could therefore have a significantly adverse impact on the Company. A severe outbreak of swine flu, MERS, SARS, foot-and-mouth disease, avian flu or another pandemic or livestock-related disease may also result in European or national authorities imposing restrictions on travel, further damaging Ryanair's business. A serious pandemic could therefore severely disrupt Ryanair's business, resulting in the cancellation or loss of bookings, and adversely affecting Ryanair's financial condition and results of operations.

The Company is Dependent on the Continued Acceptance of Low-fares Airlines. Ryanair has an excellent 33 year safety record. In past years, however, accidents or other safety-related incidents involving certain other low-fares airlines have had a negative impact on the public's acceptance of such 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, low-fares airlines like Ryanair, and could have a material adverse effect on Ryanair's financial condition and results of operations.

The Company Faces the Risk of Loss and Liability. Ryanair has an excellent 33 year safety record; however, it 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 costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair currently maintains passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence that are consistent with industry standards.

Ryanair currently believes its insurance coverage is adequate (although not comprehensive). However, there can be no assurance that the amount of insurance 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 any accidents not covered by its insurance. Airline insurance costs increased dramatically following the September 2001 terrorist attacks on the United States. See "The Company is Substantially Dependent on Discretionary Air Travel" above. 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 lead to the public perception that Ryanair's aircraft were less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair's business.

EU Regulation No. 2027/97, as amended by Regulation No. 889/2002, governs air carrier liability. See "Item 4. Information on the Company—Insurance" for details of this regulation. This regulation increased the potential liability exposure of air carriers such as Ryanair. Although Ryanair has extended its liability insurance to meet the requirements of the 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 Ryanair's business, operating results, and financial condition.

Airline Industry Margins are Subject to Significant Uncertainty. The airline industry is capital intensive and is characterized by high fixed costs and by revenues that generally exhibit substantially greater elasticity than costs. Although fuel accounted for approximately 35% of total operating expenses in fiscal year 2018, management anticipates that this percentage may vary significantly in future years. See “—Changes in Fuel Costs and Availability Affect the Company’s Results” above. 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, 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 “Risks Related to the Company—The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment” above.

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”) and or European Aviation Safety Agency (the “EASA”) has required a number of such procedures with regard to Boeing 737-800 aircraft, including major modifications to implement changes to the take-off configuration warning lights, cabin pressurization system, pitot system heating, CFM fan blade nondestructive testing (NDT) on certain production CFM-56 engines, fuel tank boost pump electrical arcing protection, and the European Commission’s Datalink mandate. Ryanair’s policy is to implement any such required procedures in accordance with FAA and EASA 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 nor required any material increases in Ryanair’s maintenance expenses. However, there can be no assurance that the FAA and EASA or other regulatory authorities will not recommend or require other safety-related undertakings or that such undertakings would not adversely impact Ryanair’s operating results or financial condition.

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 or other costs 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, Ryanair’s business could be materially adversely affected.

Risks Related to Ownership of the Company’s Ordinary Shares or ADRs

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. EU Regulation No. 1008/2008 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. The regulation does not specify what level of share ownership will confer effective control on a holder or holders of Ordinary Shares. The Board of Directors of Ryanair Holdings is given certain powers under Ryanair Holdings’ articles of association (the “Articles”) to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals (“Affected Shares”) does not reach a level that 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. The Directors, from time to time, set a “Permitted Maximum” on the number of the Company’s Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU law. The Permitted Maximum is currently set at 49.9%. In addition, under certain circumstances, the Directors can take action to safeguard the Company’s ability to operate by identifying those Ordinary Shares, American Depositary Shares (“ADSs”) or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, the American Depositary Receipts (“ADRs”) evidencing such ADSs, or Affected Shares as “Restricted Shares.”

The Board of Directors may, under certain circumstances, deprive holders of Restricted Shares of their rights to attend, vote at, and speak at general meetings, and/or require such holders to dispose of their Restricted Shares to an EU national within as little as 21 days. The Directors are also given the power to transfer such Restricted Shares themselves if a holder fails to comply. In 2002, the Company implemented measures to restrict the ability of non-EU nationals to purchase Ordinary Shares, and non-EU nationals are currently effectively barred from purchasing Ordinary Shares, and will remain so for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted. Additionally, these foreign ownership restrictions could result in Ryanair's exclusion from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. Since April 2012, the Company has had the necessary authorities in place to repurchase ADRs as part of its general authority to repurchase up to 10% of the issued share capital in the Company. See "Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals" for a detailed discussion of restrictions on share ownership and the current ban on share purchases by non-EU nationals.

While there is a general belief that a 21 month transition agreement from March 2019 to December 2020 will be implemented and further extended, the likelihood of a hard Brexit may have an adverse impact on the business operations of Ryanair. In these circumstances, it is likely that the Company's UK shareholders will be treated as non-EU and this could potentially affect Ryanair's licencing and flight rights. Accordingly, in line with the Company's Articles of Association, Ryanair may restrict the voting rights of all non-EU shareholders in the event of a hard Brexit, to ensure that the Company is majority owned and controlled by EU shareholders at all times to comply with licence requirement. This would result in non-EU shareholders not being able to vote on shareholder resolutions. In the meantime, the Company has applied for a UK Air Operator Certificate ("UK AOC") which it intends to receive before the end of 2018.

As of June 30, 2018, ADRs accounted for approximately 43.7% of Ryanair Holdings' issued ordinary shares (assuming conversion of all outstanding ADRs into Ordinary Shares).

Holders of Ordinary Shares are Currently Unable to Convert those Shares into American Depositary Receipts. 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 Mellon, the depository for its ADR program (the "Depository"), to suspend the issuance of new ADRs in exchange for the deposit of Ordinary Shares until further notice. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADRs during this 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.

The Company's Results of Operations May Fluctuate Significantly. The Company's results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. See "Item 5. Operating and Financial Review and Prospects—Seasonal Fluctuations." Among the factors causing these variations are the airline industry's sensitivity to general economic conditions, the seasonal nature of air travel, and trends in airlines' costs, especially fuel costs. 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. The Company is substantially dependent on discretionary air travel.

The trading price of Ryanair Holdings' Ordinary Shares and ADRs may be subject to wide fluctuations in response to quarterly variations in the Company's operating results and the 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 ADRs.

Ryanair Holdings May or May Not Pay Dividends. Since its incorporation as the holding company for Ryanair in 1996, Ryanair Holdings, has only occasionally declared special dividends on both its Ordinary Shares and ADRs. Ryanair Holdings' ability to pay dividends in the future will be dependent on the financial performance of the Company and there is no guarantee that any further dividends will be paid. See "Item 8. Financial Information—Other Financial Information—Dividend Policy." As a holding company, Ryanair Holdings does not have any material assets other than the shares of Ryanair or other entities within the Ryanair Holdings group structure.

Increased Costs for Possible Future ADR and Share Repurchases. Up until April 2012, shareholders had only authorized the Directors to repurchase Ordinary Shares. As the ADRs have historically traded on the NASDAQ Stock Market (“NASDAQ”) at a premium compared to Ordinary Shares, the inclusion of ADRs in buyback programs may result in increased costs in performing share buy-backs. Over the past five years the Company has repurchased shares as follows:

<u>Fiscal Year</u>	<u>Ordinary Shares M'</u>	<u>Ordinary Shares Underlying ADRs M'</u>	<u>Total Shares M'</u>	<u>Total Spent €'M</u>	<u>Average Price per Share €</u>
2014	63.5	6.0	69.5	482	6.93
2015	10.9	—	10.9	112	10.28
2016	33.8	19.9	53.7	706	13.15
2017	50.7	21.6	72.3	1,018	14.08
2018	44.7	2.0	46.7	829	17.75

Item 4. Information on the Company

INTRODUCTION

Ryanair Holdings was incorporated in 1996 as a holding company for Ryanair Limited, now known as Ryanair Designated Activity Company (“DAC”). The latter operates an ultra-low fare, scheduled-passenger airline serving short-haul, point-to-point routes mainly within Europe. See “Item 5. Operating and Financial Review and Prospects—History” for detail on the history of the company. As of June 30, 2018, Ryanair had a principal fleet of over 440 Boeing 737 aircraft and offered over 2,000 scheduled short-haul flights per day serving over 200 airports (including 86 bases) largely throughout Europe. See “Item 4. Route System, Scheduling and Fares—Route System and Scheduling” for more details of Ryanair’s route network. See “Item 5. Operating and Financial Review and Prospects—Seasonal Fluctuations” for information about the seasonality of Ryanair’s business.

Ryanair recorded a profit on ordinary activities after taxation of €1,450.2 million in fiscal year 2018, as compared with a profit of €1,315.9 million in fiscal year 2017. This 10% increase was primarily attributable to an 8% increase in revenues (due to a 9% increase in traffic) and an 8% fuel saving per passenger. Ryanair generated an average booked passenger load factor of approximately 95% in fiscal year 2018, compared to 94% in fiscal year 2017, and average booked passenger fare of €39.40 per passenger in fiscal year 2018, down from €40.58 in the prior fiscal year. The Company has focused on maintaining low operating costs (€42.08 per passenger in fiscal year 2018, a decrease from €42.62 in fiscal year 2017).

The market’s acceptance of Ryanair’s low-fares service is reflected in the “Ryanair Effect” – Ryanair’s history of stimulating significant annual passenger traffic growth on the routes where it commences service. For example, the number of scheduled airline passengers traveling on Ryanair routes increased from 0.7 million passengers in 1991 to 130.3 million passengers in fiscal year 2018. Most international routes Ryanair has begun serving have recorded significant traffic growth in the period following Ryanair’s commencement of service, with Ryanair typically capturing the largest portion of such growth on each route. A variety of factors contributed to this increase in air passenger traffic, including the development of the Irish, U.K., and European economies in past years. However, management believes that the most significant factors driving such growth across all its European routes have been Ryanair’s low-fares policy and its superiority to its competitors in terms of flight punctuality, levels of lost baggage, and rates of flight cancellations.

The address of Ryanair Holdings’ registered office is: c/o Ryanair DAC, Dublin Office, Airside Business Park, Swords, County Dublin, K67 NY94, Ireland. The Company’s contact person regarding this Annual Report on Form 20-F is: Neil Sorahan, Chief Financial Officer (same address as above). The telephone number is +353-1-945-1212 and facsimile number is +353-1-945-1213. Under its current Articles, Ryanair Holdings has an unlimited corporate duration.

STRATEGY

Ryanair's objective is to establish itself as Europe's biggest scheduled passenger airline, through continued improvements and expanded offerings of its low-fares service. In the highly challenging current operating environment, Ryanair seeks 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 long-term strategy are:

Low Fares. Ryanair's low fares are designed to stimulate demand, particularly from fare-conscious leisure and business travelers who might otherwise use alternative forms of transportation or choose not to travel at all. Ryanair sells seats on a one-way basis, thus eliminating minimum stay requirements from all travel on Ryanair scheduled services. Ryanair sets fares on the basis of the demand for particular flights and by reference to the period remaining to the date of departure of the flight, with higher fares typically charged on flights with higher levels of demand and for bookings made nearer to the date of departure. Ryanair also periodically runs special promotional fare campaigns. See "Item 4. Route System, Scheduling and Fares—Widely Available Low Fares" below.

Customer Service. Ryanair's strategy is to deliver the best customer service performance in its peer group. According to airlines' own published statistics, Ryanair has achieved better punctuality and fewer lost bags than its peer group in Europe. Ryanair achieves this by focusing strongly on the execution of these services and by primarily operating from un-congested airports. Ryanair conducts a daily conference call with airport personnel at each of its base airports, during which the reasons for each "first wave" flight delay and baggage short-shipment are discussed in detail and logged to ensure that the root cause is identified and rectified. Subsequent (consequential) delays and short shipments are investigated by Ryanair ground operations personnel. Customer satisfaction is also measured by regular online, mystery-passenger and by passenger surveys.

Ryanair is continuously implementing new strategic initiatives that are expected to improve its customer service offering. In recent years, Ryanair introduced a series of customer-service related initiatives under the AGB customer experience program, including an easy-to-navigate website, a mobile app, reduced penalty fees, allocated seating, security fast track at selected airports and more customer-friendly baggage allowances and change flight policies. Ryanair has also introduced several important products that improve its offering to customers. Family PLUS offers families travelling with Ryanair a set of bundled ancillary discounts. PLUS gives customers a discounted bundle of ancillaries including a 20kg bag, priority boarding and a reserved seat. Flexi PLUS offers business travelers a flexible ticket, airport fast track and optional airport check-in. Ryanair Groups is a dedicated booking service designed for groups travelling together. Furthermore, these customer-service related initiatives include scheduling more flights to primary airports, selling flights via travel agents on GDS, marketing spending to support these initiatives, and adjusting the airline's yield management strategy with the goal of increasing load factors and yield.

Frequent Point-to-Point Flights on Short-Haul Routes. Ryanair provides frequent point-to-point service on short-haul routes. In fiscal year 2018, Ryanair flew an average route length of 775 miles and an average flight duration of approximately 1.9 hours. Short-haul routes allow Ryanair to offer its low fares and frequent service, while eliminating the need to provide unnecessary "frills," like free in-flight meals and movies, 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.

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 and finance costs; (ii) personnel costs; (iii) customer service costs; and (iv) airport access and handling costs:

- (i) Aircraft Equipment and Finance Costs. Ryanair’s strategy for controlling aircraft costs is focused on operating a single aircraft type. Ryanair currently operates “next generation” Boeing 737-800s and will commence operating the updated Boeing MAX-200 aircraft in Spring 2019. The purchase of aircraft from a single manufacturer enables Ryanair to limit the costs associated with personnel training, maintenance, and the purchase and storage of spare parts while also affording the Company greater flexibility in the scheduling of crews and equipment. Management also believes that the terms of Ryanair’s contracts with Boeing are very favorable to Ryanair. See “Item 4. Aircraft” below for additional information on Ryanair’s fleet. The Company has a BBB+ rating from both S&P and Fitch Ratings (see Item 3. “The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair’s Ability to Obtain Financing on Acceptable Terms” above) and can raise inexpensive unsecured debt in the Capital Markets. The Company also finances aircraft from its strong cashflows.
- (ii) Personnel Costs. Ryanair endeavors to control its labor costs through high productivity. Compensation for personnel emphasizes productivity-based pay incentives. These incentives include sales bonus payments for onboard sales of products for cabin crew and payments based on the number of hours or sectors flown by pilots and cabin crew within strict limits set by industry standards or regulations fixing maximum working hours.
- (iii) Customer Service Costs. Ryanair has entered into agreements with external contractors at certain airports for ticketing, passenger and aircraft handling, and other services that management believes can be more cost-efficiently provided by third parties. Ryanair negotiates competitive rates for such services by negotiating fixed-price, multi-year contracts. The development of its own Internet booking facility has allowed Ryanair to eliminate travel agent commissions. As part of its strategic initiatives, and the AGB customer experience program, the Company has broadened its distribution base by making Ryanair’s fares available to Travelport (trading as Galileo and Worldspan) and Sabre at nominal cost to the Company. Direct sales via the Ryanair website and mobile app continues to be the prime generator of scheduled passenger revenues.
- (iv) Airport Access and Handling Costs. Ryanair prioritizes airports that offer competitive prices. Ryanair’s record of delivering a consistently high volume of passenger traffic growth at many airports has allowed it to negotiate favorable growth contracts with such airports, although the recent change in strategy by the Company has seen it access more primary airports, which typically have higher airport charges and greater competition along with slot limitations. Secondary and regional airports also generally do not have slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings. Ryanair endeavors to reduce its airport charges by opting, when practicable, for less expensive gate locations as well as outdoor boarding stairs, rather than jetways, which are more expensive and operationally less efficient to use. Ryanair requires all passengers to check-in on the Internet, which reduces waiting times at airports and speeds a passenger’s journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet at the time of booking or post booking and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. See “Item 3. Risk Factors—Risks Related to the Company—The Company Faces Risks Related to its Internet Reservations Operations and its Elimination of Airport Check-in Facilities.”

Taking Advantage of the Internet. Ryanair’s reservation system operates under a hosting agreement with Navitaire which currently extends to November 2025. As part of the implementation of the reservation system, Navitaire developed an Internet booking facility. The Ryanair system allows Internet users to access its host reservation system and to make and pay for confirmed reservations in real time through the Ryanair.com website. The Company also has a mobile app which makes it simpler and easier for customers to book Ryanair flights. The website and app also offer customers the ability to add additional ancillary products on day of travel (e.g. bags, priority boarding and fast track). Ryanair has continued to invest in its website with the key features being personalization, a new “My Ryanair” account, easier booking flow, more content, faster, intuitive and fully responsive for mobile devices. The new “My Ryanair” registration service, which allows customers to securely store their personal and payment details, has also significantly quickened the booking process and made it easier for customers to book a flight. Membership of “My Ryanair” is automatic for all bookings. Ryanair, as part of the AGB customer experience program, will endeavor to continue to improve its website and mobile app through a series of ongoing upgrades.

Commitment to Safety and Quality Maintenance. Safety is the primary priority of Ryanair. This commitment begins with the hiring and training of Ryanair’s pilots, flight attendants, and maintenance personnel and includes a policy of maintaining its aircraft in accordance with the highest European industry standards. Ryanair has not had a single passenger or flight crew fatality as a result of an accident with one of its aircraft in its 33-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 primarily by Ryanair, at Ryanair’s main bases, but are also performed at other base airports by maintenance contractors approved under the terms of a European Aviation Safety Agency (“EASA”) Part 145 approval. Ryanair currently performs the majority of heavy airframe maintenance in-house, but contracts with other parties who perform engine overhaul services and rotatable repairs. Ryanair also outsources some heavy maintenance activity. These contractors also provide similar services to a number of other airlines, including Southwest Airlines, British Airways, Air France, Alitalia, Turkish Airlines, Norwegian Airlines, Aer Lingus and SAS.

Enhancement of Operating Results through Ancillary Services. Ryanair distributes accommodation services and travel insurance primarily through its website. For accommodation services (hotels, B&Bs, apartments, hostels etc.), Ryanair currently has a contract with five providers (Hotels.com, Hotelopia.com, HRS.com, Evivo and Hostelsclub) to market hotels and other accommodation offerings during and after the booking process. Ryanair also offers airport transfers and car park services through its website and on board its aircraft. Ryanair offers car hire services via a contract with CarTrawler. Ancillary revenues accounted for approximately 28% of Ryanair’s total operating revenues in fiscal year 2018 and approximately 27% of Ryanair’s total operating revenues in fiscal year 2017. See “—Ancillary Services” below and “Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2018 Compared with Fiscal Year 2017—Ancillary Revenues” for additional information.

Focused Criteria for Growth. Ryanair believes it will have opportunities for continued growth by: (i) using aggressive fare promotions to stimulate demand; (ii) initiating additional routes in the EU; (iii) initiating additional routes in countries party to a European Common Aviation Agreement with the EU that are currently served by higher-cost, higher-fare carriers; (iv) increasing the frequency of service on its existing routes; (v) starting new domestic routes within individual EU countries; (vi) considering acquisition opportunities that may become available in the future; (vii) connecting airports within its existing route network; (viii) establishing new bases; and (ix) initiating new routes not currently served by any carrier.

Responding to Market Challenges. In recent periods, Ryanair’s low-fares business model faced substantial pressure due to significantly increased fuel costs and reduced economic growth (or economic contraction) in some of the economies in which it operates. The Company has aimed to meet these challenges by: (i) grounding approximately 60 aircraft in fiscal year 2018 during the Winter season; (ii) disposing of aircraft (lease hand backs totaled 2 in fiscal year 2018); (iii) controlling costs; and (iv) renegotiating contracts with existing suppliers, airports and handling companies. There can be no assurance that the Company will be successful in achieving all of the foregoing or taking other similar measures, or that doing so will allow the Company to earn profits in any period. See “Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company’s Results” and “—The Company May Not Be Successful in Increasing Fares and Revenues to Cover Rising Business Costs.”

In prior years, in response to an operating environment characterized by high fuel prices, typically lower seasonal yields and higher airport charges and/or taxes, Ryanair adopted a policy of grounding a certain portion of its fleet during the Winter months (from November to March inclusive). Ryanair also carries out its scheduled aircraft maintenance at this quieter time of the year. While seasonal grounding does reduce the Company’s operating costs, it also decreases Ryanair’s Winter season flight and non-flight revenues. Decreasing the number and frequency of flights may also negatively affect the Company’s labor relations, including its ability to attract flight personnel interested in full-time employment. See “Item 3. Key Information—Risk Factors—Ryanair has Seasonally Grounded Aircraft.”

ROUTE SYSTEM, SCHEDULING AND FARES

Route System and Scheduling

As of July 19 2018, the Company offered over 2,000 scheduled short-haul flights per day serving over 200 airports largely throughout Europe. The following table lists Ryanair’s operating bases:

Operating Bases		
Alghero	Edinburgh	Milan (Malpensa)
Alicante	Eindhoven	Naples
Athens	Faro	Nuremburg
Baden-Baden	Fez	Palermo
Barcelona (Girona)	Frankfurt (Hahn)	Palma Mallorca
Barcelona (El Prat)	Frankfurt Main	Paphos
Bari	Gdansk	Pescara
Belfast	Glasgow (Prestwick)	Pisa
Berlin	Gothenburg	Ponta Delgada
Birmingham	Gran Canaria	Porto
Bologna	Hamburg	Poznan
Bournemouth	Ibiza	Prague
Bratislava	Kaunas	Rome (Ciampino)
Bremen	Krakow	Rome (Fiumicino)
Brindisi	Lamezia	Santiago
Bristol	Lanzarote	Seville
Brussels (Charleroi)	Leeds Bradford	Shannon
Brussels (Zaventem)	Lisbon	Sofia
Bucharest	Liverpool	Stockholm (Skavsta)
Budapest	London (Luton)	Tenerife South
Cagliari	London (Southend) (a)	Thessaloniki
Catania	London (Stansted)	Timisoara
Cologne	Madrid	Trapani
Corfu	Malaga	Valencia
Cork	Malta	Vilnius
Dublin	Manchester	Warsaw (Modlin)
Dusseldorf	Marrakech	Wroclaw
Dusseldorf (Weeze)	Memmingen	Zadar
East Midlands	Milan (Bergamo)	

(a) In June 2018, Ryanair announced that it would open a base in London Southend airport from April 2019.

See Note 16, “Analysis of operating revenues and segmental analysis,” to the consolidated financial statements included in Item 18 for more information regarding the geographical sources of the Company’s revenue.

Ryanair's objective is to schedule a sufficient number of flights per day on each of Ryanair's routes to satisfy demand for Ryanair's low-fares service. Ryanair schedules departures on its most popular routes at frequent intervals normally between approximately 6:00 a.m. and 11:30 p.m. Management regularly reviews the need for adjustments in the number of flights on all of its routes.

As part of Ryanair's AGB customer experience program Ryanair has focused on high frequency and business friendly timings between Europe's main business centers.

During fiscal year 2018, Ryanair launched 260 new routes across its network. See "Item 3. Risk Factors—Risks Related to the Company—Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on Its Results."

Widely Available Low Fares

Ryanair offers low fares, with prices generally varying on the basis of advance booking, seat availability and demand. Ryanair sells seats on a one-way basis, thus removing minimum stay requirements from all travel on Ryanair scheduled services. All tickets can be changed, subject to certain conditions, including fee payment and applicable upgrade charges. However, tickets are generally non-cancelable and non-refundable and must be paid for at the time of reservation.

Ryanair's discounted fares are driven by Ryanair's "load factor active – yield passive" policy whereby seats are priced to ensure that high load factor targets are achieved.

Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes, and endeavors to always offer the lowest fare on any route it serves. Promotional fares may have the effect of increasing load factors and reducing Ryanair's yield and passenger revenues on the relevant routes during the periods they are in effect. Ryanair expects to continue to offer significant fare promotions to stimulate demand in periods of lower activity or during off-peak times for the foreseeable future.

MARKETING AND ADVERTISING

Ryanair's primary marketing strategy is to emphasize its widely available low fares, route choice and great service which has been enhanced by Ryanair's AGB customer experience program which is now in its fifth year. In doing so, Ryanair primarily advertises its services in national and regional media across Europe. In addition, Ryanair uses topical advertising, social media, press conferences and publicity stunts. 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 also regularly contacts people registered in its database to inform them about promotions and special offers.

RESERVATIONS ON RYANAIR.COM

Passenger airlines generally rely on travel agents (whether traditional or online) for a significant portion of their ticket sales and pay travel agents' commissions for their services, as well as reimbursing them for the fees charged by reservation systems providers. In contrast, Ryanair requires passengers to make reservations and purchase tickets directly through the Company. The vast majority of such reservations and purchases are made through the website Ryanair.com. Ryanair is therefore not reliant on travel agents. See “—Strategy—Taking Advantage of the Internet” above for additional information.

Ryanair's reservations system is hosted under an agreement with the system provider, Navitaire. Under the agreement, the system serves as Ryanair's core seating inventory and booking system. In return for access to these system functions, Ryanair pays transaction fees that are generally based on the number of passenger seat journeys booked through the system. Navitaire also retains a back-up booking engine to support operations in the event of a breakdown in the main system. Over the last several years, Ryanair has introduced a number of Internet-based customer service enhancements such as Internet check-in, security fast-track, priority boarding service and fully allocated seating as part of the AGB customer experience program. Ryanair also requires Internet check-in for all passengers. These enhancements and changes have been made to reduce waiting time at airports and speed a passenger's journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. The Company has also entered into an agreement with Travelport (which operates the Galileo and Worldspan GDS) and Sabre (collectively “GDSs”). The Company's fares (except for the three lowest fare categories) are currently distributed on the GDSs' systems. Ryanair has negotiated an attractive per segment price which enables it to sell tickets via travel agents at no commission to a mix of largely business/corporate travelers. See Item 3. Key Information—Risk Factors—Risks Related to the Company—Ryanair Faces Risks Related to Unauthorized Use of Information from the Company's Website.”

AIRCRAFT

Aircraft

As of June 30, 2018, Ryanair had a fleet of over 440 Boeing 737 aircraft. The fleet was composed of Boeing 737-800 “next generation” aircraft, each having 189 seats. Ryanair's fleet totaled 431 Boeing 737-800s at March 31, 2018. The Company expects to have an operating fleet comprising approximately 585 Boeing 737s at March 31, 2024 depending on the level of lease returns and aircraft disposals. This operating fleet will comprise a mix of Boeing 737-800s and Boeing 737-MAX-200 aircraft. The Boeing 737-MAX-200 aircraft, which will start being delivered during fiscal year 2020, will have 197 seats.

Between March 1999 and June 2018, Ryanair took delivery of 516 new Boeing 737-800 “next generation” aircraft under its contracts with Boeing and disposed of 71 such aircraft, including 46 lease handbacks.

Under the terms of the 2013 Boeing Contract, Ryanair agreed to purchase 183 Boeing 737-800 aircraft over a five year period from fiscal years 2015 to 2019, with delivery beginning in September 2014. These aircraft benefit from a net effective price not dissimilar to that under the 2005 Boeing Contract. Under the terms of the 2014 Boeing contract, Ryanair has agreed to purchase up to 210 new Boeing 737-MAX-200 aircraft (135 firm orders and 75 aircraft subject to option) over a five year period from fiscal year 2020 to 2024, with delivery beginning in Spring 2019. The new aircraft will be used on new and existing routes to grow Ryanair's business.

The Boeing 737-800 represents the current generation of Boeing's 737 aircraft. It is a short-to-medium range aircraft and seats 189 passengers. The basic price (equivalent to a standard list price for an aircraft of this type) for each of the Boeing 737-800 series aircraft is approximately US\$78.5 million and the basic price will be increased for certain “buyer-furnished” equipment, amounting to approximately US\$2.9 million per new aircraft, which Ryanair has asked Boeing to purchase and install on each of the new aircraft. In addition, an “Escalation Factor” will be applied to the basic price to reflect increases in the Employment Cost Index and Producer Price Index between the time the basic price was set in the 2013 Boeing Contract and the period 18 to 24 months prior to the delivery of any such new aircraft.

Boeing granted Ryanair certain price concessions as part of the 2013 Boeing Contract. These take the form of credit memoranda to Ryanair for the amount of such concessions, which Ryanair applies toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the new aircraft. Boeing and CFMI (the manufacturer of the engines to be fitted on the new aircraft) have also agreed to provide Ryanair with certain allowances for promotional and other activities, as well as providing certain other goods and services to Ryanair on concessionary terms. Those credit memoranda and promotional allowances will effectively reduce the price of each new aircraft payable by Ryanair. As a result, the “effective price” (the purchase price of the new aircraft net of discounts received from Boeing) of each new aircraft will be significantly below the basic price mentioned above. The effective price applies to all new Boeing 737-800 aircraft due for delivery from September 2014.

The Boeing 737-MAX-200 represents the newest generation of Boeing's 737 aircraft. It is a short-to-medium range aircraft and seats 197 passengers (eight more than Ryanair's existing 189 seat fleet). The basic price (equivalent to a standard list price for an aircraft of this type) for each of the Boeing 737-MAX-200 series aircraft is approximately US\$102 million and the basic price will be increased for certain "buyer-furnished" equipment, amounting to approximately US\$1.6 million per new aircraft, which Ryanair has asked Boeing to purchase and install on each of the new aircraft. In addition, an “Escalation Factor” will be applied to the basic price to reflect increases in the Employment Cost Index and Producer Price Index between the time the basic price was set in the 2014 Boeing Contract and the planned month of delivery of any such new aircraft.

In a similar manner to the 2013 contract, Boeing has granted Ryanair certain price concessions as part of the 2014 Boeing Contract. As a result, the "effective price" (the purchase price of the new aircraft net of discounts received from Boeing) of each new aircraft will be significantly below the basic price mentioned above. The effective price applies to all new aircraft due for delivery from Spring 2019.

For additional details on the Boeing contracts, scheduled aircraft deliveries and related expenditures and their financing, as well as the terms of the arrangements under which Ryanair currently leases 31 of the aircraft in its operating fleet, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

The Boeing 737 is the world's most widely used commercial aircraft and exists in a number of generations, the Boeing 737-800s being the most recent in current production, with the Boeing 737-MAX-200 not expected to enter the market until 2019.

Management believes that its strategy, to date, of having reduced its fleet to two generations of an aircraft type enables Ryanair to limit the costs associated with personnel training, the purchase and storage of spare parts, and maintenance. Furthermore, this strategy affords Ryanair greater flexibility in the scheduling of crews and equipment.

The Boeing 737-800s are fitted with CFM 56-7B engines and have advanced CAT III Autoland capability, advanced traffic collision avoidance systems, and enhanced ground-proximity warning systems. The Boeing 737-MAX-200 CFM LEAP-1B engines which, combined with the Advanced Technology winglet and other aerodynamic improvements, will reduce fuel consumption by up to approximately 16% on a per seat basis compared to the Boeing 737-800s in Ryanair's configuration and reduce operational noise emissions by approximately 40%.

The Boeing 737-MAX-200 aircraft could impact the Company insofar as the residual value of its Boeing 737-800 aircraft could be reduced when it enters production, currently expected to be in Spring 2019.

At March 31, 2018, the average aircraft age of the Company's Boeing 737-800 fleet was approximately 6.7 years.

Training and Regulatory Compliance

Ryanair currently owns and operates 9 Boeing 737-800 full flight simulators for pilot training. The simulators were purchased from CAE Electronics Ltd. of Quebec, Canada (“CAE”). Ryanair has also purchased 7 new state of the art fixed base simulators from Multi Pilot Simulations (“MPS”) which are used for pilot assessments and pilot training. In addition, Ryanair has ordered 7 new full flight simulators from CAE which will deliver over the next 3 years.

Management believes that Ryanair is currently in compliance with all applicable regulations and EU directives concerning its fleet of Boeing 737-800 aircraft and will comply with any regulations or EU 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 that could adversely impact the Company’s results of operations or financial condition. See “Item 3. Key Information—Risk Factors—Risks Related to the Airline Industry— Safety-Related Undertakings Could Affect the Company’s Results.”

ANCILLARY SERVICES

Ryanair provides various ancillary services and engages in other activities connected with its core air passenger service, including non-flight scheduled services, internet-related services, and the in-flight sale of beverages, food, and merchandise. See “Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2018 Compared with Fiscal Year 2017—Ancillary Revenues” for additional information.

Ryanair primarily markets accommodation services, holidays, car hire and travel insurance through its website. For hotel and accommodation services, Ryanair launched Ryanair Rooms in October 2016 to market hotels, hostels, B&Bs, homestays and villas during and after the booking process. Ryanair receives a commission on these sales and is currently re-investing the commission into the development of this business by providing travel credits (redeemable against future flights) to the “My Ryanair” account of customers who book a room via Ryanair Rooms. Ryanair offers car hire services via a contract with CarTrawler. Ryanair also has a package holiday service, “Ryanair Holidays” offering flights, accommodation and transfers as a package.

Ryanair also sells bus and rail tickets onboard its aircraft and through its website. In addition, Ryanair markets car parking, attractions and activities on its website. Ryanair also sells gift vouchers on its website, which are redeemable online.

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 Aviation Safety Agency (“EASA”) Regulations and 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 areas of maintenance, training or quality control.

Ryanair’s quality assurance department deals with oversight of all maintenance activities in accordance with EASA Part 145. EASA, which established Part 145, came into being on September 28, 2003; through the adoption of Regulation (EC) No. 1592/2002 of the European Parliament, and its standards superseded the previous Joint Aviation Authority (“JAA”) requirements. See “—Government Regulation—Regulatory Authorities” below. Ryanair is licenced to operate approved maintenance training courses under a Part 147 approval from the UK Civil Aviation Authority in its training school at London Stansted Airport and Glasgow Prestwick. It is also licenced to operate approved maintenance training courses under a Part 147 approval by the Irish Aviation Authority (IAA) in Dublin and by the Italian Civil Aviation Authority (ENAC) in Bergamo.

Ryanair is itself an EASA Part 145-approved maintenance organization and provides its own routine aircraft maintenance and repair services. Ryanair also performs certain checks on its aircraft, including pre-flight and daily checks at some of its bases, as well as A-checks at its Dublin, London (Stansted), Glasgow (Prestwick), Bremen, Kaunas, Frankfurt (Hahn), Madrid, Wroclaw and Bergamo facilities. Ryanair performs the majority of Boeing 737-800 heavy airframe maintenance inhouse with a seasonal use of third party maintenance repair and overhaul (the “MRO”) facilities. Ryanair operates a three-bay hangar facility at its base at Glasgow (Prestwick) in Scotland. In addition Ryanair has hangar facilities in Kaunas, Lithuania and Wroclaw, Poland which are used for C-check maintenance activities. Ryanair has recently opened a single bay hangar in Madrid and a double bay hangar is under construction in Seville.

Ryanair has a five-bay hangar and stores facility at its London (Stansted) airport base to allow Ryanair to carry out additional line maintenance on its expanding fleet. This facility also incorporates four flight simulator devices, together with a cabin crew trainer and associated training rooms. The Stansted facility is being redesigned to accommodate an additional four full flight simulators with the first delivered in July 2018. Ryanair will install its first Boeing 737-MAX-200 full flight simulator in Stansted in early 2019. Ryanair has completed the building of a separate training facility adjacent to the hangar to accommodate a full size Boeing 737NG training aircraft to allow for cabin crew and engineering training. Ryanair carries out A-checks and line maintenance in its single-bay aircraft hangar facility in Bremen. Ryanair has a 30-year sole-tenancy agreement with Frankfurt (Hahn) airport and has taken acceptance of a two-bay hangar and stores facility. This facility allows Ryanair to carry out additional line maintenance including A-checks. Ryanair has a single bay hangar and has leased a second hangar in Bergamo, Italy which are used for line maintenance activities and A-checks. The second Bergamo hangar is being refurbished and will be operational in September 2018. Ryanair is planning a third hangar in Bergamo for operation from late 2019. Ryanair has also built a technological centre of excellence in Bergamo to accommodate two full motion simulators, two fixed base simulators and a full size Boeing 737NG training aircraft to allow for pilot, engineering and cabin crew training.

Maintenance and repair services that may become necessary while an aircraft is located at some of the other airports served by Ryanair are provided by other EASA Part 145-approved contract maintenance providers. Aircraft return each evening to Ryanair’s bases, where they are examined by either Ryanair’s approved personnel or by local EASA Part 145-approved companies.

Heavy Maintenance

As noted above, Ryanair currently has sufficient capacity to be able to carry out all of the routine maintenance work required on its Boeing 737-800 fleet itself.

Ryanair contracts out engine overhaul service for its Boeing 737-800 aircraft to CFM under a ten year agreement from December 2017, with an option for extension, which is pursuant to the previous General Electric Engine Services agreement. This comprehensive maintenance contract provides for the repair and overhaul of the CFM56-7B series engines fitted to Ryanair's Boeing 737-800 aircraft, the repair of parts and general technical support for the fleet of engines. CFM mainly uses its EASA Part 145-approved repair facility in Cardiff, Wales for this work, but also uses its EASA Part 145-approved facility in Celma, Brazil. By contracting with experienced EASA Part 145-approved maintenance providers, management believes it is better able to ensure the quality of its aircraft and engine maintenance. Ryanair assigns a EASA Part 145-certified mechanic to oversee all heavy maintenance and to authorize all engine overhauls performed by third parties. Maintenance providers are also monitored closely by the national authorities under EASA and national regulations. Ryanair recently commenced training engineering staff with Boeing and CFM for the introduction of the Boeing 737-MAX-200 aircraft in Spring 2019.

Ryanair expects to be dependent on external service contractors, particularly for engine and component maintenance, for the foreseeable future, notwithstanding the additional capabilities provided by its maintenance facilities at Dublin, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Kaunas, Wroclaw, Madrid, Bremen, Seville and Bergamo. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—The Company Is Dependent on External Service Providers."

SAFETY RECORD

Ryanair has not had a single passenger or flight crew fatality in its 33-year operating history. Ryanair demonstrates its commitment to safe operations through its safety training procedures, its investment in safety-related equipment, and its adoption of an internal open and confidential reporting system for safety issues. The Company's Board of Directors also has a Safety Committee to review and discuss air safety and related issues. Mike O'Brien, a Non-Executive Director, is the joint chairman of this committee, (along with the Airline's Accountable Manager for Safety, Neil Sorahan), and reports to the Board of Directors.

Ryanair's flight crew training is oriented towards accident prevention and integrates with the Safety Management System to cover all aspects of flight operations. Threat and Error Management ("TEM") is at the core of all flight crew training programs. Ryanair maintains full control of the content and delivery of all flight crew training, including initial, recurrent, and upgrade phases. All training programs are approved by the Irish Aviation Authority (the "IAA"), which regularly audits operations control standards and flight crew training standards for compliance with EU legislation.

All Boeing 737-800s that Ryanair has bought or committed to buy are certified for Category IIIA landings (automatic landings with minimum horizontal visibility of 200 meters and a 50 feet decision height). The Boeing 737-MAX-200, scheduled for delivery in 2019, will include flight deck enhancements derived from Ryanair's experience with the Boeing 737-200 and Boeing 737-800 fleets.

Ryanair has a comprehensive and documented Safety Management System. Management encourages flight crews to report any safety-related issues through the Air Safety Report ("ASR") reporting program, which is available online through Ryanair's Crewdock system. Also available to crew is Ryanair's Confidential Reporting System ("RCRS") which affords personnel the opportunity to report directly to the Flight Safety Officer any event, error, or discrepancy in operations that they do not wish to report through standard reporting channels. RCRS is designed to increase management's awareness of problems that may be encountered by personnel in their day-to-day operations. Management uses the de-identified information reported through all reporting systems to modify operating procedures and improve flight operation standards. Additionally, Ryanair promotes the use of *CHIRP*, a confidential reporting system that is endorsed by the U.K. CAA as an alternative confidential reporting channel.

Ryanair has installed an automatic data capturing system on each of its Boeing 737-800 aircraft. This system captures and downloads aircraft performance information for use as part of Operational Flight Data Monitoring (OFDM) which automatically provides a confidential report on exceedances from normal operating limitations detected during the course of each flight. The purpose of this system is to monitor operational trends and inform management of any instance of an operational limit being exceeded. By analyzing these reports, management can identify undesirable trends and potential areas of operational risk, so as to take steps to rectify such deviations, thereby ensuring adherence to Ryanair's flight safety standards.

AIRPORT OPERATIONS

Airport Handling Services

Ryanair provides its own aircraft and passenger handling and ticketing services at Dublin Airport. Third parties provide these services to Ryanair at most other airports it serves. Swissport Limited provides Ryanair's ticketing, passenger and aircraft handling, and ground handling services at many of these airports in Ireland and the U.K., while similar services in continental Europe are generally provided by the local airport authorities, either directly through sub-contractors, or partners in self-handling at airports in Spain (including the Canary Islands) and Portugal. Management attempts to obtain competitive rates for such services by negotiating multi-year contracts at fixed prices. These contracts are generally scheduled to expire in one to five years, unless renewed, and certain of them may be terminated by either party before their expiry upon prior notice. Ryanair will need to enter into similar agreements in any new markets it may enter. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—The Company Is Dependent on External Service Providers."

Airport Charges

As with other airlines, Ryanair must pay 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, security fees and parking fees. Ryanair attempts to negotiate discounted fees by delivering annual increases in passenger traffic and/or access to new destinations, and opts, when practicable, for less expensive facilities, such as less convenient gates and the use of outdoor boarding stairs rather than more expensive jetways. 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.

Over time, various governments have introduced or planned to introduce additional taxes or levies on departing passengers that would have made air travel more expensive and likely reduced demand. While a number of these taxes have been reduced or cancelled since introduction, or not introduced at all, no assurance can be given that these or similar taxes or levies will not be reintroduced in the future at similar levels or higher levels, which could have a negative impact on demand for air travel.

In addition, Ryanair has a 10 year growth agreement with Manchester Airports Group plc, the owners of London (Stansted), in relation to an expansion of capacity at London (Stansted) in return for significant airport charge reductions for the incremental passenger volumes delivered. Once this 10 year growth deal expires (2023), Ryanair may be subject to increased airport charges at London (Stansted) as the airport is no longer subject to regulation.

See "Item 3. Risk Factors—Risks Related to the Company—Ryanair's Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase." See also "Item 8. Financial Information—Other Financial Information—Legal Proceedings—EU State Aid-Related Proceedings" for information regarding legal proceedings in which Ryanair's economic arrangements with several publicly owned airports are being contested.

FUEL

The cost of jet fuel accounted for approximately 35% and 37% of Ryanair's total operating expenses in the fiscal years ended March 31, 2018 and 2017, respectively. In each case, this accounts for costs after giving effect to the Company's fuel hedging activities but excludes de-icing costs, which accounted for approximately 1.0% and 0.8% of total fuel costs in the fiscal years ended March 31, 2018 and 2017 respectively. The future availability and cost of jet fuel cannot be predicted with any degree of certainty, and Ryanair's low-fares policy limits its ability to pass on increased fuel costs to passengers through increased fares. Jet fuel prices are dependent on crude oil prices, which are quoted in U.S. dollars. If the value of the U.S. dollar strengthens against the euro, Ryanair's fuel costs, expressed in euro, may increase even absent any increase in the U.S. dollar price of jet fuel. Ryanair has also entered into foreign currency forward contracts to hedge against some currency fluctuations. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exposure and Hedging."

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Fuel Price Exposure and Hedging" for additional information on recent trends in fuel costs and the Company's related hedging activities, as well as certain associated risks. See also "Item 5. Operating and Financial Review and Prospects—Fiscal Year 2018 Compared with Fiscal Year 2017—Fuel and Oil."

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 costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair maintains aviation third-party liability insurance, passenger liability insurance, employer liability insurance, Directors and officers liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards. Ryanair believes its insurance coverage is adequate, although not comprehensive. 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. Ryanair's insurance does not cover claims for losses incurred when, due to unforeseen events, airspace is closed and aircraft are grounded, such as the airspace closures described in "Item 3. Risk Factors – Risks Related to the Airline Industry – Extreme Weather Events Could Affect the Company and Have a Material Adverse Effect on the Company's Results of Operations."

The cost of insurance coverage for certain third-party liabilities arising from "acts of war" or terrorism increased dramatically as a result of the September 11, 2001 terrorist attacks. Ryanair's insurers have indicated that the scope of the Company's current war-related insurance coverage may exclude certain types of catastrophic incidents, which may result in the Company seeking alternative coverage.

Ryanair has established Aviation Insurance (IOM) Limited ("AIL"), a wholly owned insurance company subsidiary, to provide the Company with self-insurance as part of its ongoing risk-management strategy. AIL underwrites a portion of the Company's aviation insurance program, which covers not only the Company's aircraft but also its liability to passengers and to third parties. AIL reinsures virtually all of the aviation insurance risk it underwrites with recognized third parties in the aviation reinsurance market, with the amount of AIL's maximum aggregate exposure not currently subject to such reinsurance agreements being equal to approximately \$15.0 million. In addition to aviation insurance, AIL underwrites most of the single and multi-trip travel insurance policies sold on Ryanair.com.

Council Regulation (EC) No. 2027/97, as amended by Council Regulation (EC) No. 889/2002, governs air carrier liability. This legislation provides for unlimited liability of an air carrier in the event of death or bodily injuries suffered by passengers, implementing the Warsaw Convention of 1929 for the Unification of Certain Rules Relating to Transportation by Air, as amended by the Montreal Convention of 1999. Ryanair has extended its liability insurance to meet the appropriate requirements of the legislation. See "Item 3. Key Information—Risk Factors—Risks Related to the Airline Industry—The Company Faces the Risk of Loss and Liability" for information on the Company's risks of loss and liability.

FACILITIES

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

<u>Location</u>	<u>Site Area (Sq. Meters)</u>	<u>Floor Space (Sq. Meters)</u>	<u>Tenure</u>	<u>Activity</u>
Dublin Airport	1,370	1,649	Leasehold	Administrative Offices
Airside Business Park, Swords, Dublin	12,286	9,443	Freehold	Dublin Office and Simulator Training Center
Dublin Airport (Hangar No. 1)	1,620	1,620	Leasehold	Aircraft Maintenance
Dublin Airport (Hangar No. 2)	5,200	5,000	Leasehold	Aircraft Maintenance
Enterprise House, Stansted	516	516	Leasehold	Administrative Offices
Satellite 3, Stansted Airport	605	605	Leasehold	Operations Center
Stansted Airport (Hangar)	12,161	10,301	Leasehold	Aircraft Maintenance Hangar and Simulator Training Center
Stansted Airport	375	375	Leasehold	Training Center
Stansted Storage Facilities	378	531	Leasehold	Aircraft Maintenance
East Midlands Airport	3,890	2,801	Freehold	Simulator Training Center and Training Center
East Midlands Airport	2,045	634	Leasehold	Training Center
Prestwick Airport (Hangar)	10,052	10,052	Leasehold	Aircraft Maintenance
Bremen Airport	5,952	5,874	Leasehold	Terminal and Aircraft Maintenance Hangar
Frankfurt (Hahn) Airport (Hangar)	5,064	5,064	Leasehold	Aircraft Maintenance Hangar and Simulator Training Center
Bergamo Airport (Hangar)	4,125	2,200	Leasehold	Aircraft Maintenance
Bergamo Airport Technological Centre of Excellence	5,000	2,500	Freehold	Cabin Crew and Engineering Training and Simulator Training Center
Wroclaw Airport, Poland	8,701	7,484	Leasehold	Aircraft Maintenance
Wroclaw, Poland	1,935	1,935	Leasehold	Travel Labs Poland
Skavsta Airport (Hangar)	1,936	1,936	Leasehold	Aircraft Maintenance
Kaunas Airport (Hangar)	4,500	4,500	Leasehold	Aircraft Maintenance
Madrid Airport (Hangar)	1,850	1,850	Leasehold	Aircraft Maintenance
Madrid, Spain	1,914	1,914	Leasehold	Travel Labs Madrid

Ryanair has agreements with the DAA, the Irish government authority charged with operating Dublin Airport, to lease check-in counters and other space at the passenger and cargo terminal facilities at Dublin Airport. 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 Swissport Limited or other service providers.

TRADEMARKS

Ryanair's logo and the slogan "Ryanair.com The Low Fares Website" are registered as European Union Trade Marks ("EUTMs"). Ryanair has also registered the EUTM for the word "Ryanairhotels.com." Ryanair filed an application for registration of the slogan "Low Fares. Made Simple" in late 2014. The trademark was partially registered. An EUTM allows a trademark owner to obtain a single registration of its trademark, which registration affords uniform protection for that trademark in all EU member states. The registration gives Ryanair an exclusive monopoly over the use of its trade name with regard to similar services and the right to sue for trademark infringement should another party use an identical or confusingly similar trademark in relation to identical, or similar services.

Ryanair has not registered either its name or its logo as a trademark in Ireland, as EUTM-registration provides all of the protection available from an Irish registration, and management believes there are therefore no advantages in making a separate Irish application. As a result of Brexit, Ryanair will be required to apply to the U.K. Intellectual Property Office to register its trademarks in the U.K.

Ryanair's trademarks include:

- European Union (Word) Trade Mark registration number 004168721 comprised of the word "Ryanair" in classes 16, 28, 35, 36, 37, 38, 39 and 42 (Nice Classification) (registered);
- European Union (Figurative) Trade Mark registration number 00338301 comprising the following graphic representation:



in classes 16, 35, 36, 37, 38, 39 and 42 (Nice Classification) and class 22.1.16 (Vienna classification) (registered);

- European Union (Word) Trade Mark registration number 004187721 comprised of the word "Ryanairhotels.com" in classes 16, 39 and 43 (Nice Classification) (registered);
- European Union (Word) Trade Mark registration number 013185988 comprised of the word "LOW FARES. MADE SIMPLE" in classes 16, 28, 35, 36, 37, 38, and 42 (Nice Classification) (registered);

THE ENVIRONMENT

In March 2018, Ryanair launched a new Environmental Policy, which commits to ambitious future environmental targets building on impressive achievements to date, including commitments to address climate change, and the priorities and policies which will allow Ryanair to continue to lower CO₂ emissions and noise pollution.

Ryanair's Environmental Policy illustrates Ryanair's commitment to managing its impact on the environment by:

- Leading the way as Europe's greenest, cleanest airline
- Committing to ambitious environmental targets
- Investing billions of euro in new, fuel efficient aircraft
- Committing to eliminate non-recyclable plastics within 5 years
- Allowing customers to offset the carbon cost of their flights

Ryanair has managed its impact on the environment and continuously lowered CO₂ emissions by operating the youngest fleet in Europe, achieving high load factors and efficient fuel burn. These enable Ryanair to minimise fuel and energy consumption and reduce noise pollution.

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. The liberalization included measures that allow EU air carriers substantial freedom to set air fares, provided EU air carriers greatly enhanced access to routes within the EU, and also introduced 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

Ryanair is subject to Irish and EU regulation, which is implemented primarily by the Commission for Aviation Regulation (“CAR”), the Irish Aviation Authority (“IAA”), the Department of Transport, Tourism and Sport (“DTTAS”), the European Commission, and EASA. Management believes that the present regulatory environment in Ireland and the EU is characterized by high sensitivity to safety and security issues, which is demonstrated by intensive reviews of safety-related procedures, training, and equipment by the national and EU regulatory authorities.

Ryanair also obtained an AOC and operating license for its subsidiary, Ryanair Sun. This AOC (No PL-066) was issued by the Polish Civil Aviation Authority on April 3, 2018, and the operating licence (no ULC-LER-1/4000-0156/06/17) was issued by the Polish Civil Aviation Authority on April 18, 2018.

Commission for Aviation Regulation “CAR”. The CAR has responsibility for licensing Irish airlines, subject to the requirements of EU law. It issues operating licences under the provisions of EU Regulation 1008/2008. An operating licence is an authorization permitting the holder to transport passengers, mail and/or cargo by air. The criteria for granting an operating licence 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 licence, Irish and EU regulations require that (i) the air carrier must be owned, for the purposes of EU Regulation 1008/2008, 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 CAR has broad authority to revoke an operating licence. See “Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals.” See also “Item 3. Risk Factors—Risks Related to Ownership of the Company’s Ordinary Shares or ADRs—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’s current operating licence (No 02/14) has been issued by the CAR on March 4, 2014, and is subject to periodic review.

The CAR is also responsible for deciding maximum airport charges at Dublin Airport (see “—Airport Operations—Airport Charges” above), and for the enforcement of EU legislation requiring compensation of airline passengers who have been denied boarding on a flight for which they hold a valid ticket (Regulation (EC) No. 261/2004) (see “Item 3. Risk Factors—Risks Related to the Airline Industry—EU Regulation on Passenger Compensation Could Significantly Increase Related Costs.”).

Irish Aviation Authority. The IAA is primarily responsible for the operational and regulatory function and services relating to the safety, security and technical aspects of aviation in Ireland. To operate in the EU, an Irish air carrier is required to hold an AOC granted by the IAA attesting to the air carrier’s operational and technical competence to conduct airline services with specified types of aircraft. Ryanair’s current AOC (No IE 7/94) was issued on March 4, 2014. There is no expiry date on the AOC. However, the IAA has broad authority to amend or revoke the AOC, with Ryanair’s ability to continue to hold its AOC being subject to ongoing 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. Ryanair’s Flight Operations Department is also subject to ongoing review by the IAA, which reviews the department’s audits, including flight audits, training audits, returned flight document (RFD) audits, and quality audits.

The IAA is also 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 EU legislation; aircraft noise; aviation security and ground services. Each of the Company's aircraft is required to have a Certificate of Airworthiness, which is issued by the IAA. The validity of Certificates of Airworthiness is subject to review by the IAA. The Company's flight personnel, flight and emergency procedures, aircraft, and maintenance facilities are subject to periodic inspections by the IAA. The IAA has broad regulatory and enforcement powers, 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 the AOC.

In July 1999, the IAA awarded Ryanair a JAR Ops 1 AOC. In 2008, the IAA awarded Ryanair an EU Ops AOC. In 2014, the IAA awarded Ryanair an Air Ops AOC. This AOC remains in force subject to Ryanair demonstrating continuing compliance with applicable EASA regulations. The requirements of Air Ops have been incorporated into European law as prescribed in Regulation EC 965/2012 and were applied in full on October 28, 2014. All current regulatory requirements are addressed in the Ryanair Operations Manual Part A (as amended). The current Manual, Issue 1 Revision 2, was accepted by the IAA on March 1, 2017.

Department of Transport, Tourism and Sport. The Department of Transport, Tourism and Sport ("DTTAS") is responsible for implementation of certain EU and Irish legislation and international standards relating to air transport.

The European Aviation Safety Agency (EASA). EASA is an agency of the EU that has been given specific regulatory and executive tasks in the field of aviation safety. The purpose of EASA is to draw-up common standards to ensure the highest levels of safety, oversee their uniform application across Europe and promote them at the global level. The EASA formally started its work on September 28, 2003, taking over the responsibility for regulating airworthiness, maintenance and air crew issues within the EU member states.

Eurocontrol. The European Organization for the Safety of Air Navigation ("Eurocontrol") is an autonomous international 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 in Irish law, which provides for the payment of charges to Eurocontrol in respect of air navigation services 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 and 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 onboard the aircraft when it is detained, and may result in the possible sale of the aircraft.

European Commission. The European Commission is in the process of introducing an updated legislative package to its "single European sky" policy called "SES2+", which would lead to changes to air traffic management and control within the EU. The "single European sky" policy currently consists of the Framework Regulation (Reg. (EC) No. 549/2004) plus three technical regulations on the provision of air navigation services, organization and use of the airspace and the inter-operability of the European air traffic management network. These regulations were amended by the so-called "Single European Sky II" regulation (EU Regulation 1070/09), which focused on air traffic control ("ATC") performance and extended the authority of EASA to include Airports and Air Traffic Management. The objective of the policy is to enhance safety standards and the overall efficiency of air traffic in Europe, as well as to reduce the cost of air traffic control services.

The European Commission has published guidelines on the financing of airports and start-up aid to airlines by regional airports that place restrictions on the incentives public airports can offer to airlines delivering traffic, when compared with the commercial freedom available to private airports.

The European Union also adopted legislation on airport charges (EU Directive 2009/12), which was originally intended to address abusive pricing at monopoly airports. However, the legislation includes all European airports with over five million passengers per year. Management believes that this will likely increase the administrative burdens on smaller airports and may lead to higher airport charges, while the scope that exists within this Directive to address abuses of their dominant positions by Europe's larger airports is very limited. See "Item 8. Financial Information—Other Financial Information—Legal Proceedings—EU State Aid-Related Proceedings."

The European Union also passed legislation calling for increased transparency in airline fares, which requires the inclusion of all mandatory taxes, fees, and charges in advertised prices. Ryanair includes this information in its advertised fares in all markets where it operates.

Registration of Aircraft

Pursuant to the Irish Aviation Authority (Nationality and Registration of Aircraft) Order 2015 (the "Order"), 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 registered 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 the date of this report, thirteen of the fourteen 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 citizens or companies 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 Order. 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 Order and, in particular: (i) if the ownership requirements are not met; (ii) if 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 not 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, 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 EU common market or any substantial part of the common market may not abuse such dominant position. Similar competition laws apply at national level in EU member states. 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.

An aggrieved person may sue for breach of EU competition law in the courts of a member state and/or petition the European Commission for an order to put an end to the breach of competition law. The European Commission also may impose fines and daily penalties on businesses and the courts of the member states may award damages and other remedies (such as injunctions) in appropriate circumstances.

Competition law in Ireland is primarily embodied in the Competition Acts 2002 to 2017. This legislation 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 and Consumer Protection Commission) through both criminal and civil sanctions or by private action in the courts. These rules apply to the airline sector, but are subject to EU rules that override any contrary provisions of Irish competition law. Ryanair has been subject to an abuse-of-dominance investigation by the Competition and Consumer Protection Commission in relation to service between Dublin and Cork. The Competition and Consumer Protection Commission (then known as the Competition Authority) closed its investigation in July 2009 with a finding in favor of Ryanair.

State Aid. The EU rules control aid granted by member states to businesses on a selective or discriminatory basis. The EU Treaty prevents member states from 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. See “Item 3. Key Information—Risk Factors—Risks Related to the Company—The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports” and “Item 8. Financial Information—Other Financial Information—Legal Proceedings.”

Data Protection

Ryanair’s processing of personal data is subject to increasingly complex data protection laws including the European Union’s General Data Protection regulation 2016/679 (the “GDPR”) as well as relevant national implementing legislation (Irish Data Protection Act 2018). The GDPR became directly applicable across the member states of the EEA on May 25, 2018 replacing the former data protection regime under Directive 95/46/EC. The GDPR imposes strict obligations on persons who process personal data, including requirements to implement appropriate security measures to ensure transfers of personal data are made securely and only where the transferor can guarantee that such personal data will be treated in accordance with the GDPR. There is an obligation to report data breaches which are likely to result in a risk to the rights and freedoms of natural persons (and in some instances an obligation to inform the data subjects) within stipulated timeframes. The GDPR also provides data subjects with enhanced rights in respect of their personal data. It introduces new data subject rights, such as the “right to be forgotten” (to be erased from the databases of organisations holding their personal data, including erased from third party providers databases, provided there are no legitimate grounds for retaining the personal data) and the right to “data portability” (the right to receive the personal data concerning the data subject in a structured and commonly used and machine-readable format and to transmit that data to a nominated third party).

A breach of the GDPR may result in the imposition of fines by supervisory authorities up to €20 million or 4% of annual group-wide turnover (whichever is higher). Supervisory authorities also have the power to audit businesses and require measures be taken by businesses to rectify any non-compliance (which can include orders to suspend data processing activities). Additionally, data subjects are entitled to seek compensation for any damage (including non material damage) suffered in the event that the processing of their personal data is in breach of the GDPR’s requirements. See “*Risk factors – Ryanair is subject to increasingly complex data protection laws and regulations*”

Environmental Regulation

Aircraft Noise Regulations. Ryanair is subject to international, national and, in some cases, local noise regulation standards. EU and Irish regulations have required that all aircraft operated by Ryanair comply with Stage 3 noise requirements. All of Ryanair’s aircraft currently comply with these regulations. Certain airports in the U.K. (including London Stansted and London Gatwick) and continental Europe have established local noise restrictions, including limits on the number of hourly or daily operations or the time of such operations.

Company Facilities. 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 Acts 2000 to 2016 and regulations made thereunder. At Dublin Airport, Ryanair operates on land controlled by the DAA. Planning permission for its facilities has been granted in accordance with both the zoning and planning requirements of Dublin Airport. There is also specific Irish environmental legislation implementing applicable EU directives and regulations, to which Ryanair adheres. From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair’s engineering facilities at Dublin Airport, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Stockholm (Skavsta), Bergamo, Wrocław and Kaunas. However, at all times Ryanair’s storage and handling of these substances complies with the relevant regulatory requirements. At Ryanair’s Glasgow (Prestwick) and London (Stansted) maintenance facilities, all normal waste is removed in accordance with the Environmental Protection Act of 1996 and Duty of Care Waste Regulations. For special waste removal, Ryanair operates under the Special Waste Regulations 1998. At all other facilities Ryanair adheres to all local and EU regulations.

Ryanair's Policy on Noise and Emissions. Ryanair is committed to reducing emissions and noise through investments in “next generation” aircraft and engine technologies and the implementation of certain operational and commercial decisions to minimize the environmental impact of its operations. According to the Air Travel Carbon and Energy Efficiency Report published by Brighter Planet, Ryanair is the industry leader in terms of environmental efficiency, and the Company is constantly working towards improving its performance.

In December 2005, Ryanair completed the fleet replacement program it commenced in 1999. All of Ryanair's older Boeing 737-200A aircraft were replaced with Boeing 737-800 “next generation” aircraft, and Ryanair now operates a fleet of primarily Boeing 737-800 “next generation” aircraft with an average age of 6.7 years. The design of the new aircraft is aimed at minimizing drag, thereby reducing the rate of fuel burn and noise levels. The engines are also quieter and more fuel-efficient. Furthermore, by moving to an all Boeing 737-800 “next generation” fleet, Ryanair reduced the unit emissions per passenger due to the inherent capacity increase in the Boeing 737-800 aircraft. The Boeing 737-800 “next generation” aircraft have a significantly superior fuel-burn to passenger-kilometer ratio than Ryanair's former fleet of Boeing 737-200A aircraft. In September 2014, Ryanair entered into an agreement with Boeing to purchase up to 200 Boeing 737-MAX-200 aircraft (including 100 firm orders and 100 aircraft subject to option). The Boeing 737-MAX-200 aircraft will deliver between fiscal year 2020 and fiscal year 2024. The contract was approved by the shareholders of the Company at an extraordinary general meeting (“EGM”) on November 28, 2014. In June 2017, the Group agreed to purchase an additional 10 Boeing 737-MAX-200 aircraft. This brings the total number of 737-MAX-200 aircraft on order to 210, with a list value of approximately \$21.5 billion (assuming all options are exercised). In April 2018, the Company announced that it has converted 25 Boeing 737-Max-200 options into firm orders. This brings the Company's firm order to 135 Boeing 737-Max-200s with a further 75 options remaining. These aircraft have 197 seats and are fitted with CFM-LEAP-1B engines which, combined with the Advanced Technology winglet and other aerodynamic improvements, will reduce fuel consumption by up to approximately 16% on a per seat basis compared to the Boeing 737-800s in Ryanair's configuration and reduce operational noise emissions by approximately 40%. See “—Aircraft” above for details on Ryanair's fleet plan.

Ryanair has also installed winglets on all of its existing aircraft and all future aircraft will also be fitted with winglets. Winglets reduce both the rate of fuel burn and carbon dioxide emissions by approximately 4% and also reduce noise emissions.

In addition, Ryanair has distinctive operational characteristics that management believes are helpful to the general environment. In particular, Ryanair:

- operates with a high-seat density of 189 seats (which will increase to 197 when the Boeing 737-MAX-200 starts being delivered in fiscal year 2020) and an all-economy configuration, as opposed to the 162 seats and two-class configuration of the Boeing 737-800 aircraft used by traditional network airlines, reducing fuel burn and emissions per seat-kilometer flown;
- has reduced per-passenger emissions through higher load factors (95% in fiscal year 2018);
- better utilizes existing infrastructure by operating out of underutilized secondary and regional airports throughout Europe, which limits the use of holding patterns and taxiing times, thus reducing fuel burn and emissions and reducing the need for new airport infrastructure;
- provides mainly direct services as opposed to connecting flights, in order to limit the need for passengers to transfer at main hubs and thus reduces the number of take-offs and landings per journey from four to two, reducing fuel burn and emissions per journey; and
- has no scheduled late-night departures of aircraft, reducing the impact of noise emissions.

Emissions Trading. On November 19, 2008, the European Union adopted legislation to add aviation to the EU Emissions Trading Scheme as of 2012. This scheme, which has thus far applied mainly to energy producers, is a cap-and-trade system for CO₂ emissions to encourage industries to improve their CO₂ efficiency. Under the legislation, airlines were granted initial CO₂ allowances based on historical “revenue ton kilometers” and a CO₂ efficiency benchmark. Any shortage of allowances has to be purchased in the open market and/or at government auctions. Management believes that this legislation is likely to have a negative impact on the European airline industry. Ryanair takes its environmental responsibilities seriously and intends to continue to improve its environmental efficiency and to minimize emissions. Under Regulation 7 of The U.K. Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013, Ryanair is obliged to state its annual quantity of emissions in tons of carbon dioxide equivalent. Ryanair’s EU Emissions Trading Scheme monitoring, reporting and allowance surrender obligations are mandated on a calendar year basis. During calendar year 2017, Ryanair emitted 10,765,881 tCO₂ (Calendar 2016: 9,672,283), which equates to 0.084 tCO₂ (Calendar 2016: 0.083) per passenger.

Aviation Taxes. Ryanair is fundamentally opposed to the introduction of any aviation taxes, including any environmental taxes, fuel taxes or emissions levies. Ryanair has, and continues to offer, the lowest fares in Europe, to make passenger air travel affordable and accessible to European consumers. Ryanair believes that the imposition of additional taxes on airlines will not only increase airfares, but will discourage new entrants into the market, resulting in less choice for consumers. Ryanair believes this would ultimately have adverse effects on the European economy in general. There is in particular no justification for any environmental taxes on aviation following the introduction of the Emissions Trading Scheme for airlines.

As a company, Ryanair believes in free market competition and that the imposition of aviation taxation would favor the less efficient flag carriers – which generally have smaller and older aircraft, lower load factors, and a much higher fuel burn per passenger, and which operate primarily into congested airports – and reduce competition. Furthermore, the introduction of a tax at a European level only would distort competition between airlines operating solely within Europe and those operating also outside of Europe. Ryanair believes that the introduction of such a tax would also be incompatible with international law.

Airport charges

The EU Airport Charges Directive of March 2009 sets forth general principles that are to be followed by airports with more than five million passengers per annum, and to the airport with the highest passenger movement in each Member State, when setting airport charges, and provides for an appeals procedure for airlines in the event that they are not satisfied with the level of charges. However, Ryanair does not believe that this procedure is effective or that it constrains those airports that are currently abusing their dominant position, in part because the legislation was transposed improperly in certain countries, such as Ireland and Spain, thereby depriving airlines of even the basic safeguards provided for in the Directive. This legislation may in fact lead to higher airport charges, depending on how its provisions are applied by EU member states and subsequently by the courts.

Slots

Currently, many of Ryanair's airports have no "slot" allocation restrictions; however, traffic at a substantial number of the airports Ryanair serves, including its primary bases is regulated by means of "slot" allocations, which represent authorizations to take off or land at a particular airport within a specified time period. In addition, EU law currently regulates the acquisition, transfer and loss of slots. The European Commission adopted a regulation in April 2004 (Regulation (EC) No. 793/2004) that made some minor amendments to the then existing allocation system. Slots may be transferred from one route to another by the same carrier, transferred within a group or as part of a change of control of a carrier, or swapped between carriers. In April 2008, the European Commission issued a communication on the application of the slot allocation regulation, signaling the acceptance of secondary trading of airport slots between airlines. This is expected to allow more flexibility and mobility in the use of slots and will further enhance possibilities for market entry at slot constrained airports. Any future legislation that might create an official secondary market for slots 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 primary airports at present than Ryanair. The European Commission proposed a revision to the slots legislation reflecting the principle of secondary trading. This revision has been negotiated by the EU institutions since 2014 and is currently stalled. 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 currently given certain privileges in terms of obtaining slots, but such privileges are subject to the grandfathered rights of existing operators that are utilizing their slots. 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.

Other

Health and occupational safety issues relating to the Company are largely addressed in Ireland by the Safety, Health and Welfare at Work Act, 2005 (as amended) and other regulations under that act. Although licences 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 when appropriate, issues improvement notices or prohibition notices. Ryanair has responded to all such notices to the satisfaction of the Authority. Other safety issues are covered by the Irish Aviation Orders, which may vary from time to time.

The Company's operations are subject to the general laws of Ireland and, insofar 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 4A. Unresolved Staff Comments

There are no unresolved staff comments.

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 consolidated financial statements have been prepared in accordance with IFRS.

HISTORY

Ryanair's current business strategy dates to the early 1990s, when Ryanair became the first European airline to replicate the low-fares, 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 services 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.

From 1997 through June 30, 2018, Ryanair launched service on more than 2,000 routes throughout Europe and also increased the frequency of service on a number of its principal routes. During that period, Ryanair established 86 airports as bases of operations. See "Item 4. Information on the Company—Route System, Scheduling and Fares" for a list of these bases. Ryanair has increased the number of booked passengers from approximately 4.9 million in fiscal year 1999 to approximately 130.3 million in fiscal year 2018. As of June 30, 2018, Ryanair had a principal fleet of over 440 Boeing 737-800 aircraft and now serves over 200 airports.

Ryanair expects to have approximately 585 aircraft in its operating fleet by March 31, 2024. This is subject to lease handbacks and disposals over the period to March 31, 2024 meeting current expectations. See "—Liquidity and Capital Resources" and "Item 4. Information on the Company—Aircraft" for additional details.

BUSINESS OVERVIEW

Since Ryanair pioneered its low cost operating model in Europe in the early 1990s, its passenger volumes and scheduled passenger revenues have increased significantly because the Company has substantially increased capacity and demand has been sufficient to match the increased capacity. Ryanair's annual booked passenger volume has grown from approximately 0.9 million passengers in the calendar year 1992 to approximately 130.3 million passengers in fiscal year 2018.

Ryanair's revenue passenger miles ("RPMs") increased approximately 9% from 92,383 million in fiscal year 2017 to 101,022 million in fiscal year 2018 due partly to an increase of approximately 8% in scheduled available seat miles ("ASMs") from 97,909 million in fiscal year 2017 to 105,735 million in fiscal year 2018. Scheduled passenger revenues increased from €4,868.2 million in fiscal year 2017 to €5,134.0 million in fiscal year 2018. Average booked passenger fare decreased from €40.58 in fiscal year 2017 to €39.40 in fiscal year 2018.

Expanding passenger volumes and capacity, high load factors and aggressive cost containment have enabled Ryanair to continue to generate operating profits despite increasing price competition and increases in certain costs. Ryanair's total break-even load factor was 73% in both fiscal years 2017 and 2018. Cost per passenger was €42.62 in fiscal year 2017 and €42.08 in fiscal year 2018, with the lower fuel cost per passenger of €14.60 in fiscal year 2018 as compared to €15.95 in fiscal year 2017 being the most significant factor behind this decrease. Ryanair recorded operating profits of €1,534.0 million in fiscal year 2017 and €1,667.3 million in fiscal year 2018. The Company recorded a profit after taxation of €1,315.9 million in fiscal year 2017 and €1,450.2 million in fiscal year 2018. Ryanair took delivery of 50 Boeing 737-800 aircraft in fiscal year 2018. The Company will take delivery of a further 29 Boeing 737-800 aircraft in fiscal year 2019 and expects that these deliveries, net of lease handbacks, will allow for an approximately 7% increase in fiscal year 2019 traffic. See "Item 3. Key Information—Risk Factors—Risks Related to the Company— Ryanair Has Seasonally Grounded Aircraft."

Historical Results Are Not Predictive of Future Results

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 availability of new airports for expansion; fuel prices; the airline pricing environment in a period of increased competition; the ability of Ryanair 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; terrorist threats or attacks within the EU; seasonal variations in travel; developments in government regulations, litigation and labor relations; foreign currency fluctuations, the impact of the banking crisis and potential break-up of the Eurozone; Brexit; competition and the public's perception regarding the safety of low-fares airlines; changes in aircraft acquisition, leasing, and other operating costs; flight interruptions caused by extreme weather events or other atmospheric disruptions; flight disruptions caused by periodic and prolonged air traffic controller strikes in Europe; the rates of income and corporate taxes paid, and the impact of the financial and Eurozone crisis. Ryanair expects its depreciation, staff and fuel charges to increase as additional aircraft and related flight equipment are acquired. Future fuel costs may also increase as a result of the depletion of petroleum reserves, the 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. In addition, the financing of new Boeing 737-800 and Boeing 737-MAX-200 aircraft will increase the total amount of the Company's outstanding debt and the payments it is obliged to make to service such debt. The cost of insurance coverage for certain third-party liabilities arising from "acts of war" or terrorism increased dramatically following the September 11, 2001 terrorist attacks. See "Item 3. Key Information—Risk Factors—Risks related to the Airline Industry— The Company is Substantially Dependent on Discretionary Air Travel."

RECENT OPERATING RESULTS

The Company's profit after tax for the quarter ended June 30, 2018 (the first quarter of the Company's fiscal year 2019) was €309.2 million (including a €9.3 million share of associate losses in the quarter), as compared to €397.1 million for the corresponding period of the previous year. The Company recorded a decrease in operating profit, from €460.2 million in the first quarter of fiscal year 2018 to €370.5 million in the recently completed quarter. Total operating revenues increased from €1,910.3 million in the first quarter of fiscal year 2018 to €2,078.9 million in the first quarter of fiscal year 2019. Operating expenses increased from €1,450.1 million in the first quarter of fiscal year 2018 to €1,708.4 million in the first quarter of fiscal year 2019, due primarily to increases in the cost of fuel and the increased costs associated with the growth of the airline. The Company's cash and cash equivalents, restricted cash and financial assets with terms of less than three months amounted to €3,635.1 million at June 30, 2018 as compared with €4,186.7 million at June 30, 2017.

CRITICAL ACCOUNTING POLICIES

The following discussion and analysis of Ryanair's financial condition and results of operations is based on its consolidated financial statements, which are included in Item 18 and prepared in accordance with IFRS.

The preparation of the Company's 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.

The Company believes that its critical accounting policy, which requires management's most difficult, subjective and complex judgments, is that which is described in this section. This critical accounting policy, the judgments and other uncertainties affecting application of this policy 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 this policy, see Note 1, "Basis of preparation and significant accounting policies," to the consolidated financial statements included in Item 18.

Long-lived Assets

As of March 31, 2018, Ryanair had €8.1 billion of long-lived assets, virtually all of which were aircraft. In accounting for long-lived assets, Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets, the cost of major airframe and engine overhaul and the potential for impairment based on the fair value of the assets and the cash flows they generate.

In estimating the lives, expected residual values of its aircraft and the cost of major airframe and engine overhaul, Ryanair has primarily relied on its own and industry experience, recommendations from Boeing, the manufacturer of all of the Company's aircraft, valuations from appraisers and other available marketplace information. Subsequent revisions to these estimates, which can be significant, could be caused by changes to Ryanair's maintenance program, changes in utilization of the aircraft, governmental regulations on aging of aircraft, changes in new aircraft technology, changes in governmental and environmental taxes, changes in new aircraft fuel efficiency and changing market prices for new and used aircraft of the same or similar types. Ryanair evaluates its estimates and assumptions in each reporting period, and, when warranted, adjusts these assumptions. Generally, these adjustments are accounted for on a prospective basis, through depreciation expense.

Ryanair periodically evaluates its long-lived assets for impairment. Factors that would indicate potential impairment would include, but are not limited to, significant decreases in the market value of an aircraft, a significant change in an aircraft's physical condition and operating or cash flow losses associated with the use of the aircraft. While the airline industry as a whole has experienced many of these factors from time to time, Ryanair has not yet been seriously impacted and continues to record positive cash flows from these long-lived assets. Consequently, Ryanair has not yet identified any impairments related to its existing aircraft fleet. The Company will continue to monitor its long-lived assets and the general airline operating environment.

The Company's estimate of the recoverable amount of aircraft residual values is 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods. Aircraft are depreciated over a useful life of 23 years from the date of manufacture to residual value.

RESULTS OF OPERATIONS

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

	Fiscal Year Ended March 31,		
	2018	2017	2016
Total revenues	100 %	100 %	100 %
Scheduled revenues	72	73	76
Ancillary revenues	28	27	24
Total operating expenses	77	77	78
Fuel and oil	27	29	32
Airport and handling charges	13	13	13
Staff costs	10	10	9
Route charges	10	10	10
Depreciation	8	7	6
Marketing, distribution and other	6	5	4
Maintenance, materials and repairs	2	2	2
Aircraft rentals	<u>1</u>	<u>1</u>	<u>2</u>
Operating profit	23	23	22
Net interest expense	(1)	(1)	(1)
Other income	—	—	<u>5</u>
Profit before taxation	<u>22</u>	<u>22</u>	<u>26</u>
Taxation	<u>(2)</u>	<u>(2)</u>	<u>(3)</u>
Profit after taxation	<u>20</u>	<u>20</u>	<u>24</u>

FISCAL YEAR 2018 COMPARED WITH FISCAL YEAR 2017

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of €1,450.2 million in fiscal year 2018, as compared with a profit of €1,315.9 million in fiscal year 2017. This 10% increase was primarily attributable to an 8% increase in revenues (due to a 9% increase in traffic) and an 8% fuel saving per passenger.

Scheduled revenues. Ryanair's scheduled passenger revenues increased by 5%, from €4,868.2 million in fiscal year 2017 to €5,134.0 million in fiscal year 2018, primarily reflecting the 9% increase in the number of booked passengers from 120.0 million to 130.3 million, partially offset by the 3% decrease in average fare from €40.58 to €39.40. Booked passenger load factors increased to 95% in fiscal year 2018 compared with 94% in fiscal year 2017.

Passenger capacity during fiscal year 2018 increased by 7% due to the increase in the average number of aircraft in the fleet. Scheduled passenger revenues accounted for 72% of Ryanair's total revenues in fiscal year 2018 and 73% in fiscal year 2017.

Ancillary revenues. Ryanair's ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and internet-related services, increased by 13%, from €1,779.6 million in fiscal year 2017 to €2,017.0 million in fiscal year 2018, while ancillary revenues per booked passenger increased by 4% to €15.48 from €14.83. The overall increase in ancillary revenues reflects the higher uptake of reserved seating, priority boarding and car hire offset by lower travel insurance and hotels.

Operating expenses. As a percentage of total revenues, Ryanair's operating expenses remained flat at 77% in fiscal year 2018. Total revenues increased by 8%, faster than the 7% increase in operating expenses. In absolute terms, total operating expenses increased by 7%, from €5,113.8 million in fiscal year 2017 to €5,483.7 million in fiscal year 2018, principally as a result of increased costs associated with the airline. Airport and handling charges, staff costs, route charges, maintenance, materials and repairs and aircraft rentals all remained flat as a percentage of total revenues, while fuel and oil expenses decreased and depreciation and marketing, distribution and other increased. Total operating cost per passenger decreased by 1%, with the decrease reflecting, principally, an 8% reduction in per passenger fuel costs offset by an increase in non-fuel costs of 3%.

The Company's decision to ground aircraft during the Winter months did not have a material impact on the results of the Company for fiscal year 2018 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, including fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant crews can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair's operating expenses (on a per-passenger basis) for fiscal years 2018 and 2017 under IFRS. These data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of booked passengers 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.

	Fiscal Year Ended March 31, 2018	Fiscal Year Ended March 31, 2017	% Change
	€	€	
Fuel and oil	14.60	15.95	(8%)
Airport and handling charges	7.19	7.20	—
Staff costs	5.67	5.27	7%
Route charges	5.39	5.47	(1%)
Depreciation	4.31	4.15	4%
Marketing, distribution and other	3.15	2.68	17%
Maintenance, materials and repairs	1.14	1.18	(3%)
Aircraft rentals	0.63	0.72	(12%)
Total operating expenses	<u>42.08</u>	<u>42.62</u>	<u>(1%)</u>

Fuel and oil. Ryanair's fuel and oil costs per passenger decreased by 8%, while in absolute terms, these costs decreased by 1% from €1,913.4 million in fiscal year 2017 to €1,902.8 million in fiscal year 2018, in each case after giving effect to the Company's fuel hedging activities. The 1% decrease reflected lower hedged fuel prices offset by a 10% increase in block hours. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, aircraft de-icing and EU emissions trading costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) decreased by 10% from €1.83 per U.S. gallon in fiscal year 2017 to €1.65 per U.S. gallon in fiscal year 2018, in each case after giving effect to the Company's fuel hedging activities.

Airport and handling charges. Ryanair's airport and handling charges per passenger remained flat in fiscal year 2018 compared to fiscal year 2017. In absolute terms, airport and handling charges increased by 9%, from €864.8 million in fiscal year 2017 to €938.6 million in fiscal year 2018, reflecting the 9% increase in passenger numbers.

Staff costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, increased by 7% on a per-passenger basis, while in absolute terms, these costs increased by 17%, from €633.0 million in fiscal year 2017 to €738.5 million in fiscal year 2018. The increase in absolute terms was primarily attributable to the 10% increase in block hours, pilot salary increases, and the impact of a 2% pay increase in April 2017 offset by weaker sterling against the euro.

Route charges. Ryanair's route charges per passenger decreased by 1%. In absolute terms, route charges increased by 7%, from €655.7 million in fiscal year 2017 to €701.8 million in fiscal year 2018, primarily as a result of the 7% increase in sectors.

Depreciation. Ryanair's depreciation per passenger increased by 4%, while in absolute terms these costs increased by 13% from €497.5 million in fiscal year 2017 to €561.0 million in fiscal year 2018. The increase was primarily attributable to 50 additional owned fleet in the fleet compared to fiscal year 2017. See "-Critical Accounting Policies-Long-lived Assets" above.

Marketing, distribution and other expenses. Ryanair's marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, increased by 17% on a per-passenger basis in fiscal year 2018, while in absolute terms, these costs increased by 27%, from €322.3 million in fiscal year 2017 to €410.4 million in fiscal year 2018, with the overall increase reflecting €25 million in non-recurring EU261 costs arising from September/October 2017 flight cancellations. EU261 costs increased as passengers have a higher propensity to claim than in prior years. Marketing costs were broadly flat compared to fiscal year 2017 and distribution costs increased at a slower rate than onboard sales.

Maintenance, materials and repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance provision for leased aircraft and the overhaul of spare parts, decreased by 3% on a per-passenger basis, while in absolute terms these expenses increased by 5% from €141.0 million in fiscal year 2017 to €148.3 million in fiscal year 2018. The increase in absolute terms during the fiscal year was due to the timing of maintenance checks partially offset by fewer leased aircraft in the fleet.

Aircraft rentals. Aircraft rental expenses amounted to €82.3 million in fiscal year 2018, a 4% decrease from the €86.1 million reported in fiscal year 2017, reflecting the smaller leased fleet.

Operating profit. As a result of the factors outlined above, operating profit remained flat on a per-passenger basis in fiscal year 2018, while, in absolute terms, it increased by 9% from €1,534.0 million in fiscal year 2017 to €1,667.3 million in fiscal year 2018.

Finance expense. Ryanair's interest and similar charges decreased by 11%, from €67.2 million in fiscal year 2017 to €60.1 million in fiscal year 2018, primarily due to lower interest rates and repayments of debt.

Finance income. Ryanair's interest income decreased by €2.2 million from €4.2 million in fiscal year 2017 to €2.0 million in fiscal year 2018, primarily due to significantly lower deposit interest rates.

Foreign exchange gains/losses. Ryanair recorded foreign exchange gains of €2.1 million in fiscal year 2018, and €0.7 million losses in fiscal year 2017, primarily due to the impact of change in euro exchange rates against the U.S. dollar and U.K. pound sterling.

Taxation. The effective tax rate for fiscal year 2018 was 10.0%, as compared to an effective tax rate of 10.5% in fiscal year 2017. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax charge of €161.1 million in fiscal year 2018, compared with a tax charge of €154.4 million in fiscal year 2017.

FISCAL YEAR 2017 COMPARED WITH FISCAL YEAR 2016

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of €1,315.9 million in fiscal year 2017, as compared with a profit of €1,559.1 million in fiscal year 2016. This 16% decrease was primarily attributable to the one off gain of €317.5 million on the sale of the Company's 29.8% shareholding in Aer Lingus in fiscal year 2016. This was offset by a 2% increase in revenues (due to a 13% increase in traffic) and an 18% fuel saving per passenger. Excluding the one off gain in fiscal year 2016, profit after tax increased by 6%.

Scheduled revenues. Ryanair's scheduled passenger revenues decreased by 2%, from €4,967.2 million in fiscal year 2016 to €4,868.2 million in fiscal year 2017, primarily reflecting the 13% decrease in average fare from €46.67 to €40.58 partially offset by the 13% increase in the number of passengers from 106.4 million to 120.0 million. Booked passenger load factors increased to 94% in fiscal year 2017 compared with 93% in fiscal year 2016.

Passenger capacity during fiscal year 2017 increased by 11% due to the increase in the average number of aircraft in the fleet. Scheduled passenger revenues accounted for 73% of Ryanair's total revenues for fiscal year 2017, compared with 76% of total revenues in fiscal year 2016.

Ancillary revenues. Ryanair's ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and internet-related services, increased by 13%, from €1,568.6 million in fiscal year 2016 to €1,779.6 million in fiscal year 2017, while ancillary revenues per booked passenger increased to €14.83 from €14.74. The overall increase in ancillary revenues reflects solid performance in reserved seating, priority boarding, car hire and on-board sales offset by lower travel insurance and hotel penetration.

Operating expenses. As a percentage of total revenues, Ryanair's operating expenses decreased from 78% in fiscal year 2016 to 77% in fiscal year 2017. Total revenues increased by 2%, faster than the 1% increase in operating expenses. In absolute terms, total operating expenses increased by 1%, from €5,075.7 million in fiscal year 2016 to €5,113.8 million in fiscal year 2017, principally as a result of increased costs associated with the growth of the airline. Fuel and oil expenses and aircraft rentals decreased as a percentage of total revenues, while, airport and handling charges, route charges, staff costs, depreciation, marketing, distribution and other costs and maintenance, materials and repairs increased. Total operating cost per passenger decreased by 11%, with the decrease reflecting, principally, an 18% reduction in per passenger fuel costs and non-fuel costs decreasing by 5%.

The Company's decision to ground aircraft during the Winter months did not have a material impact on the results of the Company for fiscal year 2017 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, including fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant crews can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair's operating expenses (on a per-passenger basis) for fiscal years 2017 and 2016 under IFRS. These data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of booked passengers 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.

	Fiscal Year Ended March 31, 2017	Fiscal Year Ended March 31, 2016	% Change
	€	€	
Fuel and oil	15.95	19.47	(18)%
Airport and handling charges	7.20	7.80	(8)%
Route charges	5.47	5.85	(7)%
Staff costs	5.27	5.50	(4)%
Depreciation	4.15	4.02	3 %
Marketing, distribution and other	2.68	2.75	(3)%
Maintenance, materials and repairs	1.18	1.22	(3)%
Aircraft rentals	0.72	1.08	(33)%
Total operating expenses	<u>42.62</u>	<u>47.69</u>	<u>(11)%</u>

Fuel and oil. Ryanair's fuel and oil costs per passenger decreased by 18%, while in absolute terms, these costs decreased by 8% from €2,071.4 million in fiscal year 2016 to €1,913.4 million in fiscal year 2017, in each case after giving effect to the Company's fuel hedging activities. The 8% decrease reflected lower euro fuel prices offset by an 11% increase in block hours and higher load factors. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, aircraft de-icing and EU emissions trading costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) decreased by 17% from €2.21 per U.S. gallon in fiscal year 2016 to €1.83 per U.S. gallon in fiscal year 2017, in each case after giving effect to the Company's fuel hedging activities.

Airport and handling charges. Ryanair's airport and handling charges per passenger decreased by 8% in fiscal year 2017. In absolute terms, airport and handling charges increased by 4%, from €830.6 million in fiscal year 2016 to €864.8 million in fiscal year 2017, reflecting the 13% increase in traffic offset by more competitive airport deals and weaker sterling against the euro.

Route charges. Ryanair's route charges per passenger decreased by 7%. In absolute terms, route charges increased by 5%, from €622.9 million in fiscal year 2016 to €655.7 million in fiscal year 2017, primarily as a result of the 11% increase in sectors flown offset by Eurocontrol price reductions in France, Germany and the U.K. (aided by weaker sterling).

Staff costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, decreased by 4% on a per-passenger basis, while in absolute terms, these costs increased by 8%, from €585.4 million in fiscal year 2016 to €633.0 million in fiscal year 2017. The increase in absolute terms was primarily attributable to the 11% increase in sectors flown and the impact of the 2% pay increase in April 2016 offset by weaker sterling against the euro.

Depreciation. Ryanair's depreciation per passenger increased by 3%, while in absolute terms these costs increased 16% from €427.3 million in fiscal year 2016 to €497.5 million in fiscal year 2017. The increase was primarily attributable to 52 additional owned aircraft in the fleet compared to fiscal year 2016. See "-Critical Accounting Policies-Long-lived Assets" above.

Marketing, distribution and other expenses. Ryanair's marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, decreased by 3% on a per-passenger basis in fiscal year 2017, while in absolute terms, these costs increased by 10%, from €292.7 million in fiscal year 2016 to €322.3 million in fiscal year 2017, with the overall increase primarily reflecting increased distribution costs related to higher on-board sales, disruption costs related to ATC strikes (primarily French) and higher passenger compensation costs following an ECJ ruling in September 2015.

Maintenance, materials and repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance provision for leased aircraft and the overhaul of spare parts, decreased by 3% on a per-passenger basis, while in absolute terms these expenses increased by 8% from €130.3 million in fiscal year 2016 to €141.0 million in fiscal year 2017. The increase in absolute terms during the fiscal year was due to the timing of aircraft checks, the stronger U.S. dollar against the euro and lease handbacks.

Aircraft rentals. Aircraft rental expenses amounted to €86.1 million in fiscal year 2017, a 25% decrease from the €115.1 million reported in fiscal year 2016, reflecting the absence of short-term Summer leases compared to the prior year comparative and the handback of 10 leased aircraft over the past year.

Operating profit. As a result of the factors outlined above, operating profit decreased by 7% on a per-passenger basis in fiscal year 2017, while, in absolute terms, it increased from €1,460.1 million in fiscal year 2016 to €1,534.0 million in fiscal year 2017.

Other income. Other income in fiscal year 2016 consisted primarily of the gain of €317.5 million on the sale of Ryanair's stake in Aer Lingus.

Finance expense. Ryanair's interest and similar charges decreased by 5%, from €71.1 million in fiscal year 2016 to €67.2 million in fiscal year 2017, primarily due to lower interest rates.

Finance income. Ryanair's interest and similar income decreased by €13.7 million from €17.9 million in fiscal year 2016 to €4.2 million in fiscal year 2017 due to the absence of the Aer Lingus dividend (€8.0 million in fiscal year 2016), significantly lower deposit interest rates and lower cash balances throughout the year.

Foreign exchange gains/losses. Ryanair recorded foreign exchange losses of €0.7 million in fiscal year 2017, and €2.5 million in fiscal year 2016, primarily due to the impact of changes in euro exchange rates against the U.S. dollar.

Taxation. The effective tax rate for fiscal year 2017 was 10.5%, as compared to an effective tax rate of 11.6% in fiscal year 2016. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax charge of €154.4 million in fiscal year 2017, compared with a tax charge of €162.8 million in fiscal year 2016.

SEASONAL 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. Ryanair typically records higher revenues and income in the first half of each fiscal year ended March 31 than the second half of such year.

RECENTLY ISSUED ACCOUNTING STANDARDS

Please see Note 1 to the consolidated financial statements included in Item 18 for information on recently issued accounting standards that are material to the Company.

LIQUIDITY AND CAPITAL RESOURCES

Liquidity. The Company finances its working capital requirements through a combination of cash generated from operations, debt capital market issuances and bank loans for the acquisition of aircraft. See “Item 3. Key Information— Risk Factors—Risks Related to the Company—The Company Will Incur Significant Costs Acquiring New Aircraft and any instability in the Credit and Capital Markets Could Negatively Impact Ryanair’s Ability to Obtain Financing on Acceptable Terms” for more information about risks relating to liquidity and capital resources. The Company had cash and liquid resources at March 31, 2018 and 2017 of €3,645.5 million and €4,128.5 million, respectively. The decrease at March 31, 2018 primarily reflects net capital expenditure of €1,470.6 million, shareholders returns of €829.1 million and debt repayments of €458.9 million, offset by the profit after tax of €1,450.2 million.

The Company’s net cash inflows from operating activities in fiscal years 2018 and 2017 amounted to €2,233.2 million and €1,927.2 million, respectively. The €306.0 million increase in net cash flows from operating activities for fiscal year 2018 compared to fiscal year 2017 was principally due to higher profit after tax of €134.3 million, depreciation and receipts for future flights offset by a decrease in trade payables.

During the last two fiscal years, Ryanair’s primary cash requirements have been for operating expenses, additional aircraft, including advance payments in respect of new Boeing 737 aircraft and related flight equipment, payments on related indebtedness and payments of corporation tax, as well as share buy-backs of €829.1 million in fiscal year 2018 and €1,017.9 million in fiscal year 2017. Cash generated from operations and the issuance of €750 million in 1.125% unsecured Eurobonds with a 6.5-year tenor in February 2017 have been the primary source for these cash requirements.

The Company’s net cash inflows from operating activities in fiscal years 2017 and 2016 amounted to €1,927.2 million and €1,846.3 million, respectively. The €80.9 million increase in net cash flows from operating activities for fiscal year 2017 compared to fiscal year 2016 was principally due to the increase in profit after tax of €74.3 million (excluding the gain on disposal of the available for sale financial asset of €317.5 million in fiscal year 2016), an increase in trade payables and a smaller increase in accrued expenses, offset by an increase in other assets. The movement which primarily relates to cash received in advance for flights, receipts for other receivables and increases in other payables balances, generated €113.1 million in cash in fiscal year 2017 compared with €135.6 million in fiscal year 2016.

The Company’s net cash used in investing activities in fiscal year 2018 totaled €719.4 million, primarily reflecting the Company’s capital expenditures, as described in more detail below.

The Company’s net cash used in investing activities in fiscal year 2017 totaled €1,290.8 million, primarily reflecting the Company’s capital expenditures.

Net cash used in financing activities totaled €1,222.8 million in fiscal year 2018, largely reflecting shareholders returns of €829.1 million and repayments of long term borrowings of €458.9 million.

Net cash used in financing activities totaled €671.6 million in fiscal year 2017, largely reflecting shareholders returns of €1,017.9 million and repayments of long term borrowings of €447.1 million offset by the issuance of €750 million unsecured Eurobonds in February 2017.

Capital Expenditures. The Company’s net cash outflows for capital expenditures in fiscal years 2018 and 2017 were €1,470.6 million and €1,449.8 million respectively. Ryanair has traditionally funded a significant portion of its acquisition of new Boeing 737-800 aircraft and related equipment through borrowings under facilities provided by international financial institutions on the basis of guarantees issued by the Export-Import Bank of the United States (“Ex-Im Bank”). At March 31, 2018, Ryanair had a fleet of 431 Boeing 737-800 aircraft, 153 of which were funded by Ex-Im Bank-guaranteed financing. Other sources of on-balance-sheet aircraft financing utilized by Ryanair are Japanese Operating Leases with Call Options (“JOLCOs”), which are treated as finance leases (16 of the aircraft in the fleet as of March 31, 2018) and commercial debt financing (6 of the aircraft in the fleet as of March 31, 2018). Of Ryanair’s total fleet of 431 Boeing 737-800 aircraft at March 31, 2018 there were 31 aircraft which were financed through operating lease arrangements, 154 aircraft were financed from Ryanair’s own resources on an unsecured basis and the remaining 71 aircraft have no outstanding debt remaining. Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Management believes that the working capital available to the Company 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 2019.

The following table sets forth the dates on which and the number of aircraft that will be delivered to the Company pursuant to the 2013, 2014 Boeing Contracts:

Fiscal Year End	Mar 31,	Total						
	2018	2019	2020	2021	2022	2023	2024	
Opening Fleet	383	431	455	478	513	540	576	383
Deliveries under 2013 Boeing Contract	50	29	—	—	—	—	—	79
Firm deliveries under 2014 Boeing Contract	—	—	47	36	21	21	10	135
Option Aircraft under 2014 Boeing Contract	—	—	—	8	28	25	14	75
Planned returns or disposals	(2)	(5)	(24)	(9)	(22)	(10)	(15)	(87)
Closing Fleet	431	455	478	513	540	576	585	585

Capital Resources. Ryanair’s long-term debt (including current maturities) totaled €3,963.0 million at March 31, 2018 and €4,384.5 million at March 31, 2017, with the change being primarily attributable to debt repayments. Please see the table “Obligations Due by Period” below for more information on Ryanair’s long-term debt (including current maturities) and finance leases as of March 31, 2018. See also Note 11 to the consolidated financial statements included in Item 18 for further information on the maturity profile of the interest rate structure and other information on the Company’s borrowings.

At March 31, 2018, 153 of the aircraft in Ryanair’s fleet had been financed through loan facilities with various financial institutions active in the structured export finance sector and supported by a loan guarantee from Ex-Im Bank. Each of these facilities takes essentially the same form and is based on the documentation developed by Ryanair and Ex-Im Bank, which follows standard market forms for this type of financing. In November 2010, Ryanair financed seven aircraft through a U.S. dollar-denominated Ex-Im Bank Capital Markets Product (“Eximbond”). The Eximbond has essentially the same characteristics as all previous Ex-Im Bank guaranteed financings with no additional obligations on Ryanair. On the basis of an Ex-Im Bank 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 relevant aircraft, the financial institution investor enters into a commitment letter with the Company to provide financing for a specified number of aircraft benefiting from such guarantee; loans are then drawn down as the aircraft are delivered and payments to Boeing become due. Each of the loans under the facilities are on substantially similar terms, having a maturity of 12 years from the drawdown date and being secured by a first priority mortgage in favor of a security trustee on behalf of Ex-Im Bank.

Through the use of interest rate swaps or cross currency interest rate swaps, Ryanair has effectively converted a portion of its floating-rate debt under its financing facilities into fixed-rate debt. Approximately 20% of the loans for the aircraft acquired under the above facilities are not covered by such swaps and have therefore remained at floating rates linked to EURIBOR, this is currently managed as part of the Ryanair risk management strategy. The net result is that Ryanair has effectively swapped or drawn down fixed-rate euro-denominated debt with remaining maturities of up to 6 years in respect of approximately 80% of its outstanding aircraft debt financing at March 31, 2018 and approximately 20% of total debt was floating rate at that date.

The table below illustrates the effect of swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair’s total outstanding debt at March 31, 2018. See “Item 11. Quantitative and Qualitative Disclosures About Market Risk—Interest Rate Exposure and Hedging” for additional details on the Company’s hedging transactions.

At March 31, 2018

	<u>EUR</u> <u>Fixed</u>	<u>EUR</u> <u>Floating</u>
	<u>(in millions of euro)</u>	
Borrowing profile before swap transactions	3,096.4	866.6
Interest rate swaps – Debt swapped from floating to fixed	74.4	(74.4)
Borrowing profile after swap transactions	<u>3,170.8</u>	<u>792.2</u>

The weighted-average interest rate on the cumulative borrowings under these facilities of €3,963.0 million at March 31, 2018 was 1.41%. Ryanair’s ability to obtain additional loans pursuant to each of the facilities to finance the price of future Boeing 737-800 and Boeing 737-MAX-200 aircraft purchases is subject to the issuance of further bank commitments and the satisfaction of various contractual conditions. 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 Ex-Im Bank, and that Ryanair not suffer a material adverse change in its conditions or prospects (financial or otherwise). In addition, as a result of the Company obtaining a BBB+ (stable) credit rating from Standard & Poor’s (“S&P”) and Fitch Ratings and following Ryanair’s issuance of €850 million in 1.875% unsecured Eurobonds with a 7-year tenor in June 2014, issuance of €850 million in 1.125% unsecured Eurobonds with an 8-year tenor in March 2015 and issuance of €750 million in 1.125% unsecured Eurobonds with an 6.5-year tenor in February 2017 under its EMTN program, the Company may decide in the future to issue additional debt from capital markets to finance future aircraft deliveries. As part of its Ex-Im Bank guarantee-based financing of the Boeing 737-800s, Ryanair has entered into certain lease agreements and related arrangements. Pursuant to these arrangements, legal title to 153 aircraft delivered and remaining in the fleet as of March 31, 2018 rests with a number of United States special purpose vehicles (the “SPVs”). The SPVs are the borrowers of record under the loans made or to be made under the facilities, with all of their obligations under the loans being guaranteed by Ryanair Holdings.

These aircraft are financed using a standard Ex-Im Bank “orphan” ownership structure. The shares of the SPVs (which are owned by an unrelated charitable association and not by Ryanair) are in turn pledged to a security trustee in favor of Ex-Im Bank and the lenders. Ryanair operates each of the aircraft pursuant to a finance lease it has entered into with the SPVs, the terms of which mirror those of the relevant loans under the facilities. 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 IFRS. Ryanair does not use special purpose entities for off-balance sheet financing or any other purpose which results in assets or liabilities not being reflected in Ryanair’s consolidated financial statements. In addition to its purchase option under the finance lease, Ryanair is entitled to receive the balance of any proceeds received in respect of the aircraft that remain after Ex-Im Bank and the lenders are paid what they are owed under the loan guarantees.

Ryanair has a track record in securing finance for similar sized aircraft purchases. The 1998, 2002, 2003 and 2005 Boeing Contracts totaling 348 aircraft were financed with approximately 66% U.S. Ex-Im Bank loan guarantees and capital markets (with 85% loan to value) financing, 24% through sale and operating leaseback financing, and 10% through JOLCOs and commercial debt. See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

Under the Aviation Sector Understanding which came into effect from January 1, 2013, the fees payable to Ex-Im Bank for the provision of loan guarantees have significantly increased, thereby making it more expensive than more traditional forms of financing. As a result, Ryanair intends to finance the new aircraft obtained under the 2013 and 2014 Boeing Contracts through a combination of internally generated cash flows, debt financing from commercial banks, debt financing through the capital markets in a secured and unsecured manner, JOLCOs and sale and operating leasebacks. These forms of financing are generally accepted in the aviation industry and are currently widely available for companies who have the credit quality of Ryanair. Ryanair may periodically use Ex-Im Bank loan guarantees when appropriate. Ryanair intends to finance pre-delivery payments (“Aircraft Deposits”) to Boeing in respect of the new aircraft via internally generated cash flows similar to all previous Aircraft Deposit payments.

At March 31, 2018, Ryanair had 31 operating lease aircraft in the fleet. As a result, Ryanair operates, but does not own, these aircraft, which were leased to provide flexibility for the aircraft delivery program. Ryanair has no right or obligation to acquire these aircraft at the end of the relevant lease terms. All 31 operating leases are U.S. dollar-denominated and require Ryanair to make fixed rental payments. The Company has an option to extend the initial period of seven years on 16 of the 31 remaining operating lease aircraft as at March 31, 2018 on pre-determined terms. At March 31, 2018 the Company has exercised 10 of these options to extend. In addition to the above, the Company financed 30 of the Boeing 737-800 aircraft delivered between March 2005 and March 2014 with 13-year euro-denominated JOLCOs. 16 of these JOLCO arrangements are still outstanding as of March 31, 2018. These structures are accounted for as finance leases and are initially recorded at fair value on the Company’s balance sheet. Under each of these contracts, Ryanair has a call option to purchase the aircraft at a pre-determined price after a period of 10.5 years, which it may exercise. Ryanair exercised this option for 6 of these aircraft in fiscal year 2018. 6 aircraft have been financed through euro-denominated 12-year amortizing commercial debt transactions.

Since, under each of the Company’s operating leases, the Company has a commitment to maintain the relevant aircraft, an accounting provision is made during the lease term for this obligation based on estimated future costs of major airframe, engine maintenance checks and restitution of major life limited parts by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the year. Under IFRS, the accounting treatment for these costs with respect to leased aircraft differs from that for aircraft owned by the Company, for which such costs are capitalized and amortized.

Ryanair currently has corporate ratings of BBB+ (stable) from both S&P and Fitch Ratings and a €5 billion EMTN program. Ryanair issued €850 million in unsecured Eurobonds with a 7-year tenor at a coupon of 1.875% in June 2014, €850 million in unsecured Eurobonds with an 8-year tenor at a coupon of 1.125% in March 2015 and €750 million in unsecured Eurobonds with a 6.5-year tenor at a coupon of 1.125% in February 2017 under this program. All of these issuances are guaranteed by Ryanair Holdings. The Company used the proceeds from these issuances for general corporate purposes.

Contractual Obligations. The table below 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, 2018. These obligations primarily relate to Ryanair’s aircraft purchase and related financing obligations, which are described in more detail above, and do not reflect the Eurobond issuances in June 2014, March 2015 and February 2017. For additional information on the Company’s contractual obligations and commercial commitments, see Note 23 to the consolidated financial statements included in Item 18.

The amounts listed under “Finance Lease Obligations” reflect the Company’s obligations under its JOLCOs. See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

The amounts listed under “Purchase Obligations” in the table reflect obligations for aircraft purchases and are calculated by multiplying the number of aircraft the Company is obligated to purchase under its current agreements with Boeing during the relevant period by the Basic Price for each aircraft pursuant to the relevant contract, with the dollar-denominated Basic Price being converted into euro at an exchange rate of \$1.2321 = €1.00 (based on the European Central Bank Rate on March 29, 2018). The relevant amounts therefore exclude the effect of the price concessions granted to Ryanair by Boeing and CFM, as well as any application of the Escalation Factor described below. As a result, Ryanair’s actual expenditures for aircraft during the relevant periods will be lower than the amounts listed under “Purchase Obligations” in the table.

With respect to purchase obligations under the terms of the 2013 Boeing Contract and 2014 Boeing Contract, the Company was required to pay Boeing 1.0% of the Basic Price of each of the 318 firm-order Boeing 737 aircraft at the time the contracts were signed (such deposit being fully refundable if the Company had not received the shareholder approval at the EGMs on June 18, 2013 and November 28, 2014), and will be required to make periodic advance payments of the purchase price for each aircraft it has agreed to purchase during the course of the two-year period preceding the delivery of each aircraft. As a result of these required advance payments, the Company will have paid up to 30% of the Basic Price of each aircraft prior to its delivery (including the addition of an estimated “Escalation Factor” but before deduction of any credit memoranda and other concessions); the balance of the net price is due at the time of delivery. Similar terms applied under the 2005 Boeing contract, with the first payment due when the contract was signed in February 2005.

The amounts listed under “Operating Lease Obligations” reflect the Company’s obligations under its aircraft operating lease arrangements.

<u>Contractual Obligations</u>	<u>Obligations Due by Period</u>				
	<u>Total</u>	<u>Less than 1 year</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>After 5 years</u>
	(in millions of euro)				
Long-term Debt (a)	3,636.8	305.2	277.4	1,279.4	1,774.8
Finance Lease Obligations	326.2	129.5	18.6	178.1	—
Purchase Obligations (b)	13,078.1	1,847.4	3,910.0	6,488.8	831.9
Operating Lease Obligations	150.3	76.8	55.8	17.7	—
Future Interest Payments (c)	212.2	53.8	46.7	102.2	9.5
Total Contractual Obligations	<u>€ 17,403.6</u>	<u>€ 2,412.7</u>	<u>€ 4,308.5</u>	<u>€ 8,066.2</u>	<u>€ 2,616.2</u>

- (a) For additional information on Ryanair’s long-term debt obligations, see Note 10 and Note 22 to the consolidated financial statements included in Item 18.
- (b) These are noted at a non-discounted “list” price. For additional information on Ryanair’s purchase obligation, see Note 22 to the consolidated financial statements included in Item 18.
- (c) In determining an appropriate methodology to estimate future interest payments Ryanair has applied either the applicable fixed rate or currently applicable variable rate where appropriate. These interest rates are subject to change and amounts actually due may be higher or lower than noted in the table above.

OFF-BALANCE SHEET TRANSACTIONS

Ryanair uses certain off-balance sheet arrangements in the ordinary course of business, including financial guarantees and operating lease commitments. Details of each of these arrangements that have or are reasonably likely to have a current or future material effect on the Company's financial condition, results of operations, liquidity or capital resources are discussed below.

Operating Lease Commitments. The Company has entered into a number of sale-and-leaseback transactions in connection with the financing of a number of aircraft in its fleet. See “—Liquidity and Capital Resources—Capital Resources” above for additional information on these transactions.

Guarantees. Ryanair Holdings has provided an aggregate of €4,118.2 million (as at March 31, 2018) in letters of guarantee to secure obligations of certain of its subsidiaries in respect of loans, capital market transactions and bank advances, including those relating to aircraft financing and related hedging transactions. This amount excludes guarantees given in relation to the 2013 Boeing Contract, under which there was a total of 29 aircraft outstanding as at March 31, 2018, amounting to approximately \$2.3 million at list prices and guarantees given in relation to the 2014 Boeing contract under which there was a total of 210 aircraft (135 firm orders and 75 options) outstanding as at March 31, 2018 amounting to approximately \$20.5 billion at list prices.

TREND INFORMATION

For information concerning the principal trends and uncertainties affecting the Company's results of operations and financial condition, see “Item 3. Key Information—Risk Factors,” “Item 5. Operating and Financial Review and Prospects—Business Overview,” “—Results of Operations,” “—Liquidity and Capital Resources” and “Item 4. Information on the Company—Strategy—Responding to Current Challenges” above.

INFLATION

Inflation did not have a significant effect on the Company's results of operations and financial condition during the three fiscal years ended March 31, 2018.

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 Directors and Executive Officers.

DIRECTORS

The following table sets forth certain information concerning the Directors of Ryanair Holdings and Ryanair as of July 19, 2018:

<u>Name</u>	<u>Age</u>	<u>Positions</u>
David Bonderman (a)(b)	75	Chairman and Director
Roisin Brennan (c)	53	Director
Michael Cawley (b)	64	Director
Emer Daly (c)	55	Director
Stan McCarthy (a)(e)	60	Director
Charles McCreevy (c)	68	Director
Declan McKeon (c)	67	Director
Kyran McLaughlin (a)	74	Director
Howard Millar (e)	57	Director
Dick Milliken (c)	67	Director
Mike O'Brien (d)	74	Director
Michael O'Leary (a)	57	Director and CEO
Julie O'Neill (e)	63	Director
Louise Phelan (b)	51	Director

- (a) Executive Committee Member.
- (b) Nomination Committee Member.
- (c) Audit Committee Member.
- (d) Safety Committee Member.
- (e) Remuneration Committee Member.

David Bonderman (Chairman) has served as a Director since August 1996 and as Chairman since December 1996. Mr. Bonderman also serves on the Boards of the following public companies: Caesars Entertainment Corporation, TPG Pace Energy Holdings Corp., and Kite Pharma, Inc. In addition, he serves on the Boards of The Wilderness Society, the Grand Canyon Trust, and the American Himalayan Foundation. He is a U.S. citizen.

Roisin Brennan has served as a Director since May 2018. Ms. Brennan is a former Chief Executive of IBI Corporate Finance Ltd where she had extensive experience advising public companies in Ireland. She is currently a Non-Executive Director of Coillte CGA, Musgrave Group plc and Dell Bank International DAC having previously been a Non-Executive Director of DCC plc from 2005 until 2016. She is an Irish Citizen.

Michael Cawley has served as a Director since August 2014. Mr. Cawley previously worked with Ryanair for 17 years as Ryanair's Deputy CEO and Chief Operating Officer and contributed significantly to Ryanair's growth and success until he retired in March 2014. Mr. Cawley's other Non-Executive Directorships include Paddy Power plc, Kingspan Group plc, Hostelworld Group plc and he is also Chairman of Fáilte Ireland, the Irish tourism authority. He is an Irish citizen.

Emer Daly has served as a Director of Ryanair since December 2017. Ms. Daly is currently Board Chairman at RSA Insurance Ireland DAC and a Non-Executive Director of Chetwood Financial Limited. Ms. Daly previously served as a Non-Executive Director of Permanent TSB Group plc and as a Director of Payzone Plc. Ms. Daly also held senior roles with PricewaterhouseCoopers and AXA Insurance for over 20 years. She is an Irish citizen.

Stan McCarthy was appointed as a Director of Ryanair in May 2017. Mr. McCarthy was Chief Executive of Kerry Group from January 2008 until September 2017. Mr. McCarthy joined Kerry Group in 1976 and worked in a number of finance roles before being appointed as Vice President of Sales and Marketing in the USA in 1991, as President of Kerry North America in 1996 and as a Director of Kerry Group in 1999. He has dual Irish and U.S. citizenship.

Charles McCreevy has served as a Director since May 2010, having previously served as EU Commissioner for Internal Markets and Services (2004-2010) and has held Ministerial Office in several Irish Governments, including Minister for Finance (1997-2004), Minister for Tourism and Trade (1993-1994) and Minister for Social Welfare (1992-1993). He is an Irish citizen.

Declan McKeon has served as a Director since May 2010, having previously been an audit partner of PwC. Mr. McKeon is currently the Lead Independent Director of ICON plc. Mr. McKeon is chairman of the Audit Committee. He is an Irish citizen.

Kyran McLaughlin has served as a Director since January 2001, and is Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Mr. McLaughlin advised Ryanair during its initial flotation on the Dublin and NASDAQ stock markets in 1997. Mr. McLaughlin is a Non-Executive Chairman of Malin Corporation plc and also serves as a Director of a number of other Irish private companies. He is an Irish citizen.

Howard Millar was appointed as a Director of Ryanair in August 2015. Mr. Millar had served as Deputy Chief Executive Officer and Chief Financial Officer from 2003 to December 2014 having previously been Director of Finance from 1993 and Financial Controller in 1992. Mr. Millar is Chairman of BDO Ireland, a member of Irelandia Aviation's advisory board and a Non-Executive Director of both Applegreen plc and ASL Aviation Airlines Group Ltd. He is an Irish citizen.

R.A. (Dick) Milliken has served as a Director since July 2013 having previously been CFO of the Almac Group and former CEO of Lamont plc. Mr. Milliken serves as a Director of Bank of Ireland Mortgage Bank, where he is Chairman of the Audit Committee. Mr. Milliken is also Chairman of Northern Ireland Science Park and a Director of a number of private companies. He is a British citizen.

Mike O'Brien was appointed as a Director of Ryanair in May 2016. Mr. O'Brien has a long and distinguished career in the aviation industry having retired in 2016 as Head of Flight Operations Inspectorate with the Maltese Civil Aviation Authority where he served from 2001 having previously spent 10 years as the Head of Operations Standards with the Irish Aviation Authority. Mr. O'Brien served 4 years as the Chief Pilot and Flight Operations Manager of Ryanair from 1987 to 1991. He has also operated many different aircraft types throughout the years as an instructor and examiner with Aer Turas, GPA/Air Tara and Gulf Air. Mr. O'Brien is the co-chairman of the Company's Safety Committee. He is an Irish citizen.

Michael O'Leary has served as a Director of Ryanair since 1988 and as CEO since 1994. He is an Irish citizen.

Julie O'Neill has served as a Director since December 2012 having previously served as Secretary General of the Irish Department of Transport from 2002 to 2009 and, in a career that spanned 37 years in the Irish public service, worked in strategic policy development and implementation in eight Government Departments. She chairs the Sustainable Energy Authority of Ireland and is a Senior Independent Director of Permanent Group TSB plc and an independent Non-Executive Director of AXA Life Europe. She is an Irish citizen.

Louise Phelan has served as a Director since December 2012. Ms. Phelan is currently serving as VP for PayPal Global Operations Europe, Middle East and Africa leading 1,800 people in Dublin, Dundalk and Berlin. Ms. Phelan is a member of the Board of Voxpro since January 2016. She is an Irish citizen.

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 in which action by the Board of Directors is required but it is impracticable to convene a meeting of the full Board of Directors. Messrs. Bonderman, McCarthy, McLaughlin and O’Leary are the members of the Executive Committee.

Remuneration Committee. The Board of Directors established the Remuneration Committee in September 1996. This committee has authority to determine the remuneration of Senior Executives of the Company and to administer the stock option plans described below. Senior Management remuneration is comprised of a fixed basic pay and performance related bonuses which are awarded based on a combination of budget and non-budget performance criteria. The Board of Directors as a whole determines the remuneration and bonuses of the CEO, who is the only Executive Director. Mr. McCarthy, Mr. Millar and Ms. O’Neill are the members of the Remuneration Committee.

Audit Committee. The Board of Directors established the Audit Committee in September 1996 to make recommendations concerning the engagement of independent external auditors; to review with the auditors the plans for and scope of each annual audit, the audit procedures to be utilized and the results of the audit; to approve the professional services provided by the auditors; to review the independence of the auditors; and to review the adequacy and effectiveness of the Company’s internal accounting controls. Mr. McKeon, Mr. McCreevy, Mr. Milliken, Ms. Daly and Ms. Brennan are the members of the Audit Committee. In accordance with the recommendations of the Irish Combined Code of Corporate Governance (the “Combined Code”), a senior independent Non-Executive Director, Mr. McKeon, is the chairman of the Audit Committee. All members of the Audit Committee are independent for the purposes of the listing rules of the NASDAQ and the U.S. federal securities laws. Mr. Milliken will replace Mr. McKeon as Audit Committee Chairman when he steps down from the Board in September.

Nomination Committee. The Board of Directors established the Nomination Committee in May 1999 to make recommendations and proposals to the full Board of Directors concerning the selection of individuals to serve as Executive and Non-Executive Directors. The Board of Directors as a whole then makes appropriate determinations regarding such matters after considering such recommendations and proposals. Messrs. Bonderman, Cawley and Ms. Phelan are the members of the Nomination Committee.

Safety Committee. The Board of Directors established the Safety Committee in March 1997 to review and discuss air safety and related issues. The Safety Committee reports to the full Board of Directors each quarter. The Safety Committee is composed of Mr. O’Brien and Mr. Sorahan, Accountable Manager for Safety (who both act as co-chairman), as well as the following Executive Officers of Ryanair: Messrs. Bellew, Wilson, the Chief Pilot, Captain Ray Conway and the Chief Risk Officer, Ms. Carol Sharkey. A number of other managers are invited to attend, as required, from time to time.

Powers of, and Action by, the Board of Directors

The Board of Directors is empowered by the Articles of Association of Ryanair Holdings (the “Articles”) to carry on the business of Ryanair Holdings, subject to the Articles, provisions of general law and the right of stockholders to give directions to the Directors by way of ordinary resolutions. Every Director who is present at a meeting of the Board of Directors of Ryanair Holdings has one vote. In the case of a tie on a vote, the chairman of the Board of Directors has a second or tie-breaking vote. A Director may designate an alternate Director to attend any Board of Directors meeting, and such alternate Director 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 whom must be EU nationals. The Articles require the vote of a majority of the Directors (or alternates) present at a duly convened meeting for the approval of any action by the Board of Directors.

Composition and Term of Office

The Articles provide that the Board of Directors shall consist of no fewer than three and no more than 15 Directors, unless otherwise determined by the stockholders. There is no maximum age for a Director and no Director is required to own any shares of Ryanair Holdings.

Directors are elected (or have their appointments confirmed) at the annual general meetings of stockholders.

Exemptions from NASDAQ Corporate Governance Rules

The Company relies on certain exemptions from the NASDAQ corporate governance rules. These exemptions, and the practices the Company adheres to, are as follows:

- The Company is exempt from NASDAQ's quorum requirements applicable to meetings of shareholders, which require a minimum quorum of 33% for any meeting of the holders of common stock, which in the Company's case are its Ordinary Shares. In keeping with Irish generally accepted business practice, the Articles provide for a quorum for general meetings of shareholders of three shareholders, regardless of the level of their aggregate share ownership.
- The Company is exempt from NASDAQ's requirement with respect to Audit Committee approval of related-party transactions, as well as its requirement that shareholders approve certain stock or asset purchases when a Director, officer or substantial shareholder has an interest. The Company is subject to extensive provisions under the Listing Rules of the Irish Stock Exchange (the "Irish Listing Rules") governing transactions with related parties, as defined therein, and the Irish Companies Act also restricts the extent to which Irish companies may enter into related-party transactions. In addition, the Articles contain provisions regarding disclosure of interests by the Directors and restrictions on their votes in circumstances involving conflicts of interest. The concept of a related party for purposes of NASDAQ's Audit Committee and shareholder approval rules differs in certain respects from the definition of a transaction with a related party under the Irish Listing Rules.
- NASDAQ requires shareholder approval for certain transactions involving the sale or issuance by a listed company of common stock other than in a public offering. Under the NASDAQ rules, whether shareholder approval is required for such transactions depends, among other things, on the number of shares to be issued or sold in connection with a transaction, while the Irish Listing Rules require shareholder approval when the value of a transaction, as measured under any one or more of four class tests, exceeds a certain percentage of the size of the listed company undertaking the transaction as measured for the purposes of same tests.
- NASDAQ requires that each issuer solicit proxies and provide proxy statements for all meetings of shareholders and provide copies of such proxy solicitation to NASDAQ. The Company is exempt from this requirement as the solicitation of holders of ADSs is not required under the Irish Listing Rules or the Irish Companies Act. Details of Ryanair's annual general meetings and other shareholder meetings, together with the requirements for admission, voting or the appointment of a proxy are available on the website of the Company in accordance with the Irish Companies Act and the Company's Articles of Association. ADS holders may provide instructions to The Bank of New York, as depositary, as to the voting of the underlying Ordinary Shares represented by such ADSs. Alternatively, ADS holders may convert their holding to Ordinary Shares in order to be eligible to attend Ryanair's annual general meetings or other shareholder meetings.
- NASDAQ requires that all members of a listed company's Nominating Committee be independent Directors, unless the Company, as a foreign private issuer, provides an attestation of non-conforming practice based upon home country practice and then discloses such non-conforming practice annually in its Form 20-F.

The Company also follows certain other practices under the U.K. Corporate Governance Code in lieu of those set forth in the NASDAQ corporate governance rules, as expressly permitted thereby. Most significantly:

Independence. NASDAQ requires that a majority of an issuer's Board of Directors be "independent" under the standards set forth in the NASDAQ rules and that Directors deemed independent be identified in the Company's Annual Report on Form 20-F. The Board of Directors has determined that each of the Company's thirteen Non-Executive Directors is "independent" under the standards set forth in the U.K. Corporate Governance Code (the "Code").

Under the Code, there is no bright-line test establishing set criteria for independence, as there is under NASDAQ Rule 5605(a)(12). Instead, the Board of Directors determines whether the Director is "independent in character and judgment," and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the Director's judgment. Under the Code, the Board of Directors may determine that a Director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, but it should state its reasons if it makes such a determination. The Code specifies that relationships or circumstances that may be relevant include whether the Director: (i) has been an employee of the relevant company or group within the last five years; (ii) has had within the last three years a direct or indirect material business relationship with such company; (iii) has received payments from such company, subject to certain exceptions; (iv) has close family ties with any of the company's advisers, Directors or senior employees; (v) holds cross-Directorships or other significant links with other Directors; (vi) represents a significant shareholder; or (vii) has served on the Board of Directors for more than nine years.

In determining that each of the thirteen Non-Executive Directors is independent under the Code standard, the Ryanair Holdings Board of Directors identified such relevant factors with respect to Non-Executive Directors Messrs. Bonderman, McLaughlin, Cawley, Millar, O'Brien and Ms. Phelan.

The Board has also considered the independence of David Bonderman given his shareholding in Ryanair Holdings plc. As at March 31, 2018, David Bonderman had a beneficial shareholding in the Company of 7,535,454 ordinary shares, equivalent to 0.64% of the issued share capital. Having considered this shareholding in light of the number of issued shares in Ryanair Holdings plc and the financial interest of the Director, the Board has concluded that the interest is not so material as to breach the spirit of the independence rule contained in the Code.

The Board has considered Kyran McLaughlin's independence given his role as Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Davy Stockbrokers are one of Ryanair's corporate brokers and provide corporate advisory services to Ryanair from time to time. The Board has considered the fees paid to Davy Stockbrokers for these services and believe that they are immaterial to both Ryanair and Davy Stockbrokers given the size of each organization's business operations and financial results. Having considered this relationship, the Board has concluded that Kyran McLaughlin continues to be an independent Non-Executive Director within the spirit and meaning of the Code Rules.

The Board has considered Michael Cawley's independence given that he served as Deputy Chief Executive Officer and Chief Operating Officer of Ryanair from 2003 to March 2014 and before that as Ryanair's Chief Financial Officer and Commercial Director from 1997. The Board has considered Michael's employment and has concluded that Michael Cawley is an independent Non-Executive Director within the spirit and meaning of the Code Rules.

The Board has considered Howard Millar's independence given that he was Ryanair's Deputy Chief Executive up to December 31, 2014, and Chief Financial Officer up to September 30, 2014. The Board has considered Howard's employment and has concluded that Howard Millar is an independent Non-Executive Director within the spirit and meaning of the Code Rules.

The Board has considered Mike O'Brien's independence given that he served as Chief Pilot and Flight Operations Manager of Ryanair from 1987 to 1991. The Board has considered Mr. O'Brien's employment and has concluded that he is an independent Non-Executive Director within the spirit and meaning of the Code Rules.

The Board has also considered the independence of Louise Phelan given her role as Vice President for PayPal for Global Operations Europe, Middle East and Africa. PayPal is one of Ryanair's payment service providers. The Board has considered the services provided by PayPal and have concluded that Louise Phelan is an independent Non-Executive Director within the spirit and meaning of the Code Rules.

The Board has further considered the independence of Messrs. David Bonderman and Kyran McLaughlin as they have each served more than nine years on the Board. The Board considers that each of these Directors is independent in character and judgment as they either have other significant commercial and professional commitments and/or bring their own level of senior experience gained in their fields of international business and professional practice. When arriving at this decision, the Board has taken into account the comments made by the Financial Reporting Council in their report dated December 2009 on their review of the impact and effectiveness of the Code, in particular their comment that independence is not the primary consideration when assessing the composition of the Board, and that the over-riding consideration should be that the Board is fit for purpose.

The NASDAQ independence criteria specifically state that an individual may not be considered independent if, within the last three years, such individual or a member of his or her immediate family has had certain specified relationships with the company, its parent, any consolidated subsidiary, its internal or external auditors, or any company that has significant business relationships with the company, its parent or any consolidated subsidiary. Neither ownership of a significant amount of stock nor length of service on the Board is a *per se* bar to independence under the NASDAQ rules.

EXECUTIVE OFFICERS

The following table sets forth certain information concerning the Executive Officers of Ryanair at July 19, 2018:

<u>Name</u>	<u>Age</u>	<u>Position</u>
Peter Bellew	53	Chief Operations Officer
John Hurley	43	Chief Technology Officer
Kenny Jacobs	44	Chief Marketing Officer
Juliusz Komorek	40	Chief Legal and Regulatory Officer; Company Secretary
David O'Brien	54	Chief Commercial Officer
Michael O'Leary	57	Chief Executive Officer
Carol Sharkey	43	Chief Risk Officer
Neil Sorahan	46	Chief Financial Officer
Edward Wilson	54	Chief People Officer

Peter Bellew (Chief Operations Officer). Peter was appointed Chief Operations Officer in December 2017. He returned to Ryanair from Malaysia Airlines where he was Group CEO. He is a 30-year veteran of the travel and aviation business. He previously worked for Ryanair from 2006 to 2014 where he held various positions including Director of Flight Operations and Head of Sales and Marketing. Prior to that he worked in the tour operating and airports sector.

John Hurley (Chief Technology Officer). John was appointed Chief Technology Officer in September 2014. He joined Ryanair from Houghton Mifflin Harcourt, where he was Vice-President of Engineering and Product Operations, Director of Platform Development and Software Development Program Manager. He was previously Production Manager at both Intuition Publishing Ltd and Education Multimedia Group and has over 19 years of experience in the IT industry.

Kenny Jacobs (Chief Marketing Officer). Kenny was appointed Chief Marketing Officer in January 2014. He is responsible for sales, digital marketing and customer service at Ryanair. Previously Kenny was CMO for Moneysupermarket plc. which has a set of digital brands. Kenny has spent much of his career in retail with Tesco PLC as marketing Director in Tesco Ireland and brand Director for Tesco U.K. Prior to that he worked for German retailer Metro Group GmbH in various roles in marketing and IT in Europe and Asia.

Juliusz Komorek (Chief Legal and Regulatory Officer; Company Secretary). Juliusz was appointed Chief Legal and Regulatory Officer; Company Secretary in June 2015, having served as Company Secretary and Director of Legal and Regulatory Affairs since May 2009, and Deputy Director of Legal and Regulatory Affairs since 2007. Prior to joining the Company in 2004, Juliusz had gained relevant experience in the European Commission's Directorate General for Competition and in the Polish Embassy to the EU in Brussels, as well as in the private sector in Poland and the Netherlands. Juliusz is a lawyer, holding degrees from the universities of Warsaw and Amsterdam.

David O'Brien (Chief Commercial Officer). David was appointed Chief Commercial Officer in January 2014 having previously served as Ryanair's Director of Flight and Ground Operations from December 2002. A graduate of the Irish Military College, David followed a military career with positions in the airport sector and agribusiness in the Middle East, Russia and Asia.

Michael O'Leary (Chief Executive Officer). Michael has served as a Director of Ryanair DAC since 1988 and a Director of Ryanair Holdings since 1996. Michael was appointed CEO of Ryanair in 1994, having previously served as CFO since 1988.

Carol Sharkey (Chief Risk Officer). Carol was appointed as Chief Risk Officer in May 2018 having held the position of Director of Safety and Security since 2014. She has worked at Ryanair since 1995 having previously held roles in inflight, flight operations and in recent years has overseen the flight safety department.

Neil Sorahan (Chief Financial Officer). Neil was appointed Chief Financial Officer in October 2014, having previously served as Ryanair's Finance Director since June 2006. Prior to that he was Group Treasurer from January 2003. Before joining Ryanair, Neil held various finance and treasury roles at CRH plc., the international building materials group.

Edward Wilson (Chief People Officer). Eddie was appointed Chief People Officer in December 2002, prior to which he served as Head of Personnel since joining Ryanair in December 1997. Prior to joining Ryanair, he served as Human Resources Manager for Gateway 2000 and held a number of other human resources-related positions in the Irish financial services sector.

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The aggregate amount of compensation paid by Ryanair Holdings and its subsidiaries to its 8 Executive Officers named above in fiscal year 2018 was €9.7 million. For details of Mr. O'Leary's compensation in such fiscal year, see "— Employment and Bonus Agreement with Mr. O'Leary" below

Each of Ryanair Holdings' Non-Executive Directors is entitled to receive €35,000 plus expenses per annum, as remuneration for their services to Ryanair Holdings. The Chairman of the Board receives a fee of €100,000 per annum. The additional remuneration paid to all Committee members for service on that committee is €15,000 per annum, with the exception of the Chairman of the Safety Committee who is entitled to receive €40,000 per annum in connection with the additional duties in relation to that committee.

For further details of stock options that have been granted to the Company's employees, including the Executive Officers, see "Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries," as well as Note 15 to the consolidated financial statements included herein.

Employment and Bonus Agreement with Mr. O’Leary

In October 2014, Michael O’Leary (Chief Executive Officer) signed a 5-year contract which commits him to the Company until September 2019. This contract replaces a rolling 12-month arrangement under which Mr. O’Leary has worked as Chief Executive of the airline since 1994. Pursuant to the agreement, Mr. O’Leary serves as Chief Executive Officer at a current annual gross salary of approximately €1 million, subject to any increases that may be agreed between the Company and Mr. O’Leary. Mr. O’Leary is also eligible for annual bonuses, limited to 100% of basic salary as determined by the Board of Directors of the Company, which are subject to the achievement of both budget and personal performance criteria; the amount of such bonuses paid to Mr. O’Leary in fiscal year 2018 totaled approximately €0.9 million. Mr. O’Leary is subject to a covenant not to compete with the Company within the EU for a period of two years after the termination of his employment with the Company. Mr. O’Leary’s employment agreement does not contain provisions providing for compensation on its termination.

STAFF AND LABOR RELATIONS

The following table sets forth the details of Ryanair’s team at each of March 31, 2018, 2017 and 2016:

Classification	Number of Staff at March 31,		
	2018	2017	2016
Management	120	116	112
Administrative	780	603	485
Maintenance	156	152	148
Ground Operations	433	413	356
Pilots	4,831	4,058	3,424
Cabin Crew	8,263	7,684	6,933
Total	<u>14,583</u>	<u>13,026</u>	<u>11,458</u>

While Ryanair makes the transition to collective bargaining with unions, these unions may have unrealistic expectations and agitate for unproductive work practices which if acceded to would add to the complexity and costs to the business. Ryanair will continue to defend its existing high productivity business model. Ryanair believes that existing terms and conditions for both pilots and cabin crew are already extremely competitive in the market with competitive pay, fixed rosters, outstanding promotional opportunities and a wide choice of base locations across Europe.

Ryanair’s pilots, cabin crew, maintenance and ground operations personnel undergo continuous recurrent training. A substantial portion of the training for Ryanair’s cabin crew is devoted to safety procedures, and cabin crew are required to undergo annual evacuation and fire drill training during their tenure with the airline. Ryanair also provides salary increases to its engineers who complete advanced training in certain fields of aircraft maintenance. Ryanair utilizes its own Boeing 737-800 aircraft simulators for pilot training.

IAA regulations require pilots to be licensed as commercial pilots with specific ratings for each aircraft to be flown. In addition, IAA regulations require all commercial pilots to be medically certified as physically fit. Licenses and medical certification are subject to periodic re-evaluation and require recurrent training and recent flying experience in order to be maintained. Maintenance engineers must be licensed and qualified for specific aircraft types. Cabin crew must undergo initial and periodic competency 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 while there is a sufficient pool of qualified and licensed pilots, engineers and mechanics within the EU to satisfy Ryanair’s anticipated future needs in the areas of flight operations, maintenance and quality control, Ryanair could face some difficulty in hiring and continuing to employ the required personnel due to a tightening labour market driven by wage inflation particularly from China. Ryanair has also been able to satisfy its needs for additional pilots and cabin crew through the use of contract agencies. These contract pilots and cabin crew are included in the table above.

Ryanair's crews earn productivity-based incentive payments, including a sales bonus for onboard sales for flight attendants and payments based on the number of hours or sectors flown by pilots and cabin crew (within limits set by industry standards or regulations governing maximum working hours). During fiscal year 2018, such productivity-based incentive payments accounted for approximately 42% of an average cabin crew's total earnings and approximately 31% of the typical pilot's compensation. Pilots at all of Ryanair's bases are covered by the terms of existing collective agreements on pay, allowances and rosters which fall due for negotiation at various dates between 2019 and 2023 however these agreements are likely to be replaced by Collective Labour Agreements (CLA) negotiated with the unions and Company Councils in each country. Ryanair's pilots are currently subject to IAA-approved limits of 900 flight-hours per calendar year. For fiscal year 2018, the average flight-hours for Ryanair's pilots amounted to approximately 68.5 hours per month and approximately 822 hours for the complete year, a 2.38% decrease on the previous fiscal year.

If more stringent regulations on flight hours were 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.

Ryanair Holdings' shareholders have approved a number of share option plans for employees and Directors. Ryanair Holdings has also issued share options to several of its senior managers. For details of all outstanding share options, see "Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries."

Item 7. Major Shareholders and Related Party Transactions

As of June 30, 2018, there were 1,154,586,709 Ordinary Shares outstanding. As of that date, 100,825,777 ADRs, representing 504,128,886 Ordinary Shares, were held of record in the United States by 56 holders, and represented in the aggregate 43.7% of the number of Ordinary Shares then outstanding. See “Item 10. Additional Information—Articles of Association” and “—Limitations on Share Ownership by Non-EU Nationals.”

MAJOR SHAREHOLDERS

Based on information available to Ryanair Holdings, the following table summarizes the holdings of those shareholders holding 3% or more of the Ordinary Shares as of June 30, 2018, June 30, 2017 and June 30, 2016, the latest practicable date prior to the Company’s publication of its statutory Annual Report in each of the relevant years.

	<u>As of June 30, 2018</u>		<u>As of June 30, 2017</u>		<u>As of June 30, 2016</u>	
	<u>No. of Shares</u>	<u>% of Class</u>	<u>No. of Shares</u>	<u>% of Class</u>	<u>No. of Shares</u>	<u>% of Class</u>
Capital	196,038,142	17.0 %	174,732,018	14.5 %	170,097,046	13.5 %
HSBC Holdings PLC	55,792,770	4.8 %	112,027,084	9.3 %	67,327,570	5.3 %
Fidelity	63,587,530	5.5 %	70,116,745	5.8 %	81,631,505	6.5 %
Baillie Gifford	55,403,057	4.8 %	61,407,951	5.1 %	74,577,765	5.9 %
Michael O’Leary	44,096,725	3.8 %	46,096,725	3.8 %	50,096,725	3.9 %

As of June 30, 2018, the Directors of Ryanair Holdings as a group owned 53,053,127 Ordinary Shares, representing 4.6% of Ryanair Holdings’ outstanding Ordinary Shares as of such date. See also Note 18(d) to the consolidated financial statements included herein. Each of Ryanair’s shareholders has identical voting rights with respect to its Ordinary Shares.

As of March 31, 2018, there were 1,171,142,985 Ordinary Shares outstanding.

Based on information available to Ryanair Holdings plc, the following table summarizes shareholdings in excess of 3% or more of the Ordinary Shares as of March 31, 2018, March 31, 2017 and March 31, 2016.

	<u>As of March 31, 2018</u>		<u>As of March 31, 2017</u>		<u>As of March 31, 2016</u>	
	<u>No. of Shares</u>	<u>% of Class</u>	<u>No. of Shares</u>	<u>% of Class</u>	<u>No. of Shares</u>	<u>% of Class</u>
Capital	193,229,822	16.5 %	175,034,773	14.4 %	164,067,874	12.7 %
Fidelity	67,919,641	5.8 %	70,634,226	5.8 %	81,631,505	6.3 %
HSBC Holdings PLC	64,191,568	5.5 %	105,488,520	8.7 %	71,373,074	5.5 %
Michael O’Leary	46,096,725	3.9 %	50,096,725	4.1 %	50,096,725	3.8 %
Baillie Gifford	45,244,444	3.9 %	61,526,458	5.1 %	74,971,675	5.8 %

RELATED PARTY TRANSACTIONS

The Company has not entered into any “related party transactions” (except for remuneration paid by Ryanair to members of senior management and the Directors as disclosed in Note 26 to the consolidated financial statements) as defined in Item 7.B. of Form 20-F in the three fiscal years ending March 31, 2018 or in the period from March 31, 2018 to the date hereof.

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. Although no assurance can be given as to the outcome of any current or pending litigation, management does not believe that any such litigation will, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company, except as described below.

EU State Aid-Related Proceedings. Since 2002, the European Commission has examined the agreements between Ryanair and various airports to establish whether they constituted illegal state aid. In many cases, the European Commission has concluded that the agreements did not constitute state aid. In other cases, Ryanair has successfully challenged the EU commission finding that there was state aid. In July and October 2014, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nimes, Angouleme, Altenburg and Zweibrücken airports, ordering Ryanair to repay a total of approximately €9.9 million of alleged aid. In July and November 2016, the European Commission announced findings of state aid to Ryanair in its arrangements with Cagliari and Klagenfurt respectively, ordering Ryanair to repay approximately €12.6 million of alleged aid. Ryanair has appealed the seven “aid” decisions to the EU General Court. These appeal proceedings are expected to take between two and four years.

Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Paris (Beauvais), La Rochelle, Carcassonne, Girona, Reus, Târgu Mureş and Montpellier. These investigations are ongoing and Ryanair currently expects that they will conclude in late 2018, with any European Commission decisions appealable to the EU General Court.

Ryanair is also facing an allegation that it has benefited from unlawful state aid in a German court case in relation to its arrangements with Frankfurt (Hahn).

Adverse rulings in the above or similar cases could be used as precedents by competitors to challenge Ryanair’s agreements with other publicly-owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling back of Ryanair’s growth strategy due to the smaller number of privately owned airports available for development. No assurance can be given as to the outcome of these proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company.

Legal Proceedings Against Internet Ticket Touts. The Company is involved in a number of legal proceedings against internet ticket touts (screenshot websites) in Ireland, Germany, the Netherlands, France, Italy and Switzerland. Screenshot websites gain unauthorized access to Ryanair’s website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which include intermediary fees on top of Ryanair’s fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenshotting also on the basis of certain legal principles, such as database rights, copyright protection, etc. The Company’s objective is to prevent any unauthorized use of its website. The Company also believes that the selling of airline tickets by screenshot websites is inherently anti-consumer as it inflates the cost of air travel. At the same time, Ryanair encourages genuine price comparison websites which allow consumers to compare prices of several airlines and then refer consumers to the airline website in order to perform the booking at the original fare. Ryanair offers licenced access to its flight and pricing information to such websites. Ryanair also permits Travelport and Sabre, GDS operators, to provide access to Ryanair’s fares to traditional bricks and mortar travel agencies. The Company has received favorable rulings in France, Germany, Ireland, Italy and The Netherlands, and unfavorable rulings in Germany, Spain, France and Italy. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screenshot websites could lead to a reduction in the number of customers who book directly on Ryanair’s website and loss of ancillary revenues which are an important source of profitability through the sale of car hire, hotels and travel insurance etc. Also, some customers may be lost to the Company once they are presented by a screenshot website with a Ryanair fare inflated by the screenshot website’s intermediary fee. See Item 3. Key Information—Risk Factors—Risks Related to the Company—Ryanair Faces Risks Related to Unauthorized Use of Information from the Company’s Website.”

Dividend Policy

Since its incorporation as the holding company for Ryanair in 1996, Ryanair Holdings has only occasionally declared special dividends on both its Ordinary Shares and ADRs. The Directors of the Company declared on May 21, 2012 that Ryanair Holdings intended to pay a special dividend of €0.34 per ordinary share (approximately €492 million) and this special dividend was paid on November 30, 2012. The Company indicated on May 19, 2014 that it planned to pay a special dividend of up to approximately €520 million in the fourth quarter of fiscal year 2015, and this special dividend was paid on February 27, 2015. In September, 2015 the Company announced a B share scheme of €398 million to return the proceeds from the sale of its shares in Aer Lingus to shareholders; payments to shareholders issued in October 2015.

Share Buy-back Program

Following shareholder approval at the 2006 annual general meeting, a €300 million share buy-back program was formally announced on June 5, 2007. Permission was received at the annual general meeting held on September 20, 2007 to repurchase a maximum of 75.6 million Ordinary Shares representing 5% of the Company's then outstanding share capital. The €300 million share buy-back of approximately 59.5 million Ordinary Shares, representing approximately 3.8% of the Company's pre-existing share capital, was completed in November 2007. In February 2008, the Company announced a second share buy-back program of up to €200 million worth of Ordinary Shares, which was ratified by shareholders at the annual general meeting held on September 18, 2008. 18.1 million Ordinary Shares were repurchased under this program at a cost of approximately €46.0 million. The Company also completed share buy-backs of €125 million in respect of 36.5 million Ordinary Shares in fiscal year 2012 and 15 million Ordinary Shares at a cost of approximately €68 million in fiscal year 2013.

In April 2012, the Company held an EGM to authorize the Directors to repurchase Ordinary Shares and ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ. Up until April 2012, shareholders had only authorized the Directors to repurchase Ordinary Shares. As the ADRs typically trade at a premium compared to Ordinary Shares, this has resulted in increased costs in performing share buy-backs and may continue to do so in the future. This authority was renewed at the Annual General Meeting held on September 20, 2013 and at subsequent Annual General Meetings and an Extraordinary General Meeting in 2016.

In fiscal year 2014, 69.5 million Ordinary Shares (including Ordinary Shares underlying just over 6.0 million ADRs) were repurchased at a cost of approximately €482 million. In February 2015, the Company announced a €400 million ordinary share buy-back program which was completed between February and August 2015. In February 2016, the Company announced an €800 million Ordinary Share buyback program (including Ordinary Shares underlying ADRs) and this program was subsequently increased to €886 million in June 2016. €418 million of this program was completed in fiscal year 2016 to buyback approximately 29.1 million shares (including approximately 19.9 million shares underlying ADRs) with the remaining €468 million spent in fiscal year 2017 to buyback approximately 36.0 million shares (including approximately 3.9 million shares underlying ADRs). In addition to the above, in fiscal year 2017, the Company bought back 36.4 million shares (including approximately 17.7 million shares underlying ADRs) at a total cost of approximately €550 million during the period November 2016 to February 2017. In February 2017 the Company announced the commencement of a €150 million share buyback program in respect of shares underlying ADRs. The Company bought back approximately 2.0 million shares underlying ADRs at a cost of €39 million under this program during fiscal year 2018. In addition to the above, in fiscal year 2018, the Company bought back 33.0 million shares at a total cost of €600 million under its €600 million share buyback program which commenced in May 2017 and 11.7 million shares at a total cost of €190 million under its €750 million share buyback which commenced in February 2018. As of July 19, 2018 the Company had bought back approximately 20.1 million shares at a cost of €320.1 million under this €750 million program during fiscal year 2019. All Ordinary Shares (including ADRs which represent five Ordinary Shares) repurchased have been cancelled.

See "Item 9. The Offer and Listing - Trading Markets and Share Prices" below for further information regarding share buy-backs.

SIGNIFICANT CHANGES

Between April 1, 2018 and July 19, 2018, the Company had bought back 20.1 million ordinary shares at a total cost of €320.1 million under its €750 million share buyback which commenced in February 2018. This was equivalent to 1.7% of the Company's issued share capital at March 31, 2018. All ordinary shares repurchased are cancelled.

In April 2018, the Company announced that it has converted 25 Boeing 737-Max-200 options into firm orders. This brings the Company's firm order to 135 Boeing 737-Max-200s with a further 75 options remaining.

In April 2018, the Company purchased 24.9% of LaudaMotion. On July 12, 2018 the European Commission approved Ryanair's proposed acquisition of a further 50.1% interest in LaudaMotion, clearing the way for Ryanair to increase its holding to 75%.

Item 9. The Offer and Listing

TRADING MARKETS AND SHARE PRICES

The primary market for Ryanair Holdings' Ordinary Shares is the Irish Stock Exchange plc (the "Irish Stock Exchange"); 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.

ADRs, each representing 5 Ordinary Shares, are traded on NASDAQ. The Bank of New York Mellon is Ryanair Holdings' depository for purposes of issuing ADRs evidencing the ADSs. The following tables set forth, for the periods indicated, the reported high and low closing sales prices of the ADRs 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 split of the Ordinary Shares and ADRs effected on February 26, 2007:

*All quarterly high and low prices for ADRs and Ordinary Shares in the following tables refer to calendar year quarters and not fiscal year quarters.

	ADRs	
	(in U.S. dollars)	
	High	Low
2012	36.89	27.77
2013	54.05	34.62
2014	71.27	46.99
2015	87.64	60.10
2016		
First Quarter	86.99	74.19
Second Quarter	87.41	66.82
Third Quarter	79.50	67.71
Fourth Quarter	84.81	67.79
2017		
First Quarter	85.66	78.66
Second Quarter	110.58	82.59
Third Quarter	120.16	101.59
Fourth Quarter	126.69	103.25
2018		
January 2018	123.71	105.25
February 2018	124.69	113.10
March 2018	126.39	118.56
April 2018	123.45	109.97
May 2018	120.70	109.89
June 2018	120.78	112.38
July 2018 (to July 19, 2018)	118.30	111.99

	Ordinary Shares (Irish Stock Exchange)	
	(in euro)	
	High	Low
2012	5.00	3.68
2013	7.47	4.76
2014	9.83	6.30
2015	15.35	9.06
2016		
First Quarter	15.34	12.75
Second Quarter	14.20	10.46
Third Quarter	13.45	10.91
Fourth Quarter	14.89	11.14
2017		
First Quarter	14.96	13.94
Second Quarter	18.74	14.55
Third Quarter	19.39	16.32
Fourth Quarter	17.97	14.61
2018		
January 2018	16.79	15.05
February 2018	16.77	15.70
March 2018	16.56	15.82
April 2018	16.50	15.34
May 2018	16.72	15.32
June 2018	16.67	15.39
July 2018 (to July 19, 2018)	16.04	15.05

	Ordinary Shares (London Stock Exchange)	
	(in euro)	
	High	Low
2012	5.00	3.68
2013	7.48	4.76
2014	9.82	6.31
2015	15.29	9.06
2016		
First Quarter	15.34	12.75
Second Quarter	14.19	10.53
Third Quarter	13.46	10.90
Fourth Quarter	14.89	11.13
2017		
First Quarter	14.93	13.92
Second Quarter	18.74	14.54
Third Quarter	19.35	16.27
Fourth Quarter	17.98	14.65
2018		
January 2018	16.82	15.00
February 2018	16.71	15.72
March 2018	16.56	15.28
April 2018	16.52	15.35
May 2018	16.78	15.35
June 2018	16.81	15.49
July 2018 (to July 19, 2018)	16.13	15.05

Since certain of the Ordinary Shares are held by brokers or other nominees, the number of direct record holders in the United States, which is reported as 56, 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.

In order to increase the percentage of its share capital held by EU nationals, beginning June 26, 2001, Ryanair Holdings instructed the Depositary to suspend the issuance of new ADRs in exchange for the deposit of Ordinary Shares until further notice. Therefore, holders of Ordinary Shares cannot currently convert their Ordinary Shares into ADRs. The Depositary will however convert existing ADRs into Ordinary Shares at the request of the holders of such ADRs. The Company in 2002 implemented additional measures to restrict the ability of non-EU nationals to purchase Ordinary Shares. As a result, non-EU nationals are currently effectively barred from purchasing Ordinary Shares. See “Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals” for additional information.

The Company, at its annual general meetings and extraordinary general meeting of the Shareholders, has, in recent years, passed a special resolution permitting the Company to engage in Ordinary Share buy-back programs subject to certain limits noted below. Since June 2007 (when the Company engaged in its first Ordinary Share buy-back program) the Company has repurchased the following Ordinary Shares:

<u>Year Ended March 31,</u>	<u>No. of shares (m)</u>	<u>Approx. cost (€m)</u>
2008	59.5	300.0
2009	18.1	46.0
2010	—	—
2011	—	—
2012	36.5	124.6
2013	15.0	67.5
2014	69.5	481.7
2015	10.9	112.0
2016	53.7	706.1
2017	72.3	1,017.9
2018	46.7	829.1
Period through July 19, 2018	<u>20.1</u>	<u>320.1</u>
Total	<u>402.3</u>	<u>4,005.0</u>

All Ordinary Shares repurchased have been, or will be, cancelled.

The maximum price at which the Company may repurchase Ordinary Shares traded on the Irish Stock Exchange or the London Stock Exchange is the higher of (i) 5% above the average market value of the Company’s Ordinary Shares on the trading venue where the shares are being repurchased for the 5 business days prior to the date of purchase; and (ii) the price stipulated by the European Commission-adopted regulatory technical standards pursuant to article 5(6) of the EU Market Abuse Regulation 596/2014, being the higher of the last independent trade and the highest current independent bid on the trading venue on which the shares are being repurchased. The maximum price at which the Company may repurchase Ordinary Shares which underlie the Company’s ADSs traded on NASDAQ is 5% above the average market value of one-fifth of the Company’s ADSs on NASDAQ for the 5 business days prior to the date of purchase (as one ADS represents 5 Ordinary Shares).

The minimum price at which the Company may repurchase Ordinary Shares is their nominal value of 0.600 euro cent (€0.006).

At an EGM of Shareholders held on April 19, 2012, the Company obtained a new repurchase authority which enables the Company to repurchase the Company’s ADRs which are traded on NASDAQ. The maximum price at which Ordinary Shares which underlie the Company’s ADRs can be repurchased is 5% above one-fifth of the average market value of the Company’s ADRs as quoted on NASDAQ, for the five business days prior to the date of purchase (as one ADS represents five Ordinary Shares). Any ADRs purchased are converted to Ordinary Shares by the Company’s brokers for subsequent repurchase and cancellation by the Company.

As of June 30, 2018, the total number of options over Ordinary Shares outstanding under all of the Company's share option plans was 30.1 million, representing 2.6% of the Company's issued share capital at that date.

Item 10. Additional Information

DESCRIPTION OF CAPITAL STOCK

Ryanair Holdings' capital stock consists of Ordinary Shares, each having a par value of 0.600 euro cent. As of March 31, 2018, a total of 1,171,142,985 Ordinary Shares were outstanding. On February 26, 2007, Ryanair effected a 2-for-1 share split as a result of which each of its then existing Ordinary Shares, par value 1.27 euro cent, was split into two new Ordinary Shares, par value 0.635 euro cent.

On October 27, 2015, the Company completed a capital reorganisation which involved the consolidation of its ordinary share capital on a 39 for 40 basis which resulted in the reduction of ordinary shares in issue by 33.8 million ordinary shares to 1,319.3 million as at that date. The nominal value of an ordinary share was also reduced from 0.635 euro cent each to 0.600 euro cent each under the reorganisation. All 'B' Shares and Deferred Shares issued in connection with the B scheme were either redeemed or cancelled during the period such that there were no 'B' Shares or Deferred Shares remaining in issue as at March 31, 2016. Each Ordinary Share entitles the holder thereof to one vote in respect of any matter voted upon by Ryanair Holdings' shareholders.

OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES

During fiscal year 2014, Ryanair Holdings' shareholders approved a stock option plan at the Company's annual general meeting on September 20, 2013 (referred to herein as "Option Plan 2013"), under which all employees and Directors are eligible to receive options. Grants of options were permitted to take place at the close of any of the ten years beginning with fiscal year 2014. All options will be subject to a 5-year performance period beginning with the year in which a grant occurs. The Remuneration Committee has discretion to determine the financial performance targets that must be met with respect to the financial year. Those targets will relate directly to the achievement of certain year-on-year growth targets in the Company's profit after tax figures for each of the financial years of the performance period and/or certain share price targets. The Option Plan 2013 replaced all stock options plans previously approved by shareholders for all future grants, as these previously approved plans have expired.

Under Option Plan 2013, 36 senior managers (including 7 of the current Executive Officers) and 10 of the current Non-Executive Board members were granted 10 million share options, in the aggregate, at a strike price of €6.25 in July 2014. These options are exercisable between June 2019 and July 2022. They will only vest if certain targets in relation to net profit and/or share price are achieved and will only be available to managers/Directors who continue to be employed by the Company through April 30, 2019. Also under Option Plan 2013, 3.5 million share options were granted, in aggregate, to Executive Officers at a strike price of €6.74 in October 2014. These options are exercisable between September 2019 and October 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available to Executives who continue to be employed by the Company through July 31, 2019. On November 11, 2014, 5 million options were granted to Mr. O'Leary under Option Plan 2013 as part of his new 5-year contract. These options which were granted at a strike price of €8.35 are exercisable between September 2019 and November 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available if Mr. O'Leary continues to be employed by the Company through July 31, 2019. During fiscal year 2016, 30,000 options were granted under Option plan 2013 to new Non-Executive Board members at a strike price of €11.38. These options are exercisable between August 2019 and August 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available to those Non-Executive Board members who continue to be Directors through April 30, 2019. During the fiscal year 2017, 34 senior managers (excluding the Executive Officers) were granted 3 million share options, in aggregate, at a strike price of €12.00. These options, which are exercisable between August 2021 and August 2023, will only vest if certain targets in relation to net profit and / or share price are achieved and will only be available to managers who continue to be employed by the Company through March 31, 2021.

The aggregate of 30.1 million Ordinary Shares that would be issuable upon exercise in full of the options that were outstanding as of June 30, 2018 under the Company's option plan represent approximately 2.6% of the issued share capital of Ryanair Holdings as of such date. Of such total, options in respect of an aggregate of 11.9 million Ordinary Shares were held by the Directors and Executive Officers of Ryanair Holdings. For further information, see Notes 15 and 19 to the consolidated financial statements included herein.

ARTICLES OF ASSOCIATION

The following is a summary of certain provisions of the Articles of Association of Ryanair Holdings. This summary does not purport to be complete and is qualified in its entirety by reference to the complete text of the Articles.

Objects. Ryanair Holdings' objects, which are detailed in its Articles, are broad and include carrying on business as an investment and holding company. Ryanair Holdings' Irish company registration 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 resolutions of the shareholders. 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. The Directors are not required to retire at any particular age. There is no requirement for Directors to hold shares. The Articles of Association provide that one-third of the Directors (rounded down to the next whole number if it is a fractional number) retire and offer themselves for re-election at each annual general meeting of the Company. However, in compliance with the recommendations of the UK Corporate Governance Code, all Directors retire and present themselves for re-election by the shareholders annually. 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 are called upon 21 days' advance notice. All Ryanair shareholders may appoint proxies electronically to attend, speak, ask questions and vote on behalf of them at annual general meetings and to reflect certain other provisions of those Regulations. All holders of Ordinary Shares are entitled to attend, speak at and vote at general meetings of the Company, subject to limitations described below under "— Limitations on the Right to Own Shares."

Rights, Preferences and Dividends Attaching to Shares. The Company has only three classes of shares, Ordinary Shares with a par value of 0.600 euro cent per share, B Shares with a nominal value of 0.050 cent per share and Deferred Shares with a nominal value of 0.050 cent per share. The B Shares and the Deferred Shares were created at an EGM of the Company held on October 22, 2015 in connection with a return of value to shareholders arising from the sale of the Company's shareholding in Aer Lingus plc, and no such shares remain in issue. Accordingly, the Ordinary Shares currently represent the only class of shares in issue and 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 that 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 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 Articles of the Company.

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

Limitations on the Rights to Own Shares. The Articles 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 “—Limitations on Share Ownership by Non-EU Nationals” below. Such powers may be exercised by the Directors if they are of the view that any licence, consent, permit or privilege of the Company or any of its subsidiaries that enables it to operate an air service may be refused, withheld, suspended or revoked or have conditions attached to it that inhibit its exercise and the exercise of the powers referred to above could prevent such an occurrence. The exercise of such powers could result in non-EU 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 the Company provide that the Directors will not register any person as a holder of shares unless such person has completed a declaration indicating his/her nationality and the nature and extent of any interest which he/she holds in Ordinary Shares. See, also “—Limitations on Share Ownership by non-EU nationals” below. Under Irish law, if a party acquires or disposes of Ordinary Shares so as to bring his interest above or below 5% of the total issued share capital of the Company, he must notify the Company of that. The Irish Stock Exchange must also be notified of any acquisition or disposal of shares that brings the shareholding of a party above or below certain specified percentages – i.e., 10%, 25%, 50% and 75%.

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

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

in each case, where such provisions are more stringent than those required by law.

MATERIAL CONTRACTS

On March 19, 2013, the Company announced that it had entered into an agreement with Boeing to purchase 175 Boeing 737-800NG aircraft, over a 5 year period from fiscal year 2015 to 2019 in accordance with the terms of the contract. The contract was approved by the shareholders of the Company at an EGM on June 18, 2013. In April 2014, the Company agreed to purchase an additional 5 Boeing 737-800 next generation aircraft and in February 2015, the Company agreed to purchase an additional 3 Boeing 737-800 next generation. This brings the total number of 737-800 next generation aircraft on order to 183, with a list value of approximately \$14.4 billion. At March 31, 2018, 154 of these aircraft had been delivered.

In September 2014, the Group entered into an agreement with Boeing to purchase 200 Boeing 737-MAX-200 aircraft (100 firm orders and 100 aircraft subject to option), over a 5 year period from fiscal year 2020 to 2024 in accordance with the terms of the contract. The contract was approved by the shareholders of the Company at an EGM on November 28, 2014. In June 2017, the Group agreed to purchase an additional 10 Boeing 737-MAX-200 aircraft. This brings the total number of 737-MAX-200 aircraft on order to 210, with a list value of approximately \$21.5 billion (assuming all options are exercised). In April 2018, the Company announced that it has converted 25 Boeing 737-MAX-200 options into firm orders. This brings the Company’s firm order to 135 Boeing 737-MAX-200s with a further 75 options remaining.

In April 2018, the Company purchased 24.9% of LaudaMotion. On July 12, 2018 the European Commission approved Ryanair’s proposed acquisition of a further 50.1% interest in LaudaMotion, clearing the way for Ryanair to increase its holding to 75%.

EXCHANGE CONTROLS

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). Dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities.

Under the Financial Transfers Act 1992 (the “1992 Act”), the Minister for Finance of Ireland may make provision for the restriction of financial transfers between Ireland and other countries. Financial transfers are broadly defined, and the acquisition or disposal of the ADRs, which represent shares issued by an Irish incorporated company, the acquisition or the disposal of Ordinary Shares and associated payments may fall within this definition. Dividends or payments on the redemption or purchase of shares and payments on the liquidation of an Irish-incorporated company would fall within this definition.

The 1992 Act prohibits financial transfers involving President Lukashenko, the Belarusian leadership and certain other officials of Belarus, the late Slobodan Milosevic and associated persons, certain persons indicted by the International Criminal Tribunal for the former Yugoslavia, Burma (Myanmar), certain persons and entities associated with the now deceased Usama Bin Laden, the Al-Qaeda network and the Taliban of Afghanistan, the Democratic Republic of Congo, certain persons in Egypt, certain activities, persons and entities in Eritrea, the Republic of Guinea, the Democratic People’s Republic of Korea (North Korea), Iraq, Côte d’Ivoire, certain activities in Lebanon, certain activities in Liberia and the former Liberian President Charles Taylor, his immediate family and close associates, Libya, certain persons and activities in Sudan and South Sudan, Somalia, certain persons in Tunisia, Zimbabwe, certain activities, persons and entities in Syria and Iran, certain persons, entities and bodies in Ukraine, certain persons, entities and bodies in the Republic of Guinea-Bissau, certain known terrorists and terrorist groups, and countries that harbor certain terrorist groups, without the prior permission of the Central Bank of Ireland.

Any transfer of, or payment in respect of, an ADS involving the government of any country that is currently the subject of United Nations sanctions, any person or body controlled by any of the foregoing, or any person acting on behalf of the foregoing, may be subject to restrictions pursuant to such sanctions as implemented into Irish law. The Company does not anticipate that Irish exchange controls or orders under the 1992 Act or United Nations sanctions implemented into Irish law will have a material effect on its business.

LIMITATIONS ON SHARE OWNERSHIP BY NON-EU NATIONALS

The Board of Directors of Ryanair Holdings is given certain powers under the Articles to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals does not reach a level which could jeopardise the Company’s entitlement to continue to hold or enjoy the benefit of any licence, permit, consent or privilege which it holds or enjoys and which enables it to carry on business as an air carrier (a “Licence”). In particular, EU Regulation 1008/2008 requires that, in order to obtain and retain an operating licence, an EU air carrier must be majority-owned and effectively controlled by EU nationals. As described below, the Directors 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 law. The Permitted Maximum is currently set at 49.9%.

In accordance with its Articles, Ryanair Holdings maintains a separate register (the “Separate Register”) of Ordinary 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 any interest held through ADRs in the Ordinary Shares of Ryanair Holdings underlying the relevant ADRs. The Directors can require relevant parties to provide them with information to enable a determination to be made by the Directors as to whether Ordinary 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 Ordinary Shares are to be treated as Affected Shares. Registered holders of Ordinary Shares are also obliged to notify the Company if they are aware that any Ordinary Share which they hold ought to be treated as an Affected Share for this purpose. With regard to ADRs, 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 Licence or the imposition of any condition which materially inhibits the exercise of any Licence (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, (iii) an Intervening Act may occur as a consequence of the level of non-EU ownership of Ordinary Shares or (iv) 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 of Directors, (ii) identify those Ordinary Shares, ADRs or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, ADRs, 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 ADRs representing such Affected Shares) in excess of this Permitted Maximum as Restricted Shares (see below).

In addition to the above, 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 ADRs representing Affected Shares) held by any particular stockholder or stockholders as they consider necessary (which could include all of such Affected Shares or ADRs) 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 as a consequence of holding such Ordinary Shares or ADRs. Such notices can also require the recipients to dispose of the Ordinary Shares or ADRs concerned to an EU national (so that the relevant shares (or shares underlying the relevant ADRs) 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 Restricted Shares, themselves, in cases of non-compliance with the Restricted Share Notice.

To enable the Directors to identify Affected Shares, transferees of Ordinary Shares are generally required to provide a declaration as to the nationality of persons having interests in those shares. Stockholders are also obliged to notify Ryanair Holdings if they are aware that any shares, which they hold, ought to be treated as Affected Shares for this purpose. Purchasers or transferees of ADRs need not complete a nationality declaration because the Directors automatically treat all of the Ordinary Shares held by the Depositary as Affected Shares. ADS holders must open ADR accounts directly with the Depositary if they wish to provide to Ryanair Holdings nationality declarations (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 ADRs 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.

The Permitted Maximum is currently set at 49.9%. This maximum level can be reduced at any time if it becomes necessary for the Directors to exercise their 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 ADRs are listed. The relevant notice will specify the provisions of the Articles that 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.

In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed the Depository 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 ADRs 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 Ordinary 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 Ordinary 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.

As an additional measure, to ensure the percentage of shares held by EU nationals remains at least 50.1%, at the EGM held on April 19, 2012, the Company obtained a repurchase authority which will enable the repurchase of ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ. This authority was renewed at each subsequent Annual General Meeting up to and including fiscal year 2018.

Concerns about the foreign ownership restrictions described above could result in the exclusion of Ryanair from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. See also “Item 3. Risk Factors—Risks Related to Ownership of the Company’s Shares or ADRs—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.

As of July 19, 2018, EU nationals owned at least 52.8% of Ryanair Holdings’ Ordinary Shares (assuming conversion of all outstanding ADRs into Ordinary Shares). In the context of the proposed departure of the UK from the EU in March 2019 or January 2021, in line with the Company’s Articles, the Directors intend to restrict the voting rights of all non-EU stockholders in the event of a hard or no-deal Brexit, so as to ensure that the Company is majority owned and effectively controlled by EU shareholders at all times, to comply with its licences. This would result in non-EU shareholders not being able to vote on shareholder resolutions.

TAXATION

Irish Tax Considerations

The following is a discussion of certain Irish tax consequences of the purchase, ownership and disposition of Ordinary Shares or ADRs. This discussion is based upon tax laws and practice 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 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. If Ryanair Holdings pays 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 or 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:

- Irish resident companies;
- Pension schemes approved by the Irish Revenue Commissioners (“Irish Revenue”);
- Qualifying fund managers or qualifying savings managers;
- Personal Retirement Savings Account (“PRSA”) administrators who receive the relevant distribution as income arising in respect of PRSA assets;
- Qualifying employee share ownership trusts;
- Collective investment undertakings;
- Tax-exempt charities;
- Designated brokers receiving the distribution for special portfolio investment accounts;
- Any 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 or from the Personal Injuries Assessment Board 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;
- Any person entitled to exemption to income tax under Schedule F by virtue of Section 192(2) Taxes Consolidation Act (“TCA”) 1997;
- Unit trusts to which Section 731(5)(a) TCA 1997 applies; and
- Certain Irish Revenue-approved amateur and athletic sport bodies.

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 (i) are neither resident nor ordinarily resident in Ireland and (ii) are resident for tax purposes in (a) a country which has signed 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, by virtue of the law of 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, by virtue of the law of a tax treaty country or an EU member state, resident for tax purposes 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 a tax treaty country or EU member state;
- Companies not resident in Ireland the principal class of shares of which is substantially and regularly traded on a recognized stock exchange in a tax treaty country or an EU member state including Ireland or on an approved stock exchange; or
- Companies not resident in Ireland that are 75% subsidiaries of a single company, or are wholly-owned by two or more companies, in either case the principal classes of shares of which is or are substantially and regularly traded on a recognized stock exchange in a tax treaty country or an EU member state including Ireland or on an approved stock exchange.

In the case of an individual non-resident stockholder resident in an EU member state or tax treaty country, the declaration must be accompanied by a current certificate of tax residence from the tax authorities in the stockholder's country of residence. In the case of both an individual and corporate non-resident stockholder resident in an EU member state or tax treaty country the declaration also must contain an undertaking by the individual or corporate non-resident stockholder that he, she or it will advise the Company accordingly if he, she or it ceases to meet the conditions to be entitled to the DWT exemption. No declaration is required if the stockholder is a 5% parent company in another EU member state in accordance with section 831 TCA 1997. Neither is a declaration required on the payment by a company resident in Ireland to another company so resident if 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 that have been authorized by the Irish Revenue. Such banks, which receive dividends from the company and pass them on to the U.S. ADR holders beneficially entitled to such dividends, will be allowed to receive and pass on the gross dividends (i.e., before withholding) based on an "address system" where the recorded addresses of such holder, as listed in the depositary bank's register of depositary receipts, is in the United States.

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 on Ordinary Shares from other Irish resident companies. Stockholders that 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 subject to income tax on the gross dividend at their marginal tax rate, but are entitled to a credit for the tax withheld by the company paying the dividend. The dividend will also be subject to the universal social charge. An individual stockholder who is not liable or not fully liable for 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 can also arise for such individuals on the amount of any dividend received from the Company.

Except in certain circumstances, a person who is neither resident nor ordinarily resident in Ireland and is entitled to receive dividends without deductions is not liable for Irish tax on the dividends. Where a person who is neither resident nor ordinarily resident in Ireland is subject to withholding tax on the dividend received due to not benefiting from any exemption from such withholding, the amount of that withholding will generally satisfy such person's liability for Irish tax.

Capital Gains Tax. A person who is either resident or ordinarily resident in Ireland will generally be liable for Irish capital gains tax on any gain realized on the disposal of the Ordinary Shares or ADRs. The current capital gains tax rate is 33%. 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 ADRs.

Irish Capital Acquisitions Tax. A gift or inheritance of the Ordinary Shares or ADRs will be within the charge to Irish Capital Acquisitions Tax (“CAT”) notwithstanding that the donor or the donee/successor in relation to such gift or inheritance is resident outside Ireland. CAT is charged at a rate of 33% 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 5, 1991, as relevant, 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.

In a case where an inheritance or gift of the Ordinary Shares or ADRs is subject to both Irish CAT and foreign tax of a similar character, the foreign tax paid may in certain circumstances be credited in whole or in part against the Irish tax.

Irish Stamp Duty. It is assumed for the purposes of this paragraph that ADRs are dealt in on a recognized stock exchange in the United States (NASDAQ 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 ADRs by persons purchasing such ADRs or on any subsequent transfer of ADRs. A transfer of Ordinary Shares (including transfers effected through Euroclear U.K. & Ireland Limited) wherever executed and whether on sale, in contemplation of a sale or by way of a gift, will be subject to duty at the rate of 1% of the consideration given or, in the case of a gift or if the purchase price is inadequate or unascertainable, on the market value of the Ordinary Shares. Transfers of Ordinary Shares that are not liable for duty at the rate of 1% (e.g., transfers under which there is no change in beneficial ownership) may be subject to a fixed duty of €12.50.

The Irish Revenue treats a conversion of Ordinary Shares to ADRs made in contemplation of a sale or a change in beneficial ownership (under Irish law) as an event subject to stamp duty at a rate of 1%. The Irish Revenue has indicated that a re-conversion of ADRs to Ordinary Shares made in contemplation of a sale or a change in beneficial ownership (under Irish law) will not be subject to a stamp duty. However, the subsequent sale of the re-converted Ordinary Shares will give rise to Irish stamp duty at the 1% rate. If 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 clear whether the mere deposit of Ordinary Shares for ADRs or ADRs for Ordinary Shares would be deemed to constitute a change in beneficial ownership. Accordingly, it is possible that holders would be subject to stamp duty at the 1% rate when merely depositing Ordinary Shares for ADRs or ADRs 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 liability for interest, penalties and fines.

United States Federal Income Tax Considerations

The following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of Ordinary Shares or ADRs by a beneficial owner of the Ordinary Shares or ADRs who is a citizen or resident of the United States, a U.S. domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Ordinary Shares or the ADRs (“U.S. Holders”). This summary does not purport to be tax advice or a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Ordinary Shares or the ADRs, including the alternative minimum tax and Medicare tax on net investment income. In particular, the summary deals only with U.S. Holders that will hold Ordinary Shares or ADRs 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, tax-exempt organizations dealers in securities or currencies, partnerships or partners therein, entities subject to the branch profits tax, traders in securities electing to mark to market, persons that own 10% or more of the stock of the Company (measured by vote or value), U.S. Holders whose “functional currency” is not U.S. dollars or persons that hold the Ordinary Shares or the ADRs as a synthetic security or as part of an integrated investment (including a “straddle” or hedge) consisting of the Ordinary Shares or the ADRs and one or more other positions.

This summary is based on the Internal Revenue Code of 1986, as amended (the “Code”), its legislative history, existing and proposed regulations promulgated thereunder, published rulings and court decisions, all as currently in effect. These authorities are subject to change, possibly on a retroactive basis. In addition, this summary assumes the deposit agreement, and all other related agreements, will be performed in accordance with their terms.

Holders of the Ordinary Shares or the ADRs 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 ADRs 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 ADRs will be treated as the owners of the Ordinary Shares represented by those ADRs.

Taxation of Dividends

Dividends, if any, paid with respect to the Ordinary Shares, including Ordinary Shares represented by ADRs, will be included in the gross income of a U.S. Holder when the dividends are received by the holder, in the case of Ordinary Shares, or when received by the Depositary, in the case of ADRs. 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 euro should be included 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, in the case of Ordinary Shares, or the Depositary, in the case of ADRs. U.S. Holders generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in euro are converted into U.S. dollars immediately upon receipt.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual with respect to the Ordinary Shares or ADRs will be taxable at the preferential rates for “qualified dividends” if (i) the Company is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for the purposes of the qualified dividend rules and (ii) the Company was not, in the year prior to the year in which the dividend is paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”). The Convention between the Government of the United States of America and the Government of Ireland for the Avoidance of Double Taxation and the Prevention of Fiscal Evasion with Respect to Taxes on Income and Capital Gains, dated as of July 28, 1999 (the “U.S.-Ireland Income Tax Treaty”) has been approved for the purposes of the qualified dividend rules. Based on the Company’s audited financial statements and relevant market data, the Company believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to its fiscal 2017 taxable year. In addition, based on the Company’s audited financial statements and its current expectations regarding the value and nature of its assets, the sources and nature of its income, and relevant market data, the Company does not anticipate becoming a PFIC for its fiscal 2018 taxable year.

Dividends received by U.S. Holders generally will constitute foreign source and “passive category” income for U.S. foreign tax credit purposes. Subject to limitations under U.S. federal income tax law concerning credits or deductions for foreign taxes, any Irish taxes withheld from cash dividends on the Ordinary Shares or ADRs will be treated as a foreign income tax eligible for credit against a U.S. Holder’s U.S. federal income tax liability (or at a U.S. Holder’s election, may be deducted in computing taxable income if the U.S. Holder has elected to deduct all foreign income taxes for the taxable year). The rules with respect to foreign tax credits are complex and U.S. Holders should consult their own tax 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 should not be subject to U.S. federal income tax.

Taxation of Capital Gains

Upon a sale or other disposition of the Ordinary Shares or ADRs, U.S. holders will recognize gain or loss for U.S. federal income tax purposes in an amount equal to the difference between the U.S. dollar value of the amount realized on the disposition and the U.S. Holder's tax basis, determined in U.S. dollars, in the Ordinary Shares or ADRs. Generally, such gains or losses will be capital gains or losses, and will be long-term capital gains or losses if the Ordinary Shares or ADRs have been held for more than one year. Short-term capital gains are subject to U.S. federal taxation at ordinary income rates. Gains realized by a U.S. Holder generally should constitute income from sources within the United States for foreign tax credit purposes and generally should constitute "passive category" income for such purposes. The deductibility of capital losses, in excess of capital gains, is subject to limitations.

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

Information Reporting and Backup Withholding

Dividends paid on, and proceeds from, the sale or other disposition of the Ordinary Shares or ADRs that are made within the United States or through certain U.S. related financial intermediaries generally will be subject to information reporting and may also be subject to backup withholding unless the holder (i) provides a correct taxpayer identification number and certifies that it is not subject to backup withholding or (ii) otherwise establish an exemption from backup withholding. Backup withholding is not an additional tax. Any amounts withheld may be allowed as a refund or credit against a U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the Internal Revenue Service.

DOCUMENTS ON DISPLAY

Copies of Ryanair Holdings' Articles may be examined at its registered office and principal place of business at its Dublin Office, Airside Business Park, Swords, County Dublin, K67 NY94, Ireland.

Ryanair Holdings also files reports, including Annual Reports on Form 20-F, periodic reports on Form 6-K and other information, with the SEC 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 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

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 cross currency swaps, interest rate swaps, foreign currency forward contracts and commodity forwards. 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.

In executing its risk management strategy, Ryanair currently enters into forward contracts for the purchase of some of the jet fuel (jet kerosene) that it expects to use. It also uses foreign currency forward contracts intended to reduce its exposure to risks related to foreign currencies, principally the U.S. dollar. Furthermore, it enters into interest rate contracts with the objective of fixing certain borrowing costs and hedging principal repayments, particularly those associated with the purchase of new Boeing 737s. Ryanair is also exposed to the risk that the counterparties to its derivative financial instruments may not be creditworthy. If a counterparty was 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.

The following paragraphs describe Ryanair's fuel hedging, 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, 2018. The range of changes selected for this sensitivity analysis reflects Ryanair's view of the changes that 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 35% and 37% of such expenses in fiscal years 2018 and 2017, 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 deficit of such fixed price under such market price.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results" for additional information on recent trends in fuel costs and the Company's related hedging activities, as well as certain associated risks. See also "Item 5. Operating and Financial Review and Prospects—Fiscal Year 2018 Compared with Fiscal Year 2017—Fuel and Oil." As of July 19, 2018, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90% of its estimated requirements for the fiscal year ending March 31, 2019 at prices equivalent to approximately \$583 per metric ton. In addition, the Company had entered into forward jet fuel hedging contracts covering approximately 19% of its estimated requirements for the fiscal year ending March 31, 2020 at prices equivalent to approximately \$690 per metric ton with respect to its expected fuel purchases beyond that period.

While 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 jet fuel. The unrealized losses or gains on outstanding forward agreements at March 31, 2018 and 2017, based on their fair values, amounted to a €209.8 million gain and a €58.2 million gain (gross of tax), respectively. Based on Ryanair's fuel consumption for fiscal year 2018, a change of \$1.00 in the average annual price per metric ton of jet fuel would have caused a change of approximately €3.0 million in Ryanair's fuel costs. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results."

Under IFRS, the Company's fuel forward contracts are treated as cash-flow hedges of forecast fuel purchases for risks arising from the commodity price of fuel. The contracts are recorded at fair value in the balance sheet and are re-measured to fair value at the end of each fiscal period through equity to the extent effective, with any ineffectiveness recorded through the income statement. The Company has considered these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in the market price of jet fuel because the jet fuel forward contracts typically relate to the same quantity, time, and location of delivery as the forecast jet fuel purchase being hedged and the duration of the contracts is typically short. Accordingly, the quantification of the change in expected cash flows of the forecast jet fuel purchase is based on the jet fuel forward price, and in fiscal years 2017 and 2018, the Company recorded no hedge ineffectiveness within earnings. The Company has recorded no level of ineffectiveness on its jet fuel hedges in its income statements to date. In fiscal year 2018, the Company recorded a positive fair-value adjustment of €132.6 million (net of tax), and in fiscal year 2017 the Company recorded a positive fair-value adjustment of €654.8 million (net of tax) within accumulated other comprehensive income in respect of jet fuel forward contracts.

FOREIGN CURRENCY EXPOSURE AND HEDGING

In recent years, Ryanair's revenues have been denominated primarily in two currencies, the euro and the U.K. pound sterling. The euro and the U.K. pound sterling accounted for approximately 66% and 24%, respectively, of Ryanair's total revenues in fiscal year 2018 (2017: 65% and 25% respectively). 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 euro, U.K. pounds 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 practically none of its revenues are denominated in U.S. dollars. Appreciation of the euro against the U.S. dollar positively impacts Ryanair's operating income because the euro equivalent of its U.S. dollar operating costs decreases, while depreciation of the euro against the U.S. dollar negatively impacts operating income. It is Ryanair's policy to hedge a significant portion of its exposure to fluctuations in the exchange rate between the U.S. dollar and the euro. From time to time, Ryanair hedges its operating surpluses and shortfalls in U.K. pound sterling. Ryanair matches certain U.K. pound sterling costs with U.K. pound sterling revenues and may choose to sell any surplus U.K. pound sterling cash flows for euro.

Hedging associated with the income statement. In fiscal years 2018 and 2017, the Company entered into a series of forward contracts, principally euro/U.S. dollar forward contracts to hedge against variability in cash flows arising from market fluctuations in foreign exchange rates associated with its forecast fuel, maintenance and insurance costs. At March 31, 2018, the total unrealized loss relating to these contracts amounted to €182.8 million, compared to a €176.2 million unrealized gain at March 31, 2017.

Under IFRS, these foreign currency forward contracts are treated as cash-flow hedges of forecast U.S. dollar and U.K. pound sterling purchases to address the risks arising from U.S. dollar and U.K. pound sterling exchange rates. The derivatives are recorded at fair value in the balance sheet and are re-measured to fair value at the end of each reporting period through equity to the extent effective, with ineffectiveness recorded through the income statement. 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 timed so as to match exactly the amount, currency and maturity date of the forecast foreign currency-denominated expense being hedged. In fiscal year 2018, the Company recorded a negative fair-value adjustment of €729.2 million (net of tax) within accumulated other comprehensive income in respect of these contracts, as compared to a negative fair-value adjustment of €56.4 million in fiscal year 2017.

Hedging associated with the balance sheet. In prior years, the Company entered into a series of cross currency interest rate swaps to manage exposures to fluctuations in foreign exchange rates of U.S. dollar-denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar-denominated floating rate borrowings. Cross currency interest rate swaps are primarily used to convert a portion of the Company's U.S. dollar-denominated debt to euro and floating rate interest exposures into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all classified as cash-flow hedges of the forecasted U.S. dollar variable interest payments on the Company's underlying debt and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges.

At March 31, 2018, the fair value of the interest rate swap agreements (including cross currency swaps) relating to this U.S. dollar-denominated floating rate debt was represented by a loss of €6.7 million (gross of tax) compared to a gain of €7.9 million (gross of tax) in fiscal 2017. In fiscal year 2018, the Company recorded a negative fair-value adjustment of €12.8 million (net of tax), compared to a positive fair-value adjustment of €15.6 million (net of tax) in fiscal year 2017, within accumulated other comprehensive income in respect of these contracts.

Hedging associated with capital expenditures. During fiscal years 2018 and 2017, the Company also held a series of euro/U.S. dollar contracts to hedge against changes in the fair value of aircraft purchase commitments under the Boeing contracts, which arise from fluctuations in the euro/U.S. dollar exchange rates. At March 31, 2018, the total unrealized loss relating to these contracts amounted to €413.7 million, compared to €150.8 million unrealized gain at March 31, 2017.

Under IFRS, the Company generally accounts for these contracts as cash-flow hedges. Cash-flow hedges are recorded at fair value in the balance sheet and are re-measured to fair value at the end of the financial period through equity to the extent effective, with any ineffectiveness recorded through the income statement. The Company has found these hedges to be highly effective in offsetting changes in the fair value of the aircraft purchase commitments arising from fluctuations in exchange rates because the forward exchange contracts are always for the same amount, currency and maturity dates as the corresponding aircraft purchase commitments.

At March 31, 2018, the total unrealized gains relating to these contracts amounted to €413.7 million, while at March 31, 2017 unrealized gains amounted to €150.8 million. Under IFRS, the Company recorded a negative fair-value adjustment of €573.1 million and fair-value adjustments of €132.0 million for cash-flow hedges in fiscal years 2018 and 2017, respectively. No fair-value adjustments were recorded with respect to fair-value hedges in fiscal years 2018 and 2017 as the Company did not enter in to any fair value hedges.

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial assets and financial liabilities at March 31, 2018 would have no impact on the income statement (net of tax) (2017: €nil; 2016: €0.1 million). The same movement of 10% in foreign currency exchange rates would have a positive €866.1 million impact (net of tax) on equity if the rate fell by 10% and negative €708.6 million impact (net of tax) if the rate increased by 10%. (2017: €336.1 million positive or €410.7 million negative; 2016: €567.6 million positive or €464.4 million negative).

INTEREST RATE EXPOSURE AND HEDGING

The Company's purchase of 175 of the 431 Boeing 737-800 aircraft in the fleet as of March 31, 2018 has been funded by financing in the form of loans supported by a loan guarantee from Ex-Im Bank (with respect to 153 aircraft), JOLCOs (16 aircraft) and commercial debt (6 aircraft). In addition, the Company has raised unsecured debt via capital market bond issuances. The Company had outstanding cumulative borrowings under the above facilities of €3,963.0 million with a weighted average interest rate of 1.41% at March 31, 2018. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Resources" for additional information on these facilities and the related swaps, including a tabular summary of the "Effective Borrowing Profile" illustrating the effect of the swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair's aircraft-related debt at March 31, 2018. At March 31, 2018, the fair value of the interest rate swap agreements relating to this debt was represented by a loss of €6.7 million (gross of tax), as compared with a gain of €15.7 million at March 31, 2017. See Note 10 to the consolidated financial statements included in Item 18 for additional information.

If Ryanair had not entered into such derivative agreements, a plus or minus one percentage point movement in interest rates would impact the fair value of this liability by approximately €2.6 million.

Interest rate risk. Based on the levels of and composition of year-end interest bearing assets and liabilities, including derivatives, at March 31, 2018, a plus one-percentage-point movement in interest rates would result in a respective increase of €3.1 million (net of tax) in net interest income and expense in the income statement and a minus one-percentage-point movement in interest rates would result in a respective increase of €15.4 million (net of tax) in net interest income and expense in the income statement (2017: €25.8 million; 2016: €29.3 million).

Item 12. Description of Securities Other than Equity Securities

Holders of ADSs are required to pay certain fees and expenses. The table below sets forth the fees and expenses which, under the deposit agreement between the Company and The Bank of New York Mellon, holders of ADRs can be charged or be deducted from dividends or other distributions on the deposited shares. The Company and The Bank of New York Mellon have also entered into a separate letter agreement, which has the effect of reducing some of the fees listed below.

<u>Persons depositing or withdrawing ADSs must pay:</u>	<u>For:</u>
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs).	Issuance of ADSs, including issuances resulting from a distribution of common shares or rights or other property.
	Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates.
\$0.02 (or less) per ADS.	Any cash distribution to the holder of the ADSs.
\$0.02 (or less) per ADS per calendar year.	Depository services.
A fee equivalent to the fee that would be payable if securities distributed to the holder of ADSs had been shares and the shares had been deposited for issuance of ADSs.	Distribution of securities distributed by the issuer to the holders of common securities, which are distributed by the depository to ADS holders.
Registration or transfer fees.	Transfer and registration of shares on Ryanair's share register to or from the name of the depository or its agent when the holder of ADSs deposits or withdraws common shares.
Expenses of the depository.	Cable, telex and facsimile transmissions (when expressly provided for in the deposit agreement).
	Expenses of the depository in converting foreign currency to U.S. dollars.
Taxes and other governmental charges the depository or the custodian have to pay on any ADSs or common shares underlying ADSs (for example, stock transfer taxes, stamp duty or withholding taxes).	As necessary.
Any charges incurred by the depository or its agents for servicing the deposited securities.	As necessary.

Reimbursement of Fees

From April 1, 2017 to June 30, 2018 the Depository collected annual depository services fees equal to approximately \$1.7 million from holders of ADSs, net of fees paid to the Depository by the Company.

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

DISCLOSURE CONTROLS AND PROCEDURES

The Company has carried out an evaluation, as of March 31, 2018, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the Company's evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2018, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported as and when required, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and Directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management evaluated the effectiveness of the Company's internal control over financial reporting as of March 31, 2018, based on the criteria established in the 2013 Framework in "Internal Control — Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the evaluation, management has concluded that the Company maintained effective internal control over financial reporting as of March 31, 2018.

Our independent registered public accounting firm, KPMG, has issued an auditor's report on the Company's internal control over financial reporting, which is included in its entirety below.

CHANGES IN INTERNAL CONTROL OVER FINANCIAL REPORTING

There has been no change in the Company's internal control over financial reporting during fiscal year 2018 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16. Reserved

Item 16A. Audit Committee Financial Expert

The Company's Board of Directors has determined that Declan McKeon qualifies as an "Audit Committee financial expert" within the meaning of this Item 16A. Mr. McKeon is "independent" for purposes of the listing rules of NASDAQ.

Item 16B. Code of Ethics

The Company has adopted a broad Code of Business Conduct and Ethics that meets the requirements for a "code of ethics" as defined in Item 16B of Form 20-F. The Code of Business Conduct and Ethics applies to the Company's Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, controller and persons performing similar functions, as well as to all of the Company's other officers, Directors and employees. The Code of Business Conduct and Ethics is available on Ryanair's website at <http://www.ryanair.com>. (Information appearing on the website is not incorporated by reference into this Annual Report.) The Company has not made any amendment to, or granted any waiver from, the provisions of this Code of Business Conduct and Ethics that apply to its Chief Executive Officer, Chief Financial Officer, Chief Accounting Officer, controller or persons performing similar functions during its most recently completed fiscal year.

Item 16C. Principal Accountant Fees and Services

Audit and Non-Audit Fees

The following table sets forth the fees billed or billable to the Company by its independent auditors, KPMG, during the fiscal years ended March 31, 2018, 2017 and 2016:

	Year Ended March 31,		
	2018	2017	2016
		(millions)	
Audit fees	€ 0.4	€ 0.4	€ 0.4
Audit related fees	€ 0.1	€ 0.0	€ 0.0
Tax fees	€ 0.2	€ 0.5	€ 0.3
Total fees	<u>€ 0.7</u>	<u>€ 0.9</u>	<u>€ 0.7</u>

Audit fees in the above table are the aggregate fees billed or billable by KPMG in connection with the audit of the Company's annual financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including the provision of comfort letters, statutory audits, discussions surrounding the proper application of financial accounting and reporting standards and services provided in connection with certain regulatory requirements including those under the Sarbanes-Oxley Act of 2002.

Audit related fees comprise fees for financial due diligence services.

Tax fees include fees for all services, except those services specifically related to the audit of financial statements, performed by the independent auditor's tax personnel, work performed in support of other tax-related regulatory requirements and tax compliance reporting.

Audit Committee Pre-Approval Policies and Procedures

The Audit Committee expressly pre-approves every engagement of Ryanair's independent auditors for all audit and non-audit services provided to the Company.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table details purchases by the Company of its Ordinary shares in fiscal year 2018.

<u>Month / Period</u>	<u>Total Number of Ordinary Shares Purchased (a)</u>	<u>Average Price Paid Per Ordinary Share</u>
	(Millions)	(€)
April 1, 2017 to April 30, 2017	—	—
May 1, 2017 to May 31, 2017	—	—
June 1, 2017 to June 30, 2017	10.9	18.65
July 1, 2017 to July 31, 2017	8.3	18.21
August 1, 2017 to August 31, 2017	6.6	18.45
September 1, 2017 to September 30, 2017	9.2	17.65
October 1, 2017 to October 31, 2017	—	—
November 1, 2017 to November 30, 2017	—	—
December 1, 2017 to December 31, 2017	—	—
January 1, 2018 to January 31, 2018	—	—
February 1, 2018 to February 28, 2018	4.9	16.27
March 1, 2018 to March 31, 2018	6.9	16.22
Total (Year-end)	<u>46.7</u>	<u>17.75</u>
Post Year-end (b)	20.1	15.93

- (a) The Ordinary Share purchases in the table above have been made pursuant to publicly announced plans or programs, and consist of open-market transactions conducted within defined parameters pursuant to the Company's repurchase authority from shareholders granted via a special resolution.
- (b) From April 1, 2018 to July 19, 2018 the Company bought back 20.1 million ordinary shares, at a total cost of €320.1 million, for cancellation. Cumulatively these buy-backs are equivalent to 1.7% of the issued share capital of the Company at March 31, 2018.

See "Item 8. Financial Information—Other Financial Information—Share Buy-Back Program" and "Item 9. The Offer and Listing—Trading Markets and Share Prices" for further information regarding the Company's Ordinary Share buy-back program, pursuant to which all of the shares purchased by the Company and disclosed in the table above were purchased.

Item 16F. Change in Registrant's Certified Accountant

Not applicable.

Item 16G. Corporate Governance

See "Item 6. Directors, Senior Management and Employees—Directors—Exemptions from NASDAQ Corporate Governance Rules" for further information regarding the ways in which the Company's corporate governance practices differ from those followed by domestic companies listed on NASDAQ.

Item 16H. Mine Safety Disclosure

Not applicable.

PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

**RYANAIR HOLDINGS PLC
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Consolidated Balance Sheet

		At March 31, 2018	At March 31, 2017	At March 31, 2016
	Note	€M	€M	€M
Non-current assets				
Property, plant and equipment	2	8,123.4	7,213.8	6,261.5
Intangible assets	3	46.8	46.8	46.8
Derivative financial instruments	4	2.6	23.0	88.5
Total non-current assets		<u>8,172.8</u>	<u>7,283.6</u>	<u>6,396.8</u>
Current assets				
Inventories	5	3.7	3.1	3.3
Other assets	6	235.5	222.1	148.5
Trade receivables	7	57.6	54.3	66.1
Derivative financial instruments	4	212.1	286.3	269.1
Restricted cash	8	34.6	11.8	13.0
Financial assets: cash > 3 months		2,130.5	2,904.5	3,062.3
Cash and cash equivalents		1,515.0	1,224.0	1,259.2
Total current assets		<u>4,189.0</u>	<u>4,706.1</u>	<u>4,821.5</u>
Total assets		<u>12,361.8</u>	<u>11,989.7</u>	<u>11,218.3</u>
Current liabilities				
Trade payables		249.6	294.1	230.6
Accrued expenses and other liabilities	9	2,502.2	2,257.2	2,112.7
Current maturities of debt	10	434.6	455.9	449.9
Current tax	11	36.0	2.9	20.9
Derivative financial instruments	4	190.5	1.7	555.4
Total current liabilities		<u>3,412.9</u>	<u>3,011.8</u>	<u>3,369.5</u>
Non-current liabilities				
Provisions	12	138.1	138.2	149.3
Derivative financial instruments	4	415.5	2.6	111.6
Deferred tax	11	395.2	473.1	385.5
Other creditors	13	2.8	12.4	32.5
Non-current maturities of debt	10	3,528.4	3,928.6	3,573.1
Total non-current liabilities		<u>4,480.0</u>	<u>4,554.9</u>	<u>4,252.0</u>
Shareholders' equity				
Issued share capital	14	7.0	7.3	7.7
Share premium account	14	719.4	719.4	719.4
Other undenominated capital		3.0	2.7	2.3
Retained earnings		4,077.9	3,456.8	3,166.1
Other reserves	15	(338.4)	236.8	(298.7)
Shareholders' equity		<u>4,468.9</u>	<u>4,423.0</u>	<u>3,596.8</u>
Total liabilities and shareholders' equity		<u>12,361.8</u>	<u>11,989.7</u>	<u>11,218.3</u>

The accompanying notes are an integral part of the financial information.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O'Leary
Chief Executive

Consolidated Income Statement

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Note	€M	€M	€M
Operating revenues			
Scheduled revenues	16	5,134.0	4,868.2
Ancillary revenues	16	<u>2,017.0</u>	<u>1,779.6</u>
Total operating revenues – continuing operations	16	<u>7,151.0</u>	<u>6,647.8</u>
Operating expenses			
Fuel and oil		(1,902.8)	(1,913.4)
Airport and handling charges		(938.6)	(864.8)
Staff costs	17	(738.5)	(633.0)
Route charges		(701.8)	(655.7)
Depreciation	1	(561.0)	(497.5)
Marketing, distribution and other		(410.4)	(322.3)
Maintenance, materials and repairs		(148.3)	(141.0)
Aircraft rentals		<u>(82.3)</u>	<u>(86.1)</u>
Total operating expenses		<u>(5,483.7)</u>	<u>(5,113.8)</u>
Operating profit – continuing operations		1,667.3	1,534.0
Other income/(expense)			
Gain on disposal of available for sale financial asset		—	317.5
Finance expense		(60.1)	(67.2)
Finance income	19	2.0	4.2
Foreign exchange gain/(loss)		<u>2.1</u>	<u>(0.7)</u>
Total other income/(expenses)		<u>(56.0)</u>	<u>261.8</u>
Profit before tax		1,611.3	1,470.3
Tax expense on profit	11	<u>(161.1)</u>	<u>(154.4)</u>
Profit for the year – all attributable to equity holders of parent		<u>1,450.2</u>	<u>1,315.9</u>
Basic earnings per ordinary share (€)	21	1.2151	1.0530
Diluted earnings per ordinary share (€)	21	1.2045	1.0464
Number of ordinary shares (in Ms)	21	1,193.5	1,249.7
Number of diluted shares (in Ms)	21	<u>1,204.0</u>	<u>1,257.5</u>

The accompanying notes are an integral part of the financial information.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O’Leary
Chief Executive

Consolidated Statement of Comprehensive Income

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Profit for the year	1,450.2	1,315.9	1,559.1
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Net actuarial gain from retirement benefit plans	—	—	0.4
	—	—	0.4
Items that are or may be reclassified subsequently to profit or loss:			
Cash-flow hedge reserve-effective portion of fair value changes to derivatives:			
Effective portion of changes in fair value of cash-flow hedges	(809.5)	927.1	365.7
Net change in fair value of cash-flow hedges transferred to property, plant and equipment	108.4	109.7	(39.6)
Net change in fair value of cash-flow hedges transferred to profit or loss	119.5	(514.3)	(935.2)
Net movements in cash-flow hedge reserve	(581.6)	522.5	(609.1)
Available for sale financial asset:			
Disposal of available-for-sale financial asset	—	—	(291.4)
	(581.6)	522.5	(900.5)
Total other comprehensive (loss)/income for the year, net of income tax	(581.6)	522.5	(900.1)
Total comprehensive income for the year – all attributable to equity holders of parent	868.6	1,838.4	659.0

The accompanying notes are an integral part of the financial information.

On behalf of the Board

David Bonderman
Chairman
July 20, 2018

Michael O’Leary
Chief Executive

Consolidated Statement of Changes in Shareholders' Equity

	Ordinary	Issued	Share	Retained	Other	Other Reserves			Total
	Shares	Share	Premium	Earnings	Undenominated	Treasury	Hedging	Other	
	M	€M	€M	€M	€M	€M	€M	Reserves	€M
								€M	
Balance at March 31, 2015	1,377.7	8.7	718.6	2,706.2	1.3	(3.2)	308.5	295.0	4,035.1
Profit for the year	—	—	—	1,559.1	—	—	—	—	1,559.1
<i>Other comprehensive income</i>									
Net actuarial losses from retirement benefits plan	—	—	—	0.4	—	—	—	—	0.4
Net movements in cash-flow reserve	—	—	—	—	—	—	(609.1)	—	(609.1)
Net change in fair value of available for sale financial asset	—	—	—	—	—	—	—	(291.4)	(291.4)
Total other comprehensive income/(loss)	—	—	—	0.4	—	—	(609.1)	(291.4)	(900.1)
Total comprehensive income	—	—	—	1,559.5	—	—	(609.1)	(291.4)	659.0
<i>Transactions with owners of the Company, recognised directly in equity</i>									
Issue of ordinary equity shares	0.3	—	0.8	—	—	—	—	—	0.8
Share capital reorganisation	(33.8)	(0.7)	—	—	0.7	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	5.9	5.9
Repurchase of ordinary equity shares	—	—	—	(698.8)	—	(7.3)	—	—	(706.1)
Cancellation of repurchased ordinary shares	(53.2)	(0.3)	—	—	0.3	—	—	—	—
Treasury shares cancelled	(0.3)	—	—	(3.2)	—	3.2	—	—	—
Dividend paid	—	—	—	(397.9)	—	—	—	—	(397.9)
Transfer of exercised and expired share-based awards	—	—	—	0.3	—	—	—	(0.3)	—
Balance at March 31, 2016	1,290.7	7.7	719.4	3,166.1	2.3	(7.3)	(300.6)	9.2	3,596.8
Profit for the year	—	—	—	1,315.9	—	—	—	—	1,315.9
<i>Other comprehensive income</i>									
Net movements in cash-flow reserve	—	—	—	—	—	—	522.5	—	522.5
Total other comprehensive income	—	—	—	—	—	—	522.5	—	522.5
Total comprehensive income	—	—	—	1,315.9	—	—	522.5	—	1,838.4
<i>Transactions with owners of the Company, recognised directly in equity</i>									
Share-based payments	—	—	—	—	—	—	—	5.7	5.7
Repurchase of ordinary equity shares	—	—	—	(1,017.9)	—	—	—	—	(1,017.9)
Cancellation of repurchased ordinary shares	(72.3)	(0.4)	—	—	0.4	—	—	—	—
Treasury shares cancelled	(0.5)	—	—	(7.3)	—	7.3	—	—	—
Balance at March 31, 2017	1,217.9	7.3	719.4	3,456.8	2.7	—	221.9	14.9	4,423.0
Profit for the year	—	—	—	1,450.2	—	—	—	—	1,450.2
<i>Other comprehensive income</i>									
Net movements in cash-flow reserve	—	—	—	—	—	—	(581.6)	—	(581.6)
Total other comprehensive income/(loss)	—	—	—	—	—	—	(581.6)	—	(581.6)
Total comprehensive income	—	—	—	1,450.2	—	—	(581.6)	—	868.6
<i>Transactions with owners of the Company, recognised directly in equity</i>									
Share-based payments	—	—	—	—	—	—	—	6.4	6.4
Repurchase of ordinary equity shares	—	—	—	(829.1)	—	—	—	—	(829.1)
Cancellation of repurchased ordinary shares	(46.7)	(0.3)	—	—	0.3	—	—	—	—
Balance at March 31, 2018	1,171.2	7.0	719.4	4,077.9	3.0	—	(359.7)	21.3	4,468.9

The accompanying notes are an integral part of the financial information.

Consolidated Statement of Cash Flows

	Note	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
		€M	€M	€M
Operating activities				
Profit after tax		1,450.2	1,315.9	1,559.1
Adjustments to reconcile profit after tax to net cash provided by operating activities				
Depreciation		561.0	497.5	427.3
Retirement costs		—	—	0.2
(Increase)/decrease in inventories		(0.6)	0.2	(1.2)
Tax expense on profit		161.1	154.4	162.8
Share-based payments		6.4	5.7	5.9
(Increase)/decrease in trade receivables		(3.3)	11.8	(6.0)
(Increase) in other current assets		(14.1)	(76.0)	(11.2)
(Decrease)/increase in trade payables		(44.5)	63.5	34.1
Increase in accrued expenses		241.1	144.7	175.0
(Decrease) in other creditors		(9.6)	(20.1)	(23.3)
(Decrease) in provisions		(0.1)	(11.0)	(31.8)
Gain on disposal of available for sale financial asset		—	—	(317.5)
Decrease in finance income		0.7	2.4	1.4
Increase/(decrease) in finance expense		3.8	(0.2)	(1.0)
Income tax paid		(118.9)	(161.6)	(127.5)
Net cash provided by operating activities		<u>2,233.2</u>	<u>1,927.2</u>	<u>1,846.3</u>
Investing activities				
Capital expenditure (purchase of property, plant and equipment)		(1,470.6)	(1,449.8)	(1,217.7)
Disposal of available for sale asset		—	—	398.1
(Increase)/decrease in restricted cash		(22.8)	1.2	(6.3)
Decrease in financial assets: cash > 3 months		774.0	157.8	542.3
Net cash (used in) investing activities		<u>(719.4)</u>	<u>(1,290.8)</u>	<u>(283.6)</u>
Financing activities				
Net proceeds from shares issued		—	—	0.8
Shareholder returns		(829.1)	(1,017.9)	(1,104.0)
Proceeds from long term borrowings		65.2	793.4	—
Repayments of long term borrowings		(458.9)	(447.1)	(384.9)
Net cash (used in) by financing activities	23	<u>(1,222.8)</u>	<u>(671.6)</u>	<u>(1,488.1)</u>
Increase/(decrease) in cash and cash equivalents		291.0	(35.2)	74.6
Cash and cash equivalents at beginning of year		1,224.0	1,259.2	1,184.6
Cash and cash equivalents at end of year		<u>1,515.0</u>	<u>1,224.0</u>	<u>1,259.2</u>
Included in the cash flows from operating activities for the year are the following amounts:				
Interest income received		2.9	6.6	19.3
Interest expense paid		(56.1)	(69.5)	(70.9)

The accompanying notes are an integral part of the financial information.

Notes forming part of the Consolidated Financial Statements

1. Basis of preparation and significant accounting policies

The accounting policies applied in the preparation of the consolidated financial statements for fiscal year 2018 are set out below. These have been applied consistently for all periods presented, except as otherwise stated.

Business activity

Ryanair DAC and its subsidiaries (“Ryanair DAC”) has operated as an international airline since commencing operations in 1985. On August 23, 1996, Ryanair Holdings Limited, a newly formed holding company, acquired the entire issued share capital of Ryanair DAC. On May 16, 1997, Ryanair Holdings Limited re-registered as a public limited company, Ryanair Holdings plc (the “Company”). Ryanair Holdings plc and its subsidiaries are hereafter together referred to as “Ryanair Holdings plc” (or “we”, “our”, “us”, “Ryanair” or the “Company”) and currently operate a low-fares airline headquartered in Dublin, Ireland. All trading activity continues to be undertaken by the group of companies headed by Ryanair DAC.

Statement of compliance

In accordance with the International Accounting Standards (“IAS”) Regulation (EC 1606 (2002)) which applies throughout the European Union (“EU”), the consolidated financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (“IFRS”) as adopted by the EU (“IFRS as adopted by the EU”), which are effective for the year ended and as at March 31, 2018. In addition to complying with its legal obligation to comply with IFRS as adopted by the EU, the consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) (“IFRS as issued by the IASB”). The consolidated financial statements have also been prepared in accordance with the Companies Act 2014.

Details of legislative changes and new accounting standards or amendments to accounting standards, which are not yet effective and have not been early adopted in these consolidated financial statements, and the likely impact on future financial statements are set forth below in the prospective accounting changes section.

New accounting standards adopted during the year

The following new and amended standards, have been issued by the IASB, and have also been endorsed by the EU. These standards are effective for the first time for the financial year beginning on or after January 1, 2017 and therefore have been applied by the Group for the first time in these consolidated financial statements;

- Amendments to IAS 7: “Disclosure Initiative” (effective for fiscal periods beginning on or after January 1, 2017)
- Amendments to IAS 12: “Recognition of Deferred Tax Assets for Unrealised Losses” (effective for fiscal periods beginning on or after January 1, 2017)
- Annual Improvements to IFRSs 2014-2016 Cycle: “Amendments to IFRS 12 Disclosure of Interests in Other Entities” (effective for fiscal periods beginning on or after January 1, 2017)

The adoption of these new or amended standards did not have a material impact on our financial position or results from operations in the year ended March 31, 2018.

Basis of preparation

These consolidated financial statements are presented in euro millions, the euro being the functional currency of the parent entity and the majority of the group companies. They are prepared on the historical cost basis, except for derivative financial instruments which are stated at fair value, and share-based payments, which are based on fair value determined as at the grant date of the relevant share options. Certain non-current assets, when they are classified as held for sale, are stated at the lower of cost and fair value less costs to sell.

Critical accounting policies

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, and the results of such estimates form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates. These underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if these are also affected. Principal sources of estimation uncertainty have been set forth in the critical accounting policies section below. Actual results may differ from estimates.

The Company believes that its critical accounting policies, which are those that require management's most difficult, subjective and complex judgements, are those described in this section. These critical accounting policies, the judgements and other uncertainties affecting application of these policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the consolidated financial statements.

Long-lived assets

As of March 31, 2018, Ryanair had €8.1 billion of property, plant and equipment long-lived assets, virtually all of which consisted of aircraft. In accounting for long-lived assets, Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets and the potential for impairment based on the fair value of the assets and the cash flows they generate.

In estimating the lives and expected residual values of its aircraft, Ryanair has primarily relied on its own and industry experience, recommendations from Boeing, the manufacturer of all of the Company's aircraft, and other data available in the marketplace. Subsequent revisions to these estimates, which can be significant, could be caused by changes to Ryanair's maintenance program, changes in utilisation of the aircraft, changes to governmental regulations on aging aircraft, and changing market prices for new and used aircraft of the same or similar types. Ryanair evaluates its estimates and assumptions in each reporting period, and, when warranted, adjusts these assumptions. Generally, these adjustments are accounted for on a prospective basis, through depreciation expense.

Ryanair periodically evaluates its long-lived assets for impairment. Factors that would indicate potential impairment would include, but are not limited to, significant decreases in the market value of an aircraft, a significant change in an aircraft's physical condition and operating or cash flow losses associated with the use of the aircraft. While the airline industry as a whole has experienced many of these factors from time to time, Ryanair has not yet been seriously impacted and continues to record positive cash flows from these long-lived assets. Consequently, Ryanair has not yet identified any impairments related to its existing aircraft fleet. The Company will continue to monitor its long-lived assets and the general airline operating environment.

The Company's estimate of the recoverable amount of aircraft residual values is 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods. Aircraft are depreciated over a useful life of 23 years from the date of manufacture to residual value.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ryanair Holdings plc and its subsidiary undertakings as of March 31, 2018. Subsidiaries are entities controlled by Ryanair. Control exists when Ryanair is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All inter-company account balances and any unrealised income or expenses arising from intra-group transactions have been eliminated in preparing the consolidated financial statements.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated income statement from the date of acquisition or up to the date of disposal. Upon the acquisition of a business, fair values are attributed to the separable net assets acquired.

Foreign currency translation

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in euro, which is the functional currency of the majority of the group entities.

Transactions arising in foreign currencies are translated into the respective functional currencies at the rates of exchange in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated to euro at foreign exchange rates in effect at the dates the transactions were effected. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on qualifying cash-flow hedges, which are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and provisions for impairments, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash-flow hedges of foreign currency purchases of property, plant and equipment.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised, until such time until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Depreciation is calculated so as to write off the cost, less estimated residual value, of assets on a straight-line basis over their expected useful lives at the following annual rates:

	<u>Rate of Depreciation</u>
Hangar and buildings	5 %
Plant and equipment (excluding aircraft)	20-33.3 %
Fixtures and fittings	20 %
Motor vehicles	33.3 %

Aircraft are depreciated on a straight-line basis over their estimated useful lives to estimated residual values. The estimates of useful lives and residual values at year-end are:

<u>Aircraft Type</u>	<u>Number of Owned Aircraft at March 31, 2018</u>	<u>Useful Life</u>	<u>Residual Value</u>
Boeing 737-800s	400 (a)	23 years from date of manufacture	15% of current market value of new aircraft, determined periodically

(a) The Company operated 431 aircraft as of March 31, 2018, of which 31 were leased.

The Company's estimate of the recoverable amount of aircraft residual values is 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods.

An element of the cost of an acquired aircraft is attributed on acquisition to its service potential, reflecting the maintenance condition of its engines and airframe. This cost, which can equate to a substantial element of the total aircraft cost, is amortised over the shorter of the period to the next maintenance check (usually between 8 and 12 years for Boeing 737-800 aircraft) or the remaining life of the aircraft. The costs of subsequent major airframe and engine maintenance checks are capitalised and amortised over the shorter of the period to the next check or the remaining life of the aircraft.

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

Rotable spare parts held by the Company are classified as property, plant and equipment if they are expected to be used over more than one period.

Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised on a net basis within other income/(expenses) in profit or loss.

Aircraft maintenance costs

The accounting for the cost of providing major airframe and certain engine maintenance checks for owned aircraft is described in the accounting policy for property, plant and equipment.

For aircraft held under operating lease agreements, Ryanair is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines and life-limited parts upon return. In order to fulfill such conditions of the lease, maintenance, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, is required to be performed during the period of the lease and upon return of the aircraft to the lessor. The estimated airframe and engine maintenance costs and the costs associated with the restitution of major life-limited parts, are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, calculated by reference to the number of hours flown or cycles operated during the year.

Ryanair's aircraft operating lease agreements typically have a term of seven years, which closely correlates with the timing of heavy maintenance checks. The contractual obligation to maintain and replenish aircraft held under operating lease exists independently of any future actions within the control of Ryanair. While Ryanair may, in very limited circumstances, sub-lease its aircraft, it remains fully liable to perform all of its contractual obligations under the 'head lease' notwithstanding any such sub-leasing.

All other maintenance costs, other than major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts costs associated with leased aircraft, are expensed as incurred.

Intangible assets - landing rights

Intangible assets acquired are recognised to the extent it is considered probable that expected future benefits will flow to the Company and the associated costs can be measured reliably. Landing rights acquired as part of a business combination are capitalised at fair value at that date and are not amortised, where those rights are considered to be indefinite. The carrying values of those rights are reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that carrying values may not be recoverable. No impairment to the carrying values of the Company's intangible assets has been recorded to date.

Other financial assets

Other financial assets (other than available-for-sale financial assets) comprise cash deposits of greater than three months' maturity. All amounts are categorised as loans and receivables and are carried initially at fair value and then subsequently at amortised cost, using the effective interest method in the balance sheet.

Derivative financial instruments

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 minimise the 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 interest rate swaps, foreign currency forward contracts and commodity contracts. These derivative financial instruments are generally held to maturity. 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 neutralised completely.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments continue to be re-measured to fair value, and changes therein are accounted for as described below.

The fair value of interest rate swaps is computed by discounting the projected cash flows on the Company's swap arrangements to present value using an appropriate market rate of interest. The fair value of forward foreign exchange contracts and commodity contracts is determined based on the present value of the quoted forward price. The credit quality of Ryanair and counterparties are considered in setting fair value. Recognition of any resultant gain or loss depends on the nature of the item being hedged.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income (in the cash flow hedging reserve on the balance sheet). When the hedged forecasted transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of that asset or liability. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any hedging transaction and the gain or loss thereon is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the underlying hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability or an unrecognised firm commitment, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss also being recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on invoiced price on an average basis for all stock categories. Net realisable value is calculated as the estimated selling price arising in the ordinary course of business, net of estimated selling costs.

Trade and other receivables and payables

Trade and other receivables and payables are stated on initial recognition at fair value plus any incremental direct costs and subsequently at amortised cost, net (in the case of receivables) of any impairment losses, which approximates fair value given the short-dated nature of these assets and liabilities.

Cash and cash equivalents

Cash represents cash held at banks and available on demand, and is categorised for measurement purposes as “loans and receivables.”

Cash equivalents are current asset investments (other than cash) that are readily convertible into known amounts of cash, typically cash deposits of more than one day but less than three months at the date of purchase. Deposits with maturities greater than three months but less than one year are recognised as short-term investments, are categorised as loans and receivables and are carried initially at fair value and then subsequently at amortised cost, using the effective-interest method.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, non-current interest-bearing loans are measured at amortised cost, using the effective interest yield methodology.

Leases

Leases under which the Company assumes substantially all of the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are capitalised in the balance sheet, at an amount equal to the lower of their fair value and the present value of the minimum lease payments, and are depreciated over their estimated useful lives. The present values of the future lease payments are recorded as obligations under finance leases and the interest element of a lease obligation is charged to the income statement over the period of the lease in proportion to the balances outstanding.

Other leases are operating leases and the associated leased assets are not recognised on the Company's balance sheet. Expenditure arising under operating leases is charged to the income statement as incurred. The Company also enters into sale-and-leaseback transactions whereby it sells the rights to an aircraft to an external party and subsequently leases the aircraft back, by way of an operating lease. Any profit or loss on the disposal where the price achieved is not considered to be at fair value is spread over the period during which the asset is expected to be used. The profit or loss amount deferred is included within "other creditors" and split into components of greater than and less than one year.

Provisions and contingencies

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future outflow at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

The Company assesses the likelihood of any adverse outcomes to contingencies, including legal matters, as well as probable losses. We record provisions for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Provisions are re-measured at each balance sheet date based on the best estimate of the settlement amount.

In relation to legal matters, we develop estimates in consultation with internal and external legal counsel taking into account the relevant facts and circumstances known to us. The factors that we consider in developing our legal provisions include the merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

Segment reporting

Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments. The Company is managed as a single business unit that provides low fares airline-related services, including scheduled services, and ancillary services including hotel, travel insurance and internet and other related services to third parties, across a European route network.

Income statement classification and presentation

Individual income statement captions have been presented on the face of the income statement, together with additional line items, headings and sub-totals, where it is determined that such presentation is relevant to an understanding of our financial performance, in accordance with IAS 1, "*Presentation of Financial Statements*".

Expenses are classified and presented in accordance with the nature-of-expenses method. We disclose separately on the face of the income statement, within other income and expense, losses on the impairment of available-for-sale financial assets and gains or losses on disposal of property, plant and equipment. The nature of the Company's available-for-sale asset is that of a financial investment; accordingly, the gain on disposal of and/or any impairment of the investment is categorised as finance expense and included in other income/(expense) as a separate line item. The presentation of gains or losses on the disposal of property, plant and equipment within other income/(expense) accords with industry practice.

Revenues

Scheduled revenues comprise the invoiced value of airline and other services, net of government taxes. Revenue from the sale of flight seats is recognised in the period in which the service is provided. Unearned revenue represents flight seats sold but not yet flown and a provision for government tax refund claims attributable to unused tickets, and is included in accrued expenses and other liabilities. Revenue, net of government taxes, is released to the income statement as passengers fly. Unused tickets are recognised as revenue on a systematic basis, such that twelve months of time expired revenues are recognised in revenue in each fiscal year. Miscellaneous fees charged for any changes to flight tickets are recognised in revenue immediately.

Ancillary revenues are recognised in the income statement in the period the ancillary services are provided.

Share-based payments

The Company engages in equity-settled, share-based payment transactions in respect of services received from certain of its employees. The fair value of the services received is measured by reference to the fair value of the share options on the date of the grant. The grant measurement date is the date that a shared understanding of the terms of the award is established between the Company and the employee. The cost of the employee services received in respect of the share options granted is recognised in the income statement over the period that the services are received, which is the vesting period, with a corresponding increase in equity. To the extent that service is provided prior to the grant measurement date, the fair value of the share options is initially estimated and re-measured at each balance sheet date until the grant measurement date is achieved. The fair value of the options granted is determined using a binomial lattice option-pricing model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the Ryanair Holdings plc share price over the life of the option and other relevant factors. Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the income statement reflects the number of vested shares or share options.

Retirement benefit obligations

The Company provides certain employees with post-retirement benefits in the form of pensions. The Company currently operates a number of defined contribution schemes.

Costs arising in respect of the Company's defined contribution pension schemes (where fixed contributions are paid into the scheme and there is no legal or constructive obligation to pay further amounts) are charged to the income statement in the period in which they are incurred. Any contributions unpaid at the balance sheet date are included as a liability.

Taxation

Income tax on the profit or loss for a year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income (such as certain hedging derivative financial instruments, available-for-sale assets, retirement benefit obligations). Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and expected to apply when the temporary differences reverse.

The following temporary differences are not provided for: (i) the initial recognition of assets and liabilities that effect neither accounting nor taxable profit and (ii) differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that a sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Social insurance, passenger taxes and sales taxes are recorded as a liability based on laws enacted in the jurisdictions to which they relate. Liabilities are recorded when an obligation has been incurred.

Tax liabilities are based on the best estimate of the likely obligation at each reporting period. These estimates are subject to revision based on the outcome of tax audits and discussions with revenue authorities that can take several years to conclude.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. When share capital recognised as equity is repurchased, the amount of consideration paid, which includes any directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity, until they are cancelled.

Dividend distributions are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

Prospective accounting changes, new standards and interpretations not yet adopted

The following new or revised IFRS standards and IFRIC interpretations will be adopted for the purposes of the preparation of future financial statements, where applicable. Those that are not as yet EU endorsed are flagged. More detailed transitional impacts for IFRS 15, IFRS 9 and IFRS 16 are included below. While under review, we do not anticipate that the adoption of the other new or revised standards and interpretations will have a material impact on our financial position or results from operations.

- IFRS 15: "Revenue from Contracts with Customers including Amendments to IFRS 15" (effective for fiscal periods beginning on or after January 1, 2018)
- IFRS 9: "Financial Instruments" (effective for fiscal periods beginning on or after January 1, 2018)
- Clarifications to IFRS 15: "Revenue from Contracts with Customers" (effective for fiscal periods beginning on or after January 1, 2018)
- Amendments to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for fiscal periods beginning on or after January 1, 2018)
- Amendments to IFRS 4: Applying IFRS 9 "Financial Instruments" with IFRS 4: "Insurance Contracts" (effective for fiscal periods beginning on or after January 1, 2018)
- Annual Improvements to IFRS 2014-2016 Cycle (effective for fiscal periods beginning on or after January 1, 2018)

- IFRIC Interpretation 22: “Foreign Currency Transactions and Advance Consideration” (effective for fiscal periods beginning on or after January 1, 2018)
- IFRS 16: “Leases” (effective for fiscal periods beginning on or after January 1, 2019)
- Amendments to IAS 40: “Transfers of Investment Property” (effective for fiscal periods beginning on or after January 1, 2018)
- IFRIC 23: “Uncertainty over Income Tax Treatments” (effective for fiscal periods beginning on or after January 1, 2019)*
- Amendments to IFRS 9: “Prepayment Features with Negative Compensation” (effective for fiscal periods beginning on or after January 1, 2019)
- Amendments to IAS 28: “Long-term interests in Associates and Joint Ventures” (effective for fiscal periods beginning on or after January 1, 2019)*
- Annual improvements to IFRS Standards 2015-2017 Cycle (effective for fiscal periods beginning on or after January 1, 2019)*
- Amendments to IAS 19: “Plan Amendment, Curtailment or Settlement” (effective for fiscal periods beginning on or after January 1, 2019)*
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for fiscal periods beginning on or after January 1, 2020)*
- IFRS 17: “Insurance Contracts” (effective for fiscal periods beginning on or after January 1, 2021)*

* *These standards or amendments to standards are not as yet EU endorsed.*

IFRS 15: Revenue from Contracts with Customers

IFRS 15 is effective for periods beginning on or after January 1, 2018. The standard establishes a five-step model to determine when to recognise revenue and at what amount. Revenue is recognised when the good or service has been transferred to the customer and at the amount to which the entity expects to be entitled.

Ryanair has reviewed the impact of applying IFRS 15 on all of its revenue streams. For the majority of our revenue, the manner in which we currently recognise revenue is consistent with the requirements of IFRS 15. For certain ancillary revenue streams however, the recognition of revenue will be deferred under IFRS 15 to the flight date where it is currently recognised on the date of booking.

This change in the timing of revenue recognition will mean that an increased amount of revenue will be recognised in the second half of the year under IFRS 15.

Ryanair will apply the standard using the cumulative effect method. On adoption of the standard, the adjustment to retained earnings at April 1, 2018 was a reduction of €274.5 million. There will be a corresponding increase in deferred revenue within liabilities.

IFRS 9: Financial Instruments

IFRS 9 is effective for fiscal periods beginning on or after January 1, 2018. The standard introduces a new model for the classification and measurement of financial assets, a new impairment model based on expected credit losses and a new hedge accounting model to more closely align hedge accounting with risk management strategy and objectives. This standard replaces IAS 39 Financial Instruments: Recognition and Measurement.

Financial assets, excluding derivatives, will be accounted for at amortised cost, fair value through other comprehensive income or fair value through profit or loss depending on the nature of the contractual cash flows of the asset and the business model in which it is held. Ryanair has completed a review of its financial assets and is satisfied that all of them will continue to be held at amortised cost. No material transition adjustment to carrying values is anticipated.

Ryanair has reviewed the impact of applying the new impairment model to its financial assets. There will not be a material increase in provisions as a result of applying the new requirements.

Ryanair does not expect any change from the hedge accounting provisions of IFRS 9.

IFRS 16: Leases

IFRS 16 introduces a single, on-balance sheet, lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are optional exemptions for short-term leases and leases of low value items.

The standard is effective for Annual Report periods beginning on or after January 1, 2019. Early adoption is permitted for entities that apply IFRS 15: Revenue from Contracts with Customers at or before the date of initial application of IFRS 16. Ryanair does not intend to early adopt IFRS 16.

We are currently evaluating the effect that the updated standard will have on our consolidated financial statements and related disclosures but do not expect the impact to be material.

2. Property, plant and equipment

	<u>Aircraft</u> €M	<u>Hangar and Buildings</u> €M	<u>Plant and Equipment</u> €M	<u>Fixtures and Fittings</u> €M	<u>Motor Vehicles</u> €M	<u>Total</u> €M
Year ended March 31, 2018						
Cost						
At March 31, 2017	10,045.2	77.8	36.7	56.7	4.0	10,220.4
Additions in year	1,452.7	7.6	4.0	6.0	0.3	1,470.6
Disposals in year	(194.4)	(2.7)	—	—	—	(197.1)
At March 31, 2018	<u>11,303.5</u>	<u>82.7</u>	<u>40.7</u>	<u>62.7</u>	<u>4.3</u>	<u>11,493.9</u>
Depreciation						
At March 31, 2017	2,898.7	28.6	29.6	46.7	3.0	3,006.6
Charge for year	547.0	3.6	3.3	6.6	0.5	561.0
Eliminated on disposal	(194.4)	(2.7)	—	—	—	(197.1)
At March 31, 2018	<u>3,251.3</u>	<u>29.5</u>	<u>32.9</u>	<u>53.3</u>	<u>3.5</u>	<u>3,370.5</u>
Net book value						
At March 31, 2018	<u>8,052.2</u>	<u>53.2</u>	<u>7.8</u>	<u>9.4</u>	<u>0.8</u>	<u>8,123.4</u>
Year ended March 31, 2017						
Cost						
At March 31, 2016	8,666.4	70.8	32.4	50.6	3.6	8,823.8
Additions in year	1,432.0	7.0	4.3	6.1	0.4	1,449.8
Disposals in year	(53.2)	—	—	—	—	(53.2)
At March 31, 2017	<u>10,045.2</u>	<u>77.8</u>	<u>36.7</u>	<u>56.7</u>	<u>4.0</u>	<u>10,220.4</u>
Depreciation						
At March 31, 2016	2,467.7	25.1	26.7	40.2	2.6	2,562.3
Charge for year	484.2	3.5	2.9	6.5	0.4	497.5
Eliminated on disposal	(53.2)	—	—	—	—	(53.2)
At March 31, 2017	<u>2,898.7</u>	<u>28.6</u>	<u>29.6</u>	<u>46.7</u>	<u>3.0</u>	<u>3,006.6</u>
Net book value						
At March 31, 2017	<u>7,146.5</u>	<u>49.2</u>	<u>7.1</u>	<u>10.0</u>	<u>1.0</u>	<u>7,213.8</u>
Year ended March 31, 2016						
Cost						
At March 31, 2015	7,538.1	67.4	29.5	44.1	2.5	7,681.6
Additions in year	1,203.8	3.4	2.9	6.5	1.1	1,217.7
Disposals in year	(75.5)	—	—	—	—	(75.5)
At March 31, 2016	<u>8,666.4</u>	<u>70.8</u>	<u>32.4</u>	<u>50.6</u>	<u>3.6</u>	<u>8,823.8</u>
Depreciation						
At March 31, 2015	2,127.7	21.7	24.0	34.8	2.3	2,210.5
Charge for year	415.5	3.4	2.7	5.4	0.3	427.3
Eliminated on disposal	(75.5)	—	—	—	—	(75.5)
At March 31, 2016	<u>2,467.7</u>	<u>25.1</u>	<u>26.7</u>	<u>40.2</u>	<u>2.6</u>	<u>2,562.3</u>
Net book value						
At March 31, 2016	<u>6,198.7</u>	<u>45.7</u>	<u>5.7</u>	<u>10.4</u>	<u>1.0</u>	<u>6,261.5</u>

At March 31, 2018, aircraft with a net book value of €2,934.9 million (2017: €3,442.4 million; 2016: €3,570.9 million) were mortgaged to lenders as security for loans. Under the security arrangements for the Company's new Boeing 737-800 "next generation" aircraft, the Company does not hold legal title to those aircraft while these loan amounts remain outstanding.

At March 31, 2018, the cost and net book value of aircraft included advance payments on aircraft of €558.4 million (2017: €687.0 million; 2016: €687.1 million). Such amounts, where present, are not depreciated. The cost and net book value also includes capitalised aircraft maintenance, aircraft simulators and the stock of rotatable spare parts.

The net book value of assets held under finance leases at March 31, 2018, 2017 and 2016 was €267.2 million, €362.8 million, and €452.7 million respectively.

During the fiscal year 2018, €3.1 million (2017: €1.4 million; 2016: €9.4 million) of borrowing costs were capitalized as part of property, plant and equipment. Borrowing costs have been capitalized at a rate of 1.125% (2017: 1.125%; 2016: 1.482%).

3. Intangible assets

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Landing rights	<u>46.8</u>	<u>46.8</u>	<u>46.8</u>

Landing slots were acquired with the acquisition of Buzz Stansted Limited in April 2003. As these landing slots have no expiry date and are expected to be used in perpetuity, they are considered to be of indefinite life and accordingly are not amortised. The Company also considers that there has been no impairment of the value of these rights to date. The recoverable amount of these rights has been determined on a value-in-use basis, using discounted cash-flow projections for a twenty-year period for each route that has an individual landing right. The calculation of value-in-use is most sensitive to the operating margin and discount rate assumptions. Operating margins are based on the existing margins generated from these routes and adjusted for any known trading conditions. The trading environment is subject to both regulatory and competitive pressures that can have a material effect on the operating performance of the business. Foreseeable events, however, are unlikely to result in a change of projections of a significant nature so as to result in the landing rights' carrying amounts exceeding their recoverable amounts. These projections have been discounted based on the estimated discount rate applicable to the asset of 6% for 2018, 4% for 2017 and 4% for 2016.

4. Derivative financial instruments

The Audit Committee of the Board of Directors has responsibility for monitoring the treasury policies and objectives of the Company, which include controls over the procedures used to manage the main financial risks arising from the Company's operations. Such risks comprise commodity price, foreign exchange and interest rate risks. The Company uses financial instruments to manage exposures arising from these risks. These instruments include borrowings, cash deposits and derivatives (principally jet fuel derivatives, interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts). It is the Company's policy that no speculative trading in financial instruments takes place.

The Company's historical fuel risk management policy has been to hedge between 70% and 90% of the forecast rolling annual volumes required to ensure that the future cost per gallon of fuel is locked in. This policy was adopted to prevent the Company being exposed, in the short term, to adverse movements in global jet fuel prices. However, when deemed to be in the best interests of the Company, it may deviate from this policy. At July 19, 2018, the Company had hedged approximately 90% (2017: 90%, 2016: 95%) of its estimated fuel exposure for the next fiscal year and approximately 19% of its estimated fuel exposure for the fiscal year 2020.

Foreign currency risk in relation to the Company's trading operations largely arises in relation to non-euro currencies. These currencies are primarily U.K. pounds sterling and the U.S. dollar. The Company manages this risk by matching U.K. pounds sterling revenues against U.K. pounds sterling costs. Surplus U.K. pounds sterling revenues are sometimes used to fund forward foreign exchange contracts to hedge U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance, and capital expenditure costs and excess U.K. pounds sterling are converted into euro. Additionally, the Company swaps euro for U.S. dollars using forward currency contracts to cover any expected U.S. dollar outflows for these costs. From time to time, the Company also swaps euro for U.K. pounds sterling using forward currency contracts to hedge expected future surplus U.K. pounds sterling. From time to time the Company also enters into cross-currency interest rate swaps to hedge against fluctuations in foreign exchange rates and interest rates in respect of U.S. dollar denominated borrowings.

The Company's objective for interest rate risk management is to reduce interest-rate risk through a combination of financial instruments, which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities. In addition, the Company aims to achieve the best available return on investments of surplus cash – subject to credit risk and liquidity constraints. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty based on third-party market-based ratings. In line with the above interest rate risk management strategy, the Company has entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financial arrangements and certain other obligations. The Company has also entered into floating rate financing for certain aircraft, which is matched with floating rate deposits. Additional numerical information on these swaps and on other derivatives held by the Company is set out below and in Note 10 to the consolidated financial statements.

The Company utilises a range of derivatives designed to mitigate these risks. All of the above derivatives have been accounted for at fair value in the Company's balance sheet and have been utilised to hedge against these particular risks arising in the normal course of the Company's business. All have been designated as hedging derivatives for the purposes of IAS 39 and are fully set out below.

Derivative financial instruments, all of which have been recognised at fair value in the Company's balance sheet, are analysed as follows:

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Non-current assets			
Gains on cash-flow hedging instruments – maturing after one year	2.6	23.0	88.5
	<u>2.6</u>	<u>23.0</u>	<u>88.5</u>
Current assets			
Gains on cash flow hedging instruments – maturing within one year	212.1	286.3	269.1
	<u>212.1</u>	<u>286.3</u>	<u>269.1</u>
Total derivative assets	<u>214.7</u>	<u>309.3</u>	<u>357.6</u>
Current liabilities			
Losses on cash flow hedging instruments – maturing within one year	(190.5)	(1.7)	(555.4)
	<u>(190.5)</u>	<u>(1.7)</u>	<u>(555.4)</u>
Non-current liabilities			
Losses on cash flow hedging instruments – maturing after one year	(415.5)	(2.6)	(111.6)
	<u>(415.5)</u>	<u>(2.6)</u>	<u>(111.6)</u>
Total derivative liabilities	<u>(606.0)</u>	<u>(4.3)</u>	<u>(667.0)</u>
Net derivative financial instrument position at year-end	<u>(391.3)</u>	<u>305.0</u>	<u>(309.4)</u>

All of the above gains and losses were unrealised at the period-end.

The table above includes the following derivative arrangements:

	<u>Fair value 2018 (a)</u>	<u>Fair value 2017 (a)</u>	<u>Fair value 2016 (a)</u>
	€M	€M	€M
Interest rate swaps (b)			
Less than one year (c)	(0.7)	1.6	(10.4)
Between one and five years	(6.0)	6.3	(0.5)
After five years	—	—	2.7
	<u>(6.7)</u>	<u>7.9</u>	<u>(8.2)</u>
Foreign currency forward contracts (b)			
Less than one year	(187.4)	224.8	266.6
Between one and five years	(407.0)	11.9	28.7
After five years	—	2.2	—
	<u>(594.4)</u>	<u>238.9</u>	<u>295.3</u>
Commodity forward contracts (d)			
Less than one year	209.8	58.2	(542.6)
Between one and five years	—	—	(53.9)
	<u>209.8</u>	<u>58.2</u>	<u>(596.5)</u>
Net derivative position at year end	<u>(391.3)</u>	<u>305.0</u>	<u>(309.4)</u>

- (a) The derivative arrangements in the above table have been netted for disclosure purposes only. The amounts included on the Balance Sheet are gross amounts.
- (b) Additional information in relation to the above interest rate swaps and forward currency contracts (i.e. notional value and weighted average interest rates) can be found in Note 10 to the consolidated financial statements.
- (c) €1.0 million interest rate swap financial liabilities falling due within one year, is net of €0.3 million derivative financial assets, falling due within one year, in respect of cross currency interest rate swaps (see Note 10 to the consolidated financial statements).
- (d) €209.8 million commodity forward contracts relate solely to jet fuel derivative financial assets (see Note 10 of the consolidated financial statements).

The Company enters in to derivative transactions with a number of different counterparties with which there are International Swaps and Derivatives Association (“ISDA”) master agreements in place. As the Company does not intend to settle derivatives net, nor is any collateral posted for derivative transactions, no netting has been applied to the derivative balances. Of the Company’s total derivative assets of €214.7 million, €25.1 million are available for offset against derivative liabilities under master netting arrangements.

Interest rate swaps are primarily used to convert a portion of the Company’s floating rate exposures on borrowings into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all designated in cash-flow hedges of the forecasted variable interest payments and rentals due on the Company’s underlying debt and operating leases and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges in the current and preceding years.

The Company also utilises cross currency interest rate swaps to manage exposures to fluctuations in foreign exchange rates of U.S. dollar denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar denominated floating rate borrowings. Cross currency interest rate swaps are primarily used to convert a portion of the Company's U.S. dollar denominated debt to euro and floating rate interest exposures into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all designated in cash-flow hedges of the forecasted U.S. dollar variable interest payments on the Company's underlying debt and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges in the current year.

Foreign currency forward contracts may be utilised in a number of ways: forecast U.K. pounds sterling and euro revenue receipts are converted into U.S. dollars to hedge against forecasted U.S. dollar payments principally for jet fuel, insurance, capital expenditure and other aircraft related costs. These are designated in cash-flow hedges of forecasted U.S. dollar payments and have been determined to be highly effective in offsetting variability in future cash flows arising from the fluctuation in the U.S. dollar to U.K. pounds sterling and euro exchange rates for the forecasted U.S. dollar purchases. Because the timing of anticipated payments and the settlement of the related derivatives is very closely coordinated, no ineffectiveness has been recorded for these foreign currency forward contracts in the current or preceding years (the underlying hedged items and hedging instruments have been consistently closely matched).

The Company also utilises jet fuel forward contracts to manage exposure to jet fuel prices. These are used to hedge the Company's forecasted fuel purchases, and are arranged so as to match as closely as possible against forecasted fuel delivery and payment requirements. These are designated in cash-flow hedges of forecasted fuel payments and have been determined to be highly effective in offsetting variability in future cash flows arising from fluctuations in jet fuel prices. No ineffectiveness has been recorded on these arrangements in the current or preceding years.

The European Union Emissions Trading System (EU ETS) began operating for airlines on January 1, 2012. Ryanair recognises the cost associated with the purchase of carbon credits as part of the EU ETS as an expense in the income statement. This expense is recognised in line with fuel consumed during the fiscal year as the Company's carbon emissions and fuel consumption are directly linked.

The (gains)/losses on the aircraft firm commitments are recognised as part of the capitalised cost of aircraft additions, within property, plant and equipment. The (gains)/losses on interest rate swaps, commodity forward contracts and forward currency contracts (excluding aircraft firm commitments) are recognised in the income statement when the hedged transaction occurs.

The following table indicates the amounts that were reclassified from other comprehensive income into the income statement, analysed by income statement category, in respect of cash-flow hedges realised during the year:

	<u>Year ended March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Commodity forward contracts			
Reclassification adjustments for (gains)/losses recognised in fuel and oil operating expenses, net of tax	117.8	(504.6)	(891.4)
Interest rate swaps			
Reclassification adjustments for (gains)/losses recognised in finance expense, net of tax	2.3	1.1	(15.4)
Foreign currency forward contracts			
Reclassification adjustments for (gains) recognised in fuel and oil operating expenses, net of tax	(0.5)	(10.8)	(28.4)
	<u>119.6</u>	<u>(514.3)</u>	<u>(935.2)</u>

The following table indicates the amounts that were reclassified from other comprehensive income into the capitalised cost of aircraft additions within property, plant and equipment, in respect of cash-flow hedges realised during the year:

	<u>Year ended March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Foreign currency forward contracts			
Recognised in property plant and equipment – aircraft additions	108.4	109.7	(39.6)
	<u>108.4</u>	<u>109.7</u>	<u>(39.6)</u>

The following tables indicate the periods in which cash flows associated with derivatives that are designated as cash-flow hedges were expected to occur and to impact on profit or loss, as of March 31, 2018, 2017 and 2016:

	<u>Net Carrying Amount</u>	<u>Expected Cash Flows</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Thereafter</u>
	€M	€M	€M	€M	€M	€M	€M
At March 31, 2018							
Interest rate swaps	(6.7)	(6.7)	(0.7)	(0.2)	(0.6)	(1.0)	(4.2)
U.S. dollar currency forward contracts	(181.4)	(181.4)	(153.4)	(28.4)	0.4	—	—
U.S. dollar currency forward contracts to be capitalised in property, plant and equipment - aircraft additions	(413.0)	(413.0)	(34.0)	(75.5)	(82.9)	(99.7)	(120.9)
Commodity forward contracts	209.8	209.8	—	—	—	—	—
	<u>(391.3)</u>	<u>(391.3)</u>	<u>(188.1)</u>	<u>(104.1)</u>	<u>(83.1)</u>	<u>(100.7)</u>	<u>(125.1)</u>

	<u>Net Carrying Amount</u>	<u>Expected Cash Flows</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>Thereafter</u>
	€M	€M	€M	€M	€M	€M	€M
At March 31, 2017							
Interest rate swaps	7.9	7.5	1.5	0.2	1.9	1.5	2.4
U.S. dollar currency forward contracts	238.9	238.9	224.8	6.4	2.9	1.7	3.1
Commodity forward contracts	58.2	58.2	58.2	—	—	—	—
	<u>305.0</u>	<u>304.6</u>	<u>284.5</u>	<u>6.6</u>	<u>4.8</u>	<u>3.2</u>	<u>5.5</u>

	<u>Net Carrying Amount</u>	<u>Expected Cash Flows</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>Thereafter</u>
	€M	€M	€M	€M	€M	€M	€M
At March 31, 2016							
Interest rate swaps	(8.2)	26.2	(2.1)	4.0	2.8	3.8	17.7
U.S. dollar currency forward contracts	44.9	54.7	86.3	(37.1)	2.3	2.0	1.2
U.S. dollar currency forward contracts to be capitalised in property, plant and equipment - aircraft additions	250.4	241.7	180.3	61.4	—	—	—
Commodity forward contracts	<u>(596.5)</u>	<u>(596.5)</u>	<u>(542.5)</u>	<u>(54.0)</u>	<u>—</u>	<u>—</u>	<u>—</u>
	<u>(309.4)</u>	<u>(273.9)</u>	<u>(278.0)</u>	<u>(25.7)</u>	<u>5.1</u>	<u>5.8</u>	<u>18.9</u>

Derivative transactions entered into by the Company with a particular counterparty are not settled net and there are no provisions within these agreements to off-set similar transactions.

5. Inventories

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Consumables	<u>3.7</u>	<u>3.1</u>	<u>3.3</u>

In the view of management, there are no material differences between the net realisable value of inventories and the balance sheet amounts.

6. Other assets

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Prepayments	235.2	221.1	145.1
Interest receivable	0.3	1.0	3.4
	<u>235.5</u>	<u>222.1</u>	<u>148.5</u>

All amounts fall due within one year.

7. Trade receivables

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Trade receivables	57.7	54.4	66.2
Allowance for impairment	(0.1)	(0.1)	(0.1)
	<u>57.6</u>	<u>54.3</u>	<u>66.1</u>

All amounts fall due within one year.

There has been no change to the allowance for impairment during the year (2017: Nil; 2016: Nil). There were no bad debt write-offs in the year (2017: Nil; 2016: Nil).

No individual customer accounted for more than 10% of our accounts receivable at March 31, 2018, at March 31, 2017 or at March 31, 2016.

At March 31, 2018, €0.8 million (2017: €0.8 million; 2016: €0.6 million) of our total accounts receivable balance were past due, of which €0.2 million (2017: €0.2 million; 2016: €0.1 million) was impaired and provided for and €0.6 million (2017: €0.6 million; 2016: €0.5 million) was considered past due but not impaired.

8. Restricted cash

Restricted cash consists of €34.6 million (2017: €11.8 million; 2016: €13.0 million) placed in escrow accounts for certain legal cases and appeals (which accounts for the majority of the balance).

9. Accrued expenses and other liabilities

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Accruals	445.5	348.0	422.8
Indirect tax and duties	648.4	576.4	516.0
Unearned revenue	1,408.3	1,332.8	1,173.9
	<u>2,502.2</u>	<u>2,257.2</u>	<u>2,112.7</u>

Indirect tax and duties comprises:

	At March 31,		
	2018	2017	2016
	€M	€M	€M
PAYE (payroll taxes)	15.7	9.5	12.9
Other tax (principally air passenger duty in various countries)	632.7	566.9	503.1
	<u>648.4</u>	<u>576.4</u>	<u>516.0</u>

10. Financial instruments and financial risk management

The Company utilises financial instruments to reduce exposures to market risks throughout its business. Borrowings, cash and cash equivalents and liquid investments are used to finance the Company's operations. Derivative financial instruments are contractual agreements with a value that reflects price movements in an underlying asset. The Company uses derivative financial instruments, principally jet fuel derivatives, interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts to manage commodity risks, interest rate risks and currency exposures and to achieve the desired profile of fixed and variable rate borrowings and leases in appropriate currencies. It is the Company's policy that no speculative trading in financial instruments shall take place.

The main risks attaching to the Company's financial instruments, the Company's strategy and approach to managing these risks, and the details of the derivatives employed to hedge against these risks have been disclosed in Note 4 to the consolidated financial statements.

(a) **Financial assets and financial liabilities – fair values**

The carrying value and fair value of the Company's financial assets by class and measurement category at March 31, 2018, 2017 and 2016 were as follows:

	<u>Loans and Receivables</u>	<u>Cash- Flow Hedges</u>	<u>Total Carrying Value</u>	<u>Total Fair Value</u>
	€M	€M	€M	€M
At March 31, 2018				
Cash and cash equivalents	1,515.0	—	1,515.0	—
Financial asset: cash > 3 months	2,130.5	—	2,130.5	—
Restricted cash	34.6	—	34.6	—
Derivative financial instruments:				
- U.S. dollar currency forward contracts	—	4.6	4.6	4.6
- Interest rate swaps	—	0.3	0.3	0.3
- Jet fuel derivative contracts	—	209.8	209.8	209.8
Trade receivables	57.6	—	57.6	—
Other assets	0.3	—	0.3	—
Total financial assets at March 31, 2018	<u>3,738.0</u>	<u>214.7</u>	<u>3,952.7</u>	<u>214.7</u>
At March 31, 2017				
Cash and cash equivalents	1,224.0	—	1,224.0	—
Financial asset: cash > 3 months	2,904.5	—	2,904.5	—
Restricted cash	11.8	—	11.8	—
Derivative financial instruments:				
- U.S. dollar currency forward contracts	—	239.4	239.4	239.4
- Interest rate swaps	—	11.7	11.7	11.7
- Jet fuel derivative contracts	—	58.2	58.2	58.2
Trade receivables	54.3	—	54.3	—
Other assets	1.0	—	1.0	—
Total financial assets at March 31, 2017	<u>4,195.6</u>	<u>309.3</u>	<u>4,504.9</u>	<u>309.3</u>
At March 31, 2016				
Cash and cash equivalents	1,259.2	—	1,259.2	—
Financial asset: cash > 3 months	3,062.3	—	3,062.3	—
Restricted cash	13.0	—	13.0	—
Derivative financial instruments:				
- U.S. dollar currency forward contracts	—	346.4	346.4	346.4
- Interest rate swaps	—	8.0	8.0	8.0
- Jet fuel derivative contracts	—	3.2	3.2	3.2
Trade receivables	66.1	—	66.1	—
Other assets	3.4	—	3.4	—
Total financial assets at March 31, 2016	<u>4,404.0</u>	<u>357.6</u>	<u>4,761.6</u>	<u>357.6</u>

The Company has not disclosed the fair value of the financial instruments: cash and cash equivalents, financial assets: cash > 3 months with maturities less than 1 year, restricted cash, trade receivables and other assets because their carrying amounts are a reasonable approximation of their fair values due to the short term nature of the instruments.

The carrying values and fair values of the Company's financial liabilities by class and category were as follows:

	Liabilities at Amortised Cost	Cash- Flow Hedges	Total Carrying Value	Total Fair Value
	€M	€M	€M	€M
At March 31, 2018				
Current and non-current maturities of debt	3,963.0	—	3,963.0	4,061.0
Derivative financial instruments:				
-U.S. dollar currency forward contracts	—	599.0	599.0	599.0
-Jet fuel derivative contracts	—	—	—	—
-Interest rate swaps	—	7.0	7.0	7.0
Trade payables	249.6	—	249.6	—
Accrued expenses	445.5	—	445.5	—
	<u>4,658.1</u>	<u>606.0</u>	<u>5,264.1</u>	<u>4,667.0</u>
Total financial liabilities at March 31, 2018				
At March 31, 2017				
Current and non-current maturities of debt	4,384.5	—	4,384.5	4,474.4
Derivative financial instruments:				
-U.S. dollar currency forward contracts	—	0.5	0.5	0.5
-Jet fuel derivative contracts	—	—	—	—
-Interest rate swaps	—	3.8	3.8	3.8
Trade payables	294.1	—	294.1	—
Accrued expenses	348.0	—	348.0	—
	<u>5,026.6</u>	<u>4.3</u>	<u>5,030.9</u>	<u>4,478.7</u>
Total financial liabilities at March 31, 2017				
At March 31, 2016				
Current and non-current maturities of debt	4,023.0	—	4,023.0	4,115.1
Derivative financial instruments:				
-GBP currency forward contracts	—	51.1	51.1	51.1
-Jet fuel derivative contracts	—	599.7	599.7	599.7
-Interest rate swaps	—	16.2	16.2	16.2
Trade payables	230.6	—	230.6	—
Accrued expenses	422.8	—	422.8	—
	<u>4,676.4</u>	<u>667.0</u>	<u>5,343.4</u>	<u>4,782.1</u>
Total financial liabilities at March 31, 2016				

The Company has not disclosed the fair value for financial liabilities such as trade payables and accrued expenses because their carrying amounts are a reasonable approximation of their fair values due to the short term nature of the instruments.

Estimation of fair values

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value of each material class of the Company's financial instruments:

Financial instruments measured at fair value

Derivatives – interest rate swaps: Discounted cash-flow analyses have been used to determine the fair value, taking into account current market inputs and rates. The Company's credit risk and counterparty's credit risk is taken into account when establishing fair value. (Level 2)

Derivatives – currency forwards and aircraft fuel contracts: A comparison of the contracted rate to the market rate for contracts providing a similar risk profile at March 31, 2018 has been used to establish fair value. The Company's credit risk and counterparty's credit risk is taken into account when establishing fair value. (Level 2)

Financial instruments not measured at fair value

Fixed-rate long-term debt: The repayments which Ryanair is committed to make have been discounted at the relevant market rates of interest applicable (including credit spreads) at the relevant reporting year end date to arrive at a fair value representing the amount payable to a third party to assume the obligations.

There were no significant changes in the business or economic circumstances during the year to March 31, 2018 that affect the fair value of the Company's Financial Assets and Financial Liabilities.

The table below analyses financial instruments carried at fair value in the balance sheet categorised by the type of valuation method used. The different valuation levels are defined as follows:

- Level 1: Inputs are based on unadjusted quoted prices in active markets for identical instruments.
- Level 2: Inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3: Inputs for the asset or liability are not based on observable market data.

	<u>Level 1</u> €M	<u>Level 2</u> €M	<u>Level 3</u> €M	<u>Total</u> €M
At March 31, 2018				
Assets measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	4.6	—	4.6
Cash-flow hedges – jet fuel derivative contracts	—	209.8	—	209.8
Cash-flow hedges – interest rate swaps	—	0.3	—	0.3
	<u>—</u>	<u>214.7</u>	<u>—</u>	<u>214.7</u>
Liabilities measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	599.0	—	599.0
Cash-flow hedges – jet fuel derivative contracts	—	—	—	—
Cash-flow hedges – interest rate swaps	—	7.0	—	7.0
	<u>—</u>	<u>606.0</u>	<u>—</u>	<u>606.0</u>
Liabilities not measured at fair value				
Long-term debt	—	4,061.0	—	4,061.0
	<u>—</u>	<u>4,881.7</u>	<u>—</u>	<u>4,881.7</u>

During the year ended March 31, 2018, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

	<u>Level 1</u> €M	<u>Level 2</u> €M	<u>Level 3</u> €M	<u>Total</u> €M
At March 31, 2017				
Assets measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	239.3	—	239.3
Cash-flow hedges – jet fuel derivative contracts	—	58.2	—	58.2
Cash-flow hedges – interest rate swaps	—	11.8	—	11.8
	<u>—</u>	<u>309.3</u>	<u>—</u>	<u>309.3</u>
Liabilities measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	0.5	—	0.5
Cash-flow hedges – jet fuel derivative contracts	—	—	—	—
Cash-flow hedges – interest rate swaps	—	3.8	—	3.8
	<u>—</u>	<u>4.3</u>	<u>—</u>	<u>4.3</u>
Liabilities not measured at fair value				
Long-term debt	—	4,474.4	—	4,474.4
	<u>—</u>	<u>4,788.0</u>	<u>—</u>	<u>4,788.0</u>

During the year ended March 31, 2017, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
	€M	€M	€M	€M
At March 31, 2016				
Assets measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	346.4	—	346.4
Cash-flow hedges – jet fuel derivative contracts	—	3.2	—	3.2
Cash-flow hedges – interest rate swaps	—	8.0	—	8.0
	<u>—</u>	<u>357.6</u>	<u>—</u>	<u>357.6</u>
Liabilities measured at fair value				
Cash-flow hedges – GBP currency forward contracts	—	51.1	—	51.1
Cash-flow hedges – jet fuel derivative contracts	—	599.7	—	599.7
Cash-flow hedges – interest rate swaps	—	16.2	—	16.2
	<u>—</u>	<u>667.0</u>	<u>—</u>	<u>667.0</u>
Liabilities not measured at fair value				
Long-term debt	—	4,115.1	—	4,115.1
	<u>—</u>	<u>5,139.7</u>	<u>—</u>	<u>5,139.7</u>

During the year ended March 31, 2016, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

(b) Commodity risk

The Company's exposure to price risk in this regard is primarily for jet fuel used in the normal course of operations.

At the year-end, the Company had the following jet fuel arrangements in place:

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Jet fuel forward contracts – fair value	209.8	58.2	(596.5)
	<u>209.8</u>	<u>58.2</u>	<u>(596.5)</u>

All of the above commodity contracts are matched against highly probable forecast commodity cash flows.

(c) Maturity and interest rate risk profile of financial assets and financial liabilities

At March 31, 2018, the Company had total borrowings of €3,963.0 million (2017: €4,384.5 million; 2016: €4,023.0 million) from various financial institutions and the debt capital markets. Financing for the acquisition of 153 Boeing 737-800 “next generation” aircraft (2017: 174; 2016: 194) was provided on the basis of guarantees granted by the Export-Import Bank of the United States. The guarantees are secured with a first fixed mortgage on the delivered aircraft. The remaining long-term debt relates to three unsecured Eurobonds, two for €850 million and one for €750 million, 16 aircraft held under finance leases (2017: 22; 2016: 26) and 6 aircraft financed by way of other commercial debt (2017: 6; 2016: 6).

The maturity profile of the Company's financial liabilities (aircraft provisions, trade payables and accrued expenses) at March 31, 2018 was as follows:

	Weighted average rate (%)	2019 €M	2020 €M	2021 €M	2022 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term debt	2.56 %	84.8	59.9	46.9	48.1	110.7	350.4
Unsecured long term debt	1.33 %	24.0	24.0	24.0	867.0	1,627.7	2,566.7
Debt swapped from floating to fixed	0.37 %	14.0	14.4	14.9	15.3	15.8	74.4
Long term debt after swaps	1.45 %	122.8	98.3	85.8	930.4	1,754.2	2,991.5
Finance leases	2.97 %	66.6	(2.8)	115.5	—	—	179.3
Total fixed rate debt		<u>189.4</u>	<u>95.5</u>	<u>201.3</u>	<u>930.4</u>	<u>1,754.2</u>	<u>3,170.8</u>
Floating rate							
Secured long term debt		196.4	193.4	174.6	118.8	36.5	719.7
Debt swapped from floating to fixed		(14.0)	(14.4)	(14.9)	(15.3)	(15.8)	(74.4)
Secured long term debt after swaps	0.85 %	182.4	179.0	159.7	103.5	20.7	645.3
Finance leases	1.14 %	62.8	21.5	62.6	—	—	146.9
Total floating rate debt	0.90 %	<u>245.2</u>	<u>200.5</u>	<u>222.3</u>	<u>103.5</u>	<u>20.7</u>	<u>792.2</u>
Total financial liabilities		<u>434.6</u>	<u>296.0</u>	<u>423.6</u>	<u>1,033.9</u>	<u>1,774.9</u>	<u>3,963.0</u>

All of the above debt maturing after 2022 will mature between fiscal year 2022 and fiscal year 2025.

The maturity profile of the Company's financial liabilities (aircraft provisions, trade payables and accrued expenses) at March 31, 2017 was as follows:

	Weighted average rate (%)	2018 €M	2019 €M	2020 €M	2021 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term-debt	1.91 %	96.2	71.7	46.6	33.4	105.9	353.8
Unsecured long term-debt	1.37 %	13.5	13.2	13.2	13.2	2,462.1	2,515.2
Debt swapped from floating to fixed	2.59 %	60.1	61.7	63.3	64.9	143.4	393.4
Long-term debt after swaps	1.57 %	169.8	146.6	123.1	111.5	2,711.4	3,262.4
Finance leases	2.74 %	59.5	66.7	(2.9)	116.0	—	239.3
Total fixed rate debt		<u>229.3</u>	<u>213.3</u>	<u>120.2</u>	<u>227.5</u>	<u>2,711.4</u>	<u>3,501.7</u>
Floating rate							
Secured long-term debt		216.0	214.9	212.3	193.8	222.0	1,059.0
Debt swapped from floating to fixed		(60.1)	(61.7)	(63.3)	(64.9)	(143.4)	(393.4)
Secured long-term debt after swaps	0.49 %	155.9	153.2	149.0	128.9	78.6	665.6
Finance leases	1.01 %	70.7	62.6	21.3	62.6	—	217.2
Total floating rate debt	0.84 %	<u>226.6</u>	<u>215.8</u>	<u>170.3</u>	<u>191.5</u>	<u>78.6</u>	<u>882.8</u>
Total financial liabilities		<u>455.9</u>	<u>429.1</u>	<u>290.5</u>	<u>419.0</u>	<u>2,789.9</u>	<u>4,384.5</u>

All of the above debt maturing after 2021 will mature between fiscal year 2021 and fiscal year 2025.

The maturity profile of the Company's financial liabilities (aircraft provisions, trade payables and accrued expenses) at March 31, 2016 was as follows:

	Weighted average rate (%)	2017 €M	2018 €M	2019 €M	2020 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term-debt	2.68 %	97.1	96.1	71.7	46.6	139.3	450.8
Unsecured long term-debt	1.48 %	7.1	7.1	7.1	7.1	1,699.1	1,727.5
Debt swapped from floating to fixed	3.23 %	144.9	234.0	157.7	85.7	204.7	827.0
Secured long-term debt after swaps	2.15 %	249.1	337.2	236.5	139.4	2,043.1	3,005.3
Finance leases	2.83 %	41.8	62.5	66.6	—	110.3	281.2
Total fixed rate debt		<u>290.9</u>	<u>399.7</u>	<u>303.1</u>	<u>139.4</u>	<u>2,153.4</u>	<u>3,286.5</u>
Floating rate							
Secured long-term debt		237.0	329.5	248.6	170.4	293.9	1,279.4
Debt swapped from floating to fixed		(144.9)	(234.0)	(157.7)	(85.7)	(204.7)	(827.0)
Secured long-term debt after swaps	0.41 %	92.1	95.5	90.9	84.7	89.2	452.4
Finance leases	1.09 %	66.9	70.7	62.6	21.3	62.6	284.1
Total floating rate debt	0.71 %	159.0	166.2	153.5	106.0	151.8	736.5
Total financial liabilities		<u>449.9</u>	<u>565.9</u>	<u>456.6</u>	<u>245.4</u>	<u>2,305.2</u>	<u>4,023.0</u>

All of the above debt maturing after 2020 will mature between fiscal year 2020 and fiscal year 2025.

The following provides an analysis of changes in borrowings during the year:

	At March 31,		
	2018 €M	2017 €M	2016 €M
Balance at start of year	4,384.5	4,023.0	4,431.6
Loans raised for general corporate purposes— euro	65.2	793.4	—
Repayments of amounts borrowed	(458.9)	(447.1)	(384.9)
Foreign exchange loss/(gain) on conversion of U.S. dollar loans	(27.8)	15.2	(23.7)
Balance at end of year	<u>3,963.0</u>	<u>4,384.5</u>	<u>4,023.0</u>
Less than one year	434.6	455.9	449.9
More than one year	<u>3,528.4</u>	<u>3,928.6</u>	<u>3,573.1</u>
	<u>3,963.0</u>	<u>4,384.5</u>	<u>4,023.0</u>

The maturities of the contractual undiscounted cash flows (including estimated future interest payments on debt) of the Company's financial liabilities are as follows:

	Total Carrying Value	Total Contractual Cash flows	2019	2020	2021	2022	Thereafter
	€M	€M	€M	€M	€M	€M	€M
At March 31, 2018							
Long term debt and finance leases:							
-Fixed rate debt (excluding swapped debt)	3,096.4	3,144.9	178.2	82.3	189.3	929.4	1,765.7
-Swapped to fixed rate debt	<u>74.4</u>	<u>74.7</u>	<u>14.1</u>	<u>14.5</u>	<u>15.0</u>	<u>15.4</u>	<u>15.7</u>
- Fixed rate debt 1.54%	3,170.8	3,219.6	192.3	96.8	204.3	944.8	1,781.4
- Floating rate debt 0.90%	<u>792.2</u>	<u>799.3</u>	<u>247.4</u>	<u>202.3</u>	<u>224.3</u>	<u>104.4</u>	<u>20.9</u>
	3,963.0	4,018.9	439.7	299.1	428.6	1,049.2	1,802.3
Derivative financial instruments							
- Interest rate swaps	7.0	6.5	2.3	1.3	1.0	0.8	1.1
- Currency forward contracts	599.0	599.0	189.5	105.6	83.1	99.7	121.1
- Commodity forward contracts	—	—	—	—	—	—	—
Trade payables	249.6	249.6	249.6	—	—	—	—
Accrued expenses	445.5	445.5	445.5	—	—	—	—
Total at March 31, 2018	<u>5,264.1</u>	<u>5,319.5</u>	<u>1,326.6</u>	<u>406.0</u>	<u>512.7</u>	<u>1,149.7</u>	<u>1,924.5</u>
At March 31, 2017							
Long term debt and finance leases:							
-Fixed rate debt (excluding swapped debt)	3,108.3	3,302.3	205.1	182.6	83.1	186.1	2,645.4
-Swapped to fixed rate debt	<u>393.4</u>	<u>416.5</u>	<u>77.1</u>	<u>65.3</u>	<u>65.0</u>	<u>65.3</u>	<u>143.8</u>
- Fixed rate debt 1.65%	3,501.7	3,718.8	282.2	247.9	148.1	251.4	2,789.2
- Floating rate debt 0.84%	<u>882.8</u>	<u>892.3</u>	<u>230.1</u>	<u>218.6</u>	<u>172.2</u>	<u>192.4</u>	<u>79.0</u>
	4,384.5	4,611.1	512.3	466.5	320.3	443.8	2,868.2
Derivative financial instruments							
- Interest rate swaps	3.8	4.9	1.7	2.2	1.0	—	—
- Currency forward contracts	0.5	0.3	0.1	0.2	—	—	—
- Commodity forward contracts	—	—	—	—	—	—	—
Trade payables	294.1	294.1	294.1	—	—	—	—
Accrued expenses	348.0	348.0	348.0	—	—	—	—
Total at March 31, 2017	<u>5,030.9</u>	<u>5,258.4</u>	<u>1,156.2</u>	<u>468.9</u>	<u>321.3</u>	<u>443.8</u>	<u>2,868.2</u>

At March 31, 2016	Total Carrying Value	Total Contractual Cash flows	2017	2018	2019	2020	Thereafter
	€M	€M	€M	€M	€M	€M	€M
Long term debt and finance leases:							
-Fixed rate debt (excluding swapped debt)	2,459.5	2,678.4	188.4	199.9	177.8	80.4	2,031.9
-Swapped to fixed rate debt	<u>827.0</u>	<u>849.9</u>	<u>161.9</u>	<u>237.6</u>	<u>159.4</u>	<u>86.0</u>	<u>205.0</u>
- Fixed rate debt 2.20%	3,286.5	3,528.3	350.3	437.5	337.2	166.4	2,236.9
- Floating rate debt 0.71%	<u>736.5</u>	<u>746.2</u>	<u>162.5</u>	<u>168.9</u>	<u>155.4</u>	<u>107.2</u>	<u>152.2</u>
	4,023.0	4,274.5	512.8	606.4	492.6	273.6	2,389.1
Derivative financial instruments							
- Interest rate swaps	16.2	14.9	11.1	2.8	1.0	—	—
- Currency forward contracts	51.1	51.1	0.6	50.5	—	—	—
- Commodity forward contracts	599.7	599.7	542.5	57.2	—	—	—
Trade payables	230.6	230.6	230.6	—	—	—	—
Accrued expenses	<u>422.8</u>	<u>422.8</u>	<u>422.8</u>	<u>—</u>	<u>—</u>	<u>—</u>	<u>—</u>
Total at March 31, 2016	<u>5,343.4</u>	<u>5,593.6</u>	<u>1,720.4</u>	<u>716.9</u>	<u>493.6</u>	<u>273.6</u>	<u>2,389.1</u>

Interest rate re-pricing

Floating interest rates on financial liabilities are generally referenced to European inter-bank interest rates (EURIBOR). Secured long-term debt and interest rate swaps typically re-price on a quarterly basis with finance leases re-pricing on a semi-annual basis. We use current interest rate settings on existing floating rate debt at each year-end to calculate contractual cash flows.

Fixed interest rates on financial liabilities are fixed for the duration of the underlying structures (typically between 7 and 12 years).

The Company holds significant cash balances that are invested on a short-term basis. At March 31, 2018, all of the Company's cash and liquid resources attracted a weighted average interest rate of -0.01% (2017: 0.04%; 2016: 0.19%).

	March 31, 2018		March 31, 2017		March 31, 2016	
	Within 1 year	Total	Within 1 year	Total	Within 1 year	Total
	€M	€M	€M	€M	€M	€M
Financial assets						
Cash and cash equivalents	1,515.0	1,515.0	1,224.0	1,224.0	1,259.2	1,259.2
Cash > 3 months	2,130.5	2,130.5	2,904.5	2,904.5	3,062.3	3,062.3
Restricted cash	34.6	34.6	11.8	11.8	13.0	13.0
Total financial assets	<u>3,680.1</u>	<u>3,680.1</u>	<u>4,140.3</u>	<u>4,140.3</u>	<u>4,334.5</u>	<u>4,334.5</u>

Interest rates on cash and liquid resources are generally based on the appropriate EURIBOR, LIBOR or bank rates dependent on the principal amounts on deposit.

(d) Foreign currency risk

The Company has exposure to various foreign currencies (principally U.K. pounds sterling and U.S. dollars) due to the international nature of its operations. The Company manages this risk by matching U.K. pound sterling revenues against U.K. pound sterling costs. Any remaining unmatched U.K. pound sterling revenues are used to fund U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance and capital expenditure costs or are sold for euro. The Company also sells euro forward to cover certain U.S. dollar costs. Further details of the hedging activity carried out by the Company are disclosed in Note 4 to the consolidated financial statements.

The following table shows the net amount of monetary assets of the Company that are not denominated in euro at March 31, 2018, 2017 and 2016. Such amounts have been translated using the following year-end foreign currency rates in 2018: €/£:0.8756; €/\$:1.2321 (2017: €/£: 0.8555; €/\$:1.0691; 2016: €/£: 0.7916; €/\$: 1.1385).

	March 31, 2018			March 31, 2017			March 31, 2016		
	GBP	U.S.\$	euro	GBP	U.S.\$	euro	GBP	U.S.\$	euro
	£M	\$M	€M	£M	\$M	€M	£M	\$M	€M
Monetary assets									
U.K. pounds sterling cash and liquid resources	12.2	—	13.9	8.0	—	9.4	4.0	—	5.1
U.S. Dollar cash and liquid resources	—	168.0	136.3	—	10.6	10.0	—	4.7	4.2
	<u>12.2</u>	<u>168.0</u>	<u>150.2</u>	<u>8.0</u>	<u>10.6</u>	<u>19.4</u>	<u>4.0</u>	<u>4.7</u>	<u>9.3</u>

The following table shows the net amount of monetary liabilities of the Company that are not denominated in euro at March 31, 2018, 2017 and 2016. Such amounts have been translated using the following year-end foreign currency rates in 2018: €/£1.2321 (2017: €/£1.0691; 2016: €/£: 1.1385).

	March 31, 2018		March 31, 2017		March 31, 2016	
	U.S.\$	euro	U.S.\$	euro	U.S.\$	euro
	\$M	€M	\$M	€M	\$M	€M
Monetary liabilities						
U.S dollar long term debt	246.1	199.8	288.8	270.1	330.5	290.3
	<u>246.1</u>	<u>199.8</u>	<u>288.8</u>	<u>270.1</u>	<u>330.5</u>	<u>290.3</u>

The Company has entered into cross currency interest rate swap arrangements to manage exposures to fluctuations in foreign exchange rates on these U.S. dollar denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar denominated floating rate borrowings. The fair value of these cross currency interest rate swap instruments at March 31, 2018 was €0.3 million (2017: €11.3 million; 2016: €1.8 million) which has been classified within current assets (2017: current assets; 2016: current assets), specifically derivative assets/liabilities falling due within one year (see Note 4 to the consolidated financial statements).

(f) Credit risk

The Company holds significant cash balances, which are classified as either cash and cash equivalents or financial assets >3 months. These deposits and other financial instruments (principally certain derivatives and loans as identified above) give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty through regular review of counterparties' market-based ratings, Tier 1 capital level and credit default swap rates and by taking into account bank counterparties' systemic importance to the financial systems of their home countries. The Company typically enters into deposits and derivative contracts with parties that have high investment grade credit rating from the main rating agencies, including Standard & Poor's, Moody's and Fitch Ratings. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument. The Company is authorised to place funds on deposit for periods up to 3 years. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders on an ongoing basis.

The Company's revenues derive principally from airline travel on scheduled services, internet income and in-flight and related sales. Revenue is primarily derived from European routes. No individual customer accounts for a significant portion of total revenue.

At March 31, 2018, €0.8 million (2017: €0.8 million; 2016: €0.6 million) of the Company's total accounts receivable balance were past due, of which €0.2 million (2017: €0.2 million; 2016: €0.1 million) was impaired and provided for and €0.6 million (2017: €0.6 million; 2016: €0.5 million) was past due but not impaired. See Note 7 to the consolidated financial statements.

(g) Liquidity and capital management

The Company's cash and liquid resources comprise cash and cash equivalents, short-term investments and restricted cash. The Company defines the capital that it manages as the Company's long-term debt and equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

The Company finances its working capital requirements through a combination of cash generated from operations, bank loans and debt capital market issuances for general corporate purposes including the acquisition of aircraft. The Company had cash and liquid resources at March 31, 2018 of €3,680.1 million (2017: €4,140.3 million; 2016: €4,334.5 million). During the year, the Company funded €1,470.6 million in purchases of property, plant and equipment (2017: €1,449.8 million; 2016: €1,217.7 million). Cash generated from operations has been the principal source for these cash requirements, supplemented primarily by general corporate purposes debt capital markets issuances. During the year, the Company funded €829.1 million in share buybacks (2017: €1,017.9 million; 2016: €1,104.0 million (inclusive of a €398 million B Share Dividend)). Cash generated from operations has been the principal source for these cash requirements.

The Board of Directors periodically reviews the capital structure of the Company, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity.

Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Management believes that the working capital available to the Company 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 2019.

(h) Guarantees

Details of the Company's guarantees and the related accounting have been disclosed in Note 22 to the consolidated financial statements.

(i) **Sensitivity analysis**

(i) Interest rate risk: Based on the levels of and composition of year-end interest bearing assets and liabilities, including derivatives, at March 31, 2018, a plus or minus one-percentage-point movement in interest rates would result in a respective increase or decrease of €8.5 million (net of tax) in net interest income and expense in the income statement (2017: €25.8 million; 2016: €29.3 million) and a €0.5 million increase or decrease in equity (2017: nil; 2016: €4.8 million). All of the Group's interest rate swaps are used to swap variable rate debt to fixed rate debt; consequently, any changes in interest rates would have an equal and opposite income statement effect for both the interest rate swaps and the debt.

(ii) Foreign currency risk: A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial assets and financial liabilities at March 31, 2018 would have no impact on the income statement (net of tax) (2017: nil; 2016: €0.1 million). The same movement of 10% in foreign currency exchange rates would have a positive €866.1 million impact (net of tax) on equity if the rate fell by 10% and a negative €708.6 million impact (net of tax) if the rate increased by 10% (2017: €336.1 million positive or €410.7 negative; 2016: €567.6 million positive or €464.4 million negative).

11. Deferred and current taxation

The components of the deferred and current taxation in the balance sheet are as follows:

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Current tax liabilities			
Corporation tax provision	36.0	2.9	20.9
Total current tax liabilities	<u>36.0</u>	<u>2.9</u>	<u>20.9</u>
Deferred tax liabilities			
Origination and reversal of temporary differences on property, plant and equipment, derivatives and pensions	395.2	473.1	385.5
Total deferred tax liabilities	<u>395.2</u>	<u>473.1</u>	<u>385.5</u>
Total deferred tax liabilities (net)	<u>395.2</u>	<u>473.1</u>	<u>385.5</u>
Total tax liabilities (net)	<u>431.2</u>	<u>476.0</u>	<u>406.4</u>

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Reconciliation of current tax			
At beginning of year	2.9	20.9	(0.8)
Corporation tax charge in year	152.0	143.6	149.2
Tax paid	<u>(118.9)</u>	<u>(161.6)</u>	<u>(127.5)</u>
At end of year	<u>36.0</u>	<u>2.9</u>	<u>20.9</u>

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Reconciliation of deferred tax			
At beginning of year	473.1	385.5	462.3
New temporary differences on property, plant and equipment, derivatives, pensions and other items	<u>(77.9)</u>	<u>87.6</u>	<u>(76.8)</u>
At end of year	<u>395.2</u>	<u>473.1</u>	<u>385.5</u>

The charge in the year to March 31, 2018 consisted of temporary differences of a charge of €9.1 million for property, plant and equipment recognised in the income statement and a credit of €87.0 million for derivatives recognised in other comprehensive income. The charge in the year to March 31, 2017 consisted of temporary differences of a charge of €10.5 million for property, plant and equipment and a charge of €0.3 million for other temporary differences, both recognised in the income statement, and a charge of €76.6 million for derivatives recognised in other comprehensive income. The charge in the year to March 31, 2016 consisted of temporary differences of a charge of €15.3 million for property, plant and equipment and a credit of €1.7 million for other temporary differences, both recognised in the income statement, and a credit of €90.2 million for derivatives and a credit of €0.1 million for pensions, both recognised in other comprehensive income.

The components of the tax expense in the income statement were as follows:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Corporation tax charge in year	152.0	143.6	149.2
Deferred tax charge relating to origination and reversal of temporary differences	9.1	10.8	13.6
	<u>161.1</u>	<u>154.4</u>	<u>162.8</u>

The following table reconciles the statutory rate of Irish corporation tax to the Company's effective corporation tax rate:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	%	%	%
Statutory rate of Irish corporation tax	12.5	12.5	12.5
Adjustments for earnings taxed at lower rates	(2.9)	(2.2)	(0.1)
Other differences	0.4	0.2	(0.8)
Total effective rate of taxation	<u>10.0</u>	<u>10.5</u>	<u>11.6</u>

Deferred tax applicable to items charged or credited to other comprehensive income were as follows:

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Defined benefit pension obligations	—	—	(0.1)
Derivative financial instruments	(87.0)	76.6	(90.2)
Total tax charge in other comprehensive income	<u>(87.0)</u>	<u>76.6</u>	<u>(90.3)</u>

The majority of current and deferred tax recorded in each of fiscal years 2018, 2017 and 2016 relates to domestic tax charges and there is no expiry date associated with these temporary differences. In fiscal year 2018, the Irish corporation tax rate remained at 12.5%.

The principal components of deferred tax at each year-end were:

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Arising on capital allowances and other temporary differences	444.7	435.6	424.6
Arising on derivatives	(48.9)	38.1	(38.5)
Arising on pension	(0.6)	(0.6)	(0.6)
Total	<u>395.2</u>	<u>473.1</u>	<u>385.5</u>

The Company recognised all required deferred tax assets and liabilities at March 31, 2018, 2017 and 2016. No deferred tax has been provided for un-remitted earnings of overseas subsidiaries as there is no immediate intention to remit these to Ireland. No temporary differences arise on the carrying value of the tax base of subsidiary companies as the Company's trading subsidiaries are resident in countries with which Ireland has concluded double taxation agreements.

12. Provisions

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
Provision for aircraft maintenance on operating leased aircraft (a)	133.2	133.3	144.4
Provision for pension obligation (b)	4.9	4.9	4.9
	<u>138.1</u>	<u>138.2</u>	<u>149.3</u>

	<u>At March 31,</u>		
	<u>2018</u>	<u>2017</u>	<u>2016</u>
	€M	€M	€M
(a) Provision for aircraft maintenance on operating leased aircraft			
At beginning of year	133.3	144.4	176.2
Increase in provision during the year	13.8	25.6	29.5
Utilisation of provision upon the hand-back of aircraft	(13.9)	(36.7)	(61.3)
At end of year	<u>133.2</u>	<u>133.3</u>	<u>144.4</u>

During fiscal year 2018, the Company returned 2 aircraft held under operating lease to the lessors.

The expected timing of the outflows of economic benefits associated with the provision at March 31, 2018, 2017 and 2016 are as follows:

	Carrying					
	<u>Value</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>Thereafter</u>
	€M	€M	€M	€M	€M	€M
At March 31, 2018						
Provision for leased aircraft maintenance	<u>133.2</u>	<u>52.8</u>	<u>57.6</u>	<u>16.2</u>	<u>6.6</u>	<u>—</u>
At March 31, 2017						
Provision for leased aircraft maintenance	<u>133.3</u>	<u>65.5</u>	<u>36.4</u>	<u>25.3</u>	<u>6.1</u>	<u>—</u>

Other movement in the share capital balance year-on-year principally relates to the cancellation of 46.7 million shares relating to share buy-backs (2017: 72.8 million; 2016: 53.5 million). There were no new shares issued in fiscal year 2018. (2017: nil; 2016: 0.3 million)

Ordinary equity shares do not confer on the holders thereof the specific right to be paid a dividend out of profits.

(b) Share premium account

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Balance at beginning of year	719.4	719.4	718.6
Share premium arising from the exercise of 0.3 million options in fiscal year 2016	—	—	0.8
Balance at end of year	<u>719.4</u>	<u>719.4</u>	<u>719.4</u>

(c) Share options and share purchase arrangements

The Company has adopted a number of share option plans, which allow current or future employees or Directors to purchase shares in the Company up to an aggregate of approximately 5% (when aggregated with other ordinary shares over which options are granted and which have not yet been exercised) of the outstanding ordinary shares of Ryanair Holdings plc, subject to certain conditions. All grants are subject to approval by the Remuneration Committee. These are exercisable at a price equal to the market price of the ordinary shares at the time options are granted. The key terms of these option plans include the requirement that certain employees remain in employment with the Company for a specified period of time and that the Company achieves certain net profit targets and/or share price targets.

Details of the share options outstanding are set out below:

	Share Options	Weighted
	M	Average
		Exercise Price
Outstanding at March 31, 2015	<u>18.0</u>	<u>€ 6.86</u>
Exercised	(0.3)	€ 2.56
Granted	0.1	€ 11.38
Forfeited	(0.5)	€ 6.25
Outstanding at March 31, 2016	<u>17.3</u>	<u>€ 6.97</u>
Granted	3.0	€ 12.0
Forfeited	(0.2)	€ 9.42
Outstanding at March 31, 2017	<u>20.1</u>	<u>€ 7.70</u>
Outstanding at March 31, 2018	<u>20.1</u>	<u>€ 7.70</u>

The mid-market price of Ryanair Holdings plc's ordinary shares on the Irish Stock Exchange at March 31, 2018 was €16.00 (2017: €14.53; 2016: €14.17). The highest and lowest prices at which the Company's shares traded on the Irish Stock Exchange in fiscal year 2018 were €19.39 and €14.55 respectively (fiscal year 2017 were €14.96 and €10.46 respectively; 2016: €15.35 and €10.47, respectively). There were no options exercisable at March 31, 2018 (2017: nil; 2016: nil). The average share price for fiscal year 2018 was €16.95 (2017: €13.28; 2016: €13.06).

There were no options exercised during fiscal years 2018 and 2017. The weighted average share price (as of the dates of exercises) for all options exercised during fiscal year 2016 was €11.70.

At March 31, 2018 the range of exercise prices and weighted average remaining contractual life of outstanding options are shown in the table below.

Range of exercise price (€)	Options outstanding		
	Number outstanding M	Weighted-average remaining contractual life (years)	Weighted-average exercise price (€)
6.25-7.99	12.1	4.1	6.39
8.00-12.00	8.0	4.3	9.69

The Company has accounted for its share option grants to employees at fair value, in accordance with IFRS 2, using a binomial lattice model to value the option grants. This has resulted in a charge of €6.4 million to the income statement (2017: €5.7 million charge; 2016: €5.9 million charge) being recognised within the income statement in accordance with employee services rendered.

15. Other equity reserves

The total share based payments reserve at March 31, 2018 was €21.3 million (2017: €14.9 million; 2016: €9.2 million). The treasury reserve amounted to €nil million at March 31, 2018 (2017: €nil; 2016: negative €7.3 million). The total cash-flow hedge reserve amounted to negative €359.7 million at March 31, 2018 (2017: positive €221.9 million; 2016: negative €300.6 million). Further details of the group's derivatives are set out in Notes 4 and 10 to the consolidated financial statements.

16. Analysis of operating revenues and segmental analysis

The Company is managed as a single business unit that provides low fares airline-related services, including scheduled services, internet and other related services to third parties across a European route network. The Company operates a single fleet of aircraft that is deployed through a single route scheduling system.

The Company determines and presents operating segments based on the information that internally is provided to Michael O'Leary, CEO, who is the Company's Chief Operating Decision Maker (CODM). When making resource allocation decisions, the CODM evaluates route revenue and yield data, however resource allocation decisions are made based on the entire route network and the deployment of the entire aircraft fleet, which are uniform in type. The objective in making resource allocation decisions is to maximise consolidated financial results, rather than results on individual routes within the network.

The CODM assesses the performance of the business based on the consolidated adjusted profit/(loss) after tax of the Company for the year. This measure excludes the effects of certain income and expense items, which are unusual, by virtue of their size and incidence, in the context of the Company's ongoing core operations, such as the impairment of a financial asset investment, accelerated depreciation related to aircraft disposals and one off release of ticket sale revenue.

All segment revenue is derived wholly from external customers and, as the Company has a single reportable segment, inter-segment revenue is zero.

The Company's major revenue-generating asset class comprises its aircraft fleet, which is flexibly employed across the Company's integrated route network and is directly attributable to its reportable segment operations. In addition, as the Company is managed as a single business unit, all other assets and liabilities have been allocated to the Company's single reportable segment.

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since the prior year.

Reportable segment information is presented as follows:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
External revenues	7,151.0	6,647.8	6,535.8
Reportable segment profit after income tax	<u>1,450.2</u>	<u>1,315.9</u>	<u>1,241.6 (i)</u>
Other segment information:			
Depreciation	(561.0)	(497.5)	(427.3)
Finance expense	(60.1)	(67.2)	(71.1)
Finance income	2.0	4.2	17.9
Capital expenditure – cash	(1,470.6)	(1,449.8)	(1,217.7)
	At March 31, 2018	At March 31, 2017	At March 31, 2016
	€M	€M	€M
Reportable segment assets	12,361.8	11,989.7	11,218.3
Reportable segment liabilities	<u>7,892.9</u>	<u>7,566.7</u>	<u>7,621.5</u>

(i) Excludes the gain of €317.5 million on the sale of the Aer Lingus Shareholding recognised in the financial year ended March 31, 2016.

Entity-wide disclosures:

Geographical information for revenue by country of origin is as follows:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Ireland	500.6	739.0	672.9
United Kingdom	1,644.7	1,690.3	1,843.9
Other European countries	<u>5,005.7</u>	<u>4,218.5</u>	<u>4,019.0</u>
	<u>7,151.0</u>	<u>6,647.8</u>	<u>6,535.8</u>

Ancillary Revenues

Ancillary revenues comprise revenues from non-flight scheduled operations, in-flight sales and Internet-related services.

Non-flight scheduled revenue arises from the sale of rail and bus tickets, hotel reservations, car hire and other sources, including excess baggage charges and administration fees, all directly attributable to the low-fares business.

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

17. Staff numbers and costs

The average weekly number of staff, including the Executive Director, during the year, analysed by category, was as follows:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
Flight and cabin crew	12,334	11,150	9,777
Sales, operations, management and administration	1,469	1,288	1,149
	<u>13,803</u>	<u>12,438</u>	<u>10,926</u>

At March 31, 2018 the company had a team of 14,583 aviation professionals (2017: 13,026; 2016: 11,458).

The aggregate payroll costs of these persons were as follows:

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Staff and related costs	701.5	599.5	551.9
Social welfare costs	24.8	23.0	23.1
Other pension costs (a)	5.8	4.8	4.5
Share based payments (b)	6.4	5.7	5.9
	<u>738.5</u>	<u>633.0</u>	<u>585.4</u>

(a) Costs in respect of defined-contribution benefit plans and other pension arrangements were €5.8 million in 2018 (2017: €4.8 million; 2016: €4.2 million) while costs associated with the defined benefit plans included here were €nil million in 2018 (2017: €nil million; 2016: €0.3 million). (See Note 20 to the consolidated financial statements).

(b) In the year ended March 31, 2018 the charge in the income statement of €6.4 million for share based compensation comprises a charge for the fair value of various share options granted, which are being recognised in the income statement in accordance with services rendered.

18. Statutory and other information

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Directors' emoluments:			
-Fees	0.7	0.6	0.6
-Share based compensation	1.5	1.5	1.6
-Other emoluments	1.1	2.0	1.9
Total Directors' emoluments	<u>3.3</u>	<u>4.1</u>	<u>4.1</u>
Auditor's remuneration (including reimbursement of outlay):			
- Audit services (i)	0.4	0.4	0.4
- Audit related services (ii)	0.1	0.0	0.0
- Tax advisory services (iii)	0.2	0.5	0.3
Total fees	<u>0.7</u>	<u>0.9</u>	<u>0.7</u>
Included within the above total fees, the following fees were payable to other KPMG firms outside of Ireland:			
Audit related services	0.1	0.0	0.0
Tax services	0.2	0.2	0.1
Total fees	<u>0.3</u>	<u>0.2</u>	<u>0.1</u>
Depreciation of owned property, plant and equipment	548.7	478.7	403.4
Depreciation of property, plant and equipment held under finance leases	12.3	18.8	23.9
Operating lease charges, principally for aircraft	82.3	86.1	115.1

(i) Audit services comprise audit work performed on the consolidated financial statements. In 2018, €1,000 (2017: €1,000; 2016: €1,000) of audit fees relate to the audit of the Parent Company.

(ii) Audit related services comprise financial due diligence services.

(iii) Tax services include all services, except those services specifically related to the audit of financial statements, performed by the independent auditor's tax personnel, supporting tax-related regulatory requirements, and tax compliance and reporting.

(a) Fees and emoluments - Executive Director

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Basic salary	1.06	1.06	1.06
Bonus (performance and target-related)	—	0.95	0.85
Share based compensation	1.25	1.25	1.25
	<u>2.31</u>	<u>3.26</u>	<u>3.16</u>

During the years ended March 31, 2018, 2017, and 2016 Michael O'Leary was the only Executive Director.

(b) Fees and emoluments – Non-Executive Directors

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Fees			
David Bonderman	0.10	0.10	0.10
Michael Cawley	0.05	0.05	0.05
Emer Daly (v)	0.02	—	—
Michael Horgan (i)	—	—	0.04
John Leahy (ii)	—	0.02	0.04
Stan Mc Carthy (iv)	0.04	—	—
Charles McCreevy	0.05	0.05	0.05
Declan McKeon	0.05	0.05	0.05
Kyran McLaughlin	0.05	0.05	0.05
Howard Millar (iii)	0.05	0.05	0.02
Dick Milliken	0.05	0.05	0.05
Mike O’Brien (ii)	0.08	0.06	—
Julie O’Neill	0.05	0.05	0.05
James Osborne (vi)	0.02	0.05	0.05
Louise Phelan	0.05	0.05	0.05
	<u>0.66</u>	<u>0.63</u>	<u>0.60</u>
Emoluments			
Share based compensation	0.27	0.27	0.30
Total	<u>0.93</u>	<u>0.90</u>	<u>0.90</u>

- (i) Michael Horgan resigned from the Board of Directors in September 2015.
- (ii) John Leahy served on the Board of Directors between August 2015 and September 2016. Mike O’Brien was appointed to the Board in May 2016.
- (iii) Howard Millar was appointed to the Board of Directors effective in August 2015.
- (iv) Stan McCarthy was appointed to the Board of Directors effective in May 2017.
- (v) Emer Daly was appointed to the Board of Directors effective in December 2017.
- (vi) James Osborne passed away in August 2017.

(c) Pension benefits

From October 1, 2008, Michael O’Leary was no longer an active member of a Company defined-benefit plan. The total accumulated accrued benefit for Michael O’Leary at March 31, 2018 was €0.1 million (2017: €0.1 million; 2016: €0.1 million). Pension benefits have been computed in accordance with Section 6.8 of the Listing Rules of the Irish Stock Exchange. Increases in transfer values of the accrued benefits have been calculated as at the year-end in accordance with version 1.1 of Actuarial Standard of Practice PEN-11. No Non-Executive Directors are members of the Company defined-benefit plan.

Michael O’Leary is a member of a defined-contribution plan. During the years ended March 31, 2018, 2017, and 2016 the Company did not make contributions to the defined-contribution plan for Michael O’Leary. No Non-Executive Directors are members of the Company defined-contribution plan.

(d) Shares and share options

(i) Shares

Ryanair Holdings plc is listed on the Irish, London and NASDAQ stock exchanges.

The beneficial interests as at March 31, 2018, 2017 and 2016 of the Directors in office at March 31, 2018 and of their spouses and dependent children in the share capital of the Company are as follows:

	No. of Shares at March 31,		
	2018	2017	2016 (a)
David Bonderman	7,535,454	7,535,454	7,535,454
Michael Cawley	756,198	756,198	756,198
Emer Daly	3,260	—	—
Stan McCarthy	10,000	—	—
Kyran McLaughlin	225,000	225,000	225,000
Howard Millar	390,000	390,000	390,000
Dick Milliken	9,750	9,750	9,750
Michael O’Leary	46,096,725	50,096,725	50,096,725
James Osborne	—	302,500	302,500
Louise Phelan	6,825	6,825	6,825

- (a) On October 27, 2015, the Company completed a capital reorganisation which involved the consolidation of its ordinary share capital on a 39 for 40 basis, thus reducing the shareholdings of all Directors in the fiscal year 2016 (before taking account of other additions or disposals of shares undertaken by Directors).

(ii) Share options

The share options held by each Director in office at the end of fiscal year 2018 were as follows:

	No. of Options at March 31,		
	2018	2017	2016
David Bonderman (a)	30,000	30,000	30,000
Michael Cawley (a)	30,000	30,000	30,000
Charles McCreevy (a)	30,000	30,000	30,000
Declan McKeon (a)	30,000	30,000	30,000
Kyran McLaughlin (a)	30,000	30,000	30,000
Howard Millar (c)	30,000	30,000	30,000
Dick Milliken (a)	30,000	30,000	30,000
Michael O’Leary (b)	5,000,000	5,000,000	5,000,000
Julie O’Neill (a)	30,000	30,000	30,000
James Osborne (a)	—	30,000	30,000
Louise Phelan (a)	30,000	30,000	30,000

- (a) These options were granted to these Directors at an exercise price of €6.25 (the market value at the date of grant) during fiscal year 2015 and are exercisable between June 2019 and July 2022 subject to the Director still being a Non-Executive Director of the Company through April 30, 2019.
- (b) These options were granted to Mr. O’Leary during fiscal year 2015 at an exercise price of €8.345 (the market value at the date of grant) and are exercisable between September 2019 and November 2021 subject to him still being an employee of the Company through July 31, 2019.
- (c) These options were granted to these Directors at an exercise price of €11.38 (the market value at the date of grant) during fiscal year 2016 and are exercisable between August 2019 and August 2021 subject to the Director still being a Non-Executive Director of the Company through April 30, 2019.

In fiscal year 2018 the Company incurred total share-based compensation expense of €1.5 million (2017: €1.5 million; 2016: €1.6 million) in relation to Directors.

19. Finance expense

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Interest payable	60.1	67.2	70.9
Interest arising on pension liabilities	—	—	0.2
	<u>60.1</u>	<u>67.2</u>	<u>71.1</u>

20. Pensions

At March 31, 2018 the Company operated defined-contribution schemes.

During fiscal year 2016 the Company closed the defined benefit plan for U.K. employees to future accruals. The net pension liability recognized in the consolidated balance sheet for the scheme at March 31, 2018 was €4.1 million (2017: €4.1 million; 2016: €4.1 million). Costs associated with the scheme during fiscal year 2018 was €nil million (2017: €0.3 million; 2016: €0.3 million).

The amounts recognised in the consolidated balance sheet in respect of defined benefit plans are as follows:

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Present value of benefit obligations	(15.0)	(15.0)	(15.0)
Fair value of plan assets	10.3	10.3	10.3
Present value of net obligations	(4.7)	(4.7)	(4.7)
Related deferred tax asset	0.6	0.6	0.6
Net pension liability	<u>(4.1)</u>	<u>(4.1)</u>	<u>(4.1)</u>

Defined-contribution schemes

The Company operates defined-contribution retirement plans in Ireland and the U.K. The costs of these plans are charged to the consolidated income statement in the period in which they are incurred. The pension cost of these defined-contribution plans was €5.8 million in 2018 (2017: €4.8 million; 2016: €4.2 million).

21. Earnings per share

	At March 31,		
	2018	2017	2016
Basic earnings per ordinary share (€)	1.2151	1.0530	1.1626
Diluted earnings per ordinary share (€)	1.2045	1.0464	1.1563
Number of ordinary shares (in Ms) used for EPS			
Basic	1,193.5	1,249.7	1,341.0
Diluted (a)	1,204.0	1,257.5	1,348.4

(a) Details of share options in issue have been described more fully in Note 14 to the consolidated financial statements. See below for explanation of diluted number of ordinary shares.

Diluted earnings per share takes account solely of the potential future exercise of share options granted under the Company's share option schemes. For fiscal year 2018, the weighted average number of shares in issue of 1,204.0 million includes weighted average share options assumed to be converted, and equal to a total of 10.5 million shares. For fiscal year 2017, the weighted average number of shares in issue of 1,257.5 million includes weighted average share options assumed to be converted, and equal to a total of 7.8 million shares. For fiscal year 2016, the weighted average number of shares in issue of 1,348.4 million includes weighted average share options assumed to be converted, and equal to a total of 7.4 million shares.

22. Commitments and contingencies

Commitments

In March 2013, the Group entered into a contract with Boeing (the "2013 Boeing Contract") whereby the Group agreed to purchase 175 Boeing 737-800 "next-generation" aircraft over a five year period from calendar 2014 to 2018. This agreement was approved at an EGM of Ryanair Holdings plc on June 18, 2013. There were 29 aircraft deliveries remaining at March 31, 2018.

In April 2014, the Group agreed to purchase an additional 5 Boeing 737-800 "next-generation" aircraft for delivery in fiscal year 2016 on the same terms and conditions as the 2013 Boeing Contract. In March 2015, the Group announced the purchase of an additional 3 Boeing 737-800 aircraft for delivery in early 2016 on the same terms as the 2013 Boeing Contract. This brings the total "firm" new deliveries to 183 aircraft.

In September 2014, the Group agreed to purchase up to 200 (100 firm orders and 100 subject to option) Boeing 737-MAX-200 aircraft from The Boeing Corporation during the period fiscal year 2019 to fiscal year 2024 (the "2014 Boeing Contract"). This agreement was approved at an EGM of Ryanair Holdings plc on November 28, 2014. In June 2017, the Group agreed to purchase an additional 10 Boeing 737-MAX-200 aircraft. This brings the total number of 737-MAX-200 aircraft on order to 210, with a list value of approximately \$21.5 billion (assuming all options are exercised). In April 2018, the Company announced that it has converted 25 Boeing 737-MAX-200 options into firm orders. This brings the Company's firm order to 135 Boeing 737-MAX-200s with a further 75 options remaining.

The table below details the firm aircraft delivery schedule at March 31, 2018 and March 31, 2017 for the Group pursuant to the 2013 and 2014 Boeing contracts.

	Aircraft Delivered at March 31, 2018	Firm Aircraft Deliveries Fiscal Year 2019	Firm Aircraft Deliveries Post Fiscal Years 2018/2019	Total “Firm” Aircraft	Basic price per aircraft (U.S.\$ million)	Firm Aircraft Deliveries Fiscal Years 2016-2018 at March 31, 2017
2013 Contract	154	29	—	183	78.49	104
2014 Contract	—	—	135	135	102.50	—
Total	154	29	135	318		104

The “Basic Price” (equivalent to a standard list price for an aircraft of this type) for each aircraft governed by the 2013 Boeing contract will be increased by (a) an estimated U.S.\$2.9 million per aircraft for certain “buyer furnished” equipment the Group has asked Boeing to purchase and install on each of the aircraft, and (b) an “Escalation Factor” designed to increase the Basic Price, as defined in the purchase agreement, of any individual aircraft by applying a formula which reflects increases in the published U.S. Employment Cost and Producer Price indices between the time the Basic Price was set and the period of 18 to 24 months prior to the delivery of such aircraft.

The “Basic Price” (equivalent to a standard list price for an aircraft of this type) for each aircraft governed by the 2014 Boeing contract will be increased by (a) an estimated U.S.\$1.6 million per aircraft for certain “buyer furnished” equipment the Group has asked Boeing to purchase and install on each of the aircraft, and (b) an “Escalation Factor” designed to increase the Basic Price, as defined in the purchase agreement, of any individual aircraft by applying a formula which reflects increases in the published U.S. Employment Cost and Producer Price indices between the time the Basic Price was set and the period of 18 to 24 months prior to the delivery of such aircraft.

Boeing has granted Ryanair certain price concessions as part of the Boeing 2013 Contract and the 2014 Contract. These take the form of credit memoranda to the Group for the amount of such concessions, which the Group 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 under the various Boeing contracts.

Boeing and CFMI (the manufacturer of the engines to be fitted on the purchased aircraft) have also agreed to give the Group certain allowances in addition to providing other goods and services to the Group on concessionary terms. These credit memoranda and allowances will effectively reduce the price of each aircraft to the Group. As a result, the effective price of each aircraft (the purchase price of the new aircraft net of discounts received from Boeing) will be significantly below the Basic Price mentioned above. At March 31, 2018 and March 31, 2017, the total potential commitment to acquire all 164 (2017: 179) “firm” aircraft, not taking such increases and decreases into account, will be approximately U.S. \$16.1 billion (2017: U.S. \$16.5 billion).

Operating leases

The Company financed 76 of the Boeing 737-800 aircraft delivered between December 2003 and March 2014 under 7-year, sale-and-leaseback arrangements with a number of international leasing companies, pursuant to which each lessor purchased an aircraft and leased it to Ryanair under an operating lease. Between October 2010 and March 2018, 45 operating lease aircraft were returned to the lessor at the agreed maturity date of the lease. At March 31, 2018 Ryanair had 31 operating lease aircraft in the fleet. As a result, Ryanair operates, but does not own, these aircraft. Ryanair has no right or obligation to acquire these aircraft at the end of the relevant lease terms. All 31 remaining operating leases are U.S. dollar-denominated which require Ryanair to make fixed rental payments. The Company has an option to extend the initial period of seven years on 16 of the 31 remaining operating lease aircraft as at March 31, 2018, on pre-determined terms. As at March 31, 2018 the Company has exercised 10 of these options to extend. The following table sets out the total future minimum payments of leasing 31 aircraft (2017: 33 aircraft; 2016: 43 aircraft), at March 31, 2018, 2017 and 2016, respectively:

	At March 31,		
	2018	2017	2016
	Minimum payments	Minimum payments	Minimum payments
	€M	€M	€M
Due within one year	76.8	88.9	93.5
Due between one and five years	73.5	142.9	184.8
Due after five years	—	—	0.5
Total	150.3	231.8	278.8

Finance leases

The Company financed 30 Boeing 737-800 aircraft delivered between March 2005 and March 2014 with 13-year euro-denominated Japanese Operating Leases with Call Options (“JOLCOs”). These structures are accounted for as finance leases and are initially recorded at fair value in the Company’s balance sheet. Under each of these contracts, Ryanair has a call option to purchase the aircraft at a pre-determined price after a period of 10.5 years, which it may exercise. Ryanair exercised this option for 6 of these aircraft in fiscal year 2018 (2017: 4; 2016: 0). 6 aircraft have been financed through euro-denominated 12 year amortising commercial debt transactions.

The following table sets out the total future minimum payments of leasing the remaining 16 aircraft (2017: 22 aircraft; 2016: 26 aircraft) under JOLCOs at March 31, 2018, 2017 and 2016, respectively:

	At March 31,					
	2018		2017		2016	
	Minimum payments	Present value of Minimum payments	Minimum payments	Present value of Minimum payments	Minimum payments	Present value of Minimum payments
	€M	€M	€M	€M	€M	€M
Due within one year	129.4	124.5	131.5	126.5	110.6	106.4
Due between one and five years	199.7	178.6	327.9	290.5	460.1	401.7
Due after five years	—	—	—	—	—	—
Total minimum lease payments	329.1	303.1	459.4	417.0	570.7	508.1
Less amounts allocated to future financing costs	(2.9)	(2.7)	(2.9)	(2.7)	(5.4)	(5.0)
Present value of minimum lease payments	326.2	300.4	456.5	414.3	565.3	503.1

Commitments resulting from the use of derivative financial instruments by the Company are described in Notes 4 and 10 to the consolidated financial statements.

Contingencies

The Company is engaged in litigation arising in the ordinary course of its business. Although no assurance can be given as to the outcome of any current or pending litigation, management does not believe that any such litigation will, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company, except as described below.

Since 2002, the European Commission has examined the agreements between Ryanair and various airports to establish whether they constituted illegal state aid. In many cases, the European Commission has concluded that the agreements did not constitute state aid. In other cases, Ryanair has successfully challenged the EU commission finding that there was state aid. In July and October 2014, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nimes, Angouleme, Altenburg and Zweibrücken airports, ordering Ryanair to repay a total of approximately €9.9 million of alleged aid. In July and November 2016, the European Commission announced findings of state aid to Ryanair in its arrangements with Cagliari and Klagenfurt respectively, ordering Ryanair to repay approximately €12.6 million of alleged aid. Ryanair has appealed the seven “aid” decisions to the EU General Court. These appeal proceedings are expected to take between two and four years.

Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Paris (Beauvais), La Rochelle, Carcassonne, Girona, Reus, Târgu Mureş and Montpellier. These investigations are ongoing and Ryanair currently expects that they will conclude in late 2018, with any European Commission decisions appealable to the EU General Court.

Ryanair is also facing an allegation that it has benefited from unlawful state aid in a German court case in relation to its arrangements with Frankfurt (Hahn).

Adverse rulings in the above or similar cases could be used as precedents by competitors to challenge Ryanair’s agreements with other publicly-owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling back of Ryanair’s growth strategy due to the smaller number of privately owned airports available for development. No assurance can be given as to the outcome of these proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company.

23. Note to cash flow statement

	At March 31,		
	2018	2017	2016
	€M	€M	€M
Net (debt)/funds at beginning of year	(244.2)	311.5	364.3
Increase/(decrease) in cash and cash equivalents in year	291.0	(35.2)	74.6
(Decrease) in financial assets > 3 months	(774.0)	(157.8)	(542.3)
Decrease/(increase) in restricted cash	22.8	(1.2)	6.3
Translation on U.S. dollar denominated debt	27.8	(15.2)	23.7
Net cash flow from decrease/(increase) in debt	393.7	(346.3)	384.9
Movement in net funds resulting from cash flows	(38.7)	(555.7)	(52.8)
Net (debt)/funds at end of year	<u>(282.9)</u>	<u>(244.2)</u>	<u>311.5</u>
Analysed as:			
Cash and cash equivalents, financial assets and restricted cash	3,680.1	4,140.3	4,334.5
Total borrowings*	<u>(3,963.0)</u>	<u>(4,384.5)</u>	<u>(4,023.0)</u>
Net funds/(debt)	<u>(282.9)</u>	<u>(244.2)</u>	<u>311.5</u>

* includes both current and non-current maturities of debt

The following table outlines the changes in the carrying value of liabilities from financing activities (and their related hedges) between March 31, 2017 and March 31, 2018:

	<u>At March 31, 2017</u>	<u>Cash flows</u>	<u>Foreign exchange changes</u>	<u>Fair value changes</u>	<u>At March 31, 2018</u>
	€M	€M	€M	€M	€M
Long term debt	(4,384.5)	393.7	27.8	—	(3,963.0)
Derivatives hedging long term debt					
- of which assets	11.8	0.3	—	(12.1)	—
- of which liabilities	<u>(3.9)</u>	<u>—</u>	<u>—</u>	<u>(2.8)</u>	<u>(6.7)</u>

24. Shareholder returns

In the year ended March 31, 2018 the Company bought back 46.7 million ordinary shares at a total cost of approximately €829 million. This buyback was equivalent to approximately 3.8% of the Company's issued share capital at March 31, 2018. All of these repurchased ordinary shares were cancelled at March 31, 2018.

In the year ended March 31, 2017 the Company bought back 72.3 million ordinary shares at a total cost of approximately €1,018 million. This buyback was equivalent to approximately 5.6% of the Company's issued share capital at March 31, 2016. All of these repurchased ordinary shares were cancelled at March 31, 2017.

In the year ended March 31, 2016 the Company bought back 53.7 million ordinary shares at a total cost of approximately €706.1 million. This is equivalent to approximately 4.2% of the Company's issued share capital at March 31, 2016. 53.2 million of these ordinary shares were cancelled at March 31, 2016. The remaining 0.5 million ordinary shares were cancelled on April 1, 2016.

As a result of the share buybacks, in the year ended March 31, 2018, share capital decreased by 46.7 million ordinary shares (72.8 million ordinary shares in the year ended March 31, 2017) with a nominal value of €0.3 million (€0.4 million in the year ended March 31, 2017) and the other undenominated capital reserve increased by a corresponding €0.3 million (€0.4 million in the year ended March 31, 2017). The other undenominated capital reserve is required to be created under Irish law to preserve permanent capital in the Parent Company.

25. Post-balance sheet events

Between April 1, 2018 and July 19, 2018, the Company had bought back 20.1 million ordinary shares at a total cost of €320.1 million under its €750M share buyback which commenced in February 2018. This was equivalent to 1.7% of the Company's issued share capital at March 31, 2018. All ordinary shares repurchased are cancelled.

In April 2018, the Company announced that it has converted 25 Boeing 737-MAX-200 options into firm orders. This brings the Company's firm order to 135 Boeing 737-MAX-200s with a further 75 options remaining.

In April 2018, the Company purchased 24.9% of LaudaMotion. On July 12, 2018 the European Commission approved Ryanair's proposed acquisition of a further 50.1% interest in LaudaMotion, clearing the way for Ryanair to increase its holding to 75%.

26. Subsidiary undertakings and related party transactions

The following is the principal subsidiary undertaking of Ryanair Holdings plc:

Name	Effective date of acquisition/incorporation	Registered Office	Nature of Business
Ryanair DAC (a)	23/08/1996 (acquisition)	Airside Business Park, Swords, Co. Dublin, Ireland	Airline operator

(a) Ryanair DAC is wholly owned by Ryanair Holdings plc.

Information regarding all other subsidiaries will be filed with the Company's next Irish Annual Return as provided for by Section 316(1) of the Irish Companies Act, 2014.

In accordance with the basis of consolidation policy, as described in Note 1 of these consolidated financial statements, the subsidiary undertaking referred to above has been consolidated in the financial statements of Ryanair Holdings plc for the years ended March 31, 2018, 2017 and 2016.

The total amount of remuneration paid to senior key management (defined as the Executive team reporting to the Board of Directors) amounted to €9.7 million in the fiscal year ended March 31, 2018 (2017: €10.5 million; 2016: €10.3 million), the majority of which comprises short-term employee benefits.

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Basic salary and bonus	6.7	7.5	7.0
Pension contributions	0.2	0.2	0.2
Share-based compensation expense	2.8	2.8	3.1
	<u>9.7</u>	<u>10.5</u>	<u>10.3</u>

27. Date of approval

The consolidated financial statements were approved by the Board of Directors of the Company on July 20, 2018.

Company Balance Sheet

		At March 31,		
		2018	2017	2016
	Note	€M	€M	€M
Non-current assets				
Investments	29	129.2	117.4	111.7
Current assets				
Loans and receivables from subsidiaries	30	1,385.3	920.2	1,189.5
Cash and cash equivalents		7.7	7.1	5.8
Total assets		1,522.2	1,044.7	1,307.0
Current liabilities				
Amounts due to subsidiaries	31	35.2	35.2	35.2
Shareholders' equity				
Issued share capital		7.0	7.3	7.7
Share premium account		719.4	719.4	719.4
Other undenominated capital reserve		3.0	2.7	2.3
Retained earnings		736.3	265.3	540.5
Other reserves		21.3	14.9	1.9
Shareholders' equity		1,487.0	1,009.6	1,271.8
Total liabilities and shareholders' equity		1,522.2	1,044.7	1,307.0

The accompanying notes are an integral part of the financial information.

On behalf of the Board

D. Bonderman
Director

M. O'Leary
Director

July 20, 2018.

Company Statement of Cash Flows

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Operating activities			
Profit for the year.	1,300.1	750.0	1,199.7
Net cash provided by operating activities	1,300.1	750.0	1,199.7
Investing activities			
(Increase) in investments	(5.4)	-	-
(Increase)/decrease in loans to subsidiaries	(465.0)	269.2	(93.6)
Net cash (used in)/from investing activities	(470.4)	269.2	(93.6)
Financing activities			
Shareholders returns	(829.1)	(1,017.9)	(1,104.0)
Net proceeds from shares issued	-	-	0.8
Net cash (used in) financing activities	(829.1)	(1,017.9)	(1,103.2)
Increase in cash and cash equivalents	0.6	1.3	2.9
Cash and cash equivalents at beginning of year	7.1	5.8	2.9
Cash and cash equivalents at end of year	7.7	7.1	5.8

The accompanying notes are an integral part of the financial information.

Company Statement of Changes in Shareholders' Equity

	Ordinary Shares M	Issued Share Capital €M	Share Premium Account €M	Retained Earnings €M	Other Undenom- inated Capital €M	Other Reserves €M	Total €M
Balance at March 31, 2015	1,377.7	8.7	718.6	440.4	1.3	0.4	1,169.4
<i>Comprehensive income</i>							
Profit for the year	-	-	-	1,199.7	-	-	1,199.7
Total comprehensive income	-	-	-	1,199.7	-	-	1,199.7
<i>Transactions with owners of the Company, recognised directly in equity</i>							
Issue of ordinary equity shares	0.3	-	0.8	-	-	-	0.8
Share capital reorganization	(33.8)	(0.7)	-	-	0.7	-	-
Share-based payments	-	-	-	-	-	5.9	5.9
Repurchase of ordinary equity shares	-	-	-	(698.8)	-	(7.3)	(706.1)
Cancellation of repurchased ordinary Shares	(53.2)	(0.3)	-	-	0.3	-	-
Treasury shares cancelled	(0.3)	-	-	(3.2)	-	3.2	-
Dividend paid	-	-	-	(397.9)	-	-	(397.9)
Transfer of exercised and expired share-based awards	-	-	-	0.3	-	(0.3)	-
Balance at March 31, 2016	1,290.7	7.7	719.4	540.5	2.3	1.9	1,271.8
<i>Comprehensive income</i>							
Profit for the year	-	-	-	750.0	-	-	750.0
Total comprehensive income	-	-	-	750.0	-	-	750.0
<i>Transactions with owners of the Company, recognised directly in equity</i>							
Share-based payments	-	-	-	-	-	5.7	5.7
Repurchase of ordinary equity shares	-	-	-	(1,017.9)	-	-	(1,017.9)
Cancellation of repurchased ordinary Shares	(72.3)	(0.4)	-	-	0.4	-	-
Cancellation of treasury shares	(0.5)	-	-	(7.3)	-	7.3	-
Balance at March 31, 2017	1,217.9	7.3	719.4	265.3	2.7	14.9	1,009.6
<i>Comprehensive income</i>							
Profit for the year	-	-	-	1,300.1	-	-	1,300.1
Total comprehensive income	-	-	-	1,300.1	-	-	1,300.1
<i>Transactions with owners of the Company, recognised directly in equity</i>							
Issue of ordinary equity shares	-	-	-	-	-	-	-
Share-based payments	-	-	-	-	-	6.4	6.4
Repurchase of ordinary equity shares	-	-	-	(829.1)	-	-	(829.1)
Cancellation of repurchased ordinary shares	(46.7)	(0.3)	-	-	0.3	-	-
Balance at March 31, 2018	1,217.9	7.0	719.4	736.3	3.0	21.3	1,487.0

The accompanying notes are an integral part of the financial information.

Notes forming part of the Company Financial Statements

28 Basis of preparation and significant accounting policies

The Company financial statements have been prepared in accordance with International Accounting Standards and International Reporting Standards (collectively “IFRS”) as adopted by the European Union (EU), which are effective for the year ended and as at March 31, 2018. In addition to complying with its legal obligation to comply with IFRS as adopted by the EU, the consolidated financial statements comply with IFRS as issued by the International Accounting Standards Board (“IASB”). The consolidated financial statements have also been prepared in accordance with the Companies Act, 2014. The Company financial statements are presented in euro millions, being its functional currency. They are prepared on an historical cost basis except for certain share based payment transactions, which are based on fair values determined at grant date.

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ materially from these estimates. These underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if these are also affected. Principal sources of estimation uncertainty have been set out in the critical accounting policy section in Note 1 to the consolidated financial statements. Such uncertainties may impact the carrying value of investments in subsidiaries and other investments at future dates.

Statement of compliance

The Company financial statements have been prepared in accordance with IFRS as adopted by the EU. In addition to complying with its legal obligation to comply with IFRS as adopted by the EU, the Company financial statements comply with IFRS as issued by the IASB. The Company financial statements have also been prepared in accordance with the Companies Act, 2014. On publishing parent entity financial statements together with group financial statements the Company is taking advantage of the exemption contained in Section 304 of the Companies Act, 2014 not to present its individual income statement, statement of comprehensive income and related notes that form a part of these approved financial statements.

The directors have reviewed all new or revised IFRS standards and IFRIC interpretations, effective for future financial years, as set forth in Note 1 to the consolidated financial statements, and have concluded their adoption will not have a significant impact on the parent entity financial statements.

Share-based payments

The Company accounts for the fair value of share options granted to employees of a subsidiary as an increase in its investment in that subsidiary. The fair value of such options is determined in a consistent manner to that set out in the Group share-based payment accounting policy and as set out in Note 14 (c) to the consolidated financial statements.

Income taxes

Income taxes are accounted for by the Company in a manner consistent to that set out in the Group income tax accounting policy.

Financial assets

The Company holds investments in subsidiary and other companies, which are carried at cost less any impairments.

Guarantees

The Company occasionally guarantees certain liabilities of subsidiary companies. These are considered to be insurance arrangements and are accounted for as such i.e. a contingent liability until such time as it becomes probable that the Company will be required to make a payment under the guarantee. Additional details are provided in Note 33 to these company financial statements.

Loans and borrowings

All loans and borrowings are initially recorded at the fair value of consideration received, net of attributable transaction costs. Subsequent to initial recognition, non-current interest bearing loans are measured at amortised cost, using the effective interest yield methodology.

29 Investments

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Balance at start of year	117.4	117.7	105.8
Increase in investments	5.4	-	-
New investments in subsidiaries by way of share option grant to subsidiary employees	6.4	5.7	5.9
Balance at end of year	129.2	117.4	111.7

30 Loans and receivables from subsidiaries

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Due from Ryanair DAC (subsidiary)	1,385.3	920.2	1,189.3
	1,385.3	920.2	1,189.3

All amounts due from subsidiaries are interest free and repayable upon demand.

31 Amounts due to subsidiaries

	Year ended March 31, 2018	Year ended March 31, 2017	Year ended March 31, 2016
	€M	€M	€M
Due to Ryanair DAC (subsidiary)	35.2	35.2	35.2
	35.2	35.2	35.2

At March 31, 2018, Ryanair Holdings plc had borrowings of €35.2 million (2017: €35.2 million; 2016: €35.2 million) from Ryanair DAC. The loan is interest free and repayable on demand.

32 Financial instruments

The Company does not undertake hedging activities on behalf of itself or other companies within the Group. Financial instruments in the Company primarily take the form of loans to subsidiary undertakings.

Amounts due to or from subsidiary undertakings (primarily Ryanair DAC) in the form of inter-company loans are interest free and are repayable upon demand and further details of these have been given in Notes 30 and 32 of these Company financial statements. These inter-company balances are eliminated in the group consolidation.

The euro is the functional and presentation currency of the Company and all transactions entered into by the Company are euro denominated. As such, the Company does not have any significant foreign currency risk.

The credit risk associated with the Company's financial assets principally relates to the credit risk of the Ryanair group as a whole. Ryanair has received a BBB+ (stable) credit rating from both Standard and Poor's and Fitch Ratings. Additionally the Company had guaranteed certain subsidiary company liabilities. Details of these arrangements are given in Note 33 of these Company financial statements.

33 Contingencies

a) The Company has provided €4,118.2 million (2017: €5,055.2 million; 2016: €5,274.6 million) in letters of guarantee to secure obligations of subsidiary undertakings in respect of loans, bank advances and long dated foreign currency transactions.

b) In order to avail itself of the exemption contained in Section 357 of the Companies Act, 2014, the holding company, Ryanair Holdings plc, has guaranteed the liabilities of its subsidiary undertakings registered in Ireland. As a result, the subsidiary undertakings have been exempted from the requirement to annex their statutory financial statements to their annual returns. Details of the Group's principal subsidiaries have been included at Note 26. The Irish subsidiaries of the Group covered by the Section 357 exemption are listed at Note 26 to the consolidated financial statements also. Eight additional Irish subsidiaries covered by this exemption, which are not listed as principal subsidiaries at Note 26 to the consolidated financial statements include Airport Marketing Services Limited.

34 Dividends

Please refer to Note 24 of the Consolidated Financial Statements.

35 Post-balance sheet events

Please refer to Note 25 of the Consolidated Financial Statements.

36 Date of approval

The Company financial statements were approved by the Board of Directors of the Company on July 20, 2018.

APPENDIX A

GLOSSARY

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

Average Booked Passenger Fare	Represents the average fare paid by a fare-paying passenger who has booked a ticket.
Average Daily Flight Hour Utilization	Represents the average number of flight hours flown in service per day per aircraft for the total fleet of operated aircraft.
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.
Average Length of Passenger Haul	Represents the average number of miles traveled by a fare-paying passenger.
Ancillary Revenue per Booked Passenger	Represents the average revenue earned per booked passenger flown from ancillary services.
Baggage Commissions	Represents the commissions payable to airports on the revenue collected at the airports for excess baggage and airport baggage fees.
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 passenger revenues would have been equal to operating expenses divided by ASMs (based on Average Yield per RPM). For the purposes of this calculation, the number of RPMs at which passenger revenues would have been equal to operating expenses is calculated by dividing operating expenses by Average Revenue per RPM.
Cost Per Booked Passenger	Represents operating expenses divided by revenue passengers booked.
Net Margin	Represents profit after taxation as a percentage of total revenues.
Number of Airports Served	Represents the number of airports to/from which the carrier offered scheduled service at the end of the period.
Number of Owned Aircraft Operated	Represents the number of aircraft owned and operated at the end of the period.
Operating Margin	Represents operating profit as a percentage of total revenues.
Part 145	The European regulatory standard for aircraft maintenance established by the European Aviation Safety Agency.
Revenue Passengers Booked	Represents the number of fare-paying passengers booked.
Sectors Flown	Represents the number of passenger flight sectors flown.