RYANAIR H1 PROFITS RISE 7% TO €1,168m (on 10% lower fares)
€550M SHARE BUYBACK APPROVED BY AIRLINE BOARD

Ryanair, Europe's No. 1 airline, today (Nov 7) reported a 7% increase in H1 profits to €1,168m as AGB and lower fares delivered 12% traffic growth to 65m customers and a 2% jump in load factor to 95%. Ave. fares fell 10% to €50, however H1 unit costs also fell by 10% (ex-fuel down 5%).

H1 Results (IFRS)	Sept 30, 2015	Sept 30, 2016	% Change
Customers (m)	58.1	64.8	+12%
Revenue (m)	€4,040	€4,132	+2%
Profit after Tax (m)*	€1,088	€1,168	+7%
Net Margin*	27%	28%	+1pt
Basic EPS*	€0.80	€0.92	+15%

**excludes exceptional accounting gain of €317.5m on sale of Aer Lingus shareholding in Sept16.*

Ryanair's CEO, Michael O'Leary, said:

"We are pleased to report this 7% increase in H1 profits, which was a creditable performance in difficult market conditions due to repeated ATC strikes, terror events, and the adverse economic impact of the Brexit vote in June which saw Sterling weaken materially over the peak summer period. We responded by accelerating our Always Getting Better ("AGB") customer experience programme, and using our lower costs base to stimulate stronger forward bookings with lower fares. Notable highlights of the half year include:

- Traffic grew 12% to 65m (LF up 2% to 95%)
- Ave. fares fell 10% to €50
- Unit costs cut 10%
- 73 new routes and 6 bases opened
- 21 new B737-800s delivered
- 7th Share Buyback (€886m) completed in June
- Ryanair.com became the world's No. 1 airline website

Traffic Growth, New Routes and Bases:

Our unique combination of AGB and lower fares helped to stimulate stronger forward bookings, higher load factors and 12% traffic growth to 65m customers. This growth was spread widely across Europe as we opened 73 new routes and 6 new bases. This winter we take delivery of 31 new B737-800s and will open 6 more bases in Bucharest, Bournemouth, Hamburg, Nuremberg, Prague and Vilnius. Our base in Berlin (SXF) will grow from 5 to 9 aircraft, while Luxemburg will become our 33rd served country in November. Our S17 schedule (which was launched 2 weeks earlier than last year) will see us add over 80 new routes and a new 2 aircraft base at Frankfurt am Main airport (opens in late March) as we respond to growing demand in Germany from business and leisure customers for Ryanair's low fares and AGB services.

During H1, we've observed a growing trend of competitors closing bases and routes where they are unable to compete with Ryanair's lower fares and we expect this trend to continue, especially in markets such as Germany, Italy, Spain and Belgium where significant restructuring of loss making operators (even at lower oil prices) continues. This trend is encouraging more primary airports to incentivise Ryanair to grow while their incumbents are cutting. The shift in Ryanair's growth from secondary to primary airports continues, and at the end of 2016 for the first time Ryanair will operate to a majority of primary (105) rather than secondary (95) airports.

We welcome the Italian Government's decision to reverse the €2.50 Municipal Tax increase from Oct 2016, which enabled us to reverse base closures and capacity cuts in Italy. Ryanair responded by adding 3m seat capacity into the Italian market for 2017. Sadly the recent Brexit vote will result in pivoting some of our planned 2017 growth away from the UK, due to weaker Sterling, expected slower GDP growth and market uncertainty. We will reduce our planned UK growth from 12% to approx. 5% in 2017.

“AGB” Customer Experience:

Our AGB program continues to win millions of new customers to Ryanair. In July we became the first airline ever to carry over 11m international customers in a calendar month. Our customers are enjoying even lower fares and flying from more primary airports on our brand new aircraft, with new Boeing Sky Interiors, offering more leg room and super comfortable seats. The uptake of our Business Plus and Leisure Plus products is rising. We soft launched Ryanair Rooms in Oct and continue to improve both the mobile app and “My Ryanair” membership which allows customers to make faster bookings and obtain more benefits.

In Q3 we “will” make membership of “My Ryanair” automatic for all customer bookings so that we can tailor services and improve offers for each customer. Over the coming months our customers can look forward to new features including automatic check in and a wider choice of accommodation on the Ryanair Rooms platform in addition to greater fare savings.

After a poor start in Q1 (due to adverse weather and a succession of unjustified ATC strikes) our industry leading on-time performance improved in Q2 to almost 90%. We continue our campaign to persuade the European Commission to take action to ameliorate the effects of national ATC strikes by keeping Europe’s skies open even when national ATC providers are on strike.

	Apr	**May**	**Jun**	**Jul**	**Aug**	**Sep**	**Ave**
FY16	90%	92%	91%	90%	90%	92%	91%
FY17	91%	89%	81%	85%	90%	91%	88%

Lower Costs & Hedging:

Ryanair delivered a unit cost saving of 10% in H1. Despite a 12% jump in traffic, our fuel bill fell by 8% (a 17% unit saving) due to the hedges we put in place 12 months ago. Ex-fuel unit costs fell 5% as we took delivery of new lower cost aircraft (due to our currency hedges), cheaper financing, more competitive growth incentives from airports, and we also benefited from weaker Sterling and higher load factors.

Since the June Brexit vote, Sterling has fallen 18% against the euro. This was primarily responsible for the recent €75m reduction in FY guidance from a midpoint of €1.4bn to €1.325bn. We have put Sterling hedges in place to end March 2017 to protect our yields from any further Sterling weakness.

For H2 our fuel is 95% hedged at approx. $59bbl. We have also increased our FY18 fuel hedge cover to 85% at approx. $49bbl which (allowing for volume growth) will deliver further fuel savings of c. €140m in FY18.

Brexit:

The uncertainty over Brexit, and the final outcome of the UK’s departure negotiations with the European Union, will continue to overhang our business for FY18. We expect to see weaker Sterling and slower economic growth in both the UK (approx. 26% of our revenues) and Europe. We have responded by reducing our planned UK growth in 2017 from 12% to approx. 5%, and switched this capacity to accelerate growth in markets such as Italy (where the Govt have cut taxes), Germany (where incumbent carriers continue to restructure) and other markets such as Belgium, where competitors are closing routes and bases. We hope that the UK will remain a member of Europe’s “Open Skies” system, but until the final outcome of Brexit has been determined, we will continue to adapt to changing circumstances in the best interests of our customers, our people and our shareholders.

Ryanair Labs & Ancillaries

We continue to invest heavily in Ryanair Labs which is transforming our digital platform to make it easier for customers to interact with Ryanair and book our lowest fares and ancillary services. Ryanair.com has recently overtaken Southwest Airlines to become the world’s largest airline website. Our mobile app was the 8th largest UK travel app (by usage) in Sept 2016, well ahead of our UK airline competitors easyJet (No. 20) and BA (No. 37). 93% of all customers are now booking directly on Ryanair.com and we expect membership of "My Ryanair" will significantly increase from 15m in Sept to over 25m by end-2017.

Ryanair Labs has delivered a significant upward shift in web visits, app bookings, as well as ancillary services by boosting the sales of reserved seats, Business/Leisure Plus products and fast track services which customers can buy at discounted rates during the booking process. As a direct result of this increased customer demand for travel related services, we are raising our medium term guidance for ancillary sales from 20% to 30% of revenues, over the next 4 years to March 2020.

Balance Sheet & Shareholder Returns:

Ryanair's balance sheet remains one of the strongest in the airline industry. At the end of Sept. we had net cash of €77m despite having spent over €600m on CAPEX, €200m on debt repayments and €468m on share buybacks during the half year. We completed our 7th share buyback in June at a cost of €886m, bringing our total returns to shareholders since 2008 to over €4.2bn. We will continue to return surplus funds to shareholders subject to market conditions as long as we remain profitable, cash generative, and can fund our CAPEX and other operational requirements.

With this in mind, the Board of Ryanair have authorised a further share buyback of up to €550m over the 4 month period from Nov 2016 to Feb 2017. We expect to split this 50/50 between ADR's and ordinary shares, which will ensure we continue to comfortably exceed our 50% EU ownership requirement.

Outlook:

We remain cautious in our outlook for FY17. We have delivered a strong first half but weaker air fares and Brexit uncertainty will be the dominant features of H2. Having hedged both our fuel and Sterling exposures, we remain comfortable with our revised full year guidance of €1.30bn to €1.35bn. However, with limited Q4 visibility, and the absence of Easter from Q4, we expect fares will continue to fall (H2 fares are guided at c. -13% to -15%), so this guidance is heavily dependent upon there being no unexpected adverse declines in Q4 airfares. We expect FY unit costs will fall by approx. 3% this year (we previously guided -1%). H2 fuel will deliver significant savings as we are 95% hedged at $59pbl but these savings will be passed on in lower fares.

We expect to carry just over 119m customers in FY17 and this stronger growth requires us to raise our long term traffic forecast by over 10% from 180m to over 200m customers p.a. by March 2024. Despite the uncertainty of Brexit, Ryanair believes that we can deliver profitable growth across Europe by controlling costs, lowering airfares, and maximising load factors in a manner that will most benefit our customers, our people and our shareholders."

ENDS.

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Ryanair is Europe's favourite airline, carrying 119m p.a. on more than 1,800 daily flights from 85 bases, connecting over 200 destinations in 33 countries on a fleet of over 360 Boeing 737 aircraft, with a further 305 Boeing 737's on order, which will enable Ryanair to lower fares and grow traffic to 200m p.a. by FY24. Ryanair has a team of more than 12,000 highly skilled aviation professionals delivering Europe's No.1 on-time performance, and an industry leading 31 year safety record.

Ryanair Holdings plc and Subsidiaries
Notes forming Part of the Condensed Consolidated
Interim Financial Statements

1. Basis of preparation and significant accounting policies

Ryanair Holdings plc (the "Company") is a company domiciled in Ireland. The unaudited condensed consolidated interim financial statements of the Company for the half-year ended September 30, 2016 comprise the Company and its subsidiaries (together referred to as the "Group").

These unaudited condensed consolidated interim financial statements ("the interim financial statements"), which should be read in conjunction with our 2016 Annual Report for the year ended March 31, 2016, have been prepared in accordance with International Accounting Standard No. 34 "*Interim Financial Reporting*" as adopted by the EU ("IAS 34"). They do not include all of the information required for full annual financial statements, and should be read in conjunction with the most recent published consolidated financial statements of the Group. The consolidated financial statements of the Group as at and for the year ended March 31, 2016, are available at http://investor.ryanair.com/.

The comparative figures included for the year ended March 31, 2016 do not constitute statutory financial statements of the Group within the meaning of the Companies Act, 2014. The consolidated financial statements of the Group for the year ended March 31, 2016, together with the independent auditor's report thereon, were filed with the Irish Registrar of Companies following the Company's Annual General Meeting and are also available on the Company's Website. Statutory financial statements for the year ended March 31, 2016 have been filed with the Companies' Office. The auditor's report on those financial statements was unqualified.

The Audit Committee, upon delegation of authority by the Board of Directors, approved the condensed consolidated interim financial statements for the period ended September 30, 2016 on November 4, 2016.

Except as stated otherwise below, this period's financial information has been prepared in accordance with the accounting policies set out in the Group's most recent published consolidated financial statements, which were prepared in accordance with IFRS as adopted by the EU and also in compliance with IFRS as issued by the International Accounting Standards Board (IASB).

The following new and amended standards, that have been issued by the IASB, and which are effective for the first time for the current financial year beginning on or after January 1, 2016, and have also been endorsed by the EU, have been applied by the Group for the first time in these condensed consolidated financial statements;

- Amendments to IFRS 11: "Accounting for Acquisitions of Interests in Joint Operations" (effective for fiscal periods beginning on or after January 1, 2016)

- Amendments to IAS 16 and IAS 38: "Clarification of Acceptable Methods of Depreciation and Amortisation" (effective for fiscal periods beginning on or after January 1, 2016)

- Amendments to IAS 16 Property, Plant and Equipment and IAS 41 Bearer Plants (effective for fiscal periods beginning on or after January 1, 2016)

- Amendments to IAS 27 Equity method in Separate Financial Statements (effective for fiscal periods beginning on or after January 1, 2016)

7. Capital commitments

At September 30, 2016 Ryanair had an operating fleet of 358 (2015: 320) Boeing 737 aircraft. The Group agreed to purchase 183 new Boeing 737-800NG aircraft from the Boeing Corporation during the periods Fiscal 2015 to Fiscal 2019 of which 11 aircraft were delivered in the year ended March 31, 2015, a further 41 were delivered in the year ended March 31, 2016 and 21 in the half-year ended September 30, 2016.

The Group also agreed to purchase up to 200 (100 firm and 100 options) Boeing 737 Max 200 aircraft from the Boeing Corporation during the periods Fiscal 2020 to Fiscal 2024.

8. Analysis of operating segment

The Group is managed as a single business unit that provides low fares airline-related activities, including scheduled services, car-hire, internet income and related sales to third parties. The Group operates a single fleet of aircraft that is deployed through a single route scheduling system.

The Group determines and presents operating segments based on the information that internally is provided to the CEO, who is the Group'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 individual routes within the network.

The CODM assesses the performance of the business based on the adjusted profit/(loss) after tax of the Group for the period.

All segment revenue is derived wholly from external customers and as the Group has a single reportable segment, intersegment revenue is zero.

The Group's major revenue-generating asset comprises its aircraft fleet, which is flexibly employed across the Group's integrated route network and is directly attributable to its reportable segment operations. In addition, as the Group is managed as a single business unit, all other assets and liabilities have been allocated to the Group's single reportable segment.

Reportable segment information is presented as follows:

	Half-Year Ended Sep 30, 2016 €M	Half-Year Ended Sep 30, 2015 €'M
External revenues	**4,131.5**	4,040.1
Reportable segment profit after income tax (excluding gain on disposal of the available for sale financial asset - FY 2016 only)	**1,167.6**	1,088.2
	At Sep 30, 2016 €M	At Mar 31, 2016 €M
Reportable segment assets	**11,083.7**	11,218.3

9. Earnings per share

	Half-Year Ended Sep 30, 2016	Half-Year Ended Sep 30, 2015	Quarter Ended Sep 30, 2016	Quarter Ended Sep 30, 2015
Basic earnings per ordinary share euro cent	**92.26**	103.21	**72.72**	85.65
Diluted earnings per ordinary share euro cent	**91.76**	102.66	**72.34**	85.16
Weighted average number of ordinary shares (in M's) – basic	**1,265.5**	1,362.0	**1,254.3**	1,355.1
Weighted average number of ordinary shares (in M's) – diluted	**1,272.5**	1,369.3	**1,260.9**	1,362.9

Diluted earnings per share takes account of the potential future exercises of share options granted under the Company's share option schemes and the weighted average number of shares includes weighted average share options assumed to be converted of 7.0M (2015: 7.3M).

10. Property, plant and equipment

Acquisitions and disposals

Capital expenditure in the half-year to September 30, 2016 amounted to €603.4M and primarily relates to aircraft pre delivery payments and 21 aircraft deliveries.

11. Financial instruments and financial risk management

The Group is exposed to various financial risks arising in the normal course of business. The Group's financial risk exposures are predominantly related to commodity price, foreign exchange and interest rate risks. The Group uses financial instruments to manage exposures arising from these risks.

These interim financial statements do not include all financial risk management information and disclosures required in the annual financial statements, and should be read in conjunction with the 2016 Annual Report. There have been no changes in our risk management policies in the period.

Fair value hierarchy

Financial instruments measured at fair value in the balance sheet are categorised by the type of valuation method used. The different valuation levels are defined as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.
- Level 2: inputs other than quoted prices included within Level 1 that are observable for that asset or liability, either directly or indirectly.
- Level 3: significant unobservable inputs for the asset or liability.

Fair value estimation

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 Group's financial instruments:

11. Financial instruments and financial risk management (continued)

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. (Level 2)
- **Derivatives – currency forwards, aircraft fuel contracts and carbon swaps:** A comparison of the contracted rate to the market rate for contracts providing a similar risk profile at March 31, 2016 has been used to establish fair value. (Level 2)

The Group policy is to recognise any transfers between levels of the fair value hierarchy as of the end of the reporting period during which the transfer occurred. During the half-year to September 30, 2016, there were no reclassifications of financial instruments and no transfers between levels of the fair value hierarchy used in measuring the fair value of financial instruments.

Financial instruments disclosed 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 September 30, 2016 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 half-year to September 30, 2016 that affect the fair value of our financial assets and financial liabilities.

The fair value of financial assets and financial liabilities, together with the carrying amounts in the condensed consolidated financial balance sheet, are as follows:

	At Sep 30, 2016 Carrying Amount	At Sep 30, 2016 Fair Value	At Mar 31, 2016 Carrying Amount	At Mar 31, 2016 Fair Value
Non-current financial assets	**€M**	**€M**	**€M**	**€M**
Derivative financial instruments:-				
- U.S. dollar currency forward contracts	23.8	23.8	79.2	79.2
- Jet fuel derivative contracts	35.6	35.6	3.2	3.2
- Interest rate swaps	4.2	4.2	6.1	6.1
	63.6	63.6	88.5	88.5
Current financial assets				
Derivative financial instruments:-				
- U.S. dollar currency forward contracts	210.6	210.6	267.2	267.2
- Jet fuel derivative contracts	20.8	20.8	-	-
- Interest rate swaps	4.6	4.6	1.9	1.9
	236.0	236.0	269.1	269.1
Trade receivables*	57.1		66.1	
Cash and cash equivalents*	964.8		1,259.2	
Financial asset: cash > 3 months*	2,927.7		3,062.3	
Restricted cash*	12.4		13.0	
Other assets*	3.1		3.4	
	4,201.1	236.0	4,673.1	269.1
Total financial assets	4,264.7	299.6	4,761.6	357.6