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RYANAIR HOLDINGS PLC  
Form 6-K  
January 31, 2005

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

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

For the month of January, 2005

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

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

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

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

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

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

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

RYANAIR BEATS ITS EXPECTATIONS.  
Q3 NET PROFIT OF EUR35m - TRAFFIC GROWS 13% TO 6.9M

Ryanair, Europe's No.1 low fares airline today (Monday, 31st January 2005) announced a Net Profit after tax of EUR35.0m for the 3rd Quarter ended 31 Dec 2004. Passenger volumes grew by 13% to 6.9m whilst yields were in line with the same Quarter last year, and as a result, total revenues rose by 15% to EUR294.4m. Unit costs rose by 26% due to the increase in the level of activity and in particular higher fuel and route charges. During the Quarter, maintenance provisions of EUR4.5m (net of tax) were released to

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the profit and loss due to the earlier than scheduled return of 6 leased 737-300's. As a result Q3 net profit declined by 26% and the Q3 profit margin after tax declined by 7 points to 12%.

### Summary Table of Results (Irish GAAP) - in Euro

Quarter Ended	Dec 31, 2003	Dec 31, 2004	% Increase
Passengers	6.1m	6.9m	+13%
Revenue	EUR255.0m	EUR294.4m	+15%
Profit after tax (Note 1)	EUR47.5m	EUR35.0m	- 26%
Basic EPS (Euro Cents) (Note 1)	EUR6.27c	EUR4.61c	- 26%

Note 1: Adjusted profit after tax and EPS excludes the exceptional costs of EUR6m (net of tax) arising from the earlier than planned retirement of 6 Boeing 737-200 aircraft during the Quarter to 31 December 2003, and a goodwill charge of EUR0.6m in 2003 and EUR0.5m in 2004.

Announcing these results Ryanair's Chief Executive, Michael O'Leary, said:

"These quarterly results are a testimony to the strength of the Ryanair "lowest cost" model which - even during the most difficult trading conditions (including record fuel prices and intense competition) - delivers strong passenger growth and profits. We continue, like Southwest, to maintain our record of 31 consecutive quarters of unbroken profitability (before exceptionals) since we floated in May 1997.

"As predicted, casualties continue in the European industry, most notably Volare, VBird and Air Polonia. Hapag Lloyd Express, MyTravel Lite and Basic Air have announced significant reversals of capacity back into their charter operations, while many of Europe's flag carriers (most notably Alitalia and SAS) have announced record losses. This is not a temporary phenomenon resulting from high oil prices, but a permanent market shift towards low cost air travel, led by Ryanair. Only the lowest cost airlines like Southwest in the US and Ryanair in Europe will prosper over the medium term and we expect further casualties, cut backs and withdrawals among our loss making competitors.

"Despite intense competition, yields were similar to those achieved last year and better than our previous guidance of a decline of between 5% to 10%. We believe this is due to capacity removals by competitors and the continuing impact of multiple fuel surcharges imposed by many of our high fare competitors, which have made Ryanair's low fares even more attractive to European consumers.

"Fuel prices remain high and will continue to impact our future guidance. Our fuel hedges expired at the end of October 2004 and we were unhedged during November, however as forward prices fell, we restarted our hedging programme for this Winter season. We are almost 100% hedged at an average of \$41 per barrel for Brent crude for the 4th Quarter and are unhedged thereafter. Lower than expected fuel prices also had a positive impact on our Quarter 3 results when fuel costs were EUR4m better than our previous guidance. We expect our Q4 fuel costs to be EUR5m lower than the previous guidance. We still see value in hedging to remove uncertainty from our business and will continue to review our hedging policy as forward oil prices return to more "normal" levels.

"Advance bookings for Q4 indicate that traffic growth is in line with expectations. With some 50% of the seats sold (and assuming no adverse movement in exchange rates) we expect yields may now rise by up to 5% for

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the Quarter. We would caution investors that this upturn in yield is more a reflection of the precipitous 22% decline in the comparable Q4 yields last year, slower capacity growth and an earlier Easter, rather than some significant current price recovery. As we review Q4 of last year, it appears to have been an exceptional result with yields collapsing due to the combined effect of the war in Iraq, the threat of terrorism, high oil prices, our own enormous capacity growth (+50%) and the market entry of many irrational low fare (but not low cost) airlines in Europe, many of whom have disappeared as quickly as they entered.

"Ryanair continues to grow strongly and profitably in spite of adverse market conditions. The airline is now carrying 74% more traffic than it did just two years ago (in Q3 of 2002). Ryanair is the No.1 or No.2 airline in terms of market share in over 90% of our markets and we continue to maintain world record profit margins despite significantly higher oil prices and route charges. Our new bases in Luton, Liverpool and Shannon are booking well for 2005, and we believe that our 21 new Spanish routes will also perform strongly, particularly during the Summer months. We have (last week) announced six new routes from Dublin to Biarritz and Carcassonne in France, Frankfurt in Germany, Eindhoven in Holland, Doncaster in the UK and Rome in Italy as a foretaste of what is on offer from Dublin if we get a second competing terminal. Once again, we strongly urge the Taoiseach to press ahead with the second terminal at Dublin airport. In addition, this morning Ryanair will unveil its first 3 Italian domestic routes. The destinations and fares will be announced at a press conference in Rome, which will herald the end of Alitalia's domestic high fare monopoly in Italy.

"We support the development of a second runway at Stansted Airport, but are united with all other Stansted users in opposing the GBP4bn. folly being advocated by the BAA. The fact that price sensitive consumers are being asked to cross subsidise almost GBP2bn. worth of unnecessary rail links and motorways demonstrates how completely out of touch the BAA airport monopoly has become. Ryanair and other Stansted users support the type of low cost, second terminal and runway facilities developed by Manchester at a cost of some GBP400m. But only a regulated monopoly like the BAA could possibly propose spending ten times this sum on gold plating facilities that our passengers neither need nor want. We call on the UK Government to break up the BAA airport monopoly, which is now the world's most profitable airport operator, because passengers need competition between the London airports if British consumers and visitors are to continue to enjoy the lowest cost air travel in Europe.

"The initial trial of our inflight entertainment system has been disappointing. Whilst the trial period was hampered by the lack of content in non-English languages, the uptake among passengers has been lower than expected. We have now resolved these service issues with the content provider, but unless we see a significant improvement in customer take up, we will not roll out the system across the entire fleet as planned. We remain believers in the potential of inflight entertainment however, as initially with CD's and the IPod, it may take some time for the travelling public in Europe to catch on to the technology. Should we decide to discontinue with IFE at the end of our extended trial period, Ryanair will suffer no financial loss whatsoever.

"We continue our cautious outlook for Quarter 4 and the full year outturn. Whilst yields and fuel prices are now somewhat better than originally forecast, Sterling has weakened appreciably and this will have a downward impact on yields. In Quarter 4 last year we suffered a 22% collapse in average fares, however based on current booking trends we now expect that Q4 yields this year might be as much as 5% higher than last year. Despite higher route and fuel charges, we continue to deliver the highest net margins in the industry and we therefore believe that Ryanair's lowest cost

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model will continue to grow and prosper across Europe to the benefit of our passengers, people and our shareholders".

ENDS.

Monday, 31st January 2005

For results and further	Howard Millar	Pauline McAlester
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Certain of the information included in this release is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise all of the many factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair's expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for replacement aircraft, costs associated with environmental, safety and security measures, actions of the Irish, U.K., European Union ("EU") and other governments and their respective regulatory agencies, fluctuations in currency exchange rates and interest rates, airport access and charges, labour relations, the economic environment of the airline industry, the general economic environment in Ireland, the UK and Continental Europe, the general willingness of passengers to travel and other economics, social and political factors.

Ryanair is Europe's largest low fares airline with 217 low fare routes across 19 countries. Ryanair operates a fleet of 79 aircraft, and firm orders for up to a further 85 new 737-800's which will be delivered over the next 5 years. Ryanair currently employs a team of 2,600 people and expect to carry approximately 27.5 million scheduled passengers in the current year.

### Ryanair Holdings plc and Subsidiaries

Consolidated Profit and Loss Accounts in accordance with UK and Irish GAAP (unaudited)

	Quarter ended Dec 31, 2004 EUR'000	Quarter ended Dec 31, 2003 EUR'000	Nine months Ended Dec-31, 2004 EUR'000	Nine months ended Dec-31, 2003 EUR'000
Operating Revenues				
Scheduled revenues	246,712	216,424	864,356	739,964
Ancillary revenues	47,732	38,575	151,180	111,409
Total operating revenues				
-continuing operations	294,444	254,999	1,015,536	851,373
Operating expenses				
Staff costs	34,824	29,506	104,083	90,984
Depreciation and amortisation	26,056	25,009	70,960	71,728
Other operating expenses				
Fuel & Oil	72,486	43,128	186,236	127,474
Maintenance, materials and repairs	2,323	8,796	27,221	30,983
Marketing and				

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distribution costs	2,625	1,045	13,400	11,028
Aircraft rentals	7,400	2,730	23,636	6,450
Route charges	33,389	27,442	101,315	80,331
Airport and Handling charges	44,243	38,123	134,565	110,202
Other	22,428	19,083	69,933	58,769
Total operating expenses	245,774	194,862	731,349	587,949
Operating profit before exceptional costs, and goodwill	48,670	60,137	284,187	263,424
Aircraft retirement costs	-	(6,773)	-	(9,491)
Buzz re-organisation costs	-	-	-	(3,012)
Amortisation of goodwill	(530)	(586)	(1,702)	(1,757)
	(530)	(7,359)	(1,702)	(14,260)
Operating profit after exceptional costs, and goodwill	48,140	52,778	282,485	249,164
Other income/ (expenses)				
Foreign exchange (losses)/gains	(2,076)	(581)	(2,835)	852
Gain/(loss) on disposal of fixed assets	-	-	6	(8)
Interest receivable and similar income	7,379	5,115	20,197	17,642
Interest payable and similar charges	(15,071)	(12,499)	(40,992)	(35,302)
Total other income/ (expenses)	(9,768)	(7,965)	(23,624)	(16,816)
Profit before taxation	38,372	44,813	258,861	232,348
Tax on profit on ordinary activities	(3,877)	(3,852)	(24,257)	(22,446)
Profit for the				

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period	34,495	40,961	234,604	209,902
Earnings per ordinary share				
-Basic (Eurocent)	4.54	5.40	30.89	27.72
-Diluted (Euro cent)	4.51	5.33	30.70	27.41
Adjusted earnings per ordinary share*				
-Basic (Euro cent)	4.61	6.27	31.11	29.46
-Diluted (Euro cent)	4.58	6.19	30.92	29.13
Number of ordinary shares (in 000's)				
-Basic	759,775	758,608	759,499	757,143
-Diluted	764,438	767,928	764,127	765,779

\* Calculated on Profit for the period before exceptional costs (net of tax), and Goodwill.

Page 1

Ryanair Holdings plc and Subsidiaries  
Consolidated Balance Sheets in accordance with  
UK and Irish GAAP (unaudited)

	Dec 31, 2004 EUR'000	March 31, 2004 EUR'000
Fixed assets		
Intangible Assets	30,872	44,499
Tangible assets	1,845,452	1,576,526
Total fixed assets	1,876,324	1,621,025
Current assets		
Cash and liquid resources	1,447,850	1,257,350
Accounts receivable	14,467	14,932
Other assets	18,608	19,251
Inventories	27,160	26,440
Total current assets	1,508,085	1,317,973
Total assets	3,384,409	2,938,998
Current liabilities		
Accounts payable	89,439	67,936
Accrued expenses and other liabilities	317,049	338,208
Current maturities of long term debt	106,841	80,337
Short term borrowings	2,325	345
Total current liabilities	515,654	486,826

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Other liabilities		
Provisions for liabilities and charges	107,741	94,192
Other creditors	22,958	30,047
Long term debt	1,046,546	872,645
 Total other liabilities	 1,177,245	 996,884
 Shareholders' funds - equity		
Called - up share capital	9,652	9,643
Share premium account	562,015	560,406
Profit and loss account	1,119,843	885,239
 Shareholders' funds - equity	 1,691,510	 1,455,288
 Total liabilities and shareholders' funds	 3,384,409	 2,938,998

Page 2.

Ryanair Holdings plc and Subsidiaries  
Consolidated Cashflow Statements in accordance with UK and Irish GAAP  
(unaudited)

	Nine months ended Dec 31, 2004 EUR'000	Nine months ended Dec 31, 2003 EUR'000
Net cash inflow from operating activities	346,724	295,459
Returns on investments and servicing of finance	(19,266)	(17,086)
Taxation	3,418	207
Capital expenditure (including aircraft deposits)	(342,161)	(338,329)
Acquisitions including onerous lease payments	(2,218)	(20,795)
Net cash (outflow) before financing and management of liquid resources	(13,503)	(80,544)
Financing (Increase) in liquid resources	202,023 (190,822)	141,859 (108,139)
(Decrease) in cash	(2,302)	(46,824)
 Analysis of movement in liquid resources		
At beginning of year	1,231,572	982,352
Increase in period	190,822	108,139
At end of period	1,422,394	1,090,491
 Analysis of movement in cash		
At beginning of year	25,433	76,550
Net cash (outflow) during period	(2,302)	(46,824)
At end of period	23,131	29,726

Ryanair Holdings plc and Subsidiaries  
 Consolidated Statement of Changes in Shareholders' Funds - Equity in accordance  
 with UK and Irish GAAP (unaudited)

	Ordinary shares EUR'000	Share premium account EUR'000	Profit and loss account EUR'000	Total EUR'000
Balance at April 1, 2004	9,643	560,406	885,239	1,455,288
Issue of ordinary equity shares	9	1,609	-	1,618
Profit for the period	-	-	234,604	234,604
Balance at Dec 31, 2004	9,652	562,015	1,119,843	1,691,510

Reconciliation of adjusted earnings per share (unaudited)

	Quarter ended Dec 31, 2004 EUR'000	Quarter ended Dec 31, 2003 EUR'000	Nine months ended Dec 31, 2004 EUR'000	Nine months ended Dec 31, 2003 EUR'000
Profit for the period under UK and Irish GAAP	34,495	40,961	234,604	209,902
Adjustments				
Aircraft retirement costs	-	6,773	-	9,491
Buzz re-organisation costs	-	-	-	3,012
Amortisation of goodwill	530	586	1,702	1,757
Taxation adjustment for above	-	(779)	-	(1,084)
Adjusted profit under UK and Irish GAAP	35,025	47,541	236,306	223,078
Number of ordinary shares (in 000's)				
-Basic	759,775	758,608	759,499	757,143



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-Diluted	764,438	767,928	764,127	765,779
Adjusted earnings per ordinary share				
-Basic (EUR cent)	4.61	6.27	31.11	29.46
-Diluted (EUR cent)	4.58	6.19	30.92	29.13

Page 4

Ryanair Holdings plc and Subsidiaries  
Consolidated Profit and Loss Accounts in accordance with US GAAP (unaudited)

	Quarter ended Dec 31, 2004 EUR'000	Quarter ended Dec 31, 2003 EUR'000	Nine months ended Dec-31, 2004 EUR'000	Nine months ended Dec-31, 2003 EUR'000
Operating Revenues				
Scheduled revenues	246,712	216,424	864,356	739,964
Ancillary revenues	47,732	38,575	151,180	111,409
Total operating revenues				
-continuing operations	294,444	254,999	1,015,536	851,373
Operating expenses				
Staff costs	34,784	29,286	103,963	90,344
Depreciation and amortisation	26,857	25,009	72,539	71,728
Other operating expenses				
-Fuel & Oil	72,486	43,128	186,236	127,474
Maintenance, materials and repairs	2,323	8,796	27,221	30,983
Marketing and distribution costs	2,625	1,045	13,400	11,028
-Aircraft rentals	7,400	2,730	23,636	6,450
-Route charges	33,389	27,442	101,315	80,331
-Airport and Handling charges	44,243	38,123	134,565	110,202

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-Other	22,406	19,061	69,867	58,703
Total operating expenses	246,513	194,620	732,742	587,243
Operating profit before exceptional items	47,931	60,379	282,794	264,130
Aircraft retirement costs	-	(6,773)	-	(9,491)
Buzz re-organisation costs	-	-	-	(3,012)
Operating profit after exceptional items	47,931	53,606	282,794	251,627
Other income/(expenses)				
Foreign exchange (losses)/gains	(2,076)	(581)	(2,835)	852
Gain/(loss) on disposal of fixed assets	-	-	6	(8)
Interest receivable and similar income	7,379	5,115	20,197	17,642
Interest payable and similar charges	(12,972)	(10,493)	(35,057)	(29,605)
Total other income/(expenses)	(7,669)	(5,959)	(17,689)	(11,119)
Profit on ordinary activities before taxation	40,262	47,647	265,105	240,508
Tax on profit on ordinary activities	(4,145)	(4,130)	(25,014)	(23,238)
Net income	36,117	43,517	240,091	217,270
Net income per ADS				
-Basic(Euro cent)	23.77	28.68	158.06	143.48
-Diluted(Euro cent)	23.62	28.33	157.10	141.86
Adjusted net income per ADS *				
-Basic(Euro cent)	23.77	32.63	158.06	151.02

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-Diluted(Euro cent)	23.62	32.24	157.10	149.32
Weighted Average number of shares				
-Basic	759,775	758,608	759,499	757,143
-Diluted	764,438	767,928	764,127	765,779

\* Calculated on Net Income before non-recurring items (net of tax).

Page 5

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

(A) Net income under US GAAP

	Quarter ended		Nine months ended	
	Dec 31, 2004 EUR'000	Dec 31, 2003 EUR'000	Dec 31, 2004 EUR'000	Dec 31, 2003 EUR'000
Profit as reported in the consolidated profit and loss accounts in accordance with UK and Irish GAAP	34,495	40,961	234,604	209,902
Adjustments				
Pension	40	220	120	640
Amortisation of goodwill	530	586	1,702	1,757
Capitalised interest (net of amortisation) regarding aircraft acquisition programme	1,298	2,006	4,356	5,697
Darley Investments Limited	22	22	66	66
Taxation- effect of above adjustments	(268)	(278)	(757)	(792)
Net income under US GAAP	36,117	43,517	240,091	217,270

(B) Consolidated Cashflow Statements in accordance with US GAAP

	Nine months ended	
	Dec 31, 2004 EUR'000	Dec 31, 2003 EUR'000
Cashflow from operating activities	330,876	278,580
Cash (outflow) from investing activities	(178,961)	(932,690)
Cash inflow from financial activities	204,003	144,997

Increase/(decrease) in

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cash and cash equivalents	355,918	(509,113)
Cash and cash equivalents at beginning of year	744,605	537,476
Cash and cash equivalents at end of period	1,100,523	28,363
Cash and cash equivalents under US GAAP	1,100,523	28,363
Restricted cash	204,040	198,300
Deposits with a maturity of between three and six months	143,287	898,008
Cash and liquid resources under UK and Irish GAAP	1,447,850	1,124,671

Ryanair Holdings plc and Subsidiaries  
Summary of significant differences between UK, Irish and US generally accepted accounting principles (unaudited)  
(C) Shareholders' funds - equity

	Dec 31, 2004 EUR'000	Dec 31, 2003 EUR'000
Shareholders' equity as reported in the consolidated balance sheets (UK and Irish GAAP)	1,691,510	1,457,884
Adjustments:		
Pension	3,320	3,751
Amortisation of goodwill	4,044	1,757
Capitalised interest (net of amortisation) regarding aircraft acquisition programme	21,858	15,986
Darley Investments Limited	(85)	(173)
Minimum pension liability (net of tax)	(2,631)	(2,656)
Unrealised losses on derivative financial instruments (net of tax)	(150,700)	(54,968)
Tax effect of adjustments (excluding pension & derivative adjustments)	(3,345)	(2,467)
Shareholders' equity as adjusted to accord with US GAAP	1,563,971	1,419,114
Opening shareholders' equity under US GAAP	1,356,281	1,177,187
Comprehensive Income		
Unrealised (losses)/gains on derivative financial instruments (net of tax)	(34,019)	18,403

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Net income in accordance with US GAAP	240,091	217,270
Total Comprehensive Income	206,072	235,673
Stock issued for cash	1,618	6,254
Closing shareholders' equity under US GAAP	1,563,971	1,419,114

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

#### Introduction

For the purposes of the MD&A all figures and comments are by reference to the adjusted profit and loss account excluding the exceptional costs and goodwill referred to below.

Exceptional costs in the quarter ended December 31, 2003 consisted of EUR5.5m in lease costs and additional depreciation of EUR0.6m arising from the earlier than planned retirement of a sixth aircraft necessitated by the 'scribing' of these aircraft (Note 4). Goodwill of EUR0.5m was amortised in the quarter compared to EUR0.6m in the quarter ended December 31, 2003.

Profit after tax decreased by 16% to EUR34.5m during the quarter compared to the same period last year. The adjusted profit for the quarter, excluding exceptional costs and goodwill, decreased by 26% to EUR35.0m.  
Summary Quarter ended December 31, 2004

Profit after tax decreased by 26% to EUR35.0m, compared to EUR47.5m in the previous quarter ended Dec 31, 2003. Total operating revenues increased by 15% to EUR294.4m, which was faster than the 13% growth in passenger volumes, as fares were almost in line with last year and a continuation of the strong growth in ancillary revenues. Total revenue per passenger has as a result increased by 2%, whilst the successful launch of new routes and the slower rate of growth resulted in load factors increasing from 83% to 84% during the period.

Total operating expenses increased by 26% to EUR245.8m, due to the increased level of activity, and the increased costs, primarily fuel, route charges and airport & handling costs associated with the growth of the airline. Fuel, our largest cost item, increased by 68% due to substantial increases in the US\$ cost per gallon, partially offset by the strengthening of the Euro to the Dollar.

Operating margins declined 7 points to 17%, which in turn resulted in Operating profit decreasing by 19% to EUR48.7m. Excluding fuel costs operating margins would have remained constant in both quarters. Profit before tax has declined by 25%, greater than the decline in operating profit due to the higher net interest charge arising from the increased level of debt, and foreign exchange losses which arose from the translation of sterling and US\$ bank balances to euro at the period end exchange rates. As a result, Net Margins declined by 7 points to 12% for the reasons outlined above.

Adjusted earnings per share have also declined by 26% to 4.61 cent for the period.

Balance Sheet The Company continues to generate strong cashflow from operations and year to date amounted to EUR346.7m. This cashflow part funded twelve aircraft deliveries (six in the current quarter), additional aircraft deposits, and the balance remaining is in turn reflected in the EUR190.5m increase in Cash and Liquid Resources since March 31, 2004. Capital expenditure amounted to EUR342.2m during the period whilst Long Term Debt, net of repayments, increased by EUR200.4m. Shareholders' Funds at Dec 31, 2004 have increased by EUR236.2m to EUR1,691.5m, compared to March 31, 2004.

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Detailed Discussion and Analysis Quarter Ended December 31, 2004 Profit after tax, decreased by 26% to EUR35.0m due to fuel costs increasing by 68% reflecting the higher US\$ cost per gallon, which was partially offset by stable fares and strong growth in passenger volumes. Operating margins, in turn, have fallen by 7 points to 17% during the quarter, which has resulted in Operating profit decreasing by EUR11.5m to EUR48.7m compared to quarter ended December 31, 2003.

Total operating revenues increased by 15% to EUR294.4m whilst passenger volumes increased by 13% to 6.9m. Total revenue per passenger has increased by 2% in the quarter due to a combination of higher average fares and strong ancillary revenue growth.

Scheduled passenger revenues increased by 14% to EUR246.7m due to a combination of a 1% improvement in average fares, increased passenger volumes on existing routes, and the success of new bases at Rome-Ciampino and Barcelona-Girona. The slower growth in seat capacity is also reflected in improved load factors, which rose by 1% to 84% in the quarter.

Ancillary revenues increased 24% to EUR47.7m, a faster rate of growth than passenger volumes, reflecting a strong performance in non-flight scheduled revenues, car hire and other ancillary products. Ancillary revenues now account for 16% of total revenues compared to 15% for the same period last year. Total operating expenses increased by 26% to EUR245.8m due to the increased level of activity, and the increased costs primarily fuel, aircraft rentals, route charges, and airport and handling costs associated with the growth of the airline. Total operating costs were also adversely impacted by a 9% increase in the average sector length whilst higher US\$ fuel prices were partly offset by the strength of the euro exchange rate against the US\$.

Staff costs have increased by 18% to EUR34.8m primarily due to a 13% increase in average employee numbers to 2,671 and the impact of pay increases of 3% granted during the period.

Depreciation and amortisation increased by 4% to EUR26.1m. Depreciation charges increased due to an increase in the size of the 737-800 fleet from 41 to 53 ('owned' fleet rose from 61 to 64), offset by lower amortisation charges due to the retirement of 737-200 aircraft and the positive impact of a new engine maintenance agreement on the cost of amortisation of 737-800 aircraft. The strengthening of the euro to US\$ also had a positive impact on the depreciation and amortisation charge.

Fuel costs rose by 68% to EUR72.5m due to an increase in the number of sectors flown, a 9% increase in the average sector length, and a significantly higher average US\$ cost per gallon of fuel partially offset by the positive impact of the strengthening of the Euro to the US dollar during the period. Fuel costs were also positively impacted by the recommencement of the Company's hedging strategy for December and lower than expected fuel prices which resulted in a saving of EUR4m.

Maintenance costs decreased by 74% to EUR2.3m reflecting the improved reliability arising from the higher proportion of 737-800's operated and a lower level of maintenance costs incurred due to the return of four BAE 146 aircraft to KLM and the release of maintenance overhaul provisions of EUR5.2m during the quarter associated with the earlier than scheduled return of six leased 737-300's. Marketing and distribution costs increased by EUR1.5m to EUR2.6m due to increases in expenditure arising from the higher level of activity during the quarter. Aircraft rental costs increased by EUR4.7m to EUR7.4m reflecting the increased costs arising from the lease of thirteen 737-800 aircraft, of which three were delivered in the current quarter, offset by the return of four BAE 146s to KLM earlier in the year and the return of six leased 737-800 aircraft during the period.

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Route charges increased by 22% to EUR33.4m due to an increase in the number sectors flown, an increase in the average sector length and an increase in the weight of the aircraft operated (which incur a higher charge). Airport and handling charges increased by 16% to EUR44.2m, faster than the increase in passenger volumes due to increased costs at certain existing airports offset by lower costs at new airports, and the adverse impact of the strength of the sterling exchange rate against the euro during the period. Other expenses increased by 18% to EUR22.4m, which is less than the growth in ancillary revenues due to improved margins on some new and existing products, and cost reductions achieved on indirect costs.

Operating margins have declined by 7 points to 17%. Due to the reasons outlined above operating profits decreased by EUR11.5m to EUR48.7m during the quarter. Interest receivable has increased by EUR2.3m due to the combined impact of higher levels of cash and liquid resources and an improvement in average deposit interest rates earned in the quarter compared to last year. Interest payable increased by EUR2.6m due to the drawdown of debt to part fund the purchase of new aircraft.

Detailed Discussion and Analysis for Nine months ended December 31, 2004 Profit after tax, increased by 6% to EUR236.3m driven by strong growth in passenger volumes, whilst revenues per passenger were unchanged. This was offset by higher costs specifically fuel (our largest cost item) which increased by 46%. Operating profit increased by EUR20.8m to EUR284.2m compared to the nine months ended December 31, 2003 despite Operating margins declining by 3 points to 28% during the period.

Total operating revenues increased by 19% to EUR1,015.5m whilst passenger volumes increased by 20% to 20.9m. Total revenue per passenger was unchanged compared with the same period last year.

Scheduled passenger revenues increased by 17% to EUR864.4m due to a combination of increased passenger volumes on existing routes, the successful launch of new bases at Rome-Ciampino and Barcelona-Girona, and the commencement of 20 new routes during the period, partly offset by a 2% reduction in average fares. The strong growth in passenger volumes is also reflected in the improvement in the load factor achieved, which rose from 83% to 86% during the period. Ancillary revenues continue to perform strongly with revenues growing by 36% to EUR151.2m in the period. This performance reflects the strong growth in non-flight scheduled revenues, car hire and other ancillary products. Ancillary revenues continue to grow at a faster rate than passenger volumes and now account for 15% of total revenues compared to 13% last year.

Total operating expenses increased by 24% to EUR731.3m due to the increased level of activity, and the increased costs primarily fuel, aircraft rentals, route charges and airport and handling costs associated with the growth of the airline. The increase in total operating expenses was also due to the strengthening of the Sterling to Euro exchange rate partly offset by a stronger Euro to US\$ exchange rate.

Staff costs have increased by 14% to EUR104.1m. This increase primarily reflects a 13% increase in average employee numbers to 2,578 and the impact of 3% pay increases granted during the period.

Depreciation and amortisation declined by 1% to EUR71.0m. An additional twelve 737-800 aircraft were purchased during the period, however during the same period the company retired 10 737-200 aircraft. The resultant higher depreciation charge was offset by a combination of a lower amortisation charge due to the retirement of 737-200 aircraft and the positive impact of a new engine maintenance agreement on the cost of amortisation of 737-800 aircraft. The strengthening of the euro to US\$ also had a positive impact on both the

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depreciation and amortisation charge.

Fuel costs rose by 46% to EUR186.2m due to a 21% increase in the number of hours flown, a significant increase in the average US\$ cost per gallon of fuel partly offset by the positive impact of the strengthening of the Euro to the US\$ during the period.

Maintenance costs decreased by 12% to EUR27.2m reflecting an increase in the size of the fleet operated, and an increase in the number of hours flown offset by maintenance savings due to improved reliability arising from the higher proportion of 737-800 operated. Four BAE 146 aircraft, which incurred higher maintenance charges per aircraft operated compared to the remainder of the fleet, were returned to KLM earlier this year. During the last quarter, six leased 737-300 aircraft were returned earlier than scheduled, which in turn enabled the company to release maintenance overhaul provisions of EUR5.2m. Marketing and distribution costs increased by 22% to EUR13.4m due to higher spend on promoting new routes and an increase in the level of activity during the period.

Aircraft rental costs increased by EUR17.2m to EUR23.6m reflecting the increased costs associated with the lease of thirteen 737-800 aircraft since December 31, 2003 offset by the return to KLM of four BAE 146 aircraft earlier this year. Six leased 737-300 aircraft were also returned to the lessor during quarter the 3rd quarter.

Route charges increased by 26% to EUR101.3m due to an increase in the number of sectors flown, an increase in the average sector length, an increase in the weight of the aircraft operated, (which incur a higher charge), and the negative impact of the strengthening of sterling against the Euro during the period. Airport and handling charges increased by 22% to EUR134.6m, slightly more than the increase in passenger volumes due to increased costs at certain existing airports offset by lower costs at new airports, and the adverse impact of the strength of the sterling exchange rate against the euro during the period. Other expenses increased by 19% to EUR69.9m, which is less than the growth in ancillary revenues due to improved margins on some new and existing products, and cost reductions achieved on indirect costs.

Operating margins have declined by 3% to 28% for the period reflecting the substantial higher fuel prices increased and due to the reasons outlined above operating profits increased by 8% to EUR284.2m.

Interest receivable has increased by 14% to EUR20.2m due to an increase in the level of cash and liquid resources and an improvement in deposit interest rates earned during the period compared to last year. Interest payable increased by EUR5.7m due to the drawdown of debt to part fund the purchase of new aircraft during the period.

The Company's Balance Sheet continues to strengthen due to the growth in profits during the period. Capital expenditure amounted to EUR342.2m part funded by cash generated from operating activities, whilst the excess cash of EUR190.5m is reflected in the increase in cash and liquid resources to EUR1,447.9m at 31 December 2004. Long term Debt, net of repayments increased by EUR200.4m, which was drawn down to part fund aircraft deliveries during the period.

Shareholders' Funds at December 31, 2004 have increased to EUR1,691.5m compared to EUR1,455.3m at March 31, 2004.

### Notes to the Financial Statements

#### 1. -Accounting Policies

The accounting policies followed in the preparation of these consolidated financial statements for the nine months ended December 31, 2004 are



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consistent with those set out in the financial statements for the year ended March 31, 2004.

2. -Approval of the Financial Statements  
The Audit Committee approved the consolidated financial statements for the Nine months ended December 31, 2004 on January 28th, 2005.
3. -Generally Accepted Accounting Policies  
The Management Discussion and Analysis of Results for the Quarter and Nine months ended December 31, 2004 are based on the results reported under Irish and UK GAAP.
4. -Aircraft retirement costs

Six aircraft were retired earlier than projected in 2003 due to the detection of scratch marks ('scribing') that occurred during an aircraft painting programme on these aircraft in 1995. It had been determined that the cost of repairing these aircraft was uneconomic due to the short remaining life of the aircraft. Accordingly the Company had determined that the residual value of US\$1m(EUR794k) for these aircraft was excessive and as a result reduced it to EUR250k per aircraft. The cost of this adjustment charge for five aircraft was reflected in the results for the quarter ended September 30,2003, and the charge for a sixth aircraft is expensed in quarter ended December 31, 2003.

### SIGNATURES

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

RYANAIR HOLDINGS PLC

Date: 31 January, 2005

By:\_\_\_/s/ Howard Millar\_\_\_

H Millar  
Company Secretary & Finance Director