

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

RYANAIR HOLDINGS PLC
Form 6-K
August 02, 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 August, 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 Holdings plc
Explanation of the financial impact following adoption of International Financial Reporting Standards ("IFRS").
2 August 2005

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

TABLE OF CONTENTS

	Page No.
Introduction	1
1. Summary reconciliation from Irish/UK GAAP to IFRS for the year ended 31 March 2005	2
2. Principal Changes under IFRS	3
3. Basis of preparation and transition effects	5
4. Provisional accounting policies under IFRS	7
5. Restatement of 1 April 2004 and 31 March 2005 Provisional Balance Sheets and Income Statements under IFRS	13
5.1. Date of Transition under IFRS - 1 April 2004	13
5.2. 31 March 2005 Balance Sheet restated under IFRS	14
5.3. 31 March 2005 Income Statement restated under IFRS	15
6. Comparative quarterly information for the year to 31 March 2005	16
6.1. Balance Sheet restated - 30 June 2004	16
6.2. Balance Sheet restated - 30 September 2004	17
6.3. Balance Sheet restated - 31 December 2004	18
6.4. Balance Sheet restated - 31 March 2005	19
6.5. Income Statement restated - 30 June 2004	20
6.6. Income Statement restated - 30 September 2004	21
6.5. Income Statement restated - 31 December 2004	22
6.5. Income Statement restated - 31 March 2005	23
7. Statement of Recognised Income and Expense from 30 June 2004 to 31 March 2005	24

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

Introduction

From 1 April 2005 Ryanair Holdings plc ("Ryanair") is required to prepare its primary financial statements under International Financial Reporting Standards ("IFRS") as adopted for use in the European Union. This change applies to all

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

financial reporting accounting periods beginning on or after 1 January 2005 and consequently, Ryanair's first results to be reported under IFRS are the interim results for the quarter ending 30 June 2005. The Group's first annual report under IFRS will be prepared for the financial year to 31 March 2006. Ryanair is required to publish comparative information from the date of transition except for certain exemptions provided by the transitional arrangements in IFRS 1 ("First Time Adoption of International Financial Reporting Standards"). Ryanair's date of transition is 1 April 2004.

Information regarding the adoption by Ryanair of IFRS reporting is presented in this document as follows;

1. Summary reconciliation of Ryanair's Income Statement and Balance Sheet from Irish/UK GAAP to IFRS for the year ended and as at 31 March 2005;
2. Principal changes under IFRS;
3. Basis of preparation and transition effects;
4. Provisional accounting policies under IFRS;
5. Restatement of 31 March 2005 financial information from Irish GAAP to IFRS including date of transition balance sheet at 1 April 2004;
6. Comparative quarterly information for the year to 31 March 2005, and
7. Statement of Recognised Income and Expense for the year to 31 March 2005

The source of the historical Irish/UK GAAP financial information in this document is the audited consolidated financial statements and annual report for the year to 31 March 2004 and the unaudited consolidated financial statements for the year to 31 March 2005 included in the preliminary announcement of the Group's results made on 31 May 2005. The audited consolidated financial statements and annual report for the year to 31 March 2005 will be available in due course.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

1. Summary Reconciliation from Irish/UK GAAP to IFRS for year ended 31 March 2005;

	Year Ended 31-Mar-05 EUR'000
Net Income (after tax) under Irish/UK GAAP	266,741
Retirement Benefits (net of tax)	(260)
Effect of Business Combinations	14,050
Share Based Payments	(488)
Preliminary Net Income (after tax) under IFRS	280,043
Earnings per Share	37c
Diluted Earning per Share	37c
% Variance from accounting changes	5.0%
Shareholders equity under Irish GAAP	1,727,411
Retirement Benefits	(9,300)
Effect of Business Combinations	16,393

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Preliminary Shareholders equity under IFRS*	1,734,504
% Variance from accounting changes	0.4%

*At 1 April 2005 Ryanair has accounted for all of its derivatives in accordance with IAS 39, with the result that an opening charge of EUR146.4 million together with a related deferred tax benefit of EUR18.3 million has been recorded directly in opening reserves, principally relating to the company's interest rate swaps, which were entered into at a time when underlying interest rates were higher than present market rates. The company also recorded the following entries in respect of fair value hedges for firm commitments; an increase of EUR2.7 million in derivative financial assets held and a corresponding decrease in other creditors, with no amount of ineffectiveness recorded in the income statement.

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

2. Principal Changes under IFRS

The following summary sets out the most significant changes required to Ryanair's consolidated financial statements as a result of the transition to IFRS. The effect of these changes is set out in Section 5 of this report.

IAS 19: Pension and other Post Retirement Benefits (recurring change)
In accordance with IAS 19 ("Employee Benefits"), the assets and liabilities of the defined benefit pension plans operated by Ryanair have been recognised, gross of deferred tax, in the balance sheet at the date of transition to IFRS in accordance with the valuation and measurement requirements of the standard.

Deferred tax has been computed in respect of the Group's pension liabilities arising as a result of the application of IAS 19 and the related deferred tax assets have been included in the restatements at the various balance sheet dates.

In accordance with the exemption afforded under the amendment to IFRS 1, the Group has elected to recognise all cumulative actuarial gains and losses attributable to its defined benefit pension schemes as at the transition date.

Also in line with the amendment to IAS 19, actuarial gains and losses arising after the transition date are dealt with in retained income via the Statement of Recognised Income and Expense, and all other pension scheme movements have been accounted for in the Group's income statement.

IFRS 3: Business Combinations

The Group has elected to restate the acquisition of Buzz on 10 April 2003 (the Group's only business combination to date) in accordance with the provisions of IFRS 3 ("Business Combinations"). As the principal assets and liabilities acquired at that time related to take-off and landing slots at Stansted airport, and onerous leases for aircraft, the restatement of the business combination under IFRS 3 has given rise to the following adjustments:

1. Reversal of goodwill amortisation since the date of the acquisition amounting to EUR4.5 million.
2. Reallocation of all of the fair value of assets acquired at the time (being EUR46.8 million) from goodwill to intangible assets, represented by take-off and landing rights ("slots") at Stansted airport. This adjustment was

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

required to recognise the fair value of assets required to be recognised under the provisions of IFRS 3 and IAS 38 "Intangible Assets". This asset is considered to be indefinite lived because the slots do not expire as long as they continue to be utilised and it is Ryanair's intention to utilise these slots for the foreseeable future. Accordingly, the slots acquired have not been amortised. The slots acquired have also been subsequently reviewed for impairment in accordance with the provisions of IAS 36 "Impairment of Assets" and no impairment of this asset is considered to have occurred since the date of acquisition.

3. No change has been recorded to the provisional fair value of onerous leases taken over on acquisition as the impact of discounting such amounts is not considered to be material in the context of the Group's results. Subsequent to the acquisition, however, Ryanair renegotiated the terms and conditions of these leases and agreed to return the aircraft to the lessors in late 2004, thereby releasing Ryanair from any remaining lease obligations at that time. Irish GAAP permits that such an adjustment can be made to the provisional value of the assets and liabilities acquired as part of the original business combination, provided that the adjustment is made either in the reporting period that the combination took place or in the first full financial period following the transaction. IFRS 3, however, only allows such an adjustment to be made in the 12 month period following the acquisition, and accordingly, as the event occurred more than 12 months after the acquisition date, under IFRS this adjustment is made to the Group's income statement instead. This gives rise to a credit of EUR11.9m to the income statement in the period to 31 March 2005.

IFRS 2: Share Based Payments (recurring change)

IFRS 2 ("Share Based Payment") requires the Group to recognise any share based payments made to employees during a reporting period as a charge to the income statement over the vesting period of the options, together with a corresponding increase in equity. The charge of EUR0.5 million for the year ended 31 March 2005 for share option grants has been computed using the Binomial Lattice methodology. A similar charge will recur quarterly over the vesting period of the existing options and there may be additional charges as further share options are granted.

Ryanair has availed of the transition provisions in IFRS 1 for share based payments by only applying the fair value calculation to share option grants that were made after 7 November 2002 but which had not vested by 1 January 2005. Had Ryanair recognised all vested grants of shares between 7 November 2002 and 1 January 2005, the Group's equity at 31 March 2005 would have increased by EUR9.4m with a corresponding reduction in retained earnings.

IAS 39: Derivative Financial Instruments (recurring change)

IAS 39 ("Financial Instruments: Recognition and Measurement") requires that all financial instruments are recorded at fair value or amortised cost dependant on the nature of the financial asset or financial liability. Derivatives are always measured at fair value with changes in value arising from fluctuations in interest rates, foreign exchange rates or commodity prices. Under Irish GAAP, where the derivatives form part of a hedging agreement, these are not initially measured on the balance sheet and any related gains or losses arising are deferred until the underlying hedged item impacts on the financial statements.

Ryanair has taken advantage of the exemption from the requirement to restate comparative information for IAS 39 contained in IFRS 1. As a result of this exemption the information presented for all periods up to 31 March 2005 has been accounted for in accordance with Irish/UK GAAP.

At 1 April 2005 Ryanair has accounted for all of its derivatives in accordance with IAS 39, with the result that an opening charge of EUR146.4 million together with a related deferred tax benefit of EUR18.3 million has been recorded

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

directly in opening reserves, principally relating to the company's interest rate swaps, which were entered into at a time when underlying interest rates were higher than present market rates. The company also recorded the following entries in respect of fair value hedges for firm commitments; an increase of EUR2.7 million in derivative financial assets held and a corresponding decrease in other creditors, with no amount of ineffectiveness recorded in the income statement.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

3. Basis of preparation and transition effects.

Basis of Preparation

EU law (IAS Regulation EC 1606/2002) requires that the annual consolidated financial statements of the company, for the year ending 31 March 2006, be prepared in accordance with accounting standards adopted for use in the European Union (EU) further to the IAS Regulation (EC 1606/2002) ("accounting standards adopted by the EU").

This preliminary financial information comprising the consolidated preliminary balance sheets of the company and its subsidiaries at 1 April 2004 and 31 March 2005 and the consolidated preliminary income statement at 31 March 2005 and the related explanatory notes have been prepared on the basis of the recognition and measurement requirements of IFRSs in issue that either are adopted by the EU and effective (or available for early adoption) at 31 March 2006 or are expected to be adopted and effective (or available for early adoption) at 31 March 2006, the Group's first annual reporting date at which it is required to use accounting standards adopted by the EU. Based on these recognition and measurement requirements, management has made assumptions about the accounting policies expected to be applied, which are as set out below, when the first annual financial statements are prepared in accordance with accounting standards adopted by the EU for the financial year ending 31 March 2006.

In particular, management has assumed that the following IFRS's issued by the International Accounting Standards Board and IFRIC Interpretations issued by the International Financial Reporting Interpretations Committee will be adopted by the EU such that they will be available for use in the annual IFRS financial statements for the year ending 31 March 2006: Amendment to IAS 19: Actuarial Gains and Losses, Group Plans and Disclosures.

In addition, the accounting standards adopted by the EU that will be effective (or available for early adoption) in the annual financial statements for the year ending 31 March 2006 are still subject to change and to additional interpretations and therefore cannot be determined with certainty. Accordingly, the accounting policies for that annual period will be determined finally only when the annual financial statements are prepared for the year ending 31 March 2006.

The unaudited Group results for the three months to 30 June 2005 and the comparative quarterly information in the prior periods, also included in this report, have been prepared on a basis consistent with the IFRS accounting policies as set out herein. These quarterly financial statements have been prepared under the historical cost convention, except in respect of certain financial instruments, which have been fair valued in accordance with the requirements of IAS 39.

Transition Effects

IFRS 1 permits those companies adopting IFRS for the first time to avail of certain exemptions from the full requirements of IFRS on transition. Ryanair intends to avail of the following key exemptions:

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

- Pensions and post retirement benefits: At the transition date Ryanair has re-evaluated its defined benefit pension plans in accordance with IAS 19, and all cumulative actuarial gains and losses have been recognised in the opening balance sheet within pension assets or pension liabilities, and adjusted against retained income.
- Financial instruments: Financial instruments in the comparative periods are recorded using the existing Irish/UK GAAP basis, rather than being restated in accordance with IAS 32, Financial Instruments: Disclosure and Presentation, and IAS 39, Financial Instruments: Recognition and Measurement. The requirements of IAS 32 and 39 will instead be applied from 1 April 2005, as permitted by IFRS 1.
- Share-based payments: IFRS 2 has been adopted from the transition date and is only being applied to equity settled share options granted on or after 7 November 2002 which had not vested by 1 January 2005. Ryanair has elected to avail of the option not to apply full retrospective application of the standard.
- Business combinations: Ryanair has elected to restate its only business combination (the acquisition of Buzz on 10 April 2003) to comply with IFRS 3 "Business Combinations", and has also applied the provisions of IAS 36 "Impairment of Assets" and IAS 38 "Intangible Assets" from the same date.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

4. Provisional accounting policies under IFRS

Basis of Consolidation

The restated financial information includes the financial statements of the company and all subsidiary undertakings drawn up to the relevant period end.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated income statement from the date on which control is transferred to or from the Group. Control exists when the Group has the power, either directly or indirectly to govern the financial and operating policies of an entity so as to obtain economic benefit from its activities.

Estimates and Uncertainties

The preparation of consolidated financial information requires management to make judgments, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

The estimates and 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 the revision affects both current and future periods.

Intangible Assets - Landing Rights

Intangible assets acquired are recognised to the extent it is considered probable that expected future benefits will flow to the Group 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

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

not amortised, where those rights are considered to be indefinite. The carrying value of these 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 Group's intangible assets has been recorded to date.

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 is included in accrued expenses and other liabilities. It is released to the income statement as passengers fly. Unused tickets are recognised as revenue on a systematic basis. Miscellaneous fees charged for any changes to flight tickets are recognised as revenue immediately.

Ancillary revenues are recognised in the income statement in the period the ancillary services are provided.

Foreign Currency Translation

Items included in the financial statements of each of the Group's 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 each of the Group's entities.

Transactions arising in foreign currencies are recorded at the rates of exchange ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange prevailing at the balance sheet date and all related exchange gains or losses are accounted for through the income statement. Non-monetary assets and liabilities denominated in foreign currencies are translated to euro at foreign exchange rates ruling at the dates the transactions were effected.

Pensions and Other Post Retirement Obligations

The Group provides employees with post retirement benefits in the form of pensions. The Group operates a number of defined contribution and defined benefit pension schemes.

Costs arising in respect of the Group's defined contribution pension schemes are charged to the income statement in the period in which they are incurred.

For defined contribution schemes, the Group recognises contributions due in respect of the accounting period in the income statement. Any contributions unpaid at the balance sheet date are included as a liability.

The liabilities and costs associated with the Group's defined benefit pension schemes are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The discount rates employed in determining the present value of each scheme's liabilities are determined by reference to market yields at the balance sheet date of high quality corporate bonds in the same currency and term that is consistent with those of the associated pension obligations. The net surplus or deficit arising on the Group's defined benefit schemes is shown within non-current assets or liabilities on the balance sheet. The deferred tax impact of any such amount is disclosed separately within deferred tax.

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

IAS 19 requires separate recognition of the operating and financing costs of defined benefit pensions (and similarly funded employee benefits) in the income statement. The standard permits a number of options for the recognition of actuarial gains and losses. In accordance with the exemption granted under IFRS 1, IAS 19 has not been applied retrospectively in preparing the Group's transition balance sheet to IFRS. All cumulative actuarial gains and losses as at the transition date (1 April 2004) have therefore been recognised in retained income at that date.

Share Based Payments

The Group 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 granted on the date of the grant. 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 credit to equity. The fair value of the options granted is determined using the 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. 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

In accordance with the transition provisions in IFRS 1, Ryanair has applied this fair value calculation to share option grants that were made after 7 November 2002, but which had yet to vest by 1 January 2005.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

Income taxes, including Deferred Income Taxes

Income tax payable on taxable profits is recognised as an expense in the period in which the profits arise. Income tax recoverable on tax allowable losses is recognised as an asset only to the extent that it is probable that it will be recovered by offset against current or future taxable profits. Income tax is recognized in the income statement except to the extent that relates to items recognized directly in equity (derivative financial instruments and pensions and other post retirement obligations), in which case it is recognized in equity.

Deferred income tax is provided in full, using the liability method, on temporary timing 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 substantially enacted by the balance sheet date and expected to apply when the deferred tax asset is realised or the deferred tax liability is settled. The following temporary differences are not provided for: the initial recognition of assets and liabilities that effect neither accounting nor taxable profit and differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the future.

Deferred and current tax assets and liabilities are only offset when they arise in the same tax reporting Group and where there is both the legal right and the intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

Leases

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership have transferred to the Group, are capitalised in the balance sheet and are depreciated over their estimated useful lives. The asset is recorded at the lower of its fair value, less accumulated depreciation, and the present value of the minimum lease payments at the inception of the finance lease. The present values of the future lease payments are recorded as obligations under finance leases and the interest element of the lease obligation is charged to the income statement over the period of the lease in proportion to the balances outstanding.

Expenditure arising under operating leases (being leases where the lessor retains substantially all the risks and rewards of ownership) is charged to the income statement as incurred. The Group also enters into sale and leaseback transactions whereby it sells the rights to acquire aircraft to a third party and subsequently leases the aircraft back, by way of operating lease. Any profit on the disposal, where the price achieved on the disposal of the aircraft is not considered to be at fair value, is spread over the lease term. The profit or loss amount deferred is included within other creditors and analysed into its components of greater or less than one year.

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 tangible fixed assets and depreciation. With respect to the Group's operating lease agreements, where the Group has a commitment to maintain the aircraft, provision is made during the lease term for the obligation based on estimated future costs of major airframe and certain engine maintenance checks by making appropriate charges to the income statement calculated by reference to the number of hours or cycles operated during the year.

All other maintenance costs are expensed as incurred.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

Property, Plant and Equipment

Aircraft Type	No. of Owned Aircraft	Useful Life	Residual Value at 31 March 2005
Boeing 737-200	9	20 Years from date of manufacture	EUR500,000
Boeing 737-800	65	23 years from date of manufacture	15% of original cost

Rates of Depreciation

Plant and Equipment	20 - 33.3%
Fixtures and Fittings	20%
Motor Vehicles	33.3%
Buildings	5%

Property, plant and equipment is stated at historical cost less accumulated depreciation and provisions for impairments, if any. Depreciation is calculated so as to write off the cost, less estimated residual value of

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

assets, on a straight line basis over their expected useful lives at the annual rates in the table above.

Aircraft are depreciated over their estimated useful lives to estimated residual values as detailed in the table above.

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 check (usually between 8 and 12 years for Boeing 737-800 "next generation" 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 useful life of the aircraft.

Advance and option payments made in respect of aircraft purchase commitments and options are recorded at cost and separately disclosed as part of tangible fixed assets. On acquisition of the related aircraft these payments are included as part of the cost of aircraft and are depreciated from that date.

Cash and Cash Equivalents

Cash represents cash held at bank and available on demand, offset by bank overdrafts.

Cash equivalents are current asset investments (other than cash) that are readily convertible into known amounts of cash. Cash equivalents include investments in commercial paper, certificates of deposit and cash deposits of more than one day, but less than three months. Deposits with a maturity of greater than three months are recognised as short term investments.

Inventories

Inventories, principally representing rotatable aircraft spares, are stated at the lower of cost and net realisable value. Cost is based on invoiced price on a weighted average basis for all stock categories. Net realisable value is calculated as estimated selling price net of estimated selling costs.

Trade and Other Receivables and Payables

Trade and other receivables and payables are stated at cost less impairment losses, which approximates to fair value given the short dated nature of these assets and liabilities.

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 minimize the impact of commodity price, interest rate and foreign exchange rate fluctuations on the Group'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 and are not actively traded. The Group 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.

From 1 April 2005, the company has applied the provisions of IAS 39 in accounting for its derivatives. Derivative financial instruments are recognised initially at cost. Subsequent to initial recognition, derivative

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

financial instruments are stated at fair value. Recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that the Group would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts and jet fuel contracts is their quoted market price at the balance sheet date, being the present value of the quoted forward price.

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 directly in equity. When the forecasted transaction results in the recognition of an asset or liability, the cumulative gain or loss is removed from equity and included in the initial measurement of the asset or liability. Otherwise the cumulative gain or loss is removed from equity 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 therein is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the hedged transaction still is expected to occur, the cumulative gain or loss at that point remains in equity 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 equity 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 also is stated at fair value in respect of the risk being hedged, with any gain or loss also being recognised in the income statement.

Under Irish GAAP and as applied in the periods to 31 March 2005, Ryanair's fuel forward contracts, foreign currency forward contracts and interest rate swaps were treated as hedges, and any unrealised gains or losses arising on those contracts were deferred and recognized as an offset to the related expenses, when realized.

Business Combinations

The purchase method of accounting is employed in accounting for the acquisition of businesses. In accordance with IFRS 3, the cost of a business combination is measured as the aggregate of the fair values at the date of exchange of assets given and liabilities incurred or assumed in exchange for control, together with any directly attributable expenses. The assets and liabilities and contingent liabilities of the acquired entity are measured at their fair values at the date of acquisition. When the initial accounting for a business combination is determined provisionally, any adjustments to the provisional values allocated are made within twelve months of the acquisition date and are effected prospectively from that date.

Interest Bearing Loans and Borrowings

All loans and borrowings are initially recorded at cost, 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.

Financial Assets

Financial assets comprise cash deposits of greater than three months maturity. All are classified as held to maturity as there is a significant

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

financial disincentive from redeeming such amounts at an earlier stage.

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

5. Restatement of 1 April 2004 and 31 March 2005 provisional balance sheets and income statements under IFRS

This section sets out the impact of the preliminary adjustments required in transitioning to IFRS.

5.1. Date of Transition under IFRS - 1 April 2004

	Irish/UK GAAP	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	IFRS
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-Current Assets						
Intangible Assets						
Assets	44,499		2,342		2,342	46,841
Tangible Assets						
Assets	1,576,526					1,576,526
Deferred tax asset						
	-	615			615	615
Total Non-Current Assets						
Assets	1,621,025	615	2,342		2,957	1,623,982
Current Assets						
Inventories						
	26,440					26,440
Other Assets						
	19,251					19,251
Accounts Receivable						
Restricted	14,932					14,932
Cash						
	200,000					200,000
Financial assets - cash held to maturity > 3 months						
	312,745					312,745
Cash and cash equivalents						
	744,260					744,260
Total Current Assets						
Assets	1,317,628					1,317,628
Total Assets						
Assets	2,938,653	615	2,342		2,957	2,941,610
Current Liabilities						
Accounts Payable						
	67,936					67,936
Accrued expenses and						

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

other						
liabilities	324,963					324,963
Current						
Maturities of						
long term						
debt	80,337					80,337
Current tax	13,245					13,245
Total Current						
Liabilities	486,481					486,481
Other						
liabilities						
Provisions						
for liabilities						
and charges	6,522					6,522
Deferred tax	87,670					87,670
Other						
creditors	30,047	4,922		4,922		34,969
Long term						
debt	872,645					872,645
Total Other						
Liabilities	996,884	4,922		4,922		1,001,806
Shareholders						
funds						
Called up						
share capital	9,643					9,643
Share premium						
account	560,406					560,406
Profit and						
loss account	885,239	(4,307)	2,342	(1,965)		883,274
Shareholders						
funds -						
equity	1,455,288	(4,307)	2,342	(1,965)		1,453,323
Total						
liabilities						
and						
shareholders						
funds	2,938,653	615	2,342	2,957		2,941,610

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

5.2. 31 March 2005 Balance Sheet restated under IFRS

	31-Mar-05	01-Apr-04	Retirement	Business	Share	Total	31-Mar-05
			Benefits	Combination	Based	Effect	
	EUR'000	EUR'000	EUR'000	EUR'000	Payment		
					EUR'000	EUR'000	
Non-Current							
Assets							
Intangible							
Assets	30,449	2,342		14,050		16,392	46,841

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Tangible Assets	2,092,283					2,092,283
Deferred tax asset	-	615	713		1,328	1,328
Total Non-Current Assets	2,122,732	2,957	713	14,050	17,720	2,140,452
Current Assets						
Inventories	28,069					28,069
Other Assets	24,612					24,612
Accounts Receivable	20,644					20,644
Restricted Cash	204,040					204,040
Financial assets - cash held to maturity > 3 months	529,407					529,407
Cash and cash equivalents	872,258					872,258
Total Current Assets	1,679,030					1,679,030
Total Assets	3,801,762	2,957	713	14,050	17,720	3,819,482
Current Liabilities						
Accounts Payable	92,118					92,118
Accrued expenses and other liabilities	414,997					414,997
Current Maturities of long term debt	120,997					120,997
Current tax	21,190					21,190
Total Current Liabilities	649,302					649,302
Other liabilities						
Provisions for liabilities and charges	7,236					7,236
Deferred tax	105,509					105,509
Other Creditors	18,444	4,922	5,706		10,628	29,072
Long term debt	1,293,860					1,293,860

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Total Other							
Liabilities	1,425,049	4,922	5,706			10,628	1,435,677
Shareholders							
funds							
Called up							
share capital	9,675						9,675
Share premium							
account	565,756						565,756
Profit and							
loss account	1,151,980	(1,965)	(4,993)	14,050	(488)	6,604	1,158,584
Equity							
Reserve					488	488	488
Shareholders							
funds -							
equity	1,727,411	(1,965)	(4,993)	14,050		7,092	1,734,503
Total							
liabilities							
and							
shareholders							
funds	3,801,762	2,957	713	14,050		17,720	3,819,482

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

5.3. 31 March 2005 Income Statement restated under IFRS

Consolidated
Profit and Loss
Account

	IRGAAP	PY Adj				IFRS	
	31-Mar-05	01-Apr-04	Retirement	Business	Share	Total	31-Mar-05
			Benefits	Combination	Based	Effect	
	EUR'000	EUR'000	EUR'000	EUR'000	Payment		EUR'000
					EUR'000	EUR'000	
Operating							
revenue							
Scheduled							
Revenue	1,128,116						1,128,116
Ancillary							
revenue	208,470						208,470
Total							
operating							
revenue	1,336,586						1,336,586
Operating expenses							
Staff							
costs	(140,997)		(188)		(488)	(676)	(141,673)
Depreciation							
& amortisation	(98,703)						(98,703)
Fuel & oil	(265,276)						(265,276)

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Maintenance, materials and repairs	(37,934)					(37,934)
Marketing	(19,622)					(19,622)
Aircraft rentals	(33,471)					(33,471)
Route charges	(135,672)					(135,672)
Airport & handling costs	(178,384)					(178,384)
Other costs	(97,038)					(97,038)
Total operating expenses	(1,007,097)	(188)		(488)	(676)	(1,007,773)
Operating profit - before amortisation of goodwill	329,489	(188)		(488)	(676)	328,813
Goodwill	(2,125)		2,125		2,125	-
Operating profit after amortisation of goodwill	327,364	(188)	2,125	(488)	1,449	328,813
Other (expenses)/ income						
Foreign exchange gains	(2,323)	21			21	(2,302)
(Loss) on disposal of fixed assets	47					47
Interest receivable and similar income	28,342					28,342
Interest payable and similar charges	(57,499)	(130)			(130)	(57,629)
Purchase accounting adjustment			11,925		11,925	11,925
Total other (expenses)/ income	(31,433)	(109)	11,925		11,816	(19,617)
Profit on ordinary activities	295,931	(297)	14,050	(488)	13,265	309,196
Tax	(29,190)	37			37	(29,153)

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Profit after tax	266,741	(260)	14,050	(488)	13,302	280,043
Earnings per Share Diluted	0.35					0.37
Earnings Per Share	0.35					0.37

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

6. Comparative quarterly information for the year to 31 March 2005

6.1. Balance Sheet restated - 30 June 2004

	Irish/UK GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	Restated Under IFRS
	EUR'000		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non Current Assets							
Intangible Assets	43,914	2,342		586		2,928	46,842
Tangible Assets	1,612,800						1,612,800
Deferred tax asset	-	615	178			793	793
Total Non-current assets	1,656,714	2,957	178	586		3,721	1,660,435
Current Assets							
Inventories	27,116						27,116
Other Assets	19,269						19,269
Accounts Receivable	14,002						14,002
Restricted cash	200,000						200,000
Financial assets - cash held to maturity > 3 months	157,427						157,427
Cash and cash equivalents	967,948						967,948
Total Current Assets	1,385,762						1,385,762

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Total						
Assets	3,042,476	2,957	178	586	3,721	3,046,197
Current						
Liabilities						
Accounts						
Payable	79,341					79,341
Accrued						
expenses and						
other						
liabilities	378,329					378,329
Current						
Maturities of						
long term						
debt	81,350					81,350
Current tax	13,793					13,793
Total current						
liabilities	552,813					552,813
Non-current						
liabilities						
Provisions						
for						
liabilities						
and charges	8,008					8,008
Deferred						
tax	92,010					92,010
Other						
creditors	29,529	4,922	1,426		6,348	35,877
Long term						
debt	852,119					852,119
Total other						
liabilities	981,666	4,922	1,426		6,348	988,014
Equity						
Called up						
share						
capital	9,644					9,644
Share premium						
account	560,559					560,559
Profit and						
loss						
account	937,794	(1,965)	(1,248)	586	(2,627)	935,167
Shareholders						
funds -						
equity	1,507,997	(1,965)	(1,248)	586	(2,627)	1,505,370
Total						
liabilities						
and						
shareholders						
funds	3,042,476	2,957	178	586	3,721	3,046,197

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

6.2. Balance Sheet restated - 30 September 2004

	Irish GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	Restated Under IFRS
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non Current							
Assets							
Intangible							
Assets	43,327	2,928		586		3,514	46,841
Tangible							
Assets	1,738,458						1,738,458
Deferred tax asset	-	793	178			971	971
Total							
Non-current assets	1,781,785	3,721	178	586		4,485	1,786,270
Current Assets							
Inventories	26,469						26,469
Other							
Assets	21,259						21,259
Accounts Receivable	16,806						16,806
Restricted cash	200,000						200,000
Financial							
assets - cash held to maturity > 3 months	668,224						668,224
Cash and cash equivalents	552,822						552,822
Total Current							
Assets	1,485,580						1,485,580
Total							
Assets	3,267,365	3,721	178	586		4,485	3,271,851
Current							
Liabilities							
Accounts Payable	75,362						75,362
Accrued expenses and other liabilities	334,596						334,596
Current							
Maturities of							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

long term						
debt	91,932					91,932
Current tax	22,361					22,361
Total current						
liabilities	524,251					524,251
Non-current						
liabilities						
Provisions						
for						
liabilities	9,885					9,885
and charges						
Deferred						
tax	98,095					98,095
Other						
Creditors	27,551	6,348	1,426		7,774	35,325
Long term						
debt	951,985					951,985
Total other						
lia-						
bilities	1,087,516	6,348	1,426		7,774	1,095,290
Equity						
Called up						
share						
capital	9,644					9,644
Share premium						
account	560,605					560,605
Profit and						
loss						
account	1,085,349	(2,627)	(1,248)	586	(3,289)	1,082,060
Shareholders						
funds -						
equity	1,655,598	(2,627)	(1,248)	586	(3,289)	1,652,309
Total						
liabilities						
and						
shareholders						
funds	3,267,365	3,721	178	586	4,485	3,271,851

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

6.3. Balance Sheet restated - 31 December 2004

Irish	Prior	Retirement	Business	Share	Total	Restated
GAAP	Adj.	Benefits	Combination	Based	Effect	Under
				Payment		IFRS
EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000

Non Current
Assets
Intangible

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Assets	30,872	3,514		12,455	15,969	46,841
Tangible						
Assets	1,845,452					1,845,452
Deferred tax						
asset	-	971	178		1,149	1,149
Total						
Non-current						
assets	1,876,324	4,485	178	12,455	17,118	1,893,442
Current						
Assets						
Inventories	27,160					27,160
Other						
Assets	18,608					18,608
Accounts						
Receivable	14,467					14,467
Restricted						
cash	204,040					204,040
Financial						
assets - cash						
held to						
maturity > 3						
months	143,287					143,287
Cash and cash						
equivalents	1,098,198					1,098,198
Total Current						
Assets	1,505,760					1,505,760
Total	3,382,084	4,485	178	12,455	17,118	3,399,202
Assets						
Current						
Liabilities						
Accounts						
Payable	89,439					89,439
Accrued						
expenses and						
other						
liabilities	290,280					290,280
Current						
Maturities of						
long term						
debt	106,841					106,841
Current tax	26,769					26,769
Total current						
liabilities	513,329					513,329
Non-current						
liabilities						
Provisions						
for						
liabilities						
and charges	5,416					5,416
Deferred						
tax	102,325					102,325

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Other								
Creditors	22,958	7,774	1,426		9,200		32,158	
Long term debt	1,046,546						1,046,546	
Total other liabilities	1,177,245	7,774	1,426		9,200		1,186,445	
Equity								
Called up share capital	9,652						9,652	
Share premium account	562,015						562,015	
Profit and loss account	1,119,843	(3,289)	(1,248)	12,455	(195)	7,723	1,127,566	
Equity Reserve	-				195	195	195	
Shareholders funds - equity	1,691,510	(3,289)	(1,248)	12,455		7,918	1,699,428	
Total liabilities and shareholders funds	3,382,084	4,485	178	12,455		17,118	3,399,202	

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

6.4. Balance Sheet restated - 31 March 2005

	31-Mar-05	Prior Adj.	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	31-Mar-05
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Non-Current Assets							
Intangible Assets	30,449	15,969		423		16,392	46,841
Tangible Assets	2,092,283						2,092,283
Deferred tax asset	-	1,149	179			1,328	1,328
Total Non-Current Assets	2,122,732	17,118	179	423		17,720	2,140,452

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Current Assets							
Inventories	28,069						28,069
Other Assets	24,612						24,612
Accounts Receivable	20,644						20,644
Restricted Cash	204,040						204,040
Financial assets - cash held to maturity > 3 months	529,407						529,407
Cash and cash equivalents	872,258						872,258
Total Current Assets	1,679,030						1,679,030
Total Assets	3,807,375	17,118	179	423	17,720		3,819,482
Current Liabilities							
Accounts Payable	92,118						92,118
Accrued expenses and other liabilities	414,997						414,997
Current Maturities of long term debt	120,997						120,997
Current tax	21,190						21,190
Total Current Liabilities	649,302						649,302
Other liabilities							
Provisions for liabilities and charges	7,236						7,236
Deferred tax	105,509						105,509
Accounts							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

payable due after one year	18,444	9,200	1,428			10,628	29,072
Long term debt	1,293,860						1,293,860
Total Other Liabilities	1,425,049	9,200	1,428			10,628	1,435,677
Shareholders funds							
Called up share capital	9,675						9,675
Share premium account	565,756						565,756
Profit and loss account	1,151,980	7,723	(1,249)	423	(293)	6,604	1,158,584
Equity Reserve		195			293	488	488
Shareholders funds - equity	1,727,411	7,918	(1,249)	423		7,092	1,734,503
Total liabilities and shareholders funds	3,807,375	17,118	179	423		17,720	3,819,482

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

6.5 Quarterly Income Statement restated - 30 June 2004

	Irish/UK GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	IFRS
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Operating revenue							
Scheduled Revenue	259,059						259,059
Ancillary revenue	43,689						43,689

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Total operating revenue	302,748				302,748
Operating expenses					
Staff costs	(34,075)	(47)		(47)	(34,122)
Depreciation & amortisation	(23,571)				(23,571)
Fuel & oil	(51,842)				(51,842)
Maintenance, materials and repairs	(14,073)				(14,073)
Marketing	(7,266)				(7,266)
Aircraft rentals	(8,084)				(8,084)
Route charges	(33,205)				(33,205)
Airport & handling costs	(44,270)				(44,270)
Other costs	(21,574)				(21,574)
Total operating expenses	(237,960)	(47)		(47)	(238,007)
Operating profit - before amortisation of goodwill	64,788	(47)		(47)	64,741
Goodwill	(586)		586	586	0
Operating profit after amortisation of goodwill	64,202	(47)	586	539	64,741
Other (expenses)/ income					
Foreign exchange gains	115	5		5	120
Profit on disposal of fixed assets	6				6
Interest receivable and similar income	6,059				6,059
Interest					

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

payable and similar charges	(12,630)	(32)		(32)	(12,662)
Purchase accounting adjustment					
Total other (expenses)/ income	(6,450)	(27)		(27)	(6,477)
Profit on ordinary activities	57,752	(74)	586	512	58,264
Tax	(5,197)	9		9	(5,188)
Profit after tax	52,555	(65)	586	521	53,076
Basic earnings per share	0.07				0.07
Diluted earnings per share	0.07				0.07

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

6.6. Quarterly Income Statement restated - 30 September 2004

	Irish/UK GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based	Total Effect	IFRS
Payment	EUR'000		EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Operating revenue							
Scheduled Revenue	617,644						617,644
Ancillary revenue	103,448						103,448
Total operating revenue	721,092						721,092
Operating							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

expenses						
Staff costs	(69,259)	(47)	(47)		(94)	(69,353)
Depreciation & amortisation	(44,904)					(44,904)
Fuel & oil	(113,750)					(113,750)
Maintenance, materials and repairs	(24,898)					24,898
Marketing	(10,775)					(10,775)
Aircraft rentals	(16,236)					(16,236)
Route charges	(67,926)					(67,926)
Airport & handling costs	(90,322)					(90,322)
Other costs	(47,505)					(47,505)
Total operating expenses	(485,575)	(47)	(47)		(94)	(485,669)
Operating profit - before amortisation of goodwill	235,517	(47)	(47)		(94)	235,423
Goodwill	(1,172)	586		586	1,172	0
Operating profit after amortisation of goodwill	234,345	539	(47)	586	1,078	235,423
Other (expenses)/ income						
Foreign exchange gains	(759)	5	5		10	(749)
Profit on disposal of fixed assets	6					6
Interest receivable						

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

and similar income	12,818					12,818
Interest payable and similar charges	(25,921)	(32)	(32)		(64)	(25,985)
Total other (expenses)/ income	(13,856)	(27)	(27)		(54)	(13,910)
Profit on ordinary activities	220,489	512	(74)	586	1,024	221,513
Tax	(20,379)	9	9		18	(20,361)
Profit after tax	200,110	521	(65)	586	1,042	201,152
Basic earnings per Share	0.26					0.26
Diluted earnings per share	0.26					0.26

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

6.7. Quarterly Income Statement restated - 31 December 2004

	Irish/UK GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based	Total Effect	IFRS
Payment	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Operating revenue							
Scheduled Revenue	864,356						864,356
Ancillary revenue	151,180						151,180
Total operating revenue	1,015,536						1,015,536
Operating expenses							
Staff costs	(104,083)	(94)	(47)		(195)	(336)	(104,419)
Depreciation							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

& amortisation	(70,960)						(70,960)
Fuel & oil	(186,236)						(186,236)
Maintenance, materials and repairs	(27,221)						(27,221)
Marketing	(13,400)						(13,400)
Aircraft rentals	(23,636)						(23,636)
Route charges	(101,315)						(101,315)
Airport & handling costs	(134,565)						(134,565)
Other costs	(69,933)						(69,933)
Total operating expenses	(731,349)	(94)	(47)		(195)	(336)	(731,685)
Operating profit - before Amortization of goodwill	284,187	(94)	(47)		(195)	(336)	283,851
Goodwill	(1,702)	1,172		530		1,702	-
Operating profit after Amortization of goodwill	282,485	1,078	(47)	530	(195)	1,366	283,851
Other (expenses)/ income							
Foreign exchange gains	(2,835)	10	5			15	(2,820)
Profit on disposal of fixed assets	6						6
Interest receivable and similar income	20,197						20,197
Interest payable and similar charges	(40,992)	(64)	(32)			(96)	(41,088)
Purchase accounting adjustment				11,925		11,925	11,925
Total other (expenses)/ income	(23,624)	(54)	(27)	11,925		11,844	(11,780)
Profit on ordinary activities	258,861	1,024	(74)	12,455	(195)	13,210	272,071
Tax	(24,257)	18	9			28	(24,230)
Profit after tax	234,604	1,042	(65)	12,455	(195)	13,237	247,841
Basic							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

earnings per share	0.31	0.33
Diluted earnings per share	0.31	0.32

Ryanair Holdings plc
Explanation of the financial impact following adoption of IFRS

6.8 Quarterly Income Statement restated - 31 March 2005

	Irish/UK GAAP	Prior Adj.	Retirement Benefits	Business Combination	Share Based Payment	Total Effect	IFRS
	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000	EUR'000
Operating revenue							
Scheduled Revenue	1,128,116					1,128,116	
Ancillary revenue	208,470					208,470	
Total operating revenue	1,336,586					1,336,586	
Operating expenses							
Staff costs	(140,997)	(336)	(47)		(293)	(676)	(141,673)
Depreciation & amortisation	(98,703)						(98,703)
Fuel & oil	(265,276)						(265,276)
Maintenance, materials and repairs	(37,934)						(37,934)
Marketing	(19,622)						(19,622)
Aircraft rentals	(33,471)						(33,471)
Route charges	(135,672)						(135,672)
Airport & handling costs	(178,384)						(178,384)
Other costs	(97,038)						(97,038)
Total operating expenses	(1,007,097)	(336)	(47)		(293)	(676)	(1,007,773)
Operating profit -							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

before amortisation of goodwill	329,489	(336)	(47)		(293)	(676)	328,813
Goodwill	(2,125)	1,702		423		2,125	0
Operating profit after amortisation of goodwill	327,364	1,366	(47)	423	(293)	1,449	328,813
Other (expenses)/ income							
Foreign exchange gains	(2,323)	15	6			21	(2,302)
Profit on disposal of fixed assets	47	0				0	47
Interest receivable and similar income	28,342	0				0	28,342
Interest payable and similar charges	(57,499)	(96)	(34)			(130)	(57,629)
Purchase accounting adjustment		11,925				11,925	11,925
Total other (expenses)/ income	(31,433)	11,844	(28)			11,816	(19,617)
Profit on ordinary activities	295,931	13,210	(75)	423	(293)	13,265	309,196
Tax	(29,190)	27	10			37	(29,153)
Profit after tax	266,741	13,237	(65)	423	(293)	13,302	280,043
Basic earnings per share	0.35						0.37
Diluted earnings per share	0.35						0.37

Ryanair Holdings plc

Explanation of the financial impact following adoption of IFRS

7. Statement of Recognised Income and Expense

Irish/UK	Prior Retirement	Business	Share	Total	Restated
----------	------------------	----------	-------	-------	----------

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

	GAAP	Adj.	Benefits	Combination	Based	Effect	Under
	EUR'000	EUR'000	EUR'000	EUR'000	Payment	EUR'000	IFRS
					EUR'000	EUR'000	EUR'000
Statement of Recognised Income and Expense							
30-Jun-04 Profit for the period	52,555		(65)	586		521	53,076
Actuarial gains/ losses on defined benefit plans			(1,352)			(1,352)	(1,352)
Deferred tax on Actuarial gains and losses on DB plans			169			169	169
Profit and Loss Account at end of period	52,555		(1,248)	586		(662)	51,893
30-Sep-04 Profit for the period	200,110	521	(65)	586		1,042	201,152
Actuarial gains/ losses on defined benefit plans		(1,352)	(1,352)			(2,704)	(2,704)
Deferred tax on Actuarial gains and losses on DB plans		169	169			338	338
Profit and Loss Account at end of period	200,110	(662)	(1,248)	586		(1,324)	198,786
31-Dec-04 Profit for the							

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

period	234,604	1,042	(65)	12,455	(195)	13,237	247,841
Actuarial gains/ losses on defined benefit plans		(2,704)	(1,352)			(4,056)	(4,056)
Deferred tax on Actuarial gains and losses on DB plans		338	169			507	507
Profit and Loss Account at end of period	234,604	(1,324)	(1,248)	12,455	(195)	9,688	244,292
31-Mar-05 Profit for the period	266,741	13,237	(65)	423	(293)	13,302	280,043
Actuarial gains/ losses on defined benefit plans		(4,056)	(1,353)			(5,409)	(5,409)
Deferred tax on Actuarial gains and losses on DB plans		507	169			676	676
Profit and Loss Account at end of period	266,741	9,688	(1,249)	423	(293)	8,569	275,310

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: 2 August 2005

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

By:___/s/ Howard Millar___

H Millar
Company Secretary & Finance Director