

IMPORTANT NOTICE

THIS BASE PROSPECTUS IS AVAILABLE ONLY TO INVESTORS WHO ARE NOT U.S. PERSONS (AS DEFINED IN REGULATION S (“REGULATION S”) UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) LOCATED OUTSIDE THE UNITED STATES IN ACCORDANCE WITH REGULATION S.

IMPORTANT: You must read the following before continuing. The following applies to the Base Prospectus following this page whether received by email, accessed from an internet page or otherwise received as a result of electronic communication, and you are therefore advised to read this page carefully before reading, accessing or making any other use of the Base Prospectus. In reading, accessing or making any other use of the Base Prospectus, you agree to be bound by the following terms and conditions and each of the restrictions set out in the Base Prospectus, including any modifications to them from time to time each time you receive any information from the Issuer, the Guarantor, the Arrangers or the Dealers, (each as defined in the Base Prospectus) as a result of such access.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF SECURITIES FOR SALE OR A SOLICITATION OF AN OFFER TO BUY THE NOTES IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES OR OTHER JURISDICTION, AND THE NOTES MAY NOT BE OFFERED OR SOLD, DIRECTLY OR INDIRECTLY, WITHIN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S) EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

THE ATTACHED BASE PROSPECTUS MAY NOT BE FORWARDED OR DISTRIBUTED TO ANY OTHER PERSON AND MAY NOT BE REPRODUCED IN ANY MANNER WHATSOEVER AND, IN PARTICULAR, MAY NOT BE FORWARDED TO ANY U.S. PERSON OR U.S. ADDRESS. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS. IF YOU HAVE GAINED ACCESS TO THIS TRANSMISSION CONTRARY TO ANY OF THE FOREGOING RESTRICTIONS, YOU ARE NOT AUTHORISED AND WILL NOT BE ABLE TO PURCHASE ANY OF THE NOTES DESCRIBED IN THE ATTACHED DOCUMENT.

Confirmation of your representation: In order to be eligible to view the attached Base Prospectus or make an investment decision with respect to the securities that may be offered, prospective investors must be non U.S. persons (as defined in Regulation S under the Securities Act (“**Regulation S**”)) located outside the United States. This Base Prospectus is being sent to you at your request, and by accessing this Base Prospectus you shall be deemed to have represented to the Issuer, the Guarantor, the Arrangers and the Dealers that (1) (a) you are not a U.S. Person and (b) you will purchase any securities that may be offered in an offshore transaction (within the meaning of Regulation S) and the electronic mail address that you gave us and to which this email has been delivered is not located in the United States, its territories and possessions, any State of the United States or the District of Columbia and (2) you consent to delivery of such Base Prospectus by electronic transmission. You are reminded that this Base Prospectus has been delivered to you on the basis that you are a person into whose possession this Base Prospectus may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not, nor are you authorised to, deliver this Base Prospectus to any other person. The materials relating to this offering do not constitute,

and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law.

This Base Prospectus is only being distributed to and is only directed at (i) persons who are outside the United Kingdom; or (ii) to investment professionals falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the “**Order**”) and (iii) to high net worth entities and other persons to whom it may lawfully be communicated, falling within Article 49(2)(a) to (d) of the Order (all such persons in (i), (ii) and (iii) above together being referred to as “**relevant persons**”). This Base Prospectus is only available to and is only directed at relevant persons. Any person who is not a relevant person should not act or rely on this document or any of its contents.

The attached Base Prospectus has been sent to you in electronic form. You are reminded that documents transmitted via this medium may be altered or changed during the process of electronic transmission and consequently none of the Issuer, the Guarantor, the Arrangers or the Dealers nor any person who controls them nor any director, officer, employee or agent of them or affiliate of any such person accepts any liability or responsibility whatsoever in respect of any difference between the Base Prospectus distributed to you in electronic format and the hard copy version.

The distribution of the Base Prospectus in certain jurisdictions may be restricted by law. Persons into whose possession the Base Prospectus comes are required by the Issuer, the Guarantor, the Arrangers and the Dealers, to inform themselves about, and to observe, any such restrictions.



RYANAIR LIMITED

(incorporated with limited liability in the Republic of Ireland)

unconditionally and irrevocably guaranteed by

RYANAIR HOLDINGS PLC

(incorporated with limited liability in the Republic of Ireland)

€3,000,000,000

Euro Medium Term Note Programme

Under this €3,000,000,000 Euro Medium Term Note Programme (the “**Programme**”), Ryanair Limited (the “**Issuer**”) may from time to time issue notes (the “**Notes**”) denominated in any currency agreed between the Issuer and the relevant Dealer (as defined below).

The payments of all amounts due in respect of the Notes will be unconditionally and irrevocably guaranteed by Ryanair Holdings plc (the “**Guarantor**”).

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed €3,000,000,000 (or its equivalent in other currencies calculated as described in the Dealer Agreement (as defined and described herein)), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the Issuer (each a Dealer and together the Dealers), which appointment may be for a specific issue or on an ongoing basis. References in this Base Prospectus to the relevant Dealer shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be to all Dealers agreeing to subscribe such Notes.

This base prospectus (the “**Base Prospectus**”) has been approved by the Central Bank of Ireland (the “**Central Bank**”), as the competent authority under Directive 2003/71/EC, as amended, (the “**Prospectus Directive**”). The Central Bank has only approved this Base Prospectus as meeting the requirements imposed under Irish and EU law pursuant to the Prospectus Directive. Such approval relates only to Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Directive and/or which are to be offered to the public in any Member State of the European Economic Area.

Application has been made for such Notes to be admitted during the period of twelve months after the date hereof to listing on the official list (the “**Official List**”) and to trading on the regulated market (the “**Main Securities Market**”) of the Irish Stock Exchange plc (the “**Irish Stock Exchange**”). The Main Securities Market of the Irish Stock Exchange is a regulated market for the purposes of Directive 2004/39/EC on markets in financial instruments. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.

The Programme has been rated BBB+ and BBB+, respectively by Standard & Poor’s Credit Market Services Europe Limited (“**S&P**”) and by Fitch Ratings Ltd (“**Fitch**”). S&P and Fitch are established in the European Union and registered under Regulation (EU) No 1060/2009, as amended (the “**CRA Regulation**”).

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Programme by S&P and Fitch. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under “Risk Factors” below.

Global Co-ordinator

Citigroup

Arrangers

BNP PARIBAS

Citigroup

Dealers

Barclays

BNP PARIBAS

Citigroup

Crédit Agricole CIB

Davy

Deutsche Bank

Goldman Sachs International

HSBC

ING

Morgan Stanley

Santander Global Banking & Markets

Société Générale Corporate & Investment Banking

The Royal Bank of Scotland

29 May 2014

IMPORTANT NOTICES

Responsibility for this Base Prospectus

Each of Ryanair Limited (the “**Issuer**”) and Ryanair Holdings plc (the “**Guarantor**”, together with the Issuer (the “**Responsible Persons**”)) accepts responsibility for the information contained in this Base Prospectus and any Final Terms (as defined below) and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Base Prospectus is, to the best of its knowledge and belief, in accordance with the facts and contains no omission likely to affect its import.

Final Terms/Drawdown Prospectus

Each Tranche (as defined herein) of Notes will be issued on the terms set out herein under “Terms and Conditions of the Notes” (the “**Conditions**”) as completed by a document specific to such Tranche called final terms (the “**Final Terms**”) or in a separate prospectus specific to such Tranche (the “**Drawdown Prospectus**”) as described under “Final Terms and Drawdown Prospectuses” below.

Other relevant information

This Base Prospectus must be read and construed together with any supplements hereto and with any information incorporated by reference herein and, in relation to any Tranche of Notes which is the subject of Final Terms, must be read and construed together with the relevant Final Terms. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

The Issuer and the Guarantor have confirmed to the Dealers named under “*Subscription and Sale*” below that this Base Prospectus contains all information which is (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) material; that such information is true and accurate in all material respects and is not misleading in any material respect; that any opinions, predictions or intentions expressed herein are honestly held or made and are not misleading in any material respect; that this Base Prospectus does not omit to state any material fact necessary to make such information, opinions, predictions or intentions (in the context of the Programme, the issue, offering and sale of the Notes and the guarantee of the Notes) not misleading in any material respect; and that all proper enquiries have been made to verify the foregoing.

Unauthorised information

No person has been authorised to give any information or to make any representation not contained in or not consistent with this Base Prospectus or any other document entered into in relation to the Programme or any information supplied by the Issuer or the Guarantor or such other information as is in the public domain and, if given or made, such information or representation should not be relied upon as having been authorised by the Issuer, the Guarantor or any Dealer.

Neither the Dealers nor any of their respective affiliates have authorised the whole or any part of this Base Prospectus nor have they independently verified the information contained herein and none of them makes any representation or warranty or accepts any responsibility as to the accuracy or completeness of the information contained in this Base Prospectus. Neither the delivery of this Base Prospectus or any Final Terms nor the offering, sale or delivery of any Note shall, in any circumstances, create any implication that the information contained in this Base Prospectus is true subsequent to the date hereof or the date upon which this Base Prospectus has been most recently amended or supplemented or that there has been no adverse change, or any event reasonably likely to involve any adverse change, in the prospects or financial or trading position of the Issuer or the Guarantor since the date thereof or, if later, the date upon which this Base Prospectus has been most recently amended or supplemented or that any other information supplied in

connection with the Programme is correct at any time subsequent to the date on which it is supplied or, if different, the date indicated in the document containing the same.

Restrictions on distribution

The distribution of this Base Prospectus and any Final Terms and the offering, sale and delivery of the Notes in certain jurisdictions may be restricted by law. Persons into whose possession this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to inform themselves about and to observe any such restrictions. For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of this Base Prospectus or any Final Terms and other offering material relating to the Notes, see “*Subscription and Sale*”. In particular, Notes have not been and will not be registered under the United States Securities Act of 1933 (as amended) (the “**Securities Act**”) and are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to U.S. persons.

Neither this Base Prospectus nor any Final Terms constitutes an offer or an invitation to subscribe for or purchase any Notes and should not be considered as a recommendation by the Issuer, the Guarantor, the Dealers or any of them that any recipient of this Base Prospectus or any Final Terms should subscribe for or purchase any Notes. Each recipient of this Base Prospectus or any Final Terms shall be taken to have made its own investigation and appraisal of the condition (financial or otherwise) of the Issuer and the Guarantor.

Programme limit

The maximum aggregate principal amount of Notes outstanding and guaranteed at any one time under the Programme will not exceed €3,000,000,000 (and for this purpose, any Notes denominated in another currency shall be translated into euro at the date of the agreement to issue such Notes (calculated in accordance with the provisions of the Dealer Agreement)). The maximum aggregate principal amount of Notes which may be outstanding and guaranteed at any one time under the Programme may be increased from time to time, subject to compliance with the relevant provisions of the Dealer Agreement as defined under “*Subscription and Sale*”.

Certain definitions

In this Base Prospectus, unless otherwise specified, references to a “**Member State**” are references to a Member State of the European Economic Area, references to “**U.K. pounds sterling**”, “**£**” or “**sterling**” are to the lawful currency of the United Kingdom, references to “**U.S.\$**”, “**\$**”, “**U.S. dollars**” or “**dollars**” are to United States dollars, references to “**EUR**”, “**€**” or “**euro**” are to the currency introduced at the start of the third stage of European economic and monetary union, and as defined in Article 2 of Council Regulation (EC) No 974/98 of 3 May 1998 on the introduction of the euro, as amended.

Rounding

Certain figures included in this Base Prospectus have been subject to rounding adjustments; accordingly, figures shown for the same category presented in different tables may vary slightly and figures shown as totals in certain tables may not be an arithmetic aggregation of the figures which precede them.

Ratings

Tranches of Notes issued under the Programme will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) described above or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered (or which has applied for registration and not been refused) under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered

under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms.

Any investment in the Notes does not have the status of a bank deposit and is not within the scope of the deposit protection scheme operated by the Central Bank. The Issuer is not regulated by the Central Bank by virtue of the issue of the Notes.

Stabilisation

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilising Manager(s) (or persons acting on behalf of any Stabilising Manager(s)) in the applicable Final Terms may over allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, there is no assurance that the Stabilising Manager(s) (or persons acting on behalf of a Stabilising Manager) will undertake stabilisation action. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may be ended at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilising Manager(s) (or person(s) acting on behalf of any Stabilising Manager(s)) in accordance with all applicable laws and rules.

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OVERVIEW

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Base Prospectus and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms.

This overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive (the “**Prospectus Regulation**”).

Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this overview.

Issuer:	Ryanair Limited
Guarantor:	Ryanair Holdings plc
Risk Factors:	Investing in Notes issued under the Programme involves certain risks. The principal risk factors that may affect the abilities of the Issuer and the Guarantor to fulfil their respective obligations under the Notes are discussed under “ <i>Risk Factors</i> ” above.
Global Co-ordinator:	Citigroup Global Markets Limited.
Arrangers:	BNP Paribas and Citigroup Global Markets Limited.
Dealers:	<p>Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Crédit Agricole Corporate and Investment Bank Deutsche Bank AG, London Branch Goldman Sachs International HSBC Bank plc ING Bank N.V. J&E Davy Morgan Stanley & Co. International plc Société Générale The Royal Bank of Scotland plc</p> <p>and any other Dealer appointed from time to time by the Issuer and the Guarantor either generally in respect of the Programme or in relation to a particular Tranche of Notes.</p>
Fiscal Agent:	Citibank, N.A., London Branch.
Irish Listing Agent:	A&L Listing Limited.
Final Terms or Drawdown Prospectus:	Notes issued under the Programme may be issued either (1) pursuant to this Base Prospectus and associated Final Terms or (2) pursuant to a Drawdown Prospectus. The terms and conditions applicable to any particular Tranche of Notes will be the Terms and Conditions of the Notes as completed to the extent described in the relevant Final Terms or, as the case may be the relevant Drawdown Prospectus.

Listing and Trading:	Application has been made for Notes to be admitted during the period of twelve months after the date hereof to listing on the Official List of the Irish Stock Exchange and to trading on the Main Securities Market of the Irish Stock Exchange. The Programme also permits Notes to be issued on the basis that they will not be admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system or to be admitted to listing, trading and/or quotation by such other or further competent authorities, stock exchanges and/or quotation systems as may be agreed with the Issuer.
Clearing Systems:	Euroclear and/or Clearstream, Luxembourg and/or, in relation to any Tranche of Notes, any other clearing system as may be specified in the relevant Final Terms.
Initial Programme Amount:	Up to €3,000,000,000 (or its equivalent in other currencies) aggregate principal amount of Notes outstanding and guaranteed at any one time.
Issuance in Series:	Notes will be issued in Series. Each Series may comprise one or more Tranches issued on different issue dates. The Notes of each Series will all be subject to identical terms, except that the issue date and the amount of the first payment of interest may be different in respect of different Tranches. The Notes of each Tranche will all be subject to identical terms in all respects save that a Tranche may comprise Notes of different denominations.
Forms of Notes:	<p>Notes may be issued in bearer form or in registered form. Bearer Notes will not be exchangeable for Registered Notes and Registered Notes will not be exchangeable for Bearer Notes. No single Series or Tranche may comprise both Bearer Notes and Registered Notes.</p> <p>Each Tranche of Bearer Notes will initially be in the form of either a Temporary Global Note or a Permanent Global Note, in each case as specified in the relevant Final Terms. Each Global Note which is not intended to be issued in new global note form (a “Classic Global Note” or “CGN”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and each Global Note which is intended to be issued in new global note form (a “New Global Note” or “NGN”), as specified in the relevant Final Terms, will be deposited on or around the relevant issue date with a common safekeeper for Euroclear and/or Clearstream, Luxembourg. Each Temporary Global Note will be exchangeable for a Permanent Global Note or, if so specified in the relevant Final Terms, for Definitive Notes. If the TEFRA D Rules are specified in the relevant Final Terms as applicable, certification as to non-U.S. beneficial ownership will be a condition precedent to any exchange of an interest in a Temporary Global Note or receipt of any payment of interest in respect of a Temporary Global Note. Each Permanent Global Note will be exchangeable for Definitive Notes in accordance with its terms. Definitive Notes will, if interest-bearing, have Coupons</p>

attached and, if appropriate, a Talon for further Coupons.

Each Note represented by a Global Note Certificate will either be: (a) in the case of a Global Note Certificate which is not to be held under the new safekeeping structure (“**New Safekeeping Structure**” or “**NSS**”), registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common depositary; or (b) in the case of a Global Note Certificate to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Note Certificate will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg.

Currencies:	Notes may be denominated in any currency or currencies, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements. Payments in respect of Notes may, subject to such compliance, be made in and/or linked to, any currency or currencies other than the currency in which such Notes are denominated.
Status of the Notes:	Notes will be issued on an unsubordinated basis.
Status of the Guarantee:	Notes will be unconditionally and irrevocably guaranteed by the Guarantor, on an unsubordinated basis.
Issue Price:	Notes may be issued at any price as specified in the relevant Final Terms. The price and amount of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions.
Maturities:	No Notes shall be issued with a maturity of less than a year. Notes will be subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.
Redemption:	Notes may be redeemable at par or at such other Redemption Amount as may be specified in the relevant Final Terms. Notes may also be redeemable in two or more instalments on such dates and in such manner as may be specified in the relevant Final Terms.
Optional Redemption:	Notes may be redeemed before their stated maturity at the option of the Issuer (either in whole or in part) and/or the Noteholders to the extent (if at all) specified in the relevant Final Terms.
Tax Redemption:	Except as described in “ <i>Optional Redemption</i> ” above, early redemption will only be permitted for tax reasons as described in Condition 10(b) (<i>Redemption and Purchase - Redemption for tax reasons</i>).
Interest:	Notes may be interest-bearing or non-interest bearing. Interest (if

any) may accrue at a fixed rate or a floating rate or other variable rate the method of calculating interest may vary between the issue date and the maturity date of the relevant Series.

Denominations:

No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR100,000 (or at least equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Negative Pledge:

The Notes will have the benefit of a negative pledge as described in Condition 5 (*Negative Pledge*).

Cross Default:

The Notes will have the benefit of a cross default as described in Condition 14 (*Events of Default*).

Taxation:

All payments in respect of Notes will be made free and clear of withholding taxes of the Republic of Ireland, unless the withholding is required by law. In that event, the Issuer will (subject to the exception as provided in Condition 13 (*Taxation*)) pay such additional amounts as will result in the Noteholders receiving such amounts as they would have received in respect of such Notes had no such withholding been required.

Governing Law:

English law.

Ratings:

The Programme has been rated BBB+ and BBB+, respectively by S&P and Fitch. The Notes to be issued will be rated or unrated. Where a Tranche of Notes is rated, such rating will not necessarily be the same as the rating(s) assigned to the Programme by S&P and Fitch or the rating(s) assigned to Notes already issued. Where a Tranche of Notes is rated, the applicable rating(s) will be specified in the relevant Final Terms. Whether or not each credit rating applied for in relation to a relevant Tranche of Notes will be (1) issued by a credit rating agency established in the EEA and registered under the CRA Regulation, or (2) issued by a credit rating agency which is not established in the EEA but will be endorsed by a CRA which is established in the EEA and registered under the CRA Regulation or (3) issued by a credit rating agency which is not established in the EEA but which is certified under the CRA Regulation will be disclosed in the Final Terms. In general, European regulated investors are restricted from using a rating for regulatory purposes if such rating is not issued by a credit rating agency established in the EEA and registered under the CRA Regulation unless (1) the rating is provided by a credit rating agency not established in the EEA but is endorsed by a credit rating agency established in the EEA and registered under the CRA Regulation or (2) the rating is provided by a credit rating agency not established in the EEA which is certified

under the CRA Regulation.

Selling Restrictions:

For a description of certain restrictions on offers, sales and deliveries of Notes and on the distribution of offering material in the United States of America, the European Economic Area, the United Kingdom, the Republic of Ireland and Japan, see “*Subscription and Sale*” below.

RISK FACTORS

Any investment in the Notes is subject to a number of risks. Prior to investing in the Notes, prospective investors should carefully consider risk factors associated with any investment in the Notes, the business of the Issuer and the Guarantor and the industry in which each of them operates together with all other information contained in this Base Prospectus, including, in particular the risk factors described below. Words and expressions defined in the “Terms and Conditions of the Notes” below or elsewhere in this Base Prospectus have the same meanings in this section.

Prospective investors should note that the risks relating to the Issuer and the Guarantor, the industry in which each of them operates and the Notes are the risks that the Issuer and the Guarantor believe to be the most essential to an assessment by a prospective investor of whether to consider an investment in the Notes. However, as the risks which the Issuer and the Guarantor face relate to events and depend on circumstances that may or may not occur in the future, prospective investors should consider among other things, the risks and uncertainties described below.

The following is not an exhaustive list or explanation of all risks which investors may face when making an investment in the Notes and should be used as guidance only. Additional risks and uncertainties relating to the Issuer and the Guarantor that are not currently known to the Issuer and the Guarantor, or that either currently deems immaterial, may individually or cumulatively also have a material adverse effect on the business, prospects, results of operations and/or financial position of the Issuer and the Guarantor and, if any such risk should occur, the price of the Notes may decline and investors could lose all or part of their investment. Investors should consider carefully whether an investment in the Notes is suitable for them in light of the information in this Base Prospectus and their personal circumstances.

Risks Related to the Company

Changes in Fuel Costs and Fuel Availability Affect the Company’s Results and Increase the Likelihood of Adverse Impact to the Company’s Profitability

Jet fuel costs are subject to wide fluctuations as a result of many economic and political factors and events occurring throughout the world that Ryanair (as defined in “Description of Business”) can neither control nor accurately predict, including increases in demand, sudden disruptions in supply and other concerns about global supply, as well as market speculation. Oil prices increased substantially in fiscal years 2012, 2013 and 2014 and remain at elevated levels. As international prices for jet fuel are denominated in U.S. dollars, Ryanair’s fuel costs are also subject to certain exchange rate risks. Substantial price increases, adverse exchange rates, or the unavailability of adequate fuel supplies, including, without limitation, any such events resulting from international terrorism, prolonged hostilities in Ukraine or in the Middle East and other oil-producing regions or the suspension of production by any significant producer, may adversely affect Ryanair’s profitability. In the event of a fuel shortage resulting from a disruption of oil imports or otherwise, additional increases in fuel prices or a curtailment of scheduled services could result.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. Ryanair (like many other airlines) has, in more recent periods, entered into hedging arrangements on a more selective basis. As of 19 May 2014 (the date that Ryanair announced its full year results for the year ended 31 March 2014), Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 90 per cent. of its estimated requirements for the fiscal year ending 31 March 2015 at prices equivalent to approximately \$950 per metric ton. In addition, as of 19 May 2014, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 22 per cent. of its estimated requirements for the first half of the fiscal year ending 31 March 2016 at prices equivalent to approximately \$940 per metric ton. Ryanair is exposed to risks arising from fluctuations in the price of fuel, and movements in the euro/U.S.

dollar exchange rate, because of the limited nature of its hedging programme, especially in light of the recent volatility in the relevant currency and commodity markets. Any further increase in fuel costs could have a material adverse effect on Ryanair's financial performance. In addition, any strengthening of the U.S. dollar against the euro could have an adverse effect on the cost of buying fuel in euro. As of 19 May 2014, Ryanair had hedged approximately 90 per cent. of its forecasted fuel-related dollar purchases against the euro at a rate of approximately \$1.34 per euro for the fiscal year ending 31 March 2015 and approximately 22 per cent. of its forecasted fuel related dollar purchases against the euro at a rate of approximately \$1.38 per euro for the first 6 months of the fiscal year ending 31 March 2016.

No assurances whatsoever can be given about trends in fuel prices, and average fuel prices for future years may be significantly higher than current prices. Management estimates that every \$10 movement in the price of a metric ton of jet fuel will impact Ryanair's costs by approximately €2 million, taking into account Ryanair's hedging programme for the 2015 fiscal year. There can be no assurance, however, in this regard, and the impact of fuel prices on Ryanair's operating results may be more, or less, pronounced. There also cannot be any assurance that Ryanair's current or any future arrangements will be adequate to protect Ryanair from increases in the price of fuel or that Ryanair will not incur losses due to high fuel prices, either alone or in combination with other factors. Because of Ryanair's low fares and its no-fuel-surcharges policy, as well as Ryanair's expansion plans, which could have a negative impact on yields, its ability to pass on increased fuel costs to passengers through increased fares or otherwise is somewhat limited. Moreover, the anticipated expansion of Ryanair's fleet from September 2014 onwards will likely result in an increase, in absolute terms, in Ryanair's aggregate fuel costs.

Ryanair Has Decided to Seasonally Ground Aircraft

In recent years, in response to an operating environment characterised by high fuel prices, typically lower winter traffic and yields and higher airport charges and/or taxes, Ryanair has adopted a policy of grounding a certain portion of its fleet during the winter months (from November to March). In the winter of the twelve months ended 31 March 2014 ("**fiscal 2014**"), Ryanair grounded approximately 70 aircraft and the Company (as defined in "Description of Business") intends to again ground approximately 50 aircraft in the coming winter. Ryanair's adoption of the policy of seasonally grounding aircraft presents some risks. While Ryanair seeks to implement its seasonal grounding policy in a way that will allow it to reduce losses by operating flights during periods of high oil prices to high cost airports at low winter yields, there can be no assurance that this strategy will be successful.

Additionally, Ryanair's growth has been largely dependent on increasing summer capacity, and decreasing winter capacity which may affect the overall future growth of Ryanair. Further, while seasonal grounding does reduce Ryanair's variable operating costs, it does not avoid fixed costs such as aircraft ownership costs, and it also decreases Ryanair's potential to earn ancillary revenues. Decreasing the number and frequency of flights may also negatively affect Ryanair's labour relations, including its ability to attract flight personnel only interested in year round employment. Such risks could lead to negative effects on Ryanair's financial condition and/or results of operations.

Ryanair May Not Achieve All of the Expected Benefits of its Recent Strategic Initiatives

Ryanair is in the process of implementing a series of strategic initiatives that are expected to have a significant impact on its business. Among other things, these initiatives include scheduling more flights to primary airports, selling flights via corporate travel agents on global distribution systems ("**GDS's**"), increasing marketing spending significantly, and adjusting the airline's yield management strategy with the goal of increasing load factors. Ryanair has also announced a series of customer-experience related initiatives, including a new, easier-to-navigate, website with a fare finder facility, reduced penalty fees, more customer-friendly baggage allowances, 24 hour grace periods to correct minor booking errors and the introduction of allocated seating. Although customer reaction to the measures has, so far, been positive and management

expects these initiatives to be accretive to the Company's results over time, no assurance can be given that the financial impact of the initiatives will be positive, particularly in the short to medium term. In particular, certain of the strategic initiatives may have the effect of increasing certain of the Company's costs (including airport fees and marketing expenses), while reducing ancillary revenues previously earned from website sales and from various fees and charges. Although the Company expects that revenues from allocated seating will offset the reduction in ancillary revenues, there can be no assurance that this will occur. Factors beyond Ryanair's control, including but not limited to customer acceptance, competitive reactions, market and economic conditions and other challenges described in this Base Prospectus could limit Ryanair's ability to achieve some or all of the expected benefits of these initiatives. A relatively minor shortfall from expected revenue levels (or increase in expected costs) could have a material adverse effect on the Company's growth or financial performance.

Currency Fluctuations Affect the Company's Results

Although the Company is headquartered in Ireland, a significant portion of its operations are conducted in the U.K. Consequently, the Company has significant operating revenues and operating expenses, as well as assets and liabilities, denominated in U.K. pounds sterling. In addition, fuel, aircraft, insurance, and some maintenance obligations are denominated in U.S. dollars. The Company's operations and financial performance can therefore be significantly affected by fluctuations in the values of U.K. pounds sterling and U.S. dollars. Ryanair is particularly vulnerable to direct exchange rate risks between the euro and U.S. dollars because a significant portion of its operating costs are incurred in U.S. dollars and none of its revenues are denominated in U.S. dollars.

Although the Company engages in foreign currency hedging transactions between the euro and the U.S. dollar, between the euro and the U.K. pounds sterling, and between the U.K. pounds sterling and the U.S. dollar, hedging activities cannot be expected to eliminate currency risks.

The Company May Not Be Successful in Increasing Fares to Cover Rising Business Costs

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

The Company is Subject to Legal Proceedings Alleging State Aid at Certain Airports

Formal investigations are ongoing by the European Commission into Ryanair's agreements with the Lübeck, Alghero, Pau, Frankfurt (Hahn), Dusseldorf (Weeze), Zweibrücken, Altenburg, Klagensfurt, Stockholm (Vasteras), Paris (Beauvais), La Rochelle, Carcassonne, Nimes, Angoulême, Brussels (Charleroi), Cagliari, Girona and Reus airports. The investigations seek to determine whether the arrangements constitute illegal state aid under EU law. The investigations are expected to be completed in mid to late 2014, with the European Commission's decisions being appealable to the EU General Court. Investigations between 2010 and 2014 into Ryanair's agreements with the Bratislava, Tampere, Marseille, Berlin (Schönefeld) and Aarhus airports concluded with findings that these agreements contained no state aid. In addition to the European

Commission investigations, Ryanair is facing allegations that it has benefited from unlawful state aid in a number of court cases, including in relation to its arrangements with Frankfurt (Hahn) and Lübeck airports. Adverse rulings in the above state aid matters could be used as precedents by competitors to challenge Ryanair's agreements with other publicly owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling-back of Ryanair's overall growth strategy due to the smaller number of privately owned airports available for development.

On 25 July 2012, the European Commission decided that Ryanair, along with Aer Lingus Group plc ("**Aer Lingus**") and Aer Arann, had been in receipt of unlawful state aid from the Irish government as a result of being an identified beneficiary of the two-tier air travel tax in place for flights departing from Irish airports between March 2009 and March 2011. Ryanair was the original complainant to the European Commission, alleging that the air travel tax favoured Aer Arann and Aer Lingus. Ryanair appealed the decision of the European Commission to the EU General Court on 14 November 2012. The hearing in the EU General Court will take place in June 2014, and judgment is expected within six months of the hearing. The EU General Court may affirm or annul the European Commission decision. The Irish State is obliged to recover the unlawful state aid from Ryanair before the Irish courts notwithstanding Ryanair's appeal of the EU Commission decision, and initiated its claim in April 2013. The Irish State is seeking approximately €12 million plus interest from Ryanair in these proceedings. Ryanair has also issued proceedings before the Irish courts for recovery of the entire amount of the air travel tax paid during the period March 2009 – March 2011 on the basis of the two-tier nature of the tax being unlawful under EU law.

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

The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment

Ryanair operates in a highly competitive marketplace, with a number of low-fare, traditional and charter airlines competing throughout its route network. Airlines compete primarily in respect of fare levels, frequency and dependability of service, name recognition, passenger amenities (such as access to frequent flyer programmes), and the availability and convenience of other passenger services. Unlike Ryanair, certain competitors are state-owned or state-controlled flag carriers and in some cases may have greater name recognition and resources and may have received, or may receive in the future, significant amounts of subsidies and other state aid from their respective governments. In addition, the EU-U.S. Open Skies Agreement, which came into effect in March 2008, allows U.S. carriers to offer services in the intra-EU market, which could eventually result in increased competition in the EU market.

The airline industry is highly susceptible to price discounting, in part because airlines incur very low marginal costs for providing service to passengers occupying otherwise unsold seats. Both low-fare and traditional airlines sometimes offer low fares in direct competition with Ryanair across a significant proportion of its route network as a result of the liberalisation of the EU air transport market and greater public acceptance of the low-fares model. Ryanair's average booked passenger fare decreased in fiscal 2014, and there can be no assurance that it will not decrease further in future periods.

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

In addition to traditional competition among airline companies and charter operators who have entered the low-fares market, the industry also faces competition from ground transportation (including high-speed rail

systems) and sea transportation alternatives, as businesses and recreational travellers seek substitutes for air travel.

The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms

Ryanair's continued growth is dependent upon its ability to acquire additional aircraft to meet additional capacity needs and to replace older aircraft. Ryanair had 297 aircraft in its fleet by 31 March 2014 and has ordered an additional 180 new Boeing 737-800 next generation aircraft (the "**New Aircraft**") for delivery during fiscal 2015 to fiscal 2019 pursuant to a contract with the Boeing Company (the "**2013 Boeing Contract**"). Ryanair expects to have approximately 426 aircraft in its fleet by 31 March 2019, depending on the level of lease returns/disposals. There can be no assurance that this planned expansion will not outpace the growth of passenger traffic on Ryanair's routes or that traffic growth will not prove to be greater than the expanded fleet can accommodate. In either case, such developments could have a material adverse effect on the Company's business, results of operations, and financial condition.

As a result of the 2013 Boeing Contract, the Company is expected to raise substantial debt financing to deliver all of the expected aircraft deliveries over the period from September 2014 to December 2018. This aircraft order is expected to increase the Company's outstanding debt from fiscal 2015 onwards. Furthermore, Ryanair's ability to raise unsecured or secured debt to pay for aircraft as they are delivered is subject to various conditions imposed by the counterparties and debt markets to such loan facilities and related loan guarantees, and any future financing is expected to be subject to similar conditions. Any failure by Ryanair to comply with such conditions would have a material adverse effect on its operations and financial condition.

Using the debt capital markets to finance the Company and the 2013 Boeing Contract may require the Company to obtain and retain investment grade credit ratings, (the Company has a BBB+ credit rating from S&P and a BBB+ credit rating from Fitch). There is a risk that the Company will be unable, or unwilling, to access these markets if it is downgraded or is unable to retain its investment grade credit ratings and this could lead to a higher cost of finance for Ryanair.

Ryanair has also entered into significant derivative transactions intended to hedge its current aircraft acquisition-related debt obligations. These derivative transactions expose Ryanair to certain risks and could have adverse effects on its results of operations and financial condition.

The Company's Growth May Expose It to Risks

Ryanair's operations have grown rapidly since it pioneered the low-fares operating model in Europe in the early 1990s. Ryanair intends to continue to expand its fleet and add new destinations and additional flights, with the goal of increasing Ryanair's booked passenger volumes to approximately 112.0 million passengers per annum by 31 March 2019, an increase of approximately 37 per cent. from the approximately 81.7 million passengers booked in the 2014 fiscal year. However, no assurance can be given that this target will be met. If growth in passenger traffic and Ryanair's revenues do not keep pace with the planned expansion of its fleet, Ryanair could suffer from overcapacity and its results of operations and financial condition (including its ability to fund scheduled purchases of the New Aircraft and related debt repayments) could be materially adversely affected.

The continued expansion of Ryanair's fleet and operations, at a rate lower than in previous years (although in absolute terms it may be higher), in addition to other factors, may also strain existing management resources and related operational, financial, management information and information technology systems. Expansion will generally require additional skilled personnel, equipment, facilities and systems. An inability to hire skilled personnel or to secure required equipment and facilities efficiently and in a cost-effective manner may adversely affect Ryanair's ability to achieve its growth plans and sustain or increase its profitability.

Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on its Results

Currently, a substantial number of carriers operate routes that compete with Ryanair, and the Company expects to face further intense competition.

When Ryanair commences new routes, its load factors and fares tend to be lower than those on its established routes and its advertising and other promotional costs tend to be higher, which may result in initial losses that could have a material negative impact on Ryanair's results of operations as well as require a substantial amount of cash to fund. In addition, there can be no assurance that Ryanair's low-fares service will be accepted on new routes. Ryanair also periodically runs special promotional fare campaigns, in particular in connection with the opening of new routes. Promotional fares may have the effect of increasing load factors and reducing Ryanair's yield and passenger revenues on such routes during the periods that they are in effect. Ryanair has other significant cash needs as it expands, including as regards the cash required to fund aircraft purchases or aircraft deposits related to the acquisition of additional Boeing 737-800 series aircraft. There can be no assurance that Ryanair will have sufficient cash to make such expenditures and investments, and to the extent Ryanair is unable to expand its route system successfully, its future revenue and earnings growth will in turn be limited.

Ryanair's Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase

Airline traffic at certain European airports is regulated by a system of grandfathered "slot" allocations. Each slot represents authorisation to take-off and land at the particular airport during a specified time period. Although the majority of Ryanair's bases currently have no slot allocations, traffic at a minority of the airports Ryanair serves, including some of its primary bases, is currently regulated through slot allocations. In addition, many of the primary airports that Ryanair intends to serve as part of its recent strategic initiatives are subject to slot allocations. There can be no assurance that Ryanair will be able to obtain a sufficient number of slots at slot-controlled airports that it may wish to serve in the future, at the time it needs them, or on acceptable terms. There can also be no assurance that its non-slot constrained bases, or the other non-slot constrained airports Ryanair serves, will continue to operate without slot allocation restrictions in the future. Airports may impose other operating restrictions such as curfews, limits on aircraft noise levels, mandatory flight paths, runway restrictions, and limits on the number of average daily departures. Such restrictions may limit the ability of Ryanair to provide service to, or increase service at, such airports.

Ryanair's future growth also materially depends on its ability to access suitable airports located in its targeted geographic markets at costs that are consistent with Ryanair's strategy. Any condition that denies, limits, or delays Ryanair's access to airports it serves or seeks to serve in the future would constrain Ryanair's ability to grow. A change in the terms of Ryanair's access to these facilities or any increase in the relevant charges paid by Ryanair as a result of the expiration or termination of such arrangements and Ryanair's failure to renegotiate comparable terms or rates could have a material adverse effect on the Company's financial condition and results of operations. For example in Spain, the Spanish government increased airport taxes at the two largest airports, Barcelona and Madrid, by over 100 per cent., while smaller increases were implemented at other Spanish airports effective from 1 July 2012. As a result, Ryanair cancelled routes and reduced capacity on remaining routes from Madrid and Barcelona in response to the Spanish government's decision to double airport taxes at the two airports.

The Company's Acquisition of 29.8 per cent. of Aer Lingus and Subsequent Failure to Conclude a Complete Acquisition of Aer Lingus Could Expose the Company to Risk

During the 2007 fiscal year, the Company acquired 25.2 per cent. of Aer Lingus. The Company increased its interest to 29.3 per cent. during the 2008 fiscal year, and to 29.8 per cent. during the 2009 fiscal year at a total aggregate cost of €407.2 million. Following the acquisition of its initial stake and upon the approval of the

Company's shareholders, management proposed to effect a tender offer to acquire the entire share capital of Aer Lingus. This 2006 offer was, however, prohibited by the European Commission on competition grounds.

In October 2007, the European Commission reached a formal decision that it would not force Ryanair to sell its shares in Aer Lingus. This decision has been affirmed on appeal. However, EU legislation may change in the future to require such a forced disposition. If eventually forced to dispose of its stake in Aer Lingus, Ryanair could suffer significant losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus' shares.

The United Kingdom's Office of Fair Trading ("**OFT**") wrote to Ryanair in September 2010, advising that it intended to investigate Ryanair's minority stake in Aer Lingus. Ryanair objected on the basis that the OFT's investigation was time-barred. On 15 June 2012, the OFT referred the investigation of Ryanair's minority stake in Aer Lingus to the U.K. Competition Commission (the "**Competition Commission**").

On 19 June 2012, Ryanair announced its third all cash offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of €1.30 per ordinary share and immediately commenced pre-notification discussions with the European Commission for the purpose of preparing a merger filing. Pending the outcome of the European Commission's review of Ryanair's bid, on the basis of the duty of "sincere cooperation" between the EU and the Member States, and under the EU Merger Regulation, the Competition Commission's investigation of Ryanair's minority stake in Aer Lingus should not have properly proceeded. Nevertheless, Aer Lingus argued that the investigation should proceed and that Ryanair's offer was in breach of certain provisions of the UK Enterprise Act 2002.

On 10 July 2012, the Competition Commission ruled that Ryanair's bid was not in breach of the UK Enterprise Act, but nevertheless decided that its investigation of the minority stake could proceed in parallel with the European Commission's investigation of Ryanair's offer for Aer Lingus. In July 2012, Ryanair appealed the latter part of the Competition Commission's ruling to the UK Competition Appeal Tribunal, and the Competition Commission's investigation became suspended pending the appeal process. On 8 August 2012, the Competition Appeal Tribunal ("**CAT**") rejected Ryanair's appeal and found that the Competition Commission's investigation could proceed in parallel with the European Commission's investigation, but that the Competition Commission must avoid taking any final decision which could conflict with the European Commission's ultimate conclusion on Ryanair's bid. In August 2012, Ryanair appealed the Competition Appeal Tribunal judgment to the UK Court of Appeal. In December 2012, the Court of Appeal rejected Ryanair's appeal and subsequently the Competition Commission's investigation restarted. On 13 December 2012, Ryanair applied to the UK Supreme Court for permission to appeal the judgment of the Court of Appeal. The Supreme Court refused permission to appeal on 25 April 2013.

On 27 February 2013, the European Commission prohibited Ryanair's bid to acquire the entire share capital of Aer Lingus on the claimed basis that it would be incompatible with the EU internal market. Ryanair appealed this decision to the EU General Court on 8 May 2013. The judgment of the EU General Court is expected in 2015 and may affirm or annul the decision of the European Commission.

Following the European Commission's decision to prohibit its offer for Aer Lingus, Ryanair actively engaged with the Competition Commission's investigation of the minority stake. In its provisional findings on 30 May 2013, the Competition Commission stated that Ryanair, through its minority shareholding in Aer Lingus, "has influence" over Aer Lingus, that this "could reduce competition", and that Ryanair should be required to divest some or all of its shares in Aer Lingus. On 28 August 2013, the Competition Commission issued its final decision in which it claimed that Ryanair's shareholding "gave it the ability to exercise material influence over Aer Lingus" and "had led or may be expected to lead to a substantial lessening of competition in the markets for air passenger services between Great Britain and Ireland." As a result of its findings, the Competition Commission ordered Ryanair to reduce its shareholding in Aer Lingus to below 5 per cent. of Aer Lingus' issued ordinary shares. Ryanair appealed the Competition Commission's final decision to the

CAT on 23 September 2013. The CAT rejected Ryanair's appeal on 7 March 2014. On 3 April 2014, Ryanair applied for permission to appeal the CAT's judgment to the Court of Appeal. Should Ryanair's permission to appeal the appeal itself or any subsequent appeal to the Supreme Court be refused, Ryanair could suffer losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus' shares. Ryanair believes that the enforcement of any such decision should be delayed until the outcome of Ryanair's appeal against the European Commission's February 2013 prohibition decision of Ryanair's 2012 offer for Aer Lingus, and the conclusion of any appeals against the Competition Commission's decision in the UK courts. However, it is possible that the Competition Commission will seek to enforce any such sell-down remedy at an earlier date.

Labour Relations Could Expose the Company to Risk

A variety of factors, including, but not limited to, Ryanair's profitability and its seasonal grounding policy, may make it difficult for Ryanair to avoid increases to salary levels and productivity payments. Consequently, there can be no assurance that Ryanair's existing employee compensation arrangements may not be subject to change or modification at any time. These steps may lead to deterioration in labour relations in Ryanair and could impact Ryanair's business or results. Ryanair also operates in certain jurisdictions with above average payroll taxes and employee-related social insurance costs, which could have an impact on the availability and cost of employees in these jurisdictions. Ryanair's crew in continental Europe generally operate on Irish contracts of employment on the basis that those crew work on Irish Territory, (i.e., on board Irish Registered Aircraft). A number of challenges have been initiated by government agencies in a number of countries to the applicability of Irish labour law to these contracts, and if Ryanair were forced to concede that Irish jurisdiction did not apply to those crew who operate from continental Europe then it could lead to increased salary, social insurance and pension costs and a potential loss of flexibility. In relation to social insurance costs, the European Parliament implemented amendments to Regulation (EC) 883/2004 which may impose substantial social insurance contribution increases for either or both Ryanair and the individual employees. While this change to social insurance contributions relates primarily to new employees, its effect in the long term may materially increase Company or employee social insurance contributions and could affect Ryanair's decision to operate from those high cost locations, resulting in redundancies and a consequent deterioration in labour relations.

Ryanair currently conducts collective bargaining negotiations with groups of employees, including its pilots and cabin crew, regarding pay, work practices, and conditions of employment, through collective-bargaining units called "Employee Representative Committees". On 19 June 2009, BALPA (the U.K. pilots union) made a request for voluntary recognition under applicable U.K. legislation, which Ryanair rejected. BALPA had the option of applying to the U.K.'s Central Arbitration Committee ("CAC") to organise a vote on union recognition by Ryanair's pilots in relevant bargaining units, as determined by the CAC, but BALPA decided not to proceed with an application at that time. The option to apply for a ballot remains open to BALPA and if it were to seek and be successful in such a ballot, it would be able to represent the U.K. pilots in negotiations over salaries and working conditions. Limitations on Ryanair's flexibility in dealing with its employees or the altering of the public's perception of Ryanair generally could have a material adverse effect on Ryanair's business, operating results, and financial condition. Limitations on Ryanair's flexibility in dealing with its staff or the altering of the public's perception of Ryanair generally could have a material adverse effect on the Company's business, operating results, and financial condition.

The Company is Dependent on External Service Providers

Ryanair currently assigns its engine overhauls and "rotable" repairs to outside contractors approved under the terms of Part 145, the European regulatory standard for aircraft maintenance established by the European Aviation Safety Agency ("Part 145"). The Company also assigns its passenger, aircraft and ground handling services at airports other than Dublin and certain airports in Spain and the Canary Islands to established external service providers.

The termination or expiration of any of Ryanair's service contracts or any inability to renew them or negotiate replacement contracts with other service providers at comparable rates could have a material adverse effect on the Company's results of operations. Ryanair will need to enter into airport service agreements in any new markets it enters, and there can be no assurance that it will be able to obtain the necessary facilities and services at competitive rates. In addition, although Ryanair seeks to monitor the performance of external parties that provide passenger and aircraft handling services, the efficiency, timeliness, and quality of contract performance by external providers are largely beyond Ryanair's direct control. Ryanair expects to be dependent on such outsourcing arrangements for the foreseeable future.

The Company is Dependent on Key Personnel

Ryanair's success depends to a significant extent upon the efforts and abilities of its senior management team, including Michael O'Leary, the Chief Executive Officer, and key financial, commercial, operating and maintenance personnel. Mr. O'Leary's current contract may be terminated by either party upon 12 months' notice. Ryanair's success also depends on the ability of its executive officers and other members of senior management to operate and manage effectively, both independently and as a group. Although Ryanair's employment agreements with Mr. O'Leary and some of its other senior executives contain non-competition and non-disclosure provisions, there can be no assurance that these provisions will be enforceable in whole or in part. Competition for highly qualified personnel is intense, and either the loss of any executive officer, senior manager, or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect upon Ryanair's business, operating results, and financial condition.

The Company Faces Risks Related to its Internet Reservations Operations and its Announced Elimination of Airport Check-in Facilities

Over 99 per cent. of Ryanair's flight reservations are made through its website. Although Ryanair has established a contingency programme whereby the website is hosted in three separate locations, each of these locations accesses the same booking engine, located at a single centre, in order to make reservations.

A back-up booking engine is available to Ryanair to support its existing platform in the event of a breakdown in this facility. Nonetheless, the process of switching over to the back-up engine could take some time and there can be no assurance that Ryanair would not suffer a significant loss of reservations in the event of a major breakdown of its booking engine or other related systems, which, in turn, could have a material adverse effect on Ryanair's operating results or financial condition.

Since 1 October 2009, all passengers have been required to use Internet check-in. Internet check-in is part of a package of measures intended to reduce check-in lines and passenger handling costs and pass on these savings by reducing passenger airfares. Ryanair has deployed this system across its network. Any disruptions to the Internet check-in service as a result of a breakdown in the relevant computer systems or otherwise could have a material adverse impact on these service-improvement and cost-reduction efforts. There can be no assurance, however, that this process will continue to be successful or that consumers will not switch to other carriers that provide standard check-in facilities, which would negatively affect Ryanair's results of operations and financial condition.

The Company Faces Risks Related to Unauthorised Use of Information from the Company's Website

Screenscraper websites gain unauthorised access to Ryanair's website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which may include hidden intermediary fees on top of Ryanair's fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenscraping also on the basis of certain legal principles, such as database rights, copyright protection, etc. Ryanair is involved in a number of legal proceedings against the proprietors of screenscraper websites in Ireland, Germany, The Netherlands, France, Spain, Italy and

Switzerland. Ryanair's objective is to prevent any unauthorised use of its website. Ryanair does allow certain companies who operate fare comparison (i.e. not reselling) websites to access its schedule and fare information for the purposes of fare comparison provided they sign a license and use the agreed method to access the data. Ryanair also permits Travelport (trading as Galileo and Worldspan, a global distribution system operator), to provide access to Ryanair's fares to traditional travel agencies. Ryanair has received favourable rulings in Ireland, Germany and The Netherlands, and unfavourable rulings in Spain, France and Italy, in its actions against screen scrapers. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screen scraper websites could lead to a reduction in the number of customers who book directly on Ryanair's website and consequently to a reduction in Ryanair's ancillary revenue stream. Also, some customers may be lost to Ryanair once they are presented by a screen scraper website with a Ryanair fare inflated by the screen scraper's intermediary fee. This could also adversely affect Ryanair's reputation as a low-fares airline, which could negatively affect Ryanair's results of operations and financial condition.

Ryanair is Subject To Cyber Security Risks And May Incur Increasing Costs In An Effort To Minimise Those Risks

As almost all of Ryanair's reservations are made through its website, security breaches could expose it to a risk of loss or misuse of customer information, litigation and potential liability. Although Ryanair takes steps to secure its website and management information systems, the security measures it has implemented may not be effective, and its systems may be vulnerable to theft, loss, damage and interruption from a number of potential sources and events, including unauthorised access or security breaches, cyber attacks, computer viruses, power loss, or other disruptive events. Ryanair may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber attacks. Attacks may be targeted at Ryanair, its customers and suppliers, or others who have entrusted it with information.

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

The Irish Corporation Tax Rate Could Rise

The majority of Ryanair's profits are subject to Irish corporation tax at a statutory rate of 12.5 per cent. Due to the size and scale of the Irish government's budgetary deficit and although Ireland has exited the "bailout" which was funded by a combination of loans from the International Monetary Fund and the European Union, there remains a risk that the Irish government could increase Irish corporation tax rates above 12.5 per cent. in order to repay current or future loans or to increase tax revenues.

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

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

Change in EU Regulations in Relation to Employers and Employee Social Insurance Could Increase Costs

The European Parliament passed legislation governing the payment of employee and employer social insurance costs in May 2012. The legislation was introduced in late June 2012. The legislation governs the country in which employees and employers must pay social insurance costs. Prior to June 2012, Ryanair paid employee and employer social insurance in the country under whose laws the employee's contract of employment is governed, which is either the UK or Ireland. Under the terms of this new legislation, employees and employers must pay social insurance in the country where the employee is based. The legislation includes grandfathering rights which means that existing employees (i.e. those employed prior to the introduction of the new legislation in June 2012) should be exempt. However, both new and existing employees who transfer from their present base location to a new base in another EU country may be impacted by the new rules in relation to employee and employer contributions. Each country within the EU has different rules and rates in relation to the calculation of employee and employer social insurance contributions. Ryanair estimates that the change in legislation will not have any initial material impact on its salary costs although it could have an adverse impact over time.

Ryanair is Subject to Tax Audits

The Company operates in many jurisdictions and is, from time to time, subject to tax audits, which by their nature are often complex and can require several years to conclude. While the Company is of the view that it is tax compliant in the various jurisdictions in which it operates, there can be no guarantee, particularly in the current economic environment, that it will not receive tax assessments following the conclusion of the tax audits. If assessed, the Company will robustly defend its position. In the event that the Company is unsuccessful in defending its position, it is possible that the effective tax rate, employment and other costs of the Group could materially increase.

Risks Associated with the Euro

The Company is headquartered in Ireland and its reporting currency is the euro. As a result of the ongoing uncertainty arising from the Eurozone debt crisis, in 2012 there was widespread speculation regarding the future of the Eurozone, including with regard to Ireland, the country in which the Company is headquartered. While there is still a risk of contagion spreading to the weaker Eurozone members, there have been no exits from the Eurozone. Ryanair predominantly operates to/from countries within the Eurozone and has significant operational and financial exposures to the Eurozone that could result in a reduction in the operating performance of Ryanair or the devaluation of certain assets. Ryanair has taken certain risk management measures to minimise any disruptions, however these risk management measures may be insufficient.

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

Recession, austerity and uncertainty in connection with the euro could also mean that Ryanair is unable to grow. The recent European recession and austerity measures still in effect in several European countries all mean that Ryanair may be unable to expand its operations due to lack of demand for air travel.

Risks Related to the Airline Industry

The Airline Industry Is Particularly Sensitive to Changes in Economic Conditions: A Continued Recessionary Environment Would Negatively Impact Ryanair's Result of Operations

Ryanair's operations and the airline industry in general are sensitive to changes in economic conditions. Unfavourable economic conditions such as government austerity measures, the uncertainty relating to the Eurozone, high unemployment rates, constrained credit markets and increased business operating costs could lead to reduced spending by both leisure and business passengers. Unfavourable economic conditions, such as the conditions persisting as of the date hereof, also tend to impact Ryanair's ability to raise fares to counteract increased fuel and other operating costs. A continued recessionary environment, combined with austerity measures by European governments, will likely negatively impact Ryanair's operating results. It could also restrict the Company's ability to grow passenger volumes, secure new airports and launch new routes and bases, and could have a material adverse impact on its financial results.

The Introduction of Government Taxes on Travel Could Damage Ryanair's Ability to Grow and Could Have a Material Adverse Impact on Operations

The U.K. government levies an Air Passenger Duty ("APD") of £13 per passenger. The tax was previously set at £5 per passenger, but it was increased to £10 per passenger in 2007, £11 in 2009, £12 in 2010 and subsequently to £13 in April 2012. The increase in this tax is thought to have had a negative impact on Ryanair's operating performance, both in terms of average fares paid and growth in passenger volumes. In 2008, the Dutch government introduced a travel tax ranging from €11 on short-haul flights to €45 on long-haul flights (withdrawn with effect from 1 July 2009). On 30 March 2009, the Irish government also introduced a €10 Air Travel Tax on all passengers departing from Irish airports on routes longer than 300 kilometres but subsequently reduced it to €3 on 30 March 2011. On 1 April 2014 the tax was abolished. In Germany, the government introduced an air passenger tax of €8 in January 2011 which was subsequently reduced to €7.50 in January 2012. In Austria, the government also introduced an ecological air travel levy of €8 in January 2011. The Moroccan Government has also introduced a similar tax (equivalent to approximately €9) from April 2014.

Other governments also have introduced or may introduce similar taxes. The introduction of government taxes on travel has had a negative impact on passenger volumes, particularly given the current period of decreased economic activity. The introduction of further government taxes on travel across Europe could have a material negative impact on Ryanair's results of operations as a result of price-sensitive passengers being less likely to travel.

EU Regulation on Passenger Compensation Could Significantly Increase Related Costs

The EU has passed legislation for compensating airline passengers who have been denied boarding on a flight for which they hold a valid ticket (Regulation (EC) No. 261/2004). This legislation, which came into force on 17 February 2005, imposes fixed levels of monetary compensation to be paid to passengers in the event of a flight cancellation if the reason for the cancellation was within the control of the airline. In November 2009, the Court of Justice of the EU in the *Sturgeon* case decided that provisions of the legislation in relation to compensation are not only applicable to flight cancellations but also to delays of over three hours. However, such provisions do not apply to any cancellation, or any delay over three hours, in circumstances in which the airline is able to prove that such cancellation or delay was caused by extraordinary circumstances, such as weather, air-traffic control delays, or safety issues. The *Sturgeon* case was referred to the Court of Justice of the European Union for a preliminary ruling from the High Court of Justice (England & Wales), Queen's Bench Division (Administrative Court) on 24 December 2010. The Opinion of the Advocate General of the European Court of Justice has reinforced the legitimacy of the *Sturgeon* judgment. On 23 October 2012, the Court of Justice of the European Union affirmed its previous *Sturgeon* judgment. The regulation calls for

compensation of €250, €400 or €600 per passenger, depending on the length of the flight. As Ryanair's average flight length is less than 1,500 km – the upper limit for short-haul flights – the amount payable is generally €250 per passenger per occurrence. Passengers subject to long delays (in excess of two hours for short-haul flights) are also entitled to “assistance,” including meals, drinks and telephone calls, as well as hotel accommodation if the delay extends overnight. For delays of over five hours, the airline is also required to offer the option of a refund of the cost of the unused ticket. There can be no assurance that the Company will not incur a significant increase in costs in the future due to the impact of this legislation if Ryanair experiences a large number of cancelled flights, which could occur as a result of certain types of events beyond its control. See “— *Risks Related to the Airline Industry — Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company's Results of Operations.*”

EU Regulation of Emissions Trading Will Increase Costs

On 19 November 2008, the European Council of Ministers adopted legislation to add aviation to the EU Emissions Trading Scheme (“ETS”) with effect from 2012. This scheme, which has thus far applied mainly to industrial companies, is a cap-and-trade system for CO₂ emissions to encourage industries to improve their CO₂ efficiency. Under the legislation, airlines are granted initial CO₂ allowances based on historical performance and a CO₂ efficiency benchmark. Any shortage of allowances will have to be purchased in the open market and/or at government auctions. The cost of such allowances in the context of the Company's energy costs are not material at current market prices. There can be no assurance that Ryanair will be able to obtain sufficient carbon credits or that the cost of the credits will not have a material adverse effect on the Company's business, operating results, and financial condition.

Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company's Results of Operations

Between 15 April and 20 April 2010 and 4 May and 17 May 2010, a significant portion of the airspace over northern Europe was closed by authorities as a result of safety concerns presented by emissions of ash from an Icelandic volcano. This closure forced Ryanair to cancel 9,490 flights. In May 2011, there were further periodic closures of parts of the European airspace due to emissions of ash from another Icelandic volcano, which resulted in the cancellation of 96 flights.

Under the terms of Regulation (EC) No. 261/2004, described above, Ryanair has certain duties to passengers whose flights are cancelled. In particular, Ryanair is required to reimburse passengers who have had their flights cancelled for certain reasonable, documented expenses – primarily for accommodation and food.

Volcanic emissions may happen again and could lead to further significant flight cancellation costs which could have a material adverse impact on the Company's financial condition and results of operations. Furthermore, volcanic emissions (whether from current or new sources) or similar atmospheric disturbances and resulting cancellations due to the closure of airports could also have a material adverse effect on the Company's financial performance indirectly, as a consequence of changes in the public's willingness to travel within Europe due to the risk of flight disruptions.

Any Significant Outbreak of any Airborne Disease, Including Swine Flu or Foot-and-Mouth Disease, Could Significantly Damage Ryanair's Business

Worldwide, there has, from time to time, been substantial publicity in recent years regarding certain potent influenza viruses and other disease epidemics. Publicity of this type may have a negative impact on demand for air travel in Europe. Past outbreaks of SARS, foot-and-mouth disease, avian flu and swine flu have adversely impacted the travel industries, including aviation, in certain regions of the world, including Europe. The Company believes that if any influenza or other pandemic becomes severe in Europe, its effect on demand for air travel in the markets in which Ryanair operates could be material, and it could therefore have a significantly adverse impact on the Company. A severe outbreak of swine flu, SARS, foot-and-mouth disease,

avian flu or another pandemic or livestock-related disease also may result in European or national authorities imposing restrictions on travel, further damaging Ryanair's business. A serious pandemic could therefore severely disrupt Ryanair's business, resulting in the cancellation or loss of bookings, and adversely affecting Ryanair's financial condition and results of operations.

The Company is Dependent on the Continued Acceptance of Low-fares Airlines

Ryanair has an excellent 30 year safety record. In past years, however, accidents or other safety-related incidents involving certain low-fares airlines have had a negative impact on the public's acceptance of such airlines. Any adverse event potentially relating to the safety or reliability of low-fares airlines (including accidents or negative reports from regulatory authorities) could adversely impact the public's perception of, and confidence in, low-fares airlines like Ryanair, and could have a material adverse effect on Ryanair's financial condition and results of operations.

Terrorism in the United Kingdom or Elsewhere in Europe Could Have a Material Detrimental Effect on the Company

On 10 August 2006, U.K. security authorities arrested and subsequently charged eight individuals in connection with an alleged plot to attack aircraft operating on transatlantic routes. As a result of these arrests, U.K. authorities introduced increased security measures, which resulted in all passengers being body-searched, and a ban on the transportation in carry-on baggage of certain liquids and gels. The introduction of these measures led to passengers suffering severe delays while passing through these airport security checks. As a result, Ryanair cancelled 279 flights in the days following the incident and refunded a total of €2.7 million in fares to approximately 40,000 passengers. In the days following the arrests, Ryanair also suffered reductions in bookings estimated to have resulted in the loss of approximately €1.9 million of additional revenue. As in the past, the Company reacted to these adverse events by initiating system-wide fare sales to stimulate demand for air travel.

In addition, reservations on Ryanair's flights to London dropped materially for a number of days in the immediate aftermath of the terrorist attacks in London on 7 July 2005. Although the terrorist attack in Glasgow on 30 June 2007 and the failed terrorist attacks in London on 21 July 2005 and 29 June 2007 had no material impact on bookings, there can be no assurance that future such attacks will not affect passenger traffic. In the 2014 fiscal year, 16.6 million passengers were booked on Ryanair's flights into and out of London, representing approximately 20.4 per cent. of the total passengers booked on all of the Company's flights in the fiscal year. Future acts of terrorism or significant terrorist threats, particularly in London or other markets that are significant to Ryanair, could have a material adverse effect on the Company's profitability or financial condition should the public's willingness to travel to and from those markets decline as a result. See also "*—The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry*" below.

The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry

The terrorist attacks on the United States on 11 September 2001, in which four commercial aircraft were hijacked, had a severe negative impact on the international airline industry, particularly on U.S. carriers and carriers operating international services to and from the United States. Although carriers such as Ryanair that operate primarily or exclusively in Europe were generally spared from such material adverse impacts on their businesses, the cost to all commercial airlines of insurance coverage for certain third-party liabilities arising from "acts of war" or terrorism increased dramatically after the 11 September attacks. In addition, Ryanair's insurers have indicated that the scope of the Company's current "act of war"-related insurance may exclude certain types of catastrophic incidents, such as certain forms of biological, chemical or "dirty bomb" attacks. This could result in the Company's seeking alternative coverage, including government insurance or self-

insurance, which could lead to further increases in costs. Although Ryanair to date has included increased insurance costs in the ticket price charged to passengers, there can be no assurance that it will continue to be successful in doing so.

Because a substantial portion of airline travel (both business and personal) is discretionary and because Ryanair is substantially dependent on discretionary air travel, any prolonged general reduction in airline passenger traffic may adversely affect the Company. Similarly, any significant increase in expenses related to security, insurance or related costs could have a material adverse effect on the Company. Any further terrorist attacks in the U.S. or in Europe, particularly in London or other markets that are significant to Ryanair, any significant military actions by the United States or EU nations or any related economic downturn may have a material adverse effect on demand for air travel and thus on Ryanair's business, operating results, and financial condition. See also "*—Terrorism in the United Kingdom or Elsewhere in Europe Could have a Material Detrimental Effect on the Company.*"

The Company Faces the Risk of Loss and Liability

Ryanair has an excellent 30 year safety record, however it is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair currently maintains passenger liability insurance, employer liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence that are consistent with industry standards.

Ryanair currently believes its insurance coverage is adequate (although not comprehensive). However, there can be no assurance that the amount of insurance coverage will not need to be increased, that insurance premiums will not increase significantly, or that Ryanair will not be forced to bear substantial losses from any accidents not covered by its insurance. Airline insurance costs increased dramatically following the September 2001 terrorist attacks on the United States. See "*—The 2001 Terrorist Attacks on the United States Had a Severe Negative Impact on the International Airline Industry*" above. Substantial claims resulting from an accident in excess of related insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. Moreover, any aircraft accident, even if fully insured, could lead to the public perception that Ryanair's aircraft were less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair's business.

EU Regulation No. 2027/97, as amended by Regulation No. 889/2002, governs air carrier liability. This regulation increased the potential liability exposure of air carriers such as Ryanair. Although Ryanair has extended its liability insurance to meet the requirements of the regulation, no assurance can be given that other laws, regulations, or policies will not be applied, modified or amended in a manner that has a material adverse effect on Ryanair's business, operating results, and financial condition.

Airline Industry Margins are Subject to Significant Uncertainty

The airline industry is capital intensive and is characterised by high fixed costs and by revenues that generally exhibit substantially greater elasticity than costs. Although fuel accounted for approximately 46 per cent. of total operating expenses in the 2014 fiscal year, management anticipates that this percentage may vary significantly in future years. See "*—Changes in Fuel Costs and Fuel Availability Affect the Company's Results and Increase the Likelihood of Adverse Impact on the Company's Profitability*" above. The operating costs of each flight do not vary significantly with the number of passengers flown, and therefore, a relatively small change in the number of passengers, fare pricing, or traffic mix could have a disproportionate effect on operating and financial results. Accordingly, a relatively minor shortfall from expected revenue levels could

have a material adverse effect on the Company's growth or financial performance. The very low marginal costs incurred for providing services to passengers occupying otherwise unsold seats are also a factor in the industry's high susceptibility to price discounting. See *"Risks Related to the Company—The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment"* above.

Safety-Related Undertakings Could Affect the Company's Results

Aviation authorities in Europe and the United States periodically require or suggest that airlines implement certain safety-related procedures on their aircraft. In recent years, the U.S. Federal Aviation Administration (the "FAA") has required a number of such procedures with regard to Boeing 737-800 aircraft, including checks of rear pressure bulkheads and flight control modules, redesign of the rudder control system, and limitations on certain operating procedures. Ryanair's policy is to implement any such required procedures in accordance with FAA guidance and to perform such procedures in close collaboration with Boeing. To date, all such procedures have been conducted as part of Ryanair's standard maintenance programme and have not interrupted flight schedules nor required any material increases in Ryanair's maintenance expenses. However, there can be no assurance that the FAA or other regulatory authorities will not recommend or require other safety-related undertakings or that such undertakings would not adversely impact Ryanair's operating results or financial condition.

There also can be no assurance that new regulations will not be implemented in the future that would apply to Ryanair's aircraft and result in an increase in Ryanair's cost of maintenance or other costs beyond management's current estimates. In addition, should Ryanair's aircraft cease to be sufficiently reliable or should any public perception develop that Ryanair's aircraft are less than completely reliable, Ryanair's business could be materially adversely affected.

Risk Relating to the Notes

There is no active trading market for the Notes

Notes issued under the Programme will be new securities which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued and for which there is such a market). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar securities, general economic conditions and the financial condition of the Issuer and/or Guarantor. Although application has been made for the Notes issued under the Programme to be admitted to listing on the Official List and to trading on the Main Securities Market for the purposes of the Prospectus Directive, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. Accordingly, there is no assurance as to the development or liquidity of any trading market for any particular Tranche of Notes and, therefore, any prospective purchaser should be prepared to hold the Notes until the maturity or final redemption of such Notes.

The Notes may be redeemed prior to maturity

Unless in the case of any particular Tranche of Notes the relevant Final Terms specifies otherwise, in the event that the Issuer would be obliged to increase the amounts payable in respect of any Notes due to any withholding or deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Ireland and or any political subdivision thereof or any authority therein or thereof having power to tax, the Issuer may redeem all outstanding Notes in accordance with the Conditions.

In addition, if in the case of any particular Tranche of Notes the relevant Final Terms specifies that the Notes are redeemable at the Issuer's option or obligation in certain other circumstances, the Issuer may choose or

may be obligated to redeem the Notes at times when prevailing interest rates may be relatively low. In such circumstances an investor may not be able to reinvest the redemption proceeds in a comparable security at an effective interest rate as high as that of the relevant Notes.

Because the Global Notes are held by or on behalf of Euroclear and Clearstream, Luxembourg, investors will have to rely on their procedures for transfer and payment with the Issuer

Notes issued under the Programme may be represented by one or more Global Notes (in Classic Global Note form or in New Global Note form) or Global Registered Notes (which may or may not be held under the New Safekeeping Structure (“NSS”). Such Global Notes and Global Registered Notes will be deposited (in the case of a New Global Note or NSS) with a common safekeeper, for Euroclear Bank SA/NV as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) or (in all other cases) with a common depositary, as the case may be. Except in the circumstances described in the relevant Global Note or Global Registered Note, investors will not be entitled to receive Definitive Notes or Individual Note Certificates. Euroclear, and/or Clearstream, Luxembourg will maintain records of the beneficial interests in the Global Notes or Global registered Notes. While the Notes are represented by one or more Global Notes or Global Registered Notes, investors will be able to trade their beneficial interests only through Euroclear, or Clearstream, Luxembourg.

While the Notes are represented by one or more Global Notes or Global Registered Notes, the Issuer will discharge its payment obligations under the Notes by making payments to or to the order of a common depositary or common safekeeper (as applicable) for Euroclear and Clearstream, Luxembourg for distribution to their account holders. A holder of a beneficial interest in a Global Note or Global Registered Note must rely on the procedures of Euroclear and Clearstream, Luxembourg to receive payments under the relevant Notes. Neither the Issuer nor the Guarantor has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes or the Global Registered Notes.

Holders of beneficial interests in the Global Notes or the Global Registered Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by Euroclear, and/or Clearstream, Luxembourg to appoint appropriate proxies.

Notes in New Global Note and New Safekeeping Structure form

The New Global Note and New Safekeeping Structure form has been introduced to allow for the possibility of debt instruments being issued and held in a manner which will permit them to be recognised as eligible collateral for monetary policy of the central banking system for the euro (the “**Eurosystem**”) and intra-day credit operations by the Eurosystem either upon issue or at any or all times during their life. However in any particular case such recognition will depend upon satisfaction of the Eurosystem eligibility criteria at the relevant time. Investors should make their own assessment as to whether the Notes meet such Eurosystem eligibility criteria.

Minimum Specified Denomination and higher integral multiples

In relation to any issue of Notes which have a denomination consisting of a minimum Specified Denomination (as defined below) plus a higher integral multiple of another smaller amount, it is possible that the Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such Specified Denomination. In such case a Holder (as defined below) who, as a result of trading such amount, holds a principal amount not an integral amount of such Specified Denomination may not receive an Note in definitive form corresponding to such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes such that its holding amounts to an integral multiple of such Specified Denomination.

Taxation

Potential investors of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing Notes and receiving payments of interest, principal and/or other amounts or delivery of securities under the Notes and the consequences of such actions under the tax laws of those countries.

Noteholders should note that the EU Savings Directive applies irrespective of where the Noteholder is resident

Under EC Council Directive 2003/48/EC (the “**EU Savings Directive**”) on the taxation of savings income in the form of interest payments, each member state of the European Union (each an “**EU Member State**”) is required to provide to the tax authorities of another EU Member State details of payments of interest or other similar income (in the meaning of the EU Savings Directive) paid by a paying agent (in the meaning of the EU Savings Directive) within its jurisdiction to, or collected by such a paying agent for, an individual resident or a “**Residual Entity**” (in the meaning of article 4.2 of the EU Savings Directive) established in that other EU Member State; however, for a transitional period, Austria and Luxembourg will, subject to certain exceptions, apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent. (unless during that transitional period they elect to provide information in accordance with the EU Savings Directive). The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. The EU Savings Directive also provides that no such withholding tax should be levied where the beneficial owner of the payment authorises an exchange of information and/or where the beneficial owner presents a certificate, established according to the EU Savings Directive, from the tax authority of the EU Member State in which the beneficial owner is resident.

The Luxembourg government officially announced on 10 April 2013 that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payment of interest (or similar income).

A number of non-EU countries, and certain dependent or associated territories of certain EU Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or a “**Residual Entity**” established in an EU Member State. In addition, the EU Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in an EU Member State to, or collected by such a person for, an individual resident or a “**Residual Entity**” established in one of those territories.

If a payment were to be made by or collected through an EU Member State which has opted for a withholding system and an amount of, or in respect of, tax to be withheld from that payment pursuant to the EU Savings Directive, neither the Issuer nor any Paying Agent nor any other person would be obliged to pay additional amounts with respect to any Note as a result of the imposition of such withholding tax. The Issuer is, however, required to maintain a Paying Agent in an EU Member State that will not be obliged to withhold or deduct tax pursuant to the EU Savings Directive.

The European Council formally adopted a Council Directive amending the EU Savings Directive on 24 March 2014 (the “**Amending Directive**”). The Amending Directive broadens the scope of the requirements described above. Member States have until 1 January 2016 to adopt the national legislation necessary to comply with the Amending Directive. The changes made under the Amending Directive include extending the scope of the EU Savings Directive to payments made to, or secured for, certain other entities and legal arrangements. They also broaden the definition of “interest payment” to cover income that is equivalent to interest.

Investors who are in any doubt as to their position should consult their professional advisers.

Notes subject to optional redemption by the Issuer

An optional redemption feature of Notes is likely to limit their market value. During any period when the Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significant lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest bearing securities with comparable maturities.

Modification and waiver

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Notes, the Conditions, the guarantee undertaking dated 29 May 2014 (the “**Deed of Guarantee**”) and the deed of covenant dated 29 May 2014 (the “**Deed of Covenant**”) may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error.

Change of law

The Conditions are based on English law in effect as at the date of this Base Prospectus. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Base Prospectus and any such change could materially and adversely impact the value of any Notes affected by it.

Interest Rate Risk

The Notes bear interest at a fixed rate. Investment in fixed rate notes involves the risk that subsequent changes in market interest rates may adversely affect the value of the fixed rate notes. If interest rates start to rise then the income to be paid by the Notes might become less attractive and the price upon any sale of the Notes could fall.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

- (i) have sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Base Prospectus or any applicable supplement;

- (ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including where the currency for principal or interest payments is different from the potential investor's currency;
- (iv) understand thoroughly the terms of the Notes and be familiar with the behaviour of any relevant financial markets; and
- (v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

A potential investor should not invest in the Notes unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of the Notes and the impact this investment will have on the potential investor's overall investment portfolio.

A prospective investor may not rely on the Issuer or the Guarantor or any of their respective affiliates in connection with its determination as to the legality of its acquisition of the Notes or as to the other matters referred to above.

Legal investment considerations may restrict certain investments

The investment activities of certain investors are subject to legal investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent: (i) the Notes are legal investments for it; (ii) the Notes can be used as collateral for various types of borrowing; and (iii) other restrictions apply to its purchase or pledge of the Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of the Notes under any applicable risk-based capital or similar rules.

INFORMATION INCORPORATED BY REFERENCE

The following information shall be deemed to be incorporated in, and to form part of, this Base Prospectus:

1. the audited consolidated financial statements (including the auditors' report thereon and notes thereto) of the Guarantor in respect of the years ended 31 March 2012 and 31 March 2013 (set out on pages 30 to 31 and 131 to 185 and pages 30 to 31 and 145 to 199, respectively, of the 31 March 2012 and 31 March 2013 annual reports of the Guarantor); and
2. the unaudited condensed consolidated preliminary financial statements of the Guarantor in respect of the year ended 31 March 2014 (set out on pages 5 to 19 of the Full Year Results 2014) (the **"Unaudited Condensed Consolidated Preliminary Financial Statements"**).

The Unaudited Condensed Consolidated Preliminary Financial Statements have been prepared in accordance with the Listing Rules of the Irish Stock Exchange relating to preliminary results. The Unaudited Condensed Consolidated Preliminary Financial Statements have been properly prepared on the basis stated therein and the basis of accounting is consistent with the accounting policies of the Guarantor for the year ended 31 March 2013. The Unaudited Condensed Consolidated Preliminary Financial Statements do not include all of the information that will be included in the full audited consolidated financial statements of the Guarantor. Furthermore, the financial information included in the Unaudited Condensed Consolidated Preliminary Financial Statements does not constitute audited statutory accounts for the purposes of the Companies Acts 1963 to 2013 or the European Communities (Companies: Group Accounts) Regulations 1992.

Copies of the documents specified above as containing information incorporated by reference in this Base Prospectus may be inspected, free of charge, at the registered office of the Guarantor and the Specified Office of the Fiscal Agent and also at <http://corporate.ryanair.com/investors/presentation-reports/>. Any information contained in any of the documents specified above which is not incorporated by reference in this Base Prospectus is either not relevant to investors or is covered elsewhere in this Base Prospectus.

Following the publication of this Base Prospectus a supplement may be prepared by the Issuer and approved by the Central Bank of Ireland in accordance with Article 16 of the Prospectus Directive and relevant implementing measures. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Base Prospectus or in a document which is incorporated by reference in this Base Prospectus. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Base Prospectus. Where only certain sections of a document referred to above are incorporated by reference in the Base Prospectus, the parts of the document which are not incorporated by reference are either not relevant to prospective investors in the Notes or covered elsewhere in this Base Prospectus.

FINAL TERMS AND DRAWDOWN PROSPECTUSES

In this section the expression “necessary information” means, in relation to any Tranche of Notes, the information necessary to enable investors to make an informed assessment of the assets and liabilities, financial position, profits and losses and prospects of the Issuer and the Guarantor and of the rights attaching to the Notes. In relation to the different types of Notes which may be issued under the Programme the Issuer and the Guarantor have included in this Base Prospectus all of the necessary information except for information relating to the Notes which is not known at the date of this Base Prospectus and which can only be determined at the time of an individual issue of a Tranche of Notes.

Any information relating to the Notes which is not included in this Base Prospectus and which is required in order to complete the necessary information in relation to a Tranche of Notes will be contained either in the relevant Final Terms or in a Drawdown Prospectus.

For a Tranche of Notes which is the subject of Final Terms, those Final Terms will, for the purposes of that Tranche only, complete this Base Prospectus and must be read in conjunction with this Base Prospectus. The terms and conditions applicable to any particular Tranche of Notes which is the subject of Final Terms are the Conditions described in the relevant Final Terms as completed to the extent described in the relevant Final Terms.

The terms and conditions applicable to any particular Tranche of Notes which is the subject of a Drawdown Prospectus will be the Conditions as completed to the extent described in the relevant Drawdown Prospectus. In the case of a Tranche of Notes which is the subject of a Drawdown Prospectus, each reference in this Base Prospectus to information being specified or identified in the relevant Final Terms shall be read and construed as a reference to such information being specified or identified in the relevant Drawdown Prospectus unless the context requires otherwise.

Each Drawdown Prospectus will be constituted in the case of Notes which are to be admitted to trading on a regulated market for the purposes of the Prospectus Directive or on another market or stock exchange, or are to be unlisted, by a single document containing the necessary information relating to the Issuer and the Guarantor and the relevant Notes.

FORMS OF THE NOTES

Bearer Notes

Each Tranche of Notes in bearer form (“**Bearer Notes**”) will initially be in the form of either a temporary global note in bearer form (the “**Temporary Global Note**”), without interest coupons, or a permanent global note in bearer form (the “**Permanent Global Note**”), without interest coupons, in each case as specified in the relevant Final Terms. Each Temporary Global Note or, as the case may be, Permanent Global Note (each a “**Global Note**”) which is not intended to be issued in new global note (“**NGN**”) form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a depository or a common depository for Euroclear Bank SA/NV as operator of the Euroclear System (“**Euroclear**”) and/or Clearstream Banking, société anonyme (“**Clearstream, Luxembourg**”) and/or any other relevant clearing system and each Global Note which is intended to be issued in NGN form, as specified in the relevant Final Terms, will be deposited on or around the issue date of the relevant Tranche of the Notes with a common safekeeper for Euroclear and/or Clearstream, Luxembourg.

On 13 June 2006 the European Central Bank (the “**ECB**”) announced that Notes in NGN form are in compliance with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of the central banking system for the euro (the “**Eurosystem**”), **provided that** certain other criteria are fulfilled. At the same time the ECB also announced that arrangements for Notes in NGN form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2006 and that debt securities in global bearer form issued through Euroclear and Clearstream, Luxembourg after 31 December 2006 will only be eligible as collateral for Eurosystem operations if the NGN form is used.

In the case of each Tranche of Bearer Notes, the relevant Final Terms will also specify whether United States Treasury Regulation §1.163-5(c)(2)(i)(C) (the “**TEFRA C Rules**”) or United States Treasury Regulation §1.163-5(c)(2)(i)(D) (the “**TEFRA D Rules**”) are applicable in relation to the Notes or, if the Notes do not have a maturity of more than 365 days, that neither the TEFRA C Rules nor the TEFRA D Rules are applicable.

Temporary Global Note exchangeable for Permanent Global Note

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for a Permanent Global Note”, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for interests in a Permanent Global Note, without interest coupons, not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. No payments will be made under the Temporary Global Note unless exchange for interests in the Permanent Global Note is improperly withheld or refused. In addition, interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever any interest in the Temporary Global Note is to be exchanged for an interest in a Permanent Global Note, the Issuer shall procure (in the case of first exchange) the delivery of a Permanent Global Note to the bearer of the Temporary Global Note or (in the case of any subsequent exchange) an increase in the principal amount of the Permanent Global Note in accordance with its terms against:

- (i) presentation and (in the case of final exchange) presentation and surrender of the Temporary Global Note to or to the order of the Fiscal Agent; and
- (ii) receipt by the Fiscal Agent of a certificate or certificates of non-U.S. beneficial ownership.

The principal amount of Notes represented by the Permanent Global Note shall be equal to the aggregate of the principal amounts specified in the certificates of non-U.S. beneficial ownership *provided, however*, that in

no circumstances shall the principal amount of Notes represented by the Permanent Global Note exceed the initial principal amount of Notes represented by the Temporary Global Note.

If:

- (a) the Permanent Global Note has not been delivered or the principal amount thereof increased by 5.00 p.m. (London time) on the seventh day after the bearer of the Temporary Global Note has requested exchange of an interest in the Temporary Global Note for an interest in a Permanent Global Note; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer of the Temporary Global Note in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver a Permanent Global Note) will become void at 5.00 p.m. (London time) on such seventh day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

The Permanent Global Note will become exchangeable, in whole but not in part only and at the request of the bearer of the Permanent Global Note, for Bearer Notes in definitive form (“**Definitive Notes**”):

- (a) on the expiry of such period of notice as may be specified in the Final Terms ; or
- (b) at any time, if so specified in the Final Terms; or
- (c) if the Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note was originally issued in exchange for part only of a Temporary Global Note representing the Notes and such Temporary Global Note becomes void in accordance with its terms; or
- (c) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has

occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on the date on which such Temporary Global Note becomes void (in the case of (b) above) or at 5.00 p.m. (London time) on such due date ((c) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Temporary Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA C Rules are applicable or that neither the TEFRA C Rules or the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole but not in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes.

If the relevant Final Terms specifies the form of Notes as being “Temporary Global Note exchangeable for Definitive Notes” and also specifies that the TEFRA D Rules are applicable, then the Notes will initially be in the form of a Temporary Global Note which will be exchangeable, in whole or in part, for Definitive Notes not earlier than 40 days after the issue date of the relevant Tranche of the Notes upon certification as to non-U.S. beneficial ownership. Interest payments in respect of the Notes cannot be collected without such certification of non-U.S. beneficial ownership.

Whenever the Temporary Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the relevant Final Terms), in an aggregate principal amount equal to the principal amount of the Temporary Global Note to the bearer of the Temporary Global Note against the surrender of the Temporary Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Temporary Global Note for Definitive Notes; or
- (b) the Temporary Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Temporary Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Temporary Global Note on the due date for payment,

then the Temporary Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) and the bearer of the Temporary Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Temporary Global Note or others may have under the Deed of Covenant).

Permanent Global Note exchangeable for Definitive Notes

If the relevant Final Terms specifies the form of Notes as being “Permanent Global Note exchangeable for Definitive Notes”, then the Notes will initially be in the form of a Permanent Global Note which will be exchangeable in whole, but not in part, for Definitive Notes:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies “in the limited circumstances described in the Permanent Global Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Permanent Global Note is to be exchanged for Definitive Notes, the Issuer shall procure the prompt delivery (free of charge to the bearer) of such Definitive Notes, duly authenticated and with Coupons and Talons attached (if so specified in the Final Terms), in an aggregate principal amount equal to the principal amount of Notes represented by the Permanent Global Note to the bearer of the Permanent Global Note against the surrender of the Permanent Global Note to or to the order of the Fiscal Agent within 30 days of the bearer requesting such exchange.

If:

- (a) Definitive Notes have not been duly delivered by 5.00 p.m. (London time) on the thirtieth day after the bearer has requested exchange of the Permanent Global Note for Definitive Notes; or
- (b) the Permanent Global Note (or any part thereof) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Permanent Global Note has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the bearer in accordance with the terms of the Permanent Global Note on the due date for payment,

then the Permanent Global Note (including the obligation to deliver Definitive Notes) will become void at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date ((b) above) and the bearer of the Permanent Global Note will have no further rights thereunder (but without prejudice to the rights which the bearer of the Permanent Global Note or others may have under the Deed of Covenant).

Rights under Deed of Covenant

Under the Deed of Covenant, persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Temporary Global Note or a Permanent Global Note which becomes void will acquire directly against the Issuer all those rights to which they would have been entitled if, immediately before the Temporary Global Note or Permanent Global Note became void, they had been the holders of Definitive Notes in an aggregate principal amount equal to the principal amount of Notes they were shown as holding in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Definitive Note will be endorsed on that Note and will consist of the terms and conditions set out under “*Terms and Conditions of the Notes*” below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “*Summary of Provisions Relating to the Notes while in Global Form*” below.

Legend concerning United States persons

In the case of any Tranche of Bearer Notes (unless subject to TEFRA C selling restrictions) having a maturity of more than 365 days, the Notes in global form, the Notes in definitive form and any Coupons and Talons appertaining thereto will bear a legend to the following effect:

“Any United States person who holds this obligation will be subject to limitations under the United States income tax laws, including the limitations provided in Sections 165(j) and 1287(a) of the Internal Revenue Code.”

Registered Notes

Each Tranche of Registered Notes will be in the form of either individual Note Certificates in registered form (“**Individual Note Certificates**”) or a global Note in registered form (a “**Global Registered Note**”), in each case as specified in the relevant Final Terms.

In a press release dated 22 October 2008, “*Evolution of the custody arrangement for international debt securities and their eligibility in Eurosystem credit operations*”, the ECB announced that it has assessed the new holding structure and custody arrangements for registered notes which the ICSDs had designed in cooperation with market participants and that Notes to be held under the new structure (the “**New Safekeeping Structure**” or “**NSS**”) would be in compliance with the “*Standards for the use of EU securities settlement systems in ESCB credit operations*” of the Eurosystem, subject to the conclusion of the necessary legal and contractual arrangements. The press release also stated that the new arrangements for Notes to be held in NSS form will be offered by Euroclear and Clearstream, Luxembourg as of 30 June 2010 and that registered debt securities in global registered form held issued through Euroclear and Clearstream, Luxembourg after 30 September 2010 will only be eligible as collateral in Eurosystem operations if the New Safekeeping Structure is used.

Each Global Registered Note will either be: (a) in the case of a Note which is not to be held under the New Safekeeping Structure, registered in the name of a common depositary (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common depositary and will be exchangeable in accordance with its terms; or (b) in the case of a Note to be held under the New Safekeeping Structure, be registered in the name of a common safekeeper (or its nominee) for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and the relevant Global Registered Note will be deposited on or about the issue date with the common safekeeper for Euroclear and/or Clearstream, Luxembourg and will be exchangeable for Individual Note Certificates in accordance with its terms.

If the relevant Final Terms specifies the form of Notes as being “Individual Note Certificates”, then the Notes will at all times be in the form of Individual Note Certificates issued to each Noteholder in respect of their respective holdings.

If the relevant Final Terms specifies the form of Notes as being “Global Registered Note exchangeable for Individual Note Certificates”, then the Notes will initially be in the form of a Global Registered Note which will be exchangeable in whole, but not in part, for Individual Note Certificates:

- (a) on the expiry of such period of notice as may be specified in the relevant Final Terms; or
- (b) at any time, if so specified in the relevant Final Terms; or
- (c) if the relevant Final Terms specifies “in the limited circumstances described in the Global Registered Note”, then if either of the following events occurs:
 - (i) Euroclear or Clearstream, Luxembourg or any other relevant clearing system is closed for business for a continuous period of 14 days (other than by reason of legal holidays) or announces an intention permanently to cease business; or
 - (ii) any of the circumstances described in Condition 14 (*Events of Default*) occurs.

Whenever the Global Registered Note is to be exchanged for Individual Note Certificates, the Issuer shall procure that Individual Note Certificates will be issued in an aggregate principal amount equal to the principal amount of the Global Registered Note within five business days of the delivery, by or on behalf of the registered holder of the Global Registered Note to the Registrar of such information as is required to complete and deliver such Individual Note Certificates (including, without limitation, the names and addresses of the persons in whose names the Individual Note Certificates are to be registered and the principal amount of each such person’s holding) against the surrender of the Global Registered Note at the specified office of the Registrar.

Such exchange will be effected in accordance with the provisions of the Agency Agreement and the regulations concerning the transfer and registration of Notes scheduled thereto and, in particular, shall be effected without charge to any holder, but against such indemnity as the Registrar may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such exchange.

If:

- (a) Individual Note Certificates have not been delivered by 5.00 p.m. (London time) on the thirtieth day after they are due to be issued and delivered in accordance with the terms of the Global Registered Note; or
- (b) any of the Notes represented by a Global Registered Note (or any part of it) has become due and payable in accordance with the Terms and Conditions of the Notes or the date for final redemption of the Notes has occurred and, in either case, payment in full of the amount of principal falling due with all accrued interest thereon has not been made to the holder of the Global Registered Note in accordance with the terms of the Global Registered Note on the due date for payment,

then, at 5.00 p.m. (London time) on such thirtieth day (in the case of (a) above) or at 5.00 p.m. (London time) on such due date (in the case of (b) above) each person shown in the records of Euroclear and/or Clearstream, Luxembourg (or any other relevant clearing system) as being entitled to interest in the Notes (each an “**Accountholder**”) shall acquire under the Deed of Covenant rights of enforcement against the Issuer (“**Direct Rights**”) to compel the Issuer to perform its obligations to the Holder of the Global Registered Note in respect of the Notes represented by the Global Registered Note, including the obligation of the Issuer to make all payments when due at any time in respect of such Notes in accordance with the Conditions as if such Notes had (where required by the Conditions) been duly presented and surrendered on the due date in accordance with the Conditions.

The Direct Rights shall be without prejudice to the rights which the Holder of the Global Registered Note may have under the Global Registered Note or otherwise. Payment to the Holder of the Global Registered Note in respect of any Notes represented by the Global Registered Note shall constitute a discharge of the Issuer's obligations under the Notes and the Deed of Covenant to the extent of any such payment and nothing in the Deed of Covenant shall oblige the Issuer to make any payment under the Notes to or to the order of any person other than the Holder of the Global Registered Note.

As a condition of any exercise of Direct Rights by an Accountholder, such Accountholder shall, as soon as practicable, give notice of such exercise to the Holders of the Notes of the same Series in the manner provided for in the Conditions or the Global Registered Note for notices to be given by the Issuer to Noteholders.

Terms and Conditions applicable to the Notes

The terms and conditions applicable to any Individual Note Certificate will be endorsed on that Individual Note Certificate and will consist of the terms and conditions set out under "*Terms and Conditions of the Notes*" below and the provisions of the relevant Final Terms which complete those terms and conditions.

The terms and conditions applicable to any Global Registered Note will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under "*Summary of Provisions Relating to the Notes while in Global Form*" below.

TERMS AND CONDITIONS OF THE NOTES

The following is the text of the terms and conditions which, as completed by the relevant Final Terms, will be endorsed on each Note in definitive form issued under the Programme. The terms and conditions applicable to any Note in global form will differ from those terms and conditions which would apply to the Note were it in definitive form to the extent described under “Summary of Provisions Relating to the Notes while in Global Form” below.

1. Introduction

- (a) *Programme:* Ryanair Limited (the “**Issuer**”) has established a Euro Medium Term Note Programme (the “**Programme**”) for the issuance of up to €3,000,000,000 in aggregate principal amount of notes (the “**Notes**”) guaranteed by Ryanair Holdings plc (the “**Guarantor**”).
- (b) *Final Terms:* Notes issued under the Programme are issued in series (each a “**Series**”) and each Series may comprise one or more tranches (each a “**Tranche**”) of Notes. Each Tranche is the subject of a final terms (the “**Final Terms**”) which completes these terms and conditions (the “**Conditions**”). The terms and conditions applicable to any particular Tranche of Notes are these Conditions as completed by the relevant Final Terms. In the event of any inconsistency between these Conditions and the relevant Final Terms, the relevant Final Terms shall prevail.
- (c) *Agency Agreement:* The Notes are the subject of an issue and paying agency agreement dated 29 May 2014 (the “**Agency Agreement**”) between the Issuer, the Guarantor, Citibank N.A., London Branch as fiscal agent (the “**Fiscal Agent**”, which expression includes any successor fiscal agent appointed from time to time in connection with the Notes), Citigroup Global Markets Deutschland AG as registrar (the “**Registrar**”, which expression includes any successor registrar appointed from time to time in connection with the Notes), the paying agents named therein (together with the Fiscal Agent, the “**Paying Agents**”, which expression includes any successor or additional paying agents appointed from time to time in connection with the Notes) and the transfer agents named therein (together with the Registrar, the “**Transfer Agents**”, which expression includes any successor or additional transfer agents appointed from time to time in connection with the Notes). In these Conditions references to the “**Agents**” are to the Paying Agents and the Transfer Agents and any reference to an “**Agent**” is to any one of them.
- (d) *Deed of Guarantee:* The Notes are the subject of a deed of guarantee dated 29 May 2014 (the “**Deed of Guarantee**”) entered into by the Guarantor.
- (e) *Deed of Covenant:* The Notes may be issued in bearer form (“**Bearer Notes**”), or in registered form (“**Registered Notes**”). Registered Notes are constituted by a deed of covenant dated 29 May 2014 (the “**Deed of Covenant**”) entered into by the Issuer.
- (f) *The Notes:* All subsequent references in these Conditions to “Notes” are to the Notes which are the subject of the relevant Final Terms. Copies of the relevant Final Terms are available for viewing at the registered office of the Guarantor and the Specified Office of the Fiscal Agent and copies may be obtained from the Fiscal Agent.
- (g) *Summaries:* Certain provisions of these Conditions are summaries of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant and are subject to their detailed provisions. Noteholders and the holders of the related interest coupons, if any, (the “**Couponholders**” and the “**Coupons**”, respectively) are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant applicable to them. Copies of the Agency Agreement, the Deed of Guarantee and the Deed of Covenant are available for inspection

by Noteholders during normal business hours at the Specified Offices of each of the Agents, the initial Specified Offices of which are set out below.

2. Interpretation

(a) *Definitions:* In these Conditions the following expressions have the following meanings:

“**Accrual Yield**” has the meaning given in the relevant Final Terms;

“**Additional Business Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Additional Financial Centre(s)**” means the city or cities specified as such in the relevant Final Terms;

“**Business Day**” means:

- (a) in relation to any sum payable in euro, a TARGET Settlement Day and a day on which commercial banks and foreign exchange markets settle payments generally in each (if any) Additional Business Centre; and
- (b) in relation to any sum payable in a currency other than euro, a day on which commercial banks and foreign exchange markets settle payments generally in London, in the Principal Financial Centre of the relevant currency and in each (if any) Additional Business Centre;

“**Business Day Convention**”, in relation to any particular date, has the meaning given in the relevant Final Terms and, if so specified in the relevant Final Terms, may have different meanings in relation to different dates and, in this context, the following expressions shall have the following meanings:

- (a) “**Following Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day;
- (b) “**Modified Following Business Day Convention**” or “**Modified Business Day Convention**” means that the relevant date shall be postponed to the first following day that is a Business Day unless that day falls in the next calendar month in which case that date will be the first preceding day that is a Business Day;
- (c) “**Preceding Business Day Convention**” means that the relevant date shall be brought forward to the first preceding day that is a Business Day;
- (d) “**FRN Convention**”, “**Floating Rate Convention**” or “**Eurodollar Convention**” means that each relevant date shall be the date which numerically corresponds to the preceding such date in the calendar month which is the number of months specified in the relevant Final Terms as the Specified Period after the calendar month in which the preceding such date occurred **provided, however, that:**
 - (i) if there is no such numerically corresponding day in the calendar month in which any such date should occur, then such date will be the last day which is a Business Day in that calendar month;
 - (ii) if any such date would otherwise fall on a day which is not a Business Day, then such date will be the first following day which is a Business Day unless that day falls in the next calendar month, in which case it will be the first preceding day which is a Business Day; and

- (iii) if the preceding such date occurred on the last day in a calendar month which was a Business Day, then all subsequent such dates will be the last day which is a Business Day in the calendar month which is the specified number of months after the calendar month in which the preceding such date occurred; and
- (e) **“No Adjustment”** means that the relevant date shall not be adjusted in accordance with any Business Day Convention;

“Calculation Agent” means the Fiscal Agent or such other Person specified in the relevant Final Terms as the party responsible for calculating the Rate(s) of Interest and Interest Amount(s) and/or such other amount(s) as may be specified in the relevant Final Terms;

“Calculation Amount” has the meaning given in the relevant Final Terms;

“Coupon Sheet” means, in respect of a Note, a coupon sheet relating to the Note;

“Day Count Fraction” means, in respect of the calculation of an amount for any period of time (the **“Calculation Period”**), such day count fraction as may be specified in these Conditions or the relevant Final Terms and:

- (a) if **“Actual/Actual (ICMA)”** is so specified, means:
 - (i) where the Calculation Period is equal to or shorter than the Regular Period during which it falls, the actual number of days in the Calculation Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (ii) where the Calculation Period is longer than one Regular Period, the sum of:
 - (A) the actual number of days in such Calculation Period falling in the Regular Period in which it begins divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year; and
 - (B) the actual number of days in such Calculation Period falling in the next Regular Period divided by the product of (1) the actual number of days in such Regular Period and (2) the number of Regular Periods in any year;
- (iii) if **“Actual/Actual (ISDA)”** is so specified, means the actual number of days in the Calculation Period divided by 365 (or, if any portion of the Calculation Period falls in a leap year, the sum of (A) the actual number of days in that portion of the Calculation Period falling in a leap year divided by 366 and (B) the actual number of days in that portion of the Calculation Period falling in a non-leap year divided by 365);
- (iv) if **“Actual/365 (Fixed)”** is so specified, means the actual number of days in the Calculation Period divided by 365;
- (v) if **“Actual/360”** is so specified, means the actual number of days in the Calculation Period divided by 360;
- (vi) if **“30/360”** is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows

$$\frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

Day Count Fraction =

360

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vii) if “**30E/360**” or “**Eurobond Basis**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“D₁” is the first calendar day, expressed as a number, of the Calculation Period, unless such number would be 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless such number would be 31, in which case D₂ will be 30; and

- (viii) if “**30E/360 (ISDA)**” is so specified, the number of days in the Calculation Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360x(Y_2 - Y_1)] + [30x(M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Calculation Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Calculation Period falls;

“**M₂**” is the calendar month, expressed as a number, in which the day immediately following the last day included in the Calculation Period falls;

“**D₁**” is the first calendar day, expressed as a number, of the Calculation Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

“**D₂**” is the calendar day, expressed as a number, immediately following the last day included in the Calculation Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30,

provided, however, that in each such case the number of days in the Calculation Period is calculated from and including the first day of the Calculation Period to but excluding the last day of the Calculation Period;

“**Early Redemption Amount (Tax)**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, the relevant Final Terms;

“**Early Termination Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in, or determined in accordance with, these Conditions or the relevant Final Terms;

“**EURIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the Euro zone interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the European Banking Federation based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic EURIBOR rates can be obtained from the designated distributor);

“**Extraordinary Resolution**” has the meaning given in the Agency Agreement;

“**Final Redemption Amount**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**First Interest Payment Date**” means the date specified in the relevant Final Terms;

“**Fixed Coupon Amount**” has the meaning given in the relevant Final Terms;

“**Group**” means Ryanair Holdings plc and its consolidated subsidiaries taken as a whole;

“**Guarantee**” means, in relation to any Indebtedness of any Person, any obligation of another Person to pay such Indebtedness including (without limitation):

- (a) any obligation to purchase such Indebtedness;
- (b) any obligation to lend money, to purchase or subscribe shares or other securities or to purchase assets or services in order to provide funds for the payment of such Indebtedness;
- (c) any indemnity against the consequences of a default in the payment of such Indebtedness; and
- (d) any other agreement to be responsible for such Indebtedness;

“**Guarantee of the Notes**” means the guarantee of the Notes given by the Guarantor in the Deed of Guarantee;

“Holder”, in the case of Bearer Notes, has the meaning given in Condition (b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition (d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“Indebtedness” means any indebtedness of any Person for money borrowed or raised including (without limitation) any indebtedness for or in respect of:

- (a) amounts raised by acceptance under any acceptance credit facility;
- (b) amounts raised under any note purchase facility;
- (c) the amount of any liability in respect of leases or hire purchase contracts which would, in accordance with applicable law and generally accepted accounting principles, be treated as finance or capital leases;
- (d) the amount of any liability in respect of any purchase price for assets or services the payment of which is deferred for a period in excess of 120 days; and
- (e) amounts raised under any other transaction (including, without limitation, any forward sale or purchase agreement) having the commercial effect of a borrowing;

“Interest Amount” means, in relation to a Note and an Interest Period, the amount of interest payable in respect of that Note for that Interest Period;

“Interest Commencement Date” means the Issue Date of the Notes or such other date as may be specified as the Interest Commencement Date in the relevant Final Terms;

“Interest Determination Date” has the meaning given in the relevant Final Terms;

“Interest Payment Date” means the First Interest Payment Date and any date or dates specified as such in, or determined in accordance with the provisions of, the relevant Final Terms and, if a Business Day Convention is specified in the relevant Final Terms:

- (a) as the same may be adjusted in accordance with the relevant Business Day Convention; or
- (b) if the Business Day Convention is the FRN Convention, Floating Rate Convention or Eurodollar Convention and an interval of a number of calendar months is specified in the relevant Final Terms as being the Specified Period, each of such dates as may occur in accordance with the FRN Convention, Floating Rate Convention or Eurodollar Convention at such Specified Period of calendar months following the Interest Commencement Date (in the case of the first Interest Payment Date) or the previous Interest Payment Date (in any other case);

“Interest Period” means each period beginning on (and including) the Interest Commencement Date or any Interest Payment Date and ending on (but excluding) the next Interest Payment Date;

“ISDA Definitions” means the 2000 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.) or, if so specified in the relevant Final Terms, the 2006 ISDA Definitions (as amended and updated as at the date of issue of the first Tranche of the Notes of the relevant Series (as specified in the relevant Final Terms) as published by the International Swaps and Derivatives Association, Inc.);

“Issue Date” has the meaning given in the relevant Final Terms;

“**LIBOR**” means, in respect of any specified currency and any specified period, the interest rate benchmark known as the London interbank offered rate which is calculated and published by a designated distributor (currently Thomson Reuters) in accordance with the requirements from time to time of the British Bankers' Association (or any other person which takes over the administration of that rate) based on estimated interbank borrowing rates for a number of designated currencies and maturities which are provided, in respect of each such currency, by a panel of contributor banks (details of historic LIBOR rates can be obtained from the designated distributor);

“**Material Subsidiary**” means, at any time a Subsidiary of the Issuer or the Guarantor which has a total income representing 10 per cent. or more of the consolidated total income of the Group, total revenue representing 10 per cent. or more of the total revenue of the Group, or total assets representing 10 per cent. or more of the consolidated total assets of the Group, in each case calculated on a consolidated basis in accordance with the then most recent audited consolidated financial statements of the Group;

“**Margin**” has the meaning given in the relevant Final Terms;

“**Maturity Date**” has the meaning given in the relevant Final Terms;

“**Maximum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Minimum Redemption Amount**” has the meaning given in the relevant Final Terms;

“**Noteholder**”, in the case of Bearer Notes, has the meaning given in Condition (b) (*Form, Denomination, Title and Transfer – Title to Bearer Notes*) and, in the case of Registered Notes, has the meaning given in Condition (d) (*Form, Denomination, Title and Transfer – Title to Registered Notes*);

“**Optional Redemption Amount (Call)**” means, in respect of any Note, its principal amount or such other amount as may be specified the relevant Final Terms;

“**Optional Redemption Amount (Put)**” means, in respect of any Note, its principal amount or such other amount as may be specified in the relevant Final Terms;

“**Optional Redemption Date (Call)**” has the meaning given in the relevant Final Terms;

“**Optional Redemption Date (Put)**” has the meaning given in the relevant Final Terms;

“**Participating Member State**” means a Member State of the European Communities which adopts the euro as its lawful currency in accordance with the Treaty;

“**Payment Business Day**” means:

- (a) if the currency of payment is euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and
 - (ii) in the case of payment by transfer to an account, a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or
- (b) if the currency of payment is not euro, any day which is:
 - (i) a day on which banks in the relevant place of presentation are open for presentation and payment of bearer debt securities and for dealings in foreign currencies; and

- (ii) in the case of payment by transfer to an account, a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre;

“Person” means any individual, company, corporation, firm, partnership, joint venture, association, organisation, state or agency of a state or other entity, whether or not having separate legal personality;

“Principal Financial Centre” means, in relation to any currency, the principal financial centre for that currency **provided, however, that:**

- (a) in relation to euro, it means the principal financial centre of such Member State of the European Communities as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent; and
- (b) in relation to New Zealand dollars, it means either Wellington or Auckland as is selected (in the case of a payment) by the payee or (in the case of a calculation) by the Calculation Agent;

“Put Option Notice” means a notice which must be delivered to a Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Put Option Receipt” means a receipt issued by a Paying Agent to a depositing Noteholder upon deposit of a Note with such Paying Agent by any Noteholder wanting to exercise a right to redeem a Note at the option of the Noteholder;

“Rate of Interest” means the rate or rates (expressed as a percentage per annum) of interest payable in respect of the Notes specified in the relevant Final Terms or calculated or determined in accordance with the provisions of these Conditions and/or the relevant Final Terms;

“Redemption Amount” means, as appropriate, the Final Redemption Amount, the Early Redemption Amount (Tax), the Optional Redemption Amount (Call), the Optional Redemption Amount (Put), the Early Termination Amount or such other amount in the nature of a redemption amount as may be specified in the relevant Final Terms;

“Reference Banks” has the meaning given in the relevant Final Terms or, if none, four major banks selected by the Calculation Agent in the market that is most closely connected with the Reference Rate;

“Reference Price” has the meaning given in the relevant Final Terms;

“Reference Rate” means EURIBOR or LIBOR as specified in the relevant Final Terms in respect of the currency and period specified in the relevant Final Terms;

“Regular Period” means:

- (a) in the case of Notes where interest is scheduled to be paid only by means of regular payments, each period from and including the Interest Commencement Date to but excluding the first Interest Payment Date and each successive period from and including one Interest Payment Date to but excluding the next Interest Payment Date;
- (b) in the case of Notes where, apart from the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where **“Regular Date”** means the day and month (but not the year) on which any Interest Payment Date falls; and

- (c) in the case of Notes where, apart from one Interest Period other than the first Interest Period, interest is scheduled to be paid only by means of regular payments, each period from and including a Regular Date falling in any year to but excluding the next Regular Date, where “**Regular Date**” means the day and month (but not the year) on which any Interest Payment Date falls other than the Interest Payment Date falling at the end of the irregular Interest Period;

“**Relevant Date**” means, in relation to any payment, whichever is the later of (a) the date on which the payment in question first becomes due and (b) if the full amount payable has not been received in the Principal Financial Centre of the currency of payment by the Fiscal Agent on or prior to such due date, the date on which (the full amount having been so received) notice to that effect has been given to the Noteholders;

“**Relevant Financial Centre**” has the meaning given in the relevant Final Terms;

“**Relevant Indebtedness**” means any indebtedness which is in the form of or represented by any bond, note, debenture, debenture stock, loan stock, certificate or other instrument which is, or is intended to be listed, quoted or traded on any stock exchange or in any securities market (including, without limitation, any over-the-counter market);

“**Relevant Screen Page**” means the page, section or other part of a particular information service (including, without limitation, Reuters) specified as the Relevant Screen Page in the relevant Final Terms, or such other page, section or other part as may replace it on that information service or such other information service, in each case, as may be nominated by the Person providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Reference Rate;

“**Relevant Time**” has the meaning given in the relevant Final Terms;

“**Reserved Matter**” means any proposal to change any date fixed for payment of principal or interest in respect of the Notes, to reduce the amount of principal or interest payable on any date in respect of the Notes, to alter the method of calculating the amount of any payment in respect of the Notes or the date for any such payment, to change the currency of any payment under the Notes or to change the quorum requirements relating to meetings or the majority required to pass an Extraordinary Resolution;

“**Security Interest**” means any mortgage, charge, pledge, lien or other security interest including, without limitation, anything analogous to any of the foregoing under the laws of any jurisdiction;

“**Specified Currency**” has the meaning given in the relevant Final Terms;

“**Specified Denomination(s)**” has the meaning given in the relevant Final Terms;

“**Specified Office**” has the meaning given in the Agency Agreement;

“**Specified Period**” has the meaning given in the relevant Final Terms;

“**Subsidiary**” means, in relation to any Person (the “**first Person**”) at any particular time, any other Person (the “**second Person**”):

- (a) whose affairs and policies the first Person controls or has the power to control, whether by ownership of share capital, contract, the power to appoint or remove members of the governing body of the second Person or otherwise; or

- (b) whose financial statements are, in accordance with applicable law and generally accepted accounting principles, consolidated with those of the first Person;

“**Talon**” means a talon for further Coupons;

“**TARGET2**” means the Trans-European Automated Real-Time Gross Settlement Express Transfer payment system which utilises a single shared platform and which was launched on 19 November 2007;

“**TARGET Settlement Day**” means any day on which TARGET2 is open for the settlement of payments in euro;

“**Treaty**” means the Treaty establishing the European Communities, as amended; and

“**Zero Coupon Note**” means a Note specified as such in the relevant Final Terms.

(b) *Interpretation:* In these Conditions:

- (i) if the Notes are Zero Coupon Notes, references to Coupons and Couponholders are not applicable;
- (ii) if Talons are specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Coupons shall be deemed to include references to Talons;
- (iii) if Talons are not specified in the relevant Final Terms as being attached to the Notes at the time of issue, references to Talons are not applicable;
- (iv) any reference to principal shall be deemed to include the Redemption Amount, any additional amounts in respect of principal which may be payable under Condition 13 (*Taxation*), any premium payable in respect of a Note and any other amount in the nature of principal payable pursuant to these Conditions;
- (v) any reference to interest shall be deemed to include any additional amounts in respect of interest which may be payable under Condition 13 (*Taxation*) and any other amount in the nature of interest payable pursuant to these Conditions;
- (vi) references to Notes being “outstanding” shall be construed in accordance with the Agency Agreement;
- (vii) if an expression is stated in Condition (a) (*Interpretation – Definitions*) to have the meaning given in the relevant Final Terms, but the relevant Final Terms gives no such meaning or specifies that such expression is “not applicable” then such expression is not applicable to the Notes; and
- (viii) any reference to the Agency Agreement or the Deed of Guarantee shall be construed as a reference to the Agency Agreement or the Deed of Guarantee, as the case may be, as amended and/or supplemented up to and including the Issue Date of the Notes.

3. **Form, Denomination, Title and Transfer**

- (a) *Bearer Notes:* Bearer Notes are in the Specified Denomination(s) with Coupons and, if specified in the relevant Final Terms, Talons attached at the time of issue. In the case of a Series of Bearer Notes with more than one Specified Denomination, Bearer Notes of one Specified Denomination will not be exchangeable for Bearer Notes of another Specified Denomination.

- (b) *Title to Bearer Notes:* Title to Bearer Notes and the Coupons will pass by delivery. In the case of Bearer Notes, “**Holder**” means the holder of such Bearer Note and “**Noteholder**” and “**Couponholder**” shall be construed accordingly.
- (c) *Registered Notes:* Registered Notes are in the Specified Denomination(s), which may include a minimum denomination specified in the relevant Final Terms and higher integral multiples of a smaller amount specified in the relevant Final Terms.
- (d) *Title to Registered Notes:* The Registrar will maintain the register in accordance with the provisions of the Agency Agreement. A certificate (each, a “**Note Certificate**”) will be issued to each Holder of Registered Notes in respect of its registered holding. Each Note Certificate will be numbered serially with an identifying number which will be recorded in the Register. In the case of Registered Notes, “**Holder**” means the person in whose name such Registered Note is for the time being registered in the Register (or, in the case of a joint holding, the first named thereof) and “**Noteholder**” shall be construed accordingly.
- (e) *Ownership:* The Holder of any Note or Coupon shall (except as otherwise required by law) be treated as its absolute owner for all purposes (whether or not it is overdue and regardless of any notice of ownership, trust or any other interest therein, any writing thereon or, in the case of Registered Notes, on the Note Certificate relating thereto (other than the endorsed form of transfer) or any notice of any previous loss or theft thereof) and no Person shall be liable for so treating such Holder. No person shall have any right to enforce any term or condition of any Note under the Contracts (Rights of Third Parties) Act 1999.
- (f) *Transfers of Registered Notes:* Subject to paragraphs (i) (*Closed periods*) and (j) (*Regulations concerning transfers and registration*) below, a Registered Note may be transferred upon surrender of the relevant Note Certificate, with the endorsed form of transfer duly completed, at the Specified Office of the Registrar or any Transfer Agent, together with such evidence as the Registrar or (as the case may be) such Transfer Agent may reasonably require to prove the title of the transferor and the authority of the individuals who have executed the form of transfer; **provided, however, that** a Registered Note may not be transferred unless the principal amount of Registered Notes transferred and (where not all of the Registered Notes held by a Holder are being transferred) the principal amount of the balance of Registered Notes not transferred are Specified Denominations. Where not all the Registered Notes represented by the surrendered Note Certificate are the subject of the transfer, a new Note Certificate in respect of the balance of the Registered Notes will be issued to the transferor.
- (g) *Registration and delivery of Note Certificates:* Within five business days of the surrender of a Note Certificate in accordance with paragraph (f) (*Transfers of Registered Notes*) above, the Registrar will register the transfer in question and deliver a new Note Certificate of a like principal amount to the Registered Notes transferred to each relevant Holder at its Specified Office or (as the case may be) the Specified Office of any Transfer Agent or (at the request and risk of any such relevant Holder) by uninsured first class mail (airmail if overseas) to the address specified for the purpose by such relevant Holder. In this paragraph, “**business day**” means a day on which commercial banks are open for general business (including dealings in foreign currencies) in the city where the Registrar or (as the case may be) the relevant Transfer Agent has its Specified Office.
- (h) *No charge:* The transfer of a Registered Note will be effected without charge by or on behalf of the Issuer or the Registrar or any Transfer Agent but against such indemnity as the Registrar or (as the case may be) such Transfer Agent may require in respect of any tax or other duty of whatsoever nature which may be levied or imposed in connection with such transfer.

- (i) *Closed periods:* Noteholders may not require transfers to be registered during the period of 15 days ending on the due date for any payment of principal or interest in respect of the Registered Notes.
- (j) *Regulations concerning transfers and registration:* All transfers of Registered Notes and entries on the Register are subject to the detailed regulations concerning the transfer of Registered Notes scheduled to the Agency Agreement. The regulations may be changed by the Issuer with the prior written approval of the Registrar. A copy of the current regulations will be mailed (free of charge) by the Registrar to any Noteholder who requests in writing a copy of such regulations.

4. **Status and Guarantee**

- (a) *Status of the Notes:* The Notes constitute direct, unconditional and unsecured obligations of the Issuer which will at all times rank *pari passu* among themselves and at least *pari passu* with all other present and future unsecured obligations of the Issuer, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.
- (b) *Guarantee of the Notes:* The Guarantor has in the Deed of Guarantee unconditionally and irrevocably guaranteed the due and punctual payment of all sums from time to time payable by the Issuer in respect of the Notes. This Guarantee of the Notes constitutes direct, unconditional and unsecured obligations of the Guarantor which will at all times rank at least *pari passu* with all other present and future unsecured obligations of the Guarantor, save for such obligations as may be preferred by provisions of law that are both mandatory and of general application.

5. **Negative Pledge**

So long as any Note remains outstanding, neither the Issuer nor the Guarantor shall, and the Issuer and the Guarantor shall procure that none of their respective Subsidiaries will, create or permit to subsist any Security Interest upon the whole or any part of its present or future undertaking, assets or revenues (including uncalled capital) to secure any Relevant Indebtedness or Guarantee of Relevant Indebtedness other than a Permitted Security Interest without (a) at the same time or prior thereto securing the Notes or the Guarantor's obligations under the Guarantee equally and rateably therewith or (b) providing such other security for the Notes or the Guarantor's obligations under the Guarantee as may be approved by an Extraordinary Resolution of Noteholders.

“**Permitted Security Interest**” means

- (a) any Security Interest which directly or indirectly secures any aircraft or aircraft equipment of the Issuer or the Guarantor or any of the Issuer's or Guarantor's Subsidiaries; or
- (b) any Security Interest existing on property at the time of the acquisition thereof by the Issuer or the Guarantor or any of the Issuer's or Guarantor's Subsidiaries, provided that such Security Interest was not created in connection with or in contemplation of such acquisition and that the amount secured by such Security Interest is not increased subsequently to the acquisition of the relevant property.

6. **Fixed Rate Note Provisions**

- (a) *Application:* This Condition 6 is applicable to the Notes only if the Fixed Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly

withheld or refused, in which case it will continue to bear interest in accordance with this Condition 6 (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

- (c) *Fixed Coupon Amount:* The amount of interest payable in respect of each Note for any Interest Period shall be the relevant Fixed Coupon Amount and, if the Notes are in more than one Specified Denomination, shall be the relevant Fixed Coupon Amount in respect of the relevant Specified Denomination.
- (d) *Calculation of interest amount:* The amount of interest payable in respect of each Note for any period for which a Fixed Coupon Amount is not specified shall be calculated by applying the Rate of Interest to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying such rounded figure by a fraction equal to the Specified Denomination of such Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

7. **Floating Rate Note**

- (a) *Application:* This Condition 7 is applicable to the Notes only if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Accrual of interest:* The Notes bear interest from the Interest Commencement Date at the Rate of Interest payable in arrear on each Interest Payment Date, subject as provided in Condition 11 (*Payments – Bearer Notes*). Each Note will cease to bear interest from the due date for final redemption unless, upon due presentation, payment of the Redemption Amount is improperly withheld or refused, in which case it will continue to bear interest in accordance with this Condition (as well after as before judgment) until whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).
- (c) *Screen Rate Determination:* If Screen Rate Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be determined by the Calculation Agent on the following basis:
 - (i) if the Reference Rate is a composite quotation or customarily supplied by one entity, the Calculation Agent will determine the Reference Rate which appears on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (ii) in any other case, the Calculation Agent will determine the arithmetic mean of the Reference Rates which appear on the Relevant Screen Page as of the Relevant Time on the relevant Interest Determination Date;
 - (iii) if, in the case of (i) above, such rate does not appear on that page or, in the case of (ii) above, fewer than two such rates appear on that page or if, in either case, the Relevant Screen Page is unavailable, the Calculation Agent will:

- (A) request the principal Relevant Financial Centre office of each of the Reference Banks to provide a quotation of the Reference Rate at approximately the Relevant Time on the Interest Determination Date to prime banks in the Relevant Financial Centre interbank market in an amount that is representative for a single transaction in that market at that time; and
 - (B) determine the arithmetic mean of such quotations; and
- (iv) if fewer than two such quotations are provided as requested, the Calculation Agent will determine the arithmetic mean of the rates (being the nearest to the Reference Rate, as determined by the Calculation Agent) quoted by major banks in the Principal Financial Centre of the Specified Currency, selected by the Calculation Agent, at approximately 11.00 a.m. (local time in the Principal Financial Centre of the Specified Currency) on the first day of the relevant Interest Period for loans in the Specified Currency to leading European banks for a period equal to the relevant Interest Period and in an amount that is representative for a single transaction in that market at that time,

and the Rate of Interest for such Interest Period shall be the sum of the Margin and the rate or (as the case may be) the arithmetic mean so determined; **provided, however, that** if the Calculation Agent is unable to determine a rate or (as the case may be) an arithmetic mean in accordance with the above provisions in relation to any Interest Period, the Rate of Interest applicable to the Notes during such Interest Period will be the sum of the Margin and the rate or (as the case may be) the arithmetic mean last determined in relation to the Notes in respect of a preceding Interest Period.

- (d) *ISDA Determination:* If ISDA Determination is specified in the relevant Final Terms as the manner in which the Rate(s) of Interest is/are to be determined, the Rate of Interest applicable to the Notes for each Interest Period will be the sum of the Margin and the relevant ISDA Rate where “ISDA Rate” in relation to any Interest Period means a rate equal to the Floating Rate (as defined in the ISDA Definitions) that would be determined by the Calculation Agent under an interest rate swap transaction if the Calculation Agent were acting as Calculation Agent for that interest rate swap transaction under the terms of an agreement incorporating the ISDA Definitions and under which:
 - (i) the Floating Rate Option (as defined in the ISDA Definitions) is as specified in the relevant Final Terms;
 - (ii) the Designated Maturity (as defined in the ISDA Definitions) is a period specified in the relevant Final Terms; and
 - (iii) the relevant Reset Date (as defined in the ISDA Definitions) is either (A) if the relevant Floating Rate Option is based on the London inter-bank offered rate (LIBOR) for a currency, the first day of that Interest Period or (B) in any other case, as specified in the relevant Final Terms.
- (e) *Maximum or Minimum Rate of Interest:* If any Maximum Rate of Interest or Minimum Rate of Interest is specified in the relevant Final Terms, then the Rate of Interest shall in no event be greater than the maximum or be less than the minimum so specified.
- (f) *Calculation of Interest Amount:* The Calculation Agent will, as soon as practicable after the time at which the Rate of Interest is to be determined in relation to each Interest Period, calculate the Interest Amount payable in respect of each Note for such Interest Period. The Interest Amount will be calculated by applying the Rate of Interest for such Interest Period to the Calculation Amount, multiplying the product by the relevant Day Count Fraction, rounding the resulting figure to the nearest sub-unit of the Specified Currency (half a sub-unit being rounded upwards) and multiplying

such rounded figure by a fraction equal to the Specified Denomination of the relevant Note divided by the Calculation Amount. For this purpose a “**sub-unit**” means, in the case of any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, in the case of euro, means one cent.

- (g) *Publication:* The Calculation Agent will cause each Rate of Interest and Interest Amount determined by it, together with the relevant Interest Payment Date, and any other amount(s) required to be determined by it together with any relevant payment date(s) to be notified to the Paying Agents and each competent authority, stock exchange and/or quotation system (if any) by which the Notes have then been admitted to listing, trading and/or quotation as soon as practicable after such determination but (in the case of each Rate of Interest, Interest Amount and Interest Payment Date) in any event not later than the first day of the relevant Interest Period. Notice thereof shall also promptly be given to the Noteholders. The Calculation Agent will be entitled to recalculate any Interest Amount (on the basis of the foregoing provisions) without notice in the event of an extension or shortening of the relevant Interest Period. If the Calculation Amount is less than the minimum Specified Denomination the Calculation Agent shall not be obliged to publish each Interest Amount but instead may publish only the Calculation Amount and the Interest Amount in respect of a Note having the minimum Specified Denomination.
- (h) *Notifications etc:* All notifications, opinions, determinations, certificates, calculations, quotations and decisions given, expressed, made or obtained for the purposes of this Condition by the Calculation Agent will (in the absence of manifest error) be binding on the Issuer, the Guarantor, the Paying Agents, the Noteholders and the Couponholders and (subject as aforesaid) no liability to any such Person will attach to the Calculation Agent in connection with the exercise or non-exercise by it of its powers, duties and discretions for such purposes.

8. **Coupon Step-up**

This Condition 8 is applicable to the Notes only if 'Coupon Step-up' is specified as applicable in the relevant Final Terms, whereupon the following terms relating to the Rate of Interest for Fixed Rate Notes and Floating Rate Notes shall apply:

- (i) If the Notes are not assigned a credit rating that is of an Investment Grade level by two Rating Agencies (whether as a result of a downgrade or a voluntary withdrawal of a rating by the Issuer or Guarantor, or otherwise) (such event a “**Coupon Step-up**”) on the date that is five Business Days before an Interest Payment Date, then the Rate of Interest (in the case of Fixed Rate Notes) or the Margin (in the case of Floating Rate Notes) on such Interest Payment Date shall be the Step-up Rate specified in the applicable Final Terms.
- (ii) if, at any time:
 - (a) the Notes cease to be assigned a credit rating that is of an Investment Grade level by two Rating Agencies; or
 - (b) following an event described in (ii)(a) above, an Investment Grade rating by two Rating Agencies is reinstated,then the Issuer will (in accordance with Condition 20 (Notices)) notify the Fiscal Agent and the Noteholders of such change as soon as reasonably practicable after such occurrence (but in no event later than the fifth London Business Day thereafter).

In this Condition, the following words have the following meanings:

“Investment Grade” means a rating of BBB- or above in relation to S&P or Fitch, or, Baa3 in respect of Moody's, or where such designations are officially changed by a Rating Agency, or a Substitute Rating Agency has been designated by the Issuer, then the equivalent rating or above; and

“Rating Agency” means Fitch Ratings Ltd. or any other entity that is part of the group to which Fitch Ratings Ltd. or its successor belongs (**“Fitch”**) or Standard & Poor's Credit Market Services Europe Limited or any other entity that is part of the group to which Standard & Poor's Credit Market Services Europe Limited or its successor belongs (**“S&P”**), provided however that, Fitch or S&P may be replaced with a rating by Moody's Investors Service Ltd. or any other entity that is part of the group to which Moody's Investors Service Ltd. or its successor belongs (**“Moody's”**) or a rating agency of an equivalent international standing (a **“Substitute Rating Agency”**) by the Issuer from time to time.

9. **Zero Coupon Note Provisions**

- (a) *Application:* This Condition 9 is applicable to the Notes only if the Zero Coupon Note Provisions are specified in the relevant Final Terms as being applicable.
- (b) *Late payment on Zero Coupon Notes:* If the Redemption Amount payable in respect of any Zero Coupon Note is improperly withheld or refused, the Redemption Amount shall thereafter be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price on the basis of the relevant Day Count Fraction from (and including) the Issue Date to (but excluding) whichever is the earlier of (i) the day on which all sums due in respect of such Note up to that day are received by or on behalf of the relevant Noteholder and (ii) the day which is seven days after the Fiscal Agent has notified the Noteholders that it has received all sums due in respect of the Notes up to such seventh day (except to the extent that there is any subsequent default in payment).

10. **Redemption and Purchase**

- (a) *Scheduled redemption:* Unless previously redeemed, or purchased and cancelled, the Notes will be redeemed at their Final Redemption Amount on the Maturity Date, subject as provided in Condition 11 (*Payments – Bearer Notes*).
- (b) *Redemption for tax reasons:* The Notes may be redeemed at the option of the Issuer in whole, but not in part:
 - (i) at any time (if the Floating Rate Note Provisions are specified in the relevant Final Terms as not being applicable); or
 - (ii) on any Interest Payment Date (if the Floating Rate Note Provisions are specified in the relevant Final Terms as being applicable),
 - on giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms, (which notice shall be irrevocable), at their Early Redemption Amount (Tax), together with interest accrued (if any) to the date fixed for redemption, if:
 - (A) (1) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) as a result of any change in, or amendment

to, the laws or regulations of the Republic of Ireland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations, which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Issuer taking reasonable measures available to it; or

- (B) (1) the Guarantor has or (if a demand was made under the Guarantee of the Notes) would become obliged to pay additional amounts as provided or referred to in Condition 13 (*Taxation*) on the Guarantee of the Notes as a result of any change in, or amendment to, the laws or regulations of the Republic of Ireland or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws or regulations (including a holding by a court of competent jurisdiction), which change or amendment becomes effective on or after the date of issue of the first Tranche of the Notes; and (2) such obligation cannot be avoided by the Guarantor taking reasonable measures available to it,

provided, however, that no such notice of redemption shall be given earlier than:

1. where the Notes may be redeemed at any time, 90 days, or such other period(s) as may be specified in the relevant final terms, prior to the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due; or
2. where the Notes may be redeemed only on an Interest Payment Date, 60 days, or such other period(s) as may be specified in the relevant final terms, prior to the Interest Payment Date occurring immediately before the earliest date on which the Issuer would be obliged to pay such additional amounts if a payment in respect of the Notes were then due.

Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver or procure that there is delivered to the Fiscal Agent (1) a certificate signed by two directors of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (2) an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of such change or amendment. Upon the expiry of any such notice as is referred to in this Condition (b), the Issuer shall be bound to redeem the Notes in accordance with this Condition (b).

- (c) *Redemption at the option of the Issuer:* If the Call Option is specified in the relevant Final Terms as being applicable, the Notes may be redeemed at the option of the Issuer in whole or, if so specified in the relevant Final Terms, in part on any Optional Redemption Date (Call) at the relevant Optional Redemption Amount (Call) on the Issuer's giving not less than 30 nor more than 60 days' notice to the Noteholders, or such other period(s) as may be specified in the relevant final terms, (which notice shall be irrevocable and shall oblige the Issuer to redeem the Notes or, as the case may be, the Notes specified in such notice on the relevant Optional Redemption Date (Call) at the Optional Redemption Amount (Call) plus accrued interest (if any) to such date).
- (d) *Partial redemption:* If the Notes are to be redeemed in part only on any date in accordance with Condition (c) (*Redemption at the option of the Issuer*), in the case of Bearer Notes, the Notes to be redeemed shall be selected by the drawing of lots in such place as the Fiscal Agent approves and in such manner as the Fiscal Agent considers appropriate, subject to compliance with applicable law, the rules of each competent authority, stock exchange and/or quotation system (if any) by which the

Notes have then been admitted to listing, trading and/or quotation and the notice to Noteholders referred to in Condition (c) (*Redemption at the option of the Issuer*) shall specify the serial numbers of the Notes so to be redeemed, and, in the case of Registered Notes, each Note shall be redeemed in part in the proportion which the aggregate principal amount of the outstanding Notes to be redeemed on the relevant Optional Redemption Date (Call) bears to the aggregate principal amount of outstanding Notes on such date. If any Maximum Redemption Amount or Minimum Redemption Amount is specified in the relevant Final Terms, then the Optional Redemption Amount (Call) shall in no event be greater than the maximum or be less than the minimum so specified.

- (e) *Redemption at the option of Noteholders:* If the Put Option is specified in the relevant Final Terms as being applicable, the Issuer shall, at the option of the Holder of any Note redeem such Note on the Optional Redemption Date (Put) specified in the relevant Put Option Notice at the relevant Optional Redemption Amount (Put) together with interest (if any) accrued to such date. In order to exercise the option contained in this Condition (e), the Holder of a Note must, not less than 30 nor more than 60 days before the relevant Optional Redemption Date (Put), or such other period(s) as may be specified in the relevant final terms, deposit with any Paying Agent such Note together with all unmatured Coupons relating thereto and a duly completed Put Option Notice in the form obtainable from any Paying Agent. The Paying Agent with which a Note is so deposited shall deliver a duly completed Put Option Receipt to the depositing Noteholder. No Note, once deposited with a duly completed Put Option Notice in accordance with this Condition (e), may be withdrawn; **provided, however, that** if, prior to the relevant Optional Redemption Date (Put), any such Note becomes immediately due and payable or, upon due presentation of any such Note on the relevant Optional Redemption Date (Put), payment of the redemption moneys is improperly withheld or refused, the relevant Paying Agent shall mail notification thereof to the depositing Noteholder at such address as may have been given by such Noteholder in the relevant Put Option Notice and shall hold such Note at its Specified Office for collection by the depositing Noteholder against surrender of the relevant Put Option Receipt. For so long as any outstanding Note is held by a Paying Agent in accordance with this Condition (e), the depositor of such Note and not such Paying Agent shall be deemed to be the Holder of such Note for all purposes.
- (f) *Change of Control:* This Condition 10(f) is applicable to the Notes only if Change of Control Put Option is specified in the relevant Final Terms as being applicable, whereupon, if at any time while the Notes remain outstanding a Change of Control (as defined below) occurs and within the Change of Control Period a Downgrade (as defined below) of the Issuer or the Guarantor in respect of that Change of Control occurs (an “**Early Redemption Event**”), the Issuer or, as relevant, the Guarantor, will:
- (i) immediately after becoming aware of the Early Redemption Event, publish this fact by way of a notice pursuant to Condition 20 (*Notices*); and
 - (ii) determine and publish pursuant to Condition 20 (*Notices*) the effective date for the purposes of this subparagraph (the “**Effective Date**”). The Effective Date must be a Business Day (as defined below) not less than 60 and not more than 90 days after publication of the notice regarding the Early Redemption Event pursuant to subparagraph (f)(ii).

If the Issuer, or, as relevant, the Guarantor, has published a notice regarding an Early Redemption Event pursuant to subparagraph (f)(ii), any Noteholder may, at its option, by submitting a redemption notice in the form obtainable from any Paying Agent (the “**Early Redemption Notice**”), demand from the Issuer redemption as of the Effective Date of any or all of its Notes which are or were not otherwise declared due for early redemption, at their principal amount, plus interest accrued on their principal amount until (but excluding) the Effective Date. Each Early Redemption Notice must be received by the Fiscal Agent not less than 10 days prior to the Effective Date.

Any Early Redemption Notice shall be made by means of a written notice to be delivered to the Fiscal Agent together with evidence by means of a certificate of the Noteholder's depository bank that such Holder at the time of such written notice is the holder of the relevant Notes. Early Redemption Notices shall be irrevocable.

A **"Change of Control"** occurs if any person or group, acting in concert, gains Control of the Issuer or the Guarantor.

"Control" means (i) any direct or indirect legal or beneficial ownership of, or any direct or indirect legal or beneficial entitlement to, in the aggregate, more than 50 per cent. of the ordinary shares of the Issuer or the Guarantor, the right to directly or indirectly appoint a majority of the directors of the Issuer or the Guarantor, or any other ability to control the affairs of the Issuer or the Guarantor, or (ii) in the event of a tender offer for shares of the Issuer or the Guarantor, circumstances where (A) the shares already in the control of the offeror and the shares with respect to which the offer has been accepted carry in aggregate more than 50 per cent. of the voting rights in the Issuer or, as relevant, the Guarantor, and (B) at the same time the offer has become unconditional, or (iii) the disposal or transfer by the Issuer or the Guarantor of all or substantially all of its assets to another person or other persons.

"Change of Control Period" means the period commencing on the date that is the earlier of (1) the date of the first public announcement of a Change of Control; and (2) the date of the earliest Potential Change of Control Announcement and ending 90 days after the Change of Control.

"Potential Change of Control Announcement" means any public announcement or statement by the Issuer, the Guarantor or any actual or potential bidder relating to any potential Change of Control where within 180 days of the date of such announcement or statement, a Change of Control occurs.

A **"Downgrade"** occurs if the solicited credit ratings assigned to the Issuer's or the Guarantor's long-term unsecured debt fall below BBB- (in the case of Standard & Poor's and Fitch) or Baa3 (in the case of Moody's) or all Rating Agencies cease to assign (other than temporarily) a credit rating to the Issuer or the Guarantor.

"Rating Agencies" means each of the rating agencies of Fitch Ratings (**"Fitch"**), Moody's Investors Service (**"Moody's"**) or Standard & Poor's, a division of The McGraw-Hill Companies, Inc. (**"Standard & Poor's"**) and their respective successors to their ratings business.

- (g) *No other redemption:* The Issuer shall not be entitled to redeem the Notes otherwise than as provided in paragraphs (a) to (e) above, or through purchase and cancellation in accordance with paragraphs (i) and (j) below.
- (h) *Early redemption of Zero Coupon Notes:* Unless otherwise specified in the relevant Final Terms, the Redemption Amount payable on redemption of a Zero Coupon Note at any time before the Maturity Date shall be an amount equal to the sum of:
 - (i) the Reference Price; and
 - (ii) the product of the Accrual Yield (compounded annually) being applied to the Reference Price from (and including) the Issue Date to (but excluding) the date fixed for redemption or (as the case may be) the date upon which the Note becomes due and payable.

Where such calculation is to be made for a period which is not a whole number of years, the calculation in respect of the period of less than a full year shall be made on the basis of such Day Count Fraction as may be specified in the Final Terms for the purposes of this Condition (h) or, if none is so specified, a Day Count Fraction of 30E/360.

- (i) *Purchase:* The Issuer, the Guarantor or any of their respective Subsidiaries may at any time purchase Notes in the open market or otherwise and at any price, **provided that** all unmatured Coupons are purchased therewith.
- (j) *Cancellation:* All Notes so redeemed or purchased by the Issuer, the Guarantor or any of their respective Subsidiaries and any unmatured Coupons attached to or surrendered with them may at their option be cancelled and may not be reissued or resold.

11. **Payments – Bearer Notes**

This Condition 11 is only applicable to Bearer Notes.

- (a) *Principal:* Payments of principal shall be made only against presentation and (**provided that** payment is made in full) surrender of Bearer Notes at the Specified Office of any Paying Agent outside the United States by cheque drawn in the currency in which the payment is due on, or by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency.
- (b) *Interest:* Payments of interest shall, subject to paragraph (h) below, be made only against presentation and (**provided that** payment is made in full) surrender of the appropriate Coupons at the Specified Office of any Paying Agent outside the United States in the manner described in paragraph (a) above.
- (c) *Payments in New York City:* Payments of principal or interest may be made at the Specified Office of a Paying Agent in New York City if (i) the Issuer has appointed Paying Agents outside the United States with the reasonable expectation that such Paying Agents will be able to make payment of the full amount of the interest on the Notes in the currency in which the payment is due when due, (ii) payment of the full amount of such interest at the offices of all such Paying Agents is illegal or effectively precluded by exchange controls or other similar restrictions and (iii) payment is permitted by applicable United States law.
- (d) *Payments subject to fiscal laws:* All payments in respect of the Bearer Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.
- (e) *Deductions for unmatured Coupons:* If the relevant Final Terms specifies that the Fixed Rate Note Provisions are applicable and a Bearer Note is presented without all unmatured Coupons relating thereto:
 - (i) if the aggregate amount of the missing Coupons is less than or equal to the amount of principal due for payment, a sum equal to the aggregate amount of the missing Coupons will be deducted from the amount of principal due for payment; **provided, however, that** if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of such missing Coupons which the gross amount actually available for payment bears to the amount of principal due for payment;
 - (ii) if the aggregate amount of the missing Coupons is greater than the amount of principal due for payment:
 - (A) so many of such missing Coupons shall become void (in inverse order of maturity) as will result in the aggregate amount of the remainder of such missing Coupons

(the “**Relevant Coupons**”) being equal to the amount of principal due for payment; **provided, however, that** where this sub-paragraph would otherwise require a fraction of a missing Coupon to become void, such missing Coupon shall become void in its entirety; and

- (B) a sum equal to the aggregate amount of the Relevant Coupons (or, if less, the amount of principal due for payment) will be deducted from the amount of principal due for payment; **provided, however, that**, if the gross amount available for payment is less than the amount of principal due for payment, the sum deducted will be that proportion of the aggregate amount of the Relevant Coupons (or, as the case may be, the amount of principal due for payment) which the gross amount actually available for payment bears to the amount of principal due for payment.

Each sum of principal so deducted shall be paid in the manner provided in paragraph (a) above against presentation and (**provided that** payment is made in full) surrender of the relevant missing Coupons.

- (f) *Unmatured Coupons void:* If the relevant Final Terms specifies that this Condition (f) is applicable or that the Floating Rate Note Provisions are applicable, on the due date for final redemption of any Note or early redemption in whole of such Note pursuant to Condition (b) (*Redemption and Purchase – Redemption for tax reasons*), Condition (e) (*Redemption and Purchase – Redemption at the option of Noteholders*), Condition (c) (*Redemption and Purchase – Redemption at the option of the Issuer*) or Condition 14 (*Events of Default*), all unmatured Coupons relating thereto (whether or not still attached) shall become void and no payment will be made in respect thereof.
- (g) *Payments on business days:* If the due date for payment of any amount in respect of any Bearer Note or Coupon is not a Payment Business Day in the place of presentation, the Holder shall not be entitled to payment in such place of the amount due until the next succeeding Payment Business Day in such place and shall not be entitled to any further interest or other payment in respect of any such delay.
- (h) *Payments other than in respect of matured Coupons:* Payments of interest other than in respect of matured Coupons shall be made only against presentation of the relevant Bearer Notes at the Specified Office of any Paying Agent outside the United States (or in New York City if permitted by paragraph (c) above).
- (i) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Bearer Note or Coupon presented to it for payment, such Paying Agent will endorse thereon a statement indicating the amount and date of such payment.
- (j) *Exchange of Talons:* On or after the maturity date of the final Coupon which is (or was at the time of issue) part of a Coupon Sheet relating to the Bearer Notes, the Talon forming part of such Coupon Sheet may be exchanged at the Specified Office of the Fiscal Agent for a further Coupon Sheet (including, if appropriate, a further Talon but excluding any Coupons in respect of which claims have already become void pursuant to Condition 15 (*Prescription*)). Upon the due date for redemption of any Bearer Note, any unexchanged Talon relating to such Note shall become void and no Coupon will be delivered in respect of such Talon.

12. **Payments - Registered Notes**

This Condition 12 is only applicable to Registered Notes.

- (a) *Principal:* Payments of principal shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (b) *Interest:* Payments of interest shall be made by cheque drawn in the currency in which the payment is due drawn on, or, upon application by a Holder of a Registered Note to the Specified Office of the Fiscal Agent not later than the fifteenth day before the due date for any such payment, by transfer to an account denominated in that currency (or, if that currency is euro, any other account to which euro may be credited or transferred) and maintained by the payee with, a bank in the Principal Financial Centre of that currency (in the case of a sterling cheque, a town clearing branch of a bank in the City of London) and (in the case of interest payable on redemption) upon surrender (or, in the case of part payment only, endorsement) of the relevant Note Certificates at the Specified Office of any Paying Agent.
- (c) *Payments subject to fiscal laws:* All payments in respect of Registered Notes are subject in all cases to any applicable fiscal or other laws and regulations in the place of payment, but without prejudice to the provisions of Condition 13 (*Taxation*). No commissions or expenses shall be charged to the Noteholders in respect of such payments.
- (d) *Payments on business days:* Where payment is to be made by transfer to an account, payment instructions (for value the due date, or, if the due date is not Payment Business Day, for value the next succeeding Payment Business Day) will be initiated and, where payment is to be made by cheque, the cheque will be mailed (i) (in the case of payments of principal and interest payable on redemption) on the later of the due date for payment and the day on which the relevant Note Certificate is surrendered (or, in the case of part payment only, endorsed) at the Specified Office of a Paying Agent and (ii) (in the case of payments of interest payable other than on redemption) on the due date for payment. A Holder of a Registered Note shall not be entitled to any interest or other payment in respect of any delay in payment resulting from (A) the due date for a payment not being a Payment Business Day or (B) a cheque mailed in accordance with this Condition 12 arriving after the due date for payment or being lost in the mail.
- (e) *Partial payments:* If a Paying Agent makes a partial payment in respect of any Registered Note, the Issuer shall procure that the amount and date of such payment are noted on the Register and, in the case of partial payment upon presentation of a Note Certificate, that a statement indicating the amount and the date of such payment is endorsed on the relevant Note Certificate.
- (f) *Record date:* Each payment in respect of a Registered Note will be made to the person shown as the Holder in the Register at the opening of business in the place of the Registrar's Specified Office on the fifteenth day before the due date for such payment (the "**Record Date**"). Where payment in respect of a Registered Note is to be made by cheque, the cheque will be mailed to the address shown as the address of the Holder in the Register at the opening of business on the relevant Record Date.

13. **Taxation**

- (a) *Gross up:* All payments of principal and interest in respect of the Notes and the Coupons by or on behalf of the Issuer or the Guarantor shall be made free and clear of, and without withholding or

deduction for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or on behalf of the Republic of Ireland or any political subdivision therein or any authority therein or thereof having power to tax, unless the withholding or deduction of such taxes, duties, assessments, or governmental charges is required by law. In that event, the Issuer or (as the case may be) the Guarantor shall pay such additional amounts as will result in receipt by the Noteholders and the Couponholders after such withholding or deduction of such amounts as would have been received by them had no such withholding or deduction been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

- (i) held by or on behalf of a Holder which is liable to such taxes, duties, assessments or governmental charges in respect of such Note or Coupon by reason of its having some connection with the jurisdiction by which such taxes, duties, assessments or charges have been imposed, levied, collected, withheld or assessed other than the mere holding of the Note or Coupon; or
 - (ii) where such withholding or deduction is imposed on a payment to an individual and is required to be made pursuant to European Council Directive 2003/48/EC on the taxation of savings income or any law implementing or complying with, or introduced in order to conform to, this Directive; or
 - (iii) held by or on behalf of a Holder who would have been able to avoid such withholding or deduction by presenting the relevant Note or Coupon to another Paying Agent in a Member State of the EU;
 - (iv) required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the “**Code**”) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or any law implementing an intergovernmental approach thereto; or
 - (v) where the relevant Note or Coupon or Note Certificate is presented or surrendered for payment more than 30 days after the Relevant Date except to the extent that the Holder of such Note or Coupon would have been entitled to such additional amounts on presenting or surrendering such Note or Coupon or Note Certificate for payment on the last day of such period of 30 days.
- (b) *Taxing jurisdiction:* If the Issuer or the Guarantor becomes subject at any time to any taxing jurisdiction other than the Republic of Ireland in respect of payments made by it of principal or interest on the Notes and Coupons, references in these Conditions to the Republic of Ireland shall be construed as references to the Republic of Ireland and/or such other jurisdiction.

14. **Events of Default**

If any of the following events occurs and is continuing:

- (a) *Non-payment:* default is made in the payment of any amount of principal or any amount of interest in respect of the Notes on the due date for payment thereof and the default continues for a period of 30 days in the case of principal or interest; or
- (b) *Breach of other obligations:* the Issuer or the Guarantor defaults in the performance or observance of any of its other obligations under or in respect of the Notes or the Guarantee of the Notes and such default remains unremedied for 45 days after written notice thereof, addressed to the Issuer and the

Guarantor by any Noteholder, has been delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent; or

- (c) *Cross default:* any present or future financial indebtedness of the Issuer, the Guarantor or any of their Material Subsidiaries for or in respect of moneys borrowed or raised, other than the Notes and any moneys borrowed or raised by the Issuer, the Guarantor or any of their Material Subsidiaries from any other member of the Group, shall not be paid when it shall become due and payable on its stated maturity date (following the giving of such notice, if any, as required under the document governing such indebtedness and as extended by any applicable grace period) or becomes due and payable prior to its stated maturity by reason of the occurrence of any default or event of default, or the Issuer, the Guarantor or any of their Material Subsidiaries fails to pay when due any amount payable by it under any present or future guarantees for, or indemnity in respect of, any such financial indebtedness (other than in respect of any such guarantee or indemnity granted in favour of any other member of the Group) unless: (i) the aggregate amount of all such financial indebtedness or guarantees or indemnities is less than €100,000,000 or its equivalent in any other currencies; or (ii) the Issuer or the Guarantor or any of their Material Subsidiaries, as the case may be, is disputing in good faith by appropriate proceedings that such financial indebtedness is due or such guarantees or indemnities are callable, in which event such default shall not constitute an event of default hereunder so long as the dispute shall not have been finally adjudicated against the Issuer or the Guarantor or any of their Material Subsidiaries, as the case may be; or
- (d) *Unsatisfied judgment:* one or more judgment(s) or order(s) (which is not being disputed in good faith by appropriate proceedings) for the payment of any amount is rendered against the Issuer, the Guarantor or any of their respective Material Subsidiaries and continue(s) unsatisfied and unstayed for a period of 60 days after the date(s) thereof or, if later, the date therein specified for payment; or
- (e) *Security enforced:* a secured party takes possession, or a receiver, manager or other similar officer is appointed, of the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries; or
- (f) *Insolvency etc:* (i) the Issuer, the Guarantor or any of their respective Material Subsidiaries becomes insolvent or is unable to pay its debts as they fall due, (ii) an administrator, examiner or liquidator is appointed (or application or petition for any such appointment is made) in respect of the Issuer, the Guarantor or any of their respective Material Subsidiaries or the whole or any substantial part of the undertaking, assets and revenues of the Issuer, the Guarantor or any of their respective Material Subsidiaries, (iii) the Issuer, the Guarantor or any of their respective Material Subsidiaries takes any action for a readjustment or deferment of any of its obligations or makes a general assignment or an arrangement or composition with or for the benefit of its creditors or declares a moratorium in respect of any of its Indebtedness or any Guarantee of any Indebtedness given by it or (iv) the Issuer, the Guarantor or any of their respective Material Subsidiaries ceases or threatens to cease to carry on all or substantially all of its business, in the case of (iii) or (iv) above other than in the case of a solvent reorganisation; or
- (g) *Winding up etc:* an order is made or an effective resolution is passed for the winding up, liquidation or dissolution of the Issuer, the Guarantor or any of their respective Material Subsidiaries; or
- (h) *Analogous event:* any event occurs which under the laws of the Republic of Ireland has an analogous effect to any of the events referred to in paragraphs (d) to (g) above; or
- (i) *Guarantee not in force:* the Guarantee of the Notes is not (or is claimed by the Guarantor not to be) in full force and effect,

then any Note may, by written notice addressed by the Holder thereof to the Issuer and the Guarantor and delivered to the Issuer and the Guarantor or to the Specified Office of the Fiscal Agent, be declared immediately due and payable, whereupon it shall become immediately due and payable at its Early Termination Amount together with accrued interest (if any) without further action or formality.

In the case of an Event of Default occurring in relation to a Material Subsidiary, the Issuer and/or the Guarantor will, following the publication of the consolidated financial statements of the Guarantor, promptly notify Noteholders that such Event of Default has occurred. All such notifications will be made in accordance with Condition 20 (*Notices*).

15. **Prescription**

Claims for principal in respect of Bearer Notes shall become void unless the relevant Bearer Notes are presented for payment within ten years of the appropriate Relevant Date. Claims for interest in respect of Bearer Notes shall become void unless the relevant Coupons are presented for payment within five years of the appropriate Relevant Date. Claims for principal and interest on redemption in respect of Registered Notes shall become void unless the relevant Note Certificates are surrendered for payment within ten years of the appropriate Relevant Date.

16. **Replacement of Notes and Coupons**

If any Note, Note Certificate or Coupon is lost, stolen, mutilated, defaced or destroyed, it may be replaced at the Specified Office of the Fiscal Agent, in the case of Bearer Notes, or the Registrar, in the case of Registered Notes (and, if the Notes are then admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent or Transfer Agent in any particular place, the Paying Agent or Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system), subject to all applicable laws and competent authority, stock exchange and/or quotation system requirements, upon payment by the claimant of the expenses incurred in connection with such replacement and on such terms as to evidence, security, indemnity and otherwise as the Issuer may reasonably require. Mutilated or defaced Notes, Note Certificates or Coupons must be surrendered before replacements will be issued.

17. **Agents**

In acting under the Agency Agreement and in connection with the Notes and the Coupons, the Agents act solely as agents of the Issuer and the Guarantor and do not assume any obligations towards or relationship of agency or trust for or with any of the Noteholders or Couponholders.

The initial Agents and their initial Specified Offices are listed below. The initial Calculation Agent (if any) is specified in the relevant Final Terms. The Issuer and the Guarantor reserve the right at any time to vary or terminate the appointment of any Agent and to appoint a successor fiscal agent or registrar or Calculation Agent and additional or successor paying agents; **provided, however, that:**

- (a) the Issuer and the Guarantor shall at all times maintain a fiscal agent and a registrar; and
- (b) the Issuer and the Guarantor shall at all times maintain a paying agent in an EU member state that will not be obliged to withhold or deduct tax pursuant to European Council Directive 2003/48/EC; and
- (c) if a Calculation Agent is specified in the relevant Final Terms, the Issuer and the Guarantor shall at all times maintain a Calculation Agent; and

- (d) if and for so long as the Notes are admitted to listing, trading and/or quotation by any competent authority, stock exchange and/or quotation system which requires the appointment of a Paying Agent and/or a Transfer Agent in any particular place, the Issuer and the Guarantor shall maintain a Paying Agent and/or a Transfer Agent having its Specified Office in the place required by such competent authority, stock exchange and/or quotation system.

Notice of any change in any of the Agents or in their Specified Offices shall promptly be given to the Noteholders.

18. **Meetings of Noteholders; Modification and Waiver**

- (a) *Meetings of Noteholders:* The Agency Agreement contains provisions for convening meetings of noteholders to consider matters relating to the Notes, including the modification of any provision of these Conditions. Any such modification may be made if sanctioned by an Extraordinary Resolution. Such a meeting may be convened by the Issuer and the Guarantor (acting together) and shall be convened by them upon the request in writing of Noteholders holding not less than one-tenth of the aggregate principal amount of the outstanding Notes. The quorum at any meeting convened to vote on an Extraordinary Resolution will be two or more Persons holding or representing one more than half of the aggregate principal amount of the outstanding Notes or, at any adjourned meeting, two or more Persons being or representing Noteholders whatever the principal amount of the Notes held or represented; **provided, however, that** Reserved Matters may only be sanctioned by an Extraordinary Resolution passed at a meeting of Noteholders at which two or more Persons holding or representing not less than three-quarters or, at any adjourned meeting, one quarter of the aggregate principal amount of the outstanding Notes form a quorum. Any Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders and Couponholders, whether present or not.

In addition, a resolution in writing signed by or on behalf of all Noteholders who for the time being are entitled to receive notice of a meeting of Noteholders will take effect as if it were an Extraordinary Resolution. Such a resolution in writing may be contained in one document or several documents in the same form, each signed by or on behalf of one or more Noteholders.

- (b) *Modification:* The Notes, these Conditions, the Deed of Guarantee and the Deed of Covenant may be amended without the consent of the Noteholders or the Couponholders to correct a manifest error. In addition, the parties to the Agency Agreement may agree to modify any provision thereof, but the Issuer and the Guarantor shall not agree, without the consent of the Noteholders, to any such modification unless it is of a formal, minor or technical nature, it is made to correct a manifest error or it is, in the opinion of such parties, not materially prejudicial to the interests of the Noteholders.

19. **Further Issues**

The Issuer may from time to time, without the consent of the Noteholders or the Couponholders, create and issue further notes having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest) so as to form a single series with the Notes.

20. **Notices**

- (a) *Bearer Notes:* Notices to the Holders of Bearer Notes shall be valid if published in a leading English language daily newspaper published in London (which is expected to be the *Financial Times* or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe), or via the Companies Announcement Office of the Irish Stock Exchange plc if so required. Any such notice shall be deemed to have been given on the date of first publication (or if required to be published in more than one newspaper, on the first date on which publication

shall have been made in all the required newspapers). Couponholders shall be deemed for all purposes to have notice of the contents of any notice given to the Holders of Bearer Notes.

- (b) *Registered Notes:* Notices to the Holders of Registered Notes shall be sent to them by first class mail (or its equivalent) or (if posted to an overseas address) by airmail at their respective addresses on the Register or, if such publication is not practicable, in a leading English language daily newspaper having general circulation in Europe, or via the Companies Announcement Office of the Irish Stock Exchange plc if so required. Any such notice shall be deemed to have been given on the fourth day after the date of mailing.

21. **Currency Indemnity**

If any sum due from the Issuer in respect of the Notes or the Coupons or any order or judgment given or made in relation thereto has to be converted from the currency (the “**first currency**”) in which the same is payable under these Conditions or such order or judgment into another currency (the “**second currency**”) for the purpose of (a) making or filing a claim or proof against the Issuer, (b) obtaining an order or judgment in any court or other tribunal or (c) enforcing any order or judgment given or made in relation to the Notes, the Issuer shall indemnify each Noteholder, on the written demand of such Noteholder addressed to the Issuer and delivered to the Issuer or to the Specified Office of the Fiscal Agent, against any loss suffered as a result of any discrepancy between (i) the rate of exchange used for such purpose to convert the sum in question from the first currency into the second currency and (ii) the rate or rates of exchange at which such Noteholder may in the ordinary course of business purchase the first currency with the second currency upon receipt of a sum paid to it in satisfaction, in whole or in part, of any such order, judgment, claim or proof.

This indemnity constitutes a separate and independent obligation of the Issuer and shall give rise to a separate and independent cause of action.

22. **Rounding**

- (a) For the purposes of any calculations referred to in these Conditions (unless otherwise specified in these Conditions or the relevant Final Terms), (a) all percentages resulting from such calculations will be rounded, if necessary, to the nearest one hundred-thousandth of a percentage point (with 0.000005 per cent. being rounded up to 0.00001 per cent.), (b) all United States dollar amounts used in or resulting from such calculations will be rounded to the nearest cent (with one half cent being rounded up), (c) all Japanese Yen amounts used in or resulting from such calculations will be rounded downwards to the next lower whole Japanese Yen amount, and (d) all amounts denominated in any other currency used in or resulting from such calculations will be rounded to the nearest two decimal places in such currency, with 0.005 being rounded upwards.

23. **Governing Law and Jurisdiction**

- (a) *Governing law:* The Notes and any non-contractual obligations arising out of or in connection with the Notes are governed by English law.
- (b) *English courts:* The courts of England have exclusive jurisdiction to settle any dispute (a “**Dispute**”) arising out of or in connection with the Notes (including any non-contractual obligation arising out of or in connection with the Notes).
- (c) *Appropriate forum:* The Issuer agrees that the courts of England are the most appropriate and convenient courts to settle any Dispute and, accordingly, that it will not argue to the contrary.
- (d) *Service of process:* Each of the Issuer and the Guarantor agree that the documents which start any Proceedings and any other documents required to be served in relation to those Proceedings may be

served on it by being delivered to Ryanair, Sat 3, Stansted Airport, Essex, CM23 1QW, or to such other person with an address in England or Wales and/or at such other address in England or Wales as the Issuer or Guarantor respectively may specify by notice in writing to the Noteholders. Nothing in this paragraph shall affect the right of any Noteholder to serve process in any other manner permitted by law. This Condition applies to Proceedings in England and to Proceedings elsewhere.

FORM OF FINAL TERMS

Final Terms dated [•]

RYANAIR LIMITED

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

unconditionally and irrevocably guaranteed by

RYANAIR HOLDINGS PLC

under the €3,000,000,000

Euro Medium Term Note Programme

PART A – CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the “**Conditions**”) set forth in the Base Prospectus dated 29 May 2014 [and the supplemental Base Prospectus dated [•]] which [together] constitute[s] a base prospectus (the “**Base Prospectus**”) for the purposes of the Prospectus Directive. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Base Prospectus.

Full information on the Issuer and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus [is] [are] available for viewing [at [website]] [and] during normal business hours at [address] [and copies may be obtained from [address]].

The expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU **provided, however, that** all references in this document to the “Prospectus Directive” in relation to any Member State of the European Economic Area refer to Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the relevant Member State), and include any relevant implementing measure in the relevant Member State.

[Include whichever of the following apply or specify as “Not Applicable” (N/A). Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs (in which case the sub-paragraphs of the paragraphs which are not applicable can be deleted). Italics denote guidance for completing the Final Terms.]

- | | | | |
|----|---------|--|---|
| 1. | (i) | Issuer: | Ryanair Limited |
| | (ii) | Guarantor: | Ryanair Holdings plc |
| 2. | [(i)] | Series Number:] | [•] |
| | [(ii)] | Tranche Number: | [•] |
| | [(iii)] | Date on which the Notes become fungible: | [Not Applicable/The Notes shall be consolidated, form a single series and be interchangeable for trading purposes with the [•] on [[•]/the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 21 below [which is expected |

- to occur on or about [•].]
3. Specified Currency or Currencies: [•]
 4. Aggregate Nominal Amount: [•]
 - [(i)] [Series]: [•]
 - [(ii)] Tranche: [•]
 5. Issue Price: [•] per cent. of the Aggregate Nominal Amount [plus accrued interest from [•]]
 6. (i) Specified Denominations: [[•] and integral multiples of [•] in excess thereof [up to and including •.] No notes in definitive form will be issued with a denomination above [•].]
 - (ii) Calculation Amount: [•]
 7. (i) Issue Date: [•]
 - (ii) Interest Commencement Date: [[•]/Issue Date/Not Applicable]
 8. Maturity Date: [•]
 9. Interest Basis: [[•] per cent. Fixed Rate]
 - [•][•] [EURIBOR/LIBOR]+/- [•] per cent. Floating Rate]
 - [Zero Coupon]
 - (further particulars specified below)
 10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
 11. Change of Interest or Redemption/Payment Basis: [Applicable/Not Applicable]
 12. Put/Call Options: [Investor Put]
 - [Change of Control Put/Put Event] (*The placeholder here should reflect the name ascribed to any “event risk” put in the Conditions*)
 - [Issuer Call]
 - [(further particulars specified below)]
 13. [(i)] Status of the Notes: [Senior/[Dated/Perpetual]]

[(ii)] Status of the Guarantee: [Senior/[Dated/Perpetual]

[(iii)] [Date [Board] approval for [•] [and [•], respectively
issuance of Notes [and
Guarantee] [respectively]]
obtained:

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. **Fixed Rate Note Provisions** [Applicable/Not Applicable]

(i) Rate[(s)] of Interest: [•] per cent. per annum payable in arrear on each Interest Payment Date

(ii) Interest Payment Date(s): [•] in each year

(iii) Fixed Coupon Amount[(s)]: [•] per Calculation Amount

(iv) Broken Amount(s): [•] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [•]

(v) Day Count Fraction: [Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]

(vi) [Determination Dates: [•] in each year

(vii) [Coupon Step-up: [Applicable/Not Applicable]

[Step-up Rate: [•] per cent. per annum] (*Step-up Rate is Rate of Interest plus coupon step-up amount*)]

15. **Floating Rate Note Provisions** [Applicable/Not Applicable]

(i) Interest Period(s): [•]

(ii) Specified Period: [•]

(iii) Specified Interest Payment Dates: [Not Applicable/[•], subject to adjustment in accordance with the Business Day Convention set out in (v) below]

(iv) [First Interest Payment Date]: [•]

(v) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/ Modified Following Business Day Convention/ Preceding Business Day Convention]

(vi) Additional Business Centre(s): [Not Applicable/[•]]

(vii) Manner in which the Rate(s) of Interest is/are to be [Screen Rate Determination/ISDA

	determined:	Determination]
(viii)	Party responsible for calculating the Rate(s) of Interest and/or Interest Amount(s) (if not the [Fiscal Agent]):	[•] shall be the Calculation Agent
(ix)	Screen Rate Determination:	
	• Reference Rate:	[•][•] [EURIBOR/ LIBOR]
	• Interest Determination Date(s):	[•]
	• Relevant Screen Page:	[•]
	• Relevant Time:	[•]
	• Relevant Financial Centre:	[•]
(x)	ISDA Determination:	
	• Floating Rate Option:	[•]
	• Designated Maturity:	[•]
	• Reset Date:	[•]
	[• ISDA Definitions:	[2000/2006]
(xi)	Margin(s):	[+/-][•] per cent. per annum
(xii)	Minimum Rate of Interest:	[•] per cent. per annum
(xiv)	Maximum Rate of Interest:	[•] per cent. per annum
(xv)	Day Count Fraction:	[Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis / 30E/360 (ISDA)]
(xvi)	[Coupon Step-up:	[Applicable/Not Applicable]
	[Step-up Rate:	[•] per cent. per annum] (<i>Step-up Rate is Rate of Interest plus coupon step-up amount</i>)]
16.	Zero Coupon Note Provisions	[Applicable/Not Applicable]
(i)	Accrual Yield:	[•] per cent. per annum
(ii)	Reference Price:	[•]
(iii)	Day Count Fraction:	[Actual/Actual (ICMA) / Actual/Actual (ISDA) / Actual/365 (Fixed) / Actual/360 / 30/360 / 30E/360 / Eurobond Basis /

PROVISIONS RELATING TO REDEMPTION

17. **Call Option** [Applicable/Not Applicable]
- (i) Optional Redemption [•]
Date(s):
 - (ii) Optional Redemption [•] per Calculation Amount
Amount(s) of each Note:
 - (iii) If redeemable in part:
 - (a) Minimum Redemption [•] per Calculation Amount
Amount:
 - (b) Maximum Redemption [•] per Calculation Amount
Amount
 - (iv) Notice period: [•]
18. **Put Option** [Applicable/Not Applicable]
- (i) Optional Redemption [•]
Date(s):
 - (ii) Optional Redemption [•] per Calculation Amount
Amount(s) of each Note and
method, if any, of
calculation of such
amount(s):
 - (iii) Notice period: [•]
19. **Change of Control Put Option:** [Applicable/Not Applicable] (*The placeholder here should reflect the name ascribed to any “event risk” put in the Conditions*)
- [(i) Optional Redemption [•] per Calculation Amount
Amount(s) of each Note:
 - [(ii) Put Period [•]
20. **Final Redemption Amount of each Note** [•] per Calculation Amount
21. **Early Redemption Amount**
- Early Redemption Amount(s) per Calculation Amount payable on redemption for taxation reasons or on event of default or other early redemption: [Not Applicable]

GENERAL PROVISIONS APPLICABLE TO THE NOTES

22. Form of Notes: Bearer Notes:
- [Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Temporary Global Note exchangeable for Definitive Notes on [•] days' notice]
- [Permanent Global Note exchangeable for Definitive Notes on [•] days' notice/at any time/in the limited circumstances specified in the Permanent Global Note]
- [Registered Notes]
- (N.B. The exchange upon notice/at any time options as specified above and in the Conditions should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect:
- “[EUR100,000] and integral multiples of [EUR1,000] in excess thereof up to and including [EUR199,000]”)
23. New Global Note: [Yes] [No]
24. Additional Financial Centre(s) or other special provisions relating to payment dates: [Not Applicable/*give details*.
25. Talons for future Coupons or Receipts to be attached to Definitive Notes (and dates on which such Talons mature): [Yes/No. As the Notes have more than 27 coupon payments, talons may be required if, on exchange into definitive form, more than 27 coupon payments are left.]

Signed on behalf of RYANAIR LIMITED:

By:
Duly authorised

Signed on behalf of RYANAIR HOLDINGS PLC:

By:
Duly authorised

PART B – OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

(i) Listing and admission to trading: [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Irish Stock Exchange's Main Securities Market and listing on the Official List with effect from [•].] [Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the Irish Stock Exchange's Main Securities Market and listing on the Official List with effect from [•].] [Not Applicable.]

(ii) Estimate of total expenses related to admission to trading: [•]

2. RATINGS

The Notes to be issued [have been/are expected to be] rated/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:

Ratings:

[Standard & Poor's: [•]]

[Moody's: [•]]

[Fitch: [•]]

[[Other]: [•]]

Option 1 - CRA established in the EEA and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**").

Option 2 - CRA established in the EEA, not registered under the CRA Regulation but has applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and has applied for registration under Regulation (EU) No 1060/2009, as amended (the "**CRA Regulation**"), although notification of the

corresponding registration decision has not yet been provided by the [relevant competent authority] / [European Securities and Markets Authority].

Option 3 - CRA established in the EEA, not registered under the CRA Regulation and not applied for registration

[Insert legal name of particular credit rating agency entity providing rating] is established in the EEA and is neither registered nor has it applied for registration under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”).

Option 4 - CRA not established in the EEA but relevant rating is endorsed by a CRA which is established and registered under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but the rating it has given to the Notes is endorsed by [insert legal name of credit rating agency], which is established in the EEA and registered under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”).

Option 5 - CRA is not established in the EEA and relevant rating is not endorsed under the CRA Regulation but CRA is certified under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA but is certified under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”).

Option 6 - CRA neither established in the EEA nor certified under the CRA Regulation and relevant rating is not endorsed under the CRA Regulation

[Insert legal name of particular credit rating agency entity providing rating] is not established in the EEA and is not certified under Regulation (EU) No 1060/2009, as amended (the “CRA Regulation”) and the rating it has given to the Notes is not endorsed by a credit rating agency

established in the EEA and registered under the CRA Regulation.

3. **DISTRIBUTION**

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated: [Not Applicable]
- (a) Names and addresses of Managers and underwriting commitments: [•]
- (b) Stabilising Manager(s) (if any): [Not Applicable/[•]]
- (iii) If non-syndicated, name and address of Dealer: [Not Applicable/[•]]
- (iv) Indication of the overall amount of the underwriting commission and of the placing commission: [•] per cent. of the Aggregate Nominal Amount
- (v) U.S. Selling Restrictions: [[TEFRA C]/TEFRA D]

4. **REASONS FOR THE OFFER, ESTIMATED NET PROCEEDS AND TOTAL EXPENSES**

- [(i) Reasons for the offer [•]
- [(ii)] Estimated net proceeds: [•]
- [(iii)] Estimated total expenses: [•]

5. **[Fixed Rate Notes only – YIELD]**

Indication of yield: [•]

6. **[Floating Rate Notes only - HISTORIC INTEREST RATES]**

Details of historic [LIBOR/EURIBOR] rates can be obtained from [Reuters].]

7. **OPERATIONAL INFORMATION**

ISIN Code: [•]

Common Code: [•]

[Intended to be held in a manner which would allow Eurosystem eligibility: [Yes][No]

[Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)] [include this text for registered notes] and does not necessarily mean that

the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.] /

[No. Whilst the designation is specified as "no" at the date of these Final Terms, should the Eurosystem eligibility criteria be amended in the future such that the Notes are capable of meeting them the Notes may then be deposited with one of the ICSDs as common safekeeper [(and registered in the name of a nominee of one of the ICSDs acting as common safekeeper,)[include this text for registered notes] . Note that this does not necessarily mean that the Notes will then be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem at any time during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.]

The Notes will be deposited initially upon issue with [one of the ICSDS acting as common safekeeper/ [a non-ICSD] common safekeeper.][Include this text if “yes” selected in which case bearer Notes must be issued in NGN form]

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE IN GLOBAL FORM

Clearing System Accountholders

In relation to any Tranche of Notes represented by a Global Note in bearer form, references in the Terms and Conditions of the Notes to “Noteholder” are references to the bearer of the relevant Global Note which, for so long as the Global Note is held by a depositary or a common depositary, in the case of a CGN, or a common safekeeper, in the case of an NGN for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or, as the case may be, common safekeeper.

In relation to any Tranche of Notes represented by a Global Registered Note, references in the Terms and Conditions of the Notes to “Noteholder” are references to the person in whose name such Global Registered Note is for the time being registered in the Register which, for so long as the Global Registered Note is held by or on behalf of a depositary or a common depositary or a common safekeeper for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system, will be that depositary or common depositary or common safekeeper or a nominee for that depositary or common depositary or common safekeeper.

Each of the persons shown in the records of Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system as being entitled to an interest in a Global Note or a Global Registered Note (each an “**Accountholder**”) must look solely to Euroclear and/or Clearstream, Luxembourg and/or such other relevant clearing system (as the case may be) for such Accountholder’s share of each payment made by the Issuer or the Guarantor to the holder of such Global Note or Global Registered Note and in relation to all other rights arising under such Global Note or Global Registered Note. The extent to which, and the manner in which, Accountholders may exercise any rights arising under the Global Note or Global Registered Note will be determined by the respective rules and procedures of Euroclear and Clearstream, Luxembourg and any other relevant clearing system from time to time. For so long as the relevant Notes are represented by a Global Note or Global Registered Note, Accountholders shall have no claim directly against the Issuer or the Guarantor in respect of payments due under the Notes and such obligations of the Issuer and the Guarantor will be discharged by payment to the holder of such Global Note or Global Registered Note.

Conditions applicable to Global Notes

Each Global Note and Global Registered Note will contain provisions which modify the Terms and Conditions of the Notes as they apply to the Global Note or Global Registered Note. The following is a summary of certain of those provisions:

Payments: All payments in respect of the Global Note or Global Registered Note which, according to the Terms and Conditions of the Notes, require presentation and/or surrender of a Note, Note Certificate or Coupon will be made against presentation and (in the case of payment of principal in full with all interest accrued thereon) surrender of the Global Note or Global Registered Note to or to the order of any Paying Agent and will be effective to satisfy and discharge the corresponding liabilities of the Issuer in respect of the Notes. On each occasion on which a payment of principal or interest is made in respect of the Global Note, the Issuer shall procure that in respect of a CGN the payment is noted in a schedule thereto and in respect of an NGN the payment is entered pro rata in the records of Euroclear and Clearstream, Luxembourg.

Payment Business Day: In the case of a Global Note, or a Global Registered Note, shall be, if the currency of payment is euro, any day which is a TARGET Settlement Day and a day on which dealings in foreign currencies may be carried on in each (if any) Additional Financial Centre; or, if the currency of payment is not euro, any day which is a day on which dealings in foreign currencies may be carried on in the Principal Financial Centre of the currency of payment and in each (if any) Additional Financial Centre.

Payment Record Date: Each payment in respect of a Global Registered Note will be made to the person shown as the Holder in the Register at the close of business (in the relevant clearing system) on the Clearing System Business Day before the due date for such payment (the “**Record Date**”) where “**Clearing System Business Day**” means a day on which each clearing system for which the Global Registered Note is being held is open for business.

Exercise of put option: In order to exercise the option contained in Conditions 10(e) (*Redemption and Purchase – Redemption at the option of Noteholders*) and 10(f) (*Redemption and Purchase – Change of Control*) the bearer of the Permanent Global Note or the holder of a Global Registered Note must, within the period specified in the Conditions for the deposit of the relevant Note and put notice, give written notice of such exercise to the Fiscal Agent specifying the principal amount of Notes in respect of which such option is being exercised. Any such notice will be irrevocable and may not be withdrawn.

Partial exercise of call option: In connection with an exercise of the option contained in Condition 10(c) (*Redemption and Purchase – Redemption at the option of the Issuer*) in relation to some only of the Notes, the Permanent Global Note or Global Registered Note may be redeemed in part in the principal amount specified by the Issuer in accordance with the Conditions and the Notes to be redeemed will not be selected as provided in the Conditions but in accordance with the rules and procedures of Euroclear and Clearstream, Luxembourg (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in principal amount, at their discretion).

Notices: Notwithstanding Condition 20 (*Notices*), while all the Notes are represented by a Permanent Global Note (or by a Permanent Global Note and/or a Temporary Global Note) or a Global Registered Note and the Permanent Global Note is (or the Permanent Global Note and/or the Temporary Global Note are), or the Global Registered Note is, deposited with a depositary or a common depositary for Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system or a common safekeeper, notices to Noteholders may be given by delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system and, in any case, such notices shall be deemed to have been given to the Noteholders in accordance with Condition 20 (*Notices*) on the date of delivery to Euroclear and/or Clearstream, Luxembourg and/or any other relevant clearing system.

DESCRIPTION OF RYANAIR

Introduction

Ryanair Holdings plc was incorporated on 5 June 1996 as a holding company for Ryanair Limited. The latter operates an ultra-low cost, scheduled-passenger airline serving short-haul, point-to-point routes between Ireland, the U.K., Continental Europe and Morocco. Incorporated on 28 November 1984, Ryanair Limited began to introduce a low-fares operating model under a new management team in the early 1990s. As of 31 March 2014, with its operating fleet of 297 Boeing 737-800 “next generation” aircraft, Ryanair Limited offered over 1,600 scheduled short-haul flights per day serving approximately 186 airports largely throughout Europe. As used herein, the term “**Ryanair Holdings**” refers to Ryanair Holdings plc. The term the “**Company**” refers to Ryanair Holdings or Ryanair Holdings together with its consolidated subsidiaries, as the context requires. The term “**Ryanair**” refers to Ryanair Limited, a wholly owned subsidiary of Ryanair Holdings, together with its consolidated subsidiaries, unless the context requires otherwise.

Ryanair Holdings recorded a profit on ordinary activities after taxation of €522.8 million in the 2014 fiscal year, as compared to a profit on ordinary activities after taxation of €569.3 million in the 2013 fiscal year. This 8 per cent. decrease was primarily attributable to an increase in fuel costs of approximately 7 per cent., from €1,885.6 million to €2,013.1 million, and a 4 per cent. reduction in average fares, offset by strong ancillary revenues and increased traffic. Ryanair generated an average booked passenger load factor of approximately 83 per cent. in fiscal 2014, compared to 82 per cent. in the twelve months ended 31 March 2013 (“**fiscal 2013**”), and average booked passenger fare of €46.40 per passenger in the 2014 fiscal year, down from €48.20 in the prior fiscal year. The Company has focused on maintaining low operating costs (€53.61 per passenger in fiscal 2014, an increase from €52.56 in fiscal 2013).

The market’s acceptance of Ryanair’s low-fares service is reflected in the “Ryanair Effect” – Ryanair’s history of stimulating significant annual passenger traffic growth on the new routes on which it has commenced service since 1991. For example, on the basis of the “U.K. Airports Annual Statement of Movements, Passengers and Cargo” published by the U.K. Civil Aviation Authority and statistics released by the International Civil Aviation Organisation (the “**ICAO**”), the number of scheduled airline passengers travelling between Dublin and London increased from 1.7 million passengers in 1991 to 3.9 million passengers in the 2013 calendar year. Most international routes Ryanair has begun serving since 1991 have recorded significant traffic growth in the period following Ryanair’s commencement of service, with Ryanair capturing the largest portion of such growth on each such route. A variety of factors contributed to this increase in air passenger traffic, including the relative strength of the Irish, U.K., and European economies in past years. However, management believes that the most significant factors driving such growth across all its European routes have been Ryanair’s low-fares policy and its superiority to its competitors in terms of flight punctuality, levels of lost baggage, and rates of flight cancellations.

Since Ryanair pioneered its ultra-low cost operating model in Europe in the early 1990s, its passenger volumes and scheduled passenger revenues have increased significantly because it has substantially increased capacity and demand has been sufficient to match the increased capacity. Ryanair’s annual booked passenger volume has grown from approximately 945,000 passengers in the calendar year 1992 to approximately 81.7 million passengers in fiscal 2014.

Ryanair’s revenue passenger miles (“**RPMs**”) increased approximately 8 per cent. from 59,865.6 million in the 2013 fiscal year to 64,470.4 million in the 2014 fiscal year due primarily to an increase of approximately 7 per cent. in scheduled available seat miles (“**ASMs**”) from 72,829.9 million in the 2013 fiscal year to 77,916.5 million in the 2014 fiscal year. Scheduled passenger revenues decreased approximately 1 per cent. from €3,819.8 million in the 2013 fiscal year to €3,789.5 million in the 2014 fiscal year. Average booked passenger fare decreased from €48.20 in the 2013 fiscal year to €46.40 in fiscal 2014.

Expanding passenger volumes and capacity, high load factors and aggressive cost containment have enabled Ryanair to continue to generate operating profits despite increasing price competition and increases in certain costs. Ryanair's total break-even load factor was 70 per cent. in fiscal 2013 and 72 per cent. in fiscal 2014. Cost per passenger was €52.56 in fiscal 2013 and €53.61 in fiscal 2014, with the increase primarily reflecting the higher fuel cost per passenger of €24.65 in fiscal 2014, as compared to €23.79 in fiscal 2013, as well as an increase of approximately 3 per cent. in passengers in fiscal 2014. Ryanair Holdings recorded operating profits of €718.2 million in fiscal 2013 and €658.6 million in fiscal 2014. The Company recorded a profit after taxation of €569.3 million in fiscal 2013 and profit after taxation of €522.8 million in fiscal 2014. Ryanair expects traffic to increase by approximately 4 per cent. in fiscal 2015.

Ryanair Holdings and Ryanair are both domiciled in Ireland and operate subject to the Companies Acts 1963 to 2013 of Ireland. The address of both Ryanair Holdings and Ryanair is Corporate Head Office, Airside Business Park, Swords, Co. Dublin, Republic of Ireland and the telephone number is +353-1-945-1212. The registered number of Ryanair Holdings is 249885 and the registered number of Ryanair is 104547.

Strategy

Ryanair's current business strategy dates to the early 1990s, when a new management team, including the current chief executive, commenced the restructuring of Ryanair's operations to become a low-fares airline based on the low-cost operating model pioneered by Southwest Airlines Co. in the United States. During the period between 1992 and 1994, Ryanair expanded its route network to include scheduled passenger services between Dublin and Birmingham, Manchester and Glasgow (Prestwick). In 1994, Ryanair began standardising its fleet by purchasing used Boeing 737-200A aircraft to replace substantially all of its leased aircraft. Beginning in 1996, Ryanair continued to expand its service from Dublin to new provincial destinations in the U.K. In August 1996, Irish Air, L.P., an investment vehicle led by David Bonderman and certain of his associates at the Texas Pacific Group, acquired a minority interest in the Company. Ryanair Holdings completed its initial public offering in June 1997.

From 1997 through to 31 March 2014, Ryanair launched service on more than 1,600 routes throughout Europe and also increased the frequency of service on a number of its principal routes. During that period, in addition to Dublin, Ryanair established 68 airports as bases of operations. Ryanair has increased the number of booked passengers from approximately 4.9 million in the 1999 fiscal year to approximately 81.7 million in fiscal 2014. Ryanair had 297 Boeing 737-800 aircraft as of 31 March 2014, and now serves 186 airports.

Ryanair expects to have approximately 426 aircraft in its operating fleet by 31 March 2019. This is subject to lease handbacks and disposals over the period to 31 March 2019 meeting current expectations.

Ryanair's objective is to firmly establish itself as Europe's biggest scheduled passenger airline, through continued improvements and expanded offerings of its low-fares service. In the highly challenging current operating environment, Ryanair seeks to offer low fares that generate increased passenger traffic while maintaining a continuous focus on cost-containment and operating efficiencies. The key elements of Ryanair's long-term strategy are:

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

Customer Service. Ryanair's strategy is to deliver the best customer service performance in its peer group. According to the data available from the Association of European Airlines ("AEA") and airlines' own

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

Ryanair is implementing a series of strategic initiatives that are expected to have a significant impact on its customer service offering. Ryanair has also announced a series of customer-service related initiatives, including a new, easier-to-navigate, website with a fare finder facility, reduced penalty fees, allocated seating and more customer-friendly baggage allowances and change policies. Further, these initiatives include scheduling more flights to primary airports, selling flights via travel agents (on global distribution systems (“GDS’s”)), increasing marketing spending significantly to support these initiatives, and adjusting the airline’s yield management strategy with the goal of increasing load factors and yield.

Frequent Point-to-Point Flights on Short-Haul Routes. Ryanair provides frequent point-to-point service on short-haul routes to secondary, regional, and more recently, certain primary airports in and around major population centres and travel destinations. In fiscal 2014, Ryanair flew an average route length of 788 miles and an average flight duration of approximately 1.87 hours. Short-haul routes allow Ryanair to offer its low fares and frequent service, while eliminating the need to provide unnecessary “frills,” like free in-flight meals and movies, otherwise expected by customers on longer flights. Point-to-point flying (as opposed to hub-and-spoke service) allows Ryanair to offer direct, non-stop routes and avoid the costs of providing “through service,” for connecting passengers, including baggage transfer and transit passenger assistance.

In choosing its routes, Ryanair primarily favours secondary airports with convenient transportation to major population centres and regional airports. Secondary and regional airports are generally less congested than major airports and, as a result, can be expected to provide higher rates of on-time departures, faster turnaround times (the time an aircraft spends at a gate loading and unloading passengers), fewer terminal delays, more competitive airport access, and lower handling costs. As part of its strategic initiatives, Ryanair plans to increase the number of primary airports that it serves and particularly those that facilitate a quick turnaround and offer opportunities for the Company to profitably enhance its route choice on city pairs that are attractive to both business and leisure customers alike.

Ryanair’s “on time” performance record (arrivals within 15 minutes of schedule) for fiscal 2014 was 92 per cent. Faster turnaround times are a key element in Ryanair’s efforts to maximise aircraft utilisation. Ryanair’s average scheduled turnaround time for fiscal 2014 was approximately 25 minutes.

Low Operating Costs. Management believes that Ryanair’s operating costs are among the lowest of any European scheduled-passenger airline. Ryanair strives to reduce or control four of the primary expenses involved in running a major scheduled airline: (i) aircraft equipment costs; (ii) personnel costs; (iii) customer service costs; and (iv) airport access and handling costs:

Aircraft Equipment Costs. Ryanair’s primary strategy for controlling aircraft acquisition costs is focused on operating a single aircraft type. Ryanair currently operates only “next generation” Boeing 737-800s. Ryanair’s continuous acquisition of new Boeing 737-800s has already and is expected, through to 31 March 2019 (“**fiscal 2019**”), to increase the size of its fleet and thus increase its aircraft equipment and related costs (on an aggregate basis). However, the purchase of aircraft from a single manufacturer enables Ryanair to limit the costs associated with personnel training, maintenance, and the purchase and storage of spare parts while also affording the Company greater flexibility in the scheduling of crews and equipment. Management also believes that the terms of Ryanair’s contracts

with Boeing are very favourable to Ryanair. See “– Aircraft” for additional information on Ryanair’s fleet.

Personnel Costs. Ryanair endeavours to control its labour costs by seeking to continually improve the productivity of its already highly productive work force. Compensation for personnel emphasises productivity-based pay incentives. These incentives include commissions for onboard sales of products for flight attendants and payments based on the number of hours or sectors flown by pilots and flight attendants within limits set by industry standards or regulations fixing maximum working hours.

Customer Service Costs. Ryanair has entered into agreements on competitive terms with external contractors at certain airports for ticketing, passenger and aircraft handling, and other services that management believes can be more cost-efficiently provided by third parties. Management attempts to obtain competitive rates for such services by negotiating fixed-price, multi-year contracts. The development of its own internet booking facility has allowed Ryanair to eliminate travel agent commissions and although, as part of its strategic initiatives, the Company has broadened its distribution base by making Ryanair’s fares available to Travelport (Galileo and Worldspan) at nominal cost to the Company, Ryanair generates over 99 per cent. of its scheduled passenger revenues through direct sales via its website.

Airport Access and Handling Costs. Ryanair attempts to control airport access and service charges by focusing on airports that offer competitive prices. Management believes that Ryanair’s record of delivering a consistently high volume of passenger traffic growth at many airports has allowed it to negotiate favourable contracts with such airports for access to their facilities, although the recent change in strategy by the Company may see it access some more primary airports which typically have higher airport charges and greater competition along with slot limitations. Secondary and regional airports also generally do not have slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings. Ryanair further endeavours to reduce its airport charges by opting, when practicable, for less expensive gate locations as well as outdoor boarding stairs, rather than jetways, which are more expensive and operationally less efficient to use. In addition, since October 2009, Ryanair has required all passengers to check-in on the Internet. This requirement was instituted to reduce waiting times at airports and speed a passenger’s journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet at the time of booking and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. See “Risk Factors – Risks Related to the Company – The Company Faces Risks Related to its Internet Reservations Operations and its Announced Elimination of Airport Check-in Facilities”.

Taking Advantage of the Internet. In 2000, Ryanair converted its host reservation system to a new system, which it operates under a hosting agreement with Navitaire that was extended in 2011 and will terminate in 2020. As part of the implementation of the reservation system, Navitaire developed an Internet booking facility. The Ryanair system allows Internet users to access its host reservation system and to make and pay for confirmed reservations in real time through the Ryanair.com website. After the launch of the Internet reservation system, Ryanair heavily promoted its website through newspaper, radio and television advertising. As a result, Internet bookings grew rapidly, and have accounted for over 99 per cent. of all reservations over the past several years. In May 2012, Ryanair further upgraded the reservation system, which offers more flexibility for future system enhancements and to accommodate the future growth of Ryanair. In November 2013, Ryanair re-launched its website in a new, easier to use, format that reduced the booking process from 17 to 5 “clicks”. Various other initiatives were also introduced, including a fare finder facility which enables customers to easily find the lowest fares. The new “My Ryanair” registration services, which allows

customers to securely store their personal and payment details, has also significantly speeded up the booking process and made it easier to book a flight.

Commitment to Safety and Quality Maintenance. Safety is the primary priority of Ryanair and its management. This commitment begins with the hiring and training of Ryanair's pilots, flight attendants, and maintenance personnel and includes a policy of maintaining its aircraft in accordance with the highest European airline industry standards. Ryanair has not had a single passenger or flight crew fatality as a result of an accident with one of its aircraft in its 30-year operating history. Although Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair's low-cost operating strategy to the areas of safety, maintenance, training or quality assurance. Routine aircraft maintenance and repair services are performed primarily by Ryanair, at Ryanair's main bases, but are also performed at other base airports by maintenance contractors approved under the terms of a European Aviation Safety Agency ("EASA") Part 145 approval. Ryanair currently performs heavy airframe maintenance, but contracts with other parties who perform engine overhaul services and rotatable repairs. These contractors also provide similar services to a number of other airlines, including Southwest Airlines, British Airways, Air France and Alitalia.

Enhancement of Operating Results through Ancillary Services. Ryanair distributes accommodation services and travel insurance primarily through its website. For hotel services, Ryanair has a contract with Hotelscombined PTY Ltd, and they provide a hotel comparison website to Ryanair which generates commissions for Ryanair on the number of bookings made. Ryanair also has a contract with Bookings.com to market hotels during the website booking process. In addition Ryanair has a contract with the Hertz Corporation ("**Hertz**"), pursuant to which Hertz handles all car rental services marketed through Ryanair's website or telephone reservation system. Ryanair also sells bus and rail tickets onboard its aircraft and through its website. For fiscal 2014, ancillary services accounted for approximately 25 per cent. of Ryanair's total operating revenues, as compared to approximately 22 per cent. of such revenues in the 2013 fiscal year. See "– Ancillary Services".

Focused Criteria for Growth. Building on its success in the Ireland-U.K. market and its expansion of service to continental Europe and Morocco, Ryanair intends to follow a manageable growth plan targeting specific markets. Ryanair believes it will have opportunities for continued growth by: (i) loading aggressive fare promotions to increase load factors; (ii) initiating additional routes in the EU; (iii) initiating additional routes in countries party to a European Common Aviation Agreement with the EU that are currently served by higher-cost, higher-fare carriers; (iv) increasing the frequency of service on its existing routes; (v) starting new domestic routes within individual EU countries; (vi) considering acquisition opportunities that may become available in the future; (vii) connecting airports within its existing route network ("triangulation"); (viii) establishing new bases; and (ix) initiating new routes not currently served by any carrier.

Responding to Current Challenges. In recent periods, and with increased effect in the 2012, 2013 and 2014 fiscal years, Ryanair's ultra-low cost, low-fares model has faced substantial pressure due to significantly increased fuel costs and reduced economic growth (or economic contraction) in some of the economies in which it operates. The Company has aimed to meet these challenges by: (i) grounding (approximately 70 in fiscal 2014 and 80 in fiscal 2013) aircraft during the winter season; (ii) disposing of aircraft (lease hand backs totalled three in fiscal 2012, four in fiscal 2013 and eight in fiscal 2014); (iii) controlling labour and other costs, including through wage freezes for non-flight crew personnel in fiscal 2011 and fiscal 2013, selective redundancies and the introduction of Internet check-in in the twelve months ended 31 March 2010; and (iv) renegotiating contracts with existing suppliers, airports and handling companies. There can be no assurance that the Company will be successful in achieving all of the foregoing or taking other similar measures, or that doing so will allow the Company to earn profits in any period. See "*Risk Factors – Risks Related to the Company – Changes in Fuel Costs and Fuel Availability Affect the Company's Results and Increase the Likelihood of Adverse Impact to the Company's Profitability*" and "*The Company May Not Be Successful in Increasing Fares and Revenues to Offset Higher Business Costs*", also see "*Ancillary Services*" below.

In recent years, in response to an operating environment characterised by high fuel prices, typically lower seasonal yields and higher airport charges and/or taxes, Ryanair has adopted a policy of grounding a certain portion of its fleet during the winter months (from November to March inclusive). In the winter months of fiscal 2014, Ryanair grounded approximately 70 aircraft and the Company announced in May 2014 that it intends to ground approximately 50 aircraft during the winter months of the twelve months ended 31 March 2015 (“**fiscal 2015**”). While seasonal grounding does reduce the Company’s operating costs, it also decreases Ryanair’s potential to record both flight and non-flight revenues. Decreasing the number and frequency of flights may also negatively affect the Company’s labour relations, including its ability to attract flight personnel interested in full-time employment. See “*Risk Factors – Ryanair has Decided to Seasonally Ground Aircraft*”.

Route System and Scheduling

As of the date of this Base Prospectus, the Company offered over 1,600 scheduled short-haul flights per day serving approximately 186 airports largely throughout Europe, and flying approximately 1,600 routes. The following table lists Ryanair’s operating bases:

Operating Bases		
Alghero	Dusseldorf (Weeze)	Marrakech
Alicante	East Midlands	Marseille
Athens	Edinburgh	Milan (Bergamo)
Baden-Baden	Eindhoven	Palermo
Barcelona (Girona)	Faro	Palma Mallorca
Barcelona (El Prat)	Fez	Paphos
Bari	Frankfurt (Hahn)	Pescara
Billund	Gdansk	Pisa
Bologna	Glasgow (Prestwick)	Porto
Bournemouth	Gran Canaria	Oslo (Rygge)
Birmingham	Kaunas	Rome (Ciampino)
Bremen	Krakow	Rome (Fiumicino)
Brindisi	Lamezia	Seville
Bristol	Lanzarote	Shannon
Brussels (Charleroi)	Leeds Bradford	Stockholm (Skavsta)
Brussels (Zaventem)	Lisbon	Tenerife South
Budapest	Liverpool	Thessaloniki
Catania	London (Luton)	Trapani
Chania	London (Stansted)	Valencia
Cagliari	Madrid	Warsaw (Modlin)
Cologne	Malaga	Wroclaw
Cork	Malta	Zadar
Dublin	Manchester	

Notes:

- (a) In April 2014, Ryanair announced that it would open bases in Cologne, Gdansk and Warsaw Modlin.

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

During fiscal 2014, Ryanair announced 121 new routes across its network. See “Risk Factors – Risks Related to the Company – Ryanair’s New Routes and Expanded Operations May Have an Adverse Financial Impact on its Results.”

Low and Widely Available Fares

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

Ryanair's discounted fares are "capacity controlled" in that Ryanair allocates a specific number of seats on each flight to each fare category to accommodate projected demand for seats at each fare level leading up to flight time. Ryanair generally makes its lowest fares widely available by allocating a majority of its seat inventory to its lowest fare categories. Management believes that its unrestricted fares as well as its advance-purchase fares are attractive to both business and leisure travellers.

When launching a new route, Ryanair's policy is to price its lowest fare so that it will be significantly lower than other carriers' lowest fares, but still provide a satisfactory operating margin.

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

Aircraft

As of 31 March 2014, Ryanair's operating fleet was composed of 297 Boeing 737-800 "next generation" aircraft, each having 189 seats. The Company expects to have an operating fleet comprising approximately 426 Boeing 737-800s at 31 March 2019 depending on the level of lease returns/disposals. As of 31 March 2014, the average aircraft age of the Company's Boeing 737-800 fleet was just over 5.5 years.

Between March 1999 and March 2014, Ryanair took delivery of 348 new Boeing 737-800 "next generation" aircraft under its contracts with Boeing and disposed of 51 such aircraft, including 25 lease handbacks.

Under the terms of the 2013 Boeing Contract, Ryanair has agreed to purchase the 180 new aircraft over a five year period from fiscal 2015 to 2019, with delivery beginning in September 2014. The new aircraft will benefit from a net effective price not dissimilar to that under the 2005 Boeing Contract which was approved by shareholders in 2005 and will be used on new and existing routes to grow Ryanair's business.

The Boeing 737-800 represents the current generation of Boeing's 737 aircraft. It is a short-to-medium range aircraft and seats 189 passengers. The basic price (equivalent to a standard list price for an aircraft of this type) for each of the Boeing 737-800 series aircraft is approximately U.S.\$78.1 million and the basic price will be increased for certain "buyer-furnished" equipment, amounting to approximately U.S.\$2.9 million per new aircraft, which Ryanair has asked Boeing to purchase and install on each of the new aircraft. In addition, an "Escalation Factor" will be applied to the basic price to reflect increases in the Employment Cost Index and Producer Price Index between the time the basic price was set in the 2013 Boeing Contract and the period 18 to 24 months prior to the delivery of any such new aircraft.

Boeing has granted Ryanair certain price concessions as part of the 2013 Boeing Contract. These will take the form of credit memoranda to Ryanair for the amount of such concessions, which Ryanair may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the new aircraft. Boeing and CFMI (the manufacturer of the engines to be fitted on the new aircraft) have also agreed to provide Ryanair with certain allowances for promotional and other activities, as well as

providing certain other goods and services to Ryanair on concessionary terms. Those credit memoranda and promotional allowances will effectively reduce the price of each new aircraft payable by Ryanair. As a result, the “effective price” (the purchase price of the new aircraft net of discounts received from Boeing) of each new aircraft will be significantly below the basic price mentioned above. The effective price applies to all new aircraft due for delivery from September 2014.

The Boeing 737 is the world’s most widely used commercial aircraft and exists in a number of generations, the Boeing 737-800s being the most recent. Management believes that spare parts and cockpit crews qualified to fly these aircraft are likely to be more widely available on favourable terms than similar resources for other types of aircraft. Management believes that its strategy, to date, of having reduced its fleet to one aircraft type enables Ryanair to limit the costs associated with personnel training, the purchase and storage of spare parts, and maintenance. Furthermore, this strategy affords Ryanair greater flexibility in the scheduling of crews and equipment. The Boeing 737-800s are fitted with CFM 56-7B engines and have advanced CAT III Autoland capability, advanced traffic collision avoidance systems, and enhanced ground-proximity warning systems. During fiscal 2012, Boeing announced that it was going to manufacture a variant of the 737 with new, more fuel-efficient engines called the Boeing 737 MAX aircraft. A senior Ryanair working group is continuing to evaluate the benefits of the MAX aircraft. This new variant could impact the Company insofar as the residual value of its aircraft could be reduced when this new variant enters production, currently expected to be in late 2017.

Ancillary Services

Ryanair provides various ancillary services and engages in other activities connected with its core air passenger service, including non-flight scheduled services, Internet-related services, and the in-flight sale of beverages, food, and merchandise.

As part of its non-flight scheduled and internet-related services, Ryanair incentivises ground service providers at many of the airports it serves to levy correct excess baggage charges for any baggage that exceeds Ryanair’s published baggage allowances and to collect these charges in accordance with Ryanair’s standard terms and conditions. Excess baggage charges are recorded as non-flight scheduled revenue.

Ryanair primarily markets accommodation services and travel insurance through its website. For hotel and accommodation services, Ryanair has a contract with Hotelscombined PTY Ltd. (“**Hotelscombined**”), which operates a price comparison website, pursuant to which Hotelscombined handles all aspects of such services marketed through Ryanair’s website and pays a fee to Ryanair. Ryanair also has a contract with Bookings.com to market hotels during the booking process on its website and Ryanair receives a commission on these sales. In addition, Ryanair has a contract with Hertz, pursuant to which Hertz handles all car rental services marketed through Ryanair’s website or telephone reservation system.

Ryanair also sells bus tickets onboard its aircraft and through its website. In addition, Ryanair markets car parking, attractions and activities on its website, with the latter having gone on sale in-flight in spring 2012.

Ryanair sells gift vouchers on its website. Such gift vouchers are redeemable online. In May 2009, Ryanair started to offer its passengers the possibility of receiving an SMS (text message) when booking, at a modest fee, to inform them of their flight confirmation details.

In April 2009, Ryanair signed a contract with Webloyalty International Ltd, which offers Ryanair’s customers who have a UK, German or French billing address a retail discount and cash-back programme. A similar contract was signed in 2013 with LEV-8 for customers with billing addresses in Norway, Poland, Portugal and Sweden. In April 2011, Ryanair began to sell advertising on its boarding cards. In 2012, a boarding card redesign along with increased passenger volumes allowed for further growth in this area.

In fiscal year 2012, Ryanair rolled out handheld Electronic Point of Sale (“EPOS”) devices across its route network. These EPOS devices replaced manual and paper based systems on board the aircraft. The EPOS device enables cabin crew to sell and record their on-board sales transactions more efficiently and generate vastly improved management sales reporting. The EPOS device also issues bus and rail tickets and tickets for tourist attractions.

In fiscal 2011, Ryanair began offering reserved seating in twenty-one extra legroom seats on each aircraft for a fee on certain routes and this feature was rolled out to all routes in fiscal 2012. In February 2014, Ryanair introduced fully allocated seating on each of its flights. Passengers can pay a fee of €10 for seats located at the front of the aircraft, at the overwing exits and at the two rear rows of the aircraft. All other seats can be reserved for a fee of €5.

In November 2013 the Company launched a new website which reduced the number of clicks to make a booking from seventeen to five. At the same time, the Company reduced the exposure of certain other ancillary products on the website which had a negative impact on sales along with a reduction of certain fees and charges at airports. The Company anticipates that the reduction in revenues arising from these changes will be offset by the increased revenues arising from allocated seating.

Government Regulation

Liberalisation of the EU Air Transportation Market

Ryanair began its flight operations in 1985, during a decade in which the governments of Ireland and the U.K. liberalised the bilateral arrangements for the operation of air services between the two countries. In 1992, the Council of Ministers of the EU adopted a package of measures intended to liberalise the internal market for air transportation in the EU. The liberalisation included measures that allow EU air carriers substantial freedom to set air fares, provided EU air carriers greatly enhanced access to routes within the EU, and also introduced a licensing procedure for EU air carriers. Beginning in April 1997, EU air carriers have generally been able to provide passenger services on domestic routes within any EU member state outside their home country of operations without restriction.

Regulatory Authorities

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

Commission for Aviation Regulation. The CAR is currently primarily responsible for deciding maximum airport charges only at Dublin Airport.

The CAR also has responsibility for licensing Irish airlines, subject to the requirements of EU law. It issues operating licences under the provisions of EU Regulation 1008/2008 (formerly 2407/92). An operating licence is an authorisation permitting the holder to transport passengers, mail and/or cargo by air. The criteria for granting an operating licence include, *inter alia*, an air carrier’s financial fitness, the adequacy of its insurance, and the fitness of the persons who will manage the air carrier. In addition, in order to obtain and maintain an operating licence, Irish and EU regulations require that (i) the air carrier must be owned and continue to be owned directly or through majority ownership by EU member states and/or nationals of EU member states and (ii) the air carrier must at all times be effectively controlled by such EU member states or EU nationals. The CAR has broad authority to revoke an operating licence.

Ryanair's current operating license became effective on 1 December 1993, and is subject to periodic review. The Flight Operations Department is also subject to ongoing review by the IAA, which reviews the department's audits, including flight audits, training audits, document audits, and quality audits. Ryanair's current Air Operator Certificate No IE 7/94 was issued on 28 January 2014.

Irish Aviation Authority. The IAA is primarily responsible for the operational and regulatory function and services relating to the safety and technical aspects of aviation in Ireland. To operate in Ireland and the EU, an Irish air carrier is required to hold an operator's certificate granted by the IAA attesting to the air carrier's operational and technical competence to conduct airline services with specified types of aircraft. The IAA has broad authority to amend or revoke an operator's certificate, with Ryanair's ability to continue to hold its operator's certificate being subject to ongoing compliance with applicable statutes, rules and regulations pertaining to the airline industry, including any new rules and regulations that may be adopted in the future.

The IAA is also responsible for overseeing and regulating the operations of Irish air carriers. Matters within the scope of the IAA's regulatory authority include: air safety; aircraft certification; personnel licensing and training; maintenance, manufacture, repair, airworthiness, and operation of aircraft; implementation of EU legislation; aircraft noise; and ground services. Each of the Company's aircraft is required to have a Certificate of Airworthiness, which is issued by the IAA. The validity of Certificates of Airworthiness is subject to the review by the IAA. Each certificate is generally valid for a 12-month period. In March 2009, Ryanair received "Sub-Part (I) approval" from the IAA, which gives Ryanair the authority to extend the validity of its certificates, subject to certain record checks and physical aircraft inspections being performed by Ryanair's quality department. The Company's flight personnel, flight and emergency procedures, aircraft, and maintenance facilities are subject to periodic inspections by the IAA. The IAA has broad regulatory and enforcement powers, including the authority to require reports; inspect the books, records, premises, and aircraft of a carrier; and investigate and institute enforcement proceedings. Failure to comply with IAA regulations can result in revocation of operating certification.

In July 1999, the IAA awarded Ryanair an air operator's certificate, which is subject to routine audit and review, in recognition of Ryanair's satisfaction of the relevant EU requirements for the operation of commercial air transport ("**EU OPS 1**"). The requirements of EU OPS 1 have been incorporated into European law as prescribed in Regulation (EEC) 3922/91 and were applied in full on 16 July 2008. All current regulatory requirements are addressed in the Ryanair Operations Manual Part A (as amended). The current Manual, Issue 3 Revision 8, was approved by the IAA on 1 May 2012.

Department of Transport. The Department of Transport ("**DOT**") is responsible for implementation of certain EU and Irish legislation and international standards relating to air transport (e.g., noise levels, aviation security, etc.).

In June 2005, the Irish Minister for Transport enacted legislation strengthening rights for air passengers following the enactment of EU legislation requiring compensation of airline passengers who have been denied boarding on a flight for which they hold a valid ticket (Regulation (EC) No. 261/2004), which came into force on 17 February 2005.

The European Aviation Safety Agency. EASA is an agency of the EU that has been given specific regulatory and executive tasks in the field of aviation safety. EASA was established through Regulation (EC) No. 1592/2002 of the European Parliament and the Council of 15 July 2002 and repealed by Basic Regulation (EC) 216-2008. The purpose of EASA is to draw-up common standards to ensure the highest levels of safety, oversee their uniform application across Europe and promote them at the global level. The EASA formally started its work on 28 September 2003, taking over the responsibility for regulating airworthiness and maintenance issues within the EU member states.

Eurocontrol. The European Organisation for the Safety of Air Navigation (“**Eurocontrol**”) is an autonomous European organisation established under the Eurocontrol Convention of 13 December 1960. Eurocontrol is responsible for, *inter alia*, the safety of air navigation and the collection of route charges for *en route* air navigation facilities and services throughout Europe. Ireland is a party to several international agreements concerning Eurocontrol. These agreements have been implemented in Irish law, which provides for the payment of charges to Eurocontrol in respect of air navigation services for aircraft in airspace under the control of Eurocontrol. The relevant legislation imposes liability for the payment of any charges upon the operators of the aircraft in respect of which services are provided and upon the owners of such aircraft or the managers of airports used by such aircraft. Ryanair, as an aircraft operator, is primarily responsible for the payment to Eurocontrol of charges incurred in relation to its aircraft.

The legislation authorises the detention of aircraft in the case of default in the payment of any charge for air navigation services by the aircraft operator or the aircraft owner, as the case may be. This power of detention extends to any equipment, stores or documents, which may be onboard the aircraft when it is detained, and may result in the possible sale of the aircraft.

European Commission. The European Commission is in the process of introducing a “single European sky policy,” which would lead to changes to air traffic management and control within the EU. The “single European sky policy” currently consists of the Framework Regulation (Reg. (EC) No. 549/2004) plus three technical regulations on the provision of air navigation services, organisation and use of the airspace and the inter-operability of the European air traffic management network. These regulations have recently been amended by the so-called “Single European Sky II” regulation (EU Regulation 1070/09). The objective of the policy is to enhance safety standards and the overall efficiency of air traffic in Europe, as well as to reduce the cost of air traffic control services.

On 6 September 2005, the European Commission announced new guidelines on the financing of airports and start-up aid to airlines by regional airports based on its February 2004 finding in the Charleroi case, a decision that the Court of First Instance (“**CFI**”) has since annulled in December 2008. The guidelines only apply to publicly owned regional airports, and place restrictions on the incentives that these airports can offer airlines to deliver traffic. Ryanair believes that the CFI’s annulment of the Charleroi decision severely undermines these guidelines. In April 2011, the European Commission launched a consultation on the revision of the 2005 guidelines. In April 2014, the European Commission published final revised guidelines that better reflect the commercial reality of the liberalised air transport market, but still place restrictions on the incentives public airports can offer to airlines delivering traffic, when compared with the commercial freedom available to private airports.

The European Union also adopted legislation on airport charges (EU Directive 2009/12), which was originally intended to address abusive pricing at monopoly airports. However, the legislation includes all European airports with over five million passengers per year. Management believes that this will likely increase the administrative burdens on smaller airports and may lead to higher airport charges, while the scope that exists within this Directive to address abuses of their dominant positions by Europe’s larger airports is very limited. The European Union also passed legislation calling for increased transparency in airline fares, which requires the inclusion of all mandatory taxes, fees, and charges in advertised prices. Ryanair currently includes this information in its advertised fares in all markets where it operates. However, certain regulatory authorities have alleged that some fees applied by airlines, including Ryanair, on an avoidable basis are in fact mandatory. Ryanair amended its website to include information on fees in June 2012 and incorporated further changes to meet these requirements on its website in August 2012 and December 2012.

Registration of Aircraft

Pursuant to the Irish Aviation Authority (Nationality and Registration of Aircraft) Order 2002 (the “**Order**”), the IAA regulates the registration of aircraft in Ireland. In order to be registered or continue to be registered in

Ireland, an aircraft must be wholly owned by either (i) a citizen of Ireland or a citizen of another member state of the EU having a place of residence or business in Ireland or (ii) a company registered in and having a place of business in Ireland and having its principal place of business in Ireland or another member state of the EU and not less than two-thirds of the directors of which are citizens of Ireland or of another member state of the EU. As of the date of this Base Prospectus, nine of the ten directors of Ryanair Holdings are citizens of Ireland or of another member state of the EU. An aircraft will also fulfil these conditions if it is wholly owned by such citizens or companies in combination. Notwithstanding the fact that these particular conditions may not be met, the IAA retains discretion to register an aircraft in Ireland so long as it is in compliance with the other conditions for registration under the Order. Any such registration may, however, be made subject to certain conditions. In order to be registered, an aircraft must also continue to comply with any applicable provisions of Irish law. The registration of any aircraft can be cancelled if it is found that it is not in compliance with the requirements for registration under the Order and, in particular: (i) if the ownership requirements are not met; (ii) if the aircraft has failed to comply with any applicable safety requirements specified by the IAA in relation to the aircraft or aircraft of a similar type; or (iii) if the IAA decides in any case that it is not in the public interest for the aircraft to remain registered in Ireland.

Legal Proceedings

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

EU State Aid-Related Proceedings. On 11 December 2002, the European Commission announced the launch of an investigation into the 2001 agreement among Ryanair, the Brussels (Charleroi) airport and the government of the Walloon Region of Belgium, the owner of the airport, which enabled the Company to launch new routes and base up to four aircraft at Brussels (Charleroi). The European Commission's investigation was based on an anonymous complaint alleging that Ryanair's arrangements with Brussels (Charleroi) constituted illegal state aid.

The European Commission issued its decision on 12 February 2004. As regards the majority of the arrangements between Ryanair, the airport and the region, the European Commission found that although they constituted state aid, they were nevertheless compatible with the EC Treaty provisions and therefore did not require repayment. However, the European Commission also found that certain other arrangements did constitute illegal state aid and therefore ordered Ryanair to repay the amount of the benefit received in connection with those arrangements. On 20 April 2004, the Walloon Region wrote to Ryanair requesting repayment of such state aid, although it acknowledged that Ryanair could offset against the amount of such state aid certain costs incurred in relation to the establishment of the base, in accordance with the European Commission's decision. Ryanair made the requested repayment.

On 25 May 2004, Ryanair appealed the decision of the European Commission to the Court of First Instance ("CFI"), requesting the court to annul the decision because:

- the European Commission infringed Article 253 of the EC Treaty by failing to provide adequate reasons for its decision; and
- the European Commission misapplied Article 87 of the EC Treaty by failing to properly apply the Market Economy Investor Principle (MEIP), which generally holds that an investment made by a public entity that would have been made on the same basis by a private entity does not constitute state aid.

In March 2008, Ryanair had its hearing before the CFI, and in December 2008, the CFI annulled the European Commission's decision. Ryanair was repaid the €4 million that the Commission had claimed was illegal state

aid. The Belgian government has also withdrawn a separate €2.3 million action against Ryanair arising from the European Commission's decision.

In January 2010, the European Commission concluded that the financial arrangements between Bratislava airport in Slovakia and Ryanair do not constitute state aid within the meaning of EU rules, because these arrangements were in line with market terms. In July 2012, the European Commission similarly concluded that the financial arrangements between Tampere airport in Finland and Ryanair do not constitute state aid. In February 2014, the European Commission decided that the financial arrangements between Aarhus, Berlin (Schönefeld) and Marseille airports, and Ryanair, did not constitute state aid.

Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Lübeck, Alghero, Pau, Frankfurt (Hahn), Dusseldorf (Weeze), Zweibrücken, Altenburg, Klagenfurt, (Stockholm) Vasteras, Paris (Beauvais), La Rochelle, Carcassonne, Nîmes, Angoulême, Cagliari, Brussels (Charleroi), Girona and Reus. These investigations are ongoing and Ryanair currently expects that they will conclude in mid to late 2014, with any European Commission decisions appealable to the EU General Court.

State aid complaints by Lufthansa about Ryanair's cost base at Frankfurt (Hahn) have been rejected by German courts, as have similar complaints by Air Berlin in relation to Ryanair's arrangement with Lubeck airport, but following a German Supreme Court ruling on a procedural issue in early 2011, these cases will be re-heard by lower courts. In addition, Ryanair has been involved in legal challenges including allegations of state aid at Alghero, Marseille and Berlin Schönefeld airports. The Alghero case (initiated by Air One) was dismissed in its entirety in April 2011. The Marseille case was withdrawn by the plaintiffs (subsidiaries of Air France) in May 2011. The Berlin Schönefeld, initiated by Germania, case was discontinued following the European Commission's finding in February 2014 that Ryanair's arrangement with the airport contained no state aid.

In September 2005, the European Commission announced new guidelines on the financing of airports and the provision of start-up aid to airlines departing from regional airports, based on the European Commission's finding in the Brussels (Charleroi) case, which Ryanair successfully appealed. The guidelines applied only to publicly owned regional airports, and placed restrictions on the incentives these airports could offer airlines to deliver traffic. The guidelines applied only in cases in which the terms offered by a public airport are in excess of what a similar private airport would have offered. Ryanair deals with airports, both public and private, on an equal basis and receives the same cost agreements from both. The guidelines have therefore had no impact on Ryanair's business, although they have caused significant uncertainty in the industry in relation to what public airports may or may not do in order to attract traffic.

Ryanair believes that the positive decision by the CFI in the Brussels (Charleroi) case has caused the European Commission to rethink its policy in this area, and that the revised guidelines, published by the European Commission in April 2014, will provide more certainty in the industry as to how public airports may deal with airlines in offering incentives for traffic growth. However, adverse rulings in the above or similar cases could be used as precedents by other competitors to challenge Ryanair's agreements with other publicly owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling back of Ryanair's growth strategy due to the smaller number of privately owned airports available for development. No assurance can be given as to the outcome of these proceedings, nor as to whether any unfavourable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company.

In November 2007, Ryanair initiated proceedings in the CFI against the European Commission for its failure to take action on a number of state aid complaints Ryanair had submitted against Air France, Lufthansa, Alitalia, Volare and Olympic Airways. Following the European Commission's subsequent findings that illegal state aid had been provided to Air France and Olympic Airways, Ryanair withdrew the two relevant

proceedings. The case related to Lufthansa concluded with the EU General Court's ruling in May 2011, in which the Court found that while the European Commission has not failed to act, it has unreasonably delayed the launch of the investigation, which justified Ryanair's action for failure to act. Consequently, the Court ordered the European Commission to pay 50 per cent. of Ryanair's costs in the proceedings. Similarly, in October 2011, the General Court found that the European Commission has failed to act on Ryanair's 2005-2006 complaints against state aid to Alitalia. The European Commission appealed the ruling to the Court of Justice of the European Union, and on 16 May 2013, the European Commission's appeal was rejected.

In November 2008, Ryanair initiated proceedings in the CFI contesting the European Commission's refusal to grant Ryanair access to documents relating to the European Commission's state aid investigations at Hamburg (Lubeck), Tampere, Berlin (Schonefeld), Alghero, Pau, Aarhus, Bratislava and Frankfurt (Hahn) airports. These cases were heard on 7 July 2010 and a judgement was issued in December 2010. The CFI found that the European Commission had acted in line with applicable legislation, which highlighted the unfairness inherent in state aid procedures in the EU, whereby alleged beneficiaries of aid have no right of access to the European Commission's files and therefore cannot properly exercise their rights to defence and good administration. The CFI ordered the European Commission to pay Ryanair's costs in three of the eight access to documents cases.

As a result of rising airport charges and the introduction of an Air Travel Tax, in March 2009, of €10 on passengers departing from Irish airports on routes longer than 300 kilometres from Dublin Airport (€2 on shorter routes), Ryanair reduced its fleet at Dublin airport to 13 during winter 2010 (down from 22 in summer 2008 and 20 in winter 2008). Ryanair also complained to the European Commission about the unlawful differentiation in the level of the Irish Air Travel tax between routes within the EU. From April 2011, a single rate (€3) of the Air Travel Tax was introduced on all routes (and subsequently eliminated entirely in April 2014). In July 2012 the European Commission found that Ryanair, Aer Lingus and Aer Arann had received state aid from the Irish government by way of a two-tier air travel tax levied on passengers departing from Irish airports. Ryanair appealed this decision and a hearing in the EU General Court is scheduled for June 2014. Also in July 2012, Ryanair issued proceedings before the Irish courts seeking repayment of the entire amount of the air travel tax paid by Ryanair during the period (€87.8 million) where it was two-tier on the basis of its illegality. In April 2013 the Irish government issued proceedings against Ryanair seeking recovery of €12 million of alleged state aid attributable to Ryanair, arising from the European Commission decision. There is a risk that Ryanair will be ordered by the Irish courts to pay the €12 million amount to the Irish government notwithstanding Ryanair's claim for repayment of the entire amount of the tax.

Matters Related to Investment in Aer Lingus. During the 2007 fiscal year, the Company acquired 25.2 per cent. of Aer Lingus. The Company increased its interest to 29.3 per cent. during the 2008 fiscal year, and to 29.8 per cent. during the 2009 fiscal year at a total aggregate cost of €407.2 million. Following the acquisition of its initial stake and upon the approval of the Company's shareholders, management proposed to effect a tender offer to acquire the entire share capital of Aer Lingus. This 2006 offer was, however, prohibited by the European Commission on competition grounds. Ryanair filed an appeal with the CFI, which was heard in July 2009. On 6 July 2010 the Court upheld the European Commission's decision.

The then EU Commissioner for Competition, Neelie Kroes, said on 27 June 2007 that, "Since Ryanair is not in a position to exert de jure or de facto control over Aer Lingus, the European Commission is not in a position to require Ryanair to divest its minority shareholding, which is, by the way, not a controlling stake." In October 2007, the European Commission also reached a formal decision that it would not force Ryanair to sell its shares in Aer Lingus. However, Aer Lingus appealed this decision before the CFI. In January 2008, the CFI heard an application by Aer Lingus for interim measures limiting Ryanair's voting rights, pending a decision of the CFI on Aer Lingus' appeal of the European Commission's decision not to force Ryanair to sell the Aer Lingus shares. In March 2008, the court dismissed Aer Lingus' application for interim measures. Aer Lingus' main appeal was heard in July 2009. On 6 July 2010, the court rejected Aer Lingus' appeal and

confirmed that Ryanair cannot be forced to dispose of its 29.8 per cent. stake in Aer Lingus. Aer Lingus chose not to appeal this judgement to the Court of Justice of the EU. EU legislation may change in the future to require such a forced disposal. If eventually forced to dispose of its stake in Aer Lingus, Ryanair could suffer significant losses due to the negative impact on market prices of the forced sale of such a significant portion of Aer Lingus' shares.

On 1 December 2008, Ryanair made a second offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of €1.40 per ordinary share. Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and retain its Heathrow slots and connectivity. Ryanair also proposed to double Aer Lingus' short-haul fleet from 33 to 66 aircraft and to create 1,000 associated new jobs over a five-year period. If the offer had been accepted, the Irish government would have received over €180 million in cash. The employee share ownership trust and employees who owned 18 per cent. of Aer Lingus would have received over €137 million in cash. The Company met Aer Lingus management, representatives of the employee share ownership trust and other parties. The offer of €1.40 per Aer Lingus share represented a premium of approximately 25 per cent. over the closing price of €1.12 on 28 November 2008. Ryanair also advised the market that it would not proceed to seek EU approval for the new bid unless the shareholders agreed to sell their stakes in Aer Lingus to Ryanair. However, as the Company was unable to secure the shareholders' support it decided, on 28 January 2009, to withdraw its second offer for Aer Lingus.

The United Kingdom's Office of Fair Trading ("OFT") wrote to Ryanair in September 2010, advising that it intended to investigate Ryanair's minority stake in Aer Lingus. Ryanair objected on the basis that the OFT's investigation was time-barred. Ryanair maintains that the OFT had and missed the opportunity to investigate Ryanair's minority stake within four months from the European Commission's June 2007 decision to prohibit Ryanair's takeover of Aer Lingus. The OFT agreed in October 2010 to suspend its investigation pending the outcome of Ryanair's appeal against the OFT's decision that its investigation is not time barred. On 28 July 2011, the Competition Appeal Tribunal ruled that the OFT was not time barred when it attempted in September 2010 to open an investigation into Ryanair's 2006 acquisition of a minority non-controlling stake in Aer Lingus. Ryanair subsequently appealed the Competition Appeal Tribunal's decision. On 24 November 2011, the UK Court of Appeal ordered a stay of the OFT's investigation into Ryanair's minority stake in Aer Lingus pending the outcome of the appeal. On 22 May 2012, the UK Court of Appeal found that the OFT was not time barred to investigate Ryanair's minority stake in Aer Lingus in September 2010. Ryanair subsequently sought permission to appeal this ruling to the UK Supreme Court but permission was refused. On 15 June 2012, the OFT referred the investigation of Ryanair's minority stake in Aer Lingus to the UK Competition Commission.

On 19 June 2012, Ryanair announced its third all cash offer to acquire all of the ordinary shares of Aer Lingus it did not own at a price of €1.30 per ordinary share and immediately commenced pre-notification discussions with the European Commission for the purpose of preparing a merger filing. Pending the outcome of the European Commission's review of Ryanair's bid, on the basis of the duty of "sincere cooperation" between the EU and the Member States, and under the EU Merger Regulation, the UK Competition Commission's investigation of Ryanair's minority stake in Aer Lingus should not have properly proceeded. Nevertheless, Aer Lingus argued that the investigation should proceed and that Ryanair's offer was in breach of certain provisions of the UK Enterprise Act 2002.

On 10 July 2012, the Competition Commission ruled that Ryanair's bid was not in breach of the UK Enterprise Act, but nevertheless decided that its investigation of the minority stake can proceed in parallel with the European Commission's investigation of Ryanair's offer for Aer Lingus. In July 2012, Ryanair appealed the latter part of the Competition Commission's ruling to the UK Competition Appeal Tribunal, and the Competition Commission's investigation became suspended pending the appeal process. On 8 August 2012, the Competition Appeal Tribunal rejected Ryanair's appeal and found that the Competition Commission's investigation could proceed in parallel with the European Commission's investigation, but that

the Competition Commission must avoid taking any final decision which could conflict with the European Commission's ultimate conclusion on Ryanair's bid. In August 2012, Ryanair appealed the Competition Appeal Tribunal judgement to the UK Court of Appeal. In December 2012, the Court of Appeal rejected Ryanair's appeal and subsequently the Competition Commission's investigation has restarted. On 13 December 2012, Ryanair applied to the UK Supreme Court for permission to appeal the judgement of the Court of Appeal. The Supreme Court refused permission to appeal on 25 April 2013.

On 27 February 2013 the European Commission prohibited Ryanair's bid to acquire the entire share capital of Aer Lingus on the claimed basis that it would be incompatible with the EU internal market. Ryanair appealed this decision to the EU General Court on 8 May 2013. The judgement of the EU General Court is expected in 2015 and may affirm or annul the decision of the European Commission.

The timing of Ryanair's 2012 offer for Aer Lingus was influenced by; (i) the continued consolidation of European airlines, and more recently the International Airlines Group (the parent company of British Airways) takeover of British Midland International, where the No.1 airline at Heathrow was allowed to acquire the No. 2; (ii) the additional capacity available at Dublin airport following the opening of Terminal 2 and the decline in traffic from 23.3 million passengers per annum in 2007 to 18.7 million in 2011, resulting in Dublin airport operating at approximately 50 per cent. capacity; (iii) the change in the Irish government policy since 2006 in that the Irish government has decided to sell its stake in Aer Lingus; (iv) the fact that under the terms of the bailout agreement provided by the European Commission, European Central bank and International Monetary Fund to Ireland, the Irish government has committed to sell its stake in Aer Lingus; (v) the fact that the ESOT (Employee Share Ownership Trust) which at the time of the unsuccessful 2006 offer controlled 15 per cent. of Aer Lingus has been disbanded since December 2010 and the shares distributed to the individual members, with the result that Ryanair's new offer was, in Ryanair's view, capable of reaching over 50 per cent. acceptance either with or without government acceptance; and (vi) the fact that Etihad, an Abu Dhabi based airline, has acquired a 3 per cent. stake in Aer Lingus and has expressed an interest in buying the Irish government's 25 per cent. stake in Aer Lingus (the offer now provides Etihad or any other potential bidder the opportunity to purchase the government's stake).

Ryanair offered to keep Aer Lingus as a separate company, maintain the Aer Lingus brand, and to grow its traffic from 9.5 million to over 14.5 million passengers over a five year period post acquisition, by growing Aer Lingus' short haul traffic at some of Europe's major airports where Aer Lingus currently operates and Ryanair does not. Ryanair also intended to increase Aer Lingus' transatlantic traffic from Ireland, which has fallen in recent years, by investing in operations. If the offer had been accepted, the Irish government would have received €173 million in cash. The offer of €1.30 per share represented a premium of approximately 38 per cent. over the closing price of €0.94 for Aer Lingus shares as of 19 June 2012. The offer was conditional on competition approval by the European Commission.

Following the European Commission's decision to prohibit its offer for Aer Lingus, Ryanair actively engaged with the Competition Commission's investigation of the minority stake. In its provisional findings on 30 May 2013, the UK Competition Commission ("UKCC") stated that Ryanair, through its minority shareholding in Aer Lingus, "has influence" over Aer Lingus, that this "could reduce competition", and that Ryanair should be required to divest some or all of its shares in Aer Lingus. On 28 August 2013, the UKCC issued its final decision in which it stated that Ryanair's shareholding "gave it the ability to exercise material influence over Aer Lingus" and "had led or may be expected to lead to a substantial lessening of competition in the markets for air passenger services between Great Britain and Ireland." As a result of its findings, the UKCC ordered Ryanair to reduce its shareholding in Aer Lingus to below 5 per cent. of Aer Lingus' issued ordinary shares. Ryanair appealed the UKCC's final decision to the CAT on 23 September 2013. The CAT rejected Ryanair's appeal on 7 March 2014. On 3 April 2014, Ryanair applied for permission to appeal the CAT's judgement to the Court of Appeal. Should Ryanair's permission to appeal, the appeal itself or any subsequent appeal to the Supreme Court be refused, Ryanair could suffer losses due to the negative impact on market prices of the

forced sale of such a significant portion of Aer Lingus' shares. Ryanair believes that the enforcement of any such decision should be delayed until the outcome of Ryanair's appeal against the European Commission's February 2013 prohibition decision of Ryanair's 2012 offer for Aer Lingus, and the conclusion of any appeals against the UKCC's decision in the UK courts. However, it is possible that the UKCC will seek to enforce any such sell-down remedy at an earlier date.

Legal Actions Against Monopoly Airports. Ryanair has been involved in a number of legal and regulatory actions against the Dublin and London (Stansted) airports in relation to what Ryanair considers to be ongoing abuses of their dominant positions in the Dublin and London (Stansted) markets. Management believes that both of these airports have been engaging in "regulatory gaming" in order to achieve inflated airport charges under the regulatory processes in the U.K. and Ireland. By inflating its so-called "regulated asset base" (essentially the value of its airport facilities), a regulated airport can achieve higher returns on its assets through inflated airport charges. With respect to London (Stansted), the OFT, following complaints from Ryanair and other airlines, has recognised that the regulatory process is flawed and provides perverse incentives to regulated airports to spend excessively on infrastructure in order to inflate their airport charges. The OFT referred the case to the Competition Commission which released its preliminary findings in April 2008. It found that the common ownership by BAA of the three main airports in London affects competition and that the "light touch" regulation by the Civil Aviation Authority was having an adverse impact on competition. In March 2009, the Competition Commission published its final report on the BAA and ordered the breakup of the BAA, (which involved the sale of London (Gatwick) and London (Stansted) and either Glasgow or Edinburgh Airport in Scotland). In October 2009, London (Gatwick) was sold to Global Infrastructure Partners for £1.5 billion. In May 2009, BAA appealed the Competition Commission's decision on the bases of apparent bias and lack of proportionality. Ryanair secured the right to intervene in this appeal in support of the Competition Commission. The case was heard in October 2009 and in February 2010 the Competition Appeal Tribunal quashed the Competition Commission's ruling on the basis of the "apparent bias" claim. This decision was successfully appealed by both the Competition Commission and Ryanair before the Court of Appeal. The appeal was heard in June 2010 and the judgement was issued in October 2010, quashing the Competition Appeal Tribunal ruling and reinstating the Competition Commission March 2009 decision. In February 2011, the Supreme Court refused to grant the BAA permission to appeal the Court of Appeal ruling. The Competition Commission has subsequently reconsidered the appropriateness of the remedies imposed on the BAA in March 2009 in light of the passage of time, and confirmed in its preliminary report in April 2011 that the remedies are still appropriate and the sale of Stansted and one of either Glasgow or Edinburgh airports should proceed. In July 2011, the Competition Commission confirmed its March 2011 provisional decision on "possible material changes of circumstances." It found that no material changes of circumstances (that would necessitate a change in the remedies package) had occurred since the March 2009 decision requiring the BAA to sell Gatwick, Stansted and one of either Glasgow or Edinburgh airports, and that consequently the BAA should proceed to dispose of Stansted and one of the Scottish airports. The BAA appealed this decision to the Competition Appeal Tribunal, and lost on 1 February 2012. The BAA then brought a further appeal to the Court of Appeal, which they also lost on 26 July 2012. While these appeals were ongoing, the BAA proceeded to sell Edinburgh airport in April 2012. BAA did not appeal the Court of Appeal judgement to the UK Supreme Court, and proceeded to complete the sale of Stansted airport to Manchester Airports Group plc in March 2013.

With respect to Dublin airport, Ryanair appealed the December 2009 decision of the CAR, which set maximum charges at the airport for 2010 through 2014, to the Appeals Panel set up by the Minister for Transport. In June 2010, the Appeals Panel found in favour of Ryanair on the matter of differential pricing between Terminal 1 and Terminal 2, recommending that such differential pricing be imposed by the CAR. The CAR subsequently overruled the decision of the Appeals Panel and allowed the charges increase at Dublin Airport, with no differential pricing between Terminals 1 and 2.

Ryanair has also been trying to prevent both the BAA in London and the DAA in Dublin from engaging in wasteful capital expenditure. In the case of London (Stansted) Airport, the BAA was planning to spend £4 billion on a second runway and terminal, which Ryanair believes should only cost approximately £1 billion. Following the final decision of the Competition Commission forcing BAA to sell London (Stansted) airport, Ryanair believed that it was highly unlikely that BAA's planned £4 billion plans would proceed. The Liberal/Conservative government in the U.K. had also outlined that it would not approve the building of any more runways in the Southeast of England. Consequently, in May 2010, the BAA announced that it would not pursue its plans to develop a second runway at London (Stansted).

In the case of Dublin, the DAA has built a second terminal, costing over four times its initial estimate. When the DAA first announced plans to build a second terminal ("**Terminal 2**") at Dublin Airport, it estimated that the proposed expansion would cost between €170 million and €200 million. Ryanair supported a development of this scale; however, in September 2006, the DAA announced that the construction of Terminal 2 would cost approximately €800 million. Subsequently, the cost of the new infrastructure rose in excess of €1.2 billion. Ryanair opposed expansion at what it believed to be an excessive cost. On 29 August 2007, however the relevant planning authority approved the planning application from the DAA for the building of Terminal 2, and other facilities, all of which went ahead. On 1 May 2010, the airport fees per departing passenger increased by 27 per cent. from €13.61 to €17.23, and by a further 12 per cent. in 2011 following the opening of Terminal 2 in November 2010 in accordance with the CAR's decision of December 4, 2009 in relation to airport charges between 2010 and 2014. Ryanair sought a judicial review of the planning approval, however, this appeal was unsuccessful. The increase in charges, in combination with the introduction of the €10 Air Travel Tax (subsequently reduced to €3 in March 2011 and eliminated entirely in April 2014) mentioned above, lead to substantially reduced passenger volumes to and from Dublin Airport.

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

Insurance

Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who

experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair maintains aviation third-party liability insurance, passenger liability insurance, employer liability insurance, directors and officers liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards. Ryanair believes its insurance coverage is adequate, although not comprehensive. There can be no assurance that the amount of such coverage will not need to be increased, that insurance premiums will not increase significantly or that Ryanair will not be forced to bear substantial losses from accidents. Ryanair's insurance does not cover claims for losses incurred when, due to unforeseen events, airspace is closed and aircraft are grounded, such as the airspace closures described in *"Risk Factors – Risks Related to the Airline Industry – Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Impact on the Company's Results of Operation"*, which resulted from volcanic ash in the northern European airspace during April and May 2010.

The cost of insurance coverage for certain third-party liabilities arising from "acts of war" or terrorism increased dramatically as a result of the 11 September 2001 terrorist attacks. In the immediate aftermath, aircraft liability war indemnities for amounts above \$50 million were, in the absence of any alternative coverage, provided by the Irish Government at pre 11 September 2001 levels of coverage on the basis of a per-passenger surcharge. In March 2002, once such coverage was again commercially available, Ryanair arranged coverage to replace that provided by the government indemnity. The replacement insurance coverage operated on the basis of a per-passenger surcharge with an additional surcharge based on hull values. Ryanair's insurers have indicated that the scope of the Company's current war-related insurance coverage may exclude certain types of catastrophic incidents, which may result in the Company seeking alternative coverage. Ryanair to date has passed increased insurance costs on to passengers by means of a special "insurance levy" incorporated in each ticket.

During the 2006 fiscal year, Ryanair established Aviation Insurance (IOM) Limited ("**AIL**"), a wholly owned insurance company subsidiary, to provide the Company with self-insurance as part of its ongoing risk-management strategy. AIL underwrites a portion of the Company's aviation insurance programme, which covers not only the Company's aircraft but also its liability to passengers and to third parties. AIL reinsures virtually all of the aviation insurance risk it underwrites with recognised third parties in the aviation reinsurance market, with the amount of AIL's maximum aggregate exposure not currently subject to such reinsurance agreements being equal to approximately \$16.5 million. In addition to aviation insurance, AIL has underwritten most of the single trip travel insurance policies sold on Ryanair.com since 1 February 2011.

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

Staff and Labour Relations

The following table sets forth the details of Ryanair's team at each of 31 March 2014, 2013 and 2012:

Number of Staff at 31 March

Classification	2014	2013	2012
Management	105	99	99
Administrative	290	282	280

Maintenance	139	139	138
Ground Operations	220	229	243
Pilots	2,665	2,625	2,429
Flight Attendants	5,573*	5,763	5,199
 Total	 8,992	 9,137	 8,388

* Decrease on prior year due to lower aircraft in operation in March 2014 and cabin crew being furloughed.

Major Shareholders

As of 31 March 2014, there were 1,383,237,668 ordinary shares outstanding.

Based on information available to Ryanair Holdings plc, the following table summarises shareholdings in excess of 3 per cent. or more of the ordinary shares as of 31 March 2014, 31 March 2013 and 31 March 2012.

	As of 31 March 2014		As of 31 March 2013		As of 31 March 2012	
	% of		% of		% of	
	No. of Shares	Class	No. of Shares	Class	No. of Shares	Class
Capital Research and Management Company.....	230,917,315	16.7	191,997,595	13.3	275,514,695	19.9
Baillie Gifford	77,578,902	5.6	70,323,718	4.9	Not reportable	n/a
BlackRock Inc	75,178,344	5.4	66,399,232	4.6	66,163,716	4.5
Manning and Napier	Not reportable	n/a	59,095,500	4.1	73,249,220	5.0
Michael O'Leary	51,081,256	3.7	51,081,256	3.5	51,081,256	3.5
Standard Life	44,213,767	3.2	Not reportable	n/a	Not reportable	n/a

Directors and Senior Management

Directors

The following table sets forth certain information concerning the directors of Ryanair Holdings and Ryanair:

Name	Positions
David Bonderman	Chairman and Director
Michael Horgan	Director
Charles McCreedy	Director
Declan McKeon	Director
Kyran McLaughlin	Director
Dick Milliken	Director
Michael O'Leary	Director and CEO
Julie O'Neill	Director
James Osborne	Director
Louise Phelan	Director

David Bonderman (Chairman). David Bonderman has served as a director since August 1996 and has served as the chairman of the Board of Directors since December 1996. Mr. Bonderman also serves on the Boards of the following public companies: Caesar's Entertainment Corporation and CoStar Group, Inc. He also serves on the Supervisory Board for VTB Bank. In addition, he serves on the Boards of The Wilderness Society, the Grand Canyon Trust, and the American Himalayan Foundation and is a U.S. citizen.

Michael Horgan (Director). Michael Horgan has served as a director since January 2001. A former Chief Pilot of Aer Lingus, he has acted as a consultant to a number of international airlines, civil aviation authorities, the European Commission and the European Bank for Reconstruction and Development. Mr. Horgan is the Chairman of the Company's Air Safety Committee and is an Irish citizen.

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

Declan McKeon (Director). Declan McKeon has served as a director since May 2010. Mr. McKeon is a former audit partner of PricewaterhouseCoopers and continues to act as a consultant to PricewaterhouseCoopers. He is currently a director, chairman of the audit committee, and a member of the compensation committee of Icon plc and is an Irish citizen.

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

R.A. (Dick) Milliken (Director). Dick Milliken has served as a director since July 2013. Mr. Milliken is a former CFO of the Almac Group and CEO Lamont plc. A qualified Chartered Accountant, Mr. Milliken serves as a director of Bank of Ireland Mortgage Bank, NI Science Park Foundation and a number of private companies. Mr. Milliken is a graduate of Queens University Belfast, a Fellow of the Institute of Chartered Accountants in Ireland and former Council member and is a British citizen.

Michael O'Leary (Executive Director). Michael O'Leary has served as a director of Ryanair since 1988 and a director of Ryanair Holdings since July 1996. Mr. O'Leary was appointed chief executive officer of Ryanair in 1994 and is an Irish citizen.

Julie O'Neill (Director). Julie O'Neill has served as a director since December 2012. Ms. O'Neill served as Secretary General of the Department of Transport, Ireland from 2002 to 2009 and, in a career that spanned 37 years in the Irish public service, worked in strategic policy development and implementation in eight Government Departments. She is now an independent strategic management consultant and serves as a director of permanent tsb plc and the Irish Museum of Modern Art. She is a board member of the Sustainable Energy Authority of Ireland and also chairs the audit committee of Trinity College Dublin and is an Irish citizen.

James Osborne (Director). James Osborne has served as a director since August 1996, and has been a director of Ryanair since April 1995. Mr. Osborne is a former managing partner of A & L Goodbody Solicitors. He is also a former Chairman of Independent News and Media plc and a director of James Hardie Industries plc. He also serves as a director of a number of Irish private companies and is an Irish citizen.

Louise Phelan (Director). Louise Phelan has served as a director since December 2012. Ms. Phelan is VP for PayPal Global Operations Europe Middle East and Africa (EMEA), leading over 2,000 people in Dublin, Dundalk and Berlin. Louise is the current President of the American Chamber of Commerce and a prominent member of the Dublin Chamber of Commerce, CCMA Ireland, the Women's Executive Network (WXN), and is an Irish citizen.

The business address of each director of Ryanair Holdings and Ryanair is Corporate Head Office, Airside Business Park, Swords, Co. Dublin, Republic of Ireland. As of the date of this Base Prospectus, the above

mentioned directors of Ryanair Holdings and Ryanair do not have potential conflicts of interest between any duties to Ryanair Holdings and Ryanair and their private interests or other duties.

Executive Officers

The following table sets forth certain information concerning the executive officers of Ryanair Holdings and Ryanair:

Name	Positions
Michael Hickey	Group Director of Operations
Kenny Jacobs	Chief Marketing Officer
Juliusz Komorek	Director Legal & Regulatory Affairs; Company Secretary
Howard Millar	Deputy Chief Executive; Chief Financial Officer
David O'Brien	Chief Commercial Officer
Michael O'Leary	Director and Chief Executive Officer
Edward Wilson	Director of Personnel and In-flight

Michael Hickey (Group Director Operations). Michael was appointed as Group Director of Operations in January 2014 having held the position of Director of Engineering since January 2000. Michael, who has an MSC in Air Safety Management from City University in London, is a licensed aircraft engineer and holds an EASA private pilot's licence. He has held a wide range of senior positions within the Engineering Department since he joined Ryanair in 1988 and was Deputy Director of Engineering between 1992 and January 2000. Prior to joining Ryanair, Michael worked as an aircraft engineer with Fields Aircraft Services and McAlpine Aviation, working primarily on executive aircraft.

Kenny Jacobs (Chief Marketing Officer). Kenny Jacobs was appointed Chief Marketing Officer in January 2014. He is responsible for sales, marketing and customer service at Ryanair. Previously, Kenny was CMO for Moneysupermarket plc which has a digital brand, saving consumers money on insurance, finance, energy and travel. Kenny has spent most of his career in retail, with Tesco PLC as marketing director in Tesco Ireland and brand director for Tesco UK. Prior to that, he worked for German retailer Metro Group GmbH in various roles in marketing and IT in Europe and Asia.

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

Howard Millar (Deputy Chief Executive; Chief Financial Officer). Howard Millar was appointed Deputy Chief Executive and Chief Financial Officer on 1 January 2003, having served as Director of Finance of Ryanair from March 1993. Between April 1992 and March 1993 he served as Financial Controller of Ryanair. Howard was the Group Finance Manager for the Almarai Group, the largest integrated dairy food processing company in the world, in Riyadh, Saudi Arabia, from 1988 to 1992.

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

Michael O'Leary (Chief Executive Officer). Michael O'Leary has served as a director of Ryanair since 1988 and a director of Ryanair Holdings since July 1996. Mr. O'Leary was appointed chief executive officer of Ryanair in 1994. Mr. O'Leary is an Irish citizen.

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

The business address of each executive office of Ryanair Holdings and Ryanair is Corporate Head Office, Airside Business Park, Swords, Co. Dublin, Republic of Ireland. As of the date of this Base Prospectus, the above mentioned executive officers of Ryanair Holdings and Ryanair do not have potential conflicts of interest between any duties to Ryanair Holdings and Ryanair and their private interests or other duties.

TAXATION

The following is a general description of certain tax considerations relating to the Notes. It does not purport to be a complete analysis of all tax considerations relating to the Notes, whether in those countries or elsewhere. Prospective purchasers of Notes should consult their own tax advisers as to which countries' tax laws could be relevant to acquiring, holding and disposing of Notes and receiving payments of interest, principal and/or other amounts under the Notes and the consequences of such actions under the tax laws of those countries. This summary is based upon the law as in effect on the date of this Base Prospectus and is subject to any change in law that may take effect after such date.

EU Savings Tax Directive

Under EC Council Directive 2003/48/EC on the taxation of savings income (the “**Savings Directive**”), each Member State is required to provide to the tax authorities of another Member State details of payments of interest or other similar income paid by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in that other Member State; however, for a transitional period, Austria and Luxembourg will instead apply a withholding system in relation to such payments, deducting tax at a rate of 35 per cent, unless during such period they elect otherwise. The transitional period is to terminate at the end of the first full fiscal year following agreement by certain non-EU countries to the exchange of information relating to such payments. Luxembourg has announced that it will no longer apply the withholding tax system as from 1 January 2015 and will provide details of payments of interest (or similar income) as from this date.

A number of non-EU countries and certain dependent or associated territories of certain Member States, have adopted similar measures (either provision of information or transitional withholding) in relation to payments made by a person within its jurisdiction to, or collected by such a person for, an individual resident or certain limited types of entity established in a Member State. In addition, the Member States have entered into provision of information or transitional withholding arrangements with certain of those dependent or associated territories in relation to payments made by a person in a Member State to, or collected by such a person for, an individual resident or certain limited types of entity established in one of those territories.

On 24 March 2014, the Council of the European Union adopted a Directive amending the Savings Directive which, when implemented, will amend and broaden the scope of the requirements described above. In particular, the amending Directive broadens the circumstances in which details of payments must be provided or tax withheld. EU member states have until 1 January 2016 to adopt national legislation necessary to comply with the amending Directive which legislation it is envisioned must apply from 1 January 2017.

The proposed financial transactions tax (“FTT”)

The European Commission has published a proposal for a Directive for a common FTT in Belgium, Germany, Estonia, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the participating Member States).

The proposed FTT has very broad scope and could, if introduced in its current form, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. The issuance and subscription of Notes should, however, be exempt.

Under current proposals the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, “established” in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The FTT proposal remains subject to negotiation between the participating Member States and is the subject of legal challenge. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate. Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

Ireland

The following is a summary based on the laws and practices currently in force in Ireland regarding the tax position of investors beneficially owning their Notes and should be treated with appropriate caution. Particular rules may apply to certain classes of taxpayers holding Notes. The summary does not constitute tax or legal advice and the comments below are of a general nature only. Prospective investors in the Notes should consult their professional advisers on the tax implications of the purchase, holding, redemption or sale of the Notes and the receipt of interest thereon under the laws of their country of residence, citizenship or domicile.

Withholding Tax

In general, tax at the standard rate of income tax (currently 20 per cent.), is required to be withheld from payments of Irish source interest which could include interest paid on the Notes or amounts representing such interest paid under the Guarantee. However, a number of exemptions from withholding on interest payments exist so long as the interest paid falls within one of the following categories.

(I) *Interest paid on a quoted Eurobond*

An exemption from withholding on interest payments exists under Section 64 of the Taxes Consolidation Act, 1997 (the “**1997 Act**”) for certain interest bearing securities (“**quoted Eurobonds**”) issued by a body corporate (such as the Issuer) which are quoted on a recognised stock exchange (which would include the Irish Stock Exchange).

Any interest paid on such quoted Eurobonds can be paid free of withholding tax provided:

- (a) the person by or through whom the payment is made is not in Ireland; or
- (b) the payment is made by or through a person in Ireland, and either:
 - (i) the quoted Eurobond is held in a clearing system recognised by the Irish Revenue Commissioners (Euroclear and Clearstream, Luxembourg are so recognised), or
 - (ii) the person who is the beneficial owner of the quoted Eurobond and who is beneficially entitled to the interest is not resident in Ireland and has made a declaration to a relevant person (such as an Irish paying agent) in the prescribed form.

So long as the Notes are quoted on a recognised stock exchange and are held in Euroclear and/or Clearstream, Luxembourg, interest on the Notes can be paid by the Issuer and any paying agent acting on behalf of the Issuer without any withholding or deduction for or on account of Irish income tax.

(II) *Interest on a wholesale debt instrument*

A “wholesale debt instrument” includes commercial paper (as defined in Section 246A(1) of the Taxes Consolidation Act, 1997, of Ireland (the “**TCA**”). In that context “commercial paper” means a debt instrument, either in physical or electronic form, relating to money in any currency, which is issued by a company, recognises an obligation to pay a stated amount, carries a right to interest or is

issued at a discount or at a premium, and matures within 2 years. The exemption from Irish withholding tax applies if:

- (i) the wholesale debt instrument is held in a recognised clearing system (which includes Euroclear and Clearstream, Luxembourg); and
- (ii) the wholesale debt instrument is of an approved denomination; and for these purposes an approved denomination means a denomination of not less than:
 - (A) in the case of an instrument denominated in euro, €500,000;
 - (B) in the case of an instrument denominated in United States Dollars, U.S.\$500,000; or
 - (C) in the case of an instrument denominated in a currency other than euro or United States Dollars, the equivalent in that other currency of €500,000 using the conversion rate applicable at the time the programme under which the instrument is to be issued is first publicised).

(III) *Short Interest*

Short interest is interest payable on a debt for a fixed period that is not intended to exceed, and, in fact, does not exceed, 365 days. The determination as to whether interest is short looks to the commercial intent of the Issuer in respect of the relevant of Notes issued under the Program. If there is an arrangement or understanding (whether legally binding or not) for the relevant series of Notes (or particular Note within a series) to have a life of 365 days or more, the interest paid on the relevant Note(s) will not be short interest and, unless an exemption applies, a withholding will arise.

(IV) *Interest paid in the ordinary course of business to certain non-Irish resident companies*

If, for any reason, the exemptions referred to above cease to apply, interest payments may still be made free from withholding tax in certain specific circumstances, namely where the interest is paid in the ordinary course of the Issuer's business and the Noteholder is a company which is either (i) resident in a Relevant Territory which imposes a tax that generally applies to interest receivable by companies from sources outside that Relevant Territory or (ii) in respect of interest exempted from the charge to Irish income tax under the terms of a double tax agreement which is either in force or which will come into force once all ratification procedures have been completed, and in each of (i) and (ii) does not receive the interest in connection with a trade or business carried on by it through a branch or agency in Ireland.

A Relevant Territory is a Member State of the European Union (other than Ireland) or a country with which Ireland has a double taxation agreement in force at the time of payment or that is signed at the time of payment and which will come into force once all ratification procedures have been completed (**"Relevant Territory"**).

The Issuer must be satisfied that the respective terms of the exemptions are satisfied. The test of residence in each case is determined by reference to the law of the Relevant Territory in which the Noteholder claims to be resident. For other holders of Notes, interest may be paid free of withholding tax if the Noteholder is resident in a double tax treaty country and under the provisions of the relevant treaty with Ireland such Noteholder is exempt from Irish tax on the interest and clearance in the prescribed form has been received by the Issuer before the interest is paid.

Encashment tax

In certain circumstances, Irish tax will be required to be withheld at the standard rate of income tax from interest on any Note where such interest is collected or realised by a bank or other agent in Ireland on behalf of any Noteholder. There is an exemption from encashment tax where the beneficial owner is not resident in Ireland and has made a declaration to this effect in the prescribed form to the encashment agent or bank.

Taxation of Noteholders

Notwithstanding that a Noteholder may receive interest on the Notes free of withholding tax, the Noteholder may still be liable to pay Irish income tax. Interest paid on the Notes may have an Irish source and therefore be within the charge to Irish income tax, pay related social insurance “**PRSI**” and the universal social charge. Ireland operates a self-assessment system in respect of income tax and any person, including a person who is neither resident nor ordinarily resident in Ireland, with Irish source income comes within its scope.

However, interest on the Notes will be exempt from Irish income tax if the recipient of the interest is resident in a Relevant Territory provided either (i) the Notes are quoted Eurobonds or wholesale debt instruments and are exempt from withholding tax as set out above (ii) if the Notes are not or cease to be quoted Eurobonds or wholesale debt instruments exempt from withholding tax and the recipient of the interest is a company resident in a Relevant Territory that generally taxes foreign source interest. In addition, a discount on the Notes arising to a person resident in a Relevant Territory will be exempt from Irish income tax provided the Notes have been issued by the Issuer in the ordinary course of a trade or business carried on by the Issuer.

Notwithstanding these exemptions from income tax, a corporate recipient that carries on a trade in Ireland through a branch or agency in respect of which the Notes are held or attributed may have a liability to Irish corporation tax on the interest.

Noteholders receiving interest on the Notes which does not fall within the above exemptions may be liable to Irish income tax, PRSI and the universal social charge on such interest.

Capital Gains Tax

A holder of Notes may be subject to Irish tax on capital gains on a disposal of Notes unless such holder is neither resident nor ordinarily resident in Ireland and does not carry on a trade in Ireland through a branch or agency in respect of which the Notes are used or held or the Notes do not derive the greater part of their value from Irish land or minerals.

Capital Acquisitions Tax

A gift or inheritance comprising of Notes will be within the charge to capital acquisitions tax if either (i) the disponent or the donee/successor in relation to the gift or inheritance is resident or ordinarily resident in Ireland (or, in certain circumstances, if the disponent is domiciled in Ireland irrespective of his residence or that of the donee/successor) or (ii) if the Notes are regarded as property situate in Ireland. Bearer notes are generally regarded as situated where they are physically located at any particular time. Registered Notes are generally regarded as situated where the principal register of Noteholders is maintained or is required to be maintained, but the Notes may be regarded as situated in Ireland regardless of their physical location or the location of the register as they represent a debt owed by an Irish incorporated debtor which may be secured over Irish property. Accordingly, if such Notes are comprised in a gift or inheritance, the gift or inheritance may be within the charge to tax regardless of the residence status of the disponent or the donee/successor.

Stamp Duty

No Irish stamp duty will be payable on the issue of the Notes.

The transfer of a bearer instrument which is passed by delivery should not give rise to stamp duty.

Any document or electronic transfer effected through an approved or recognised relevant system as provided for in the Companies Act 1990 (Uncertificated Securities) Regulations 1996 transferring title to the Notes is potentially subject to 1 per cent. Irish stamp duty. However, if the Notes satisfy the terms of the loan capital exemption no stamp duty is payable. There are four conditions that must be satisfied to avail of this exemption:

- (a) the Notes must not carry a right of conversion into shares of an Irish incorporated company;
- (b) the Notes must not carry rights similar to those attaching to shares, including voting rights, entitlement to a share of profits or a share in surplus on liquidation of the Issuer;
- (c) the Notes must be issued for a price which is not less than 90 per cent. of the nominal value of the Notes; and
- (d) the Notes must not carry a right to a sum in respect of repayment or interest which is related to certain movements in an index or indices (based wholly or partly and directly or indirectly on stocks or marketable securities) specified in any document relating to the Notes.

SUBSCRIPTION AND SALE

Notes may be sold from time to time by the Issuer to any one or more of Banco Santander, S.A., Barclays Bank PLC, BNP Paribas, Citigroup Global Markets Limited, Crédit Agricole Corporate and Investment Bank, Deutsche Bank AG, London Branch, Goldman Sachs International, HSBC Bank plc, ING Bank N.V., J&E Davy, Morgan Stanley & Co. International plc, Société Générale and The Royal Bank of Scotland plc (the “**Dealers**”). The arrangements under which Notes may from time to time be agreed to be sold by the Issuer to, and subscribed by, Dealers are set out in a Dealer Agreement dated 29 May 2014 (the “**Dealer Agreement**”) and made between the Issuer, the Guarantor, the Dealers and BNP Paribas and Citigroup Global Markets Limited in their capacity as arrangers (the “**Arrangers**”). If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantor and a single Dealer for that Tranche to be issued by the Issuer and subscribed by that Dealer, the method of distribution will be described in the relevant Final Terms as “Non-Syndicated” and the name of that Dealer and any other interest of that Dealer which is material to the issue of that Tranche beyond the fact of the appointment of that Dealer will be set out in the relevant Final Terms. If in the case of any Tranche of Notes the method of distribution is an agreement between the Issuer, the Guarantor and more than one Dealer for that Tranche to be issued by the Issuer and subscribed by those Dealers, the method of distribution will be described in the relevant Final Terms as “Syndicated”, the obligations of those Dealers to subscribe the relevant Notes will be joint and several and the names and addresses of those Dealers and any other interests of any of those Dealers which is material to the issue of that Tranche beyond the fact of the appointment of those Dealers (including whether any of those Dealers has also been appointed to act as Stabilising Manager in relation to that Tranche) will be set out in the relevant Final Terms.

Any such agreement will, *inter alia*, make provision for the form and terms and conditions of the relevant Notes, the price at which such Notes will be subscribed by the Dealer(s) and the commissions or other agreed deductibles (if any) payable or allowable by the Issuer in respect of such subscription. The Dealer Agreement makes provision for the resignation or termination of appointment of existing Dealers and for the appointment of additional or other Dealers either generally in respect of the Programme or in relation to a particular Tranche of Notes.

United States of America

Regulation S Category 2; TEFRA D or TEFRA C as specified in the relevant Final Terms or neither if TEFRA is specified as not applicable in the relevant Final Terms.

The Notes have not been and will not be registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the United States Internal Revenue Code and regulations thereunder.

Each Dealer has agreed that, except as permitted by the Dealer Agreement, it will not offer, sell or deliver Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of the Notes comprising the relevant Tranche, as certified to the Fiscal Agent or the Issuer by such Dealer (or, in the case of a sale of a Tranche of Notes to or through more than one Dealer, by each of such Dealers as to the Notes of such Tranche purchased by or through it, in which case the Fiscal Agent or the Issuer shall notify each such Dealer when all such Dealers have so certified) within the United States or to, or for the account or benefit of, U.S. persons, and such Dealer will have sent to each dealer to which it sells

Notes during the distribution compliance period relating thereto a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of Notes comprising any Tranche, any offer or sale of Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act.

Public Offer Selling Restriction Under the Prospectus Directive

In relation to each Member State of the European Economic Area which has implemented the Prospectus Directive (each, a “**Relevant Member State**”), each Dealer has represented, warranted and agreed, and each further Dealer appointed under the Programme will be required to represent, warrant and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the “**Relevant Implementation Date**”) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by the Prospectus as completed by the Final Terms in relation thereto (or are the subject of the offering contemplated by a Drawdown Prospectus, as the case may be) to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) *Qualified investors*: at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) *Fewer than 100 offerees*: at any time to fewer than 100 or, if the Relevant Member State has implemented the relevant provision of the 2010 PD Amending Directive, 150, natural or legal persons (other than qualified investors as defined in the Prospectus Directive), subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the Issuer for any such offer; or
- (c) *Other exempt offers*: at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive.

provided that no such offer of Notes referred to in (a) to (c) above shall require the Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision, the expression an “**offer of Notes to the public**” in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State, the expression “**Prospectus Directive**” means Directive 2003/71/EC (and amendments thereto, including the 2010 PD Amending Directive, to the extent implemented in the Relevant Member State), and includes any relevant implementing measure in the Relevant Member State and the expression “**2010 PD Amending Directive**” means Directive 2010/73/EU.

Selling Restrictions Addressing Additional United Kingdom Securities Laws

Each Dealer has represented, warranted and agreed that:

- (a) *No deposit-taking*: in relation to any Notes having a maturity of less than one year:
 - (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business; and
 - (ii) it has not offered or sold and will not offer or sell any Notes other than to persons:

- (A) whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses; or
- (B) who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses,

where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the Issuer;

- (b) **Financial promotion:** it has only communicated or caused to be communicated and will only communicate or cause to be communicated any invitation or inducement to engage in investment activity (within the meaning of section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which section 21(1) of the FSMA does not apply to the Issuer or the Guarantor; and
- (c) **General compliance:** it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Republic of Ireland

Each Dealer has represented, warranted and agreed and each further Dealer appointed under the Programme will be required to represent and agree that it has not offered or sold, and will not offer, sell, underwrite the issue of, or act in Ireland in respect of the Notes, other than in conformity with:

- (a) the Prospectus (Directive 2003/71/EC) Regulations 2005 (as amended) of Ireland and any rules issued by the Central Bank pursuant to section 51 of the Investment Funds, Companies and Miscellaneous Provisions Act, 2005 of Ireland;
- (b) the provisions of the Central Bank Acts 1942 to 2013 of Ireland (as amended) and any codes of conduct rules made under Section 117(1) of the Central Bank Act 1989 (as amended) of Ireland;
- (c) the provisions of the European Communities (Markets in Financial Instruments) Regulations, 2007 (Nos. 1, 2 and 3) (as amended) of Ireland including, without limitation, Parts 6, 7 and 12 thereof and the provisions of the Investor Compensation Act 1998; and
- (d) the provisions of the Market Abuse (Directive 2003/6/EC) Regulations 2005 (as amended) and any rules issued by the Central Bank of Ireland pursuant to section 34 of the Investment Funds, Companies and Miscellaneous Provisions Act 2005 of Ireland.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Law No. 25 of 1948, as amended) and, accordingly, each Dealer has undertaken that it will not offer or sell any Notes directly or indirectly, in Japan or to, or for the benefit of, any Japanese Person or to others for re-offering or resale, directly or indirectly, in Japan or to any Japanese Person except under circumstances which will result in compliance with all applicable laws, regulations and guidelines promulgated by the relevant Japanese governmental and regulatory authorities and in effect at the relevant time. For the purposes of this paragraph, “**Japanese Person**” shall mean any person resident in Japan, including any corporation or other entity organised under the laws of Japan.

General

Each Dealer has represented, warranted and agreed that it has complied and will comply with all applicable laws and regulations in each country or jurisdiction in or from which it purchases, offers, sells or delivers Notes or possesses, distributes or publishes this Base Prospectus or any Final Terms or any related offering material, in all cases at its own expense. Other persons into whose hands this Base Prospectus or any Final Terms comes are required by the Issuer, the Guarantor and the Dealers to comply with all applicable laws and regulations in each country or jurisdiction in or from which they purchase, offer, sell or deliver Notes or possess, distribute or publish this Base Prospectus or any Final Terms or any related offering material, in all cases at their own expense.

The Dealer Agreement provides that the Dealers shall not be bound by any of the restrictions relating to any specific jurisdiction (set out above) to the extent that such restrictions shall, as a result of change(s) or change(s) in official interpretation, after the date hereof, of applicable laws and regulations, no longer be applicable but without prejudice to the obligations of the Dealers described in the paragraph headed “*General*” above.

Selling restrictions may be supplemented or modified with the agreement of the Issuer. Any such supplement or modification may be set out in the relevant Final Terms (in the case of a supplement or modification relevant only to a particular Tranche of Notes) or in a supplement to this Base Prospectus.

GENERAL INFORMATION

Authorisation

1. The establishment of the Programme was authorised by the Board of Directors of the Issuer passed or given on 28 May 2014 and by the Board of Directors of the Guarantor passed or given on 28 May 2014. Each of the Issuer and the Guarantor has obtained or will obtain from time to time all necessary consents, approvals and authorisations in connection with the issue and performance of the Notes and the giving of the guarantee relating to them.

Legal and Arbitration Proceedings

2. Save as disclosed in this Base Prospectus, there are no governmental, legal or arbitration proceedings, (including any such proceedings which are pending or threatened, of which the Issuer or the Guarantor is aware), which may have, or have had during the 12 months prior to the date of this Base Prospectus, a significant effect on the financial position or profitability of the Issuer and its Subsidiaries or the Guarantor and its Subsidiaries.

Significant/Material Change

3. Save as disclosed in this Base Prospectus, since 31 March 2013 there has been no material adverse change in the prospects of the Issuer or the Issuer and its Subsidiaries nor any significant change in the financial or trading position of the Issuer or the Issuer and its Subsidiaries. Save as disclosed in this Base Prospectus, since 31 March 2013 there has been no material adverse change in the prospects of the Guarantor or the Guarantor and its Subsidiaries nor any significant change in the financial or trading position of the Guarantor or the Guarantor and its Subsidiaries.

Auditors

4. The consolidated financial statements of the Guarantor have been audited without qualification for the years ended 31 March 2012 and 31 March 2013 by KPMG Ireland, chartered accountants, who have given, and have not withdrawn, their consent to the inclusion of their report in this Base Prospectus in the form and context in which it is included. KPMG Ireland is registered to carry out audit work by the Chartered Accountants Ireland formerly known as the Institute of Chartered Accountants in Ireland. The profession in Ireland is regulated by the Irish Auditing and Accounting Supervisory Authority (“IAASA”).

Documents on Display

5. Copies of the following documents may be inspected, in physical or electronic format, during normal business hours at the offices of registered office of the Guarantor and the Specified Office of the Fiscal Agent for 12 months from the date of this Base Prospectus:
 - (a) the constitutive documents of the Issuer;
 - (b) the constitutive documents of the Guarantor;
 - (c) the audited consolidated and financial statements of the Guarantor for the years ended 31 March 2012 and 31 March 2013 and the unaudited condensed consolidated preliminary financial statements of the Guarantor for the year ended 31 March 2014;
 - (d) the Agency Agreement;
 - (e) the Deed of Guarantee;

- (f) the Deed of Covenant;
- (g) the Programme Manual (which contains the forms of the Notes in global and definitive form); and
- (h) the Issuer-ICSDs Agreement (which is entered into between the Issuer and Euroclear and/or Clearstream, Luxembourg with respect to the settlement in Euroclear and/or Clearstream, Luxembourg of Notes in New Global Note form).

Clearing of the Notes

6. The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg. The appropriate common code and the International Securities Identification Number in relation to the Notes of each Tranche will be specified in the relevant Final Terms. The relevant Final Terms shall specify any other clearing system as shall have accepted the relevant Notes for clearance together with any further appropriate information.

Denomination

7. No Notes may be issued under the Programme which (a) have a minimum denomination of less than EUR100,000 (or nearly equivalent in another currency), or (b) carry the right to acquire shares (or transferable securities equivalent to shares) issued by the Issuer or by any entity to whose group the Issuer belongs. Subject thereto, Notes will be issued in such denominations as may be specified in the relevant Final Terms, subject to compliance with all applicable legal and/or regulatory and/or central bank requirements.

Issue Price and Yield

8. Notes may be issued at any price. The issue price of each Tranche of Notes to be issued under the Programme will be determined by the Issuer, the Guarantor and the relevant Dealer(s) at the time of issue in accordance with prevailing market conditions and the issue price of the relevant Notes or the method of determining the price and the process for its disclosure will be set out in the applicable Final Terms. In the case of different Tranches of a Series of Notes, the issue price may include accrued interest in respect of the period from the interest commencement date of the relevant Tranche (which may be the issue date of the first Tranche of the Series or, if interest payment dates have already passed, the most recent interest payment date in respect of the Series) to the issue date of the relevant Tranche.

The yield of each Tranche of Notes set out in the applicable Final Terms will be calculated as of the relevant issue date on an annual or semi-annual basis using the relevant issue price. It is not an indication of future yield.

Availability of Prospectus

9. This Prospectus is available on the Central Bank of Ireland's website at www.centralbank.ie.

Listing Agent

10. A&L Listing Limited is acting solely in its capacity as listing agent for the Issuer in relation to the Notes and is not itself seeking admission of the Notes to the Official List or to trading on the Main Securities Market.

REGISTERED OFFICE OF THE ISSUER

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Swords
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Ireland

REGISTERED OFFICE OF THE GUARANTOR

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GLOBAL CO-ORDINATOR

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REGISTRAR**Citigroup Global Markets Deutschland AG**

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TRANSFER AGENT**Citibank, N.A., London Branch**

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AND THE GUARANTOR**

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