

TORONTO DOMINION BANK
Form 424B2
September 13, 2016

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Registration Statement No. 333-211718

The information in this preliminary pricing supplement is not complete and may be changed. This preliminary pricing supplement is not an offer to sell nor does it seek an offer to buy these Notes in any jurisdiction where the offer or sale is not permitted.

Subject to Completion, Dated September 13, 2016.

Pricing Supplement dated September , 2016 to the

Product Prospectus Supplement MLN-ES-ETF-1 dated July 8, 2016 and

Prospectus Dated June 30, 2016

The
Toronto-Dominion
Bank

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Autocallable
Contingent Interest
Barrier Notes
Linked to the
shares of the
VanEck Vectors™
Gold Miners ETF
Due October 2,
2019.

The Toronto-Dominion Bank ("TD" or "we") is offering the Autocallable Contingent Interest Barrier Notes (the "Notes") linked to the shares of the VanEck Vectors™ Gold Miners ETF (the "Reference Asset"). The Notes will pay a Contingent Interest Payment on a Contingent Interest Payment Date (including the Maturity Date) at a rate of 11.00% per annum (the "Contingent Interest Rate") only if the Closing Price of the Reference Asset is greater than or equal to the Barrier Price of 60% of the Initial Price on the related Valuation Date. The Notes will be automatically called if the Closing Price of the Reference Asset is greater than or equal to the Initial Price on any Valuation Date other than the Final Valuation Date. If the Notes are automatically called, on the first following Contingent Interest Payment Date (the "Call Payment Date"), we will pay a cash payment per Note equal to their Principal Amount, plus the Contingent Interest Payment otherwise due. No further amounts will be owed under the Notes. If the Notes are not

automatically called, on the Maturity Date, in addition to any Contingent Interest Payment otherwise due, we will pay a cash payment, if anything, per Note equal to:

- If the Final Price is greater than or equal to the Barrier Price, the Principal Amount of \$1,000.
- If the Final Price is less than the Barrier Price, the sum of (1) \$1,000 plus (2) the product of (i) \$1,000 times (ii) the Percentage Change

If the Notes are not automatically called and the Final Price is less than the Barrier Price, investors will lose 1% of the Principal Amount of the Notes for each 1% that the Final Level is less than the Initial Level, and may lose the entire Principal Amount. Any payments on the Notes are subject to our credit risk.

The Notes are unsecured and are not savings accounts or insured deposits of a bank. The Notes are not insured or guaranteed by the Canada Deposit Insurance Corporation, the U.S. Federal Deposit Insurance Corporation or any other governmental agency or instrumentality of Canada or the United States. The Notes will not be listed on any securities exchange.

The Notes do not guarantee the payment of any Contingent Interest Payments or the return of the Principal Amount and, if the Final Level is less than the Barrier Price, investors may lose up to their entire investment in the Notes.

The Notes have complex features and investing in the Notes involves a number of risks. See “Additional Risk Factors” on page P-6 of this pricing supplement, “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the product prospectus supplement MLN-ES-ETF-1 dated July 8, 2016, (the “product prospectus supplement”) and “Risk Factors” on page 1 of the prospectus dated June 30, 2016 (the “prospectus”).

Neither the Securities and Exchange Commission (the “SEC”) nor any state securities commission has approved or disapproved of these Notes or determined that this pricing supplement, the product prospectus supplement or the prospectus is truthful or complete. Any representation to the contrary is a criminal offense.

We will deliver the Notes in book-entry only form through the facilities of The Depository Trust Company on or about September 30, 2016, against payment in immediately available funds.

Our estimated value of the Notes on the Pricing Date, based on our internal pricing models, is expected to be between \$950.00 and \$980.00 per Note, as discussed further under “Additional Risk Factors — Estimated Value” beginning on page P-7 and “Additional Information Regarding Our Estimated Value of the Notes” on page P-16 of this pricing supplement. The estimated value is expected to be less than the public offering price of the Notes.

	Public Offering Price ¹	Underwriting Discount ²	Proceeds to TD
Per Note	\$1,000.00	Up to \$40.00	At least \$960.00
Total	\$	\$	\$

Certain dealers who purchase the Notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the Notes in these accounts may be as low as \$960.00 (96.00%) per Note.

²TD Securities (USA) LLC (“TDS”) will purchase the Notes from TD at the public offering price less an underwriting discount of up to \$40.00 (40%) per Note for distribution to other registered broker-dealers, or will offer the Notes directly to investors. The underwriting discount represents the selling concessions for other dealers in connection with the distribution of the Notes. The other dealers may forego, in their sole discretion, some or all of their selling concessions. TD will reimburse TDS for certain expenses in connection with its role in the offer and sale of the Notes, and TD will pay TDS a fee in connection with its role in the offer and sale of the Notes. See “Supplemental

Plan of Distribution (Conflicts of Interest)” on page P-16 of this pricing supplement.
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Autocallable Fixed Interest Barrier Notes

Linked to the shares of the VanEck Vectors™ Gold Miners ETF

Due October 2, 2019

Summary

The information in this “Summary” section is qualified by the more detailed information set forth in this pricing supplement, the product prospectus supplement and the prospectus.

Issuer: TD
Issue: Senior Debt Securities
Type of Note: Autocallable Contingent Interest Barrier Notes
Term: Approximately 3 years, subject to an automatic call
Reference Asset: The shares of the VanEck Vectors™ Gold Miners ETF (ticker: GDX)
CUSIP / ISIN 89114QXM5 / US89114QXM58
Agent: TDS
Currency: U.S. Dollars
Minimum Investment: \$1,000 and minimum denominations of \$1,000 in excess thereof
Principal Amount: \$1,000 per Note
Pricing Date: September 27, 2016
Issue Date: September 30, 2016, which is 3 Business Days following the Pricing Date.
Call Feature: If the Closing Price of the Reference Asset on any Valuation Date other than the Final Valuation Date is greater than or equal to the Initial Price, we will automatically call the Notes and, on the applicable Call Payment Date, will pay you a cash payment equal to the Principal Amount, plus the Contingent Interest Payment otherwise due. No further amounts will be owed to you under the Notes.
Call Payment Date: If the Notes are subject to an automatic call, the Call Payment Date will be the Contingent Interest Payment Date immediately following the relevant Valuation Date.
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December 27, 2016, March 27, 2017, June 27, 2017, September 27, 2017, December 27, 2017, March 27, 2018, June 27, 2018, September 27, 2018, December 27, 2018, March 27, 2019, June 27, 2019, and September 27, 2019 (the “Final Valuation Date”), unless any such date is not a Trading Day, in which case the relevant Valuation Date (or Final Valuation Date) will be the next following Trading Day. If a Market Disruption Event occurs or is continuing on any Valuation Date (including the Final Valuation Date), the Valuation Date will be postponed to the next Trading Day on which no Market Disruption Event occurs or is continuing. In no event, however, will any Valuation Date be postponed by more than ten Trading Days. If the determination of the Closing Price of the Reference Asset for any Valuation Date is postponed to the last possible day, but a Market Disruption Event occurs or is continuing on that day, that day will nevertheless be the date on which the Closing Price of the Reference Asset will be determined. In such an event, the Calculation Agent will estimate the price that would have prevailed in the absence of the Market Disruption Event.

Valuation Dates: With respect to each Valuation Date, the third Business Day following the related Valuation Date, subject to postponement as described above under “— Valuation Dates”

Contingent Interest Payment Dates: If the Closing Price of the Reference Asset is greater than or equal to the Barrier Price on the relevant Valuation Date, a Contingent Interest Payment will be paid to you on the corresponding Contingent Interest Payment Date, in an amount equal to:

Contingent Interest Payment: Principal Amount x Contingent Interest Rate x $\frac{1}{4}$

Contingent Interest Payments on the Notes are not guaranteed. You will not receive a Contingent Interest Payment on a Contingent Interest Payment Date if the Closing Price of the Reference Asset on the related Valuation Date is less than the Barrier Price.

Contingent Interest Rate: 11.00% per annum

Maturity Date: October 2, 2019, which is three Business Days following the Final Valuation Date, subject to postponement as described above under “— Valuation Dates”

Payment at Maturity (If Not Called): If the Notes are not automatically called, on the Maturity Date, in addition to any Contingent Interest Payment otherwise due, we will pay a cash payment, if anything, per Note equal to:

· If the Final Price is greater than or equal to the Barrier Price:
The Principal Amount of \$1,000.

· If the Final Price is less than the Barrier Price:
The sum of (1) \$1,000 plus (2) the product of (i) \$1,000 times (ii) the Percentage Change

If the Notes are not automatically called and the Final Price is less than the Barrier Price, investors will lose 1% of the Principal Amount of the Notes for each 1% that the Final Level is less than the Initial Level, and may lose the entire Principal Amount. Any payments on the Notes are subject to our credit risk.

The Percentage Change is the quotient, expressed as a percentage, of the following formula:

Percentage Change:
$$\frac{\text{Final Price} - \text{Initial Price}}{\text{Initial Price}}$$

Initial Price: The Closing Price of the Reference Asset on the Pricing Date, subject to adjustment as described under “General Terms of the Notes— Anti-Dilution Adjustments” in the product prospectus supplement

Final Price: The Closing Price of the Reference Asset on the Final Valuation Date

Barrier Price: 60% of the Initial Price (to be determined on the Pricing Date), subject to adjustment as described under “General Terms of the Notes— Anti-Dilution Adjustments” in the product prospectus supplement

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Business Day: Any day that is a Monday, Tuesday, Wednesday, Thursday or Friday that is neither a legal holiday nor a day on which banking institutions are authorized or required by law to close in New York City or Toronto

U.S. Tax Treatment: By purchasing the Notes, you agree, in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary, to treat the Notes, for U.S. federal income tax purposes, as pre-paid derivative contracts with respect to the Reference Asset. Pursuant to this approach, it is likely that any Contingent Interest Payment that you receive should be included in ordinary income at the time you receive the payment or when it accrues, depending on your regular method of accounting for U.S. federal income tax purposes. Based on certain factual representations received from us, in the opinion of our special U.S. tax counsel, Cadwalader, Wickersham & Taft LLP, it is reasonable to treat the Notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that your Notes could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization (including possible treatment as a “constructive ownership transaction” subject to section 1260 of the Internal Revenue Code of 1986, as amended (the “Code”), such that the timing and character of your income from the Notes could differ materially from the treatment described above, as described further herein under “Supplemental Discussion of U.S. Federal Income Tax Consequences” beginning on page P-14 and in the product prospectus supplement under “Supplemental Discussion of U.S. Federal Income Tax Consequences” beginning on page PS-38.

Canadian Tax Treatment: Please see the discussion in the product prospectus supplement under “Supplemental Discussion of Canadian Tax Consequences,” which applies to the Notes.

Calculation Agent: TD

Listing: The Notes will not be listed on any securities exchange.

Clearance and Settlement: DTC global (including through its indirect participants Euroclear and Clearstream, Luxembourg as described under “Forms of the Debt Securities” and “Book-Entry Procedures and Settlement” in the prospectus).

The Pricing Date, the Issue Date, and all other dates listed above are subject to change. These dates will be set forth in the final pricing supplement that will be made available in connection with sales of the Notes.

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Additional Information Concerning Your Notes

You should read this pricing supplement together with the prospectus, as supplemented by the product prospectus supplement, relating to our Senior Debt Securities, of which these Notes are a part. Capitalized terms used but not defined in this pricing supplement will have the meanings given to them in the product prospectus supplement. In the event of any conflict the following hierarchy will govern: first, this pricing supplement; second, the product prospectus supplement; and last, the prospectus. ***The Notes vary from the terms described in the product prospectus supplement in several important ways. You should read this pricing supplement carefully.***

This pricing supplement, together with the documents listed below, contains the terms of the Notes and supersedes all prior or contemporaneous oral statements as well as any other written materials including preliminary or indicative pricing terms, correspondence, trade ideas, structures for implementation, sample structures, brochures or other educational materials of ours. You should carefully consider, among other things, the matters set forth in “Additional Risk Factors” on page P-6 of this pricing supplement, “Additional Risk Factors Specific to the Notes” beginning on page PS-5 of the product prospectus supplement and “Risk Factors” on page 1 of the prospectus, as the Notes involve risks not associated with conventional debt securities. We urge you to consult your investment, legal, tax, accounting and other advisors before you invest in the Notes. You may access these documents on the SEC website at www.sec.gov as follows (or if that address has changed, by reviewing our filings for the relevant date on the SEC website):

§ Prospectus dated June 30, 2016:

<https://www.sec.gov/Archives/edgar/data/947263/000119312516638441/d162493d424b3.htm>

§ Product Prospectus Supplement MLN-ES-ETF-1 dated July 8, 2016:

https://www.sec.gov/Archives/edgar/data/947263/000089109216016045/e70441_424b2.htm

Our Central Index Key, or CIK, on the SEC website is 0000947263. Alternatively, The Toronto-Dominion Bank, any Agent or any dealer participating in this offering will arrange to send you the product prospectus supplement and the prospectus if you so request by calling 1-855-303-3234. As used in this pricing supplement, the “Bank,” “we,” “us,” or “our” refers to The Toronto-Dominion Bank and its subsidiaries.

We reserve the right to change the terms of, or reject any offer to purchase, the Notes prior to their issuance. In the event of any changes to the terms of the Notes, we will notify you and you will be asked to accept such changes in connection with your purchase. You may also choose to reject such changes, in which case we may reject your offer to purchase.

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Additional Risk Factors

The Notes involve risks not associated with an investment in conventional debt securities. This section describes the most significant risks relating to the terms of the Notes. For additional information as to these risks, please see the product prospectus supplement and the prospectus.

You should carefully consider whether the Notes are suited to your particular circumstances before you decide to purchase them. Accordingly, prospective investors should consult their investment, legal, tax, accounting and other advisors as to the risks entailed by an investment in the Notes and the suitability of the Notes in light of their particular circumstances.

Your Investment in the Notes May Result in a Loss.

The Notes do not guarantee the return of the Principal Amount and investors may lose up to their entire investment in the Notes. Specifically, if the Notes are not automatically called and the Final Price is less than the Barrier Price, investors will lose 1% of the Principal Amount of the Notes for each 1% that the Final Level is less than the Initial Level, and may lose the entire Principal Amount.

You Will Not Receive Any Contingent Interest Payment for Any Contingent Interest Payment Date If the Closing Price on the Corresponding Valuation Date Is Less Than the Barrier Price.

You will not receive a Contingent Interest Payment on a Contingent Interest Payment Date if the Closing Price of the Reference Asset on the related Valuation Date is less than the Barrier Price. If the Closing Price of the Reference Asset is less than the Barrier Price on each Valuation Date over the term of the Notes, you will not receive any Contingent Interest Payments, and you will not receive a positive return on, your Notes. Generally, this non-payment of the Contingent Interest Payment will coincide with a greater risk of principal loss on your Notes. Accordingly, if we do not pay the Contingent Interest Payment on the Maturity Date, you will incur a loss of principal because the Final Price will be less than the Barrier Price, and you may lose your entire Principal Amount.

Your Return May Be Lower than the Return on a Conventional Debt Security of Comparable Maturity.

The return that you will receive on your Notes, which could be negative, may be less than the return you could earn on other investments. The Notes do not provide for fixed interest payments and you may not receive any Contingent Interest Payments over the term of the Notes. Even if you do receive one or more Contingent Interest Payments and your return is positive, your return may be less than the return you would earn if you bought a conventional senior interest bearing debt security of the Bank with the same maturity date or if you invested directly in the Reference Asset. Your investment may not reflect the full opportunity cost to you when you take into account factors that affect the time value of money.

The Notes May Be Automatically Called Prior to the Maturity Date And Are Subject to Reinvestment Risk.

If your Notes are automatically called, no further payments will be owed to you under the Notes after the applicable Call Payment Date. Therefore, because the Notes could be called as early as the first potential Call Payment Date, the holding period could be limited. There is no guarantee that you would be able to reinvest the proceeds from an investment in the Notes at a comparable return for a similar level of risk in the event the Notes are automatically called prior to the Maturity Date. Furthermore, to the extent you are able to reinvest such proceeds in an investment with a comparable return for a similar level of risk, you may incur transaction costs such as dealer discounts and hedging costs built into the price of the new notes.

The Potential Positive Return on the Notes Is Limited to the Contingent Interest Payments Paid on the Notes, If Any, Regardless of Any Appreciation in the Price of the Reference Asset.

The potential positive return on the Notes is limited to any Contingent Interest Payments paid, meaning any positive return on the Notes will be composed solely by the sum of any Contingent Interest Payments paid over the life of the Notes. Therefore, if the appreciation of the Reference Asset exceeds the sum of any Contingent Interest Payments actually paid on the Notes, the return on the Notes will be less than the return would be if you made an investment in the Reference Asset or a security directly linked to the positive performance of the Reference Asset.

Investors Are Subject to Our Credit Risk, and Our Credit Ratings and Credit Spreads May Adversely Affect the Market Value of the Notes.

Although the return on the Notes will be based on the performance of the Reference Asset, the payment of any amount due on the Notes is subject to our credit risk. The Notes are our senior unsecured debt obligations. Investors are dependent on our ability to pay all amounts due under the Notes and, therefore, investors are subject to our credit risk and to changes in the market's view of our creditworthiness. Any decrease in our credit ratings or increase in the credit spreads charged by the market for taking our credit risk is likely to adversely affect the market value of the Notes.

The Amounts Payable on the Notes Are Not Linked to the Price of the Reference Asset at Any Time Other Than on the Valuation Dates, Including the Final Valuation Date.

Any payments on the Notes will be based on the Closing Price of the Reference Asset only on each Valuation Date. Even if the market price of the Reference Asset appreciates prior to the relevant Valuation Date but then drops on that day to a Closing Price that is less than the Barrier Price, you will not receive the Contingent Interest Payment on the corresponding Contingent Interest Payment Date. Similarly, the Payment at Maturity may be significantly less than it would have been had the Notes been linked to the Closing Price of the Reference Asset on a date other than the Final Valuation Date, and may be zero. Although the actual price of the Reference Asset at other times during the term of the Notes may be higher than the price on one or more Valuation Dates, any Contingent Interest

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Payments on the Notes and the Payment at Maturity will be based solely on the Closing Price of the Reference Asset on the applicable Valuation Date.

The Contingent Interest Rate Will Reflect In Part the Volatility of the Reference Asset and May Not Be Sufficient to Compensate You for the Risk of Loss at Maturity.

Generally, the higher the Reference Asset's volatility, the more likely it is that the Closing Price of the Reference Asset price could be less than the Initial Price or the Barrier Price on a Valuation Date. Volatility means the magnitude and frequency of changes in the price of the Reference Asset. This greater risk will generally be reflected in a higher Contingent Interest Rate for the Notes than the interest rate payable on our conventional debt securities with a comparable term. However, while the Contingent Interest Rate is set on the Pricing Date, the Reference Asset's volatility can change significantly over the term of the Notes, and may increase. The price of the Reference Asset could fall sharply on the Valuation Dates, resulting in few or no Contingent Interest Payments or on the Final Valuation Date, resulting in a significant or entire loss of principal.

There Are Market Risks Associated with the Reference Asset.

The price of the Reference Asset can rise or fall sharply due to factors specific to the Reference Asset, its investment advisor (the "Investment Advisor"), the underlying assets held by the Reference Asset (the "Reference Asset Constituents") and their issuers (the "Reference Asset Constituent Issuers"), such as stock price volatility, earnings, financial conditions, corporate, industry and regulatory developments, management changes and decisions and other events, as well as general market factors, such as general stock market volatility and levels, interest rates and economic and political conditions. You, as an investor in the Notes, should make your own investigation into the Investment Advisor and the Reference Asset for your Notes. For additional information, see "Information Regarding the Reference Asset" in this pricing supplement and the Investment Advisor's SEC filings. **We urge you to review financial and other information filed periodically by the Investment Advisor with the SEC.**

Estimated Value

The Estimated Value of Your Notes Is Expected to Be Lower Than the Public Offering Price of Your Notes.

The estimated value of your Notes on the Pricing Date is expected to be lower, and may be significantly lower, than the public offering price of your Notes. The difference between the public offering price of your Notes and the estimated value of the Notes is expected as a result of certain factors, such as any sales commissions expected to be paid to the Agent or its affiliates, any selling concessions, discounts, commissions or fees expected to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn in connection with structuring the Notes, the estimated cost which we may incur in hedging our obligations under the Notes, and estimated development and other costs which we may incur in connection with the Notes.

The Estimated Value of Your Notes Is Based on Our Internal Funding Rate.

The estimated value of your Notes on the Pricing Date is based on a number of variables, including our internal funding rates. Our internal funding rates may vary from the levels at which our benchmark debt securities trade in the secondary market, and at times the internal funding rates we use in calculating the estimated value of your Notes may be lower. As a result of this difference, the estimated value referenced above may be higher than it would have been if it were calculated by reference to the levels at which our benchmark debt securities trade in the secondary market.

The Estimated Value of the Notes Is Based on Our Internal Pricing Models, Which May Prove to be Inaccurate and May be Different from the Pricing Models of Other Financial Institutions.

The estimated value of your Notes on the Pricing Date is based on our internal pricing models, which take into account a number of variables and are based on a number of subjective assumptions, which may or may not materialize. These variables and assumptions are not evaluated or verified on an independent basis. Further, our pricing models may be different from other financial institutions' pricing models and the methodologies used by us to estimate the value of the Notes may not be consistent with those of other financial institutions that may be purchasers or sellers of Notes in the secondary market. As a result, the secondary market price of your Notes may be materially different from the estimated value of the Notes determined by reference to our internal pricing models.

The Estimated Value of Your Notes Is Not a Prediction of the Prices at Which You May Sell Your Notes in the Secondary Market, If Any, and Such Secondary Market Prices, If Any, Will Likely be Lower Than the Public Offering Price of Your Notes and May Be Lower Than the Estimated Value of Your Notes.

The estimated value of the Notes will not be a prediction of the prices at which the Agent, other affiliates of ours or third parties may be willing to purchase the Notes from you in secondary market transactions (if they are willing to purchase, which they are not obligated to do). The price at which you may be able to sell your Notes in the secondary market at any time will be influenced by many factors that cannot be predicted, such as market conditions, and any bid and ask spread for similar sized trades, and may be substantially less than our estimated value of the Notes. Further, as secondary market prices of your Notes take into account the levels at which our debt securities trade in the secondary market, and do not take into account our various costs related to the Notes such as fees, commissions, discounts, and the costs of hedging our obligations under the Notes, secondary market prices of your Notes will likely be lower than the public offering price of your Notes. As a result, the price, at which the Agent, other affiliates of ours or third parties may be willing to purchase the Notes from you in secondary market transactions, if

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any, will likely be lower than the price you paid for your Notes, and any sale prior to the Maturity Date could result in a substantial loss to you.

The Temporary Price at Which We May Initially Buy The Notes in the Secondary Market May Not Be Indicative of Future Prices of Your Notes.

Assuming that all relevant factors remain constant after the Pricing Date, the price at which the Agent may initially buy or sell the Notes in the secondary market (if the Agent makes a market in the Notes, which it is not obligated to do) may exceed our estimated value of the Notes on the Pricing Date, as well as the secondary market value of the Notes, for a temporary period after the initial issue date of the Notes, as discussed under “Additional Information Regarding Our Estimated Value of the Notes.” The price at which the Agent may initially buy or sell the Notes in the secondary market may not be indicative of future prices of your Notes.

There May Not Be an Active Trading Market for the Notes — Sales in the Secondary Market May Result in Significant Losses.

There may be little or no secondary market for the Notes. The Notes will not be listed on any securities exchange. TDS and other affiliates of TD may make a market for the Notes; however, they are not required to do so. TDS or any other affiliate of TD may stop any market-making activities at any time. Even if a secondary market for the Notes develops, it may not provide significant liquidity or trade at prices advantageous to you. We expect that transaction costs in any secondary market would be high. As a result, the difference between bid and ask prices for your Notes in any secondary market could be substantial.

If you sell your Notes before the Maturity Date, you may have to do so at a substantial discount from the issue price, and as a result, you may suffer substantial losses.

There Are Liquidity and Management Risks Associated with an ETF.

Although shares of the Reference Asset are listed for trading on a securities exchange and a number of similar products have been traded on various exchanges for varying periods of time, there is no assurance that an active trading market will continue for such shares or that there will be liquidity in that trading market.

An ETF is subject to management risk, which is the risk that the investment advisor’s investment strategy, the implementation of which is subject to a number of constraints, may not produce the intended results.

You Will Have No Rights to Receive Any Shares of the Reference Asset or Any Reference Asset Constituents held by the Reference Asset, and You Will Not Be Entitled to Dividends or Other Distributions by the Reference Asset.

The Notes are our debt securities. They are not equity instruments, shares of stock, or securities of any other issuer. Investing in the Notes will not make you a holder of shares of the Reference Asset or any of its Reference Asset Constituents. You will not have any voting rights, any rights to receive dividends or other distributions, any rights against the Investment Advisor, or any other rights with respect to the Reference Asset or any of its Reference Asset Constituents. As a result, the return on your Notes may not reflect the return you would realize if you actually owned shares of the Reference Asset or its Reference Asset Constituents and received the dividends paid or other distributions made in connection with them. Your Notes will be paid in cash and you have no right to receive delivery of shares of the Reference Asset or any of its Reference Asset Constituents.

Changes that Affect the Target Index of the Reference Asset Will Affect the Market Value of the Notes and the Amount You Will Receive at Maturity.

The Reference Asset is an ETF that seeks to provide investment results that, before fees and expenses, correspond generally to the price and yield performance of the NYSE Arca Gold Miners Index (the “Index”). The policies of the sponsor of the Index (the “Index Sponsor”) concerning the calculation of the Index, additions, deletions or substitutions of the components of the Index and the manner in which changes affecting those components, such as stock dividends, reorganizations or mergers, may be reflected in the Index and, therefore, could affect whether a Contingent Interest Payment is payable, the amount payable on the Notes at maturity and the market value of the Notes prior to maturity. The amounts payable on the Notes and their market value could also be affected if the Index Sponsor changes these policies, for example, by changing the manner in which it calculates the Index. Some of the risks that relate to a target index of an ETF include those discussed in the product prospectus supplement, which you should review before investing in the Notes.

We Have No Affiliation with the Index Sponsor or the Investment Advisor and Will Not Be Responsible for Any Actions Taken by the Index Sponsor or the Investment Advisor.

The Index Sponsor and the Investment Advisor are not affiliates of ours and will not be involved in the offering of the Notes in any way. Consequently, we have no control over the actions of the Index Sponsor or the Investment Advisor, including any actions of the type that would require the Calculation Agent to adjust any amounts payable on the Notes. The Index Sponsor and the Investment Advisor have no obligation of any sort with respect to the Notes. Thus, Index Sponsor and the Investment Advisors have no obligation to take your interests into consideration for any reason, including in taking any actions that might affect the value of the Notes. None of our proceeds from the issuance of the Notes will be delivered to the Index Sponsor or the Investment Advisor.

The Reference Asset and the Index Are Different and the Performance of the Reference Asset May Not Correlate With That of the Index.

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The performance of the Reference Asset may not exactly replicate the performance of the Index because the Reference Asset will reflect transaction costs and fees that are not included in the calculation of the Index. It is also possible that the Reference Asset may not fully replicate or may in certain circumstances diverge significantly from the performance of its applicable Index due to the temporary unavailability of certain securities in the secondary market, the performance of any derivative instruments contained in the Reference Asset, differences in trading hours between the Reference Asset and the Index or due to other circumstances. In addition, because the shares of the Reference Asset are traded on a securities exchange and are subject to market supply and investor demand, the price of a share of the Reference Asset may differ from the net asset value per share of the Reference Asset.

The Price of the Reference Asset May Not Completely Track its Net Asset Value.

The price the Reference Asset will usually track the value of the Index, but may not track the Index's value completely. The price of the Reference Asset will reflect costs and fees that the Index does not have. In addition, because the shares of the Reference Asset are traded on a securities exchange and are subject to market supply and investor demand, the price of a share of the Reference Asset may differ from the net asset value per share of the Reference Asset.

Adjustments to the Reference Asset Could Adversely Affect the Notes.

The Investment Advisor is responsible for calculating and maintaining the Reference Asset. The Investment Advisor can add, delete or substitute the Reference Asset Constituents. The Investment Advisor may make other methodological changes that could change the price of the Reference Asset at any time. If one or more of these events occurs, the calculation of the amount payable at maturity may be adjusted to reflect such event or events. Consequently, any of these actions could adversely affect the amount payable at maturity and/or the market value of the Notes.

An Investment in the Notes Is Subject to Risks Associated with Non-U.S. Securities Markets.

Because some of the Reference Asset Constituents held by the Reference Asset are publicly traded in foreign countries and trade in currencies other than U.S. dollars, investments in the Notes involve particular risks. For example, the foreign securities markets may be more volatile and have less liquidity than the U.S. securities markets, and market developments may affect these markets differently from the U.S. or other securities markets. Direct or indirect government intervention to stabilize the securities markets outside the U.S., as well as cross-shareholdings in certain companies, may affect trading prices and trading volumes in those markets. Also, the public availability of information concerning the foreign issuers may vary depending on their home jurisdiction and the reporting requirements imposed by their respective regulators. In addition, the foreign issuers may be subject to accounting, auditing and financial reporting standards and requirements that differ from those applicable to U.S. reporting companies.

Securities prices outside the U.S. are subject to political, economic, financial, military and social factors that apply in foreign countries. These factors, which could negatively affect foreign securities markets, include the possibility of changes in a foreign government's economic and fiscal policies, the possible imposition of, or changes in, currency exchange laws or other laws or restrictions applicable to foreign companies or investments in foreign equity securities, the possibility of fluctuations in the rate of exchange between currencies and the possibility of outbreaks of hostility or political instability or adverse public health developments. Moreover, foreign economies may differ favorably or unfavorably from the U.S. economy in important respects such as growth of gross national product, rate of inflation, trade surpluses, capital reinvestment, resources and self-sufficiency.

An Investment in the Notes Is Subject to Exchange Rate Risk.

Some of the Reference Asset Constituents held by the Reference Asset may be issued by non-U.S. issuers. Accordingly, investors in the Notes will be exposed to currency exchange rate risk with respect to each of the currencies in which the Reference Asset Constituents held by the Reference Asset are traded. An investor's net exposure will depend on the extent to which these currencies strengthen or weaken against the U.S. dollar. If the dollar strengthens against these currencies, the net asset value of the Reference Asset will be adversely affected and the price of the Reference Asset, and consequently the market value of the Notes, may decrease.

Time Zone Differences Between the Cities Where the Reference Asset Constituents Held by the Reference Asset and the Reference Asset Trade May Create Discrepancies in Trading Prices.

As a result of the time zone difference, if applicable, between the cities where the securities comprising the Reference Asset trade and where the shares of the Reference Asset trade, there may be discrepancies between the values of the Reference Asset and the market value of the Notes. In addition, there may be periods when the foreign securities markets are closed for trading (for example, during holidays in a country other than the United States) that may result in the values of the Reference Asset remaining unchanged for multiple trading days in the city where the shares of the Reference Asset trade. Conversely, there may be periods in which the applicable foreign securities markets are open, but the securities market on which the Reference Asset trades is closed.

The VanEck Vectors™ Gold Miners ETF Does Not Measure the Performance of Gold Bullion.

The VanEck Vectors™ Gold Miners ETF (the "GDX Fund") measures the performance of shares of gold and silver mining companies and not gold bullion. Therefore the GDX Fund may under- or over-perform gold bullion over the short- or long-term.

There Are Risks Associated with Investments in Securities with Concentration in The Gold and Silver Mining Industry.

The GDX Fund seeks to track the performance of the NYSE Arca Gold Miners Index, which is comprised of the stocks of companies primarily engaged in the mining of gold or silver. The shares of the GDX Fund may be subject to increased price volatility as they are linked to a single industry, market or sector and may be more susceptible to adverse economic, market, political or regulatory occurrences affecting that industry, market or sector. Because the GDX Fund primarily invests in stocks and American depository

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receipts of companies that are involved in the gold mining industry, and to a lesser extent the silver mining industry, the shares of the GDX Fund, and the value of Notes linked to the GDX Fund, are subject to certain risks associated with such companies. Gold mining companies are highly dependent on the price of gold and subject to competition pressures that may have a significant effect on their financial condition. Gold prices are subject to volatile price movements over short periods of time and are affected by numerous factors. These include economic factors, including, among other things, the structure of and confidence in the global monetary system, expectations of the future rate of inflation, the relative strength of, and confidence in, the U.S. dollar (the currency in which the price of gold is generally quoted), interest rates and gold borrowing and lending rates, and global or regional economic, financial, political, regulatory, judicial or other events. Gold prices may also be affected by industry factors such as industrial and jewelry demand, lending, sales and purchases of gold by the official sector, including central banks and other governmental agencies and multilateral institutions which hold gold, levels of gold production and production costs, and short-term changes in supply and demand because of trading activities in the gold market. Similarly, silver mining companies are highly dependent on the price of silver. Silver prices can fluctuate widely and may be affected by numerous factors. These include general economic trends, technical developments, substitution issues and regulation, as well as specific factors including industrial and jewelry demand, expectations with respect to the rate of inflation, the relative strength of the U.S. dollar (the currency in which the price of silver is generally quoted) and other currencies, interest rates, central bank sales, forward sales by producers, global or regional political or economic events, and production costs and disruptions in major silver producing countries.

Our Business Activities May Create Conflicts of Interest.

We and our affiliates expect to engage in trading activities related to the Reference Asset or any Reference Asset Constituent that are not for the account of holders of the Notes or on their behalf. These trading activities may present a conflict between the holders' interests in the Notes and the interests we and our affiliates will have in their proprietary accounts, in facilitating transactions, including options and other derivatives transactions, for their customers and in accounts under their management. These trading activities, if they influence the prices of the Reference Asset, could be adverse to the interests of the holders of the Notes. We and one or more of our affiliates may, at present or in the future, engage in business with the Investment Advisor or any Reference Asset Constituent Issuer, including making loans to or providing advisory services. These services could include investment banking and merger and acquisition advisory services. These activities may present a conflict between our or one or more of our affiliates' obligations and your interests as a holder of the Notes. Moreover, we and our affiliates may have published, and in the future expect to publish, research reports with respect to the Reference Asset or any Reference Asset Constituent. This research is modified from time to time without notice and may express opinions or provide recommendations that are inconsistent with purchasing or holding the Notes. Any of these activities by us or one or more of our affiliates may affect the price of the Reference Asset, and, therefore, the market value of the Notes, whether any Contingent Interest Payment is payable on any Contingent Interest Payment Date and the Payment at Maturity.

There Are Potential Conflicts of Interest Between You and the Calculation Agent.

The Calculation Agent will, among other things, determine whether the Contingent Interest Payment is payable on any Contingent Interest Payment Date and the Payment at Maturity on the Notes. We will serve as the Calculation Agent but may appoint a different Calculation Agent after the original Issue Date without notice to you. The Calculation Agent will exercise its judgment when performing its functions and may take into consideration our ability to unwind any related hedges. Since this discretion by the Calculation Agent may affect payments on the Notes, the Calculation Agent may have a conflict of interest if it needs to make any such decision. For example, the Calculation Agent may have to determine whether a Market Disruption Event affecting the Reference Asset has occurred, and make certain adjustments to the Reference Asset if certain events occur. This determination may, in turn, depend on the Calculation Agent's judgment whether the event has materially interfered with our ability or the ability of one of our affiliates to unwind our hedge positions. Since this determination by the Calculation Agent will affect the payment on the Notes,

the Calculation Agent may have a conflict of interest if it needs to make a determination of this kind. For additional information as to the Calculation Agent's role, see "General Terms of the Notes—Role of Calculation Agent" in the product prospectus supplement.

You Will Have Limited Anti-Dilution Protection.

The Calculation Agent will adjust the Initial Price and Barrier Price for stock splits, reverse stock splits, stock dividends, extraordinary dividends and other events that affect the Reference Asset, but only in the situations we describe in "General Terms of the Notes—Anti-Dilution Adjustments" in the product prospectus supplement. The Calculation Agent will not be required to make an adjustment for every event that may affect the Reference Asset. Those events or other actions by the Investment Advisor or a third party may nevertheless adversely affect the price of the Reference Asset, and adversely affect the value of your Notes.

Significant Aspects of the Tax Treatment of the Notes Are Uncertain.

The U.S. tax treatment of the Notes is uncertain. Please read carefully the section entitled "Supplemental Discussion of U.S. Federal Income Tax Consequences" in the product prospectus supplement, and the section entitled "Supplemental Discussion of U.S. Federal Income Tax Consequences" below. You should consult your tax advisor about your own tax situation.

For a more complete discussion of the Canadian federal income tax consequences of investing in the Notes, please see the discussion in the product prospectus supplement under "Supplemental Discussion of Canadian Tax Consequences." If you are not a Non-resident Holder (as that term is defined in the prospectus) or if you acquire the Notes in the secondary market, you should consult your tax advisors as to the consequences of acquiring, holding and disposing of the Notes and receiving the payments that might be due under the Notes.

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Hypothetical Returns

The examples set out below are included for illustration purposes only and are hypothetical examples only; amounts below may have been rounded for ease of analysis. The Closing Prices and Percentage Changes of the Reference Asset used to illustrate the calculation of whether a Contingent Interest Payment is payable on a Contingent Interest Payment Date and the Payment at Maturity are not estimates or forecasts of the Initial Price, the Closing Price, the Final Price or the price of the Reference Asset on any trading day prior to the Maturity Date. All examples assume an Initial Price of \$26.38, a Barrier Price of \$15.83 (60% of the hypothetical Initial Price), a Contingent Interest Payment of \$27.50 per Note (reflecting a Contingent Interest Rate of 11.00% per annum), that a holder purchased Notes with a Principal Amount of \$1,000 and that no Market Disruption Event occurs on any Valuation Date, including the Final Valuation Date. The actual Initial Price and Barrier Price will be set forth on the cover page of the final pricing supplement.

Example 1 – The Notes Are Automatically Called Prior to the Final Valuation Date.

Valuation Date	Closing Price	Payment (per Note)
First	\$27.00 (greater than the Initial Price)	\$1,000 (Principal Amount) + \$27.50 (Contingent Interest Payment) \$1,027.50 (total payment upon Automatic Call)

If on the first Valuation Date, the Closing Price is greater than or equal to the Initial Price (and therefore also greater than the Barrier Price), then the Notes will be automatically called and, on the Call Payment Date, we will pay you a cash payment equal to \$1,027.50 per Note, reflecting the Principal Amount plus the applicable Contingent Interest Payment, for a return of 2.75% per Note. No further amounts will be owed under the Notes.

Example 2 — The Closing Price of the Reference Asset is greater than or equal to the Barrier Price on each of the Valuation Dates, the Notes Are Not Automatically Called and the Final Price is Greater Than the Barrier Price.

Valuation Date	Closing Price	Payment (per Note)
First through Eleventh	Various (greater than or equal to the Barrier Price; less than the Initial Price)	\$302.50 (Contingent Interest Payment) \$1,000 (Principal Amount)
Final Valuation Date	\$17.00 (greater than the Barrier Price)	+ \$27.50 (Contingent Interest Payment) \$1,027.50 (total payment upon Automatic Call)

If the Closing Price of the Reference Asset on each of the first through eleventh Valuation Dates is greater than or equal to the Barrier Price and less than the Initial Price, we will pay the Contingent Interest Payment on each applicable Contingent Interest Payment Date and the Notes will not be called. If on the Final Valuation Date the Final Price is greater than or equal to the Barrier Price, then on the Maturity Date we will pay you a cash payment equal to \$1,027.50 per Note, reflecting the Principal Amount plus the applicable Contingent Interest Payment. When added to the Contingent Interest Payments of \$302.50 paid in respect of the prior Contingent Interest Payment Dates, the Bank will have paid you a total of \$1,330.00 per Note, a return of 33.00% per Note.

Example 3 — The Closing Price of the Reference Asset is less than the Barrier Price on each of the Valuation Dates, the Notes Are Not Automatically Called and the Final Price is Less Than the Barrier Price.

Valuation Date	Closing Price	Payment (per Note)
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Information Regarding the Reference Asset

The Reference Asset is registered under the Exchange Act. Companies with securities registered under the Exchange Act are required to file periodically certain financial and other information specified by the SEC. Information provided to or filed with the SEC can be inspected and copied at the public reference facilities maintained by the SEC or through the SEC's website at www.sec.gov. In addition, information regarding the Reference Asset may be obtained from other sources including, but not limited to, press releases, newspaper articles and other publicly disseminated documents.

We have not independently verified the accuracy or completeness of reports filed by the Investment Advisor with the SEC, information published by it on its website or in any other format, information about it obtained from any other source or the information provided below.

We obtained the information regarding the historical performance of each Reference Asset set forth below from Bloomberg Financial Markets.

We obtained the information regarding the Investment Advisor from publicly available information, including its filings with the SEC and obtained the historical performance of the Reference Asset from Bloomberg Professional® service. We have not conducted any independent review or due diligence about any such information. You are urged to conduct your own investigation into the Reference Asset and the Investment Advisor.

VanEck Vectors™ Gold Miners ETF

We have derived all information contained herein regarding the VanEck Vectors™ Gold Miners ETF (the "GDX Fund") from publicly available information. Such information reflects the policies of, and is subject to change by the VanEck Vectors ETF Trust (the "Trust"), Van Eck Securities Corporation, and Van Eck Associates Corporation. TD has not undertaken an independent review or due diligence of any publicly available information regarding the GDX Fund.

The GDX Fund is an investment portfolio maintained and managed by the Trust and advised by Van Eck Associates Corporation. The Trust is an open-end investment company registered under the Investment Company Act of 1940 that consists of numerous separate investment portfolios, including the GDX Fund. The GDX Fund seeks to replicate the performance of the NYSE Arca Gold Miners Index (the "Index") by investing in a portfolio of securities that generally replicates the Index. The Index, calculated by NYSE Arca, is a modified market capitalization-weighted index consisting of common stocks and American depository receipts ("ADRs") of publicly traded companies involved primarily in mining for gold and silver ore.

The GDX Fund, using a "passive" or indexing investment approach, attempts to approximate the investment performance of the Index by investing in a portfolio of securities that generally replicates the Index. The GDX Fund normally invests at least 80% of its total assets in securities that comprise the Index. The GDX Fund is classified as a non-diversified fund and concentrates its investments in the industry or group of industries that the Index concentrates in. The Index is a modified market-capitalization weighted index primarily comprised of publicly traded companies involved in the mining for gold and silver.

As of August 31, 2016 the net expense ratio of the GDX Fund is expected to accrue at an annual rate of 0.52% of the GDX Fund's average daily net asset value. Expenses of the GDX Fund reduce the net value of the assets held by the GDX Fund and, therefore, reduce value of the shares of the GDX Fund.

As of August 31, 2016 the GDX Fund's five largest company holdings include: Newmont Mining Corporation (9.90%), Barrick Gold Corporation (9.68%), Goldcorp Inc. (6.19%), Newcrest Mining Ltd. (6.17%) and

Franco-Nevada Corporation (6.04%).

In making your investment decision you should review the prospectus related to the GDX Fund, dated May 1, 2016, filed by the Trust ("the GDX Fund Prospectus") available at:

https://www.sec.gov/Archives/edgar/data/1137360/000093041316006598/c83635_485bpos.htm

In addition, the GDX Fund Prospectus is available on GDX Fund's website as indicated below. In making your investment decision you should pay particular attention to the sections of the GDX Fund Prospectus entitled "Principal Risks of Investing in the Fund" and "Additional Information About the Funds' Investment Strategies and Risks." TD has not undertaken an independent review or due diligence of any publicly available information regarding the GDX Fund Prospectus, and such information is not incorporated by reference in, and should not be considered part of, these Terms or any accompanying prospectus.

The GDX Fund's website is <http://www.vaneck.com/vaneck-vectors/equity-etfs/gdx/snapshot/>. Shares of the GDX Fund are listed on the NYSE Arca under ticker symbol "GDX."

Information filed by the Trust with the SEC under the Securities Act of 1933, the Investment Company Act of 1940 and/or the Securities Exchange Act of 1934, as applicable, can be found by reference to its SEC file number: 333-123257 and 811-10325.

Information from outside sources is not incorporated by reference in, and should not be considered part of, this final terms supplement or any accompanying prospectus. TD has not conducted any independent review or due diligence of any publicly available information with respect to the underlying Reference Asset.

Historical Information

Below is a table setting forth the quarterly high, low, and period-end Closing Prices of the Reference Asset for each quarter in the

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period from January 2, 2008 through September 9, 2016. On September 9, 2016, the Closing Price of the Reference asset was \$26.38. The historical performance of the Reference Asset should not be taken as an indication of its future performance, and no assurance can be given as to the market price of the Reference Asset on any Valuation Date (including the Final Valuation Date).

Quarter Ending	Quarter High	Quarter Low	Quarter Close	Quarter Ending	Quarter High	Quarter Low	Quarter Close
March 31, 2008	\$42.28	\$36.67	\$39.42	September 28, 2012	\$54.81	\$40.70	\$53.71
June 30, 2008	\$42.74	\$37.03	\$37.89	December 31, 2012	\$54.25	\$44.85	\$46.39
September 30, 2008	\$45.80	\$34.65	\$45.10	March 28, 2013	\$47.09	\$35.91	\$37.85
December 31, 2008	\$52.48	\$42.64	\$45.85	June 28, 2013	\$37.45	\$22.22	\$24.41
March 31, 2009	\$56.29	\$46.50	\$47.75	September 30, 2013	\$30.43	\$22.90	\$25.06
June 30, 2009	\$51.40	\$42.38	\$48.52	December 31, 2013	\$26.52	\$20.39	\$21.12
September 30, 2009	\$50.84	\$27.95	\$34.08	March 31, 2014	\$27.73	\$21.27	\$23.60
December 31, 2009	\$33.96	\$16.38	\$33.88	June 30, 2014	\$26.45	\$22.04	\$26.45
March 31, 2010	\$38.57	\$28.20	\$36.88	September 30, 2014	\$27.46	\$21.35	\$21.35
June 30, 2010	\$44.55	\$30.95	\$37.76	December 31, 2014	\$21.94	\$16.59	\$18.38
September 30, 2010	\$48.00	\$35.14	\$45.29	March 31, 2015	\$22.94	\$17.67	\$18.24
December 31, 2010	\$54.78	\$41.87	\$46.21	June 30, 2015	\$20.82	\$17.76	\$17.76
March 31, 2011	\$50.17	\$40.22	\$44.41	September 30, 2015	\$17.85	\$13.04	\$13.74
June 30, 2011	\$54.07	\$46.36	\$51.96	December 31, 2015	\$16.90	\$13.08	\$13.72
September 30, 2011	\$56.66	\$47.09	\$55.93	March 31, 2016	\$20.86	\$12.47	\$19.98
December 30, 2011	\$63.80	\$54.28	\$61.47	June 30, 2016	\$27.70	\$19.53	\$27.70
March 30, 2012	\$60.79	\$53.12	\$60.06	September 9, 2016*	\$31.32	\$25.45	\$26.38
June 29, 2012	\$63.95	\$51.80	\$54.59				

*This preliminary pricing supplement includes information for the third quarter of 2016 for the period July 1, 2016 through September 9, 2016. Accordingly, the “Quarterly High,” “Quarterly Low” and “Quarterly Close” data indicated are for this shortened period only and do not reflect complete data for the third calendar quarter of 2016.

PAST PERFORMANCE IS NOT INDICATIVE OF FUTURE RESULTS.

The graph below illustrates the performance of the Reference Asset from January 2, 2008 to September 9, 2016. The dotted line represents a hypothetical Barrier Price of \$15.83, equal to 60% of the hypothetical Initial Price of \$26.38, which was the Closing Price of the Reference Asset on September 9, 2016. The actual Barrier Price and the Initial Price will be determined on the Pricing Date.

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Supplemental Discussion of U.S. Federal Income Tax Consequences

General. The following is a general description of the U.S. federal tax considerations relating to the Notes. Prospective purchasers of the Notes should consult their tax advisors as to the consequences under the tax laws of the country of which they are a resident for tax purposes and the tax laws of the U.S. and Canada of acquiring, holding and disposing of the Notes and receiving payments under the Notes. This discussion is based on the Code, its legislative history, existing and proposed regulations under the Code, published rulings and court decisions, all as currently in effect. These laws are subject to change, possibly on a retroactive basis.

No statutory, judicial or administrative authority directly discusses how the Notes should be treated for U.S. federal income tax purposes. As a result, the U.S. federal income tax consequences of your investment in the Notes are uncertain. Accordingly, we urge you to consult your tax advisor as to the tax consequences of your investment in the Notes (and of having agreed to the required tax treatment of your Notes described below) and as to the application of state, local or other tax (including non-U.S. tax) laws to your investment in your Notes and the possible effects of changes in federal or other tax laws.

This discussion is applicable to you only if you are a U.S. holder.

U.S. Tax Treatment. Pursuant to the terms of the Notes, TD and you agree, in the absence of a statutory, regulatory, administrative or judicial ruling to the contrary, to treat the Notes as pre-paid derivative contracts with respect to the Reference Asset.

Pursuant to this treatment, any Contingent Interest Payments paid on the Notes (including any Contingent Interest Payments paid on or with respect to the Maturity Date) would be treated as ordinary income includable in income by you in accordance with your regular method of accounting for U.S. federal income tax purposes. Holders are urged to consult their tax advisors concerning the significance, and the potential impact, of the above considerations.

Upon sale, exchange, automatic call, or redemption at maturity of your Notes, you generally should recognize gain or loss equal to the difference between the amount realized on such taxable disposition (adjusted for accrued and unpaid Contingent Interest Payments treated as ordinary income) and your tax basis in the Note. Your tax basis in a Note generally should equal your cost for the Note. Subject to the constructive ownership rules (discussed below), such gain or loss should generally be long-term capital gain or loss if you have held your Notes for more than one year (otherwise such gain or loss would be short-term capital gain or loss if held for one year or less). The deductibility of capital losses is subject to limitations. Although uncertain, it is possible that proceeds received from the sale or exchange of your Notes prior to a Valuation Date, but that could be attributed to an expected Contingent Interest Payment, could be treated as ordinary income. You should consult your tax advisor regarding this risk.

Because the Reference Asset would be treated as a “pass-thru entity” for purposes of Section 1260 of the Code, it is possible that the Notes could be treated as a “constructive ownership transaction” under Section 1260. If the Notes were treated as a “constructive ownership transaction” certain adverse U.S. federal income tax consequences could apply (i.e., all or a portion of any long-term capital gain that you recognize upon the sale, exchange, automatic call, or redemption at maturity of your Notes could be recharacterized as ordinary income and you could be subject to an interest charge on deferred tax liability with respect to such recharacterized gain). We urge you to read the discussion concerning the possible treatment of the Notes as a constructive ownership transaction under “Supplemental Discussion of U.S. Federal Income Tax Consequences— Section 1260” of the product prospectus supplement.

In the opinion of our counsel, Cadwalader, Wickersham & Taft LLP, it would be reasonable to treat your Notes in the manner described above. However, because there is no authority that specifically addresses the tax treatment of the Notes, it is possible that your Notes could alternatively be treated for tax purposes as a single contingent payment debt instrument, or pursuant to some other characterization (including possible treatment

as a “constructive ownership transaction”), such that the timing and character of your income from the Notes could differ materially from the treatment described above, as described further herein. If the Internal Revenue Service (“IRS”) were successful in asserting an alternative treatment of the Notes, the timing and character of income on your Notes could differ materially from our description herein.

Possible Change in Law. The IRS released a notice that may affect the taxation of holders of the Notes. According to Notice 2008-2, the IRS and the Treasury Department are actively considering whether a holder of an instrument such as the Notes should be required to accrue ordinary income on a current basis and they are seeking taxpayer comments on the subject. It is not possible to determine what guidance they will ultimately issue, if any. It is possible, however, that

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under such guidance, holders of the Notes will ultimately be required to accrue income currently and this could be applied on a retroactive basis. The IRS and the Treasury Department are also considering other relevant issues, including whether additional gain or loss from such instruments should be treated as ordinary or capital and whether the special “constructive ownership rules” of Section 1260 of the Code should be applied to such instruments.

Additionally, in 2007, legislation was introduced in Congress that, if enacted, would have required holders of Notes purchased after the bill was enacted to accrue interest income over the term of the Notes despite the fact that there may be no Contingent Interest Payments over the entire term of the Notes.

Furthermore, in 2013, the House Ways and Means Committee has released in draft form certain proposed legislation relating to financial instruments. If enacted, the effect of this legislation generally would be to require instruments such as the Notes to be marked to market on an annual basis with all gains and losses to be treated as ordinary, subject to certain exceptions.

It is impossible to predict what any such legislation or administrative or regulatory guidance might provide, and whether the effective date of any legislation or guidance will affect Notes that were issued before the date that such legislation or guidance is issued. You are urged to consult your tax advisor as to the possibility that any legislative or administrative action may adversely affect the tax treatment of your Notes.

Medicare Tax on Net Investment Income. U.S. holders that are individuals or estates and certain trusts are subject to an additional 3.8% tax on all or a portion of their “net investment income,” or “undistributed net investment income” in the case of an estate or trust, which may include any income or gain with respect to the Notes, to the extent of their net investment income or undistributed net investment income (as the case may be) that, when added to their other modified adjusted gross income, exceeds \$200,000 for an unmarried individual, \$250,000 for a married taxpayer filing a joint return (or a surviving spouse), \$125,000 for a married individual filing a separate return, or the dollar amount at which the highest tax bracket begins for an estate or trust (which, in 2016, is \$12,400). The 3.8% Medicare tax is determined in a different manner than the regular income tax. U.S. holders should consult their advisors with respect to the 3.8% Medicare tax.

Specified Foreign Financial Assets. U.S. holders may be subject to reporting obligations with respect to their Notes if they do not hold their Notes in an account maintained by a financial institution and the aggregate value of their Notes and certain other “specified foreign financial assets” (applying certain attribution rules) exceeds \$50,000. Significant penalties can apply if a U.S. holder is required to disclose its Notes and fails to do so.

Prospective purchasers are urged to consult their tax advisors regarding the U.S. federal income tax consequences of an investment in the Notes, as well as any tax consequences arising under the laws of any state, local or non-U.S. taxing jurisdiction (including that of TD).

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Supplemental Plan of Distribution (Conflicts of Interest)

We have appointed TDS, an affiliate of TD, as the Agent for the sale of the Notes. Pursuant to the terms of a distribution agreement, TDS will purchase the Notes from TD at the public offering price less the underwriting discount set forth on the cover page of this pricing supplement for distribution to other registered broker-dealers, or will offer the Notes directly to investors. TDS or other registered broker-dealers will offer the Notes at the public offering price set forth on the cover page of this pricing supplement. Certain dealers who purchase the Notes for sale to certain fee-based advisory accounts may forego some or all of their selling concessions, fees or commissions. The public offering price for investors purchasing the Notes in these accounts may be as low as \$960.00 (96.00%) per Note. The underwriting discount represents the selling concessions for other dealers in connection with the distribution of the Notes. The other dealers may forego, in their sole discretion, some or all of their selling concessions. TD will reimburse TDS for certain expenses in connection with its role in the offer and sale of the Notes, and TD will pay TDS a fee in connection with its role in the offer and sale of the Notes.

Conflicts of Interest. TDS is an affiliate of TD and, as such, has a “conflict of interest” in this offering within the meaning of Financial Industry Regulatory Authority, Inc. (“FINRA”) Rule 5121. In addition, TD will receive the net proceeds from the initial public offering of the Notes, thus creating an additional conflict of interest within the meaning of FINRA Rule 5121. Consequently, the offering is being conducted in compliance with the provisions of FINRA Rule 5121. TDS is not permitted to sell Notes in this offering to an account over which it exercises discretionary authority without the prior specific written approval of the account holder.

We may use this pricing supplement in the initial sale of the Notes. In addition, TDS or another of our affiliates may use this pricing supplement in a market-making transaction in the Notes after their initial sale. ***If a purchaser buys the Notes from us or TDS or another of our affiliates, this pricing supplement is being used in a market-making transaction unless we or TDS or another of our affiliates informs such purchaser otherwise in the confirmation of sale.***

Additional Information Regarding Our Estimated Value of the Notes

The final terms for the Notes will be determined on the date the Notes are initially priced for sale to the public, which we refer to as the Pricing Date, based on prevailing market conditions on the Pricing Date, and will be communicated to investors in a final pricing supplement.

Our internal pricing models take into account a number of variables and are based on a number of subjective assumptions, which may or may not materialize, typically including volatility, interest rates, and our internal funding rates. Our internal funding rates (which are our internally published borrowing rates based on variables such as market benchmarks, our appetite for borrowing, and our existing obligations coming to maturity) may vary from the levels at which our benchmark debt securities trade in the secondary market. Our estimated value on the Pricing Date is based on our internal funding rates. As a result of this difference, the estimated value may be higher than it would have been if it were calculated by reference to the levels at which our benchmark debt securities trade in the secondary market.

Our estimated value of the Notes on the Pricing Date is expected to be less than the public offering price of the Notes. The difference between the public offering price of the Notes and our estimated value of the Notes is expected to result from several factors, including any sales commissions expected to be paid to TDS or another affiliate of ours, any selling concessions, discounts, commissions or fees expected to be allowed or paid to non-affiliated intermediaries, the estimated profit that we or any of our affiliates expect to earn in connection with structuring the Notes, the estimated cost which we may incur in hedging our obligations under the Notes, and estimated development and other costs which we may incur in connection with the Notes.

Our estimated value on the Pricing Date is not a prediction of the price at which the Notes may trade in the secondary market, nor will it be the price at which the Agent may buy or sell the Notes in the secondary market. Subject to normal market and funding conditions, the Agent or another affiliate of ours intends to offer to purchase the Notes in the secondary market but it is not obligated to do so.

Assuming that all relevant factors remain constant after the Pricing Date, the price at which the Agent may initially buy or sell the Notes in the secondary market, if any, may exceed our estimated value on the Pricing Date for a temporary period expected to be approximately 9 months after the Issue Date because, in our discretion, we may elect to effectively reimburse to investors a portion of the estimated cost of hedging our obligations under the Notes and other costs in connection with the Notes which we will no longer expect to incur over the term of the Notes. We made such discretionary election and determined this temporary reimbursement period on the basis of a number of factors, including the tenor of the Notes and any agreement we may have with the distributors of the Notes. The amount of our estimated costs which we effectively reimburse to investors in this way may not be allocated ratably throughout the reimbursement period, and we may discontinue such reimbursement at any time or revise the duration of the reimbursement period after the initial issue date of the Notes based on changes in market conditions and other factors that cannot be predicted.

We urge you to read the “Additional Risk Factors” beginning on page P-6 of this pricing supplement.

TD SECURITIES (USA) LLC P-16

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€

1,721.9

€

982.4

€

591.4

€

650.9

€

633.0

Tax expense on profit on ordinary activities

\$

(185.4)

€

(162.8)

€

(115.7)

€

(68.6)

€

(81.6)

€

(72.6)

Profit after taxation

\$

1,775.9

€

1,559.1

€

866.7

€

522.8

€

569.3

€

560.4

Ryanair Holdings basic earnings per Ordinary Share (U.S. cents)/(euro cent)

\$

132.42

€

116.26

€

62.59

€

36.96

€

39.45

€

38.03

Ryanair Holdings diluted earnings per Ordinary Share (U.S. cents)/(euro cent)

\$

131.70

€

115.63

€

62.46

€

36.86

€

39.33

€

37.94

Ryanair Holdings dividend paid per Ordinary Share (U.S. cents)/(euro cent)

\$

33.49

€
29.40

€
37.50

n/a

€
34.00

n/a

Balance Sheet Data:

	As of March 31,					
	2016(a)	2016	2015	2014	2013	2012
	(in millions)					
Cash and cash equivalents	\$ 1,434.2	€1,259.2	€1,184.6	€ 1,730.1	€ 1,240.9	€ 2,708.3
Total assets	\$ 12,777.6	€11,218.3	€12,185.4	€ 8,812.1	€ 8,943.0	€ 9,001.0
Current and long-term debt, including capital lease obligations	\$ 4,582.2	€4,023.0	€4,431.6	€ 3,083.6	€ 3,498.3	€ 3,625.2
Shareholders' equity	\$ 4,096.8	€3,596.8	€4,035.1	€ 3,285.8	€ 3,272.6	€ 3,306.7
Issued share capital	\$ 8.8	€7.7	€8.7	€ 8.8	€ 9.2	€ 9.3
Weighted Average Number of Ordinary Shares	1,341.0	1,341.0	1,384.7	1,414.6	1,443.1	1,473.7

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Cash Flow Statement Data:

	Fiscal year ended March 31,					
	2016(a)	2016	2015	2014	2013	2012
	(in millions)					
Net cash inflow from operating activities	\$ 2,102.9	€1,846.3	€1,689.4	€1,044.6	€1,023.5	€1,020.3
Net cash (outflow)/inflow from investing activities	\$ (323.0)	€(283.6)	€(2,888.2)	€300.7	€(1,821.5)	€(185.4)
Net cash (outflow)/inflow from financing activities	\$ (1,694.9)	€(1,488.1)	€653.3	€(856.1)	€(669.4)	€(154.9)
Increase/(decrease) in cash and cash equivalents	\$ 85.0	€74.6	€(545.5)	€489.2	€(1,467.4)	€680.0

(a) Dollar amounts are initially measured in euro in accordance with IFRS and then translated to U.S.\$ solely for convenience at the Federal Reserve Rate on March 31, 2016 of €1.00 = \$1.1390 or \$1.00 = €0.8780

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EXCHANGE RATES

The following table sets forth, for the periods indicated, certain information concerning the exchange rate between: (i) the U.S. dollar and the euro; (ii) the U.K. pound sterling and the euro; and (iii) the U.K. pound sterling and the U.S. dollar. Such rates are provided solely for the convenience of the reader and are not necessarily the rates used by the Company in the preparation of its consolidated financial statements included in Item 18. No representation is made that any of such currencies could have been, or could be, converted into any other of such currencies at such rates or at any other rate.

U.S. dollars per €1.00(a)

Year ended December 31,	End of Period	Average (b)	Low	High
2011	1.296	1.392	—	—
2012	1.319	1.291	—	—
2013	1.378	1.328	—	—
2014	1.210	1.330	—	—
2015	1.086	1.103	—	—
Month ended				
January 31, 2016	—	—	1.074	1.096
February 29, 2016	—	—	1.087	1.136
March 31, 2016	—	—	1.085	1.139
April 30, 2016	—	—	1.124	1.144
May 31, 2016	—	—	1.114	1.152
June 30, 2016	—	—	1.102	1.140
Period ended July 21, 2016	—	—	1.101	1.115

U.K. pounds sterling per €1.00(c)

Year ended December 31,	End of Period	Average (b)	Low	High
2011	0.836	0.868	—	—
2012	0.811	0.811	—	—
2013	0.830	0.849	—	—
2014	0.776	0.806	—	—

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2015	0.737	0.723	—	—
Month ended				
January 31, 2016	—	—	0.732	0.771
February 29, 2016	—	—	0.754	0.791
March 31, 2016	—	—	0.772	0.792
April 30, 2016	—	—	0.774	0.809
May 31, 2016	—	—	0.759	0.792
June 30, 2016	—	—	0.765	0.834
Period ended July 21, 2016	—	—	0.833	0.858

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

Year ended December 31,	End of Period	Average (b)	Low	High
2011	0.645	0.624	—	—
2012	0.615	0.628	—	—
2013	0.603	0.639	—	—
2014	0.642	0.607	—	—
2015	0.678	0.656	—	—
Month ended				
January 31, 2016	—	—	0.681	0.706
February 29, 2016	—	—	0.686	0.721
March 31, 2016	—	—	0.689	0.717
April 30, 2016	—	—	0.684	0.710
May 31, 2016	—	—	0.681	0.696
June 30, 2016	—	—	0.676	0.757
Period ended July 21, 2016	—	—	0.750	0.774

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

As of July 21, 2016, the exchange rate between the U.S. dollar and the euro was €1.00 = \$1.102, or \$1.00 = €0.908; the exchange rate between the U.K. pound sterling and the euro was U.K. £1.00 = €1.200, or €1.00 = U.K. £0.833; and the exchange rate between the U.K. pound sterling and the U.S. dollar was U.K. £1.00 = \$1.322, or \$1.00 = U.K. £0.757. For a discussion of the impact of exchange rate fluctuations on the Company's results of operations, see "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

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SELECTED OPERATING AND OTHER DATA

The following tables set forth certain operating data of Ryanair for each of the fiscal years shown. Such data are derived from the Company's consolidated financial statements prepared in accordance with IFRS and from certain other data, and are not audited. For definitions of the terms used in this table, see the Glossary in Appendix A.

Operating Data:	Fiscal Year Ended March 31,					
	2016	2015	2014	2013	2012	
Operating Margin	22	% 18	% 13	% 15	% 14	%
Break-even Load Factor	72	% 72	% 72	% 70	% 70	%
Avg. Booked Passenger Fare (€)	46.67	47.05	46.40	48.20	45.36	
Ancillary Rev. per Booked Passenger (€)	14.74	15.39	15.27	13.43	11.69	
Cost Per Booked Passenger (€)	47.69	50.92	53.61	52.56	48.90	
Avg. Fuel Cost per U.S. Gallon (€)	2.21	2.34	2.45	2.38	2.07	

Other Data:	Fiscal Year Ended March 31,					
	2016	2015	2014	2013	2012	
Revenue Passengers Booked	106,431,130	90,555,521	81,668,285	79,256,253	75,814,551	
Booked Passenger Load Factor	93	% 88	% 83	% 82	% 82	%
Average Sector Length (miles)	762	776	788	754	771	
Sectors Flown	609,501	545,034	524,765	512,765	489,759	
Number of Airports Served at Period End	200	189	186	167	159	
Average Daily Flight Hour Utilization (hours)	9.36	9.03	8.81	8.24	8.47	
Staff at Period End	11,458	9,394	8,992	9,137	8,388	
Staff per Aircraft at Period End	34	31	30	30	30	
Booked Passengers per Staff at Period End	9,289	9,640	9,082	8,674	9,038	

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RISK FACTORS

Risks Related to the Company

Changes in Fuel Costs and Availability Affect the Company's Results. 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 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. While oil prices increased substantially in fiscal years 2012, 2013 and 2014, they declined significantly in the second half of fiscal 2015 and in fiscal 2016 remained at lower 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 the Middle East or other oil-producing regions or the suspension of production by any significant producer, may adversely affect Ryanair's profitability. In the event of a fuel shortage resulting from a disruption of oil imports or otherwise, additional increases in fuel prices or a curtailment of scheduled services could result.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. As of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 95% of its estimated requirements for the fiscal year ending March 31, 2017 at prices equivalent to approximately \$622 per metric ton. In addition, as of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 55% of its estimated requirements for the fiscal year ending March 31, 2018 at prices equivalent to approximately \$496 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 program, especially in light of the recent volatility in the relevant currency and commodity markets. Any further movements in fuel costs could have a material adverse effect on Ryanair's financial performance. In addition, any further strengthening of the U.S. dollar against the euro could have an adverse effect on the cost of buying fuel in euro. As of July 21, 2016, Ryanair had hedged approximately 95% of its forecasted fuel-related dollar purchases against the euro at a rate of approximately \$1.18 per euro for the fiscal year ending March 31, 2017 and approximately 77% of its forecasted fuel related dollar purchases against the euro at a rate of approximately \$1.12 per euro for the fiscal year ending March 31, 2018.

No assurances whatsoever can be given about trends in fuel prices. Average fuel prices for future years may be significantly higher than current prices. As of July 21, 2016, management estimated that every \$10 movement in the price of a metric ton of jet fuel will impact Ryanair's costs by approximately €1.4 million, taking into account Ryanair's hedging program for the 2017 fiscal year. However, there can be no assurance 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. The expansion of Ryanair's fleet from September 2014 onwards has resulted and will likely continue to result in an increase in Ryanair's aggregate fuel consumption.

Additionally, ongoing declines in the price of oil may expose Ryanair to some risk of hedging losses that could lead to negative effects on Ryanair's financial condition and/or results of operations. Also, a rapid decline in the projected price of fuel at a time when we have fuel hedging contracts in place could adversely impact Ryanair's short-term liquidity, because hedge counterparties could require that we post collateral in the form of cash or letters of credit.

Ryanair Has Seasonally Grounded Aircraft. In recent years, in response to 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 fiscal year 2016, Ryanair grounded approximately 40 aircraft (compared to 50 in fiscal 2015) and the Company intends to again ground a similar number of aircraft in fiscal 2017. Ryanair's policy of seasonally grounding aircraft presents some risks. While Ryanair seeks to implement its seasonal grounding policy in a way that will allow it to reduce the negative impact on operating income by operating flights during periods of high oil prices to high cost airports at low winter yields, there can be no assurance that this strategy will be successful.

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

Ryanair May Not Achieve All of the Expected Benefits of its Recent Strategic Initiatives. Ryanair is in the process of implementing a series of strategic initiatives under its "Always Getting Better" ("AGB") customer experience program 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"), a higher marketing spend, and adjusting the airline's yield management strategy with the goal of increasing load factors. In fiscal years 2014, 2015 and 2016, Ryanair announced a series of customer-experience related initiatives under its "AGB" customer experience program, including a new easier-to-navigate website with a fare finder facility, a mobile app, reduced penalty fees, more customer-friendly baggage allowances, 24 hour grace periods to correct minor booking errors, the introduction of allocated seating for all passengers, family, business traveler and group booking facilities, new crew uniforms, new cabin interiors, an improved inflight menu, and the introduction of additional routes. For additional information on these initiatives, see "Item 4. Information on the Company —Strategy". Although customer reaction to the measures has so far been positive and management expects these initiatives to be accretive to the Company's results over time, no assurance can be given that the financial impact of the initiatives will be positive, particularly in the short to medium term. In particular, certain of the strategic initiatives may have the effect of increasing certain of the Company's costs (including airport fees and marketing expenses) while reducing ancillary revenues previously earned from website sales and from various penalty fees and charges. 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 report could limit Ryanair's ability to achieve some or all of the expected benefits of these initiatives. A relatively minor shortfall from expected revenue levels (or increase in expected costs) could have a material adverse effect on the Company's growth or financial performance.

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

Although the Company engages in foreign currency hedging transactions between the euro and the U.S. dollar, between the euro and the U.K. pound sterling, hedging activities cannot be expected to eliminate currency risks. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

The “Brexit” Referendum and the resulting uncertainty about the status of the U.K. could adversely affect our business. In a referendum held on June 23, 2016 in the U.K. (the “Referendum”), a majority voted in favor of the U.K. leaving the EU (“Brexit”). The Referendum was non-binding and the U.K. government has yet to make the declaration required by Article 50 of the Lisbon Treaty necessary in order to begin the process by which the U.K. would leave the EU. If such a notification is made, negotiations would commence to determine the future terms of the U.K.’s relationship with the EU. This would include the renegotiation, either during a transitional period or more permanently, of a number of arrangements between the EU and the U.K. that directly impact our business. These arrangements include, inter alia, freedom of movement between the U.K. and the EU, employment rules governing the relationship between the U.K. and the EU, the status of the U.K. in relation to the EU’s open aviation market and the tax status of EU member state entities operating in the U.K. Adverse changes to any of these arrangements, and even uncertainty over potential changes during any period of negotiation, could potentially materially impact on Ryanair’s financial condition and results of operations in the U.K. or other markets Ryanair serves.

Ryanair is exposed to Brexit-related risks and uncertainties, as approximately 28% of revenue in fiscal 2016 came from operations in the U.K., although this was offset somewhat by 21% of our non-fuel costs in fiscal 2016 which were related to operations in the U.K.

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

The Referendum has also caused, and Brexit may continue to cause, both significant volatility in global stock markets and currency exchange rate fluctuations, as well as creating significant uncertainty among U.K. businesses and investors. In particular, the pound sterling has lost approximately over 10% of its value against the U.S. Dollar and the euro since the Referendum, and The Bank of England and other observers have warned of a significant probability of a Brexit-related recession in the U.K. We earn a significant portion of our revenues in pounds sterling, and any significant decline in the value of the pound and/or recession in the U.K. would materially impact our financial condition and results of operations. For the remainder of fiscal 2017, taking account of timing differences between the receipt of sterling denominated revenues and the payment of sterling denominated costs, Ryanair estimates that every 1 pence sterling movement in the EUR/GBP exchange rate will impact income by approximately €8 million. For additional information, please see "Item 3 – Currency Fluctuations Affect the Company's Results".

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

The Company is Subject to Legal Proceedings Alleging State Aid at Certain Airports. Formal investigations are ongoing by the European Commission into Ryanair's agreements with the Lübeck, Klagenfurt, Paris (Beauvais), La Rochelle, Carcassonne, Cagliari, Girona and Reus and Târgu Mures airports. The investigations seek to determine whether the agreements constitute illegal state aid under EU law. The investigations are expected to be completed in late 2016, with the European Commission's decisions being appealable to the EU General Court. Between 2010 and 2014, investigations into Ryanair's agreements with the Bratislava, Tampere, Marseille, Berlin (Schönefeld), Aarhus, Dusseldorf (Weeze), Brussels (Charleroi), Frankfurt (Hahn), Alghero and Stockholm (Västerås) airports concluded with findings that these agreements contained no state aid. In 2014, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nimes, Angoulême, Altenburg and Zweibrücken airports, ordering Ryanair to repay a total of approximately €10.4 million of alleged state aid. Ryanair has appealed to the EU General Court these five "aid" decisions. These appeal proceedings are expected to take between two and four years. In addition to the European Commission investigations, Ryanair is facing allegations that it has benefited from unlawful state aid in national court cases 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 July 25, 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 favored Aer Arann and Aer Lingus. Ryanair appealed the decision of the European Commission to the EU General Court on November 14, 2012. On February 5, 2015, the EU General Court partially annulled the European Commission’s 2012 decision and held that the actual quantum of aid depended on the extent of pass-through of the “tax reduction” to passengers. Both Ryanair and the Commission have appealed the EU General Court’s decision to the European Court of Justice. In addition, Ryanair has submitted a response to the European Commission’s appeal, in support of certain findings of the EU General Court. The European Court of Justice will issue its judgment in late 2016. On the basis of the European Commission’s 2012 decision, the Irish State was obliged to recover the alleged

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unlawful state aid from Ryanair before the Irish courts, and initiated its claim in April 2013. The Irish State was seeking approximately €12 million plus interest from Ryanair in those proceedings. Following the EU General Court's partial annulment of the European Commission's decision, Ryanair applied for the Government's claim to be struck out. In April 2015, both the Irish State's case and Ryanair's application to have it struck out were stayed pending the outcome of the appeal to the European Court of Justice. Ryanair's proceedings, initiated in July 2012, 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) are pending.

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

For additional information, please see "Item 8. Financial Information Other Financial Information Legal Proceedings."

The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment. Ryanair operates in a highly competitive marketplace, with a number of low-fare, traditional and charter airlines competing throughout its route network. Airlines compete primarily in respect of fare levels, frequency and dependability of service, name recognition, passenger amenities (such as access to frequent flyer programs), and the availability and convenience of other passenger services. Unlike Ryanair, certain competitors are state-owned or state-controlled flag carriers and in some cases may have greater name recognition and resources and may have received, or may receive in the future, significant amounts of subsidies and other state aid from their respective governments. In addition, the EU-U.S. Open Skies Agreement, 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. See "Item 4. Information on the Company—Government Regulation—Liberalization of the EU Air Transportation Market."

The airline industry is highly susceptible to price discounting, in part because airlines incur very low marginal costs for providing service to passengers occupying otherwise unsold seats. Both low-fare and traditional airlines sometimes offer low fares in direct competition with Ryanair across a significant proportion of its route network as a result of the liberalization of the EU air transport market and greater public acceptance of the low-fares model. The recent decrease in fuel prices may enable weaker, unhedged, airlines to pass through fuel savings via lower fares. While Ryanair is hedged at levels that are expected to deliver unit cost savings over the next two fiscal years, it is hedged at prices that are above the current spot prices. There is no guarantee that lower fuel prices will not lead to greater price competition and encourage new entrants to the market in the short to medium term.

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

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

The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms. Ryanair's continued growth is dependent upon its ability to acquire additional aircraft to meet additional capacity needs and to replace older aircraft. Ryanair had over 350 aircraft in its principal fleet by June 30, 2016 and has ordered an additional 315 new aircraft (a mix of new Boeing 737-800 next generation aircraft and 737-MAX-200 aircraft, of which 100 are firm orders and 100 are subject to option) for delivery post June 30, 2016 to fiscal 2024 pursuant to contracts with the Boeing Company (the "2013 Boeing Contract" and "2014 Boeing Contract"). Ryanair expects to have approximately 546 operating aircraft in its fleet by March 31, 2024, depending on the level of lease returns/disposals. For additional information on the Company's aircraft fleet and expansion plans, see "Item 4. Information on the Company—Aircraft" and "Item 5. Operating and Financial Review and Prospects Liquidity and Capital Resources." There can be no assurance that this planned expansion will not outpace the growth of passenger traffic on Ryanair's routes or that traffic growth will not prove to be greater than the expanded fleet can accommodate. In either case, such developments could have a material adverse effect on the Company's business, results of operations, and financial condition.

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As a result of the 2013 Boeing Contract and 2014 Boeing Contract, the Company has raised and expects to continue to raise substantial debt financing to cover all of the expected aircraft deliveries over the period from September 2014 to November 2023, including Ryanair's issuance of €850.0 million in 1.875% unsecured Eurobonds with a 7 year tenor in June 2014 and issuance of €850.0 million in 1.125% unsecured Eurobonds with an 8 year tenor in March 2015 that are both guaranteed by Ryanair Holdings. 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. Additionally, Ryanair's ability to raise unsecured or secured debt to pay for aircraft is subject to potential volatility in the worldwide financial markets.

Using the debt capital markets to finance the Company and the 2013 and 2014 Boeing Contracts requires the Company to retain its investment grade credit ratings (the Company has a BBB+ (stable) credit rating from S&P and a BBB+ (stable) credit rating from Fitch Ratings). There is a risk that the Company will be unable, or unwilling, to access these markets if it is downgraded or is unable to retain its investment grade credit ratings and this could lead to a higher cost of finance for Ryanair.

Ryanair has also entered into significant derivative transactions intended to hedge its 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. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk."

The Company's Growth May Expose it to Risks. Ryanair's operations have grown rapidly since it pioneered the low-fares operating model in Europe in the early 1990s. Ryanair intends to continue to expand its fleet and add new destinations and additional flights, with the goal of increasing Ryanair's booked passenger volumes to approximately 180.0 million passengers per annum by March 31, 2024, an increase of approximately 69% from the approximately 106.4 million passengers booked in the 2016 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 combined with other factors, may also strain existing management resources and related operational, financial, management information and information technology systems. Expansion will generally require additional skilled personnel, equipment, facilities and systems. An inability to hire skilled personnel or to secure required equipment and facilities efficiently and in a cost-effective manner may adversely affect Ryanair's ability to achieve its growth plans and sustain or increase its profitability.

Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on its Results. 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 the cash required to fund aircraft purchases or aircraft deposits related to the acquisition of additional Boeing 737-800 and Boeing 737-MAX-200 series aircraft. There can be no assurance that Ryanair will have sufficient cash to make such expenditures and investments, and to the extent Ryanair is unable to expand its route system successfully, its future revenue and earnings growth will in turn be limited. See "—The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms" above.

Ryanair's Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase. Airline traffic at certain European airports is regulated by a system of grandfathered "slot" allocations. Each slot represents authorization to take-off and land at the particular airport at a specified time. As part

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of Ryanair's recent strategic initiatives, which include more flights to primary airports, Ryanair is operating to an increasing number of slot coordinated airports, a number of which have constraints at particular times of the day. There can be no assurance that Ryanair will be able to obtain a sufficient number of slots at slot-coordinated airports that it may wish to serve in the future, at the time it needs them, or on acceptable terms. There can also be no assurance that its non-slot constrained bases, or the other non-slot constrained airports Ryanair serves, will continue to operate without slot allocation restrictions in the future. See "Item 4. Information on the Company—Government Regulation—Slots." Airports may impose other operating restrictions such as curfews, limits on aircraft noise levels, mandatory flight paths, runway restrictions, and limits on the number of average daily departures. Such restrictions may limit the ability of Ryanair to provide service to or increase service at such airports.

Ryanair's future growth also materially depends on its ability to access suitable airports located in its targeted geographic markets at costs that are consistent with Ryanair's strategy. Any condition that denies, limits, or delays Ryanair's access to airports it serves or seeks to serve in the future would constrain Ryanair's ability to grow. A change in the terms of Ryanair's access to these facilities or any increase in the relevant charges paid by Ryanair as a result of the expiration or termination of such arrangements and Ryanair's failure to renegotiate comparable terms or rates could have a material adverse effect on the Company's financial condition and results of operations. For example, in July 2012, the Spanish government increased airport taxes at the two largest airports, Barcelona and Madrid, by over 100%, while smaller increases were implemented at other Spanish airports. 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 Italian government has recently increased the municipal taxes in Italy by €2.50. As a result, Ryanair was forced to close two Italian bases. From June 2016, the Norwegian government introduced a passenger travel tax of NOK80 (approximately €8.50) which resulted in Ryanair announcing the closure of its Oslo Rygge base with effect from late October 2016. For additional information, see "Item 4. Information on the Company—Airport Operations—Airport Charges." See also "—The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports".

Labor 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 will not be subject to change or modification at any time. These steps may lead to deterioration in labor 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 (with the exception of the U.K.) generally operate on Irish contracts of employment as they are required to do so under Irish tax law on the basis that those crew work mainly 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 labor 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, in the majority of jurisdictions, imposes 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 labor relations. For additional details see — "Change in EU Regulations in Relation to Employers and Employee Social Insurance Could Increase Costs" below.

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 (“ERC”). Following negotiations through this ERC system, pilots at all of Ryanair’s 84 bases are covered by four, five or six year collective agreements on pay, allowances and rosters which fall due for negotiation at various dates between 2017 and 2021. Cabin crew at all of Ryanair’s bases are also party to long term collective agreements on pay, allowances and rosters, which expire in March 2021. 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. For additional details, see “Item 6. Directors, Senior Management and Employees—Staff and Labor Relations.”

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

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its passenger, aircraft and ground handling services at airports other than Dublin and certain airports in Spain (including the Canary Islands) and Portugal to established external service providers. See “Item 4. Information on the Company—Maintenance and Repairs—Heavy Maintenance” and “Item 4. Information on the Company—Airport Operations Airport Handling Services.”

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

The Company is Dependent on Key Personnel. Ryanair’s success depends to a significant extent upon the efforts and abilities of its senior management team, including Michael O’Leary, the CEO, and key financial, commercial, operating, IT and maintenance personnel. In October 2014, Mr. O’Leary signed a five year contract with the Company. This contract can be terminated by either party giving twelve months’ notice. See “Item 6. Directors, Senior Management and Employees—Compensation of Directors and Executive Officers—Employment and Bonus Agreement with Mr. O’Leary.” Ryanair’s success also depends on the ability of its executive officers and other members of senior management to operate and manage effectively, both independently and as a group. Although Ryanair’s employment agreements with Mr. O’Leary and several of its other senior executives contain non-competition and non-disclosure provisions, there can be no assurance that these provisions will be enforceable in whole or in part. Competition for highly qualified personnel is intense, and either the loss of any executive officer, senior manager, or other key employee without adequate replacement or the inability to attract new qualified personnel could have a material adverse effect upon Ryanair’s business, operating results, and financial condition.

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

Since October 1, 2009, all Ryanair 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 Unauthorized Use of Information from the Company's Website. Screenscraper websites gain unauthorized access to Ryanair's website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which may include hidden intermediary fees on top of Ryanair's fares. Ryanair does not allow any such commercial use of its website and objects to the practice of screenscraping also on the basis of certain legal principles, such as database rights, copyright protection, etc. Ryanair is currently involved in a number of legal proceedings against the proprietors of screenscraper websites in Ireland, Germany, The Netherlands, France, Spain, Italy and Switzerland. Ryanair's objective is to prevent any unauthorized use of its website. Ryanair does allow certain companies who operate fare comparison (i.e. not reselling) websites to access its schedule and fare information for the purposes of price comparison provided they sign a license and use the agreed method to access the data. Ryanair also permits Travelport (trading as Galileo and Worldspan), Amadeus and Sabre, GDS operators, to provide access to Ryanair's fares to traditional and corporate travel agencies. Ryanair has received favorable rulings in Ireland and The Netherlands, and unfavorable rulings in Germany, Spain, France and Italy, in its actions against screenscrapers. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of screenscraper websites could lead to a reduction in the number of customers who book directly on Ryanair's website and consequently to a reduction in Ryanair's

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ancillary revenue stream. Also, some customers may be lost to Ryanair once they are presented by a screenscraper website with a Ryanair fare inflated by the screenscraper's intermediary fee. This could also adversely affect Ryanair's reputation as a low-fares airline, which could negatively affect Ryanair's results of operations and financial condition.

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

Ryanair is Subject to Cyber Security Risks and May Incur Increasing Costs in an Effort to Minimize Those Risks. As almost all of Ryanair's reservations are made through its website, 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 unauthorized access or security breaches, cyber attacks, computer viruses, power loss, or other disruptive events. Ryanair may not have the resources or technical sophistication to anticipate or prevent rapidly evolving types of cyber attacks. Attacks may be targeted at Ryanair, its customers and suppliers, or others who have entrusted it with information.

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

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

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

In the event that the Irish government increases corporation tax rates or changes the basis of calculation of corporation tax from the present basis, any such changes would result in the Company paying higher 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 U.K. 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 from the effects of this legislation for a period of 10 years up until 2022. 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 have an adverse impact over time in the majority of jurisdictions in which Ryanair currently operates from.

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 Company could materially increase. See “—The Irish Corporation Tax Rate Could Rise” above.

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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. To date, there have been no exits from the Eurozone. Although the economic environment in Ireland has considerably improved, there is still a risk of contagion spreading to the weaker Eurozone members. Greece in particular is a potential risk as negotiations around the final restructuring of their existing debt program continue. As many international banks no longer have material exposure to Greek bonds or Greek banks, the risk of contagion in the banking system as a result of Greek default is now considered to be low but should not be totally discounted. In addition, following a Referendum on June 23, 2016, a majority of the U.K. population voted to leave the EU. The immediate impact of the vote was that the U.K. pound sterling weakened significantly against the euro. Ryanair predominantly operates to/from countries within the Eurozone and has significant operational and financial exposures to the Eurozone that could result in a reduction in the operating performance of Ryanair or the devaluation of certain assets. Ryanair has taken certain risk management measures to minimize any disruptions; however these risk management measures may be insufficient.

The Company has cash and aircraft assets and debt liabilities that are denominated in euro on its balance sheet. In addition, the positive/negative mark-to-market value of derivative-based transactions are recorded in euro as either assets or liabilities on the Company's balance sheet. Uncertainty regarding the future of the Eurozone could have a materially adverse effect on the value of these assets and liabilities. In addition to the assets and liabilities on Ryanair's balance sheet, the Company has a number of cross currency risks as a result of the jurisdictions of the operating business including non-euro revenues, fuel costs, certain maintenance costs and insurance costs. A weakening in the value of the euro primarily against U.K. pound sterling and U.S. dollar, 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, austerity measures still in effect in several European countries and social and political instability associated with the influx of refugees related to the wars in Syria and Afghanistan could mean that Ryanair may be unable to expand its operations due to lack of demand for air travel.

Risks Related to the Airline Industry

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

ability to grow passenger volumes, secure new airports and launch new routes and bases, and could have a material adverse impact on its financial results.

Brexit and the resulting uncertainty could adversely affect our business. In a referendum held on June 23, 2016 in the U.K. (the “Referendum”), a majority voted in favor of the U.K. leaving the EU (“Brexit”). The Referendum was non-binding and the U.K. government has yet to make the declaration required by Article 50 of the Lisbon Treaty necessary in order to begin the process by which the U.K. would leave the EU. If such a notification is made, negotiations would commence to determine the future terms of the U.K.’s relationship with the EU. This would include the renegotiation, either during a transitional period or more permanently, of a number of arrangements between the EU and the U.K. that directly impact our business. These arrangements include, inter alia, freedom of movement between the U.K. and the EU, employment rules governing the relationship between the U.K. and the EU, the status of the U.K. in relation to the EU’s open aviation market and the tax status of EU member state entities operating in the U.K. Adverse changes to any of these arrangements, and even uncertainty over potential changes during any period of negotiation, could potentially materially impact on Ryanair’s financial condition and results of operations in the U.K. or other markets Ryanair serves.

Ryanair is exposed to Brexit-related risks and uncertainties, as approximately 28% of revenue in fiscal 2016 came from operations in the U.K. although this was offset somewhat by 21% of our non-fuel costs in fiscal 2016 which were related to operations in the U.K.

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

The Referendum has also caused, and Brexit may continue to cause, both significant volatility in global stock markets and currency exchange rate fluctuations, as well as creating significant uncertainty among U.K. businesses and investors. In particular, the pound sterling has lost approximately over 10% of its value against the U.S. Dollar and the euro since the Referendum, and The Bank of England and other observers have warned of a significant probability of a Brexit-related recession in the U.K. We earn a significant portion of our revenues in pounds sterling, and any significant decline in the value of the pound and/or recession in the U.K. would materially impact our financial condition and results of operations. For the remainder of fiscal 2017, taking account of timing differences between the receipt of sterling denominated revenues and the payment of sterling denominated costs, Ryanair estimates that every 1 pence sterling movement in the EUR/GBP exchange rate will impact income by approximately €8 million. For additional information, please see "Item 3 – Currency Fluctuations Affect the Company's 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 has had a negative impact on Ryanair's operating performance, both in terms of average fares paid and growth in passenger volumes. On December 3, 2014, the U.K. government announced that it was reducing APD for children under the age of 12 years from May 1, 2015. It was also announced that this reduction of APD would be extended to persons under the age of 16 years from March 1, 2016. In 2008, the Dutch government introduced a travel tax ranging from €11 on short-haul flights to €45 on long-haul flights (withdrawn with effect from July 1, 2009). On March 30, 2009, the Irish government also introduced a €10 Air Travel Tax on all passengers departing from Irish airports on routes longer than 300 kilometers but subsequently reduced it to €3 on March 30, 2011. On April 1, 2014 the tax imposed by the Irish government 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. The Italian government has recently increased the municipal taxes in Italy by €2.50 to €9 (€10 at Rome). From June 2016, the Norwegian government introduced a passenger travel tax of NOK80 (equivalent to approximately €8.50) which resulted in Ryanair announcing the closure of its Oslo Rygge base with effect from late October 2016.

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

Terrorism in Europe, the United States or Elsewhere Could Have a Material Detrimental Effect on the Company. As a substantial portion of airline travel (both business and personal) is discretionary and because Ryanair is substantially dependent on discretionary air travel, any prolonged general reduction in airline passenger traffic could have a material adverse effect on the Company's profitability or financial condition. Similarly, any significant increase in expenses related to security, insurance or related costs could have a material adverse effect on the Company. As a consequence, future terrorist attacks in Europe, the U.S. or elsewhere, any significant military actions by the United States or EU nations, or any related economic downturn may have a material adverse effect on demand for air travel and thus on Ryanair's business, operating results, and financial condition.

EU Regulation on Passenger Compensation Could Significantly Increase Related Costs. EU Regulation (EC) No. 261/2004 requires airlines to compensate passengers (holding a valid ticket) who have been denied boarding or whose flight has been cancelled or delayed more than 3 hours on arrival. The regulation calls for compensation of €250, €400, or €600 per passenger, depending on the length of the flight and the cause for the cancellation or delay, i.e. whether it is caused by "extraordinary circumstances". As Ryanair's average flight length is less than 1,500 km – the upper limit for short-haul flights – the amount payable is generally €250 per passenger. Passengers subject to flight delays over two hours are also entitled to "assistance," including meals, drinks and telephone calls, as well as hotel accommodation if the delay extends overnight. For delays of over five hours, the airline is also required to offer the

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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 regulation if Ryanair experiences a large number of delays or cancelled flights, which could occur as a result of certain types of events beyond its control. Further, recently courts in several jurisdictions have been broadening the definition of the term “extraordinary circumstances” thus allowing increased consumer claims for compensation. In September 2015, the European Court of Justice, in *Van der Lans v KLM*, held that airlines are required to provide compensation to passengers even in the event of a flight cancellation on account of unforeseen technical defects. See “—Risks Related to the Airline Industry—Volcanic Ash Emissions Could Affect the Company and Have a Material Adverse Effect on the Company’s Results of Operations” below.

EU Regulation of Emissions Trading Will Increase Costs. On November 19, 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 had until then 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 has 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 April 15 and April 20, 2010 and May 4 and May 17, 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, in addition to the payment of compensation, Ryanair has certain duties to passengers whose flights are cancelled. In particular, Ryanair is required to reimburse passengers who have had their flights cancelled for certain reasonable, documented expenses – primarily for accommodation and food. Passengers must also be given a re-routing option if their flight is delayed over three hours or if it is cancelled. Such re-routing options are not limited to Ryanair flights and other carriers must be considered if no suitable Ryanair flight can be sourced. If a passenger elects for a refund, Ryanair’s reimbursement and re-routing obligations cease.

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 Could Significantly Damage Ryanair's Business. Worldwide, there has, from time to time, been substantial publicity in recent years regarding certain potent influenza viruses and other disease epidemics. Publicity of this type may have a negative impact on demand for air travel in Europe. Past outbreaks of MERS, SARS, foot-and-mouth disease, avian flu and swine flu have adversely impacted the travel industries, including aviation, in certain regions of the world, including Europe. If it spreads to Europe, the present outbreak of the Zika Virus may have similar consequences. The Company believes that if any influenza or other pandemic becomes severe in Europe, its effect on demand for air travel in the markets in which Ryanair operates could be material, and it could therefore have a significantly adverse impact on the Company. A severe outbreak of swine flu, MERS, SARS, foot-and-mouth disease, avian flu or another pandemic or livestock-related disease 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 31 year safety record. In past years, however, accidents or other safety-related incidents involving certain other low-fares airlines have had a negative impact on the public's acceptance of such airlines. Any adverse event potentially relating to the safety or reliability of low-fares airlines (including accidents or negative reports from regulatory authorities)

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could adversely impact the public's perception of, and confidence in, low-fares airlines like Ryanair, and could have a material adverse effect on Ryanair's financial condition and results of operations.

The Company Faces the Risk of Loss and Liability. Ryanair has an excellent 31 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 "Terrorism in Europe, the United States or Elsewhere Could Have a Material Detrimental Effect on the Company." above. Substantial claims resulting from an accident in excess of related insurance coverage could have a material adverse effect on the Company's results of operations and financial condition. Moreover, any aircraft accident, even if fully insured, could lead to the public perception that Ryanair's aircraft were less safe or reliable than those operated by other airlines, which could have a material adverse effect on Ryanair's business.

EU Regulation No. 2027/97, as amended by Regulation No. 889/2002, governs air carrier liability. See "Item 4. Information on the Company—Insurance" for details of this regulation. This regulation increased the potential liability exposure of air carriers such as Ryanair. Although Ryanair has extended its liability insurance to meet the requirements of the regulation, no assurance can be given that other laws, regulations, or policies will not be applied, modified or amended in a manner that has a material adverse effect on Ryanair's business, operating results, and financial condition.

Airline Industry Margins are Subject to Significant Uncertainty. The airline industry is capital intensive and is characterized by high fixed costs and by revenues that generally exhibit substantially greater elasticity than costs. Although fuel accounted for approximately 41% of total operating expenses in the 2016 fiscal year, management anticipates that this percentage may vary significantly in future years. See "—Changes in Fuel Costs and Availability Affect the Company's Results" above. The operating costs of each flight do not vary significantly with the number of passengers flown, and therefore, a relatively small change in the number of passengers, fare pricing, or traffic mix could have a disproportionate effect on operating and financial results. Accordingly, a relatively minor shortfall from expected revenue levels could have a material adverse effect on the Company's growth or financial performance. See "Item 5. Operating and Financial Review and Prospects." The very low marginal costs incurred for providing services to passengers occupying otherwise unsold seats are also a factor in the industry's high susceptibility to price discounting. See "Risks Related to the Company—The Company Faces Significant Price and Other Pressures in a Highly Competitive Environment" above.

Safety-Related Undertakings Could Affect the Company's Results. Aviation authorities in Europe and the United States periodically require or suggest that airlines implement certain safety-related procedures on their aircraft. In recent years, the U.S. Federal Aviation Administration (the "FAA") has required a number of such procedures with regard to Boeing 737-800 aircraft, including major modifications to implement changes to the take-off configuration warning lights, cabin pressurization system, pitot system heating, fuel tank boost pump electrical arcing protection, and the European Commission's Datalink mandate. Ryanair's policy is to implement any such required procedures in accordance with FAA guidance and to perform such procedures in close collaboration with Boeing. To date, all such procedures have been conducted as part of Ryanair's standard maintenance program and have not interrupted flight schedules nor required any material increases in Ryanair's maintenance expenses. However, there can be no assurance that the FAA 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.

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

EU Rules Impose Restrictions on the Ownership of Ryanair Holdings' Ordinary Shares by Non-EU Nationals, and the Company Has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals. EU Regulation No. 1008/2008 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority-owned and effectively controlled by EU nationals. The regulation does not specify what level of share ownership will confer effective control on a holder or holders of Ordinary Shares. The Board of Directors of Ryanair Holdings is given certain powers under Ryanair Holdings' articles of association (the "Articles") to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals ("Affected Shares") does not reach a level that could jeopardize the Company's entitlement to continue to hold or enjoy the benefit of any license, permit, consent, or privilege which it holds or enjoys and which enables it to carry on business as an air carrier. The directors, from time to time, set a "Permitted Maximum" on the number of the Company's Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU law. The Permitted Maximum is currently set at 49.9%. In addition, under certain circumstances, the directors can take action to safeguard the Company's ability to operate by identifying those Ordinary Shares, American Depositary Shares ("ADSs") or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, the American Depositary Receipts ("ADRs") evidencing such ADSs, or Affected Shares as "Restricted Shares."

The Board of Directors may, under certain circumstances, deprive holders of Restricted Shares of their rights to attend, vote at, and speak at general meetings, and/or require such holders to dispose of their Restricted Shares to an EU national within as little as 21 days. The directors are also given the power to transfer such Restricted Shares themselves if a holder fails to comply. In 2002, the Company implemented measures to restrict the ability of non-EU nationals to purchase Ordinary Shares, and non-EU nationals are currently effectively barred from purchasing Ordinary Shares, and will remain so for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted. Additionally, these foreign ownership restrictions could result in Ryanair's exclusion from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. On April 19, 2012, the Company obtained shareholder approval to repurchase ADRs as part of its general authority to repurchase up to 5% of the issued share capital in the Company. See "Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals" for a detailed discussion of restrictions on share ownership and the current ban on share purchases by non-EU nationals.

As of June 30, 2016, EU nationals owned at least 53.6% of Ryanair Holdings' Ordinary Shares (assuming conversion of all outstanding ADRs into Ordinary Shares).

Holders of Ordinary Shares are Currently Unable to Convert those Shares into American Depositary Receipts. In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed The Bank of New York Mellon, the depositary for its ADR program (the "Depositary"), to suspend the issuance of new ADRs in exchange for the deposit of Ordinary Shares until further notice. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADRs during this suspension, and there can be no assurance that the

suspension will ever be lifted. See also “—EU Rules Impose Restrictions on the Ownership of Ryanair Holdings’ Ordinary Shares by Non-EU nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals” above.

The Company’s Results of Operations May Fluctuate Significantly. The Company’s results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. See “Item 5. Operating and Financial Review and Prospects—Seasonal Fluctuations.” Among the factors causing these variations are the airline industry’s sensitivity to general economic conditions, the seasonal nature of air travel, and trends in airlines’ costs, especially fuel costs. Because a substantial portion of airline travel (both business and personal) is discretionary, the industry tends to experience adverse financial results during general economic downturns. The Company is substantially dependent on discretionary air travel.

The trading price of Ryanair Holdings’ Ordinary Shares and ADRs may be subject to wide fluctuations in response to quarterly variations in the Company’s operating results and the operating results of other airlines. In addition, the global stock markets from time to time experience extreme price and volume fluctuations that affect the market prices of many airline company stocks. These broad market fluctuations may adversely affect the market price of the Ordinary Shares and ADRs.

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Ryanair Holdings May or May Not Pay Dividends. Since its incorporation as the holding company for Ryanair in 1996, Ryanair Holdings has only occasionally declared special dividends on both its Ordinary Shares and ADRs. The directors of the Company declared on May 21, 2012 that Ryanair Holdings intended to pay a special dividend of €0.34 per ordinary share (approximately €492 million) and following shareholder approval at the annual general meeting on September 21, 2012 this special dividend was paid on November 30, 2012. In June 2013, the Company detailed plans to return up to €1 billion to shareholders over the following next two years. The Company completed €481.7 million in share buy-backs in the fiscal year 2014 (including just over 6.0 million ADR buy-backs) and €112.0 million in share buy-backs in the fiscal year 2015. The Company had indicated on May 19, 2014 that it planned to pay a special dividend of up to approximately €520 million in the fourth quarter of fiscal year 2015, and following shareholder approval at its annual general meeting on September 25, 2014, this special dividend was paid on February 27, 2015. In February 2015, Ryanair commenced a €400 million ordinary share buy-back program which was completed between February and August 2015. In September, 2015 the Company announced a B share scheme of €398 million to return the proceeds from the sale of its shares in Aer Lingus to shareholders. Additionally, the Company announced an €800 million share buy-back program (including an ADR buy-back) in February 2016. At March 31, 2016 the Company had bought back approximately €418.1 million under this program. Following the June 23, 2016 Referendum vote by the U.K. to leave the EU, Ryanair announced that it had increased the size of its buy-back program to the 5% buy-back limit approved by the shareholders at the Company's 2015 Annual General Meeting. Under this increased share buy-back program, the Company purchased just over 65 million shares at a total cost of approximately €886 million. On July 1, 2016, the Board confirmed that it will hold an Extraordinary General Meeting ("EGM") on July 27, 2016 to seek approval from shareholders to grant the Board of the Company the discretion to engage in further share buy-backs, should they decide that it is in the best interests of shareholders, over the next fifteen months. While there is no plan to engage in further planned buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board is seeking the flexibility and discretion to do so, if there is further market volatility such as that witnessed in the aftermath of the U.K. referendum vote. See "Item 8. Financial Information—Other Financial Information—Dividend Policy." As a holding company, Ryanair Holdings does not have any material assets other than the shares of Ryanair.

Increased Costs for Possible Future ADR and Share Repurchases. In April 2012, the Company held an EGM to authorize the directors to repurchase Ordinary Shares and ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ Stock Market ("NASDAQ"). Up until April 2012, shareholders had only authorized the directors to repurchase Ordinary Shares. As the ADRs have historically traded at a premium of 15% to 20% compared to Ordinary Shares, this may result in increased costs in performing share buy-backs in the future. In fiscal 2016, the Company bought back 53.7 million Ordinary Shares for cancellation, as part of its overall share buy-back. On June 20, 2013, the Company detailed plans to return up to €1 billion to shareholders over the following two years. The Company completed €481.7 million in share buy-backs in the fiscal year 2014 and €112.0 million in fiscal year 2015. On May 19, 2014, the Company had indicated that it planned to pay a special dividend of up to approximately €520 million in the fourth quarter of fiscal year 2015, and following shareholder approval at its annual general meeting on September 25, 2014, this special dividend was paid on February 27, 2015. In February 2015, Ryanair commenced a €400 million ordinary share buy-back program, which was completed between February and August 2015. Additionally, the Company announced an €800 million share buy-back program (including an ADR buy-back) in February 2016. At March 31, 2016 the Company had bought back approximately €418.1 million under this program. Following the June 23, 2016 Referendum vote by the U.K. to leave the EU, Ryanair announced that it had increased the size of its buy-back program to the 5% buy-back limit approved by the shareholders at the Company's 2015 Annual General Meeting. Under this increased share buy-back program, the Company purchased just over 65 million shares at a total cost of approximately €886 million. On July 1, 2016, the Board confirmed that it will hold an EGM on July 27, 2016 to seek approval from shareholders to grant the Board of the Company the discretion to engage in further share buy-backs, should they decide that it is in the best interests of shareholders, over the next fifteen months. While there is no plan to engage in in further planned buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board

is seeking the flexibility and discretion to do so, if there is further market volatility such as was witnessed in the aftermath of the U.K. Referendum vote.

Item 4. Information on the Company

INTRODUCTION

Ryanair Holdings was incorporated in 1996 as a holding company for Ryanair Limited. The latter operates an ultra-low fare, scheduled-passenger airline serving short-haul, point-to-point routes between Ireland, the U.K., Continental Europe, Morocco and Israel. Incorporated on November 28, 1984, Ryanair Limited began to introduce a low-fares operating model in Europe under a new management team in the early 1990s. See “Item 5. Operating and

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Financial Review and Prospects History.” As of June 30, 2016, Ryanair had a principal fleet of over 350 Boeing 737-800 aircraft and offered over 2,000 scheduled short-haul flights per day serving approximately 200 airports largely throughout Europe. See “Route System, Scheduling and Fares Route System and Scheduling” for more details of Ryanair’s route network. See “Item 5. Operating and Financial Review and Prospects Seasonal Fluctuations” for information about the seasonality of Ryanair’s business.

Ryanair recorded a profit on ordinary activities after taxation of €1,559.1 million in the 2016 fiscal year, as compared to a profit on ordinary activities after taxation of €866.7 million in the 2015 fiscal year. This increase of approximately 80% was primarily attributable to an increase in revenues of approximately 16% from €5,654.0 million to €6,535.8 million partially offset by an approximately 10% increase in operating expenses from €4,611.1 million to €5,075.7 million. Also, the Company disposed of its 29.8% shareholding in Aer Lingus for €2.50 per share resulting in a gain of €317.5 million primarily due to the reclassification of unrealised gains from other comprehensive income and reserves to the income statement. Ryanair generated an average booked passenger load factor of approximately 93% in fiscal 2016, compared to 88% in fiscal 2015, and average booked passenger fare of €46.67 per passenger in the 2016 fiscal year, down from €47.05 in the prior fiscal year. The Company has focused on maintaining low operating costs (€47.69 per passenger in the 2016 fiscal year, a decrease from €50.92 in fiscal 2015).

The market’s acceptance of Ryanair’s low-fares service is reflected in the “Ryanair Effect” – Ryanair’s history of stimulating significant annual passenger traffic growth on the routes on which it has commenced service since 1991. For example, the number of scheduled airline passengers traveling on Ryanair routes increased from 0.7 million passengers in 1991 to 106.4 million passengers in fiscal 2016. 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 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.

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

STRATEGY

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

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 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.

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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 and introduced a series of customer-service related initiatives under the AGB customer experience program, including a new, easier-to-navigate website with a fare finder facility, a mobile app, reduced penalty fees, allocated seating and more customer-friendly baggage allowances and change policies. Ryanair has also introduced several important products that improve its offer to customers. Family EXTRA offers families travelling with Ryanair a set of bundled ancillary discounts and 20% off a third booking. Business PLUS offers business travelers a flexible ticket, airport fast track and priority boarding. Leisure PLUS gives customers a discounted bundle of ancillaries including a 20kg bag, priority boarding and a reserved seat. Ryanair Groups is a dedicated booking service designed for groups travelling together and this year Ryanair launched a new bonded travel service for school travel. Furthermore, these customer-service related initiatives include scheduling more flights to primary airports, selling flights via travel agents on GDS, marketing spending to support these initiatives, and adjusting the airline's yield management strategy with the goal of increasing load factors and yield.

Frequent Point-to-Point Flights on Short-Haul Routes. Ryanair provides frequent point-to-point service on short-haul routes to primary, secondary and regional airports in and around major population centers and travel destinations. In the 2016 fiscal year, Ryanair flew an average route length of 762 miles and an average flight duration of approximately 1.8 hours. Short-haul routes allow Ryanair to offer its low fares and frequent service, while eliminating the need to provide unnecessary "frills," like free in-flight meals and movies, otherwise expected by customers on longer flights. Point-to-point flying (as opposed to hub-and-spoke service) allows Ryanair to offer direct, non-stop routes and avoid the costs of providing "through service," for connecting passengers, including baggage transfer and transit passenger assistance.

Low Operating Costs. Management believes that Ryanair's operating costs are among the lowest of any European scheduled-passenger airline. Ryanair strives to reduce or control four of the primary expenses involved in running a major scheduled airline: (i) aircraft equipment 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 the end of fiscal 2019, to increase the size of its fleet and thus increase its aircraft equipment and related costs (on an aggregate basis). In fiscal 2019, when the Boeing 737-800 is scheduled to go out of production, Ryanair will become the launch customer for the new Boeing 737-MAX-200 aircraft, which is designed to replace the Boeing 737-800, and will purchase up to 200 of such aircraft through the end of fiscal 2024 (an agreement is in place with Boeing to purchase 100 aircraft with an option to purchase a further 100 aircraft). The purchase of aircraft from a single manufacturer enables Ryanair to limit the costs associated with personnel training, maintenance, and the purchase and storage of spare parts while also affording the Company greater flexibility in the scheduling of crews and equipment. Management also believes that the terms of Ryanair's contracts with Boeing are very favorable to Ryanair. See "Aircraft" below for additional information on Ryanair's fleet.

Personnel Costs. Ryanair endeavors to control its labor costs by seeking to continually improve the productivity of its already highly productive work force. Compensation for personnel emphasizes productivity-based pay incentives. These incentives include sales bonus payments 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. As part of its strategic initiatives, and the “AGB” customer experience program, the Company has broadened its distribution base by making Ryanair’s fares available to Travelport (Galileo and Worldspan), Amadeus and Sabre at nominal cost to the Company. Direct sales via the Ryanair website and mobile app continues to be the prime generator of scheduled passenger revenues.

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

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a consistently high volume of passenger traffic growth at many airports has allowed it to negotiate favorable contracts with such airports for access to their facilities, although the recent change in strategy by the Company may see it access more primary airports, which typically have higher airport charges and greater competition along with slot limitations. Secondary and regional airports also generally do not have slot requirements or other operating restrictions that can increase operating expenses and limit the number of allowed take-offs and landings. Ryanair further endeavors to reduce its airport charges by opting, when practicable, for less expensive gate locations as well as outdoor boarding stairs, rather than jetways, which are more expensive and operationally less efficient to use. 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 or post booking and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. See "Item 3. Risk Factors—Risks Related to the Company—The Company Faces Risks Related to its Internet Reservations Operations and its 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 November 2019. 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 the vast majority of reservations over the past several years. In May 2012, Ryanair further upgraded the reservation system to offer 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 number of "clicks" to make a booking. 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 quickened the booking process and made it easier for customers to book a flight. The Company also launched a new mobile app in July 2014, which made it simpler and easier for customers to book Ryanair flights. In May 2015, an upgraded mobile app, which is native to both Android and IOS, was launched. This upgraded app is faster, more reliable and stable than previous versions of the app and enhances the experience for customers accessing its website via mobile. The new app also offers customers the ability to add additional ancillary products on day of travel e.g. bags, priority boarding and fast track. We launched a new version of the website in October 2015 with the key features being personalization, a new myRyanair, easier booking flow, more content, faster, intuitive and fully responsive for mobile devices. Ryanair, as part of the "AGB" customer experience program, will endeavor to improve its website and mobile app through a series of ongoing upgrades.

Commitment to Safety and Quality Maintenance. Safety is the primary priority of Ryanair 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 31-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 accommodation (hotels, villas, apartments, hostels etc.) services, Ryanair currently has a contract with Booking.com to market hotels during and after the booking process. The accommodation business went out to tender in July 2016, and a new multi-supplier solution is under development for quarter 3 fiscal 2017. Ryanair also offers airport transfers and car park services through its website and onboard its aircraft. Ryanair offers car hire services via a contract with CarTrawler, which replaced previous supplier Hertz in September 2015. Ancillary services accounted for approximately 24% of Ryanair's total operating revenues in the 2016 fiscal year and approximately 25% of Ryanair's total operating revenues in the 2015 fiscal year See "—Ancillary

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Services” below and “Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2016 Compared with Fiscal Year 2015—Ancillary Revenues” for additional information.

Focused Criteria for Growth. Building on its success in the Ireland-U.K. market and its expansion of service to continental Europe, Morocco and Israel, Ryanair intends to follow a manageable growth plan targeting specific markets. Ryanair believes it will have opportunities for continued growth by: (i) using 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 Market Challenges. In recent periods, and with increased effect in the 2012, 2013 and 2014 fiscal years, Ryanair’s low-fares business model faced substantial pressure due to significantly increased fuel costs and reduced economic growth (or economic contraction) in some of the economies in which it operates. The Company has aimed to meet these challenges by: (i) grounding approximately 40 in fiscal 2016, 50 in fiscal 2015, 70 in fiscal 2014 and 80 in fiscal 2013) aircraft during the winter season; (ii) disposing of aircraft (lease hand backs totaled eight in fiscal 2014, none in fiscal 2015 and eleven in fiscal 2016); (iii) controlling labor 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 fiscal 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 “Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company’s Results” and “—The Company May Not Be Successful in Increasing Fares and Revenues to Cover Rising Business Costs.”

In recent years, in response to an operating environment characterized 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, fiscal 2015, and fiscal 2016 Ryanair grounded approximately 70 aircraft, 50 aircraft, and 40 respectively. 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 labor relations, including its ability to attract flight personnel interested in full-time employment. See “Item 3. Key Information—Risk Factors—Ryanair has Seasonally Grounded Aircraft.”

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ROUTE SYSTEM, SCHEDULING AND FARES

Route System and Scheduling

As of July 21, 2016, the Company offered over 2,000 scheduled short-haul flights per day serving approximately 200 airports largely throughout Europe. The following table lists Ryanair's operating bases:

Operating Bases

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

See Note 17, "Analysis of operating revenues and segmental analysis," to the consolidated financial statements included in Item 18 for more information regarding the geographical sources of the Company's revenue.

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 11:30 p.m. Management regularly reviews the need for adjustments in the number of flights on all of its routes.

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

During the 2016 fiscal year, Ryanair opened over 100 new routes across its network. See "Item 3. Risk Factors—Risks Related to the Company—Ryanair's New Routes and Expanded Operations May Have an Adverse Financial Impact on Its Results."

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-cancelable and non-refundable and must be paid for at the time of reservation.

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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 travelers.

When launching a new route, Ryanair's policy is to price the new route at 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 endeavors to always offer the lowest fare on any route it serves. Promotional fares may have the effect of increasing load factors and reducing Ryanair's yield and passenger revenues on the relevant routes during the periods they are in effect. Ryanair expects to continue to offer significant fare promotions to stimulate demand in periods of lower activity or during off-peak times for the foreseeable future.

MARKETING AND ADVERTISING

Ryanair's primary marketing strategy is to emphasize its widely available low fares, route choice and great service which has recently been enhanced by Ryanair's "AGB" customer experience program. In doing so, Ryanair primarily advertises its services in national and regional media across Europe. In addition, Ryanair uses topical advertising, social media, press conferences and publicity stunts. Other marketing activities include the distribution of advertising and promotional material and cooperative advertising campaigns with other travel-related entities, including local tourist boards. Ryanair also regularly contacts people registered in its database to inform them about promotions and special offers.

RESERVATIONS ON RYANAIR.COM

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

In May 2012, Ryanair further upgraded its reservation system in order to facilitate the continued expansion of the airline. The upgraded system gives the Company the ability to offer more enhancements to passengers, as the new platform is far more flexible in terms of future development. Under the agreement with the system provider, Navitaire, the system serves as Ryanair's core seating inventory and booking system. In return for access to these system functions, Ryanair pays transaction fees that are generally based on the number of passenger seat journeys booked through the system. Navitaire also retains a back-up booking engine to support operations in the event of a breakdown in the main system. Over the last several years, Ryanair has introduced a number of Internet-based customer service enhancements such as Internet check-in, security fast-track, priority boarding service and limited reserved seating since January 2012 (with fully allocated seating introduced in February 2014 as part of the "AGB" customer experience program). Since October 2009, Ryanair has required Internet check-in for all passengers. These enhancements and changes have been made to reduce waiting time at airports and speed a passenger's journey from arrival at the airport to boarding, as well as significantly reduce airport handling costs. Ryanair has also introduced a checked-bag fee, which is payable on the Internet and is aimed at reducing the number of bags carried by passengers in order to further reduce handling costs. In April 2014, the Company entered into an agreement with Travelport which operates the Galileo and Worldspan GDS. In October 2014, the Company entered into an agreement with Amadeus and an agreement was also concluded with Sabre in May 2015 (collectively "GDSs"). The Company's fares (except for the three lowest fare categories) will be distributed on the GDSs systems. Ryanair has negotiated an attractive per segment price and expects to sell tickets via travel agents at no commission to a mix of largely business/corporate travelers. See Item 3. Key Information—Risk Factors—Risks Related to the Company—Ryanair Faces Risks Related to Unauthorized Use of Information from the Company's Website."

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AIRCRAFT

Aircraft

As of June 30, 2016, Ryanair had a principal fleet of over 350 Boeing 737-800 aircraft. The principal fleet was composed of Boeing 737-800 “next generation” aircraft, each having 189 seats. Ryanair’s fleet totaled 341 Boeing 737-800s at March 31, 2016. The Company expects to have an operating fleet comprising approximately 546 Boeing 737s at March 31, 2024 depending on the level of lease returns/disposals. This operating fleet will comprise a mix of Boeing 737-800s and Boeing 737-MAX-200 aircraft. The 737-MAX-200 aircraft, which will start being delivered during fiscal 2020, will have 197 seats.

Between March 1999 and March 2016, Ryanair took delivery of 400 new Boeing 737-800 “next generation” aircraft under its contracts with Boeing and disposed of 60 such aircraft, including 34 lease handbacks.

Under the terms of the 2013 Boeing Contract, Ryanair has agreed to purchase the 183 new Boeing 737-800 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. Under the terms of the 2014 Boeing Contract, Ryanair has agreed to purchase up to 200 new Boeing 737-MAX-200 aircraft (100 firm orders and 100 aircraft subject to option) over a five year period from fiscal 2020 to 2024, with delivery beginning in August 2019. The new aircraft will be used on new and existing routes to grow Ryanair’s business.

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

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

Boeing has granted Ryanair certain price concessions as part of the 2014 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 August 2019.

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For additional details on the Boeing contracts, scheduled aircraft deliveries and related expenditures and their financing, as well as the terms of the arrangements under which Ryanair currently leases 43 of the aircraft in its operating fleet, see “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

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

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

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

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

At March 31, 2016, the average aircraft age of the Company’s Boeing 737-800 fleet was 6 years.

Training and Regulatory Compliance

Ryanair currently owns and operates eight Boeing 737-800 full flight simulators for pilot training, the first of which was delivered in 2002. The simulators were purchased from CAE Electronics Ltd. of Quebec, Canada (“CAE”). The second simulator was delivered in 2004, while the third and fourth simulators were delivered in the 2008 fiscal year. In September 2006, Ryanair entered into a new contract with CAE to purchase B737NG Level B flight simulators. Two such simulators were delivered in the 2009 fiscal year. In December 2014, Ryanair entered into a new contract with CAE to purchase B737NG Level D flight simulators, two of which were delivered in fiscal 2016. Ryanair has also purchased 3 new state of the art fixed base simulators from Multi Pilot Simulations (“MPS”) which will be used for pilot assessments and pilot training.

Management believes that Ryanair is currently in compliance with all applicable regulations and EU directives concerning its fleet of Boeing 737-800 aircraft and will comply with any regulations or EU directives that may come into effect in the future. However, there can be no assurance that the FAA or other regulatory authorities will not recommend or require other safety-related undertakings that could adversely impact the Company's results of operations or financial condition. See "Item 3. Key Information—Risk Factors—Risks Related to the Airline Industry—Safety-Related Undertakings Could Affect the Company's Results."

ANCILLARY SERVICES

Ryanair provides various ancillary services and engages in other activities connected with its core air passenger service, including non-flight scheduled services, Internet-related services, and the in-flight sale of beverages, food, and merchandise. See "Item 5. Operating and Financial Review and Prospects—Results of Operations—Fiscal Year 2016 Compared with Fiscal Year 2015—Ancillary Revenues" for additional information.

As part of its non-flight scheduled and Internet-related services, Ryanair incentivizes 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 currently has a contract with Booking.com to market hotels during and after the booking process and Ryanair receives a commission on these sales. The accommodation business went out to tender in July 2016, and a new multi-supplier solution is under development for quarter 3, fiscal 2017. Ryanair offers car hire services via a contract with CarTrawler, which replaced previous supplier Hertz in September 2015.

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Ryanair also sells some bus and rail 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, which 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 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. A new version of the EPOS device was rolled out in the summer of 2015.

In fiscal year 2011, Ryanair began offering reserved seating in eighteen extra legroom seats on each aircraft for a fee on certain routes and this feature was rolled out to all routes in fiscal year 2012. In February 2014, Ryanair introduced fully allocated seating on each of its flights. Passengers can, for a modest premium, reserve seats at the front of the aircraft and at the overwing exits. All other seats can be reserved for a lower fee. In the event a passenger does not wish to purchase an allocated seat, a random seat will be allocated during the booking process.

In November 2013, the Company launched a new website which reduced the number of clicks to make a booking. At the same time, the Company reduced the exposure of certain other ancillary products during the booking process on the website which had a negative impact on sales along with a reduction of certain penalty 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 and, over time, enhanced selling opportunities that will arise from the digital personalization of offers to our customers via the new website and mobile app launched in October 2015, such as through the introduction of fast-track and priority boarding. See “Item 3 Key Information—Risk Factors—Risks related to the Company—Ryanair May Not Achieve All of the Expected Benefits of its Recent Strategic Initiatives”.

MAINTENANCE AND REPAIRS

General

As part of its commitment to safety, Ryanair endeavors to hire qualified maintenance personnel, provide proper training to such personnel, and maintain its aircraft in accordance with EASA Regulations and European industry standards. While Ryanair seeks to maintain its fleet in a cost-effective manner, management does not seek to extend Ryanair's low-cost operating strategy to the areas of maintenance, training or quality control.

Ryanair's quality assurance department deals with oversight of all maintenance activities in accordance with EASA Part 145. EASA, which established Part 145, came into being on September 28, 2003; through the adoption of Regulation (EC) No. 1592/2002 of the European Parliament, and its standards superseded the previous Joint Aviation Authority ("JAA") requirements. See " Government Regulation Regulatory Authorities" below.

Ryanair is itself an EASA Part 145-approved maintenance organization and provides its own routine aircraft maintenance and repair services. Ryanair also performs certain checks on its aircraft, including pre-flight and daily checks at some of its bases, as well as A-checks at its Dublin, London (Stansted), Glasgow (Prestwick), Bremen, Kaunas and Frankfurt (Hahn) facilities. Since December 2003, Ryanair has operated a hangar facility at its base at Glasgow (Prestwick) in Scotland, where both A-checks and C-checks are performed on the fleet of Boeing 737-800 aircraft. The facility performs up to four C-checks per week and Ryanair opened a new C-check hangar facility in Kaunas, Lithuania in January 2013 where it carries out between one and two light C-checks per week, enabling Ryanair to perform all of the heavy maintenance that is currently required on its Boeing 737-800 fleet in-house. In January 2014, Ryanair opened another single bay hangar facility in Kaunas.

Ryanair opened a five-bay hangar and stores facility at its London (Stansted) airport base in October 2008 to allow Ryanair to carry out additional line maintenance on its expanding fleet. This facility also incorporates four flight simulator devices, together with a cabin crew trainer and associated training rooms. Ryanair has completed the building of a separate training facility adjacent to the hangar to accommodate a full size 737NG training aircraft to allow for

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cabin crew and engineering training. Ryanair carries out A-checks and line maintenance in its single-bay aircraft hangar facility in Bremen. Ryanair has also entered into a 30-year sole-tenancy agreement with Frankfurt (Hahn) airport and has taken acceptance of a two-bay hangar and stores facility that also incorporates a two-bay simulator-training center. This facility was completed in January 2011 and allows Ryanair to carry out additional line maintenance including A-checks. Ryanair completed the construction of a single bay hangar in Bergamo, Italy in June 2016 which will be used for line maintenance activities and A-checks.

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

Heavy Maintenance

As noted above, Ryanair currently has sufficient capacity to be able to carry out all of the routine maintenance work required on its Boeing 737-800 fleet itself. Ryanair opened a new three-bay maintenance hangar at Glasgow (Prestwick) airport in winter 2010 to accommodate the additional maintenance requirements arising from its expanding and aging fleet and opened a new C-check facility in Kaunas in January 2013 to handle the increased C-check requirements driven by fleet expansion.

Ryanair contracts out engine overhaul service for its Boeing 737-800 aircraft to General Electric Engine Services pursuant to a 10-year agreement with an option for a 10-year extension, which was signed in 2004 and subsequently extended for three years to November 30, 2017. This comprehensive maintenance contract provides for the repair and overhaul of the CFM56-7B series engines fitted to the first 155 of Ryanair's Boeing 737-800 aircraft, the repair of parts and general technical support for the fleet of engines. On June 30, 2008, the Company finalized a contract for a similar level of coverage and support for the engines on all of its aircraft that have been or were scheduled to be delivered over the period through November 2012. Due to the fact that engines on recently delivered aircraft will not require a scheduled engine overhaul prior to the expiry of the current contract with GE, Ryanair has decided, at this time, not to take up its option to have engines delivered with aircraft after October 2010 covered by this contract. General Electric Engine Services mainly uses its EASA Part 145-approved repair facility in Cardiff, Wales for this work, but also uses its EASA Part 145-approved facility in Celma, Brazil. By contracting with experienced EASA Part 145-approved maintenance providers, management believes it is better able to ensure the quality of its aircraft and engine maintenance. Ryanair assigns a EASA Part 145-certified mechanic to oversee all heavy maintenance and to authorize all engine overhauls performed by third parties. Maintenance providers are also monitored closely by the national authorities under EASA and national regulations.

Ryanair expects to be dependent on external service contractors, particularly for engine and component maintenance, for the foreseeable future, notwithstanding the additional capabilities provided by its maintenance facilities at Dublin, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Kaunas, Bremen and Bergamo. See "Item 3. Key

Information—Risk Factors—Risks Related to the Company—The Company Is Dependent on External Service Providers.”

SAFETY RECORD

Ryanair has not had a single passenger or flight crew fatality in its 31-year operating history. Ryanair demonstrates its commitment to safe operations through its safety training procedures, its investment in safety-related equipment, and its adoption of an internal open and confidential reporting system for safety issues. The Company’s Board of Directors also has a safety committee to review and discuss air safety and related issues. Mike O’Brien, a Company director, is the joint chairman of this committee, (along with the Airlines Accountable Manager for Safety, Neil Sorahan), and reports to the Board of Directors.

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

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

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

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

In November 2008, a Ryanair aircraft suffered a multiple bird strike during its final approach to Rome (Ciampino) airport. This incident caused substantial damage to the aircraft, which resulted in an insurance claim being filed in respect of this aircraft. The damage that it suffered was such that the aircraft was not repaired, although Ryanair has retained ownership of it for certain parts and for training purposes.

AIRPORT OPERATIONS

Airport Handling Services

Ryanair provides its own aircraft and passenger handling and ticketing services at Dublin Airport. Third parties provide these services to Ryanair at most other airports it serves. Swissport Limited provides Ryanair's ticketing, passenger and aircraft handling, and ground handling services at many of these airports in Ireland and the U.K., while similar services in continental Europe are generally provided by the local airport authorities, either directly through sub-contractors, or partners in self-handling at airports in Spain (including the Canary Islands) and Portugal.

Management attempts to obtain competitive rates for such services by negotiating multi-year contracts at fixed prices. These contracts are generally scheduled to expire in one to five years, unless renewed, and certain of them may be terminated by either party before their expiry upon prior notice. Ryanair will need to enter into similar agreements in any new markets it may enter. See “Item 3. Key Information—Risk Factors—Risks Related to the Company—The Company Is Dependent on External Service Providers.”

Airport Charges

As with other airlines, Ryanair must pay airport charges each time it lands and accesses facilities at the airports it serves. Depending on the policy of the individual airport, such charges can include landing fees, passenger loading fees, security fees and parking fees. Ryanair attempts to negotiate discounted fees by delivering annual increases in passenger traffic and/or access to new destinations, and opts, when practicable, for less expensive facilities, such as less convenient gates and the use of outdoor boarding stairs rather than more expensive jetways. Nevertheless, there can be no assurance that the airports Ryanair uses will not impose higher airport charges in the future and that any such increases would not adversely affect the Company’s operations.

As a result of rising airport charges and the introduction of an Air Travel Tax of €10 on passengers departing from Irish airports on routes longer than 300 kilometers 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). The introduction of the aforementioned €10 tax likely had a negative impact on the number of passengers traveling to and from Ireland. The Dublin Airport Authority (“DAA”) reported that passenger volumes declined by 25% from 30 million in 2007 to 23 million in 2012. Ryanair believes that this was partly reflective of the negative impact of the tax

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on Irish travel. Ryanair called for the elimination of the tax to stimulate tourism during the recession. 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. In May 2011, the Irish Government announced that it would abolish the Air Travel Tax, and the tax was ultimately abolished on April 1, 2014. No assurance can be given that the tax will not be reintroduced in the future at similar levels or higher levels, which could have a negative impact on demand for air travel.

The Greek government planned to introduce similar taxes; however, it has now cancelled plans to introduce these taxes. The German government introduced an €8 passenger tax on January 1, 2011 for all departing domestic or short-haul passengers and a passenger tax of €25 for all departing passengers on flights bound for southern Europe and northern Africa. The €8 tax was reduced to €7.50 in January 2012. In addition, the Austrian government introduced an ecological air travel levy of €8 effective January 1, 2011. In July 2013, the regional Walloon Government in Belgium announced a €3 passenger travel tax from January 2014. However, the plan to introduce this tax was later abandoned. The Moroccan government has also introduced a similar tax (equivalent to approximately €9) from April 2014. The Italian government has recently increased the municipal taxes in Italy by €2.50. As a result, Ryanair was forced to close two Italian bases. From June 2016, the Norwegian government introduced a passenger travel tax of NOK80 (approximately €8.50) which resulted in Ryanair announcing the closure of its Oslo Rygge base with effect from late October 2016.

In March 2007, the discount arrangement formerly in place at London (Stansted) airport terminated, subjecting Ryanair to an average increase in charges of approximately 100%. The increase in these charges, which was passed on in the form of higher ticket prices, had a negative impact on yields and passenger volumes in the winter, resulting in Ryanair's decision to ground seven aircraft. Ryanair responded to the increases by filing complaints with the OFT and the Competition Commission, calling for the break-up of the British Airports Authority plc ("BAA") monopoly and the introduction of competition in the London airports market. The OFT referred the matter to the Competition Commission, which found that the common ownership by BAA of the three main airports in London negatively affected competition and that a "light touch" approach to regulating BAA by the Civil Aviation Authority adversely impacted competition. In March 2009, the Competition Commission ordered the break-up of BAA. In October 2009, London (Gatwick) was sold to Global Infrastructure Partners for £1.5 billion. Following a delay caused by various appeals by the BAA, the BAA proceeded to sell Edinburgh Airport in April 2012, and London (Stansted) airport to Manchester Airports Group plc in March 2013. Following the December 2003 publication of the U.K. government's White Paper on Airport Capacity in the Southeast of England, the BAA in 2004 announced plans to spend up to £4 billion on a multi-year project to construct a second runway and additional terminal facilities at London (Stansted) airport with a target opening date of 2013. Ryanair and other airlines using London (Stansted) support the principle of a second runway at London (Stansted), but are opposed to this development because they believe that the financing of what they consider to be an overblown project will lead to airport costs approximately doubling from current levels. In May 2010, the BAA announced that it would not proceed with this £4 billion program. On January 10, 2014, the U.K. Civil Aviation Authority completed its regulatory investigation into market power determination for passenger airlines in relation to London (Stansted). It found that London (Stansted) did not enjoy substantial market power in the market for the provision of airport operation services to passenger airlines, and as such declined to continue to regulate the airport. On September 16, 2013, Ryanair announced that it had agreed a 10 year growth agreement with Manchester Airports Group plc, the owners of London (Stansted), in relation to an expansion of capacity at London (Stansted) in return for significant airport charge reductions for the incremental passenger volumes delivered. Once this 10 year growth deal expires, Ryanair may be subject to increased airport charges at London (Stansted) as the airport is no longer subject to regulation.

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

FUEL

The cost of jet fuel accounted for approximately 41% and 43% of Ryanair’s total operating expenses in the fiscal years ended March 31, 2016 and 2015, respectively. In each case, this accounts for costs after giving effect to the Company’s fuel hedging activities but excludes de-icing costs, which accounted for approximately 0.3% and 0.5% of total fuel costs in the fiscal years ended March 31, 2016 and 2015, respectively. The future availability and cost of

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jet fuel cannot be predicted with any degree of certainty, and Ryanair's low-fares policy limits its ability to pass on increased fuel costs to passengers through increased fares. Jet fuel prices are dependent on crude oil prices, which are quoted in U.S. dollars. If the value of the U.S. dollar continues to strengthen against the euro, Ryanair's fuel costs, expressed in euro, may increase even absent any increase in the U.S. dollar price of jet fuel. Ryanair has also entered into foreign currency forward contracts to hedge against some currency fluctuations. See "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Foreign Currency Exposure and Hedging."

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. As of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 95% of its estimated requirements for fiscal 2017 at prices equivalent to approximately \$622 per metric ton. In addition, as of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 55% of its estimated requirements for fiscal 2018 at prices equivalent to approximately \$496 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that period. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results" and "Item 11. Quantitative and Qualitative Disclosures About Market Risk—Fuel Price Exposure and Hedging" for additional information on recent trends in fuel costs and the Company's related hedging activities, as well as certain associated risks. See also "Item 5. Operating and Financial Review and Prospects—Fiscal Year 2016 Compared with Fiscal Year 2015—Fuel and Oil."

INSURANCE

Ryanair is exposed to potential catastrophic losses that may be incurred in the event of an aircraft accident or terrorist incident. Any such accident or incident could involve costs related to the repair or replacement of a damaged aircraft and its consequent temporary or permanent loss from service. In addition, an accident or incident could result in significant legal claims against the Company from injured passengers and others who experienced injury or property damage as a result of the accident or incident, including ground victims. Ryanair maintains aviation third-party liability insurance, passenger liability insurance, employer liability insurance, directors and officers liability insurance, aircraft insurance for aircraft loss or damage, and other business insurance in amounts per occurrence consistent with industry standards. Ryanair believes its insurance coverage is adequate, although not comprehensive. There can be no assurance that the amount of such coverage will not need to be increased, that insurance premiums will not increase significantly or that Ryanair will not be forced to bear substantial losses from accidents. Ryanair's insurance does not cover claims for losses incurred when, due to unforeseen events, airspace is closed and aircraft are grounded, such as the airspace closures described in "Item 3. Risk Factors – Risks Related to the Airline Industry – 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 September 11, 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-September 11, 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.

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 program, which covers not only the Company's aircraft but also its liability to passengers and to third parties. AIL reinsures virtually all of the aviation insurance risk it underwrites with recognized third parties in the aviation reinsurance market, with the amount of AIL's maximum aggregate exposure not currently subject to such reinsurance agreements being equal to approximately \$16.1 million. In addition to aviation insurance, AIL has underwritten most of the single trip travel insurance policies sold on Ryanair.com since February 1, 2011.

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

FACILITIES

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

Location	Site Area (Sq. Meters)	Floor Space (Sq. Meters)	Tenure	Activity
Dublin Airport	1,370	1,649	Leasehold	Rental Property
Airside Business Park, Swords, Dublin	12,286	9,443	Freehold	Dublin Office
Dublin Airport (Hangar No. 1)	1,620	1,620	Leasehold	Aircraft Maintenance
Dublin Airport (Hangar No. 2)	5,200	5,000	Leasehold	Aircraft Maintenance
Phoenix House, Conyngnam Road, Dublin	2,566	3,899	Freehold	Rental Property
Enterprise House, Stansted Satellite 3, Stansted Airport	516	516	Leasehold	Administrative Offices
Stansted Airport (Hangar)	605	605	Leasehold	Operations Center
Stansted Airport (Hangar)	12,161	10,301	Leasehold	Aircraft Maintenance Hangar and Simulator Training Center
Stansted Airport Stansted Storage Facilities	375	375	Leasehold	Training Centre
East Midlands Airport	378	531	Leasehold	Aircraft Maintenance
East Midlands Airport	3,890	2,801	Freehold	Simulator and Training Center
East Midlands Airport	2,045	634	Leasehold	Training Center
Bremen Airport	5,952	5,874	Leasehold	Terminal and Aircraft Maintenance Hangar
Skavsta Airport (Hangar)	1,936	1,936	Leasehold	Aircraft Maintenance
Prestwick Airport (Hangar)	10,052	10,052	Leasehold	Aircraft Maintenance
	5,064	5,064	Leasehold	

Frankfurt (Hahn) Airport (Hangar)				Aircraft Maintenance Hangar and Simulator Training Center
Kaunas Airport (Hangar)	4,500	4,500	Leasehold	Aircraft Maintenance
Rygge Airport (Hangar)	1,700	1,700	Leasehold	Aircraft Maintenance
Bergamo (Hangar)	4,125	2,200	Freehold	Aircraft Maintenance
Travel Labs Poland	850	850	Leasehold	Administrative Offices

Ryanair has agreements with the DAA, the Irish government authority charged with operating Dublin Airport, to lease check-in counters and other space at the passenger and cargo terminal facilities at Dublin Airport. The airport office facilities used by Ryanair at London (Stansted) are leased from the airport authority; similar facilities at each of the other airports Ryanair serves are provided by Swissport Limited or other service providers.

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TRADEMARKS

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

Ryanair has not registered either its name or its logo as a trademark in Ireland, as EUTM-registration provides all of the protection available from an Irish registration, and management believes there are therefore no advantages in making a separate Irish application.

Ryanair's trademarks include:

- European Union (Word) Trade Mark registration number 004168721 comprised of the word "Ryanair" in classes 16, 28, 35, 36, 37, 38, 39 and 42 (Nice Classification);
- European Union (Figurative) Trade Mark registration number 001493329 comprising the following graphic representation:

in classes 16, 35, 36, 37, 38, 39 and 42 (Nice Classification) and class 27.5.1 (Vienna classification);

- European Union (Figurative) Trade Mark registration number 00446559 comprising the following graphic representation:

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

- European Union (Figurative) Trade Mark registration number 000338301

comprising the following graphic representation:

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

GOVERNMENT REGULATION

Liberalization of the EU Air Transportation Market

Ryanair began its flight operations in 1985, during a decade in which the governments of Ireland and the U.K. liberalized the bilateral arrangements for the operation of air services between the two countries. In 1992, the Council of Ministers of the EU adopted a package of measures intended to liberalize the internal market for air transportation in the EU. The liberalization included measures that allow EU air carriers substantial freedom to set air fares, provided EU air carriers greatly enhanced access to routes within the EU, and also introduced a licensing

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

Commission for Aviation Regulation “CAR”. The CAR is currently primarily responsible for deciding maximum airport charges only at Dublin Airport. See “ Airport Operations Airport Charges” above.

The CAR also has responsibility for licensing Irish airlines, subject to the requirements of EU law. It issues operating licenses under the provisions of EU Regulation 1008/2008 (formerly 2407/92). An operating license is an authorization permitting the holder to transport passengers, mail and/or cargo by air. The criteria for granting an operating license 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 license, 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 license. See “Item 10. Additional Information—Limitations on Share Ownership by Non-EU Nationals.” See also “Item 3. Risk Factors—Risks Related to Ownership of the Company’s Ordinary Shares or ADRs—EU Rules Impose Restrictions on the Ownership of Ryanair Holdings’ Ordinary Shares by Non-EU nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals” above.

Ryanair’s current operating license became effective on December 1, 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, returned flight document (RFD) audits, and quality audits. Ryanair’s current Air Operator Certificate (“AOC”) No IE 7/94 was issued on October 28, 2014. There is no expiration date on the AOC.

Irish Aviation Authority. The IAA is primarily responsible for the operational and regulatory function and services relating to the safety, security and technical aspects of aviation in Ireland. To operate in Ireland and the EU, an Irish air carrier is required to hold an AOC granted by the IAA attesting to the air carrier’s operational and technical competence to conduct airline services with specified types of aircraft. The IAA has broad authority to amend or revoke an AOC, with Ryanair’s ability to continue to hold its AOC being subject to ongoing compliance with

applicable statutes, rules and regulations pertaining to the airline industry, including any new rules and regulations that may be adopted in the future.

The IAA is also responsible for overseeing and regulating the operations of Irish air carriers. Matters within the scope of the IAA's regulatory authority include: air safety; aircraft certification; personnel licensing and training; maintenance, manufacture, repair, airworthiness, and operation of aircraft; implementation of EU legislation; aircraft noise; aviation security and ground services. Each of the Company's aircraft is required to have a Certificate of Airworthiness, which is issued by the IAA. The validity of Certificates of Airworthiness is subject to 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 the AOC.

In July 1999, the IAA awarded Ryanair a JAR Ops 1 AOC. In 2008, the IAA awarded Ryanair an EU Ops AOC. In 2014, the IAA awarded Ryanair an Air Ops AOC. This AOC remains in force subject to Ryanair demonstrating continuing compliance with applicable EASA regulations. The requirements of Air Ops have been incorporated into European law as prescribed in Regulation EC 965/2012 and were applied in full on October 28,

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2014. All current regulatory requirements are addressed in the Ryanair Operations Manual Part A (as amended). The current Manual, Issue 1 Revision 1, was approved by the IAA on June 27, 2016.

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

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 February 17, 2005. See “Item 3. Risk Factors—Risks Related to the Airline Industry—EU Regulation on Passenger Compensation Could Significantly Increase Related Costs.”

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 July 15, 2002, 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 September 28, 2003, taking over the responsibility for regulating airworthiness, maintenance and air crew issues within the EU member states.

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

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

European Commission. The European Commission is in the process of introducing an updated legislative package to its “single European sky policy,” called “SES2+”, which would lead to changes to air traffic management and control within the EU. The “single European sky policy” currently consists of the Framework Regulation (Reg. (EC) No.

549/2004) plus three technical regulations on the provision of air navigation services, organization and use of the airspace and the inter-operability of the European air traffic management network. These regulations were amended by the so-called “Single European Sky II” regulation (EU Regulation 1070/09), which focused on air traffic control (“ATC”) performance and extended the authority of EASA to include Airports and Air Traffic Management. The objective of the policy is to enhance safety standards and the overall efficiency of air traffic in Europe, as well as to reduce the cost of air traffic control services.

On September 6, 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 EU Court of First Instance (“CFI”) has since annulled in December 2008. The guidelines only applied to publicly owned regional airports, and placed restrictions on the incentives that these airports can offer airlines to deliver traffic. Ryanair argued that the CFI’s annulment of the Charleroi decision severely undermined these guidelines. In April 2014, the European Commission published final revised guidelines that better reflect the commercial reality of the liberalized 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

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administrative burdens on smaller airports and may lead to higher airport charges, while the scope that exists within this Directive to address abuses of their dominant positions by Europe's larger airports is very limited. See "Item 8. Financial Information Other Financial Information Legal Proceedings EU State Aid-Related Proceedings."

The European Union also passed legislation calling for increased transparency in airline fares, which requires the inclusion of all mandatory taxes, fees, and charges in advertised prices. Ryanair 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 report, eleven of the twelve directors of Ryanair Holdings are citizens of Ireland or of another member state of the EU. An aircraft will also fulfill these conditions if it is wholly owned by such citizens or companies in combination. Notwithstanding the fact that these particular conditions may not be met, the IAA retains discretion to register an aircraft in Ireland so long as it is in compliance with the other conditions for registration under the Order. Any such registration may, however, be made subject to certain conditions. In order to be registered, an aircraft must also continue to comply with any applicable provisions of Irish law. The registration of any aircraft can be cancelled if it is found that it is not in compliance with the requirements for registration under the Order and, in particular: (i) if the ownership requirements are not met; (ii) if the aircraft has failed to comply with any applicable safety requirements specified by the IAA in relation to the aircraft or aircraft of a similar type; or (iii) if the IAA decides in any case that it is not in the public interest for the aircraft to remain registered in Ireland.

Regulation of Competition

Competition/Antitrust Law. It is a general principle of EU competition law that no agreement may be concluded between two or more separate economic undertakings that prevents, restricts or distorts competition in the common market or any part of the common market. Such an arrangement may nevertheless be exempted by the European Commission, on either an individual or category basis. The second general principle of EU competition law is that any business or businesses having a dominant position in the EU common market or any substantial part of the common market may not abuse such dominant position. Similar competition laws apply at national level in EU member states. Ryanair is subject to the application of the general rules of EU competition law as well as specific rules on

competition in the airline sector.

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

Competition law in Ireland is primarily embodied in the Competition Act 2002. This Act is modeled on the EU competition law system. The Irish rules generally prohibit anti-competitive arrangements among businesses and prohibit the abuse of a dominant position. These rules are enforced either by public enforcement (primarily by the Competition Authority) through both criminal and civil sanctions or by private action in the courts. These rules apply to the airline sector, but are subject to EU rules that override any contrary provisions of Irish competition law. Ryanair has been subject to an abuse-of-dominance investigation by the Irish Competition Authority in relation to service between Dublin and Cork. The Competition Authority closed its investigation in July 2009 with a finding in favor of Ryanair.

State Aid. The EU rules control aid granted by member states to businesses on a selective or discriminatory basis. The EU Treaty prevents member states from granting such aid unless approved in advance by the EU. Any such grant of state aid to an airline is subject to challenge before the EU or, in certain circumstances, national courts. If aid is held to have been unlawfully granted it may have to be repaid by the airline to the granting member state, together

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with interest thereon. See “Item 3. Key Information Risk Factors Risks Related to the Company—The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports” and “Item 8. Financial Information Other Financial Information Legal Proceedings.”

Environmental Regulation

Aircraft Noise Regulations. Ryanair is subject to international, national and, in some cases, local noise regulation standards. EU and Irish regulations have required that all aircraft operated by Ryanair comply with Stage 3 noise requirements since April 1, 2002. All of Ryanair’s aircraft currently comply with these regulations. Certain airports in the U.K. (including London Stansted and London Gatwick) and continental Europe have established local noise restrictions, including limits on the number of hourly or daily operations or the time of such operations.

Company Facilities. Environmental controls are generally imposed under Irish law through property planning legislation, specifically the Local Government (Planning and Development) Acts of 1963 to 1999, the Planning and Development Act 2000 and regulations made there under. At Dublin Airport, Ryanair operates on land controlled by the DAA. Planning permission for its facilities has been granted in accordance with both the zoning and planning requirements of Dublin Airport. There is also specific Irish environmental legislation implementing applicable EU directives and regulations, to which Ryanair adheres. From time to time, noxious or potentially toxic substances are held on a temporary basis within Ryanair’s engineering facilities at Dublin Airport, Glasgow (Prestwick), London (Stansted), Frankfurt (Hahn), Stockholm (Skavsta), Oslo (Rygge) and Kaunas. However, at all times Ryanair’s storage and handling of these substances complies with the relevant regulatory requirements. At Ryanair’s Glasgow (Prestwick) and London (Stansted) maintenance facilities, all normal waste is removed in accordance with the Environmental Protection Act of 1996 and Duty of Care Waste Regulations. For special waste removal, Ryanair operates under the Special Waste Regulations 1998. At all other facilities Ryanair adheres to all local and EU regulations.

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

In December 2005, Ryanair completed the fleet replacement program it commenced in 1999. All of Ryanair’s older Boeing 737-200A aircraft were replaced with Boeing 737-800 “next generation” aircraft, and Ryanair now operates a single-aircraft-type fleet of Boeing 737-800 “next generation” aircraft with an average age of 6 years. The design of the new aircraft is aimed at minimizing drag, thereby reducing the rate of fuel burn and noise levels. The engines are also quieter and more fuel-efficient. Furthermore, by moving to an all Boeing 737-800 “next generation” fleet, Ryanair reduced the unit emissions per passenger due to the inherent capacity increase in the Boeing 737-800 aircraft. The Boeing 737-800 “next generation” aircraft have a significantly superior fuel-burn to passenger-kilometer ratio than

Ryanair's former fleet of Boeing 737-200A aircraft. In September 2014, Ryanair entered into an agreement with Boeing to purchase up to 200 Boeing 737-MAX-200 aircraft (including 100 firm orders and 100 aircraft subject to option). The Boeing 737-MAX-200 aircraft will deliver between fiscal 2020 and fiscal 2024. They have 197 seats and are fitted with CFM-LEAP-1B engines which, combined with the Advanced Technology winglet and other aerodynamic improvements, will reduce fuel consumption by up to approximately 16% on a per seat basis compared to the Boeing 737-800s in Ryanair's configuration and reduce operational noise emissions by approximately 40%. See "—Aircraft" above for details on Ryanair's fleet plan.

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

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

- operates with a high-seat density of 189 seats (which will increase to 197 when the Boeing 737-MAX-200 starts being delivered in fiscal 2020) and an all-economy configuration, as opposed to the 162 seats and two-class configuration of the Boeing 737-800 aircraft used by traditional network airlines, reducing fuel burn and emissions per seat-kilometer flown;

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- has reduced per-passenger emissions through higher load factors (93% in fiscal 2016);
- better utilizes existing infrastructure by operating out of underutilized secondary and regional airports throughout Europe, which limits the use of holding patterns and taxiing times, thus reducing fuel burn and emissions and reducing the need for new airport infrastructure;
- provides direct services as opposed to connecting flights, in order to limit the need for passengers to transfer at main hubs and thus reduces the number of take-offs and landings per journey from four to two, reducing fuel burn and emissions per journey; and
- has no late-night departures of aircraft, reducing the impact of noise emissions.

Emissions Trading. On November 19, 2008, the European Council of Ministers adopted legislation to add aviation to the EU Emissions Trading Scheme as of 2012. This scheme, which has thus far applied mainly to energy producers, is a cap-and-trade system for CO₂ emissions to encourage industries to improve their CO₂ efficiency. Under the legislation, airlines were granted initial CO₂ allowances based on historical “revenue ton kilometers” and a CO₂ efficiency benchmark. Any shortage of allowances has to be purchased in the open market and/or at government auctions. Management believes that this legislation is likely to have a negative impact on the European airline industry. Ryanair takes its environmental responsibilities seriously and intends to continue to improve its environmental efficiency and to minimize emissions. Under Regulation 7 of The U.K. Companies Act 2006 (Strategic Report and Directors’ Report) Regulations 2013, Ryanair is obliged to state its annual quantity of emissions in tons of carbon dioxide equivalent. Ryanair’s EU Emissions Trading Scheme monitoring, reporting and allowance surrender obligations are mandated on a calendar year basis. During calendar year 2015, Ryanair emitted 8,638,838 tCO₂ (Calendar 2014: 7,756,156), which equates to 0.085 tCO₂ (Calendar 2014: 0.090) per passenger.

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

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

Airport charges

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

Slots

Currently, the majority of Ryanair's bases of operations have no "slot" allocation restrictions; however, traffic at a substantial number of the airports Ryanair serves, including its primary bases are regulated by means of "slot" allocations, which represent authorizations to take off or land at a particular airport within a specified time period. In addition, EU law currently regulates the acquisition, transfer, and loss of slots. Applicable EU regulations currently

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prohibit the buying or selling of slots for cash. The European Commission adopted a regulation in April 2004 (Regulation (EC) No. 793/2004) that made some minor amendments to the current allocation system, allowing for limited transfers of, but not trading in, slots. Slots may be transferred from one route to another by the same carrier, transferred within a group or as part of a change of control of a carrier, or swapped between carriers. In April 2008, the European Commission issued a communication on the application of the slot allocation regulation, signaling the acceptance of secondary trading of airport slots between airlines. This is expected to allow more flexibility and mobility in the use of slots and will further enhance possibilities for market entry at slot constrained airports. Any future legislation that might create an official secondary market for slots could create a potential source of revenue for certain of Ryanair's current and potential competitors, many of which have many more slots allocated at primary airports at present than Ryanair. The European Commission proposed a revision to the slots legislation reflecting the principle of secondary trading. This revision has been negotiated by the EU institutions since 2014 and is currently stalled. Slot values depend on several factors, including the airport, time of day covered, the availability of slots and the class of aircraft. Ryanair's ability to gain access to and develop its operations at slot-controlled airports will be affected by the availability of slots for takeoffs and landings at these specific airports. New entrants to an airport are currently given certain privileges in terms of obtaining slots, but such privileges are subject to the grandfathered rights of existing operators that are utilizing their slots. There is no assurance that Ryanair will be able to obtain a sufficient number of slots at the slot-controlled airports that it desires to serve in the future at the time it needs them or on acceptable terms.

Other

Health and occupational safety issues relating to the Company are largely addressed in Ireland by the Safety, Health and Welfare at Work Act, 2005 and other regulations under that act. Although licenses or permits are not issued under such legislation, compliance is monitored by the Health and Safety Authority (the "Authority"), which is the regulating body in this area. The Authority periodically reviews Ryanair's health and safety record and when appropriate, issues improvement notices or prohibition notices. Ryanair has responded to all such notices to the satisfaction of the Authority. Other safety issues are covered by the Irish Aviation Orders, which may vary from time to time.

The Company's operations are subject to the general laws of Ireland and, insofar as they are applicable in Ireland, the laws of the EU. The Company may also become subject to additional regulatory requirements in the future. The Company is also subject to local laws and regulations at locations where it operates and the regulations of various local authorities that operate the airports it serves.

DESCRIPTION OF PROPERTY

For certain information about each of the Company's key facilities, see "—Facilities" above. Management believes that the Company's facilities are suitable for its needs and are well maintained.

Item 4A. Unresolved Staff Comments

There are no unresolved staff comments.

Item 5. Operating and Financial Review and Prospects

The following discussion should be read in conjunction with the audited consolidated financial statements of the Company and the notes thereto included in Item 18. Those consolidated financial statements have been prepared in accordance with IFRS.

HISTORY

Ryanair's current business strategy dates to the early 1990s, when 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 standardizing its fleet by purchasing used Boeing 737-200A aircraft to replace substantially all of its leased aircraft. Beginning in 1996, Ryanair continued to expand its service from Dublin to new provincial destinations in the U.K. In August 1996, Irish Air, L.P., an investment

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vehicle led by David Bonderman and certain of his associates at the Texas Pacific Group, acquired a minority interest in the Company. Ryanair Holdings completed its initial public offering in June 1997.

From 1997 through June 30, 2016, Ryanair launched service on more than 2,000 routes throughout Europe and also increased the frequency of service on a number of its principal routes. During that period, Ryanair established 84 airports as bases of operations, including Dublin. See “Item 4. Information on the Company—Route System, Scheduling and Fares” for a list of these bases. Ryanair has increased the number of booked passengers from approximately 4.9 million in the 1999 fiscal year to approximately 106.4 million in the 2016 fiscal year. As of June 30, 2016, Ryanair had a principal fleet of over 350 Boeing 737-800 aircraft and now serves approximately 200 airports.

Ryanair expects to have approximately 546 aircraft in its operating fleet by March 31, 2024. This is subject to lease handbacks and disposals over the period to March 31, 2024 meeting current expectations. See “Liquidity and Capital Resources” and “Item 4. Information on the Company Aircraft” for additional details.

BUSINESS OVERVIEW

Since Ryanair pioneered its low cost operating model in Europe in the early 1990s, its passenger volumes and scheduled passenger revenues have increased significantly because the Company has substantially increased capacity and demand has been sufficient to match the increased capacity. Ryanair’s annual booked passenger volume has grown from approximately 0.9 million passengers in the calendar year 1992 to approximately 106.4 million passengers in the 2016 fiscal year.

Ryanair’s revenue passenger miles (“RPMs”) increased approximately 15% from 70,331 million in the 2015 fiscal year to 81,146 million in the 2016 fiscal year due partly to an increase of approximately 10% in scheduled available seat miles (“ASMs”) from 79,690 million in the 2015 fiscal year to 87,451 million in the 2016 fiscal year. Scheduled passenger revenues increased approximately 17% from €4,260.3 million in the 2015 fiscal year to €4,967.2 million in the 2016 fiscal year. Average booked passenger fare decreased from €47.05 in the 2015 fiscal year to €46.67 in the 2016 fiscal year.

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 72% in both the 2015 and 2016 fiscal years. Cost per passenger was €50.92 in the 2015 fiscal year and €47.69 in the 2016 fiscal year, with the decrease primarily reflecting the lower fuel cost per passenger of €19.46 in the 2016 fiscal year as compared to €22.00 in the 2015 fiscal year. Ryanair recorded operating profits of €1,042.9 million in the 2015 fiscal year and €1,460.1 million in the 2016 fiscal year. The Company recorded a profit after taxation of €866.7 million in the 2015 fiscal year and €1,559.1 million in the 2016 fiscal year. Ryanair took delivery of 41 Boeing 737-800 aircraft in the 2016 fiscal year. The Company will take delivery of a further 52 Boeing

737-800 aircraft in the 2017 fiscal year and expects that these deliveries, net of lease handbacks, will allow for an approximately 10% increase in fiscal 2017 traffic. See “Item 3. Key Information—Risk Factors—Risks Related to the Company— Ryanair Has Seasonally Grounded Aircraft.”

Investment in Aer Lingus and Subsequent Sale of this Investment in Fiscal 2016

During the 2007 fiscal year, the Company acquired 25.2% of Aer Lingus. The Company increased its interest to 29.3% during the 2008 fiscal year, and to 29.8% during the 2009 fiscal year at a total aggregate cost of €407.2 million.

In 2006 and 2012, Ryanair made offers to acquire the entire share capital of Aer Lingus, but both of these offers were prohibited by the European Commission on competition grounds. In addition, from 2010 to 2013 the U.K. competition authority investigated Ryanair’s minority stake in Aer Lingus. On August 28, 2013, it issued its decision in which it found 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”, and ordered Ryanair to reduce its shareholding in Aer Lingus to no more than five percent of Aer Lingus’ issued ordinary shares. Ryanair appealed this decision on procedural and substantive grounds, but withdrew the appeal in September 28, 2015, following the sale of its stake in Aer Lingus in July 2015.

On June 19, 2015, IAG issued a formal offer for Aer Lingus Group plc. The offer, which was recommended by the Board of Aer Lingus Group plc, consisted of cash consideration of €2.50 per ordinary share plus a €0.05

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ordinary dividend (already paid in May 2015). On July 10, 2015, Ryanair confirmed that the Board of Ryanair Holdings voted unanimously to accept the IAG offer for Ryanair's 29.8% shareholding in Aer Lingus Group plc, subject to that offer receiving merger clearance from the European Commission, which was subsequently granted on July 14, 2015. On September 1, 2015 Ryanair received total consideration of €398.1 million for the sale of its stake in Aer Lingus.

Historical Results Are Not Predictive of Future Results

The historical results of operations discussed herein may not be indicative of Ryanair's future operating performance. Ryanair's future results of operations will be affected by, among other things, overall passenger traffic volume; the availability of new airports for expansion; fuel prices; the airline pricing environment in a period of increased competition; the ability of Ryanair to finance its planned acquisition of aircraft and to discharge the resulting debt service obligations; economic and political conditions in Ireland, the U.K. and the EU; terrorist threats or attacks within the EU; seasonal variations in travel; developments in government regulations, litigation and labor relations; foreign currency fluctuations, the impact of the banking crisis and potential break-up of the Eurozone; Brexit; competition and the public's perception regarding the safety of low-fares airlines; changes in aircraft acquisition, leasing, and other operating costs; flight interruptions caused by volcanic ash emissions or other atmospheric disruptions; flight disruptions caused by periodic and prolonged air traffic controller strikes in Europe; the rates of income and corporate taxes paid, and the impact of the financial and Eurozone crisis. Ryanair expects its depreciation, staff and fuel charges to increase as additional aircraft and related flight equipment are acquired. Future fuel costs may also increase as a result of the depletion of petroleum reserves, the shortage of fuel production capacity and/or production restrictions imposed by fuel oil producers. Maintenance expenses may also increase as a result of Ryanair's fleet expansion and replacement program. In addition, the financing of new Boeing 737-800 aircraft and Boeing 737-MAX-200 will increase the total amount of the Company's outstanding debt and the payments it is obliged to make to service such debt. The cost of insurance coverage for certain third-party liabilities arising from "acts of war" or terrorism increased dramatically following the September 11, 2001 terrorist attacks. Although Ryanair currently passes on increased insurance costs to passengers by means of a special "insurance levy" on each ticket, there can be no assurance that it will continue to be successful in doing so. See "Item 3. Key Information—Risk Factors—Risks related to the Airline Industry—Terrorism in Europe, the United States or Elsewhere Could Have a Material Detrimental Effect on the Company."

RECENT OPERATING RESULTS

The Company's profit after tax for the quarter ended June 30, 2016 (the first quarter of the Company's 2017 fiscal year) was €255.5 million, as compared to €245.1 million for the corresponding period of the previous year. The Company recorded an increase in operating profit, from €288.4 million in the first quarter of the 2016 fiscal year to €306.8 million in the recently completed quarter. Total operating revenues increased from €1,652.7 million in the first quarter of fiscal 2016 to €1,687.4 million in the first quarter of fiscal 2017. The increase in operating profit was primarily due to an 11% increase in traffic and a stronger load factor (up 2 points to 94%). Operating expenses increased from €1,364.3 million in the first quarter of fiscal 2016 to €1,380.6 million in the first quarter of fiscal 2017, due primarily to the increased costs associated with the growth of the airline. The Company's cash and cash equivalents, restricted cash and financial

assets with terms of less than three months amounted to €4,103.8 million at June 30, 2016 as compared with €4,881.2 million at June 30, 2015.

CRITICAL ACCOUNTING POLICIES

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

The preparation of the Company's financial statements requires the use of estimates, judgments, and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the periods presented. Actual results may differ from these estimates.

The Company believes that its critical accounting policies, which are those that require management's most difficult, subjective and complex judgments, are those described in this section. These critical accounting policies, the judgments and other uncertainties affecting application of these policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the consolidated financial statements

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included in Item 18 and the discussion and analysis below. For additional detail on these policies, see Note 1, "Basis of preparation and significant accounting policies," to the consolidated financial statements included in Item 18.

Long-lived Assets

As of March 31, 2016, Ryanair had €6.3 billion of long-lived assets, virtually all of which were aircraft. In accounting for long-lived assets, Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets, and the potential for impairment based on the fair value of the assets and the cash flows they generate.

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

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

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

Heavy Maintenance

An element of the cost of an acquired aircraft is attributed, on acquisition, to its service potential, reflecting the maintenance condition of the engines and airframe.

For aircraft held under operating lease agreements, Ryanair is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines and life-limited parts upon return. In order to fulfill such conditions of the lease, maintenance, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, is required to be performed during the period of the lease and upon return of the aircraft to the lessor. The estimated airframe and engine maintenance costs and the costs associated with the restitution of major life-limited parts, are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance checks and restitution of major life-limited parts, calculated by reference to the number of hours flown or cycles operated during the year.

Ryanair's aircraft operating lease agreements typically have a term of seven years, which closely correlates with the timing of heavy maintenance checks. The contractual obligation to maintain and replenish aircraft held under operating lease exists independently of any future actions within the control of Ryanair. While Ryanair may, in very limited circumstances, sub-lease its aircraft, it remains fully liable to perform all of its contractual obligations under the 'head lease' notwithstanding any such sub-leasing.

Both of these elements of accounting policies involve the use of estimates in determining the quantum of both the initial maintenance asset and/or the amount of provisions to be recorded and the respective periods over which such amounts are charged to income. In making such estimates, Ryanair has primarily relied on its own and industry experience, industry regulations and recommendations from Boeing; however, these estimates can be subject to revision, depending on a number of factors, such as the timing of the planned maintenance, the ultimate utilization of the aircraft, changes to government regulations and increases or decreases in estimated costs. Ryanair evaluates its

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estimates and assumptions in each reporting period and, when warranted, adjusts its assumptions, which generally impact maintenance and depreciation expense in the income statement on a prospective basis.

Tax Audits

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax payable on taxable profits is recognized as an expense in the period in which the profits arise using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is provided in full, using the balance sheet liability method on temporary differences arising from the tax basis of assets and liabilities and their carrying amount in the consolidated financial statements.

Social insurance, passenger taxes and sales taxes are recorded as a liability based on laws enacted in the jurisdictions to which they relate. Liabilities are recorded when an obligation has been incurred.

Ryanair reviews its tax obligations by jurisdiction regularly. There are many complexities and judgments in determining tax obligations due to the inherent complexity of tax law, the manner in which airline businesses are carried out whereby operations can begin and end in different jurisdictions and assumptions made about the timing and amount of individual balances to be included in financial statements and tax returns.

Ryanair has an internal tax group and takes professional advice on more complex matters in estimating its tax liabilities. Ryanair also deals extensively with revenue authorities in each jurisdiction in which it operates. Tax liabilities are based on the best estimate of the likely obligation at each reporting period. These estimates are subject to revision based on the outcome of tax audits and discussions with revenue authorities that can take several years to conclude.

RESULTS OF OPERATIONS

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

Fiscal Year Ended
March 31,

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	2016	2015	2014
Total revenues	100 %	100 %	100 %
Scheduled revenues	76.0	75.4	75.2
Ancillary revenues	24.0	24.6	24.8
Total operating expenses	77.7	81.5	86.9
Fuel and oil	31.7	35.2	40.0
Airport and handling charges	12.7	12.6	12.2
Route charges	9.5	9.7	10.4
Staff costs	9.0	8.9	9.2
Depreciation	6.5	6.7	7.0
Marketing, distribution and other	4.5	4.1	3.8
Maintenance, materials and repairs	2.0	2.4	2.3
Aircraft rentals	1.8	1.9	2.0
Operating profit	22.3	18.5	13.1
Net interest expense	(0.8)	(1.0)	(1.3)
Other income	4.9	(0.1)	—
Profit before taxation	26.4	17.4	11.8
Taxation	(2.5)	(2.0)	(1.4)
Profit after taxation	23.9	15.4	10.4

FISCAL YEAR 2016 COMPARED WITH FISCAL YEAR 2015

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of €1,559.1 million in the 2016 fiscal year, as compared with a profit of €866.7 million in the 2015 fiscal year. This 79.9% increase was primarily attributable to a 15.6% increase in revenues due to a 17.5% increase in traffic, a stronger load factor (up 5 points to 92.8%), 11.5% fuel savings per passenger and a one off gain of €317.5 million on the sale of the Company's 29.8% shareholding in Aer Lingus.

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Scheduled revenues. Ryanair's scheduled passenger revenues increased 16.6%, from €4,260.3 million in the 2015 fiscal year to €4,967.2 million in the 2016 fiscal year, primarily reflecting a 17.7% increase in the number of passengers booked from 90.6 million to 106.4 million reflecting increased passenger volumes on existing routes and the successful launch of new bases in Belfast, Berlin, Corfu, Gothenburg, Ibiza, Milan (Malpensa) and Santiago in the 2016 fiscal year. Booked passenger load factors increased to 92.8% in fiscal 2016 compared with 88.2% in fiscal 2015.

Passenger capacity during the 2016 fiscal year increased by 11.8% due to an increase in the average number of aircraft in the fleet. Scheduled passenger revenues accounted for 76.0% of Ryanair's total revenues for the 2016 fiscal year, compared with 75.4% of total revenues in the 2015 fiscal year.

Ancillary revenues. Ryanair's ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and Internet-related services, increased 12.5%, from €1,393.7 million in the 2015 fiscal year to €1,568.6 million in the 2016 fiscal year, while ancillary revenues per booked passenger decreased to €14.74 from €15.39. Revenues from non-flight scheduled operations, including revenues from excess baggage charges, administration/credit card fees, sales of rail and bus tickets, priority boarding, reserved seating, accommodation, travel insurance and car rental increased 14.2% to €1,329.6 million from €1,164.4 million in the 2015 fiscal year. Revenues from in-flight sales increased 19.8%, to €153.4 million from €128.1 million in the 2015 fiscal year. Revenues from Internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites, decreased 15.4%, from €101.2 million in the 2015 fiscal year to €85.6 million in the 2016 fiscal year. The overall increase in ancillary revenues reflects the solid performance of on-board sales and reserved seating offset by reduced travel insurance, a one-time benefit in the prior year comparative arising from the earlier loading of the schedules and the impact of being without a car hire provider for much of quarter 2, fiscal 2016.

The following table sets forth the components of ancillary revenues earned by Ryanair and each component expressed as a percentage of total ancillary revenues for each of the periods indicated:

	Fiscal Year Ended March 31,					
	2016		2015			
	(in millions of euro, except percentage data)					
Non-flight Scheduled	1,329.6	84.8	%	1,164.4	83.5	%
In-flight Sales	153.4	9.8	%	128.1	9.2	%
Internet-related	85.6	5.4	%	101.2	7.3	%
Total	1,568.6	100.0	%	1,393.7	100.0	%

Operating expenses. As a percentage of total revenues, Ryanair's operating expenses decreased from 81.5% in the 2015 fiscal year to 77.7% in the 2016 fiscal year. Total revenues increased by 15.6%, faster than the 10.1% increase in operating expenses. In absolute terms, total operating expenses increased 10.1%, from €4,611.1 million in the 2015 fiscal year to €5,075.7 million in the 2016 fiscal year, principally as a result of increased costs associated with the growth of the airline. Fuel and oil expenses, route charges, depreciation, maintenance, materials and repairs and aircraft rentals decreased as a percentage of total revenues, while airport and handling charges, staff costs and marketing, distribution and other costs increased. Total operating cost per passenger decreased 6.3%, with the decrease reflecting, principally, an 11.5% reduction in per passenger fuel costs and ex-fuel costs decreasing by 2.4%.

The Company's decision to ground aircraft during the winter months did not have a material impact on the results of the Company for the year ended March 31, 2016 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, including fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant crews can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair's operating expenses (on a per-passenger basis) for the fiscal years ended March 31, 2016 and March 31, 2015 under IFRS. These

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data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of booked passengers in the relevant year as shown in the table of “Selected Operating and Other Data” in Item 3 and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

	Fiscal Year Ended March 31, 2016 €	Fiscal Year Ended March 31, 2015 €	% Change
Fuel and oil	19.47	22.00	(11.5%)
Airport and handling charges	7.80	7.87	(0.9%)
Route charges	5.85	6.05	(3.2%)
Staff costs	5.50	5.55	(1.0%)
Depreciation	4.02	4.17	(3.7%)
Marketing, distribution and other	2.75	2.58	6.5%
Maintenance, materials and repairs	1.22	1.49	(17.8%)
Aircraft rentals	1.08	1.21	(10.5%)
Total operating expenses	47.69	50.92	(6.3%)

Fuel and oil. Ryanair’s fuel and oil costs per passenger decreased by 11.5%, while in absolute terms, these costs increased by 4.0% from €1,992.1 million in the 2015 fiscal year to €2,071.4 million in the 2016 fiscal year, in each case after giving effect to the Company’s fuel hedging activities. The 4.0% increase reflected a 10.9% increase in hours flown and higher fuel burn due to the higher load factor. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, aircraft de-icing and EU emissions trading costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) decreased 5.6% from €2.34 per U.S. gallon in the 2015 fiscal year to €2.21 per U.S. gallon in the 2016 fiscal year, in each case after giving effect to the Company’s fuel hedging activities.

Airport and handling charges. Ryanair’s airport and handling charges per passenger decreased 0.9% in the 2016 fiscal year, while route charges per passenger decreased 3.2%. In absolute terms, airport and handling charges increased 16.5%, from €712.8 million in the 2015 fiscal year to €830.6 million in the 2016 fiscal year, reflecting the addition of more primary airports to the network and stronger U.K. pound sterling against the euro.

Route charges. Ryanair’s route charges per passenger decreased by 3.2%. In absolute terms, route charges increased 13.8%, from €547.4 million in the 2015 fiscal year, to €622.9 million in the 2016 fiscal year, primarily as a result of an increase in the sectors flown and Eurocontrol price increases in France, Germany and the U.K.

Staff costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, decreased 1.0% on a per-passenger basis, while in absolute terms, these costs increased 16.4%, from €502.9 million in the 2015 fiscal year to €585.4 million in the 2016 fiscal year. The increase in absolute terms was primarily attributable to increased sectors and less grounded aircraft in the winter of fiscal 2016, the impact of a 2% pay increase in April and adverse U.K. pound sterling.

Depreciation. Ryanair's depreciation per passenger decreased by 3.7%, while in absolute terms these costs increased 13.1% from €377.7 million in the 2015 fiscal year to €427.3 million in the 2016 fiscal year. The increase was primarily attributable to 41 additional owned aircraft in the fleet, the purchase of 3 spare engines and higher levels of heavy maintenance activity. See “—Critical Accounting Policies—Long-lived Assets” above.

Marketing, distribution and other expenses. Ryanair's marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, increased 6.5% on a per-passenger basis in the 2016 fiscal year, while in absolute terms, these costs increased 25.1%, from €233.9 million in the 2015 fiscal year to €292.7 million in the 2016 fiscal year, with the overall increase primarily reflecting the increased distribution costs related to higher on-board sales, disruption costs related to the French ATC strikes and the Brussels terrorist attacks and higher passenger compensation costs following an ECJ ruling on passenger compensation in September 2015.

Maintenance, materials and repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance provision for leased aircraft and the overhaul of spare parts, decreased

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17.8% on a per-passenger basis, while in absolute terms these expenses decreased by 3.4% from €134.9 million in the 2015 fiscal year to €130.3 million in the 2016 fiscal year. The decrease in absolute terms during the fiscal year was due to lower unscheduled maintenance than fiscal 2015 and a lower maintenance provision due to lease handbacks in the winter of fiscal 2016.

Aircraft rentals. Aircraft rental expenses amounted to €115.1 million in the 2016 fiscal year, a 5.2% increase from the €109.4 million reported in the 2015 fiscal year, reflecting the longer duration of short-term summer leases, offset by lease handbacks in the winter.

Operating profit. As a result of the factors outlined above, operating profit increased 19.1% on a per-passenger basis in the 2016 fiscal year, and also increased in absolute terms, from €1,042.9 million in the 2015 fiscal year to €1,460.1 million in the 2016 fiscal year.

Other income. Other income consists primarily of the gain of €317.5 million on the sale of Ryanair's stake in Aer Lingus.

Finance expense. Ryanair's interest and similar charges decreased 4.2%, from €74.2 million in the 2015 fiscal year to €71.1 million in the 2016 fiscal year, primarily due to lower interest rates.

Finance income. Ryanair's interest and similar income remained flat at €17.9 million in the 2016 fiscal year as lower interest rates were offset by higher average cash balances and a 25% increase in the Aer Lingus dividend compared to fiscal 2015.

Foreign exchange gains/losses. Ryanair recorded foreign exchange losses of €2.5 million in the 2016 fiscal year, as compared with foreign exchange losses of €4.2 million in the 2015 fiscal year, with the different result being primarily due to the impact of changes in the euro exchange rate against the U.S. dollar and U.K. pound sterling.

Taxation. The effective tax rate for the 2016 fiscal year was 11.6%, as compared to an effective tax rate of 11.8% in the 2015 fiscal year. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax provision of €162.8 million in the 2016 fiscal year, compared with a tax provision of €115.7 million in the 2015 fiscal year, with the increase primarily reflecting higher pre-tax profits. The determination regarding the recoverability of the deferred tax asset was based on future income forecasts, which demonstrated that it was more likely than not that future profits would be available in order to utilize the deferred tax asset. A deferred tax asset's recoverability is not dependent on material improvements over historical levels of pre-tax income, material changes in the present relationship between income reported for financial and tax purposes, or material asset sales or

other non-routine transactions.

FISCAL YEAR 2015 COMPARED WITH FISCAL YEAR 2014

Profit after taxation. Ryanair recorded a profit on ordinary activities after taxation of €866.7 million in the 2015 fiscal year, as compared with a profit of €522.8 million in the 2014 fiscal year. This 65.8% increase was primarily attributable to a 1.4% increase in average fares, a 10.9% increase in traffic, a stronger load factor (up 5 points to 88.2%), and 10.8% fuel savings per passenger.

Scheduled revenues. Ryanair's scheduled passenger revenues increased 12.4%, from €3,789.5 million in the 2014 fiscal year to €4,260.3 million in the 2015 fiscal year, primarily reflecting an increase of 1.4% in average fares. The number of passengers booked increased 10.9%, from 81.7 million to 90.6 million, reflecting increased passenger volumes on existing routes and the successful opening of new bases at Athens, Lisbon, Thessaloniki, Warsaw, Cologne, Glasgow International, Gdansk and Bratislava in the 2015 fiscal year. Booked passenger load factors increased to 88.2% in fiscal 2015 compared with 83% in fiscal 2014.

Passenger capacity during the 2015 fiscal year increased by 3.8% due to an increase in the average number of aircraft in the fleet. Scheduled passenger revenues accounted for 75.4% of Ryanair's total revenues for the 2015 fiscal year, compared with 75.2% of total revenues in the 2014 fiscal year.

Ancillary revenues. Ryanair's ancillary revenues, which comprise revenues from non-flight scheduled operations, in-flight sales and Internet-related services, increased 11.7%, from €1,247.2 million in the 2014 fiscal year to €1,393.7 million in the 2015 fiscal year, while ancillary revenues per booked passenger increased to €15.39 from €15.27. Revenues from non-flight scheduled operations, including revenues from excess baggage charges,

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administration/credit card fees, sales of rail and bus tickets, priority boarding, reserved seating, accommodation, travel insurance and car rental increased 15.0% to €1,164.4 million from €1,012.4 million in the 2014 fiscal year. Revenues from in-flight sales increased 9.2%, to €128.1 million from €117.3 million in the 2014 fiscal year. Revenues from Internet-related services, primarily commissions received from products sold on Ryanair.com or linked websites, decreased 13.9%, from €117.5 million in the 2014 fiscal year to €101.2 million in the 2015 fiscal year, reflecting a combination of factors including an improved product mix and the implementation of fully reserved seating across the network. The rate of increase in ancillary revenues exceeded that of the increase in overall passengers booked.

The following table sets forth the components of ancillary revenues earned by Ryanair and each component expressed as a percentage of total ancillary revenues for each of the periods indicated:

	Fiscal Year Ended March 31,					
	2015		2014			
	(in millions of euro, except percentage data)					
Non-flight Scheduled	1,164.4	83.5 %	1,012.4	81.2 %		
In-flight Sales	128.1	9.2 %	117.3	9.4 %		
Internet-related	101.2	7.3 %	117.5	9.4 %		
Total	1,393.7	100.0 %	1,247.2	100.0 %		

Operating expenses. As a percentage of total revenues, Ryanair's operating expenses decreased from 86.9% in the 2014 fiscal year to 81.6% in the 2015 fiscal year. Total revenues increased by 12.3%, faster than the 5.3% increase in operating expenses. In absolute terms, total operating expenses increased 5.3%, from €4,378.1 million in the 2014 fiscal year to €4,611.1 million in the 2015 fiscal year, principally as a result of increased costs associated with the growth of the airline offset by a 1.0% reduction in fuel and oil costs from €2,013.1 million in the 2014 fiscal year to €1,992.1 million in the 2015 fiscal year. Fuel and oil expenses, route charges, staff costs, depreciation and aircraft rentals decreased as a percentage of total revenues, while airport and handling charges, marketing, distribution and other costs and maintenance, materials and repairs increased. Total operating expenses per passenger decreased by 5.0%, with the decrease reflecting, principally, a 10.8% reduction in per passenger fuel costs and ex-fuel costs remaining flat per passenger during the 2015 fiscal year.

The Company's decision to ground aircraft did not have a material impact on the results of the Company for the year ended March 31, 2015 and, at present, is not anticipated to have a material impact on future operations. The Company anticipates that any revenues which could have been generated had the Company operated the grounded aircraft would have been lower than the operating costs associated with operating these aircraft, including fuel costs, airport charges and taxes. The Company does not anticipate that any material staff costs will be incurred during future periods of the grounding of aircraft, as the relevant staff can be furloughed under the terms of their contracts without compensation and the maintenance costs associated with the grounded aircraft will be minimal. However, the Company will still incur aircraft ownership costs comprised of depreciation and amortization costs, lease rentals costs and financing costs.

The following table sets forth the amounts in euro cent of, and percentage changes in, Ryanair's operating expenses (on a per-passenger basis) for the fiscal years ended March 31, 2015 and March 31, 2014 under IFRS. These data are calculated by dividing the relevant expense amount (as shown in the consolidated financial statements) by the number of booked passengers in the relevant year as shown in the table of "Selected Operating and Other Data" in Item 3 and rounding to the nearest euro cent; the percentage change is calculated on the basis of the relevant figures before rounding.

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	Fiscal Year Ended March 31, 2015 €	Fiscal Year Ended March 31, 2014 €	% Change
Fuel and oil	22.00	24.65	(10.8%)
Airport and handling charges	7.87	7.56	(4.1%)
Route charges	6.05	6.39	(5.3%)
Staff costs	5.55	5.68	(2.3%)
Depreciation	4.17	4.31	(3.2%)
Marketing, distribution and other	2.58	2.36	9.3%
Maintenance, materials and repairs	1.49	1.42	4.9%
Aircraft rentals	1.21	1.24	(2.4%)
Total operating expenses	50.92	53.61	(5.0%)

Fuel and oil. Ryanair's fuel and oil costs per passenger decreased by 10.8%, while in absolute terms, these costs decreased by 1.0% from €2,013.1 million in the 2014 fiscal year to €1,992.1 million in the 2015 fiscal year, in each case after giving effect to the Company's fuel hedging activities. The 1.4% decrease reflected a 4.6% decrease in average fuel prices paid and the impact of a 2.5% increase in the number of hours flown, and a slight increase in fuel burn across the fleet due to the higher load factor. Fuel and oil costs include the direct cost of fuel, the cost of delivering fuel to the aircraft, aircraft de-icing and EU emissions trading costs. The average fuel price paid by Ryanair (calculated by dividing total fuel costs by the number of U.S. gallons of fuel consumed) decreased 4.6% from €2.45 per U.S. gallon in the 2014 fiscal year to €2.34 per U.S. gallon in the 2015 fiscal year, in each case after giving effect to the Company's fuel hedging activities.

Airport and handling charges. Ryanair's airport and handling charges per passenger increased 4.1% in the 2015 fiscal year, while route charges per passenger decreased 5.3%. In absolute terms, airport and handling charges increased 15.5%, from €617.2 million in the 2014 fiscal year to €712.8 million in the 2015 fiscal year, reflecting the overall growth in passenger volumes, the mix of new routes and bases launched at primary airports and the strengthening of U.K. pound sterling against the euro.

Route charges. In absolute terms, route charges increased 4.9%, from €522.0 million in the 2014 fiscal year, to €547.4 million in the 2015 fiscal year, primarily as a result of the 3.9% increase in sectors flown and price increases in Germany, France and the U.K.

Staff costs. Ryanair's staff costs, which consist primarily of salaries, wages and benefits, decreased 2.3% on a per-passenger basis, while in absolute terms, these costs increased 8.5%, from €463.6 million in the 2014 fiscal year to €502.9 million in the 2015 fiscal year. The increase in absolute terms was primarily attributable to the increased level of activity, a pay increase of 2.0% granted in fiscal 2015 and the strength of U.K. pound sterling against the euro.

Depreciation. Ryanair's depreciation per passenger decreased by 3.2%, while in absolute terms these costs increased 7.4% from €351.8 million in the 2014 fiscal year to €377.7 million in the 2015 fiscal year. The increase was primarily attributable to the increase in the average number of owned aircraft in the fleet in the 2015 fiscal year (250) compared to the 2014 fiscal year (246) and spare engines purchased during the year. See “—Critical Accounting Policies—Long-lived Assets” above.

Marketing, distribution and other expenses. Ryanair's marketing, distribution and other operating expenses, including those applicable to the generation of ancillary revenues, increased 9.3% on a per-passenger basis in the 2015 fiscal year, while in absolute terms, these costs increased 21.3%, from €192.8 million in the 2014 fiscal year to €233.9 million in the 2015 fiscal year, with the overall increase primarily reflecting the higher marketing spend to support Ryanair's “AGB” customer experience program and the launch of new routes and bases.

Maintenance, materials and repairs. Ryanair's maintenance, materials and repair expenses, which consist primarily of the cost of routine maintenance, provision for leased aircraft and the overhaul of spare parts, increased 4.9% on a per-passenger basis, while in absolute terms these expenses increased by 16.2% from €116.1 million in the 2014 fiscal year to €134.9 million in the 2015 fiscal year. The increase in absolute terms during the fiscal year was partly due to the inclusion in the prior year of a one off credit of €3.7 million arising from the renegotiation of certain

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maintenance contracts. The remainder of the increase was primarily due to line maintenance costs resulting from the launch of new bases, unscheduled maintenance costs and the strength of U.K. pound sterling to the euro.

Aircraft rentals. Aircraft rental expenses amounted to €109.4 million in the 2015 fiscal year, a 7.9% increase from the €101.5 million reported in the 2014 fiscal year, reflecting short term leases over the summer, offset by the lower average number of leased aircraft in the 2015 fiscal year (51) compared to the 2014 fiscal year (55).

Operating profit. As a result of the factors outlined above, operating profit increased 42.8% on a per-passenger basis in the 2015 fiscal year, and also increased in absolute terms, from €658.6 million in the 2014 fiscal year to €1,042.9 million in the 2015 fiscal year.

Finance expense. Ryanair's interest and similar charges decreased 10.8%, from €83.2 million in the 2014 fiscal year to €74.2 million in the 2015 fiscal year, primarily due to lower interest rates in the 2015 fiscal year compared to the 2014 fiscal year. These costs are expected to increase in future periods as Ryanair further expands its fleet.

Finance income. Ryanair's interest and similar income increased 8.5%, from €16.5 million in the 2014 fiscal year to €17.9 million in the 2015 fiscal year, reflecting higher cash balances in the 2015 fiscal year.

Foreign exchange gains/losses. Ryanair recorded foreign exchange losses of €4.2 million in the 2015 fiscal year, as compared with foreign exchange losses of €0.5 million in the 2014 fiscal year, with the different result being primarily due to the negative impact of changes in the euro exchange rate against the U.S. dollar.

Taxation. The effective tax rate for the 2015 fiscal year was 11.8%, as compared to an effective tax rate of 11.6% in the 2014 fiscal year. The effective tax rate reflects the statutory rate of Irish corporation tax of 12.5%. Ryanair recorded an income tax provision of €115.7 million in the 2015 fiscal year, compared with a tax provision of €68.6 million in the 2014 fiscal year, with the increase primarily reflecting higher pre-tax profits. The determination regarding the recoverability of the deferred tax asset was based on future income forecasts, which demonstrated that it was more likely than not that future profits would be available in order to utilize the deferred tax asset. A deferred tax asset's recoverability is not dependent on material improvements over historical levels of pre-tax income, material changes in the present relationship between income reported for financial and tax purposes, or material asset sales or other non-routine transactions.

SEASONAL FLUCTUATIONS

The Company's results of operations have varied significantly from quarter to quarter, and management expects these variations to continue. Among the factors causing these variations are the airline industry's sensitivity to general economic conditions and the seasonal nature of air travel. Ryanair typically records higher revenues and income in the first half of each fiscal year ended March 31 than the second half of such year.

RECENTLY ISSUED ACCOUNTING STANDARDS

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

LIQUIDITY AND CAPITAL RESOURCES

Liquidity. The Company finances its working capital requirements through a combination of cash generated from operations, debt capital market issuances and bank loans for the acquisition of aircraft. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—The Company Will Incur Significant Costs Acquiring New Aircraft and Any Instability in the Credit and Capital Markets Could Negatively Impact Ryanair's Ability to Obtain Financing on Acceptable Terms" for more information about risks relating to liquidity and capital resources. The Company had cash and liquid resources at March 31, 2016 and 2015 of €4,321.5 million and €4,789.2 million, respectively. The decrease at March 31, 2016 primarily reflects net capital expenditure of €1,217.7 million, shareholder returns of €1,104.0 million (including a €398 million return via a B share scheme following the sale of Aer Lingus) and debt repayments of €384.9 million while the sale of the 29.8% shareholding in Aer Lingus generated €398.1 million in cash.

The Company's net cash inflows from operating activities in the 2016 and 2015 fiscal years amounted to €1,846.3 million and €1,689.4 million, respectively. The €156.9 million increase in net cash flows from operating

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activities for fiscal year 2016 compared to fiscal year 2015 was principally due to an increase in profit after tax of €692.4 million offset by the gain on disposal of available for sale financial asset of €317.5 million and a lower increase in accrued expenses compared to the prior year. The movement which primarily relates to cash received in advance for flights, receipts for other receivables and increases in other payables balances, generated €135.6 million in cash in 2016 compared with €407.0 million in 2015. The decrease in net cash generated from working capital of €271.4 million, or approximately 67%, was primarily due to a one-time benefit in the prior year comparative arising from the earlier loading of schedules.

During the last two fiscal years, Ryanair's primary cash requirements have been for operating expenses, additional aircraft, including advance payments in respect of new Boeing 737 aircraft and related flight equipment, payments on related indebtedness and payments of corporation tax, as well as share buy-backs of €706.1 million and a return of €398 million to shareholders via a B share scheme. Cash generated from operations and the issuance of €850.0 million in 1.875% unsecured Eurobonds with a 7 year tenor in June 2014 and €850.0 million in 1.125% unsecured Eurobonds with an 8 year tenor in March 2015 have been the principal source for these cash requirements.

The Company's net cash inflows from operating activities in the 2015 and 2014 fiscal years amounted to €1,689.4 million and €1,044.6 million, respectively. The €644.8 million increase in net cash flows from operating activities for fiscal year 2015 compared to fiscal year 2014 was principally due to an increase in profit after tax of €343.9 million and an increase in accrued expenses of €364.4 million. This movement, which primarily relates to cash received in advance for flights, and receipt of other receivables and increases in other payables balances, generated €407.0 million in cash in 2015, compared with €133.9 million in 2014. This increase in net cash generated from working capital of €273.1 million, or approximately 204%, was primarily due to an increase in cash receipts from advance bookings.

The Company's net cash used in investing activities in fiscal year 2016 totaled €283.6 million, primarily reflecting the Company's capital expenditures, the disposal of the available for sale asset and the decreased investment in cash with maturities of greater than three months, as described in more detail below.

The Company's net cash from investing activities in fiscal year 2015 totaled €2,888.2 million, primarily reflecting, as compared to fiscal year 2014, the Company's higher profitability and increased investment of cash within maturities of greater than 3 months.

Net cash used in financing activities totaled €1,488.1 million in the 2016 fiscal year, largely reflecting shareholder returns of €1,104.0 million (including a €398 million return via a B share scheme following the sale of the 29.8% stake in Aer Lingus) and repayments of long term borrowings of €384.9 million.

Net cash from financing activities totaled €653.3 million in the 2015 fiscal year, largely reflecting the issuance of €850.0 million unsecured Eurobonds in both June 2014 and March 2015 offset by a special dividend of €520.3 million,

repayments of long-term borrowings of €419.7 million and shares purchased under a share buy-back program of €112.0 million.

Net cash used in finance activities totaled €856.1 million in the 2014 fiscal year, largely reflecting the repayments of long-term borrowings of €390.8 million and shares purchased under a share buy-back program of €481.7 million, offset in part by shares issued of €16.4 million.

Capital Expenditures. The Company's net cash outflows for capital expenditures in fiscal years 2016 and 2015 were €1,217.7 million and €788.5 million respectively. Ryanair has funded a significant portion of its acquisition of new Boeing 737-800 aircraft and related equipment through borrowings under facilities provided by international financial institutions on the basis of guarantees issued by the Export-Import Bank of the United States ("Ex-Im Bank"). At March 31, 2016, Ryanair had a fleet of 341 Boeing 737-800 aircraft, 194 of which were funded by Ex-Im Bank-guaranteed financing. Other sources of on-balance-sheet aircraft financing utilized by Ryanair are Japanese Operating Leases with Call Options ("JOLCOs"), which are treated as finance leases (26 of the aircraft in the fleet as of March 31, 2016) and commercial debt financing (6 of the aircraft in the fleet as of March 31, 2016). Of Ryanair's total fleet of 341 Boeing 737-800 aircraft at March 31, 2016 there were 43 aircraft which were financed through operating lease arrangements, 52 aircraft were financed from Ryanair's own resources on an unsecured basis and the remaining 20 aircraft have no outstanding debt remaining. Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Management believes that the working capital available to the Company is sufficient for its present requirements and will be sufficient to meet its anticipated requirements for capital expenditures and other cash requirements for the 2017 fiscal year.

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

	Mar 31, 2017	Mar 31, 2018	Mar 31, 2019	Mar 31, 2020	Mar 31, 2021	Mar 31, 2022	Mar 31, 2023	Mar 31, 2024	Total
Fiscal Year End Opening Fleet	341	380	401	419	450	472	507	535	341
Deliveries under 2013 Boeing Contract	52	50	29	—	—	—	—	—	131
Firm deliveries under 2014 Boeing Contract	—	—	—	31	17	21	20	11	100
Option Aircraft under 2014 Boeing Contract	—	—	—	8	25	28	25	14	100
Planned returns or disposals	(13)	(29)	(11)	(8)	(20)	(14)	(17)	(14)	(126)
Closing Fleet	380	401	419	450	472	507	535	546	546

Capital Resources. Ryanair's long-term debt (including current maturities) totaled €4,023.0 million at March 31, 2016 and €4,431.6 million at March 31, 2015, with the change being primarily attributable to debt repayments. Please see the table "Obligations Due by Period" below for more information on Ryanair's long-term debt (including current maturities) and finance leases as of March 31, 2016. See also Note 11 to the consolidated financial statements included in Item 18 for further information on the maturity profile of the interest rate structure and other information on the Company's borrowings.

At March 31, 2016, 194 of the aircraft in Ryanair's fleet had been financed through loan facilities with various financial institutions active in the structured export finance sector and supported by a loan guarantee from Ex-Im Bank. Each of these facilities takes essentially the same form and is based on the documentation developed by Ryanair and Ex-Im Bank, which follows standard market forms for this type of financing. In November 2010, Ryanair financed seven aircraft through a U.S. dollar-denominated Ex-Im Bank Capital Markets Product ("Eximbond"). The Eximbond has essentially the same characteristics as all previous Ex-Im Bank guaranteed financings with no additional obligations on Ryanair. On the basis of an Ex-Im Bank guarantee with regard to the financing of up to 85% of the eligible U.S. and foreign content represented in the net purchase price of the relevant aircraft, the financial institution investor enters into a commitment letter with the Company to provide financing for a specified number of aircraft benefiting from such guarantee; loans are then drawn down as the aircraft are delivered and payments to Boeing become due. Each of the loans under the facilities are on substantially similar terms, having a maturity of 12 years from the drawdown date and being secured by a first priority mortgage in favor of a security trustee on behalf of Ex-Im Bank.

Through the use of interest rate swaps or cross currency interest rate swaps, Ryanair has effectively converted a portion of its floating-rate debt under its financing facilities into fixed-rate debt. Approximately 32% of the loans for the aircraft acquired under the above facilities are not covered by such swaps and have therefore remained at floating rates linked to EURIBOR, with the interest rate exposure from these loans largely hedged by placing a similar amount of cash on deposit at floating interest rates. The net result is that Ryanair has effectively swapped or drawn down fixed-rate euro-denominated debt with maturities of between seven and twelve years in respect of approximately 68% of its outstanding aircraft debt financing at March 31, 2016 and approximately 18% of total debt was floating rate at that date.

The table below illustrates the effect of swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair's total outstanding debt at March 31, 2016. See "Item 11. Quantitative

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and Qualitative Disclosures About Market Risk—Interest Rate Exposure and Hedging” for additional details on the Company’s hedging transactions.

At March 31, 2016	EUR	EUR
	Fixed	Floating
	(in millions of euro)	
Borrowing profile before swap transactions	2,459.5	1,563.5
Interest rate swaps – Debt swapped from floating to fixed	827.0	(827.0)
Borrowing profile after swap transactions	3,286.5	736.5

The weighted-average interest rate on the cumulative borrowings under these facilities of €4,023.0 million at March 31, 2016 was 1.97%. Ryanair’s ability to obtain additional loans pursuant to each of the facilities to finance the price of future Boeing 737-800 and Boeing 737-MAX-200 aircraft purchases is subject to the issuance of further bank commitments and the satisfaction of various contractual conditions. These conditions include, among other things, the execution of satisfactory documentation, the requirement that Ryanair perform all of its obligations under the Boeing agreements and provide satisfactory security interests in the aircraft (and related assets) in favor of the lenders and Ex-Im Bank, and that Ryanair not suffer a material adverse change in its conditions or prospects (financial or otherwise). In addition, as a result of the Company obtaining a BBB+ (stable) credit rating from Standard & Poor’s and Fitch Ratings and following Ryanair’s issuance of €850.0 million in 1.875% unsecured Eurobonds with a 7 year tenor in June 2014 and issuance of €850.0 million in 1.125% unsecured Eurobonds with an 8 year tenor in March 2015 under its EMTN program, the Company may decide in the future to issue additional debt from capital markets to finance future aircraft deliveries. As part of its Ex-Im Bank guarantee-based financing of the Boeing 737-800s, Ryanair has entered into certain lease agreements and related arrangements. Pursuant to these arrangements, legal title to the 194 aircraft delivered and remaining in the fleet as of March 31, 2016 rests with a number of United States special purpose vehicles (the “SPVs”). The SPVs are the borrowers of record under the loans made or to be made under the facilities, with all of their obligations under the loans being guaranteed by Ryanair Holdings.

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

Ryanair has a track record in securing finance for similar sized aircraft purchases. The 1998, 2002, 2003 and 2005 Boeing Contracts totaling 348 aircraft were financed with approximately 66% U.S. Ex-Im Bank loan guarantees and capital markets (with 85% loan to value) financing, 24% through sale and operating leaseback financing, and 10%

through Japanese operating leases with call options (“JOLCOs”). See “Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources.”

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

At March 31, 2016, Ryanair had 43 operating lease aircraft in the fleet. As a result, Ryanair operates, but does not own, these aircraft, which were leased to provide flexibility for the aircraft delivery program. Ryanair has no right or obligation to acquire these aircraft at the end of the relevant lease terms. 9 leases are denominated in euro and require Ryanair to make fixed rental payments over the term of the lease. The remaining 34 operating leases are U.S.

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dollar-denominated and require Ryanair to make fixed rental payments. The Company has an option to extend the initial period of seven years on 23 of the 43 remaining operating lease aircraft as at March 31, 2016 on pre-determined terms. In addition to the above, the Company financed 30 of the Boeing 737-800 aircraft delivered between March 2005 and March 2014 with 13-year euro-denominated JOLCOs. 26 of these JOLCO arrangements are still outstanding as of March 31, 2016. These structures are accounted for as finance leases and are initially recorded at fair value on the Company's balance sheet. Under each of these contracts, Ryanair has a call option to purchase the aircraft at a pre-determined price after a period of 10.5 years, which it may exercise. Ryanair exercised this option for four of these aircraft in fiscal year 2015. Six aircraft have been financed through euro-denominated 12-year amortizing commercial debt transactions.

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

Ryanair currently has corporate ratings of BBB+ (stable) from both Standard & Poor's and Fitch Ratings and a €3 billion EMTN program. Ryanair issued €850.0 million in unsecured Eurobonds with a 7 year tenor at a coupon of 1.875% in June 2014 and €850.0 million in unsecured Eurobonds an 8 year tenor at a coupon of 1.125% in March 2015 under this program that are guaranteed by Ryanair Holdings. The Company used the proceeds from these issuances for general corporate purposes.

Contractual Obligations. The table below sets forth the contractual obligations and commercial commitments of the Company with definitive payment terms, which will require significant cash outlays in the future, as of March 31, 2016. These obligations primarily relate to Ryanair's aircraft purchase and related financing obligations, which are described in more detail above, and do not reflect the Eurobond issuances in June 2014 and March 2015. For additional information on the Company's contractual obligations and commercial commitments, see Note 23 to the consolidated financial statements included in Item 18.

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

The amounts listed under "Purchase Obligations" in the table reflect obligations for aircraft purchases and are calculated by multiplying the number of aircraft the Company is obligated to purchase under its current agreements with Boeing during the relevant period by the Basic Price for each aircraft pursuant to the relevant contract, with the dollar-denominated Basic Price being converted into euro at an exchange rate of \$1.1385 = €1.00 (based on the European Central Bank Rate on March 31, 2016). The relevant amounts therefore exclude the effect of the price concessions granted to Ryanair by Boeing and CFM, as well as any application of the Escalation Factor described

below. As a result, Ryanair's actual expenditures for aircraft during the relevant periods will be lower than the amounts listed under "Purchase Obligations" in the table.

With respect to purchase obligations under the terms of the 2013 Boeing Contract and 2014 Boeing Contract, the Company was required to pay Boeing 1.0% of the Basic Price of each of the 283 firm-order Boeing 737 aircraft at the time the contracts were signed (such deposit being fully refundable if the Company had not received the shareholder approval at the EGMs on June 18, 2013 and November 28, 2014), and will be required to make periodic advance payments of the purchase price for each aircraft it has agreed to purchase during the course of the two-year period preceding the delivery of each aircraft. As a result of these required advance payments, the Company will have paid up to 30% of the Basic Price of each aircraft prior to its delivery (including the addition of an estimated "Escalation Factor" but before deduction of any credit memoranda and other concessions); the balance of the net price is due at the time of delivery. Similar terms applied under the 2005 Boeing contract, with the first payment due when the contract was signed in February 2005.

The amounts listed under "Operating Lease Obligations" reflect the Company's obligations under its aircraft operating lease arrangements.

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Obligations Due by Period

Contractual Obligations	Total	Less than 1 year	1-2 years	2-5 years	After 5 years
	(in millions of euro)				
Long-term Debt (a)	3,457.8	341.2	316.8	786.2	2,013.7
Finance Lease Obligations	565.2	108.7	133.2	323.3	—
Purchase Obligations (b)	18,034.2	3,585.0	5,446.3	2,790.9	6,212.0
Operating Lease Obligations	278.8	93.5	77.1	107.6	0.5
Future Interest Payments (c)	280.0	70.0	50.6	115.2	44.2
Total Contractual Obligations	€22,616.0	€ 4,198.4	€ 6,024.0	€ 4,123.2	€ 8,270.4

- (a) For additional information on Ryanair's long-term debt obligations, see Note 11 and Note 23 to the consolidated financial statements included in Item 18.
- (b) These are noted at a non-discounted "list" price.
- (c) In determining an appropriate methodology to estimate future interest payments we have applied either the applicable fixed rate or currently applicable variable rate where appropriate. These interest rates are subject to change and amounts actually due may be higher or lower than noted in the table above.

OFF-BALANCE SHEET TRANSACTIONS

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

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

Guarantees. Ryanair Holdings has provided an aggregate of €5,274.6 million in letters of guarantee to secure obligations of certain of its subsidiaries in respect of loans, capital market transactions and bank advances, including those relating to aircraft financing and related hedging transactions. This amount excludes guarantees given in relation to the 2013 Boeing Contract which total approximately \$14.4 billion at list prices and which became effective following Ryanair Holdings shareholder approval at an EGM on June 18, 2013 and guarantees given in relation to the 2014 Boeing contract which total approximately \$20.5 billion at list prices and which became effective following Ryanair Holdings shareholder approval at an EGM on November 28, 2014.

TREND INFORMATION

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

INFLATION

Inflation did not have a significant effect on the Company's results of operations and financial condition during the three fiscal years ended March 31, 2016.

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Item 6. Directors, Senior Management and Employees

Ryanair Holdings was established in 1996 as a holding company for Ryanair. The management of Ryanair Holdings and Ryanair are integrated, with the two companies having the same directors and executive officers.

DIRECTORS

The following table sets forth certain information concerning the directors of Ryanair Holdings and Ryanair as of July 21, 2016:

Name	Age	Positions
David Bonderman (a)(b)	73	Chairman and Director
Michael Cawley (b)	62	Director
Charles McCreevy (c)	66	Director
Declan McKeon (c)	65	Director
Kyran McLaughlin (a)	72	Director
Howard Millar (e)	55	Director
Dick Milliken (c)	65	Director
Mike O'Brien (d)	72	Director
Michael O'Leary (a)	55	Director and CEO
Julie O'Neill (e)	61	Director
James Osborne (a)(e)	67	Director
Louise Phelan (b)	49	Director

(a) Executive Committee Member.

(b) Nomination Committee Member.

(c) Audit Committee Member.

(d) Safety Committee Member.

(e) Remuneration Committee Member.

(f) Mr. O'Leary is the CEO of both Ryanair Holdings and Ryanair. No other director is an executive officer of Ryanair Holdings or Ryanair.

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

Michael Cawley has served as a director since August 2014. Mr. Cawley previously worked with Ryanair for 17 years prior to his retirement and contributed enormously to Ryanair's growth and success until he retired in March 2014. He served as Ryanair's Deputy CEO and Chief Operating Officer. Mr. Cawley's other non-executive directorships include Paddy Power plc, Kingspan Group plc and he is also Chairman of Failte Ireland, the Irish tourism authority. He is an Irish citizen.

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 and Trade (1993-1994) and Minister for Social Welfare (1992-1993). He is an Irish citizen.

Declan McKeon has served as a director since May 2010. Mr. McKeon is a former audit partner of PricewaterhouseCoopers. He is currently a director, chairman of the Audit Committee, a member of the Nomination Committee and Senior Independent Director of Icon plc. Mr. McKeon is the Chairman of the Company's Audit Committee. He is also a director and Chairman of the Audit Committee of GC Aesthetics. He is an Irish citizen.

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 advised Ryanair during its initial flotation on the Dublin and NASDAQ stock markets in 1997. Mr. McLaughlin is a non-executive director of Malin Corporation plc and also serves as a director of a number of other Irish private companies. He is an Irish citizen.

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Howard Millar was appointed as a director of Ryanair in August 2015. Mr. Millar had served as Deputy Chief Executive Officer and Chief Financial Officer from 2003 to December 2014 and before that as Ryanair's Director of Finance from 1993 and Financial Controller in 1992. Howard is Chairman of BDO Ireland, Chief Executive Officer of Stellwagen Capital, Chief Operating Officer of the Stellwagen Group and a member of Irelandia Aviation's advisory board. He is also a non-executive director of Applegreen plc, and ASL Aviation Airlines Group Ltd. Howard is a graduate of Trinity College, Dublin and is a fellow of Chartered Certified Accountants. He is an Irish citizen.

R.A. (Dick) Milliken has served as a director since July 2013. Mr. Milliken is a former CFO of the Almac Group and former CEO of Lamont plc. A qualified Chartered Accountant, Mr. Milliken serves as a director of Bank of Ireland Mortgage Bank and Chairman of Bank of Ireland Mortgage Bank Audit Committee. Mr. Milliken is also Chairman of Northern Ireland Science Park and a director of 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. He is a British citizen.

Mike O'Brien was appointed as a director of Ryanair in May 2016. Capt. O'Brien has a long and distinguished career in the aviation industry having just retired as Head of Flight Operations with the Maltese Civil Aviation Authority whom he joined in 2001, having previously served for 10 years as the Head of Operations Standards with the Irish Aviation Authority. Capt. O'Brien also served 4 years as the Chief Pilot and Flight Operations Manager of Ryanair from 1987 to 1991. He is an Irish citizen.

Michael O'Leary has served as a director of Ryanair Ltd. since 1988 and as CEO since 1994. Mr. O'Leary has served as a director of Ryanair Holdings since July 1996. He is an Irish citizen.

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 chairs the Sustainable Energy Authority of Ireland and the Audit Committee of Trinity College Dublin. She is a Senior Independent Director of Permanent tsb plc and a director of AXA Life Europe. She is an Irish citizen.

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

Louise Phelan has served as a director since December 2012. Ms. Phelan is Vice President for PayPal Global Operations Europe Middle East and Africa (EMEA), and leads over 2,700 people in Dublin, Dundalk and Berlin. Ms. Phelan is a member of the Board of Voxpro since January 2016. She is an Irish citizen.

The Board of Directors has established a number of committees, including the following:

Executive Committee. The Board of Directors established the Executive Committee in August 1996. The Executive Committee can exercise the powers exercisable by the full Board of Directors in circumstances in which action by the Board of Directors is required but it is impracticable to convene a meeting of the full Board of Directors. Messrs. Bonderman, McLaughlin, O'Leary and Osborne are the members of the Executive Committee.

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

Audit Committee. The Board of Directors established the Audit Committee in September 1996 to make recommendations concerning the engagement of independent external auditors; to review with the auditors the plans for and scope of each annual audit, the audit procedures to be utilized and the results of the audit; to approve the professional services provided by the auditors; to review the independence of the auditors; and to review the adequacy and effectiveness of the Company's internal accounting controls. Messrs. McKeon, McCreevy and Milliken are the

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members of the Audit Committee. In accordance with the recommendations of the Irish Combined Code of Corporate Governance (the “Combined Code”), a senior independent non-executive director, Mr. McKeon, is the chairman of the Audit Committee. All members of the Audit Committee are independent for purposes of the listing rules of the NASDAQ and the U.S. federal securities laws.

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

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

Powers of, and Action by, the Board of Directors

The Board of Directors is empowered by the Articles to carry on the business of Ryanair Holdings, subject to the Articles, provisions of general law and the right of stockholders to give directions to the directors by way of ordinary resolutions. Every director who is present at a meeting of the Board of Directors of Ryanair Holdings has one vote. In the case of a tie on a vote, the chairman of the Board of Directors has a second or tie-breaking vote. A director may designate an alternate director to attend any Board of Directors meeting, and such alternate director shall have all the rights of a director at such meeting.

The quorum for a meeting of the Board of Directors, unless another number is fixed by the directors, consists of three directors, a majority of whom must be EU nationals. The Articles require the vote of a majority of the directors (or alternates) present at a duly convened meeting for the approval of any action by the Board of Directors.

Composition and Term of Office

The Articles provide that the Board of Directors shall consist of no fewer than three and no more than 15 directors, unless otherwise determined by the stockholders. There is no maximum age for a director and no director is required

to own any shares of Ryanair Holdings.

Directors are elected (or have their appointments confirmed) at the annual general meetings of stockholders. Capt. Mike O'Brien joined the Board as a Non-Executive Director on May 20, 2016 with oversight of Air Safety as John Leahy indicated his intention not to stand for re-election at the next Annual General Meeting which is scheduled to be held on September 14, 2016.

Exemptions from NASDAQ Corporate Governance Rules

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

- The Company is exempt from NASDAQ's quorum requirements applicable to meetings of shareholders, which require a minimum quorum of 33% for any meeting of the holders of common stock, which in the Company's case are its Ordinary Shares. In keeping with Irish generally accepted business practice, the Articles provide for a quorum for general meetings of shareholders of three shareholders, regardless of the level of their aggregate share ownership.
- The Company is exempt from NASDAQ's requirement with respect to audit committee approval of related-party transactions, as well as its requirement that shareholders approve certain stock or asset purchases when a director, officer or substantial shareholder has an interest. The Company is subject to extensive provisions under the Listing Rules of the Irish Stock Exchange (the "Irish Listing Rules") governing transactions with related parties, as defined therein, and the Irish Companies Act also restricts

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the extent to which Irish companies may enter into related-party transactions. In addition, the Articles contain provisions regarding disclosure of interests by the directors and restrictions on their votes in circumstances involving conflicts of interest. The concept of a related party for purposes of NASDAQ's audit committee and shareholder approval rules differs in certain respects from the definition of a transaction with a related party under the Irish Listing Rules.

- NASDAQ requires shareholder approval for certain transactions involving the sale or issuance by a listed company of common stock other than in a public offering. Under the NASDAQ rules, whether shareholder approval is required for such transactions depends, among other things, on the number of shares to be issued or sold in connection with a transaction, while the Irish Listing Rules require shareholder approval when the value of a transaction, as measured under any one or more of four class tests, exceeds a certain percentage of the size of the listed company undertaking the transaction as measured for the purposes of same tests.
- NASDAQ requires that each issuer solicit proxies and provide proxy statements for all meetings of shareholders and provide copies of such proxy solicitation to NASDAQ. The Company is exempt from this requirement as the solicitation of holders of ADSs is not required under the Irish Listing Rules or the Irish Companies Act. Details of our annual general meetings and other shareholder meetings, together with the requirements for admission, voting or the appointment of a proxy are available on the website of the Company in accordance with the Irish Companies Act and the Company's Articles of Association. ADS holders may provide instructions to The Bank of New York, as depositary, as to the voting of the underlying Ordinary Shares represented by such ADSs. Alternatively, ADS holders may convert their holding to Ordinary Shares, subject to compliance with the nationality ownership rules, in order to be eligible to attend our annual general meetings or other shareholder meetings.
- NASDAQ requires that all members of a listed company's Nominating Committee be independent directors, unless the Company, as a foreign private issuer, provides an attestation of non-conforming practice based upon home country practice and then discloses such non-conforming practice annually in its Form 20-F.

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

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

Under the Code, there is no bright-line test establishing set criteria for independence, as there is under NASDAQ Rule 5605(a)(12). Instead, the Board of Directors determines whether the director is "independent in character and judgment," and whether there are relationships or circumstances which are likely to affect, or could appear to affect, the director's judgment. Under the Code, the Board of Directors may determine that a director is independent notwithstanding the existence of relationships or circumstances which may appear relevant to its determination, but it should state its reasons if it makes such a determination. The Code specifies that relationships or circumstances that may be relevant

include whether the director: (i) has been an employee of the relevant company or group within the last five years; (ii) has had within the last three years a direct or indirect material business relationship with such company; (iii) has received payments from such company, subject to certain exceptions; (iv) has close family ties with any of the company's advisers, directors or senior employees; (v) holds cross-directorships or other significant links with other directors; (vi) represents a significant shareholder; or (vii) has served on the Board of Directors for more than nine years.

In determining that each of the eleven non-executive directors is independent under the Code standard, the Ryanair Holdings Board of Directors identified such relevant factors with respect to non-executive directors Messrs. Bonderman, McLaughlin, Osborne, Cawley, Millar and Ms. Phelan. The Board has considered Kyran McLaughlin's independence given his role as Deputy Chairman and Head of Capital Markets at Davy Stockbrokers. Davy Stockbrokers are one of Ryanair's corporate brokers and provide corporate advisory services to Ryanair from time to time. The Board has considered the fees paid to Davy Stockbrokers for these services and believe that they are immaterial to both Ryanair and Davy Stockbrokers given the size of each organization's business operations and financial results. Having considered this

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relationship, the Board has concluded that Kyran McLaughlin continues to be an independent non-executive director within the spirit and meaning of the Code Rules.

The Board has also considered the independence of David Bonderman given his shareholding in Ryanair Holdings plc. As at March 31, 2016, David Bonderman had a beneficial shareholding in the Company of 7,535,454 ordinary shares, equivalent to 0.58% of the issued share capital. Having considered this shareholding in light of the number of issued shares in Ryanair Holdings plc and the financial interest of the director, the Board has concluded that the interest is not so material as to breach the spirit of the independence rule contained in the Code.

The Board has also considered the independence of Louise Phelan given her role as Vice President Global Operations at PayPal. PayPal is one of Ryanair's payment service providers. The Board has considered the services provided by PayPal and have concluded that Louise Phelan is an independent non-executive director within the spirit and meaning of the Code Rules.

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

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

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

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

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

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EXECUTIVE OFFICERS

The following table sets forth certain information concerning the executive officers of Ryanair at July 21, 2016:

Name	Age	Position
Michael Hickey	53	Chief Operations Officer
John Hurley	41	Chief Technology Officer
Kenny Jacobs	42	Chief Marketing Officer
Juliusz Komorek	38	Chief Legal and Regulatory Officer; Company Secretary
David O'Brien	52	Chief Commercial Officer
Michael O'Leary	55	Chief Executive Officer
Neil Sorahan	44	Chief Financial Officer
Edward Wilson	52	Chief People Officer

Michael Hickey (Chief Operations Officer). Michael was appointed as Chief Operations Officer 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 license. 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.

John Hurley (Chief Technology Officer). John was appointed Chief Technology Officer in September 2014. He joined Ryanair from Houghton Mifflin Harcourt, where he was Vice-President of Engineering and Product Operations, Director of Platform Development and Software Development Program Manager. He was previously Production Manager at both Intuition Publishing Ltd and Education Multimedia Group and has 17 years of experience in the IT industry.

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

Juliusz Komorek (Chief Legal and Regulatory Officer; Company Secretary). Juliusz was appointed Chief Legal and Regulatory Officer; Company Secretary in June 2015, having served as Company Secretary and Director of Legal and Regulatory Affairs since May 2009, and Deputy Director of Legal and Regulatory Affairs since 2007. Prior to joining

the Company in 2004, Juliusz had gained relevant experience in the European Commission's Directorate General for Competition and in the Polish Embassy to the EU in Brussels, as well as in the private sector in Poland and the Netherlands. Juliusz is a lawyer, holding degrees from the universities of Warsaw and Amsterdam.

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

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

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

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

COMPENSATION OF DIRECTORS AND EXECUTIVE OFFICERS

Compensation

The aggregate amount of compensation paid by Ryanair Holdings and its subsidiaries to its non-executive directors and eight executive officers named above in the 2016 fiscal year was €10.3 million. For details of Mr. O’Leary’s compensation in such fiscal year, see “—Employment and Bonus Agreement with Mr. O’Leary” below

Each of Ryanair Holdings’ eleven non-executive directors is entitled to receive €35,000 plus expenses per annum, as remuneration for their services to Ryanair Holdings. The Chairman of the Board receives a fee of €100,000 per annum. Prior to the 2014 fiscal year, Mr. Bonderman had waived his entitlement to receive remuneration. The additional remuneration paid to all Committee members for service on that committee is €15,000 per annum.

For further details of stock options that have been granted to the Company’s employees, including the executive officers, see “Item 10. Additional Information—Options to Purchase Securities from Registrant or Subsidiaries,” as well as Note 15 to the consolidated financial statements included herein. The Chairman of the Safety Committee is entitled to receive €40,000 per annum in connection with the additional duties in relation to that committee.

Employment and Bonus Agreement with Mr. O’Leary

In October 2014, Michael O’Leary (Chief Executive Officer) signed a five year contract which commits him to the Company until September 2019. This contract replaces a rolling 12 month arrangement under which Mr. O’Leary has worked as Chief Executive of the airline since 1994. Pursuant to the agreement, Mr. O’Leary serves as Chief Executive Officer at a current annual gross salary of approximately €1 million, subject to any increases that may be agreed between the Company and Mr. O’Leary. Mr. O’Leary is also eligible for annual bonuses as determined by the Board of Directors of the Company, which are subject to the achievement of both budget and personal performance criteria; the amount of such bonuses paid to Mr. O’Leary in the 2016 fiscal year totaled approximately €0.9 million. Mr. O’Leary is subject to a covenant not to compete with the Company within the EU for a period of two years after the termination of his employment with the Company. Mr. O’Leary’s employment agreement does not contain provisions providing for compensation on its termination.

STAFF AND LABOR RELATIONS

The following table sets forth the details of Ryanair's team at each of March 31, 2016, 2015 and 2014:

Classification	Number of Staff at March 31,		
	2016	2015	2014
Management	112	110	105
Administrative	485	334	290
Maintenance	148	143	139
Ground Operations	356	286	220
Pilots	3,424	2,804	2,665
Flight Attendants	6,933	5,716	5,573
Total	11,458	9,393	8,992

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

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IAA regulations require pilots to be licensed as commercial pilots with specific ratings for each aircraft to be flown. In addition, IAA regulations require all commercial pilots to be medically certified as physically fit. At March 31, 2016, the average age of Ryanair's pilots was 34 years and their average period of employment with Ryanair was 4.5 years. Licenses and medical certification are subject to periodic re-evaluation and require recurrent training and recent flying experience in order to be maintained. Maintenance engineers must be licensed and qualified for specific aircraft types. Flight attendants must undergo initial and periodic competency training. Training programs are subject to approval and monitoring by the IAA. In addition, the appointment of senior management personnel directly involved in the supervision of flight operations, training, maintenance and aircraft inspection must be satisfactory to the IAA. Based on its experience in managing the airline's growth to date, management believes that there is a sufficient pool of qualified and licensed pilots, engineers and mechanics within the EU to satisfy Ryanair's anticipated future needs in the areas of flight operations, maintenance and quality control and that Ryanair will not face significant difficulty in hiring and continuing to employ the required personnel. Ryanair has also been able to satisfy its needs for additional pilots and flight attendants through the use of contract agencies. These contract pilots and flight attendants are included in the table above.

Ryanair has a licensed approved organization in The Netherlands to operate pilot training courses using Ryanair's syllabus, in order to grant Boeing 737 type-ratings. Each trainee pilot must pay for his or her own training and, based on his or her performance, he or she may be offered a position operating on Ryanair aircraft. This program enables Ryanair to secure a continuous stream of type-rated co-pilots.

Ryanair's crews earn productivity-based incentive payments, including a sales bonus for onboard sales for flight attendants and payments based on the number of hours or sectors flown by pilots and flight attendants (within limits set by industry standards or regulations governing maximum working hours). During the 2016 fiscal year, such productivity-based incentive payments accounted for approximately 41% of an average flight attendant's total earnings and approximately 32% of the typical pilot's compensation. Pilots at all of Ryanair's 84 bases are covered by four, five or six year collective agreements on pay, allowances and rosters which fall due for negotiation at various dates between 2017 and 2021. Cabin crew at all Ryanair bases are also party to long term collective agreements on pay, allowances and rosters which expire in March 2021. In April 2016, Ryanair agreed to increase the pay of pilots and cabin crew in accordance with the terms of individual base collective agreements. Ryanair's pilots are currently subject to IAA-approved limits of 100 flight-hours per 28-day cycle and 900 flight-hours per fiscal year. For the 2016 fiscal year, the average flight-hours for Ryanair's pilots amounted to approximately 69 hours per month and approximately 826 hours for the complete year, a 4% decrease on the previous fiscal year. If more stringent regulations on flight hours were to be adopted, Ryanair's flight personnel could experience a reduction in their total pay due to lower compensation for the number of hours or sectors flown and Ryanair could be required to hire additional flight personnel.

Ryanair considers its relations with its employees to be good. Ryanair currently negotiates with groups of employees, including its pilots, through "Employee Representation Committees" ("ERCs") regarding pay, work practices and conditions of employment, including conducting formal negotiations with these internal collective bargaining units. Ryanair's senior management meets regularly with the different ERCs to consult and discuss all aspects of the business and those issues that specifically relate to each relevant employee group and where necessary to negotiate with these collective bargaining units. Following negotiations through this ERC system, pilots and cabin crew at all Ryanair bases are covered by long term collective agreements which provide certainty on cost, pay and conditions.

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

Item 7. Major Shareholders and Related Party Transactions

As of June 30, 2016, there were 1,254,473,074 Ordinary Shares outstanding. As of that date, 104,747,412 ADRs, representing 523,737,060 Ordinary Shares, were held of record in the United States by 50 holders, and represented in the aggregate 41.7% of the number of Ordinary Shares then outstanding. See "Item 10. Additional Information Articles of Association" and " Limitations on Share Ownership by Non-EU Nationals."

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MAJOR SHAREHOLDERS

Based on information available to Ryanair Holdings, the following table summarizes the holdings of those shareholders holding 3% or more of the Ordinary Shares as of June 30, 2016, June 30, 2015 and June 30, 2014, the latest practicable date prior to the Company's publication of its statutory annual report in each of the relevant years.

	As of June 30, 2016			As of June 30, 2015			As of June 30, 2014		
	No. of Shares	% of Class	%	No. of Shares	% of Class	%	No. of Shares	% of Class	%
Capital	170,097,046	13.5	%	189,452,050	13.9	%	230,832,565	16.7	%
HSBC Holdings PLC	67,327,570	5.3	%	79,131,376	5.8	%	85,009,314	6.1	%
Baillie Gifford	74,577,765	5.9	%	84,944,353	6.2	%	79,001,583	5.7	%
BlackRock Inc.	—	—		—	—		70,993,234	5.1	%
Fidelity	81,631,505	6.5	%	68,232,108	5.0	%	—	—	
Michael O'Leary	50,096,725	3.9	%	51,381,256	3.8	%	51,381,256	3.7	%

As of June 30, 2016, the directors and executive officers of Ryanair Holdings as a group owned 59,322,452 Ordinary Shares, representing 4.7% of Ryanair Holdings' outstanding Ordinary Shares as of such date. See also Note 19(d) to the consolidated financial statements included herein. Each of our shareholders has identical voting rights with respect to its Ordinary Shares.

As of March 31, 2016, there were 1,290,739,865 Ordinary Shares outstanding.

Based on information available to Ryanair Holdings plc, the following table summarizes shareholdings in excess of 3% or more of the Ordinary Shares as of March 31, 2016, March 31 2015 and March 31, 2014.

	As of March 31, 2016			As of March 31, 2015			As of March 31, 2014		
	No. of Shares	% of Class	%	No. of Shares	% of Class	%	No. of Shares	% of Class	%
Capital	164,067,874	12.7	%	212,605,935	15.4	%	230,917,315	16.7	%
HSBC Holdings PLC	71,373,074	5.5	%	85,975,817	6.2	%	81,509,308	5.9	%
Baillie Gifford	74,971,675	5.8	%	83,045,080	6.0	%	77,578,902	5.6	%
BlackRock Inc.	—	—		—	—		75,178,344	5.4	%
Fidelity	81,631,505	6.3	%	57,401,554	4.2	%	—	—	
Michael O'Leary	50,096,725	3.8	%	51,381,256	3.7	%	51,081,256	3.7	%

Standard Life	—	—	43,215,170	3.1	%	44,213,767	3.2	%
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RELATED PARTY TRANSACTIONS

The Company has not entered into any “related party transactions” (except for remuneration paid by Ryanair to members of senior management and the Board of directors as disclosed in Note 27 to the consolidated financial statements) as defined in Item 7.B. of Form 20-F in the three fiscal years ending March 31, 2016 or in the period from March 31, 2016 to the date hereof.

Item 8. Financial Information

CONSOLIDATED FINANCIAL STATEMENTS

Please refer to “Item 18. Financial Statements.”

OTHER FINANCIAL INFORMATION

Legal Proceedings

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

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EU State Aid-Related Proceedings. On December 11, 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 February 12, 2004. As regards to 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 April 20, 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 May 25, 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 €4.0 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 found that the financial arrangements between Aarhus, Berlin (Schönefeld) and Marseille airports, and Ryanair, do not constitute state aid. In July 2014, the European Commission announced a 'no state aid' decision in respect of Dusseldorf (Weeze) airport. In October 2014, the European Commission concluded that Ryanair's

agreements with the Brussels (Charleroi), Frankfurt (Hahn), Alghero and Stockholm (Västerås) airports did not constitute State aid. In July and October 2014, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nîmes, Angoulême, Altenburg and Zweibrücken airports, ordering Ryanair to repay a total of approximately €10.4 million of alleged aid. Ryanair has appealed the five “aid” decisions to the EU General court. These appeal proceedings are expected to take between two and four years.

Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Lübeck, Klagenfurt, Paris (Beauvais), La Rochelle, Carcassonne, Cagliari, Girona, Reus and Târgu Mureș. These investigations are ongoing and Ryanair currently expects that they will conclude in late 2016, 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 Lübeck 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 case, initiated by Germania, was discontinued following the European Commission’s finding in February 2014 that Ryanair’s arrangement with the airport contained no state aid.

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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. 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 argued that the positive decision by the CFI in the Brussels (Charleroi) case in December 2008 required the European Commission to rethink its policy in this area. The revised guidelines, published by the European Commission in April 2014, 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 competitors to challenge Ryanair's agreements with other publicly-owned airports and could cause Ryanair to strongly reconsider its growth strategy in relation to public or state-owned airports across Europe. This could in turn lead to a scaling back of Ryanair's growth strategy due to the smaller number of privately owned airports available for development. No assurance can be given as to the outcome of these proceedings, nor as to whether any unfavorable outcomes may, individually or in the aggregate, have a material adverse effect on the results of operations or financial condition of the Company.

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% 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 May 16, 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 (Lübeck), Tampere, Berlin (Schönefeld), Alghero, Pau, Aarhus, Bratislava and Frankfurt (Hahn) airports. These cases were heard on July 7, 2010 and a judgment 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 defense 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 kilometers 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 on February 5, 2015 the EU General Court partially annulled the EU Commission's 2012 decision and held that the actual quantum of aid depended on the extent of pass-through of the "tax reduction" to passengers. Both Ryanair and the Commission have appealed the EU General Court's decision to the European Court of Justice. In addition, Ryanair has submitted a response to the European Commission's appeal, in support of certain findings of the EU General Court. The European Court of Justice will issue its judgment in late 2016. 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 2012 European Commission decision. Following the General Court's partial annulment of that decision, Ryanair applied to have the Government's claim struck out. In light of the European Commission's appeal of the General Court's

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judgment, the risk remains that Ryanair will, at some point, be ordered by the Irish courts to pay the €12 million amount to the Irish government.

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 recognized 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 judgment 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 London (Gatwick), London (Stansted) and one of either Glasgow or Edinburgh airports, and that consequently the BAA should proceed to dispose of London (Stansted) and one of the Scottish airports. The BAA appealed this decision to the Competition Appeal Tribunal, and lost on February 1, 2012. The BAA then brought a further appeal to the Court of Appeal, which they also lost on July 26, 2012. While these appeals were ongoing, the BAA proceeded to sell Edinburgh airport in April 2012. BAA did not appeal the Court of Appeal judgment to the U.K. Supreme Court, and proceeded to complete the sale of London (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 favor 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

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expansion at what it believed to be an excessive cost. On August 29, 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 May 1, 2010, the airport fees per departing passenger increased by 27% from €13.61 to €17.23, and by a further 12% 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, led to substantially reduced passenger volumes to and from Dublin Airport. See "Item 3. Risk Factors Risks Related to the Company Ryanair's Continued Growth is Dependent on Access to Suitable Airports; Charges for Airport Access are Subject to Increase" and "—The Company Is Subject to Legal Proceedings Alleging State Aid at Certain Airports," as well as "Item 4. Information on the Company—Airport Operations—Airport Charges."

Legal Proceedings Against Internet Ticket Touts. The Company is involved in a number of legal proceedings against internet ticket touts (screenscraper websites) in Ireland, Germany, the Netherlands, France, Spain, Italy and Switzerland. Screenscraper websites gain unauthorized access to Ryanair's website and booking system, extract flight and pricing information and display it on their own websites for sale to customers at prices which 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 unauthorized 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, Amadeus and Sabre, GDS operators, to provide access to Ryanair's fares to traditional bricks and mortar travel agencies. The Company has received favorable rulings in Ireland and The Netherlands, and unfavorable rulings in Germany, Spain, France and Italy. However, pending the outcome of these legal proceedings and if Ryanair were to be ultimately unsuccessful in them, the activities of 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. See Item 3. Key Information—Risk Factors—Risks Related to the Company—Ryanair Faces Risks Related to Unauthorized Use of Information from the Company's Website."

Dividend Policy

On June 20, 2013 the Company detailed plans to return up to €1.0 billion to shareholders over the next two years. The Company completed €481.7 million in share buy-backs in fiscal year 2014 and paid a special dividend of €520.3 million in fiscal 2015. In February 2015 the Company announced a €400 million ordinary share buy-back program which was completed between February and August 2015. In September 2015, the Company announced a B share scheme to return the €398 million proceeds from the sale of its shares in Aer Lingus to shareholders. Additionally, the Company announced an €800 million share buy-back program (including shares underlying ADRs) in February 2016. At March 31, 2016 the Company had bought back approximately €418.1 million under this program. Following the June 23, 2016, Referendum vote by the U.K. to leave the EU, Ryanair announced that it had increased the size of its buy-back

program to the 5% buy-back limit approved by shareholders at the Company's 2015 Annual General Meeting. Under this increased share buy-back program, the Company purchased just over 65 million shares at a total cost of approximately €886 million. On July 1, 2016, the Board confirmed that it will hold an EGM on July 27, 2016 to seek approval from shareholders to grant the Board of the Company the discretion to engage in further share buy-backs, should they decide it is in the best interests of the shareholders over the next fifteen months. While there is no plan to engage in further planned buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board is seeking the flexibility and discretion to do so, if there is further market volatility such as that witnessed in the aftermath of the U.K. Referendum vote. Any cash dividends or other distributions, if made, are expected to be made in euro, although Ryanair Holdings' Articles provide that dividends may be declared and paid in U.S. dollars. In the case of ADRs, the Depositary will convert all cash dividends and other distributions payable to owners of ADRs into U.S. dollars to the extent that, in its judgment, it can do so on a reasonable basis, and will distribute the resulting U.S. dollar amounts (net of conversion expenses and any applicable fees) to the owners of ADRs. See "Item 12. Description of Securities Other than Equity Securities" for information regarding fees of the Depositary.

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Share Buy-back Program

Following shareholder approval at the 2006 annual general meeting of shareholders, a €300 million share buy-back program was formally announced on June 5, 2007. Permission was received at the annual general meeting of the shareholders held on September 20, 2007 to repurchase a maximum of 75.6 million Ordinary Shares representing 5% of the Company's then outstanding share capital. The €300 million share buy-back of approximately 59.5 million Ordinary Shares, representing approximately 3.8% of the Company's pre-existing share capital, was completed in November 2007. In February 2008, the Company announced a second share buy-back program of up to €200 million worth of Ordinary Shares, which was ratified by shareholders at the annual general meeting of the shareholders held on September 18, 2008. 18.1 million Ordinary Shares were repurchased under this program at a cost of approximately €46.0 million. The Company also completed share buy-backs of €125 million in respect of 36.5 million Ordinary Shares in the 2012 fiscal year and 15 million Ordinary Shares at a cost of approximately €68 million in the 2013 fiscal year. In fiscal year 2014, 69.5 million Ordinary Shares (including just over 6.0 million ADRs) were repurchased at a cost of approximately €481.7 million. In February 2015, the Company announced a €400 million ordinary share buy-back program which was completed between February and August 2015. €418 million of the €800 million share buy-back program (announced in February 2016 and subsequently increased to approximately €886 million in June 2016) was completed during fiscal 2016 with approximately 29.1 million shares (including approximately 19.9 million shares underlying ADRs) bought back. A further €467.5 million was spent during fiscal 2017 up to June 29, 2016 to buy-back approximately 36.0 million shares (including approximately 3.9 million shares underlying ADR's). As a result, the total amount spent on the share buy-back programs at July 21, 2016 was approximately €2,305.4 million with respect to the repurchase of 299.2 million Ordinary Shares. All Ordinary Shares (including ADRs which represent five Ordinary Shares) repurchased have been cancelled.

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

The Company announced on July 1, 2016 that it had no plan to engage in further planned buy-backs during the remainder of 2016, but, subject to shareholder approval at an EGM to be held on July 27, 2016 the Board should have the flexibility and discretion to do so, should it decide it is in the best interests of shareholders. While there is no plan to engage in further planned buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board is seeking the flexibility and discretion to do so, if there is further market volatility such as that witnessed in the aftermath of the U.K. Referendum vote.

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

SIGNIFICANT CHANGES

Following the June 23, 2016 Referendum vote by the U.K. to leave the EU, the Company announced that it had increased the size of its buy-back program to the 5% buy-back limit approved by the shareholders at the Company's 2015 Annual General Meeting (approximately €886 million).

From April 1, 2016 to July 1, 2016 the Company bought back 36.0 million shares at a total cost of approximately €467.5 million under its €886 million share buy-back program. All ordinary shares repurchased were cancelled.

On July 1, 2016 the Board confirmed that it will hold an EGM on July 27, 2016 to seek approval from shareholders to grant the Board of the Company the discretion to engage in further share buy-backs, should they decide that it is in the best interests of the shareholders, over the next 15 months. While there is no plan to engage in further planned buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board is seeking the flexibility and discretion to do so, if there is further market volatility such as was witnessed in the aftermath of the U.K. Referendum vote.

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Item 9. The Offer and Listing

TRADING MARKETS AND SHARE PRICES

The primary market for Ryanair Holdings' Ordinary Shares is the Irish Stock Exchange plc (the "Irish Stock Exchange"); Ordinary Shares are also traded on the London Stock Exchange. The Ordinary Shares were first listed for trading on the Official List of the Irish Stock Exchange on June 5, 1997 and were first admitted to the Official List of the London Stock Exchange on July 16, 1998.

ADRs, each representing five Ordinary Shares, are traded on NASDAQ. The Bank of New York Mellon is Ryanair Holdings' depository for purposes of issuing ADRs evidencing the ADSs. The following tables set forth, for the periods indicated, the reported high and low closing sales prices of the ADRs on NASDAQ and for the Ordinary Shares on the Irish Stock Exchange and the London Stock Exchange, and have been adjusted to reflect the two-for-one split of the Ordinary Shares and ADRs effected on February 26, 2007:

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

	ADRs (in U.S. dollars)	
	High	Low
2010	33.09	21.27
2011	31.99	24.20
2012	36.89	27.77
2013	54.05	34.62
2014		
First Quarter	58.81	46.99
Second Quarter	60.11	50.98
Third Quarter	58.32	51.22
Fourth Quarter	71.27	49.84
2015		
First Quarter	67.63	60.10
Second Quarter	73.28	63.88
Third Quarter	82.11	69.94

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Fourth Quarter 2016	87.64	75.73
January 31, 2016	86.99	77.49
February 29, 2016	84.69	74.19
March 31, 2016	86.13	80.36
April 30, 2016	86.62	80.35
May 31, 2016	87.40	76.71
June 30, 2016	87.41	66.82
July 21, 2016	72.49	67.73

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	Ordinary Shares (Irish Stock Exchange) (in euro)	
	High	Low
2010	4.19	2.77
2011	3.98	3.13
2012	5.00	3.68
2013	7.47	4.76
2014		
First Quarter	7.70	6.30
Second Quarter	7.75	6.35
Third Quarter	7.57	6.58
Fourth Quarter	9.83	6.74
2015		
First Quarter	11.13	9.06
Second Quarter	12.33	10.47
Third Quarter	13.79	11.38
Fourth Quarter	15.35	12.59
2016		
January 31, 2016	15.34	13.37
February 29, 2016	14.50	12.75
March 31, 2016	14.23	13.23
April 30, 2016	14.20	12.96
May 31, 2016	14.11	12.76
June 30, 2016	14.00	10.46
July 21, 2016	11.87	11.00

	Ordinary Shares (London Stock Exchange) (in euro)	
	High	Low
2010	4.19	2.76
2011	3.97	3.13
2012	5.00	3.68
2013	7.48	4.76
2014		
First Quarter	7.72	6.31
Second Quarter	7.75	6.35
Third Quarter	7.57	6.57
Fourth Quarter	9.82	6.71
2015		
First Quarter	11.18	9.06
Second Quarter	12.31	10.53
Third Quarter	13.96	11.40

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Fourth Quarter 2016	15.29	12.56
January 31, 2016	15.34	13.41
February 29, 2016	14.50	12.75
March 31, 2016	14.24	13.32
April 30, 2016	14.19	12.96
May 31, 2016	14.07	12.73
June 30, 2016	14.02	10.53
July 21, 2016	11.86	11.00

Since certain of the Ordinary Shares are held by brokers or other nominees, the number of direct record holders in the United States, which is reported as 50, may not be fully indicative of the number of direct beneficial owners in the United States, or of where the direct beneficial owners of such shares are resident.

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

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

Year Ended March 31,	No. of shares (m)	Approx. cost (€m)
2008	59.5	300.0
2009	18.1	46.0
2010	—	—
2011	—	—
2012	36.5	124.6
2013	15.0	67.5
2014	69.5	481.7
2015	10.9	112.0
2016	53.7	706.1
Period through July 21, 2016	36.0	467.5
Total	299.2	2,305.4

All Ordinary Shares repurchased have been cancelled.

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

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

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

As of June 30, 2016, the total number of options over Ordinary Shares outstanding under all of the Company's share option plans was 17.3 million, representing 1.4% of the Company's issued share capital at that date.

Item 10. Additional Information

DESCRIPTION OF CAPITAL STOCK

Ryanair Holdings' capital stock consists of Ordinary Shares, each having a par value of 0.600 euro cent. As of March 31, 2016, a total of 1,290,739,865 Ordinary Shares were outstanding. On February 26, 2007, Ryanair effected

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a 2-for-1 share split as a result of which each of its then existing Ordinary Shares, par value 1.27 euro cent, was split into two new Ordinary Shares, par value 0.635 euro cent.

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

OPTIONS TO PURCHASE SECURITIES FROM REGISTRANT OR SUBSIDIARIES

Ryanair Holdings' shareholders approved a stock option plan (referred to herein as "Option Plan 2000"), under which all employees and directors are eligible to receive options. Grants of options were permitted to take place at the close of any of the ten years beginning with fiscal year 2000 only if the Company's net profit after tax for such fiscal year had exceeded its net profit after tax for the prior fiscal year by at least 25%, or if an increase of 1.0% in net profit after tax for the relevant year would have resulted in such requirement being met.

Under Option Plan 2000, each of the non-executive directors at that time were granted 25,000 share options, at a strike price of €4.96, during the 2008 fiscal year. These options were exercisable between June 2012 and June 2014. In addition, 39 senior managers (including five of the current executive officers) were granted 10,000,000 share options, in the aggregate, under Option Plan 2000, at a strike price of €2.56, on September 18, 2008. These options were exercisable between September 18, 2013 and September 17, 2015, but only for managers who continued to be employed by the Company through September 18, 2013.

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

Under Option Plan 2013, 36 senior managers (including 7 of the current executive officers) and 10 of the current non-executive Board members were granted 10 million share options, in the aggregate, at a strike price of €6.25 in July 2014. These options are exercisable between June 2019 and July 2022. They will only vest if certain targets in relation to net profit and/or share price are achieved and will only be available to managers/directors who continue to be employed by the Company through April 30, 2019. Also under Option Plan 2013, 3.5 million share options were granted, in aggregate, to executive officers at a strike price of €6.74 in October 2014. These options are exercisable between September, 2019 and October, 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available to executives who continue to be employed by the Company through July 31, 2019. On November 11, 2014, 5 million options were granted to Mr. O’Leary under Option Plan 2013 as part of his new 5 year contract. These options which were granted at a strike price of €8.345 are exercisable between September 2019 and November 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available if Mr. O’Leary continues to be employed by the Company through July 31, 2019. During fiscal 2016, 60,000 options were granted under Option plan 2013 to new non-executive Board members at a strike price of €11.38. These options are exercisable between August 2019 and August 2021. They will only vest if certain exceptional targets in relation to net profit and/or share price are achieved and will only be available to those non-executive Board members who continue to be directors through April 30, 2019.

The aggregate of 17.3 million Ordinary Shares that would be issuable upon exercise in full of the options that were outstanding as of June 30, 2016 under Company’s option plan represent approximately 1.4% of the issued share capital of Ryanair Holdings as of such date. Of such total, options in respect of an aggregate of 11.9 million Ordinary Shares were held by the directors and executive officers of Ryanair Holdings. For further information, see Notes 15 and 19 to the consolidated financial statements included herein.

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ARTICLES OF ASSOCIATION

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

Objects. Ryanair Holdings' objects, which are detailed in its Articles, are broad and include carrying on business as an investment and holding company. Ryanair Holdings' Irish company registration number is 249885.

Directors. Subject to certain exceptions, directors may not vote on matters in which they have a material interest. The ordinary remuneration of the directors is determined from time to time by ordinary resolutions of the shareholders. Any director who holds any executive office, serves on any committee or otherwise performs services, which, in the opinion of the directors, are outside the scope of the ordinary duties of a director, may be paid such extra remuneration as the directors may determine. The directors may exercise all the powers of the Company to borrow money. The directors are not required to retire at any particular age. There is no requirement for directors to hold shares. The Articles of Association provide that one-third of the directors (rounded down to the next whole number if it is a fractional number) retire and offer themselves for re-election at each annual general meeting of the Company. The directors to retire by rotation are those who have been longest in office since their last appointment or reappointment. As between persons who became or were appointed directors on the same date, those to retire are determined by agreement between them or, otherwise, by lot. All of the shareholders entitled to attend and vote at the annual general meeting of the Company may vote on the re-election of directors.

Annual and General Meetings. Annual and extraordinary meetings are called upon 21 days' advance notice. All Ryanair shareholders may appoint proxies electronically to attend, speak, ask questions and vote on behalf of them at annual general meetings and to reflect certain other provisions of those Regulations. All holders of Ordinary Shares are entitled to attend, speak at and vote at general meetings of the Company, subject to limitations described below under "—Limitations on the Right to Own Shares."

Rights, Preferences and Dividends Attaching to Shares. The Company has only three classes of shares, Ordinary Shares with a par value of 0.60 euro cent per share, B Shares with a nominal value of 0.05 cent per share and Deferred Shares with a nominal value of 0.05 cent per share. The B Shares and the Deferred Shares were created at an EGM of the Company held on 22 October 2015 in connection with a return of value to shareholders arising from the sale of the Company's shareholding in Aer Lingus plc, and no such shares remain in issue. Accordingly, the Ordinary Shares currently represent the only class of shares in issue and rank equally with respect to payment of dividends and on any winding-up of the Company. Any dividend, interest or other sum payable to a shareholder that remains unclaimed for one year after having been declared may be invested by the directors for the benefit of the Company until claimed. If the directors so resolve, any dividend which has remained unclaimed for 12 years from the date of its declaration shall be forfeited and cease to remain owing by the Company. The Company is permitted under its Articles to issue redeemable shares on such terms and in such manner as the Company may, by special resolution, determine. The Ordinary Shares currently in issue are not redeemable. The liability of shareholders to invest additional capital is

limited to the amounts remaining unpaid on the shares held by them. There are no sinking fund provisions in the Articles of the Company.

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

Limitations on the Rights to Own Shares. The Articles contain detailed provisions enabling the directors of the Company to limit the number of shares in which non-EU nationals have an interest or the exercise by non-EU nationals of rights attaching to shares. See “—Limitations on Share Ownership by Non-EU Nationals” below. Such powers may be exercised by the directors if they are of the view that any licence, consent, permit or privilege of the Company or any of its subsidiaries that enables it to operate an air service may be refused, withheld, suspended or revoked or have conditions attached to it that inhibit its exercise and the exercise of the powers referred to above could prevent such an occurrence. The exercise of such powers could result in non-EU holders of shares being prevented from attending, speaking at or voting at general meetings of the Company and/or being required to dispose of shares held by them to EU nationals.

Disclosure of Share Ownership. Under Irish law, the Company can require parties to disclose their interests in shares. The Articles of the Company provide that the directors will not register any person as a holder of shares unless such person has completed a declaration indicating his/her nationality and the nature and extent of any interest

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which he/she holds in Ordinary Shares. See, also “—Limitations on Share Ownership by non-EU nationals” below. Under Irish law, if a party acquires or disposes of Ordinary Shares so as to bring his interest above or below 5% of the total issued share capital of the Company, he must notify the Company of that. The Irish Stock Exchange must also be notified of any acquisition or disposal of shares that brings the shareholding of a party above or below certain specified percentages – i.e., 10%, 25%, 50% and 75%.

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

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

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

MATERIAL CONTRACTS

On March 19, 2013, the Company announced that it had entered into an agreement with Boeing to purchase 175 Boeing 737-800NG aircraft, over a five year period from fiscal 2015 to 2019 in accordance with the terms of the contract. The contract was approved by the shareholders of the Company at an EGM on June 18, 2013. In April 2014, the Company agreed to purchase an additional five Boeing 737-800 next generation aircraft and in February 2015, the Company agreed to purchase an additional three Boeing 737-800 next generation. This brings the total number of 737-800 next generation aircraft on order to 183, with a list value of approximately \$14.4 billion. At March 31, 2016, 52 of these aircraft had been delivered.

In September 2014, the Group entered into an agreement with Boeing to purchase 200 Boeing 737-MAX-200 aircraft (100 firm orders and 100 aircraft subject to option), with a list value of approximately \$20.5 billion (assuming all options are exercised), over a five year period from fiscal 2020 to 2024 in accordance with the terms of the contract. The contract was approved by the shareholders of the Company at an EGM on November 28, 2014.

EXCHANGE CONTROLS

Except as indicated below, there are no restrictions on non-residents of Ireland dealing in Irish securities (including shares or depositary receipts of Irish companies such as the Company). Dividends and redemption proceeds also continue to be freely transferable to non-resident holders of such securities.

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

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

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

LIMITATIONS ON SHARE OWNERSHIP BY NON-EU NATIONALS

The Board of Directors of Ryanair Holdings is given certain powers under the Articles to take action to ensure that the number of Ordinary Shares held in Ryanair Holdings by non-EU nationals does not reach a level which could jeopardize the Company's entitlement to continue to hold or enjoy the benefit of any license, permit, consent or privilege which it holds or enjoys and which enables it to carry on business as an air carrier (a "License"). In particular, EU Regulation 2407/92 requires that, in order to obtain and retain an operating license, an EU air carrier must be majority-owned and effectively controlled by EU nationals. The regulation does not specify what level of share ownership will confer effective control on a holder or holders of shares. As described below, the directors will, from time to time, set a "Permitted Maximum" on the number of Ordinary Shares that may be owned by non-EU nationals at such level as they believe will comply with EU law. The Permitted Maximum is currently set at 49.9%.

Ryanair Holdings maintains a separate register (the "Separate Register") of Ordinary Shares in which non-EU nationals, whether individuals, bodies corporate or other entities, have an interest (such shares are referred to as "Affected Shares" in the Articles). Interest in this context is widely defined and includes any interest held through ADRs in the shares underlying the relevant ADRs. The directors can require relevant parties to provide them with information to enable a determination to be made by the directors as to whether Ordinary Shares are, or are to be treated as, Affected Shares. If such information is not available or forthcoming or is unsatisfactory then the directors can, at their discretion, determine that Ordinary Shares are to be treated as Affected Shares. Registered holders of Ordinary Shares are also obliged to notify the Company if they are aware that any Ordinary Share which they hold ought to be treated as an Affected Share for this purpose. With regard to ADRs, the directors can treat all of the relevant underlying shares as Affected Shares unless satisfactory evidence as to why they should not be so treated is forthcoming.

In the event that, inter alia, (i) the refusal, withholding, suspension or revocation of any License or the imposition of any condition which materially inhibits the exercise of any License (an "Intervening Act") has taken place, (ii) the Company receives a notice or direction from any governmental body or any other body which regulates the provision of air transport services to the effect that an Intervening Act is imminent, threatened or intended or (iii) an Intervening Act may occur as a consequence of the level of non-EU ownership of Ordinary Shares or an Intervening Act is imminent, threatened or intended because of the manner of share ownership or control of Ryanair Holdings generally, the directors can take action pursuant to the Articles to deal with the situation. They can, inter alia, (i) remove any directors or change the chairman of the Board of Directors, (ii) identify those Ordinary Shares, ADRs or Affected Shares which give rise to the need to take action and treat such Ordinary Shares, ADRs, or Affected Shares as Restricted Shares (see below) or (iii) set a "Permitted Maximum" on the number of Affected Shares which may subsist at any time (which may not, save in the circumstances referred to below, be lower than 40% of the total number of issued shares) and treat any Affected Shares (or ADRs representing such Affected Shares) in excess of this Permitted

Maximum as Restricted Shares (see below).

In addition to the above, if as a consequence of a change of law or a direction, notice or requirement of any state, authority or person it is necessary to reduce the total number of Affected Shares below 40% or reduce the number of Affected Shares held by any particular stockholder or stockholders in order to overcome, prevent or avoid an Intervening Act, the directors may resolve to (i) set the Permitted Maximum at such level below 40% as they consider necessary in order to overcome, prevent or avoid such Intervening Act, or (ii) treat such number of Affected Shares (or ADRs representing Affected Shares) held by any particular stockholder or stockholders as they consider necessary (which could include all of such Affected Shares or ADRs) as Restricted Shares (see below). The directors may serve a Restricted Share Notice in respect of any Affected Share, or any ADR representing any ADS, which is to be treated as a Restricted Share. Such notices can have the effect of depriving the recipients of the rights to attend, vote at and speak at general meetings, which they would otherwise have as a consequence of holding such Ordinary Shares or ADRs. Such notices can also require the recipients to dispose of the Ordinary Shares or ADRs concerned to an EU national (so that the relevant shares (or shares underlying the relevant ADRs) will then cease to be Affected Shares) within 21 days or such longer period as the directors may determine. The directors are also given the power to transfer such Restricted Shares, themselves, in cases of non-compliance with the Restricted Share Notice.

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To enable the directors to identify Affected Shares, transferees of Ordinary Shares are generally required to provide a declaration as to the nationality of persons having interests in those shares. Stockholders are also obliged to notify Ryanair Holdings if they are aware that any shares, which they hold, ought to be treated as Affected Shares for this purpose. Purchasers or transferees of ADRs need not complete a nationality declaration because the directors expect to treat all of the Ordinary Shares held by the Depository as Affected Shares. ADS holders must open ADR accounts directly with the Depository if they wish to provide to Ryanair Holdings nationality declarations or such other evidence as the directors may require in order to establish to the directors' satisfaction that the Ordinary Shares underlying such holder's ADRs are not Affected Shares.

In deciding which Affected Shares are to be selected as Restricted Shares, the directors can take into account which Affected Shares have given rise to the necessity to take action. Subject to that they will, insofar as practicable, firstly view as Restricted Shares those Affected Shares in respect of which no declaration as to whether or not such shares are Affected Shares has been made by the holder thereof and where information which has been requested by the directors in accordance with the Articles has not been provided within specified time periods and, secondly, have regard to the chronological order in which details of Affected Shares have been entered in the Separate Register and, accordingly, treat the most recently registered Affected Shares as Restricted Shares to the extent necessary. Transfers of Affected Shares to Affiliates (as that expression is defined in the Articles) will not affect the chronological order of entry in the Separate Register for this purpose. The directors do however have the discretion to apply another basis of selection if, in their sole opinion, that would be more equitable. Where the directors have resolved to treat Affected Shares held by any particular stockholder or stockholders as Restricted Shares (i) because such Affected Shares have given rise to the need to take such action or (ii) because of a change of law or a requirement or direction of a regulatory authority necessitating such action (see above), such powers may be exercised irrespective of the date upon which such Affected Shares were entered in the Separate Register.

After having initially resolved to set the maximum level at 49.0%, the directors increased the maximum level to 49.9% on May 26, 1999, after the number of Affected Shares exceeded the initial limit. This maximum level could be reduced if it becomes necessary for the directors to exercise these powers in the circumstances described above. The decision to make any such reduction or to change the Permitted Maximum from time to time will be published in at least one national newspaper in Ireland and in any country in which the Ordinary Shares or ADRs are listed. The relevant notice will specify the provisions of the Articles that apply to Restricted Shares and the name of the person or persons who will answer queries relating to Restricted Shares on behalf of Ryanair Holdings. The directors shall publish information as to the number of shares held by EU nationals annually.

In an effort to increase the percentage of its share capital held by EU nationals, on June 26, 2001, Ryanair Holdings instructed the Depository to suspend the issuance of new ADSs in exchange for the deposit of Ordinary Shares until further notice to its shareholders. Holders of Ordinary Shares cannot convert their Ordinary Shares into ADRs during such suspension, and there can be no assurance that the suspension will ever be lifted.

As a further measure to increase the percentage of Ordinary Shares held by EU nationals, on February 7, 2002, the Company issued a notice to shareholders to the effect that any purchase of Ordinary Shares by a non-EU national after such date will immediately result in the issue of a Restricted Share Notice to such non-EU national Purchaser. The

Restricted Share Notice compels the non-EU national purchaser to sell the Affected Shares to an EU national within 21 days of the date of issuance. In the event that any such non-EU national shareholder does not sell its Ordinary Shares to an EU national within the specified time period, the Company can then take legal action to compel such a sale. As a result, non-EU nationals are effectively barred from purchasing Ordinary Shares for as long as these restrictions remain in place. There can be no assurance that these restrictions will ever be lifted.

As an additional measure, to ensure the percentage of shares held by EU nationals remains at least 50.1%, at the EGM held on April 19, 2012, the Company obtained a new repurchase authority which will enable the repurchase of ADRs for up to 5% of the issued share capital of the Company traded on the NASDAQ. This authority was renewed at each subsequent Annual General Meeting since then and was last renewed at the Annual General Meeting held on September 24, 2015.

Concerns about the foreign ownership restrictions described above could result in the exclusion of Ryanair from certain stock tracking indices. Any such exclusion may adversely affect the market price of the Ordinary Shares and ADRs. See also “Item 3. Risk Factors—Risks Related to Ownership of the Company’s Shares or ADRs—EU Rules Impose Restrictions on the Ownership of Ryanair Holdings’ Ordinary Shares by Non-EU Nationals and the Company has Instituted a Ban on the Purchase of Ordinary Shares by Non-EU Nationals” above.

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As of June 30, 2016, EU nationals owned at least 53.6% of Ryanair Holdings' Ordinary Shares (assuming conversion of all outstanding ADRs into Ordinary Shares). Ryanair continuously monitors the ownership status of its Ordinary Shares, which changes on a daily basis.

TAXATION

Irish Tax Considerations

The following is a discussion of certain Irish tax consequences of the purchase, ownership and disposition of Ordinary Shares or ADSs. This discussion is based upon tax laws and practice of Ireland at the date of this document, which are subject to change, possibly with retroactive effect. Particular rules may apply to certain classes of taxpayers (such as dealers in securities) and this discussion does not purport to deal with the tax consequences of purchase, ownership or disposition of the relevant securities for all categories of investors.

The discussion is intended only as a general guide based on current Irish law and practice and is not intended to be, nor should it be considered to be, legal or tax advice to any particular investor or stockholder. Accordingly, current stockholders or potential investors should satisfy themselves as to the overall tax consequences by consulting their own tax advisers.

Dividends. If Ryanair Holdings pays dividends or makes other relevant distributions, the following is relevant:

Withholding Tax. Unless exempted, a withholding at the standard rate of income tax (currently 20%) will apply to dividends or other relevant distributions paid by an Irish resident company. The withholding tax requirement will not apply to distributions paid to certain categories of Irish resident stockholders or to distributions paid to certain categories of non-resident stockholders.

The following Irish resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any relevant distribution, an appropriate declaration of entitlement to exemption:

- Irish resident companies;

- Pension schemes approved by the Irish Revenue Commissioners ("Irish Revenue");

- Qualifying fund managers or qualifying savings managers;
- Personal Retirement Savings Account (“PRSA”) administrators who receive the relevant distribution as income arising in respect of PRSA assets;
- Qualifying employee share ownership trusts;
- Collective investment undertakings;
- Tax-exempt charities;
 - Designated brokers receiving the distribution for special portfolio investment accounts;
- Any person who is entitled to exemption from income tax under Schedule F on dividends in respect of an investment in whole or in part of payments received in respect of a civil action or from the Personal Injuries Assessment Board for damages in respect of mental or physical infirmity;
- Certain qualifying trusts established for the benefit of an incapacitated individual and/or persons in receipt of income from such a qualifying trust;
- Any person entitled to exemption to income tax under Schedule F by virtue of Section 192(2) Taxes Consolidation Act (“TCA”) 1997;
- Unit trusts to which Section 731(5)(a) TCA 1997 applies; and

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- Certain Irish Revenue-approved amateur and athletic sport bodies.

The following non-resident stockholders are exempt from withholding if they make to the Company, in advance of payment of any dividend, an appropriate declaration of entitlement to exemption:

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

In the case of an individual non-resident stockholder resident in an EU member state or tax treaty country, the declaration must be accompanied by a current certificate of tax residence from the tax authorities in the stockholder’s country of residence. In the case of both an individual and corporate non-resident stockholder resident in an EU member state or tax treaty country the declaration also must contain an undertaking by the individual or corporate non-resident stockholder that he, she or it will advise the Company accordingly if he, she or it ceases to meet the conditions to be entitled to the DWT exemption. No declaration is required if the stockholder is a 5% parent company in another EU member state in accordance with section 831 TCA 1997. Neither is a declaration required on the payment by a company resident in Ireland to another company so resident if the company making the dividend is a 51% subsidiary of that other company.

American Depositary Receipts. Special arrangements with regard to the dividend withholding tax obligation apply in the case of Irish companies using ADRs through U.S. depositary banks that have been authorized by the Irish Revenue. Such banks, which receive dividends from the company and pass them on to the U.S. ADS holders beneficially entitled to such dividends, will be allowed to receive and pass on the gross dividends (i.e., before withholding) based on an “address system” where the recorded addresses of such holder, as listed in the depositary bank’s register of depositary receipts, is in the United States.

Taxation on Dividends. Companies resident in Ireland other than those taxable on receipt of dividends as trading income are exempt from corporation tax on distributions received on Ordinary Shares from other Irish resident companies. Stockholders that are “close” companies for Irish taxation purposes may, however, be subject to a 20% corporation tax surcharge on undistributed investment income.

Individual stockholders who are resident or ordinarily resident in Ireland are subject to income tax on the gross dividend at their marginal tax rate, but are entitled to a credit for the tax withheld by the company paying the dividend. The dividend will also be subject to the universal social charge. An individual stockholder who is not liable or not fully liable for income tax by reason of exemption or otherwise may be entitled to receive an appropriate refund of tax withheld. A charge to Irish social security taxes can also arise for such individuals on the amount of any dividend received from the Company.

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

Capital Gains Tax. A person who is either resident or ordinarily resident in Ireland will generally be liable for Irish capital gains tax on any gain realized on the disposal of the Ordinary Shares or ADSs. The current capital gains tax rate is 33%. A person who is neither resident nor ordinarily resident in Ireland and who does not carry on a trade in Ireland through a branch or agency will not be subject to Irish capital gains tax on the disposal of the Ordinary Shares or ADSs.

Irish Capital Acquisitions Tax. A gift or inheritance of the Ordinary Shares or ADSs will be within the charge to Irish Capital Acquisitions Tax ("CAT") notwithstanding that the donor or the donee/successor in relation to such gift or inheritance is resident outside Ireland. CAT is charged at a rate of 33% above a tax-free threshold. This tax-free threshold is determined by the amount of the current benefit and of previous benefits taken since December 5, 1991, as relevant, within the charge to CAT and the relationship between the donor and the successor or donee. Gifts and inheritances between spouses (and in certain cases former spouses) are not subject to CAT.

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

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

The Irish Revenue treats a conversion of Ordinary Shares to ADSs made in contemplation of a sale or a change in beneficial ownership (under Irish law) as an event subject to stamp duty at a rate of 1%. The Irish Revenue has indicated that a re-conversion of ADSs to Ordinary Shares made in contemplation of a sale or a change in beneficial ownership (under Irish law) will not be subject to a stamp duty. However, the subsequent sale of the re-converted Ordinary Shares will give rise to Irish stamp duty at the 1% rate. If the transfer of the Ordinary Shares is a transfer under which there is no change in the beneficial ownership (under Irish law) of the Ordinary Shares being transferred, nominal stamp duty only will be payable on the transfer. Under Irish law, it is not clear whether the mere deposit of

Ordinary Shares for ADSs or ADSs for Ordinary Shares would be deemed to constitute a change in beneficial ownership. Accordingly, it is possible that holders would be subject to stamp duty at the 1% rate when merely depositing Ordinary Shares for ADSs or ADSs for Ordinary Shares and, consequently, the Depositary reserves the right in such circumstances to require payment of stamp duty at the rate of 1% from the holders.

The person accountable for payment of stamp duty is the transferee or, in the case of a transfer by way of a gift or for a consideration less than the market value, all parties to the transfer. Stamp duty is normally payable within 30 days after the date of execution of the transfer. Late or inadequate payment of stamp duty will result in liability for interest, penalties and fines.

United States Federal Income Tax Considerations

Except as described below under the heading “Non-U.S. Holders,” the following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of Ordinary Shares or ADRs by a holder who is a citizen or resident of the United States, a U.S. domestic corporation or otherwise subject to U.S. federal income tax on a net income basis in respect of the Ordinary Shares or the ADRs (“U.S. Holders”). This summary does not purport to be a comprehensive description of all of the tax considerations that may be relevant to a decision to purchase the Ordinary Shares or the ADRs. In particular, the summary deals only with U.S. Holders that will hold Ordinary Shares or ADRs as capital assets and generally does not address the tax treatment of U.S. Holders

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that may be subject to special tax rules such as banks, insurance companies, dealers in securities or currencies, partnerships or partners therein, entities subject to the branch profits tax, traders in securities electing to mark to market, persons that own 10% or more of the stock of the Company, U.S. Holders whose “functional currency” is not U.S. dollars or persons that hold the Ordinary Shares or the ADRs as part of an integrated investment (including a “straddle”) consisting of the Ordinary Shares or the ADRs and one or more other positions.

Holders of the Ordinary Shares or the ADRs should consult their own tax advisors as to the U.S. or other tax consequences of the purchase, ownership, and disposition of the Ordinary Shares or the ADRs in light of their particular circumstances, including, in particular, the effect of any foreign, state or local tax laws.

For U.S. federal income tax purposes, holders of the ADRs will be treated as the owners of the Ordinary Shares represented by those ADRs.

Taxation of Dividends

Dividends, if any, paid with respect to the Ordinary Shares, including Ordinary Shares represented by ADRs, should be included in the gross income of a U.S. Holder when the dividends are received by the holder or the Depository. Such dividends generally should not be eligible for the “dividends received” deduction allowed to U.S. corporations in respect of dividends from a domestic corporation. Dividends paid in euro should be includible in the income of a U.S. Holder in a U.S. dollar amount calculated by reference to the exchange rate in effect on the day they are received by the holder or the Depository. U.S. Holders generally should not be required to recognize any foreign currency gain or loss to the extent such dividends paid in Euro are converted into U.S. dollars immediately upon receipt.

Subject to certain exceptions for short-term and hedged positions, the U.S. dollar amount of dividends received by an individual on or post January 1, 2013 with respect to the Ordinary Shares or ADRs should be subject to taxation at a maximum rate of 20% if the dividends are “qualified dividends” (apart from the Medicare contribution tax referred to below), and the individual has taxable income that exceeds certain thresholds. Dividends paid on the Ordinary Shares or ADRs should be treated as qualified dividends if (i) the issuer is eligible for the benefits of a comprehensive income tax treaty with the United States that the Internal Revenue Service has approved for the purposes of the qualified dividend rules and (ii) the Company was not, in the year prior to the year in which the dividend was paid, and is not, in the year in which the dividend is paid, a passive foreign investment company (a “PFIC”). The income tax treaty between Ireland and the United States has been approved for the purposes of the qualified dividend rules. Effective January 1, 2013, a Medicare contribution tax of 3.8% may also be applicable to U.S. individuals, estates and trusts. Based on the Company’s audited financial statements and relevant market data, the Company believes that it was not treated as a PFIC for U.S. federal income tax purposes with respect to its fiscal 2016 taxable year. In addition, based on the Company’s audited financial statements and its current expectations regarding the value and nature of its assets, the sources and nature of its income, and relevant market data, the Company does not anticipate becoming a PFIC for its fiscal 2017 taxable year. Under the U.S.-Ireland Income Tax Treaty currently in effect, in the event the Company were to pay any dividend, the tax credit attaching to the dividend (as used herein the “Tax Credit”; see “—Irish

Tax Considerations”) generally should be treated as a foreign income tax eligible for credit against such U.S. Holder’s United States federal income tax liability, subject to generally applicable limitations and conditions. Any such dividend paid by the Company to such U.S. Holder should constitute income from sources outside the United States for foreign tax credit purposes, and generally should constitute “passive category” income for such purposes.

Foreign tax credits may not be allowed for withholding taxes imposed in respect of certain short-term or hedged positions in securities.

U.S. Holders should consult their own tax advisors concerning the implications of these rules in light of their particular circumstances.

Distributions of Ordinary Shares that are made as part of a pro rata distribution to all stockholders generally should not be subject to U.S. federal income tax.

Taxation of Capital Gains

Sale or Disposition of Ordinary Shares or ADRs. Gains or losses realized by a U.S. Holder on the sale or other disposition of ADRs generally should be treated for U.S. federal income tax purposes as capital gains or losses,

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which generally should be long-term capital gains or losses if the ADRs have been held for more than one year. The net amount of long-term capital gain recognized by an individual holder post January 1, 2013 generally is subject to taxation at a maximum rate of 20%. Short term capital gains are subject to U.S. federal taxation at ordinary income rates. Effective January 1, 2013, a Medicare contribution tax of 3.8% may also be applicable to U.S. individuals, estates and trusts. Gains realized by a U.S. Holder generally should constitute income from sources within the United States for foreign tax credit purposes and generally should constitute “passive category” income for such purposes. The deductibility of capital losses, in excess of capital gains, is subject to limitations.

Deposits and withdrawals of Ordinary Shares by U.S. Holders in exchange for ADRs should not result in the realization of gain or loss for U.S. federal income tax purposes.

Non-U.S. Holders. A holder of Ordinary Shares or ADRs that is, with respect to the United States, a foreign corporation or a nonresident alien individual (a “Non-U.S. Holder”) generally should not be subject to U.S. federal income or withholding tax on dividends received on such Ordinary Shares or ADRs unless such income is effectively connected with the conduct by such holder of a trade or business in the United States. A Non-U.S. Holder of ADRs or Ordinary Shares should not be subject to U.S. federal income tax or withholding tax in respect of gain realized on the sale or other disposition of Ordinary Shares or ADRs, unless (i) such gain is effectively connected with the conduct by such holder of a trade or business in the United States or (ii) in the case of gain realized by an individual Non-U.S. Holder, such Non-U.S. Holder is present in the United States for 183 days or more in the taxable year of the sale and certain other conditions are met.

DOCUMENTS ON DISPLAY

Copies of Ryanair Holdings’ Articles may be examined at its registered office and principal place of business at its Dublin Office, Airside Business Park, Swords, County Dublin, K67 NY94, Ireland.

Ryanair Holdings also files reports, including annual reports on Form 20-F, periodic reports on Form 6-K and other information, with the SEC pursuant to the rules and regulations of the SEC that apply to foreign private issuers. You may read and copy any materials filed with the SEC at its Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. You may obtain information on the operation of the Public Reference Room by calling the SEC at 1-800-SEC-0330.

Item 11. Quantitative and Qualitative Disclosures About Market Risk

GENERAL

Ryanair is exposed to market risks relating to fluctuations in commodity prices, interest rates and currency exchange rates. The objective of financial risk management at Ryanair is to minimize the negative impact of commodity price, interest rate and foreign exchange rate fluctuations on the Company's earnings, cash flows and equity.

To manage these risks, Ryanair uses various derivative financial instruments, including cross currency interest rate swaps, foreign currency forward contracts and commodity forwards. These derivative financial instruments are generally held to maturity and are not actively traded. The Company enters into these arrangements with the goal of hedging its operational and balance sheet risk. However, Ryanair's exposure to commodity price, interest rate and currency exchange rate fluctuations cannot be neutralized completely.

In executing its risk management strategy, Ryanair currently enters into forward contracts for the purchase of some of the jet fuel (jet kerosene) that it expects to use. It also uses foreign currency forward contracts intended to reduce its exposure to risks related to foreign currencies, principally the U.S. dollar. Furthermore, it enters into interest rate contracts with the objective of fixing certain borrowing costs and hedging principal repayments, particularly those associated with the purchase of new Boeing 737s. Ryanair is also exposed to the risk that the counterparties to its derivative financial instruments may not be creditworthy. If a counterparty was to default on its obligations under any of the instruments described below, Ryanair's economic expectations when entering into these arrangements might not be achieved and its financial condition could be adversely affected. Transactions involving derivative financial instruments are also relatively illiquid as compared with those involving other kinds of financial instruments. It is Ryanair's policy not to enter into transactions involving financial derivatives for speculative purposes.

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The following paragraphs describe Ryanair's fuel hedging, foreign currency and interest rate swap arrangements and analyze the sensitivity of the market value, earnings and cash flows of the financial instruments to hypothetical changes in commodity prices, interest rates and exchange rates as if these changes had occurred at March 31, 2016. The range of changes selected for this sensitivity analysis reflects Ryanair's view of the changes that are reasonably possible over a one-year period.

FUEL PRICE EXPOSURE AND HEDGING

Fuel costs constitute a substantial portion of Ryanair's operating expenses (approximately 41% and 43% of such expenses in fiscal years 2016 and 2015, respectively, after taking into account Ryanair's fuel hedging activities). Ryanair engages in fuel price hedging transactions from time to time, pursuant to which Ryanair and a counterparty agree to exchange payments equal to the difference between a fixed price for a given quantity of jet fuel and the market price for such quantity of jet fuel at a given date in the future, with Ryanair receiving the amount of any excess of such market price over such fixed price and paying to the counterparty the amount of any deficit of such fixed price under such market price.

Ryanair has historically entered into arrangements providing for substantial protection against fluctuations in fuel prices, generally through forward contracts covering periods of up to 18 months of anticipated jet fuel requirements. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results" for additional information on recent trends in fuel costs and the Company's related hedging activities, as well as certain associated risks. See also "Item 5. Operating and Financial Review and Prospects—Fiscal Year 2016 Compared with Fiscal Year 2015—Fuel and Oil." As of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 95% of its estimated requirements for the fiscal year ending March 31, 2017 at prices equivalent to approximately \$622 per metric ton. In addition, as of July 21, 2016, Ryanair had entered into forward jet fuel (jet kerosene) contracts covering approximately 55% of its estimated requirements for the fiscal year ending March 31, 2018 at prices equivalent to approximately \$496 per metric ton, and had not entered into any jet fuel hedging contracts with respect to its expected fuel purchases beyond that period.

While these hedging strategies can cushion the impact on Ryanair of fuel price increases in the short term, in the medium to longer-term, such strategies cannot be expected to eliminate the impact on the Company of an increase in the market price of jet fuel. The unrealized losses or gains on outstanding forward agreements at March 31, 2016 and 2015, based on their fair values, amounted to €596.6 million loss and €813.2 million loss (gross of tax), respectively. Based on Ryanair's fuel consumption for the 2016 fiscal year, a change of \$1.00 in the average annual price per metric ton of jet fuel would have caused a change of approximately €2.5 million in Ryanair's fuel costs. See "Item 3. Key Information—Risk Factors—Risks Related to the Company—Changes in Fuel Costs and Availability Affect the Company's Results."

Under IFRS, the Company's fuel forward contracts are treated as cash-flow hedges of forecast fuel purchases for risks arising from the commodity price of fuel. The contracts are recorded at fair value in the balance sheet and are

re-measured to fair value at the end of each fiscal period through equity to the extent effective, with any ineffectiveness recorded through the income statement. The Company has considered these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in the market price of jet fuel because the jet fuel forward contracts typically relate to the same quantity, time, and location of delivery as the forecast jet fuel purchase being hedged and the duration of the contracts is typically short. Accordingly, the quantification of the change in expected cash flows of the forecast jet fuel purchase is based on the jet fuel forward price, and in the 2015 and 2016 fiscal years, the Company recorded no hedge ineffectiveness within earnings. The Company has recorded no level of ineffectiveness on its jet fuel hedges in its income statements to date. In the 2016 fiscal year, the Company recorded a negative fair-value adjustment of €522.0 million (net of tax), and in the 2015 fiscal year the Company recorded a negative fair-value adjustment of €711.6 million (net of tax) within accumulated other comprehensive income in respect of jet fuel forward contracts.

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FOREIGN CURRENCY EXPOSURE AND HEDGING

In recent years, Ryanair's revenues have been denominated primarily in two currencies, the euro and the U.K. pound sterling. The euro and the U.K. pound sterling accounted for approximately 63% and 28%, respectively, of Ryanair's total revenues in the 2016 fiscal year (2015: 63% and 27% respectively). As Ryanair reports its results in euro, the Company is not exposed to any material currency risk as a result of its euro-denominated activities. Ryanair's operating expenses are primarily euro, U.K. pounds sterling and U.S. dollars. Ryanair's operations can be subject to significant direct exchange rate risks between the euro and the U.S. dollar because a significant portion of its operating costs (particularly those related to fuel purchases) is incurred in U.S. dollars, while practically none of its revenues are denominated in U.S. dollars. Appreciation of the euro against the U.S. dollar positively impacts Ryanair's operating income because the euro equivalent of its U.S. dollar operating costs decreases, while depreciation of the euro against the U.S. dollar negatively impacts operating income. It is Ryanair's policy to hedge a significant portion of its exposure to fluctuations in the exchange rate between the U.S. dollar and the euro. From time to time, Ryanair hedges its operating surpluses and shortfalls in U.K. pound sterling. Ryanair matches certain U.K. pound sterling costs with U.K. pound sterling revenues and may choose to sell any surplus U.K. pound sterling cash flows for euro.

Hedging associated with the income statement. In the 2016 and 2015 fiscal years, the Company entered into a series of forward contracts, principally euro/U.S. dollar forward contracts to hedge against variability in cash flows arising from market fluctuations in foreign exchange rates associated with its forecast fuel, maintenance and insurance costs. At March 31, 2016, the total unrealized gain relating to these contracts amounted to €44.9 million, compared to a €623.1 million unrealized gain at March 31, 2015.

Under IFRS, these foreign currency forward contracts are treated as cash-flow hedges of forecast U.S. dollar and U.K. pound sterling purchases to address the risks arising from U.S. dollar and U.K. pound sterling exchange rates. The derivatives are recorded at fair value in the balance sheet and are re-measured to fair value at the end of each reporting period through equity to the extent effective, with ineffectiveness recorded through the income statement. Ryanair considers these hedges to be highly effective in offsetting variability in future cash flows arising from fluctuations in exchange rates, because the forward contracts are timed so as to match exactly the amount, currency and maturity date of the forecast foreign currency-denominated expense being hedged. In the 2016 fiscal year, the Company recorded a negative fair-value adjustment of €505.9 million (net of tax) within accumulated other comprehensive income in respect of these contracts, as compared to a positive fair-value adjustment of €589.9 million in the 2015 fiscal year.

Hedging associated with the balance sheet. In prior years, the Company entered into a series of cross currency interest rate swaps to manage exposures to fluctuations in foreign exchange rates of U.S. dollar-denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar-denominated floating rate borrowings. Cross currency interest rate swaps are primarily used to convert a portion of the Company's U.S. dollar-denominated debt to euro and floating rate interest exposures into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all classified as cash-flow hedges of the forecasted U.S. dollar variable interest payments on the Company's underlying debt and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges.

At March 31, 2016, the fair value of the cross currency interest rate swap agreements relating to this U.S. dollar-denominated floating rate debt was represented by a loss of €7.7 million (gross of tax) compared to a gain of €21.3 million in fiscal 2015. In the 2016 fiscal year, the Company recorded a negative fair-value adjustment of €11.9 million (net of tax), compared to a positive fair-value adjustment of €41.3 million in fiscal 2015, within accumulated other comprehensive income in respect of these contracts.

Hedging associated with capital expenditures. During the 2016 and 2015 fiscal years, the Company also entered into a series of euro/U.S. dollar contracts to hedge against changes in the fair value of aircraft purchase commitments under the Boeing contracts, which arise from fluctuations in the euro/U.S. dollar exchange rates. At March 31, 2016, the total unrealized gain relating to these contracts amounted to €250.5 million, compared to €614.6 million unrealized gain at March 31, 2015.

Under IFRS, the Company generally accounts for these contracts as either cash-flow hedges or fair-value hedges. Cash-flow hedges are recorded at fair value in the balance sheet and are re-measured to fair value at the end of the financial period through equity to the extent effective, with any ineffectiveness recorded through the income

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statement. The Company has found these hedges to be highly effective in offsetting changes in the fair value of the aircraft purchase commitments arising from fluctuations in exchange rates because the forward exchange contracts are always for the same amount, currency and maturity dates as the corresponding aircraft purchase commitments.

At March 31, 2016, the total unrealized gains relating to these contracts amounted to €250.5 million, while at March 31, 2015 unrealized gains amounted to €614.6 million. Under IFRS, the Company recorded fair-value adjustments of €219.2 million and fair-value adjustments of €537.8 million for cash-flow hedges in the 2016 and 2015 fiscal years, respectively. No amounts were recorded for such fair-value hedges from other accumulated comprehensive income in the 2016 and 2015 fiscal years.

A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial assets and financial liabilities at March 31, 2016 would have a respective positive or negative impact on the income statement of €0.1 million (net of tax) (2015: €3.2 million; 2014: €3.0 million). The same movement of 10% in foreign currency exchange rates would have a positive €567.6 million impact (net of tax) on equity if the rate fell by 10% and negative €464.4 million impact (net of tax) if the rate increased by 10%. (2015: €818.7 million positive or €766.4 million negative; 2014: €288.2 million positive or negative).

INTEREST RATE EXPOSURE AND HEDGING

The Company's purchase of 226 of the 341 Boeing 737-800 aircraft in the fleet as of March 31, 2016 has been funded by financing in the form of loans supported by a loan guarantee from Ex-Im Bank (with respect to 194 aircraft), JOLCOs (26 aircraft) and commercial debt (6 aircraft). In addition, the Company has raised unsecured debt via capital market bond issuances. The Company had outstanding cumulative borrowings under the above facilities of €4,023.0 million with a weighted average interest rate of 1.97% at March 31, 2016. See "Item 5. Operating and Financial Review and Prospects—Liquidity and Capital Resources—Capital Resources" for additional information on these facilities and the related swaps, including a tabular summary of the "Effective Borrowing Profile" illustrating the effect of the swap transactions (each of which is with an established international financial counterparty) on the profile of Ryanair's aircraft-related debt at March 31, 2016. At March 31, 2016, the fair value of the interest rate swap agreements relating to this floating rate debt was represented by a loss of €8.2 million (gross of tax), as compared with a loss of €10.7 million at March 31, 2015. See Note 11 to the consolidated financial statements included in Item 18 for additional information.

If Ryanair had not entered into such derivative agreements, a plus or minus one percentage point movement in interest rates would impact the fair value of this liability by approximately €6.4 million. The earnings and cash-flow impact of any such change in interest rates would have been approximately plus or minus €30.5 million in the 2016 fiscal year.

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Item 12. Description of Securities Other than Equity Securities

Holders of ADSs are required to pay certain fees and expenses. The table below sets forth the fees and expenses which, under the deposit agreement between the Company and The Bank of New York Mellon, holders of ADRs can be charged or be deducted from dividends or other distributions on the deposited shares. The Company and The Bank of New York Mellon have also entered into a separate letter agreement, which has the effect of reducing some of the fees listed below.

Persons depositing or withdrawing ADSs must pay:
\$5.00 (or less) per 100 ADSs (or portion of 100 ADSs).

For:
Issuance of ADSs, including issuances resulting from a distribution of common shares or rights or other property.

Cancellation of ADSs for the purpose of withdrawal, including if the deposit agreement terminates.

\$0.02 (or less) per ADS.

Any cash distribution to the holder of the ADSs.

\$0.02 (or less) per ADS per calendar year.

Depository services.

A fee equivalent to the fee that would be payable if securities distributed to the holder of ADSs had been shares and the shares had been deposited for issuance of ADSs.

Distribution of securities distributed by the issuer to the holders of common securities, which are distributed by the depository to ADS holders.

Registration or transfer fees.

Transfer and registration of shares on our share register to or from the name of the depository or its agent when the holder of ADSs deposits or withdraws common shares.

Expenses of the depository.

Cable, telex and facsimile transmissions (when expressly provided for in the deposit agreement).

Expenses of the depository in converting foreign currency to U.S. dollars.

Taxes and other governmental charges the depository or the custodian have to pay on any ADSs or common shares underlying ADSs (for example, stock transfer taxes, stamp duty or withholding taxes).

As necessary.

As necessary.

Any charges incurred by the depositary or its agents for servicing the deposited securities.

Reimbursement of Fees

From April 1, 2015 to June 30, 2016 the Depositary collected annual depositary services fees equal to approximately \$4.0 million from holders of ADSs, net of fees paid to the Depositary by the Company.

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PART II

Item 13. Defaults, Dividend Arrearages and Delinquencies

None.

Item 14. Material Modifications to the Rights of Security Holders and Use of Proceeds

None.

Item 15. Controls and Procedures

DISCLOSURE CONTROLS AND PROCEDURES

The Company has carried out an evaluation, as of March 31, 2016, under the supervision and with the participation of the Company's management, including the Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act). There are inherent limitations to the effectiveness of any system of disclosure controls and procedures, including the possibility of human error and the circumvention or overriding of the controls and procedures. Accordingly, even effective disclosure controls and procedures can only provide reasonable assurance of achieving their control objectives. Based upon the Company's evaluation, the Chief Executive Officer and Chief Financial Officer have concluded that, as of March 31, 2016, the disclosure controls and procedures were effective to provide reasonable assurance that information required to be disclosed in the reports the Company files or submits under the Exchange Act is recorded, processed, summarized and reported as and when required, within the time periods specified in the applicable rules and forms, and that it is accumulated and communicated to the Company's management, including the Chief Executive Officer and Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

MANAGEMENT'S ANNUAL REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING

The Company's management is responsible for establishing and maintaining adequate internal control over financial reporting, (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act). The Company's internal control over financial reporting is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. The Company's internal control over financial reporting includes those policies and procedures that:

- pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors; and
- provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

The Company's management evaluated the effectiveness of the Company's internal control over financial reporting as of March 31, 2016, based on the criteria established in the 2013 Framework in "Internal Control — Integrated Framework," issued by the Committee of Sponsoring Organizations of the Treadway Commission ("COSO"). Based on the evaluation, management has concluded that the Company maintained effective internal control over financial reporting as of March 31, 2016.

Our independent registered public accounting firm, KPMG, has issued an auditor's report on the Company's internal control over financial reporting, which is included in its entirety below.

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Report of INDEPENDENT Registered Public Accounting Firm

The Board of Directors and Shareholders

Ryanair Holdings plc:

We have audited Ryanair Holdings plc's (the "Company") internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Management's Annual Report on Internal Control Over Financial Reporting, appearing under Item 15 in this Annual Report on Form 20-F. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control – Integrated Framework 2013 issued by COSO.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), the consolidated balance sheets of the Company and subsidiaries as of March 31, 2016, 2015 and 2014 and the related consolidated income statements, consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended March 31, 2016, and our report dated July 22, 2016 expressed an unqualified opinion on those consolidated financial statements.

/s/ KPMG

Dublin, Ireland

July 22, 2016

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Changes in Internal Control over Financial Reporting

There has been no change in the Company's internal control over financial reporting during the 2016 fiscal year that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

Item 16. Reserved

Item 16A. Audit Committee Financial Expert

The Company's Board of Directors has determined that Declan McKeon qualifies as an "audit committee financial expert" within the meaning of this Item 16A. Mr. McKeon is "independent" for purposes of the listing rules of NASDAQ.

Item 16B. Code of Ethics

The Company has adopted a broad Code of Business Conduct and Ethics that meets the requirements for a "code of ethics" as defined in Item 16B of Form 20-F. The Code of Business Conduct and Ethics applies to the Company's chief executive officer, chief financial officer, chief accounting officer, controller and persons performing similar functions, as well as to all of the Company's other officers, directors and employees. The Code of Business Conduct and Ethics is available on Ryanair's website at <http://www.ryanair.com>. (Information appearing on the website is not incorporated by reference into this annual report.) The Company has not made any amendment to, or granted any waiver from, the provisions of this Code of Business Conduct and Ethics that apply to its chief executive officer, chief financial officer, chief accounting officer, controller or persons performing similar functions during its most recently completed fiscal year.

Item 16C. Principal Accountant Fees and Services

Audit and Non-Audit Fees

The following table sets forth the fees billed or billable to the Company by its independent auditors, KPMG, during the fiscal years ended March 31, 2016, 2015 and 2014:

	Year Ended March 31,		
	2016	2015	2014
	(millions)		
Audit fees	€0.4	€ 0.5	€ 0.5
Tax fees	€0.3	€ 0.3	€ 0.3
Total fees	€0.7	€ 0.8	€ 0.8

Audit fees in the above table are the aggregate fees billed or billable by KPMG in connection with the audit of the Company's annual financial statements, as well as work that generally only the independent auditor can reasonably be expected to provide, including the provision of comfort letters, statutory audits, discussions surrounding the proper application of financial accounting and reporting standards and services provided in connection with certain regulatory requirements including those under the Sarbanes-Oxley Act of 2002.

Tax fees include fees for all services, except those services specifically related to the audit of financial statements, performed by the independent auditor's tax personnel, work performed in support of other tax-related regulatory requirements and tax compliance reporting.

Audit Committee Pre-Approval Policies and Procedures

The audit committee expressly pre-approves every engagement of Ryanair's independent auditors for all audit and non-audit services provided to the Company.

Item 16D. Exemptions from the Listing Standards for Audit Committees

None.

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Item 16E. Purchases of Equity Securities by the Issuer and Affiliated Purchasers

The following table details purchases by the Company of its Ordinary shares in the 2016 fiscal year.

Month / Period	Total Number of Ordinary Shares Purchased (a) (Millions)	Average Price Paid Per Ordinary Share (€)
April 1, 2015 to April 30, 2015	5.4	11.28
May 1, 2015 to May 31, 2015	5.5	11.03
June 1, 2015 to June 30, 2015	6.2	11.77
July 1, 2015 to July 31, 2015	4.6	12.45
August 1, 2015 to August 31, 2015	2.9	12.78
September 1, 2015 to September 30, 2015	—	—
October 1, 2015 to October 31, 2015	—	—
November 1, 2015 to November 30, 2015	—	—
December 1, 2015 to December 31, 2015	—	—
January 1, 2016 to January 31, 2016	—	—
February 1, 2016 to February 29, 2016	14.8	14.18
March 1, 2016 to March 31, 2016	14.3	14.60
Total (Year-end)	53.7	13.15
Post Year-end (b)	36.0	13.02

(a) The Ordinary Share purchases in the table above have not been made pursuant to publicly announced plans or programs, and consist of open-market transactions conducted within defined parameters pursuant to the Company's repurchase authority from shareholders granted via a special resolution.

(b) From April 1, 2016 to July 21, 2016 the Company bought back 36 million ordinary shares, at a total cost of €467.5 million, for cancellation. Cumulatively these buy-backs are equivalent to 2.8% of the issued share capital of the Company at July 21, 2016.

See "Item 8. Financial Information—Other Financial Information—Share Buy-Back Program" and "Item 9. The Offer and Listing—Trading Markets and Share Prices" for further information regarding the Company's Ordinary Share buy-back program, pursuant to which all of the shares purchased by the Company and disclosed in the table above were purchased.

Item 16F. Change in Registrant's Certified Accountant

Not applicable.

Item 16G. Corporate Governance

See “Item 6. Directors, Senior Management and Employees—Directors—Exemptions from NASDAQ Corporate Governance Rules” for further information regarding the ways in which the Company’s corporate governance practices differ from those followed by domestic companies listed on NASDAQ.

Item 16H. Mine Safety Disclosure

Not applicable.

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PART III

Item 17. Financial Statements

Not applicable.

Item 18. Financial Statements

RYANAIR HOLDINGS PLC

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<u>Consolidated Cash Flow Statements of Ryanair Holdings plc for the Years ended March 31, 2016, March 31, 2015 and March 31, 2014</u>	F-7
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Item 19. Exhibits

- 1.1 Memorandum and Articles of Association of Ryanair Holdings in effect as of the date of this Annual Report (incorporated herein by reference to Exhibit 1.1 of Ryanair Holdings' Annual Report on Form 20-F filed on July 31, 2012 (Commission file No. 000-29304)).
- 2.1 Issue and Paying Agency Agreement, dated 29 May 2014, between Ryanair Limited, Ryanair Holdings as guarantor, Citibank N.A., London Branch as fiscal agent, Citigroup Global Markets Deutschland AG as registrar, the paying agents named therein and the transfer agents named therein.
- 2.2 Deed of Covenant, dated 29 May 2014, entered into by Ryanair Limited.
- 2.3 Deed of Guarantee, dated 29 May 2014, entered into by Ryanair Holdings as guarantor.

The total amount of each of the other long-term debt securities of Ryanair Holdings authorized under any instrument does not exceed 10.0% of the total assets of the Company on a consolidated basis. Ryanair Holdings hereby agrees to furnish to the Securities and Exchange Commission upon request a copy of any instrument defining the rights of holders of long-term debt of the registrant or of its subsidiaries for which consolidated or unconsolidated financial statements are required to be filed.

- 4.1 Purchase Agreement No. 2403 between The Boeing Company and Ryanair Holdings plc relating to Model Boeing 737-800 aircraft, together with ancillary documents (subject to a request for confidential treatment that has been granted) (incorporated herein by reference to Exhibit 4.1 of Ryanair Holdings' Annual Report on Form 20-F filed on September 30, 2002 (Commission file No. 000-29304)).
- 4.2 Supplemental Agreement No. 6 to Purchase Agreement 2403 between The Boeing Company and Ryanair Holdings plc relating to Model Boeing 737-800 aircraft, dated as of February 28, 2005, together with ancillary documents (subject to a request for confidential treatment that has been granted) (incorporated herein by reference to Exhibit 4.2 of Ryanair Holdings' Annual Report on Form 20-F filed on September 30, 2005 (Commission file No. 000-29304)).
- 4.3 Purchase Agreement No. 3941 between The Boeing Company and Aviation Finance and Leasing S.a.r.l. (a wholly owned subsidiary of Ryanair Ltd) relating to Model Boeing 737-800 aircraft, together with ancillary documents (subject to a request for confidential treatment that has been granted) (incorporated herein by reference to Exhibit 4.3 of Ryanair Holdings' Annual Report on Form 20-F filed on July 31, 2013 (Commission file No. 000-29304)).
- 4.4 Purchase Agreement No. 3941 between the Boeing Company and Aviation Finance and Leasing S.a.r.l. (a wholly owned subsidiary of Ryanair Ltd) relating to Model Boeing 737-MAX-200 aircraft, together with ancillary documents (incorporated herein by reference to Exhibit 4.4. of Ryanair Holdings' Annual Report on Form 20-F filed on July 31, 2015 (Commission file No. 000-29304)).
- 8.1 List of principal subsidiaries of the registrant (incorporated herein by reference to Exhibit 8.1 of Ryanair Holdings' Annual Report on Form 20-F filed on September 20, 2007 (Commission file No. 000-29304)).

12.1 Certifications pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.

13.1 Certifications pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

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SIGNATURES

The registrant hereby certifies that it meets all of the requirements for filing on Form 20-F and that it has duly caused and authorized the undersigned to sign this annual report on its behalf.

RYANAIR HOLDINGS PLC

/s/ MICHAEL O' LEARY

Name: Michael O'Leary

Title: Chief Executive Officer and Director

Date: July 22, 2016

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Report of Independent Registered Public Accounting Firm

The Board of Directors and Shareholders
Ryanair Holdings plc:

We have audited the accompanying consolidated balance sheets of Ryanair Holdings plc and subsidiaries (the Company) as of March 31, 2016, 2015 and 2014 and the related consolidated income statements, consolidated statements of comprehensive income, changes in shareholders' equity and cash flows for each of the years in the three-year period ended March 31, 2016. These consolidated financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Ryanair Holdings plc and subsidiaries as of March 31, 2016, 2015 and 2014, and the results of their operations and their cash flows for each of the years in the three-year period ended March 31, 2016, in conformity with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board and also IFRS as adopted by the European Union.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States), Ryanair Holdings plc's internal control over financial reporting as of March 31, 2016, based on criteria established in Internal Control – Integrated Framework 2013 issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO), and our report dated July 22, 2016 expressed an unqualified opinion on the effectiveness of the Company's internal control over financial reporting.

KPMG

Dublin, Ireland

July 22, 2016

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Consolidated Balance Sheet

	Note	At March 31, 2016 €M	At March 31, 2015 €M	At March 31, 2014 €M
Non-current assets				
Property, plant and equipment	2	6,261.5	5,471.1	5,060.3
Intangible assets	3	46.8	46.8	46.8
Available for sale financial assets	4	—	371.0	260.3
Derivative financial instruments	5	88.5	554.5	0.4
Total non-current assets		6,396.8	6,443.4	5,367.8
Current assets				
Inventories	6	3.3	2.1	2.5
Other assets	7	148.5	138.7	124.2
Current tax	12	—	0.8	1.1
Trade receivables	8	66.1	60.1	58.1
Derivative financial instruments	5	269.1	744.4	16.7
Restricted cash	9	13.0	6.7	13.3
Financial assets: cash > 3 months		3,062.3	3,604.6	1,498.3
Cash and cash equivalents		1,259.2	1,184.6	1,730.1
Total current assets		4,821.5	5,742.0	3,444.3
Total assets		11,218.3	12,185.4	8,812.1
Current liabilities				
Trade payables		230.6	196.5	150.0
Accrued expenses and other liabilities	10	2,112.7	1,938.2	1,561.2
Current maturities of debt	11	449.9	399.6	467.9
Current tax	12	20.9	—	—
Derivative financial instruments	5	555.4	811.7	95.4
Total current liabilities		3,369.5	3,346.0	2,274.5
Non-current liabilities				
Provisions	13	149.3	180.8	133.9
Derivative financial instruments	5	111.6	73.4	43.2
Deferred tax	12	385.5	462.3	368.6
Other creditors	14	32.5	55.8	90.4
Non-current maturities of debt	11	3,573.1	4,032.0	2,615.7
Total non-current liabilities		4,252.0	4,804.3	3,251.8
Shareholders' equity				
Issued share capital	15	7.7	8.7	8.8
Share premium account	15	719.4	718.6	704.2
Other undenominated capital		2.3	1.3	1.2
Retained earnings		3,166.1	2,706.2	2,465.1
Other reserves	16	(298.7)	600.3	106.5
Shareholders' equity		3,596.8	4,035.1	3,285.8
Total liabilities and shareholders' equity		11,218.3	12,185.4	8,812.1

The accompanying notes are an integral part of the financial information.

On behalf of the Board

M. O'Leary

Director

July 22, 2016

D. Bonderman

Director

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Consolidated Income Statement

	Note	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Operating revenues				
Scheduled revenues	17	4,967.2	4,260.3	3,789.5
Ancillary revenues	17	1,568.6	1,393.7	1,247.2
Total operating revenues – continuing operations	17	6,535.8	5,654.0	5,036.7
Operating expenses				
Fuel and oil		(2,071.4)	(1,992.1)	(2,013.1)
Airport and handling charges		(830.6)	(712.8)	(617.2)
Route charges		(622.9)	(547.4)	(522.0)
Staff costs	18	(585.4)	(502.9)	(463.6)
Depreciation	2	(427.3)	(377.7)	(351.8)
Marketing, distribution and other		(292.7)	(233.9)	(192.8)
Maintenance, materials and repairs		(130.3)	(134.9)	(116.1)
Aircraft rentals		(115.1)	(109.4)	(101.5)
Total operating expenses		(5,075.7)	(4,611.1)	(4,378.1)
Operating profit – continuing operations		1,460.1	1,042.9	658.6
Other income/(expense)				
Gain on disposal of available for sale financial asset	4	317.5	—	—
Finance expense	20	(71.1)	(74.2)	(83.2)
Finance income		17.9	17.9	16.5
Foreign exchange (loss)		(2.5)	(4.2)	(0.5)
Total other income/(expenses)		261.8	(60.5)	(67.2)
Profit before tax		1,721.9	982.4	591.4
Tax expense on profit on ordinary activities	12	(162.8)	(115.7)	(68.6)
Profit for the year – all attributable to equity holders of parent		1,559.1	866.7	522.8
Basic earnings per ordinary share (euro cent)	22	116.26	62.59	36.96
Diluted earnings per ordinary share (euro cent)	22	115.63	62.46	36.86
Number of ordinary shares (in Ms)	22	1,341.0	1,384.7	1,414.6
Number of diluted shares (in Ms)	22	1,348.4	1,387.6	1,418.2

The accompanying notes are an integral part of the financial information.

On behalf of the Board

M. O’Leary D. Bonderman

Director Director

July 22, 2016

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Consolidated Statement of Comprehensive Income

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Profit for the year	1,559.1	866.7	522.8
Other comprehensive income:			
Items that will never be reclassified to profit or loss:			
Net actuarial gain/(loss) from retirement benefit plans	0.4	(2.4)	(1.6)
	0.4	(2.4)	(1.6)
Items that are or may be reclassified subsequently to profit or loss:			
Cash-flow hedge reserve-effective portion of fair value changes to derivatives:			
Effective portion of changes in fair value of cash-flow hedges	365.7	363.4	(108.0)
Net change in fair value of cash-flow hedges transferred to property, plant and equipment	(39.6)	(40.0)	(0.1)
Net change in fair value of cash-flow hedges transferred to profit or loss	(935.2)	68.3	24.4
Net movements in cash-flow hedge reserve	(609.1)	391.7	(83.7)
Available for sale financial asset:			
Net increase in fair value of available-for-sale financial asset - reclassified to profit or loss	—	110.7	39.1
Disposal of available-for-sale financial asset	(291.4)	—	—
	(900.5)	500.0	(44.6)
Total other comprehensive (loss)/income for the year, net of income tax	(900.1)	500.0	(46.2)
Total comprehensive income for the year – all attributable to equity holders of parent	659.0	1,366.7	476.6

The accompanying notes are an integral part of the financial information.

On behalf of the Board

M. O'Leary

Director

July 22, 2016

D. Bonderman

Director

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Consolidated Statement of Changes in Shareholders' Equity

	Ordinary Shares M	Issued Share Capital €M	Share Premium Account €M	Retained Earnings €M	Other Undenominated Capital €M	Treasury €M	Other Reserves Hedging €M	Other Reserves €M	Total €M
Balance at March 31, 2013	1,447.1	9.2	687.8	2,418.6	0.8	—	0.5	155.7	3,272.6
Profit for the year	—	—	—	522.8	—	—	—	—	522.8
Other comprehensive income									
Net actuarial losses from retirement benefits plan	—	—	—	(1.6)	—	—	—	—	(1.6)
Net movements in cash-flow reserve	—	—	—	—	—	—	(83.7)	—	(83.7)
Net change in fair value of available for sale financial asset	—	—	—	—	—	—	—	39.1	39.1
Total other comprehensive income/(loss)	—	—	—	(1.6)	—	—	(83.7)	39.1	(46.2)
Total comprehensive income	—	—	—	521.2	—	—	(83.7)	39.1	476.6
Transactions with owners of the Company, recognised directly in equity									
Issue of ordinary equity shares	5.7	—	16.4	—	—	—	—	—	16.4
Share-based payments	—	—	—	—	—	—	—	1.9	1.9
Repurchase of ordinary equity	—	—	—	(481.7)	—	—	—	—	(481.7)

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shares									
Cancellation of repurchased ordinary shares	(69.5)	(0.4)	—	—	0.4	—	—	—	—
Transfer of exercised and expired share-based awards	—	—	—	7.0	—	—	—	(7.0)	—
Balance at March 31, 2014	1,383.3	8.8	704.2	2,465.1	1.2	—	(83.2)	189.7	3,285.8
Profit for the year	—	—	—	866.7	—	—	—	—	866.7
Other comprehensive income									
Net actuarial losses from retirement benefits plan	—	—	—	(2.4)	—	—	—	—	(2.4)
Net movements in cash-flow reserve	—	—	—	—	—	—	391.7	—	391.7
Net change in fair value of available-for-sale asset	—	—	—	—	—	—	—	110.7	110.7
Total other comprehensive income/(loss)	—	—	—	(2.4)	—	—	391.7	110.7	500.0
Total comprehensive income	—	—	—	864.3	—	—	391.7	110.7	1,366.7
Transactions with owners of the Company, recognised directly in equity									
Issue of ordinary equity shares	5.0	—	14.4	—	—	—	—	—	14.4
Share-based payments	—	—	—	-	—	—	—	0.5	0.5
Repurchase of ordinary equity shares	—	—	—	(108.8)	—	(3.2)	—	—	(112.0)
Cancellation of repurchased ordinary shares	(10.6)	(0.1)	—	—	0.1	—	—	—	—
Dividend paid	—	—	—	(520.3)	—	—	—	—	(520.3)

Transfer of exercised and expired share-based awards	—	—	—	5.9	—	—		(5.9)	—
Balance at March 31, 2015	1,377.7	8.7	718.6	2,706.2	1.3	(3.2)	308.5	295.0	4,035.1

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Consolidated Statement of Changes in Shareholders' Equity

	Ordinary Shares M	Issued Share Capital €M	Share Premium Account €M	Retained Earnings €M	Other Udenominated Capital €M	Treasury €M	Other Reserves Hedging €M	Other Reserves €M	Total €M
Profit for the year	—	—	—	1,559.1	—	—	—	—	1,559.1
Other comprehensive income									
Net actuarial gains from retirement benefits plan	—	—	—	0.4	—	—	—	—	0.4
Net movements in cash-flow reserve	—	—	—	—	—	—	(609.1)	—	(609.1)
Net change in fair value of available-for-sale asset	—	—	—	—	—	—	—	(291.4)	(291.4)
Total other comprehensive income/(loss)	—	—	—	0.4	—	—	(609.1)	(291.4)	(900.1)
Total comprehensive income	—	—	—	1,559.5	—	—	(609.1)	(291.4)	659.0
Transactions with owners of the Company, recognised directly in equity									
Issue of ordinary equity shares	0.3	—	0.8	—	—	—	—	—	0.8
Share capital reorganisation	(33.8)	(0.7)	—	—	0.7	—	—	—	—
Share-based payments	—	—	—	—	—	—	—	5.9	5.9
Repurchase of ordinary equity shares	—	—	—	(698.8)	—	(7.3)	—	—	(706.1)

Cancellation of repurchased ordinary shares	(53.2)	(0.3)	—	—	0.3	—	—	—	—
Treasury shares cancelled	(0.3)	—	—	(3.2)	—	3.2	—	—	—
Dividend paid	—	—	—	(397.9)	—	—	—	—	(397.9)
Transfer of exercised and expired share-based awards	—	—	—	0.3	—	—	—	(0.3)	—
Balance at March 31, 2016	1,290.7	7.7	719.4	3,166.1	2.3	(7.3)	(300.6)	9.2	3,596.8

The accompanying notes are an integral part of the financial information.

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Consolidated Statement of Cash Flows

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Operating activities			
Profit after tax	1,559.1	866.7	522.8
Adjustments to reconcile profit after tax to net cash provided by operating activities			
Depreciation	427.3	377.7	351.8
Retirement costs	0.2	0.2	(1.2)
Tax expense on profit on ordinary activities	162.8	115.7	68.6
Share-based payments charge	5.9	0.5	1.9
(Increase)/decrease in inventories	(1.2)	0.4	0.2
(Increase) in trade receivables	(6.0)	(2.0)	(2.0)
(Increase) in other current assets	(11.2)	(12.3)	(56.6)
Increase in trade payables	34.1	46.5	11.7
Increase in accrued expenses	175.0	364.4	220.7
(Decrease) in other creditors	(23.3)	(34.6)	(37.4)
(Decrease)/increase in provisions	(31.8)	44.0	(2.7)
Gain on disposal of available for sale financial asset	(317.5)	—	—
Decrease/(increase) in finance income	1.4	(2.2)	0.1
(Decrease)/increase in finance expense	(1.0)	12.8	(0.9)
Income tax paid	(127.5)	(88.4)	(32.4)
Net cash provided by operating activities	1,846.3	1,689.4	1,044.6
Investing activities			
Capital expenditure (purchase of property, plant and equipment)	(1,217.7)	(788.5)	(505.8)
Disposal of available for sale asset	398.1	—	—
(Increase)/decrease in restricted cash	(6.3)	6.6	11.4
Decrease/(increase) in financial assets: cash > 3 months	542.3	(2,106.3)	795.1
Net cash (used in)/provided by investing activities	(283.6)	(2,888.2)	300.7
Financing activities			
Net proceeds from shares issued	0.8	14.4	16.4
Shareholder returns	(1,104.0)	(632.3)	(481.7)
Proceeds from long term borrowings	—	1,690.9	—
Repayments of long term borrowings	(384.9)	(419.7)	(390.8)
Net cash (used in)/provided by financing activities	(1,488.1)	653.3	(856.1)
Increase/(decrease) in cash and cash equivalents	74.6	(545.5)	489.2
Cash and cash equivalents at beginning of year	1,184.6	1,730.1	1,240.9
Cash and cash equivalents at end of year	1,259.2	1,184.6	1,730.1

The accompanying notes are an integral part of the financial information.

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Notes forming part of the Consolidated Financial Statements

1. Basis of preparation and significant accounting policies

The accounting policies applied in the preparation of the consolidated financial statements for the 2016 fiscal year are set out below. These have been applied consistently for all periods presented, except as otherwise stated.

Business activity

Ryanair Limited and its subsidiaries (“Ryanair Limited”) has operated as an international airline since commencing operations in 1985. On August 23, 1996, Ryanair Holdings Limited, a newly formed holding company, acquired the entire issued share capital of Ryanair Limited. On May 16, 1997, Ryanair Holdings Limited re-registered as a public limited company, Ryanair Holdings plc (the “Company”). Ryanair Holdings plc and its subsidiaries are hereafter together referred to as “Ryanair Holdings plc” (or “we”, “our”, “us”, “Ryanair” or the “Company”) and currently operate a low-fares airline headquartered in Dublin, Ireland. All trading activity continues to be undertaken by the group of companies headed by Ryanair Limited.

Statement of compliance

In accordance with the International Accounting Standards (“IAS”) Regulation (EC 1606 (2002)) which applies throughout the European Union (“EU”), the consolidated financial statements have been prepared in accordance with International Accounting Standards and International Financial Reporting Standards (“IFRS”) as adopted by the EU (“IFRS as adopted by the EU”), which are effective for the year ended and as at March 31, 2016. In addition to complying with its legal obligation to comply with IFRS as adopted by the EU, the consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board (“IASB”) (“IFRS as issued by the IASB”). The consolidated financial statements have also been prepared in accordance with the Companies Acts 2014.

Details of legislative changes and new accounting standards or amendments to accounting standards, which are not yet effective and have not been early adopted in these consolidated financial statements, and the likely impact on future financial statements are set forth below in the prospective accounting changes section.

New accounting standards adopted during the year

The following new and amended standards, that have been issued by the IASB, and are effective under those standards for the first time for the financial year beginning on or after January 1, 2015, and have also been endorsed by the EU, have been applied by the Group for the first time in the consolidated financial statements;

- “Annual Improvements to IFRSs”. 2010-2012 Cycle (effective for fiscal periods beginning on or after July 1, 2014).
- “Annual Improvements to IFRSs”. 2011-2013 Cycle (effective for fiscal periods beginning on or after July 1, 2014).
- Defined Benefit Plans: Employee Contributions (Amendments to IAS 19) (effective for fiscal periods beginning on or after July 1, 2014).

The adoption of these new or amended standards did not have a material impact on our financial position or results from operations in the year ended March 31, 2016.

Basis of preparation

These consolidated financial statements are presented in euro millions, the euro being the functional currency of the parent entity and the majority of the group companies. They are prepared on the historical cost basis, except for derivative financial instruments and available-for-sale securities which are stated at fair value, and share-based payments, which are based on fair value determined as at the grant date of the relevant share options. Certain non-current assets, when they are classified as held for sale, are stated at the lower of cost and fair value less costs to sell.

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Critical accounting policies

The preparation of financial statements in conformity with IFRS requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. These estimates and associated assumptions are based on historical experience and various other factors believed to be reasonable under the circumstances, and the results of such estimates form the basis of judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results could differ materially from these estimates. These underlying assumptions are reviewed on an ongoing basis. A revision to an accounting estimate is recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if these are also affected. Principal sources of estimation uncertainty have been set forth in the critical accounting policies section below. Actual results may differ from estimates.

The Company believes that its critical accounting policies, which are those that require management's most difficult, subjective and complex judgements, are those described in this section. These critical accounting policies, the judgements and other uncertainties affecting application of these policies and the sensitivity of reported results to changes in conditions and assumptions are factors to be considered in reviewing the consolidated financial statements.

Long-lived assets

As of March 31, 2016, Ryanair had €6.3 billion of property, plant and equipment long-lived assets, virtually all of which consisted of aircraft. In accounting for long-lived assets, Ryanair must make estimates about the expected useful lives of the assets, the expected residual values of the assets and the potential for impairment based on the fair value of the assets and the cash flows they generate.

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

Ryanair periodically evaluates its long-lived assets for impairment. Factors that would indicate potential impairment would include, but are not limited to, significant decreases in the market value of an aircraft, a significant change in an aircraft's physical condition and operating or cash flow losses associated with the use of the aircraft. While the airline industry as a whole has experienced many of these factors from time to time, Ryanair has not yet been seriously

impacted and continues to record positive cash flows from these long-lived assets. Consequently, Ryanair has not yet identified any impairments related to its existing aircraft fleet. The Company will continue to monitor its long-lived assets and the general airline operating environment.

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

Heavy maintenance

An element of the cost of an acquired aircraft is attributed, on acquisition, to its service potential, reflecting the maintenance condition of the engines and airframe.

For aircraft held under operating lease agreements, Ryanair is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines and life-limited parts upon return. In order to fulfill such conditions of the lease, maintenance, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, is required to be performed during the period of the lease and upon return of the aircraft to the lessor. The estimated airframe and engine maintenance costs and the costs associated with the restitution of major life-limited parts, are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, calculated by reference to the number of hours flown or cycles operated during the year.

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Ryanair's aircraft operating lease agreements typically have a term of seven years, which closely correlates with the timing of heavy maintenance checks. The contractual obligation to maintain and replenish aircraft held under operating lease exists independently of any future actions within the control of Ryanair.

While Ryanair may, in very limited circumstances, sub-lease its aircraft, it remains fully liable to perform all of its contractual obligations under the 'head lease' notwithstanding any such sub-leasing.

Both of these elements of accounting policies involve the use of estimates in determining the quantum of both the initial maintenance asset and/or the amount of provisions to be recorded and the respective periods over which such amounts are charged to income. In making such estimates, Ryanair has primarily relied on its own and industry experience, industry regulations and recommendations from Boeing; however, these estimates can be subject to revision, depending on a number of factors, such as the timing of the planned maintenance, the ultimate utilisation of the aircraft, changes to government regulations and increases or decreases in estimated costs. Ryanair evaluates its estimates and assumptions in each reporting period and, when warranted, adjusts its assumptions, which generally impact maintenance and depreciation expense in the income statement on a prospective basis.

Tax audits

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise using tax rates enacted or substantively enacted at the balance sheet date. Deferred tax is provided in full, using the balance sheet liability method on temporary differences arising from the tax basis of assets and liabilities and their carrying amount in the consolidated financial statements.

Social insurance, passenger taxes and sales taxes are recorded as a liability based on laws enacted in the jurisdictions to which they relate. Liabilities are recorded when an obligation has been incurred.

Ryanair reviews its tax obligations by jurisdiction regularly. There are many complexities and judgements in determining tax obligations due to the inherent complexity of tax law, the manner in which airline businesses are carried out whereby operations can begin and end in different jurisdictions and assumptions made about the timing and amount of individual balances to be included in financial statements and tax returns.

Ryanair has an internal tax group and takes professional advice on more complex matters in estimating its tax liabilities. Ryanair also deals extensively with revenue authorities in each jurisdiction in which it operates. Tax liabilities are based on the best estimate of the likely obligation at each reporting period. These estimates are subject to revision based on the outcome of tax audits and discussions with revenue authorities that can take several years to conclude.

Basis of consolidation

The consolidated financial statements comprise the financial statements of Ryanair Holdings plc and its subsidiary undertakings as of March 31, 2016. Subsidiaries are entities controlled by Ryanair. Control exists when Ryanair is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

All inter-company account balances and any unrealised income or expenses arising from intra-group transactions have been eliminated in preparing the consolidated financial statements.

The results of subsidiary undertakings acquired or disposed of in the period are included in the consolidated income statement from the date of acquisition or up to the date of disposal. Upon the acquisition of a business, fair values are attributed to the separable net assets acquired.

Foreign currency translation

Items included in the financial statements of each of the group entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The consolidated financial statements are presented in euro, which is the functional currency of the majority of the group entities.

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Transactions arising in foreign currencies are translated into the respective functional currencies at the rates of exchange in effect at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are re-translated at the rate of exchange prevailing at the balance sheet date. Non-monetary assets and liabilities denominated in foreign currencies are translated to euro at foreign exchange rates in effect at the dates the transactions were effected. Foreign currency differences arising on retranslation are recognised in profit or loss, except for differences arising on qualifying cash-flow hedges, which are recognised in other comprehensive income.

Property, plant and equipment

Property, plant and equipment is stated at historical cost less accumulated depreciation and provisions for impairments, if any. Cost includes expenditure that is directly attributable to the acquisition of the asset. Cost may also include transfers from other comprehensive income of any gain or loss on qualifying cash-flow hedges of foreign currency purchases of property, plant and equipment.

Borrowing costs directly attributable to the acquisition or construction of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use, are capitalised, until such time until such time as the assets are substantially ready for their intended use. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

Depreciation is calculated so as to write off the cost, less estimated residual value, of assets on a straight-line basis over their expected useful lives at the following annual rates:

	Rate of Depreciation	
Hangar and buildings	5	%
Plant and equipment (excluding aircraft)	20-33.3	%
Fixtures and fittings	20	%
Motor vehicles	33.3	%

Aircraft are depreciated on a straight-line basis over their estimated useful lives to estimated residual values. The estimates of useful lives and residual values at year-end are:

Number of Owned Aircraft

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Aircraft Type	at March 31, 2016	Useful Life	Residual Value
Boeing 737-800s	298(a)	23 years from date of manufacture	15% of current market value of new aircraft, determined periodically

(a) The Company operated 341 aircraft as of March 31, 2016, of which 43 were leased.

The Company's estimate of the recoverable amount of aircraft residual values is 15% of current market value of new aircraft, determined periodically, based on independent valuations and actual aircraft disposals during prior periods.

An element of the cost of an acquired aircraft is attributed on acquisition to its service potential, reflecting the maintenance condition of its engines and airframe. This cost, which can equate to a substantial element of the total aircraft cost, is amortised over the shorter of the period to the next maintenance check (usually between 8 and 12 years for Boeing 737-800 aircraft) or the remaining life of the aircraft. The costs of subsequent major airframe and engine maintenance checks are capitalised and amortised over the shorter of the period to the next check or the remaining life of the aircraft.

Advance and option payments made in respect of aircraft purchase commitments and options to acquire aircraft are recorded at cost and separately disclosed within property, plant and equipment. On acquisition of the related aircraft, these payments are included as part of the cost of aircraft and are depreciated from that date.

Rotable spare parts held by the Company are classified as property, plant and equipment if they are expected to be used over more than one period.

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Gains and losses on disposal of items of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognised on a net basis within other income/(expenses) in profit or loss.

Aircraft maintenance costs

The accounting for the cost of providing major airframe and certain engine maintenance checks for owned aircraft is described in the accounting policy for property, plant and equipment.

For aircraft held under operating lease agreements, Ryanair is contractually committed to either return the aircraft in a certain condition or to compensate the lessor based on the actual condition of the airframe, engines and life-limited parts upon return. In order to fulfill such conditions of the lease, maintenance, in the form of major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, is required to be performed during the period of the lease and upon return of the aircraft to the lessor. The estimated airframe and engine maintenance costs and the costs associated with the restitution of major life-limited parts, are accrued and charged to profit or loss over the lease term for this contractual obligation, based on the present value of the estimated future cost of the major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts, calculated by reference to the number of hours flown or cycles operated during the year.

Ryanair's aircraft operating lease agreements typically have a term of seven years, which closely correlates with the timing of heavy maintenance checks. The contractual obligation to maintain and replenish aircraft held under operating lease exists independently of any future actions within the control of Ryanair. While Ryanair may, in very limited circumstances, sub-lease its aircraft, it remains fully liable to perform all of its contractual obligations under the 'head lease' notwithstanding any such sub-leasing.

All other maintenance costs, other than major airframe overhaul, engine maintenance checks, and restitution of major life-limited parts costs associated with leased aircraft, are expensed as incurred.

Intangible assets - landing rights

Intangible assets acquired are recognised to the extent it is considered probable that expected future benefits will flow to the Company and the associated costs can be measured reliably. Landing rights acquired as part of a business combination are capitalised at fair value at that date and are not amortised, where those rights are considered to be indefinite. The carrying values of those rights are reviewed for impairment at each reporting date and are subject to impairment testing when events or changes in circumstances indicate that carrying values may not be recoverable. No

impairment to the carrying values of the Company's intangible assets has been recorded to date.

Available-for-sale securities

The Company holds certain equity securities, which are classified as available-for-sale, and are measured at fair value, less incremental direct costs, on initial recognition. Such securities are classified as available-for-sale, rather than as an investment in an associate if the Company does not have the power to exercise significant influence over the investee. Subsequent to initial recognition they are measured at fair value and changes therein, other than impairment losses, are recognised in other comprehensive income and reflected in shareholders' equity in the consolidated balance sheet. Fair value losses, subsequent to any impairments are recognised in other comprehensive income against net cumulative gains in the reserve. Fair value losses below the impaired value are recognised in the income statement. The fair values of available-for-sale securities are determined by reference to quoted prices in active markets at each reporting date. When an investment is de-recognised the cumulative gain or loss in other comprehensive income is transferred to the income statement.

Such securities are considered to be impaired if there is objective evidence which indicates that events have occurred that can reasonably be expected to adversely affect the future cash flows of the securities, such that the future cash flows do not support the current fair value of the securities. This includes where there is a significant or prolonged decline in the fair value below its cost. All impairment losses are recognised in the income statement and any cumulative loss in respect of an available-for-sale asset recognised previously in other comprehensive income is also transferred to the income statement.

During the year ended March 31, 2016 the Company disposed of its 29.8% shareholding in Aer Lingus, which had been accounted for as an available-for-sale security.

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Other financial assets

Other financial assets (other than available-for-sale financial assets) comprise cash deposits of greater than three months' maturity. All amounts are categorised as loans and receivables and are carried initially at fair value and then subsequently at amortised cost, using the effective interest method in the balance sheet.

Derivative financial instruments

Ryanair is exposed to market risks relating to fluctuations in commodity prices, interest rates and currency exchange rates. The objective of financial risk management at Ryanair is to minimise the impact of commodity price, interest rate and foreign exchange rate fluctuations on the Company's earnings, cash flows and equity.

To manage these risks, Ryanair uses various derivative financial instruments, including interest rate swaps, foreign currency forward contracts and commodity contracts. These derivative financial instruments are generally held to maturity. The Company enters into these arrangements with the goal of hedging its operational and balance sheet risk. However, Ryanair's exposure to commodity price, interest rate and currency exchange rate fluctuations cannot be neutralised completely.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments continue to be re-measured to fair value, and changes therein are accounted for as described below.

The fair value of interest rate swaps is computed by discounting the projected cash flows on the Company's swap arrangements to present value using an appropriate market rate of interest. The fair value of forward foreign exchange contracts and commodity contracts is determined based on the present value of the quoted forward price. The credit quality of Ryanair and counterparties are considered in setting fair value. Recognition of any resultant gain or loss depends on the nature of the item being hedged.

Where a derivative financial instrument is designated as a hedge of the variability in cash flows of a recognised asset or liability or a highly probable forecasted transaction, the effective part of any gain or loss on the derivative financial instrument is recognised in other comprehensive income (in the cash flow hedging reserve on the balance sheet). When the hedged forecasted transaction results in the recognition of a non-financial asset or liability, the cumulative gain or loss is removed from other comprehensive income and included in the initial measurement of that asset or

liability. Otherwise the cumulative gain or loss is removed from other comprehensive income and recognised in the income statement at the same time as the hedged transaction. The ineffective part of any hedging transaction and the gain or loss thereon is recognised in the income statement immediately.

When a hedging instrument or hedge relationship is terminated but the underlying hedged transaction is still expected to occur, the cumulative gain or loss at that point remains in other comprehensive income and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative unrealised gain or loss recognised in other comprehensive income is recognised in the income statement immediately.

Where a derivative financial instrument hedges the changes in fair value of a recognised asset or liability or an unrecognised firm commitment, any gain or loss on the hedging instrument is recognised in the income statement. The hedged item is also stated at fair value in respect of the risk being hedged, with any gain or loss also being recognised in the income statement.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is based on invoiced price on an average basis for all stock categories. Net realisable value is calculated as the estimated selling price arising in the ordinary course of business, net of estimated selling costs.

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Trade and other receivables and payables

Trade and other receivables and payables are stated on initial recognition at fair value plus any incremental direct costs and subsequently at amortised cost, net (in the case of receivables) of any impairment losses, which approximates fair value given the short-dated nature of these assets and liabilities.

Cash and cash equivalents

Cash represents cash held at banks and available on demand, and is categorised for measurement purposes as “loans and receivables.”

Cash equivalents are current asset investments (other than cash) that are readily convertible into known amounts of cash, typically cash deposits of more than one day but less than three months at the date of purchase. Deposits with maturities greater than three months are recognised as short-term investments, are categorised as loans and receivables and are carried initially at fair value and then subsequently at amortised cost, using the effective-interest method.

Interest-bearing loans and borrowings

All loans and borrowings are initially recorded at fair value, being the fair value of the consideration received, net of attributable transaction costs. Subsequent to initial recognition, non-current interest-bearing loans are measured at amortised cost, using the effective interest yield methodology.

Leases

Leases under which the Company assumes substantially all of the risks and rewards of ownership are classified as finance leases. Assets held under finance leases are capitalised in the balance sheet, at an amount equal to the lower of their fair value and the present value of the minimum lease payments, and are depreciated over their estimated useful lives. The present values of the future lease payments are recorded as obligations under finance leases and the interest element of a lease obligation is charged to the income statement over the period of the lease in proportion to the balances outstanding.

Other leases are operating leases and the associated leased assets are not recognised on the Company's balance sheet. Expenditure arising under operating leases is charged to the income statement as incurred. The Company also enters into sale-and-leaseback transactions whereby it sells the rights to an aircraft to an external party and subsequently leases the aircraft back, by way of an operating lease. Any profit or loss on the disposal where the price achieved is not considered to be at fair value is spread over the period during which the asset is expected to be used. The profit or loss amount deferred is included within "other creditors" and split into components of greater than and less than one year.

Provisions and contingencies

A provision is recognised in the balance sheet when there is a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefit will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future outflow at a pre-tax rate that reflects current market assessments of the time value of money and, when appropriate, the risks specific to the liability.

The Company assesses the likelihood of any adverse outcomes to contingencies, including legal matters, as well as probable losses. We record provisions for such contingencies when it is probable that a liability will be incurred and the amount of the loss can be reasonably estimated. A contingent liability is disclosed where the existence of the obligation will only be confirmed by future events, or where the amount of the obligation cannot be measured with reasonable reliability. Provisions are re-measured at each balance sheet date based on the best estimate of the settlement amount.

In relation to legal matters, we develop estimates in consultation with internal and external legal counsel taking into account the relevant facts and circumstances known to us. The factors that we consider in developing our legal provisions include the merits and jurisdiction of the litigation, the nature and number of other similar current and past litigation cases, the nature of the subject matter of the litigation, the likelihood of settlement and current state of settlement discussions, if any.

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Segment reporting

Operating segments are reported in a manner consistent with the internal organisational and management structure and the internal reporting information provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of operating segments. The Company is managed as a single business unit that provides low fares airline-related services, including scheduled services, and ancillary services including hotel, travel insurance and internet and other related services to third parties, across a European route network.

Income statement classification and presentation

Individual income statement captions have been presented on the face of the income statement, together with additional line items, headings and sub-totals, where it is determined that such presentation is relevant to an understanding of our financial performance, in accordance with IAS 1, "Presentation of Financial Statements".

Expenses are classified and presented in accordance with the nature-of-expenses method. We disclose separately on the face of the income statement, within other income and expense, losses on the impairment of available-for-sale financial assets and gains or losses on disposal of property, plant and equipment. The nature of the Company's available-for-sale asset is that of a financial investment; accordingly, the gain on disposal of and/or any impairment of the investment is categorised as finance expense and included in other income/(expense) as a separate line item. The presentation of gains or losses on the disposal of property, plant and equipment within other income/(expense) accords with industry practice.

Revenues

Scheduled revenues comprise the invoiced value of airline and other services, net of government taxes. Revenue from the sale of flight seats is recognised in the period in which the service is provided. Unearned revenue represents flight seats sold but not yet flown and a provision for government tax refund claims attributable to unused tickets, and is included in accrued expenses and other liabilities. Revenue, net of government taxes, is released to the income statement as passengers fly. Unused tickets are recognised as revenue on a systematic basis, such that twelve months of time expired revenues are recognised in revenue in each fiscal year. Miscellaneous fees charged for any changes to flight tickets are recognised in revenue immediately.

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

Share-based payments

The Company engages in equity-settled, share-based payment transactions in respect of services received from certain of its employees. The fair value of the services received is measured by reference to the fair value of the share options on the date of the grant. The grant measurement date is the date that a shared understanding of the terms of the award is established between the Company and the employee. The cost of the employee services received in respect of the share options granted is recognised in the income statement over the period that the services are received, which is the vesting period, with a corresponding increase in equity. To the extent that service is provided prior to the grant measurement date, the fair value of the share options is initially estimated and re-measured at each balance sheet date until the grant measurement date is achieved. The fair value of the options granted is determined using a binomial lattice option-pricing model, which takes into account the exercise price of the option, the current share price, the risk-free interest rate, the expected volatility of the Ryanair Holdings plc share price over the life of the option and other relevant factors. Non-market vesting conditions are taken into account by adjusting the number of shares or share options included in the measurement of the cost of employee services so that ultimately, the amount recognised in the income statement reflects the number of vested shares or share options.

Retirement benefit obligations

The Company provides certain employees with post-retirement benefits in the form of pensions. The Company currently operates a number of defined contribution schemes.

Costs arising in respect of the Company's defined contribution pension schemes (where fixed contributions are paid into the scheme and there is no legal or constructive obligation to pay further amounts) are charged to the

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income statement in the period in which they are incurred. Any contributions unpaid at the balance sheet date are included as a liability.

A defined benefit plan is a post-employment benefit plan other than a defined-contribution plan. The liabilities and costs associated with the Company's defined benefit pension scheme are assessed on the basis of the projected unit credit method by professionally qualified actuaries and are arrived at using actuarial assumptions based on market expectations at the balance sheet date. The net obligation in respect of defined benefit schemes is calculated separately for each plan by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods. That benefit is discounted to determine its present value and the fair value of any plan asset is deducted. The discount rates employed in determining the present value of each scheme's liabilities are determined by reference to market yields at the balance sheet date of high quality corporate bonds in the same currency and term that is consistent with those of the associated pension obligations. The net surplus or deficit arising on the Company's defined-benefit scheme is shown within non-current assets or liabilities on the balance sheet. The deferred tax impact of any such amount is disclosed separately within deferred tax.

Re-measurements, comprising actuarial gains and losses and the return on plan assets (excluding net interest), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through other comprehensive income in the period in which they occur.

Taxation

Income tax on the profit or loss for a year comprises current and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised in other comprehensive income (such as certain hedging derivative financial instruments, available-for-sale assets, retirement benefit obligations). Current tax payable on taxable profits is recognised as an expense in the period in which the profits arise using tax rates enacted or substantively enacted at the balance sheet date.

Deferred income tax is provided in full, using the balance sheet liability method, on temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. Deferred income tax is determined using tax rates and legislation enacted or substantively enacted by the balance sheet date and expected to apply when the temporary differences reverse.

The following temporary differences are not provided for: (i) the initial recognition of assets and liabilities that effect neither accounting nor taxable profit and (ii) differences relating to investments in subsidiaries to the extent that it is probable they will not reverse in the future.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary differences can be utilised. The carrying amounts of deferred tax assets are reviewed at each balance sheet date and reduced to the extent that it is no longer probable that a sufficient taxable profit will be available to allow all or part of the deferred tax asset to be realised.

Social insurance, passenger taxes and sales taxes are recorded as a liability based on laws enacted in the jurisdictions to which they relate. Liabilities are recorded when an obligation has been incurred.

Tax liabilities are based on the best estimate of the likely obligation at each reporting period. These estimates are subject to revision based on the outcome of tax audits and discussions with revenue authorities that can take several years to conclude.

Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of ordinary shares and share options are recognised as a deduction from equity, net of any tax effects. When share capital recognised as equity is repurchased, the amount of consideration paid, which includes any directly attributable costs, net of any tax effects, is recognised as a deduction from equity. Repurchased shares are classified as treasury shares and are presented as a deduction from total equity, until they are cancelled.

Dividend distributions are recognised as a liability in the period in which the dividends are approved by the Company's shareholders.

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Prospective accounting changes, new standards and interpretations not yet adopted

The following new or revised IFRS standards and IFRIC interpretations will be adopted for purposes of the preparation of future financial statements, where applicable. Those that are not as yet EU endorsed are flagged below. We do not anticipate that the adoption of these new or revised standards and interpretations will have a material impact on our financial position or results from operations.

- Amendments to IFRS 11: “Accounting for Acquisitions of Interests in Joint Operations” (effective for fiscal periods beginning on or after January 1, 2016).
- Amendments to IAS 16 and IAS 38: “Clarification of Acceptable Methods of Depreciation and Amortisation” effective for fiscal periods beginning on or after January 1, 2016).
- Amendments to IAS 16: “Property, Plant and Equipment” and IAS 41: “Bearer Plants” (effective for fiscal periods beginning on or after January 1, 2016).
- Amendments to IAS 27: “Equity Method in Separate Financial Statements” (effective for fiscal periods beginning on or after January 1, 2016).
- Amendments to IAS 1: “Disclosure Initiative” (effective for fiscal periods beginning on or after January 1, 2016).
- “Annual Improvements to IFRSs”. 2012-2014 Cycle (effective for fiscal periods beginning on or after January 1, 2016).
- Amendments to IFRS 10, IFRS 12 and IAS 28: “Investment Entities: Applying the consolidation exception” (effective for fiscal periods beginning on or after January 1, 2016).*
- IFRS 14: “Regulatory Deferral Accounts” (effective for fiscal periods beginning on or after January 1, 2016).*
- Amendments to IAS 7: “Disclosure Initiative” (effective for fiscal periods beginning on or after January 1, 2017).*
- Amendments to IAS 12: “Recognition of deferred tax assets for unrealised losses” (effective for fiscal periods beginning on or after January 1, 2017).*
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IFRS 15: "Revenue from Contracts with Customers" (effective for fiscal periods beginning on or after January 1, 2018).*

- IFRS 16: "Leases" (effective for fiscal periods beginning on or after January 1, 2018).*
- Amendments to IFRS 2: "Classification and Measurement of Share-based Payment Transactions" (effective for fiscal periods beginning on or after January 1, 2018).*
- IFRS 9: "Financial Instruments" (effective for fiscal periods beginning on or after January 1, 2019).*

* These standards or amendments to standards are not as yet EU endorsed.

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2. Property, plant and equipment

	Aircraft €M	Hangar and Buildings €M	Plant and Equipment €M	Fixtures and Fittings €M	Motor Vehicles €M	Total €M
Year ended March 31, 2016						
Cost						
At March 31, 2015	7,538.1	67.4	29.5	44.1	2.5	7,681.6
Additions in year	1,203.8	3.4	2.9	6.5	1.1	1,217.7
Disposals in year	(75.5)	—	—	—	—	(75.5)
At March 31, 2016	8,666.4	70.8	32.4	50.6	3.6	8,823.8
Depreciation						
At March 31, 2015	2,127.7	21.7	24.0	34.8	2.3	2,210.5
Charge for year	415.5	3.4	2.7	5.4	0.3	427.3
Eliminated on disposal	(75.5)	—	—	—	—	(75.5)
At March 31, 2016	2,467.7	25.1	26.7	40.2	2.6	2,562.3
Net book value						
At March 31, 2016	6,198.7	45.7	5.7	10.4	1.0	6,261.5

	Aircraft €M	Hangar and Buildings €M	Plant and Equipment €M	Fixtures and Fittings €M	Motor Vehicles €M	Total €M
Year ended March 31, 2015						
Cost						
At March 31, 2014	6,815.7	67.3	26.6	36.5	2.4	6,948.5
Additions in year	777.0	0.1	2.9	8.4	0.1	788.5
Disposals in year	(54.6)	—	—	(0.8)	—	(55.4)
At March 31, 2015	7,538.1	67.4	29.5	44.1	2.5	7,681.6
Depreciation						
At March 31, 2014	1,814.6	18.3	21.5	31.6	2.2	1,888.2
Charge for year	367.7	3.4	2.5	4.0	0.1	377.7
Eliminated on disposal	(54.6)	—	—	(0.8)	—	(55.4)
At March 31, 2015	2,127.7	21.7	24.0	34.8	2.3	2,210.5
Net book value						
At March 31, 2015	5,410.4	45.7	5.5	9.3	0.2	5,471.1

Hangar and Plant and Fixtures and Motor

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	Aircraft €M	Buildings €M	Equipment €M	Fittings €M	Vehicles €M	Total €M
Year ended March 31, 2014						
Cost						
At March 31, 2013	6,409.6	58.8	23.2	33.2	2.3	6,527.1
Additions in year	490.5	8.5	3.4	3.3	0.1	505.8
Disposals in year	(84.4)	—	—	—	—	(84.4)
At March 31, 2014	6,815.7	67.3	26.6	36.5	2.4	6,948.5
Depreciation						
At March 31, 2013	1,555.1	15.7	19.3	28.6	2.1	1,620.8
Charge for year	343.9	2.6	2.2	3.0	0.1	351.8
Eliminated on disposal	(84.4)	—	—	—	—	(84.4)
At March 31, 2014	1,814.6	18.3	21.5	31.6	2.2	1,888.2
Net book value						
At March 31, 2014	5,001.1	49.0	5.1	4.9	0.2	5,060.3

At March 31, 2016, aircraft with a net book value of €3,570.9 million (2015: €3,713.9 million; 2014: €3,912.1 million) were mortgaged to lenders as security for loans. Under the security arrangements for the Company's new

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Boeing 737-800 “next generation” aircraft, the Company does not hold legal title to those aircraft while these loan amounts remain outstanding.

At March 31, 2016, the cost and net book value of aircraft included advance payments on aircraft of €687.1 million (2015: €631.1 million; 2014: €282.1 million). Such amounts, where present, are not depreciated. The cost and net book value also includes capitalised aircraft maintenance, aircraft simulators and the stock of rotatable spare parts.

The net book value of assets held under finance leases at March 31, 2016, 2015 and 2014 was €452.7 million, €535.0 million, and €559.0 million respectively.

During the year, €9.4 million (2015: €9.8 million; 2014: Nil) of borrowing costs were capitalized as part of property, plant and equipment. Borrowing costs have been capitalized at a rate of 1.482% (2015: 1.836%; 2014: Nil).

3. Intangible assets

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Landing rights	46.8	46.8	46.8

Landing slots were acquired with the acquisition of Buzz Stansted Limited in April 2003. As these landing slots have no expiry date and are expected to be used in perpetuity, they are considered to be of indefinite life and accordingly are not amortised. The Company also considers that there has been no impairment of the value of these rights to date. The recoverable amount of these rights has been determined on a value-in-use basis, using discounted cash-flow projections for a twenty-year period for each route that has an individual landing right. The calculation of value-in-use is most sensitive to the operating margin and discount rate assumptions. Operating margins are based on the existing margins generated from these routes and adjusted for any known trading conditions. The trading environment is subject to both regulatory and competitive pressures that can have a material effect on the operating performance of the business. Foreseeable events, however, are unlikely to result in a change of projections of a significant nature so as to result in the landing rights’ carrying amounts exceeding their recoverable amounts. These projections have been discounted based on the estimated discount rate applicable to the asset of 4.0% for 2016, 4.0% for 2015 and 5.3% for 2014.

4. Available-for-sale financial assets

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Investment in Aer Lingus	—	371.0	260.3

During the year ended March 31, 2016 Ryanair disposed of its 29.8% shareholding in Aer Lingus for cash consideration of €398.1 million or €2.50 per share, resulting in a gain in the income statement of €317.5 million, primarily due to the reclassification of unrealised gains from other comprehensive income and reserves to the income statement. The investment had previously been impaired to €0.50 per share in prior periods. As at March 31, 2015 Ryanair's total percentage shareholding was 29.8% (2014: 29.8%). The balance sheet value at March 31, 2015 of €371.0 million (2014: €260.3 million) reflected the market value of this investment as at that time. In accordance with the Company's accounting policy, this asset was held at fair value with a corresponding adjustment to other comprehensive income following initial acquisition. Any impairment losses that arose were recognised in the income statement and were not subsequently reversed. Any cumulative loss previously recognised in other comprehensive income was transferred to the income statement once an impairment was considered to have occurred.

During the 2007 fiscal year, the Company acquired 25.2% of Aer Lingus. The Company increased its interest to 29.3% during the 2008 fiscal year, and to 29.8% during the 2009 fiscal year at a total aggregate cost of €407.2 million.

In 2006 and 2012, Ryanair made offers to acquire the entire share capital of Aer Lingus, but both of these offers were prohibited by the European Commission on competition grounds. In addition, from 2010 to 2013 the U.K.

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competition authority investigated Ryanair's minority stake in Aer Lingus. On August 28, 2013, it issued its decision in which it found 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", and ordered Ryanair to reduce its shareholding in Aer Lingus to no more than five percent of Aer Lingus' issued ordinary shares. Ryanair appealed this decision on procedural and substantive grounds, but withdrew the appeal in September 28, 2015, following the sale of its stake in Aer Lingus on September 1, 2015.

On June 19, 2015 IAG issued a formal offer for Aer Lingus Group plc. The offer, which was recommended by the Board of Aer Lingus Group plc, consisted of cash consideration of €2.50 per ordinary share plus a €0.05 ordinary dividend (already paid in May 2015). On July 10, 2015 Ryanair confirmed that the Board of Ryanair Holdings plc voted unanimously to accept the IAG offer for Ryanair's 29.8% shareholding in Aer Lingus Group plc, subject to that offer receiving merger clearance from the European Commission which was subsequently granted on July 15, 2015. On September 1, 2015 the Company received total consideration of €398.1 million for the sale of its stake in Aer Lingus.

5. Derivative financial instruments

The Audit Committee of the Board of Directors has responsibility for monitoring the treasury policies and objectives of the Company, which include controls over the procedures used to manage the main financial risks arising from the Company's operations. Such risks comprise commodity price, foreign exchange and interest rate risks. The Company uses financial instruments to manage exposures arising from these risks. These instruments include borrowings, cash deposits and derivatives (principally jet fuel derivatives, interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts). It is the Company's policy that no speculative trading in financial instruments takes place.

The Company's historical fuel risk management policy has been to hedge between 70% and 90% of the forecast rolling annual volumes required to ensure that the future cost per gallon of fuel is locked in. This policy was adopted to prevent the Company being exposed, in the short term, to adverse movements in global jet fuel prices. However, when deemed to be in the best interests of the Company, it may deviate from this policy. At March 31, 2016, the Company had hedged approximately 95% (2015; 90%, 2014; 90%) of its estimated fuel exposure for the next fiscal year and hedged approximately 38% of its estimated fuel exposure for fiscal 2018.

Foreign currency risk in relation to the Company's trading operations largely arises in relation to non-euro currencies. These currencies are primarily U.K. pounds sterling and the U.S. dollar. The Company manages this risk by matching U.K. pounds sterling revenues against U.K. pounds sterling costs. Surplus U.K. pounds sterling revenues are sometimes used to fund forward foreign exchange contracts to hedge U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance, and capital expenditure costs and excess U.K. pounds sterling are converted into euro. Additionally, the Company swaps euro for U.S. dollars using forward currency contracts to cover any expected U.S. dollar outflows for these costs. From time to time, the Company also swaps euro for U.K. pounds sterling using forward currency contracts to hedge expected future surplus U.K. pounds sterling. From time to time the Company also enters into cross-currency interest rate swaps to hedge against fluctuations in foreign exchange rates and interest rates in respect of U.S. dollar denominated borrowings.

The Company's objective for interest rate risk management is to reduce interest-rate risk through a combination of financial instruments, which lock in interest rates on debt and by matching a proportion of floating rate assets with floating rate liabilities. In addition, the Company aims to achieve the best available return on investments of surplus cash – subject to credit risk and liquidity constraints. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty based on third-party market-based ratings. In line with the above interest rate risk management strategy, the Company has entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financial arrangements and certain other obligations. The Company has also entered into floating rate financing for certain aircraft, which is matched with floating rate deposits. Additionally, certain cash deposits have been set aside as collateral for the counterparty's exposure to risk of fluctuations on certain derivative arrangements with Ryanair (restricted cash). At March 31, 2016, such restricted cash (including amounts held in Escrow not relating to derivatives) amounted to €13.0 million (2015: €6.7 million; 2014: €13.3 million). Additional numerical information on these swaps and on other derivatives held by the Company is set out below and in Note 11 to the consolidated financial statements.

The Company utilises a range of derivatives designed to mitigate these risks. All of the above derivatives have been accounted for at fair value in the Company's balance sheet and have been utilised to hedge against these

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particular risks arising in the normal course of the Company's business. All have been designated as hedging derivatives for the purposes of IAS 39 and are fully set out below.

Derivative financial instruments, all of which have been recognised at fair value in the Company's balance sheet, are analysed as follows:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Non-current assets			
Gains on cash-flow hedging instruments – maturing after one year	88.5	554.5	0.4
	88.5	554.5	0.4
Current assets			
Gains on cash flow hedging instruments – maturing within one year	269.1	744.4	16.7
	269.1	744.4	16.7
Total derivative assets	357.6	1,298.9	17.1
Current liabilities			
Losses on cash flow hedging instruments – maturing within one year	(555.4)	(811.7)	(95.4)
	(555.4)	(811.7)	(95.4)
Non-current liabilities			
Losses on cash flow hedging instruments – maturing after one year	(111.6)	(73.4)	(43.2)
	(111.6)	(73.4)	(43.2)
Total derivative liabilities	(667.0)	(885.1)	(138.6)
Net derivative financial instrument position at year-end	(309.4)	413.8	(121.5)

All of the above gains and losses were unrealised at the period-end.

The table above includes the following derivative arrangements:

	Fair value	Fair value	Fair value
	2016 (a)	2015 (a)	2014 (a)
	€M	€M	€M
Interest rate swaps (b)			
Less than one year (c)	(10.4)	(7.4)	(31.0)
Between one and five years	(0.5)	(3.5)	(40.9)
After five years	2.7	0.2	(0.5)
	(8.2)	(10.7)	(72.4)
Foreign currency forward contracts (b)			

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Less than one year	266.6	702.2	(64.4)
Between one and five years	28.7	534.0	(0.7)
After five years	—	1.5	(1.1)
	295.3	1,237.7	(66.2)
Commodity forward contracts (d)			
Less than one year	(542.6)	(762.1)	16.7
Between one and five years	(53.9)	(51.1)	0.4
	(596.5)	(813.2)	17.1
Net derivative position at year end	(309.4)	413.8	(121.5)

- (a) The derivative arrangements in the above table have been netted for disclosure purposes only. The amounts included on the Balance Sheet are gross amounts as the Company does not qualify for netting.
- (b) Additional information in relation to the above interest rate swaps and forward currency contracts (i.e. notional value and weighted average interest rates) can be found in Note 11 to the consolidated financial statements.
- (c) €10.4 million interest rate swap financial liabilities falling due within one year, is net of €1.8 million derivative financial assets, falling due within one year, in respect of cross currency interest rate swaps (see Note 11 to the consolidated financial statements).

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(d) €596.5 million commodity forward contracts relate solely to jet fuel derivative financial liabilities (see Note 11 of the consolidated financial statements).

Interest rate swaps are primarily used to convert a portion of the Company's floating rate exposures on borrowings and operating leases into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt or lease being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all designated in cash-flow hedges of the forecasted variable interest payments and rentals due on the Company's underlying debt and operating leases and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges in the current and preceding years.

The Company also utilises cross currency interest rate swaps to manage exposures to fluctuations in foreign exchange rates of U.S. dollar denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar denominated floating rate borrowings. Cross currency interest rate swaps are primarily used to convert a portion of the Company's U.S. dollar denominated debt to euro and floating rate interest exposures into fixed rate exposures and are set so as to match exactly the critical terms of the underlying debt being hedged (i.e. notional principal, interest rate settings, re-pricing dates). These are all designated in cash-flow hedges of the forecasted U.S. dollar variable interest payments on the Company's underlying debt and have been determined to be highly effective in achieving offsetting cash flows. Accordingly, no ineffectiveness has been recorded in the income statement relating to these hedges in the current year.

Foreign currency forward contracts may be utilised in a number of ways: forecast U.K. pounds sterling and euro revenue receipts are converted into U.S. dollars to hedge against forecasted U.S. dollar payments principally for jet fuel, insurance, capital expenditure and other aircraft related costs. These are designated in cash-flow hedges of forecasted U.S. dollar payments and have been determined to be highly effective in offsetting variability in future cash flows arising from the fluctuation in the U.S. dollar to U.K. pounds sterling and euro exchange rates for the forecasted U.S. dollar purchases. Because the timing of anticipated payments and the settlement of the related derivatives is very closely coordinated, no ineffectiveness has been recorded for these foreign currency forward contracts in the current or preceding years (the underlying hedged items and hedging instruments have been consistently closely matched).

The Company also utilises jet fuel forward contracts to manage exposure to jet fuel prices. These are used to hedge the Company's forecasted fuel purchases, and are arranged so as to match as closely as possible against forecasted fuel delivery and payment requirements. These are designated in cash-flow hedges of forecasted fuel payments and have been determined to be highly effective in offsetting variability in future cash flows arising from fluctuations in jet fuel prices. No ineffectiveness has been recorded on these arrangements in the current or preceding years.

The European Union Emissions Trading System (EU ETS) began operating for airlines on January 1, 2012. In order to manage the risks associated with the fluctuation in the price of carbon emission credits, the Company entered into swap arrangements to fix the cost of a portion of its forecasted carbon emission credit purchases. The Company can forecast its requirement for carbon credits as they are directly linked to its consumption of jet fuel. These instruments have been designated in cash-flow hedges and no ineffectiveness has been recorded in the current year.

The (gains)/losses on the aircraft firm commitments are recognised as part of the capitalised cost of aircraft additions, within property, plant and equipment. The (gains)/losses on interest rate swaps, commodity forward contracts and forward currency contracts (excluding aircraft firm commitments) are recognised in the income statement when the hedged transaction occurs.

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The following table indicates the amounts that were reclassified from other comprehensive income into the income statement, analysed by income statement category, in respect of cash-flow hedges realised during the year:

	Year ended March 31,		
	2016	2015	2014
	€M	€M	€M
Commodity forward contracts			
Reclassification adjustments for (gains)/losses recognised in fuel and oil operating expenses, net of tax	(891.4)	135.4	0.7
Interest rate swaps			
Reclassification adjustments for (gains)/losses recognised in finance expense, net of tax	(15.4)	18.9	24.0
Foreign currency forward contracts			
Reclassification adjustments for (gains) recognised in fuel and oil operating expenses, net of tax	(28.4)	(86.0)	(0.3)
	(935.2)	68.3	24.4

The following table indicates the amounts that were reclassified from other comprehensive income into the capitalised cost of aircraft additions within property, plant and equipment, in respect of cash-flow hedges realised during the year:

	Year ended March 31,		
	2016	2015	2014
	€M	€M	€M
Foreign currency forward contracts			
Recognised in property plant and equipment – aircraft additions	(39.6)	(40.0)	(0.1)
	(39.6)	(40.0)	(0.1)

The following tables indicate the periods in which cash flows associated with derivatives that are designated as cash-flow hedges were expected to occur and to impact on profit or loss, as of March 31, 2016, 2015 and 2014:

	Carrying Amount	Expected Cash Flows	Expected				
			2017	2018	2019	2020	Thereafter
	€M	€M	€M	€M	€M	€M	€M
At March 31, 2016							
Interest rate swaps	(8.2)	26.2	(2.1)	4.0	2.8	3.8	17.7
U.S. dollar currency forward contracts	44.9	54.7	86.3	(37.1)	2.3	2.0	1.2
	250.4	241.7	180.3	61.4			

U.S. dollar currency forward contracts
to be capitalised in property, plant and
equipment - aircraft additions

Commodity forward contracts	(596.5)	(596.5)	(542.5)	(54.0)	—	—	—
	(309.4)	(273.9)	(278.0)	(25.7)	5.1	5.8	18.9

	Carrying Amount €M	Expected Cash Flows €M	2016 €M	2017 €M	2018 €M	2019 €M	Thereafter €M
At March 31, 2015							
Interest rate swaps	(10.7)	(17.7)	(12.5)	(5.8)	0.8	(0.5)	0.3
U.S. dollar currency forward contracts	647.6	654.6	469.6	172.1	5.9	2.9	4.1
U.S. dollar currency forward contracts to be capitalised in property, plant and equipment - aircraft additions	614.6	628.7	11.2	22.1	27.3	27.3	540.8
U.K. pounds sterling currency forward contracts	(24.5)	(24.5)	(24.5)	—	—	—	—
Commodity forward contracts	(813.2)	(813.2)	(762.1)	(51.1)	—	—	—
	413.8	427.9	(318.3)	137.3	34.0	29.7	545.2

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	Carrying Amount €M	Expected Cash Flows €M	2015 €M	2016 €M	2017 €M	2018 €M	Thereafter €M
At March 31, 2014							
Interest rate swaps	(72.4)	(51.0)	(22.0)	(17.6)	(9.2)	(1.6)	(0.6)
U.S. dollar currency forward contracts	(51.4)	(51.7)	(50.6)	1.3	(0.4)	(0.3)	(1.7)
U.S. dollar currency forward contracts to be capitalised in property, plant and equipment - aircraft additions	(15.0)	(15.0)	(14.0)	(1.0)			
U.K. pounds sterling currency forward contracts	0.2	0.2	0.2	—	—	—	—
Commodity forward contracts	17.1	17.1	16.7	0.4	—	—	—
	(121.5)	(100.4)	(69.7)	(16.9)	(9.6)	(1.9)	(2.3)

Derivative transactions entered into by the Company with a particular counterparty are not settled net and there are no provisions within these agreements to off-set similar transactions.

The Company entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating rate financing of certain aircraft. Cash deposits are required to be set aside as collateral for certain historic interest rate swaps to mitigate the counterparty's exposure to fluctuations in the underlying interest rate swaps. The following table sets out the carrying amounts of recognised financial instruments that are subject to the above agreements:

	At March 31,		
	2016 €M	2015 €M	2014 €M
Gross financial instruments in the statement of financial position			
Derivative financial liabilities			
Interest rate swaps	(1.0)	(4.5)	(11.0)
Related financial instruments that are not offset			
Restricted cash	1.6	6.7	13.3
Net amount	0.6	2.2	2.3

6. Inventories

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Consumables	3.3	2.1	2.5

In the view of the directors, there are no material differences between the net realisable value of inventories and the balance sheet amounts.

7. Other assets

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Prepayments	145.1	133.9	121.6
Interest receivable	3.4	4.8	2.6
	148.5	138.7	124.2

All amounts fall due within one year.

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8. Trade receivables

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Trade receivables	66.2	60.2	58.2
Allowance for impairment	(0.1)	(0.1)	(0.1)
	66.1	60.1	58.1

All amounts fall due within one year.

There has been no change to the allowance for impairment during the year (2015: Nil; 2014: Nil). There were no bad debt write-offs in the year (2015: Nil; 2014: Nil).

No individual customer accounted for more than 10% of our accounts receivable at March 31, 2016, at March 31, 2015 or at March 31, 2014.

At March 31, 2016, €0.6 million (2015: €1.1 million; 2014: €1.4 million) of our total accounts receivable balance were past due, of which €0.1 million (2015: €0.1 million; 2014: €0.1 million) was impaired and provided for and €0.5 million (2015: €1.0 million; 2014: €1.3 million) was considered past due but not impaired.

9. Restricted cash

Restricted cash consists of €13.0 million (2015: €6.7 million; 2014: €13.3 million) placed on deposit as collateral for certain derivative financial instrument arrangements entered into by the Company and include amounts held in escrow (which accounts for the majority of the balance).

10. Accrued expenses and other liabilities

At March 31,		
2016	2015	2014

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	€M	€M	€M
Accruals	422.8	417.1	397.8
Taxation	516.0	433.3	308.1
Unearned revenue	1,173.9	1,087.8	855.3
	2,112.7	1,938.2	1,561.2

Taxation comprises:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
PAYE (payroll taxes)	12.9	9.7	6.7
Other tax (principally air passenger duty in various countries)	503.1	423.6	301.4
	516.0	433.3	308.1

11. Financial instruments and financial risk management

The Company utilises financial instruments to reduce exposures to market risks throughout its business. Borrowings, cash and cash equivalents and liquid investments are used to finance the Company's operations. Derivative financial instruments are contractual agreements with a value that reflects price movements in an underlying asset. The Company uses derivative financial instruments, principally jet fuel derivatives, interest rate swaps, cross-currency interest rate swaps and forward foreign exchange contracts to manage commodity risks, interest rate risks and currency exposures and to achieve the desired profile of fixed and variable rate borrowings and leases

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in appropriate currencies. It is the Company's policy that no speculative trading in financial instruments shall take place.

The main risks attaching to the Company's financial instruments, the Company's strategy and approach to managing these risks, and the details of the derivatives employed to hedge against these risks have been disclosed in Note 5 to the consolidated financial statements.

(a) Financial assets and financial liabilities – fair values

The carrying value and fair value of the Company's financial assets by class and measurement category at March 31, 2016, 2015 and 2014 were as follows:

	Cash- Flow Hedges €M	Loans and Receivables €M	Total Carrying Value €M	Total Fair Value €M
At March 31, 2016				
Cash and cash equivalents	—	1,259.2	1,259.2	—
Financial asset: cash > 3 months	—	3,062.3	3,062.3	—
Restricted cash	—	13.0	13.0	—
Derivative financial instruments:-				
- U.S. dollar currency forward contracts	346.4	—	346.4	346.4
- Interest rate swaps	8.0	—	8.0	8.0
- Jet fuel derivative contracts	3.2	—	3.2	3.2
Trade receivables	—	66.1	66.1	—
Other assets	—	3.4	3.4	—
Total financial assets at March 31, 2016	357.6	4,404.0	4,761.6	357.6

	Available For Sale €M	Cash- Flow Hedges €M	Loans and Receivables €M	Total Carrying Value €M	Total Fair Value €M
At March 31, 2015					
Available-for-sale financial assets	371.0	—	—	371.0	371.0
Cash and cash equivalents	—	—	1,184.6	1,184.6	—
Financial asset: cash > 3 months	—	—	3,604.6	3,604.6	—

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Restricted cash	—	—	6.7	6.7	—
Derivative financial instruments:-					
- U.S. dollar currency forward contracts	—	1,262.2	—	1,262.2	1,262.2
- Interest rate swaps	—	21.3	—	21.3	21.3
- Jet fuel derivative contracts	—	15.4	—	15.4	15.4
Trade receivables	—	—	60.1	60.1	—
Other assets	—	—	4.8	4.8	—
Total financial assets at March 31, 2015	371.0	1,298.9	4,860.8	6,530.7	1,669.9

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	Available For Sale €M	Cash- Flow Hedges €M	Loans and Receivables €M	Total Carrying Value €M	Total Fair Value €M
At March 31, 2014					
Available-for-sale financial assets	260.3	—	—	260.3	260.3
Cash and cash equivalents	—	—	1,730.1	1,730.1	—
Financial asset: cash > 3 months	—	—	1,498.3	1,498.3	—
Restricted cash	—	—	13.3	13.3	—
Derivative financial instruments:-					
- Jet fuel derivative contracts	—	17.1	—	17.1	17.1
Trade receivables	—	—	58.1	58.1	—
Other assets	—	—	2.6	2.6	—
Total financial assets at March 31, 2014	260.3	17.1	3,302.4	3,579.8	277.4

The Company has not disclosed the fair value of the financial instruments: cash and cash equivalents, financial assets: cash > 3 months, restricted cash, trade receivables and other assets because their carrying amounts are a reasonable approximation of their fair values due to the short term nature of the instruments.

The carrying values and fair values of the Company's financial liabilities by class and category were as follows:

	Liabilities at Amortised Cost €M	Cash-Flow Hedges €M	Total Carrying Value €M	Total Fair Value €M
At March 31, 2016				
Current and non-current maturities of debt	4,023.0	—	4,023.0	4,115.1
Derivative financial instruments:-				
-GBP currency forward contracts	—	51.1	51.1	51.1
-Jet fuel derivative contracts	—	599.7	599.7	599.7
-Interest rate swaps	—	16.2	16.2	16.2
Trade payables	230.6	—	230.6	—
Accrued expenses	422.8	—	422.8	—
Total financial liabilities at March 31, 2016	4,676.4	667.0	5,343.4	4,782.1
At March 31, 2015				
Current and non-current maturities of debt	4,431.6	—	4,431.6	4,529.6
Derivative financial instruments:-				
-GBP currency forward contracts	—	24.5	24.5	24.5
-Jet fuel derivative contracts	—	828.7	828.7	828.7
-Interest rate swaps	—	31.9	31.9	31.9
Trade payables	196.5	—	196.5	—

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Accrued expenses	417.1	—	417.1	—
Total financial liabilities at March 31, 2015	5,045.2	885.1	5,930.3	5,414.7
At March 31, 2014				
Current and non-current maturities of debt	3,083.6	—	3,083.6	3,128.8
Derivative financial instruments:-				
- Interest rate swaps	—	72.4	72.4	72.4
- Foreign exchange forward contracts	—	66.2	66.2	66.2
Trade payables	150.0	—	150.0	—
Accrued expenses	397.8	—	397.8	—
Total financial liabilities at March 31, 2014	3,631.4	138.6	3,770.0	3,267.4

The Company has not disclosed the fair value for financial liabilities such as trade payables and accrued expenses because their carrying amounts are a reasonable approximation of their fair values due to the short term nature of the instruments.

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Estimation of fair values

Fair value is the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used to estimate the fair value of each material class of the Company's financial instruments:

Financial instruments measured at fair value

Available-for-sale: The fair value of available-for-sale financial assets is their quoted market bid price at the balance sheet date. (Level 1)

Derivatives – interest rate swaps: Discounted cash-flow analyses have been used to determine the fair value, taking into account current market inputs and rates. The Company's credit risk and counterparty's credit risk is taken into account when establishing fair value. (Level 2)

Derivatives – currency forwards and aircraft fuel contracts: A comparison of the contracted rate to the market rate for contracts providing a similar risk profile at March 31, 2016 has been used to establish fair value. The Company's credit risk and counterparty's credit risk is taken into account when establishing fair value. (Level 2)

Financial instruments not measured at fair value

Fixed-rate long-term debt: The repayments which Ryanair is committed to make have been discounted at the relevant market rates of interest applicable (including credit spreads) at the relevant reporting year end date to arrive at a fair value representing the amount payable to a third party to assume the obligations.

There were no significant changes in the business or economic circumstances during the year to March 31, 2016 that affect the fair value of the Company's Financial Assets and Financial Liabilities.

The table below analyses financial instruments carried at fair value in the balance sheet categorised by the type of valuation method used. The different valuation levels are defined as follows:

- Level 1: Inputs are based on unadjusted quoted prices in active markets for identical instruments.

- Level 2: Inputs are based on quoted prices for identical or similar instruments in markets that are not active, quoted prices for similar instruments in active markets, and model-based valuation techniques for which all significant assumptions are observable in the market or can be corroborated by observable market data for substantially the full term of the asset or liability.
- Level 3: Inputs for the asset or liability are not based on observable market data.

	Level 1 €M	Level 2 €M	Level 3 €M	Total €M
At March 31, 2016				
Assets measured at fair value				
Cash-flow hedges – U.S. dollar currency forward contracts	—	346.4	—	346.4
Cash-flow hedges – jet fuel derivative contracts	—	3.2	—	3.2
Cash-flow hedges – interest rate swaps	—	8.0	—	8.0
	—	357.6	—	357.6
Liabilities measured at fair value				
Cash-flow hedges – GBP currency forward contracts	—	51.1	—	51.1
Cash-flow hedges – jet fuel derivative contracts	—	599.7	—	599.7
Cash-flow hedges – interest rate swaps	—	16.2	—	16.2
	—	667.0	—	667.0
Liabilities not measured at fair value				
Long-term debt	—	4,115.1	—	4,115.1
	—	5,139.7	—	5,139.7

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During the year ended March 31, 2016, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

	Level 1 €M	Level 2 €M	Level 3 €M	Total €M
At March 31, 2015				
Assets measured at fair value				
Available-for-sale financial asset	371.0	—	—	371.0
Cash-flow hedges – U.S. dollar currency forward contracts	—	1,262.2	—	1,262.2
Cash-flow hedges – jet fuel derivative contracts	—	15.4	—	15.4
Cash-flow hedges – interest rate swaps	—	21.3	—	21.3
	371.0	1,298.9	—	1,669.9
Liabilities measured at fair value				
Cash-flow hedges – GBP currency forward contracts	—	(24.5)	—	(24.5)
Cash-flow hedges – jet fuel derivative contracts	—	(828.7)	—	(828.7)
Cash-flow hedges – interest rate swaps	—	(31.9)	—	(31.9)
Cash-flow hedges – carbon derivative contracts	—	—	—	—
	—	(885.1)	—	(885.1)
Liabilities not measured at fair value				
Long-term debt	—	4,529.6	—	4,529.6
	—	4,529.6	—	4,529.6

During the year ended March 31, 2015, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

	Level 1 €M	Level 2 €M	Level 3 €M	Total €M
At March 31, 2014				
Assets measured at fair value				
Available-for-sale financial asset	260.3	—	—	260.3
Cash-flow hedges – jet fuel derivative contracts	—	17.1	—	17.1
	260.3	17.1	—	277.4
Liabilities measured at fair value				
Cash-flow hedges – interest rate swaps	—	72.4	—	72.4
Cash-flow hedges – Foreign exchange forward contracts	—	66.2	—	66.2
	—	138.6	—	138.6
Liabilities not measured at fair value				
Long-term debt	—	3,128.8	—	3,128.8
	—	3,128.8	—	3,128.8

During the year ended March 31, 2014, there were no transfers between Level 1 and Level 2 fair-value measurements, and no transfers into or out of Level 3 fair-value measurement.

(b)Commodity risk

The Company's exposure to price risk in this regard is primarily for jet fuel used in the normal course of operations.

At the year-end, the Company had the following jet fuel arrangements in place:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Jet fuel forward contracts – fair value	(596.5)	(813.2)	17.1
	(596.5)	(813.2)	17.1

All of the above commodity contracts are matched against highly probable forecast commodity cash flows.

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(c)Maturity and interest rate risk profile of financial assets and financial liabilities

At March 31, 2016, the Company had total borrowings of €4,023.0 million (2015: €4,431.6 million; 2014: €3,083.6 million) from various financial institutions and the debt capital markets. Financing for the acquisition of 194 Boeing 737-800 “next generation” aircraft (2015: 202; 2014: 210) were provided on the basis of guarantees granted by the Export-Import Bank of the United States. The guarantees are secured with a first fixed mortgage on the delivered aircraft. The remaining long-term debt relates to two unsecured Eurobonds for €850 million each, 26 aircraft held under finance leases (2015: 26; 2014: 30) and six aircraft financed by way of other commercial debt (2015: 6; 2014: 6).

The maturity profile of the Company’s financial liabilities (excluding derivative financial liabilities, aircraft provisions, trade payables and accrued expenses) at March 31, 2016 was as follows:

	Weighted average fixed rate (%)	2017 €M	2018 €M	2019 €M	2020 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term-debt	2.68	% 97.1	96.1	71.7	46.6	139.3	450.8
Unsecured long term-debt	1.48	% 7.1	7.1	7.1	7.1	1,699.1	1,727.5
Debt swapped from floating to fixed	3.23	% 144.9	234.0	157.7	85.7	204.7	827.0
Secured long-term debt after swaps	2.15	% 249.1	337.2	236.5	139.4	2,043.1	3,005.3
Finance leases	2.83	% 41.8	62.5	66.6	—	110.3	281.2
Total fixed rate debt		290.9	399.7	303.1	139.4	2,153.4	3,286.5
Floating rate							
Secured long-term debt		237.0	329.5	248.6	170.4	293.9	1,279.4
Debt swapped from floating to fixed		(144.9)	(234.0)	(157.7)	(85.7)	(204.7)	(827.0)
Secured long-term debt after swaps	0.41	% 92.1	95.5	90.9	84.7	89.2	452.4
Finance leases	1.09	% 66.9	70.7	62.6	21.3	62.6	284.1
Total floating rate debt	0.71	% 159.0	166.2	153.5	106.0	151.8	736.5
Total financial liabilities		449.9	565.9	456.6	245.4	2,305.2	4,023.0

All of the above debt maturing after 2020 will mature between fiscal 2020 and fiscal 2025.

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The maturity profile of the Company's financial liabilities (excluding derivative financial liabilities, aircraft provisions, trade payables and accrued expenses) at March 31, 2015 was as follows:

	Weighted average fixed rate (%)	2016 €M	2017 €M	2018 €M	2019 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term-debt	2.70	% 93.9	97.1	96.1	71.7	185.9	544.7
Unsecured long term-debt	1.48	% 7.1	7.1	7.1	7.1	1,705.1	1,733.5
Debt swapped from floating to fixed	3.36	% 159.0	147.1	242.9	158.5	295.4	1,002.9
Secured long-term debt after swaps	2.25	% 260.0	251.3	346.1	237.3	2,186.4	3,281.1
Finance leases	2.82	% —	46.5	61.2	65.1	101.6	274.4
Total fixed rate debt		260.0	297.8	407.3	302.4	2,288.0	3,555.5
Floating rate							
Secured long-term debt		248.8	239.0	338.4	249.4	469.4	1,545.1
Debt swapped from floating to fixed		(159.0)	(147.1)	(242.9)	(158.5)	(295.4)	(1,002.9)
Secured long-term debt after swaps	0.50	% 89.8	91.9	95.5	90.9	174.0	542.1
Finance leases	1.27	% 49.8	66.9	70.7	62.6	83.9	333.9
Total floating rate debt	0.79	% 139.6	158.8	166.2	153.5	257.9	876.1
Total financial liabilities		399.6	456.6	573.5	455.9	2,545.9	4,431.5

All of the above debt maturing after 2019 will mature between fiscal 2019 and fiscal 2025.

The maturity profile of the Company's financial liabilities (excluding derivative financial liabilities, aircraft provisions, trade payables and accrued expenses) at March 31, 2014 was as follows:

	Weighted average fixed rate (%)	2015 €M	2016 €M	2017 €M	2018 €M	Thereafter €M	Total €M
Fixed rate							
Secured long term-debt	2.93	% 90.9	93.9	97.1	96.1	257.7	635.7
Debt swapped from floating to fixed	3.79	% 171.9	150.7	138.5	207.3	430.5	1,098.9
	3.30	% 262.8	244.6	235.6	303.4	688.2	1,734.6

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Secured long-term debt after swaps							
Finance leases	2.81	% 41.6	—	45.6	59.8	162.4	309.4
Total fixed rate debt		304.4	244.6	281.2	363.2	850.6	2,044
Floating rate							
Secured long-term debt		261.8	240.5	230.6	302.7	695.5	1,731.1
Debt swapped from floating to fixed		(171.9)	(150.7)	(138.5)	(207.3)	(430.5)	(1,098.9)
Secured long-term debt after swaps	0.74	% 89.9	89.8	92.1	95.4	265.0	632.2
Finance leases	1.48	% 73.6	49.7	66.9	70.7	146.5	407.4
Total floating rate debt	1.03	% 163.5	139.5	159.0	166.1	411.5	1,039.6
Total financial liabilities		467.9	384.1	440.2	529.3	1,262.1	3,083.6

All of the above debt maturing after 2017 will mature between fiscal 2018 and fiscal 2025.

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The following provides an analysis of changes in borrowings during the year:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Balance at start of year	4,431.6	3,083.6	3,498.3
Loans raised to finance aircraft acquisitions— euro	—	1,690.9	—
Repayments of amounts borrowed	(384.9)	(419.7)	(390.8)
Foreign exchange loss/(gain) on conversion of U.S. dollar loans	(23.7)	76.8	(23.9)
Balance at end of year	4,023.0	4,431.6	3,083.6
Less than one year	449.9	399.6	467.9
More than one year	3,573.1	4,032.0	2,615.7
	4,023.0	4,431.6	3,083.6

The maturities of the contractual undiscounted cash flows (including estimated future interest payments on debt) of the Company's financial liabilities are as follows:

	Total Carrying Value	Total Contractual Cash flows	2017	2018	2019	2020	Thereafter
At March 31, 2016	€M	€M	€M	€M	€M	€M	€M
Long term debt and finance leases:-							
-Fixed rate debt (excluding Swapped debt)	2,459.5	2,678.4	188.4	199.9	177.8	80.4	2,031.9
-Swapped to fixed rate debt	827.0	849.9	161.9	237.6	159.4	86.0	205.0
- Fixed rate debt 2.20%	3,286.5	3,528.3	350.3	437.5	337.2	166.4	2,236.9
- Floating rate debt 0.71%	736.5	746.2	162.5	168.9	155.4	107.2	152.2
	4,023.0	4,274.5	512.8	606.4	492.6	273.6	2,389.1
Derivative financial instruments							
- Interest rate swaps	16.2	14.9	11.1	2.8	1.0	—	—
- Currency forward contracts	51.1	51.1	0.6	50.5	—	—	—
- Commodity forward contracts	599.7	599.7	542.5	57.2	—	—	—
Trade payables	230.6	230.6	230.6	—	—	—	—
Accrued expenses	422.8	422.8	422.8	—	—	—	—
Total at March 31, 2016	5,343.4	5,593.6	1,720.4	716.9	493.6	273.6	2,389.1

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	Total Carrying Value €M	Total Contractual Cash flows €M	2016 €M	2017 €M	2018 €M	2019 €M	Thereafter €M
At March 31, 2015							
Long term debt and finance leases:-							
-Fixed rate debt (excluding Swapped debt)	2,552.7	2,827.9	147.0	193.2	201.6	177.7	2,108.3
-Swapped to fixed rate debt	1,002.9	1,059.5	183.6	162.8	249.5	162.9	300.7
- Fixed rate debt	2.29% 3,555.6	3,887.4	330.6	356.0	451.1	340.6	2,409.0
- Floating rate debt	0.79% 876.0	903.6	146.9	165.3	171.1	157.3	263.0
	4,431.6	4,791.0	477.5	521.3	622.2	497.9	2,672.0
Derivative financial instruments							
- Interest rate swaps	31.9	30.9	16.8	10.8	2.5	0.8	—
- Currency forward contracts	24.5	24.5	24.5	—	—	—	—
- Commodity forward contracts	828.7	828.7	765.1	63.6	—	—	—
Trade payables	196.5	196.5	196.5	—	—	—	—
Accrued expenses	417.1	417.1	417.1	—	—	—	—
Total at March 31, 2015	5,930.3	6,288.7	1,897.5	595.7	624.7	498.7	2,672.0

	Total Carrying Value €M	Total Contractual Cash flows €M	2015 €M	2016 €M	2017 €M	2018 €M	Thereafter €M
At March 31, 2014							
Long term debt and finance leases:-							
-Fixed rate debt (excluding Swapped debt)	945.1	1,020.7	148.7	108.2	154.9	165.8	443.1
-Swapped to fixed rate debt	1,098.9	1,109.7	178.4	153.9	139.5	207.3	430.6
- Fixed rate debt	3.23% 2,044.0	2,130.4	327.1	262.1	294.4	373.1	873.7
- Floating rate debt	1.03% 1,039.6	1,088.6	175.0	148.9	167.1	172.8	424.8
	3,083.6	3,219.0	502.1	411.0	461.5	545.9	1,298.5
Derivative financial instruments							
- Interest rate swaps	72.4	51.0	22.0	17.6	9.2	1.6	0.6
	66.4	66.7	64.6	(0.3)	0.4	0.3	1.7

- U.S dollar currency
forward

Trade payables	150.0	150.0	150.0	—	—	—	—
Accrued expenses	397.8	397.8	397.8	—	—	—	—
Total at March 31, 2014	3,770.2	3,884.5	1,136.5	428.3	471.1	547.8	1,300.8

Interest rate re-pricing

Floating interest rates on financial liabilities are generally referenced to European inter-bank interest rates (EURIBOR). Secured long-term debt and interest rate swaps typically re-price on a quarterly basis with finance leases re-pricing on a semi-annual basis. We use current interest rate settings on existing floating rate debt at each year-end to calculate contractual cash flows.

Fixed interest rates on financial liabilities are fixed for the duration of the underlying structures (typically between 7 and 12 years).

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The Company holds significant cash balances that are invested on a short-term basis. At March 31, 2016, all of the Company's cash and liquid resources attracted a weighted average interest rate of 0.19% (2015: 0.39%; 2014: 0.37%).

	March 31, 2016		March 31, 2015		March 31, 2014	
	Within		Within		Within	
Financial assets	1 year	Total	1 year	Total	1 year	Total
	€M	€M	€M	€M	€M	€M
Cash and cash equivalents	1,259.2	1,259.2	1,184.6	1,184.6	1,730.1	1,730.1
Cash > 3 months	3,062.3	3,062.3	3,604.6	3,604.6	1,498.3	1,498.3
Restricted cash	13.0	13.0	6.7	6.7	13.3	13.3
Total financial assets	4,334.5	4,334.5	4,795.9	4,795.9	3,241.7	3,241.7

Interest rates on cash and liquid resources are generally based on the appropriate EURIBOR, LIBOR or bank rates dependent on the principal amounts on deposit.

(d) Foreign currency risk

The Company has exposure to various foreign currencies (principally U.K. pounds sterling and U.S. dollars) due to the international nature of its operations. The Company manages this risk by matching U.K. pound sterling revenues against U.K. pound sterling costs. Any remaining unmatched U.K. pound sterling revenues are used to fund U.S. dollar currency exposures that arise in relation to fuel, maintenance, aviation insurance and capital expenditure costs or are sold for euro. The Company also sells euro forward to cover certain U.S. dollar costs. Further details of the hedging activity carried out by the Company are disclosed in Note 5 to the consolidated financial statements.

The following table shows the net amount of monetary assets of the Company that are not denominated in euro at March 31, 2016, 2015 and 2014. Such amounts have been translated using the following year-end foreign currency rates in 2016: €/£: 0.7916; €/\$: 1.1385 (2015: €/£: 0.7273; €/\$: 1.0759; 2014: €/£: 0.8282; €/\$: 1.3788).

	March 31, 2016			March 31, 2015			March 31, 2014		
	GBP	U.S.\$	euro equiv.	GBP	U.S.\$	euro equiv.	GBP	U.S.\$	euro equiv.
	£M	\$M	€M	£M	\$M	€M	£M	\$M	€M
Monetary assets									
U.K. pounds sterling									
cash and liquid									
resources	4.0	—	5.1	72.6	—	99.8	79.0	—	95.4

U.S. Dollar cash and liquid resources	—	4.7	4.2	—	22.0	20.5	—	9.3	6.7
	4.0	4.7	9.3	72.6	22.0	120.3	79.0	9.3	102.1

The following table shows the net amount of monetary liabilities of the Company that are not denominated in euro at March 31, 2016, 2015 and 2014. Such amounts have been translated using the following year-end foreign currency rates in 2016: €/1.1385. (2015: €/1.0759; 2014: €/1.3788).

	March 31, 2016		March 31, 2015		March 31, 2014	
	U.S.\$	euro equiv.	U.S.\$	euro equiv.	U.S.\$	euro equiv.
	\$M	€M	\$M	€M	\$M	€M
Monetary liabilities						
U.S dollar long term debt	330.5	290.3	371.2	345.0	411.1	298.1
	330.5	290.3	371.2	345.0	411.1	298.1

The Company has entered into cross currency interest rate swap arrangements to manage exposures to fluctuations in foreign exchange rates on these U.S. dollar denominated floating rate borrowings, together with managing the exposures to fluctuations in interest rates on these U.S. dollar denominated floating rate borrowings. The fair value of these cross currency interest rate swap instruments at March 31, 2016 was €1.8 million, (2015: €4.5 million; 2014: €8.5 million) which has been classified within current assets (2015: current liabilities; 2014: current

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assets), specifically derivative assets/liabilities falling due within one year (see Note 5 to the consolidated financial statements).

The following table gives details of the notional amounts of the Company's currency forward contracts as at March 31, 2016, 2015 and 2014:

	March 31, 2016		March 31, 2015		March 31, 2014	
	U.S.\$ \$M	euro equiv. €M	U.S.\$ \$M	euro equiv. €M	U.S.\$ \$M	euro equiv. €M
Currency forward contracts						
U.S. dollar currency forward contracts						
- for fuel and other purchases	3,931.9	3,383.1	4,910.3	3,881.5	3,216.4	2,385.9
- for aircraft purchases	2,770.3	2,160.3	4,085.3	3,121.9	919.3	683.2
	6,702.2	5,543.4	8,995.6	7,003.4	4,135.7	3,069.1

	March 31, 2016		March 31, 2015		March 31, 2014	
	GBP £M	euro equiv. €M	GBP £M	euro equiv. €M	GBP £M	euro equiv. €M
Currency forward contracts						
U.K pounds sterling currency forward contracts	—	—	232.0	293.4	22.5	27.4
	—	—	232.0	293.4	22.5	27.4

(f)Credit risk

The Company holds significant cash balances, which are classified as either cash and cash equivalents or financial assets >3 months. These deposits and other financial instruments (principally certain derivatives and loans as identified above) give rise to credit risk on amounts due from counterparties. Credit risk is managed by limiting the aggregate amount and duration of exposure to any one counterparty through regular review of counterparties' market-based ratings, Tier 1 capital level and credit default swap rates and by taking into account bank counterparties' systemic importance to the financial systems of their home countries. The Company typically enters into deposits and derivative contracts with parties that have a long term Standard and Poors "A" category rating or equivalent credit rating. The maximum exposure arising in the event of default on the part of the counterparty is the carrying value of the relevant financial instrument. The Company is authorised to place funds on deposit for periods up to 3 years. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders on an ongoing basis.

The Company's revenues derive principally from airline travel on scheduled services, internet income and in-flight and related sales. Revenue is primarily derived from European routes. No individual customer accounts for a significant portion of total revenue.

At March 31, 2016, €0.6 million (2015: €1.1 million; 2014: €1.4 million) of our total accounts receivable balance were past due, of which €0.1 million (2015: €0.1 million; 2014: €0.1 million) was impaired and provided for and €0.5 million (2015: €1.0 million; 2014: €1.3 million) was past due but not impaired. See Note 8 to the consolidated financial statements.

(g)Liquidity and capital management

The Company's cash and liquid resources comprise cash and cash equivalents, short-term investments and restricted cash. The Company defines the capital that it manages as the Company's long-term debt and equity. The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to maintain sufficient financial resources to mitigate against risks and unforeseen events.

The Company finances its working capital requirements through a combination of cash generated from operations, bank loans and debt capital market issuances for general corporate purposes including the acquisition of aircraft. The Company had cash and liquid resources at March 31, 2016 of €4,334.5 million (2015: €4,795.9 million; 2014: €3,241.7 million). During the year, the Company funded €1,217.7 million in purchases of property, plant and equipment (2015: €788.5 million; 2014: €505.8 million). Cash generated from operations has been the principal source for these cash requirements, supplemented primarily by general corporate purposes debt capital markets issuances.

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The Board of Directors periodically reviews the capital structure of the Company, considering the cost of capital and the risks associated with each class of capital. The Board approves any material adjustments to the capital structure in terms of the relative proportions of debt and equity.

Ryanair has generally been able to generate sufficient funds from operations to meet its non-aircraft acquisition-related working capital requirements. Management believes that the working capital available to the Company is sufficient for its present requirements and will be sufficient to meet its anticipated requirements for capital expenditures and other cash requirements for the 2016 fiscal year.

(h)Guarantees

Details of the Company's guarantees and the related accounting have been disclosed in Note 23 to the consolidated financial statements.

(i)Sensitivity analysis

(i) Interest rate risk: Based on the levels of and composition of year-end interest bearing assets and liabilities, including derivatives, at March 31, 2016, a plus or minus one-percentage-point movement in interest rates would result in a respective increase or decrease of €29.3 million (net of tax) in net interest income and expense in the income statement (2015: €32.9 million; 2014: €18.0 million) and €4.8 million in equity (2015: €9.6 million; 2014: €16.7 million). All of the Group's interest rate swaps are used to swap variable rate debt to fixed rate debt; consequently, any changes in interest rates would have an equal and opposite income statement effect for both the interest rate swaps and the debt.

(ii) Foreign currency risk: A plus or minus change of 10% in relevant foreign currency exchange rates, based on outstanding foreign currency-denominated financial assets and financial liabilities at March 31, 2016 would have a respective positive or negative impact on the income statement of €0.1 million (net of tax) (2015: €3.2 million; 2014: €3.0 million). The same movement of 10% in foreign currency exchange rates would have a positive €567.6 million impact (net of tax) on equity if the rate fell by 10% and negative €464.4 million impact (net of tax) if the rate increased by 10% (2015: €818.7 million positive or €766.4 million negative; 2014: €288.2 million positive or negative).

12.Deferred and current taxation

The components of the deferred and current taxation in the balance sheet are as follows:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Current tax (assets)/liabilities			
Corporation tax (prepayment)/provision	20.9	(0.8)	(1.1)
Total current tax (assets)/liabilities	20.9	(0.8)	(1.1)
Deferred tax liabilities			
Origination and reversal of temporary differences on property, plant and equipment, derivatives, pensions and available-for-sale securities	385.5	462.3	368.6
Total deferred tax liabilities	385.5	462.3	368.6
Total deferred tax liabilities (net)	385.5	462.3	368.6
Total tax liabilities (net)	406.4	461.5	367.5

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	At March 31,		
	2016	2015	2014
	€M	€M	€M
Reconciliation of current tax			
At beginning of year	(0.8)	(1.1)	0.3
Corporation tax charge in year	149.2	90.1	31.1
Other adjustments	—	(1.4)	—
Tax paid	(127.5)	(88.4)	(32.5)
At end of year	20.9	(0.8)	(1.1)

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Reconciliation of deferred tax			
At beginning of year	462.3	368.6	346.5
New temporary differences on property, plant and equipment, derivatives, pensions and other items	(76.8)	93.7	22.1
At end of year	385.5	462.3	368.6

The charge in the year to March 31, 2016 consisted of temporary differences of a charge of €15.3 million for property, plant and equipment and a credit of €1.7 million for other temporary differences, both recognised in the income statement, and a credit of €90.2 million for derivatives and a credit of €0.1 million for pensions, both recognised in other comprehensive income. The charge in the year to March 31, 2015 consisted of temporary differences of a charge of €26.5 million for property, plant and equipment and a credit of €0.9 million for other temporary differences, both recognised in the income statement, and a charge of €68.5 million for derivatives and a credit of €0.4 million for pensions, both recognised in other comprehensive income. The charge in the year to March 31, 2014 consisted of temporary differences of a charge of €37.5 million for property, plant and equipment recognised in the income statement and a credit of €15.2 million for derivatives and a credit of €0.2 million for pensions, all recognised in other comprehensive income.

The components of the tax expense in the income statement were as follows:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
	€M	€M	€M
Corporation tax charge in year	149.2	90.1	31.1
Deferred tax charge relating to origination and reversal of temporary differences	13.6	25.6	37.5

162.8

115.7

68.6

The following table reconciles the statutory rate of Irish corporation tax to the Company's effective corporation tax rate:

	Year ended March 31, 2016 %	Year ended March 31, 2015 %	Year ended March 31, 2014 %
Statutory rate of Irish corporation tax	12.5	12.5	12.5
Adjustments for earnings taxed at higher rates	—	0.1	—
Adjustments for earnings taxed at lower rates	(0.1)	(0.6)	(0.5)
Other differences	(0.8)	(0.2)	(0.4)
Total effective rate of taxation	11.6	11.8	11.6

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Deferred tax applicable to items charged or credited to other comprehensive income were as follows:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Defined benefit pension obligations	(0.1)	(0.4)	(0.2)
Derivative financial instruments	(90.2)	68.5	(15.2)
Total tax charge in other comprehensive income	(90.3)	68.1	(15.4)

The majority of current and deferred tax recorded in each of fiscal 2016, 2015 and 2014 relates to domestic tax charges and there is no expiry date associated with these temporary differences. In fiscal 2016, the Irish corporation tax rate remained at 12.5%.

The principal components of deferred tax at each year-end were:

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Arising on capital allowances and other temporary differences	424.6	411.1	385.7
Arising on derivatives	(38.5)	51.7	(16.9)
Arising on pension	(0.6)	(0.5)	(0.2)
Total	385.5	462.3	368.6

The Company recognised all required deferred tax assets and liabilities at March 31, 2016, 2015 and 2014. No deferred tax has been provided for un-remitted earnings of overseas subsidiaries as there is no immediate intention to remit these to Ireland. No temporary differences arise on the carrying value of the tax base of subsidiary companies as the Company's trading subsidiaries are resident in countries with which Ireland has concluded double taxation agreements.

13.Provisions

	At March 31,		
	2016	2015	2014
	€M	€M	€M

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Provision for aircraft maintenance on operating leased aircraft (a)	144.4	176.2	132.2
Provision for pension obligation (b)	4.9	4.6	1.7
	149.3	180.8	133.9

	At March 31,		
	2016	2015	2014
	€M	€M	€M
(a) Provision for aircraft maintenance on operating leased aircraft			
At beginning of year	176.2	132.2	122.4
Increase in provision during the year	29.5	44.0	38.0
Utilisation of provision upon the hand-back of aircraft	(61.3)	—	(28.2)
At end of year	144.4	176.2	132.2

During the 2016 fiscal year, the Company returned eight aircraft held under operating lease to the lessors.

The expected timing of the outflows of economic benefits associated with the provision at March 31, 2016, 2015 and 2014 are as follows:

	Carrying					
	Value	2017	2018	2019	2020	Thereafter
	€M	€M	€M	€M	€M	€M
At March 31, 2016						
Provision for leased aircraft maintenance	144.4	69.4	18.7	29.7	21.2	5.4

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	Carrying Value €M	2016 €M	2017 €M	2018 €M	2019 €M	Thereafter €M
At March 31, 2015						
Provision for leased aircraft maintenance	176.2	65.4	51.4	15.0	22.9	21.5

	Carrying Value €M	2015 €M	2016 €M	2017 €M	2018 €M	Thereafter €M
At March 31, 2014						
Provision for leased aircraft maintenance	132.2	1.4	49.0	44.5	22.2	15.1

	At March 31,		
	2016 €M	2015 €M	2014 €M
(b) Provision for pension obligation			
At beginning of year	4.6	1.7	13.5
Settlement on closure of Irish defined benefit plan	—	—	(12.5)
Movement during the year	0.3	2.9	0.7
At end of year	4.9	4.6	1.7

See Note 21 to the consolidated financial statements for further details.

14. Other creditors

This consists of deferred gains arising from the sale and leaseback of aircraft. During fiscal year 2016, eight sale-and-leaseback aircraft were returned and Ryanair did not enter into sale-and-leaseback arrangements for any new Boeing 737-800 “next generation” aircraft (2015: nil; 2014: eight). Total sale-and-leaseback aircraft at March 31, 2016 was 43.

15. Issued share capital, share premium account and share options

(a) Share capital

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Authorised:			
1,680,000,000 ordinary equity shares of 0.635 euro cent each		10.7	10.7
Share Capital reorganisation			
1,550,000,000 ordinary equity shares of 0.6 euro cent each	9.3		
1,368,000,000 'B' Shares of 0.05 euro cent each	0.7		
1,368,000,000 Deferred shares of 0.05 euro cent each	0.7		
	10.7		
Allotted, called-up and fully paid:			
1,290,739,865 ordinary equity shares of 0.6 euro cent each	7.7	—	—
1,377,661,859 ordinary equity shares of 0.635 euro cent each	—	8.7	—
1,383,237,668 ordinary equity shares of 0.635 euro cent each	—	—	8.8

During the year, the Group returned €398 million to shareholders via a B share scheme, and completed a capital reorganisation which involved the consolidation of its ordinary share capital on a 39 for 40 basis. The Group's shareholders approved the creation of two new authorised share classes being the 'B' Shares and Deferred Shares classes to effect this B share scheme and 1,353,149,541 'B' Shares and 663,060,175 Deferred Shares were subsequently issued. Arising out of the ordinary share consolidation the number of ordinary equity shares in issue was reduced by 33,828,739 ordinary equity shares from 1,353,149,541 immediately prior to the implementation of the B

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Share scheme to 1,319,320,802 ordinary equity shares in issue upon completion of the B Share scheme and the nominal value of an ordinary equity share was reduced from 0.635 euro cent each to 0.6 euro cent each. All 'B' Shares and Deferred Shares issued in connection with the B Share scheme were either redeemed or cancelled during the year ended 31 March 2016 such that there were no 'B' Shares or Deferred Shares remaining in issue as at 31 March 2016.

Other movement in the share capital balance year-on-year principally relates to 0.3 million (2015: 5.0 million; 2014: 5.7 million) new shares issued due to the exercise of share options, less the cancellation of 53.5 million shares relating to share buy-backs (2015: 10.6 million; 2014: 69.5 million).

Ordinary equity shares do not confer on the holders thereof the specific right to be paid a dividend out of profits.

(b) Share premium account

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Balance at beginning of year	718.6	704.2	687.8
Share premium arising from the exercise of 0.3 million options in fiscal 2016, 5.0 million options in 2015 and 5.7 million options in 2014	0.8	14.4	16.4
Balance at end of year	719.4	718.6	704.2

(c) Share options and share purchase arrangements

The Company has adopted a number of share option plans, which allow current or future employees or executive directors to purchase shares in the Company up to an aggregate of approximately 5% (when aggregated with other ordinary shares over which options are granted and which have not yet been exercised) of the outstanding ordinary shares of Ryanair Holdings plc, subject to certain conditions. All grants are subject to approval by the Remuneration Committee. These are exercisable at a price equal to the market price of the ordinary shares at the time options are granted. The key terms of these option plans include the requirement that certain employees remain in employment with the Company for a specified period of time and that the Company achieves certain net profit targets and/or share price targets.

Details of the share options outstanding are set out below:

	Share Options M	Weighted Average Exercise Price
Outstanding at March 31, 2013	11.50	€2.97
Exercised	(5.7)	€2.90
Outstanding at March 31, 2014	5.8	€3.04
Exercised	(5.0)	€2.88
Granted	18.5	€6.91
Expired	(0.5)	€4.99
Forfeited	(0.8)	€6.25
Outstanding at March 31, 2015	18.0	€6.86
Exercised	(0.3)	€2.56
Granted	0.1	€11.38
Forfeited	(0.5)	€6.25
Outstanding at March 31, 2016	17.3	€6.97

The mid-market price of Ryanair Holdings plc's ordinary shares on the Irish Stock Exchange at March 31, 2016 was €14.17 (2015: €11.13; 2014: €7.61). The highest and lowest prices at which the Company's shares traded on the Irish Stock Exchange in the 2016 fiscal year were €15.35 and €10.47 respectively (2015: €11.13 and €6.35, respectively; 2014: €7.70 and €5.33, respectively). There were no options exercisable at March 31, 2016 (2015: 0.3 million; 2014: 5.8 million). The average share price for the 2016 fiscal year was €13.06 (2015: €8.12; 2014: €6.59).

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The weighted average share price (as of the dates of exercises) for all options exercised during the 2016 fiscal year was €11.70 (2015: €8.56; 2014: €6.67).

At March 31, 2016 the range of exercise prices and weighted average remaining contractual life of outstanding options are shown in the table below. There were no exercisable options at March 31, 2016.

Range of exercise price (€)	Options outstanding		
	Number outstanding M	Weighted-average remaining contractual life (years)	Weighted-average exercise price (€)
6.25-7.99	12.2	6.1	6.39
8.00-11.38	5.1	5.7	8.38

The Company has accounted for its share option grants to employees at fair value, in accordance with IFRS 2, using a binomial lattice model to value the option grants. This has resulted in a charge of €5.9 million to the income statement (2015: €0.5 million charge; 2014: €1.9 million charge) being recognised within the income statement in accordance with employee services rendered.

The table below shows, for all share option grants, the weighted-average assumptions used in the binomial lattice model and the resulting weighted-average grant date fair value of share options granted in 2016:

	Year ended March 31, 2016
Fair value at grant date	2.62
Share price at grant date	11.38
Exercise Price	11.38
Dividend yield	3%
Volatility	25%
Range of risk free interest rates	0.3% - 0.4%
Expected term (years)	7 years

A blend of the historical and implied volatilities of the Company's own ordinary shares is used to determine expected volatility for share option granted. The weighted-average volatility is determined by calculating the weighted-average of volatilities for all share options granted in a given year. The expected term of share option grants represents the weighted-average period the awards are expected to remain outstanding. For share options granted in 2016, we

estimated the weighted-average expected term based on historical exercise data. The service period is five years.

The risk-free interest rate assumption was based on Eurozone zero-coupon bond instruments whose term was consistent with the expected term of the share option granted. The expected dividend yield assumption was based on our history and expectation of dividend payouts.

16. Other equity reserves

The total share based payments reserve at March 31, 2016 was €9.2 million (2015: €3.7 million; 2014: €9.1 million). The available-for-sale financial asset reserve at March 31, 2016 was €nil (2015: €291.4 million; 2014: €180.6 million). The treasury reserve amounted to negative €7.3 million at March 31, 2016 (2015: negative €3.2 million; 2014 €nil). The total cash-flow hedge reserve amounted to negative €300.6 million at March 31, 2016 (2015: positive €308.5 million; 2014: negative €83.2 million). Further details of the group's derivatives are set out in Notes 5 and 11 to the consolidated financial statements.

17. Analysis of operating revenues and segmental analysis

The Company is managed as a single business unit that provides low fares airline-related services, including scheduled services, internet and other related services to third parties across a European route network. The Company operates a single fleet of aircraft that is deployed through a single route scheduling system.

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The Company determines and presents operating segments based on the information that internally is provided to Michael O'Leary, CEO, who is the Company's Chief Operating Decision Maker (CODM). When making resource allocation decisions, the CODM evaluates route revenue and yield data, however resource allocation decisions are made based on the entire route network and the deployment of the entire aircraft fleet, which are uniform in type. The objective in making resource allocation decisions is to maximise consolidated financial results, rather than results on individual routes within the network.

The CODM assesses the performance of the business based on the consolidated adjusted profit/(loss) after tax of the Company for the year. This measure excludes the effects of certain income and expense items, which are unusual, by virtue of their size and incidence, in the context of the Company's ongoing core operations, such as the impairment of a financial asset investment, accelerated depreciation related to aircraft disposals and one off release of ticket sale revenue.

All segment revenue is derived wholly from external customers and, as the Company has a single reportable segment, inter-segment revenue is zero.

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

There have been no changes to the basis of segmentation or the measurement basis for the segment profit or loss since the prior year.

Reportable segment information is presented as follows:

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
External revenues	6,535.8	5,654.0	5,036.7
Reportable segment adjusted profit after income tax (i)	1,241.6	866.7	522.8

Other segment information:

Depreciation	(427.3)	(377.7)	(351.8)
Finance income	17.9	17.9	16.5
Finance expense	(71.1)	(74.2)	(83.2)
Capital expenditure - cash	(1,217.7)	(788.5)	(505.8)

	At March 31, 2016 €M	At March 31, 2015 €M	At March 31, 2014 €M
Reportable segment assets (ii)	11,218.3	11,814.4	8,551.8

- (i) Adjusted profit after income tax excludes the gain of €317.5 million on the sale of the Aer Lingus Shareholding recognised in the financial year ended March 31, 2016.
- (ii) Excludes the available-for-sale financial asset in 2015 and 2014.

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Entity-wide disclosures:

Geographical information for revenue by country of origin is as follows:

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Ireland	672.9	560.7	532.4
United Kingdom	1,843.9	1,550.1	1,253.6
Other European countries	4,019.0	3,543.2	3,250.7
	6,535.8	5,654.0	5,036.7

Ancillary revenues included in total revenue above comprise:

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Non-flight scheduled	1,329.6	1,164.4	1,012.4
In-flight	153.4	128.1	117.3
Internet income	85.6	101.2	117.5
	1,568.6	1,393.7	1,247.2

Non-flight scheduled revenue arises from the sale of rail and bus tickets, hotel reservations, car hire and other sources, including excess baggage charges and administration fees, all directly attributable to the low-fares business.

All of the Company's operating profit arises from low-fares airline-related activities, its only business segment. The major revenue earning assets of the Company are its aircraft, which are registered in Ireland and therefore profits accrue principally in Ireland. Since the Company's aircraft fleet is flexibly employed across its route network in Europe, there is no suitable basis of allocating such assets and related liabilities to geographical segments.

18. Staff numbers and costs

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The average weekly number of staff, including the executive director, during the year, analysed by category, was as follows:

	Year ended March 31, 2016	Year ended March 31, 2015	Year ended March 31, 2014
Flight and cabin crew	9,777	8,699	8,706
Sales, operations, management and administration	1,149	887	795
	10,926	9,586	9,501

At March 31, 2016 the company had a team of 11,458 people (2015: 9,393; 2014: 8,992).

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The aggregate payroll costs of these persons were as follows:

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Staff and related costs	551.9	479.1	441.5
Social welfare costs	23.1	19.8	18.7
Other pension costs (a)	4.5	3.5	1.5
Share based payments (b)	5.9	0.5	1.9
	585.4	502.9	463.6

(a) Costs in respect of defined-contribution benefit plans and other pension arrangements were €4.2 million in 2016 (2015: €3.2 million; 2014: €2.6 million) while costs associated with the defined benefit plans included here were €0.3 million in 2016 (2015: €0.3 million; 2014: credit of €1.1 million). (See Note 21 to the consolidated financial statements).

(b) In the year ended March 31, 2016 the charge in the income statement of €5.9 million for share based compensation comprises a charge for the fair value of various share options granted, which are being recognised in the income statement in accordance with services rendered.

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19. Statutory and other information

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Directors' emoluments:			
-Fees	0.6	0.5	0.5
-Share based compensation	1.6	0.6	—
-Other emoluments, including bonus and pension contributions	1.9	1.9	1.8
Total directors' emoluments	4.1	3.0	2.3
Auditor's remuneration (including reimbursement of outlay):			
- Audit services (i)	0.4	0.5	0.5
- Tax advisory services (ii)	0.3	0.3	0.3
Total fees	0.7	0.8	0.8
Included within the above total fees, the following fees were payable to other KPMG firms outside of Ireland:			
Audit services	—	—	—
Tax services	0.1	0.2	0.2
Total fees	0.1	0.2	0.2
Depreciation of owned property, plant and equipment	403.4	357.8	333.9
Depreciation of property, plant and equipment held under finance leases	23.9	19.9	17.9
Operating lease charges, principally for aircraft	115.1	109.4	101.5

(i) Audit services comprise audit work performed on the consolidated financial statements. In 2016, €1,000 (2015: €1,000; 2014: €1,000) of audit fees relate to the audit of the Parent Company.

(ii) Tax services include all services, except those services specifically related to the audit of financial statements, performed by the independent auditor's tax personnel, supporting tax-related regulatory requirements, and tax compliance and reporting.

(a) Fees and emoluments - executive director

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Basic salary	1.0	1.0	1.0
Bonus (performance and target-related)	0.9	0.9	0.8

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Share based compensation	1.3	0.5	—
	3.2	2.4	1.8

During the years ended March 31, 2016, 2015, and 2014 Michael O’Leary was the only executive director.

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(b) Fees and emoluments – non-executive directors

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Fees			
David Bonderman	0.10	0.10	0.10
Michael Cawley	0.05	0.03	—
Michael Horgan (i)	0.02	0.04	0.04
John Leahy (ii)	0.02	—	—
Charles McCreevy	0.05	0.05	0.05
Declan McKeon	0.05	0.05	0.05
Kyran McLaughlin	0.05	0.05	0.05
Howard Millar (iii)	0.02	—	—
Dick Milliken	0.05	0.05	0.03
Julie O’Neill	0.05	0.05	0.05
James Osborne	0.05	0.05	0.05
Louise Phelan	0.05	0.05	0.05
	0.56	0.52	0.47
Emoluments			
Michael Horgan (i)	0.02	0.04	0.04
John Leahy (ii)	0.02	—	—
Share based compensation	0.30	0.06	—
Total	0.90	0.62	0.51

- (i) Michael Horgan resigned from the Board of Directors in September 2015.
- (ii) John Leahy was appointed to the Board of Directors in August 2015. Capt. Leahy notified the Board of his wish to not stand for re-election at the AGM in September 2016. Capt. Mike O’Brien was appointed to the Board to replace Capt. Leahy in May 2016.
- (iii) Howard Millar was appointed to the Board of Directors effective in August 2015.

(c) Pension benefits

From October 1, 2008, Michael O’Leary was no longer an active member of a Company defined-benefit plan. The total accumulated accrued benefit for Michael O’Leary at March 31, 2016 was €0.1 million (2015: €0.1 million; 2014 €0.1 million). Pension benefits have been computed in accordance with Section 6.8 of the Listing Rules of the Irish Stock Exchange. Increases in transfer values of the accrued benefits have been calculated as at the year-end in accordance with version 1.1 of Actuarial Standard of Practice PEN-11. No non-executive directors are members of the Company defined-benefit plan.

Michael O'Leary is a member of a defined-contribution plan. During the years ended March 31, 2016, 2015, and 2014 the Company did not make contributions to the defined-contribution plan for Michael O'Leary. No non-executive directors are members of the Company defined-contribution plan.

(d) Shares and share options

(i) Shares

Ryanair Holdings plc is listed on the Irish, London and NASDAQ stock exchanges.

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The beneficial interests as at March 31, 2016, 2015 and 2014 of the directors in office at March 31, 2016 and of their spouses and dependent children in the share capital of the Company are as follows:

	No. of Shares at March 31,		
	2016	2015	2014
David Bonderman	7,535,454	7,680,671	7,655,671
Michael Cawley	756,198	615,588	—
Kyran McLaughlin	225,000	225,000	200,000
Howard Millar	390,000	—	—
Dick Milliken	9,750	10,000	10,000
Michael O'Leary	50,096,725	51,381,256	51,081,256
James Osborne	302,500	310,256	310,256
Louise Phelan	6,825	7,000	7,000

(ii) Share options

The share options held by each director in office at the end of fiscal 2016 were as follows:

	No. of Options at March 31,		
	2016	2015	2014
David Bonderman (b) (c)	30,000	30,000	25,000
Michael Cawley (b)	30,000	30,000	—
John Leahy (a)	30,000	—	—
Charles McCreevy (b)	30,000	30,000	—
Declan McKeon (b)	30,000	30,000	—
Kyran McLaughlin (b)	30,000	30,000	—
Howard Millar (a)	30,000	—	—
Dick Milliken (b)	30,000	30,000	—
Michael O'Leary (d)	5,000,000	5,000,000	—
Julie O'Neill (b)	30,000	30,000	—
James Osborne (b) (c)	30,000	30,000	25,000
Louise Phelan (b)	30,000	30,000	—

(a) These options were granted to these directors at an exercise price of €11.38 (the market value at the date of grant) during the 2016 fiscal year and are exercisable between August 2019 and August 2021 subject to the director still being a non-executive director of the Company through April 30, 2019.

(b) These options were granted to these directors at an exercise price of €6.25 (the market value at the date of grant) during the 2015 fiscal year and are exercisable between June 2019 and July 2022 subject to the director still being a non-executive director of the Company through April 30, 2019.

(c) These 25,000 options were granted to these directors at an exercise price of €4.96 (the market value at the date of grant) during the 2008 fiscal year and were exercisable between June 2012 and June 2014.

(d) These options were granted to Mr. O'Leary during fiscal 2015 at an exercise price of €8.345 (the market value at the date of grant) and are exercisable between September 2019 and November 2021 subject to him still being an employee of the Company through July 31, 2019.

In the 2016 fiscal year the Company incurred total share-based compensation expense of €1.6 million (2015: €0.06; 2014: €nil million) in relation to directors.

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20.Finance expense

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Interest payable on bank loans	70.9	74.1	82.3
Interest arising on pension liabilities	0.2	0.1	0.9
	71.1	74.2	83.2

21.Pensions

At March 31, 2016 the Company operated defined-contribution schemes.

During fiscal 2016 the Company closed the defined benefit plan for U.K. employees to future accruals. The net pension liability recognized in the consolidated balance sheet for the scheme at March 31, 2016 was €4.1 million (2015: €4.2 million; 2014 €1.5 million). The costs associated with the scheme during fiscal 2016 was €0.3 million (2015: 0.3 million; 2014: credit of €1.1 million).

The Irish defined benefit plan was closed effective December 31, 2013. In the year ended March 31, 2014, the Company made a final contribution of €12.5 million into the Irish defined benefit plan which represented a full and final settlement of the Company's liability to contribute to the Irish defined benefit plan.

The Company operates defined-contribution retirement plans in Ireland and the U.K. The costs of these plans are charged to the consolidated income statement in the period in which they are incurred. The pension cost of these defined-contribution plans was €4.2 million in 2016 (2015: €3.4 million; 2014: €2.6 million).

The amounts recognised in the consolidated balance sheet in respect of defined benefit plans are as follows:

At March 31, 2016 €M	2015 €M	2014 €M
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Present value of benefit obligations	(15.0)	(16.7)	(11.5)
Fair value of plan assets	10.3	12.0	9.8
Present value of net obligations	(4.7)	(4.7)	(1.7)
Related deferred tax asset	0.6	0.5	0.2
Net pension liability	(4.1)	(4.2)	(1.5)

Defined-contribution schemes

The Company operates defined-contribution retirement plans in Ireland and the U.K. The costs of these plans are charged to the consolidated income statement in the period in which they are incurred. The pension cost of these defined-contribution plans was €4.2 million in 2016 (2015: €3.2 million; 2014: €2.6 million).

22.Earnings per share

	At March 31,		
	2016	2015	2014
Basic earnings per ordinary share (in euro cent)	116.26	62.59	36.96
Diluted earnings per ordinary share (in euro cent)	115.63	62.46	36.86
Number of ordinary shares (in Ms) used for EPS			
Basic	1,341.0	1,384.7	1,414.6
Diluted (a)	1,348.4	1,387.6	1,418.2

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- (a) Details of share options in issue have been described more fully in Note 15 to the consolidated financial statements. See below for explanation of diluted number of ordinary shares.

Diluted earnings per share takes account solely of the potential future exercise of share options granted under the Company's share option schemes. For the 2016 fiscal year, the weighted average number of shares in issue of 1,348.4 million includes weighted average share options assumed to be converted, and equal to a total of 7.4 million shares. For the 2015 fiscal year, the weighted average number of shares in issue of 1,387.6 million includes weighted average share options assumed to be converted, and equal to a total of 2.9 million shares. For the 2014 fiscal year, the weighted average number of shares in issue of 1,418.2 million includes weighted average share options assumed to be converted, and equal to a total of 3.6 million shares.

23. Commitments and contingencies

Commitments

In March 2013, the Group entered into a contract with Boeing (the "2013 Boeing Contract") whereby the Group agreed to purchase 175 Boeing 737-800 "next-generation" aircraft over a five year period from calendar 2014 to 2018. This agreement was approved at an EGM of Ryanair Holdings plc on June 18, 2013.

In April 2014, the Company agreed to purchase an additional 5 Boeing 737-800 "next-generation" aircraft for delivery in fiscal year 2016 on the same terms and conditions as the 2013 Boeing Contract. In March 2015, the Company announced the purchase of an additional three Boeing 737-800 aircraft for delivery in early 2016 on the same terms as the 2013 Boeing Contract. This brings the total "firm" new deliveries to 183 aircraft.

In September 2014, the Group agreed to purchase up to 200 (100 firm orders and 100 subject to option) Boeing 737-Max-200 aircraft from The Boeing Corporation during the period Fiscal 2019 to Fiscal 2024. This agreement was approved at an EGM of Ryanair Holdings plc on November 28, 2014.

The table below details the firm aircraft delivery schedule at March 31, 2016 and March 31, 2015 for the Company pursuant to the 2013 and 2014 Boeing contracts.

Aircraft	Firm	Firm Aircraft	Basic price per	Firm Aircraft Deliveries
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	Delivered at March 31, 2016	Aircraft Deliveries Fiscal 2017	Deliveries Post Fiscal 2016/2017	Total “Firm” Aircraft	aircraft (U.S.\$ million)	Fiscal 2015- 2016 at March 31, 2015
2013 Contract	52	52	79	183	78.49	11
2014 Contract	—	—	100	100	102.50	—
Total	52	52	179	283		11

The “Basic Price” (equivalent to a standard list price for an aircraft of this type) for each aircraft governed by the 2013 Boeing contract will be increased by (a) an estimated U.S.\$2.9 million per aircraft for certain “buyer furnished” equipment the Company has asked Boeing to purchase and install on each of the aircraft, and (b) an “Escalation Factor” designed to increase the Basic Price, as defined in the purchase agreement, of any individual aircraft by applying a formula which reflects increases in the published U.S. Employment Cost and Producer Price indices between the time the Basic Price was set and the period of 18 to 24 months prior to the delivery of such aircraft.

The “Basic Price” (equivalent to a standard list price for an aircraft of this type) for each aircraft governed by the 2014 Boeing contract will be increased by (a) an estimated U.S.\$1.6 million per aircraft for certain “buyer furnished” equipment the Company has asked Boeing to purchase and install on each of the aircraft, and (b) an “Escalation Factor” designed to increase the Basic Price, as defined in the purchase agreement, of any individual aircraft by applying a formula which reflects increases in the published U.S. Employment Cost and Producer Price indices between the time the Basic Price was set and the period of 18 to 24 months prior to the delivery of such aircraft.

Boeing has granted Ryanair certain price concessions as part of the Boeing 2013 Contract and the 2014 Contract. These take the form of credit memoranda to the Company for the amount of such concessions, which the Company may apply toward the purchase of goods and services from Boeing or toward certain payments, other than advance payments, in respect of the purchase of the aircraft under the various Boeing contracts.

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Boeing and CFMI (the manufacturer of the engines to be fitted on the purchased aircraft) have also agreed to give the Company certain allowances in addition to providing other goods and services to the Company on concessionary terms. These credit memoranda and allowances will effectively reduce the price of each aircraft to the Company. As a result, the effective price of each aircraft (the purchase price of the new aircraft net of discounts received from Boeing) will be significantly below the Basic Price mentioned above. At March 31, 2016 and March 31, 2015, the total potential commitment to acquire all 283 “firm” aircraft, not taking such increases and decreases into account, will be approximately U.S. \$24.6 billion.

Operating leases

The Company financed 76 of the Boeing 737-800 aircraft delivered between December 2003 and March 2014 under seven-year, sale-and-leaseback arrangements with a number of international leasing companies, pursuant to which each lessor purchased an aircraft and leased it to Ryanair under an operating lease. Between October 2010 and March 2016, 33 operating lease aircraft were returned to the lessor at the agreed maturity date of the lease. At March 31, 2016 Ryanair had 43 operating lease aircraft in the fleet. As a result, Ryanair operates, but does not own, these aircraft. Ryanair has no right or obligation to acquire these aircraft at the end of the relevant lease terms. Nine of these leases are denominated in euro and require Ryanair to make fixed rental payments over the term of the leases. 34 remaining operating leases are U.S. dollar-denominated which require Ryanair to make fixed rental payments. The Company has an option to extend the initial period of seven years on 23 of the 43 remaining operating lease aircraft as at March 31, 2016, on pre-determined terms. The following table sets out the total future minimum payments of leasing 43 aircraft (2015: 51 aircraft; 2014: 51 aircraft), at March 31, 2016, 2015 and 2014, respectively:

	At March 31,		
	2016	2015	2014
	Minimum	Minimum	Minimum
	payments	payments	payments
	€M	€M	€M
Due within one year	93.5	139.9	118.7
Due between one and five years	184.8	272.7	292.1
Due after five years	0.5	20.2	61.9
Total	278.8	432.8	472.7

Finance leases

The Company financed 30 Boeing 737-800 aircraft delivered between March 2005 and March 2014 with 13-year euro-denominated Japanese Operating Leases with Call Options (“JOLCOs”). These structures are accounted for as finance leases and are initially recorded at fair value in the Company’s balance sheet. Under each of these contracts,

Ryanair has a call option to purchase the aircraft at a pre-determined price after a period of 10.5 years, which it may exercise. Ryanair exercised this option for 4 of these aircraft in fiscal year 2015. 6 aircraft have been financed through euro-denominated 12 year amortising commercial debt transactions.

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The following table sets out the total future minimum payments of leasing the remaining 26 aircraft (2015: 26 aircraft; 2014: 30 aircraft) under JOLCOs at March 31, 2016, 2015 and 2014, respectively:

	At March 31, 2016		2015		2014	
	Minimum payments €M	Present value of Minimum payments €M	Minimum payments €M	Present value of Minimum payments €M	Minimum payments €M	Present value of minimum payments €M
Due within one year	110.6	106.4	52.7	49.8	78.1	73.5
Due between one and five years	460.1	401.7	565.7	284.1	408.6	250.0
Due after five years	—	—	—	—	248.4	83.9
Total minimum lease payments	570.7	508.1	618.4	333.9	735.1	407.4
Less amounts allocated to future financing costs	(5.4)	(5.0)	(10.1)	—	(18.2)	—
Present value of minimum lease payments	565.3	503.1	608.3	333.9	716.9	407.4

Commitments resulting from the use of derivative financial instruments by the Company are described in Notes 5 and 11 to the consolidated financial statements.

Contingencies

The Company is engaged in litigation arising in the ordinary course of its business. Management does not believe that any such litigation will individually or in aggregate have a material adverse effect on the financial condition of the Company. Should the Company be unsuccessful in these litigation actions, management believes the possible liabilities then arising cannot be determined but are not expected to have a material adverse effect on the Company's results of operations or financial position.

On December 11, 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 February 12, 2004. As regards to 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 April 20, 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 May 25, 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 €4.0 million that the Commission had claimed was illegal state aid.

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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 found that the financial arrangements between Aarhus, Berlin (Schönefeld) and Marseille airports, and Ryanair, do not constitute state aid. In July 2014, the European Commission announced a 'no state aid' decision in respect of Dusseldorf (Weeze) airport. In October 2014, the European Commission concluded that Ryanair's agreements with the Brussels (Charleroi), Frankfurt (Hahn), Alghero and Stockholm (Västerås) airports did not constitute State aid. In July and October 2014, the European Commission announced findings of state aid to Ryanair in its arrangements with Pau, Nimes, Angouleme, Altenburg and Zweibrücken airports, ordering Ryanair to repay a total of approximately €10.4 million of alleged aid. Ryanair has appealed the five "aid" decisions to the EU General court. These appeal proceedings are expected to take between two and four years.

Ryanair is facing similar legal challenges with respect to agreements with certain other airports, notably Lübeck, Klagenfurt, Paris (Beauvais), La Rochelle, Carcassonne, Cagliari, Girona, Reus and Târgu Mureş. These investigations are ongoing and Ryanair currently expects that they will conclude in late 2016, 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 Lübeck 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 case, initiated by Germania, was discontinued following the European Commission's finding in February 2014 that Ryanair's arrangement with the airport contained no state aid.

The Company has also entered into a series of interest rate swaps to hedge against fluctuations in interest rates for certain floating-rate financing arrangements. Cash deposits have been set aside, in relation to some historic swaps, as collateral for the counterparty's exposure to risk of fluctuations on certain long-term derivative and other financing arrangements with Ryanair (restricted cash) (see Note 9 to the consolidated financial statements for further details). Additional numerical information on these swaps and on other derivatives held by the Company is set out in Notes 5 and 11 to the consolidated financial statements.

24. Note to cash flow statement

	At March 31,		
	2016	2015	2014
	€M	€M	€M
Net funds/(debt) at beginning of year	364.3	158.1	60.7
Increase/(decrease) in cash and cash equivalents in year	74.6	(545.5)	489.2

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(Decrease)/(increase) in financial assets > 3 months	(542.3)	2,106.3	(795.1)
Decrease/(increase) in restricted cash	6.3	(6.6)	(11.4)
FX on U.S. dollar denominated debt	23.7	(76.8)	23.9
Net cash flow from (increase)/decrease in debt	384.9	(1,271.2)	390.8
Movement in net funds resulting from cash flows	(52.8)	206.2	97.4
Net funds at end of year	311.5	364.3	158.1
Analysed as:			
Cash and cash equivalents, financial assets and restricted cash	4,334.5	4,795.9	3,241.7
Total borrowings*	(4,023.0)	(4,431.6)	(3,083.6)
Net funds/(debt)	311.5	364.3	158.1

*includes both current and non-current maturities of debt.

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25.Shareholder returns

In the year ended March 31, 2016 the Company bought back 53.7 million ordinary shares at a total cost of €706.1 million. This is equivalent to approximately 4.2% of the Company's issued share capital at March 31, 2016. 53.2 million of these ordinary shares were cancelled at March 31, 2016. The remaining 0.5 million ordinary shares were cancelled on April 1, 2016. In addition to the above, the Company returned €398 million to shareholders via a B share scheme, and completed a capital reorganisation which involved the consolidation of its ordinary share capital on a 39 for 40 basis which resulted in the reduction of ordinary shares in issue by 33.8 million ordinary shares. The nominal value of an ordinary share was also reduced from 0.635 euro cent each to 0.600 euro cent each under the reorganisation. All 'B' Shares and Deferred Shares issued in connection with the B share scheme were either redeemed or cancelled during the period such that there were no 'B' Shares or Deferred Shares remaining in issue as at March 31, 2016.

In the year ended March 31, 2015 the Company bought back 10.9 million ordinary shares at a total cost of €112.0 million. This is equivalent to approximately 0.8% of the Company's issued share capital at March 31, 2015. 10.6 million ordinary shares repurchased were cancelled as at March 31, 2016. The remaining 0.3 million were cancelled on April 1, 2015. Accordingly, share capital decreased by 10.6 million ordinary shares with a nominal value of €0.1 million and other undenominated capital increased by a corresponding €0.1 million. Other undenominated capital is required to be created under Irish law to preserve permanent capital in the Parent Company.

On June 20, 2013 the Company detailed plans to return up to €1.0 billion to shareholders over the following two years. At March 31, 2014, the Company bought back 69.5 million ordinary shares at a total cost of €481.7 million. This was equivalent to approximately 4.8% of the Company's issued share capital at March 31, 2014. All ordinary shares repurchased were cancelled. Accordingly share capital decreased by 69.5 million ordinary shares with a nominal value of €0.4 million and other undenominated capital increased by a corresponding €0.4 million. In February 2015 the Company paid a special dividend of €520 million to shareholders.

26.Post-balance sheet events

Following the June 23, 2016 Referendum vote by the U.K. to leave the EU, the Company announced that it had increased the size of its buy-back program to the 5% buy-back limit approved by the shareholders at the Company's 2015 Annual General Meeting (approximately €886 million).

From April 1, 2016 to July 1, 2016 the Company bought back 36.0 million shares at a total cost of approximately €467.5 million under its €886 million share buy-back program. All ordinary shares repurchased were cancelled.

On July 1, 2016 the Board confirmed that it will hold an EGM on July 27, 2016 to seek approval from shareholders to grant the Board of the Company the discretion to engage in further share buy-backs, should they decide that it is in the best interest of the shareholders, over the next 15 months. While there is no plan to engage in further planned

buy-backs (i.e. a VWAP program) during the remainder of 2016, the Board is seeking the flexibility and discretion to do so, if there is further market volatility such as that witnessed in the aftermath of the U.K. Referendum vote.

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27.Subsidiary undertakings and related party transactions

The following is the principal subsidiary undertaking of Ryanair Holdings plc:

Name	Effective date of acquisition/incorporation	Registered Office	Nature of Business
Ryanair Limited (a)	23/08/1996 (acquisition)	Airside Business Park, Swords, Co. Dublin, Ireland	Airline operator

(a) Ryanair Limited is wholly owned by Ryanair Holdings plc.

Information regarding all other subsidiaries will be filed with the Company's next Irish Annual Return as provided for by Section 316(1) of the Irish Companies Act, 2014.

In accordance with the basis of consolidation policy, as described in Note 1 of these consolidated financial statements, the subsidiary undertaking referred to above has been consolidated in the financial statements of Ryanair Holdings plc for the years ended March 31, 2016, 2015 and 2014.

The total amount of remuneration paid to senior key management (defined as the executive team reporting to the Board of Directors) and directors amounted to €10.3 million in the fiscal year ended March 31, 2016 (2015: €9.0 million; 2014: €7.9 million), the majority of which comprises short-term employee benefits.

	Year ended March 31, 2016 €M	Year ended March 31, 2015 €M	Year ended March 31, 2014 €M
Basic salary and bonus	7.0	7.2	6.8
Pension contributions	0.2	0.2	0.1
Share-based compensation expense	3.1	1.6	1.0
	10.3	9.0	7.9

28. Date of approval

The consolidated financial statements were approved by the Board of Directors of the Company on July 22, 2016.

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APPENDIX A

GLOSSARY

Certain of the terms included in the section on Selected Operating and Other Data and elsewhere in this annual report on Form 20-F have the meanings indicated below and refer only to Ryanair's scheduled passenger service.

Average Booked Passenger Fare	Represents the average fare paid by a fare-paying passenger who has booked a ticket.
Average Daily Flight Hour Utilization	Represents the average number of flight hours flown in service per day per aircraft for the total fleet of operated aircraft.
Average Fuel Cost Per U.S. Gallon	Represents the average cost per U.S. gallon of jet fuel for the fleet (including fueling charges) after giving effect to fuel hedging arrangements.
Average Length of Passenger Haul	Represents the average number of miles traveled by a fare-paying passenger.
Ancillary Revenue per Booked Passenger	Represents the average revenue earned per booked passenger flown from ancillary services.
Baggage Commissions	Represents the commissions payable to airports on the revenue collected at the airports for excess baggage and airport baggage fees.
Booked Passenger Load Factor	Represents the total number of seats sold as a percentage of total seat capacity on all sectors flown.
Break-even Load Factor	Represents the number of RPMs at which passenger revenues would have been equal to operating expenses divided by ASMs (based on Average Yield per RPM). For the purposes of this calculation, the number of RPMs at which passenger revenues would have been equal to operating expenses is calculated by dividing operating expenses by Average Revenue per RPM.
Cost Per Booked Passenger	Represents operating expenses divided by revenue passengers booked.
Net Margin	Represents profit after taxation as a percentage of total revenues.
Number of Airports Served	Represents the number of airports to/from which the carrier offered scheduled service at the end of the period.
Number of Owned Aircraft Operated	Represents the number of aircraft owned and operated at the end of the period.
Operating Margin	Represents operating profit as a percentage of total revenues.
Part 145	The European regulatory standard for aircraft maintenance established by the European Aviation Safety Agency.
Revenue Passengers Booked	Represents the number of fare-paying passengers booked.
Sectors Flown	Represents the number of passenger flight sectors flown.

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