

RYANAIR HOLDINGS PLC
Form 6-K
July 28, 2014

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6-K

Report of Foreign Private Issuer

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

For the month of July 2014

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

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

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

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

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

Yes No ..X..

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

**RYANAIR Q1 PROFIT RISES TO €197M, AS TRAFFIC GROWS 4%
AVE. FARE RISES 9% DUE TO STRONG EASTER PERIOD**

Ryanair, Europe's biggest low fares airline today (July 28) announced a Q1 Net Profit of €197m, an increase of 152% over last year, although cautioned that this result was distorted by the timing of a very strong Easter in Q1 with no holiday period in the prior year comparable. Traffic grew to 24.3m as load factors rose by 4% points to 86%. Average fare rose by 9%, boosted by a strong Easter period, while total revenues were up 11% to €1.496bn. Unit costs fell by 2%, excluding fuel they rose by 1%.

Quarter 1 (IFRS)	June 30, 2013	June 30, 2014	% Change
Passengers(m)	23.2m	24.3m	+4%
Revenue(m)	€1,342m	€1,496m	+11%
Profit after Tax	€78m	€197m	+152%
Basic EPS(€ cent)	5.42	14.22	+162%

Ryanair's Michael O'Leary said:

“Q1 profits were boosted by a strong Easter (but are somewhat distorted by the absence of Easter on the prior year Q1). The earlier launch of our summer schedule and actively raising our forward bookings has delivered a 4% increase in load factor to 86% and enabled us to better manage close-in yields. Ancillary Revenues rose 4% in line with traffic growth, as airport and baggage fee reductions were offset by the rising uptake of allocated seating.

New Routes and Bases.

Our 4 new bases at Athens, Brussels, Lisbon and Rome are performing strongly, as customers switch to Ryanair's lower fares and our industry leading customer service. Our strategy to raise forward bookings continues to drive higher load factors and we expect to release our summer 2015 schedule in mid-September, some 3 months earlier than last year.

This winter we will open 4 new bases in Cologne, Gdansk, Warsaw and Glasgow (Intl.) as well as substantially increasing new routes and frequencies at Stansted and Dublin as we invest heavily in our network to build schedules on key city pairs to make them more attractive for business customers.

We are overrun with growth offers from primary European airports whose incumbent flag and regional carriers continue to cut capacity and traffic. These new airports along with our existing 69 bases offer Ryanair significant growth opportunities as the first of our 180 new Boeing order delivers this September. These new aircraft, with the benefit of the much weaker US\$, will drive significant cost efficiencies over the next 5 years.

Customer Experience Improvement.

Our “Always Getting Better” programme has delivered significant improvement to the customer experience. In addition to the initiatives launched last September which included allocated seating, free 2nd carry-on bags, and an easier to use website with a “fare finder” facility, we launched our family product in June. In July we released our industry leading mobile app (including mobile boarding passes) which has been very positively reviewed by independent commentators and our customers and has reached 1m downloads in the 10 days since its release. In September we will launch Ryanair's business service which will include same day flight changes, bigger bag allowances, premium seat allocation, and fast-track through security at many Ryanair airports. This new service along with our new routes, improved schedules and wider GDS distribution, will make Ryanair's low fares much more accessible to, and

attractive for business customers. We will continue this winter to rapidly develop both our website and mobile platform to deliver more innovative features and services in addition to the lowest fares to our customers.

Fuel

We are 90% hedged for FY15 at approx. \$96 p.bl, which will deliver savings of €50m this year at current market rates. This is lower than the €70m previously guided due to increased volumes in H2. We have also hedged 55% of our H1 FY16 fuel needs at approx. \$95 p.bl and weaker US\$ which will deliver a 2% fall in our unit fuel cost at current market rates.

Bond Issue

The BBB+ rating awarded by S&P and Fitch makes Ryanair the highest rated airline in the world. This rating reflects the strength of our Balance Sheet and our highly cash generative business model and enabled us in June to issue our first €850m unsecured Eurobond at a coupon of 1.875% fixed for 7 years. This attractively priced financing (which was 7 times oversubscribed) will further reduce our aircraft ownership costs over the next 5 years.

Shareholder returns

In FY14 we completed €482m of share buybacks as part of our commitment to return €1 billion to shareholders over a 2 year period. We now plan to return another €520m via a special dividend of 37.50 cents per ordinary share (subject to AGM approval) to be paid in Q4 FY15. This brings the total returns to shareholders since 2008 to over €2.5bn which is more than 4 times the €585m originally raised from shareholders since our 1997 IPO.

Outlook

Based on these Q1 results and our strong forward bookings it is clear that we are on track to deliver a strong H1, during which traffic will grow by 3%, and fares will rise by 6% subject to late booking fares in Aug. and Sept. However we would strongly caution both analysts and investors against any irrational exuberance in what continues to be a difficult economic environment, with some company-specific challenges in H2.

We expect H2 to be characterised by a much softer pricing environment as many competitors are lowering fares, partly in response to Ryanair's strong forward bookings. Added to this Ryanair will aggressively raise capacity this winter by 8% (7% in Q3 and 10% in Q4) to take advantage of growth discounts and build out business friendly frequencies from Dublin and Stansted in particular. These initiatives will inevitably put downward pressure on fares and (mindful of last winter's weak pricing environment) we continue to expect H2 yields to fall by between 6% to 8% which will result in full year yields rising by only 2%. Unit costs (ex-fuel) for FY15 will rise by approx. 4%, which is slightly better than the 5% increase we originally guided, due to higher H2 traffic volumes which will be positive for unit costs.

In summary, we now expect full year traffic to grow by 5% to 86m. This increased traffic and higher load factors, combined with a slightly improved performance on unit costs allows us to cautiously raise our full year profit after tax guidance (from the previous range €580m to €620m) to a range of €620m to €650m. However this guidance, which is about a 21% rise over last year's net profit, is heavily, reliant upon the final outturn for H2 yields over which we currently have zero visibility".

ENDS.

For further information
please contact:
www.ryanair.com

Howard Millar
Ryanair Holdings plc
Tel: 353-1-9451212

Joe Carmody
Edelman
Tel: 353-1-6789333

Certain of the information included in this release is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise all of the many

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair's expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for the replacement aircraft, costs associated with environmental, safety and security measures, actions of the Irish, U.K., European Union ("EU") and other governments and their respective regulatory agencies, weather related disruptions, fluctuations in currency exchange rates and interest rates, airport access and charges, labour relations, the economic environment of the airline industry, the general economic environment in Ireland, the UK and Continental Europe, the general willingness of passengers to travel and other economics, social and political factors.

Ryanair is Europe's favourite low fares airline, operating more than 1,600 daily flights (over 500,000 per year) from 69 bases, across 1,600 low fare routes, connecting 186 destinations in 30 countries and operating a fleet of 297 new Boeing 737-800 aircraft. Ryanair has recently announced firm orders for a further 180 new Boeing aircraft, which will be delivered between 2014 and 2018. Ryanair currently has a team of more than 9,500 highly skilled professionals, will carry 86 million customers this year and has an outstanding 30-year safety record.

Ryanair Holdings plc and Subsidiaries

Condensed Consolidated Interim Balance Sheet as at June 30, 2014 (unaudited)

	Note	At Jun 30, 2014 €M	At Mar 31, 2014 €M
Non-current assets			
Property, plant and equipment	11	5,096.8	5,060.3
Intangible assets		46.8	46.8
Available for sale financial assets	8	230.9	260.3
Derivative financial instruments		11.5	0.4
Total non-current assets		5,386.0	5,367.8
Current assets			
Inventories		2.5	2.5
Other assets		136.9	124.2
Current tax		-	1.1
Trade receivables		55.9	58.1
Derivative financial instruments		40.7	16.7
Restricted cash		20.0	13.3
Financial assets: cash > 3months		1,890.6	1,498.3
Cash and cash equivalents		2,572.7	1,730.1
Total current assets		4,719.3	3,444.3
Total assets		10,105.3	8,812.1
Current liabilities			
Trade payables		184.2	150.0
Accrued expenses and other liabilities		1,834.4	1,561.2

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Current maturities of debt		465.9	467.9
Derivative financial instruments		57.0	95.4
Current tax		18.7	-
Total current liabilities		2,560.2	2,274.5
Non-current liabilities			
Provisions		141.2	133.9
Derivative financial instruments		39.8	43.2
Deferred tax		385.2	368.6
Other creditors		81.5	90.4
Non-current maturities of debt		3,374.5	2,615.7
Total non-current liabilities		4,022.2	3,251.8
Shareholders' equity			
Issued share capital	13	8.8	8.8
Share premium account		708.2	704.2
Capital redemption reserve	13	1.2	1.2
Retained earnings	13	2,663.6	2,465.1
Other reserves		141.1	106.5
Shareholders' equity		3,522.9	3,285.8
Total liabilities and shareholders' equity		10,105.3	8,812.1

Ryanair Holdings plc and Subsidiaries

Condensed Consolidated Interim Income Statement for the quarter ended June 30, 2014 (unaudited)

		Quarter Ended Jun 30, 2014	Quarter Ended Jun 30, 2013
	Note	€M	€M
Operating revenues			
Scheduled revenues		1,125.0	985.7
Ancillary revenues		370.7	356.5
Total operating revenues - continuing operations		1,495.7	1,342.2
Operating expenses			
Fuel and oil		563.8	576.6
Airport and handling charges		195.1	176.3
Route charges		154.5	155.2
Staff costs		132.7	130.4
Depreciation		96.7	90.5
Marketing, distribution and other		59.6	53.7
Maintenance, materials and repairs		35.2	29.8
Aircraft rentals		26.3	26.4
Total operating expenses		1,263.9	1,238.9

Edgar Filing: RYANAIR HOLDINGS PLC - Form 6-K

Operating profit - continuing operations		231.8	103.3
Other income/(expense)			
Finance expense		(19.0)	(21.7)
Finance income		9.1	9.1
Foreign exchange gain/(loss)		1.7	(2.2)
Total other expense		(8.2)	(14.8)
Profit before tax		223.6	88.5
	Tax expense on profit on ordinary activities	4	(26.8)
			(10.4)
Profit for the quarter – all attributable to equity holders of parent		196.8	78.1
	Earnings per ordinary share (in € cent)		
	Basic	10	14.22
	Diluted	10	14.18
	Weighted average no. of ordinary shares (in Ms)		
	Basic	10	1,383.5
	Diluted	10	1,387.7
			1,440.5
			1,446.6

Ryanair Holdings plc and Subsidiaries

Condensed Consolidated Interim Statement of Comprehensive Income for the quarter ended June 30, 2014
(unaudited)

	Quarter Ended Jun 30, 2014 €M	Quarter Ended Jun 30, 2013 €M
Profit for the quarter	196.8	78.1
Other comprehensive income:		
Cash flow hedge reserve movements:		
Net movement in cash flow hedge reserve	65.2	(77.8)
Available for sale financial asset:		
Net (decrease)/increase in fair value of available for sale financial asset	(29.4)	20.0
Other comprehensive income/(loss) for the quarter, net of income tax	35.8	(57.8)
Total comprehensive income for the quarter – a		