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RYANAIR HOLDINGS PLC  
Form 6-K  
November 06, 2006

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 November, 2006

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 ANNOUNCES RECORD HALF YEAR PROFITS  
NET PROFIT RISES BY 39% TO EUR329M - TRAFFIC GROWS 23% TO 22m RAISES FULL YEAR  
GUIDANCE: UP 16% TO EUR350M.

Ryanair, Europe's largest low fares airline, today (Monday, 6th November 2006) announced record half year profits of EUR329m. Traffic grew by 23% to 22.1m passengers, yields increased by 9% as total revenues rose by 33% to EUR1.256bn. Unit costs increased by 7.5% as fuel costs rose by 42% to EUR337m. Despite these significantly higher fuel costs, Ryanair's after tax margin for the half year rose by 1 point to 26% as half year net profits increased by 39% to EUR329m.

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### Summary Table of Results (IFRS) - in Euro

Half Year Ended	Sept 30, 2005	Sept 30,2006	% Increase
Passengers	18.0m	22.1m	23%
Revenue	EUR946.2m	EUR1,256.4m	33%
Profit after Tax (note 1)	EUR237m	EUR329m	39%
Basic EPS (Euro Cents) (notel)	31.00	42.67	38%

Note 1: Adjusted profit after tax and EPS during the half year ended 30 September 2005 excludes a receipt, net of tax, of EUR5.2m arising from the settlement of an insurance claim for the scribbling of 6 Boeing 737-200 aircraft.

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

"Ryanair has again, delivered record half year profits despite intense competition and very high fuel prices. The Ryanair lowest fare model has repeatedly proven that it can generate increased profitability and significant passenger growth during difficult trading conditions while many of our competitors are struggling to deliver profits or are losing money.

"Summer yields rose by 9% despite a 22% increase in seat capacity. This benign yield environment continues to be driven by the multiple fuel surcharges imposed by European flag carriers, which has widened the gap between their high fares and Ryanair's lowest fares. Our unwavering determination to avoid fuel surcharges has enabled us to deliver rapid traffic growth and generate higher profits. Load factors were up 1 point as we launched 42 new routes and 3 new bases.

"Ancillary revenues grew by 27%, again faster than the growth in passenger volumes. Need a Hotel, our online hotel provider, has decided to terminate our agreement with effect from December 31st, 2006. Whilst the terms of our agreement are confidential, we anticipate that returns for the remainder of the fiscal year will remain unaffected. We are confident that we can replace Need a Hotel without affecting the returns this business generates. We also recently launched our Bingo/Gaming website and our 15 million unique visitors each month will now be offered the lowest fares and a flutter on our Bingo/Gaming website. As we roll out our onboard mobile phone system next summer, passengers will also be able to have a flutter whilst travelling on our 437 routes across Europe.

"We introduced a new service enhancement in November that will allow all passengers to enjoy on-line check-in and/or priority boarding for just GBP2/EUR3 per flight. Passengers travelling with hand luggage only, will continue to by pass check-in queues and go directly to their boarding gate. This new service will extend the priority boarding facility to passengers travelling with checked-in luggage who will now be entitled to board the aircraft first and choose their seats.

"Unit costs increased by 7.5% primarily due to higher fuel, staff and airport and handling costs. Fuel costs rose by 42% to EUR337m despite being almost fully hedged during the quarter reflecting higher world fuel prices. For the remainder of this fiscal year, we are 90% hedged at rates equivalent to \$73 per barrel. We have used the recent weakness in forward oil prices to hedge 50% of our requirements for the quarter from October to December 2007 at a cost which is

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10% lower than comparable Q3 this year. We continue to monitor forward prices with a view to hedging our requirements for fiscal 2008 when opportunities arise.

"Our new bases at Liverpool, East Midlands and Shannon performed well over the summer, however, fares at Shannon continue to be materially lower than expected. We announced 3 new bases at Bremen, Marseille and Madrid and advance bookings at all 3 are strong. We announced a further 4 aircraft and 20 new routes at our Dublin base commencing in early 2007 and these are already booking strongly. In August we achieved another milestone and became the first European low fares airline to carry 4m passengers in one month.

"In October we exercised options for 32 Boeing 737-800 next generation aircraft to be delivered between September 2008 and June 2009 as part of our plan to double in size to over 80m passengers by 2012. We also ordered 10 more aircraft simulators (5 firm, 5 options), which will be delivered between 2008 and 2013 and will enable us to further reduce pilot training costs whilst improving safety and training.

"We continue to oppose the BAA airport monopoly plans to build a GBP4bn gold plated Taj Mahal at Stansted which we believe could be built for GBP1bn. The BAA monopoly continues to build facilities, which do not meet users needs. Until there is competition between the three London airports, airport charges will continue to rise and passengers will have to suffer these over specified, inefficient facilities. Ryanair continues to campaign for the break up of the BAA airport monopoly. We are deeply concerned by the continuing under staffing of security at Stansted airport which has led to repeated passenger and flight delays. The management of Stansted security is inept, and the BAA has again proven that it is incapable of providing adequate or appropriate security services at Stansted. This shambles again highlights that the BAA is an inefficient, incompetent airport monopoly which should be broken up.

"The tragedy at Dublin airport continues where the DAA monopoly recently obtained planning approval for a second terminal at a cost of EUR750m which is 4.5 times more than the EUR170m cost it announced just 11 months earlier in Sept. 2005. Only a government owned monopoly would seek a cost increase of over 4 fold - with no increase in passenger capacity - prior to applying for planning permission! The DAA has recently proposed that an outrageous 60% increase in charges at Dublin Airport to recoup the inflated cost of this facility which Ryanair passengers will never use. Ryanair will continue to oppose this waste and has appealed the planning decision.

"On the 5th October, we announced a Cash Offer for Aer Lingus of EUR2.80 per share which valued Aer Lingus at approximately EUR1.48bn. We have acquired a 19.2% stake in Aer Lingus at a cost of EUR254m. We believe there are significant opportunities, by combining the purchasing power of Ryanair and Aer Lingus, to substantially reduce its operating costs, increase efficiencies, and pass these savings on in the form of lower fares to Aer Lingus' consumers. We plan to retain the Aer Lingus brand and the Heathrow slots, and up-grade their dated longhaul product and are committed to reducing their shorthaul fares by 2.5% per year for a minimum of 4 years. We believe the combination of Aer Lingus and Ryanair into one strong Irish airline group will be rewarding for consumers and will enable us both to vigorously compete with the mega carriers in Europe. The EU Competition Authority is currently reviewing the proposed acquisition and we anticipate that the final outcome of their regulatory review will not be known until late December, 2006. If our offer is not accepted by a majority of Aer Lingus shareholders, we will continue to be a significant minority shareholder, and will exercise whatever influence we can to encourage Aer Lingus to reduce costs and offer lower fares which is, we believe, its best strategy for the future.

"We remain cautious in our outlook for H2 as we roll out substantial capacity

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expansion and suffer significantly higher oil prices than the comparable period last year. However, we expect to deliver significant traffic growth as we launch 130 new routes and 3 new bases, (Marseilles, Bremen and Madrid), albeit at slightly lower load factors (down 2% monthly on last year) during H2 which should result in better yield stability. The benign yield environment continues thanks to multiple fuel surcharges of our competitors. Based on a reasonable level of visibility, it now appears likely that yields in Q3 will be +2% to +3% compared to our original forecast of a -5% decline. With little visibility in Q4, we believe that yields may be slightly lower but not as much as the -5% decline previously guided. Accordingly, we now expect yields to be flat over the winter period although our net profit for H2 will still be lower than last year. As a result, we now expect that the increase in Net Profit after tax for the fiscal year will be approx. +16% to EUR350m, higher than our previous guidance of approximately +11% to EUR335m.

"Whilst intense competition in the market continues, Ryanair's unique combination of the lowest fare in every market, lowest cost base and industry leading customer service will enable us to continue to lead the low fares revolution for the benefit of our passengers, our staff and our shareholders".

Ryanair today announced that the Board of Directors intend to seek shareholder approval for a 2 for 1 stock split at the Extraordinary General meeting to be held in December on the proposed acquisition of Aer Lingus. The purpose of the stock split is to improve the marketability and liquidity of the stock. The existing ratio of 5 ordinary shares to 1 ADR will be retained.

ENDS.

Monday, 6th November 2006

For further information  
please contact:  
[www.ryanair.com](http://www.ryanair.com)

Howard Millar  
Ryanair Holdings Plc  
Tel: 353-1-8121212

Pauline McAlester  
Murray Consultants  
Tel: 353-1-4980300

The directors of Ryanair accept responsibility for the information contained in this announcement. To the best of the knowledge and belief of the directors of Ryanair (who have taken all reasonable care to ensure that such is the case), the information contained in this announcement for which they accept responsibility is in accordance with the facts and does not omit anything likely to affect the import of such information.

Terms defined in the Offer Document issued by Ryanair on 23 October, 2006 have the same meaning in this announcement.

Certain of the information included in this release is forward looking and is subject to important risks and uncertainties that could cause actual results to differ materially. It is not reasonably possible to itemise all of the many factors and specific events that could affect the outlook and results of an airline operating in the European economy. Among the factors that are subject to change and could significantly impact Ryanair's expected results are the airline pricing environment, fuel costs, competition from new and existing carriers, market prices for 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, 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

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willingness of passengers to travel and other economics, social and political factors.

Ryanair is Europe's largest low fares airline with 18 bases and 437 low fare routes across 24 countries. By the end of March 2007 Ryanair will operate an entire fleet of 134 new Boeing 737-800 aircraft with firm orders for a further 117 new aircraft (net of planned disposals), which will be delivered over the next 5 years. Ryanair currently employs a team of 3,900 people and expects to carry approximately 42 million scheduled passengers in the current year.

### Ryanair Holdings plc and Subsidiaries

Consolidated Income Statement in accordance with IFRS (unaudited)

	Quarter ended Sep 30, 2006 EUR'000 -----	Quarter ended Sep 30, 2005 EUR'000 -----	Half year ended Sep 30, 2006 EUR'000 -----	Hal S E -----
Operating revenues				
Scheduled revenues	602,089	470,495	1,092,102	8
Ancillary revenues	87,700	71,027	164,321	1
	-----	-----	-----	-----
Total operating revenues -continuing operations	689,789	541,522	1,256,423	9
	-----	-----	-----	-----
Operating expenses				
Staff costs	57,107	41,494	113,844	
Depreciation	36,035	29,672	71,622	
Operating expenses				
Fuel & oil	169,580	126,967	337,042	2
Maintenance, materials and repairs	10,613	7,625	21,313	
Marketing & distribution costs	5,885	3,387	11,608	
Aircraft rentals	12,996	10,679	25,394	
Route charges	50,305	42,563	98,384	
Airport & handling charges	71,222	55,465	139,097	1
Other	26,942	21,440	52,312	
	-----	-----	-----	-----
Total operating expenses	440,685	339,292	870,616	6
	-----	-----	-----	-----
Operating profit before exceptional items	249,104	202,230	385,807	2
Aircraft insurance claim	-	-	-	-
	-----	-----	-----	-----
Operating profit after exceptional items - continuing operations	249,104	202,230	385,807	2
	-----	-----	-----	-----
Other (expenses)/income				
Foreign exchange (losses)/gains	(908)	(481)	(1,229)	
(Loss) on disposal of property, plant & equipment	-	(16)	-	
Finance income	16,069	9,211	28,923	
Finance expense	(20,698)	(18,364)	(41,311)	(
	-----	-----	-----	-----
Total other (expenses)/income	(5,537)	(9,650)	(13,617)	(
	-----	-----	-----	-----
Profit before taxation	243,567	192,580	372,190	2
Tax on profit on ordinary activities	(30,122)	(20,046)	(43,063)	(
	-----	-----	-----	-----

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Profit for the period	213,445	172,534	329,127	2
	=====	=====	=====	
Earnings per ordinary share				
-Basic(Euro cent)	27.66	22.51	42.67	
-Diluted(Euro cent)	27.45	22.35	42.39	
Adjusted earnings per ordinary share*				
-Basic(Euro cent)	27.66	22.51	42.67	
-Diluted(Euro cent)	27.45	22.35	42.39	
Number of ordinary shares(in 000's)				
-Basic	771,722	766,453	771,413	7
-Diluted	777,491	771,875	776,456	7

\* Calculated on profit for the year before exceptional items (net of tax).

Ryanair Holdings plc and Subsidiaries				
Consolidated Balance Sheet in accordance with			Sep 30,	M
IFRS (unaudited)			2006	
			EUR'000	E
			-----	-
Non-current assets				
Property, plant & equipment		2,550,162		2,5
Intangible assets		46,841		
Available for sale financial asset		185,363		
Derivative financial instruments		3,888		
		-----		-
Total non-current assets		2,786,254		2,5
		-----		-
Current assets				
Inventories		3,627		
Other assets		48,842		
Trade receivables		24,207		
Derivative financial instruments		502		
		-----		-
Restricted cash		204,040		2
Financial assets: cash > 3months		824,314		3
Cash and cash equivalents		1,064,692		1,4
		-----		-
Total current assets		2,170,224		2,0
		-----		-
Total assets		4,956,478		4,6
		=====		=====
Current liabilities				
Trade payables		87,903		
Accrued expenses and other liabilities		519,835		5
Current maturities of long term debt		158,049		1
Derivative financial instruments		69,854		
Current tax		46,331		
		-----		-
Total current liabilities		881,972		8
		-----		-
Non-current liabilities				
Provisions		22,723		
Derivative financial instruments		74,864		

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Deferred income tax liability	134,881	1
Other creditors	68,396	
Long term debt	1,476,874	1,5
	-----	-----
Total non-current liabilities	1,777,738	1,7
	-----	-----
Shareholders' equity		
Issued share capital	9,807	
Share premium account	602,664	5
Retained earnings	1,796,750	1,4
Other reserves	(112,453)	(
	-----	-----
Shareholders' equity	2,296,768	1,9
	-----	-----
Total liabilities and shareholders' equity	4,956,478	4,6
	=====	=====

Ryanair Holdings plc and Subsidiaries  
Consolidated Cashflow Statement in accordance with IFRS (unaudited)

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	Sep 30, 2006 EUR'000 -----	Sep 30, 2005 EUR'000 -----
Operating activities -----		
Profit before taxation	372,190	269,522
Adjustments to reconcile profits before tax to net cash provided by operating activities		
Depreciation	71,622	61,337
(Increase) in inventories	(205)	(3,733)
Decrease/(increase) in trade receivables	5,702	(5,286)
(Increase)/decrease in other current assets	(16,320)	1,342
Increase/(decrease) in trade payables	8,620	(29,467)
(Decrease)/increase in accrued expenses	(55,320)	6,176
Increase in other creditors	35,489	19,294
Increase in maintenance provisions	6,001	5,145
Interest receivable	(3,069)	(3,654)
Interest payable	4,212	(52)
Retirement costs	329	289
Share based payment	2,012	586
Income tax	328	(1,727)
	-----	-----
Net cash provided by operating activities	431,591	319,772
	-----	-----
Investing activities -----		

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Capital expenditure (purchase of property, plant and equipment)	(88,797)	(86,814)
Purchase of shares classified as available for sale	(185,363)	-
(Investment)/reduction in financial assets: cash > 3months	(495,387)	122,655
	-----	-----
Net cash used in investing activities	(769,547)	35,841
	-----	-----
Financing activities		
	-----	-----
Net proceeds from shares issued	6,450	10,943
Proceeds from long term borrowings	32,758	16,496
Repayments of long term borrowings	(75,564)	(59,755)
	-----	-----
Net cash used in financing activities	(36,356)	(32,316)
	-----	-----
(Decrease)/increase in cash and cash equivalents	(374,312)	323,297
Cash and cash equivalents at beginning of period	1,437,847	871,354
Effects of exchange rates on foreign currency balances	1,157	904
	-----	-----
Cash and cash equivalents at end of period	1,064,692	1,195,555
	=====	=====

Ryanair Holdings plc and Subsidiaries  
Consolidated Statement of Recognised Income and Expense  
in accordance with IFRS (unaudited)

Sep 30,  
2006  
EUR'000

Cash flow hedge reserve		
New movements into cash flow hedge reserve		9,375
Movements from cash flow hedge reserve		(42,181)
		-----
Net movements into cash flow hedge reserve		(32,806)
		-----
Profit for the period		329,127
		-----
Total recognised income and expense		296,321
		=====

Reconciliation of adjusted earnings per share (unaudited)



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Sep 30,  
2006  
EUR'000  
-----

Profit for the period under IFRS	329,127
Adjustments -----	
Aircraft insurance claim	-
Taxation adjustment for above	-
	-----
Adjusted profit under IFRS	329,127 =====
Number of ordinary shares(in 000's)	
-Basic	771,413
-Diluted	776,456
Adjusted earnings per ordinary share	
-Basic(EUR cent)	42.67
-Diluted(EUR cent)	42.39

Consolidated changes in shareholders' equity

	Ordinary shares EUR'000 -----	Share premium account EUR'000 -----	Retained earnings EUR'000 -----	Other reserves EUR'000 -----
Balance at April 1, 2006	9,790	596,231	1,467,623	(81,659)
Issue of ordinary equity shares	17	6,433	-	-
-----	-----	-----	-----	-----
New movements into cash flow hedge reserve	-	-	-	9,375
Movements from cash flow hedge reserve	-	-	-	(42,181)
-----	-----	-----	-----	-----
Movement in reserves	-	-	-	(32,806)
-----	-----	-----	-----	-----
Share -based payments	-	-	-	2,012
Profit for the period	-	-	329,127	-
-----	-----	-----	-----	-----
Balance at September 30, 2006	9,807 =====	602,664 =====	1,796,750 =====	(112,453) =====

Ryanair Holdings plc and Subsidiaries  
Consolidated Income Statement in accordance  
with US GAAP (unaudited)

Quarter ended Sep 30, 2006 EUR'000	Quarter ended Sep 30, 2005 EUR'000	Half year ended Sep 30, 2006 EUR'000
--	--	--

Operating revenues

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Scheduled revenues	602,089	470,495	1,092,102
Ancillary revenues	87,700	71,027	164,321
	-----	-----	-----
Total operating revenues			
-continuing operations	689,789	541,522	1,256,423
	-----	-----	-----
Operating expenses			
Staff costs	57,214	41,301	114,059
Depreciation	36,450	29,985	72,419
Operating expenses			
Fuel & oil	169,580	126,967	337,042
Maintenance, materials & repairs	10,613	7,625	21,313
Marketing & distribution costs	5,885	3,387	11,608
Aircraft rentals	12,996	10,679	25,394
Route charges	50,305	42,563	98,384
Airport & handling charges	71,222	55,465	139,097
Other	26,942	21,418	52,312
	-----	-----	-----
Total operating expenses	441,207	339,390	871,628
	-----	-----	-----
Operating profit before exceptional items	248,582	202,132	384,795
	-----	-----	-----
Aircraft insurance claim	-	-	-
	-----	-----	-----
Operating profit after exceptional items - continuing operations	248,582	202,132	384,795
	-----	-----	-----
Other (expenses)/income			
Foreign exchange (losses)/gain	(908)	(481)	(1,229)
(Loss) on disposal of property, plant & equipment	-	(16)	-
Finance income	16,069	9,211	28,923
Finance expense	(17,659)	(16,450)	(36,073)
	-----	-----	-----
Total other (expenses)/income	(2,498)	(7,736)	(8,379)
	-----	-----	-----
Income before taxation	246,084	194,396	376,416
Taxation	(30,018)	(20,309)	(43,591)
	-----	-----	-----
Net income	216,066	174,087	332,825
	=====	=====	=====
Net income per ADS			
-Basic(Euro cent)	139.99	113.57	215.72
-Diluted(Euro cent)	138.95	112.77	214.32
Adjusted net income per ADS *			
-Basic(Euro cent)	139.99	113.57	215.72
-Diluted(Euro cent)	138.95	112.77	214.32
Weighted Average number of shares			
-Basic	771,722	766,453	771,413
-Diluted	777,491	771,875	776,456

\* Calculated on net income before non-recurring items (net of tax).  
(5 ordinary shares equal 1 ADS)

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Summary of significant differences between IFRS and US generally accepted accounting principles (unaudited)

(A) Net income under US GAAP

	Quarter ended		Half year ended	
	Sep 30,	Sep 30,	Sep 30,	Sep 30,
	2006	2005	2006	2005
	EUR'000	EUR'000	EUR'000	EUR'000
Net income in accordance with IFRS	213,445	172,534	329,127	242,175
Adjustments				
Pensions	(107)	(100)	(215)	(17)
Share based payments	-	293	-	586
Capitalised interest (net of amortisation) regarding aircraft acquisition programme	2,624	1,601	4,441	2,842
Darley Investments Limited	-	22	-	44
Taxation- effect of above adjustments	104	(263)	(528)	(502)
	-----	-----	-----	-----
Net income in accordance with US GAAP	216,066	174,087	332,825	245,128
	=====	=====	=====	=====

(B) Consolidated cashflow statement in accordance with US GAAP

	Sep 30,	Sep 30,
	2006	2005
	EUR'000	EUR'000
Cash inflow from operating activities	436,032	322,614
Cash (outflow)/inflow from investing activities	(773,988)	32,999
Cash (outflow) from financing activities	(36,356)	(32,316)
	-----	-----
(Decrease)/increase in cash and cash equivalents	(374,312)	323,297
Cash and cash equivalents at beginning of period	1,439,004	872,258
	-----	-----

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Cash and cash equivalents at end of period	1,064,692 =====	1,195,555 =====
Cash and cash equivalents under US GAAP	1,064,692	1,195,555
Restricted cash	204,040	204,040
Deposits with a maturity of between three and six months	824,314 -----	406,752 -----
Cash and liquid resources in accordance with IFRS	2,093,046 =====	1,806,347 =====

Ryanair Holdings plc and Subsidiaries

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Summary of significant differences between IFRS and US generally accepted accounting principles (unaudited)

(C) Shareholders' funds - equity

	Sep 30, 2006 EUR'000 -----	Sep 30, 2005 EUR'000 -----
Shareholders' equity as reported in the consolidated balance sheets in accordance with IFRS	2,296,768	1,918,409
Adjustments:		
Pension	9,026	11,688
Share based payments		586
Capitalised interest (net of amortisation) regarding aircraft acquisition programme	33,889	25,789
Darley Investments Limited		(19)
Minimum pension liability (net of tax)	(4,295)	(6,496)
Tax effect of adjustments (excluding pension & derivative adjustments)	(6,459)	(5,498)
	-----	-----
Shareholders' equity as adjusted to accord with US GAAP	2,328,929 =====	1,944,459 =====

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Opening shareholders' equity under US GAAP	2,020,448	1,630,113
Comprehensive income		
Unrealised (losses)/gains on derivative financial instruments(net of tax)	(32,806)	58,275
Net income in accordance with US GAAP	332,825	245,128
	-----	-----
Total comprehensive income	300,019	303,403
Share based payments	2,012	-
Stock issued for cash	6,450	10,943
	-----	-----
Closing shareholders' equity in accordance with US GAAP	2,328,929	1,944,459
	=====	=====

### Ryanair Holdings plc

#### Management Discussion and Analysis of Results

##### Introduction

For the purposes of the MD&A all figures and comments are by reference to the adjusted income statement excluding exceptional items referred to below.

Exceptional items for the half year ended September 30, 2005 consist of a receipt of EUR5.2m (net of tax) arising from the settlement of an insurance claim for the scribbling of 6 Boeing 737-200 aircraft.

Profit after tax increased by 36% to EUR329.1m during the six months ended September 30, 2006 compared to last year. The adjusted profit for the half year, increased by 39% to EUR329.1m.

##### Summary Half Year Ended September 30, 2006

Profit after tax increased by 36% to EUR329.1m, compared to EUR242.2m in the previous half year ended September 30, 2005. These results were achieved by strong growth in passenger volumes and continued tight cost control, excluding fuel and staff costs, which were both significantly higher than in previous periods. Total operating revenues increased by 33% to EUR1,256.4m, which is greater than the 23% growth in passenger volumes, as average fares rose by 9% and ancillary revenues grew by 27% to EUR164.3m. Total revenue per passenger as a result increased by 8% whilst Passenger Load Factor increased by 1 point to 87% during the period.

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Total operating expenses increased by 31% to EUR870.6m, due to the increased level of activity, and the increased costs, associated with the growth of the airline. Fuel, which represents 39% of total operating costs compared to 36% last year, increased by 42% to EUR337.0m due to substantial increases in the US dollar cost per gallon, partially offset by a positive movement in the US dollar exchange rate and a 2% reduction in fuel consumption due to the installation of winglets on a portion of our Boeing 737-800 fleet. The remaining retro-fit winglets will be installed across the fleet by year end. Unit costs excluding fuel and staff costs declined by 1%. Staff costs rose by 36% reflecting an increase in our crewing ratios primarily as a result of increases in our sector length. Despite the significantly higher fuel and staff costs incurred, operating margins increased by 1 point to 31%, whilst operating profit before exceptional items increased by 37% to EUR385.8m.

Net Margins increased by 1 point to 26% for the reasons outlined above.

Adjusted basic earnings per share have risen by 38% to EUR42.67 cent for the period.

### Balance Sheet

The strong growth in profitability continues to positively impact the balance sheet with Total Cash increasing by EUR121.1m to EUR2,093.1m despite investing EUR185.4m in a 15% stake in Aer Lingus and funding an additional EUR88.8m in capital expenditure from internal resources. The company debt financed one Boeing 737-800 aircraft and funded additional aircraft deposits during the period. Total debt declined during the period as repayments exceeded debt drawdown by EUR42.8m. Shareholders' Funds at September 30, 2006 have increased by EUR304.8m to EUR2,296.8m, compared to March 31, 2006 reflecting the EUR329.1m increase in profitability during the period and the exercise of share options which increased shareholder funds by EUR6.5m, offset by a reduction of EUR30.8m resulting from the required IFRS accounting treatment for derivative financial instruments, pensions and stock options.

### Detailed Discussion and Analysis Half Year Ended September 30, 2006

Profit after tax, increased by 36% to EUR329.1m due to a 9% increase in average fares, strong growth in ancillary revenues, and tight cost control which was offset by fuel costs increasing by 42% to EUR337.0m primarily reflecting the higher US dollar cost per gallon and a one off step up in staff costs which rose by 36% to EUR113.8m. Operating margins, as a result, increased by 1 point to 31%, which in turn resulted in operating profit before exceptional items increasing by 37% to EUR385.8m compared to half year ended September 30, 2005.

Total operating revenues increased by 33% to EUR1,256.4m due to the combination of a 23% increase in passengers carried, an improvement in average fares and the growth of ancillary revenues.

Scheduled passenger revenues increased by 34% to EUR1,092.1m due to a 9% improvement in average fares reflecting the benign yield environment supported by competitor fuel surcharges and the positive impact of Easter in fares. Easter is not included in the prior year comparative as it occurred earlier. Passenger volumes increased by 23% to 22.1m reflecting increased passenger numbers on existing routes, the successful launch of our new routes and expansion of our bases. Load factor increased by 1 point to 87% during the period.

Ancillary revenues continue to perform strongly with revenues growing by 27% to EUR164.3m in the period. This performance reflects the strong growth in on board sales, non-flight scheduled revenues, and other ancillary products. Ancillary

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revenues continue to grow at a faster rate than passenger volumes.

Total operating expenses rose by 31% to EUR870.6m due to the increased level of activity, and the increased costs associated with the growth of the airline particularly higher fuel and staff costs. Total operating costs were also adversely impacted by a 5% increase in the average sector length, whilst higher US dollar fuel prices were partly offset by the strength of the euro exchange rate against the US dollar.

Staff costs have increased by 36% to EUR113.8m. This primarily reflects a 31% increase in average employee numbers to 3,768 and the impact of pay increases granted during the period. Employee numbers rose due to an increase in our aircraft crewing ratios as a result of continued increases in sector length. Pilots, who earn higher than the average salary, accounted for 42% of the increase in employment during the period.

Depreciation increased by 17% to EUR71.6m. There are an additional thirteen 'owned' Boeing 737-800 aircraft in the fleet this year compared to last year. The resultant higher depreciation charge was offset by a combination of lower amortisation due to the retirement of Boeing 737-200 aircraft and the positive impact of a new engine maintenance deal on the cost of amortisation of Boeing 737-800 aircraft. The strengthening of the euro to US dollar also had a positive impact on the depreciation and amortisation charge.

Fuel costs rose by 42% to EUR337.0m due to a 21% increase in the number of hours flown and a significant increase in the average US dollar cost per gallon of fuel partially offset by the positive impact of the strengthening of the euro to the US dollar and a 2% reduction in fuel consumption due to the installation of winglets on part of our Boeing 737-800 fleet.

Maintenance costs increased by 27% to EUR21.3m, faster than the increase in the number of hours flown, due to an increase in the number of leased Boeing 737-800 aircraft from 17 to 24, partially offset by the improved reliability of the Boeing 737-800's operated, a lower level of maintenance costs incurred due to the retirement of the Boeing 737-200's and the positive impact of the strengthening of the euro exchange rate against the US dollar.

Marketing and distribution costs increased by 33% to EUR11.6m due to a higher level of marketing activity and related expenditure compared to the previous year as the number of routes operated rose by 42% to 304 at the period end and the number of bases increased by 1 to 15.

Aircraft rental costs increased by 23% to EUR25.4m reflecting an additional 7 aircraft on operating lease during the period.

Route charges rose by 17% to EUR98.4m due to an increase in the number sectors flown, and a longer average sector length, offset by a reduction in enroute charges in certain EU countries.

Airport and handling charges increased by 26% to EUR139.1m. This is higher than the growth in passenger volumes and reflects the impact of increased costs at some of our airports and in particular at our Dublin base, which has a significantly higher cost per passenger, offset by lower costs at new airports and bases (excluding Dublin), and the positive impact of the euro/sterling exchange rate during the period.

Other expenses increased by 25% to EUR52.3m, which is less than the growth in ancillary revenues due to improved margins on some new and existing products, and cost reductions achieved on certain indirect costs.

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Operating margins have increased by 1 point to 31% for the period due to the reasons outlined above which has resulted in operating profits increasing by 37% to EUR385.8m.

Interest receivable has increased by 62% to EUR28.9m due to a combination of higher levels of cash and cash equivalents and increases in average deposit rates earned in the period.

Interest payable increased by EUR4.5m due to the drawdown of debt to part fund the purchase of new aircraft during the period and higher floating interest rates.

The Company's Balance Sheet continues to strengthen due to the strong growth in profits during the period. The Company generated cash from operating activities of EUR431.6m which part funded the investment in financial assets of EUR185.4m and capital expenditure during the period with the balance reflected in Total Cash of EUR2,093.0m. Capital expenditure of EUR88.8m primarily comprised of the delivery of one aircraft and advance payments for future aircraft deliveries. Long term debt, net of repayments decreased by EUR42.8m during the period.

Shareholders' Equity at September 30, 2006 has increased by EUR304.8m to EUR2,296.8m, compared to March 31, 2006 reflecting the EUR329.1m increase in profitability during the period and the exercise of share options which increased shareholder funds by EUR6.5m, offset by a reduction of EUR30.8m resulting from the IFRS accounting treatment for derivative financial instruments, pensions and stock options.

### Detailed Discussion and Analysis Quarter Ended September 30, 2006

Profit after tax, increased by 24% to EUR213.4m due to average fares improving by 6% and strong ancillary revenue growth, which was offset by fuel costs which rose 34% to EUR169.6m reflecting the higher US dollar cost per gallon and the one off step up in staff costs which rose by 38% to EUR57.1m. Operating margins, as a result of these higher costs, fell by 1 point to 36%. Strong cost control on other line items coupled with increases in total operating revenues resulted in operating profit increasing by 23% to EUR249.1m compared to the previous quarter ended September 30, 2005.

Total operating revenues increased by 27% to EUR689.8m whilst passenger volumes increased by 21% to 11.5m. Total revenue per passenger increased by 5% in the quarter due to a combination of higher average fares, and strong ancillary revenue growth.

Scheduled passenger revenues increased by 28% to EUR602.1m due to a combination of higher passenger numbers on existing routes, the successful launch of new routes and a 6% improvement in average fares.

Ancillary revenues increased 23% to EUR87.7m, a faster growth rate than passenger volumes, reflecting a strong performance in non-flight scheduled revenues, on-board sales and other ancillary products

Total operating expenses increased by 30% to EUR440.7m due to the increased level of activity, and in particular higher fuel and staff costs. Total operating costs were also adversely impacted by an increase in the average sector length, whilst higher US dollar fuel prices were partially offset by the strength of the euro exchange rate against the US dollar and lower fleet burn resulting from the newly installed winglets.

Staff costs have increased by 38% to EUR57.1m primarily due to a 30% increase in



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average employee numbers to 3,881 in the quarter and the impact of pay increases granted. Employee numbers rose due to an increase in our aircraft crewing ratios as a result of continued increases in average sector length. Pilots, who earn higher than the average salary, accounted for 43% of the increase in employment during the period.

Depreciation increased by 21% to EUR36.0m due to an increase in the size of the 'owned' fleet from 74 to 87, offset by a lower amortisation charge due to the retirement of Boeing 737-200 aircraft and the positive impact of a new engine maintenance deal on the cost of aircraft amortisation. The strengthening of the euro to US dollar also had a positive impact on the depreciation and amortisation charge relating to new aircraft deliveries.

Fuel costs rose by 34% to EUR169.6m due to an increase in the number of sectors flown, a 6% increase in sector length, and a significantly higher average US dollar cost per gallon of fuel. The increased costs were partially offset by the positive impact of the strengthening of the euro to the US dollar during the year and a 2% reduction in fuel consumption due to the installation of winglets on part of our Boeing 737-800 fleet.

Maintenance costs increased by 39% to EUR10.6m faster than the increase in the number of hours flown due to an increase in the number of leased Boeing 737-800 aircraft from 17 to 24, partially offset by the improved reliability of the Boeing 737-800's operated, a lower level of maintenance costs incurred due to the retirement of the Boeing 737-200's, and the positive impact of the strengthening of the euro exchange rate against the US dollar.

Marketing and distribution costs increased by 39% to EUR5.9m due to a higher level of marketing activity and related expenditure compared to the previous year as the number of routes operated rose by 42% to 304 at the period end and the number of bases increased by 1 to 15.

Aircraft rental costs increased by 22% to EUR13.0m reflecting an additional 3 aircraft on operating lease during the period.

Route charges rose by 18% to EUR50.3m due to an increase in the number of sectors flown and an increase of 6% in the average sector length, offset by a reduction in enroute charges in certain EU countries.

Airport and handling charges increased by 28% to EUR71.2m, which was higher than the growth in passenger volumes and reflects the impact of increased costs at certain existing airports, specifically at our Dublin base which has a much higher average cost per passenger, offset by lower costs at new airports and bases, and the positive euro/sterling exchange rate.

Other expenses increased by 26% to EUR26.9m, which is higher than the growth in ancillary revenues due to improved margins on some existing products and cost increases on some indirect costs.

Operating margins have fallen by 1 point to 36% due to the reasons outlined above whilst operating profits have increased by 23% to EUR249.1m during the quarter.

Interest receivable has increased by 74% to EUR16.1m in the quarter due to the combined impact of higher levels of cash and cash equivalents and increases in average deposit rates earned compared to the same period last year.

Interest payable increased by 13% to EUR20.7m due to the drawdown of debt to part fund the purchase of new aircraft and higher floating interest rates.

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### Notes to the Financial Statements

#### 1. - Accounting Policies

This period's financial information has been prepared in accordance with the accounting policies set out in Ryanair's consolidated financial statements for the year ended March 31, 2006, which were prepared in accordance with International Financial Reporting Standards ("IFRS") as endorsed by the EU. The comparative financial information for the six month period ended September 30, 2005 has been restated on a consistent basis.

#### 2. - Approval of the Preliminary Announcement

The Audit Committee approved the consolidated financial statements for the half year ended September 30, 2006 on November 3, 2006.

#### 3. - Generally Accepted Accounting Policies

The Management Discussion and Analysis of Results for the half year ended September 30, 2006 and the comparative period are based on the results reported under the group's IFRS accounting policies, as adjusted for certain exceptional items.

#### 4. - Available for Sale Securities

During the period the company acquired a EUR185.4m stake in Aer Lingus representing 15% of its share capital at September 30, 2006.

#### 5. - Accounting for Share-Based Payments

Under SFAS No. 123R, which was adopted by the Company on April 1, 2006, the Company is required to account for share-based employee compensation using a fair value based method. The Company has elected to use the Binomial Lattice option pricing model to determine the fair-value of share-based awards under SFAS No. 123R, consistent with that previously used for pro forma disclosures under SFAS No. 123 ("Accounting for Stock-Based Compensation").

The Company has elected to use the modified prospective transition method as permitted by SFAS No. 123R and accordingly prior periods have not been restated to reflect the impact of the revised standard. In this period's financial information, the Company has, as a result of the adoption of SFAS No. 123R, recorded incremental share-based compensation expense of EUR2.012 million in its US GAAP income statement.

Prior to the adoption of SFAS No. 123R, the Company measured compensation expense for its employee share-based compensation plans using the intrinsic method prescribed by APB Opinion No. 25. The Company applied the disclosure provisions of SFAS No. 123, as if the fair value based method has been applied in measuring compensation expense. Under APB Opinion No. 25, when the exercise price of the Group's employee share options was equal to the market price of the underlying share on the date of grant, no compensation expense was recognised. If the Company had applied the fair value recognition provisions of SFAS No. 123 to share-based compensation during the three month period ended September 30, 2005, reported income under US GAAP would have changed from EUR174.087 million to EUR173.796 million with resulting Net income per ADS, basic and diluted, of 113.57 Euro cents and 112.77 Euro cents respectively.

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Independent review report to Ryanair Holdings plc for the six months ended September 30, 2006

### Introduction

We have been engaged by the Company to review the financial information which comprises the consolidated balance sheet of Ryanair Holdings plc at September 30, 2006 and the related consolidated statements of income, statement of recognised income & expense and cash flows for the six month period then ended and the related notes as set out on pages 1 to 7. We have read the other information contained in the interim report and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the Company in accordance with the terms of our engagement to assist the Company in meeting the requirements of the Listing Rules of the Irish Stock Exchange and the UK Financial Services Authority. Our review has been undertaken so that we might state to the Company those matters we are required to state to it in this report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company, for our review work, for this report, or for the conclusions we have reached.

### Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report in accordance with the Listing Rules which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where there are any changes, and the reasons for them, are disclosed.

### Review work performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 "Review of Interim Financial Information" issued by the Auditing Practices Board for use in Ireland and the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data and, based thereon, assessing whether the accounting policies and presentation have been consistently applied unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with Auditing Standards and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

### Review conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented at and for the six months ended September 30, 2006.

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KPMG  
Chartered Accountants  
Dublin, Ireland

November 3, 2006

SIGNATURES

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

RYANAIR HOLDINGS PLC

Date: 06 November 2006

By:\_\_\_\_/s/ James Callaghan\_\_\_\_\_

James Callaghan  
Company Secretary & Finance Director