RYANAIR HOLDINGS PLC
Form 6-K
May 21, 2012

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 May 2012

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 ANNUAL PROFITS UP 25% TO €503m AS
TRAFFIC GROWS 5% TO 76m. DIVIDEND OF €0.34 PROPOSED

Ryanair, Europe's only ultra-low cost airline today (May 21) reported a 25% increase in full year profits to €503m. Revenue increased 19% to €4,325m as traffic grew 5% and average fares rose 16%. Unit costs rose by 13% due to a 30% increase in fuel costs and a 6% increase in sector length. Excluding fuel, sector length adjusted unit costs were flat.

Full Year Results (IFRS) in euro	Mar 31, 2011	Mar 31, 2012	% Change
Passengers	72.1m	75.8m	+ 5%
Revenue	€3,630m	€4,325m	+19%
Profit after Tax (Note 1)	€401m	€503m	+25%
Basic EPS(euro cent) (Note 1)	26.97	34.10	+26%

Announcing these profits Ryanair's, Michael O'Leary, said:

"The highlights of the past financial year include;

- Profits growth of 25% to €503m.
- Traffic grew 5% to 76m (despite grounding up to 80 aircraft in winter).
- 25 new aircraft delivered (y/e fleet 294).
- 6 new bases opened.
- 330 new routes launched (y/e total over 1,500 routes).
- Share buyback of €125m completed in March, (€68m in April).
- 2nd special div. of €0.34 per share proposed subject to AGM approval.

This 25% profit increase to a new record of €503m and 5% traffic growth during a year of higher oil prices, and deep recession in Europe was a commendable result. Our fuel bill rose over €360m as oil prices increased 16% from $73 to $85pbl. Excluding fuel, adjusted unit costs were flat during the year due to aggressive cost control, despite a modest company-wide pay increase, higher Eurocontrol fees and increased airport costs. Ancillary revenue outpaced traffic growth, rising by 11% to €886m or 21% of total revenue.

Competition

The combination of rising oil prices and EU wide recession has accelerated the rate of change in the competitive landscape. A number of EU airlines have closed this year including Malev (Hungary), Spanair (Catalonia), and Cimber Sterling (Denmark). IAG have announced that Bmi Baby will close later this summer if sale negotiations are unsuccessful. Ryanair has responded tactically to these developments by opening a new base in Budapest, expanding bases in Spain, Scandinavia and provincial UK to maximise capacity and minimise airfares for local consumers/visitors. We expect more European failures in 2012, as higher oil prices and recession continues to expose failed airline models as well as subscale or peripheral carriers.

Government Regulation

Despite a rising number of airline failures and record airline losses, many of Europe's governments continue to treat aviation (and airline passengers) as a cash cow to fund their taxation and/or policy failures. The UK and Germany have increased passenger taxes, which has damaged their traffic, tourism and job creation numbers. UK APD has caused traffic to decline by 6% since 2007, while the UK Govt's "do nothing" policy about runway capacity in the

South East is encouraging traffic and tourism to bypass high cost London airports in favour of expanding airports in Spain, France, and Holland.

Spain's recent budget proposes significant increases in AENA's already high airport charges at Madrid and Barcelona, as well as smaller increases at other regional Spanish airports. These Govt. imposed airport tax increases are in clear breach of the EU airport charges directive, and will further exacerbate youth unemployment in Spain. It is extraordinary at a time when the European Union is promoting growth, that individual EU governments wilfully ignore the reality that taxing air travel will damage traffic, tourism and job creation, particularly in the weaker EU regions.

In Ireland, the new Government after one year in office has so far delivered no change or reform in the Dept of Transport's failed policy of protecting the high cost DAA airport monopoly. Traffic at the three DAA airports has declined 25% from 30M in 2007 to 22M in 2011. At a time when Irish unemployment exceeds 14%, and youth emigration is rising, it's time the new Irish Government adopted a radical reform policy including breaking up the three DAA airports, and selling one or both of the two Dublin airport terminals to raise funds for Government and allow competition deliver lower costs, traffic growth and jobs where the DAA monopoly and its downtown office the Dept. of Transport has demonstrably failed.

We expect the UK Court of Appeal will rule shortly in our "out of time" case, in which we are seeking to block the UK OFT investigating our 6 year old minority (29%) stake in Aer Lingus. This ruling will not end the issue as whoever loses will probably appeal to the UK Supreme Court. Given the OFT's recent failure to investigate IAG's 100% acquisition of BMI, or its previous decision to ignore Air France's 25% stake in Alitalia, it is impossible to understand why the OFT wishes to waste time or public funds investigating a 6 year old failed merger between two non-UK airlines when the EU Commission has already ruled that Ryanair could not be required to sell down this minority stake as it does not have either "de facto or de jure" control over Aer Lingus.

EU State Aid

Despite the European Court dismissal of the Commission's 2005 finding of State Aid in the Charleroi case, and the Competition Commission's failure to appeal this decision, it is clear that DG Comp is determined to pursue its misguided vendetta against Ryanair and our regional airports. DG Comp has now launched 18 separate investigations of (mainly) Ryanair traffic growth agreements at low cost regional airports. While DG Comp wastes time and money trying to limit the growth of traffic and jobs at these regional airports, it continues to ignore its own failure to require flag carrier airlines, to repay unlawful state aid in cases (incl. Air France, Malev, Spanair, and Alitalia among others) where the EU has ruled that illegal State Aid was received. As the recent rubberstamping of more flag carrier airline mergers confirm, the EU Commission applies one set of rules for flag carriers but an entirely different set of rules for Ryanair and our low cost regional airports all of whom comply fully with the MEIP/State Aid rules.

High Oil Prices.

High oil prices continue to force competitors to increase fares and fuel surcharges making Ryanair's fares even more attractive to consumers. Higher oil prices contributed to the closure of Spanair and Malev, and will lead to further closures and rising losses. Ryanair is 90% hedged for FY13 at $1,011 per tonne (approx. $101 pbl), a 22% increase on last year but significantly lower than current prices. These higher oil prices next winter and the refusal of some monopoly airports (most notably Dublin & Stansted) to lower winter charges makes it more logical to ground up to 80 aircraft rather than suffer losses flying at very low winter yields in FY13.

Balance Sheet.

Ryanair's balance sheet remains one of the strongest in the industry with over €3.5bn in cash despite having returned €1bn to shareholders over the past 5 years via 4 share buybacks and a 2010 special dividend of €0.34 per share. We have availed of low interest rates to secure almost 70% of our fleet financing all-in at under 3%. Our long term Capex dollar hedging programme means that our remaining 11 Boeing deliveries in late 2012 will be purchased at €/$ exchange rate of 1.40, and we have also extended our FY 13 fuel hedges at €/$ exchange rate of 1.38.

Outlook.
We expect traffic in FY13 will grow by 5% to just over 79m passengers. H1 traffic will grow 7% while H2 will grow by 3%. Our fuel bill will rise by €320m in FY13 with most of this increase skewed into H1, and as a result we expect to report a Q1 profit fall due to these higher prices. We remain concerned about next winter as we have zero yield visibility but expect recession, austerity, currency concerns and lower fares at new and growing bases in Hungary, Poland, Provincial UK, and Spain will make it difficult to repeat this year's record results.   We expect that any increase in fares will only partially offset higher fuel costs, and accordingly we are guiding net profit in FY13 subject to final yield outturn will be lower than FY12 in a range of between €400m to €440m.

Dividend & Share buyback.
In June 2010 we announced our first special dividend of €0.34 per share under which we returned almost €500m to shareholders. We believe it is opportune to propose a second special dividend of €0.34 per share (approx. €483m) payable in Nov 2012 subject to AGM approval. If paid, our 2nd special dividend will mean Ryanair has returned €1.53bn in dividends and share buybacks to shareholders over the past 5 years".

ENDS.

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Note 1: March 2012 excludes an exceptional item of €57.8m, net of tax, relating to a one off release of ticket sales revenue due to a change in accounting estimates arising from enhancements to our revenue accounting systems. Exceptional items in the year ended 31 March, 2011 amounted to €26.1m (net of tax) from the estimated costs relating to he closure of airspace in April and May 2010 due to the Icelandic volcanic ash disruptions.

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, 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 the World’s favourite airline and operates more than 1,500 flights per day from 51 bases and 1,500 low fare routes across 28 countries, connecting over 165 destinations. Ryanair operates a fleet of 294 new Boeing 737-800 aircraft with firm orders for a further 11 new aircraft (before taking account of planned disposals), which will be delivered over the next year. Ryanair currently has a team of more than 8,500 people and expects to carry 79 million passengers in the current fiscal year.

Ryanair Holdings plc and Subsidiaries
Condensed Consolidated Preliminary Balance Sheet as at March 31, 2012

	Note	At Mar 31, 2012 €M	At Mar 31, 2011 €M
Non-current assets			
Property, plant and equipment	11	4,925.2	4,933.7
Intangible assets		46.8	46.8
Available for sale financial assets	8	149.7	114.0
Derivative financial instruments		3.3	23.9
Total non-current assets		5,125.0	5,118.4
Current assets			
Inventories		2.8	2.7
Other assets		64.9	99.4
Current tax		9.3	0.5
Trade receivables		51.5	50.6
Derivative financial instruments		231.9	383.8
Restricted cash		35.1	42.9
Financial assets: cash > 3months		772.2	869.4
Cash and cash equivalents		2,708.3	2,028.3
Total current assets		3,876.0	3,477.6
Total assets		9,001.0	8,596.0
Current liabilities			
Trade payables		181.2	150.8
Accrued expenses and other liabilities		1,237.2	1,224.3
Current maturities of debt		368.4	336.7
Derivative financial instruments		26.7	125.4
Total current liabilities		1,813.5	1,837.2
Non-current liabilities			
Provisions		103.2	89.6
Derivative financial instruments		53.6	8.3
Deferred tax		319.6	267.7
Other creditors		146.3	126.6
Non-current maturities of debt		3,256.8	3,312.7
Total non-current liabilities		3,879.5	3,804.9
Shareholders' equity			
Issued share capital	13	9.3	9.5
Share premium account		666.4	659.3
Capital redemption reserve	13	0.7	0.5
Retained earnings	13	2,400.1	1,967.6
Other reserves		231.5	317.0
Shareholders' equity		3,308.0	2,953.9

Total liabilities and shareholders' equity	9,001.0	8,596.0

Ryanair Holdings plc and Subsidiaries
Condensed Consolidated Preliminary Income Statement for the year ended March 31, 2012

	Note	Pre Exceptional Results Mar 31, 2012 €M	Exceptional Items Mar 31, 2012 €M	IFRS Year Ended Mar 31, 2012 €M	Pre Exceptional Results Mar 31, 2011 €M	Exceptional Items Mar 31, 2011 €M	IFRS Year Ended Mar 31, 2011 €M
Operating revenues							
Scheduled revenues	1	3,438.7	65.3	3,504.0	2,827.9	-	2,827.9
Ancillary revenues		886.2	-	886.2	801.6	-	801.6
Total operating revenues - continuing operations		4,324.9	65.3	4,390.2	3,629.5	-	3,629.5
Operating expenses							
Staff costs		415.0	-	415.0	371.5	4.6	376.1
Depreciation		309.2	-	309.2	273.0	4.7	277.7
Fuel & oil		1,593.6	-				