2011 First Half Results

31 August 2011

Disclaimer | Forward looking information

Certain information included in these statements is forward-looking and involves risks and uncertainties that could cause actual results to differ materially from those expressed or implied by the forward looking statements.

Forward-looking statements include, without limitation, projections relating to results of operations and financial conditions and the Company's plans and objectives for future operations, including, without limitation, discussions of the Company's Business Plan programs, expected future revenues, financing plans and expected expenditures and divestments. All forward-looking statements in this report are based upon information known to the Company on the date of this report. Due to such uncertainties and risks, you should not place undue reliance on such forward-looking statements, which speak only as at the date of this report. The Company undertakes no obligation to publicly update or revise any forward-looking statement, whether as a result of new information, future events or otherwise, except as required by law or by any appropriate regulatory authority.

It is not reasonably possible to itemise all of the many factors and specific events that could cause the Company's forward looking statements to be incorrect or that could otherwise have a material adverse effect on the future operations or results of an airline operating in the global economy. Among the factors that are subject to change and could significantly impact the Company's expected results are the fuel costs, competition from new and existing carriers, costs associated with environmental, safety and security measures, actions of governments and regulatory authorities, fluctuations in currency exchange rates and interest rates, airport access and charges, industrial relations, the economic environment of the airline industry and the general economic environment in the markets to which the Company operates.

Performance highlights

Q2 profitability	• Operating profit of €25.9m compared to €18.8m in prior year	↑
H1 profitability	• Underlying H1 2011 profitability has improved when adjusted for non-recurring costs	↑
Revenue	• Q2 2011 revenue up 14% vs. prior year; H1 revenue up 6% vs. prior year	↑
Unit revenue	• Average H1 yield per passenger across the network increased by 8%	↑
Passengers	• Passenger volumes now stabilising on a yr-on-yr basis.	↔
Underlying costs	• H1 2011 staff cost down by 6%; H1 2011 fuel costs down by 2%	↑
Cash	• Gross cash of €919m at the end of June 2011	↑

Significant improvement in Q2 2011 following a disruptive Q1

Strong Aer Lingus trading performance….

- Strong business performance in Q2 2011
- Continuation of positive yield result
- 2011 full year outlook now better than initially expected
- Balance sheet remains strong

….despite difficult conditions

- Irish GNP trend remains negative: 0.1% decline expected in 2011 [1]
- Jet fuel spot prices increased by 22% in H1 2011
- Airport charges in H1 2011 increased by 9%
- Austerity & economic uncertainty impacting consumer sentiment
- Irish air passenger recovery continues to lag European growth trends

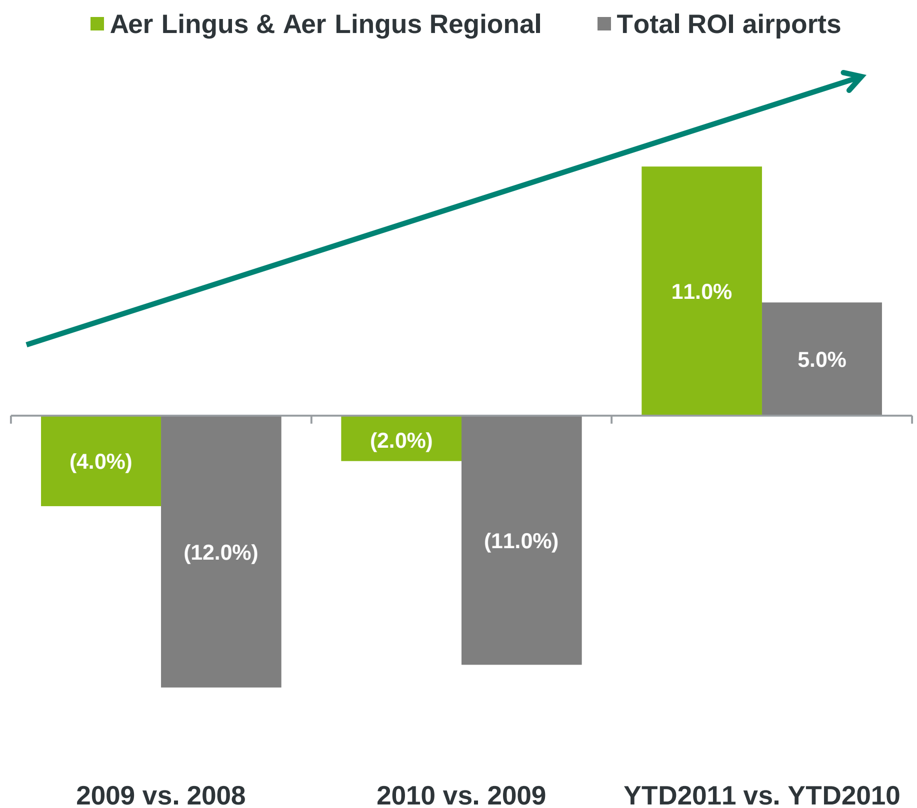
[1] Source: DKM Economy Watch, June 2011

Aer Lingus has restored passenger growth

- Aer Lingus ticketed passengers (i.e. including Aer Lingus Regional) have grown ahead of Irish air travel market trends

- Network planning decisions will continue to be demand led

- Aer Lingus encourages Government to take actions to support Irish travel & tourism:
  - Intensify marketing efforts to promote Ireland in overseas markets
  - Reduce structural sources of cost disadvantage for Irish tourism



Notes:
- Source: Central Statistics Office & Aer Lingus data
- YTD 2011 data for January to April 2011

Strategic update

- At present, cost of joining an alliance would outweigh benefits
- Aer Lingus will prioritise bilateral relationships on selected routes for the time being

Implement three stage strategic approach

2011 / 12	2012 / 13	2012 / 14
1. Actively pursue bilateral partnerships on selected routes	**2.** Investigate Anti-Trust Immunity on North Atlantic	**3.** Explore global alliance membership over longer term

Support above steps through further cost management and product innovation programmes

Bilateral relationships will improve profit potential while maintaining our neutrality & strategic flexibility

H1 2011 Financial Review

Andrew Macfarlane, Chief Financial Officer

Aer Lingus

Financial highlights

€m	Q2 2011	Q2 2010	*Change %[1]*	H1 2011	H1 2010	*Change %[1]*
Total revenue	351.2	308.0	*14.0%*	569.1	538.0	*5.8%*
Operating profit/(loss)[2]	25.9	18.8	*37.8%*	(27.8)	(19.0)	*46.3%*
Margin %[2]	*7.4%*	*6.1%*	-	*(4.9%)*	*(3.5%)*	-
Exceptional items	17.1	(5.0)	*NM [3]*	14.9	(5.0)	*NM [3]*
Net interest	(0.8)	1.6	*NM [3]*	(1.3)	3.2	*NM [3]*
Profit/ (loss) before tax	42.2	15.4	*174.0%*	(14.2)	(20.8)	*(31.7%)*
ASKs (million)	5,218	4,705	*10.9%*	8,869	8,808	*0.7%*

€m	30 June 2011	31 Mar 2011	*Change %[1]*	30 June 2011	31 Dec 2010	*Change %[1]*
Gross cash	919.4	925.1	*(0.6%)*	919.4	885.0	*3.9%*
Debt	561.8	547.7	*2.6%*	561.8	535.2	*5.0%*

[1] Sign convention: increase / (decrease)
[2] Pre exceptional items
[3] Not meaningful

Strong Q2 2011 trading performance

Comparing 2011 with 2010

	Q1	Q2
2010	Loss making London Gatwick capacity Shannon long haul Greenfield started March 2010 Early Easter	Ash cloud disruption Greenfield implementation continues
2011	Reduction in London Gatwick capacity No Shannon long haul Full quarter of Greenfield IMPACT cabin crew dispute	Non-recurring project costs No ash cloud disruption Full quarter of Greenfield Late Easter Threat of pilot industrial action

H1 2011 - a tale of 2 quarters

€m	Q1 2011	Q1 2010	%[1]	Q2 2011	Q2 2010	%[1]	H1 2011	H1 2010	%[1]
Total revenue	217.9	230.0	*(5.3%)*	351.2	308.0	*14.0%*	569.1	538.0	*5.8%*
Staff costs	(61.1)	(67.3)	*(9.2%)*	(66.6)	(68.4)	*(2.6%)*	(127.7)	(135.7)	*(5.9%)*
Airport Charges	(52.8)	(52.3)	*1.0%*	(75.7)	(65.2)	*16.1%*	(128.5)	(117.6)	*(9.3%)*
FX	(0.5)	5.0	*NM*	(0.1)	10.3	*NM*	(0.6)	15.3	*NM*
Fuel	(52.2)	(54.9)	*(4.9%)*	(77.4)	(77.2)	*0.3%*	(129.6)	(132.1)	*(1.9%)*
Other EBITDAR costs	(73.2)	(64.4)	*13.7%*	(74.7)	(56.8)	*31.5%*	(147.8)	(121.6)	*(21.6%)*
EBITDAR	(21.9)	(3.9)	*461.5%*	56.7	50.7	*11.8%*	34.9	46.3	*(24.6)%*
Depreciation & aircraft rent	(31.8)	(33.3)	*(4.5%)*	(30.8)	(31.9)	*(3.5%)*	(62.7)	(65.3)	*(4.0)%*
Operating profit/(loss) [2]	(53.7)	(37.0)	*42.1%*	25.9	18.8	*37.8%*	(27.8)	(19.0)	*46.3%*

[1] Sign convention: increase / (decrease)
[2] Pre exceptional items

€m	Q1 2011	Q1 2010	%[1]	Q2 2011	Q2 2010	%[1]	H1 2011	H1 2010	%
Avg. yield per pax	97.98	89.78	*9.1%*	113.13	106.17	*6.6%*	106.94	98.66	*8.4%*
Pax (‘000s)	1,781	2,019	*(11.8%)*	2,582	2,386	*8.2%*	4,363	4,405	*(1.0%)*
ASK (million)	3,651	4,103	*(11.0%)*	5,218	4,705	*10.9%*	8,869	8,808	*0.7%*

Project Costs

- Guidance at time of 2010 preliminary results:
  - Expect up to €25m of IT upgrade costs in 2011
  - Majority to be exceptional items
- Plus side: Upgrading passenger management systems & rostering will be cheaper than initially thought
- Downside: Significant work needed to improve IT functions to handle these and other projects. Bought in resource to support transition – 2011 cost
- Also incurred significant consulting cost to support cabin crew/pilot rostering negotiations
- Total H1 cost €9.5m; H2 estimated at €5.5m – to be included in overheads
- Costs to cease by end of year

Greenfield update

€m	At end of 2010	At end of H1 2011
	Exit run rate	**Exit run rate**
Staff	50.0	53.0
Non-Staff	3.9	20.8
Total	**53.9**	**73.8**

- Greenfield programme goal remains €97.0m; €80.0m expected by end of 2011
- Initiatives currently being examined:
  - Cross seasonal aircraft leasing
  - Encourage more seasonal working
  - Improve on-board retail / ancillary revenue

Seasonality is now the big challenge

H1 2011 fuel cost

Fuel analysis	Q2 2011	Q2 2010	%	H1 2011	H1 2010	%
Fuel burn (‘000 tonnes)	119.4	109.8	*8.7%*	204.9	206.3	*(0.7%)*
Avg. price per tonne (US$)	870	856	*1.6%*	818	801	*2.1%*
Avg. price per tonne incl. into-plane (US$)	929	914	*1.5%*	887	860	*3.1%*
Total fuel cost (US$m)	110.9	100.5	*10.4%*	181.4	177.4	*2.3%*
FX rate for period	1.43	1.30	*10.0%*	1.40	1.34	*4.5%*
Total fuel cost (€m)	77.4	77.2	*0.3%*	129.6	132.1	*(1.9%)*

US$ hedging	H1 2011	H1 2010
Average hedged rate (US$/€)	1.43	1.47
Other gains / (losses) (€m)	(0.6)	15.3

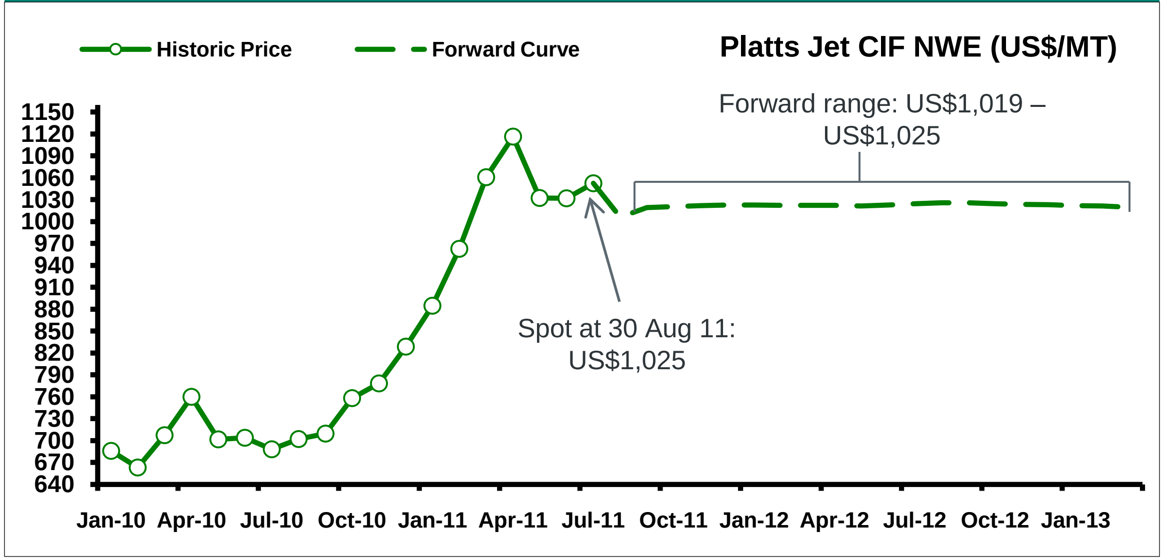
Fuel hedging protected first half profits

Fuel Hedging

Fuel	Q3 2011 F'cast	Q4 2011 F'cast	Full yr 2011	Full yr 2012
Burn ('000 tonnes)	126.0	106.0	436.7	442.9
% hedged [1]	80%	65%	82%	27%
Avg. hedged price US$ / tonne	868	898	839	941

[1] As at 30 June 2011

Forward fuel price as at 30 Aug 2011



- Fuel price sensitivity: US$50 / tonne change would result in approx. €2m change in 2011 fuel bill.

Limited exposure for rest of 2011

Exceptional items

Exceptional (charges) / credits - €m	H1 2011	H1 2010
Volcanic ash compensation cost	-	(10.0)
Release of excess Greenfield provision	3.2	5.0
Profit on closing out of aircraft FX hedges	11.6	-
Profit on disposal of A330	0.9	-
Other	(0.8)	-
	14.9	**(5.0)**

- Excess Greenfield provision has been released – fewer redundancies. Original Greenfield provision was €76.9m, recognised in 2009.
- Deferred 3 A330 aircraft orders in early 2011 until 2018/19
  - Related FX hedges no longer required & closed out
  - €11.6m profit arose as a result

Cash generation in H1 2011

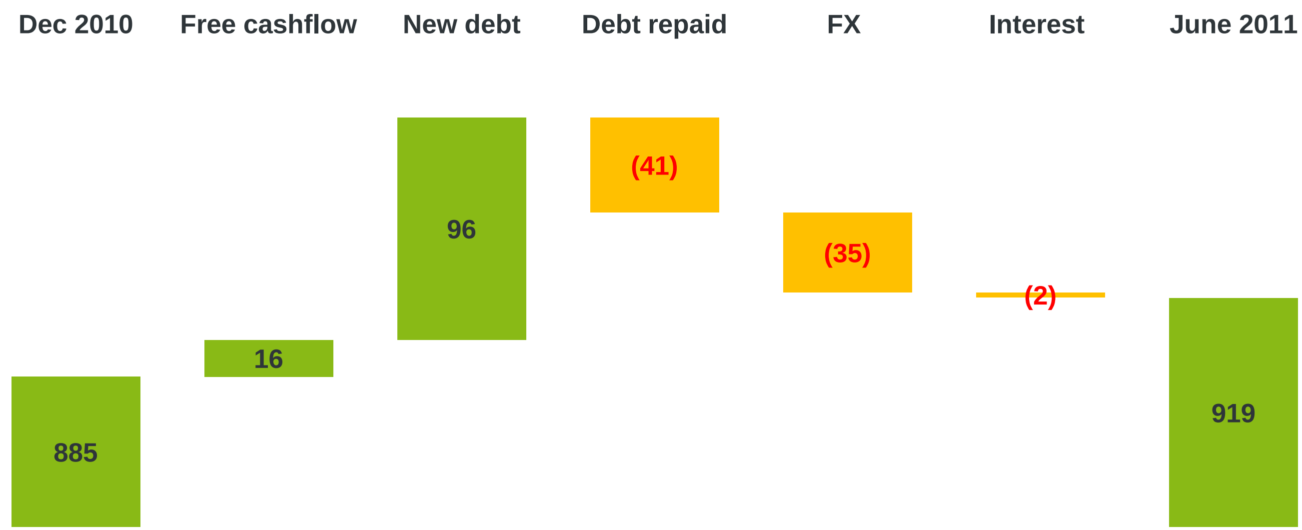
- Working capital inflows are due to ticket purchases in advance of peak travel season
- Capex primarily comprises purchase of A320s in H1 2011, net of proceeds from sale of an A330-300

Free cashflow inflow despite capex and settlement

Balance sheet remains strong

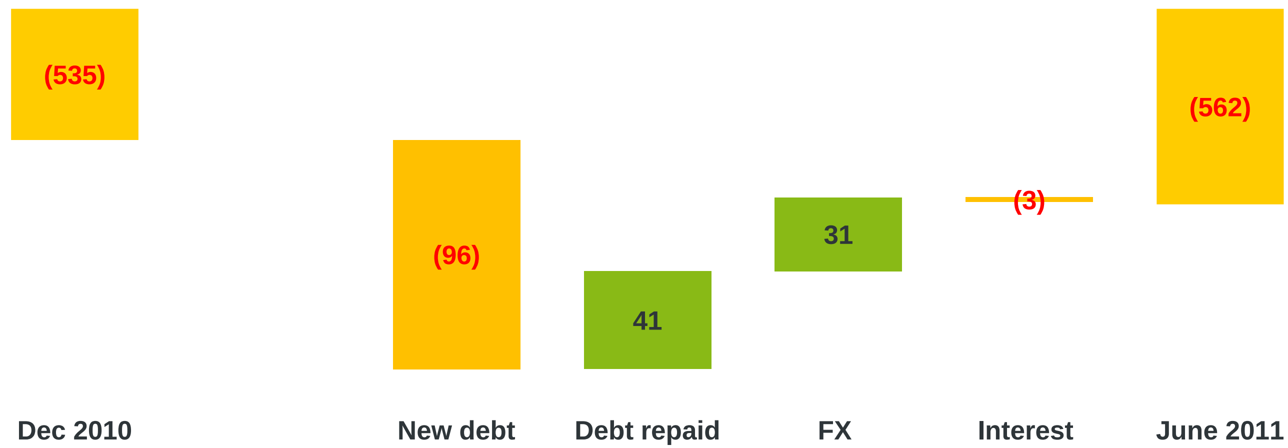
Gross cash

Dec 2010 to June 2011



Debt

Dec 2010 to June 2011



H1 2011 Commercial Review

Stephen Kavanagh, Chief Commercial Officer

H1 2011 commercial overview

Network

- Competitive route portfolio
- Supported by strong slot positions in key airports
- Meeting time & price sensitive passenger demand

Fleet

- Economically efficient A330 & A320 fleet
- Strong asset quality
- Active fleet management, e.g. exit of A321s & sale of A330 in H1 2011

Revenue management

- Maximisation of fare revenue per seat continues to be cornerstone of revenue management approach

Ancillary revenue

- New retail initiatives coming on-stream
- Discretionary & value adding products
- "Holidays with Aer Lingus" in partnership with ***Click & Go***

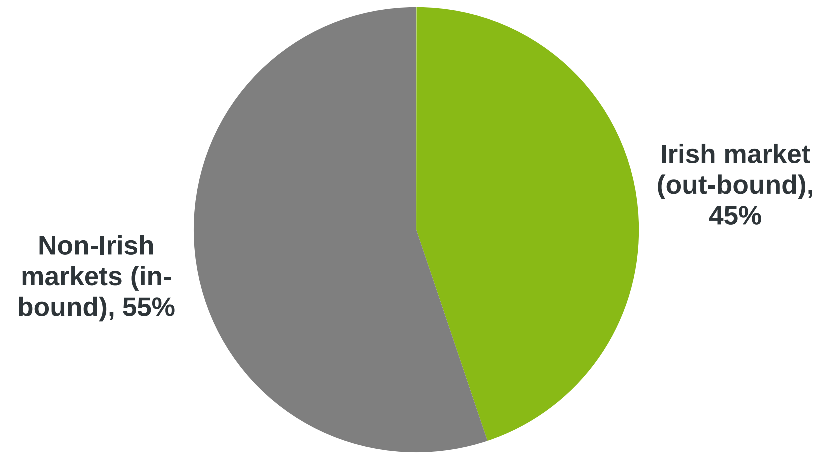
Technology

- Internet Booking Engine: strong retail focus
- New revenue management system to improve demand forecasting & revenue optimisation capabilities

Aer Lingus benefits from a balanced route network

- Demand-led portfolio of markets managed by margin
- Broad geographic coverage
- Exposure to multiple markets outside Ireland including performing European passenger markets
- Strategic results:
  - Ratio of in-bound vs. out-bound is favourable
  - **55%** of year to date 2011 booking revenues are sourced outside Ireland
  - Aer Lingus maintaining or achieving steady yr-on-yr gains in key markets
  - Inbound revenue bookings for 2011 year to date are ahead of prior year
  - Substantial transatlantic connecting passengers from major cities, e.g. Paris and Rome

Analysis of revenue sources
January – June 2011

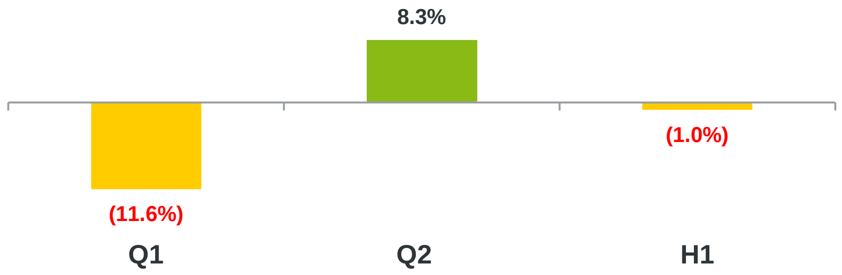


Strong unit revenue growth continues to be key performance feature

- Revenue growth underpinned by positive yield performance
- Aer Lingus maintains competitively priced fares on key routes & majority of seats are offered at attractive low fares
- Q1 passenger volumes held back by:
  - Planned capacity reductions
  - IMPACT dispute
  - Aftermath of bailout & austerity measures on consumer confidence
- Q2 passenger growth improved with near stabilisation overall for H1 2011

YTD 2011 average yield per passenger (€) vs. 2010

YTD 2011 Passenger volume growth vs. 2010



Disciplined approach to capacity management continues to yield results

Continued strong growth of short haul yield in H1 2011

	ASKs (million)	RPKs (million)	Load factor %	Pax ('000s)	Fare revenue €m	Fare revenue per Seat €	Fare revenue per Pax €	Fare revenue per ASK (cent)
Q2 2011	3,553	2,604	73.3%	2,341	215.3	66.67	91.98	6.06
Q2 2010	3,174	2,398	75.6%	2,155	184.1	62.77	85.09	5.81
% change	*11.9%*	*8.6%*	*(2.3pts)*	*8.6%*	*17.0%*	*6.2%*	*8.1%*	*4.3%*
H1 2011	6,029	4,238	70.3%	3,973	347.5	60.61	87.47	5.76
H1 2010	5,988	4,320	72.2%	4,002	321.2	56.33	80.21	5.36
% change	*0.7%*	*(1.9%)*	*(1.9pts)*	*(0.7%)*	*8.2%*	*7.6%*	*9.1%*	*7.5%*

- Strong performance on time sensitive European routes in H1 2011
- Frequencies adjusted to reflect market demand
- Replacement of A321s with A320s to achieve more appropriate fleet balance

Positive long haul momentum of 2010 continued into H1 2011

	ASKs (million)	RPKs (million)	Load factor %	Pax ('000s)	Fare revenue €m	Fare revenue per Seat €	Fare revenue per Pax €	Fare revenue per ASK (cent)
Q2 2011	1,665	1,260	75.7%	241	76.8	241.23	318.80	4.61
Q2 2010	1,531	1,212	79.2%	230	69.3	237.77	301.14	4.53
% change	*8.8%*	*4.0%*	*(3.5pts)*	*4.8%*	*10.8%*	*1.5%*	*5.9%*	*1.8%*
H1 2011	2,840	2,059	72.5%	390	119.1	221.25	305.35	4.19
H1 2010	2,820	2,126	75.4%	403	113.4	212.21	281.79	4.02
% change	*0.7%*	*(3.2%)*	*(2.9pts)*	*(3.2%)*	*5.0%*	*4.3%*	*8.4%*	*4.2%*

- Long haul continues to perform strongly
- Cargo revenues supported by strong yields which offset volume weakness partly caused by IMPACT cabin crew disruption of operations
- Long haul capacity will remain unchanged for 2012 with seven A330 aircraft in service
- Portfolio of routes to be managed by margin

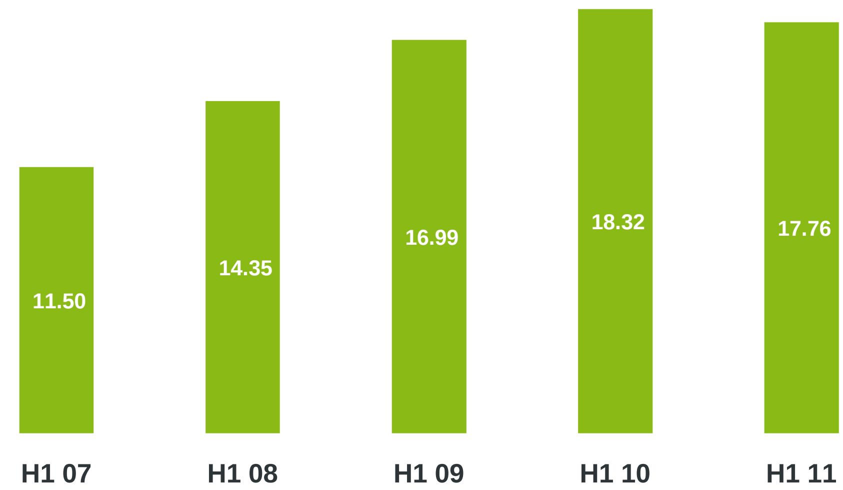
Ancillary revenue performance – H1 2011

6 months ended June 2011 Ancillary revenue per passenger	
€17.76	(3.0)% decrease vs. H1 2010

Ancillary revenue item	Change % vs. H1 2010
Seat selection fees	+20.1%
Online booking fees	+6.6%
Baggage fees	(1.8%)

- Spend per head impacted by behaviour changes, e.g. baggage fees
- Focus in H2 2011 & 2012 on improving attractiveness of on-board retail proposition and new product development
- Future ancillary revenue changes will comprise a range of offerings to provide customers with convenient options for which they are willing to pay rather than a single significant initiative
- New initiative rollout over course of H2 2011

Ancillary revenue per passenger - €



Current focus is to stabilise & increase unit revenues over time

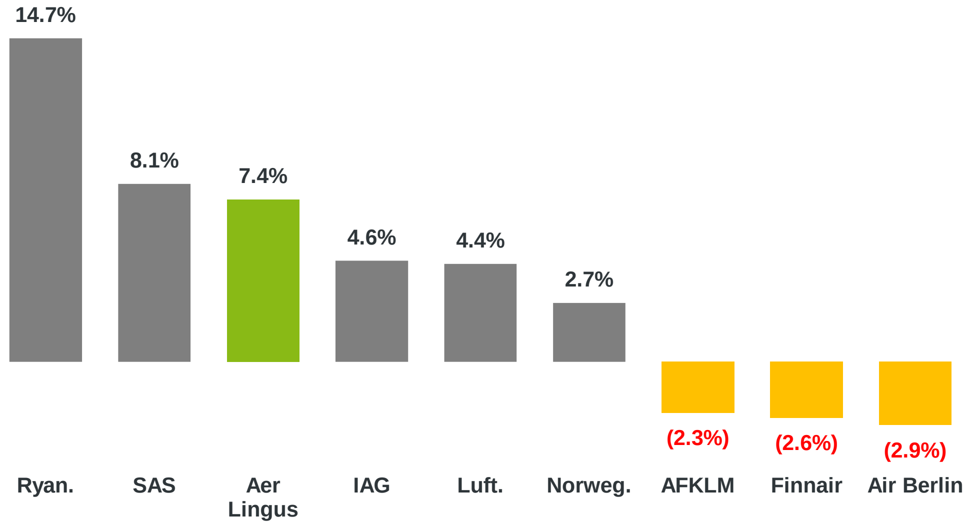
Technology & product evolution to drive revenue growth

- Several revenue initiatives to support fare & ancillary revenue development already implemented or close to implementation:
  - “***Flexfare***” (lounge, flexible travel options, etc.) already in place since November 2008
  - “***Bestfare***” (bundled product including bag, advance seat assignment, etc.) to be launched in late 2011
  - “***Fare families***” to support virtual business class cabin
  - “***Tripfinder***”: want to travel but can't decide on a destination?
  - Fare lock & deposit
- Aer Lingus App to support:
  - Improved passenger check-in experience
  - Improved customer communication
  - Platform for further retail innovation

Our commercial strategy is delivering results

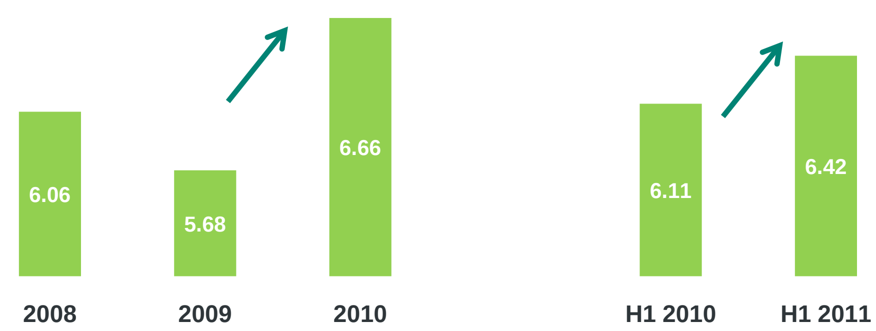
- Demand led strategy is maintaining business margins
- Our profitability compares well vs. peers
- Revenue generation efficiency has improved significantly since 2009
- Aer Lingus now well positioned to take advantage of improved demand conditions:
  - The right customer proposition
  - The right route portfolio
  - The right capacity strategy
  - The right fleet

Apr - Jun 2011 EBIT [1] margin % comparison



[1] Earnings before interest & taxation

Increased revenue efficiency (Revenue per Available Seat Kilometres: € cent)



2011 Outlook & Closing Comments

Christoph Mueller, Chief Executive Officer

Aer Lingus is a valuable business

- €750m of net assets in addition to significant off-balance sheet assets, e.g. airport slots
- Aer Lingus is **profitable & generating cash** despite Irish economic difficulties

Asset strength

- Gross cash of €919m
- No general corporate debt; asset backed lease finance only
- Attractive slot portfolio in London Heathrow & Dublin
- Modern, cost efficient fleet of high spec, in-demand Airbus aircraft

Progress achieved

- Cash generative business model; de-risked aircraft capex order book
- Cost competitiveness compares well against most peer airlines
- Capacity & yield management strategy is delivering results

Business model

- Demand-led business model is performing
- Return to profitability despite difficult conditions

There is significant value in Aer Lingus

Current trading & 2011 outlook

- July trading trends are encouraging & are ahead of prior year
- Three month forward booking profile is ahead of 2010 across the network
- Yr-on-yr revenue growth for H2 2011 is likely to be similar to that experienced in the first half of 2011
- We are more positive about the profitability of the business in 2011 than we were at the start of the year
- However, 2011 operating result is still likely to be below 2010
- Aer Lingus well positioned to benefit from recovery
- Investor day scheduled for 28 September in London

Despite difficult conditions, Aer Lingus is confident about the future

Q & A