COMPLETED ACQUISITION BY RYANAIR HOLDINGS PLC OF A MINORITY SHAREHOLDING IN AER LINGUS GROUP PLC

Undertakings given by Aer Lingus Group PLC to the Competition Commission pursuant to section 80 of the Enterprise Act 2002

A. On 15 June 2012, the OFT made the reference to the CC under section 22 of the Act concerning the completed acquisition by Ryanair of the minority shareholding.

B. On 19 June 2012 Ryanair launched the public bid, which gave rise to a possible concentration with a community dimension under the EUMR and accordingly was notified to the European Commission on 24 July 2012.

C. The CC has concluded that the European Commission has exclusive jurisdiction under Article 21(3) EUMR in relation to the public bid but that Article 4.3 of the Treaty on European Union (TEU) does not prevent the CC at this time from pursuing the reference relating to the minority shareholding.

D. On 29 August 2012 the European Commission announced that it had initiated proceedings in relation to the public bid under Article 6(1)(c) EUMR and as a result, under the terms of Ryanair’s formal offer, the public bid automatically lapsed on 29 August 2012.

E. The CC notes that under the Rules of the Irish Takeover Panel, Ryanair is prohibited from acquiring shares which would take its minority shareholding in Aer Lingus to the level of 30 per cent (or more) within a 12-month period beginning on 29 August 2012 without the Irish Takeover Panel’s consent.

F. The CC wishes to ensure that no action is taken pending final determination of the reference which might prejudice the reference or impede the taking of any action by the CC under Part 3 of the Act which might be justified by the CC’s decisions on the reference.

G. Nothing in these Undertakings shall compromise (or be construed as compromising) a decision or possible decision by the European Commission under the EUMR in relation to the public bid.

H. The reference has not been finally determined in accordance with section 79(1) of the Act.

Now Aer Lingus Group PLC hereby gives to the CC the following Undertakings pursuant to section 80 of the Act for the purpose of preventing pre-emptive action.

Undertakings

1. Except with the prior written consent of the CC, Aer Lingus undertakes that it will not during the specified period take any action which might prejudice the reference or impede the taking of any action under the Act by the CC or other party which may be justified by the CC’s decisions on the reference, including any action which might impair the ability or incentive of Aer Lingus to compete independently in any of the markets affected by the acquisition.
Compliance

2. Aer Lingus shall procure that each of its subsidiaries complies with these Undertakings as if it had given them.

3. Aer Lingus shall forthwith provide to the OFT and the CC such information or statement of compliance as either of them may from time to time require for the purposes of monitoring compliance by Aer Lingus and its subsidiaries with these Undertakings. In particular, on 20 October 2012 and subsequently on the 20th day of each month (or, where the 20th does not fall on a working day, the first working day thereafter), the Chief Executive Officer of Aer Lingus shall provide a monthly statement to the CC on behalf of Aer Lingus confirming compliance with these Undertakings in the form set out in the Appendix to these Undertakings.

4. Aer Lingus shall comply in so far as it is able with such written directions as the CC may from time to time give to take such steps as may be specified or described in the directions for the purpose of carrying out or securing compliance with these Undertakings.

Interpretation

5. The Interpretation Act 1978 shall apply to these Undertakings as it does to Acts of Parliament.

6. For the purposes of these Undertakings:

‘the acquisition’ means the acquisition of a 29.8 per cent minority shareholding in Aer Lingus by Ryanair, between 27 September 2006 and the present;

‘the Act’ means the Enterprise Act 2002;

‘Aer Lingus’ means Aer Lingus Group PLC;

‘the CC’ means the Competition Commission;

‘confidential information’ means business secrets, know-how, commercially-sensitive information, intellectual property or any other information of a confidential or proprietary nature;

‘the decisions’ means the decisions of the CC on the questions which it is required to answer by virtue of section 35 of the Act;

‘the EUMR’ means the European Union Merger Regulation (Council Regulation Number EC 139/2004)

‘the minority shareholding’ means the 29.82 per cent shareholding in Aer Lingus which Ryanair has acquired in increments since 2006;

‘the OFT’ means the Office of Fair Trading;

‘the public bid’ means Ryanair’s formal offer dated 17 July 2012 to purchase the remaining issued share capital of Aer Lingus which it does not already own;

‘the reference’ means the reference made on 15 June 2012 by the OFT to the CC under section 22 of the Act concerning the completed acquisition by Ryanair of the minority shareholding;
‘Ryanair’ means Ryanair Holdings PLC and its subsidiaries (including Coinside Limited);

‘the specified period’ means the period beginning on the date of these Undertakings and terminating when the reference is finally determined in accordance with sections 79(1) and (2) of the Act;

‘subsidiary’, unless otherwise stated, has the meaning given by section 1159 of the Companies Act 2006;

unless the context requires otherwise, the singular shall include the plural and vice versa.

FOR AND ON BEHALF OF Aer Lingus Group PLC

.......................................................  Signature

Donal Moriarty.................................  Name

Executive Counsel .........................  Title

27/09/2012.................................  Date
Appendix A

Compliance statement for Aer Lingus

I [insert name] confirm on behalf of Aer Lingus that:

(a) Aer Lingus has complied with the Undertakings given by it and accepted by the CC on [date] (‘the Undertakings’) in the period from [insert date] to [insert date].

(b) Aer Lingus’s subsidiaries have also complied with the Undertakings in the period from [insert date] to [insert date].

(c) No action has been taken by Aer Lingus in the period from [insert date] to [insert date] that will impede the taking of any action by the CC which may be justified by its decision on the reference.

(d) Aer Lingus and its subsidiaries remain in full compliance with the Undertakings.

FOR AND ON BEHALF OF Aer Lingus Group plc

....................................................... Signature
....................................................... Name
....................................................... Title
....................................................... Date