

Ryanair raises profit forecast for full-year

Written by Administrator
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Ryanair has increased its profit forecast for the full year after a better-than-expected performance in the last three months of 2012. The low-frills airline reported an 18.1m-euro (\$24.3m; £15.4m) profit after tax in the three months to December, the third quarter of its financial year, up 21% on a year ago, BBC News informs.

It was boosted by strong pre-Christmas bookings and lower operating costs.

It now expects annual profits of close to 540m euros.

Its previous guidance was for profits of 490-520m euros.

Last week, rival Easyjet said its losses for the first half of the year would be much lower than in 2011, as it reported a 9% rise in revenues.

In the third quarter, Ryanair benefited from an 8% rise in average fares, lifting overall revenues 15% to 969m euros.

The company said fares would continue to rise next year, though capacity would only rise by 2-3%, down from the 4% rise forecast in the current year, due to the lack of new plane deliveries planned.

The airline also gave an update on its bid for rival airline Aer Lingus. Ryanair is making its third attempt to buy Aer Lingus but was given a list of objections by the European Commission in October last year.

"Ryanair has submitted a radical and unprecedented remedies package to the EU in support of its offer for Aer Lingus. We believe these remedies address every current Ryanair/Aer Lingus crossover route and all other competition issues raised by the Commission in its Statement of

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Objections," Ryanair said.

"The remedies involve two upfront buyers each basing aircraft in Ireland to take over and operate a substantial part of Aer Lingus' existing route network and short-haul business.

"This will be the first EU airline merger which will deliver structural divestitures and multiple upfront buyers. We look forward to completing our offer for Aer Lingus subject to receiving approval from the EU competition authorities in early March."