

A NOTE TO ALL RYANAIR PILOTSThurs 5th Oct 2017

Ladies & Gentlemen,

I write to apologise personally to each of you for the disruptions you have experienced to your rosters as a result of the rostering management failure we have suffered over recent weeks.

Our Rostering Failure

As a management group we were unaware of this problem until September, because to date this year we received weekly reports confirming that the 4 week roster was issued "with all duties covered". It was only when large numbers began to take their allocated calendar month of leave in Sept and Oct it quickly became clear that these reports were untrue. While we had sufficient pilots to crew our summer peaks in July and Aug, poor planning meant that we don't have sufficient standby pilots for Sept to Dec to cover the - one off - large volume of calendar month leave needed to achieve the 9 month transition agreed with the IAA to the new calendar leave year from 1 Jan 2018. For this also I sincerely apologise.

When this problem arose in Sept we could have cancelled pilot leave or suspended your 5 on/4 off rosters to protect the integrity of our schedules under our base agreements. This was not the right thing to do, as we need stable rosters and motivated crews to continue to deliver Ryanair's low fare, reliable services to our customers. Instead we took the painful and deeply regretted decision to cancel 2,100 (1.6%) of our 130,000 scheduled flights in September/October, and last week we grounded 25 of our 400 aircraft for the winter season from November to March. While this disrupted another 400,000 (0.8%) of the 50m customers we will carry this winter, it demonstrates our willingness to take big, public, and painful decisions if they are in the better long term interest of our customers, our people and our business model.

Grounding these 25 winter aircraft means we can protect your calendar month of annual leave, improve the stability of our rosters and build a better rostering management team to ensure this never recurs. It also allows us to allocate a lot of the 2018 annual leave in quarter one, well before our busy summer 18 schedule.

Our Respect for Our Pilots

I also wish to address comments I made about pilots after our 21 Sept AGM which have been misrepresented. I emphasized (as I always do) that Ryanair's pilots are the best in the business, who work hard, are well trained and extremely professional. I am proud of your skill and experience, operating across multiple airports especially during bad weather and/or ATC disruptions. I have the utmost respect, and admiration for Ryanair's pilot team which is so ably led by Ray Conway, Andy O'Shea, their deputies and our base Captains.

The critical comments that I did make were specifically directed at pilots of competitor airlines and their local unions who take every opportunity to criticise and denigrate Ryanair, our pilots, our safety, our operating performance and our business model despite our collective 30 year success. My criticisms of these competitor pilots and their false claims are valid. Just witness the recent bankruptcies of Air Berlin, Alitalia, and Monarch as well as the obvious financial difficulties being faced by Norwegian (see below).

I have over 30 years interacted personally and professionally with many of our pilots. Over this period I have always tried to be courteous, respectful and grateful for the outstanding job that you do, and this will remain my approach. I treat you with the respect you are due as senior professionals in Ryanair, and I equally expect each of you to ensure that Ryanair is treated with the respect you are entitled to. We are a very secure employer - in a very insecure industry - and so I ask you please do not allow competitor pilots or their local unions to demean or disparage our collective success.

Learning from this mistake

Over the next 6 months our pilots will see significant changes to, and investment in, our rostering and pilot career development in Ryanair. Our Chief People Officer Eddie Wilson has now taken direct control of our pilot recruitment and rostering functions and he has begun to communicate a series of measures both directly, and through your base ERC's which will deliver significant improvements to your rosters, your pay, your basing, your contracts and your career progression over the next 12 months including:

- pay increases from 1 October, initially through base supplements of €10,000 (Capt.)/€5,000 (F.O.) at DUB, STN, SXF, and FRA, with different supplements being rolled out to other bases (depending on competitor pay, and whether we are already pay competitive at each base) as soon as ERC meetings can and are being arranged

- a 12 month loyalty/productivity bonus of up to €12,000 for Capt's (up to €6,000 FO's) payable monthly from Nov 2017 to Oct 2018 subject only to reasonable and achievable performance or targets being met. This will we hope dissuade people leaving to join less financially secure airlines and damaging their careers

- we will each year benchmark our pilot pay against our 737 competitors most notably Jet2 and Norwegian. Where at any base we are below them, we will negotiate with that base ERC to ensure that we don't just match them, but rather we will exceed them. These pay increases will now allow us to target 737 recruits from these weaker, lower pay airlines.

- significant increases in WOFF and out of base payments over the next 6 months to reward the thousands of you who have volunteered to help out, to minimize customer disruptions in Oct, Nov and Dec as we transition to a new leave year from 1 Jan 2018.

- we will fix the management and production of your rosters which as you will see from November, will deliver you stability, and your days off will really mean days off

- a new command upgrade scheme for F.O's with more certainty on your base offer, choice of contracts and an increased €20k bonus from 1 October (replacing the current C.U. bonus scheme) on C.U. completion

- there will be increased supplements for TRE's and LTC's from 1 November so that we attract more of you into training posts as a valuable career progression within Ryanair

- we will grow more multiple aircraft bases (rather than single aircraft bases) so that we have the correct crew and standby numbers at each base rather than trying to cover under crewed bases with surplus pilots from other bases

- we will develop and improve our base selection process so that we can improve the visibility of your base transfers and create more jobs at bases where our pilots (particularly those in the C.U. process) wish to live longer term.

- we will continue to invest in IPADS/EFB to deliver more apps to make it easier to request leave, request swaps, and deal with adhoc leave requests within defined agreed periods for replies to your requests from our rostering team

- we will negotiate any differences between Irish and local individual employment benefits (e.g. sick pay, maternity, probation etc.) into our Irish contracts with each base ERC's. Again we have asked the ERC's to set out any such differences between local and Irish legislation although we believe there are very few (such as 6 months' probation in Germany) but any new terms negotiated (following the Mons case) will not change the fact that crews will continue to be employed on Irish

contracts of employment or that Irish law will be applicable to these amended contracts.

Eddie Wilson and his team will roll out these substantial improvements over the coming weeks via negotiations with your base ERC's a process that has already started. They will transform your pay and career prospects in Ryanair. We will beat the pay (and the job security) of Norwegian, Jet2 and other competitor 737 operators at your base. If you have or are considering joining one of these less financially secure/ or Brexit challenged airlines, I urge you to stay with Ryanair for a brighter better future for you and your family.

Some of you may have been misguided or misled by competitor pilots such as ECA or other local unions into believing that the ERC structure will fail or be pulled down by Ryanair pilots withdrawing from it. This is untrue. We already have base agreements in place at all of our bases. These were negotiated and approved in secret ballots by all our pilots, and in some cases they run until 2021. The only way to vary these deals is by negotiation through your base ERC's since we will not, and cannot be forced to, deal with 3rd party pilot unions or regional/pan European committees set up by these competitor pilot unions. The Supreme Court has already ruled that our ERC's meet all the tests of collective bargaining, and if pilots choose to not use these tried and tested forums for negotiating with us, then you and your colleagues will suffer a delay in delivering these pay increases and other benefits at your base.

If you wish to improve your pay, your rosters, your supplements and your career prospects here in Ryanair - as we do - then simply ask your base ERC to request an early meeting with Eddie Wilson and his team and we will begin the process of delivering these benefits to you as quickly as possible. In particular if you have any evidence of competitor 737 operators (such as Norwegian or Jet2) at your base paying more than Ryanair then provide it to us and we will meet and beat it at your base as soon as an appropriate amendment is agreed to your existing base agreement with your ERC and your colleagues. We very much look forward to hearing from you.

Best wishes,


Michael O'Leary
CEO

