



PRESS RELEASE

APPROVAL OF THE HALF-YEAR REPORT AS AT 30 JUNE 2007

Total revenues of €151 million (up 14.1%)

Net loss of €16.3 million (€11.9 million at June 2006)

Net financial debt of €2 million (€27.8 million at December 2006)

A PORTION OF THE CAPITAL INCREASE FOR CASH BROUGHT FORWARD TO 2007

Meeting of shareholders set for 6, 8 and 9 November 2007

FINANCIAL REPORTING OFFICER APPOINTED

Milan, 12 September 2007 – In its meeting of today, the Eurofly Board of Directors approved the company's half-year report on operations for the period January-June 2007, which has been prepared in compliance with the IASs and IFRSs.

Financial performance and standing as at 30 June 2007

Total revenues at June totaled €150,748 thousand. The 14.1% increase over the same period of 2006 came primarily in the area of long-haul flights with the increase both in the capacity offered and in business.

EBITDAR for the first half of the year came to €11,379 thousand, declining both in long-haul and mid-range flights. The decline for the period was affected by the start-up of new long-haul flights at the end of 2006 and beginning of 2007 to India and Mauritius, as well as by the increase in the item "other operating costs and wet lease".

EBITDA came to a negative €11,297 thousand. The €7,426 thousand increase in the loss at this level was due both to the factors mentioned above and the higher leasing costs connected with the increase in the A330 fleet.

The **operating loss** came to €14,657 thousand, a worsening of €6,956 thousand from the first half of 2006. Contributing to this loss was the start-up of the aforementioned long-haul flights in the amount of €5.8 million and costs connected with the events occurring in April 2007 in the amount of €1.3 million.

At the end of June, the lease contract for the A319 aircraft was sold. The disposal of the asset,

including the result on operations and the gain from its disposal, led to a €355 thousand decline in net income for the period.

The **net loss** came to €16,298 thousand, as compared with the loss of €11,992 thousand for the first half of 2006.

Net financial debt fell from €27,857 thousand in December 2006 to €2,032 thousand in June 2007 due, primarily, to the sale of the lease on the A319 aircraft.

Cash and cash equivalents went from a net negative balance of €4,124 thousand at the end of the prior financial year to a net positive balance of €4,481 thousand as a result, in part, of the receipt of the payment related to the finance lease mentioned above and the release of the security deposit with Unicredit as guarantee of the surety granted by the bank for the lease agreement.

Shareholders' equity came to €404 thousand, declining from the €16,702 thousand posted at the end of December 2006.

Portion of the capital increase for cash brought forward to 2007

As the company awaits the authorisations required to complete the increase in capital in kind reserved for Meridiana S.p.A. in accordance with Article 2441, paragraph 4, sentence 1 of the Italian Civil Code, the Board of Directors of Eurofly S.p.A. has resolved to bring forward to 2007 a portion of the capital increase for cash in the amount of €25 million as envisaged by the business plan approved in June, in the amount of €15 million, in order to provide a sufficient level of capitalisation for the company.

Therefore, the Board of Directors has called for an extraordinary meeting of shareholders for 6 (first call), 8 and 9 (second and third call as necessary) November 2007 in order to pass resolutions concerning this increase in capital for cash, subject to a reduction in share capital in order to fully cover the extent of the losses that have actually affected the company's capital and, therefore, net of any reserves and/or shareholder contributions.

It should also be noted that the Board of Directors of the shareholder Meridiana S.p.A. has passed resolution to approve the *pro quota* subscription to the capital increase, which may take place in multiple lots, up to €25 million as envisaged by the Eurofly industrial plan. This subscription may also involve offsetting the shareholder financing Meridiana has provided to Eurofly.

The extraordinary meeting of shareholders concerning the increase of capital in kind has been postponed and is to be rescheduled once the aforementioned authorisations have been received.

Appointment of the financial reporting officer

The Board of Directors today has also appointed Mauro Pasquali, the company's CFO since 2006, to be the financial reporting officer responsible for the preparation of the company's accounting

documents in compliance with Article 154-*bis* of Italian legislative decree 58/1998. Said appointment was made after hearing the opinion of the Board of Statutory Auditors and meets the requirements of applicable law and the company's articles of association.

2006	% on revenue	Income Statement	1st half 07	% on revenue	1st half 06	% on revenue	Delta	Delta %
<i>Euro/000</i>								
282.731	100,0%	Revenue from sales and services	147.312	100,0%	130.422	100,0%	16.891	13,0%
4.324	1,5%	Other revenue	3.436	2,3%	1.745	1,3%	1.691	96,9%
287.055	101,5%	Total revenue	150.748	102,3%	132.167	101,3%	18.582	14,1%
5.056	1,8%	Direct commercial expenses	2.786	1,9%	1.974	1,5%	812	41,2%
85.084	30,1%	Jet fuel	44.230	30,0%	40.484	31,0%	3.746	9,3%
40.947	14,5%	Staff costs	19.641	13,3%	19.016	14,6%	625	3,3%
38.554	13,6%	Materials and maintenance services	20.983	14,2%	18.213	14,0%	2.770	15,2%
68.717	24,3%	Other operating costs and wet lease	43.384	29,5%	30.984	23,8%	12.400	40,0%
18.226	6,4%	Other commercial and corporate costs	8.346	5,7%	7.904	6,1%	442	5,6%
35.120	12,4%	Operative rentals	22.676	15,4%	17.464	13,4%	5.212	29,8%
4.108	1,5%	Depreciation and amortization	1.909	1,3%	2.109	1,6%	(200)	-9,5%
512	0,2%	Write-off of non-current assets	0	0,0%	0	0,0%	0	0,0%
5.346	1,9%	Other provisions	899	0,6%	1.356	1,0%	(457)	100,0%
1.758	0,6%	Provisions for risks and charges	552	0,4%	364	0,3%	188	51,5%
303.428	107,3%	Total costs	165.405	112,3%	139.867	107,2%	25.538	18,3%
(16.374)	-5,8%	Operating result	(14.657)	-9,9%	(7.701)	-5,9%	(6.956)	90,3%
3.294	1,2%	Financial (income)/charges	772	0,5%	2.797	2,1%	(2.025)	-72,4%
(19.667)	-7,0%	Pre-tax profit	(15.429)	-10,5%	(10.498)	-8,0%	(4.931)	47,0%
1.728	0,6%	Tax charges	(514)	-0,3%	667	0,5%	(1.180)	-177,1%
(11.200)	-4,0%	Profit/(loss) from sales of assets	(355)	-0,2%	(2.161)	-1,7%	1.806	0,0%
(29.139)	-10,3%	Result of the period	(16.298)	-11,1%	(11.992)	-9,2%	(4.306)	35,9%

Balance sheet

30.06.06	<i>Euro/000</i>	30.06.07	31.12.06	Delta
58.198	Tangible fixed assets	20.462	55.408	(34.946)
4.874	Other intangibles	3.253	4.023	(770)
24.420	Other long-term and financial investments	11.361	19.259	(7.898)
4.165	Deferred tax assets	5.438	6.573	(1.135)
91.657	Total non-current assets	40.515	85.264	(44.749)
2.778	Stock	2.761	2.954	(192)
47.839	Trade receivables and other receivables	60.723	55.496	5.228
9.920	Other assets	9.603	11.174	(1.570)
35.029	Net cash and equivalents	13.297	5.149	8.148
95.567	Total current assets	86.385	74.772	11.613
187.224	Total assets	126.900	160.036	(33.136)
13.355	Share capital	13.355	13.355	0
32.486	Reserves	3.347	32.486	(29.139)
(11.992)	Profit/(Loss)	(16.298)	(29.139)	12.841
33.849	Total net equity	404	16.702	(16.298)
33.731	Loans	3.528	27.921	(24.393)
238	Deferred tax liabilities	0	398	(398)
7.435	Provisions for risks and charges	9.140	8.372	768
41.404	Total non-current liabilities	12.668	36.690	(24.022)
83.141	Trade payables and other liabilities	97.850	86.873	10.977
23.088	Bank debt	8.815	9.273	(457)
2.258	Current portion of long-term loans	503	2.312	(1.809)
0	Loans	4.500	4.500	0
3.484	Provisions for risks and charges	2.159	3.686	(1.527)
111.971	Total current liabilities	113.827	106.644	7.183
187.224	Total net equity and liabilities	126.900	160.036	(33.136)

CASH FLOW STATEMENT

2006	Euro/000	I Half 07	I Half 06
14.077	Net cash and equivalents at the beginning of the period	(4.124)	14.077
(19.667)	Pre-tax loss	(15.429)	(10.498)
(11.200)	Profit/(loss) from sales of assets	(355)	(2.161)
(395)	Tax effect on sales of assets	593	65
	Adjustments for:		
6.260	- Depreciation	1.909	2.109
2.336	-(Gain)/loss on exchange rates due to transactions in foreign currency	225	2.366
2.986	- Other financial charges	547	431
-	- Gains from sales of fixed assets	-	-
(9.422)	Change in trade receivables and other receivables	(3.025)	(5.239)
(814)	Change in stock	192	(638)
6.282	Change in trade payables and other liabilities (incl. current funds)	9.334	3.595
(3.809)	Interest and other financial charges paid	(730)	(927)
(1.933)	Taxes paid	(701)	(128)
(1.441)	Realized gain/(loss) on exchange rates due to transactions in foreign currency	1.462	(1.774)
(895)	Unrealized gain/(loss) on exchange rates due to transactions in foreign currency	(1.686)	(592)
2.465	Write-off of non-current assets	111	-
496	Net variation of staff leaving indemnity	173	198
-	Cash flow from the A319 BU operations	243	-
(28.751)	Cash flow from operations	(7.136)	(13.192)
	Investments in fixed assets:		
(659)	* Intangible	(61)	(557)
(1.952)	* Tangible	(857)	(759)
(506)	* Financial	(427)	(5.660)
822	Collected interests	182	495
-	Cash flow from the A319 BU disposal	16.849	-
4.984	Disposal value of other fixed assets	214	5.489
2.688	Cash flow from investments	15.901	(992)
-	Shareholders' loans	-	-
-	Financial loans for LAG acquisition deposit	-	-
(3.000)	Creation of bank time deposits included in current assets	-	-
-	Start of A319 loan	-	-
-	Redemption of bank time deposits included in current assets	982	-
10.841	Cash from the insurance policy assignment	-	10.841
(486)	Payment of loan instalments	(243)	(243)
(1.857)	Payment of A319 loan instalments	(898)	(845)
5.497	Cash flow from financial activity	(159)	9.753
390	Increase of share capital	-	390
-	Dividend	-	-
1.975	Share capital variations connected with the finalization of the listing process	-	2.039
2.365	Cash flow from operations on equity	-	2.429
(18.201)	Increase (decrease) of net cash and equivalents	8.605	(2.002)
(4.124)	Net cash and equivalents at the end of the period	4.481	12.076