



## PRESS RELEASE

### 2008 FIRST QUARTER RESULTS APPROVED

**Total revenues +14.3% up to €83.1 million**  
**EBITDAR to €10.4 million (13.1% on revenues in 2008 vs 8.7% in 2007)**  
**EBIT equal to -€3.1 million (vs -€5.4 million in 2007)**  
**Net result -€4,2 million (vs -€7,4 million in first quarter 2007)**  
**Net debt of €8.5 million**  
**2008/2010 Industrial Plan target confirmed**

### NEW DIRECTOR APPOINTED

Milan 12 May 2008 – Eurofly's Board of Director met today in order to approve 2008 first quarter results.

#### **Economic and financial results**

The first quarter 2008 was characterized by an important reduction in economic conjuncture, an extraordinary growth in fuel costs and social - political disorders in Kenya.

In the first quarter, total revenues totalled to €83,101 thousand, to be compared with €72,722 thousand in first quarter 2007. The increase is due to the good result posted by the medium range activity and to the North – South Italy routes from Milan Linate to Naples, Catania and Palermo, launched last November. On the contrary, long range activity was penalised by the disorders in Kenya.

**EBITDAR**, equal to €10,408 thousand, grew by €4,131 thousand respect first quarter 2007, and the incidence on revenue grew from 8.7% in 2007 to 13.1% in 2008. The increase is due to medium range. EBITDAR in medium range grew both as a consequence of the increase in activity and as a consequence of the improved marginality, tanks to the reduction of the incidence of materials and maintenance costs, in operating and staff costs.

**EBITDA**, equal to - €657 thousand, grew by €3,636 thousand from 2007 level, in line with EBITDAR, after stable leasing costs.

**Operating loss** lowered to €3,103 thousand, to be compared to €5,389 in first quarter 2007. Net loss equal to €4,167 thousand, respect a €7,429 thousand in 2007. In the first quarter of 2007 the result was penalized by the negative result of discontinuing operations equal to -€ 1.347 thousand.

**Net equity** at 31 March 2008 amounted to €12,931, was -€5,406 thousand at 31 December 2007, following the capital increase in cash and in nature that took place in the first quarter of 2008. **Net debt** is equal to €8,520 thousand at 31 March 2007 and was €17,065 at 31 December 2007.

### **2008/2010 Industrial Plan target confirmed**

Economic results as of 31 March 2008 were lower than Industrial Plan expectations, mainly for the disorders that happened in Kenya, the increase of fuel costs, with respect to scheduled flights, and higher than expected provisions. These negative effects have been partially offset by the good results of medium haul charter routes to Egypt. On the other side the increase in share capital in higher than expected, due to the better results of the capital increase.

The Board of Directors confirmed the reasonableness of the forecasts and of the assumptions of 2008/2010 industrial plan, despite the possible impact of the exogenous variables that are not under the control of the company (ie the events in Kenya and the increase in fuel costs) and of the realization of the strategic actions planned for the future, confirming the ongoing concern in the redaction of the report on first quarter results and of the provisional data below exposed.

- in 2008 operating loss strongly reduced vs 2007 loss;
- in 2009 positive operating result;
- in 2010 positive net result.

### **New director appointed**

The Board of Directors appointed Emilio Cremona as new member of the board, following the resignation of another director, released last 7 April 2008.

Following income statement, balance sheet and cash flows statement.

2007	% on revenues	Rif.	Income statement	I quarter 2008	% on revenues	I quarter 2007	% on revenues	Change	% change
<i>Euro/000</i>									
322,290	100.0%	19	Revenue from sales and services	79,445	100.0%	72,272	100.0%	7,174	9.9%
9,405	2.9%	20	Other revenue	3,656	4.6%	450	0.6%	3,205	711.5%
<b>331,695</b>	<b>102.9%</b>		<b>Total revenue</b>	<b>83,101</b>	<b>104.6%</b>	<b>72,722</b>	<b>100.6%</b>	<b>10,379</b>	<b>14.3%</b>
7,671	2.4%	21	Direct commercial expenses	1,386	1.7%	1,352	1.9%	34	2.5%
98,243	30.5%	22	Jet fuel	27,396	34.5%	20,809	28.8%	6,587	31.7%
38,354	11.9%	23	Staff costs	9,208	11.6%	10,386	14.4%	-1,178	-11.3%
45,365	14.1%	24	Materials and maintenance services	10,471	13.2%	10,294	14.2%	177	1.7%
92,941	28.8%	25	Other operating costs and wet lease	19,836	25.0%	19,845	27.5%	-9	0.0%
17,935	5.6%	26	Other commercial and corporate costs	4,396	5.5%	3,760	5.2%	636	16.9%
45,852	14.2%	27	Operative rentals	11,064	13.9%	10,569	14.6%	495	4.7%
3,951	1.2%	28	Depreciation and amortization	948	1.2%	936	1.3%	13	1.4%
0	0.0%	29	Write-off of non-current assets	0	0.0%	0	0.0%	0	#DIV/0!
2,820	0.9%	30	Other provisions	1,310	1.6%	0	0.0%	1,310	100.0%
852	0.3%	31	Provisions for risks and charges	188	0.2%	161	0.2%	28	17.2%
<b>353,984</b>	<b>109.8%</b>		<b>Total costs</b>	<b>86,204</b>	<b>108.5%</b>	<b>78,111</b>	<b>108.1%</b>	<b>8,093</b>	<b>10.4%</b>
<b>(22,289)</b>	<b>-6.9%</b>		<b>Operating result</b>	<b>(3,103)</b>	<b>-3.9%</b>	<b>(5,389)</b>	<b>-7.5%</b>	<b>2,286</b>	<b>-42.4%</b>
2,474	0.8%	32	Financial (income)/charges	721	0.9%	300	0.4%	421	140.7%
<b>(24,763)</b>	<b>-7.7%</b>		<b>Pre-tax profit</b>	<b>(3,824)</b>	<b>-4.8%</b>	<b>(5,688)</b>	<b>-7.9%</b>	<b>1,865</b>	<b>-32.8%</b>
3,006	0.9%	33	Tax charges	(343)	-0.4%	(393)	-0.5%	50	-12.6%
1	0.0%	34	Profit/(loss) from sales of assets	0	0.0%	(1,347)	-1.9%	1,347	-100.0%
<b>(21,757)</b>	<b>-6.8%</b>		<b>Result of the period</b>	<b>(4,167)</b>	<b>-5.2%</b>	<b>(7,429)</b>	<b>-10.3%</b>	<b>3,261</b>	<b>-43.9%</b>

**Balance sheet**

<b>31.03.07</b>	<b>Rif.</b>	<i>Euro/000</i>	<b>31.03.08</b>	<b>31.12.07</b>	<b>Change</b>
55,012	1	Tangible fixed assets	14,121	19,567	(5,446)
3,718	2	Intangibles	2,270	2,559	(289)
19,467	3	Other long-term and financial investments	13,682	10,945	2,737
6,501	4	Deferred tax assets	9,229	9,072	157
0	5	Participations	8,000	0	8,000
<b>84,698</b>		<b>Total non-current assets</b>	<b>47,301</b>	<b>42,142</b>	<b>5,159</b>
2,943	6	Stock	2,908	2,876	32
59,557	7	Trade receivables and other receivables	58,002	58,976	(974)
8,998	8	Other assets	8,165	12,334	(4,169)
2,982	9	Net cash and equivalents	10,842	6,955	3,887
<b>74,480</b>		<b>Total current assets</b>	<b>79,917</b>	<b>81,141</b>	<b>(1,224)</b>
<b>159,177</b>		<b>Total assets</b>	<b>127,218</b>	<b>123,283</b>	<b>3,934</b>
13,355	10	Share capital	6,503	1,023	5,480
3,347	10	Reserves	10,595	15,328	(4,732)
(7,429)	10	Profit / (Loss)	(4,167)	(21,757)	17,590
<b>9,274</b>		<b>Total net equity</b>	<b>12,931</b>	<b>(5,406)</b>	<b>18,337</b>
27,198	11	Loans	3,018	3,275	(256)
509	12	Deferred tax liabilities	128	128	0
9,118	13	Provisions for risks and charges	8,225	8,163	62
<b>36,826</b>		<b>Total non current liabilities</b>	<b>11,371</b>	<b>11,566</b>	<b>(195)</b>
90,989	14	Trade payables and other liabilities	85,447	94,700	(9,253)
11,350	15	Bank debt	15,818	15,914	(96)
2,346	16	Current portions of long-term loans	526	514	11
4,500	17	Loans	0	4,323	(4,323)
3,893	18	Provisions for risks and charges	1,124	1,672	(548)
<b>113,078</b>		<b>Total current liabilities</b>	<b>102,915</b>	<b>117,123</b>	<b>(14,208)</b>
<b>159,177</b>		<b>Total net equity and liabilities</b>	<b>127,218</b>	<b>123,283</b>	<b>3,934</b>

2007	Euro/000	I quarter 2008	I quarter 2007
<b>(4,124)</b>	<b>Net cash and equivalents at the beginning of the period</b>	<b>(8,960)</b>	<b>(4,124)</b>
-		-	-
(24,763)	Pre-tax loss	(3,824)	(5,688)
1	Profit/(loss) from sales of assets	-	(1,347)
593	Tax effects on sales of assets	-	-
-	Provisions for:	-	-
3,951	- Depreciation	948	1,376
1,115	-(Gain)/Loss on exchange rates due to transactions in foreign currency	297	49
1,359	- Other financial charges	424	800
-	- Gains from sales of fixed assets	-	(1,886)
(9,737)	Change in trade receivables and other receivables	4,986	11
78	Change in stock	(32)	4,709
9,251	Change in trade payables and other liabilities (incl. current funds)	(10,480)	(872)
(1,582)	Interest and other financial charges paid	(474)	-
(946)	Taxes paid	-	1,746
1,420	Realized gain/(loss) on exchange rates due to transactions in foreign currency	23	(1,795)
(2,535)	Unrealized gain/(loss) on exchange rates due to transactions in foreign currency	(320)	-
-	Write-offs of non-current assets	-	-
(916)	Net variation of staff leaving indemnity	159	152
254	Cash flow from the A319 BU operations	-	-
<b>(22,458)</b>	<b>Cash flow from operations</b>	<b>(8,293)</b>	<b>(2,746)</b>
	Investments in fixed assets		
(148)	* intangible	(64)	(53)
(1,236)	* tangible	(79)	(620)
(867)	* financial	(2,837)	(346)
223	Collected interests	50	72
16,849	Cash flow from the A319 BU disposal	-	-
1,185	Disposal value of other fixed assets	5,029	138
<b>16,006</b>	<b>Cash flow from investments</b>	<b>2,100</b>	<b>(809)</b>
(486)	Payment of loan instalments	(245)	(243)
(898)	Payment of A319 loan instalments	-	(446)
<b>1,616</b>	<b>Cash flow from financial activity</b>	<b>(245)</b>	<b>(689)</b>
-	Other variations	5,231	-
-	Share capital variations connected with the finalization of the listing process	5,191	-
-	<b>Cash flow from operations on equity</b>	<b>10,421</b>	-
<b>(4,836)</b>	<b>Increase (decrease) of net cash and equivalents</b>	<b>3,983</b>	<b>(4,244)</b>
<b>(8,960)</b>	<b>Net cash and equivalents at the end of the period</b>	<b>(4,976)</b>	<b>(8,368)</b>

The Financial Reporting Officer, Daniele Renna, has stated in accordance with Article 154 bis, paragraph 2 of the Consolidated Finance Act (Testo Unico della Finanza) that the accounting information contained in this press release is consistent with the documentary findings, and the accounting entries and records.

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