



PRESS RELEASE

QUARTERLY REPORT AT 31 MARCH 2007 APPROVED

Total revenues increased by 18% to 74,3 million Euro

Net loss equal to 7,4 million Euro

Net financial position negative for 31,4 million Euro

Milan, 14 May 2007 – Eurofly's Board of Directors met today and approved quarterly report at 31 March 2007.

Economic and financial results

First quarter data did not benefited by the Board of Directors' initiatives aimed at reducing losses. The results were characterized by the following:

- i) different use of the A319 CJ aircraft, sub leased to third party during the first quarter 2006, used in the Milan New York - All Business connection in January 2007, inactive in February and March 2007
- ii) entry in fleet of the 4th A330 at the end of 2006 and start up of new charter connections to Mauritius
- iii) launch of the new scheduled connection Rome - New Dehli, with significant losses due to the commercial start up phase

In the quarter, **total revenues** amounted to 74,3 million Euro. The +18% increase is to be related to the widening in capacity in Long Range.

EBITDAR was equal to 6,0 million Euro, showing a 1,4 million Euro decrease. **EBITDA** was -4,6 million Euro, compared with -1,4 million Euro in first quarter 2006. **EBIT** was equal to -6,2 million Euro, with a 2,7 million Euro decrease. First quarter **net loss** amounted to 7,4 million Euro, compared with a net loss of 4,4 million Euro in first quarter 2006.

Net financial position at the end of March 2007 amounted -31,4 million Euro (-27,8 million Euro at the end of December 2006). **Net equity** was 9,3 million Euro.

Predictable development of operations

During first quarter 2007, as described in 2006 Report on Operations, the analysis regarding the possibility of finding commercial and operational synergies with Meridiana were made. This chance represent the preferable alternative for the development of the 2007-2009 Industrial Plan.

Being the analysis still on the way, as anticipated during last Shareholders' Meeting, the 2007-2009 Industrial Plan will be examined during 28th June Board of Directors' meeting. Taking into consideration the significant loss reported in first quarter 2007 and the loss that likely will be recorded during second quarter 2007, the Board of Director will also examine an interim result as of 30th April 2007, assuming the necessary deliberation also in consideration of art 2446 Civil Code.

Taking this into consideration, despite the uncertainty that currently characterises the future development of the Company's operations, the Board of Directors considers suitable the redaction of the quarterly report as of 31 March 2007 in the perspective of continuity for the year 2007 and in the hypothesis that Eurofly will overcome current economic and financial difficulties.

In the opposite case, Eurofly may not being able to realize its assets, and in particular its credit for deferred tax assets, and to meet its liabilities in the ordinary curse of management, at book value.

Following, the Income Statement, the Balance Sheet and the Cash Flow relative to the first quarter 2007.

2006	% on revenues	Income statement	I quarter 2007	% on revenues	I quarter 2006	% on revenues	Change	Change %
		€/000						
289.835	100,0%	Revenues from sales and services	73.874	100,0%	61.353	100,0%	12.521	20,4%
6.858	2,4%	Other revenue	454	0,6%	1.517	2,5%	-1.064	-70,1%
296.693	102,4%	Total revenue	74.327	100,6%	62.870	102,5%	11.458	18,2%
8.163	2,8%	Direct commercial costs	1.375	1,9%	682	1,1%	692	101,4%
88.947	30,7%	Jet Fuel	21.364	28,9%	18.763	30,6%	2.601	13,9%
43.390	15,0%	Staff cos	10.848	14,7%	9.514	15,5%	1.334	14,0%
40.357	13,9%	Materials and maintenance services	10.648	14,4%	9.181	15,0%	1.467	16,0%
71.067	24,5%	Other operating costs and wet lease	20.255	27,4%	13.981	22,8%	6.274	44,9%
19.125	6,6%	Other commercial and corporate costs	3.846	5,2%	3.327	5,4%	519	15,6%
35.120	12,1%	Renatals	10.569	14,3%	8.847	14,4%	1.722	19,5%
6.260	2,2%	Depreciation and amortization	1.376	1,9%	1.622	2,6%	-247	-15,2%
2.465	0,9%	Non current assets write down	0	0,0%	0	0,0%	0	0,0%
5.649	1,9%	Other provisions	0	0,0%	154	0,3%	-154	100,0%
2.090	0,7%	Provisions for risk and charges	233	0,3%	244	0,4%	-11	-4,4%
322.633	111,3%	Subtotal costs	80.514	109,0%	66.316	108,1%	14.198	21,4%
(25.940)	-8,9%	Operating results	(6.187)	-8,4%	(3.446)	-5,6%	(2.741)	79,5%
5.322	1,8%	Financial income /(charges)	849	1,1%	1.176	1,9%	(327)	-27,8%
(31.263)	-10,8%	Pre tax profit	(7.036)	-9,5%	(4.622)	-7,5%	(2.414)	52,2%
(2.123)	-0,7%	Tax charges	393	0,5%	(230)	-0,4%	623	-271,0%
0	0,0%	Profit on sales of assets	0	0,0%	0	0,0%	0	0,0%
(29.139)	-10,1%	Net profit	(7.429)	-10,1%	(4.392)	-7,2%	(3.037)	69,1%

Balance sheet

31.03.06	€/000	31.03.07	31.12.06	Change
58.804	Tangible fixed assets	55.012	55.408	(397)
5.385	Other intangibles	3.718	4.023	(305)
22.532	Other long term and financial inves	19.467	19.259	208
3.457	Deferred tax assets	6.501	6.573	(72)
90.178	Total non current assets	84.698	85.263	(566)
2.087	Inventories	2.943	2.954	(11)
42.893	Trade receivables and other receiva	59.557	55.496	4.061
8.842	Other assets	8.998	11.174	(2.176)
25.067	Cash and cash equivalents	2.982	5.149	(2.167)
78.889	Total current assets	74.480	74.773	(292)
169.067	Total assets	159.177	160.036	(859)
13.355	Share capital	13.355	13.355	0
32.501	Reserves	3.347	32.486	(29.139)
(4.392)	Profit / (losses)	-7.429	(29.139)	21.711
41.464	Total net equity	9.274	16.702	(7.429)
34.622	Long term loans	27.198	27.921	(723)
174	Deferred taxes	509	398	112
7.141	Provision for risk and charges	9.118	8.372	747
41.938	Total non current liabilities	36.826	36.690	136
73.354	Trade receivables and other liabiliti	90.989	86.873	4.116
6.984	Banks debt	11.350	9.273	2.078
1.792	Current portion on long term loans	2.346	2.312	33
0	Loans	4.500	4.500	0
3.535	Provision for risk and charges	3.893	3.686	208
85.665	Total current liabilities	113.078	106.644	6.434
169.067	Total net equity and liabilities	159.177	160.036	(859)

CASH FLOW STATEMENT		I quarter 2007	I quarter 2006
2006	€/000		
14.077	A. - CASH AND CASH EQUIVALENT AT THE BEGINNING OF THE PERIOD	(4.124)	14.077
(31.263)	Pre tax result	(7.036)	(4.622)
	Adjustment		
6.260	- Depreciation and amortization	1.376	1.622
2.336	- Write down of fixed assets	49	506
2.986	- Other financial charges	800	670
(9.422)	Change in trade receivables and other receivables	(1.886)	657
(814)	Change in stock	11	53
6.282	Change in trade payables and other liabilities	4.708	(7.272)
(3.809)	Payment of financial charges	(872)	(907)
(1.933)	Taxes	-	-
(1.441)	Realized gain (loss) on operations in foreign currencies	1.746	(1.299)
(895)	Unrealized gain / (loss) on operations in foreign currencies	(1.795)	793
2.465	Non current assets write down	-	-
496	Net variation of staff leaving indemnity	152	162
(28.751)	CASH FLOWS FROM OPERATIONS	(2.747)	(9.636)
	Investments in fixed assets:		
(659)	* Intangible	(53)	(592)
(1.952)	* Tangible	(620)	(77)
(506)	* Financial	(346)	(35)
822	Financial income	72	237
4.984	Proceeds from the sale of fixed assets	138	1.675
2.688	CASH FLOWS FROM/(FOR) DISPOSALS/(INVESTMENTS) IN FIXED ASSETS	(809)	1.208
-		-	-
(3.000)	Creation of term bank deposits included among current assets	-	-
10.841	Policy disposal	-	10.841
(486)	Payment of loan instalments	(243)	(243)
(1.857)	Withdrawal of the A319 financial loan	(446)	(446)
5.497	CASH FLOWS FROM FINANCIAL ACTIVITY	(689)	10.151
390	Increase of share capital	-	390
1.975	Share capital variations connected to the finalization of the listing process	-	1.989
2.365	CASH FLOWS FROM OPERATIONS ON EQUITY	-	2.379
(18.201)	CHANGE IN CASH AND CASH EQUIVALENT	(4.245)	4.103
(4.124)	CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD (A+F)	(8.369)	18.180

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