eurofly

PRESS RELEASE

Monthly report in accordance with Article 114, paragraph 5 of Legislative Decree 58/98

Milan, 28 December 2007 – The following report is issued by Eurofly S.p.A. in compliance with Consob's request, in accordance with Article 114, paragraph 5 of Legislative Decree 58/98, for monthly reporting on the capital, financial position and operating results of the company.

1) Agreements with Meridiana

In November code share agreements between Eurofly and Meridiana were activated on all connections between Italy and New York. In addition to the connection already in existence between Rome Fiumicino and New York (NYC), flights to New York departing from Naples, Palermo, and Bologna and from Pescara, Bari, and Lamezia (all three via Bologna) are also planned. The latter will be operational from mid-2008 but are now already being distributed in the systems and are on sale both by Eurofly, which is an "operating carrier", and by Meridiana, in the role of "marketing carrier".

2) Update on any changes and adjustments to the targets laid down in the 2008-2010 Industrial Plan

On 27 October 2007 the Board of Directors reviewed the 2007-2009 Industrial Plan, extending the analysis to 2010 and setting new targets. Details of the plan are available in the press release issued on that date.

In November 2007 the company's results were broadly in line with those expected in the 2008-2010 Industrial Plan.

3) Capital, financial position and operating results

A loss was recorded in November 2007 as expected. This loss, as far as can be estimated at the time of this press release, will reduce the value of the share capital to zero, thus giving rise to the situation referred to in Article 2447 of the Italian Civil Code.

In this regard it should be noted that the shareholders' meeting of 9 November 2007 approved a capital increase against cash payment, in divisible form, with pre-emptive rights for shareholders, to raise up to a total of €15,000,000. Meridiana has given an undertaking in this regard that, including by taking up any unexercised rights (and given an exemption from the obligation to launch a public takeover bid, as outlined in the Consob notice dated 26 November 2007), the aforementioned increase will be subscribed in an amount of at least €12 million. The company estimates that this capital increase against cash payment will take place by end-February 2008.

The Board has already decided to convene a shareholders' meeting for February 2008 to decide upon a further capital increase in kind to raise up to €12 million.

It should be noted that on 3 December Eurofly submitted to Consob the request for authorisation to publish the Information Prospectus, which is a necessary preliminary step for the execution of the capital increase.

The following point covers the analysis of the financial position.

4) Net financial position

The table below shows the net financial position with detailed information on short-, medium- and long-term assets and liabilities.

31.12.06					30.11.07		31.10.07	
Total		Euro/000			Total	With relates parties	Total	With relates parties
5.149	A	Cash	(1)		1.793	-	2.553	-
-	B.	Derivative contracts included in cash	(1)		-	-	-	-
5.149	**C.**	**Net cash and equivalents (A) + (B)**			**1.793**	-	**2.553**	-
3.000	**D.**	**Current financial receivables**			-	-	-	-
9.273	E.	Current bank debt	(1)	(2)	12.554	-	11.152	-
-	F.	Derivative contracts included in bank debt	(1)	(2)	-	-	-	-
2.312	G.	Current portion of non-current debt			514	-	503	-
4.500	H.	Current financial debt			4.365	4.365	4.365	4.365
16.085	**I.**	**Current financial debt (E) + (F) + (G) + (H)**			**17.433**	**4.365**	**16.021**	**4.365**
7.936	**J.**	**Net current financial debt (I) - (C) - (D)**			**15.640**	**4.365**	**13.467**	**4.365**
8.000	**K.**	**Non-current financial receivables**			-	-	-	-
3.783	L.	Non-current bank debt			3.268	-	3.286	-
-	M.	Bonds issued			-	-	-	-
24.138	N.	Other non-current debt			-	-	-	-
27.921	**O.**	**Non-current financial debt (L) + (M) + (N)**			**3.268**	-	**3.286**	-
27.857	**P.**	**Net financial debt (J) - (K) + (O)**			**18.908**	**4.365**	**16.753**	**4.365**
		Reconciliation with cash flow and balance sheet tables:						
(4.124)	(1)	Net cash and equivalents			(10.761)	-	(8.599)	-

The net financial position as at 30 November 2007, depressed by the seasonal effects, which at this time of year absorb cash, was minus €19.0 million, representing a deterioration compared with October's level of €16.7 million. The position can be broken down as follows: (i) €1.8 million in cash, (ii) €17.4 million in current financial debt, including €12.5 million of bank debt, €0.5 million in the short-term portion of the mortgage loan and €4.4 million relating to debt with Meridiana for shareholder financing, (iii) €3.3 million in non-current debt, relating to the non-current portion of the mortgage loan.

5) Short-term guarantees provided by the banking system, amounts used and any repayment requests

The breakdown of the short-term guarantees and the amounts used by item as of 30 November 2007 is provided below. The total amount of credits granted includes the effects of the debt restructuring plan, the details of which can be seen in the press release of 28 November 2007.

	31.11.07		
Euro/000	**Granted**	**Use**	**% of use**
Cash facilites	16.000	12.554	78,5%
Bank guarantees facilities	9.500	8.119	85,5%
Total	**25.500**	**20.673**	**81,1%**

6) Description of the main covenants and negative pledge

The plan to restructure the company's bank debt was agreed on 27 November 2007. The financing incorporates standard clauses for similar operations, including a negative pledge clause, as well as financial covenants. The details of these covenants are available in the press release dated 28 November 2007.

7) Report on outstanding debt, including financial, commercial, tax-, and benefit-related debt and amounts owed to employees

As at 30 November 2007 there were no tax- or benefit-related debts outstanding or amounts owed to employees.

There were also no debts outstanding to related parties. Outstanding commercial debts of approximately €18.1 million were recorded, of which those overdue for more than one year totalled €2.3 million. No initiatives to suspend supply relationships were recorded. No payment requests were recorded, except for those relating to normal administrative management.

As at November there were no court orders subsequent to those reported in the month of October. These orders, for which there have been no further developments, relate mainly to Alitalia (10 court orders amounting to €2.6 million), Verona Valerio Catullo airport (court order amounting to €2.1 million), and another three counterparties. The total amount is approximately €5.5 million.

The Financial Reporting Officer, Mauro Pasquali, 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.

For further information:

Press Office
Fast-Com S.r.l.
Paolo Santagostino
Tel +39 02.46.91.501
Fax +39 02 36.50.43.77
Cell +39 349.38.56.585
paolo.fastcom@grupposantagostino.com

Investor Relations
Eurofly S.p.A.
Valeria Sgaramella
Tel +39 02.82.68.85.50
Fax +39 02.82.68.80.51
investor.relations@eurofly.it