



## PRESS RELEASE

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

Milan, 28 June 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 relation to potential agreements with Meridiana to develop operating and commercial synergies, Eurofly S.p.A. hereby reports that, since April, a code-sharing agreement has been in effect with Meridiana for mid-range Eurofly routes, particularly the Canary Islands, Balearic Islands and Greece. The agreement calls for flights by the operating carrier to be distributed and sold by Meridiana, the marketing carrier, in order to enhance their distribution and commercial performance.

In addition, partnership initiatives between the two companies have begun in the areas of (i) yield and space management, (ii) revenue accounting, (iii) call-centre management, (iv) website management, and (v) marketing and communications.

#### **2) Detailed description of the 2007-2009 Industrial Plan**

For more information, see the press release issued today concerning the work and resolutions of the company's Board of Directors.

#### **3) Capital, financial position and operating results**

Financial performance for May, as estimable as of the date of this press release, was negatively affected by seasonal factors, which, for the month in question, concerned both the mid-range and long-haul business units, as well as by operational factors as reported for the previous months of the current year.

Nonetheless, these results do not alter the company's standing in relation to the provisions of Article 2446 of the Italian Civil Code.

For more information, and as concerns the measures taken by the Board of Directors in this regard, see the press release issued today concerning the work and resolutions of the company's Board of Directors for the analysis of the results for April.

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.

<b>31.12.06</b>				<b>30 May 2007</b>	
<b>Total</b>				<b>Total</b>	<b>with related parties</b>
	Euro/000				
5.149	A. Cash	(1)		2.407	-
-	B. Derivative contracts included in cash	(1)		-	-
<b>5.149</b>	<b>C. Net cash and equivalents (A) + (B)</b>			<b>2.407</b>	-
<b>3.000</b>	<b>D. Current financial receivables</b>			<b>2.600</b>	-
9.273	E. Current bank debt	(1)	(2)	13.939	-
-	F. Derivative contracts included in bank debt	(1)	(2)	-	-
2.312	G. Current portion of non-current debt			2.365	-
4.500	H. Current financial debt			4.500	4.500
<b>16.085</b>	<b>I. Current financial debt (E) + (F) + (G) + (H)</b>			<b>20.804</b>	<b>4.500</b>
<b>7.936</b>	<b>J. Net current financial debt (I) - (C) - (D)</b>			<b>15.797</b>	<b>4.500</b>
<b>8.000</b>	<b>K. Non-current financial receivables</b>			<b>8.000</b>	-
3.783	L. Non-current bank debt			3.528	-
-	M. Bonds issued			-	-
24.138	N. Other non-current debt			23.681	-
<b>27.921</b>	<b>O. Non-current financial debt (L) + (M) + (N)</b>			<b>27.209</b>	-
<b>27.857</b>	<b>P. Net financial debt (J) - (K) + (O)</b>			<b>35.006</b>	<b>4.500</b>
<b>Reconciliation with cash flow and balance sheet tables:</b>					
(4.124)	(1) Net cash and equivalents			(11.532)	-

At the end of May 2007, cash and cash equivalents and current financial receivables came to €2.4 million and €2.6 million, respectively, and were essentially unchanged from 31 March 2007. Current financial debt came to €20.8 million, for an increase over March. Non-current financial receivables are unchanged for the year. At the end of the period, non-current financial debt came to €27.2 million and was essentially unchanged from March.

Transactions with related parties concern shareholder financing in the amount of €4.5 million received from Meridiana.

## 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 31 May 2007 is provided below.

<i>Euro/000</i>	30/05/2007		
	Granted	Use	% of Use
Cash facilities	17.900	13.900	77,7%
Bank guarantees facilities	26.250	25.350	96,6%
<b>Total</b>	<b>44.150</b>	<b>39.250</b>	<b>88,9%</b>

## 6) Description of the main covenants and negative pledges

As of the date of this press release, and so in the absence of formal agreements with the banks concerning the restructuring of the company's debt, there are no financing agreements in place that call for negative pledges or covenants.

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

As at 31 May 2007, there were no outstanding tax, social security or employee payables. There were also no past-due debts to related parties.

As for trade payables, €18 million was past due, with €3.4 million being past due by more than one year.

There are no suspensions of supply in effect.

There are no demands for payment, other than those that are a part of ordinary administration.

At the end of the period in question, there were 6 summary payment orders, one cross-claim, and one citation from three suppliers with which the company no longer has trade relations, for a total amount of roughly €4.2 million.

*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