



PRESS RELEASE

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

Milan, 29 August 2008 – 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

No significant new agreements to pursue commercial and operational synergies were entered into with Meridiana in July 2008.

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

Last 30 July 2008 Eurofly's Board of Directors approved the 2008/2012 Business Plan. For all the details, please refer to the press release issued in the same day.

July posted positive results. The figures reported were below expectations due to lower revenues in long range and to unexpected costs sustained in order to support operations.

3) Capital, financial position and operating results

The positive results posted in July posted were also sustained by the positive effect of seasonality.

Taking the information currently available into consideration, the economic results of July are not sufficient to determine a level of shareholders' equity not described by art 2446 civil code. The situation, also due to the strong seasonality characterizing Eurofly's activity, is currently overcome and today Eurofly is no longer in the situation described by art 2446 civil code.

Eurofly's Board of Directors has already called Shareholders Meeting for 9 and 10 September 2008 (in first and second call) in order to approve a capital increase in cash for a maximum amount of €55 million, with subscription rights. For the details of the capital increase please

refer to the press released issued last 30 July 2008 and to the Half Year Report today approved

The financial position is described below.

4) Net financial position

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

31.12.07		30.07.08		31.06.08	
Total		Total	with related parties	Total	
Euro/000					
6.955	A Cash	(1)	4.504	-	15.585
-	B. Derivative contracts included in cash	(1)	-	-	-
6.955	C. Net cash and equivalents (A) + (B)		4.504	-	15.585
-	D. Current financial receivables		-	-	-
15.914	E. Current bank debt	(1)	12.945	-	15.000
-	F. Derivative contracts included in bank debt	(1)	-	-	-
514	G. Current portion of non-current debt		537	-	526
4.323	H. Current financial debt		-	-	-
20.751	I. Current financial debt (E) + (F) + (G) + (H)		13.483	-	15.526
13.796	J. Net current financial debt (I) - (C) - (D)		8.979	-	(59)
-	K. Non-current financial receivables		-	-	-
3.268	L. Non-current bank debt		2.754	-	3.018
-	M. Bonds issued		-	-	-
-	N. Other non-current debt		-	-	-
3.268	O. Non-current financial debt (L) + (M) + (N)		2.754	-	3.018
17.065	P. Net financial debt (J) - (K) + (O)		11.733	-	2.959
Reconciliation with cash flow and balance sheet tables:					
(8.960)	(1) Net cash and equivalents		(8.441)	-	585

Net financial position at the end of July is equal to € 11.7 million, vs € 2.9 million in June due to the worsening of average debtors and creditors rotations days and transfer of a further amount to an escrow account in the name of Meridiana, related to the deposit paid by the controlling company to a bank for the issue of a bank guarantee related to aircraft lease agreements signed by Eurofly

The composition of the net financial position is the following: (i) € 4.5 million net cash, lower than the previous month, following the above mentioned factors; (ii) € 12.9 million of current bank debt, lower than June; (iii) € 0.5 million is the short term portion of mortgage loan, in line with June figure; (iv) € 3.0 million long term portion of mortgage loan, lower than June level following the payment of the instalment. Net cash is negative for € 8.4 million, to be compared with € 0.5 million in June.

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 July 2008

is provided below.

31.07.08

Euro/000	Granted	Use	% of use
Cash facilities	16.000	12.945	80,9%
Bank guarantees facilities	11.557	9.543	82,6%
Total	27.557	22.488	81,6%

Included in the bank guarantees facilities described above, there is a bank guarantee facility of 4.2 million US\$, related to a location agreement of 5 aircrafts, fully covered by cash pledge of Meridiana. Eurofly settled a deposit in favour of Meridiana of the same amount.

6) Description of the main covenants and negative pledge and indication of compliance with them

The debt restructuring plan incorporates various clauses, including a negative pledge clause, as well as financial covenants to be realized every six months at the end of December, with reference to the figures included in the approved annual report, and of June, with reference to the figures included in the approved half year report. The figures included in the half year report today approved showed the respect of the above mentioned clauses as of 30 June 2008, and more in details:

- 1- Net debt/EBITDAR equal to 0,089, to be compared with a level not higher than (0,60)
- 2- Net debt/net equità equal to 1,385, to be compared with a level not higher than (1,80).

For all the details of the debt restructuring plan refer to the press release issued last 28 November 2007.

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

As at 31 July 2008, there were no outstanding tax, social security or employee payables. There were also no outstanding debts to related parties. As for trade payables, €19.9 million was past due, with €3.2 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.

As at 31 July 2008 court orders totalling € 5.0 million had been received. These orders relate mainly to Alitalia (10 court orders amounting to €2.6 million) and the Verona Valerio Catullo airport (one court order amounting to €2.1 million), and another four counterparties. Regarding the court orders related to Alitalia, judge granted the temporary execution to the court order of €251,987.14. Last 16 July 2008 the temporary execution of court orders regarding Airport Valerio Catullo in Verona was granted. For the definition of the latest and one regarding one of

the four counterparts (Brescia Airport) last 6 August a letter of intent was signed. On 2 July 2008 a statement of conciliation regarding the litigation with Captain Augusto Angioletti was signed.

The Financial Reporting Officer, Maurizio Cancellieri, 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:

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