eurofly

PRESS RELEASE

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

Milan, 30 April 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 the commercial and operational synergies outlined in previous bulletins were entered into with Meridiana in March 2008.

2) Update on any changes and adjustments to the targets laid down in the 2008-10 Industrial Plan

In the comparison with 2008/2010 Industrial Plan expectations, operations at March 2008 were affected by the political disorder in Kenya, that caused a contraction in activity in the region, and by the record level reached by oil quotation, causing a higher than expected fuel cost. On the other side, operating costs and leasing costs were lower than expected, thanks to the positive trend of Euro/US $ exchange rate.

3) Capital, financial position and operating results

March posted a break even net result. Regarding Eurofly's the capital situation, last 11th March the cash capital increase in nature, reserved ex lege to Meridiana, ended with the underwriting of the 3,558,718 new shares, at €2.248 each (€2.178 of issue – premium), for an overall countervalue of €8 million. Following the operation, Eurofly's share capital at the end of March amounts to €6,503,105.72. The financial situation 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				31.03.08		29.02.08	
Total	Euro/000			Total	with related parties	Total	with related parties
6.955	A	Cash	(1)	10.871	-	13.436	-
-	B.	Derivative contracts included in cash	(1)	-	-	-	-
6.955	**C.**	**Net cash and equivalents (A) + (B)**		**10.871**	-	**13.436**	-
-	**D.**	**Current financial receivables**		-	-	-	-
15.914	E.	Current bank debt	(1)	15.818	-	15.889	-
-	F.	Derivative contracts included in bank debt	(1)	-	-	-	-
514	G.	Current portion of non-current debt		526	-	526	-
4.323	H.	Current financial debt		-	-	-	-
20.751	**I.**	**Current financial debt (E) + (F) + (G) + (H)**		**16.344**	-	**16.415**	-
13.797	**J.**	**Net current financial debt (I) - (C) - (D)**		**5.473**	-	**2.979**	-
-	**K.**	**Non-current financial receivables**		-	-	-	-
3.268	L.	Non-current bank debt		3.003	-	3.003	-
-	M.	Bonds issued		-	-	-	-
-	N.	Other non-current debt		-	-	-	-
3.268	**O.**	**Non-current financial debt (L) + (M) + (N)**		**3.003**	-	**3.003**	-
17.065	**P.**	**Net financial debt (J) - (K) + (O)**		**8.475**	-	**5.981**	-
	Reconciliation with cash flow and balance sheet tables:						
(8.960)	(1)	Net cash and equivalents		(4.947)	-	(2.453)	-

Net financial debt as at 31 March 2008 was €8.5 million, compared with €6 million as of February 2008. Net debt breakdown is the following: (i) €10.9 million net cash, lower than previous month; (ii) €15.8 million current net debt, in line with February figures; (iii) €0.5 million is the short-term portion of the mortgage loan, and (iv) €3.0 million of non-current financial debt relating to the non-current portion of the mortgage loan, in line with February. Net cash and cash equivalents as of 31 March are negative for €4.9 million, lower than €2.5 million reported in February.

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 March 2008 is provided below.

	31.03.08		
Euro/000	**Granted**	**Use**	**% of use**
Cash facilities	16.000	15.816	98,9%
Bank guarantees facilities	7.600	6.265	82,4%
Total	**23.600**	**22.081**	**93,6%**

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

The debt restructuring plan mentioned in point 4) incorporates various clauses, including a negative pledge clause, as well as financial covenants. Further details are available in the press releases dated 28 November 2007 and 31 January 2008.

Last 19 March 2008 the banks signer of the agreement released not to survey the covenants referring to 31 December 2007.

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

As at 31 March 2008 there were no tax- or benefit-related debts outstanding. There were also no debts outstanding to related parties or to employees. Outstanding commercial debts of approximately €20.2 million were recorded, of which those overdue for more than one year totalled €2.2 million. No initiatives to suspend supply relationships were recorded. No payment requests were recorded, except for those relating to normal administrative management.

As at 31 March 2008 court orders totalling €5.9 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 seven counterparties.

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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.

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