



PRESS RELEASE

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

Milan, 31 January 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 new agreements to pursue commercial and operational synergies were entered into with Meridiana in December. Among the other activities previously mentioned, both Eurofly, as "operating carrier" and Meridiana, as "marketing carrier" continued to sell and distribute the connections to New York from Naples, Palermo, and Bologna and from Pescara, Bari and Lamezia (via Bologna) which will be operational from mid-2008.

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

In December 2007 the company's results were in line with those forecast in the Industrial Plan, as revised by the Board of Directors on 27 October 2007. The details of the plan are set out in the press release of that date.

3) Capital, financial position and operating results

A loss was recorded in December 2007 as expected. In the light of this result, as far as can be estimated as of this press release, the reduction in value of the share capital to zero can be confirmed.

In this regard, it should be noted that the capital increase against cash, in divisible form, offered on a pre-emptive basis to shareholders to raise a maximum total amount of approximately €15 million is currently underway. Meridiana has given an undertaking that this capital increase will be subscribed in an amount of at least €12 million, including by taking up unexercised rights, (given that it is exempted from the obligation to make a public takeover bid, as stated in the

Consob notice dated 26 November 2007). It should also be pointed out that on 16 January 2008 the Eurofly Board of Directors decided to submit a capital increase in kind to the shareholders' meeting at end-February, reserved for the shareholder Meridiana pursuant to Article 2441 of the Italian Civil Code, totalling a maximum of €8 million. This capital increase in kind, as stated in the Industrial Plan and the Information Prospectus, will take place via the contribution of two holdings in the companies Wokita and Sameitaly, which are currently fully controlled by Meridiana.

The following point covers the analysis of the financial position.

4) Net financial position

The plan to restructure the company's bank debt was signed on 27 November 2007. Banca Nazionale del Lavoro S.p.A., Unicredit Banca d'Impresa S.p.A. and Intesa San Paolo S.p.A, novated the loan agreements entered into with Eurofly and replaced them with new agreements with the following terms and conditions: (i) the banks, with equal shares, have undertaken to provide, in substitution for the existing financing, a new revolving stand-by cash facility for up to €15 million at a significantly lower spread than that previously applied; (ii) the repayment date of the new financing is set at 36 months; and (iii) the financing incorporates standard clauses for similar operations. A full description of the agreement is provided in the press release issued on 28 November 2007.

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

31.12.06				31/12/07	31/11/07	
Total				Total	With related parties	Total
	Euro/000					
5.149	A. Cash	(1)		7.223	-	1.793
-	B. Derivative contracts included in cash	(1)				
5.149	C. Net cash and equivalents (A) + (B)			7.223	-	1.793
3.000	D. Current financial receivables			-	-	-
9.273	E. Current bank debt	(1)	(2)	15.925	-	12.554
-	F. Derivative contracts included in bank debt	(1)	(2)	-	-	-
2.312	G. Current portion of non-current debt			514	-	514
4.500	H. Current financial debt			4.323	4.323	4.365
16.085	I. Current financial debt (E) + (F) + (G) + (H)			20.762	4.323	17.433
7.936	J. Net current financial debt (I) - (C) - (D)			13.539	4.323	15.640
8.000	K. Non-current financial receivables			-	-	-
3.783	L. Non-current bank debt			3.268	-	3.268
-	M. Bonds issued			-	-	-
24.138	N. Other non-current debt			-	-	-
27.921	O. Non-current financial debt (L) + (M) + (N)			3.268	-	3.268
27.857	P. Net financial debt (J) - (K) + (O)			16.808	4.323	18.908
Reconciliation with cash flow and balance sheet tables:						
(4.124)	(1) Net cash and equivalents			(8.702)	-	(10.761)

The net financial position as at 31 December 2007, showing a negative balance of €16.8 million, represents an improvement over November's level of €18.9 million. The position can be broken down as follows: (i) €7.2 million in cash, benefiting from the debt restructuring agreement described above, (ii) €20.7 million in current financial debt, including €15.9 million of bank debt, €0.5 million in the short-term portion of the mortgage loan, and €4.3 million relating to debt with Meridiana for shareholder financing, and (iii) €3.3 million of non-current financial debt relating to the non-current portion of the mortgage loan. There is a negative net cash balance as at 31 December 2007 of minus €8.7 million.

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 December 2007 is provided below. The total amount of credits granted includes the effects of the debt restructuring plan.

<i>Euro/000</i>	31.12.07		
	Granted	Use	% of use
Cash facilities	16.000	15.925	99,5%
Bank guarantees facilities	10.000	8.119	81,2%
Totale	26.000	24.044	92,5%

6) Description of the main covenants and negative pledge

As mentioned in point 4), the debt restructuring plan agreed at end-November 2007 incorporates various clauses, including a negative pledge clause, as well as financial covenants, the details of which are provided in the press release dated 28 November 2007. Further information with regard to these covenants is available in the Information Prospectus, Section I, chapters 4.1.7 and 22.3.

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

As at 31 December 2007 there were no tax- or benefit-related debts outstanding. Amounts owed to employees totalling €1.96 million were paid out in the first few days of 2008. There were also no debts outstanding to related parties. Outstanding commercial debts of approximately €20.6 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 December there were no court orders subsequent to those reported in the month of November. These orders, for which there have been no further developments, relate mainly to Alitalia (10 court orders amounting to €2.6 million) and Verona Valerio Catullo airport (court order amounting to €2.1 million), and another three counterparties. The total 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.

The Board of Directors noted the resignation, submitted today, of Dr. Mauro Pasquali, Chief Financial Officer of the company and director in charge of preparing the company accounts. Dr. Pasquali based his decision on the wish to pursue a new professional opportunity and will leave the company at the end of February.

The company extends its best wishes to Dr. Pasquali for his future career and expresses its gratitude for all his work in recent years.

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