



PRESS RELEASE

QUARTERLY RESULTS AS AT 30 SEPTEMBER 2008 APPROVED

Improving results vs 30 September 2007

17% increase in passengers vs first nine months of 2007

Revenues from sales and services up to Euro 293.9 million (+14.9% vs 2007)

EBITDAR up to Euro 34.7 million (+8.1%)

Net loss reduced by Euro 1.5 million

Net debt of Euro 14.3 million

Confirmed target for entire 2008

Milan, 10 November 2008 –Eurofly Board of Directors met today to examine the quarterly results as at 30 September 2008.

Quarterly report as at 30 September 2008

Eurofly's results as at 30 September 2008 have been affected by macroeconomic events, i.e. the slowdown of the main economics, with a strong financial crisis in third quarter 2008, the 70% increase in oil price vs 2007 and the weakening of Dollar vs Euro.

Despite that, Eurofly's quarterly results as at 30 September 2008 improved vs 2007. Flight hours grew by 2.2% vs first nine months of 2007 and passengers transported by 17%. In the nine months, **revenues from sale and services** were 14.9% up to Euro 293,937 thousand.

Following the increase in oil price, not fully recoverable on sales, **fuel cost** grew by Euro 34,741 thousand (+46.5% vs the same period of 2007) showing an incidence on revenues up to 37.2% (vs 29.2% in the first nine months of 2007).

EBITDAR, equal to Euro 34,689 thousand, grew by 8.1% thanks to medium range (sustained by higher activity and marginality in the period) and to the savings on personnel costs related to the solidarity agreement.

EBITDA was Euro 3,596 thousand positive, vs –Euro 2,471 thousand recorded in the first nine months of 2007, thanks to the decrease in operative rental, following the weakening of Dollar vs Euro.

Operating result (EBIT) amounted to –Euro 5,920 thousand with a Euro 1,565 thousand improvement vs 2007 level, despite the increase in bad debt provision (+Euro 4,466 thousand in the period) related to the worsening in position in litigation, with an incidence on revenues higher than 2%.

Net result was –Euro 9,217 thousand, to be compared with –Euro 10,435 in the first nine months of 2007.

Net equity as at 30 September 2008 came to Euro 7,881 thousand vs –Euro 5,406 at 31 December 2007.

Net financial debt amounted to Euro 14,312 thousand, vs Euro 17,065 thousand as at 31 December 2008 and Euro 2,959 thousand as at 30 June 2008.

Confirmed target for entire 2008

Taking the June – September 2008 results and the forecast for the forth quarter 2008 into consideration, Eurofly expects that 2008 year – end economic results, in terms of revenues and profitability – despite uncertainty related to exogenous variables not under the Company's control (i.e. Dollar/Euro exchange rate, interest rate, fuel cost, load factor, yield level – will not be significantly different from those included in the 2008/2012 Business Plan.

Eurofly faces the last part of the year with clear perception of the risks concerning the macroeconomic factors – the general economic slowdown after the financial crisis, that may have an influence upon the volume of sales, the volatility of fuel costs (currently balanced on a more favourable level), the Dollar / Euro exchange rate - not under the Company's control and significantly influencing Eurofly's results forecasted in the 2008/2012 Business Plan.

Finally, the evolution of the air transport sector, following the re - organization of competitors, may cause in the short term limitations to the use of air transport infrastructure and in the medium term the hardening of competitive scenario.

Following Income statement, Balance sheet and Cash flow statement.

2007	% on revenue	Income Statement	Jan - Sept 08	% on revenue	Jan - Sept 07	% on revenue	Change	% change
<i>Euro/000</i>								
322,290	100.0%	Revenue from sales and services	293,937	100.0%	255,837	100.0%	38,100	14.9%
9,405	2.9%	Other revenue	9,452	3.2%	6,520	2.5%	2,933	45.0%
331.695	102.9%	Total revenue	303.389	103.2%	262.357	102.5%	41,032	15.6%
7,671	2.4%	Direct commercial expenses	9,182	3.1%	5,934	2.3%	3,248	54.7%
98,243	30.5%	Jet fuel	109,385	37.2%	74,644	29.2%	34,741	46.5%
38,354	11.9%	Staff costs	28,422	9.7%	29,637	11.6%	-1,215	-4.1%
45,365	14.1%	Materials and maintenance services	34,678	11.8%	34,477	13.5%	201	0.6%
92,941	28.8%	Other operating costs and wet lease	73,064	24.9%	72,022	28.2%	1,042	1.4%
17,935	5.6%	Other commercial and corporate costs	13,969	4.8%	13,559	5.3%	410	3.0%
45,852	14.2%	Operative rentals	31,093	10.6%	34,555	13.5%	-3,462	-10.0%
3,951	1.2%	Depreciation and amortization	2,602	0.9%	2,894	1.1%	-292	-10.1%
2,820	0.9%	Other provisions	6,007	2.0%	1,541	0.6%	4,466	289.8%
852	0.3%	Provisions for risks and charges	907	0.3%	579	0.2%	328	56.5%
353,984	109.8%	Total costs	309,309	105.2%	269,842	105.5%	39,467	14.6%
(22,289)	-6.9%	Operating result	(5,920)	-2.0%	(7,485)	-2.9%	1,565	-20.9%
2,474	0.8%	Financial (income)/charges	1,664	0.6%	1,180	0.5%	484	41.0%
(24,763)	-7.7%	Pre-tax profit	(7,584)	-2.6%	(8,665)	-3.4%	1,081	-12.5%
3,006	0.9%	Tax charges	(1,633)	-0.6%	(1,531)	-0.6%	(102)	6.6%
1	0.0%	Profit/(loss) from sales of assets	0	0.0%	(238)	-0.1%	238	-100.0%
(21,757)	-6.8%	Result of the period	(9,217)	-3.1%	(10,435)	-4.1%	1,218	-11.7%

Translated from the original version in Italian

Balance sheet

30.09.07	Euro/000	30.09.08	31.12.07	Change
19,915	Property, plants and equipments	13,284	19,567	(6,283)
2,902	Intangible assets	1,711	2,559	(848)
11,144	Financial assets	11,188	10,945	243
0	Financial assets with parent company	2,936	0	2,936
0	Other receivables	3,660	0	3,660
5,228	Deferred tax assets	8,514	9,072	(557)
0	Equity investments	8,000	0	8,000
39,190	Total non-current assets	49,294	42,142	7,151
0				
2,743	Inventorise	3,300	2,876	424
66,922	Trade and other receivables	68,130	57,895	10,235
1,211	Trade and other receivables with parent company	9,191	1,081	8,110
8,059	Other assets	7,382	12,334	(4,952)
2,205	Cash and cash equivalents	4,472	6,955	(2,483)
81,139	Total current assets	92,475	81,141	11,333
126,900	Total assets	141,768	123,283	18,485
13,355	Share capital	6,503	1,023	5,480
3,347	Reserves	10,595	15,328	(4,732)
-10,435	Profit/(Loss)	(9,217)	(21,757)	12,540
6,267	Total net equity	7,881	(5,406)	13,287
3,286	Long terms borrowings	2,754	3,275	(520)
0	Deferred tax liabilities	128	128	0
8,987	Provisions for risks and charges	6,753	8,163	(1,410)
12,273	Total non-current liabilities	9,635	11,566	(1,931)
0				
84,597	Trade and other payables	101,491	92,761	8,729
196	Trade and other payables with parent company	4,056	1,939	2,117
10,461	Bank debts	15,493	15,914	(421)
503	Current portion of long-term borrowings	537	514	23
4,500	Short term borrowings	0	4,323	(4,323)
1,532	Provisions for risks and charges	2,675	1,672	1,003
101,789	Total current liabilities	124,252	117,123	7,128
120,329	Total net equity and liabilities	141,768	123,283	18,485

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Cash flows statement

2007	Euro/000	Jan Sept 08	Jan Sept 07
(4,124)	Net cash and equivalents at the beginning of the period	(8,960)	(4,124)
		-	-
(24,763)	Pre-tax loss	(7,584)	(8,665)
1	Profit/(loss) from sales of assets	-	(238)
593	Tax effect on sales of assets	-	593
	Adjustments for:	-	-
3,951	- Depreciation	2,602	2,894
1,115	- (Gain)/loss on exchange rates due to transactions in foreign currency	174	471
1,359	- Other financial charges	1,490	710
-	- Gains from sales of fixed assets	-	-
(9,737)	Change in trade receivables and other receivables	(12,835)	(11,236)
78	Change in stock	(424)	211
9,251	Change in trade payables and other liabilities (incl. current funds)	8,258	(5,382)
(1,582)	Interest and other financial charges paid	(1,611)	(925)
(946)	Taxes paid	-	(163)
1,420	Realized gain/(loss) on exchange rates due to transactions in foreign currency	483	1,288
(2,535)	Unrealized gain/(loss) on exchange rates due to transactions in foreign currency	(657)	(1,759)
-	Write-off of non-current assets	-	111
(916)	Net variation of staff leaving indemnity	(173)	35
254	Cash flow from the A319 BU operations	-	245
(22,458)	Cash flow from operations	(10,277)	(21,809)
	Investments in fixed assets:	-	-
(148)	* Intangible	(64)	(69)
(1,236)	* Tangible	(345)	(938)
(867)	* Financial	(3,821)	(718)
223	Collected interests	121	216
16,849	Cash flow from the A319 BU disposal	-	16,849
1,185	Disposal value of other fixed assets	2,575	722
16,006	Cash flow from/to investments	(1,533)	16,061
		-	-
3,000	Redemption of bank time deposits included in current assets	-	3,000
(486)	Payment of loan instalments	(497)	(486)
(898)	Payment of A319 loan instalments	-	(898)
1,616	Start of A319 loan	(497)	1,616
		-	-
-	Increase of share capital	10,245	-
-	Cash flow from operations on equity	10,245	-
		-	-
(4,836)	Increase (decrease) of net cash and equivalents	(2,062)	(4,132)
		-	-
(8,960)	Net cash and equivalents at the end of the period	(11,021)	(8,256)

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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.

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