



PRESS RELEASE

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

Milan, 20 November 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 the period in question, the partnership efforts continued with Meridiana. These initiatives began in previous months as part of efforts to develop sales and distribution, as well as aspects concerning pricing, e-ticketing, and engineering and maintenance activities. At the end of October in particular, stopover supervision activities were broadened, both by Meridiana for Eurofly and vice versa. Code sharing began between Meridiana and Eurofly for flights from Milan-Linate to Catania, Naples, Palermo, Rome, and Paris-Charles de Gaulle, as well as from Naples to Paris-Charles de Gaulle. Beginning in October, the ACMI contract with Meridiana concerning the Malpensa-Chisinau (Moldavia) connection became active.

2) Update on any changes and adjustments to the targets laid down in the 2008-2010 Industrial Plan

On 27 October 2007, the board of directors revised the 2007-2009 Industrial Plan, extending it to 2010 and setting new targets. For details on the new plan, see the related press release issued on that date. In October, the company's results were in line with the plan as revised on 27 October 2007.

3) Capital, financial position and operating results

For October, the company posted a net loss. Nonetheless, this result, based on estimates possible at the time of this press release, does not alter the company's standing in relation to the provisions of Article 2446 of the Italian Civil Code.

As reported previously, the shareholders, in their meeting of 9 November 2007, approved a divisible increase of capital for cash, offered as an option to shareholders, which is to be

executed for a total value of up to €15,000,000. The board of directors has also set shareholder meetings for 29 and 30 November and 3 December 2007 to approve a second increase of capital, as an option to shareholders, for a total value of up to €25,000,000.

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.

31.12.06				31.10.07		30.09.07	
Total		Total	With related parties	Total	With related parties	Total	With related parties
Euro/000							
5.149	A Cash (1)	2.553	-	2.205	-		
-	B. Derivative contracts included in cash (1)	-	-	-	-		
5.149	C. Net cash and equivalents (A) + (B)	2.553	-	2.205	-		
3.000	D. Current financial receivables	-	-	-	-		
9.273	E. Current bank debt (1) (2)	11.152	-	10.461	-		
-	F. Derivative contracts included in bank debt (1) (2)	-	-	-	-		
2.312	G. Current portion of non-current debt	503	-	503	-		
4.500	H. Current financial debt	4.365	4.365	4.500	4.500		
16.085	I. Current financial debt (E) + (F) + (G) + (H)	16.021	4.365	15.464	4.500		
7.936	J. Net current financial debt (I) - (C) - (D)	13.467	4.365	13.259	4.500		
8.000	K. Non-current financial receivables	-	-	-	-		
3.783	L. Non-current bank debt	3.286	-	3.286	-		
-	M. Bonds issued	-	-	-	-		
24.138	N. Other non-current debt	-	-	-	-		
27.921	O. Non-current financial debt (L) + (M) + (N)	3.286	-	3.286	-		
27.857	P. Net financial debt (J) - (K) + (O)	16.753	4.365	16.545	4.500		
Reconciliation with cash flow and balance sheet tables:							
(4.124)	(1) Net cash and equivalents	(8.599)	-	(8.256)	-		

Net financial position as of 31 October 2007, which came to a negative €16.7 million, is essentially in line with that of the previous month and may be broken down as follows: (i) cash and cash equivalents in the amount of €2.5 million; (ii) current financial debt in the amount of €16 million, including bank debt, the short-term portion of the mortgage loan, and the Meridiana shareholder financing (which fell by €135 thousand, given the waiver by Meridiana of this amount as reported in previous press releases); (iii) non-current bank debt in the amount of €3.3 million, related to the non-current portion of the mortgage loan. Cash and cash equivalents came to a negative €8.6 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 October 2007 is provided below.

<i>Euro/000</i>	al 31.10.07		
	Granted	Use	% of use
Cash facilities	14.000	11.152	79,66%
Bank guaranties facilities	8.500	8.329	97,99%
Total	22.500	19.481	86,58%

6) Description of the main covenants and negative pledges

As at 31 October 2007, in expectation of the signing of the agreements with the banks to restructure its debt, the company has no debt that calls 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 October 2007, there were no past-due tax, social security or employee payables. There were also no past-due debts to related parties. As for trade payables, €15.0 million was past due, with €2.4 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.

As at 31 October 2007, there were 14 summary payment orders, primarily from Alitalia (ten orders in the amount of €2.6 million) and Verona's Valerio Catullo airport (one order in the amount of €2.1 million), as well as from three other counterparties, for a total of roughly €5.5 million. One of the counterparties has obtained provisional enforceability for the order, which the company has appealed, and the company has expressed opposition to all summary payment orders issued, protesting, depending on the case, the existence of receivables for an amount similar to the amount demanded or the non-liability of the amounts requested as determined by the counterparties.

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.

For further information:

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