



PRESS RELEASE

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

Milan, 29 February 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 January 2008.

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

Operations at the beginning of 2008 were significantly affected by the unrest in Kenya, one of Eurofly's main long-haul destinations. In January 2008 the company's results were therefore moderately below those forecast in the Industrial Plan.

3) Capital, financial position and operating results

The 2008-2010 Industrial Plan estimated a loss for January, albeit a smaller one than that actually incurred. At end-January the company is in the position referred to in Article 2447 of the Italian Civil Code; nevertheless it should be noted that the capital increase to raise approximately €15 million decided upon by the shareholders' meeting of 9 November 2007 was completed during February. Following this recapitalisation, Articles 2446 and 2447 of the Civil Code cease to apply. The share capital now totals €6,253,995.46 fully subscribed and paid up. 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. A description of the agreement is provided in the press release issued on 28 November 2007. It should be noted that on 15 February 2008 the company received the statement of reasonableness of the 2008-2010 Industrial Plan, in accordance with Article 67, paragraph 3, letter d) of Royal Decree 267/1942.

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

Euro/000	31 jan 2008		31 dec 2007	
	Total	With related parties	Total	
A. Cash	(1) 4.602	-	7.168	
B. Derivative contracts included in cash	(1) -	-	-	
C. Net cash and equivalents (A) + (B)	4.602	-	7.168	
D. Current financial receivables	-	-	-	
E. Current bank debt	(1) 15.911	-	15.914	
F. Derivative contracts included in bank debt	(1) -	-	-	
G. Current portion of non-current debt	526	-	514	
H. Current financial debt	4.323	4.323	4.323	
I. Current financial debt (E) + (F) + (G) + (H)	20.760	4.323	20.751	
J. Net current financial debt (I) - (C) - (D)	16.158	4.323	13.583	
K. Non-current financial receivables	-	-	-	
L. Non-current bank debt	3.003	-	3.268	
M. Bonds issued	-	-	-	
N. Other non-current debt	-	-	-	
O. Non-current financial debt (L) + (M) + (N)	3.003	-	3.268	
P. Net financial debt (J) - (K) + (O)	19.160	4.323	16.852	
Reconciliation with cash flow and balance sheet tables:				
(1) Net cash and equivalents	(11.309)	-	(8.746)	

Net financial debt as at 31 January 2008 was €19.1 million, compared with €16.8 million as of December 2007. The position can be broken down as follows: (i) €4.6 million in cash, benefiting from the debt restructuring agreement described above, (ii) €20.8 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, (subsequently fully used in the course of the subscription of the capital increase), and (iii) €3.0 million of non-current financial debt relating to the non-current portion of the mortgage loan.

There was a negative net cash balance as at 31 January 2008 of minus €11.3 million. It is worth noting that the net financial position at end-January does not yet reflect the capital increase against cash payment mentioned above.

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 January 2008 is provided below. The total amount of credits granted includes the effects of the aforementioned debt restructuring plan.

Euro/000	31 January 2008		
	Granted	Use	% of Use
Cash facilities	16.000	15.911	99,44% -
Bank guarantees facilities	9.200	8.350	90,76% -
Total	25.200	24.261	96,27%

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, to be noted in the annual report (31 December) and the half-year report (30 June) for the full term of the financing. Further details are available in the press releases dated 28 November 2007 and 31 January 2008.

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

As at 31 January 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 €20.9 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 31 January 2008 court orders totalling €5.8 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.

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.

As of today the Board of Directors has appointed Daniele Renna, currently responsible for the administration and finance of Eurofly, as Corporate Financial Reporting Officer in accordance with Article 154-bis of Legislative Decree 58/1998, with effect from 1 March 2008. His appointment, following the resignation announced on 31 January 2008 of the Chief Financial Officer of Eurofly, Mauro Pasquali, was approved in advance by the Board of Auditors and complies with the professional requirements stipulated in the company's articles of association, in accordance with the law.

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