



PRESS RELEASE

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

Milan, 31 August 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 July, as part of the efforts to achieve operating and commercial synergies with Meridiana, the partnership initiatives under way, as described in prior months, have continued. In particular, during the month in question, space management activities, which Eurofly previously outsourced to a third party, were transferred to Meridiana. Finally, at the end of the month, code sharing with Meridiana for mid-range flights was extended to long-haul flights, as well, specifically for the Rome-New York connection, beginning with the winter season.

2) Update on any changes and adjustments to the targets laid down in the 2007-2009 Industrial Plan

The company is continuing along the path defined by the 2007-2009 Industrial Plan, with results in July being slightly lower than expected by said plan, primarily as a result of higher-than-expected fuel and maintenance costs, as well as of the lower-than-expected commercial performance of a number of routes.

3) Capital, financial position and operating results

In July, the company posted positive net income. 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.

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				31/7/07		30/6/07	
Total				Total	With related parties	Total	
Euro/000							
5.149	A. Cash	(1)		3.845	-	13.297	
-	B. Derivative contracts included in cash	(1)		-	-	-	
5.149	C. Net cash and equivalents (A) + (B)			3.845	-	13.297	
3.000	D. Current financial receivables			1.000	-	2.018	
9.273	E. Current bank debt	(1)	(2)	7.516	-	8.815	
-	F. Derivative contracts included in bank debt	(1)	(2)	-	-	-	
2.312	G. Current portion of non-current debt			514	-	503	
4.500	H. Current financial debt			4.500	4.500	4.500	
16.085	I. Current financial debt (E) + (F) + (G) + (H)			12.530	4.500	13.819	
7.936	J. Net current financial debt (I) - (C) - (D)			7.685	4.500	(1.496)	
8.000	K. Non-current financial receivables			-	-	-	
3.783	L. Non-current bank debt			3.268	-	3.528	
-	M. Bonds issued			-	-	-	
24.138	N. Other non-current debt			-	-	-	
27.921	O. Non-current financial debt (L) + (M) + (N)			3.268	-	3.528	
27.857	P. Net financial debt (J) - (K) + (O)			10.953	4.500	2.032	
Reconciliation with cash flow and balance sheet tables:							
(4.124)	(1) Net cash and equivalents			(3.670)	-	4.481	

Net financial position for July was worse than that of the previous month due to a decline in cash and cash equivalents, primarily due to greater payments to suppliers as a result of the realignment of past positions and of stricter terms on current positions. Current financial debt came to €12.5 million, as compared with the €13.8 million of June. Non-current financial debt came to €3.3 million. Transactions with related parties concern the non-interest-bearing loan in the amount of €4.5 million transferred from Spinnaker to Meridiana in December 2006.

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 July 2007 is provided below.

<i>Euro/000</i>	31 July 2007		
	Granted	Use	% of use
Cash facilities	18.100	7.515	41,5%
Bank guarantees facilities	11.500	9.600	83,5%
Total	29.600	17.115	57,8%

6) Description of the main covenants and negative pledges

As at 31 July 2007, while negotiations with banks to restructure the company's debt are still under way, 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 July 2007, there were no outstanding tax, social security or employee payables. There were also no outstanding debts to related parties. As for trade payables, €14.3 million was past due, with €2.2 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.

At the end of the period in question, there were 11 summary payment orders, one cross-claim, and two citations from six counterparties for a total amount of roughly €7.4 million.

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