

euro Atlantic airways , S.A.

BALANCE SHEET AT DECEMBER 31st OF 2005

(Amounts expressed in Euros)

(Translation of a document originally issued in Portuguese)

	2005			2004		2005	2004
	AB	AA	AL	AL			
ASSETS					EQUITY AND LIABILITIES		
Fixed Assets					Equity	4.990.000,00	4.990.000,00
Intangible assets	986.310,75	986.310,75		27.343,93	Capital		
Tangible fixed assets	18.443.880,06	13.655.714,82	4.788.165,24	4.364.505,68	Treasury stock - premium	-2.383.500,00	-1.382.500,00
Financial investments	1.790.996,09		1.790.996,09	1.150.277,68	Exchange adjust from financial investments	-203.900,42	-62.147,75
	21.221.186,90	14.642.025,57	6.579.161,33	5.542.127,29	not attributed dividends		
Current Assets					Other reserves	3.195.812,03	2.837.614,90
Inventories					Legal reserves	89.243,31	24.554,23
Short term debt:					Retained earnings	-329.104,64	
Accounts receivable from customers	25.657.386,45	5.889.753,26	19.767.633,19	19.691.273,72		5.358.550,28	6.407.521,38
Subsidiary companies					Net profit for the year	5.986.825,02	1.293.781,57
Advances to suppliers	116.926,08		116.926,08	476.251,65		5.986.825,02	1.293.781,57
State and other public entities	171.096,18		171.096,18	166.981,15	TOTAL EQUITY	11.345.375,30	7.701.302,95
Other debtors	2.575.276,85		2.575.276,85	2.303.373,89	LIABILITIES		
	28.520.685,56	5.889.753,26	22.630.932,30	22.637.880,41	Provisions for other risks and costs	457.689,24	21.381,98
Trading securities	2.500.795,72		2.500.795,72	1.431.246,03	Short term liabilities:		
Bank deposits and cash	16.375.883,10		16.375.883,10	15.287.276,26	Accounts payable to suppliers	15.543.241,99	5.244.964,41
	18.876.678,82		18.876.678,82	16.718.522,29	Other loans obtained		
Unbilled revenues and deferred costs	6.294.315,48		6.294.315,48	5.286.947,75	Amounts owed by controlling company	4.457,45	153.313,91
					State and other public entities	2.326.560,69	569.992,72
					Other creditors	385.786,39	2.259.556,52
					Bank loans	1.995.183,67	4.682.371,94
						20.712.919,43	12.931.581,48
					Accrued costs and deferred income	22.322.793,20	29.552.593,31
TOTAL ASSETS	74.912.866,76	20.531.778,83	54.381.087,93	50.185.477,74	TOTAL LIABILITIES	43.035.712,63	42.484.174,79
					TOTAL EQUITY AND LIABILITIES	54.381.087,93	50.185.477,74

The Accountant:

The Board of Directors