

> **This year euroAtlantic aims to improve results by 10% despite admitting a cut in income**

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euroAtlantic admits that this year may see a fall in turnover in view of the loss in charter market in Portugal, but even so its forecast is that net results will "improve by around 10%" as its chairman Tomaz Metello posited yesterday.

The company, 80% owned by the family of the chairman and 20% by the Pestana Group - which last year purchased the Luxembourg company Anglotel which holds a 20% stake in euroAtlantic (see "Pestana Group already has the go-ahead to acquire a shareholder in EuroAtlantic") - was the largest charter operator in Portugal in recent years, to wit in 2006, owing to the making of flights for various tourist operators.

This activity was particularly notable in charters to the Brazilian NE where it operated through a joint venture with Varig, with the flights having the code of this company, and where it was contracted as the carrier of the operators Club1840, Iberojet, Mundovip, Travelplan and terraBrasil, plus, at a later stage, flights to Ilha do Sal, Cape Verde for the operator Soltrópico which had been working in an Air Luxor plane since 2004.

This positioning led it to rise several places in the ranking of companies operating in Lisbon by dint of the passengers carried, having attained 10th position in July of last year with 22,500 passengers.

The information disclosed yesterday by the company indicates that the charter segment represented almost 22% of euroAtlantic business compared with 20.7% in 2005.

The company did not specify the impact which may derive from the fact that the operators Club1840, Iberojet, Mundovip and Travelplan started contracting its flights from White (and in the near future also from Orbest), but Tomaz Metello admitted that turnover may fall. But even so, he added that the company is expecting to see its net results rise.

The information disclosed yesterday does not specify this, but data disclosed previously by euroAtlantic indicated that in the first half of 2005 the operating income per flight hour of operations was around triple of that generated by the ACMI (aircraft, crew, maintenance and insurance), thus standing, respectively, at 10,343.29 and 3,562.96 dollars, but the operating costs per flight hour were also 6.5 times greater (8,184 and 1,253.7 greater).

The market has undergone a major evolution since the first half of 2005, to wit in ACMI activity which, according to sector sources contacted by PressTUR has experienced a positive spell owing to the scarcity of planes on the market, intensified by the good demand for world aviation in recent times.

In January in declarations to PressTUR, Tomaz Metello stressed, as regards the loss this year of the charter flight market vis-à-vis Portuguese operators, that this activity "is a niche" and is not the core business of euroAtlantic.

"If we want and really desire to have the charter market, it cannot be forgotten that we not only have our operator [Sonhando, which has the brands terraBrasil, terraÁfrica, terraMinha and terraEuropa], which we can expand and issue very clear instructions to work with us, but also distribution in which we are investing", he added after stressing: "We have a balanced, well-structured strategy in terms of what we want".

Yesterday, Tomaz Metello also warned that euroAtlantic will tend to present more moderate growth rates after having increased its profits in 2004 by 1,286.6%, with a new increase of 362.7% in 2005 and last year having surpassed the ten million mark for the first time with a 75% increase.