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euroAtlantic won over 22.9% per hour of flight

Source: presstur.com

The company's financial statements, divulged yesterday, show that the focus of 97% of its activity in ACMI resulted in a 22.9% increase of the operational results per hour of flight, with a 23% increase in terms of free operating cash flow (EBITDAR).

The company's data show that in 2007 it had 1,291.39 euros of earnings before interest, taxes, depreciation, amortization and rent (EBITDAR) per hour of flight, 23% more than in 2006, since while the income per hour dropped 33.3%, to 3,231.19 euros, the costs per hour decreased 44.7%, to 2,249.79 euros.

Thus, the operating results per hour of flight grew 22.9%, to 618.2 euros, and the net profits per hour increased 20.9%, to 515.43 euros.

In comparison to the situation five years ago, these values show that the company multiplied by 8.13 times the number of flight hours and that for each hour generated 3.17 times more operating results and 17.71 times more profits.

euroAtlantic performed in 2007 a total of 23,392 hours of flight, 4.7% less than in the previous year, of which the charters represented only 3%, when in 2006 had represented 22% out of 24,556 hours and in the previous year 21% out of 21,267 hours.

Therefore, the operational activity included, in 2007, a total of 22,690 hours of flight in ACMI, 18.4% more than in 2006, and 702 hours of charter flights, 87% less than in the previous year.

The reflex in the operating revenues was a drop, in last year, of 36.4%, to 75.58 million euros, against a total of 101.6 million euros in 2005 and the 17% increase, to 118.93 millions, in 2006.

But that distribution of activity is also reflected in costs – since in ACMI the variable costs, from fuel to navigation and on flight service rates, are imputed to the entity that hires the plane, while in charters these costs are paid by the company – with a reduction of 47.3% last year, to 52.62 million euros, when in 2005 it had been 86.18 million and in 2006 had grown 16%, to 99.95 million.

And, given that the decrease in income was lesser than the reduction of costs, euroAtlantic presented last year a rise of 17.1% in operating results, to 14.47 million euros.

Tomaz Metello has often mentioned these characteristics of the company business, namely, for example, when last year he said he expected a drop in turnover for this year, as a result of the reduction of charter activity, but an increase of profits that, at the time, he expected to be of around 10%, a value that came to be surpassed.

The data divulged by the company do not enable the estimation of the profitability of each business segment, but an information pertaining to the first semester of 2005 showed that the exploitation incomes of the operations per hour of flight were about three times those generated by the ACMI, being, at the time, 10,343.29 and 3,562.96 dollars, respectively, but the exploitation costs per hour of flight were also 6.5 times higher (8,184 and 1,253.7 higher).

The company's financial statement also shows that the turnover suffered a less accentuated decrease last year than the operating revenues, with the drop reaching 34.1%,

to 82.83 million euros, given that the non operational incomes grew 18.9% to 16 million euros.

The financial statements divulged yesterday by the company show that last year the free operating cash-flow (EBITDAR, earnings before interest, taxes, depreciation, amortization and rent in airplane leasing) grew to 30.2 million euros, in the same proportion of the operating results (EBIT, earnings before interest and taxes) because there was a reduction in airplane leasing costs, of 11.9%, to 7.56 million that, meanwhile, was annulled by the 68.9% increase in provisions, to 8.16 million.

The smaller growth in profits (in 15.1%) reflects an improvement of the result of the non operational activities but also an increase of taxes, that rose 32.1%, to 3.95 million.