

NET DEBT AS OF 31 JULY 2008

- **The Group's net debt as of 31 July 2008 amounted to 1.172 million euros, with an increase in net indebtedness of 57 million euros compared to the situation on 30 June 2008 which was 1.115 million euros (management figures); regarding the 300 million euros cashed according to Law no. 111 of 23 June 2008, which converted the legislative decree no. 80 of 23 April 2008 modified with the legislative decree no. 93 of 27 May 2008 and the legislative decree no. 97 of 3 June 2008, it should be noted that this amount is not included in the indebtedness mentioned above, since it was added to net equity, existing the requirements;**
- **The net debt of the parent company Alitalia as of 31 July 2008 amounted to 1.159 million euros, with an increase in net indebtedness of 53 million euros compared to the situation on 30 June 2008 which was 1.106 million euros (management figures); regarding the 300 million euros cashed according to Law no. 111 of 23 June 2008, which converted the legislative decree no. 80 of 23 April 2008 modified with the legislative decree no. 93 of 27 May 2008 and the legislative decree no. 97 of 3 June 2008, it should be noted that this amount is not included in the indebtedness mentioned above, since it was added to net equity, existing the requirements;**
- **The Group's cash-to-hand and short-term financial credits as of 31 July 2008 amounted to 314 million euros with a decrease of 61 million euros (-16.3%) compared to the situation on 30 June 2008 which was 375 million euros (management figures).**

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To comply with instructions from Italy's Securities and Exchange Commission (CONSOB), this document contains information relating to the net debt as of 31 July 2008 (as well as any debts falling due for Alitalia and the Group), published via press releases issued by the end of each month, referring to the previous month.

It should be pointed out that, in line with CONSOB recommendations, and as already reported in a previous press release (issued for the first time on August 30, 2004, relating to the Group's financial situation as of July 31, 2004), **data regarding current portions of amounts falling due within twelve months are no longer classified under**

medium/long-term indebtedness, but now form part of data relating to short-term financial debt.

	30. 06. 2008		31. 07. 2008	
	MANAGEMENT FIGURES		MANAGEMENT FIGURES	
	GROUP	ALITALIA	GROUP	ALITALIA
Cash-on-hand and short-term financial credits	(375)	(392)	(314)	(338)
Short-term financial indebtedness	173 (*)	181 (*)	173 (*)	184 (*)
Net short-term financial indebtedness	(202)	(211)	(141)	(154)
Medium/long-term indebtedness	1,317	1,317	1,313	1,313
Medium/long-term investments	0	0	0	0
Net Debt	1,115	1,106	1,172	1,159
(*) of which current instalments of medium/long-term financial debts falling due within twelve months	173	173	173	173

(all figures in millions of euros)

It should be noted that the figures in the above table reflect the outcome of management analysis and include several estimated items which, however, do not affect the overall significance of the information.

The following observations on the most important changes that have taken place during the two periods in question refer to the situation for the Group. However, given the preponderance of Alitalia within the whole Group, these observations are in fact representative of the parent company's performance alone; specific facts and figures referring only to Alitalia are glossed by notes.

The Group's net debt as of 31 July 2008 amounted to 1.172 million euros, with an increase in net indebtedness of 57 million euros (+5.1%) compared to the situation on 30 June 2008, announced on July 31, 2008; regarding the 300 million euros cashed according to Law no. 111 of 23 June 2008, which converted the legislative decree no. 80 of 23 April 2008 modified with the legislative decree no. 93 of 27 May 2008 and the

legislative decree no. 97 of 3 June 2008, it should be noted that this amount is not included in the indebtedness mentioned above, since it was added to net equity, existing the requirements.

The net debt of the parent company Alitalia as of 31 July 2008 amounted to 1.159 million euros, with an increase in net indebtedness of 53 million euros (+4.8%) compared to the situation on 30 June 2008; regarding the 300 million euros cashed according to Law no. 111 of 23 June 2008, which converted the legislative decree no. 80 of 23 April 2008 modified with the legislative decree no. 93 of 27 May 2008 and the legislative decree no. 97 of 3 June 2008, it should be noted that this amount is not included in the indebtedness mentioned above, since it was added to net equity, existing the requirements.

The Group's cash-to-hand and short-term financial credits as of July 31, 2008, at the Group level and for Alitalia, amounted to 314 and 338 million euros respectively (the corresponding figures on June 30, 2008 were 375 and 392 million euros).

Group's short-term financial indebtedness, as of July 31, 2008, amounted to 173 million euros.

It should be noted that as of July 31, 2008, there were several leasing contracts at the Group level (referring almost entirely to fleet aircraft mostly held by the parent company amounting to 77 million euros) whose capital share, including lease closure value, amounted to 88 million euros (of which 12 million euros represent the current capital share falling due within twelve months of the reference date, with 9 million euros held by the parent company). By comparison, the same figure as of June 30, 2008, amounted to 89 million euros (of which 12 million euros falling due in the twelve months from the reference date); the corresponding figures for the parent company on June 30, 2008, amounted to 78 and 9 million euros respectively.

It should also be noted that existing debts to banks are almost entirely backed up by real guarantees (mortgages on aircraft) or by personal guarantees (mainly guarantees issued by banks for export credit). The relative financing contracts contain standard legal clauses relating to withdrawal. None of the contracts refer to specific requirements regarding assets or economic/financial aspects, in order to maintain the credit line.

During July 2008, repayments were made of medium/long-term financing amounting to about 3 million euros.

Regarding debts of a financial, fiscal and social welfare nature, there were no outstanding sums or payment irregularities on July 31, 2008, both for the parent company and for the other companies in the Group.

As far as debts of a commercial nature are concerned, decisions are still pending for the petitions filed by Alitalia regarding the following: a) an injunction related to supposed different pricing policies, issued by a carrier for 6 million euros (two decrees); b) another injunction issued by a supplier of on-board movies for 909,000 euros; c) a further injunction has been issued by an IT services supplier for 812,000 euros; d) an injunction has been issued by an Italian subsidiary of an air carrier bankruptcy for 288,000 euros; e) another injunction has been issued by a maintenance services supplier for 492,000 euros; f) a further injunction has been issued by the special manager of a firm for presumed debts relating to air ticket sales, for 3.2 million euros; g) one injunction issued by a fuel supplier (airport rights) for about 1 million euros; h) another injunction has been issued by an airport management company for limited failure to pay handling fees for about 375,000 euros; i) an injunction has been issued by a supplier of several services for 112,000 euros; l) another injunction has been issued by an advisory services company, for 171,000 euros; m) an injunction has been issued by a company for presumed failure to pay commissions related to air ticket sales, for 274,000 euros.

Except for the above, there are no other injunction orders or executive actions undertaken by creditors notified as of July 31, 2008, nor are there any threats by suppliers to suspend operations. It should be pointed out that, as part of ordinary management practices, the Company is committed to maintaining commercial relations with its customers and suppliers who guarantee – in the absence of critical situations or operational emergencies – the necessary financial flexibility in support of cash-to-hand requirements.

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