

NET DEBT AS OF 31 JANUARY 2008

- **The Group's net debt as of 31 January 2008 amounted to 1,280 million euros, with an increase in net indebtedness of 81 million euros (+6.8%) compared to the situation on 31 December 2007 which was 1,199 million euros (management figures), mainly due to the typical seasonality of this month's proceeds and payments, which are substantially in line with Budget targets.**
- **The net debt of the parent company Alitalia as of 31 January 2008 amounted to 1,265 million euros, with an increase in net indebtedness of 78 million euros (+6.6%) compared to the situation on 31 December 2007 which was 1,187 million euros (management figures).**
- **The Group's cash-to-hand and short-term financial credits as of 31 January 2008 amounted to 282 million euros, showing a reduction of 85 million euros (-23.2%) compared to the situation on 31 December 2007 which was 367 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 January 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.**

	31 December 2007 MANAGEMENT FIGURES		31 January 2008 MANAGEMENT FIGURES	
	GROUP	ALITALIA	GROUP	ALITALIA
Cash-on-hand and short-term financial credits	(367)	(379)	(282)	(297)
Short-term financial indebtedness	147 (*)	147 (*)	147 (*)	147 (*)
Net short-term financial indebtedness	(220)	(232)	(135)	(150)
Medium/long-term indebtedness	1,419	1,419	1,415	1,415
Medium/long-term investments	0	0	0	0
Net Debt	1,199	1,187	1,280	1,265
(*) of which current instalments of medium/long-term financial debts falling due within twelve months	147	147	147	147

(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 January 31, 2008 amounted to 1,280 million euros, showing an increase in net indebtedness of 81 million euros (+6.8%) compared to the situation on December 31, 2007, announced on January 30, 2008: this trend is due to the typical seasonality of this month's proceeds and payments, which are substantially in line with Budget targets.

The net debt of the parent company Alitalia including short-term financial credits for subsidiaries on January 31, 2008 (including short-term financial credits of subsidiaries) amounted to 1,265 million euros showing an increase of 78 million euros (+6.6%) compared to net debt as of December 31, 2007.

The Group's cash-to-hand and short-term financial credits as of January 31, 2008, at the Group level and for Alitalia, amounted to 282 and 297 million euros respectively (the corresponding figures on December 31, 2007 were 367 and 379 million euros).

It should be noted that as of January 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 82 million euros) whose capital share, including lease closure value, amounted to 94 million euros (of which 12 million euros represent the current capital share falling due within twelve months of the reference date, with 10 million euros held by the parent company). By comparison, the same figure as of December 31, 2007, amounted to 95 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 December 31, 2007, amounted to 82 and 10 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 January 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 January 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 1.2 million euros (two decrees); 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 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 three suppliers, for 76,000 euros.

Except for the above, there are no other injunction orders or executive actions undertaken by creditors notified as of January 31, 2008, nor are there any threats by suppliers to suspend operations. Furthermore, it should be noted that the Company, in its ordinary running of the business, constantly focuses on maintaining commercial relations with its clients and suppliers that - absent particular issues or operational distress - offer enough financial flexibility to support its liquidity.

With reference to the net debt as of December 31, 2007 (as announced on January 30, 2008), the consolidated accounting figures have now become available following the release of the Fourth quarter 2007 report (drawn up in compliance with international accounting principles - IAS/IFRS), as shown below:

December 31, 2007		
ACCOUNTING FIGURES (IAS/IFRS)		
	GROUP	ALITALIA
Cash-on-hand and short-term financial credits	(359)	(373)
Derivatives	(8)	(8)
Short-term financial indebtedness	150 (*)	150 (*)
Net short-term financial indebtedness	(218)	(232)
Medium/long-term indebtedness	1,385	1,385
Net Debt	1.167	1.153
(*) of which current instalments of medium/long-term financial debts falling due within twelve months	147	147

(all figures in millions of euros)

Compared to the management figures as of December 31, 2007, the main changes are due to:

- Fair value in derivatives included with a positive value by 8 million euros;

- international accounting principles (IAS/IFRS) application on the medium/long-term indebtedness with a positive effect by about 34 million euros;
- negative effects of reclassifying certain assets for 11 million euros (of which 9 held by the parent company).

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For more information, please contact:

Simone Cantagallo

Head of Media Relations

Telephone: 06-65627431

Email: cantagallo.simone@alitalia.it

Company website: www.alitalia.com