

> In five years euroAtlantic has multiplied its profits by 118 times, increasing income by 4.9 times

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euroAtlantic has multiplied its profits by 118 times over the last five years from 88.8 thousand euros in 2002 to 10.47 million in 2006, well above the growths in number of hours flown (8.5 times), operating income (4.9 times) and turnover (5 times).

The company led by Tomaz Metello, who yesterday restated the aim to list euroAtlantic on the AIM market in London, went over these five years from three planes, two medium-haul (B737-300) and one long-haul (L1011) to seven, all long-haul (one B757, five B767 and the L1011), five under an operating leasing arrangement and three owned (two B767 and the L1011).

This increase in fleet resulted in an increase in hours flown from 2,878 to 24,556, generating an increase in operating income from 25.5 million to 125.74 million and a rise in turnover from 23.85 million to 118.9 million.

The data disclosed yesterday by the company show that although, with the exception of 2006, there has been a successive fall in operating income by flight hour which may derive from an increase in medium-haul, returns have been increasing successively.

Between 2002 and 2006 operating income stood at 8,872.1 euros per flight hour and sales at 8,289.2, whereas last year they stood at 5,120.7 and 4,843.4, respectively, representing reductions of 42.3% and 41.6%, though simultaneously the profits per flight hour rose from 30.85 to 426.5 euros, the return on sales increased by 2,295.2% and the return on operating income grew by 2,265.9%.

In 2002 net results stood at 0.4% of sales and operating income, having fallen the following year to 0.3%; last year they stood at 10.4% and 8.8%, up 4.5 p.p. and 2.9 p.p. on the 2005 figure.

This year-on-year increase derived from an increase in the operating margin by 4.11 p.p. after provisions, depreciations and leasing rents and by 0.26 p.p. before these factors.

euroAtlantic indicated that last year results before interest, taxes, depreciations, provisions and rents stood at 25.7 million euros, up 17.8% on the 2005 figure in view of the increases by 15.5% in the number of hours flown, by 16.3% in operating income and by 17% in turnover, which meant an increase in gross operating margin from 20.2% to 20.5%.

Results prior to interest and taxes, in turn, grew by 99.9% to 12.36 million euros, leading to a rise in margin from 5.7% to 9.8%.

This improvement in margins incorporates, to wit, the fact that over the last year income per flight hour rose by 0.7%, with an increase in sales per flight hour by 1.4%.

More fleet, more activity, more markets and less costs - was how the company chairman, Tomaz Metello, explained the evolution in results of euroAtlantic last year.

Tomaz Metello admitted that the company is entering a "growth normalisation" stage after the sharp advances made since 2004 when operating income increased by 168% and profits by 1,286.6%, having progressed, respectively, by 18.7% and 362.7% in 2005.