



Press Release

Virgin Express's Concerns about Illegal Subsidies Remain

Brussels, 8th April 2004 • Virgin Express (Euronext Brussels: VIRE; OTC Bulletin Board: VIRGY), the Belgian low fare carrier, remains very vigilant about illegal subsidies provided to competitors. It has been reported this week that Minister Kubla of the Walloon Region in Belgium will meet top executives of Ryanair in order to discuss their future relationship and the consequences of the ruling on subsidies made by the European Commission earlier this year.

Virgin Express has been active in the debate about clear rules for the liberalised European aviation market in order to ensure that the laws pertaining to state aid are strictly enforced. Virgin Express considers that enforcement of the rules of fair competition in a liberalised market is the best guarantee for the protection of the consumers' interests.

Neil Burrows, Managing Director of Virgin Express, points out that *"Virgin Express will continue to monitor the situation closely. We expect to make a decision soon as to whether we are going to seek compensation from the Walloon Region for damages incurred during the period that the illegal subsidies were offered to Ryanair. Last week we witnessed how the Walloon authorities once again changed the rules to help Ryanair, this time with regard to the night ban at Charleroi Airport. In the Walloon Parliament a "single purpose" decree was enacted, serving only to benefit the Irish carrier. If there is to be more horse trading, moving of subsidies from one activity to another to try to evade the EC ruling, then we will definitely sue the Walloon Region"*.

In February 2004, the European Commission declared the larger part of Ryanair's deal at Charleroi Airport to be illegal and has ordered the Irish carrier to pay back part of the subsidies that have been granted by the Walloon Region. Virgin Express announced that it would consider legal action. However, two months after the EC decision the Belgian low fare carrier's lawyers have not yet been able to obtain a copy of the full EC report, because, according to sources within EC, "certain paragraphs still have to pass the censorship of the Belgian and Walloon governments".

Neil Burrows added: *"Our concerns about illegal state aid are not limited to the Walloon Region. The recent reported statement by the chairman of Alitalia claiming that government help is needed to prevent the bankruptcy of the Italian flag carrier must have rung alarm bells in the head office of every European airline. One hopes that the alarm bells also went off in the EC offices"*.



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