I Viaggi del Ventaglio

SOCIETÀ PER AZIONI

QUARTERLY REPORT
FOR THE THREE MONTHS ENDED JANUARY 31, 2005

29TH FINANCIAL YEAR

I VIAGGI DEL VENTAGLIO S.P.A.

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TAX CODE AND MILAN COMPANIES' REGISTER NO. 02830600157
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This report is available on the web site at
www.ventaglio.com

SHAREHOLDERS

Based on official reports or other information received by the Company, as of March 10, 2005 shareholders who hold more than 2.00% of the capital stock are as follows:

SHAREHOLDER	NUMBER OF SHARES	%
IVV HOLDING S.P.A.	39,676,315	51.32%
BRUNO VIRGINIO COLOMBO	2,765,528	3.58%
IVV TRADE S.R.L.	647,412	0.84%
UNICREDIT BANCA MOBILIARE S.P.A.	12,000,000	15.52%
BANCA INTESA S.P.A.	4,415,000	5.71%
SANTALESSANDRO HOTELS & RESORTS S.P.A (BELT GROUP)	3,217,500	4.16%
VENTAGLIO INTERNATIONAL S.A. (TREASURY STOCK HELD VIA VENTAGLIO INTERNATIONAL S.A.)	2,146,367	2.78%
TOTAL	**64,868,122**	**83.91%**

IVV TRADE S.R.L. is a subsidiary of IVV HOLDING S.P.A., and IVV HOLDING S.P.A. is wholly owned by Mr. BRUNO VIRGINIO COLOMBO.

CORPORATE OFFICERS

BOARD OF DIRECTORS	BRUNO VIRGINIO COLOMBO	President
	STEFANO COLOMBO	Vice President
	CLAUDIO CALABI	CEO
	MASSIMO PASSALACQUA	Executive Director
	ALESSANDRO COLOMBO	Director
	LUCIANO DI FAZIO	Director
	FRANCO RADICE	Director
	LUIGI CAPUANO	Independent Director
	ALESSANDRO FORZAN	Independent Director
	LUIGI AMATO MOLINARI	Independent Director
	FABRIZIO REDAELLI	Independent Director
REMUNERATION COMMITTEE	LUIGI AMATO MOLINARI	President
	FRANCO RADICE	
	FABRIZIO REDAELLI	
INTERNAL AUDIT COMMITTEE	FABRIZIO REDAELLI	President
	ALESSANDRO FORZAN	
	LUIGI AMATO MOLINARI	
BOARD OF STATUTORY AUDITORS	GIUSEPPE PIROLA	President
	GIUSEPPE MANCHISI	Statutory Auditor
	VALERIO PIACENTINI	Statutory Auditor
	LUCA OCCHETTA	Alternate Auditor
	MARCO RIGOTTI	Alternate Auditor
INDEPENDENT AUDITORS	DELOITTE & TOUCHE S.P.A.	Milan

GROUP STRUCTURE

The Group includes the following companies as of January 31, 2005:

QUARTERLY REPORT

OPERATING REVIEW

Dear Shareholders,

The Group closed the first quarter with a loss before taxes of €17.9 million, with an improvement on the loss before taxes of €21.8 million reported for the same period of 2004.

The value of production amounted to €111.2 million, representing a fall of 3.7% with respect to the €115.5 million of the same period of 2004, due to negative market trends affecting certain destinations. As in the second half of 2004, the first-quarter performance reflected the impact of the current economic slowdown, which has led to a reduction in tourism spending.

EBITDA and EBIT were therefore down on the first quarter of 2004, primarily reflecting the sharp reduction in revenues (down €7 million) from tourism to Egypt, which fell 38.6%, and the Maldives, which recorded a €1.4 million or 35.5% fall in revenues on a like-for-like basis.
Both destinations witnessed substantial declines in tourists, with Italian tour operators particularly hard hit during November and December, when the number of travelers to the Red Sea dropped by 45% and 33%, respectively (source ASTOI), whilst bookings for January are 26% down on the previous year (source ASTOI).
Travel to the Maldives and Asia, which accounted for 3.5% of Group turnover in 2004, was affected by the Tsunami. The cancellation of holidays during the peak season and throughout most of January (international visitors decreased 70% – Source: PACIFIC ASIA TRAVEL ASSOCIATION) hit first-quarter margins.
However, the Group is less exposed in the Maldives and Asia in 2005, due to the decision, taken during 2004, to withdraw from a number of resorts (Maiton Island in Thailand, Dhiffushi Maldive and Olhuveli Maldive) that had failed to meet profit targets.

Net interest expense for the period was significantly lower than in the first quarter of 2004, with charges on interest rate and foreign currency derivatives down from €11.1 million to €3.4 million in the first quarter of 2005.

The first-quarter loss before taxes reflects the highly seasonal nature of the Group's sales. The first quarter on average represents 15% of annual sales, whilst almost all the Group's indirect costs, above all fixed costs and overhead, are incurred on a constant basis throughout the financial year. Due to the fact that the peak season for holidays extends throughout the summer months, the second half, on the other hand, represents a period of higher average margins.

The following table shows financial highlights for the period (€m):

	Q1 2005	Q1 2004	Increase/ (Decrease)
Value of production	**111.2**	**115.5**	**-4.3**
Gross margin	**7.6**	**13.4**	**-5.8**
EBITDA	**-7.0**	**-1.1**	**-5.9**
EBIT	**-11.5**	**-5.5**	**-6.0**
Income (loss) before taxes	**-17.9**	**-21.8**	**3.9**

The Group's net debt stands at €94.8 million at the end of the first quarter of 2005, compared with the €124.6 million of the first quarter of 2004 and the €83.5 million of October 31, 2004.

In early 2005, the Group is proceeding with implementation of the three-year Business Plan (2005-2007) approved by the Board of Directors at the beginning of the quarter that has just closed. The Plan aims to reinforce the Group's leadership in the various market segments, boosting earnings via improvements in operating efficiency. The first quarter has already seen the Group introduce a series of initiatives designed to improve efficiency in the procurement of ground handling services and flights, in the application of discounts and in the procurement of goods and services. To date the efficiency improvement program is on course to meet the targets set out in the Plan.
The Plan forecasts a return to operating profitability in the current year and break even after taxation by 2006.

The rights issue approved by the Special General Meeting of June 29, 2004 was successfully carried out during the first quarter, with 44,801,700 shares subscribed at a total price of €44,801,700.

On December 29, 2004 an agreement was signed with Unicredit Banca d'Impresa SpA, Unicredit Banca Mobiliare SpA and Banca Intesa SpA, on the basis of which UBM and Intesa have subscribed and paid in 18 million new shares with a par value of €1.00 per share. 12 million shares have been bought by UBM and 6 million by Intesa, giving the banks shareholdings of 15.53% and 7.76%, respectively.

At the same time, Unicredit Banca D'Impresa and Banca Intesa undertook to grant the Company credit lines totaling €113 million (€82 million to be disbursed by Unicredito and €31 million by Intesa). Part of the lines are short term and were disbursed immediately, with the remaining part having a duration of eighteen months, with disbursement to coincide with maturity of the 3-year bonds, worth €100 million, issued by Ventaglio International SA in May 2002. The financing is secured by the usual guarantees for transactions of this type and is subject to the usual covenants.

The Company therefore confirms that it will redeem the Eurobonds totaling €100 million issued by its subsidiary, Ventaglio International SA, at the maturity date of 15 May 2005. The redemption will be funded from the above credit lines, in this way freeing up internal resources for implementation of the Business Plan.

On 4 November 2004 the Group, assisted by a leading international financial institution, began the process of collecting and assessing bids for its two resorts based in the Dominican Republic and Mexico. Following the sale, the Group will maintain commercial and operational management of the resorts. Due diligence procedures are currently underway and the relevant documentation, including the contracts of sale, being prepared in readiness for closure of the transactions.

PRINCIPAL TRANSACTIONS CARRIED OUT

DERIVATIVES TO HEDGE EURO/US$ EXCHANGE RATE RISK

The Parent Company, I Viaggi del Ventaglio SpA, has entered into derivatives to hedge Euro/US$ exchange rate risk with a notional value of US$127.0 million as of January 31, 2005. The transactions were restructured last December, maintaining the same basic parameters and designed to hedge the entire exposure via put options (substantially of the stop-loss variety), currently based on an exchange rate of between €1.25 and €1.30 to the US dollar. The aim is to limit the risk linked to a further fall in the value of the dollar against the euro.

The maturities of the remaining contracts as of January 31, 2005 and the related notional values in US dollars are spread over the following time horizon:

2005 – US$13.5 million;
2006 – US$18.0 million;
2007 – US$3.0 million;
2008 – US$75.5 million;
2009 – US$17.0 million.

The balance of the related provisions as of January 31, 2005 amounts to €30.6 million, representing an increase of €1.5 million on October 31, 2004. Such provisions take into account the fair value at the close of the first quarter and are based on an exchange rate of €1.3035 to the dollar. The value corresponds to the market value of the derivatives at the close of the first quarter.

As of January 31, 2005 the maximum potential loss amounts to €38.3 million. The further potential risk may therefore be quantifiable as €7.7 million, equal to the difference between the provisions already made and the above maximum theoretical risk.

As of March 11, 2005 the fair value of the Parent Company's derivatives denominated in US dollars totals €31.9 million, based on an exchange rate of €1.3360 to the dollar.

FINANCIAL POSITION

Summary analysis of consolidated net debt (€000):

Oct 31, 2004		Jan 31, 2005	Jan 31, 2004	Increase/ (Decrease)
27,264	**Cash and cash equivalents**	**13,530**	**30,821**	**-17,291**
8	**Current financial assets**	**7**	**9**	**-2**
-118,881	**Short-term debt**	**-119,713**	**-53,597**	**-66,116**
-91,609	**Net short-term debt**	**-106,176**	**-22,767**	**-83,409**
-2,389	Medium- to long-term bank loans	-2,334	-3,537	1,203
	Bonds in issue		-100,516	100,516
10,521	Financial receivables	13,713	2,165	11,548
8,132	**Net medium- to long-term funds/(debt)**	**11,379**	**-101,888**	**113,267**
-83,477	**Net debt**	**-94,797**	**-124,655**	**29,858**

The Group's net debt stands at €94.8 million at the end of the first quarter of 2005, compared with the €124.7 million of the first quarter of 2004 and the €83.5 million of October 31, 2004. Net debt during the first quarter is influenced by the typically seasonal nature of the business, which generates the majority of its revenues and cash during the summer period, whilst costs and the related cash outflows are spread more evenly over the financial year.
Subscription of the €44.8 million capital increase, completed in December 2004, made a substantial contribution to the improvement in net debt with respect to the same period of the previous year.
The increase in net debt compared with October 31, 2004 is primarily due to the reduction in negative working capital from approximately €40 million to around €25 million, negative EBITDA of €7 million, net financial expense of approximately €5 million, and investment totaling around €1 million. In contrast, the completion of the capital increase had a positive impact on net debt, with a further €20.8 million being paid in during the first quarter of 2005.

The structure of the Group's net debt as of January 31, 2005 is substantially unchanged compared with October 31, 2004. The largest component remains the Eurobonds listed on the Luxembourg Stock Exchange and issued by the subsidiary, Ventaglio International SA. The total value of the issue, which took place in May 2002, is €100 million. The bonds pay coupon interest of 7.125% and will be redeemed in a lump sum at maturity on May 15, 2005.
As a result of the agreement with Unicredit Banca D'Impresa and Intesa, who have undertaken to provide credit lines totaling €113 million, part short term and to be disbursed immediately and part to be disbursed in time to coincide with maturity of the bonds, the Group confirms that it will redeem the bonds at maturity.

RESULTS OF OPERATIONS

Reclassified consolidated income statement (€000):

Full Year 2004		Q1 2005	Q1 2004	Increase/ (Decrease)
741,437	Sales and service revenues	105,104	111,256	*-6,152*
426	Changes in inventories of work in progress, semi-finished and finished goods, contract work in progress, and capitalized costs and expenses	-1	2,503	*-2,504*
	Capitalized costs and expenses			
18,591	Other income and revenues	6,107	1,773	*4,334*
760,454	**Total value of production**	**111,210**	**115,532**	***-4,322***
-61,092	Commission expense	-6,366	-8,066	*1,700*
-89,303	Raw materials	-22,424	-19,870	*-2,554*
-457,303	Services	-57,405	-57,972	*567*
-7,331	Other operating expenses	-1,263	-1,011	*-252*
-61,831	Leases and rentals	-16,195	-15,189	*-1,006*
83,594	**Gross margin**	**7,557**	**13,424**	***-5,867***
-69,464	Personnel costs	-14,539	-14,529	*-10*
14,130	**EBITDA**	**-6,982**	**-1,105**	***-5,877***
-14,177	Amortization and depreciation	-3,194	-3,038	*-156*
-11,493	Write-downs	-249	-151	*-98*
-8,087	Other provisions	-1,034	-1,204	*170*
-19,627	**EBIT**	**-11,459**	**-5,498**	***-5,961***
-13,475	Net interest expense	-3,139	-2,390	*-749*
-4,867	Adjustments to financial assets	115	-1,166	*1,281*
-12,338	Losses and provisions for interest rate and foreign currency risks	-3,373	-11,098	*7,725*
-4,709	Foreign currency gains (losses)	-84	-60	*-24*
-55,016	**Income/(loss) on ordinary activities**	**-17,940**	**-20,212**	***2,272***
46	Net extraordinary income/(expense)	35	-1,620	*1,655*
-54,970	**Income/(loss) before taxes**	**-17,905**	**-21,832**	***3,927***

The Group's value of production amounted to €111.2 million in the first quarter, compared with €115.5 million for the same period of the previous year. The reduction in revenues was caused by the significant decline in tourists traveling to Egypt, the Maldives and Asia, which led to a €11.3 million (43.5%) fall in revenues from tourism. The decline was partially due to the decision, taken during 2004, to

withdraw from a number of resorts (Maiton Island in Thailand, Dhiffushi Maldive and Olhuveli Maldive) that had failed to meet profit targets, and in part driven by a general downturn in travel during the period and above all in relation to the above destinations.
The airline business, on the other hand, shared an overall increase of €6.4 million (25.5%) in third-party revenues compared with the previous year.

Negative EBITDA amounted to €7 million (representing a negative EBITDA margin of 6.3%), falling €5.9 million further with respect to the first quarter of 2004.
The primary reason for the decline in margins was the fall in revenues generated by destinations such as Egypt, the Maldives and Asia, which normally generate a profit during the peak winter season.

The results for the first quarter also reflect the higher average cost of tourist services in Egypt compared with the previous year, following changes to contracts with local operators. Whilst in 2004 the cost of such services was much lower during the winter season than in the summer period, the prices to be applied in 2005 are substantially consistent throughout the year. The cost increase incurred with respect to the first quarter of 2004 will thus be recovered during the second half of the year.

Over the first quarter of 2005, the Lauda Air Group's airline business completed the process of replacing its entire long-haul fleet that had begun during the first quarter of last year. The transition has placed significant demands on the technical and operating structure and has resulted in a series of non-recurring additional charges, amounting to approximately €1 million in the first quarter of 2005, compared with the same period of 2004. The new aircraft will lead to significant gains in the quality of services compared to the Group's competitors, in line with its positioning strategy.

The weakness of the Dominican peso against the US dollar and the euro, during the second quarter of 2004, has led to a significant increase in inflation and a resulting rise in the cost of locally purchased goods and services. Local operating costs in the first quarter of 2005 were therefore approximately 20% up on the same period of 2004. This, combined with increased tax on revenues, has reduced margins by just under €1 million.

Destinations in Mexico and Africa, on the other hand, made a positive contribution to margins thanks to improved profitability compared with the first quarter of the previous year. Above all, revenues generated by travel to Cape Verde, Madagascar and Zanzibar rose €5.6 million (148.6%) on the first quarter of 2004.

As expected, initial implementation of the Business Plan had a reduced impact on the results for the first quarter, whilst the second half of the year should begin to reflect the benefits, due in part to the increased volume of business during the peak summer season.

Negative EBIT amounted to €11.5 million for the first quarter, compared with a negative figure of €5.5 million for the same period of 2004. The reasons for the decline are the same as those given for the reduction in EBITDA, given that amortization, depreciation, write-downs and other provisions were on the whole in line with the charges incurred in the same period of 2004.

Net interest expense improved €8.2 million with respect to the first quarter of 2004. This was primarily driven by the fact that charges on interest rate and foreign currency derivatives were down from €11.1 million to €3.4 million in the first quarter of 2005.

The net loss before taxes reported a €3.9 million improvement compared with the first quarter of 2004, due in part to a decrease in extraordinary expense, which totaled €1.6 million in 2004.

TREASURY STOCK AND SHARES IN PARENT COMPANIES

Since the Ordinary General Meeting of February 28, 2002, as of May 23, 2002 the GRUOP has purchased treasury stock. As of January 31, 2005 and March 16, 2005 VENTAGLIO INTERNATIONAL S.A., an indirectly wholly owned subsidiary, owns the following ordinary shares of I VIAGGI DEL VENTAGLIO S.P.A :

	January 31, 2005	March 16, 2005
Number of shares	2,146,367	2,146,367
Average purchase price (*)	2.216	2.216
Total investment (**)	4,756	4,756
% of capital stock	**2.78%**	**2.78%**
Book value (**)	**2,474**	**-**
Average carrying value (*)	**1.153**	**-**

(*) (€)
(**) (€000)

With the exception of the above, I VIAGGI DEL VENTAGLIO S.P.A. and its other subsidiaries and associated companies do not either directly or indirectly hold shares in I VIAGGI DEL VENTAGLIO S.P.A. .
I VIAGGI DEL VENTAGLIO S.P.A. and its other subsidiaries and associated companies do not either directly or indirectly hold shares in their parent companies.

The Ordinary general Meeting of February 28, 2005 authorized the Board of Directors to sell the treasury stock held. The authorization was granted for a period of no more than 12 months from the date of the Meeting and based on a price of not less than €2.00 per share.
The minimum sale price was determined on the basis of the official stock market price over the last three years and the aim of obtaining a percentage premium equal to at least 50% of the average official stock market price.

SHAREHOLDINGS OF STATUTORY AUDITORS AND DIRECTORS

Based on the shareholder register and the reports and other information received, as of January 31, 2005 Directors, Statutory Auditors and their spouses (not legally separated) and minor children directly and/or indirectly hold the following shares of I VIAGGI DEL VENTAGLIO S.P.A.:

Shareholder	January 31, 2005	January 31, 2004	Increase/ (Decrease)
IVV HOLDING S.P.A (*)	39,676,315	15,676,315	24,000,000
BRUNO VIRGINIO COLOMBO	2,765,528	2,765,528	0
IVV TRADE S.R.L (**)	647,412	647,412	0
ALESSANDRO COLOMBO	198,765	179,765	19,000
STEFANO COLOMBO	169,520	169,520	0
MASSIMO PASSALACQUA	179,765	179,765	0
	42,802,305	**19,618,305**	**23,184,000**

(*) A company controlled by Mr. BRUNO VIRGILIO COLOMBO.
(**) A company controlled by IVV HOLDING S.P.A

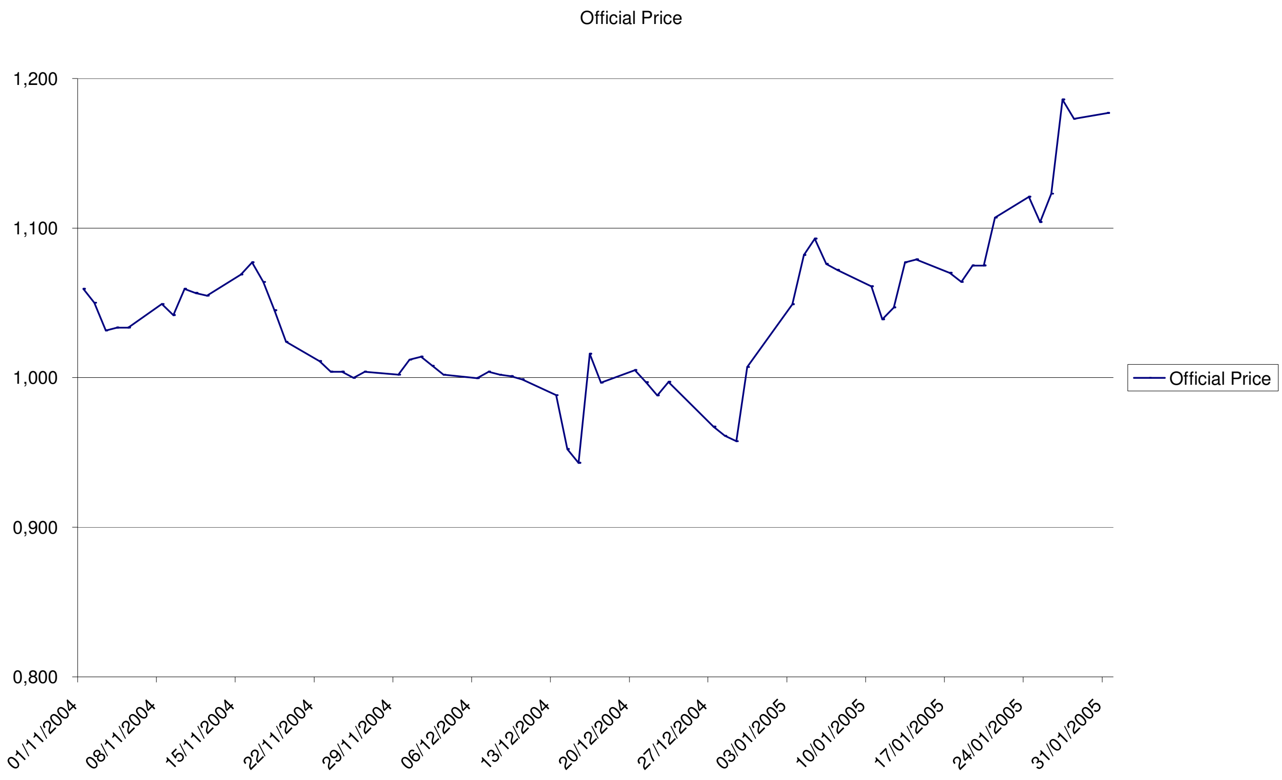
Based on the shareholder register and the reports and other information received, as of the date of preparation of this report Directors, Statutory Auditors and their spouses (not legally separated) and minor children do not directly and/or indirectly hold equity investments in companies in which I VIAGGI DEL VENTAGLIO S.P.A. directly and/or indirectly holds shares, with the exception of the Director, LUCIANO DI FAZIO, who indirectly holds interests in VENTARAIL S.R.L. and RETAIL RESORTS S.R.L.

The increase in the shares held by IVV Holding S.p.A. is due to subscription of its share of the rights issue carried out last December, for which it paid €24 million.

SHARE PRICE PERFORMANCE

Trading in the shares of I VIAGGI DEL VENTAGLIO S.P.A. on BORSA ITALYNA S.P.A.'s *MERCATO TELEMATICO AZIONARIO* in Milan began on May 30, 2001. The flotation price was €4.5.

The share price performance between November 1, 2004 and January 31, 2005 was as follows:



- the closing price on November 1, 2004 was €1.059 (rebased to take account of the capital increase completed in December 2004);
- the shares recorded a low of €0.943 on December 15, 2004;
- the shares reached a peak of €1.186 on January 27, 2005;
- as of January 31, 2005, the share price stood at €1.177.

RELATED PARTY TRANSACTIONS

On July 8, 2004 the subsidiary, Ventaclub, sold 70% of the capital stock of Ventaclub Events.
5% of the shares were sold Alessandro Colombo, a Director and shareholder of the Parent Company, for €30,000, whilst the remaining shares were bought by First Avenue for a price of €390,000.
The amount receivable from First Avenue amounts to €260,000. The next installments of €65,000 each are due on April 15, 2005, July 15, 2005, October 15, 2005 and January 15, 2006.

On October 28, 2004 I Viaggi del Ventaglio S.p.A. sold its equity investment in Giava Group S.p.A..
The holding was sold to NVGG S.r.l., an Italian registered company that was represented, during the closing phase of the transaction, by its Sole Director, Gianluca Cedro, who is a Director the Livingston Group's subsidiaries. The transaction was conducted on an arm's length basis.
Under the terms of the transaction, which was approved by the Company's Board of Directors, the price received by I Viaggi del Ventaglio S.p.A. could rise should Giava Group S.p.A.'s shares either be floated on a regulated market or be sold on to a third party at a higher price.
The amount receivable from the purchaser currently amounts to €600,000. At the time of closing the transaction, the purchaser deposited the sum of €100,000 with a notary; the remaining €500,000 will be collected on June 30, 2005, October 31, 2005 and June 30, 2006, in accordance with the contract of sale.

On November 4, 2004 the Parent Company's Board of Directors approved the construction of a new resort at Bayahibe in the Dominican Republic. The resort will have a total of 240 superior four-star accommodation units providing 639 beds.
The project aims to develop land that the Group has owned for some time now but has not so far put to use.
The resort, located close to the Group's Gran Dominicus village, will cover an area of approximately 50,000 square meters, with a carrying value of US$5.7 million, purchased by the Group in 1998 and currently owned by Rosa de Bayahibe Real Estate Ltd, a wholly owned subsidiary of Tonle SA, which is an indirectly wholly owned subsidiary of I Viaggi del Ventaglio S.p.A..
The transaction is to involve the purchase of 100% of Rosa de Bayahibe Real Estate Ltd by Guarabu Ltd (currently a wholly owned subsidiary of the Group). IVV Holding S.p.A., I Viaggi del Ventaglio S.p.A.'s controlling shareholder, is then to acquire 49% of Guarabu via the subscription of new shares at a total cost of approximately US$2.8 million, to be paid in immediately.
The resort will be marketed by the subsidiary, Vacanze nel Mondo S.p.A., which sells timeshare and holiday club products, in return for commissions to be paid on an arm's length basis. The formula will enable timeshare owners to use their units in certain pre-established periods over 10 years.

The Group continued to lease resorts from the Belt Group, which owns 4.16% of the Parent Company.
The lease agreements regard the following Belt Group resorts: Royal & Golf at Courmayeur (in the Valle D'Aosta), Bagamoyo (in Calabria), Pizzomunno (located at Vieste in Puglia), Liscia Eldi and Li Suari (at San Teodoro in Sardinia).

As of January 31, 2005 further amounts due from related parties total €65,765, and regard accounts receivable from certain shareholders and members of the Board of Directors, and associated parties.

TRANSITION TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (IFRS)

With reference to the European Directive (no. 1006 of July 2002) requiring the application of IFRS (International Financial Reporting Standards) in the preparation of the financial statements, the Ventaglio Group announces that the financial statements for the 12 months ended October 31, 2006 will be the first to implement the above Directive.
Despite having identified the measures to be adopted, the Ventaglio Group has yet to begin the process of converting to IFRS. The Group will be in a position to provide initial indications regarding significant differences within the legally required deadline.

ONGOING DISPUTES

In connection to the bankruptcy of Bagaglino Hotels S.p.A., the receiver has applied for a charging order on real estate assets, movable assets and liquidity held by the accused and legally liable parties. The legally liable parties include I Viaggi del Ventaglio S.p.A., which has been issued with a writ together with the other interested parties and whose liability amounts to no less than €5 million.

SUBSEQUENT MATERIAL EVENTS

On February 24, 2005 IVV Resorts S.r.l. sold its 20% holding in Immobiliare LAG S.r.l. for a price of €12,000, realizing a gain of €9,600.

OPERATING OUTLOOK

The first quarter of 2005 recorded a significant downturn in passengers compared with the first quarter of the previous year (a drop of 27% from 84,326 to 61,665). This decline is less pronounced in revenue terms (down 17%) given that the reduction in passengers primarily regarded destinations that provide low average revenues per customer.

Current bookings will lead to a 1% increase in revenues for the period from February to October 2005, when compared with the same period of 2004. Above all, initial figures for the summer season, when the Group earns the majority of its revenues and profits, are promising.

In the meantime, however, the Group is strongly committed to achieving and implementing the cost reductions and earnings improvements targeted in the Business Plan, which represent the means of ensuring the expected recovery for the second half of the current year. So far the Company has negotiated price reductions and improved conditions with several suppliers of both the products and services used in its usual business and of capital goods in general. Ongoing emphasis has also been placed on raising occupancy rates, in terms of both the load factors on flights and hotel rooms. Discount policies are continually monitored with the aim of boosting average revenues per passenger and the related margins.

The Group will redeem the Eurobonds totaling €100 million issued by its subsidiary, Ventaglio International SA, in May, using the credit lines granted by Unicredit and Banca Intesa under the agreement signed on December 29.

The Group is also pushing the sale of its resorts in Mexico and the Dominican Republic, which the Group plans to continue to operate and provide commercial management for. This transaction will enable the Group to further cut its debt, thereby reducing interest expense.

Milan, Italy
March 16, 2005

The President
BRUNO VIRGINIO COLOMBO

ANALYSIS OF CONSOLIDATED NET DEBT

Oct 31, 2004		Jan 31, 2005	Jan 31, 2004	Increase/ (Decrease
24,370	Cash at bank	10,437	26,810	-16,373
535	Cash in hand	619	671	-52
2,359	Treasury stock	2,474	3,340	-866
27,264	**Cash and cash equivalents**	**13,530**	**30,821**	**-17,291**
8	**Current financial assets**	**7**	**9**	**-2**
-100,000	Bonds in issue	-100,000		-100,000
-6,083	Overdrafts and sundry advances	-4,757	-19,695	14,938
-8,299	Advances for overseas payments	-8,658	-27,632	18,974
-1,200	Short-term loans	-1,203	-1,184	-19
-3,299	Accrued interest expense on bonds in issue	-5,095	-5,086	-9
-118,881	**Short-term debt**	**-119,713**	**-53,597**	**-66,116**
-91,609	**Net short-term debt**	**-106,176**	**-22,767**	**-83,409**
-2,389	Medium- to long-term bank loans	-2,334	-3,537	1,203
	Bonds in issue		-100,516	100,516
10,521	Financial receivables	13,713	2,165	11,548
8,132	**Net medium- to long-term funds/(debt)**	**11,379**	**-101,888**	**113,267**
-83,477	**Net debt**	**-94,797**	**-124,655**	**29,858**

CONSOLIDATED INCOME STATEMENT

Full Year 2004			Q1 2005	Q1 2004	Increase/ (Decrease)
	A)	**Value of production**			
741,437	1)	Service revenues	105,104	111,256	-6,152
426	2)	Changes in inventories of work in progress, semi-finished and finished goods	-1	2,503	-2,504
18,591	5)	Other income and revenues	6,107	1,773	4,334
760,454		**Total value of production**	**111,210**	**115,532**	**-4,322**
	B)	**Cost of production**			
96,678	6)	Raw, ancillary and consumable materials and goods for resale	22,462	19,542	2,920
518,395	7)	Services	63,771	66,038	-2,267
61,831	8)	Leases and rentals	16,195	15,189	1,006
69,464	9)	Personnel costs	14,539	14,529	10
25,670	10)	Amortization, depreciation and write-downs	3,443	3,189	254
-7,375	11)	Change in inventories of promotional material and goods for resale	-38	328	-366
2,226	12)	Provisions for risks	27		27
5,861	13)	Other provisions	1,006	1,204	-198
7,331	14)	Other operating expenses	1,263	1,011	252
780,081		**Total cost of production**	**122,668**	**121,030**	**1,638**
-19,627		**Difference between value and cost of production (A-B)**	**-11,458**	**-5,498**	**-5,960**
	C)	**Interest income and expense**			
3	15)	Income from equity investments			
1,954	16)	Other interest income	163	1,208	-1,045
-15,762	17)	Interest expense and other financial charges	-3,301	-3,598	297
-16,717	17 - bis)	Foreign currency gains/(losses)	-3,458	-11,158	7,700
-30,522		**Net interest income/(expense)**	**-6,596**	**-13,548**	**-748**
	D)	**Adjustments to financial assets**			
	18)	Revaluations	115		115
-4,867	19)	Write-downs		-1,166	1,166
-4,867		**Total adjustments**	**115**	**-1,166**	**1,281**
	E)	**Extraordinary income and expense**			
10,600	20)	Income	613	406	207
-10,554	21)	Expense	-579	-2,026	1,447
46		**Net extraordinary income/(expense)**	**34**	**-1,620**	**1,654**
-54,970		**Income/(loss) before taxation (A-B+/-C+/-D+/-E)**	**-17,905**	**-21,832**	**3,927**

BASIS OF PRESENTATION

The Company has prepared the consolidated accounts for the first quarter (from November 1 to January 31) of the current and the previous years and the related Notes in compliance with the requirements of CONSOB resolution no. 11971 of May 14, 1999. Account was taken of the amendments introduced by CONSOB resolution no. 12475 of April 6, 2000.
The consolidated quarterly accounts are prepared in thousands of euros.

ACCOUNTING POLICIES

The accounting standards and consolidation policies used in the preparation of this quarterly report are consistent with those applied in the preparation of the annual consolidated financial statements, subject to the adjustments required in the case of quarterly reports and permitted by the above CONSOB resolutions.
The consolidated quarterly report for the three months ended January 31, 2005 has been prepared in accordance with the prudence and accruals principles.
This consolidated quarterly report provides a true and fair view of the financial position and pre-tax results of operations of the Parent Company and its subsidiaries for the period.
The Notes provide information and disclosures regarding the items reported in the accounting schedules used.

FORM AND CONTENT OF THE FINANCIAL STATEMENTS

As permitted by the above CONSOB resolutions, the income statement format used only reports items preceded by an Arabic numeral, with details provided in the Notes to the individual items if significant.
Consolidated companies are shown in an annex to this quarterly report.

CHANGES IN THE BASIS OF CONSOLIDATION

Compared with January 31, 2004 the basis of consolidation has changed as a result of the following transactions.

NEWLY CONSOLIDATED COMPANIES

On August 31, 2004 Rosa del BayaHibe S.a. was incorporated. The company's capital stock is entirely owned by Tonle S.a.
Building land in the Dominican Republic was contributed to the company by Tonle S.a..

DECONSOLIDATED COMPANIES

On July 8, 2004 the sale of 70% of Ventaclub Events S.r.l. was completed. The Group previously held 85% of the company.

On September 7, 2004 the sale of 60% of Ventadiving Italy S.r.l. was completed. This company was previously 75% owned by the Group.

CONSOLIDATION POLICIES

The quarterly report has been prepared on the basis of the accounting policies adopted by I VIAGGI DEL VENTAGLIO S.P.A., integrated by the items specifically required for consolidated financial statements and appropriately adjusted to take account of the regulations governing the preparation of consolidated financial statements.

In view of the performance of the euro against the Group's functional currencies, an analysis of the operations of individual companies and their degree of integration with those of the Parent Company was carried out in 2003. This was done in order to ensure that the translation of financial statements denominated in foreign currencies was carried out in compliance with Accounting Standard no. 17. The current rate method was chosen.

This method requires the translation of:
- all monetary assets and liabilities at current exchange rates at the balance sheet date;
- non-monetary assets and liabilities at historical exchange rates at the time the asset was purchased, the liability incurred, and the capital and reserves formed;
- income statement items at the average exchange rates for the period in which they accrued, with the exception of amortization, depreciation and other adjustments to the value of assets posted at historical cost, which are translated using the same exchange rates applied to the assets to which they refer.

Non-monetary assets are translated applying the exchange rates at October 31, 2002, the date to which the change in the translation policy refers.

The application of different exchange rates to balance sheet items, the use of average exchange rates to translate income statement items and movements in exchange rates between the beginning and the close of the period give rise to exchange rate differences resulting from a combination of factors. The net balance of such differences is taken to the income statement for the period.

The exchange rates used (with the exception of the historical rates applied to the above items) were as follows:

Rates for Q1 2005	Jan 31, 2005	Jan 31, 2004	% change	Average Q1 2005	Average Q1 2004	% change
Tunisian dinar	1.609	1.519	5.9%	1.608	1.506	6.8%
US dollar	1.304	1.238	5.3%	1.317	1.220	8.0%
Dominican peso	36.12	60.19	-40.0%	36.781	47.381	-22.4%
Mexican peso	14.646	13.767	6.4%	14.847	13.541	9.6%
Brazilian real	3.430	3.645	-5.9%	3.598	3.533	1.8%
Tanzanian shilling	1,438.06	1,370.9	4.9%	1,398.23	1,285.59	8.8%
Kenya shilling	100.404	94.654	6.1%	104.678	93.003	12.6%
Madagascan franc **	2,424.43	7,120.8	**	2,468.43	7,097.35	**
Turkish lira	1.74	1.66	4.8%	1.84	1.73	6.4%
Baht	50.238	48.58	3.4%	51.92	48.26	-65.2%
Dirham	11.102	11.001	0.9%	11.12	10.986	1.2%

** as of January 1, 2005 the Madagascan franc was replaced by the Ariary (the Madagascan franc) based on a conversion rate of 1 Ariary for 5 francs.

NOTES TO THE ANALYSIS OF NET DEBT

Analysis of consolidated net debt (€000):

Oct 31, 2004		Jan 31, 2005	Jan 31, 2004	Increase/ (Decrease
24,370	Cash at bank	10,437	26,810	-16,373
535	Cash in hand	619	671	-52
2,359	Treasury stock	2,474	3,340	-866
27,264	**Cash and cash equivalents**	**13,530**	**30,821**	**-17,291**
8	**Current financial assets**	**7**	**9**	**-2**
-100,000	Bonds in issue	-100,000		-100,000
-6,083	Overdrafts and sundry advances	-4,757	-19,695	14,938
-8,299	Advances for overseas payments	-8,658	-27,632	18,974
-1,200	Short-term loans	-1,203	-1,184	-19
-3,299	Accrued interest expense on bonds in issue	-5,095	-5,086	-9
-118,881	**Short-term debt**	**-119,713**	**-53,597**	**-66,116**
-91,609	**Net short-term debt**	**-106,176**	**-22,767**	**-83,409**
-2,389	Medium- to long-term bank loans	-2,334	-3,537	1,203
	Bonds in issue		-100,516	100,516
10,521	Financial receivables	13,713	2,165	11,548
8,132	**Net medium- to long-term funds/(debt)**	**11,379**	**-101,888**	**113,267**
-83,477	**Net debt**	**-94,797**	**-124,655**	**29,858**

The Group's net debt stands at €94.8 million as of January 31, 2005, representing a €29.9 million improvement on one year earlier but an increase when compared with the end of the 2004 financial year.

The structure of the Group's net debt as of January 31, 2005 is substantially unchanged compared with October 31, 2004, whilst registering a reduction in the medium- to long-term components compared with January 31, 2004 and an increase in the short-term components. This is due to the approaching maturity date for the three-year EUROBONDS, worth €100 million, issued by the subsidiary, VENTAGLIO INTERNATIONAL S.A., on May 15, 2002 and falling due on May 15, 2005.

Cash and cash equivalents is down compared with January 31, 2004 and October 31, 2004 thanks to more efficient cash management compared with the first quarter of 2004 and a reduction in trade payables with respect to the end of the previous year. After excluding the bonds in issue, short-term debt is down on the figure for January 31, 2004, partly the result of a decrease in overdrafts.

If the reclassification of the bonds in issue is again excluded, the Group reports an improvement in net medium- to long-term debt compared with both one year earlier and October 31, 2004. Financial receivables includes the following:

- a loan of €3,075 thousand to the associated company, O.V.Best Tours;
- a loan of €2,165 thousand to the associated company, Immobiliare LAG;
- bank deposits of €7,372 thousand held as security for loans.

The principal due on medium- to long-tern bank loans and the related repayment schedules are shown below (€000):

BANK	AMOUNT	BY JAN 31, 2006	BY JAN 31, 2010	AFTER JAN 31, 2010
INTESA MEDIOCREDITO	2,505	1,002	1,503	-
CASSA DI RISPARMIO DI TRIESTE	997	178	639	180
MEDIOCREDITO FRIULI VENEZIA GIULIA	35	23	12	
TOTAL	**3,537**	**1,203**	**2,154**	**180**

Short-term credit lines granted as of January 31, 2005 are shown below (€000):

SHORT-TERM CREDIT LINES AS OF JAN 31, 2005 (€000)				
	FACILITY		AMOUNT DRAWN	BALANCE
OVERDRAFTS AND SUNDRY ADVANCES	25,737	-	4,757	20,980
ADVANCES ON INVOICES FROM FACTORING COMPANIES	22,801	-	9,689	13,112
ADVANCES FOR OVERSEAS PAYMENTS	10,705	-	8,658	2,047
GUARANTEES AVAILABLE	14,404	-	13,208	1,196
TOTAL	**73,647**	**-**	**36,312**	**37,335**

NOTES TO THE CONSOLIDATED INCOME STATEMENT

VALUE OF PRODUCTION

SALES AND SERVICE REVENUES

A) VALUE OF PRODUCTION €111,210 thousand

1) sales and service revenues €105,104 thousand

This item reports a decrease of €6,152 thousand (equal to 5.5%) on the same period of the previous year.

On average, the first quarter accounts for 15% of annual turnover, due to the highly seasonal nature of sales, which are concentrated in the summer months.

VILLAGE revenues were down 11.2%. The following destinations report the most significant increases in sales: MADAGASCAR (up €3,083 thousand or 985%), ZANZIBAR (up €1,845 thousand or 61.0%) and CAPE VERDE (up €659 thousand or 20.8%). In contrast, the biggest falls are reported by Egypt (down €6,189 thousand or 40.7%), the MALDIVES (down €2,363 thousand or 48.1%) and CUBA (down €2,113 thousand or 54.1%). The declines in the MALDIVES AND CUBA were partially due to the reduced number of products on offer in the first quarter of 2005 compared with the same period of 2004.

The decision to halt the sale of holidays at the villages at MAITON ISLAND in THAILAND, LE PALAIS BLEU in MAROCCO and DHIFFUSHI MALDIVE, where margins had not come up to expectations, led to a €2,191 thousand reduction in revenues.

GENERAL revenues fell €5,570 thousand or 28.3%. This was primarily due to reduced sales for destinations in NORTH AMERICA (down €1,126 thousand or 33.0%), EUROPE (down €973 thousand or 25.5%) and the MALDIVES (down €933 thousand or 58.0%). The reduction in revenues from the MALDIVES is partly due to COLUMBUS's decision to stop the sale of holidays at the Olhuveli village at the beginning of December 2004.

Revenues break down as follows by destination (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*	%
54,213	Mexico	13,374	13,616	*-242*	*-1.8%*
72,389	Egypt	9,033	15,222	*-6,189*	*-40.7%*
36,681	Dominican Republic	8,987	9,719	*-732*	*-7.5%*
15,838	Brazil	5,158	5,692	*-534*	*-9.4%*
11,404	Zanzibar	4,871	3,026	*1,845*	*61.0%*
12,775	Cape Verde	3,822	3,163	*659*	*20.8%*
10,636	Madagascar	3,396	313	*3,083*	*n. s.*
15,818	Maldives	2,553	4,916	*-2,363*	*-48.1%*
14,575	Cuba	1,792	3,905	*-2,113*	*-54.1%*
6,357	Kenya	2,440	1,701	*739*	*43.4%*
50,092	Italy	1,544	1,781	*-237*	*-13.3%*
16,124	Tunisia	120		*120*	*n. s.*
2,441	Thailand	52	1,054	*-1,002*	*-95.1%*
253	Morocco		232	*-232*	*n .s.*
4,046	Spain				*n. s.*
16,747	Greece				*n. s.*
2,336	Turkey				*n. s.*
342,725	**Total Villages**	**57,142**	**64,340**	***-7,198***	***-11.2%***
21,475	Central-South America	3,701	5,275	*-1,574*	*-29.8%*
19,064	North America	2,284	3,410	*-1,126*	*-33.0%*
18,497	Egypt	2,029	2,796	*-767*	*-27.4%*
2,322	Far East	387	459	*-72*	*-15.7%*
6,441	Maldives	676	1,608	*-932*	*-58.0%*
14,674	France	939	1,420	*-481*	*-33.9%*
5,074	Australia and Pacific region	644	909	*-265*	*-29.2%*
47,061	Italy	1,602	872	*730*	*83.7%*
54,678	Spain and Portugal	277	551	*-274*	*-49.7%*
2,406	Mauritius and South Africa	400	410	*-10*	*-2.4%*
11,110	Croatia and Slovenia	14	7	*7*	*100.0%*
9,596	Turkey -Tunisia- Morocco	1		*1*	*n. s.*
56,430	Greece			*0*	*n. s.*
9,187	Other	1,177	1,984	*-807*	*-40.7%*
278,015	**Total General**	**14,131**	**19,701**	***-5,570***	***-28.3%***
7,504	**Commission income**	**282**	**542**	***-260***	***-48.0%***
628,244	**TOTAL tourist services**	**71,555**	**84,583**	***-13,028***	***-15.4%***
11,224	**TOTAL holiday club sales**	**2,052**	**1,566**	***486***	***31.0%***
101,969	**TOTAL air services**	**31,497**	**25,107**	***6,390***	***25.5%***
741,437	**TOTAL**	**105,104**	**111,256**	***-6,152***	***-5.5%***

Revenues break down as follows by segment (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*	*%*
100,423	Proprietary villages	25,215	24,828	*387*	*1.6%*
88,179	Managed villages	12,491	8,607	*3,884*	*45.1%*
154,123	Marketed villages	19,436	30,905	*-11,469*	*-37.1%*
342,725	**Total Villages**	**57,142**	**64,340**	***-7,198***	***-11.2%***
22,907	General I VIAGGI DEL VENTAGLIO	1,424	720	*704*	*97.8%*
210,274	General COLUMBUS	7,110	10,116	*-3,006*	*-29.7%*
30,580	General CALEIDOSCOPIO	3,521	5,301	*-1,780*	*-33.6%*
14,254	General UTAT	2,076	3,564	*-1,488*	*-41.8%*
278,015	**Total General**	**14,131**	**19,701**	***-5,570***	***-28.3%***
7,504	**Commission income**	**282**	**542**	***-260***	***-48.0%***
628,244	**TOTAL**	**71,555**	**84,583**	***-13,028***	***-15.4%***

Village revenues, which declined €7,198 thousand overall, actually rose for both proprietary and managed villages, with the fall regarding marketed villages where the cost structure is generally variable depending on sales.

Revenues from air services sold by LAUDA AIR S.P.A. and LIVINGSTON S.P.A. break down by destination and type as follows (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*	*%*
19.825	Mexico	6.453	5.949	*504*	*8,5%*
20.146	Dominican Republic	6.568	3.728	*2.840*	*76,2%*
12.391	Cuba	3.036	3.271	*-235*	*-7,2%*
9.196	Brazil	3.264	3.271	*-7*	*-0,2%*
2.323	Jamaica	718	1.970	*-1.252*	*-63,6%*
3.527	Maldives	2.660	1.443	*1.217*	*84,3%*
10.477	Egypt	2.102	1.200	*902*	*75,2%*
1.367	Thailand	381	457	*-76*	*-16,6%*
800	Panama	624	229	*395*	*172,5%*
681	Italy	23	139	*-116*	*-83,5%*
2.400	Spain	196	114	*82*	*71,9%*
4.708	Greece			*0*	*n.s.*
14.128	Other	5.472	3.336	*2.136*	*64,0%*
101.969	**TOTAL**	**31.497**	**25.107**	***6.390***	***25,5%***

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
58,634	Scheduled fights	21,796	18,701	*3,095*
26,638	Charter flights	7,204	2,135	*5,069*
5,020	Flights from bookings	1,361	1,503	*-142*
6,369	Hire	245	1,225	*-980*
717	Cargo	479	257	*222*
4,591	Other flights and other revenues linked to air services	412	1,286	*-874*
101,969	**TOTAL**	**31,497**	**25,107**	***6,390***

The increase in revenues (up €6,390 thousand) and the significant change in the mix of destinations were primarily due to increased sales to third parties as well as reflecting a rise in the total number of hours flown (up around 1,000 hours). The rise was also influenced by the introduction of fuel surcharges (representing a 2.8% rise on existing prices), and the greater volume of cargo traffic carried (up €222 thousand), which was made possible by the increased capacity of the new A330 aircraft that have replaced the previous fleet.

5) other income and revenues €6,107 thousand

This item reports an increase of €4,334 thousand compared with the first quarter of 2004.
The item breaks down as follows for the first quarter of 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
4,160	Penalties received	842	799	*43*
577	Marketing contributions	182	503	*-321*
797	Charges for overseas based personnel		125	*-125*
161	Rental income	178	112	*66*
51	Insurance reimbursements	13	5	*8*
1,355	Commission income on insurance		4	*-4*
169	Sale of aircraft spare parts	1,614		*1,614*
1,936	Rebates from aircraft leasing companies	1,154		*1,154*
9,385	Other	2,124	225	*1,899*
18,591	**TOTAL**	**6,107**	**1,773**	***4,334***

Marketing contributions primarily refer to advertising contributions received by the Parent Company, I VIAGGI DEL VENTAGLIO S.P.A. The reduction compared with the first quarter of 2004 is due to the deconsolidation of VENTACLUB EVENTS S.R.L..

Other income and revenues also includes:

- €1,614 thousand from the sale of spare parts used in routine aircraft maintenance;
- €1,154 thousand in the form of contractually agreed rebates from aircraft leasing companies to cover the cost of routine engine maintenance. This item is offset by a contra-entry under aircraft maintenance costs posted to service costs. The rebates received during the first quarter of 2004 were classified among sales and amounted to €132 thousand.
- €555 thousand regards contributions designed to cover the cost of training of flights crews for the new AIRBUS; such costs are posted to service costs;
- €818 thousand derives from services provided by the airline companies.

B) COST OF PRODUCTION €122,668 thousand

The cost of production reflects the highly seasonal nature of the business, which primarily generates revenues during the summer months, whilst costs are evenly spread throughout the year.

6) raw, ancillary and consumable materials and goods for resale €22,462 thousand

This item rose by €2,920 thousand compared with the same period of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
12,239	Maintenance materials	2,397	2,853	*-456*
13,559	Food and beverages	2,244	1,929	*315*
1,931	Cleaning materials and consumables	347	319	*28*
664	Entertainment and sports equipment	229	178	*51*
1,205	Sundry goods for sale in boutiques	188	165	*23*
546	Fuel	106	138	*-32*
30,144		**5,511**	**5,582**	***-71***
49,302	Aircraft fuel	13,444	9,503	*3,941*
8,194	Meals and beverages for catering services	1,741	1,925	*-184*
1,071	Audio-visual entertainment for aircraft	130	409	*-279*
330	Sundry duty free goods	51	84	*-33*
58,897		**15,366**	**11,921**	***3,445***

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
1,207	Promotional materials	83	138	*-55*
1,086	Stationery and printed materials	165	204	*-39*
217	Customs and related expense	68	51	*17*
5,127	Other	1,269	1,646	*-377*
96,678	**TOTAL**	**22,462**	**19,542**	***2,920***

The increase primarily reflects the higher cost of aircraft fuel, due to the rise in oil prices compared with the same period of the previous year, and the greater number of hours flown (up approximately 1,000 hours). The average cost of fuel rose by 53 US CENTS per GALLON (46%) from 114 CENTS TO 167 CENTS.

7) services €63,771 thousand

This item declined by €2,267 thousand compared with the first quarter of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
203,790	Ground handling	11,993	16,200	*-4,207*
58,817	Flights	7,408	8,240	*-832*
9,118	Transfers	749	953	*-204*
23,706	Other tourist services	4,511	3,516	*995*
295,431	**Cost of tourist services**	**24,661**	**28,909**	***-4,248***
51,999	**Cost of air services**	**10,471**	**9,736**	***735***
4,218	Electricity and gas	714	796	*-82*
3,273	Telecommunications	643	576	*67*
699	Water	120	125	*-5*
8,190		**1,477**	**1,497**	**-20**
412	Security	73	78	*-5*
276	Waste disposal and other	48	40	*8*
102	Warehousing	33	19	*14*
588	Cleaning services	30	61	*-31*
753	Dry cleaning	29	48	*-19*
134	Gardening services	13	15	*-2*
2,265		**226**	**261**	***-35***
8,272	Advertising	1,723	1,916	*-193*
4,625	Printing of programs	574	584	*-10*
1,287	Mailing of programs	219	233	*-14*
14,184		**2,516**	**2,733**	***-217***

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
25,561	Aircraft maintenance	6,469	5,000	*1,469*
23,608	Professional services and consultants' fees	4,981	3,760	*1,221*
4,069	Travel expenses for crews	1,184	759	*425*
6,202	Insurance	848	613	*235*
3,579	Personnel training	713	375	*338*
4,170	Recreation and hotel management	644	733	*-89*
3,031	Aircraft insurance	574	658	*-84*
3,026	Assistance and maintenance	570	433	*137*
2,517	Remuneration of Directors and Statutory Auditors	550	617	*-67*
3,924	Fees	504	720	*-216*
1,498	Travel expenses and allowances	232	310	*-78*
1,518	Couriers	209	236	*-27*
2,531	Other	576	622	*-46*
85,234	Other services	**18,054**	**14,836**	***3,218***
61,092	**Commission expense paid to agents**	**6,366**	**8,066**	***-1,700***
518,395	**TOTAL**	**63,771**	**66,038**	**-2,267**

The decrease in the cost of tourist services (down €4,248 thousand) is essentially due to the fall in the cost of ground handling, following the downturn in tour operator revenues during the first quarter (revenues from tourist services were down €13,028 thousand). The different mix of the products sold in this business also had an impact, with a significant reduction in the marketing of indirectly managed products (above all in EGYPT (down 27.4%), the Maldives (down 58.0%), and the Far East (down 15.7%).

The increased cost of air services reflects greater use, by the Group's tour operators, of third-party carriers, as an effect of the optimization of services on certain routes.

The €3,218 thousand rise in the cost of other services is due to the €1,469 thousand increase in aircraft maintenance costs, which is offset by a contra-entry under other income and revenues.

The decline in commission expense paid to agents relates to the reduction in revenues registered during the first quarter.

Service costs break down as follows by segment (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
12,362	Proprietary villages	3,270	3,332	*62*
17,295	Managed villages	2,383	846	*1,537*
79,647	Marketed villages	10,136	12,814	*2,678*
109,304	**Total Villages**	**15,789**	**16,992**	***1,203***
16,120	General I VIAGGI DEL VENTAGLIO	1,165	689	*476*
137,256	General COLUMBUS	2,562	5,010	*2,448*
21,306	General CALEIDOSCOPIO	3,465	3,361	*104*
11,445	General UTAT	1,680	2,857	*1,177*
186,127	**Total General**	**8,872**	**11,917**	**3,045**
295,431	**TOTAL**	**24,661**	**28,909**	***4,248***

8) leases and rentals €16,195 thousand

This item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
22,402	Resort rentals	5,287	5,203	*84*
859	Rental on Milan head office	246	213	*33*
709	Office rentals	179	197	*-18*
840	Other rentals	223	186	*37*
24.810	**Total rentals**	**5.935**	**5.799**	***136***
30.649	Aircraft leases	7.824	6.892	932
460	Information system leases	153	125	28
125	Vehicles leases	18	45	-27
33	Other lease expense	9	2	7
31.267	**Total lease expense**	**8.004**	**7.064**	***940***
3.530	Aircraft hire	1.432	1.799	-367
2.224	Other hire costs	824	527	297
5,754	**Total hire costs**	**2,256**	**2,326**	***-70***
61,831	**TOTAL**	**16,195**	**15,189**	**1,006**

This item reports an increase of €1,006 thousand compared with the same period of 2004 due to the lease rentals paid by the subsidiaries, Lauda Air S.p.A. and Livingston S.p.A., who have completed the renewal of their fleet.

Resort rentals rose €84 thousand following the introduction of two new products in Italy (Cala Rossa and Cala Lunga), which was partially offset by the withdrawal from the direct management of certain overseas facilities (Thailand and Morocco) and the renegotiation of contracts with other hotels (Tunisia).

The increase in other hire costs regards the rollout of new information systems to handle the Group's bookings.

9) personnel costs — *€14,539 thousand*

This item rose €10 thousand on the same period of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
19,888	Head office personnel	4,872	5,188	*-316*
25,713	Airline personnel	6,577	5,822	*755*
23,863	Village personnel	3,090	3,519	*-429*
69,464	**TOTAL**	**14,539**	**14,529**	***10***

NUMBER OF PERSONNEL

As of January 31, 2005 the Group's personnel breaks down as follows:

	Jan 31, 2005	Jan 31, 2004	*Increase/ (Decrease)*
Managers:			
Tourism	17	17	*0*
Airline companies	8	4	*4*
Total managers	**25**	**21**	***4***
Other personnel:			
Tourism	2,581	2,700	*-119*
Airline companies	500	435	*65*
Total other personnel	**3,081**	**3,135**	***-54***
TOTAL	**3,106**	**3,156**	***-50***

Average number of personnel:

	Jan 31, 2005	Jan 31, 2004
Managers	26	21
Other personnel	3,124	3,366
TOTAL	3,150	3,387

Total personnel costs for the first quarter of 2005 were substantially in line with the same period of 2004. The unit cost. on the other hand, rose due to the different mix between village and airline company personnel.

10) amortization, depreciation and write-downs €3,443 thousand

This item rose €254 thousand on the same period of 2004.

Full Year		November 1 – January 31		
2004		2005	2004	*Increase/ (Decrease)*
14,177	Amortization and depreciation	3,194	3,038	*156*
11,493	Write-downs	249	151	*98*
25,670	**TOTAL**	**3,443**	**3,189**	***254***

The increase in amortization and depreciation primarily regards investment in furniture and fittings for a number of resorts managed by the Group's operating companies.

The increase in write-downs was due to a rise in provisions for doubtful accounts.

13) other provisions €1,006 thousand

This item decreased by €198 thousand compared with the same period of the previous year and regards provisions made by LAUDA AIR S.P.A (€692 thousand) and Livingston S.p.A (€314 thousand) for maintenance costs. Such provisions are to cover the estimated costs of engine overhaul, thrust reserver overhaul, and landing gear and c-checks to be incurred during the period in which the aircraft are to be held by the companies. The costs are based on established maintenance programs and will accrue, over the duration of the relevant lease agreements, on the basis of the hours flown.

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
5,861	Other provisions	1,006	1,204	*-198*
5,861	**TOTAL**	**1,006**	**1,204**	***-198***

14) other operating expenses €1,263 thousand

This item increased by €252 thousand on the first quarter of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
3,380	Sundry taxes and duties	526	574	*-48*
536	Entertainment expenses	83	107	*-24*
208	Membership dues	58	40	*18*
316	Penalties charged by suppliers	35	43	*-8*
141	Gifts and donations	52	34	*18*
1,618	Cost of reimbursements due to flight delays	316	29	*287*
146	Royalties and TV licenses	12	22	*-10*
986	Other	181	162	*19*
7,331	**TOTAL**	**1,263**	**1,011**	***252***

The cost of flight delays are incurred by the Group's airline companies in the event of delay or cancellation. The increase was due to reimbursements made necessary following the Tsunami.

C) INTEREST INCOME AND EXPENSE - €6,596 thousand

16) other interest income €163 thousand

This item decreased by €1,045 thousand compared with the same period of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
30	Income from associated companies	45		*45*
1,787	Sundry interest income	94	1,124	*-1,030*
111	Bank interest	24	43	*-19*
26	Interest on tax credits		41	*-41*
1,954	**TOTAL**	**163**	**1,208**	***-1,045***

In 2004 interest income reflected €943 thousand deriving from the early termination, on January 23, 2004, of an Interest Rate Swap linked to the €100 million bond issue carried out by the subsidiary, VENTAGLIO INTERNATIONAL S.A..

17) interest expense and other financial charges *€3,301 thousand*

This item decreased by €297 thousand compared with the same period of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
8,481	Sundry interest expense	2,144	2,008	*136*
2,295	Bank interest on short-term debt	270	654	*-384*
1,153	Interest expense paid to factoring companies	161	219	*-58*
59	Ban interest on long-term debt	12	16	*-4*
11,988	**Total interest expense**	**2,587**	**2,897**	***-310***
2,105	Bank charges and commissions	223	237	*-14*
305	Charges and commissions for sureties	211	227	*-16*
1,220	Factoring company charges and commissions	262	205	*57*
144	Credit card charges and commissions	18	32	*-14*
3,774	**Total charges and commissions**	**714**	**701**	***13***
15,762	**TOTAL**	**3,301**	**3,598**	***-297***

The reduction in short-term interest expense is due to the improvement in NET DEBT as of January 31, 2005 compared with the same period of 2004.

Sundry interest expense primarily refers to interest on the Eurobonds, worth €100 million, issued by the subsidiary, VENTAGLIO INTERNATIONAL S.A. on May 15, 2002 at a reoffering yield of 7.125%. Such interest on the bonds, which are listed on the Luxemburg Stock Exchange and guaranteed by the Parent Company, I VIAGGI DEL VENTAGLIO S.P.A. , amounted to €1,796 thousand during the first quarter of 2005.

17 –bis) foreign currency gains (losses) *€3,458 thousand*

This item decreased by €7,700 thousand on the same period of 2004.

The item breaks down as follows as of January 31, 2005 (€000):

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
15,772	Foreign currency losses	2,957	1,181	1,776
7,728	Provisions for interest rate and foreign currency risks	1,454	9,515	-8,061
3,666	Losses on derivatives	1,919	1,583	336
-10,449	Foreign currency gains	-2,872	-1,121	-1,751
16,717	**TOTAL**	**3,458**	**11,158**	**-7,700**

The decrease was primarily due to reduced provisions for interest rate and foreign currency risks, which declined from €9,515 thousand in the first quarter of 2004 to the €1,454 thousand of the first quarter of 2005.
No further provisions were made for interest rate risk in addition to those already made as of October 31, 2004. Losses on derivatives of €1,919 thousand refer to contracts maturing in November, December and January.

D) ADJUSTMENT TO FINANCIAL ASSETS €115 thousand

This item improved by €1,281 thousand compared with the first quarter of 2004.

18) revaluations *€115 thousand*

This item refers entirely to the partial write-back of the carrying value of the treasury stock held by the subsidiary, VENTAGLIO INTERNATIONAL S.A., on the basis of the average closing share price on the last 5 days of the quarter.

E) EXTRAORDINARY INCOME AND EXPENSE €34 thousand

Extraordinary income of €613 thousand was €207 thousand up on the same period of 2004.

Extraordinary expense of €579 thousand was down €1,447 thousand on the same period of 2004.

Full Year 2004		November 1 – January 31 2005	2004	*Increase/ (Decrease)*
10,600	Extraordinary income	613	406	*207*
-10,554	Extraordinary expense	-579	-2,026	*1,447*
46	**TOTAL**	**34**	**-1,620**	***1,654***

Milan, Italy
March 16, 2005

The President
BRUNO VIRGINIO COLOMBO

LIST OF CONSOLIDATED COMPANIES

The following information is provided in accordance with CONSOB resolution no. 11971, article 126 of May 14, 1999, which requires listed companies to publish a list of shareholdings that exceed 10% of the voting shares of unlisted companies.
The shareholdings included in tables "A" and "B" are held for investment purposes.

LIST OF COMPANIES CONSOLIDATED ON A LINE-BY-LINE BASIS
(pursuant to art. 26 of Legislative Decree no. 127 of April 9, 1991)

Name and registered office	Currency	Capital stock	Direct interest	Indirect interest	Group interest	Owner of shares
I VIAGGI DEL VENTAGLIO S.P.A. MILAN – ITALY	€	77,301,700				
VENTACLUB S.R.L. MILAN – ITALY	€	10,000,000	100		100	I VIAGGI DEL VENTAGLIO S.P.A.
VACANZE NEL MONDO S.P.A. MILAN – ITALY	€	103,300	93.00		93.00	I VIAGGI DEL VENTAGLIO S.P.A.
IVV RESORTS S.R.L. MILAN – ITALY	€	20,000,000	100		100	I VIAGGI DEL VENTAGLIO S.P.A.
ORGANIZZAZIONE VIAGGI COLUMBUS S.R.L. GENOA - ITALY	€	520,000	99.68		99.68	I VIAGGI DEL VENTAGLIO S.P.A.
VENTASARDA S.R.L. CAGLIARI – ITALY	€	50,490		100	100	VENTACLUB S.R.L.
LIVINGSTON AVIATION GROUP S.P.A. MILAN - ITALY	€	16,100,000	68.94	31.06	68.94 31.05 0.01	I VIAGGI DEL VENTAGLIO S.P.A. VENTAGLIO INTERNATIONAL S.A. IVV RESORTS S.R.L
LIVINGSTON S.P.A VIZZOLA TICINO (VA) - ITALY	€	2,000,000		100	99.75 0.25	LIVINGSTON A. GROUP S.P.A. LAUDA AIR S.P.A.
LAUDA AIR S.P.A. VIZZOLA TICINO (VA) - ITALY	€	3,000,000	0.38	99.62	0.38 99.62	I VIAGGI DEL VENTAGLIO S.P.A. LIVINGSTON A. GROUP S.P.A.

Name and registered office	Currency	Capital stock	Direct interest	Indirect interest	Group interest	Owner of shares
A.G. CO. LTD. ZANZIBAR – TANZANIA	Tsh	1,600,000,000		100	100	VENTAGLIO INTERNATIONAL S.A.
VENTA MANAGEMENT LTD. WATAMU – KENYA	Ksh	100,000		100	100	VENTACLUB S.R.L.
VENTAGLIO HELLAS S.A. PORTO HELI – GREECE	€	60,000		100	100	VENTACLUB S.R.L.
IVV DE MEXICO S.A. DE C.V. CANCUN – MEXICO	Ps	387,409,000		97.61	66.17 31.44	VENTAGLIO INTERNATIONAL S.A. IVV RESORTS S.R.L.
VENTUR TUNISIE S.A. TUNISI – TUNISIA	TD	100,000		100	100	VENTACLUB S.R.L.
GUARABU LDA FUNCHAL – PORTUGAL	€	5,000		100	100	VENTAGLIO INTERNATIONAL S.A.
TONLE S.A. DOMINICAN REPUBLIC	Ps	227,500,000		100	100	VENTAGLIO INTERNATIONAL S.A.
SALAMA BEACH LTD. MOMBASA – KENYA	Ksh	1,800,000		100	100	VENTAGLIO INTERNATIONAL S.A.
Librelo Lda FUNCHAL – PORTUGAL	€	5,000		100	100	VENTAGLIO INTERNATIONAL S.A.
OMNI TOURS INC. MIAMI –UNITED STATES	US$	40,300		100	100	TONLE S.A.
Ventaglio do Brasil Ltda MACEIÒ – BRAZIL	Real	357,993		100	100	VENTACLUB S.R.L.
U.T.A.T. S.P.A. TRIESTE – ITALY	€	100,000	100		100	I VIAGGI DEL VENTAGLIO S.P.A.
Ventaclub Maroc Sarl MARRAKECH - MOROCCO	Dh	100,000		100	100	VENTACLUB S.R.L.
Ventaglio Network S.p.A MILAN – ITALY	€	100,000	99.00	1.00	99.00 1.00	I VIAGGI DEL VENTAGLIO S.P.A. IVV RESORTS S.R.L.
VENTACLUB ANDILANA SA.R.L NOSY BE – MADAGASCAR	MFr	40,000,000		100	100	VENTACLUB S.R.L.
VENTACLUB TURISM Y. AS KEMER – TURKEY	TL	94,171		100	100	VENTACLUB S.R.L.
HEBA VACANZA S.R.L. MAGLIANO (GR) - ITALY	€	465,000		70.00	70.00	IVV RESORTS S.R.L.

Name and registered office	Currency	Capital stock	Direct interest	Indirect interest	Group interest	Owner of shares
KARIBU LTD. ZANZIBAR – TANZANIA	Tsh	1,000,000		100	100	VENTACLUB S.R.L.
Mawimbini Hotel Village Ltd ZANZIBAR – TANZANIA	US$	2,087,500		93.00	93.00	VENTAGLIO INTERNATIONAL S.A.
VENTAGLIO INTERNATIONAL S.A. LUXEMBOURG	€	22,114,110		100	100	IVV RESORTS S.R.L.
HARBOUR MANAGEMENT LTD. FREEPORT – BAHAMAS	US$	3,260,000		100	100	VENTAGLIO INTERNATIONAL S.A.
LA ROSA DE BAYAHIBE S.A. DOMINICAN REPUBLIC	Ps	216,610,000		94.00	100.00	TONLE S.A.

LIST OF SHAREHOLDINGS OVER 10%

Name and registered office	Currency	Capital stock	Direct interest	Indirect interest	Group interest	Owner of shares
IL VENTAGLIO 2 S.R.L. GALLARATE (VA) – ITALY	€	10,400	45.00		45.00	I VIAGGI DEL VENTAGLIO S.P.A.
VENTARAIL S.R.L. MILAN – ITALY	€	10,000	25.00		25.00	I VIAGGI DEL VENTAGLIO S.P.A.
SERVICIOS VENTAGLIO S.A. CANCUN – MEXICO	Ps	50,000		36.00	36.00	IVV DE MEXICO S.A. DE C.V.
VENTACLUB EVENTS S.R.L MILAN – ITALY	€	26,000		15.00	15.00	VENTACLUB S.R.L
RETAIL RESORTS S.R.L. MILAN – ITALY	€	50,000		20.00	20.00	VENTACLUB S.R.L.
MIDDLE EAST FOR TOURISTIC DEVELOPMENT S.A.E. HELEOPOLIS – EGYPT	£E	40,000,000		50.00	50.00	VENTAGLIO INTERNATIONAL S.A.
NETWORK VENTURE S.P.A. MILAN – ITALY	€	100,000	35.00		35.00	I VIAGGI DEL VENTAGLIO S.P.A.
VENTADIVING ITALY S.R.L. MILAN – ITALY	€	10,400	15.00		15.00	I VIAGGI DEL VENTAGLIO S.P.A.
VENTADIVING GESTAO LDA FUNCHAL – PORTUGAL	€	5,000		15.00	15.00	VENTADIVING ITALY S.R.L.
VENTADIVING SINAI L.T.D. SHARM EL SHEIKH – EGYPT	£E	50,000		15.00	15.00	VENTADIVING ITALY S.R.L
MMOBILIARE LAG S.R.L. GALLARATE – ITALY	€	12,000		20.00	20.00	IVV RESORTS S.R.L.
VENTACLUB THAI CO. L.T.D BANGKOK – THAILAND	Bt	25,000,000		49.00	49.00	VENTACLUB S.R.L
O.V. BEST TOURS S.P.A. MILAN – ITALY	€	120,000	35.00		35.00	I VIAGGI DEL VENTAGLIO S.P.A.
VENTACLUB CAPO VERDE S.A. CAPE VERDE	CVEsc	2,500,000		100.00	100.00	VENTACLUB S.R.L