



SARAS

Institutional Investor Presentation

April / May 2006







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It is expected that the information contained in the Preliminary Offering Memorandum will be supplemented, before pricing, by information on the arbitral award in the Sarlux arbitration, the 1Q06 financial results and other material developments, if any. All recipients of the Preliminary Offering Memorandum will receive a supplement containing such information.



Offer structure

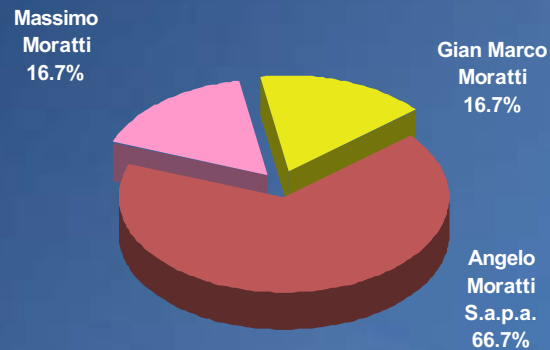
Global offer	<ul style="list-style-type: none"> 345,000,000 shares¹: 60,000,000 primary shares; 285,000,000 secondary shares offered for sale by Gian Marco Moratti and Massimo Moratti Outstanding shares post-Offer: 951,000,000
Offer structure	<ul style="list-style-type: none"> Institutional offering: up to 80% of Global Offer Retail Offering in Italy (OPVS): min 20% of Global Offer (min lots of 600 shares each)
Greenshoe	<ul style="list-style-type: none"> 35,000,000 secondary shares (about 10% of the Global Offer)
Free float	<ul style="list-style-type: none"> 36.3% free float pre-greenshoe / 40.0% free float post-greenshoe
Listing	<ul style="list-style-type: none"> Mercato Telematico Azionario ("MTA"), Blue Chips
Lock-up	<ul style="list-style-type: none"> Company and selling shareholders: 180 days Employees: 90 days
Indicative price range	<ul style="list-style-type: none"> € 5.25 – € 6.50 per share
Indicative offer size	<ul style="list-style-type: none"> € 1,811 – € 2,243mm (pre-greenshoe) / € 1,995 – € 2,470mm (post-greenshoe)
Indicative post offer market cap	<ul style="list-style-type: none"> € 4,993 – € 6,182mm
Global Coordinator	
Co-global coordinator, Sponsor and Lead Manager retail offer	
Joint Bookrunners	 

¹ Pre-greenshoe

Offer structure

The Moratti family will retain control of Saras after the IPO

Shareholding Structure before the Offer



Shareholding Structure after the Offer¹



Key Dates

April 26 - May 12

Roadshow and bookbuilding
Retail offer in Italy

12 May

Books close and pricing

18 May

Delivery, payment and start of trading

Information on 1Q06 financial results, the Sarlux arbitral award and other material developments, if any, will be provided before pricing, in a supplement to the Offering Memorandum

¹ Post-greenhoe

Saras speakers



Angelo Moratti

Vice Chairman



Paolo Alfani

**Executive Vice Chairman
and General Manager**

With Saras since 1992

1969 – 1992
Esso Group



Corrado Costanzo

Financial Director

With Saras since 1989

Previously with
Banca IMI,
Ralston Purina Group



Dario Scaffardi

**Supply and
Trading Director**

With Saras since 1995

Previously with
ENI, Cameli, Indutech



Overview



A long & successful history



Vision for the future



Investment highlights

Top quality asset

- Third most complex supersite refinery in WE: 7.9
- Fully compliant with 2009 EU diesel specifications

Unique business model

- About 70% of non standard crudes
- Full integration with IGCC and petchem plants

Strong and stable cash flow generation

- Superior overall margin: 11.5 \$/bbl in 2005
- Stability from third party processing and power generation

Strategy geared towards value creation

- €500 mm capex in 2006-2008 to increase complexity
- Pre-empt investments to exploit long term synergies between refining, power and gas



A leading independent energy group

SARAS GROUP

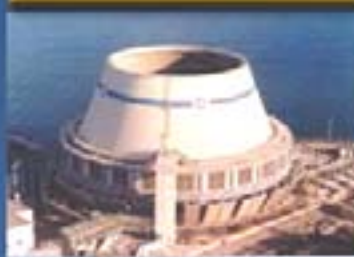
Refining



Saras

- 300,000 bbl/day capacity
- #3 supersite for complexity¹ in Western Europe (WM complexity index 7.9)
- Full integration with IGCC & petchem plants

Power generation



Sarlux

- World's largest liquid fuel IGCC plant
- 575MW installed capacity
- CIP6 incentivised tariff
- Priority of dispatch

Marketing



Arcola Petrolifera & Saras Energia

- 3 million tons of refined products sold in 2005
- Owned depots in Arcola (Italy) & Cartagena (Spain)
- 40% of Sardinian wholesale market

Wind



Parchi Eolici Ulassai

- 72MW wind park benefiting from Green Certificates
- Priority of dispatch
- Start-up end 2005

Others



Akhela & Sartec

- Akhela: Information Technologies
- Sartec: Industrial Services

2005 IFRS EBITDA by business (€mm)

531

269²

44

Startup

(4)

¹ Source: Wood Mackenzie, February 2006

² 100% Sarlux Italian GAAP financials

Fully invested integrated refinery

Early 90's

Late 90's - Early 00's

2005

Complexity, Integration, Diversification



€400mm

FCC expansion,
Hydrocracking &
Desulphurization



€1,200 mm

High pressure
Hydrocracking,
Etherification & IGCC



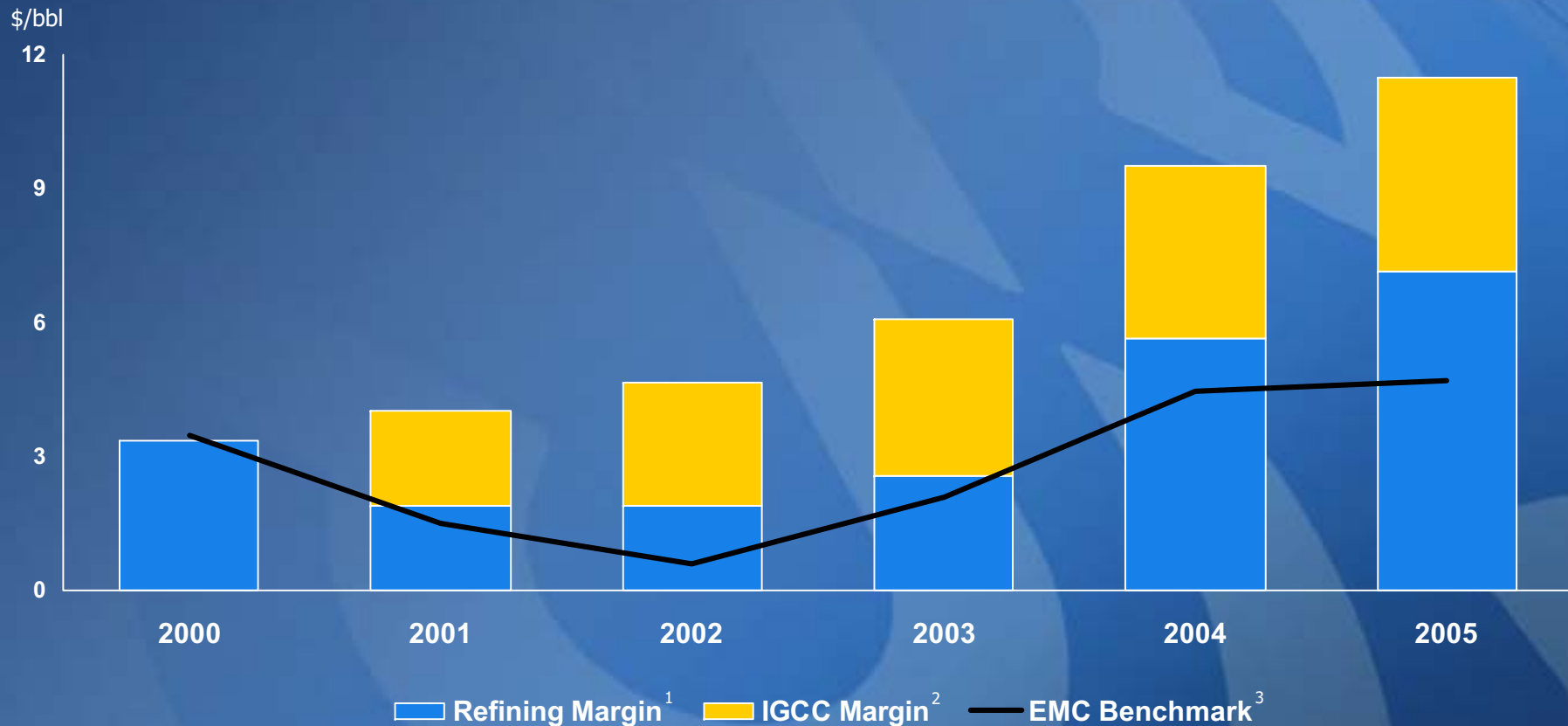
€100+ mm

Wind park

Optimal investment timing

Track record of superior margins

Integrated refining & power generation margins



¹ Margin, based on management accounting, calculated as revenues (sales, fees and change in inventory) minus variable costs divided by actual refinery runs

² IGCC Margin, based on management accounting, calculated as 100% of Sarlux revenues minus variable costs divided by actual refinery runs

³ Benchmark is 50% Ural - 50% Brent margin provided by EMC based on FOB Mediterranean prices

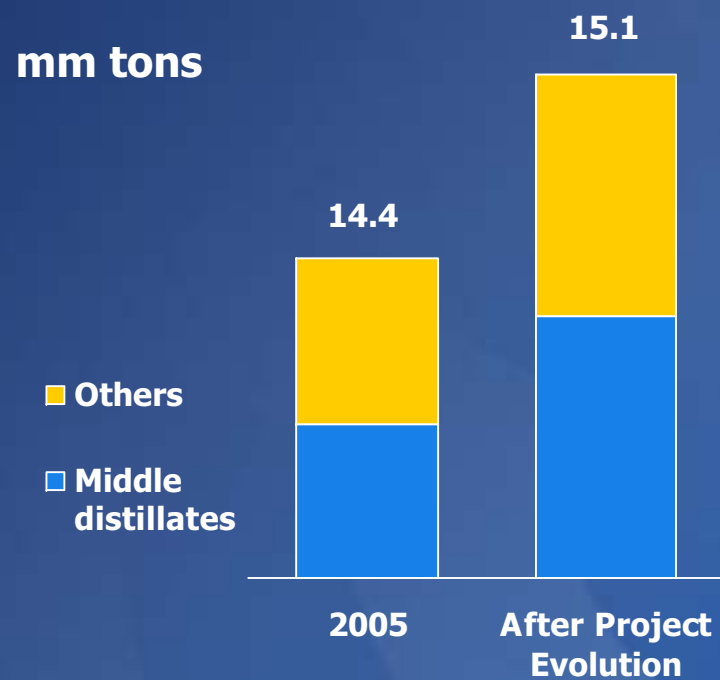
Note: Margins of other industry participants may be calculated in different ways and may not be exactly comparable to ours



Planned growth projects

2006-2008: €500mm CAPEX with high IRR

Full capacity utilization, higher conversion, lower °API & energy conservation



Capacity
+700,000 tons

Diesel
+700,000 tons

Average °API
-2°

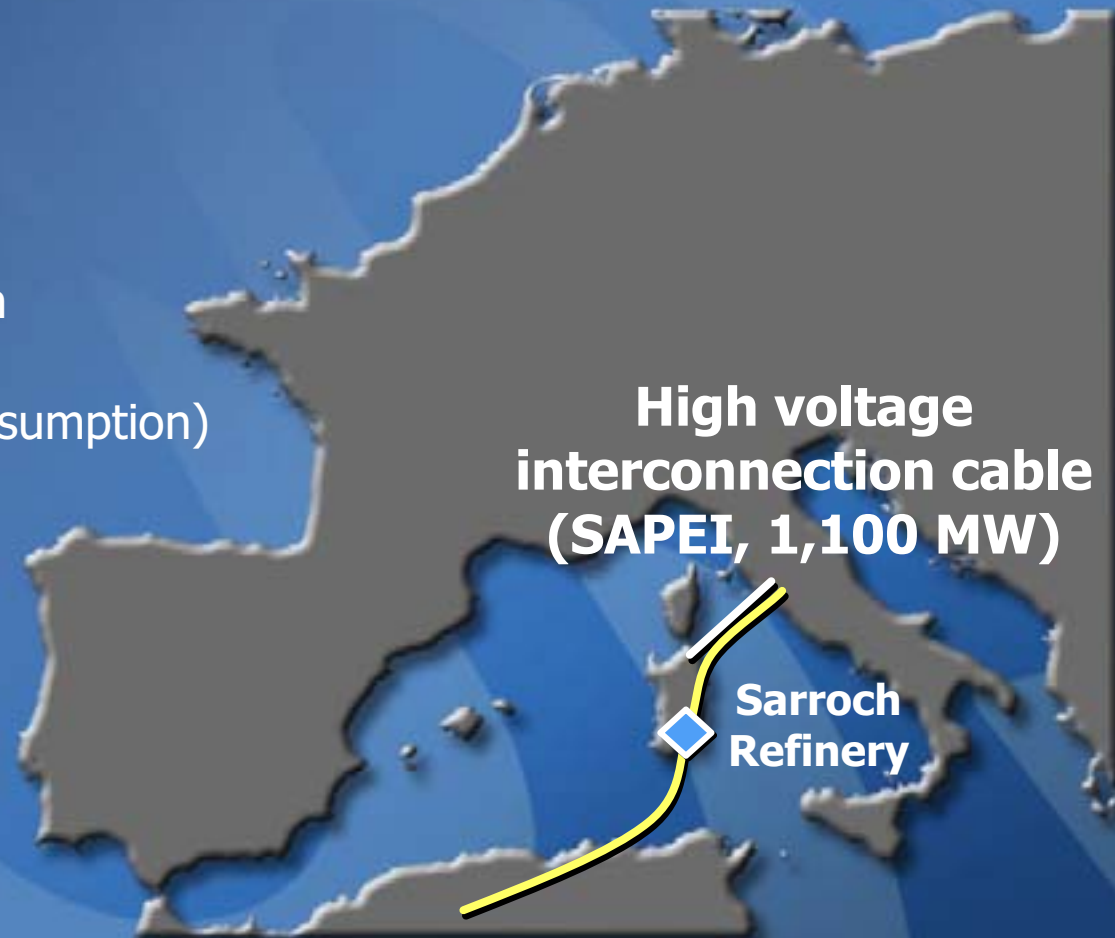
Other projects

- Wind park upgrade
- Bio-diesel plant in Cartagena
- Purchase of selected service stations in Spain



Opportunities for further growth

- New combined cycle power plant inside refinery fence
- Refining process optimization from new gas availability (further H₂, internal fuel consumption)
- Gas upstream opportunities in Sardinia



**High voltage
interconnection cable
(SAPEI, 1,100 MW)**

**Sarroch
Refinery**

**Gas Pipeline
(GALSI, 10bnm)**

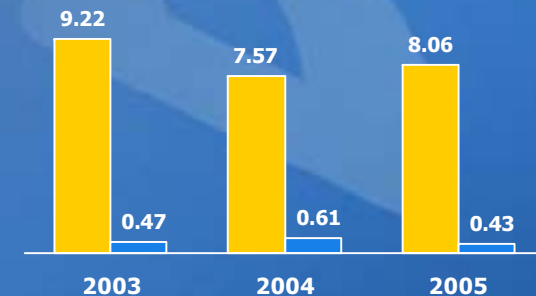


Strong environmental policy

- Saras is ISO 9001 and ISO 14001 certified
- Paramount attention is devoted to environment and safety
- Saras internal policies are consistently more stringent than legal requirements

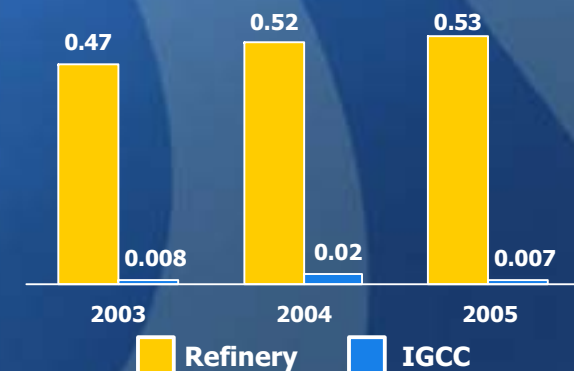
SO₂ emissions

'000 ton Maximum emissions by law: 16.0



Dust emissions

'000 ton Maximum emissions by law: 0.90

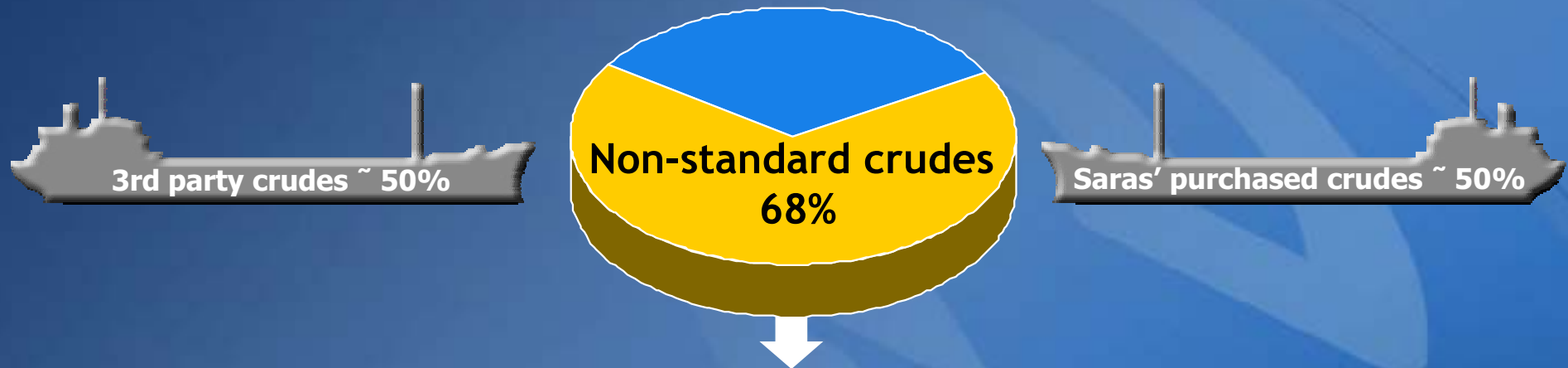




Business description



A unique business model

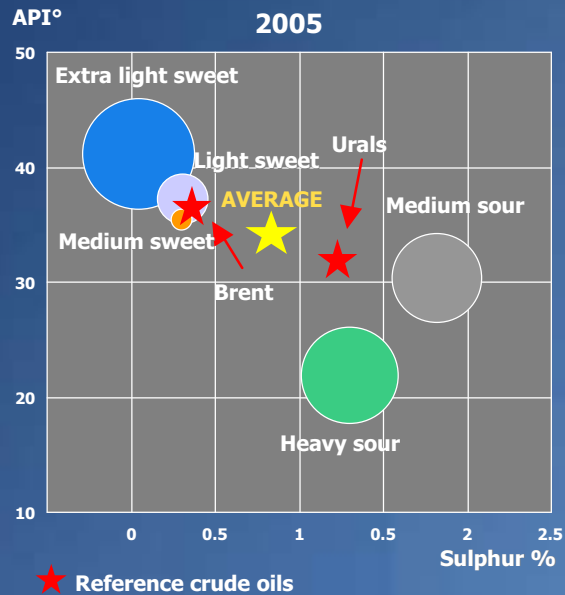


Full integration between production, planning & commercial
Synergies from optimal crude selection
Maximum production of high value products



Flexibility, reliability & full integration

Over 65% of non-standard crude oils

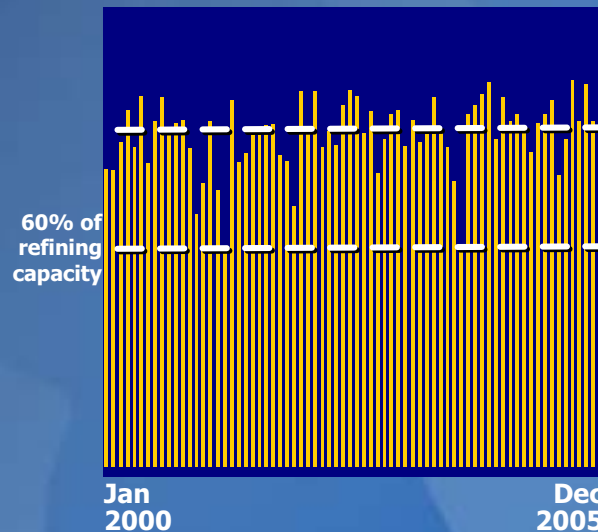


Unique blending of crude oil slate & superior ability to refine non-standard crude oils

Monthly crude oil runs

Million tons

2000-05 monthly average: 1.2 million tons



A single asset refinery based on 3 independent production trains



TAR

Hydrogen & steam



Middle distillate paraffinic cuts, CCR reformat

Hydrogen, low benzene reformat

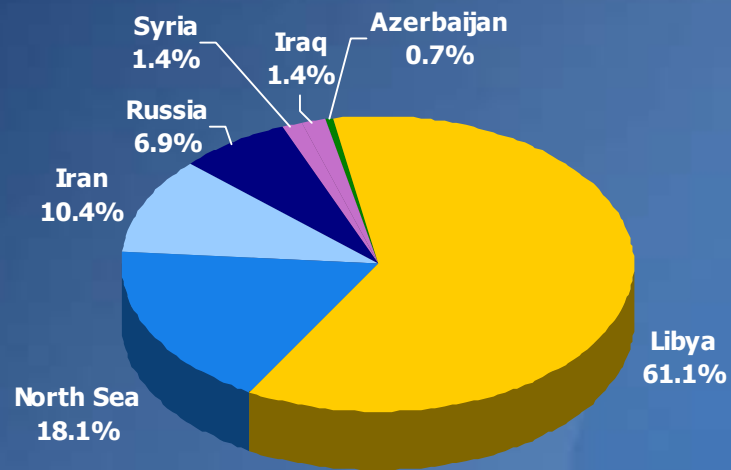
Polimeri Europa & Sasol Italy's petrochemical plants

Full integration with IGCC & petrochemical plants

High percentage of distillates yield

2005 Crude oil runs by geography

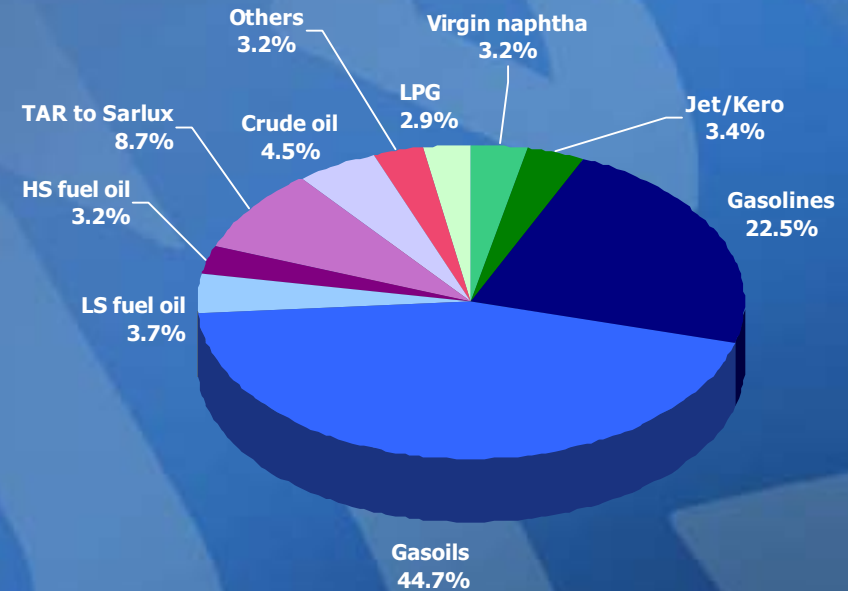
14.4mm tons



○ Libyan ports 1-2 day sailing time from Sarroch

2005 Refined product sold

12.8mm tons



○ 3.9 mm tons bought-back from processors

Long term CIP6 tariff

Dispatching priority until 2021

Fixed tariff calculation (CIP6) until 2021

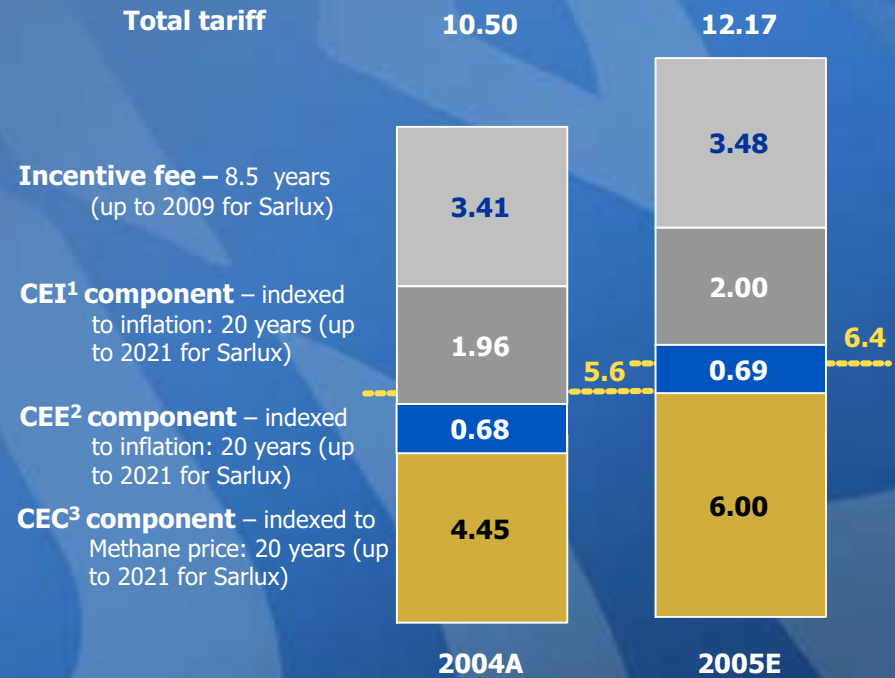


Full integration with the refinery

Availability > 90%

CIP6 tariff components

€cent / kWh



Italian average electricity price⁴



¹ Costo Evitato d'Impianto
² Costo Evitato d'Esercizio

³ Costo Evitato di Combustibile
⁴ Source: GME (Gestore Mercato Elettrico)

Wind power & others

Wind power generation



- 36 wind generators plus 6 coming on stream by 1H06 & further 6 planned by 1H07
- 72MW installed capacity, technically upgradeable to 96MW
- Green Certificates for 12 years & dispatching priority
- 70% JV with Babcock & Brown financed through Project Financing

Others

IT Services

- High value added services to the Information Technology sector

Industrial Services

- Development of technologies & applications for environmental control & the refining & petrochemical industries



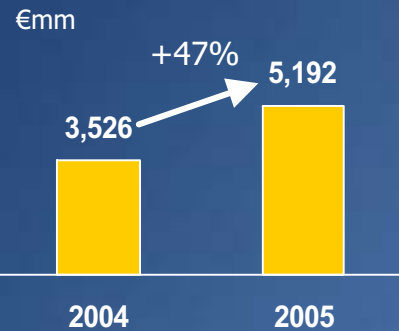


Historical financials

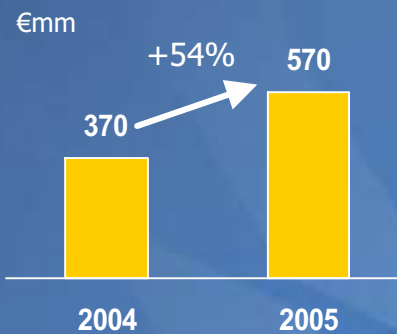


Strong growth in profitability

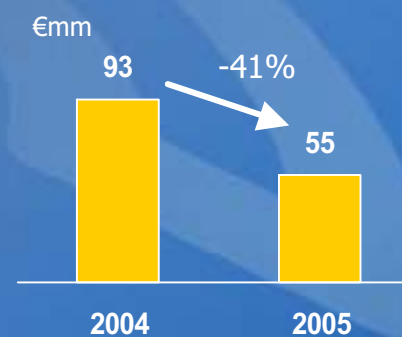
Revenues¹



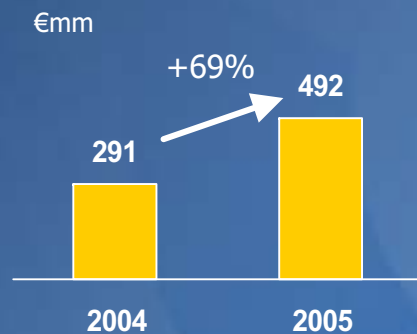
EBITDA



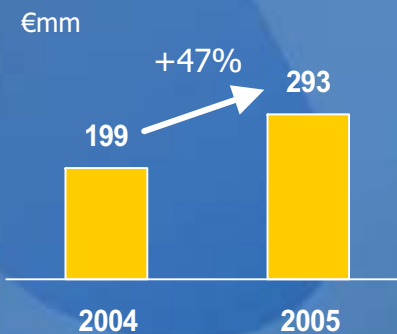
Net Capex



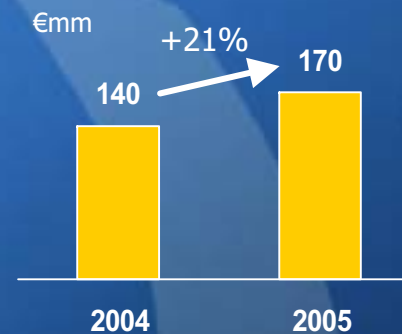
EBIT



Net income



Dividends



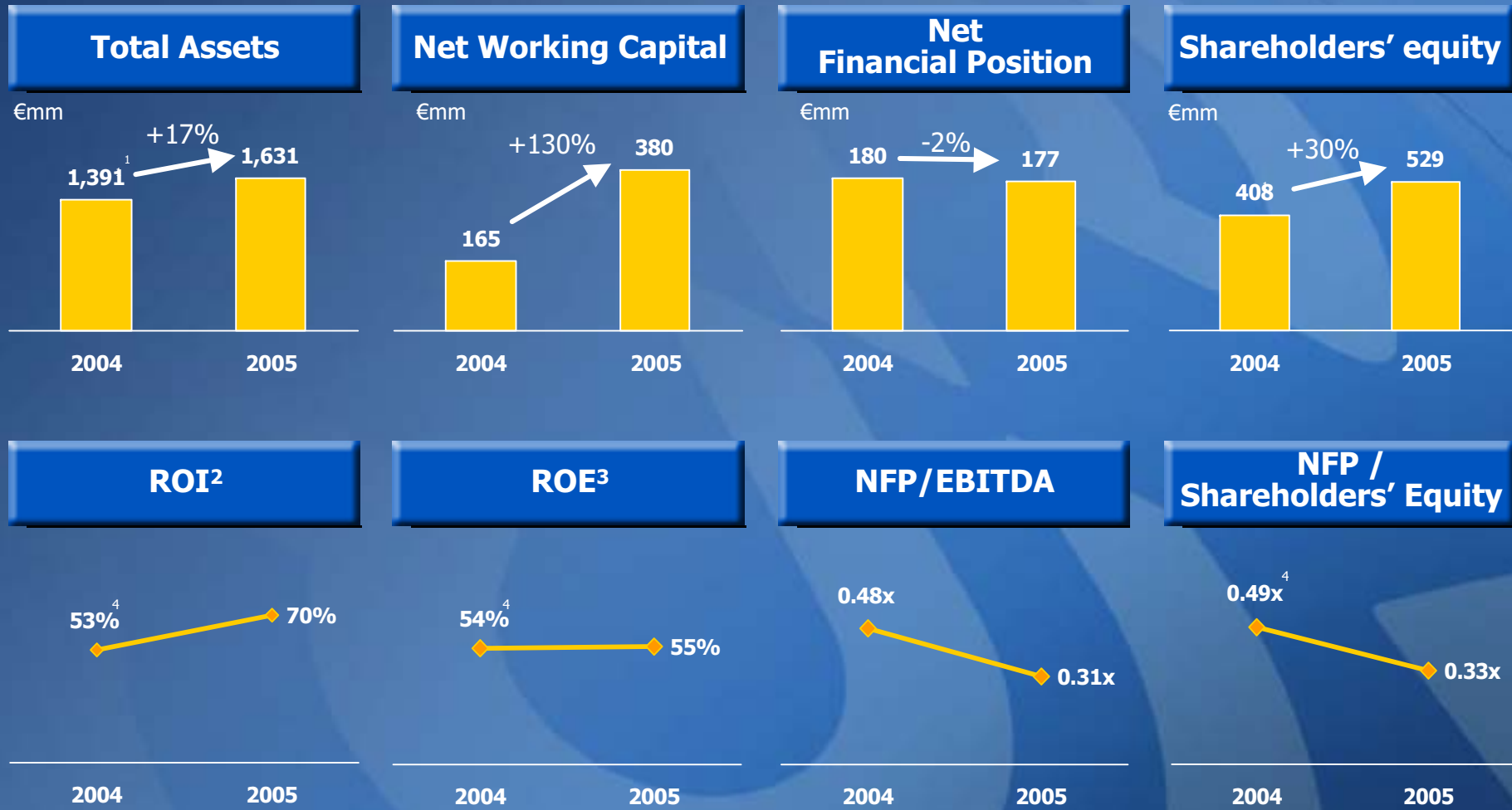
¹ Excise duties not included

Note: IFRS consolidated financials

Equity method for Sarlux 55%



High profitability and solid capitalization



¹ Including €42 mm of treasury shares

² ROI: calculated as EBIT / (Net Financial Position + Shareholders' Equity)

³ ROE: calculated as Net Income / Shareholders' Equity

⁴ Excluding €42 mm of treasury shares

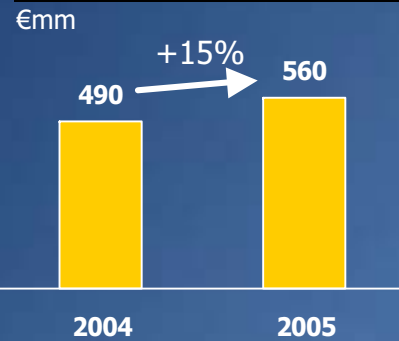
Note: IFRS consolidated financials, Sarlux 55% at Equity method



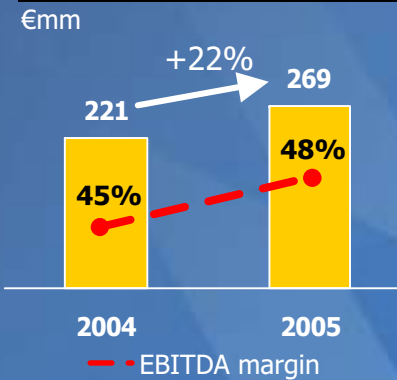
Stable cash flow from Sarlux

Sarlux financials (100% under Italian GAAP)

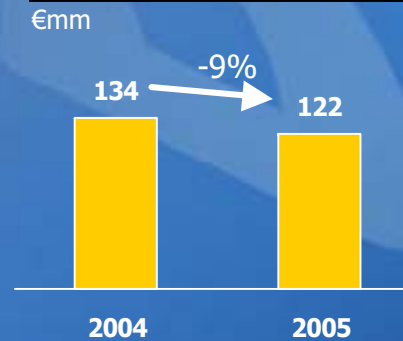
Revenues



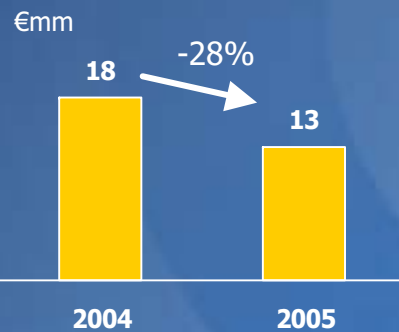
EBITDA



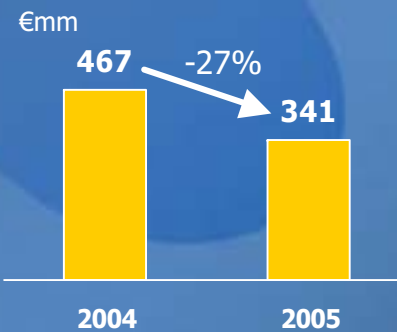
Net Income



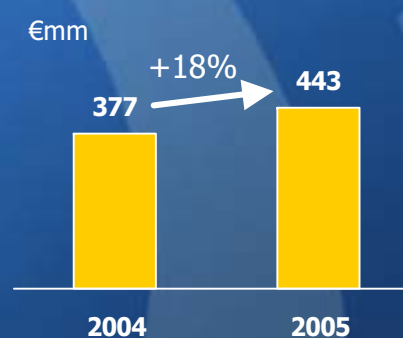
Net Capex



Net Financial Position¹



Shareholders' equity



¹ Net of dividends relating to seized 45% Sarlux stake equal to €66.3 mm as of 31/12/05 and €41.2 mm as of 31/12/04



Sarlux arbitration

- After the collapse of Enron, Saras learned about certain breaches of the Sarlux shareholders' agreement. Saras immediately exercised the call option on the 45% stake owned by Enron, as provided for in the same agreement
- Enron contested Saras' exercise of the call option. So, in February 2002, Saras initiated arbitration proceedings governed by the rules of the International Chamber of Commerce and had Enron's quota in Sarlux seized by the Cagliari court
- On April 24th, 2006, the parties have been notified that the arbitration award was rendered in Saras' favour
- The arbitrators determined that Saras validly exercised the call option with effect as of January 15th, 2002 and for a total consideration of €116.8mm
- As a consequence, Saras will collect €66.3mm of accrued dividends relating to the Enron Dutch quota which had been frozen during the arbitration



Sarlux arbitration

- Under the shareholders' agreement, the award shall be final and binding. Moreover, pursuant to the ICC rules of arbitration, the parties are deemed to have waived their right to any form of recourse
- We will shortly initiate enforcement proceedings in Italy under the New York Convention of June 1958 and the Italian code of civil procedure
- Our enforcement of the award could only be challenged on the limited procedural grounds set forth in these laws and should normally take a few months
- As is customary in similar circumstances, Saras cannot completely exclude the possibility that Enron will nonetheless attempt to challenge the award or its enforcement in Italy





Investment highlights



Investment highlights

Top quality asset

- Third most complex supersite refinery in WE: 7.9
- Fully compliant with 2009 EU diesel specifications

Unique business model

- About 70% of non standard crudes
- Full integration with IGCC and petchem plants

Strong and stable cash flow generation

- Superior overall margin: 11.5 \$/bbl in 2005
- Stability from third party processing and power generation

Strategy geared towards value creation

- €500 mm capex in 2006-2008 to increase complexity
- Pre-empt investments to exploit long term synergies between refining, power and gas



Q & A

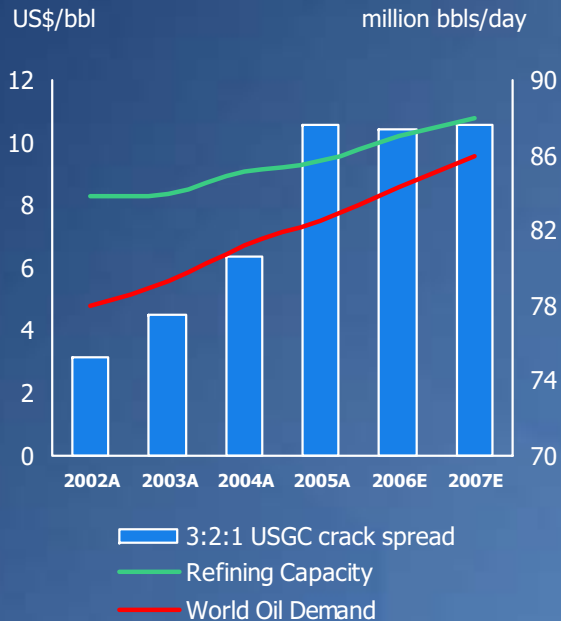




Back-up

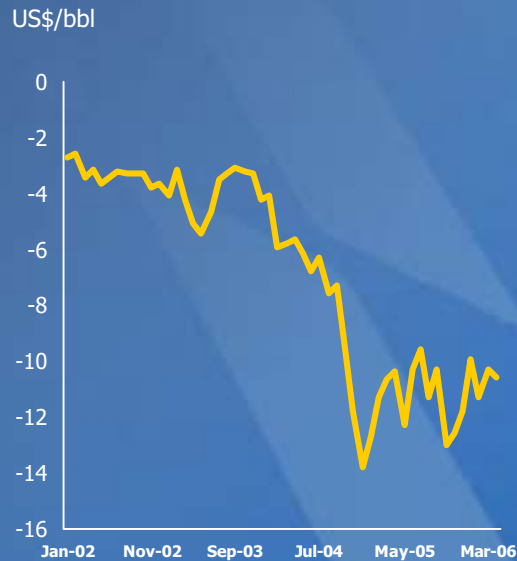
Positive industry outlook

World oil demand, refining capacity and margins



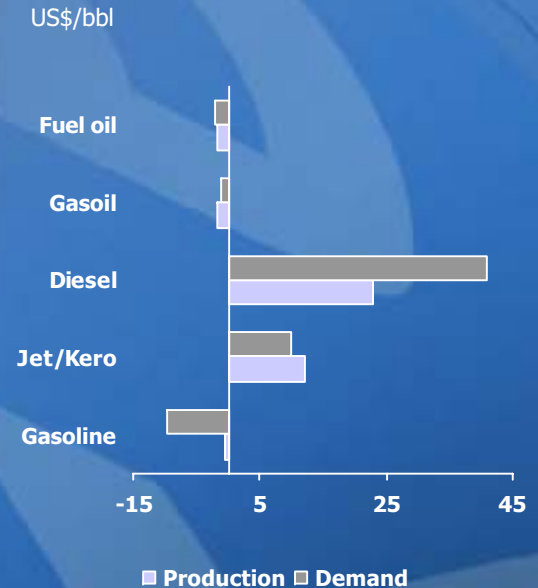
Tightening of supply/demand spread supports strong refining margins

Arabian heavy official discount to Brent (IPE Bwave)



Increasing price spread between light and heavy crude oils boosts profit of high complexity refineries

2005 – 2010 incremental demand vs production

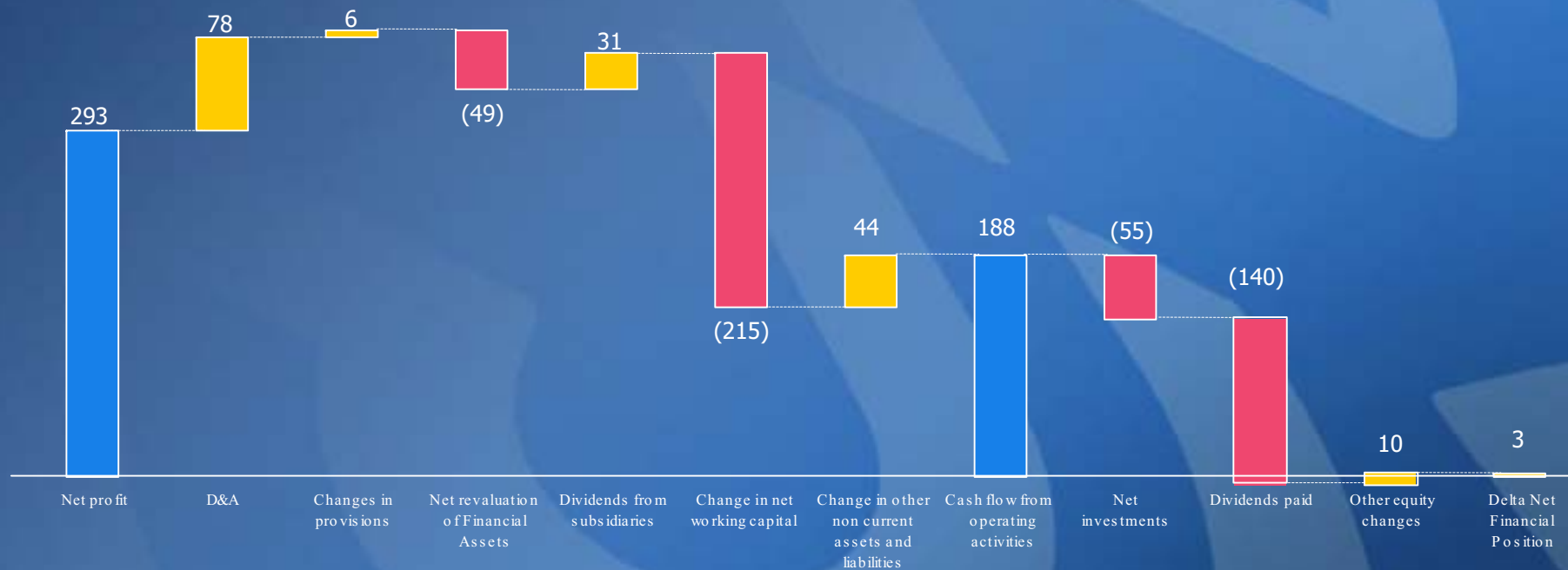


Diesel demand growth outpacing capacity in Europe cements superior returns for gasoil focused refineries

Strong cash flow generation from operating activities

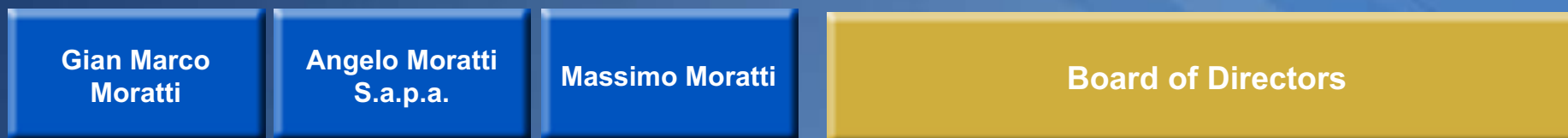
2005 Cash Flow

€mm



Note: IFRS consolidated financials, Sarlux 55% at Equity method. Intercompany loans not included in net working capital

Best practice corporate governance



SARAS S.p.A.

Internal audit committee

- Gabriele Previati
- Gilberto Callera
- Mario Greco

Compensation committees

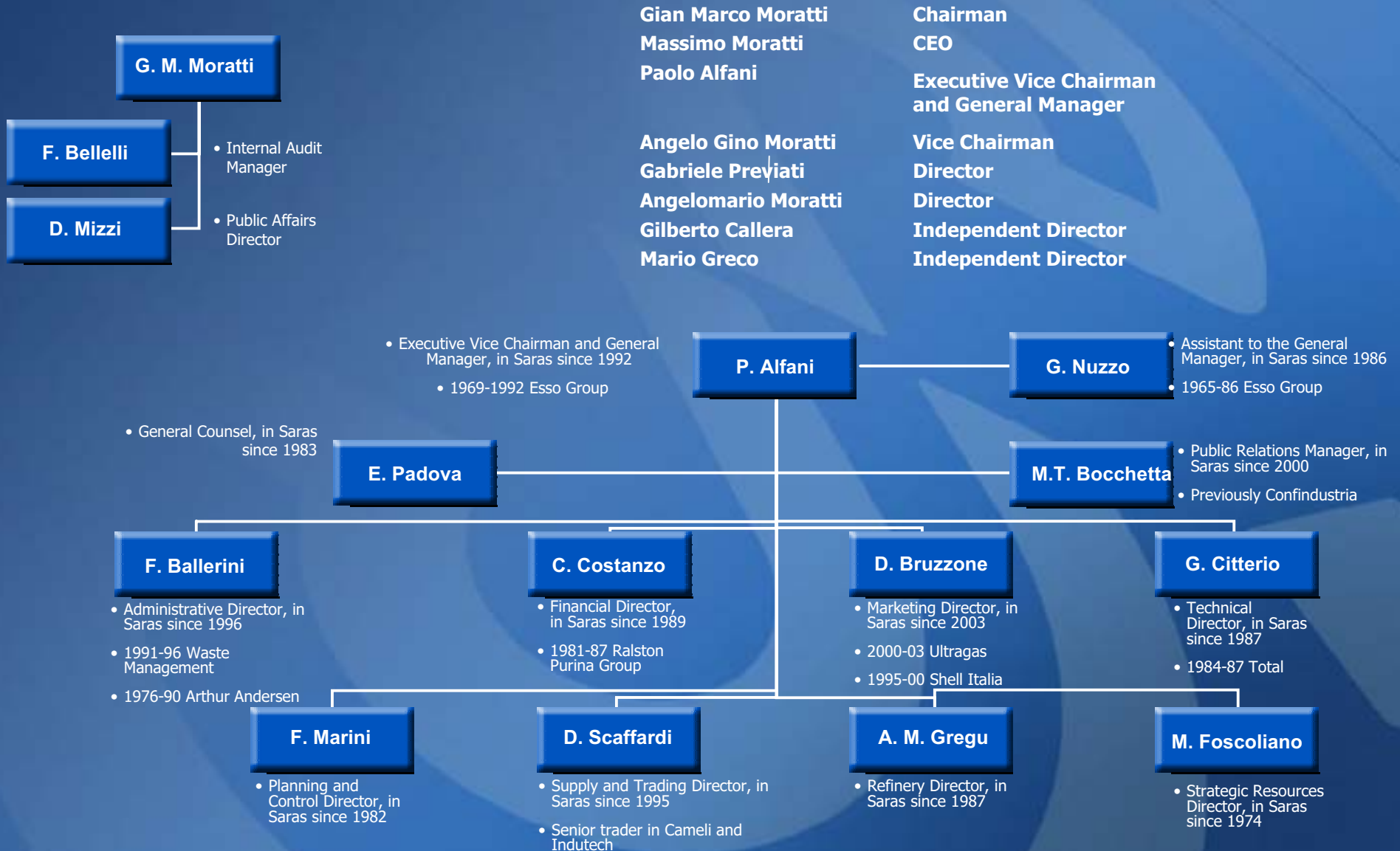
- Angelo Gino Moratti
- Gilberto Callera
- Mario Greco

Board of Directors

Name	Age	Appointment
Gian Marco Moratti	69	Chairman
Massimo Moratti	60	CEO
Paolo Alfani	63	Executive Vice Chairman and General Manager
Angelo Gino Moratti	42	Vice Chairman
Gabriele Previati	67	Director
Angelomario Moratti	32	Director
Gilberto Callera	66	Independent Director
Mario Greco	46	Independent Director

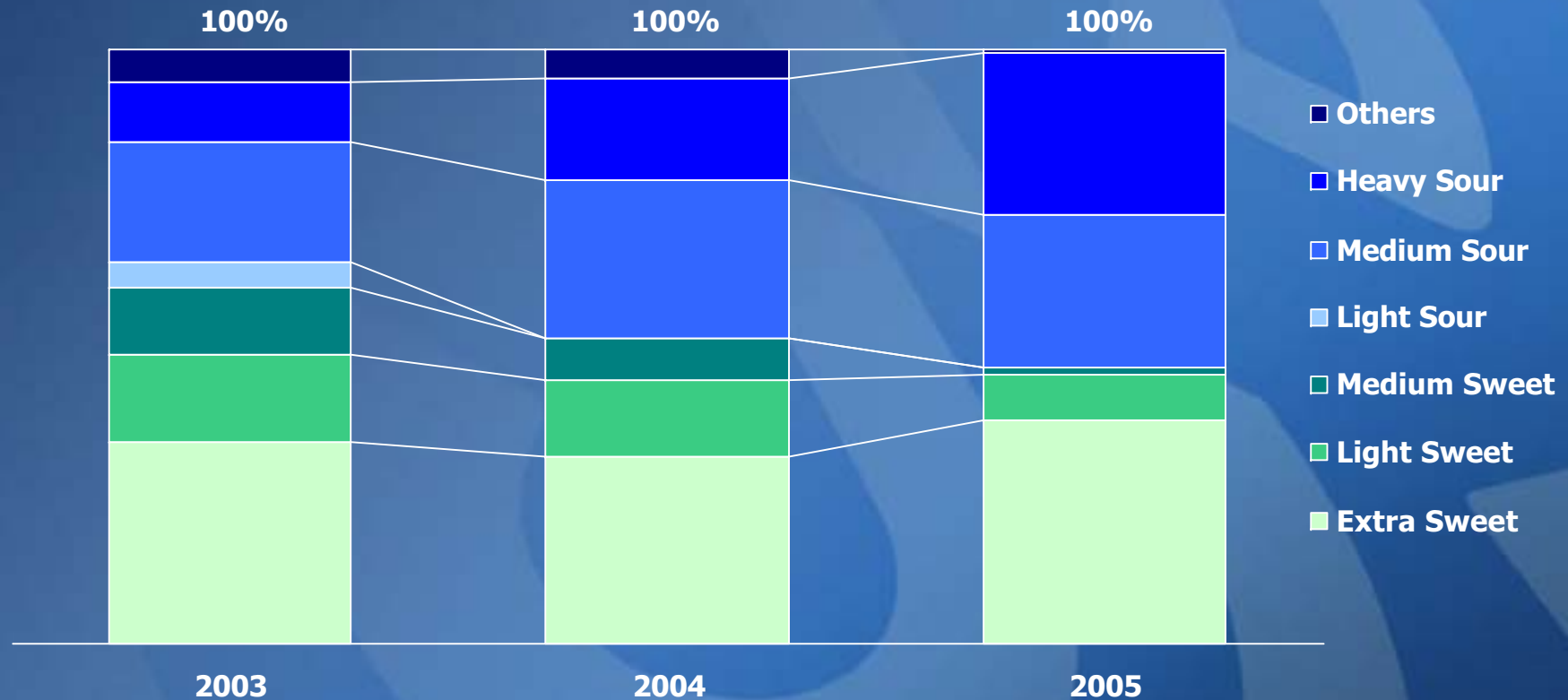


Experienced and committed management team



Purchase and supply

Saras' crude oil slate evolution

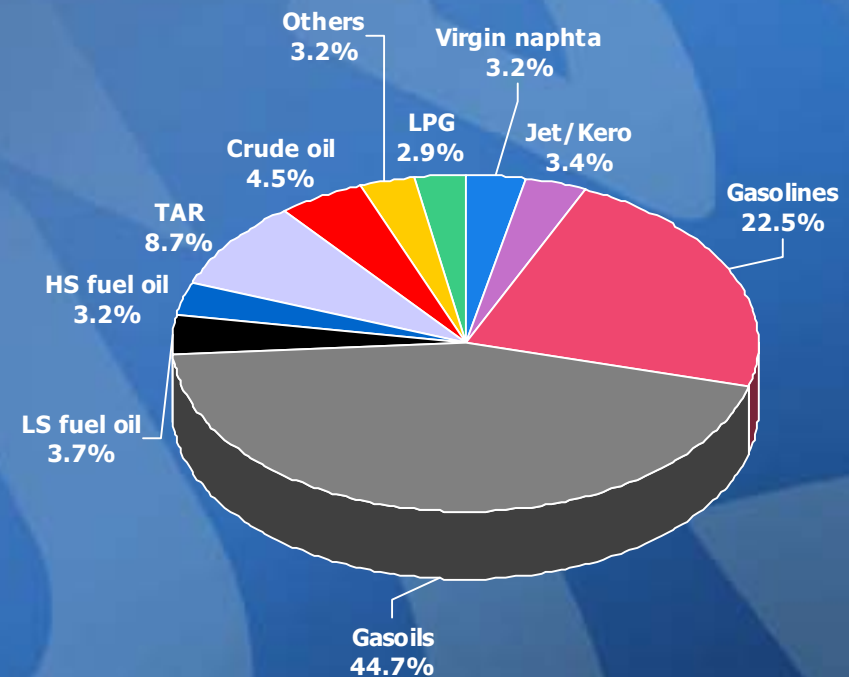
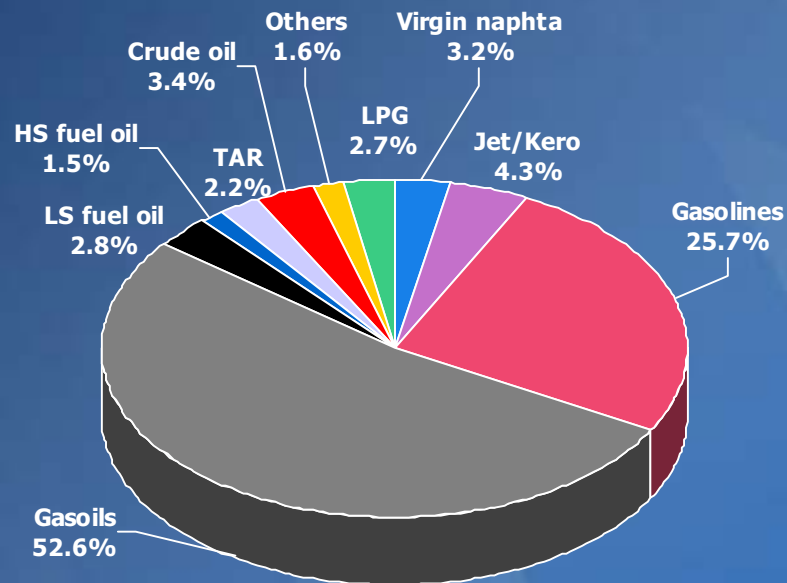


Assignment and sales

2005 Saras sales by product

€4.7 bn

12.8mm tons

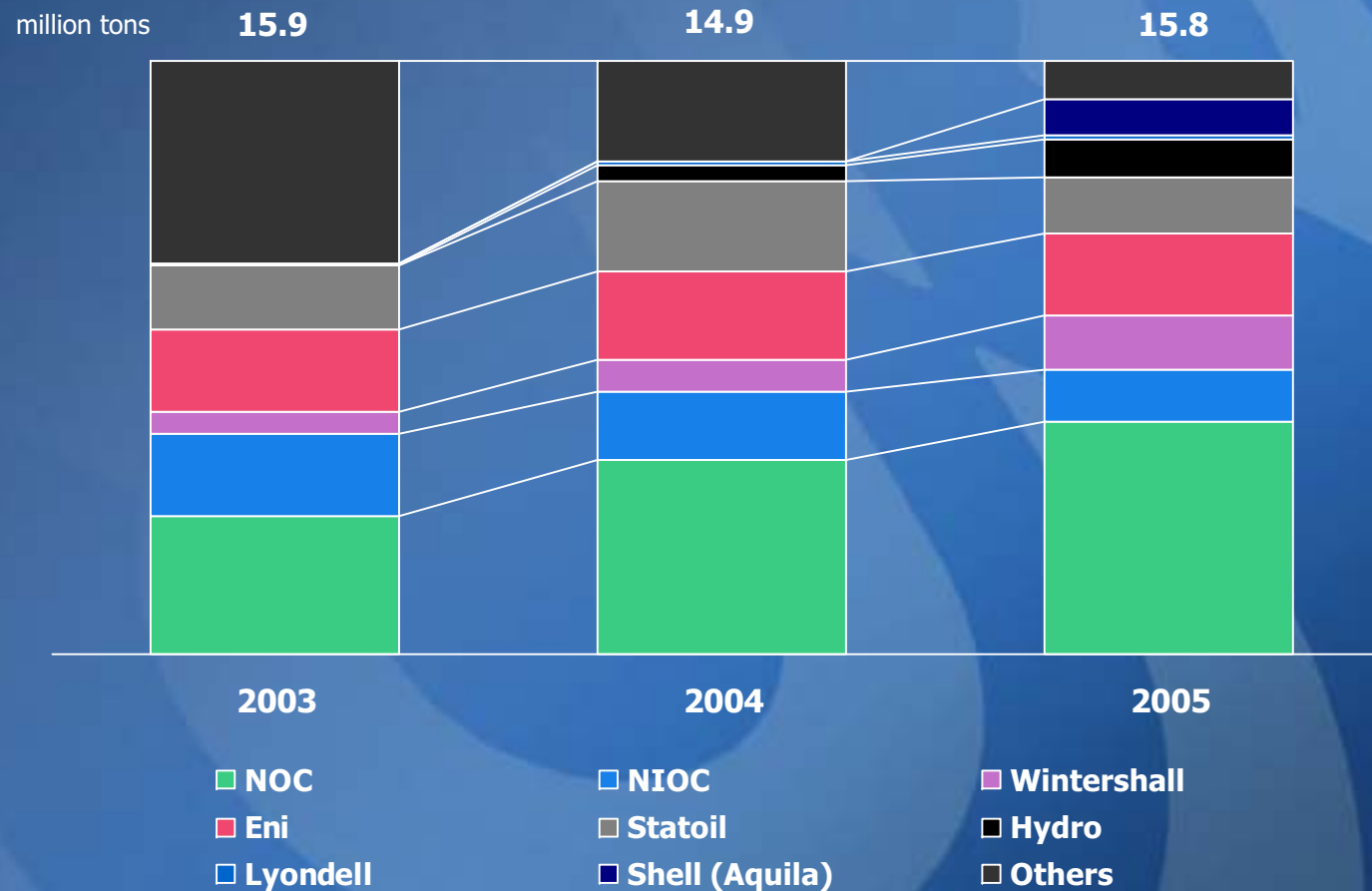


- Saras sells refined products originating from:
 - Processing of crude oil purchased directly
 - Production of valuable products in excess of third party contractual yields, thanks to optimizations



Purchase and supply

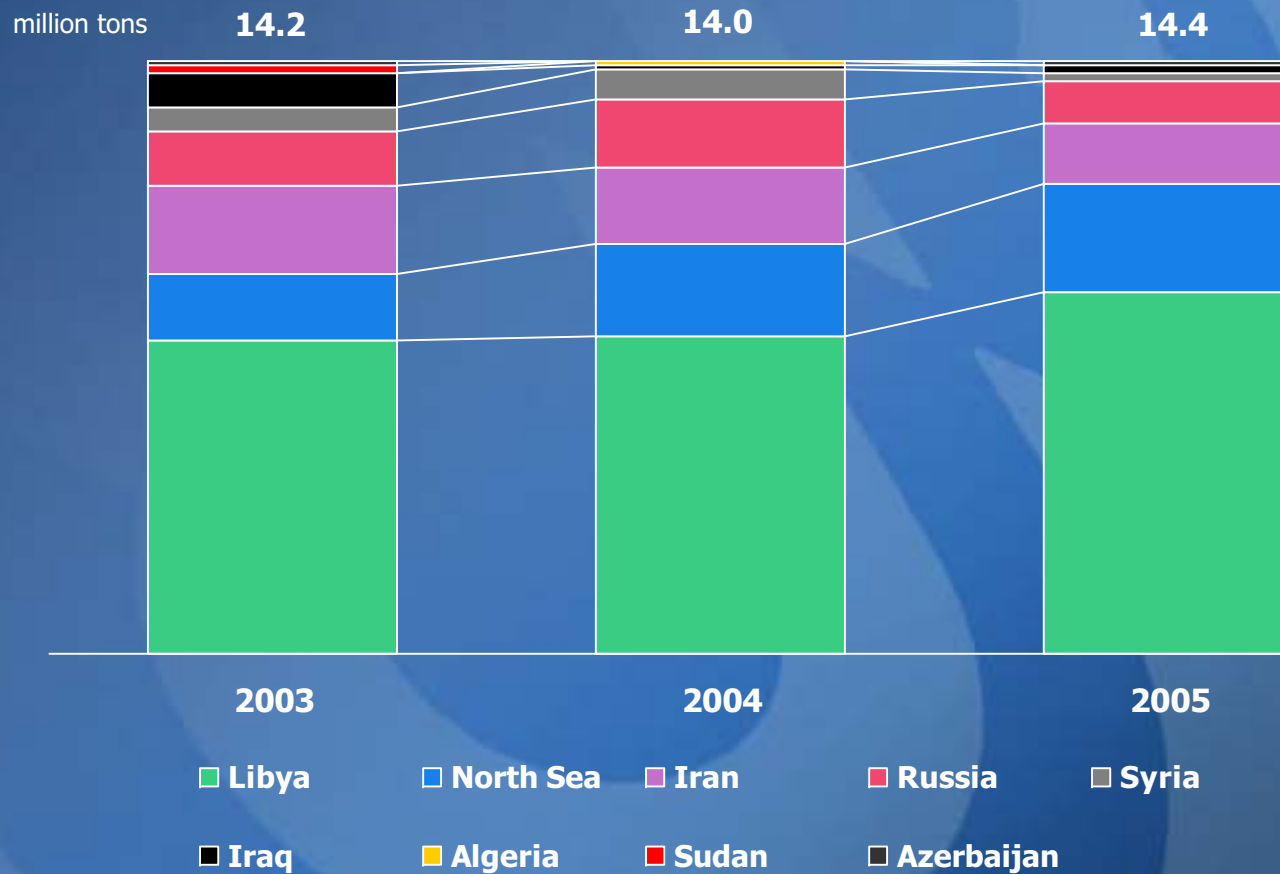
2005 Crude oil and other feedstocks supply by company¹



¹ Chart figures include crude oils processed for third parties, crude oils and feedstocks purchased by Saras, materials not counted as topping runs and crude oils sold occasionally

Purchase and supply

Historical crude oil runs by geography



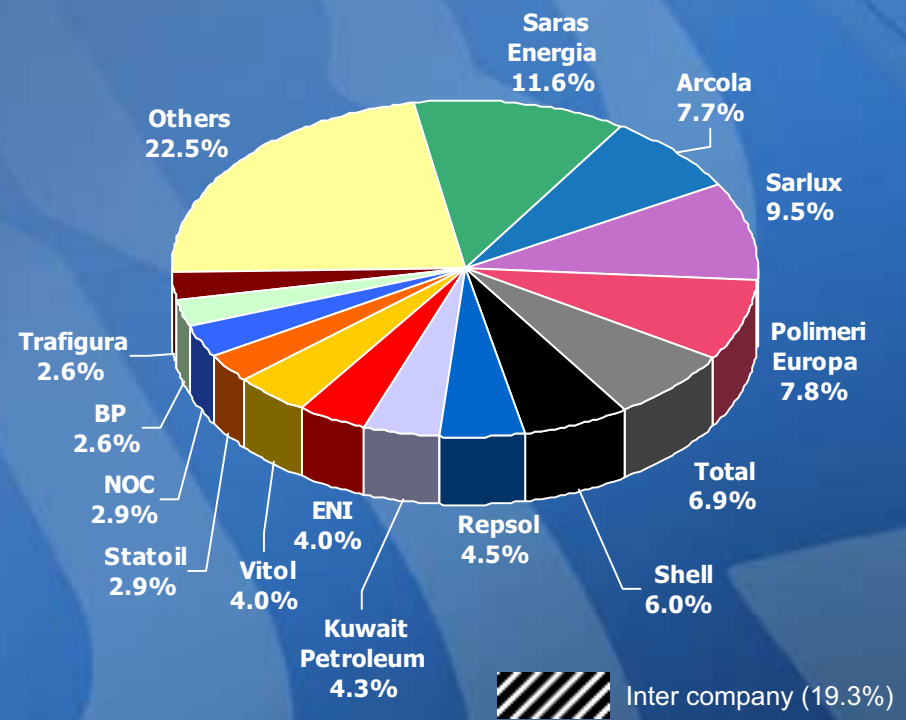
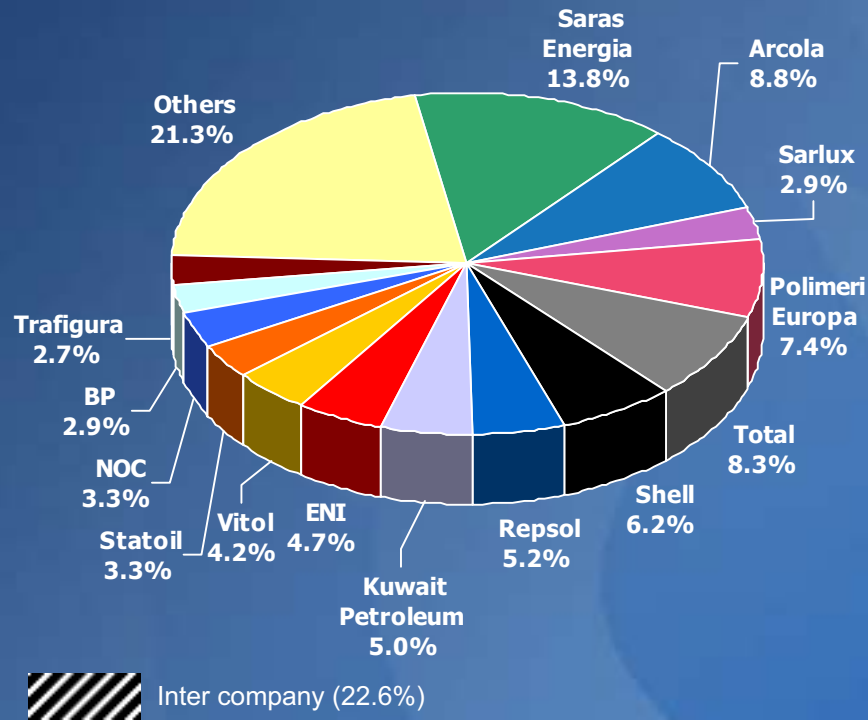
Note: Chart figures do not include materials not counted as topping runs and crude oils sold occasionally

2005 Saras sales by client

2005 Saras sales by client

Euro 4.7 bn

12.8 million tons



Products are sold to the marketing division at arms' length conditions



Sarlux: Italian GAAP v IFRS

- Sarlux financials are prepared in accordance with Italian GAAP
- The principal adjustment for IFRS consolidation is regarding the treatment of the contract between Sarlux and GRTN
- Treated as a lease agreement and revenues recognised on a straight-line basis over the life of the contract (i.e. until 2021)
- In 2005 the effect of this adjustment would be to reduce EBITDA to €210mm
- The important point to note is that this adjustment has no effect on tax or cash flow