



SARAS

First quarter 2008 results

9th May 2008





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AGENDA

- **Highlights**
- **Segment reviews**
- **Financial overview**
- **Outlook**
- **Strategy**
- **Q&A**

Q1/08 HIGHLIGHTS

- **Group comparable EBITDA¹** at EUR 148 ml, up 1% vs Q1/07²
- **Group adjusted net income³** at EUR 75 ml, up 14% vs Q1/07²
- **Saras refining margin** at 7.6 \$/bl up 13% vs Q1/07²
 - ✓ Premium above EMC benchmark at 5.6 \$/bl
- **Net financial position:** positive by **EUR 77 ml** vs EUR -27 ml at end 2007

EUR ml	Q1/08	Q1/07 ²	Var. %	Q4/07 ²
EBITDA Comparable	148.1	147.1	1%	118.1
EBIT Comparable	110.0	107.1	3%	75.2
Adjusted Net Income	75.4	66.2	14%	44.2

1. calculated using IFRS accounting principles and evaluating inventories at LIFO and deducting non recurring items

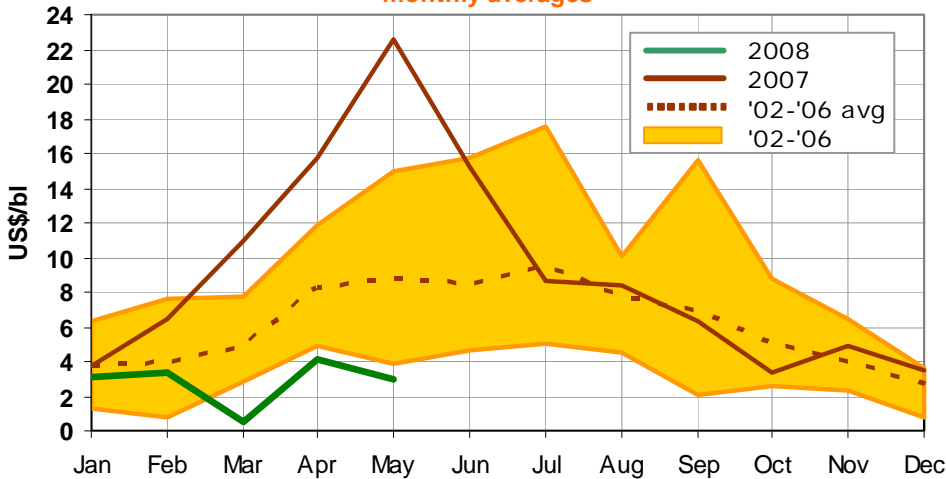
2. 2007 quarterly comparable figures have been restated after the resolution of the Energy Authority n°249/06 which modified the criteria for the evaluation of the "fuel component" of the electricity price generated by CIP6 plants

3. reported net income adjusted by differences between inventories at LIFO and inventories at FIFO net of taxes, change of derivatives fair value net of taxes and non recurring items net of taxes



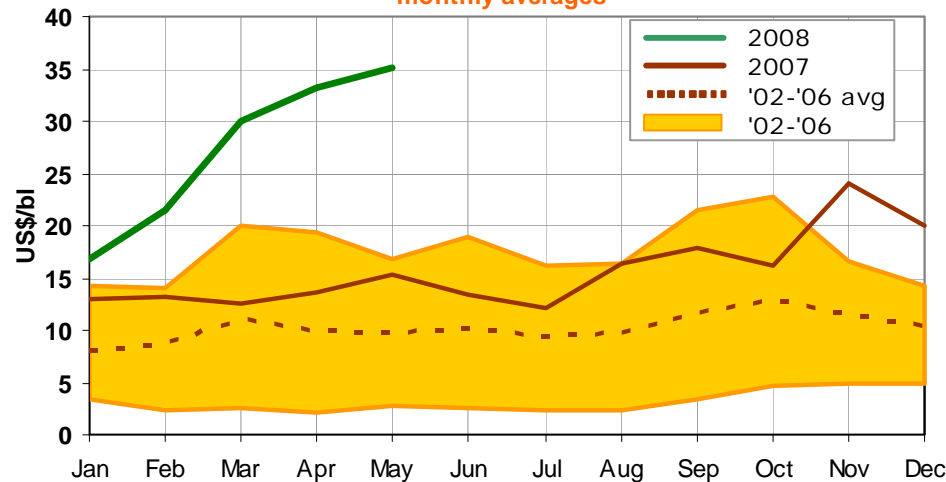
DIESEL AND GASOLINE CRACK SPREADS

Med: Gasoline Crack spread vs Brent
monthly averages



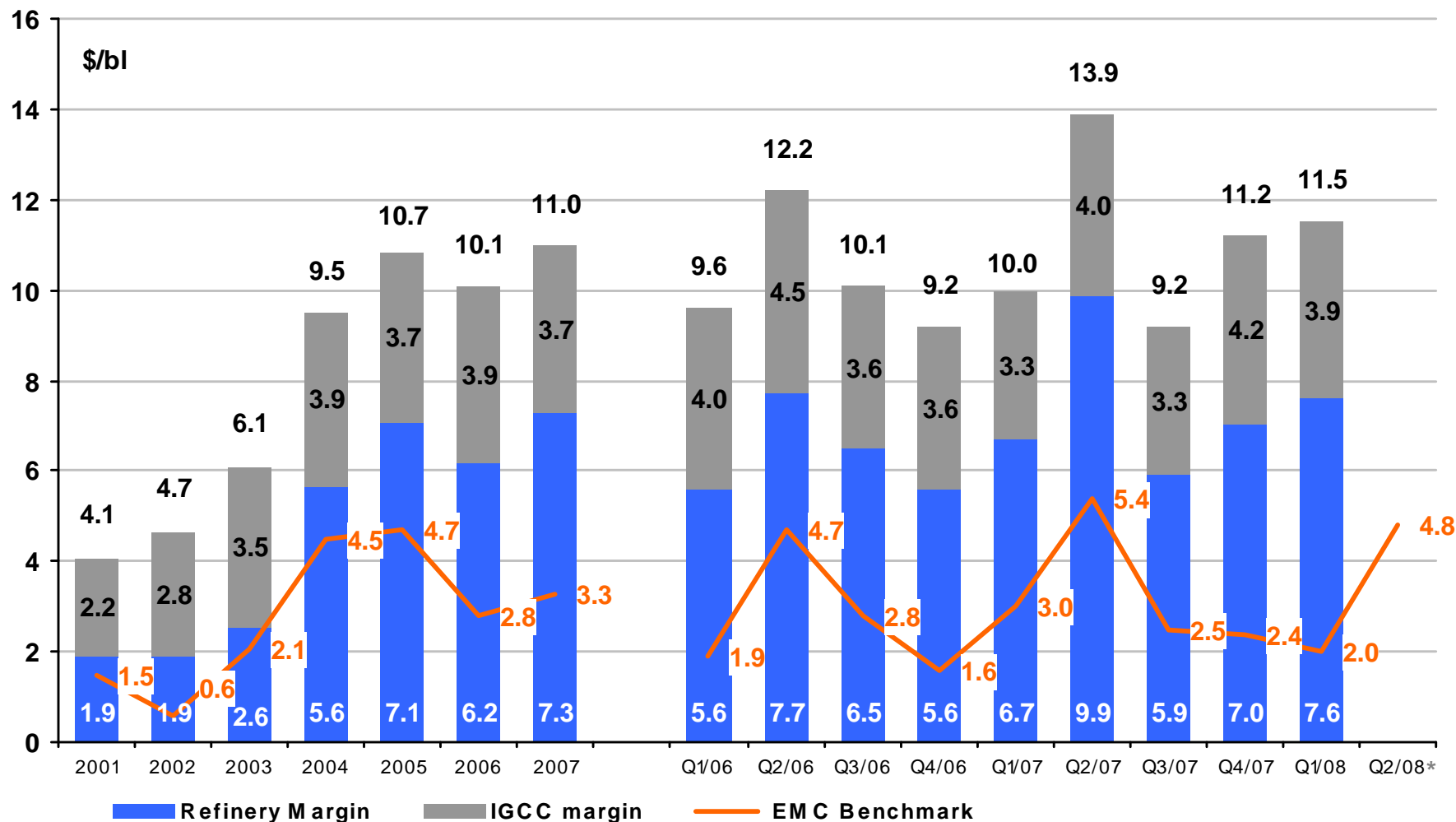
- Gasoline crack remained subdued given ample supply and faltering demand in the Atlantic basin

Med: Diesel Crack spread vs Brent
monthly averages



- Diesel crack at record high levels during the first quarter and continuing to increase thanks to global healthy demand

REFINING&POWER MARGIN



* Q2/08 as of 02/05/08

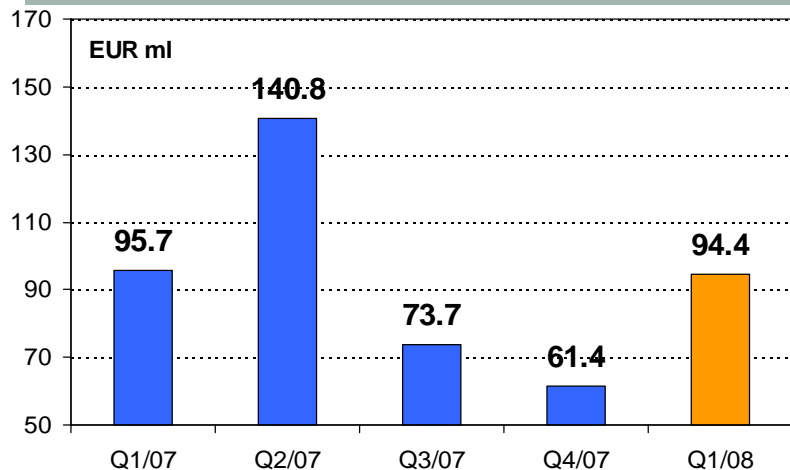


Segment Reviews

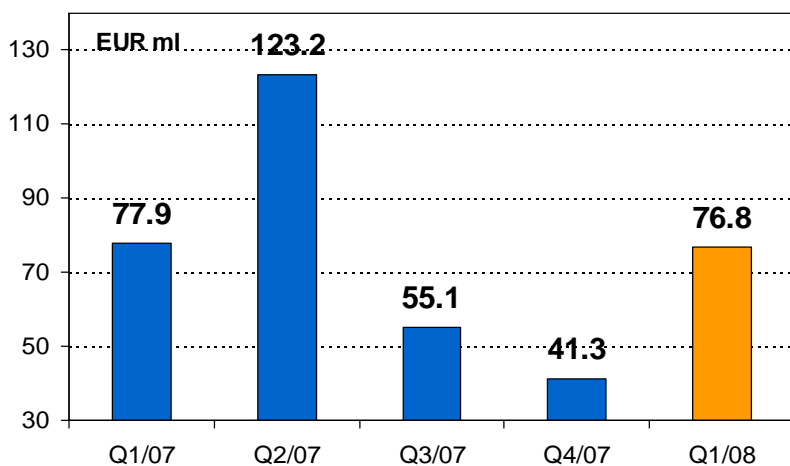


REFINING

Comparable EBITDA



Comparable EBIT



- **Crude runs: 28.6** Mbl or 3.9 million tons (314,000 b/d) up 2% vs Q1/07(on a daily basis)
- **Refinery margin at 7.6 \$/bl** with premium above benchmark at **5.6 \$/bl** deriving from:
 - ✓ wider diesel-fuel oil differential (see updated guidance for refining margins in the outlook section)
 - ✓ protection from processing agreements in the first half of the period
 - ✓ very good operating performance, crude oil supply optimization (Caspian crudes), yield shift from gasoline to diesel

- **EBITDA** in line with Q1/07 (-1%) because higher refining margins were offset by weaker USD

	FY2006	FY2007
Comparable EBITDA	323.8	371.6
Comparable EBIT	255.4	297.5



REFINING

PRODUCTION

		Q1/08	2007	2006
LPG	Thousand tons	99	306	312
	yield	2.5%	2.1%	2.2%
NAPHTHA+GASOLINE	Thousand tons	984	4,039	3,893
	yield	25.1%	27.7%	27.3%
MIDDLE DISTILLATES	Thousand tons	2,086	7,541	7,350
	yield	53.2%	51.7%	51.4%
FUEL OIL & OTHERS	Thousand tons	245	707	725
	yield	6.3%	4.8%	5.1%
TAR	Thousand tons	284	1,120	1,152
	yield	7.2%	7.7%	8.1%
Balance to 100% are Consumption&Losses				

CRUDE OIL SLATE

		Q1/08	2007	2006
Light extra sweet		53%	45%	43%
Light sweet		0%	2%	5%
Medium sweet		0%	0%	1%
Light sour		0%	0%	0%
Medium sour		20%	26%	23%
Heavy sour		27%	27%	28%
Average crude gravity		°API		
		33.0	32.9	32.9



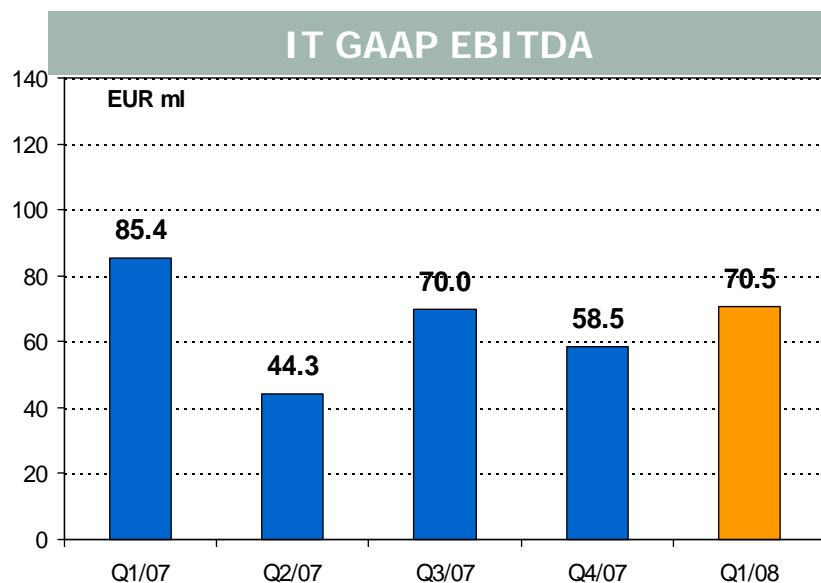
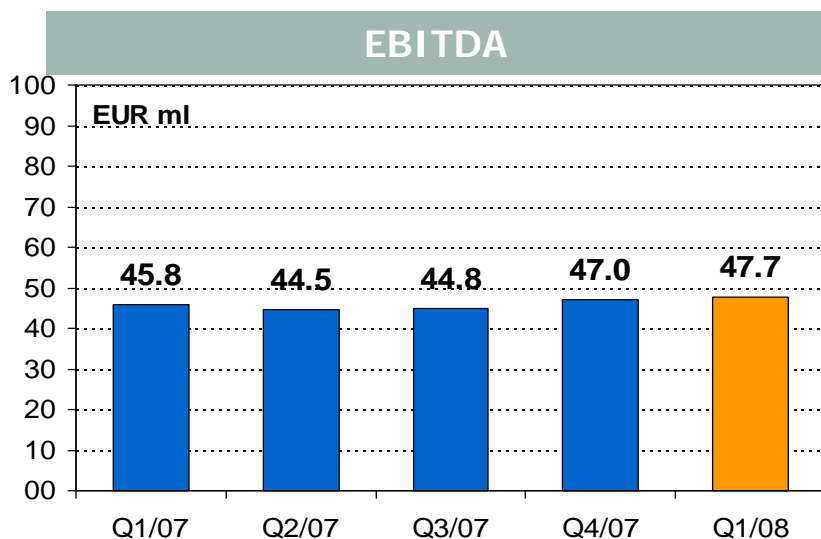
REFINING

FIXED AND VARIABLE COSTS

		Q1/08	2007	2006
Refinery RUNS	Million barrels	28.6	106.5	104.3
<i>Exchange rate</i>	<i>EUR/USD</i>	1.50	1.37	1.26
Fixed costs	EUR million	51	198	194
	\$/bl	2.7	2.5	2.4
Variable costs	EUR million	43	140	145
	\$/bl	2.3	1.8	1.8



POWER GENERATION



- **Total power tariff at 13.4 EURcent/KWh** (of which fuel component: 6.9 EURcent/KWh) **vs 12.7 EURcent/KWh in Q1/07, up 6%**
- Routine maintenance on one gasification and production train: **production 1.121 TWh**, down 8% vs Q1/07
- **IT GAAP EBITDA at EUR 70.5 ml, down 17% vs Q1/07**
 - ✓ different dynamics of tariff and TAR price indexation (TAR still linked to the old indexation mechanism)
 - ✓ higher costs related to maintenance
- **IFRS EBITDA is in line with previous quarters because all of the above mentioned effects were already included in the linearization procedure**

EUR ml	FY2006	FY2007
EBITDA	220.0	182.1
EBIT	131.7	100.2
IT GAAP EBITDA	323.8	258.2



POWER GENERATION

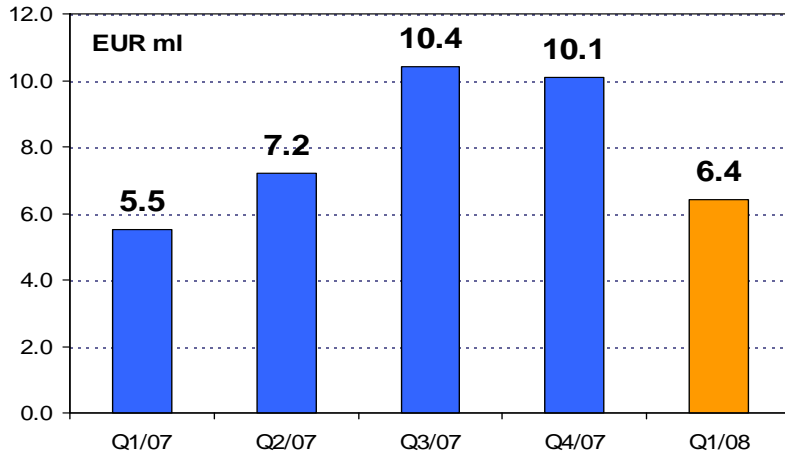
FIXED AND VARIABLE COSTS (IT GAAP)

		Q1/08	2007	2006
Refinery RUNS	Million barrels	28.6	106.5	104.3
Power production	MWh/1000	1,121	4,414	4,467
<i>Exchange rate</i>		<i>1.50</i>	<i>1.37</i>	<i>1.26</i>
Fixed costs	EUR million	27	104	107
	\$/bl	1.4	1.3	1.2
	EUR/MWh	24	24	24
Variable costs	EUR million	18	67	65
	\$/bl	0.9	0.9	0.8
	EUR/MWh	16	15	15



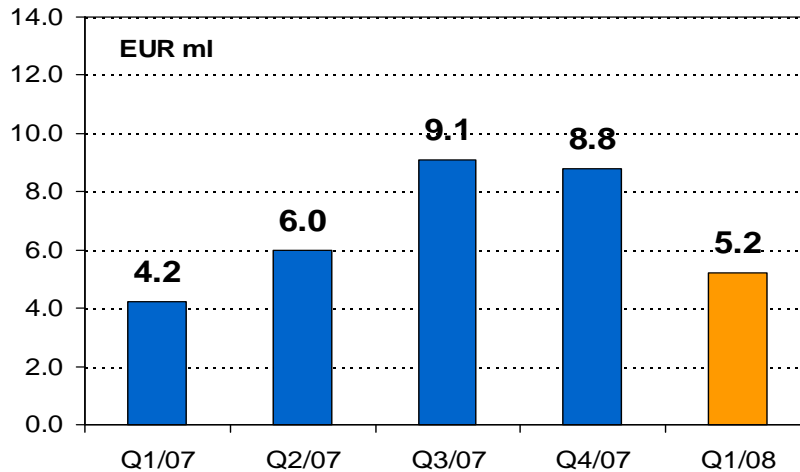
MARKETING

Comparable EBITDA



- Comparable EBITDA was EUR 6.4 ml, up 16% vs Q1/07
- Good performance of marketing segment with total volumes at 1 million ton vs Q1/07 (+10%) and in line vs Q4/07
- Wholesale margins up vs Q1/08 but down vs Q4/07

Comparable EBIT



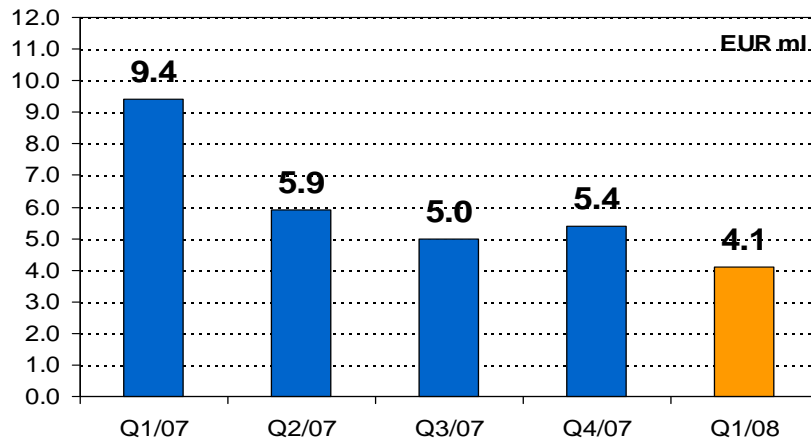
EUR ml	FY2006	FY2007
Comparable EBITDA	24.8	33.2
Comparable EBIT	21.4	28.1



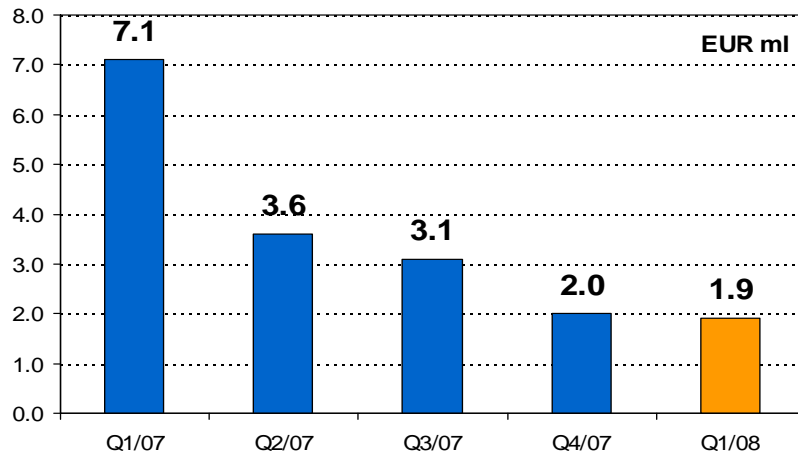
WIND

100% figures, Saras share is 70%

EBITDA



EBIT



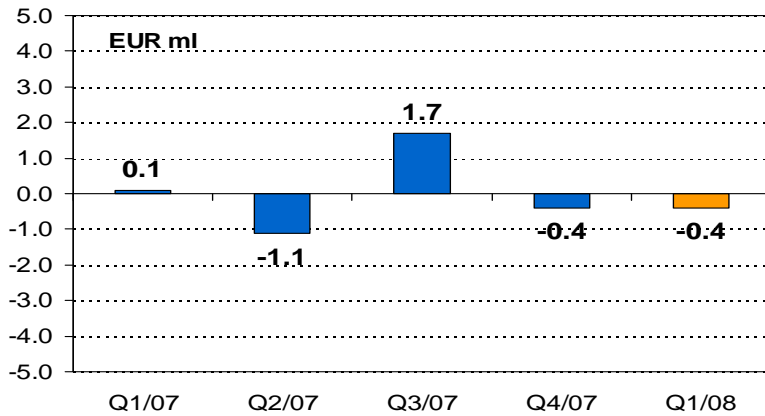
- **EBITDA** down 56% vs Q1/07
 - ✓ Electricity sales -9%
 - ✓ Power tariff + 11%
 - ✓ **Green certificate price -32%** (written down from 97 to 80 EUR/MWh)
- **Adjusted net income** (100 % figure) at EUR 0.4 ml down 87% vs Q1/07 as a consequence of lower EBITDA

EUR ml	FY2006	FY2007
EBITDA	25.7	25.6
EBIT	17.4	15.8



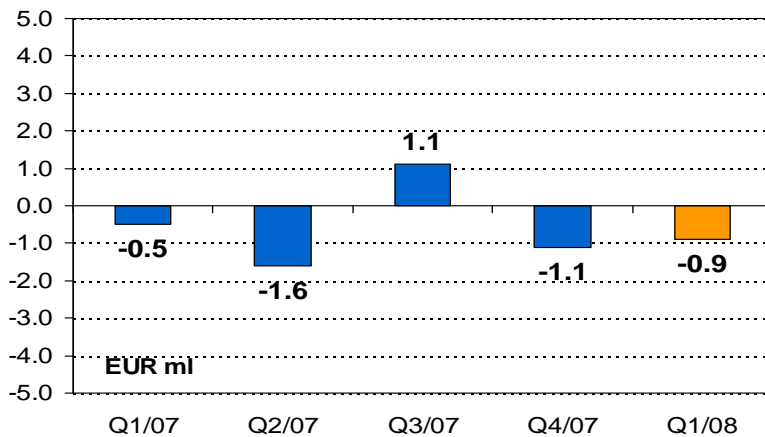
OTHER

Comparable EBITDA



- Results in line with expectations

EBIT



EUR ml	FY2006	FY2007
EBITDA	(1.1)	0.4
EBIT	(3.7)	(2.1)



Financial Overview



KEY INCOME STATEMENT FIGURES

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
EBITDA	145.3	265.7	180.8	168.3	760.1	151.4
Comparable EBITDA	147.1	191.5	130.6	118.1	587.5	148.1
Depreciation&amort.	40.0	39.8	40.8	130.7	251.3	38.1
EBIT	105.3	225.9	140.0	37.6	508.8	113.3
Comparable EBIT	107.1	151.6	89.7	75.2	423.7	110.0
Interest expenses	-5.1	-3.2	-2.3	-7.0	-17.7	-1.6
derivatives gains/losses	3.6	-11.8	-0.9	-2.9	-12.1	2.7
derivatives fair value	-22.0	+5.9	+4.8	-1.0	-12.3	1.4
Net Financial expenses	-23.5	-9.2	1.6	-10.9	-42.0	2.5
Equity interest	2.6	1.3	0.3	0.8	5.0	0.0
Profit before taxes	84.4	218.0	141.9	27.5	471.8	115.8
Taxes	-33.4	-82.0	-52.4	+18.7	149.0	-37.5
Net income	51.0	136.0	89.5	46.2	322.8	78.3
Adjustments	15.2	-51.6	-34.7	-2.0	-73.1	-2.9
Adjusted net income	66.2	84.4	54.8	44.2	249.6	75.4

Note: 2007 quarterly comparable figures have been restated after the resolution of the Energy Authority n°249/06 which modified the criteria for the evaluation of the “fuel component” of the electricity price generated by CIP6 plants



DETAIL OF NET INCOME ADJUSTMENTS

EUR million

	2007	Q1/08
(Inventories at LIFO- inv. at FIFO) net of taxes	-95.8	-2.2
Non recurring items net of taxes	15.4	0.0
Change of derivatives fair value net of taxes	7.3	-0.7
TOTAL adjustments	-73.1	-2.9



KEY CASHFLOW FIGURES

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
Initial net financial position	-285	-135	12	-136	-285	-27
CF FROM OPERATIONS	185	347	-93	172	610	162
of which working capital	78	54	-284	80	-72	20
CF FROM INVESTMENTS	-36	-57	-54	-63	-210	-59
in tangible&intangible assets	-36	-57	-54	-63	-210	-59
acquisitions	0	0	0	0	0	
CF FROM FINANCING	0	-143	0	0	-143	0
capital increase	0	0	0	0	0	0
dividends	0	-143	0	0	-143	0
TOTAL CASHFLOW	149	147	-148	109	258	104
Final net financial position	-135	12	-136	-27	-27	77

CAPEX BY SEGMENT

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
REFINING	30.1	50.5	42.7	53.9	177	38.2
MARKETING	0.3	0.8	4.7	4.8	11	9.3
POWER GENERATION	4.5	5.5	6.7	3.3	20	10.6
OTHER ACTIVITIES	0.6	0.6	0.1	0.7	2	0.4
TOTAL CAPEX	35.5	57.4	54.2	62.7	210	58.5



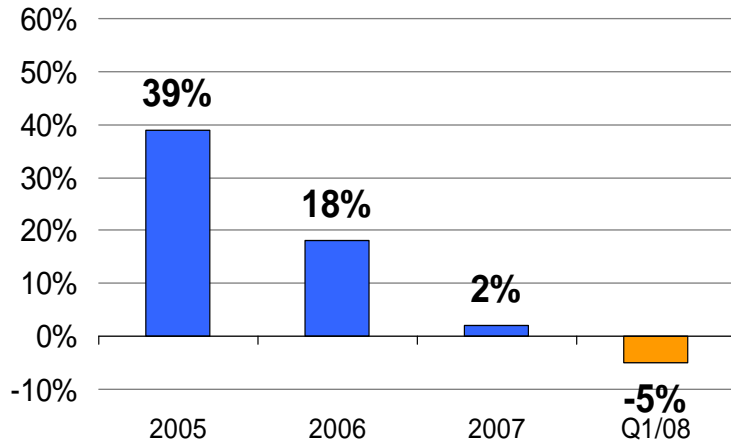
KEY BALANCE SHEET FIGURES AND NET FINANCIAL POSITION

EUR million		Q1/07	Q2/07	Q3/07	2007	Q1/08
Current assets		1,682	1,672	1,887	1,773	2,006
Cash and other cash equivalents	A	395	472	330	323	484
Other current assets		1,287	1,200	1,557	1,450	1,522
Non current assets		1,705	1,723	1,737	1,669	1,688
TOTAL ASSETS		3.386	3.396	3.624	3,442	3,693
Non interest bear liabilities		1,507	1,598	1,732	1,618	1,739
Interest bear liabilities	B	542	466	472	357	410
Equity		1,336	1,331	1,420	1,466	1,545
TOTAL LIABILITIES		3,386	3,396	3,624	3,442	3,693
Intercompany loans to unconsolidated subsidiaries	C	12.6	5.6	6.3	7.4	3.3
Net Financial Position		-135	12	-136	-27	77
	(A-B+C)					

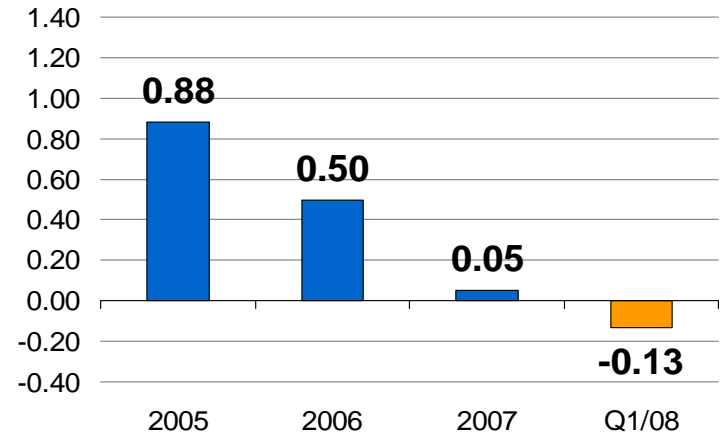


KEY RATIOS

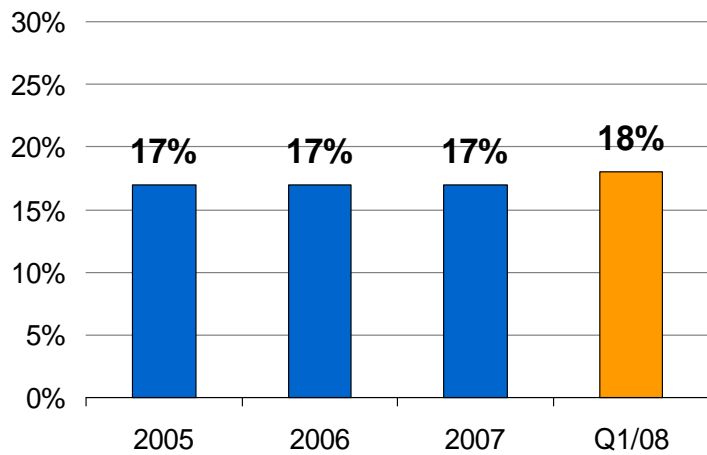
leverage¹, %



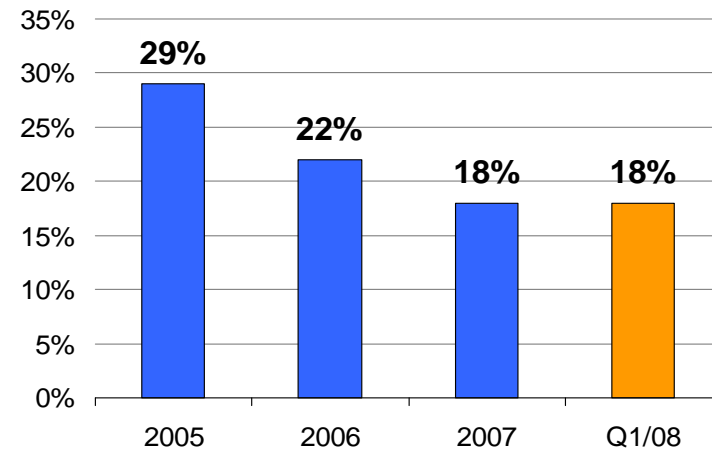
NFP/EBITDA



ROACE², %



ROAE², %



1. Leverage = $NFP / (NFP + Equity)$

2. after tax, quarterly figures are 1 year rolling

Outlook



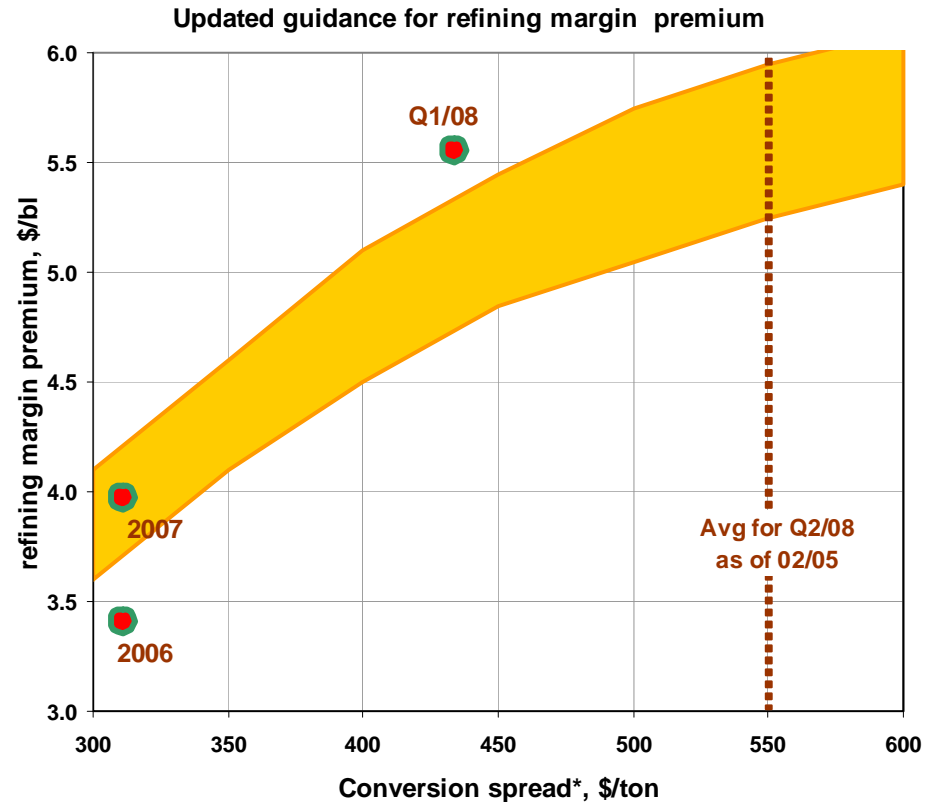
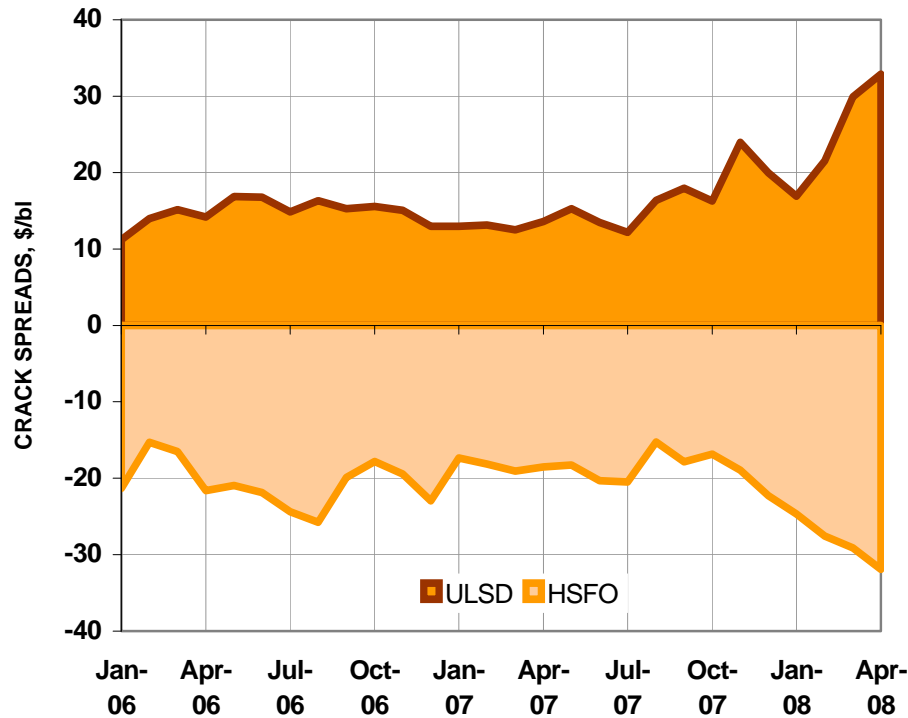
REFINING&POWER

MAJOR MAINTENANCE SCHEDULE

		Q1/08	Q2/08 expected	Q3/08 expected	Q4/08 expected	2008 expected
REFINERY						
PLANT		MHC2, Alky, Visbreaking				
Estimated runs	million tons million bbl	3.92 28.6	3.70 - 3.80 27.0-27.7	3.75-3.85 27.4-28.1	3.75-3.85 27.4-28.1	15.1-15.4 110-112
Additional loss on EBITDA due to lower conversion capacity	USD million	0 (previous guidance 15)	30 (previous guidance 15)			30 (unchanged)
IGCC						
PLANT		1 gasifier 1 turbine			1 gasifier 1 turbine	2 gasifiers 2 turbines
Estimated power production	Millions of MWh	1.121	1.05-1.15	1.10-1.20	1.05-1.10	4.30 - 4.55

UPDATED GUIDANCE FOR REFINING MARGINS

- The widening of the differential between middle distillates and fuel oil prices increases the competitive advantage of complex and diesel oriented refineries.
- The premium above the EMC benchmark is strongly linked to the diesel-fuel oil price differential, although for a complex system like Saras this is not the only factor.
- With the graph below we provide preliminary guidance on the refining premium considering possible future scenarios.



SHORT TERM OUTLOOK

REFINING

- The Q2 average for EMC benchmark is close to 5 \$/bl thanks to a persisting strong diesel crack spread
- Change of product specifications (gasoline and diesel from 50 to 10 ppm sulphur as of Jan-09) will provide further support to diesel market
- The impact on Q2 EBITDA deriving from the completed maintenance activities (which involved the mildhydrocracking, visbreaking and alkylation units) can be valued at 30M\$ as anticipated; no other major shutdown is expected in 2008.

POWER GENERATION

- IGCC has completed the Q1/Q2 routine slowdown, and the next one is confirmed for Q4. Electricity production expected in the range of 4.3-4.5 TWh for the full year.
- Power tariff benefiting from high crude oil prices



Strategy Overview



Buyback plan

- Saras' AGM approved on 29th April the buyback plan (up to 10% of outstanding shares in 18 months) that will start after the dividend payment (22nd May)
- The buyback plan will be financed mainly by the operating cashflow and will not have any impact on growth strategy. Shares eventually bought back and held in portfolio will not be entitled to receive dividends.

Growth strategy

- All opportunities for external growth will be carefully analysed, but evaluation criteria will continue to be very stringent:
 - ✓ strategic industrial fit
 - ✓ after tax IRR in the range 10-20% (lower end for marketing/logistics, upper end for refining assets)
- Organic growth: we will host in the second half of June a strategy update meeting where we will provide the plan for 2009-2011 and an outline for 2012+
- Development in related sectors
 - ✓ WIND: pipeline of projects in the permitting phase
 - ✓ GAS EXPLORATION: on-shore seismic tests completed and data in the processing phase; off-shore tests will commence shortly



Additional Information



REFINING

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
EBITDA	88.5	197.2	105.3	120.5	511.5	91.4
Comparable EBITDA	95.7	140.8	73.7	61.4	371.6	94.4
EBIT	70.7	179.6	86.7	100.4	437.4	73.8
Comparable EBIT	77.9	123.2	55.1	41.3	297.5	76.8
CAPEX	30	51	43	54	177	38
REFINERY RUNS						
Thousand tons	3,809	3,415	3,839	3,530	14,593	3,920
Million barrels	27.8	24.9	28.0	25.8	106.5	28.6
Barrels/day	309	274	305	280	292	314
Of which for third parties	36%	40%	32%	43%	38%	31%
EMC benchmark	3.0	5.4	2.5	2.4	3.3	2.0
Saras refining margin	6.7	9.9	5.9	7.0	7.3	7.6



POWER GENERATION

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
Comparable EBITDA	45.8	44.5	44.8	47.0	182.1	47.7
Comparable EBIT	25.5	24.0	24.5	26.2	100.2	28.9
Comp.EBITDA IT GAAP	85.4	44.3	70.0	58.5	258.2	70.5
Comp.EBIT IT GAAP	72.2	30.9	56.6	44.7	204.4	57.0
Adj NET INCOME IT GAAP	43.1	16.0	26.8	34.8	120.7	37.4
CAPEX	4	6	7	3	20	9
ELECTRICITY PRODUCTION <small>Mwh/1000</small>	1,215	934	1,169	1,095	4,414	1,121
POWER TARIFF <small>€cent/Kwh</small>	11.61	11.91	12.34	13.64	12.34	13.42
POWER IGCC MARGIN <small>\$/bl</small>	3.3	4.0	3.3	4.2	3.7	3.9



MARKETING

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
EBITDA	3.0	17.3	20.6	14.5	55.4	12.7
Comparable EBITDA	5.5	7.2	10.4	10.1	33.2	6.4
EBIT	1.7	16.1	19.3	13.2	50.3	11.5
Comparable EBIT	4.2	6.0	9.1	8.8	28.1	5.2
CAPEX	0	1	5	5	11	11
SALES (THOUSAND TONS)						
ITALY	255	268	261	318	1,102	286
SPAIN	680	652	733	740	2,804	746
TOTAL	934	920	994	1,057	3,906	1,032



WIND

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
EBITDA	9.4	5.9	5.0	5.4	25.6	4.1
EBIT	7.1	3.6	3.1	2.0	15.8	1.9
NET INCOME	3.8	2.0	0.2	1.0	7.0	0.0
Adjusted NET INCOME	3.4	1.4	0.4	1.0	6.2	0.4
ELECTRICITY PRODUCTION						
PRODUCTION <small>Mwh</small>	54,910	31,789	29,885	51,631	168,185	49,773
POWER TARIFF <small>€cent/Kwh</small>	7.6	9.9	8.4	8.2	8.6	8.5
GREEN CERTIFICATES <small>€cent/Kwh</small>	9.7	9.7	9.7	9.7	9.7	8.0

OTHER

EUR million	Q1/07	Q2/07	Q3/07	Q4/07	2007	Q1/08
EBITDA comparable	0.1	-1.0	1.7	-0.4	0.4	-0.4
EBIT comparable	-0.5	-1.6	1.1	-1.1	-2.1	-0.9
CAPEX	0	1	0	1	2	0