Saras Group Quarterly Report as of 31 March 2009

“This is a translated version of the first quarter 2009 report of the Saras Group especially intended for an international audience. Those who wish to receive the original report in Italian should address their request in writing or refer to the company website”

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Statutory Bodies

BOARD OF DIRECTORS

GIAN MARCO MORATTI	Chairman
MASSIMO MORATTI	Chief Executive Officer
ANGELO MORATTI	Vice Chairman
GILBERTO CALLERA	Independent Director
GIANCARLO CERUTTI	Independent Director
MARIO GRECO	Independent Director
ANGELOMARIO MORATTI	Director
GABRIELE PREVIATI	Director
DARIO SCAFFARDI	Director and General Manager

BOARD OF STATUTORY AUDITORS

FERDINANDO SUPERTI FURGA	Chairman
GIOVANNI LUIGI CAMERA	Permanent Auditor
MICHELE DI MARTINO	Permanent Auditor
LUIGI BORRE’	Stand-in Auditor
MARCO VISENTIN	Stand-in Auditor

Executive Manager Responsible for all Financial Reporting

CORRADO COSTANZO

INDEPENDENT AUDITING FIRM

PRICEWATERHOUSECOOPERS S.p.A.

Group Activities

The Saras Group operates in the energy sector and is one of the leading European independent crude oil refiners. The Sarroch refinery, situated on the South-Western coast of Sardinia, is one of the biggest in the Mediterranean area in terms of production capacity and one of the six most complex supersites in Western Europe (source: Wood Mackenzie, February 2007).

Occupying a strategic geographical location in the Mediterranean, the Saras refinery is also a model of efficiency and environmental sustainability, thanks to the wealth of know-how, technology and human resources that Saras has created in more than 40 years of business. With a production capacity of 15 million tons per year (300,000 barrels per day), the refinery accounts for about 15% of Italy's total refining capacity.
Both directly and through our subsidiaries Arcola Petrolifera S.p.A. (Italy) and Saras Energia S.A. (Spain), the Group sells and distributes oil products such as diesel, gasoline, heating oil, liquefied petroleum gas (LPG), virgin naphtha and aviation fuel, on the Italian, European (principally Spain), and international markets.

In particular, approximately 8% of our sales of oil products take place in Italy, through our subsidiary Arcola, which operates exclusively in the wholesale market. An additional 18% of our sale volumes are towards the Spanish market, with our subsidiary Saras Energia, which operates both on the wholesale market, and also in the retail business through 40 service stations fully owned, and other 12 stations on a long term lease, mainly located along the Spanish Mediterranean coast. To this retail network, during 2009 Saras will add further 81 service stations, for which in October 2008 was signed a purchase agreement, with closing expected within the first half of 2009. Moreover, under the marketing division, the Group will add to its activities also a biodiesel plant, inaugurated towards the end of 2008 and expected to reach full scale production within the first half of 2009. This plant will generate important synergies, thanks to its location in Cartagena, near the existing oil tank farm already owned and operated by Saras.

Additionally, during the past 10 years, the Group expanded from oil refining and marketing, also into other areas of business, with activities primarily focused on the energy sector. More specifically, our subsidiary Sarlux S.r.l. specialises in the generation of electricity through its IGCC (Integrated Gasification Combined Cycle) plant. The IGCC uses as feedstock the refinery heavy products, and it produces over 4 billion KWh of electricity each year, providing over 30% of the Sardinia region electricity requirements. Furthermore, always in the island of Sardinia, the Group is also involved in the production of power from renewable sources (wind energy) through the wind farm in Ulassai, fully owned by our subsidiary PEU – Parchi Eolici Ulassai S.r.l..

Finally, the Saras Group operates in the Information Technology sector through its subsidiary Akhela S.r.l., and provides industrial engineering and scientific research services to the oil, energy and environment industry via its subsidiary Sartec S.p.A..

Structure of the Saras Group

Below is the complete structure of the Saras Group and the various segments of business, with the main companies for each segment.

Structure of the Saras Group

Saras S.p.A.

100% Saras Ricerche e Tecnologie S.p.A.	5% Consorzio CESMA	8.7% Consorzio Techno Mobility	37.5% Dinergy S.r.l.	
100 % Arcola Petrolifera S.p.A.	0.1% Reasar S.A. Luxembourg	0.01% Sarint S.A. Luxembourg	5% Consorzio La Spezia Energia	
99.99 % Sarint S.A. Luxembourg	100% Saras Energia S.A. Madrid	99.9% Reasar S.A. Luxembourg		
100% Akhela S.r.l.	8.7% Consorzio Techno Mobility	0.5% Centro di Competenza I.C.T.		
100 % Ensar S.r.l.	100% Eolica Italiana S.r.l.	100% Nova Eolica S.r.l.	90% Labor Eolica S.r.l. (10% Eolica Italiana S.r.l.)	10% Alpha Eolica S.r.l. (90% Labor Eolica S.r.l.)
100% Parchi Eolici Ulassai S.r.l.	100% Sardeolica S.r.l.			
100 % Sarlux S.r.l.				
5.95 % Sarda Factoring S.p.A.				

Business segments

Refining
Saras S.p.A.

Marketing
Saras Energia S.A.
Arcola Petrolifera S.p.A.

Power Generation
Sarlux S.r.l.

Wind Power
Parchi Eolici Ulassai S.r.l.
Sardeolica S.r.l.

Other
Akhela S.r.l.
Sartec S.p.A.

Stock performance

Below are some data concerning prices and daily volumes relating to the Saras share between 02/01/2009 and 31/03/2009.

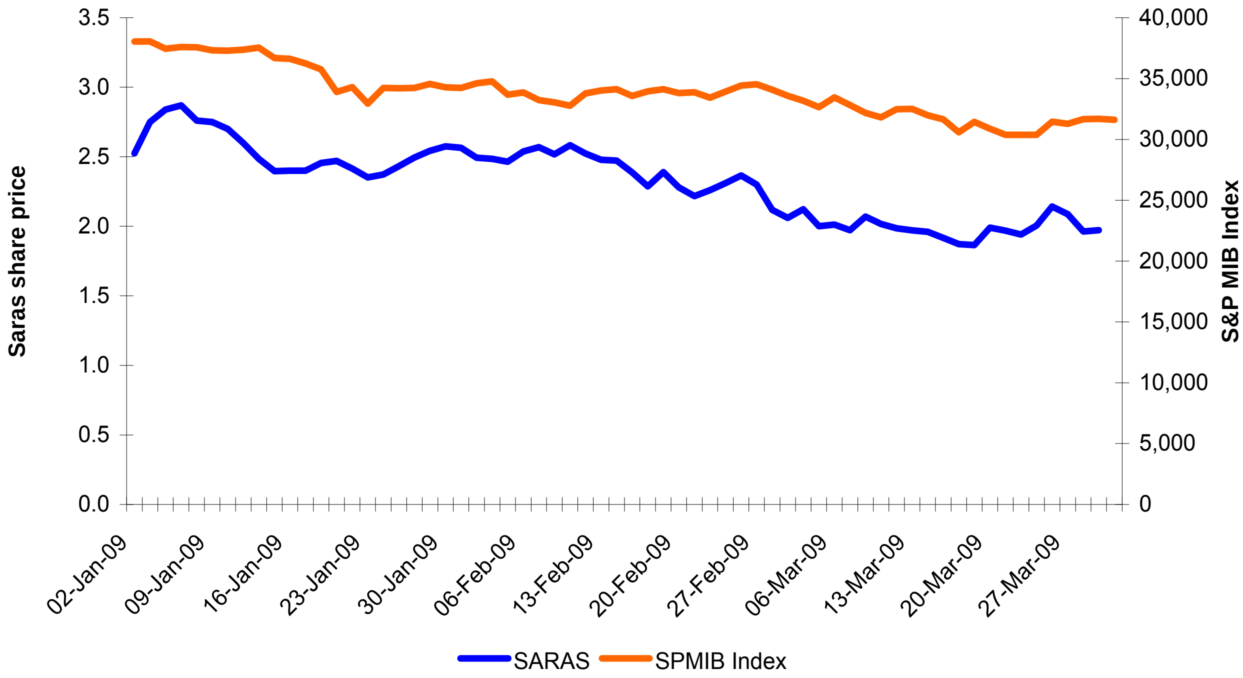
SHARE PRICE (EUR)	Q1/09
Minimum price (20/03/2009) *	1,843
Maximum price (06/01/2009) *	2,928
Average price	2,319
Closing price at the end of the period	1,972

* intended as minimum and maximum price during the day's trading, therefore not coincident with the official reference prices on the same date

DAILY TRADED VOLUMES (EUR Million)	Q1/09
Maximum volume (20/03/2009)	6.8
Minimum volume (12/02/2009)	1.1
Average volume	3.0

Market capitalization at 31st March 2009 amounts to about EUR 1,875 million, and outstanding shares as of 31st March 2009 were 927.5 million, versus 949.9 million at the end of March 2008.

The graph reported below shows the daily performance of the Saras share compared to the S&P MIB index of the Milan Stock Exchange.



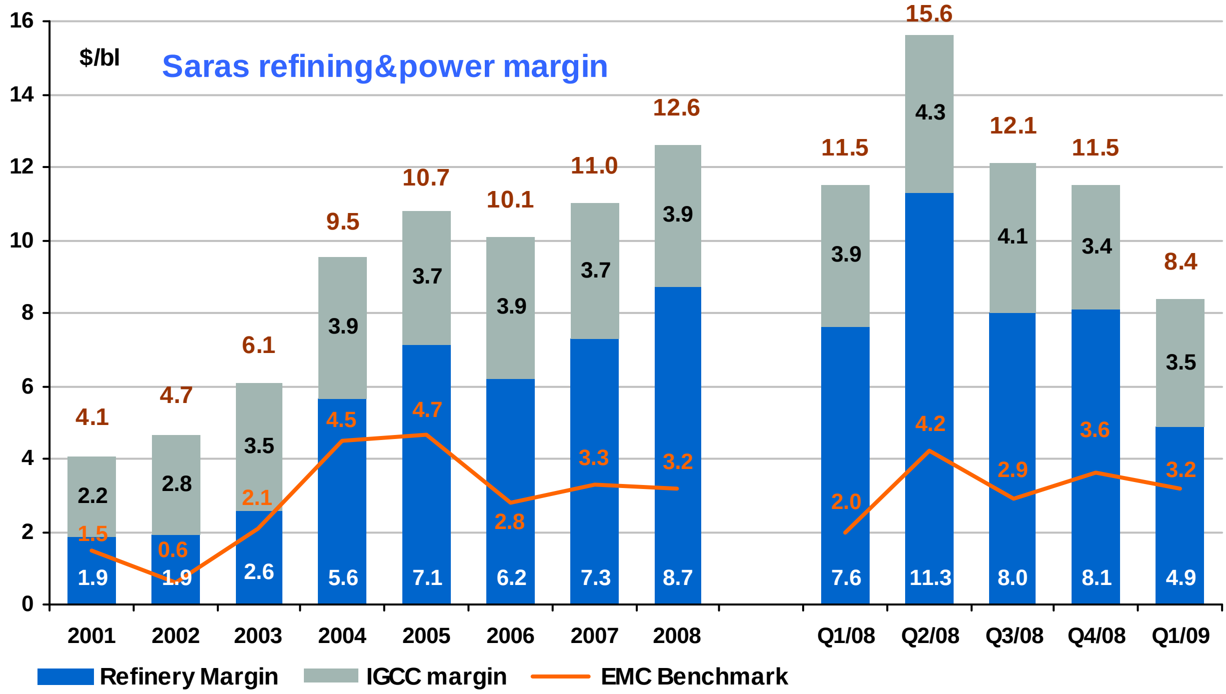
REPORT ON OPERATIONS

Comments on Group results[1]

In order to give a better representation of the Group's operating performance, and in line with the standard practice in the oil industry, operating results (like EBITDA and EBIT) and Net Income are reported also with inventories evaluated at LIFO (and not only at FIFO as requested by IFRS accounting principles) because this method does not include revaluations and write downs and it combines the most recent costs with the most recent revenues, thus providing a clearer picture of current profitability. Furthermore, for the same reason, non recurring items are deducted both from the operating results and from Net Income. Comparable and adjusted figures are not subject to audit.

First Quarter 2009 highlights

- **Group *comparable*[2] EBITDA at EUR 91.1 million** (-38% vs. Q1/08)
- **Group *adjusted*[3] Net Income at EUR 25.3 million** (-66% vs. Q1/08)
- **Saras Refining margin at 4.9 $/bl**
  - Premium above EMC benchmark at 1.7 $7bl
- **Net financial position: improved to EUR -223 million,** up by EUR 110 million vs. a negative of EUR 333 million at the end of 2008



Refinery margins: (*comparable* Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period
IGCC margin: (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period
EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

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[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Corrado Costanzo, executive manager** responsible for the preparation of the company's financial reporting, states that the financial information set out in this press release corresponds to the company's documents, books and accounting records.

[2] ***Comparable* EBITDA:** calculated evaluating inventories based on LIFO methodology (which does not include revaluations and write downs), and adjusting for non recurring items and change of the derivatives fair value.

[3] ***Adjusted* Net Income:** Net income adjusted for the difference between LIFO and FIFO inventories after taxes, non recurring items after taxes and change in the derivatives fair value after taxes. *Comparable* and *Adjusted* figures are un-audited.

Key Consolidated Economic and Financial Figures

Below are key consolidated economic and financial figures, shown in comparison with the data related to the same period last year. *Comparable* and *Adjusted* figures are un-audited.

Saras Group income statement figures:

EUR Million	Q1/09	Q1/08	var %	Q4/08
REVENUES	1,228	2,054	-40%	1,719
EBITDA	144.6	151.4	-4%	(275.0)
Comparable EBITDA	**91.1**	**148.1**	**-38%**	**168.9**
EBIT	100.0	113.3	-12%	(322.1)
Comparable EBIT	**46.5**	**110.0**	**-58%**	**121.8**
NET INCOME	58.2	78.3	-26%	(248.3)
***Adjusted* NET INCOME**	**25.3**	**75.4**	**-66%**	**95.1**

Other Group figures:

EUR Million	Q1/09	Q1/08	Q4/08
NET FINANCIAL POSITION	**(223)**	**77**	**(333)**
CAPEX	**61**	**59**	**81**
OPERATING CASH FLOW	**170**	**163**	**(4)**

Comments to first quarter results

During the first quarter of 2009, the economic downturn led to a reduction in oil products demand, and a consequent deterioration of refining margins. In this context, Saras carried out planned maintenance cycles both in the refinery and in the IGCC plant, with unavoidable impacts on our results. Marketing performance was also disappointing, due to a reduction in sale volumes and margins. On the contrary, the Wind segment posted a very strong set of results, due to favourable weather conditions, and healthy valorisation of the green certificates.

Group Revenues were EUR 1,228 million, down 40% compared to last year, in the light of much lower oil product prices.

Group *comparable* EBITDA amounted to EUR 91.1 million, down 38% versus same period last year due to the unfavourable economic scenario, the lower demand for oil products which reduced the margins of the Marketing segment, and the previously mentioned maintenance cycles which affected the results of the Refining and Power Generation segments. Only the Wind segment enjoyed a good performance, thanks to favourable wind conditions.

***Adjusted* Net Income was EUR 25.3 million**, down 66% vs. first quarter of last year. In addition to a lower *comparable* EBITDA, for the reasons previously described, the decline compared to Q1/08 figures can be explained mainly with the difference in net financial expenses (positive for EUR 2.5 million in Q1/08 and negative for EUR 3.4 million in Q1/09, as a clear consequence of the differences in net financial positions during the two periods).

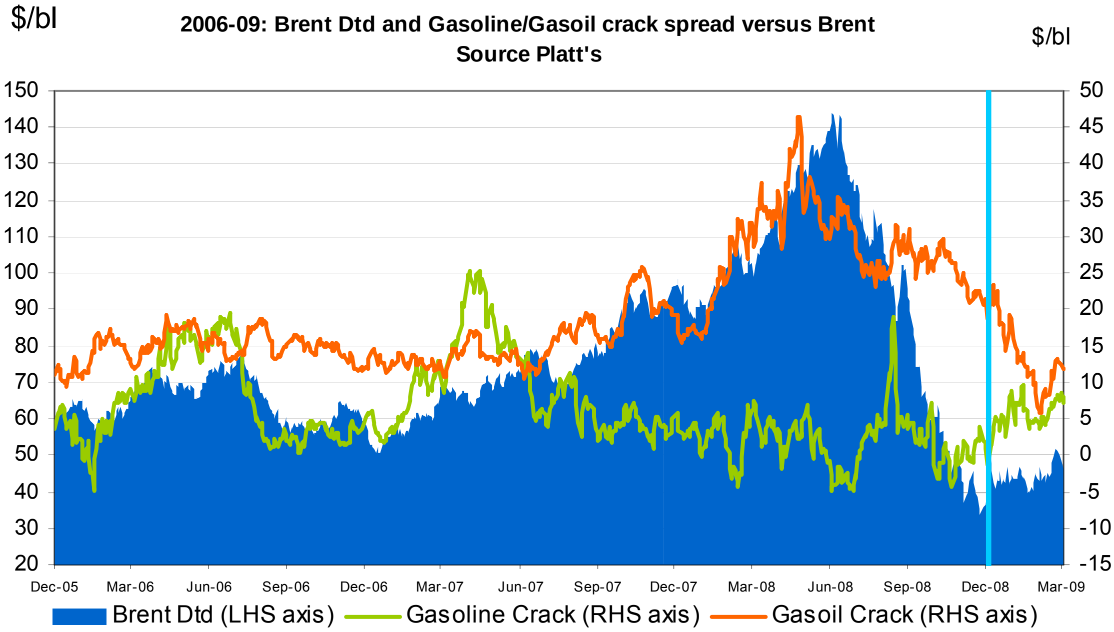
Group *reported* EBITDA in Q1/09 was EUR 144.6 million, down 4%, and **Group *reported* Net income stood at EUR 58.2 million** down 26%, when compared to the same period of 2008.

CAPEX amounted to EUR 60.5 million in the period, in line with the investment program for 2009.

Net Financial Position improved to EUR -223 million, up by EUR 110 million from the negative of EUR 333 million at the end of 2008, in the light of a strong operating cashflow.

The Oil Market

The graph here below shows the course of the price of Dated Brent crude oil and the crack spread values for ULSD and Unleaded Gasoline.

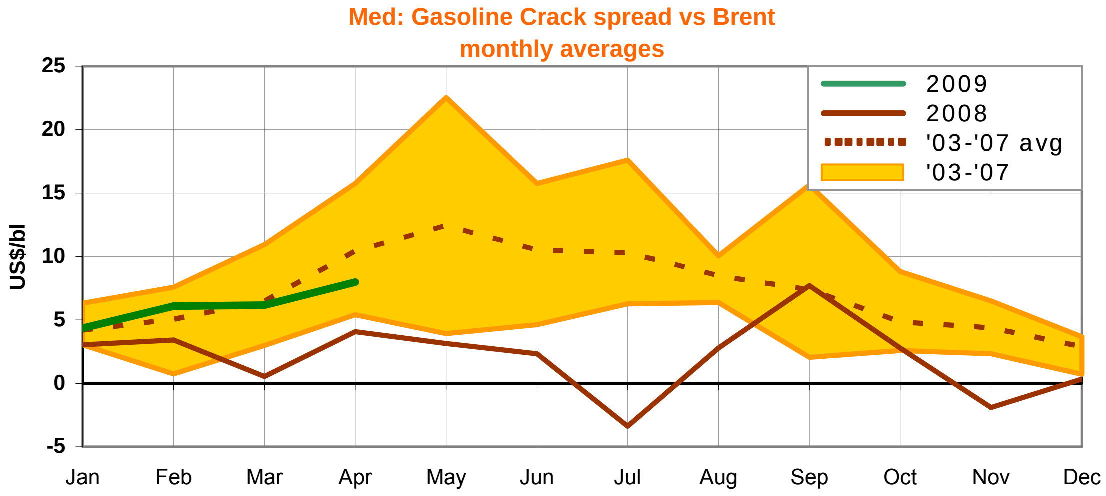


As it can be observed, Brent crude oil prices collapsed in the second half of 2008, but subsequently stabilised within a range of 40 to 50 $/bl, where they remained for the entire duration of the first quarter of 2009, and where they still are at the date of publishing this note. More specifically, Dated Brent price averaged 44.5 $/bl in Q1/09.

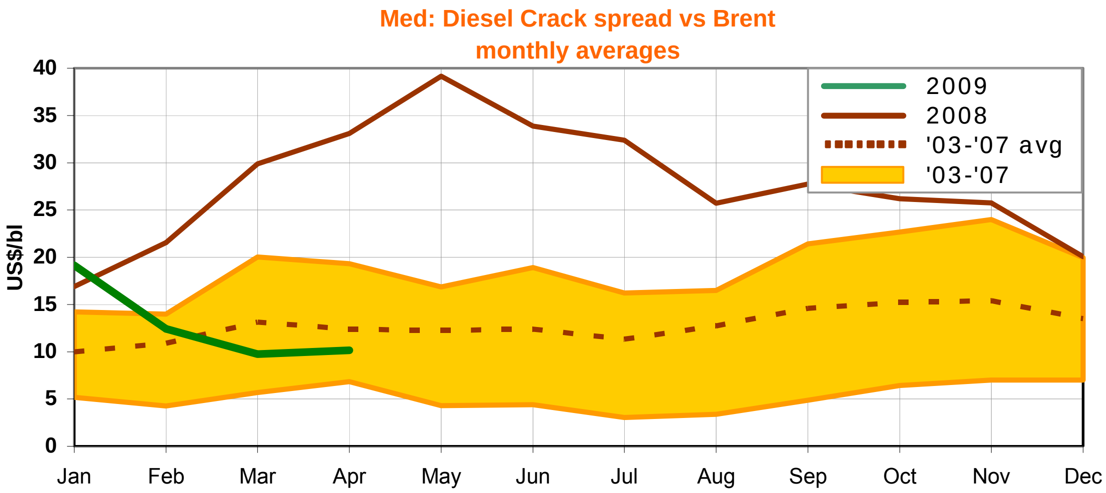
The achievement of this stable range is mainly due to the actions undertaken by OPEC countries, with their decision to cut production. Indeed, reducing output by more than 4 million barrels per day since September 2008, OPEC successfully managed to realign crude oil supply with the significantly lower levels of oil products demand, which are the consequence of the severe global economic recession.

For obvious economic reasons, OPEC production cuts affected mainly heavier grades, hence leading to a contraction in the differential between heavy and light crude oils, and contextually providing support also to fuel oil prices.

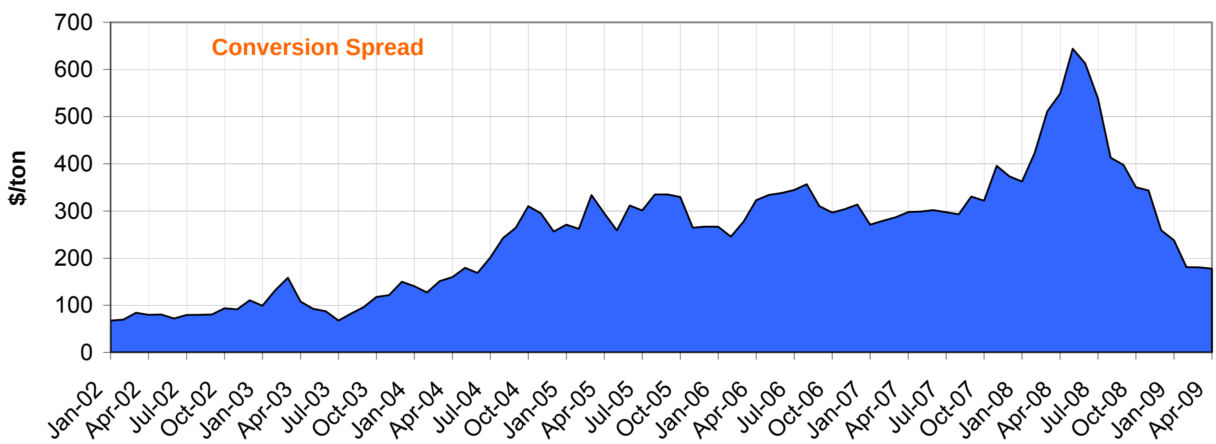
Moving on the product front, heavy maintenance cycles of several US refineries during Q1/09 created temporary tightness in the Atlantic gasoline market, offsetting weakness in demand caused by the economic recession. Arbitrage cargoes were attracted towards the US coasts from Asia and also from Europe, thus supporting the Med Gasoline crack, which stayed in line with the average of the 5-year historical range.



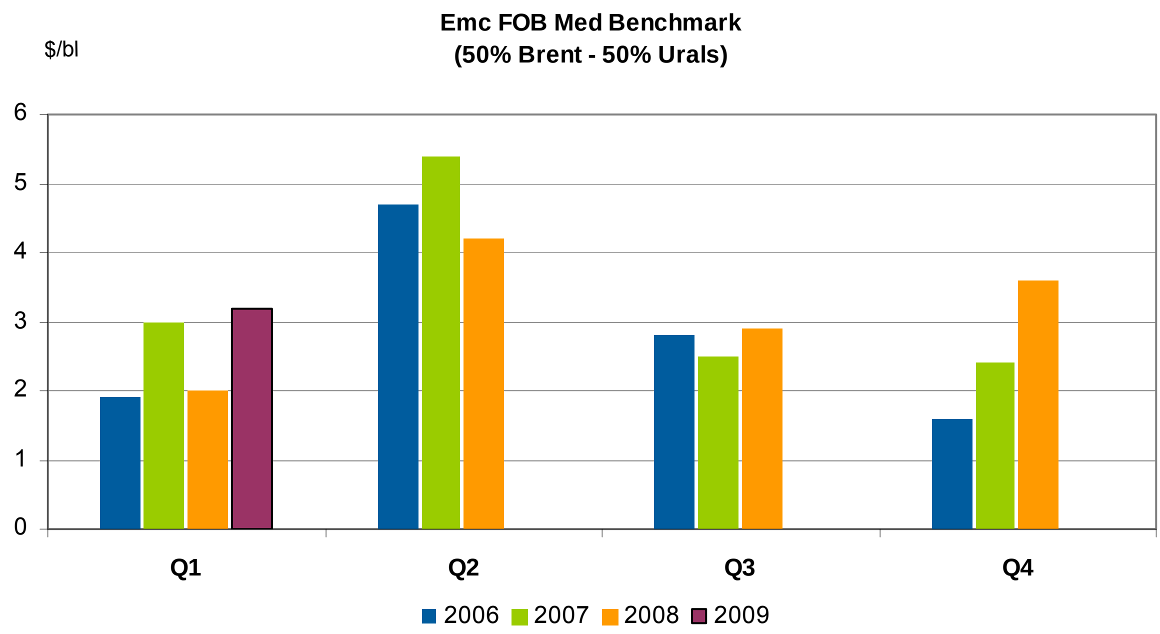
Diesel cracks on the other hand, were more vulnerable to the effects of the global downturn, and the consequent contraction in middle distillates' demand proved particularly severe in Europe.



The weakness in middle distillates, coupled with the above mentioned strength in Fuel oil, led to a substantial reduction in the conversion spread (the differential between ULSD and the average of High and Low sulphur fuel oil), which averaged at 200 $/ton, versus the average of 455 $/ton in Q1/08.



The graph below shows the margin calculated by EMC (Energy Market Consultants) used by Saras as a benchmark. The average of Q1/09 has been 3.2 $/bl (higher than the 2.0 $/bl of same quarter last year). However, while last year was characterised by a strong diesel crack and a weak gasoline and fuel oil, this year the relative strength in the EMC margin can be mainly explained by the resilient behaviour of gasoline, which benefited by a more stable demand, thanks to lower consumer prices, and maintenance at several refineries.



Segment Review

Below is the main information relating to the various business segments within the Saras Group.

Refining

EUR Million	Q1/09	Q1/08	var %	Q4/08
EBITDA	89.3	91.4	-2%	(238.9)
Comparable EBITDA	**39.4**	**94.4**	**-58%**	**109.0**
EBIT	68.2	73.8	-8%	(261.9)
Comparable EBIT	**18.3**	**76.8**	**-76%**	**86.0**
CAPEX	**52.6**	**38.2**	**38%**	**57.6**

Comments to first quarter results

During the first quarter of 2009, the economic recession brought to a further reduction in oil products demand. In particular, in the European market, diesel suffered the largest drop in demand, due to its tighter link to the economic cycle. Diesel crack dropped from an average value of 25.6 $/bl in Q4/08, to an average of 13.7 $/bl in Q1/09. On the other hand, heating oil was relatively resilient because of much colder weather this winter versus same period last year.

Moving to light distillates, gasoline staged a good recovery during Q1/09 from its very weak performance in 2008, realigning its crack value to historical averages (5.5 $/bl average for Q1/09, versus 2.4 $/bl in Q1/08 and 0.9 $/bl in Q4/08). Gasoline strength can be mainly attributed to lower consumer prices and an important contraction in supply, due to maintenance at several refineries both in the United States and in Europe.

Looking then at the heavy part of the barrel, fuel oil showed remarkable strength in Q1/09, mainly because of a reduction in availability of heavy crude oils, whose production has been cut by OPEC, in an attempt to put a floor under falling oil prices. High sulphur fuel oil crack stood at an average of -8.8 $/bl in Q1/09, versus an average of -16.9 $/bl in Q4/08, and -27.1 $/bl in Q1/08.

With the above market scenario, our reference **EMC refining margin stood at a healthy 3.2 $/bl**, versus 2.0 $/bl in Q1/09. However, **Saras premium above the EMC margin contracted to 1.7 $/bl** (versus 5.6 $/bl in Q1/08), due to a remarkable reduction in the price differential between diesel and fuel oil – the so called "conversion spread", which averaged at 200 $/ton in Q1/09, versus 431 $/ton in Q1/08.

Refinery runs were 3.72 million tons (27.2 million barrels, corresponding to 302 thousand barrels per day), down 5% vs. Q1/08, notwithstanding the planned turnaround activities for one Mildhydrocracker and for the Visbreaking unit, as per original maintenance schedule. The crude mix was slightly lighter than first quarter last year (with an average density of 33°API in Q109 vs. 32.8°API in Q108), and the processing on behalf of third parties was 28% of total runs, marginally down when compared with the 30% of Q1/08.

***Comparable* EBITDA of the refining segment was EUR 39.4 million** down 58% versus EUR 94.4 million in Q1/08, driven by the lower conversion spread, and the losses on EBITDA for approximately USD 25 million, caused by the above mentioned maintenance activities on the MHC2 and the Visbreaking Unit. A further penalisation for approximately USD 10 million came from the scheduled maintenance of one Gasifier and one turbine of the IGCC plant, which forced to sell on the market at discounted prices, the TAR which would otherwise be used as feedstock. Only partial compensation came from the stronger USD versus the EUR, with an exchange rate averaging at 1.30 during Q1/09 vs. 1.50 during Q1/08.

Refining **CAPEX in Q109 was EUR 52.6 million** vs. EUR 38.2 million in Q1/08, in line with investment plan for the year.

Margins and refinery runs

		Q1/09	Q1/08	var %	Q4/08
REFINERY RUNS	thousand tons	3,723	3,920	-5%	3,933
	Million bl	27.2	28.6	-5%	28.7
	thousand bl/day	302	314	-4%	312
of which:					
Processing for own account	thousand tons	2,688	2,729	-2%	2,532
Processing on behalf of third parties	thousand tons	1,035	1,191	-13%	1,401
EXCHANGE RATE	EUR/USD	1.303	1.500	-13%	1.318
EMC BENCHMARK MARGIN	$/bl	3.2	2.0	60%	3.6
SARAS REFINERY MARGIN	$/bl	4.9	7.6	-36%	8.1

Production

		Q1/09	2008	2007
LPG	thousand tons	70	337	306
	yield	1.9%	2.2%	2.1%
NAPHTHA + GASOLINE	thousand tons	1,007	4,056	4,039
	yield	27.1%	26.1%	27.7%
MIDDLE DISTILLATES	thousand tons	1,911	8,275	7,541
	yield	51.3%	53.3%	51.7%
FUEL OIL & OTHERS	thousand tons	292	825	707
	yield	7.9%	5.3%	4.8%
TAR	thousand tons	225	1,121	1,120
	yield	6.0%	7.2%	7.7%

Balance to 100% is “Consumption & Losses”

Crude Oil slate

		Q1/09	2008	2007
Light extra sweet		59%	51%	45%
Light sweet		0%	0%	2%
Medium sweet		0%	0%	0%
Light sour		0%	0%	0%
Medium sour		14%	22%	26%
Heavy Sour		28%	27%	27%
Average crude gravity	°API	33.0	32.7	32.9

Marketing

Below are the financial highlights of the Marketing segment, which is primarily focused on the wholesale business, through our subsidiaries Arcola Petrolifera S.p.A. in Italy and Saras Energia S.A. in Spain.

EUR Million	Q1/09	Q1/08	var %	Q4/08
EBITDA	2.8	12.7	-78%	(91.0)
Comparable EBITDA	**(0.8)**	**6.4**	**-113%**	**7.6**
EBIT	1.5	11.5	-87%	(92.5)
***Comparable* EBIT**	**(2.1)**	**5.2**	**-140%**	**6.1**
CAPEX	**4.2**	**10.6**		**14.9**

Sales

		Q1/09	Q1/08	var %	Q4/08
TOTAL SALES	thousand tons	1,013	1,032	-2%	1,045
of which Italy	thousand tons	308	286	8%	324
of which Spain	thousand tons	705	746	-5%	721

Comments to first quarter results

In the first quarter of 2009, the Marketing segment suffered from the global economic crisis and its negative impact on oil products demand.

In particular, in the Spanish market, sales shrank by 7% for gasoline and by 7.5% for gasoil (with a split of -10.3% for diesel, and +0.5% for heating oil and agricultural gasoil). Accordingly, **Saras Energia had a 5% contraction in sale volumes** versus same quarter last year, and also a contraction in margins.

Similarly, in the Italian market, sales for gasoline decreased by 6.5%, and gasoil consumption contracted by 4.5% (with a split of -12.4% for diesel, +11% for agricultural gasoil and +3.5% for heating oil) versus same period last year. Notwithstanding the difficult market, **Arcola increased its sale volumes by 8%,** partially compensating the negative performance of the Spanish subsidiary.

EBITDA *comparable* was negative at EUR -0.8 million, significantly down compared to the same period last year. Together with the above mentioned contraction in sales and margins, the reduction at the EBITDA level was also related to losses for approx. EUR 2 million on sales from biodiesel production resulting from initial test runs.

CAPEX were EUR 4.2 million.

Power Generation

Below are the main financial data of the Power Generation segment related to operations by Sarlux S.r.l..

EUR Milion	Q1/09	Q1/08	var %	Q4/08
EBITDA	43.8	47.7	-8%	49.4
***Comparable* EBITDA**	**43.8**	**47.7**	**-8%**	**49.4**
EBIT	24.6	28.9	-15%	29.8
***Comparable* EBIT**	**24.6**	**28.9**	**-15%**	**29.8**
EBITDA ITALIAN GAAP	**57.9**	**70.5**	**-18%**	**66.9**
EBIT ITALIAN GAAP	**43.9**	**57.0**	**-23%**	**52.5**
NET INCOME ITALIAN GAAP	**26.1**	**37.4**	**-30%**	**32.2**
CAPEX	**2.7**	**9.3**		**8.5**

Other figures

		Q1/09	Q1/08	var %	Q4/08
ELECTRICITY PRODUCTION	MWh/1000	897	1,121	-20%	948
POWER TARIFF	**Eurocent/KWh**	**14.1**	**13.4**	**5%**	**14.2**
POWER IGCC MARGIN	$/bl	3.5	3.9	-10%	3.4

Comments to first quarter results

Results of the Power generation segment were in line with expectations during Q1/09. In particular, **Power production was 0.897 TWh,** down 20% when compared to Q1/8, because of the scheduled maintenance activities of one Gasifier and one production train, which proved slightly heavier than originally planned.

Italian GAAP EBITDA was EUR 57.9 million, down 18% versus first quarter 2008, due to the above mentioned lower production, which was only partially offset from an increase in the **total power tariff, which stood at 14.1 EURcent/kWh in Q1/09**, up 5% versus Q1/08 (with the fuel component at 7.3 EURcent/kWh, still benefiting from the 9-months delay formula, which links its calculation to oil prices).

***Comparable* EBITDA was EUR 43.8 million**, down 8% vs. same period last year, due to lower sales of Hydrogen and Steam (down by EUR 3.6 million), whose revenues are not subject to the IFRS linearization procedure. More specifically, the lower sales are related both to lower requirements from the refinery, as well as to a reduced production linked to the IGCC maintenance cycle.

CAPEX were EUR 2.7 million, as per original plan.

Wind

Following the acquisition by Saras S.p.A. of the minority stake owned by Babcock & Brown Wind Energy, Parchi Eolici Ulassai S.r.l. (PEU) has been fully consolidated starting from 30th June 2008. For a better understanding of the results, the following tables show the financial highlights of the Wind segment at 100%.

EUR million	Q1/09	Q1/08	var %	Q4/08
EBITDA	8.3	4.4	87%	3.4
***Comparable* EBITDA**	**8.3**	**4.4**	**87%**	**3.4**
EBIT	5.9	2.1	175%	0.9
***Comparable* EBIT**	**5.9**	**2.1**	**175%**	**0.9**

Other figures

		Q1/09	Q1/08	var %	Q4/08
ELECTRICITY PRODUCTION	MWh	58,556	49,773	18%	36,381
POWER TARIFF	EURcent/KWh	7.8	8.5	-8%	8.5
GREEN CERTIFICATES	EURcent/KWh	8.4	8.0	5%	8.8

Comments to first quarter results

In the first quarter of 2009 the performance of the Ulassai wind farm was very good, with **electricity production of 58,556 MWh**, up 18% vs. same period last year, due to favourable wind conditions.

***Comparable* EBITDA stood at EUR 8.3 million,** up 87% vs. Q1/08, due to the above mentioned higher sales of electricity, which more than offset the small decrease in the **total Power Tariff which, at 162 EUR/MWh,** was down 2% vs. Q1/08 (with Green Certificates at EUR 84/MWh, up 5%). Finally, it should be noted that first quarter results in 2008, were negatively affected by a charge of EUR 2.7 million, due to losses on Green Certificates (both realised and "marked to market").

Other

The following table shows the financial highlights of the segment related to operations by Sartec S.p.A. and Akhela S.r.l..

EUR Million	Q1/09	Q1/08	var %	Q4/08
EBITDA	0.4	-0.4	200%	2.1
***Comparable* EBITDA**	**0.4**	**(0.4)**	**200%**	**(0.5)**
EBIT	(0.2)	-0.9	78%	1.6
***Comparable* EBIT**	**(0.2)**	**(0.9)**	**78%**	**(1.0)**

Comments to first quarter results

Results in line with expectations. In Q109, ***Comparable* EBITDA was positive for EUR 0.4 million**, confirming achievement of the break even position.

Net Financial Position

The net financial position of the Group is represented as follows:

EUR Million	31-Mar-09	31-Dec-08
Medium/long term bank loans	(176)	(174)
total long term net financial position	**(176)**	**(174)**
Short term bank loans	(81)	(81)
Bank overdrafts	(96)	(163)
Loans from unconsolidated subsidiaries		
Loans made to unconsolidated subsidiaries		
Other marketable financial assets	25	20
Cash and cash equivalents	104	65
total short term net financial position	**(47)**	**(158)**
Total net financial position	**(223)**	**(333)**

Net Financial Position improved by EUR 110 million, from a negative of EUR 333 million at the end of 2008, to a negative of EUR 223 million, at the end of the first quarter 2009, thanks to healthy cashflow from operations.

Strategy and Investments

The economic recession has severely impacted demand for petroleum products, and the current scenario has worsened significantly in comparison to the original assumptions behind our 2008 ÷ 2011 Investment Plan, which we presented in London on the 24th June 2008.

Nevertheless, our strategy remains confirmed and focused on increasing the conversion capacity, achieving higher operational flexibility, and enhancing energy efficiencies at our refinery in Sarroch.

However, in order to align our investments with the new market scenario, to pursue the best possible returns for our shareholders, and to take advantage of the lower prices for construction materials and engineering services, we revised our CAPEX plan as follows:

- ✓ CAPEX for “Maintain capacity” and “Health, Safety and Environment” will be carried out as per original schedule;
- ✓ “Growth” CAPEX for the year 2009 will also continue as per original schedule and budget;
- ✓ CAPEX to support the “Growth” plan from 2010 onwards will be moved forward by 12 ÷ 18 months;
- ✓ Delays will involve mainly the revamping of the MHC2 and the Visbreaking Unit; the construction of the new Steam Reforming Unit; some of the Energy Recovery projects; the expansion of the Sarroch Refinery tank farm and the construction of the new depot in Sagunto.

Capex by segment

EUR Million	Q1/09	2008	2007
REFINING	52.6	182.3	177.2
POWER GENERATION	2.7	26.5	20.0
MARKETING	4.2	45.9	10.6
WIND	0.0	-	
OTHER	1.1	1.8	2.0
Total	**60.5**	**256.5**	**209.8**

Outlook

REFINING

- Due to the our scheduled maintenance activities, Saras refinery runs will be down to 14.4 ÷ 14.7 million tons for the full year 2009. In particular, during Q2/09 our Topping 1 (a crude atmospheric distillation unit) will undergo maintenance, reducing quarterly runs down to 3.1 ÷ 3.2 million tons (250 ÷ 260 thousand barrels per day).
- At the same time, during Q2/09 we will undertake a major turnaround for our Fluid Catalytic Cracking Unit (FCC), as well as ordinary maintenance to the Etherification and Alkylation Units (TAME and Alky). This will reduce our conversion capacity, producing a loss at EBITDA level of approx. USD 25 million in Q2/09.
- The market scenario remains difficult, with all developed economies going through a deep recession (recent estimates from the IMF see a decline in 2009 GDP for the main European economies between -3% and -5.6%; a similarly gloomy outlook is expected also for the USA and OECD Asia, in particular Japan and Korea). However, we believe that the significant toll on oil product demand induced by the recession is already reflected in the weak refining margins which have been observed in recent weeks
- The Q1/09 average exchange rate USD/EUR has been 1.30, versus 1.50 average in Q1/08. Should the USD continue to strengthen versus the EUR, this will have a positive impact on Saras results (a 15% change on a yearly basis would generate an EBITDA increase of approx. EUR 95 ÷ 105 ml/year).

POWER GENERATION

- The IGCC plant completed in Q1/09 an important maintenance cycle for one of its three parallel trains (Gasifier – Turbine), which led to a significant reduction in electricity production. Full production has now regularly resumed, and no further maintenance is expected until Q4/09. On a full year basis, we still expect a production in the range of 4.15 ÷ 4.40 TWh.
- The levels reached by crude oil prices up until July 2008 will continue to benefit the power tariff for the first half of 2009, due to the 9-month delay in the formula used to calculate the fuel component of the tariff.
- The “incentive” component of the CIP/6 power tariff expired in April 2009, as per original contract with the National Grid Operator (GSE). Due to the IFRS linearisation procedure, there is no impact on comparable EBITDA, which is guided at EUR 180 million per year. However, the Italian GAAP EBITDA is expected to decrease by approx. EUR 110 million in 2009.

Main events after the end of the quarter

On 28th April 2009 the Saras S.p.A. ordinary shareholders’ meeting approved the dividend distribution of EUR 0.17 for each ordinary share having rights. Payment will be due on the 21st May with coupon detachment on 18th May 2009.

Moreover, on the same day, the AGM of Saras has appointed the new Board of Directors, which will remain in charge for the next three–years, until the date of the AGM called for the approval of the Annual Financial Statements for the year 2011. The new Board of Directors is composed by the following nine members: Gian Marco Moratti (Chariman), Massimo Moratti (Chief Executive Officer), Angelo Moratti (Vice-Chairman), Gilberto Callera (Independent Director), Giancarlo Cerutti (Independent Director), Mario Greco (Independent Director), Gabriele Previati (Director), Angelomario Moratti (Director), and Dario Scaffardi (Director).

Finally, the AGM of Saras has also appointed the new members of the Statutory Auditors, which will remain in charge for the next three–years, until the date of the AGM called for the approval of the Annual Financial Statements for the year 2011, and is composed by six members: Ferdinando Superti Furga (Chairman), Giovanni Luigi Camera (Permanent Auditor), Michele di Martino (Permanent Auditor), Marco Visentin (Stand-in Auditor), and Luigi Borrè (Stand-in Auditor).

SARAS GROUP CONSOLIDATED FINANCIAL STATEMENTS

Consolidated Balance-Sheets as of 31st March 2009 and 31st December 2008

EUR thousand	31/03/2009	31/12/2008
ASSETS		
current assets	**1,341,373**	**1,310,954**
Cash and cash equivalents	104,269	65,180
Other financial assets held for trading or available for sale	25,465	20,464
Trade receivables	496,201	639,326
Inventories	583,541	469,298
Current tax assets	8,820	7,770
Other assets	123,077	108,916
Non-current assets	**1,938,381**	**1,925,304**
Property, plant and equipment	1,393,630	1,377,018
Intangible assets	476,093	484,575
Equity interests consolidated under the equity method		
Other equity interests	618	1,103
Advanced tax assets	64,940	58,953
Other financial assets	3,100	3,655
Total assets	**3,279,754**	**3,236,258**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**957,740**	**988,757**
Short-term financial liabilities	176,731	243,980
Trade and other payables	528,736	560,867
Current tax liabilities	168,450	107,746
Other liabilities	83,823	76,164
Non-current liabilities	**950,700**	**936,448**
Long-term financial liabilities	176,141	174,211
Provisions for risks	33,158	29,195
Provisions for employee benefits	37,181	37,494
Other liabilities	704,220	695,548
Total liabilities	**1,908,440**	**1,925,205**
SHAREHOLDERS' EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	1,247,521	1,183,675
Profit/(loss) for the period	58,237	61,822
Total shareholders' equity	**1,371,314**	**1,311,053**
Total liabilities and shareholders' equity	**3,279,754**	**3,236,258**

Consolidated Income Statements for the period: 1st January – 31st March 2009, and for the period: 1st January – 31st March 2008

EUR thousand	1 JANUARY 31 MARCH 2009	1 JANUARY 31 MARCH 2008
Revenues from ordinary operations	1,210,946	2,048,335
Other income	16,568	5,570
Total revenues	**1,227,514**	**2,053,905**
Purchases of raw materials, spare parts and consumal	(901,797)	(1,728,589)
Cost of services and sundry costs	(143,283)	(139,606)
Personnel costs	(37,811)	(34,295)
Depreciation, amortization and write-downs	(44,586)	(38,088)
Total costs	**(1,127,477)**	**(1,940,578)**
Operating results	**100,037**	**113,327**
Net income (charges) from equity interests		68
Other financial income/(charges), net	(3,407)	2,451
Profit before taxes	**96,630**	**115,846**
Income tax for the period	(38,393)	(37,498)
Net profit/(loss) for the period	**58,237**	**78,348**
Earnings per share - base (Euro cent)	**6.28**	**8.24**
Earnings per share - diluited (Euro cent)	**6.28**	**8.24**

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2006 to 31st March 2009

EUR thousand	Share Capital	Legal Reserve	Other Reserves	Profit (Loss)	Shareholders Equity
Balance as of 31/12/2006	**54,630**	**10,237**	**825,090**	**395,425**	**1,285,382**
Allocation of previous period profit		689	252,086	(252,775)	0
Dividends			0	(142,650)	(142,650)
Reserve for employees stock plan			2,106	0	2,106
Share buyback			(1,975)	0	(1,975)
Effect of Corporate tax rate reduction (IRES/IRAP)			693		693
Profit (loss) for the period				322,903	322,903
Balance as of 31/12/2007	**54,630**	**10,926**	**1,078,000**	**322,903**	**1,466,459**
Allocation of previous period profit			162,060	(162,060)	0
Dividends				(160,843)	(160,843)
Reserve for employees stock plan			2,460		2,460
Share buyback			(70,307)		(70,307)
Share premium reserve adjustment			615		615
Shareholder's equity increase related to the fair value evaluation of asset of Sardeolica S.r.l. r for the stake of 70%			10,373		10,373
Renounce of receivable from minority shareholder of the subsidiary Parchi Eolici Ulassai Srl			474		474
Profit (loss) for the period				61,822	61,822
Balance as of 31/12/2008	**54,630**	**10,926**	**1,183,675**	**61,822**	**1,311,053**
Allocation of previous period profit			61,822	(61,822)	0
Reserve for employees stock plan			2,024		2,024
Profit (loss) for the period				58,237	58,237
Balance as of 31/03/2009	**54,630**	**10,926**	**1,247,521**	**58,237**	**1,371,314**

Consolidated Cash Flow Statements as of 31st March 2009, as of 31st March 2008 and as of 31st December 2008

EUR thousand	01/01/2009 - 31/03/2009	1/1/2008 - 31/12/2008	01/01/2008 - 31/03/2008
A - Cash and cash equivalents at the beginning of period	**65,180**	**308,108**	**308,108**
B - Cash generated from/(used in) operating activities			
Profit/ (Loss) for the period of the Group	58,237	61,822	78,348
Amortization, depreciation and write-down of fixed assets	44,586	167,916	38,088
Net (income)/charges from equity interests	0	(421)	(68)
Net change in provisions for risks and charges	3,963	5,899	(44)
Net change in employee benefits	(313)	801	(410)
Net Change in tax liabilities and tax assets	(5,987)	(193,462)	(11,303)
Income tax	38,393	28,720	37,498
Profit (Loss) from operating activities before changes in working capital	**138,879**	**71,275**	**142,109**
(Increase)/Decrease in trade receivables	143,125	56,147	78,827
(Increase)/Decrease in inventory	(114,243)	256,067	(100,332)
Increase/(Decrease) in trade and other payables	(32,131)	(99,006)	30,191
Change in other current assets	(15,211)	(78,914)	(50,721)
Change in other current liabilities	34,185	167,072	42,177
Income tax paid	0	(191,463)	0
Change in other non-current liabilities	8,672	108,165	24,002
Other non cash items	9,836	0	(984)
Total (B)	**173,112**	**289,343**	**165,269**
C - Cash flow from (to) investment activities			
(Investments) in tangible and intangible assets, net of disinvestments and accumulated depreciation and amortization	(60,528)	(275,685)	(58,505)
Change in equity interests valued under the equity method	485	(1,420)	(150)
Change in other equity interests	0	773	
Acquisition of 30% PEU Srl	0	(32,000)	
Interest received/(paid)	(4,215)	(14,485)	(680)
Total (C)	**(64,258)**	**(322,817)**	**(59,335)**
D - Cash generated from/(used in) financing activities			
Increase/(Decrease) in medium/long term borrowings	(67,249)	(76,807)	(524)
(Increase)/Decrease in other financial assets	(4,446)	10,891	2,740
Increase/(Decrease) in short term borrowings	1,930	62,389	52,148
Buyback own shares	0	(70,307)	
Dividend distribution to shareholders	0	(160,843)	
Other non-monetary movements	0	13,922	
Total (D)	**(69,765)**	**(220,755)**	**54,364**
E - Cashflow for the period (B+C+D)	**39,089**	**(254,229)**	**160,298**
F - Cash from new consolidated subsidiaries	**0**	**11,301**	**0**
G - Cash and cash equivalents at the end of period (short-term net financial indebteness)	**104,269**	**65,180**	**468,406**

Table of contents of the Notes to the Consolidated Financial Statements at 31 March 2009

Notes to the consolidated financial statements at 31 March 2009

1. Preliminary comments

Saras S.p.A. (the "parent company") is a company limited by shares with registered office at S.S. 195 Sulcitana, km 19, Sarroch (CA), Italy, and is 62.461% owned (excluding own shares) by Angelo Moratti S.A.P.A. (registered office: Foro Bonaparte 69, Milan).

Saras S.p.A. operates in the Italian and international oil markets as a refiner of crude and seller of products derived from the refining process. The group's activities also include the production and sale of electricity via an integrated gasification combined cycle (IGCC) plant operated by its subsidiary Sarlux S.r.l., and a wind farm run by its subsidiary Parchi Eolici Ulassai S.r.l.

This consolidated report for the first quarter of 2009, ending on 31 March, is presented in euro, since the euro is the currency of the economy in which the group operates. It consists of a balance sheet, income statement, cash flow statement, statement of changes in shareholders' equity and these notes to the accounts. All amounts shown in these notes are expressed in thousand euro, unless otherwise stated.

The report of the first quarter of 2009 should be read in conjunction with the consolidated accounts of the Saras group for the year ending 31 December 2008.

The quarterly report to 31 March 2009 has not been audited.

2. General criteria for the preparation of quarterly consolidated financial statements

The quarterly consolidated financial statements to 31 March 2009 were prepared in accordance with the International Financial Reporting Standards ("IFRS" or "international accounting standards") issued by the International Accounting Standards Board (IASB) and adopted by the European Commission pursuant to article 6 of Regulation (EC) 1606/2002 of the European Parliament and Council of 19 July 2002.

The content of the quarterly consolidated financial statements is defined in accordance with the Issuer Regulations (Consob Regulation 11971 of 14 May 1999, as amended). The format of the financial statements is the same as that used to present the annual and half-yearly accounts.

3. Basis of consolidation

Subsidiaries that are consolidated on a line-by-line basis and non-consolidated subsidiaries that are included in the group's basis of consolidation are listed below.

Consolidated on a line-by-line basis	% owned
Arcola Petrolifera S.p.A.	100%
Sarlux S.r.l.	100%
Saras Ricerche e Tecnologie S.p.A.	100%
Ensar S.r.l. and subsidiaries:	100%
Nova Eolica S.r.l.	100%
Eolica Italiana S.r.l.	100%
Labor Eolica S.r.l.	100%
Alpha Eolica S.r.l.	100%
Akhela S.r.l.	100%
Sarint S.A. and subsidiaries:	100%
Saras Energia S.A.	100%
Reasar S.A.	100%
Parchi Eolici Ulassai S.r.l. and subsidiary:	100%
Sardeolica S.r.l.	100%
Subsidiaries of insignificant value (valued at cost)	
Dynergy S.r.l.	37.5%
Other investments of insignificant value (valued at cost)	
Consorzio Cesma	5%
Consorzio La Spezia Energia	5%
Sarda Factoring	6.0%
I.C.T. Competence Centre	0.5 %

The following shareholdings have been sold since 31 December 2008:
- Hangzhou Dadi Encon Environmental Equipment Co.
- Consorzio Techno Mobility

4. Information by business segment

4.1 Preliminary comments

The Saras group operates primarily in the following segments:
1. refining
2. marketing
3. generation of power by the combined cycle plant
4. wind power generation
5. other activities

1. Refining activities concern the following:

[A]the sale of oil products obtained:
- upon completion of the entire production cycle, ranging from commodity sourcing to refining and production of finished products, which is carried out at the company's site in Sarroch, Sardinia

- by acquiring oil products from third parties that were previously refined on behalf of these same third parties at the Sarroch site

- and to a lesser extent by acquiring minor quantities of semi-finished oil products

Finished products are sold to international major players in the sector such as the Total group, ENI, NOC (National Oil Corporation) and Repsol.

[B]revenues from refining activities undertaken on behalf of third parties, which represent the only income from refining activities that the parent company carries out on behalf of third parties; this service is provided to major clients such as ENI and Statoil-Hydrol

2. Marketing activities concern the distribution of oil products, an activity aimed at smaller-sized customers and/or those with distribution procedures that differ from those described above regarding refining. These activities are undertaken:

- in Italy, by Arcola Petrolifera S.p.A. for off-network customers (wholesalers, buying consortia, local authority-owned utility companies and resellers) and oil companies (ENI, Tamoil, Total, etc.) through a logistics network comprising both its own bases (at Arcola and Sarroch) and those of third-party operators by way of a transit contract (Livorno, Civitavecchia, Fiorenzuola, Marghera, Pesaro, Ravenna)
- in Spain, by Saras Energia S.A. for third-party and group-owned service stations, supermarkets and resellers by way of an extensive network of depots spread across the entire Iberian peninsula, the most important of which, the Cartagena depot, is owned by the company itself

3**.** The generation of power by the combined-cycle plant relates to:

- the sale of electricity produced at the Sarroch power plant owned by Sarlux S.r.l., a wholly-owned subsidiary. This electricity is sold exclusively to the grid operator GSE (Gestore dei Servizi Elettrici S.p.A.), with sales benefiting from the special tariff scheme laid down in CIP 6/92
-

4. Wind power is generated:

- by the Ulassai wind farm owned by subsidiary Sardeolica S.r.l. (100%-owned by subsidiary Parchi Eolici Ulassai S.r.l.)

5. Other activities include reinsurance activities undertaken for the group by Reasar S.A., information technology activities undertaken by Akhela S.r.l. and research for environmental sectors undertaken by Sartec S.p.A.

4.2 Segment information

	Refining	Marketing	Power generation	Wind power	Other	Total
31 MARCH 2008						
Revenues from ordinary operations	1,854,440	633,861	156,356		10,827	2,655,484
deduction: revenues infrasector	(592,317)	(1,626)	(9,311)		(3,895)	(607,149)
Revenues from third parties	**1,262,123**	**632,235**	**147,045**		**6,932**	**2,048,335**
Other revenues	11,285	1,315	3,826		288	16,714
deduction: revenues infrasector	(6,925)	(316)	(3,822)		(81)	(11,144)
Other revenues from third parties	**4,360**	**999**	**4**		**207**	**5,570**
Amortisation and writedowns	**(17,540)**	**(1,278)**	**(18,772)**		**(498)**	**(38,088)**
Operating profit (a)	**73,817**	**11,467**	**28,920**		**(877)**	**113,327**
Net income from non-consolidated equity investments						
- Parchi Eolici Ulassai S.r.l.				68		**68**
Total				**68**		**68**
Financial Income	11,384	205	1,617		9	13,215
Financial Charges	(5,493)	(929)	(4,318)		(24)	(10,764)
Income taxes	(25,795)	(3,229)	(8,525)		51	(37,498)
Net Profit	**54,639**	**6,790**	**17,694**	**0**	**(775)**	**78,348**
TOTAL DIRECTLY ATTRIBUTABLE ASSETS (b)	**1,794,031**	**578,920**	**1,284,392**		**36,070**	**3,693,413**
of which:						
Equity investments valued at equity				**13,440**		**13,440**
TOTAL DIRECTLY ATTRIBUTABLE LIABILITIES (b)	**995,731**	**220,507**	**917,520**		**14,983**	**2,148,741**
Investments in tangible assets	37,416	10,588	9,292		201	**57,497**
Investments in intangible assets	802				206	**1,008**
31 MARCH 2009						
Revenues from ordinary operations	1,064,124	384,090	120,105	4,575	10,663	1,583,557
deduction: revenues infrasector	(344,660)	(17,321)	(7,143)	0	(3,487)	(372,611)
Revenues from third parties	**719,464**	**366,769**	**112,962**	**4,575**	**7,176**	**1,210,946**
Other revenues	19,479	362	11,417	4,915	111	36,284
deduction: revenues infrasector	(16,179)	(42)	(3,455)	0	(40)	(19,716)
Other revenues from third parties	**3,300**	**320**	**7,962**	**4,915**	**71**	**16,568**
Amortisation and writedowns	**(21,103)**	**(1,337)**	**(19,237)**	**(2,406)**	**(503)**	**(44,586)**
Operating profit (a)	**68,182**	**1,481**	**24,557**	**5,884**	**(67)**	**100,037**
Net income from non-consolidated equity investments						
- Parchi Eolici Ulassai S.r.l.				0		0
Total				**0**		**0**
Financial Income	7,933	75	156	60	49	8,273
Financial Charges	(7,119)	(443)	(2,382)	(1,693)	(43)	(11,680)
Income taxes	(26,793)	(1,397)	(8,833)	(1,373)	3	(38,393)
Net Profit	**42,380**	**(691)**	**13,710**	**2,878**	**(40)**	**58,237**
TOTAL DIRECTLY ATTRIBUTABLE ASSETS (b)	**1,293,684**	**463,914**	**1,348,199**	**138,821**	**35,136**	**3,279,754**
Equity investments valued at equity				**0**		**0**
TOTAL DIRECTLY ATTRIBUTABLE LIABILITIES (b)	**667,106**	**224,059**	**914,896**	**85,492**	**16,887**	**1,908,440**
Investments in tangible assets	52,466	4,216	2,670	27	262	**59,641**
Investments in intangible assets	91	0	0	0	796	**887**

(a) Operating profit is determined without taking into account intra-segment eliminations

(b) Total assets and liabilities are calculated after intra-segment eliminations. Intra-segment revenues fully reflect market conditions

5. Notes to the balance sheet

The most significant changes to the balance sheet and income statement compared to the end of the previous year are shown below.

5.1 Current assets

5.1.1 Cash and cash equivalents

The following table shows a breakdown of cash and cash equivalents:

	31/03/2009	31/12/2008	Change
Bank and postal deposits	104,166	65,064	39,102
Cash	103	116	(13)
Total	**104,269**	**65,180**	**39,089**

Bank deposits (including cash contractually due for future maintenance commitments and loan repayments) were mainly attributable to Sarlux S.r.l. (EUR 74,614 thousand) and Sardeolica S.r.l. (EUR 15,186 thousand). A breakdown of changes in the period is shown in the cash flow statement.

5.1.2 Other financial assets held for trading

This item mainly includes Italian and foreign equities and government bonds.
Gains and losses for the period, together with changes in fair value occurring during the period, are recorded in the income statement under the item "Other net financial income (charges)".
Changes in the item are as follows:

Shares

Balance as of 31/12/2007	**15,209**
Increase for financial year	15,204
Decrease for financial year	(14,561)
Balance as of 31/12/2008	**15,852**
Increase for financial year	3,225
Decrease for financial year	(3,135)
Balance as of 31/03/2009	**15,942**

Green Certificates

Balance as of 31/12/2007	**16,364**
Increase for financial year	10,570
Decrease for financial year	(22,322)
Balance as of 31/12/2008	**4,612**
Increase for financial year	4,911
Decrease for financial year	0
Balance as of 31/03/2009	**9,523**

5.1.3 Trade receivables

This item totalled EUR 496,201 thousand, a decrease of EUR 143,125 thousand versus 31 December 2008.

5.1.4 Inventories

The following table shows the balance for inventories and the changes that occurred during the period:

	31/03/2009	31/12/2008	Change
Inventories:			
Raw materials, replacements parts and consumables	206,256	168,235	38,021
Semi-finished products and work in progress	36,860	26,581	10,279
Finished products and good held for resale	321,938	263,444	58,494
Advance payments	18,487	11,038	7,449
Total	**583,541**	**469,298**	**114,243**

The increase in the value of inventories is mainly due to higher prices, and to the rise in the quantity of stocks of oil products compared to 31 December 2008.

No stocks are put up as guarantees for liabilities.

5.1.5 Current tax assets

The following table shows a breakdown of current tax assets:

	31/03/2009	31/12/2008	Change
VAT	4,521	3,939	582
IRAP (regional income tax)	197	500	(303)
Other tax credits	4,102	3,331	771
Total	**8,820**	**7,770**	**1,050**

5.1.6 Other current assets

The balance is detailed below.

	31/03/2009	31/12/2008	Change
Accrued Income	585	2,106	(1,521)
Prepayments	13,637	11,064	2,573
Other receivables	749	2,474	(1,725)
Loans to non-consolidated group companies	108,106	93,272	14,834
Total	**123,077**	**108,916**	**14,161**

Deferred charges mainly include accrued amounts relating to state maritime concessions and insurance premiums.
"Other receivables" mainly comprise a receivable due to the subsidiary Sarlux S.r.l., deriving from the recognition - pursuant to section II, point 7*bis* of CIP provision 6/92 - of the reimbursement of costs relating to the application of directive 2003/87/EC (Emissions Trading), as per AEEG resolution 77/08, with reference to the previous year and up to 31 March 2009.

The item "Derivative instruments" includes the valuation at fair value of interest rate swaps entered into by the subsidiary Sardeolica S.r.l. in relation to loans taken out, and futures on oil products entered into by the parent company.

5.2 Non-current assets

5.2.1 Property, plant and equipment

The following table shows a breakdown of changes in property, plant and equipment:

COST	31/12/2008	Addition	(Disposals)	Revaluations (write-down)	Other changes	31/03/2009
Land & buildings	159,046	10			8,032	167,088
Plant & machinery	2,326,263	2,414			2,241	2,330,918
Industrial & commercial equipment	18,663	118				18,781
Other assets	449,018	211			420	449,649
Work in progress and advances	177,435	56,888			(18,606)	215,717
Total	**3,130,425**	**59,641**	**0**	**0**	**(7,913)**	**3,182,153**

ACCUMULATED DEPRECIATION	31/12/2008	Depreciation	(Disposals)	Revaluations (write-down)	Other changes	31/03/2009
Land & buildings	48,660	1,652				50,312
Plants & machinery	1,364,958	28,298				1,393,256
Industrial & commercial equipment	13,973	436				14,409
Other assets	325,816	4,730				330,546
Total	**1,753,407**	**35,116**	**0**	**0**	**0**	**1,788,523**

NET BOOK VALUE	31/12/2008	Addition	(Disposals)	(Depreciation)	Other changes	31/03/2009
Land & buildings	110,386	10	0	(1,652)	8,032	116,776
Plants & machinery	961,305	2,414	0	(28,298)	2,241	937,662
Industrial & commercial equipment	4,690	118	0	(436)	0	4,372
Other assets	123,202	211	0	(4,730)	420	119,103
Work in progress and advances	177,435	56,888	0		(18,606)	215,717
Total	**1,377,018**	**59,641**	**0**	**(35,116)**	**(7,913)**	**1,393,630**

Increases in the period totalled EUR 59,641 thousand and mainly related to technical work on plants to adapt and upgrade existing structures, particularly for environmental, safety and reliability purposes.

No financial charges were capitalised during the period.

5.2.2 Intangible assets

The following table shows the changes in intangible assets.

CATEGORY	31/12/2008	Additions	Disposals	Other Changes	(Amortisation)	31/03/2009
Industrial & other patent rights	0			4,446	(806)	3,640
Concessions, licences, trademarks & similar rights	50,504	155		1,797	(317)	52,139
Goodwill	23,483			(936)		22,547
Assets in progress & payments on account	10,699	728		2,189		13,616
Other intangible assets	399,889	4		(7,395)	(8,347)	384,151
Total	**484,575**	**887**	**0**	**101**	**(9,470)**	**476,093**

The main items are set out in detail below.

Concessions, licences, trademarks and similar rights
The balance mainly refers to the effects deriving from the acquisition of Estaciones de Servicio Caprabo S.A.(Saras Energia Red S.A.), which was merged into Saras Energia S.A.; the fair value measurement of assets and liabilities of the acquired company generated the booking of an intangible asset classified as a concession in order to reflect the contractual conditions that provide for the reinstatement of tangible assets after 20 years. It also refers to the authorisations for the construction and operation of the wind farm belonging to subsidiary Sardeolica S.r.l., stated at EUR21,600 thousand and amortised over the entire period for which the authorisations are valid (i.e. until the end of 2034).

Goodwill
This item mainly refers to goodwill paid for the purchase of 30% of Parchi Eolici Ulassai S.r.l. for EUR 21,036 thousand.

Other intangible assets
The item largely refers to the booking at fair value of the existing agreement between the subsidiary Sarlux S.r.l. and GSE (Gestore dei Servizi Elettrici S.p.A.).

Intangible assets in progress and payments on account
This item mainly includes the cost of natural gas exploration in Sardinia.

5.2.3 Deferred tax assets

The balance at 31 March 2009 of EUR 64,940 thousand mainly comprises deferred tax assets arising from the reporting of revenues on a linear basis net of deferred tax, in relation to the booking of the contract between GSE (Gestore dei Servizi Elettrici S.p.A.) and Sarlux S.r.l. at fair value.

5.3 Current liabilities

5.3.1 Short-term financial liabilities

The following table shows short-term (and long-term) financial liabilities.

	31/3/2009	31/12/2008	Change
Bank loans	80,766	80,693	73
Bank accounts	95,965	163,287	(67,322)
Total short-term financial liabilities	**176,731**	**243,980**	**(67,249)**
Long-term bank loans	176,141	174,211	1,930
Total long-term financial liabilities	**352,872**	**418,191**	**(65,319)**

The terms and conditions of the company's loans are explained in the note on the item "Long-term financial liabilities".
More information on changes in this item is provided in the cash flow statement.

5.3.2 Trade and other payables

The table below shows a breakdown of this item.

	31/3/2009	31/12/2008	Change
Advances from clients: portion due within the year	156	156	0
Payables to suppliers: portion due within the year	528,232	560,523	(32,291)
Trade payables to associated companies	348	188	160
Total	**528,736**	**560,867**	**(32,131)**

5.3.3 Current tax liabilities

This item is broken down below.

	31/3/2009	31/12/2008	Change
VAT payables	13,563	17,235	(3,672)
IRES (Corporate Tax)	71,834	37,085	34,749
IRAP (Regional Tax)	10,402	4,923	5,479
Other tax payables	72,651	48,503	24,148
Total	**168,450**	**107,746**	**60,704**

IRES payables include amounts due in respect of taxes owing for the previous year (EUR 36.9 million) and current tax on income generated by the group’s Italian companies during the period (EUR 34.9 million).

The item “Other tax payables” mainly includes the second instalment of the withholding tax for 2008 on the elimination of off-balance sheet deductions (EUR 12,885 thousand), the withholding tax for 2008 on the realignment of the value of crude and oil product stocks for statutory and tax purposes (“Robin Hood Tax”; EUR 5,031 thousand), and payables for excise duties on products introduced into the market by the Spanish subsidiary Saras Energia S.A. and the Italian subsidiary Arcola Petrolifera S.p.A. (EUR52,429).

5.3.4 Other current liabilities

A breakdown of other current liabilities is shown below.

	31/3/2009	31/12/2008	Change
Amount payable to welfare and social security bodies: portions due within the year	11,063	11,191	(128)
Due to personnel	22,421	19,353	3,068
Payables to Ministry for grants	29,832	29,832	0
Other payables	15,777	14,875	902
Other accrued liabilities	1,875	661	1,214
Other deferred income	2,855	252	2,603
Total	**83,823**	**76,164**	**7,659**

5.4 Non-current liabilities

5.4.1. Long-term financial liabilities

Details of the terms and conditions of loans are shown in the table below.

Figures in EUR million	Date of borrowing	Amount originally borrowed	Base rate	Outstanding 31/12/08	Outstanding 31/03/09	Maturity			Collateral
						1 year	from 1 to 5 years	beyond 5 years	
Saras S.p.A.									
Unicredit	20-Dec-04	50.0	Euribor 6M	10.0	10.0	10.0	-	-	10
				10.0	**10.0**	**10.0**	**-**	**-**	
Sartec S.p.A.									
San Paolo Imi	30-Jun-01	1.7	2.31%	0.3	0.3	0.2	0.1	-	
				0.3	**0.3**	**0.2**	**0.1**	**-**	
Akhela S.r.l.									
Banco di Sardegna	24-Apr-02	3.1	Euribor 6M	0.3	0.3	0.3		-	
Unicredit	6-Aug-08	0.2	0.74%	0.2	0.2	0.1	0.1	-	
				0.5	**0.5**	**0.4**	**0.1**	**-**	
Saras Energia S.A.									
Banca Esp. De Credito	11-Sep-02	10.0	Euribor 6M	4.4	3.9	1.1	2.8	-	
				4.4	**3.9**	**1.1**	**2.8**	**-**	
Sardeolica S.r.l.									
Banca Nazionale del Lavoro	28-Dec-05	90.0	Euribor 6M	68.3	68.3	7.3	31.5	29.5	68
				68.3	**68.3**	**7.3**	**31.5**	**29.5**	
Sarlux S.r.l.									
Banca Intesa	29-Nov-96	572.0	Libor 3M	102.0	102.0	36.8	65.2		102.0
BEI	29-Nov-96	180.0	7.35%	34.8	34.8	12.5	22.3		34.8
BEI	29-Nov-96	208.0	Euribor 3M	34.6	34.6	12.5	22.1		34.6
				171.4	**171.4**	**61.8**	**109.6**	**-**	
Total payables to banks for loans				**254.9**	**254.4**	**80.8**	**144.1**	**29.5**	

Sarlux S.r.l. must meet certain conditions with regard to existing loans before paying dividends. These are as follows:

- the following current accounts held by Sarlux at Banca Intesa in London must be sufficiently in credit to fulfil the purposes for which the accounts were opened:
  [1] debt service reserve account: includes repayments to be made to banks (capital plus interest) on loans due in the next half-year
  [2] Air Liquide account: includes amounts guaranteeing oxygen supplies to be provided by Air Liquide Italia in the next half-year

- the following ratios, taken from Sarlux's annual accounts figures and projections, must be achieved:
  [1] annual debt service coverage ratio: the ratio of available post-tax cash flow for the next 12 months to total debt to be repaid in the same period must be more than 1.15
  [2] loan life coverage ratio: the ratio of the net present value of post-tax cash flow expected over the remaining life of the contract to total remaining debt to be repaid must be more than 1.2

All of the loans granted to Sarlux S.r.l. must be repaid on request of the Facilities Agent in the event that: (i) the loan life coverage ratio falls below 1.05; (ii) the annual debt service coverage ratio falls below 1; (iii) the forecast annual debt service coverage ratio falls below 1.

The group complied with all the ratios mentioned above as of 31 March 2009.

In addition, to guarantee the loans taken out by Sarlux S.r.l., all of the shares in the company were pledged as collateral to the financing banks.

The loan to Sardeolica relates to project finance for the construction of wind farms in Ulassai.

The Sardeolica Credit Facility Agreement was signed on 6 December 2005 with a pool of banks (led by Banca Nazionale del Lavoro) and is divided into five credit lines; this loan is repayable in half-yearly instalments until the end of 2016, and carries a variable interest rate equivalent to Euribor plus a margin, which is also variable.
This facility imposes certain restrictions on the subsidiary:

- financial (mainly liquidity parameters set in the contract and a prohibition on carrying out derivatives transactions unless authorised by the pool of banks)
- operational, as regards the management of the wind farm and the obligation to provide insurance cover
- in relation to the corporate structure, specifically a prohibition on carrying out extraordinary financing transactions without the authorisation of the lending banks or making changes to the licences and permits the company needs to carry out the project

If the company fails to comply with these restrictions, the pool of lending banks has the right to demand early repayment of the loan.
At 31 March 2009 the company had complied with all the above restrictions.
In addition, to guarantee the loan taken out by Sardeolica, all of the shares in the company were pledged as collateral to the financing banks.

The table below shows the composition of the group's net debt at 31 March 2009 and 31 December 2008.

	31/03/2009	31/12/2008
Medium-/long-term bank loans	(176,141)	(174,211)
Short-term bank loans	(80,766)	(80,693)
Bank overdrafts	(95,965)	(163,287)
Financial payables to non-consolidated group companies	0	0
Financial payables to non-consolidated group companies	0	0
Other held for trading financial assets	25,465	20,464
Cash and equivalents	104,269	65,180
Total net debt	**(223,138)**	**(332,547)**

5.4.2 Provisions for risks and future liabilities

Provisions for risks and future liabilities break down as follows:

	31/12/2008	Additions	Reductions	Other movements	31/03/2009
Provisions for dismantling of plants	16,826				16,826
Provisions for "Emission Trading"	5,135	4,083			9,218
Other risk provisions	7,234		(120)		7,114
Total	**29,195**	**4,083**	**(120)**	**0**	**33,158**

The provisions for dismantling plants relate to the future costs of dismantling plants and machinery, which are made wherever there is a legal and implicit obligation to be met in this regard.
The item “Provisions for emissions trading costs” relates to the cost of applying directive 2003/87/EC, as per AEEG Resolution 77/08.

“Other risk provisions” mainly relate to future tax liabilities.

5.4.3 Other current liabilities

Other non-current liabilities break down as follows:

	31/3/2009	31/12/2008	Change
Advances from clients: portion due in future years	2,516	5,134	(2,618)
Payables to welfare and social security bodies: portion due in future years	368	350	18
Deferred income	686,711	673,180	13,531
Other	14,625	16,884	(2,259)
Total	**704,220**	**695,548**	**8,672**

The change compared to 31 December 2008 is mainly due to the increase in "Deferred income" posted by the subsidiary Sarlux S.r.l. The item in question relates to the agreement for the sale of energy between the subsidiary Sarlux S.r.l. and GSE (Gestore dei Servizi Elettrici S.p.A.), which was accounted for according to IFRIC 4. Revenues from the sale of energy are affected by their being linearised in connection with the fact that the electricity supply contract, pursuant to IAS 17 (Leases) and IFRIC 4 (Determining Whether an Arrangement Contains a Lease), has been recognised as a contract regulating the use of the plant by the customer of Sarlux S.r.l., meaning that it is comparable to an operating lease. Such revenues have therefore been stated on a linear basis in accordance with both the duration of the contract (20 years) and forecasts for the price of crude oil, which constitute a determining factor for electricity tariffs and electricity production costs.

5.5 Shareholders' equity

Consolidated shareholders' equity at 31 March 2009 was EUR 1,371,314 thousand (EUR 1,311,053 thousand at 31 December 2008).
A breakdown of the changes in consolidated shareholders' equity is shown in the relevant table.
The changes were due to:

- an increase of EUR 2,024 thousand relating to the establishment of a reserve for the bonus allocation of shares to employees and management under the stock grant plans
- profit for the period of EUR 58,237 thousand

The net profit of the Saras group is used to calculate basic earnings per share.
Basic earnings per share for the period 1 January - 31 March 2009 was EUR cents 6.28.
Diluted earnings per share do not vary significantly from basic earnings per share.

6. Notes to the income statement

6.1 Revenues

6.1.1 Revenues from ordinary operations

The item “revenues from ordinary operations” breaks down as follows:

	31/3/2009	31/3/2008	Change
Sales and services revenues	1,093,557	1,920,474	(826,917)
Sale of electricity	117,389	127,861	(10,472)
Total	**1,210,946**	**2,048,335**	**(837,389)**

Sales and services revenues decreased by EUR 837 thousand compared to the same period of the previous year. The change was mainly due to general price falls over the period.

In addition, revenues from the sale of electricity to GSE by Sarlux S.r.l. are reported on a linear basis in accordance with the duration of the contract, which expires in 2021, principally taking into account the tariff amount and forward curves of both the crude price and EUR/USD exchange rate until the contract expires. In accordance with IFRS 8, the group has specified that its customer GSE S.p.A. accounted for more than 10% of its revenues.

6.1.2 Other revenues and income

The following table shows a breakdown of the item “Other revenues and income":

	31/3/2009	31/3/2008	Change
Revenues for stocking of mandatory supplies	479	2,868	(2,389)
Sales of sundry materials	116	418	(302)
Other income	15,973	2,284	13,689
Total	**16,568**	**5,570**	**10,998**

The item “Other revenues” includes the revenues resulting from the application of directive 2003/87/EC (Emissions Trading) as per AEEG Resolution 77/08 by Sarlux S.r.l. (EUR 7,702 thousand); the item also includes the revenues of Sardeolica S.r.l. that relate to green certificates accrued over the period (EUR 4,915 thousand).

6.2 Costs

The following table shows a breakdown of the main costs.

6.2.1 Purchases of raw materials, replacement parts and consumables

	31/3/2009	31/3/2008	Change
Purchases of raw materials, replacement parts and consumables	901,797	1,728,589	(826,792)
Total	**901,797**	**1,728,589**	**(826,792)**

As already mentioned under revenues, the change in this item was mainly due to the general fall in the price of crude.

6.2.2 Cost of services and other costs

	31/3/2009	31/3/2008	Change
Service costs	124,845	113,589	11,256
Use of third-party assets	3,697	3,244	453
Provisions for risks		10	(10)
Miscellaneous management cost	14,741	22,763	(8,022)
Total	**143,283**	**139,606**	**3,677**

Service costs mainly comprise maintenance, rentals, freight, electricity, steam, hydrogen and other utilities. The item “Other operating charges” chiefly relates to the cost of applying directive 2003/87/EC (Emissions Trading) as per AEEG Resolution 77/08 (EUR 8,528 thousand).

6.2.3 Personnel costs

Personnel costs are broken down as follows:

	31/3/2009	31/3/2008	Change
Wages and salaries	25,173	22,949	2,224
Social security	7,295	7,016	279
Staff several indemnity	1,639	1,334	305
Pensions and similar	771	536	235
Other costs	1,425	1,036	389
Directors' remuneration	1,508	1,424	84
Total	**37,811**	**34,295**	**3,516**

6.2.4 Depreciation, amortisation and write-downs

Depreciation and amortisation figures are shown below.

	31/3/2009	31/3/2008	Change
Amortisation of intangible assets	9,470	8,912	558
Depreciation of tangible assets	35,116	29,176	5,940
Total	**44,586**	**38,088**	**6,498**

6.3 Net income (charges) from equity investments

This item is shown in detail in the table below.

	31/3/2009	31/3/2008	Change
Parchi Eolici Ulassai S.r.l.	0	68	(68)
Total	**0**	**68**	**(68)**

The shareholding in Parchi Eolici Ulassai S.r.l. was consolidated at equity until 30 June 2008.

6.4 Net financial income (charges)

Net financial income and charges are broken down below.

	31/3/2009	31/3/2008	Change
Other financial income:			
from financial assets recorded under current assets	0	(5)	0
Other income	0	0	0
- from non-consolidated subsidiaries	0	104	(104)
- interest on bank and post office accounts	290	4,032	(3,742)
- fair value of derivatives outstanding on reporting date	0	1,502	(1,502)
- fair value of held for trading financial assets	174	0	174
- positive differences on derivatives	5,410	33	5,377
- other income	99	102	(3)
Interest and other financial charges	0		
- from non-consolidated group companies	0	0	0
- fair value of derivatives outstanding on reporting date	(1,790)	(137)	(1,653)
- fair value of held for trading financial assets	0	0	0
- negative differences on derivatives	(448)	(3,978)	3,530
- other (interest on loans, arrears, etc.)	(4,516)	(5,899)	1,383
Exchange rate gains/losses on non-commercial transactions	(2,626)	6,697	(9,323)
Total	**(3,407)**	**2,451**	**(5,863)**

The main changes are attributable to exchange rate differences in respect of the first quarter of the previous year, and to derivatives transactions carried out mainly by the parent company in the period; these were hedging transactions to which hedge accounting was not applied.

7. Details of group companies

Cmpany name	Registered office	Currency	Share Capital	% owned by Group as of 12-08	% owned by Group as of 03-09	% share Capital	Shareholder	% of voting rights	Category
Arcola Petrolifera S.p.A.	Sarroch (CA)	EUR	7,755,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Sartec Saras Ricerche e Tecnologie S.p.A.	Assemini (CA)	EUR	3,600,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Ensar S.r.l. e società controllate:	Milan	EUR	100,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Eolica Italiana S.r.l.	Cagliari	EUR	100,000	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Nova Eolica S.r.l.	Cagliari	EUR	10,000	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Alpha Eolica S.r.l.	Bucarest (Romania)	EUR	251	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Labor Eolica S.r.l.	Bucarest (Romania)	EUR	251	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Akhela S.r.l.	Uta (CA)	EUR	3,000,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Sarint S.A. e società controllate:	Luxemburg	EUR	50,705,314	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Saras Energia S.A.	Madrid (Spain)	EUR	44,559,840	100.00%	100.00%	100.00%	Sarint S.A.	100.00%	Indirect Subsidiary
Reasar S.A.	Luxemburg	EUR	2,225,000	100.00%	100.00%	100.00%	Sarint S.A.	100.00%	Indirect Subsidiary
Sarlux S.r.l.	Sarroch (CA)	EUR	27,730,467	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Parchi Eolici Ulassai S.r.l. e società controllata:	Cagliari	EUR	500,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Sardeolica S.r.l.	Cagliari	EUR	56,696	100.00%	100.00%	100.00%	Parchi Eolici Ulassai S.r.l.	100.00%	Indirect Subsidiary
Dynergy S.r.l.	Genova	EUR	179,000	37.50%	37.50%	37.50%	Saras Ricerche e Tecnologie S.p.A.	37.50%	Subsidiary
Hangzhou Dadi Encon Environmental Equipment Co.	Hangzhou	RMB*	14,050,200	37.50%	0.00%	0.00%	Saras Ricerche e Tecnologie S.p.A.	0.00%	Subsidiary
Consorzio Cesma	Castellamonte (TO)	EUR	51,000	5.00%	5.00%	5.00%	Saras Ricerche e Tecnologie S.p.A.	5.00%	Other Interests
Consorzio La Spezia Energia	La Spezia	EUR	50,000	5.00%	5.00%	5.00%	Arcola Petrolifera S.p.A.	5.00%	Other Interests
Consorzio Techno Mobility	Cagliari	EUR	57,500	17.40%	0.00%	0.00%	Saras Ricerche e Tecnologie S.p.A.	0.00%	Other Interests
Sarda Factoring	Cagliari	EUR	8,320,000	5.95%	5.95%	5.95%	Saras S.p.A.	5.95%	Other Interests
Centro di Competenza I.C.T.	Cagliari	EUR	20,000	0.50%	0.50%	0.50%	Akhela S.r.l.	0.50%	Other Interests