Saras Group
Third Quarter 2009 Report

SARAS

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Statutory and Control 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 Responsible for Financial Reporting

CORRADO COSTANZO

INDEPENDENT AUDITING FIRM

PRICEWATERHOUSECOOPERS S.p.A.

* Independent Director elected by the Minority list of Shareholders

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, 2009).

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 almost 50 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, and international markets.

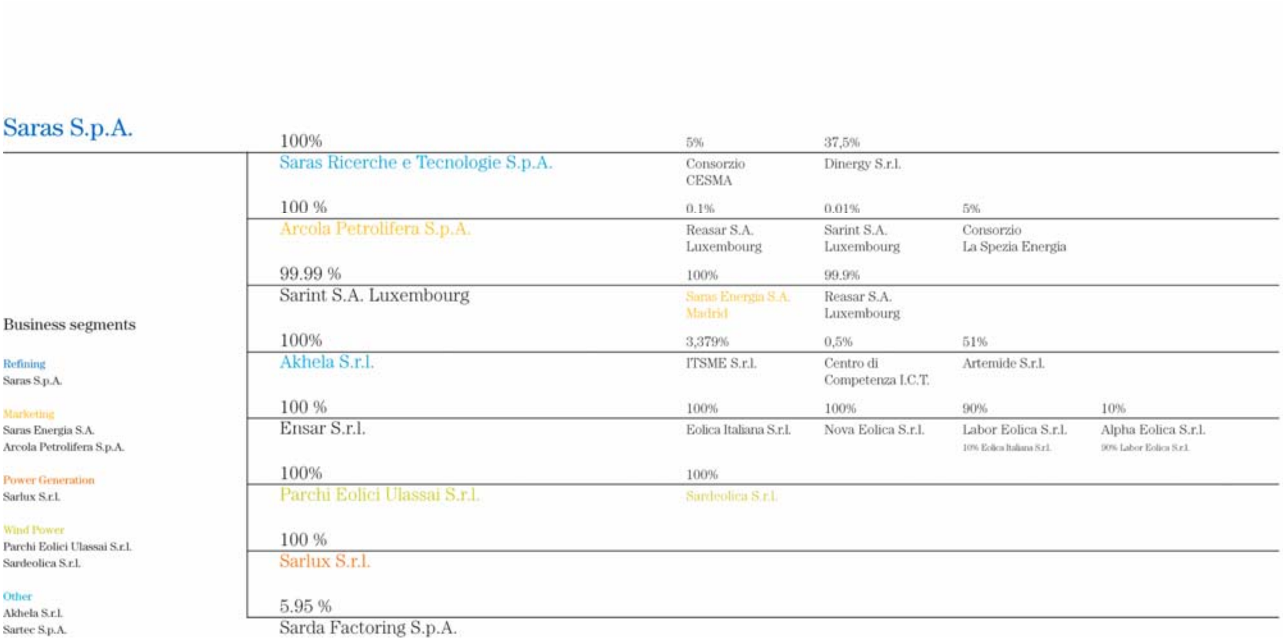
In particular, in 2008 approximately 10% of our sales of oil products take place in Italy, through our subsidiary Arcola, which operates exclusively in the wholesale market. An additional 25% of our sale volumes are towards the Spanish market, with our subsidiary Saras Energia, which operates both on the wholesale market, and also in the retail business. In particular our Spanish retail network consists in 127 service stations, of which 88 fully owned and 39 on a long term lease, mainly located along the Spanish Mediterranean coast. Moreover, under the Marketing segment, the Group owns and operates also a biodiesel plant, inaugurated towards the end of 2008 which started production during first half of 2009. This plant generates 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 heavy residues of the refining process, and it produces over 4 billion KWh of electricity each year, providing more than 30% of the electricity requirements of Sardinia. Furthermore, 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 it 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.



Stock Performance

Below are some data concerning prices and daily volumes relating to the Saras share between 02/01/2009 and 30/09/2009.

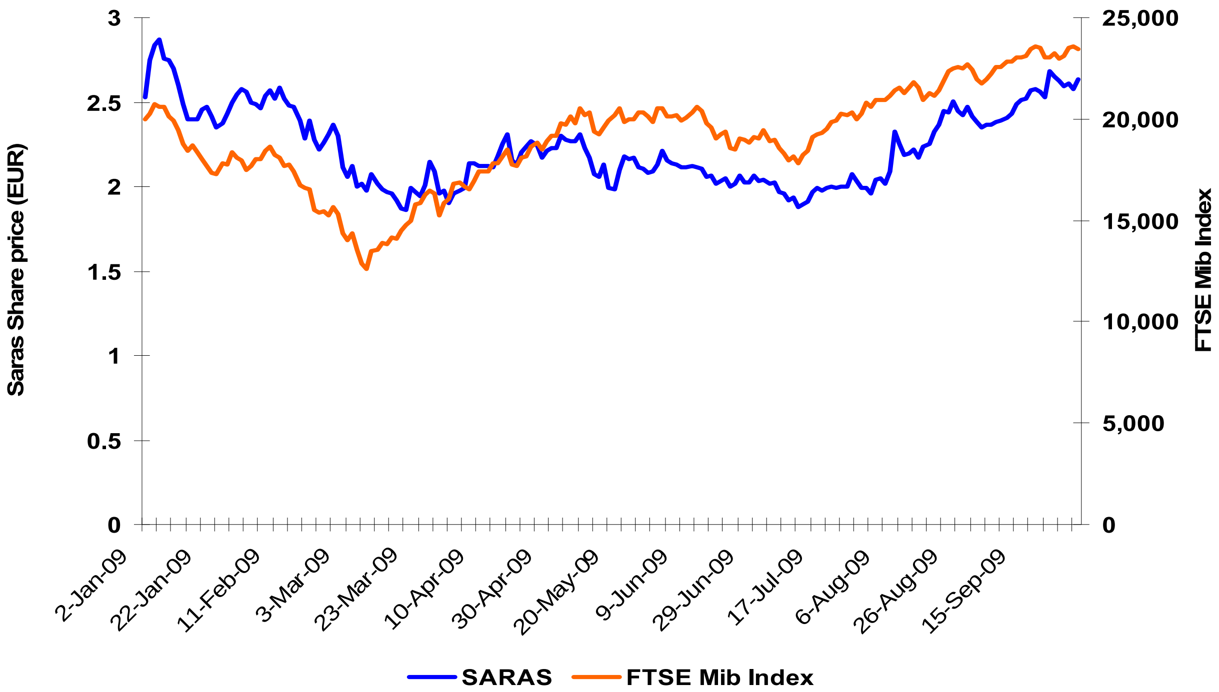
SHARE PRICE (EUR)	9M/09
Minimum price (20/03/2009) *	1.843
Maximum price (06/01/2009) *	2.928
Average price	2.233
Closing price at the end of the period	2.638

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

DAILY TRADED VOLUMES (Million)	9M/09
Maximum traded volume in EUR (07/05/2009)	33.0
Maximum traded volume in number of shares (07/05/2009)	14.5
Minimum traded volume in EUR (12/02/2009)	1.1
Minimum traded volume in number of shares (12/02/2009)	0.4
Average volume in EUR	6.1
Average volume in number of shares	2.8

Market capitalization on the 30th of September 2009 amounts to EUR 2,508 million, and outstanding shares as of 30th September 2009 were approximately 928 million.

The graph reported below shows the daily performance of Saras share price compared to FTSE 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, the operating results (EBITDA[2] and EBIT[3]) and the Net Income are provided also with an evaluation of oil inventories based on the LIFO methodology (and not only according to FIFO methodology, as requested by IFRS accounting principles). The LIFO methodology 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 operating profitability. Furthermore, for the same reason, non recurring items are deducted both from the operating results and from Net Income. Operating results and Net Income calculated as above are called respectively "*comparable*" and "*adjusted*", and they are not subject to audit.

Highlights for the third quarter and 9M/09

The first nine months of 2009 have been characterized by an extremely severe economic and financial crisis, with a steep reduction in industrial activity and energy consumption worldwide. As a result, demand for oil products contracted sharply, and refining margins became very thin. In this challenging context, Saras carried out a major programme of investments and scheduled maintenance activities in its Sarroch refinery, whose penalisations compounded with the already weak market scenario. At this stage, however, all the units are fully operational, and the Saras Group is well placed to take advantage of the economic recovery, which is expected to materialize with a slow but steady pace throughout 2010.

- **9M/09 Group *reported* EBITDA** at EUR 275.4 ml (-48% vs. 9M/08)
    - Q3/09 Group *reported* EBITDA at EUR -17.1 ml (-127% vs. Q3/08)
- **9M/09 Group *comparable*[4] EBITDA** in at EUR 116.6 ml (-77% vs. 9M/08)
    - Q3/09 Group *comparable* EBITDA at EUR 1.4 ml (-99% vs. Q3/08)
- **9M/09 Group *reported* Net Income** at EUR 67.4 ml (-78% vs. 9M/08)
    - Q3/09 Group *reported* Net Income at EUR -49.6 ml (-152% vs. Q3/08)
- **9M/09 Group *adjusted*[5] Net Income** at EUR -30.5 ml (-113% vs. 9M/08)
    - Q3/09 Group *adjusted* Net Income at EUR -37.6 ml (-163% vs. Q3/08)
- **9M/09 Saras refining margin** at 2.2 $/bl (-75% vs. 9M/08), and **-0.3 $/bl in Q3/09** (-104% vs. Q3/08)
    - In 9M/09 Saras premium above the EMC benchmark margin was 0.9 $/bl (-0.1 $/bl in Q3/09), penalised by important investments and scheduled maintenance initiated during Q2/09 and delayed into Q3/09, as well as technical problems during the subsequent start up of critical units
- **On 30th Sep'09 Net Financial Position** was EUR -463 ml, improved vs. EUR -472 ml on 30th Jun'09

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

[2] **EBITDA:** Operating result before Depreciation & Amortization.

[3] **EBIT:** Operating result.

[4] ***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

[5] ***Adjusted* Net Income:** Net income adjusted for the differences 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 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 unaudited.

Saras Group income statement figures:

EUR Million	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	change %
REVENUES	1,416	2,494	-43%	1,109	3,753	6,954	-46%
EBITDA	(17.1)	64.2	-127%	147.9	275.4	531.6	-48%
Comparable EBITDA	**1.4**	**164.2**	**-99%**	**24.1**	**116.6**	**504.4**	**-77%**
EBIT	(65.5)	21.9	-399%	102.3	136.8	410.8	-67%
Comparable EBIT	**(47.0)**	**121.9**	**-139%**	**(21.5)**	**(22.0)**	**383.6**	**-106%**
NET INCOME	(49.6)	(19.7)	-152%	58.8	67.4	310.1	-78%
***Adjusted* NET INCOME**	**(37.6)**	**60.1**	**-163%**	**(18.3)**	**(30.5)**	**232.1**	**-113%**

Other Group figures:

EUR Million	Q3/09	Q3/08	Q2/09	9M/09	9M/08
NET FINANCIAL POSITION	**(463)**	**(221)**	**(472)**	**(463)**	**(221)**
CAPEX	**70**	**48**	**122**	**252**	**175**
OPERATING CASH FLOW	**78**	**72**	**31**	**279**	**279**

Comments on Third Quarter and 9M/09 results

During the first nine months of 2009, the global economic recession led to a reduction in oil products demand, and a consequent deterioration of refining margins, which stayed very thin throughout the year, with their weakest performance so far, during Q3/09. In this context, Saras carried out an important cycle of investments and scheduled maintenance in the refinery, with unavoidable impacts on the results of the Refining segment. A tragic accident in May, subsequent delays in the completion of maintenance activities, and some technical problems at the re-start of critical units during Q3/09, all contributed to further penalisations on the results. The Power Generation segment, albeit linearised in accordance with IFRS requirements, was also weaker in Q3/09 and 9M/09 vs. same periods last year, due to lower sales of hydrogen and steam, and also operational problems which reduced production. Marketing also suffered from the generalised reduction of oil consumption, especially in the Spanish market, as it can be observed both in Q3/09 figures and in the cumulative 9M/09 results. The Wind segment, instead, had a positive performance both in Q3/09 and in the 9M/09, beating the results achieved in the corresponding periods of last year, thanks primarily to the appreciation in the value of Green Certificates, which more than offset a lower production vs. same period last year, due to unfavourable weather conditions both in Q2/09 and Q3/09.

Group Revenues in 9M/09 were EUR 3,753 ml, down 46% compared 9M/08, in the light of significantly lower oil product prices (as a point of reference, diesel traded at an average of 503 $/ton in 9M/09, versus a record average of 1,050 $/ton in 9M/08), and lower sales from the various segments. For the same reasons, **in Q3/09, Group Revenues were EUR 1,416 ml,** down 43% vs. Q3/08 (diesel average price in Q3/09 was 567 $/ton, vs. 1,078 $/ton in Q3/08).

Group *comparable* EBITDA in 9M/09 amounted to EUR 116.6 ml, down 77% versus 9M/08, due primarily to the unfavourable economic scenario, which impacted both Refining (-117% vs. 9M/08) and Marketing (-31% vs. 9M/08), but also because of the aforementioned penalisations in the Refining segment, which were related to maintenance, delays and technical problems. Moreover, also the Power Generation segment posted IFRS results down 10% vs. same period last year, because sales of hydrogen and steam to the refinery were significantly lower. On the contrary, the Wind segment posted an EBITDA 32% higher than in 9M/08, mainly due to the higher value of the green certificates.

In Q3/09, Group *comparable* EBITDA amounted to EUR 1.4 ml, down 99% versus Q3/08, mainly because of the weak performance of the Refining segment (down 155% vs. Q3/08), which suffered from delays in completion of the scheduled maintenance started in Q2/09, and subsequently from technical problems during the restart of some critical units. Marketing was also weak (-37% vs. Q3/08) because of the reduction in consumption of oil products, particularly in Spain. Also Power Generation posted IFRS results 13% lower than Q3/08, for the same reason mentioned above.

***Adjusted* Net Income in 9M/09 was EUR -30.5 ml**, down 113% vs. 9M/08. This result can be explained primarily by the lower *comparable* EBITDA, and also by the higher depreciation and amortization (EUR 138.6 ml in 9M/09 vs. EUR 120.8 ml in 9M/08).

In Q3/09 *Adjusted* Net Income was EUR -37.6 ml, down 163% vs. Q3/08, almost entirely because of the sharp drop in *comparable* EBITDA, for the reasons previously described, and for the higher D&A charges (EUR 48.4 ml in Q3/09 vs. EUR 42.3 ml in Q3/08).

Group *reported* EBITDA in 9M/09 was EUR 275.4 million, (down 48% vs. 9M/08), and **Group *reported* Net Income stood at EUR 67.4 ml,** down 78% when compared to the same period of 2008. This result can be explained almost entirely with the reasons previously described at *comparable* level; moreover, the bottom line was also impacted by higher financial charges, which in 9M/09 were EUR -18.4 ml while in 9M/08 they were EUR -6.2 ml.

Similarly, **in Q3/09 Group *reported* EBITDA was EUR -17.1 million,** (down 127% vs. Q3/08), and **Group *reported* Net Income stood at EUR -49.6 ml,** down 152% when compared with Q3/08. These results can be almost entirely explained with the reasons described at *comparable* and *adjusted* levels.

Detail of Consolidated Net Income *Adjustments**

EUR Million	Q3/09	Q3/08	9M/09	9M/08
GROUP NET INCOME	**(49.6)**	**(19.7)**	**67.4**	**310.1**
(inventories at LIFO - inventories at FIFO) net of taxes	11.1	76.5	(100.7)	(24.2)
non recurring items net of taxes	0.0	4.4	0.0	(52.2)
change of derivatives fair value net of taxes	0.9	(1.1)	2.7	(1.6)
***Group adjusted* NET INCOME**	**(37.6)**	**60.1**	**(30.5)**	**232.1**

* *Adjusted* Net Income figures are not subject to audit.

Detail of Consolidated *Comparable** EBITDA

EUR Million	Q3/09	Q3/08	9M/09	9M/08
EBITDA	**(17.1)**	**64.2**	**275.4**	**531.6**
inventories at LIFO - inventories at FIFO	18.5	97.4	(158.8)	(29.8)
non recurring items	0.0	2.6	0.0	2.6
***comparable* EBITDA**	**1.4**	**164.2**	**116.6**	**504.4**

* *Comparable* EBITDA figures are not subject to audit.

As it can be observed in the previous tables, both in 9M/09 and Q3/09 the difference between *comparable* and *reported* figures is almost entirely justified by the different methodologies used to evaluate the oil inventories. Indeed, as previously mentioned, the *reported* (IFRS) figures evaluate oil inventories according to the FIFO methodology, while the *comparable* figures are based on the LIFO methodology.

In 9M/09, the above mentioned FIFO/LIFO difference after tax was equal to negative EUR 100.7 ml, due to a robust increase in crude oil and products prices (which took place essentially during the first 6 months of

2009), and it is reflected only in the FIFO evaluation, while it is not included in our inventory evaluation based on LIFO methodology. More specifically, Brent dated moved from 40 $/bl on January 2nd 2009, up to 68 $/bl on the 30th of June. Similarly Diesel strengthened from 442 $/ton on January 2nd up to 563 $/ton on June 30th, and Gasoline climbed from 326 $/ton on Jan 2nd up to 647 $/ton on 30th June.

Pricing trends stayed flat, or even reversed, during Q3/09. Brent dated slightly decreased from 68 $/bl on July 1st 2009, down to 66 $/bl on the 30th of September. Similarly, Diesel remained level, from 564 $/ton on July 1st to 561 $/ton on September 30th, while Gasoline dropped from 643 $/ton on July 1st down to 603 $/ton on 30th September. Accordingly, the FIFO/LIFO difference after tax in Q3/09 was positive and equal to EUR 11.1 ml.

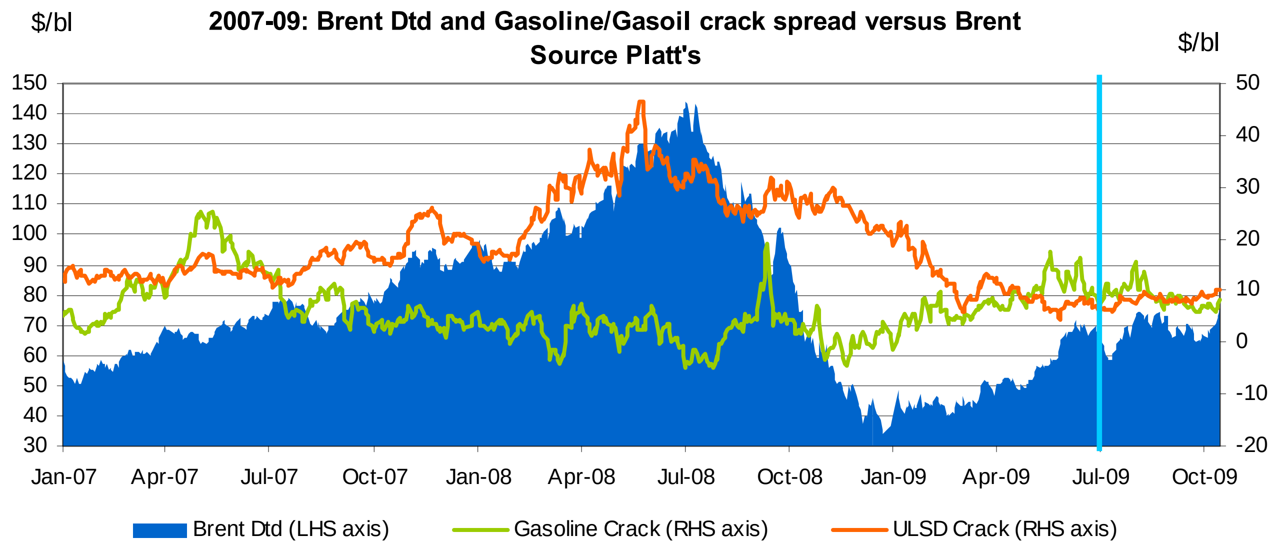
CAPEX in 9M/09, amounted to EUR 252 ml (of which EUR 70 ml in Q3/09), in line with the previously announced investment programme to be carried out during 2009. This figure includes approx. EUR 40 ml related to the acquisition of the Spanish service stations from ERG Petroleos (half spend in Q2/09 and the rest in Q3/09).

Net Financial Position on 30th September 2009 was negative by EUR 463 ml, compared to a negative figure of EUR 333 ml at the end of 2008, due to payment of dividends, capital expenditures, and negative working capital effects, which took place during the first nine months of 2009. Nonetheless, during Q3/09, the net financial position improved versus the negative EUR 472 ml at the end of Q2/09, keeping leverage within a very safe range.

Outstanding shares as of 30th September 2009 were 927.8 ml.

The Oil Market

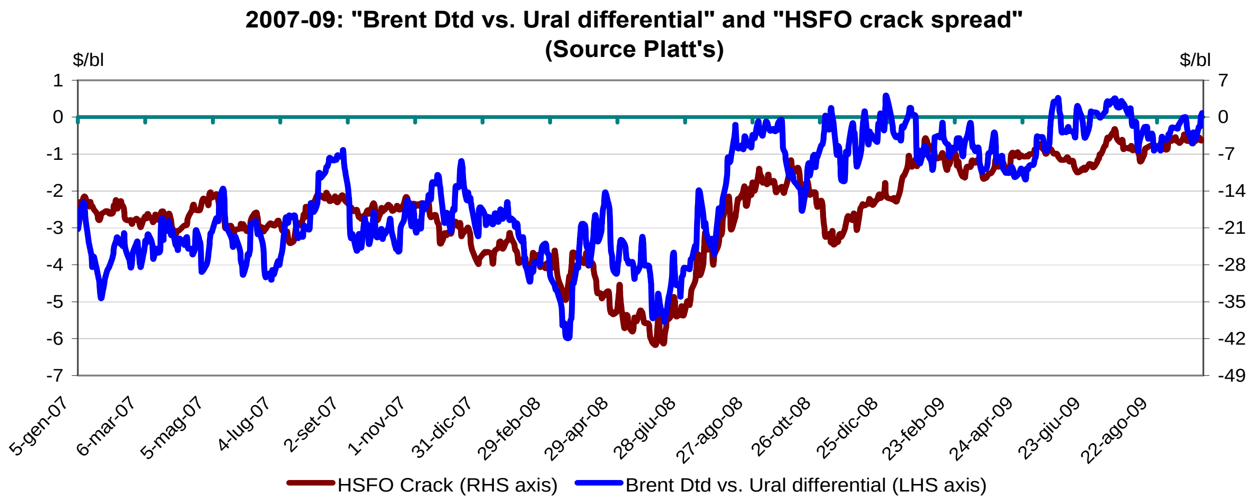
The graph here below shows the course of Brent Dated crude oil prices, and the crack spread[6] values for ULSD and Unleaded Gasoline.



As it can be observed, the first half of 2009 was characterised by a robust recovery of Brent Dated crude oil prices, which climbed back to approximately 70 $/bl from the low levels reached towards the end of 2008. Subsequently, during the third quarter of 2009, Brent remained stable within a relatively narrow pricing range (60 ÷ 75 $/bl), with an average price of 68.2 $/bl.

The above mentioned trends can be interpreted as a confirmation of the effectiveness of OPEC policies in stabilizing the crude oil market. In particular, OPEC decision to cut production towards the end of 2008 was paramount in creating a floor under falling oil prices, because it managed to realign crude output to the significantly lower level of demand, deriving from the global financial and economic crisis. Afterwards, OPEC good level of compliance with their self-imposed production limitations, proved critical in reducing volatility and achieving the previously mentioned stability, during Q2 and Q3 2009.

However, it is important to observe that OPEC production cuts concerned mainly “heavy sour” grades and created an artificial shortage of this kind of crude oil. This market distortion led to a sharp contraction of the price differential between “heavy” and “light” crude oils, and it provided also a remarkable support to fuel oil prices. The above described situation can be visually appreciated in the following graph, which shows the tight correlation between the fuel oil crack spread and the “heavy-light” differential.



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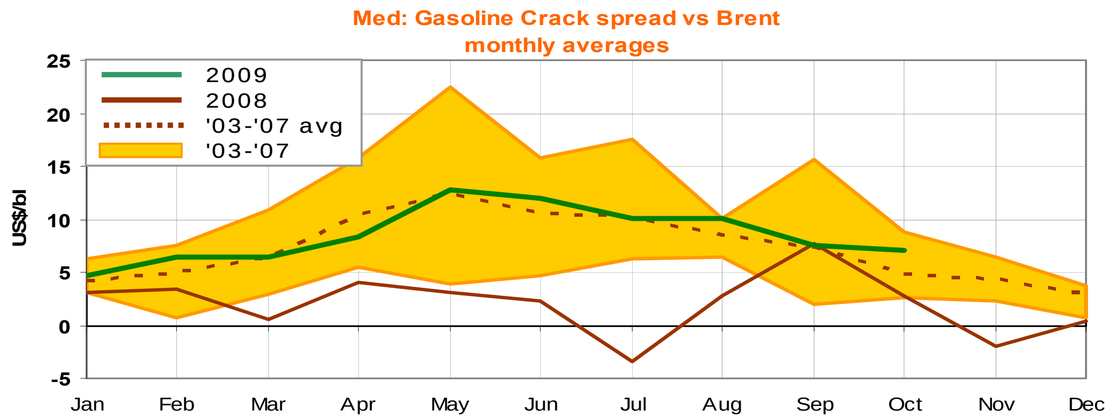
[6] **Crack spread**: difference between price of a product and reference crude oil.

Looking ahead, consensus is starting to spread among economists that the worst of the financial and economic crisis is over. At the same time, mild optimistic thinking is pushing crude oil producers to increase output. Indeed, in September, OPEC compliance dropped to 65%, versus approx. 80% in previous months. However, market analysts view this developments as a potential threat to pricing stability, since it is common opinion that the economic recovery will be slow and gradual, and any excess in crude availability could lead to crude oil prices sliding downwards, in the coming months. Moreover, a wider availability of heavy crude oils would remove the current support to the fuel oil crack, realigning it to market fundamentals.

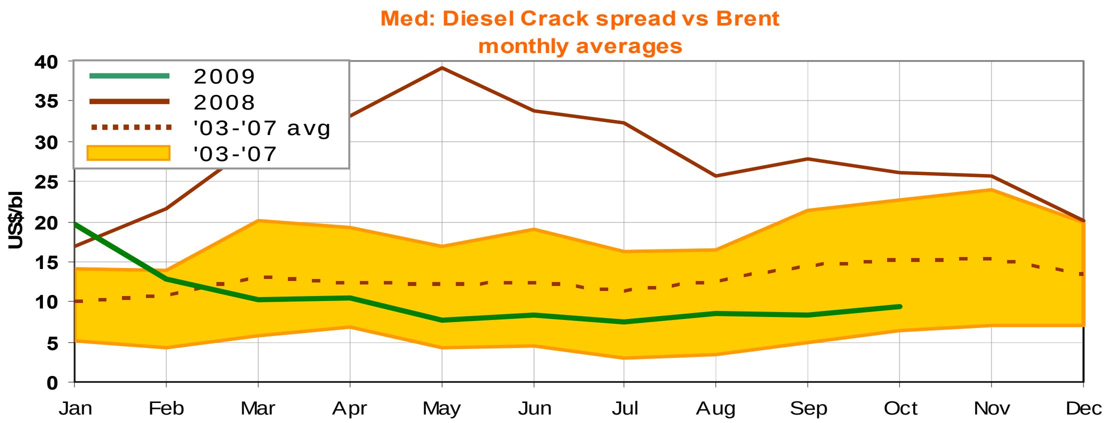
Moving on to oil products, throughout the first three quarter of the year, demand for all product categories dropped significantly on a global scale, as the recession tightened its grip. However, quite surprisingly, gasoline demand stayed relatively healthy during the American "driving season[7]", thanks to lower US retail prices (approx. 40% cheaper than same period last year). This unexpected development encouraged North American refiners to keep utilisation rates in Q2/09 a couple of percentage points higher than seasonal average.

Therefore, on the one hand, the high refinery runs boosted profits for American oil companies during the driving season. However, on the other hand, the low global demand for middle distillates (which are very closely linked to industrial activity and truck shipments along the supply chain), caused diesel and gasoil inventories to reach record high levels, and kept their crack spreads extremely weak.

Now that the summer is behind us, gasoline is progressively losing its strength, and refiners' focus is shifting to middle distillates. In particular, gasoline crack spread in the Mediterranean basin settled at an average of 9.2 $/bl in Q3/09, down 12% versus the average of 10.5 $/bl in Q2/09.



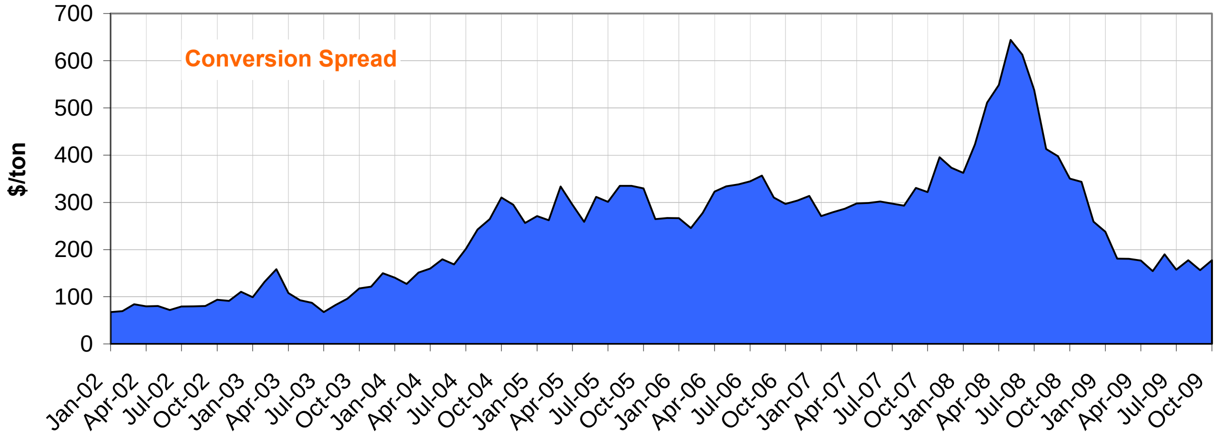
Middle distillates instead, during the entire third quarter, continued to remain particularly weak, with the crack spread averaging at 8.1 $/bl, substantially in line with the average of 8.3 $/bl in Q2/09. The challenge now is to draw down inventories, which have reached the highest levels in the past 20 years, both in the US and in Europe, also encouraged by the persistent "contango" structure of the forwards curve.



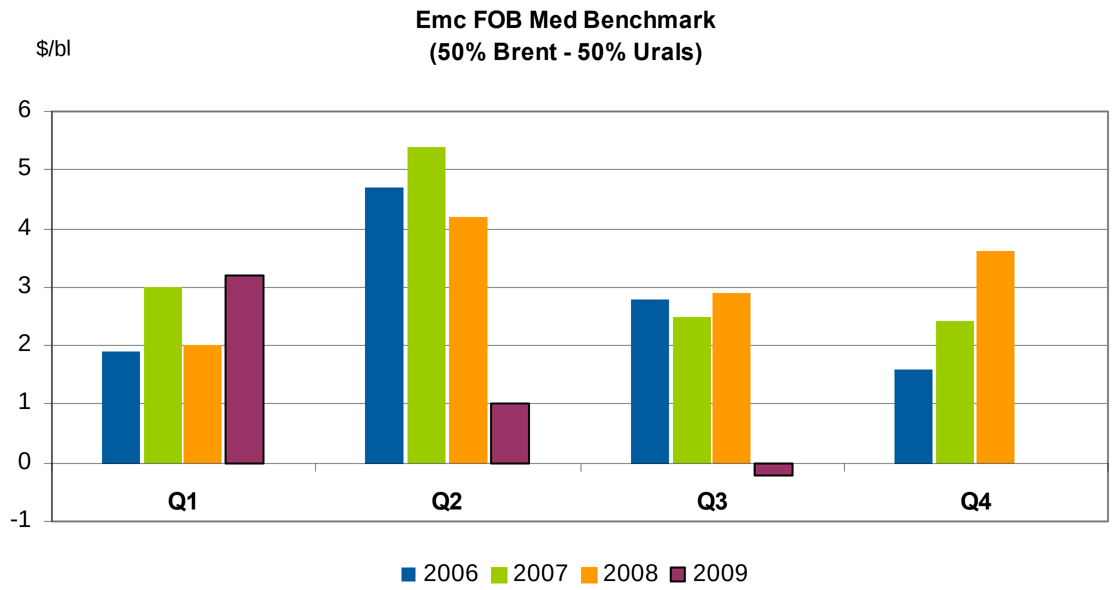
[7] **Driving season**: period of higher than average transportation fuels consumption due to holidays and favourable weather conditions.

Moving on to fuel oil, we can observe that this product has been particularly strong in the first nine months of 2009, thanks to the support received by OPEC production cuts which affected heavy sour crude oils, with subsequent reduction of fuel oil yields and supplies. The High Sulphur Fuel Oil (HSFO) crack spread averaged at –5.1$/bl in Q3/09, which is approx. 35% stronger than the average of -7.9 $/bl in Q2/09.

Obviously, the previously mentioned weakness in middle distillates, coupled with the resilience of 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 179 $/ton in the first nine months of 2009 (and 164 $/ton in Q3/09), versus the average of 495 $/ton in the first nine months of 2008 (and 452 $/ton in Q3/08).



Finally, the graph below shows the refining margin after variable costs calculated by EMC (Energy Market Consultants) for a mid complexity coastal refinery in the Mediterranean sea, and used by Saras as a benchmark. The average of Q1/09 was 3.2 $/bl (higher than the 2.0 $/bl of same quarter last year). However, the situation worsened significantly in Q2/09, with the EMC benchmark margin flexing down to 1.0 $/bl (versus 4.2 $/bl in Q2/08), and it became even worse in Q3/09, when the EMC moved into negative territory, with an average of -0.2 $/bl (versus 2.9 $/bl in Q3/08). Overall, the average for the first nine months of 2009 is equal to 1.3 $/bl (versus 3.0 $/bl in 9M/08).



Segment Review

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

Refining

EUR Million	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	(77.5)	39.2	-298%	67.5	79.3	348.5	-77%
Comparable EBITDA	**(54.2)**	**98.8**	**-155%**	**(38.9)**	**(53.7)**	**324.6**	**-117%**
EBIT	(101.0)	19.9	-608%	46.0	13.2	291.9	-95%
Comparable EBIT	**(77.7)**	**79.5**	**-198%**	**(60.4)**	**(119.8)**	**268.0**	**-145%**
CAPEX	**44.1**	**36.4**	**21%**	**90.9**	**187.6**	**124.7**	**50%**

Margins and refinery runs

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
REFINERY RUNS	thousand tons	3,447	3,887	-11%	2,704	9,874	11,584	-15%
	Million bl	25.2	28.4	-11%	19.7	72.1	84.6	-15%
	thousand bl/day	273	308	-11%	217	264	309	-14%
of which:								
Processing for own account	thousand tons	2,373	2,488	-5%	1,878	6,939	7,532	-8%
Processing on behalf of third parties	thousand tons	1,074	1,399	-23%	826	2,935	4,052	-28%
EXCHANGE RATE	EUR/USD	1.430	1.505	-5%	1.363	1.367	1.522	-10%
EMC BENCHMARK MARGIN	$/bl	(0.2)	2.9	-107%	1.0	1.3	3.0	-57%
SARAS REFINERY MARGIN	$/bl	(0.3)	8.0	-104%	1.4	2.2	8.9	-75%

Comments on Third Quarter and 9M/09 results

During the first nine months of 2009, the economic recession caused a sharp contraction in demand for oil products, and in particular for diesel, which is the product most closely link with the intensity of industrial activity. In the European market, diesel crack contracted from an average value of 28.9 $/bl in 9M/08, to an average of 10.0 $/bl in 9M/09. The situation became even more critical in Q3/09, when it became apparent that, with the current mild pace of economic recovery, it will take at least another 6 months for the excess inventories to be reabsorbed on the major international hubs. The diesel crack in Q3/09 averaged at 8.1 $/bl, while in the same period last year the average was 28.7 $/bl.

Moving on to gasoline, the first nine months of 2009 were characterized by a robust performance, especially during H1/09. This strength can be mainly attributed to lower consumer prices compared to same period last year, seasonal effects related to the US “driving season”, and an important contraction in supply, caused by simultaneous maintenance at several refineries across the globe during H1/09. During the course of Q3/09, however, gasoline crack fell sensibly, due to a remarkable hike in refinery utilisation (+5.2% in July, up to a peak value of 87.1%), which led to a rapid build-up of inventories. More specifically, the gasoline crack in 9M/09 averaged at 8.4 $/bl, versus 2.6 $/bl in 9M/08. Moreover, in Q3/09 gasoline crack averaged at 9.2 $/bl, vs. 2.3 $/bl in Q3/08.

Fuel oil showed a remarkable strength throughout the first nine months of 2009. As commented in previous occasions, this performance can be explained with the reduced availability of heavy crude oils, deriving from OPEC production cuts. High sulphur fuel oil crack stood at an average of -7.2 $/bl in 9M/09, versus an average of -27.3 $/bl in 9M/08. In Q3/09 fuel oil was even stronger, with an average of -5.1 $/bl versus -18.6 $/bl in Q3/08.

In consideration of the above market scenario, our **EMC benchmark for refining margin in 9M/09 stood at 1.3 $/bl**, versus 3.0 $/bl in 9M/08, and **Saras premium above the EMC margin fell to 0.9 $/bl** (versus 5.9 $/bl in 9M/08). In a similar way, in Q3/09 the EMC benchmark stood at -0.2 $/bl vs. 2.9 $/bl in Q3/08, and Saras margin was 0.1 $/bl below the EMC benchmark, which compares with a premium of 5.1 $/bl in Q3/08.

The unusually narrow premium added by Saras on top of the EMC benchmark is the consequence of various combined effects. Firstly, the price differential between diesel and fuel oil (the so called "conversion spread") has been extremely tight, resenting from the aforementioned weakness in middle distillates and the contextual strength in fuel oil. To be more specific, in 9M/09, the average of the conversion spread was 179 $/ton vs. 495 $/ton in 9M/08, and in Q3/09 it was even lower at 164 $/ton, versus 452 $/ton in Q3/08.

Secondly and more importantly, Saras premium was influenced by heavy conversion losses (USD 137 ml in 9M/09, of which USD 65 ml in Q3/09) caused by an important cycle of maintenance and investment activities, which was originally scheduled to end in H1/09. However, due to a tragic accident which took place in the refinery towards the end of May, turnaround activities suffered from important delays, and they extended until the end of July.

Furthermore, technical problems occurred during Q3/09 at the time of restarting some critical units, which caused further delays in the achievement of standard operating conditions. In particular, a newly installed energy recovery system of the FCC unit had some design faults. This required the unit to be shut down again, and engineering work to be carried out. The suboptimal performance of the FCC caused fouling problems in the etherification unit, which forced a second round of cleaning and repair activities. Additionally, the Visbreaker experienced a shorter turnaround time, requiring an earlier shutdown for its standard cleaning routine.

Finally, the refinery suffered a further penalisation due to the reduced availability of hydrogen, because of operational problems on the IGCC, as well as the decision to bring forward maintenance of one train of Turbine and Gasifier, originally scheduled for Q4/09.

The above mentioned problems progressively summed up to USD 65 ml of penalisation, during the course of Q3/09. Nonetheless, it is worth to note that, with a conversion spread of approx. 170 $/ton, under standard operating conditions, and without the above mentioned penalisations, Saras refinery would have added a premium above the EMC benchmark of approximately 2.7 $/bl.

Refinery runs in 9M/09 stood at 9.874 million tons (72.1 million barrels, corresponding to 264 thousand barrels per day), of which **3.447 million tons were processed in Q3/09** (25.2 million barrels, corresponding to 273 thousand barrels per day). This operating result in 9M/09 was 15% lower than same period last year, and in Q3/09 was 11% lower than Q3/08. These differences are easily explained when considering that 2009 maintenance activities involved a crude distillation unit (Topping1), while in 2008 all the crude atmospheric distillations units were running regularly throughout the year.

With an average density of 32.3°API, the crude mix in 9M/09 was slightly heavier than last year. However, in Q3/09 the crude mix returned to an average density of 32.7°API, exactly in line with 2008 average. Nonetheless, it should be noted that in 2009 the percentages of light extra sweet and heavy sour both decreased versus 2008 values, while the medium sour increased correspondingly. This change of crude slate is the consequence of the maintenance activities carried out on the FCC unit, which traditionally uses high percentages of light extra sweet crude oils for its feedstock.

Moreover, the heavy scheduled maintenance and investment cycle had obvious effects also on the product slate. Indeed, the loss in conversion capacity led to a lower yield in middle distillates (49.8% in 9M/09 and 48.7% in Q3/09, versus 53.3% in 2008) and also in light distillates (23.8% in 9M/09 and 23.3% in Q3/09, versus 26.1% in 2008). On the contrary, fuel oil and other heavy fractions increased accordingly (11.3% in 9M/09 and 13.7% in Q3/09, versus 5.3% in 2008).

Finally, the processing on behalf of third parties was approximately one third of total runs (30% in 9M/09 and 31% in Q3/09), in line with our strategy.

***Comparable* EBITDA of the refining segment in 9M/09 was EUR -53.7 ml,** down 117% versus EUR 324.6 ml in 9M/08, driven by the lower conversion spread, and the previously mentioned losses on EBITDA for approximately USD 137 million. Similarly, **in Q3/09 *comparable* EBITDA was EUR -54.2 ml**, down 155% versus Q3/08, for the combination of delays and technical problems described above.

Only partial compensation came from the stronger USD versus the EUR, with an exchange rate averaging at 1.367 during 9M/09, vs. 1.522 during 9M/08, and 1.430 in Q3/09 versus 1.505 in Q3/08.

Refining **CAPEX in 9M/09 was EUR 187.6 ml,** of which EUR 44.1 ml in Q3/09, in line with investment plan for the year.

Production

		Q3/09	9M/09	2008
LPG	thousand tons	55	162	337
	yield	1.6%	1.6%	2.2%
NAPHTHA + GASOLINE	thousand tons	803	2,347	4,056
	yield	23.3%	23.8%	26.1%
MIDDLE DISTILLATES	thousand tons	1,677	4,915	8,275
	yield	48.7%	49.8%	53.3%
FUEL OIL & OTHERS	thousand tons	471	1,119	825
	yield	13.7%	11.3%	5.3%
TAR	thousand tons	250	772	1,121
	yield	7.2%	7.8%	7.2%

Balance to 100% is “Consumption & Losses”

Crude Oil slate

		Q3/09	9M/09	2008
Light extra sweet		46%	47%	51%
Light sweet		0%	0%	0%
Medium sweet		0%	0%	0%
Light sour		0%	0%	0%
Medium sour		34%	28%	22%
Heavy Sour		21%	25%	27%
Average crude gravity	°API	32.7	32.3	32.7

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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	11.3	-27.5	-141%	30.5	44.6	33.2	34%
Comparable EBITDA	**6.5**	**10.3**	**-37%**	**13.1**	**18.8**	**27.3**	**-31%**
EBIT	8.4	-28.8	-129%	28.5	38.4	29.3	31%
***Comparable* EBIT**	**3.6**	**9.0**	**-60%**	**11.1**	**12.6**	**23.4**	**-46%**
CAPEX	**22.3**	**5.9**		**26.2**	**52.7**	**31.0**	

Sales

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
TOTAL SALES	thousand tons	969	986	-2%	985	2,968	2,985	-1%
of which in Italy	thousand tons	320	292	10%	304	931	852	9%
of which in Spain	thousand tons	650	694	-6%	681	2,036	2,133	-5%

Comments on Third Quarter and 9M/09 results

As already mentioned in the comments to the Refining segment, the first nine months of 2009 were characterized by a deep contraction in demand for oil products, deriving from the global recession, which impacted more severely the economies of developed countries (OECD), including Spain and Italy, where our Marketing sales are concentrated.

In particular, in 9M/09 the Spanish market posted a decrease in gasoline demand equal to -4.3% vs. 9M/08, and the contraction was even steeper for middle distillates (-6.2% vs. 9M/08), with a split of -6.3% for diesel and -6.0% for heating and agricultural gasoil. In this scenario, **Saras Energia in 9M/09 had a 5% contraction in sales versus 9M/08**. In particular, there was a significant reduction of gasoline sales (-22%), and a substantial stability in the sales of gasoil (down 1% vs. 9M/08), achieved with a -0.7% for diesel, and a -1.6% for heating and agricultural gasoil.

When looking at the third quarter 2009, the trend in demand for oil products in the Spanish market remained extremely challenging, even if the comparison with Q3/08 shows a smaller drop in percentage terms. However, this is not related to an improvement in Q3/09 demand, but rather to the fact that in the second half of 2008 the financial crisis and the economic downturn had already started to sharpen, taking the first important tolls on oil product demand. For this reason, gasoline demand in Q3/09 slid only by 3% vs. Q3/08, and middle distillates decreased by 4.9% vs. Q3/08 (with a split of -2.6% for diesel, and -13.4% for heating and agricultural gasoil). **Saras Energia in Q3/09 had a total contraction in sales equal to 6% vs. Q3/08**, with gasoline suffering the most (-22.8% vs. Q3/08), and gasoil also shrinking by 2.7% vs. Q3/08 (achieved with a -2.9% for diesel, and a -1.3% for heating and agricultural gasoil).

Moving to the analysis of the Italian market, in 9M/09 demand for oil products decreased overall by 5.5% vs. 9M/08. Gasoline was down by 3.7%, while middle distillates were down by 6.9% (mostly related to diesel which lost 10.4%, while heating oil lost 2.9%, and agricultural gasoil was up by 3.4%). Notwithstanding the above scenario, in the first nine months of 2009 **Arcola Petrolifera was capable of growing sales by 9.3%**, hence providing effective compensation for the weaker performance of the Spanish subsidiary. In detail, sales for gasoline were up 26.1%, diesel was up by 16.2%, while sales of other gasoil were down by 18.3%, vs. same period last year.

When looking at Q3/09, the situation is similar to the one described for the Spanish market. Indeed, total demand for oil products in the Italian market decreased by 5.4% vs. Q3/08, with gasoline losing 2.0%, and middle distillates shrinking by 6.7% (diesel down 6.8%, heating oil down by 19.1%, and agricultural gasoil also down by 3.8%). Nevertheless, **Arcola Petrolifera posted again a very robust set of results in Q3/09, with sales up by 9.5%**, partially offsetting the continued weakness in the Spanish market. More specifically, sales for gasoline in Q3/09 were up 31.6%, diesel was up by 11.7%, while sales of other gasoil were down by 7.8%, vs. Q3/08.

***Comparable* EBITDA in 9M/09 was EUR 18.8 ml**, down 31% compared to the same period last year, mainly because of the negative performance registered in Q1/09, when we suffered by lower sales along with losses on the sales of the biodiesel produced during the initial test runs. This was almost entirely offset by the performance achieved in Q2/09, thanks to our strategy to push sales of products with higher margins, and shift the mix of sales channels towards a more profitable base (e.g.: increasing volumes towards retail operators, unbranded gas stations, and small & mid-sized dealers, whilst decreasing sales to other commercial operators). However, Q3/09 was again weaker than same period last year, with a **comparable EBITDA at EUR 6.5 ml**, 37% lower than Q3/08, primarily because of lower sales and a modest contribution from the biodiesel plant.

CAPEX in 9M/09 were EUR 52.7 ml mainly due to the acquisition of 75 service stations from ERG Petroleos, which was completed during Q2/09 and Q3/09, and also because of some other investments related to the completion of the biodiesel plant in Cartagena. **In Q3/09 CAPEX were EUR 22.3 ml**, reflecting the above mentioned acquisition of the ERG service stations.

Power Generation

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

EUR Milion	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	46.5	53.2	-13%	45.7	136.0	150.6	-10%
***Comparable* EBITDA**	**46.5**	**53.2**	**-13%**	**45.7**	**136.0**	**150.6**	**-10%**
EBIT	27.3	34.4	-21%	26.4	78.3	94.2	-17%
***Comparable* EBIT**	**27.3**	**34.4**	**-21%**	**26.4**	**78.3**	**94.2**	**-17%**
EBITDA ITALIAN GAAP	**13.3**	**93.9**	**-86%**	**47.8**	**119.0**	**227.7**	**-48%**
EBIT ITALIAN GAAP	**(0.9)**	**80.3**	**-101%**	**33.7**	**76.7**	**187.0**	**-59%**
NET INCOME ITALIAN GAAP	**(1.4)**	**46.5**	**-103%**	**17.6**	**42.3**	**101.7**	**-58%**
CAPEX	**3.1**	**4.5**		**3.2**	**9.0**	**18.0**	

Other figures

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
ELECTRICITY PRODUCTION	MWh/1000	924	1,164	-21%	1,116	2,938	3,369	-13%
POWER TARIFF	**Eurocent/KWh**	**8.3**	**14.0**	**-41%**	**9.6**	**10.6**	**13.7**	**-22%**
POWER IGCC MARGIN	$/bl	4.2	4.1	2%	4.8	4.1	4.1	0%

Comments on Third Quarter and 9M/09 results

Results of the Power Generation segment were lower than expected, with **power production in 9M/09 at 2.938 TWh,** down 13% when compared to 9M/08. The reasons for the underperformance in the first nine months of this year are related primarily to the scheduled maintenance activities carried out in Q1/09 on one of the three parallel trains of “Gasifier - Turbine”, which turned out to be heavier than originally planned. Moreover, in Q3/09 we brought forward the scheduled maintenance cycle on the second train of “Gasifier – Turbine” which was originally planned for Q4/09. This decision was mainly related to operational problems on the IGCC desalinization units, causing a shortage of distilled water, needed for steam production and power generation. Therefore, **power production in Q3/09 stood at 0.924 TWh**, 21% lower than same period last year, when no maintenance took place in the IGCC.

Italian GAAP EBITDA in 9M/09 was EUR 119.0 ml, down 48% versus 9M/08, primarily because of the expiry in April 2009 of the “incentive” component of the CIP6/92 tariff, which led to a reduction of the EBITDA equal to approx. EUR 65 ml. Another difference of approximately EUR 15 ml can be explained with the lower sales of hydrogen and steam. The rest depends from the minor production of electricity, and the lower average value of the total CIP6/92 power tariff, which in 9M/09 stood at 10.6 EURcent/kWh, down 22% versus 9M/08.

In the third quarter 2009, Italian GAAP EBITDA was EUR 13.3 ml, down 86% versus Q3/08. As previously discussed in the comment to 9M/09, the above difference can be explained with a combination of factors. Firstly, the absence of the “incentive” component of the CIP6/92 tariff, which is worth approx. EUR 35 ml in Q3/09. Secondly, the lower production of electricity versus Q3/08 (deriving from the decision to bring forward in Q3/09 the maintenance of one train of “Gasifier – Turbine”, while in Q3/08 there was no maintenance) and the lower average value of the CIP6/92 power tariff (8.3 EURcent/kWh, down 41% versus Q3/08), which together sum up to approximately EUR 36 ml. And finally, the lower sales of hydrogen and steam, which in Q3/09 account for a reduction in EBITDA of approximately EUR 8 ml.

***Comparable* EBITDA in 9M/09 was EUR 136.0 ml,** down 10% vs. same period last year, due to lower sales of Hydrogen and Steam (down by approx. EUR 15 ml), whose revenues are not subject to the IFRS linearization procedure. More specifically, the lower sales are related to a combination of lower requirements from the refinery while it was undergoing an heavy maintenance cycle, as well as a reduced production linked to the IGCC operational problems and maintenance cycle. Similarly, **in Q3/09 *Comparable* EBITDA stood at EUR 46.5 ml**, down 13% vs. same period last year, due to lower sales of Hydrogen and Steam (down by EUR 8 ml), for the same reasons explained in the 9M/09 results.

Finally, **CAPEX in 9M/09 were EUR 9.0 million**, of which **EUR 3.1 ml in Q3/09**, in line with our investment 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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	2.2	(1.4)	257%	3.7	14.2	8.1	75%
***Comparable* EBITDA**	**2.2**	1.2	**83%**	**3.7**	**14.2**	**10.7**	**32%**
EBIT	(0.2)	(3.6)	94%	1.3	7.0	1.5	354%
***Comparable* EBIT**	**(0.2)**	(1.0)	**80%**	**1.3**	**7.0**	**4.1**	**69%**

Other figures

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
ELECTRICITY PRODUCTION	MWh	16,956	19,820	-14%	25,249	100,761	117,354	-14%
POWER TARIFF	EURcent/KWh	9.6	8.7	9%	6.4	7.8	8.7	-11%
GREEN CERTIFICATES	EURcent/KWh	10.0	3.0	239%	8.0	8.6	6.3	35%

Comments on Third Quarter and 9M/09 results

The Ulassai wind farm posted solid results **in 9M/09, with a *comparable* EBITDA at EUR 14.2 ml** (up 32% vs. 9M/08), boosted by profits of approx. EUR 1.3 ml, deriving from the sales of Green Certificates related to the year 2008. By contrast, 9M/08 was negatively impacted by losses for approximately EUR 3.4 ml, generated by the sale of Green Certificates pertaining to the year 2007.

In Q3/09, *comparable* EBITDA was EUR 2.2 ml, up 83% vs. Q3/08, thanks to a high value of the Green Certificates. This compares with a very low value for Green Certificated in Q3/08, because the entire 2008 GC production was devaluated in that quarter, with a mark-to-market at 6.3 EURcent/kWh.

Electricity production in 9M/09 was equal to 100,761 MWh, down 14% vs. 9M/08. This came as a result of the unfavourable wind conditions, both in Q2/09 and also in Q3/09, which more than offset the excellent production of the first quarter 2009. In particular, the Ulassai wind farm **in Q3/09 produced 16,956 MWh**, 14% below same period last year, as third quarter is typically characterised by low wind conditions.

Moving to **Green Certificates, their average price in 9M/09 stood at 8.6 EURcent/kWh**, up 35% vs. 9M/08, more than offsetting the lower electricity production and the lower power tariff. Indeed, the power tariff dropped to 7.8 EURcent/kWh, (from 8.7 EURcent/kWh in 9M/08), as a consequence of the economic downturn, which caused lower industrial activity and reduced demand for electricity.

In **Q3/09, the average price of Green Certificates was 10.0 EURcent/kWh**, up 239% versus Q3/08, for the same reasons explained above. Finally, the power tariff climbed back to a remarkable average of 9.6 EURcent/kWh in Q3/09, up 9% vs. Q3/08, thanks to a recovery in industrial demand.

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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	0.4	0.7	-43%	0.5	1.3	0.7	n/a
***Comparable* EBITDA**	**0.4**	**0.7**	**-43%**	**0.5**	**1.3**	**0.7**	**n/a**
EBIT	0.0	0.0	n/a	0.1	(0.1)	(1.0)	90%
***Comparable* EBIT**	**0.0**	**0.0**	**n/a**	**0.1**	**(0.1)**	**(1.0)**	**90%**

Comments on Third Quarter and 9M/09 results

Results in line with expectations. In 9M/09, ***comparable* EBITDA was positive for EUR 1.3 ml**, confirming achievement of the break even position. In third quarter ***comparable*** **EBITDA** stood at **EUR 0.4 ml.**

Finally, it is worth to mention that during Q2/09, the subsidiary Akhela acquired 51% of “Artemide Tecnologie Informatiche” Srl, a company providing ICT services and software development, with 50 employees and a turnover of approx. EUR 3 ml per year.

Net Financial Position

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

EUR Million	30-Sep-09	31-Dec-08
Medium/long term bank loans	(328)	(174)
total long term net financial position	**(328)**	**(174)**
Short term bank loans	(68)	(81)
Bank overdrafts	(159)	(163)
Loans from unconsolidated subsidiaries		
Loans made to unconsolidated subsidiaries		
Other marketable financial assets	24	20
Cash and cash equivalents	69	65
total short term net financial position	**(135)**	**(158)**
Total net financial position	**(463)**	**(333)**

At the end of September 2009, the Group Net Financial Position was negative by EUR 463 ml, compared to a negative figure of EUR 333 ml at the end of 2008, due to payment of dividends, capital expenditures, and negative working capital effects, which all occurred during the first 9 months of 2009.

Nonetheless, in Q3/09 the NFP improved versus the position as of 30 June 2009, thanks to positive working capital effects.

Strategy and Investments

The economic recession has severely impacted demand for petroleum products, and the current scenario has worsened in comparison to the original assumptions behind our 2008 ÷ 2011 Investment Plan.

Our strategy continues to focus on increasing conversion capacity, achieving higher operational flexibility, enhancing energy efficiency, and retaining tight control on debt levels.

However, in order to align our investments with the currently depressed market scenario, and to pursue the best possible returns for our shareholders, our CAPEX plan has been revised and all major "growth" projects from 2010 onwards have been postponed by 12 to 18 months.

Capex by segment

EUR Million	Q3/09	9M/09	9M/08
REFINING	44.1	187.6	124.7
POWER GENERATION	3.1	9.0	18.0
MARKETING	22.3	52.7	31.0
WIND	0.1	0.2	0.0
OTHER	0.4	2.8	1.7
Total	**70.0**	**252.3**	**175.4**

Outlook

REFINING

- Due to heavy maintenance and investment activities carried out in the first nine months of 2009, as well as delays in completing those activities, and technical problems at the time of restarting some critical units, Saras now expects 2009 refinery runs to settle in the range of 13.5 ÷ 13.8 million tons (hence remaining above the remarkable threshold of 100 million barrels)

- Only minor maintenance will be carried out during Q4/09. This means that our refinery will be able to exploit its superior complexity and flexibility, and benefit from any potential recovery in demand for middle distillates, which could take place during winter (the so called “heating season”)

- Looking forward, the International Energy Agency (IEA) has now revised upwards its estimates for global oil demand and it now expects an average of 84.6 mb/d in 2009 (down 1.9% vs. 2008), followed by a recovery of +1.7% in 2010, reaching 86.1 mb/d

- This improved scenario derives from a more optimistic macroeconomic outlook, as forecasted by the IMF, as well as stronger preliminary data on oil consumption in developing economies (China, India, Latin America and Middle East)

- However, current high level of oil products inventories, and recent additions of refining capacity in the far East, invite to maintain a cautious approach. As such, we share the view of several prominent analysts of the oil sector, and we agree that meaningful rebounds in refining margins and middle distillates crack will probably take place towards the end of H1/2010

- Such a recovery will depend on a gradual and solid upturn in industrial activity worldwide, which will be accompanied by an increase in shipments (via truck) of goods along the supply chain, hence boosting distillates consumption.

POWER GENERATION

- Maintenance activities on one train of “Gasifier – Turbine” in our Sarlux IGCC plant has been brought forward from Q4/09, and it is now complete. No further maintenance is expected for the remainder of 2009

- The 9-month delay in the formula used to calculate the “fuel component”, progressively reduced the CIP/6 power tariff in the first nine months of 2009, in line with the trend of crude oil prices during the second half of 2008

- However, the subsequent recovery of crude oil prices in Q1/09 will shortly translate in a rising trend for the CIP/6 power tariff (for sake of reference, only during Jan’09 Brent DTD rebounded from 36 up to 45 $/bl)

- Finally, as previously announced at the time when we reported Q2/09 results, the “incentive” component of the power tariff has 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 will remain stable from now until 2021, in the range of EUR 175 ÷ 185 ml per year

- However, there will be an effect on Italian GAAP EBITDA, which is expected to decrease by approx. EUR 115 ml in 2009 versus 2008.

Main events after the end of 9M/09

On the 29th October 2009 has expired the period authorized for Saras own shares buyback programme, for a maximum amount of no. 94,435,000 ordinary shares and a duration of 18 months from the authorizing resolution of the AGM held on the 29th April 2008.

In the aforementioned period Saras has, on the whole, acquired on the market 18,387,703 ordinary shares (around 1.9% of share capital), at an average price per share of EUR 3.000, net of commissions, for a total amount of around EUR 55 million.

Risk Analysis

Saras bases its risk management policy on the identification, assessment, and possible reduction or elimination of the principal risks associated with the Group's objectives, with reference to the strategic, operational and financial areas.
The principal risks are reported to and discussed by the Group's top management, to create the prerequisites for their management and to assess the acceptable residual risk.
Management of the risks found in the company processes is based on the principle by which the operational or financial risk is managed by the person responsible for the related process, based on the indications of top management, while the control function measures and controls the level of exposure to risk and the results of the actions to reduce the risk.
To manage financial risks, the Saras Group policy includes the use of derivatives, only for the purposes of cover and without resorting to complex structures.

Financial risks

Price fluctuation risk

The results of Saras Group are influenced by the trend in oil prices and especially by the effects that this trend has on refining margins (represented by the difference between the prices of the oil products generated by the refining process and the price of the raw materials, mainly crude oil). In addition, to carry out production, the Saras Group is required to maintain adequate inventories of crude oil and finished products, and the value of the inventories is subject to the fluctuations of market prices.
Also subject to variation are the electricity sale prices charged by controlled companies, as well as the prices of green certificates and emissions credits.
The price variation risk and the related financial flow risk is closely linked to the very nature of the business and can only be partly mitigated through the use of appropriate risk management policies, including agreements to refine oil for other companies at partially preset prices. To mitigate the risks deriving from price variations, the Group also takes out derivative contracts on commodities.

Exchange rate risk

The Group's oil business is structurally exposed to fluctuations in exchange rates, because the reference prices for buying crude and for most product sales are linked to the US dollar.
To reduce both the exchange rate risk for transactions that will be executed in the future and the risk originating from payables and receivables expressed in currencies other than the functional currency, Saras also uses derivative instruments.

Interest rate risk

Loans at variable interest rates expose the Group to the risk of variations in results and in cash flows, due to interest. Loans at fixed interest rates expose the Group to the risk of variation of the fair value of the loans received. The main existing loan contracts are stipulated at variable market rates. The Saras Group also uses derivates to reduce the risk of variations in results and in cash flows deriving from interest.

Credit risk

The refining sector represents the Group's reference market and it is principally made up of multinational companies operating in the oil sector. Transactions executed are generally settled very quickly and are often guaranteed by primary credit institutions.
Retail and wholesale sales are particularly small, and in addition these are often guaranteed or insured as well.

Liquidity risk

The Group finances its activities both through the cash flows generated by operating activities and through the use of externally-sourced financing, and it is therefore exposed to liquidity risk, comprising the capacity to source adequate lines of credit as well as fulfil contractual obligations deriving from the financing contracts entered into.
The significant capacity for self-financing, together with the low level of debt, lead us to consider that the liquidity risk is moderate.

Other risks

Risks of interruption of production

The activity of the Saras Group depends heavily on its refinery located in Sardinia, and on the contiguous IGCC plant. This activity is subject to the risks of accident and of interruption due to non-scheduled plant shutdowns.
Saras believes that the complexity and modularity of its systems limit the negative effects of unscheduled shutdowns and that the safety plans in place (which are continuously improved) reduce any risks of accident to a minimum: in addition Saras has a major programme of insurance cover in place to offset such risks.
However, in certain circumstances this programme may not be sufficient to prevent the Group from bearing costs in the event of an accident or an interruption in the production.

Environmental risk

The activities of the Saras Group are regulated by many European, national, regional and local laws regarding the environment.
The highest priority of the Saras Group is to conduct its activity with the utmost respect for the requirements of environmental legislation. The risk of environmental responsibility is, however, inherent in our activity, and it is not possible to say with certainty that new legislation will not impose further costs in the future.

Legal risk

The subsidiary Sarlux S.r.l. sells the electricity generated to GSE at the conditions specified by the legislation in force (law no. 9/1991, law no. 10/1991, CIP deliberation no. 6/92 and subsequent modifications, law no. 481/1995) which remunerate the electricity produced by plants powered by renewable and assimilated sources based on the costs avoided and time-limited incentives, linked to the actual production.
The risk is therefore linked to possible unfavourable modifications to the legislation, which could have significant negative effects.

Dependencies on third parties

The IGCC plant, owned by the subsidiary Sarlux S.r.l., depends on petroleum raw materials supplied by Saras and on oxygen supplied by Air Liquide Italia. If these supplies should fail, Sarlux would have to locate alternative sources, which the company may not be able to find or find at similar economic conditions.

Other information

Transactions with related parties
Transactions with related parties are detailed in the Notes to the Consolidated Financial Statements, chapter 7.3 “Transactions with related parties”

Research and development
Saras does not have a meaningful research and development activity in the period, therefore no significant cost where capitalized or accounted in the Income statement during 9M/09.

Buyback programme
During the first nine months of 2009 no share have been bought or sold.

For the Board of Directors
The Chairman
Gian Marco Moratti

SARAS GROUP CONSOLIDATED FINANCIAL STATEMENTS

Statement of Consolidated Financial Position as of 30th September 2009 and 31st December 2008

EUR thousand		30/09/2009	31/12/2008
ASSETS	(1)		
current assets		**1,423,143**	**1,310,954**
Cash and cash equivalents	5.1.1	68,564	65,180
Other financial assets held for trading or available for sale	5.1.2	24,436	20,464
Trade receivables	5.1.3	436,569	639,326
of which with related parties:		*62*	*273*
Inventories	5.1.4	698,780	469,298
Current tax assets	5.1.5	37,029	7,770
Other assets	5.1.6	157,765	108,916
Non-current assets		**2,021,757**	**1,925,304**
Property, plant and equipment	5.2.1	1,506,971	1,377,018
Intangible assets	5.2.2	460,123	484,575
Other equity interests	5.2.3.2	663	1,103
Deferred tax assets	5.2.4	51,413	58,953
Other financial assets	5.2.5	2,587	3,655
Total assets		**3,444,900**	**3,236,258**

LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities		**1,122,734**	**988,757**
Short-term financial liabilities	5.3.1	230,774	243,980
Trade and other payables	5.3.2	729,870	560,867
of which with related parties:		*81*	*241*
Current tax liabilities	5.3.3	87,129	107,746
Other liabilities	5.3.4	74,961	76,164
Non-current liabilities		**1,098,387**	**936,448**
Long-term financial liabilities	5.4.1	328,479	174,211
Provisions for risks	5.4.2	56,586	29,195
Provisions for employee benefits	5.4.3	35,614	37,494
Liabilities for deferred tax assets			0
Other liabilities	5.4.4	677,708	695,548
Total liabilities		**2,221,121**	**1,925,205**

EQUITY	5.5		
Share capital		54,630	54,630
Legal reserve		10,926	10,926
Other reserves		1,090,861	1,183,675
Profit/(loss) for the period		67,389	61,822
Total equity attributable to owners of the company		**1,223,806**	**1,311,053**
Minority interest		(27)	0
Total Equity		**1,223,779**	**1,311,053**
Total liabilities and equity		**3,444,900**	**3,236,258**

(1) Please refer to the Notes to the financial statements chapter 5 "Notes to the financial position"

Statements of comprehensive Income for the period: 1st January – 30th September 2009, and for the period: 1st January – 30th September 2008

EUR thousand	(1)	1 January 30 September 2009	of which non recurring	1 January 30 September 2008	of which non recurring	1 July 30 September 2009	of which non recurring	1 July 30 September 2008	of which non recurring
Revenues from ordinary operations	6.1.1	3.701.844		6.866.445		1.401.350		2.466.289	
of which with related parties:		*0*		*48*		*0*			
Other income	6.1.2	50.990		87.567		14.554		27.800	
of which with related parties:		*115*		*123*		*28*		*25*	
Total revenues		**3.752.834**	***0***	**6.954.012**	***0***	**1.415.904**	***0***	**2.494.089**	***0***
Purchases of raw materials, spare parts and consumables	6.2.1	(2.985.627)		(5.881.091)		(1.279.136)		(2.257.348)	
Cost of services and sundry costs		(387.205)		(442.396)	*2.577*	(122.450)		(141.957)	2.577
of which with related parties:		*1.323*		*1.325*		*364*		*552*	
Personnel costs	6.2.3	(104.566)		(98.959)		(31.344)		(30.709)	
Depreciation, amortization and write-downs	6.2.4	(138.686)		(120.760)		(48.479)		(42.172)	
Total costs		**(3.616.084)**	***0***	**(6.543.206)**	***2.577***	**(1.481.409)**	***0***	**(2.472.186)**	***2.577***
Operating results		**136.750**	***0***	**410.806**	***2.577***	**(65.505)**	***0***	**21.903**	***2.577***
Net income (charges) from equity interests	6.3			1.367		0		0	
of which with related parties:				*1.367*		*0*		*0*	
Other financial income/(charges), net	6.4	(18.410)		(6.185)		(4.244)		(4.375)	
of which with related parties:				*130*		*0*		*(7)*	
Profit before taxes		**118.340**	***0***	**405.988**	***2.577***	**(69.749)**	***0***	**17.528**	***2.577***
Income tax for the period	6.5	(50.985)		(95.979)	*55.068*	20.132		(37.269)	(1.804)
Net profit/(loss) for the period		**67.355**	***0***	**310.009**	***57.645***	**(49.617)**	***0***	**(19.741)**	***773***
Net profit/(loss) for the period attributable to:									
Equity olders of the company		67.389		310.009		(49.583)		(19.741)	
Minority interest		(34)		0		(34)		0	
Earnings per share - base (Euro cent)		**7,26**		**32,77**		**(5,35)**		**(2,08)**	
Earnings per share - diluited (Euro cent)		**7,26**		**32,77**		**(5,35)**		**(2,08)**	

STATEMENT OF COMPREHENSIVE INCOME AS OF 1st JANUARY - 30 SEPTEMBER 2009 AND 2008

EUR thousand	1 January 30 September 2009	1 January 30 September 2008
Result of the period (A)	**67.355**	**310.009**
Income / (loss), net of fiscal effect (B)	**0**	**0**
Consolidated Comprehensive Result o f the period (A + B)	**67.355**	**310.009**
Consolidated Comprehensive Result o f the period perteining to :		
Parent Company shareholding	67.389	310.009
Minority Interessence	(34)	0

(1) P lease refer to the notes to the Financial Statements chapter 6 "Notes to the Statement of Comprehensive Income"

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2007 to 30th September 2009

EUR thousand	Share Capital	Legal Reserve	Other Reserves	Profit (Loss)	Total equity attributable to owners of the company	Minority interest	Total Equity
Balance as of 31/12/2007	**54,630**	**10,926**	**1,078,000**	**322,903**	**1,466,459**	**0**	**1,466,459**
Allocation of previous period profit			162,060	(162,060)	0		0
Dividends				(160,843)	(160,843)		(160,843)
Reserve for employees stock plan			994		994		994
Share buyback			(21,259)		(21,259)		(21,259)
Share premium reserve adjustment			770		770		770
Renounce of receivable from minority shareholder of the subsidiary Parchi Eolici Ulassai Srl			474		474		474
Profit (loss) for the period				329,750	329,750		329,750
Balance as of 30/06/2008	**54,630**	**10,926**	**1,221,039**	**329,750**	**1,616,345**	**0**	**1,616,345**
Share premium reserve adjustment			(78)		(78)		(78)
Reserve for employees stock plan			557		557		557
Share buyback			(22,041)		(22,041)		(22,041)
Profit (loss) for the period				(19,741)	(19,741)		(19,741)
Balance as of 30/09/2008	**54,630**	**10,926**	**1,199,477**	**310,009**	**1,575,042**	**0**	**1,575,042**
Reserve for employees stock plan			909		909		909
Share buyback			(27,007)		(27,007)		(27,007)
Share premium reserve adjustment			(77)		(77)		(77)
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		10,373
Profit (loss) for the period				(248,187)	(248,187)		(248,187)
Balance as of 31/12/2008	**54,630**	**10,926**	**1,183,675**	**61,822**	**1,311,053**	**0**	**1,311,053**
Allocation of previous period profit			61,822	(61,822)	0		0
Reserve for employees stock plan			2,515		2,515		2,515
Dividends			(157,721)		(157,721)		(157,721)
Effect of Corporate tax rate reduction (IRES)			84		84		84
Minority on Artemide Srl acquisition						7	7
Profit (loss) for the period				116,972	116,972		116,972
Balance as of 30/06/2009	**54,630**	**10,926**	**1,090,375**	**116,972**	**1,272,903**	**7**	**1,272,910**
Reserve for employees stock plan			490		490		490
Effect of Corporate tax rate reduction (IRES)			(14)		(14)		(14)
Effect of exchange rate on financial accounts			10		10		10
Profit (loss) for the period				(49,583)	(49,583)	(34)	(49,617)
Balance as of 30/09/2009	**54,630**	**10,926**	**1,090,861**	**67,389**	**1,223,806**	**(27)**	**1,223,779**

Consolidated Cash Flow Statements as of 30th September 2009, and as of 30th September 2008

EUR thousand	(1)	01/01/2009 - 30/09/2009	01/01/2008 - 30/09/2008
A - Cash and cash equivalents at the beginning of period		**65,180**	**308,108**
B - Cash generated from/(used in) operating activities			
Profit/ (Loss) for the period of the Group	5.5	67,355	310,009
Amortization, depreciation and write-down of fixed assets	6.2.4	138,686	120,760
Net (income)/charges from equity interests	6.3	0	(1,367)
of which with related parties:		*0*	*(1,367)*
Net change in provisions for risks and charges	5.4.2	27,391	61,337
Net change in employee benefits	5.4.3	(1,880)	(2,721)
Net Change in tax liabilities and tax assets	5.2.4	7,540	(153,071)
Income tax	6.5	50,985	95,979
Other non cash items		3,092	2,717
Profit (Loss) from operating activities before changes in working capital		**293,169**	**433,643**
(Increase)/Decrease in trade receivables	5.1.3	202,757	(86,847)
of which with related parties:		*211*	*289*
(Increase)/Decrease in inventory	5.1.4	(229,482)	(185,366)
Increase/(Decrease) in trade and other payables	5.3.2	169,003	15,273
of which with related parties:		*(160)*	*(216)*
Change in other current assets	5.1.5 - 5.1.6	(78,108)	(70,560)
of which with related parties:		*0*	*6,028*
Change in other current liabilities	5.3.3 - 5.3.4	56,805	165,953
Income tax paid		(119,684)	(87,736)
Change in other non-current liabilities	5.4.4	(17,840)	91,055
Other non cash items		7,792	482
Total (B)		**284,412**	**275,897**
C - Cash flow from (to) investment activities			
(Investments) in tangible and intangible assets	5.2.1 - 5.2.2	(252,266)	(175,357)
(Investments) disinvestments in other holdings	5.2.3.1	440	(116)
Change in equity interests valued under the equity method		0	(474)
Acquisition of 30% PEU		0	(32,000)
Change in financial assets	5.1.2 - 5.2.5	(2,904)	7,497
Interest received		765	8,966
of which with related parties:		*0*	*143*
Other non cash items		287	0
Total (C)		**(253,678)**	**(191,484)**
D - Cash generated from/(used in) financing activities			
Increase/(Decrease) in medium/long term borrowings	5.4.1	154,268	(42,887)
Increase/(Decrease) in short term borrowings	5.3.1	(13,206)	18,541
of which with related parties:		*0*	*(1,198)*
Buyback own shares	5.5	0	(43,300)
Dividend distribution to shareholders	5.5	(157,721)	(160,843)
Interest paid		(10,691)	(15,018)
Total (D)		**(27,350)**	**(243,507)**
E - Cashflow for the period (B+C+D)		**3,384**	**(159,094)**
F - Cash from new consolidated subsidiaries		**0**	**11,301**
PEU S.r.l.		0	11,301
G - Cash and cash equivalents at the end of period		**68,564**	**160,315**

(1) Please refer to the Notes to the Financial Statements chapter 5 "Notes to the financial position" & 6 "Notes to the statement of comprehensive income "

For the Board of Directors
The Chairman
Gian Marco Moratti

Notes to the consolidated accounts as at 30 September 2009

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7. Other information

7.1 Main legal actions pending
7.2 Earnings per share
7.3 Transactions with related parties
7.4 Extraordinary events and transactions and atypical and/or unusual operations

Notes to the consolidated accountsas at 30 September 2009

1. Preliminary remarks

Saras S.p.A. (the "parent company") is a company limited by shares, listed at the Stock Exchange in Milan, 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 period ended 30 September 2009 is presented in euro, since the euro is the currency of the economy in which the group operates. It consists of a statement of financial position, statement of comprehensive income, 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 consolidated report for the period ended 30 September 2009 should be read in conjunction with the consolidated accounts of the Saras group for the year ending 31 December 2008.

2. General reporting criteria for the preparation of the consolidated accounts as at 30 September 2009

The interim consolidated financial statements of the Group to 30 September 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. Following this regulation, Legislative Decree 38 was issued on 20 February 2005, introducing the obligation to incorporate IFRS into Italian law, and extending it to the preparation of annual financial statements by companies with equity or debt securities listed on a regulated market in the EU from the 2006 financial year.

The term IFRS is used to mean all International Financial Reporting Standards, all International Accounting Standards ("IAS") and all interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously known as the Standing Interpretations Committee ("SIC"), endorsed by the European Commission as of the date the draft consolidated quarterly accounts of the Saras S.p.A company were approved by its Board of Directors and set out in the relevant EU regulations in publication on that date.

In accordance with CONSOB resolution 15519 of 27 July 2006, the financial statements have been prepared using the following criteria, which are considered to provide a more complete picture of the group's financial position:

- Statement of financial position: assets and liabilities are divided into current and non-current items, according to liquidity;
- Statement of comprehensive income: profit and loss items are presented according to their nature;
- Cash flow statement: presented using the indirect method, which differentiates between financial flows deriving from operating, investment and financial activities.

The statement of financial position and the statement of comprehensive income have been adjusted to take account of new changes under IAS 1 (revised in 2007).

3. Accounting principles applied

These consolidated quarterly accounts were prepared in condensed form, in accordance with the international accounting standard that applies to interim financial statements (IAS 34 "Interim Financial Reporting"), adopted

according to the procedures set out in article 6 of regulation (EC) 1606 of 2002, and must be read in conjunction with the accounts for the year ended 31st December 2008.
The accounting standards have been applied consistently for all the periods shown.
Please note that, as of 1 January 2009, principles applied for the first time with the following effects:

- IAS 1 – Presentation of Financial Statements (revised): pursuant to changes introduced by the principle, the group has modified its presentation of both the income statement, with a statement of comprehensive income, and the statement of changes in equity, separating the components of income directly attributable to equity;
- IFRS 8 – Operating Segments: information previously provided according to business segment have been complemented by further details, mainly economical items.

Furthermore, IAS 23 – Borrowing Costs (revised) made it obligatory to capitalise borrowing costs attributable to the acquisition or construction of material goods. The group has always used this method.
Finally, the following international accounting principles, amendments and interpretations, while they apply from 1 January 2009, have no effect on the group:

- IFRS 2 – Share-Based Payment (amendment);
- IFRIC 13 – Customer Loyalty Programmes;
- IFRIC 14 / IAS 19 – Defined Benefit Assets;
- IAS 32 / IAS 1 – Financial Instruments (amendment);
- IFRS 1 / IAS 27 – Consolidated and Separate Financial Statements (amendment).

3.1 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	% of ownership
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. and subsidiaries:	100%
Artemide S.r.l.	51%
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)	
ITSME S.r.l.	3.379%
Consortium Cesma	5%
Consortium La Spezia Energia	5%
Sarda Factoring	6.0%
I.C.T. Competence Centre	0.5 %

The following changes to the basis of consolidation took place in the period compared with 31 December 2008:

1. the acquisition by Akhela S.r.l of 51% of Artemide S.r.l., which has its registered office in Rome, and 3.379% of ITSME S.r.l., which has its registered office in Milan. Both companies are active in information technology;

2. the sale of the shareholdings of Saras Ricerche e Tecnologie S.p.A. in the Techno Mobility consortium;
3. the sale of the shares held by Saras Ricerche e Tecnologie S.p.A. in Hangzhou Dadi Encon Environmental Equipment Co., with a capital loss of EUR 26 thousand.

The cost of the acquisition, which took place on 19th May, of 51% of Artemide S.r.l. (active in the IT sector) was EUR 970 thousand. A Goodwill of EUR 962 thousand was booked after the valuation of assets, liabilities and potential liabilities, carried out on a provisional basis; as set out in IFRS 3, this valuation could be subject to change in the 12 months following the acquisition date.
The corporate shares of Artemide and the related rights will not be transferable for a period of three years following the acquisition by Akhela. Akhela undertakes that, by the end of the third calendar year following the date of the acquisition, in succession and at its own exclusive discretion, it will:

- acquire from the sellers the remaining 49% of the company's capital at a price based on average forecast sales;
- sell to the sellers 51% of the company's capital at a price of 40% of the acquisition cost.

The following table shows key figures from the financial statements of Artemide S.r.l. for the first half 2009.

30/06/2009	Current Assets	Non Current Assets	Current Liabilities	Non Current Liabilities	Revenues	Operating Costs	Operating Results	Net Results
Artemide S.r.l.	1,691	116	1,294	498	1,479	(1,411)	68	(12)
Total	**1,691**	**116**	**1,294**	**498**	**1,479**	**(1,411)**	**68**	**(12)**

3.2 Use of estimates

The preparation of the financial statements requires the directors to apply accounting standards and methods that, in certain situations, are based on difficult and subjective valuations and estimates founded on past experience and assumptions that at the time are considered reasonable and realistic under the circumstances. The use of these estimates and assumptions influences the amounts reported in the financial statements, namely the statement of financial position, statement of comprehensive income and cash flow statement, as well as the accompanying disclosures. The actual amounts of accounting entries for which estimates and assumptions have been used may differ from those shown in the financial statements, due to the uncertainty surrounding said assumptions and the conditions upon which the estimates are based.
These types of valuations, particularly those which are more complex, such as establishing any loss in value of fixed assets, are only fully carried out when the annual consolidated financial statements are prepared, at which time all the required information is available, except in cases where there are impairment indicators requiring an immediate valuation of loss in value.
A summary of the most significant estimates is provided in the group consolidated financial statements to 31 December 2008.

4. Information by business segment

4.1 Preliminary remarks

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 semi-finished 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 semi-finished oil products from third parties

Finished products are sold to international major players in the sector such as the Total group, Polimeri Europa, 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. The Cartagena site also produces biodiesel.

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 Saras Ricerche e Tecnologie S.p.A..

The management monitors the business sectors separately, for the purposes of resource allocation and performance assessment. Sector performance is assessed according to operating profit or loss.

4.2 Segment information

	Refining	Marketing	Power generation	Wind power	Other	Total
30 September 2008						
Revenues from ordinary operations	6,314,408	2,094,278	429,155	1,735	37,251	8,876,827
deduction: revenues infrasector	(1,960,188)	(1,793)	(33,953)		(14,448)	(2,010,382)
Revenues from third parties	**4,354,220**	**2,092,485**	**395,202**	**1,735**	**22,803**	**6,866,445**
Other revenues	36,180	2,254	82,803	560	892	122,689
deduction: revenues infrasector	(21,016)	(1,150)	(12,804)		(152)	(35,122)
Other revenues from third parties	**15,164**	**1,104**	**69,999**	**560**	**740**	**87,567**
Amortisation & Depreciation	**(56,598)**	**(3,901)**	**(56,421)**	**(2,213)**	**(1,627)**	**(120,760)**
Operating profit (a)	**291,978**	**29,269**	**94,181**	**(3,665)**	**(957)**	**410,806**
Net income from non-consolidated equity investments						
- Parchi Eolici Ulassai S.r.l.				1,367		**1,367**
Total				**1,367**		**1,367**
Financial Income	33,022	606	4,371	214	37	38,250
Financial Charges	(27,442)	(2,970)	(11,709)	(2,261)	(53)	(44,435)
Income Taxes	(57,405)	(5,664)	(34,446)	1,626	(90)	(95,979)
Net Income	**242,589**	**19,496**	**52,955**	**(4,104)**	**(927)**	**310,009**
TOTAL DIRECTLY ATTRIBUTABLE ASSETS (b)	**1,667,622**	**618,081**	**1,384,831**	**105,517**	**41,653**	**3,817,704**
of which:						
TOTAL DIRECTLY ATTRIBUTABLE LIABILITIES (b)	**987,380**	**217,222**	**924,464**	**89,875**	**23,721**	**2,242,662**
Investments in tangible assets	118,288	31,068	18,058	5	941	**168,360**
Investments in intangible assets	31,721	3			754	**32,478**
30 September 2009						
Revenues from ordinary operations	3,192,811	1,223,381	354,738	7,880	35,997	4,814,807
deduction: revenues infrasector	(1,038,559)	(34,790)	(24,867)		(14,747)	(1,112,963)
Revenues from third parties	**2,154,252**	**1,188,591**	**329,871**	**7,880**	**21,250**	**3,701,844**
Other revenues	64,609	1,026	38,663	9,966	496	114,760
deduction: revenues infrasector	(54,456)	(294)	(8,805)		(215)	(63,770)
Other revenues from third parties	**10,153**	**732**	**29,858**	**9,966**	**281**	**50,990**
Amortisation & Depreciation	**(66,034)**	**(6,128)**	**(57,724)**	**(7,255)**	**(1,545)**	**(138,686)**
Operating Income (a)	**13,227**	**38,448**	**78,273**	**6,985**	**(183)**	**136,750**
Net income from non-consolidated equity investments						
- Parchi Eolici Ulassai S.r.l.				0		0
Total				**0**		**0**
Financial Income	12,631	351	306	77	71	13,436
Financial Charges	(21,874)	(1,224)	(5,319)	(3,347)	(82)	(31,846)
Income Taxes	(9,251)	(12,023)	(27,976)	(1,254)	(481)	(50,985)
Net Income	**(4,482)**	**24,266**	**45,689**	**2,504**	**(622)**	**67,355**
TOTAL DIRECTLY ATTRIBUTABLE ASSETS (b)	**1,497,920**	**600,950**	**1,191,511**	**110,623**	**43,896**	**3,444,900**
TOTAL DIRECTLY ATTRIBUTABLE LIABILITIES (b)	**962,868**	**270,564**	**873,194**	**88,088**	**26,407**	**2,221,121**
Investments in tangible assets	186,961	50,418	8,999	172	924	**247,474**
Investments in intangible assets	597	2,286		5	1,904	**4,792**

(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 statement of financial position

The most significant changes to the statement of financial position compared with 31 December 2008 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:

	30/09/2009	31/12/2008	Change
Bank and postal deposits	67,016	65,064	1,952
Cash	1,548	116	1,432
Total	**68,564**	**65,180**	**3,384**

Bank deposits were mainly attributable to Sarlux S.r.l. (EUR 26,799 thousand, including cash contractually due for future loan repayments), Sardeolica S.r.l. (EUR 15,186 thousand), and Saras Energia S.A. (EUR 11,170 thousand). For further details, please refer to section 5.4.1 "Long-term financial liabilities" and the cash flow statement.

5.1.2 Other financial assets held for trading

The item (EUR 24,436 thousand) mainly includes:

1. Italian and foreign equities and government bonds held by the parent company (EUR 17,377 thousand); profits and losses generated in the period, as well as changes in fair value since the start of the period, are entered in the profit and loss account under "Other net financial income (charges)".
2. Green certificates (EUR 7,059 thousand) obtained by subsidiary Sardeolica S.r.l. during the period for the generation of energy from renewable sources and still held as at 30 September; Green certificates are awarded when the energy is generated and are sold on an appropriate regulated market or through bilateral agreements between the operators of this market. The certificates accrued over the year are valued at average market prices, while decreases due to the sale of green certificates accrued in the period or in previous years, are valued at sales price. For green certificates allocated on account by the GSE and not yet accrued according to energy generation, a payable of EUR 4,253 thousand was entered under "Trade and other payables".

Changes in the item are as follows:

Securities

Balance at 31/12/2008	**15,852**
Increase	9,726
Decrease	(8,824)
Changes in fair value of held for trading financial assets	623
Balance at 30/09/2009	**17,377**

Green Certificates

Balance at 31/12/2008	**4,612**
Increase	8,252
Decrease	(5,805)
Balance at 30/09/2009	**7,059**

5.1.3 Trade receivables

Trade receivables amounted to EUR 436,569 thousand, net of provisions for write downs of EUR 9,248 thousand, and a decrease compared to EUR 202,757 thousand registered as of 31 December 2008.
The decrease in receivables was chiefly due to the balance registered in December 2008 for the provision of energy for the full year 2008 by subsidiary Sarlux S.r.l. to G.S.E., as well as fewer products sold by parent company Saras S.p.A. in September by comparison with December 2008.

5.1.4 Inventories

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

	30/09/2009	31/12/2008	Change
Inventories:			
Raw materials, replacements parts and consumables	204,893	168,235	36,658
Semi-finished products and work in progress	66,059	26,581	39,478
Finished products and good held for resale	410,832	263,444	147,388
Advance payments	16,996	11,038	5,958
Total	**698,780**	**469,298**	**229,482**

The increase in the value of inventories was mainly due to the general increase in prices in the period under review. As of 30 September, the valuation at market value of oil and oil products inventories, resulted in a write-down of around EUR 52 million.

No stocks are put up as guarantees for liabilities.

5.1.5 Current tax assets

Current tax assets are detailed below:

	30/09/2009	31/12/2008	Change
VAT credits	2,238	3,939	(1,701)
IRES credits	28,001	0	28,001
IRAP credits	3,785	500	3,285
Other tax credits	3,005	3,331	(326)
Total	**37,029**	**7,770**	**29,259**

The increase in the credit position was due to anticipation paid, both for IRES and for IRAP presented net of current taxes.
The other tax credits include credits mainly for the reimbursement of port charges on EU cargoes imposed by the customs authority.

5.1.6. Other current assets

The balance is detailed below.

	30/09/2009	31/12/2008	Change
Accrued Income	3,071	2,106	965
Deferred costs	18,738	11,064	7,674
Other receivables	135,956	95,746	40,210
Total	**157,765**	**108,916**	**48,849**

As of 30 September the 'Other receivables' item mainly comprises the receivable of EUR 103,069 thousand of the subsidiary Sarlux S.r.l. and resulting from the recognition pursuant to section II, point 7-*bis* of CIP provision 6/92, of the repayment of expenses relating to the application of Directive 2003/87/EC (Emissions Trading) and AEEG Resolution

77/08, with reference to 2008 (EUR 73,906 thousand) and to the first nine months 2009 (EUR 29,163 thousand); the item also includes EUR 28 million related to the recovery of the amount paid from Sarlux S.r.l. to the G.S.E. as described in the chapter no. 7.1.

5.2 Non-current assets

5.2.1 Property, plant and equipment

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

COST	31/12/2007	Addition	(Disposals)	Revaluations (write-down)	Other changes	31/12/2008
Land & buildings	148,246	865	(4)		9,939	159,046
Plant & machinery	1,994,922	12,276	(2,363)		321,428	2,326,263
Industrial & commercial equipment	15,487	218			2,958	18,663
Other assets	423,524	1,234	(534)		24,794	449,018
Work in progress and advances	182,865	238,165			(243,595)	177,435
Total	**2,765,044**	**252,758**	**(2,901)**	**0**	**115,524**	**3,130,425**

ACCUMULATED DEPRECIATION	31/12/2007	Depreciation	(Disposals)	Revaluations (write-down)	Other changes	31/12/2008
Land & buildings	44,040	5,234	(4)		(610)	48,660
Plants & machinery	1,221,582	103,989	(2,110)		41,497	1,364,958
Industrial & commercial equipment	11,456	2,050			467	13,973
Other assets	306,812	19,467	(500)		37	325,816
Total	**1,583,890**	**130,740**	**(2,614)**	**0**	**41,391**	**1,753,407**

NET BOOK VALUE	31/12/2007	Addition	(Disposals)	(Depreciation)	Other changes	31/12/2008
Land & buildings	104,206	865	0	(5,234)	10,549	110,386
Plants & machinery	773,340	12,276	(253)	(103,989)	279,931	961,305
Industrial & commercial equipment	4,031	218	0	(2,050)	2,491	4,690
Other assets	116,712	1,234	(34)	(19,467)	24,757	123,202
Work in progress and advances	182,865	238,165	0		(243,595)	177,435
Total	**1,181,154**	**252,758**	**(287)**	**(130,740)**	**74,133**	**1,377,018**

COST	31/12/2008	Addition	(Disposals)	(Depreciation)	Other changes	30/9/2009
Land & buildings	159,046	19,887			41,508	220,441
Plants & machinery	2,326,263	37,756	(3,891)		69,818	2,429,946
Industrial & commercial equipment	18,663	1,829	(41)		9,834	30,285
Other assets	449,018	5,942	(57)		(10,504)	444,399
Work in progress and advances	177,435	182,060			(117,240)	242,255
Total	**3,130,425**	**247,474**	**(3,989)**	**0**	**(6,584)**	**3,367,326**

ACCUMULATED DEPRECIATION	31/12/2008	Depreciation	(Disposals)	Revaluations (write-down)	Other changes	30/9/2009
Land & buildings	48,660	5,729			1,247	55,636
Plants & machinery	1,364,958	89,072	(3,891)		1,781	1,451,920
Industrial & commercial equipment	13,973	1,888	(41)		5,700	21,520
Other assets	325,816	13,728	(57)		(8,208)	331,279
Total	**1,753,407**	**110,417**	**(3,989)**	**0**	**520**	**1,860,355**

NET BOOK VALUE	31/12/2008	Addition	(Disposals)	(Depreciation)	Other changes & Rev./Dev.	30/9/2009
Land & buildings	110,386	19,887	0	(5,729)	40,261	164,805
Plants & machinery	961,305	37,756	0	(89,072)	68,037	978,026
Industrial & commercial equipment	4,690	1,829	0	(1,888)	4,134	8,765
Other assets	123,202	5,942	0	(13,728)	(2,296)	113,120
Work in progress and advances	177,435	182,060	0		(117,240)	242,255
Total	**1,377,018**	**247,474**	**0**	**(110,417)**	**(7,104)**	**1,506,971**

Costs are shown net of grants received for investments. The gross value of grants deducted from fixed assets was EUR 167,089 thousand, and related to the programme agreements entered into with the Ministry of Industry, Commerce and Crafts on 19 June 1995 and the Ministry of Productive Activities on 10 October 1997. The residual value of these grants was EUR 11,332 thousand at 30 September 2009, compared with EUR 16,144 thousand at 31 December 2008.

The net balance of “Other changes” mainly relates to the raw materials used to start up the biodiesel production plant of subsidiary Saras Energia S.A., initially capitalised as work in progress and then, for the portion not used during the start up phase, reclassified as warehouse inventories.

The item “Land and buildings” includes industrial buildings used as offices and warehouses (net value: EUR 112,078 thousand), civic buildings in Milan, Cagliari and Rome used as offices (net value: EUR 15,561 thousand) and land largely relating to the Sarroch and Arcola sites and service stations belonging to the parent company, subsidiary Arcola Petrolifera S.p.A. and subsidiary Saras Energia S.A. respectively (EUR 37,166 thousand).

The item “Plant and machinery” mainly relates to the refining and combined-cycle power plants in Sarroch.

The item “Industrial and commercial equipment“ includes equipment for the chemicals laboratory and the control room for the parent company’s refining activities, plus miscellaneous production equipment.

“Other assets” mainly includes tanks and pipelines used to carry the products and crude oil of the both the parent company and the groups trading companies (Saras Energia S.A. and Arcola Petrolifera S.p.A.).

The item “Work in progress and advances” reflects costs mainly relating to investments in tanks, and work to adapt and upgrade existing plants, particularly for environmental, safety and reliability purposes.

Increases in the period totalled EUR 247,474 thousand and mainly referred to technological work on the plants of the Parent Company, particularly the cracking and alkalisation units, as well as of the acquisition of the service stations in Spain completed by the subsidiary Saras Energia S.A..

As of 31 December 2008 “Other changes” included assets value of Sardeolica S.r.l. (fully consolidated starting from 30 June 2008) for a total amount of EUR 75.4 million.

The most significant depreciation rates used are as follows:

Industrial building (land & buildings)	5,50%
Generic plants (plant & equipment)	8,38% - 6,25%
Highly corrosive plants (plant & equipment)	11,73% - 8,75%
Pipeline & tanks (plant & equipment)	8,38% - 6,25%
Thermoelectricity plant	4,50%
Wind plant	10,00% - 4,00%
Equipment (Equipment)	25,00%
Office electronic machinery (other assets)	20,00%
Office furniture & machinery (other assets)	12,00%
Transport vehicles (other assets)	25,00%

No fixed assets are held for sale.
The group has a concession from the Cagliari Port Authority allowing it to occupy state-owned areas until 31 December 2015. These areas contain the Sarroch refinery’s service facilities (waste-water treatment, seawater desalinisation, blow-down, flare system and landing stage). Currently there is no reason to believe that the concession will not be renewed on expiry.
Leased assets, booked as “Vehicles”, totalled EUR 14,663 thousand, with a residual net value of zero.

In the period were capitalised a total of EUR 4,586 thousand financial charges, and internal costs for EUR 9,032 thousand.

5.2.2 Intangible assets

The following table shows the changes in intangible assets:

CATEGORY	31/12/2007	Additions	Disposals	Other Changes	(Amortisation)	31/12/2008
Industrial & other patent rights	1,782				(1,782)	0
Concessions, licences, trademarks & similar rights	29,295	1,877		21,771	(2,439)	50,504
Goodwill	2,515	20,968				23,483
Assets in progress & payments on account	9,050	1,879		(230)		10,699
Other intangible assets	422,801			10,043	(32,955)	399,889
Total	**465,443**	**24,724**	**0**	**31,584**	**(37,176)**	**484,575**

CATEGORY	31/12/2008	Additions	Disposals	Other Changes	(Amortisation)	30/09/2009
Industrial & other patent rights	0			5,695	(2,448)	3,247
Concessions, licences, trademarks & similar rights	50,504	624		783	(1,093)	50,818
Goodwill	23,483	962				24,445
Assets in progress & payments on account	10,699	1,336		2,108		14,143
Other intangible assets	399,889	1,870		(9,561)	(24,728)	367,470
Total	**484,575**	**4,792**	**0**	**(975)**	**(28,269)**	**460,123**

The main items are set out in detail below.

Concessions, licences, trademarks and similar rights
The balance mainly refers to the concessions related to Estaciones de Servicio Caprabo S.A. (Saras Energia S.A.), for the activity of the service station located in the Spanish market, and to the subsidiary Sardeolica S.r.l. for the operation of the wind farm in Ulassai.

Goodwill
This item mainly refers to goodwill paid to acquire a shareholding of 30% of subsidiary Parchi Eolici Ulassai S.r.l.: this is related to projection of future cash flows of the subsidiary Sardeolica on a period extended to the expiry of the licences obtained (2035).
The EUR 962 thousand increase refers to the acquisition by subsidiary Akhela S.r.l. of Artemide S.r.l. (based on the acquisition of the know-how). Intangible assets with a non-finite useful life are not amortised, but subject to annual impairment tests at the end of every financial year, or whenever there are indications of losses in value. As at 30 September 2009, there were no such indications.

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.

Amortisation of intangible assets totalled EUR 28,269 thousand, and was calculated using the annual rates shown below.

Industrial & other patent rights	20%
Concessions, licences, trademarks & similar rights	5% - 33%
Other intangible assets	6% - 33%

No intangible assets with a finite useful life are held for sale.

5.2.3 Equity investments

The table below shows a list of equity investments held at 30 September 2009, with the main figures relating to each subsidiary.

Cmpany name	Registered office	Currency	share Capital	% owned by Group as of 09-09	% owned by Group as of 12-08	% 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. and subsidiaries:	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)	Leu	251	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Labor Eolica S.r.l.	Bucarest (Romania)	Leu	251	100.00%	100.00%	100.00%	Ensar S.r.l.	100.00%	Indirect Subsidiary
Akhela S.r.l. and subsidiaries:	Uta (CA)	EUR	3,000,000	100.00%	100.00%	100.00%	Saras S.p.A.	100.00%	Subsidiary
Artemide S.r.l.	Rome	EUR	20,000	51.00%	0.00%	51.00%	Akhela S.r.l.	51.00%	Subsidiary
ITSME S.r.l.	Milan	EUR	39,632	3.38%	0.00%	3.38%	Akhela S.r.l.	3.38%	Other Interests
Sarint S.A. and subsidiaries:	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. and subsidiary:	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.	Genoa	EUR	179,000	37.50%	37.50%	37.50%	Saras Ricerche e Tecnologie S.p.A.	37.50%	Associated
Hangzhou Dadi Encon Environmental Equipment Co.	Hangzhou	RMB	14,050,200	0.00%	37.50%	0.00%	Saras Ricerche e Tecnologie S.p.A.	0.00%	Associated
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	0.00%	17.40%	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

5.2.3.1 Other investments

Other investments break down as follows:

	30/09/2009	31/12/2008
ITSME S.r.l.	51	0
Dynergy S.r.l.	91	91
Hangzhou Dadi Encon Environmental Equipment Co.	0	481
Consorzio Cesma	3	3
Consorzio La Spezia Energia	2	2
Consorzio Techno Mobility	0	10
Sarda Factoring	495	495
Centro di Competenza I.C.T.	21	21
Total	**663**	**1,103**

The change between 31 December 2008 and 30 September 2009 is due to:

1. the acquisition by Akhela S.r.l. of 3.379% of ITSME S.r.l., which has its registered office in Milan.
2. the sale of the shares held by Saras Ricerche e Tecnologie S.p.A. in Hangzhou Dadi Encon Environmental Equipment Co., generating a capital loss of EUR 26 thousand
3. the sale of the shares held by Saras Ricerche e Tecnologie S.p.A. in the Techno Mobility consortium.

5.2.4 Deferred tax assets

The balance at 30 September 2009 of EUR 51,413 thousand mainly comprises the net deferred tax of subsidiary Sarlux S.r.l., mainly arising from the reporting of EUR 248,518 thousand in 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, for EUR 132,150 thousand, and amortisation/depreciation deductions made for tax purposes for EUR 76,633 thousand.

5.2.5 Other financial assets

The balance at 30 September 2009 was EUR 2,587 thousand (EUR 3,655 thousand in the previous year) and is chiefly represented by advances paid by subsidiary Sarlux S.r.l. for future oxygen supplies.

5.3 Current liabilities

5.3.1 Short-term financial liabilities

The following table shows short-term financial liabilities.

	30/9/2009	31/12/2008	Change
Bank loans	68,455	80,693	(12,238)
Bank accounts	159,494	163,287	(3,793)
Derivatives	2,825	0	2,825
Total short-term financial liabilities	**230,774**	**243,980**	**(13,206)**
Long-term bank loans	328,479	174,211	154,268
Total long-term financial liabilities	**559,253**	**418,191**	**141,062**

The terms and conditions of the company's loans are explained in the note on the item "Long-term financial liabilities".
The EUR 12,238 thousand decrease in the item "Short-term bank loans" compared to 31 December 2008 was chiefly due to the reduction in loans of parent company Saras S.p.A., subsidiary Sarlux S.r.l. and subsidiary Sardeolica S.r.l..

The EUR 154,268 thousand increase in the item "Long-term bank loans" compared to the previous year was due to the new loan received by the parent company (EUR 188.5 million) net of the reduction in loans of subsidiary Sarlux S.r.l. and subsidiary Sardeolica S.r.l..

5.3.2 Trade and other payables

The table below shows a breakdown of this item.

	30/9/2009	31/12/2008	Change
Advances from clients: portion due within the year	13,994	156	13,838
Payables to suppliers: portion due within the year	715,807	560,523	155,284
Trade payables to associated companies	69	188	(119)
Total	**729,870**	**560,867**	**169,003**

Trade payables increased compared with the previous year, mainly due to the investments and to the product procurement for the service stations acquired in Spain, as well as for the charge received by the subsidiary Sarlux S.r.l. from G.S.E. for a total consideration of EUR 34,033 thousand as described in the following section 7.1.

5.3.3 Current tax liabilities

This item is broken down below.

	30/9/2009	31/12/2008	Change
VAT payables	29,051	17,235	11,816
IRES (Corporate Tax)	2,677	37,085	(34,408)
IRAP (Regional Tax)	1,718	4,923	(3,205)
Other tax payables	53,683	48,503	5,180
Total	**87,129**	**107,746**	**(20,617)**

VAT payables were mainly relate to the debt position of subsidiary Saras Energia S.A..

The item “IRES payables” includes the additional IRES (for the Italian companies, so called “Robin Hood Tax”) to be paid by the subsidiaries Sarlux S.r.l. and Arcola Petrolifera S.p.A.

The item “Other tax payables” mainly includes the third instalments of the withholding tax paid for the elimination of the tax deductions, withholding tax payables for excise duties on products introduced into the market by Spanish subsidiary Saras Energia S.A. and Italian subsidiary Arcola Petrolifera S.p.A. and payables relating to personnel income tax (IRPEF).

5.3.4 Other current liabilities

A breakdown of other current liabilities is shown below.

	30/9/2009	31/12/2008	Change
Amount payable to welfare and social security bodies: portions due within the year	9,756	11,191	(1,435)
Due to personnel	17,402	19,353	(1,951)
Payables to Ministry for grants	30,100	29,832	268
Other payables	15,069	14,875	194
Other accrued liabilities	2,078	661	1,417
Other deferred income	556	252	304
Total	**74,961**	**76,164**	**(1,203)**

The item “Due to personnel” includes salaries not yet paid in September, performance bonuses for the achievement of business targets, and the portion of additional monthly payments accrued.

The item “Payables to Ministry for grants” mainly includes advances received from the Ministry of Productive Activities by both the parent company in connection with the programme agreement signed on 10 June 2002, for which the final concession decree has yet to be issued (EUR 13,848 thousand), and by the subsidiary Sardeolica S.r.l. for the construction of the Ulassai wind farm (EUR 15,679 thousand).

The item “Other payables” mainly relates to port duties as determined by the customs authority in respect of the parent company; please note that the initial phase of the company’s long-standing dispute with the Italian tax authority regarding port duties payable for the Sarroch landing dock for the 1994-1995 period was settled to the full satisfaction of Saras, after the Court of Cassation found in favour of the company and issued a definitive ruling declaring that the taxes were not due.
A second phase of the dispute is now under way, and despite a favourable decision by the court of Cagliari, an unfavourable ruling was handed down by the Cagliari Court of Appeal. The company has now lodged an appeal with the Court of Cassation, which has yet to announce its ruling.
In addition, during 2007, the tax authority asked the parent company to pay the tax assessed and suspended. The company appealed against this measure to the Regional Tax Court, while the tax authority refused to grant a suspension for further assessments.
As a result of this dispute, the entire amount relating to port duties for 2008, as well as for previous years, has been booked on an accruals basis under “Service costs”.

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 30/09/09	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	5.0	5.0			5.0
IntesaSanPaolo in pool	3-Jun-09	100.0	Euribor 6M	-	99.2		99.2		
IntesaSanPaolo in pool	16-Jun-09	90.0	Euribor 6M	-	89.3		89.3		
				10.0	**193.5**	**5.0**	**188.5**	**-**	
Sartec S.p.A.									
San Paolo Imi	30-Jun-01	1.7	2.31%	0.3	0.2	0.2			
				0.3	**0.2**	**0.2**	**-**	**-**	
Akhela S.r.l.									
Banco di Sardegna	24-Apr-02	3.1	Euribor 6M	0.3	0.2	0.2			
Unicredit	6-Aug-08	0.2	0.74%	0.2	-				
				0.5	**0.2**	**0.2**	**-**	**-**	
Artemide S.r.l.									
Unicredit	5-Apr-06	0.2	Euribor 1M	-	1.1		1.1		
				-	**1.1**	**-**	**1.1**	**-**	
Saras Energia S.A.									
Banca Esp. De Credito	11-Sep-02	10.0	Euribor 6M	4.4	2.2	-	2.2		
				4.4	**2.2**	**-**	**2.2**	**-**	
Sardeolica S.r.l.									
Banca Nazionale del Lavoro	28-Dec-05	90.0	Euribor 6M	68.3	64.8	7.4	32.0	25.3	65
				68.3	**64.8**	**7.4**	**32.0**	**25.3**	
Sarlux S.r.l.									
Banca Intesa	29-Nov-96	572.0	Libor 3M	102.0	80.5	33.1	47.4		80.5
BEI	29-Nov-96	180.0	7.35%	34.8	27.3	11.2	16.1		27.3
BEI	29-Nov-96	208.0	Euribor 3M	34.6	27.2	11.2	16.0		27.2
				171.4	**135.0**	**55.5**	**79.5**	**-**	
Total payables to banks for loans				**254.9**	**397.0**	**68.3**	**303.3**	**25.3**	

The weighted average interest rate as of 30 September 2009 was 2.74% (including the guarantee and commitment fees related to the subsidiary Sarlux S.r.l.)

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 (Net Present Value Cash Flow Post Tax versus total debt to be reimbursed) 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.

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 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. The 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.
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.

A simple loan agreement for nominal EUR 190 million was signed on 25 May 2009 by parent company Saras S.p.A. with a pool of banks (led by Intesa Sanpaolo). The loan will last for 3 years, is repayable in a single instalment in June 2012 and carries a half-year interest rate based on Euribor +2%.
This facility imposes certain restrictions on the subsidiary:

- in financial terms, it will have to meet the following ratios: net financial position/EBITDA < 3.5 and net financial position/shareholders' equity < 1.5
- in corporate terms, mainly in relation to ownership structure, a prohibition on changes in business activities, on reductions in the share capital and on extraordinary operations.

If the company fails to comply with these restrictions, the pool of lending banks has the right to demand early repayment of the loan.
On 3 June 2009, EUR 100 million of the loan was drawn down and the remaining EUR 90 million was utilised on 16 June 2009.

At the end the last contractual period the financial covenants were within compliance terms.

The table below shows the composition of the group's net debt at 30 September 2009 and 31 December 2008.

	30/09/09	31/12/08
Medium/long-term bank loans	(328,479)	(174,211)
Short-term bank loans	(68,455)	(80,693)
Bank overdrafts	(159,494)	(163,287)
Other held for trading financial assets	24,436	20,464
Cash and equivalents	68,564	65,180
Total net debt	**(463,428)**	**(332,547)**

The change was mainly due to investments made in the period and to dividends paid out, partially financed by operating cash flows.

5.4.2 Provisions for risks and future liabilities

Provisions for risks and future liabilities break down as follows:

	31/12/2007	Additions	Reductions	Movements	31/12/2008
Provisions for dismantling of plants	16,826				16,826
Provisions for CO_2 quotas	0	5,135			5,135
Other risk provisions	6,470	1,245	(481)		7,234
Total	**23,296**	**6,380**	**(481)**	**0**	**29,195**

	31/12/2008	Additions	Reductions	Other movements	30/09/2009
Fondo smantellamento impianti	16,826				16,826
Provisions for CO_2 quotas	5,135	32,249	(4,191)		33,193
Other risk provisions	7,234	146	(813)		6,567
Total	**29,195**	**32,395**	**(5,004)**	**0**	**56,586**

The provisions for dismantling plants are related to future costs for the dismantling of plants and machinery, which are considered appropriate wherever there is a legal and implicit obligation to be met in this regard. The provision has not been discounted given its negligible effect on the group's financial statements.

The provision for CO_2 emission quotas (EUR 33,193 thousand in respect of the parent company) stems from Legislative Decree 216 of 4 April 2006, which introduced limits on CO_2 emissions from plants. If these limits are exceeded a company must purchase credits covering the excess amount of CO_2 on the market. The provision in question represents credits due and not yet purchased.
Under Italy's National Allocation Plan, the parent company Saras S.p.A. receives CO_2 allowances from the government, and is responsible for CO_2 emissions at the whole Sarroch site, including the IGCC plant owned by its subsidiary Sarlux S.r.l.
The CO_2 allowances assigned under National Allocation Plan for the full-year 2009 were:
- 2,159,696 tonnes CO_2 quotas for refining plants owned by the parent company (revised by the Italian Ministry for the Environment from the 2,137,383 initially allocated), which emitted 1,553,944 tonnes of CO_2 as at 30 September 2009. A provision was made for the proportional deficit in the period compared with estimated emissions for the full year, of 349,239 tonnes quotas worth EUR 2,256 thousand.
- 444,404 tonnes CO_2 quotas for the cogeneration plant owned by subsidiary Sarlux S.r.l., which emitted 2,547,525 tonnes of CO_2 as at 30 September 2009. A provision was made for the proportional deficit in the period compared with estimated emissions for the full year, of 2,230,165 tonnes quotas, worth EUR 29,993 thousand.
In order to cover the existing deficit at 31 December 2008, 134,092 tonnes quotas were purchased by Sarlux during the period, using EUR 1,916 thousand of the provision and 161,107 tonnes were purchased by Saras, using EUR 2,275 thousand of the provision. CO_2 quotas already held by the group are taken into account in determining the provision.

5.4.3 Provisions for employee benefits

The balance of this item is detailed below:

	30/09/2009	31/12/2008	Change
Employee end-of-service payments	15,501	17,480	(1,979)
Other complementary provisions	20,113	20,014	99
Total	**35,614**	**37,494**	**(1,880)**

Employee end-of-service payments are governed by article 2120 of the Italian civil code and reflect the estimated amount, based on actuarial estimates, that the company will be required to pay employees when they leave their employment. The CPAS fund is the company's supplementary employee pension fund; this obligation is also measured using actuarial techniques.

The following table shows the changes in employee end-of service payments:

Balance at 31.12.2007	**18,722**
Accrual	7,216
Amount used	(8,458)
Balance at 31.12.2008	**17,480**
Accrual	4,218
Amount used	(6,197)
Balance at 30.09.2009	**15,501**

The table below shows changes in the CPAS fund.

Balance at 31.12.2007	**17,958**
Accrual	2,979
Amount used	(923)
Balance at 31.12.2008	**20,014**
Accrual	1,295
Amount used	(1,196)
Balance at 30.09.2009	**20,113**

5.4.4 Other non-current liabilities

Other non-current liabilities break down as follows:

	30/9/2009	31/12/2008	Change
Advances from clients: portion due in future years	8,413	5,134	3,279
Payables to welfare and social security bodies: portion due in	403	350	53
Deferred income	655,721	673,180	(17,459)
Other	13,171	16,884	(3,713)
Total	**677,708**	**695,548**	**(17,840)**

The change compared to 31 December 2008 is mainly due to the decrease 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.
The "Other payables" item included, at 31 December 2008, the single instalment of the withholding tax on the elimination of tax deductions due in June 2010 (EUR 9.5 million), which is now classified as a current item.

5.5 Shareholders' equity

Shareholders' equity comprises the following:

	30/09/2009	31/12/2008	Change
Share capital	54,630	54,630	0
Legal reserves	10,926	10,926	0
Other reserves	1,090,861	1,183,675	(92,814)
Profit of the year/period	67,389	61,822	5,567
Parent Company Shareholder's Equity	**1,223,806**	**1,311,053**	**(87,247)**
Share capital and reserves attributable to minority interests	7	0	7
Profit (loss) for year attributable to minority interests	(34)	0	(34)
Minority interests Shareholder's Equity	**(27)**	**0**	**(27)**
Total Shareholder's Equity	**1,223,779**	**1,311,053**	**(87,274)**

Share capital

At 30 September 2009, the share capital of EUR 54,630 thousand, fully subscribed and paid up, comprised 951,000,000 ordinary shares with no nominal value.

Legal reserve

The legal reserve was unchanged from the previous year and stood at one-fifth of the share capital.

Other reserves

This item totalled EUR 1,090,861 thousand, a net decrease of EUR 92,814 thousand compared to the previous period. The net decrease was the combined result of:

- an increase of EUR 61,822 thousand due to the allocation of profit from the previous year;
- an increase of EUR 3,005 thousand relating to the reserve for the bonus allocation of shares to employees and management under the stock grant plans;
- a decrease due to the distribution to shareholders of a dividend totalling EUR 157,721 thousand, as approved at the shareholders' meeting of 28 April 2009;
- an increase due to the new tax rates relating to the IPO charges originally allocated to reserves (EUR 70 thousand);
- Increase due to the translation of the financial statements of the subsidiaries prepared in foreign exchange (EUR 10 thousand).

Pursuant to IAS 1, paragraphs 1 and 97, please note that changes in shareholders' equity in the period relating to owners of the company's shares refer to dividend payment.

The item is shown net of an amount of EUR 17,867 thousand (including the fiscal effect) for charges stemming from the listing operation which took place in 2006.

Net profit

Net profit stood at EUR 67,389 thousand, net of a loss of EUR 34 thousand related to third parties.

Dividends

On 28 April 2009, the ordinary shareholders' meeting of Saras S.p.A. approved the payment of an ordinary dividend of EUR 0.17 per share. The dividend totalled EUR 157,721 thousand, comprising EUR 60,834 thousand from 2008 profits and EUR 96,887 thousand from the extraordinary reserve.

No treasury shares were acquired or sold during the period.

6. Notes to the statement of comprehensive income

6.1 Revenues

6.1.1 Revenues from ordinary operations

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

	30/9/2009	30/9/2008	Change
Sales and services revenues	3,287,438	6,349,833	(3,062,395)
Revenues from processing services	45,438	72,739	(27,301)
Sale of electricity	337,297	395,234	(57,937)
Other revenues	31,553	48,543	(16,990)
Change in contract work in progress	118	96	22
Total	**3,701,844**	**6,866,445**	**(3,164,601)**

Sales and services revenues decreased by EUR 3,062,395 thousand compared to the same period of the previous year. The main reason for this change was due to a lower average oil product prices by comparison with the same period of the previous year, as well as to lower sales.

Revenues from the sale of electricity include EUR 329,417 thousand relating to the gasification plant of subsidiary Sarlux S.r.l. and EUR 7,880 thousand relating to the wind farm owned by subsidiary Sardeolica S.r.l..
Revenues from the sale of electricity to GSE by Sarlux S.r.l., includes the sales linearisation effect, as indicated in the previous chapter 5.4.4 – Other non current liabilities, calculated on the basis of the remaining duration of the contract that expires in 2021, principally taking into account the tariff amount and forward curves of both the crude price and the EUR/USD exchange rate until the contract expires.

During the first nine months 2009, the global economic recession led to a reduction in oil products demand, and a consequent deterioration of refining margins, particularly low during all the period. In this context, the Parent Company carried out an important cycle of investments and planned maintenance in the refinery, with unavoidable, impact on the results. Moreover, further losses were caused by a tragic event happened last May, which delayed the completion of maintenance activities and subsequently from technical problems during the restart of some critical units. The revenues posted by Sarlux albeit linearised, was also lower than last year, due to lower sales of hydrogen and steam, and also operational problems which reduced production. Marketing also suffered from the generalised reduction of oil consumption, especially in the Spanish market. The Wind segment, had a positive performance beating the results achieved in the corresponding periods of last year, thanks primarily to the appreciation in the value of Green Certificates, which more than offset a lower production vs. same period last year, due to unfavourable weather conditions.

6.1.2 Other income

The following table shows a breakdown of other income:

	30/9/2009	30/9/2008	Change
Revenues for stocking of mandatory supplies	2,078	8,506	(6,428)
Sales of sundry materials	473	1,778	(1,305)
Other income	48,439	77,283	(28,844)
Total	**50,990**	**87,567**	**(36,577)**

The item “Other income” mainly includes income posted by 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 charges relating to the application of Directive 2003/87/EC (Emission Trading), as per AEEG Resolution 77/08. The decrease, compared to the previous year is mainly due to the change of quotas prices matured in the period.

6.2 Costs

The following table shows a breakdown of the main costs.

6.2.1 Purchases of raw materials, replacement parts and consumables

	30/9/2009	30/9/2008	Change
Purchases of raw materials, replacement parts and consumables	(2,985,627)	(5,881,091)	2,895,464
Total	**(2,985,627)**	**(5,881,091)**	**2,895,464**

The costs related to the purchase of raw materials, replacement parts and consumables ammounted to EUR 2,985,627 thousand, a decrease of EUR 2,895,464 thousand compared to the same period of last year: the change in this item was mainly due to the general decline in the prices of crude and oil products compared to the previous year, as well as to the lower quantity purchased.

6.2.2 Cost of services and other costs

	30/9/2009	30/9/2008	Change
Service costs	336,778	357,251	(20,473)
Use of third-party assets	10,795	10,217	578
Provisions for risks	32,395	63,383	(30,988)
Miscellaneous costs	7,237	11,545	(4,308)
Total	**387,205**	**442,396**	**(55,191)**

Service costs mainly comprise maintenance, rentals, freight, electricity, steam, hydrogen and other utilities.
The item "Provisions for risk" relates mainly to the cost of acquiring CO_2 emissions (EUR 32,249 thousand, for further information please see 5.4.2. above).
Miscellaneous operating costs mainly comprise non-income tax (property tax, emissions tax) and membership fees.

6.2.3 Personnel costs

Personnel costs are broken down as follows:

	30/9/2009	30/9/2008	Change
Wages and salaries	66,825	65,502	1,323
Social security	19,769	19,544	225
Stock Grant	3,901	1,897	2,004
Staff several indemnity	4,218	3,365	853
Pensions and similar	1,295	749	546
Other costs	4,213	3,647	566
Directors' remuneration	4,345	4,255	90
Total	**104,566**	**98,959**	**5,607**

On 27 April 2007, the shareholders' meeting approved the plans for the bonus allocation of ordinary shares in the company:

- to employees of the company and its Italian subsidiaries (the "employee share plan");

- to the management of the Saras Group (the “stock grant plan 2007/2009”).

The employee share plan provides for a bonus allocation to employees:

- of 25 shares for the 2007 financial year plus one share for every six shares held on 31 December 2006;
- for 2008 and 2009, of one share per every six additional shares purchased in 2007 and 2008 respectively. Under the employee share plan, the total value of the shares allocated to each beneficiary cannot exceed EUR 2,065 each year.

The stock grant plan 2007/2009 (for directors of the parent company, and directors and managers individually specified by the Board of Directors of the parent company and subsidiaries) sets out the allocation of a “base number of shares” for each beneficiary, which is amended according to:

- the difference between the change in value of the parent company’s shares and that of the shares of a group of comparable companies;
- the ratio between the group’s actual and budgeted EBITDA.

6.2.4 Depreciation and amortisation

Depreciation and amortisation figures are shown below.

	30/9/2009	30/9/2008	Change
Amortisation of intangible assets	28,269	27,149	1,120
Depreciation of tangible assets	110,417	93,611	16,806
Total	**138,686**	**120,760**	**17,926**

The increase by comparison with the same period of the previous year is mainly due to the entry into service of the TGTU and U800 plants at the end of 2008.

6.3 Net income (charges) from equity investments

This item is shown in detail in the table below.

	30/9/2009	30/9/2008	Change
Valuation at shareholders equity of non-directly controlled subsidiaries:			
Parchi Eolici Ulassai S.r.l.		1,367	(1,367)
Total	**0**	**1,367**	**(1,367)**

The change in the item compared with the previous year was due to the full consolidation of the subsidiary Parchi Eolici Ulassai S.r.l. from the second half of 2008.

6.4 Net financial income (charges)

Net financial income and charges are broken down below.

	30/9/2009	30/9/2008	Change
Other financial income:			
from financial assets recorded under current assets			
Other income			
- from non-consolidated subsidiaries		126	(126)
- interest on bank and post office accounts	765	8,852	(8,087)
- fair value of derivatives outstanding on reporting date	23	2,184	(2,161)
- fair value of held for trading financial assets	623		623
- positive differences on derivatives	8,238	3,749	4,489
- other income	508	792	(284)
Interest and other financial charges			
- from non-consolidated group companies			0
- fair value of derivatives outstanding on reporting date	(5,960)	(1,097)	(4,863)
- fair value of held for trading financial assets			0
- negative differences on derivatives	(9,619)	(7,131)	(2,488)
- interest on loans, arrears	(9,666)	(19,917)	10,251
Exchange rate gains/losses on non-commercial transactions	(3,322)	6,257	(9,579)
Total	**(18,410)**	**(6,185)**	**(12,225)**

The main changes in the item are attributable for EUR 5,023 thousand mainly to the differences in value realised during the year on derivatives used as hedges in operations where hedge accounting was not adopted, and to the changes in fair value of the contracts in place, for negative net exchange differences fo EUR 9,579 thousand, partially compensated from the net effect of the financial income and charges, for EUR 2,164 thousand.

6.5 Income tax

Income Tax are detailed below:

	30/9/2009	30/9/2008	Change
Current taxes	44,176	263,658	(219,482)
Net deferred taxes	6,809	(167,679)	174,488
Total	**50,985**	**95,979**	**(44,994)**

Current taxes include Italian and Spanish income taxes (EUR 36,791 thousand, including EUR 5,963 thousand in additional tax ("Robin Hood tax")) and IRAP EUR 7,385 thousand).
Deferred tax assets/liabilities refers to changes during the period in the temporary differences between values recorded in the accounts and those recognised for tax purposes.
Changes in current taxes is mainly due to the lower taxable income compared to the same period of the previous year, as well as to the booking in 2008, of withholding tax for a total amount of EUR 78 million.
Changes in deferred taxes, compared to the same period of the previous year refers to the booking at 30 September 2008 of the effects deriving from the application of the “Robin Hood” tax, as well as the “realignment” of the values of assets and liabilities for statutory and tax purposes, as provided for in the 2008 Budget Law (elimination of deferred tax assets respectively EUR 75 million and EUR 56 million).

7. Other information

For information on events that took place after the end of the period, please see the relevant section in the report on operations.

7.1 Main legal actions pending

Saras S.p.A. and subsidiaries Arcola Petrolifera S.p.A., Sarlux S.r.l. and Akhela S.r.l. were subject to tax audits and assessments by the tax authorities that led, in some cases, to disputes pending before tax courts.
Although the decisions made by the tax courts were not consistent, the company has determined that liabilities, while possible, are not probable.
Moreover, with reference to the subsidiary Sarlux S.r.l., please note that companies producing electricity that is not from renewable sources or cogeneration (pursuant to AEEG Resolution 42/02) are required to purchase green certificates in respect of a certain percentage of electricity introduced into the grid. A specially-created AEEG committee, determined a different interpretation of the resolution and deemed that the subsidiary was subject to this obligation for the years 2002-2006; in September the G:S:E: charged the subsidiary Sarlux S.r.l the amount of EUR 28 million, plus VAT. Sarlux appealed against this interpretation and is of the view that its appeal will be upheld For this reason, in this interim consolidated financial statements the above mentioned charges paid to G.S.E. have been recorded in the balance sheet assets.

7.2 Earnings per share

Earnings per share are calculated by dividing net profit by the weighted average number of Saras S.p.A. shares outstanding during the year, excluding own shares.

Earnings per share was at 7,26 EUR cents for the period and 32,77 EUR cents for the same period a year previously.
The average number of shares outstanding was 927,780,855 while in the nine months 2008 the average number of shares outstanding was 946,047,130.
At 30 September 2009, Saras S.p.A held 23.188.674 own shares in relation to the buyback programme, approved by the Shareholder's meeting on 29th April 2008 and ended on 29th October 2009, as well as to the bonus allocation of shares to employees and management of group companies.
Diluted earnings per share do not vary significantly from basic earnings per share.

7.3 Transactions with related parties

The transactions carried out by Saras with related parties mainly concern the exchange of goods, the provision of services and arrangements of a financial nature.
The values of commercial, miscellaneous and financial transactions with related parties are set out below, and explanations of the most important transactions are provided.
The effects on the statement of financial position and the statement of comprehensive income of transactions or positions with related parties are summarised in the table below:

Transactions with related parties and notes

Description	olute value (€./000) and % of item in statem				Item	Business reason
	30/09/2009		31/12/2008			
NOVA EOLICA S.r.l. (consolidated as of 1/1/2009)						
Received services	0	0.00%	(100)	0	Service and miscellaneous costs	Waive of financial receivables
Financial income	0	0.00%	31	0.15%	Other net financial income (charges)	Interest on inter-company line of credit
Receivables for supply of goods and services	0	0.00%	201	0.03%	Current trade receivables	Trade receivables
Payables for supply of goods and services	0	0.00%	0	0.00%	Trade payables and other current payables	Trade payables
Financing	0	0.00%	0	0.00%	Other current assets	Inter-company line of credit
Loan					Short-term liabilities	Inter-company loans
SARDEOLICA S.R.L. (consolidated as of 1/7/2008)						
Rendered services	0	0.00%	48	0.00%	Revenues from ordinary operations	Supply of ICT services
Rendered services	0	0.00%	40	0.03%	Other income	Services outsourcing
Services rendered by staff	0	0.00%	25	0.02%	Other income	Personnel on secondment
Financial income	0	0.00%	47	0.00%	Other net financial income (charges)	Interest on inter-company line of credit
Receivables for supply of goods and services	0	0.00%	0	0.00%	Current trade receivables	Trade receivables
Financing	0	0.00%	0	0.00%	Other current assets	Inter-company line of credit
Corporation tax receivables due to group tax consolidation	0	0.00%	0	0.00%	Other current assets	Corporation tax receivables due to group tax consolidation
Corporation tax liabilities due to group tax consolidation	0	0.00%	0	0.00%	Short-term financial liabilities	Corporation tax liabilities due to group tax consolidation
ENSAR SRL (valuation of consolidated shareholding from 1/1/2009)						
NOVA EOLICA (valued at equity)	0	0.00%	(952)	2	Net income (charges) from equity interests	Measurement of non-consolidated investments
LABOR EOLICA (valued at equity)	0	0.00%	(8)	0	Net income (charges) from equity interests	Measurement of non-consolidated investments
ALPA EOLICA (valued at equity)	0	0.00%	(5)	0	Net income (charges) from equity interests	Measurement of non-consolidated investments
PARCHI EOLICI ULASSAI S.R.L. (consolidated as of 1/7/2008)						
Rendered services	0	0.00%	3	0.00%	Other income	Services outsourcing
Measurement of investment at equity	0	0.00%	1,367	324.70%	Net income (charges) from equity interests	Measurement of non-consolidated investments
Financial income	0	0.00%	52	3.71%	Other net financial income (charges)	Interest on inter-company line of credit
Financial charges	0	0.00%	0	0.00%	Other net financial income (charges)	Interest on inter-company loan
Receivables for supply of goods and services	0	0.00%	0	0.00%	Current trade receivables	Trade receivables
Financing	0	0.00%	0	0.00%	Other current assets	Inter-company line of credit
Payables for supply of goods and services	0	0.00%	0	0.00%	Trade payables and other current payables	Trade payables
Loan	0	0.00%	0	0.00%	Short-term financial liabilities	Inter-company loans
Corporation tax liabilities due to group tax consolidation	0	0.00%	0	0.00%	Short-term financial liabilities	Corporation tax liabilities due to group tax consolidation
IMMOBILIARE ELLECI S.p.A.						
Rent	(169)	0.33%	(450)	0.08%	Service and miscellaneous costs	Rental of buiding
SECURFIN HOLDINGS S.p.A.						
Services rendered by staff	12	0.02%	26	0.02%	Other income	Personnel on secondment
Rent	(436)	0.11%	(605)	0.10%	Service and miscellaneous costs	Rental of buiding + parking space in Milan
Receivables for supply of goods and services	12	0.00%	26	0.00%	Current trade receivables	Trade receivables
Payables for supply of goods and services	0	0.00%	0	0.00%	Trade payables and other current payables	Trade payables
F.C. INTERNAZIONALE S.p.A.						
Received services	(40)	0.01%	(41)	0.01%	Service and miscellaneous costs	Purchase of tickets for sports matches
ANGELO MORATTI S.A.p.A.						
Services rendered by staff	20	0.04%	44	0.04%	Other income	Personnel on secondment
Receivables for supply of goods and services	20	0.00%	44	0.01%	Current trade receivables	Trade receivables
DYNERGY S.R.L.						
Services rendered by staff	1	0.00%	2	0.00%	Other income	Management fee
Rendered services	0	0.00%	8	0.01%	Other income	Exchange rate gains
Received services	(508)	0.13%	(806)	0.14%	Service and miscellaneous costs	Support for refining activities
Dividends	0	0.00%	19	4.51%	Net income (charges) from equity interests	Distribution of dividends due
Receivables for supply of goods and services	1	0.00%	1	0.00%	Current trade receivables	Trade receivables
Payables for supply of goods and services	(44)	0.01%	(188)	0.03%	Current trade payables and other payables	Trade payables
MANTA S.R.L.						
Services rendered by staff	29	0.06%	0	0.00%	Other income	Personnel on secondment
Received services	(170)	0.04%	0	0.00%	Service and miscellaneous costs	Security services
Receivables for supply of goods and services	29	0.01%	0	0.00%	Current trade receivables	Trade receivables
Payables for supply of goods and services	(37)	0.01%	0	0.00%	Trade payables and other current payables	Trade payables
HANGZHOU DADI ENCON ENVIRONMENTAL EQUIPMENT CO. LTD - China						
Supply of goods	0	0.00%	0	0.00%	Revenues from ordinary operations	Supply of control and measuring instruments
Other income (contingent liabilities)	53	0.10%	0	0.00%	Other income	Profit on transaction
Purchases of goods	0	0.00%	0	0.00%	Purchase of raw materials, replacement part and consumables	Supply of materials for construction contracts
Trade receivables	0	0.00%	1	0.00%	Current trade receivables	Trade receivables
Payables for supply of goods and services	0	0.00%	0	0.00%	Trade payables and other current payables	Trade payables
Prepayments for supply of goods	0	0.00%	(53)	0.01%	Trade payables and other current payables	Prepayment for prototype supply

The transactions with the related parties mentioned above have been entered into at market conditions.
No provisions for doubtful loans were made regarding outstanding balances in that there are no reasons to make such provisions; no losses were incurred relative to doubtful or bad loans from related parties.

The incidence of operations and positions with related parties on financial items is presented in the following table:

	30.09.2009			31.12.2008		
	Total	Related Parties	Proportion %	Total	Related Parties	Proportion %
Current trade receivables	436,569	62	0.0%	639,326	273	0.0%
Other current assets	157,765	0	0.0%	108,916	0	0.0%
Short-term financial liabilities	230,774	0	0.0%	243,980	0	0.0%
Trade and other current payables	729,870	81	0.0%	560,867	241	0.0%

The incidence of operations and positions with related parties on income statements items is presented in the following table:

	30.09.2009			30.9.2008		
	Total	Related Parties	Proportion %	Total	Related Parties	Proportion %
Revenues from ordinary operations	3,701,844	0	0.0%	6,866,441	48	0.0%
Other income	50,990	115	0.2%	87,567	123	0.1%
Purchases of raw materials, supplies and consumables	2,985,627	0	0.0%	5,881,091	0	0.0%
Cost of services and sundry costs	387,205	1,323	0.3%	442,396	1,325	0.3%
Net income (charges) from equity investment	0	0	0.0%	1,367	1,367	100.0%
Other net financial income (charges)	(18,410)	0	n.a.	(6,185)	130	n.a.

Main financial flows with related parties are shown in the table below:

Flows with related parties	**30/09/2009**	**30/09/2008**
(Income) and net charges on equity investments	0	(1,367)
(Increase) Decrease of trade receivables	211	289
Increase (Decrease) of trade payables and other payables	(160)	(216)
Changes of other current assets	0	6,028
Changes other non current liabilities	0	0
Monetary flows from (to) assets of the year	**51**	**4,734**
Interest received \ (paid)	0	143
Monetary flows from (to) investments	**0**	**143**
Increase / (decrease) short term financial debts	0	(1,198)
Monetary flows from (to) financial assets	**0**	**(1,198)**
Total financial flows vs related parties	**51**	**3,679**

The incidence of financial flows with related parties is shown in the table below:

	30.9.2009		
	Total	Related Parties	Proportion %
Monetary flows from (to) assets in the year	284,412	51	0.02%
Monetary Flows from (to) investments	(253,965)	0	0.00%
Monetary flows from (to) financial assets	(27,063)	0	0.00%

	30.9.2008		
	Total	Related Parties	Proportion %
Monetary flows from (to) assets in the year	273,180	4,734	1.73%
Monetary Flows from (to) investments	(191,484)	143	n.a.
Monetary flows from (to) financial assets	(240,790)	(1,198)	0.50%

7.4 Extraordinary events and transactions and atypical and/or unusual operations

No atypical and/or unusual operations were carried out in the period. We highlight that on the 26 May 2009 a tragic event happened at the Mildhydrocracking 1 unit in the refinery of Sarroch, during the scheduled maintenance activities, that caused the death of three employees from one of our contractors.

For the Board of Directors
The Chairman
Gian Marco Moratti