



SARAS proforma statements

25 October, 2006



"Proforma" statements main assumptions



- Saras Group consolidated financial statements and Sarlux Srl financial statements under IFRS accounting principles are the basis of "proforma" statements
- **Sarlux S.r.l consolidated by the line-by-line method as of 1st January 2005, as if acquisition took place at end 2004. Besides making all the usual consolidation entries the following items have been moved from Q2/06 back to Q1/05**
 - **Revaluation of Sarlux S.r.l. electricity sale contract to GRTN** (national grid company) at fair value : **604 € million** accounted to intangible assets. As a compensation on the liabilities side 225 € million accounted as deferred taxes and the balance 379 € million accounted as Shareholders Equity
 - **Enron Dutch frozen dividends** accounted in the Shareholder's Equity as follows:
 - 41.1 € million as of 1st January 2005
 - 25.1 € million in Q3/05
 - **P/L effects:**
 - **additional amortization of € 9.4 million per quarter** in the Power gen. segment (due to revaluation of GRTN contract)
 - » effect on deferred taxes: + € 3.6 million per quarter
 - » effect on Net Income: – € 5.8 million per quarter
 - **Interest expenses of € 1.1 million** per quarter on payment of € 127 million on acquisition at end 2004.

Proforma Income statement



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	168.9	214.6	298.1	102.1	783.7	138.1	201.2
Comparable EBITDA¹	148.2	147.0	201.2	157.2	653.6	143.6	124.5
depreciation&amortization	-43.4	-41.1	-41.8	-44.6	-170.9	-39.2	-39.3
EBIT	125.5	173.5	256.3	57.5	612.8	98.9	161.9
Comparable EBIT²	104.8	105.9	159.4	112.6	482.7	104.4	85.2
Net financial income/expenses	-64.3	-33.0	-23.6	27.0	-93.9	-0.8	-26.6
Adj to the value of fin.assets ⁴	0.0	0.0	-0.2	-0.2	-0.4	2.4	1.1
Non recurring items ⁵	0.0	0.0	0.0	0.0	0.0	0.0	-12.9
Profit before taxes	61.2	140.5	232.5	84.3	518.5	100.5	123.5
taxes	-28.1	-60.3	-87.4	-36.3	-212.1	-37.7	-47.7
Net income	33.1	80.2	145.1	48.0	306.4	62.8	75.8
Adjusted Net income³	48.6	47.1	60.8	74.0	230.5	66.3	40.3
Number of shares (millions)					891		
EPS (€)					0.26		

1. **Comparable EBITDA**: calculated evaluating inventories at LIFO
2. **Comparable EBIT** = Comparable EBITDA - depreciation&amortization
3. **Adjusted NET INCOME** = reported NET INCOME
 +/- (inventories at FIFO-inventories at LIFO) net of taxes
 +/- non recurring items net of taxes
 +/- Δ in derivatives fair value net of taxes
4. Adj to the value of financial assets: Joint Ventures consolidated by the Equity method (Wind)
5. Non recurring items: includes IPO costs in Q2/06

Proforma Income statement



Detail of NET INCOME adjustments

€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
REPORTED NET INCOME	33.1	80.2	145.1	48.0	306.4	62.8	75.8
(inventories at FIFO-inventories at LIFO) net of taxes	-13.0	-42.4	-60.8	34.6	-81.6	3.5	-48.1
non recurring items net of taxes	0	0	0	0	0	0	8.1
Δ in derivatives fair value net of taxes	28.5	9.3	-23.5	-8.6	5.7	0.1	4.5
TOTAL ADJUSTMENTS TO REPORTED NET INCOME	15.5	-33.1	-84.3	26.0	-75.9	3.5	-35.5
ADJUSTED NET INCOME	48.6	47.1	60.8	74.0	230.5	66.3	40.3

Proforma Balance Sheet



€ millions	12/2004	31/3/05	30/6/05	30/9/05	12/2005	31/3/06	30/6/06
CURRENT ASSETS	1,050	1,427	1,425	1,657	1,409	1,618	1,643
of which Cash	166	357	242	282	227	261	300
Other current assets	884	1,069	1,183	1,372	1,182	1,356	1,344
NON CURRENT ASSETS	1,775	1,752	1,732	1,702	1,684	1,676	1,689
TOTAL ASSETS	2,825	3,179	3,157	3,356	3,093	3,294	3,332
NON INT.BEARING LIABILITIES	1,179	1,336	1,479	1,426	1,376	1,574	1,502
INT. BEARING LIABILITIES	927	1,079	973	1,081	820	930	618
of which Sarlux Project Finance	566	566	507	507	465	465	421
EQUITY	719	765	705	849	897	790	1,211
TOTAL LIABILITIES	2,825	3,179	3,157	3,356	3,093	3,294	3,332
LOANS TO UNCONSOLIDATED SUBSIDIARIES	35.3	28.6	68.8	75.2	19.4	13.6	14.6
NET FINANCIAL POSITION*	-726	-693	-662	-724	-573	-655	-304
NFP / EBITDA**		1.17	1.12	1.09	0.88	1.14	0.57

* Net financial position = Interest bearing liabilities – cash – loans to unconsolidated subsidiaries (wind)

** Calculated using comparable EBITDA figures

Proforma Cashflow



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
INITIAL NET FINANCIAL POSITION	-726	-693	-662	-724	-703	-573	-655
CASHFLOW FROM OPERATIONS (a)	61	191	-48	174	379	116	54
<i>of which p/l+dep&amort.+change in provisions</i>	<i>108</i>	<i>180</i>	<i>276</i>	<i>134</i>	<i>699</i>	<i>148</i>	<i>159</i>
<i>Working capital</i>	<i>-47</i>	<i>11</i>	<i>-324</i>	<i>40</i>	<i>-320</i>	<i>-32</i>	<i>-104</i>
CASHFLOW FROM INVESTMENTS (b)	-28	-21	-14	-24	-86	-27	-46
CASHFLOW FROM FINANCING (c)	0.0	-140	0	0	-140	-170	342
<i>Capital increase</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>0</i>	<i>342</i>
<i>dividends</i>	<i>0</i>	<i>-140</i>	<i>0</i>	<i>0</i>	<i>-140</i>	<i>-170</i>	<i>0</i>
TOTAL CASHFLOW FOR THE PERIOD (a)+(b)+(c)	33	30	-62	151	152	-81	351
FINAL NET FINANCIAL POSITION	-693	-662	-724	-573	-573	-655	-304

Refining Margins



- Calculation of Saras refining margins based on management accounting has been dropped
- A formula based on IFRS accounting principles has been adopted in order to make results more easily verifiable
- Saras refining margin is now calculated as follows:

SARAS REFINING MARGIN = SARAS REFINERY MARGIN + SARLUX IGCC MARGIN

SARAS REFINERY MARGIN = [Comparable LIFO EBITDA + Fixed Costs] / Refinery Crude Runs

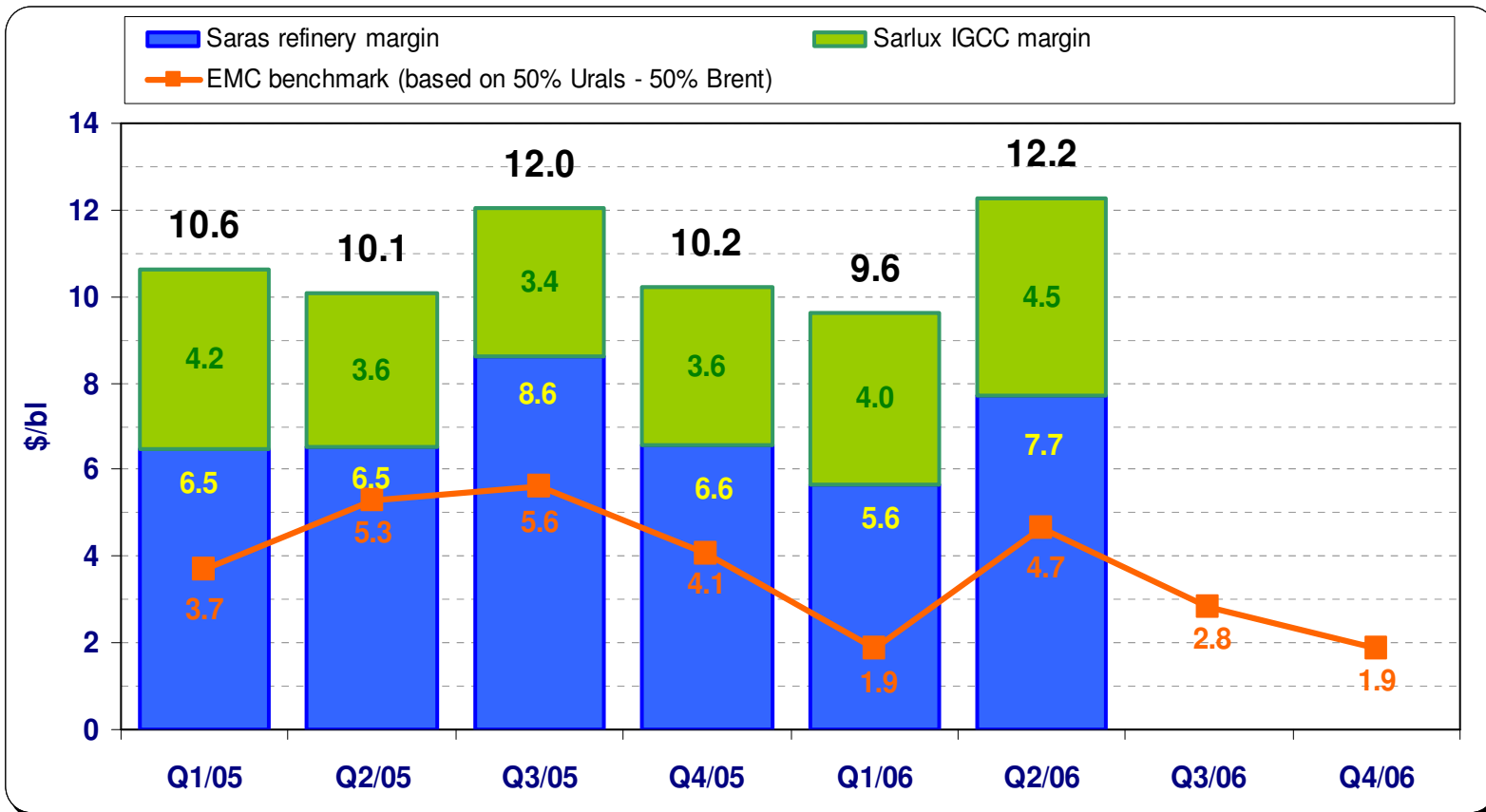
SARLUX IGCC MARGIN = [EBITDA + Fixed Costs] / Refinery Crude Runs

All revenues and costs for IGCC margin are linearised as per IFRS accounting principles

- Saras refining margin will be compared to the EMC* benchmark refining margin (based on 50% Ural and 50% Brent) on a quarterly basis.
- The benchmark is a customized margin calculated for Saras by EMC and it represents Saras' typical crude slate, pricing structure and reference market.
- The yields and variable costs used in the calculation are EMC's estimates for a complex refinery in the MED region.
- EMC benchmark to be published on our website www.saras.it and updated on a weekly basis

* EMC (Energy Market Consultants) is based in London and was founded in 1989 by a group of dedicated consultants with extensive experience in their respective fields. Since then the company has established a reputation for high quality original research and a genuinely independent perspective on the oil/energy markets and industries. For more informations please refer to the company website www.energymc.com

Refining Margins

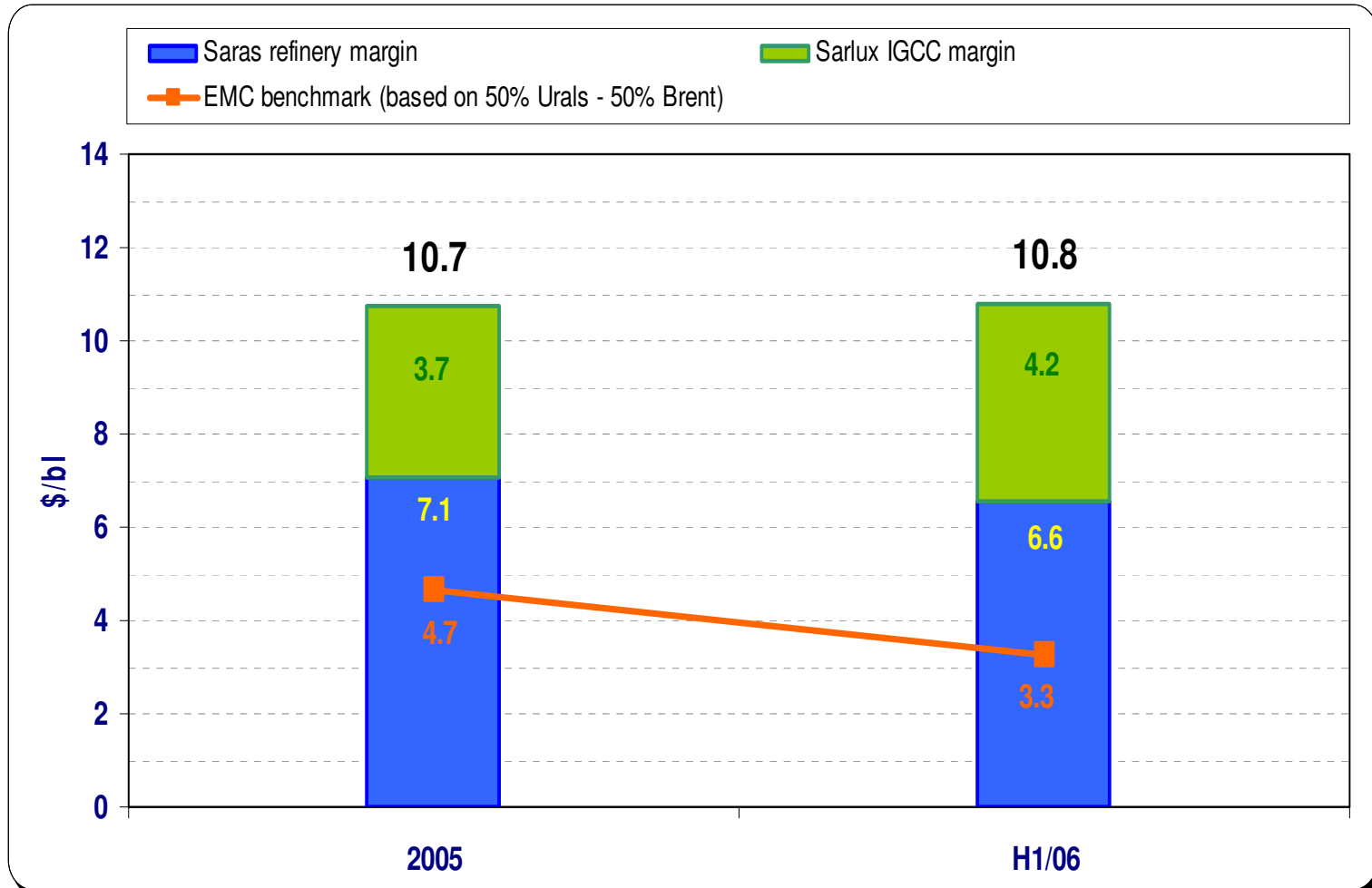


- **Q2/06: 1.2 \$/bl lost** for major maintenance affecting conversion capacity
- **IGCC margin: revenues and costs linearized over the life of GRTN contract (until 2021)**

Refining Margins



H1/06 vs 2005



Refining Margins



Detail of fixed and variable costs

REFINERY

	Q105	Q205	Q305	Q405	2005	Q106	Q206
refinery runs (Mbl)	25.3	25.6	26.9	27.5	105.3	27.1	21.3
exchange rate	1.31	1.26	1.22	1.19	1.24	1.20	1.26
refining IFRS LIFO EBITDA (M€)	83.6	89.9	147.2	100.8	421.5	77.7	66.8
EBITDA margin (\$/bl)	4.3	4.4	6.7	4.4	5.0	3.4	3.9
fixed costs (\$/bl)	2.1	2.1	2.0	2.2	2.1	2.2	3.8
variable costs (\$/bl)	1.5	1.4	1.3	1.3	1.4	1.6	2.4

q2/06: fixed costs increased for major maintenance and reduction of runs, variable costs increased for MHC catalyst substitution

IGCC

	Q105	Q205	Q305	Q405	2005	Q106	Q206
refinery runs (Mbl)	25.3	25.6	26.9	27.5	105.3	27.1	21.3
exchange rate	1.31	1.26	1.22	1.19	1.24	1.20	1.26
Sarlux IFRS EBITDA (M€)	59.1	49.6	51.9	52.8	213.4	63.1	52.3
EBITDA margin (\$/bl)	3.1	2.4	2.4	2.3	2.5	2.8	3.1
fixed costs (\$/bl)	1.1	1.1	1.1	1.4	1.2	1.2	1.4
variable costs (\$/bl)	0.8	0.7	0.7	0.6	0.7	0.7	1.2

Fixed costs: for both Refinery and IGCC include labour, maintenance, insurance and general expenses

Variable costs:

- for Refinery include utilities (power, steam and Hydrogen) , chemicals, catalysts, additives
- for IGCC include utilities (power), chemicals, catalyst

Segment review

Refining



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	101.4	148.4	223.1	58.6	531.5	68.3	137.8
Comparable EBITDA	83.6	89.9	147.2	100.8	421.5	77.7	66.8
depreciation&amortization	-17.9	-14.1	-20.7	-20.6	-73.3	-15.1	-17.8
EBIT	83.5	134.3	202.4	38.0	458.2	53.2	120.0
Comparable EBIT	65.7	75.8	126.5	80.2	348.2	62.6	49.0
CAPEX	10.1	17.4	10.3	19.5	57.3	22.7	44.4
Total runs (kt)	3,437	3,510	3,684	3,765	14,396	3,709	2,918
Saras margin (\$/bl)	6.5	6.5	8.6	6.6	7.1	5.6	7.7
EMC margin (\$/bl)	3.7	5.3	5.6	4.1	4.7	1.9	4.7

Power Generation



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	59.1	49.6	51.9	52.8	213.4	63.1	52.3
Comparable EBITDA	59.1	49.6	51.9	52.8	213.4	63.1	52.3
depreciation&amortization*	-24.1	-22.5	-23.0	-23.4	-93.0	-22.1	-22.0
EBIT	35.0	27.1	28.9	29.4	120.4	41.0	30.3
Comparable EBIT	35.0	27.1	28.9	29.4	120.4	41.0	30.3
CAPEX	3.5	1.1	0.7	8.2	13.5	2.4	1.1
Electricity Production (Mwh/000)	1,191.2	1,086.7	1,147.0	921.1	4,346.9	1,154.9	1,135.9
Power tariff (€cent/Kwh)	11.02	11.63	12.46	13.28	12.10	13.31	14.18
IGCC margin** (\$/bl)	4.2	3.6	3.4	3.6	3.7	4.0	4.5

* Additional 9.4 M€ per quarter due to fair value revaluation of GRTN contract

** Calculated on the basis of linearised revenues

Power Generation

(Supplementary informations)



ITALIAN GAAP INCOME STATEMENT

€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	74.1	64.7	77.5	53.5	269.7	79.5	86.8
depreciation&amortization	-15.1	-15.4	-15.4	-15.9	-61.8	-13.2	-13.4
EBIT	59.0	49.3	62.1	37.6	208.0	66.3	73.3
Net financial income/expenses	-4.2	-3.4	-3.3	-3.3	-14.2	-3.1	-2.7
Extraordinary items	0.0	0.0	-0.4	3.3	3.0	0.0	0.0
Profit before taxes	54.8	45.9	58.4	37.7	196.7	63.2	70.7
NET INCOME	34.0	28.6	36.2	22.9	121.8	39.3	44.0

Marketing



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	10.4	16.0	26.7	-10.0	43.1	7.3	12.4
Comparable EBITDA	7.5	6.9	5.7	2.9	23.0	3.4	6.7
depreciation&amortization	-0.6	-1.9	0.5	0.8	-1.2	-0.3	-0.3
EBIT	9.8	14.1	27.2	-9.2	41.9	7.0	12.1
Comparable EBIT	6.9	5.0	6.2	3.7	21.8	3.1	6.4
CAPEX	0.1	0.8	0.0	0.3	1.2	0.0	0.2
Total sales (kt)	765	715	690	786	2,956	803	771
Sales in Italy (kt)	257	238	241	300	1,036	263	236
Sales in Spain (kt)	508	477	449	486	1,920	540	535

Other



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA	-2.0	0.6	-3.6	0.7	-4.3	-0.6	-1.3
Comparable EBITDA	-2.0	0.6	-3.6	0.7	-4.3	-0.6	-1.3
depreciation&amortization	-0.8	-2.6	1.4	-1.4	-3.4	-1.7	0.8
EBIT	-2.8	-2.0	-2.2	-0.7	-7.7	-2.3	-0.5
Comparable EBIT	-2.8	-2.0	-2.2	-0.7	-7.7	-2.3	-0.5
CAPEX	0.1	0.0	0.3	0.4	0.8	0.5	0.0

Wind



€ millions	Q1/05	Q2/05	Q3/05	Q4/05	2005	Q1/06	Q2/06
EBITDA						7.7	4.7
Comparable EBITDA						7.7	4.7
depreciation&amortization						-1.9	-1.9
EBIT						5.8	2.8
Comparable EBIT						5.8	2.8
Net financial income/expenses						-0.3	-0.1
Profit before taxes						5.5	2.6
NET INCOME						3.4	1.6
Electricity Production (Mwh)						52,902	31,624
Power tariff (€cent/Kwh)						7.4	6.7
Green certificates price (€cent/Kwh)						10.9	10.9