SARAS
2Q/2006 Results

9 August, 2006

Disclaimer

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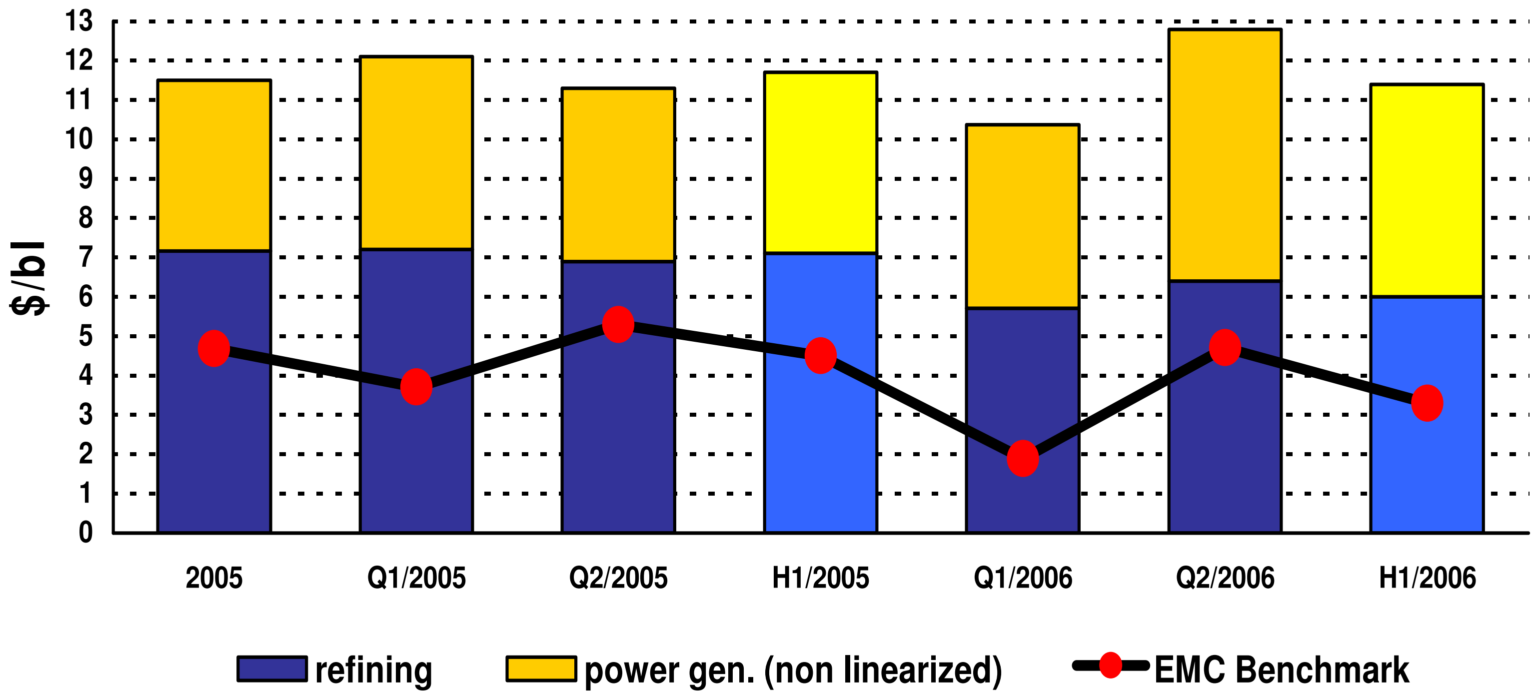
Second quarter highlights

- **Group net profit[1] 72 M€** vs 56 M€ in Q1/06 and 77 M€ in Q2/05
- **Group comparable EBITDA[2] 72 M€** vs 81 M€ in Q1/06 and 97 M€ in Q2/05
- **Refining affected by scheduled maintenance on 1 refinery train**
- **Positive performance of Power Generation. Acquisition of 45% Sarlux stake finalized on June, 28.**
- **Margins improved in Marketing segment**
- **Wind in line with expectation**

1 including 55% Sarlux profit, excluding non recurring gain from full Sarlux consolidation
2 no impact of Sarlux and inventories at LIFO

Second quarter highlights

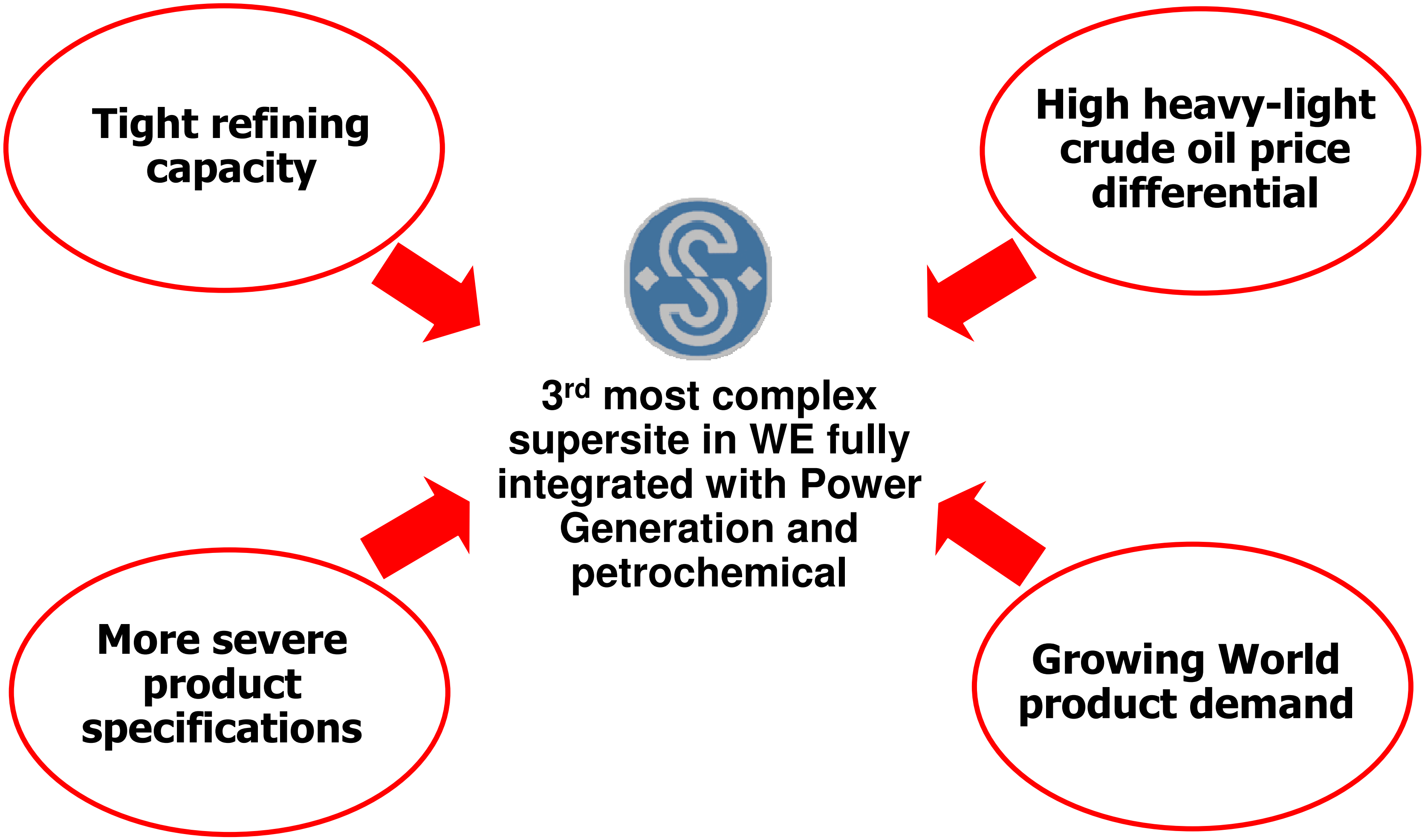
- **Refinery margin 6.4 $/bl and site margin 12.8 $/bl**



Runs(Mbl)	**105.3**	**25.3**	**25.6**	**50.9**	**27.1**	**21.3**	**48.4**

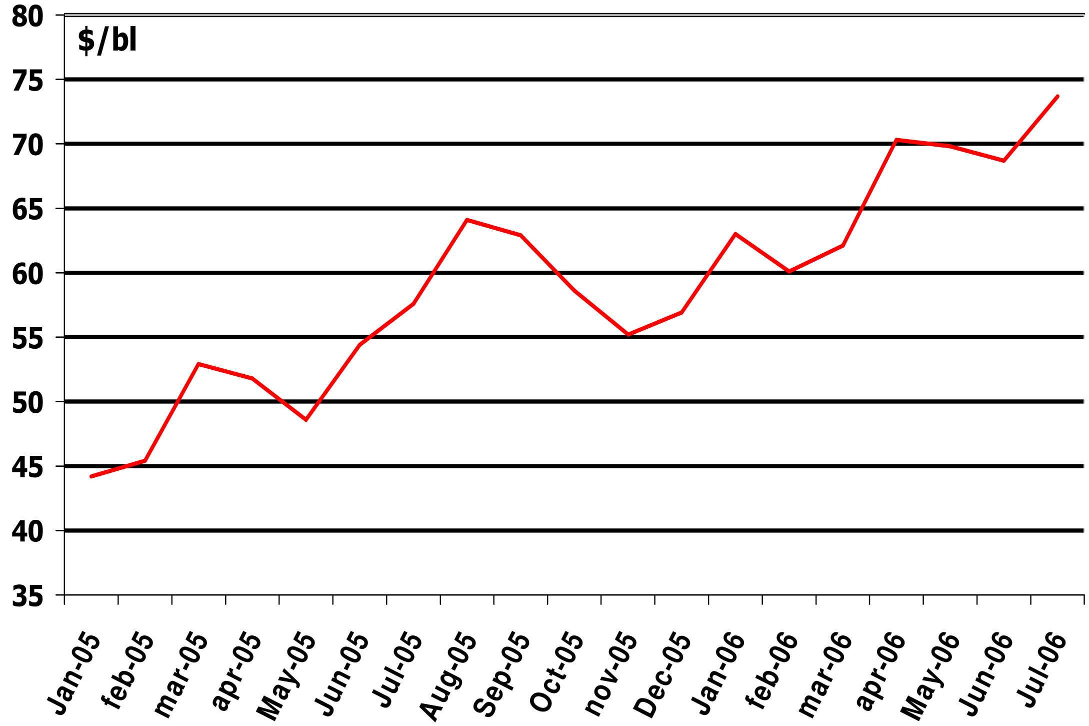
Market Overview

Major industry trends confirmed



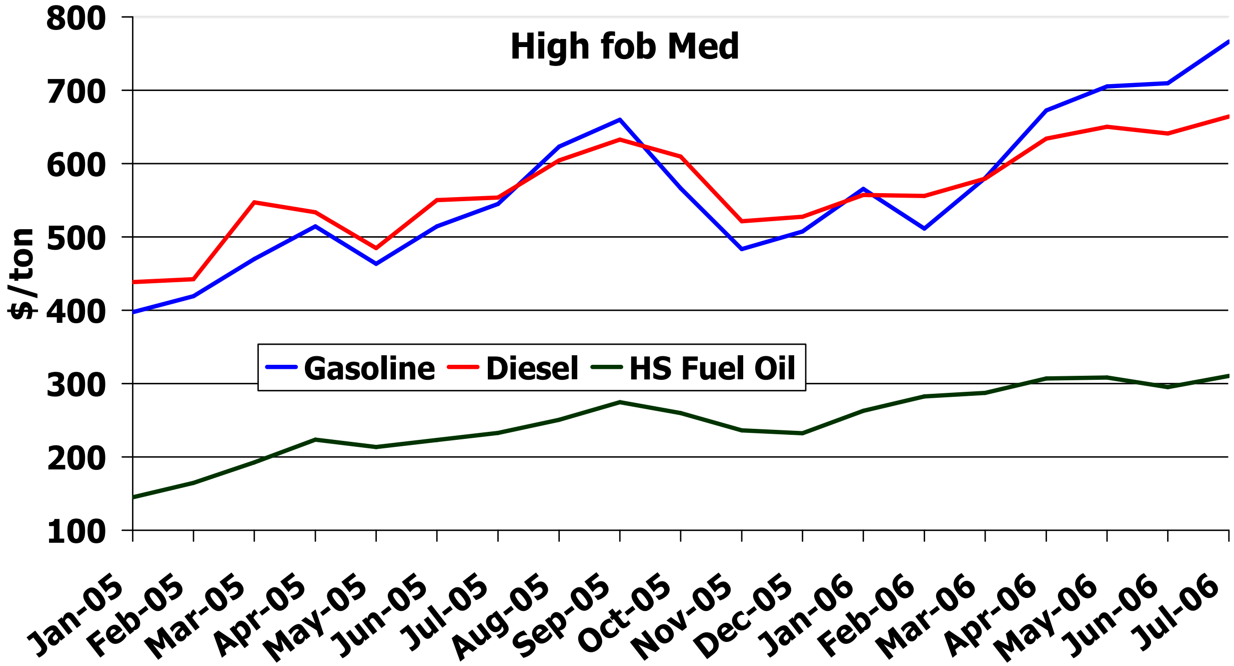
Crude oil price

Brent dated monthly average



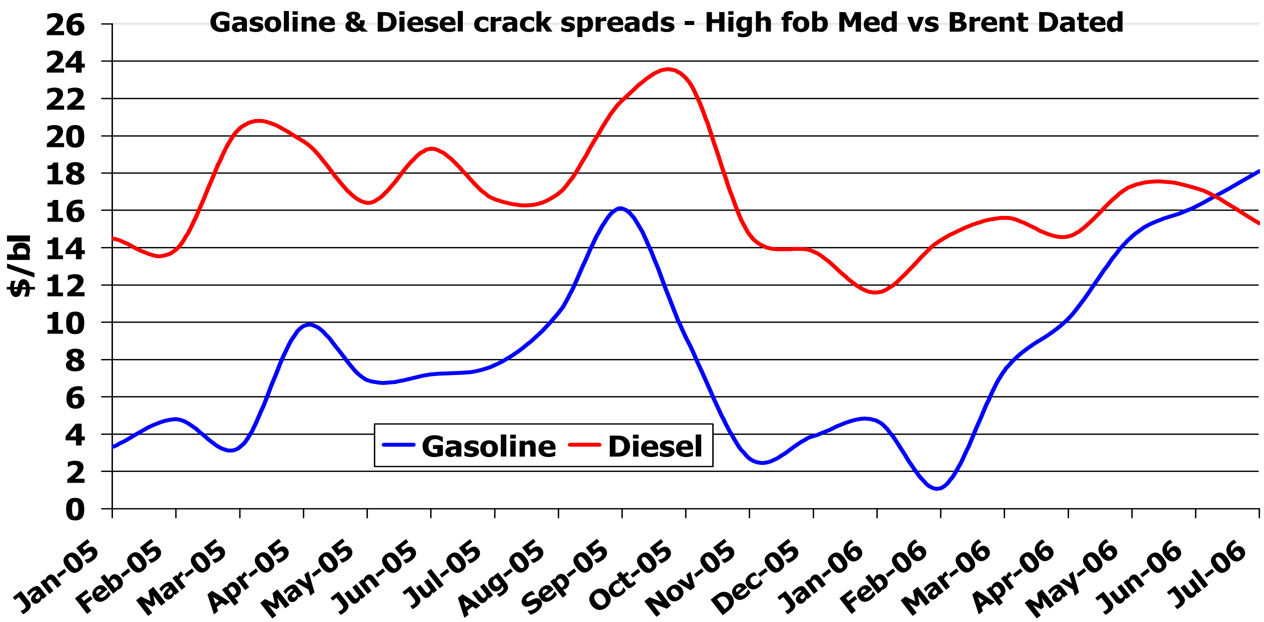
- **Brent dated at all time high's**
- **World oil products demand projected to grow by 1.4% in 2006 and 1.8% in 2007 (IEA)**
- **Fundamentals strong, political instability adds high volatility**

Product prices



- **Diesel prices recovered from winter lows due to mild weather and high stocks**
- **High gasoline prices thanks to robust US seasonal demand**
- **Strong impact in US prices from MTBE ban**

Crack spreads

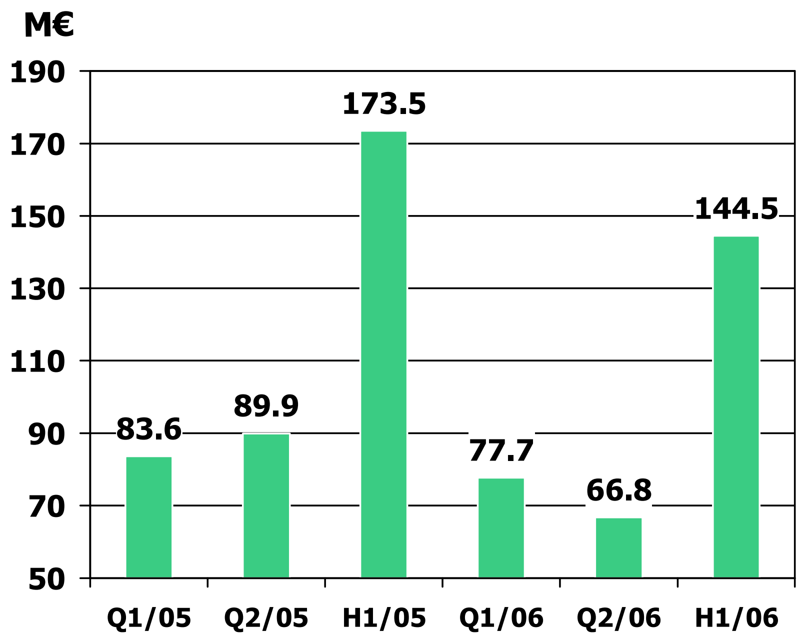


- **Diesel spread back to 2005 average**
- **Gasoline spread higher than 2005 "hurricane spike", contributing significantly to margins**

Segment Reviews

Refining

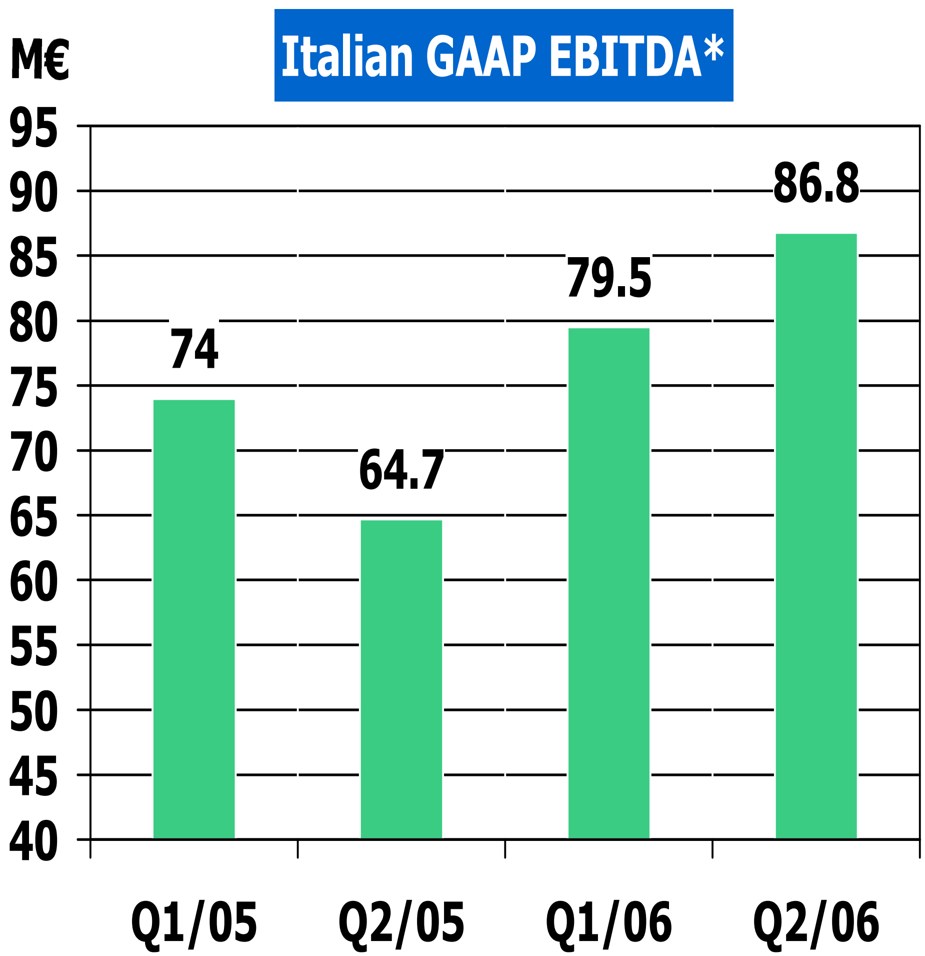
Comparable EBITDA*



* calculated evaluating inventories at LIFO

- Refining margins back to 2005 levels after weak Q1/06
- Q2/06 results impacted by scheduled maintenance on one refinery train
- Runs in Q2/06 2.9 Mt vs 3.7 Mt in Q1/06 and 3.5 Mt in Q2/05
- CCR and MHC turnaround reduces conversion (estimated effect 1.2 $/bl)
- Comparison of runs in different quarters confirms efficiency improvement of refinery operations

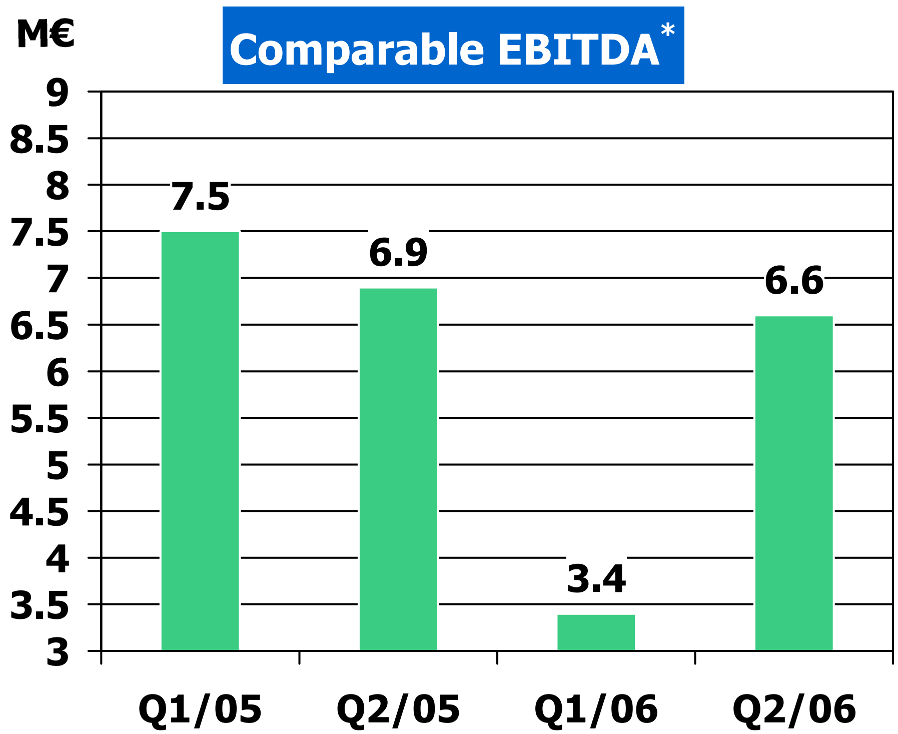
Power generation



*100% ownership

- **Electricity production (1,136,000 MWh) in line with Q1/06**
- **Scheduled maintenance on 1 train for 21 days (gasification and combined cycle unit)**
- **Power tariff +6.5% vs Q1/06 due to higher oil prices**

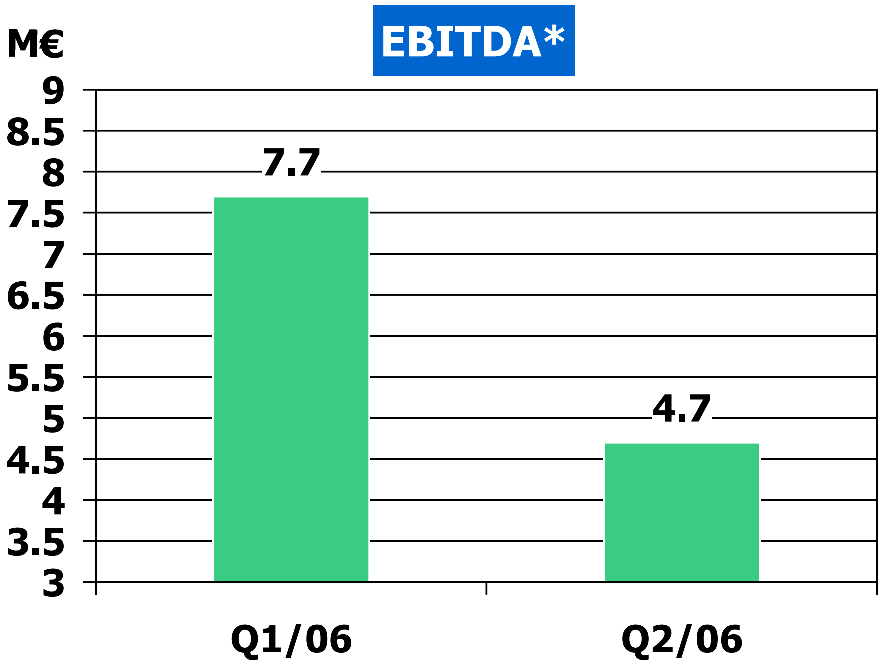
Marketing



* calculated evaluating inventories at LIFO

- **Strong margins rebound from Q1/06 lows, back to Q2/05 levels**
- **Total sales 771 kt vs 803 kt in Q1/06 and 714 in Q2/05**
- **Modest reduction of sales in Italy due to seasonality, Spanish market in line with Q1/06**
- **Acquisition of 37 stations in Spain completed in July**

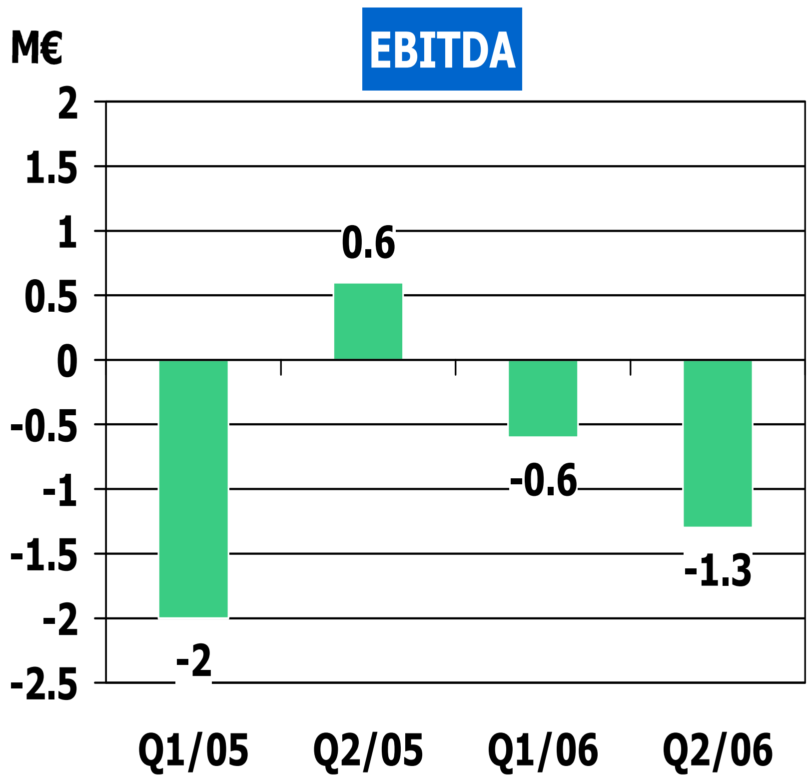
Wind



- **Q2/06 in line with expectations**
- **Lower EBITDA due to seasonality of wind conditions**
- **42 generators now up and running**

***100% figure, Saras share is 70%**

Other



- **Q2/06 results moderately worse than expected**

Financial Overview

Key consolidated figures

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**1,370**	1,114	2,800	2,184
EBITDA	**148.9**	165.0	223.9	274.8
Comparable EBITDA[1]	**72.0**	97.4	152.5	186.5
EBIT	**131.5**	146.4	189.4	236.9
Net profit	**269.8**	77.4	325.9	105.8
Non recurring items	**197.7**		197.7	
Net profit excl. non rec.items	**72.1**	77.4	128.2	105.8
Net Financial Position	**(304)**	(263)	(304)	(263)
Total Equity	**1216**	342	1216	342
Capex	**45**	18	68	28

1 calculated using IFRS accounting principles and evaluating inventories at LIFO

Cash flow

M€		1H/06
Net financial position (initial)		(177)
Cash flow from operations		1
Profit and loss	138	
Working capital	(137)	
Cash flow from investments		(129)
Capex	(68)	
Sarlux acquisition (net)	(61)	
Cash flow from financing		172
Capital increase	342	
Dividends paid	(170)	
Net financial position (final)		(133)
Net debt from Sarlux		(171)
Consolidated Net financial position (final)		(304)

Sarlux acquisition – IFRS 3

	M€
Fair value of GRTN contract (net of deferred taxes)	343.5
Revaluation of 55% to Saras consolidated equity	189.0
Sarlux net equity including fair value of GRTN contract	578.0
45% of above minus total acquisition costs	133.0
Frozen dividends acquisition	66.0
to Saras consolidated P/L (taxation 1.5 M€)	199.0

Strategy Overview

Strategy overview

SHORT TERM

- **Increased conversion capacity**
  - expected incremental Ultra Low Sulphur Diesel production from Q3 (+abt 200,000 tons per year)
    - ✓ from additional hydrogen availability (reforming and IGCC)
    - ✓ from improvements on mildhydrocracking units
  - increased production of high octane gasoline components thanks to additional reforming capacity (+50,000 tons per year)
- **Processing contracts**
  - one major contract renewed at improved conditions

Strategy overview

MEDIUM TERM

- **Increased refinery runs**
  - from 2008 15.1 million tons refinery runs vs 14.4 million in 2005

- **Increased conversion capacity**
  - additional 150,000 tons per year Ultra Low Sulphur Diesel production by mid 2007

- **Biodiesel plant**
  - investment approved for plant size of 200,000 tons per year
  - completion by end 2008
  - expected investment included working capital less than 40 M€
  - IRR in excess of 20%

Strategy overview

LONG TERM

- **Project Evolution**
  - confirmed target of average reduction of 2° API by end 2009

- **Positive outlook from recently approved energy plan by Sardinian government**
  - moratorium on wind parks eased: additional 250 MW of wind energy allowed in the region (to be located in dismissed industrial areas)
  - high voltage interconnection cable 1.0 GW (SAPEI): to be completed in 2009. EPC contract for phase I (0.5 GW) awarded
  - gas pipeline with Algeria (GALSI) to be built by 2009

- **Saras submitted application for exploration permits for 2 natural gas fields off the coast of Sardinia**

Outlook

Short term outlook

- Industry fundamentals expected to remain solid throughout the year

- Limited impact on Q3 results of the unscheduled shutdown of reformer (CCR). Plant resumed production in 12 days

- H2 results expected to improve on H1 also due to anticipated higher refinery utilization

- Other segments expected to perform in line with H1/06

Q&A

Additional segment information

Refining

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**1,284**	1,048	2,690	2,061
EBITDA	**137.8**	148.4	206.1	249.8
Comp. EBITDA[1]	**66.8**	89.9	144.3	173.5
EBIT	**120.0**	134.3	173.2	217.8
Capex	**44.4**	17.4	67.1	27.5
Total runs (kt)	**2,918**	3,510	6,628	6,974
Saras margin ($/bl)	**6.4**	6.9	6.0	7.1
EMC margin ($/bl)	**4.7**	5.3	3.3	4.5

1 calculated using IFRS accounting principles and evaluating inventories at LIFO

Power generation

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**138**	118	285	240
EBITDA	**52.3**	52.3	115.4	111.4
EBIT	**39.7**	36.5	90.1	80.9
Capex	**1.1**	1.1	2.0	4.5
Electricity production (Mwh)	**1,135,939**	1,086,738	2,290,830	2,277,936
Power tariff (€cent/KWh)	**14.18**	12.2	13.5	12.2
IT GAAP EBITDA	**86.8**	64.7	166.3	138.7

Marketing

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**438**	306	869	588
EBITDA	**12.4**	16.0	19.7	26.4
Comp. EBITDA[1]	**6.7**	6.9	10.1	14.4
EBIT	**12.1**	14.1	19.1	23.9
Capex	**0.2**	0.8	0.2	0.9
Total sales (kt)	**771**	715	1575	1480
Sales in Italy (ktl)	**236**	238	499	495
Sales in Spain (ktl)	**535**	477	1075	985

1 calculated using IFRS accounting principles and evaluating inventories at LIFO

Wind

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**5.6**	-	14.6	-
EBITDA	**4.7**	-	12.4	-
EBIT	**2.8**	-	8.6	-
Capex	**10.2**	32.7	13.1	42.1
Electricity production (Mwh)	**31,624**	-	84,525	-
Power price (€cent/KWh)	**6.7**	-	7.0	-
Green certificates (€cent/KWh)	**10.9**	-	10.9	-

Other

IFRS accounting principles, M€	Q2/06	Q2/05	1H/06	1H/05
Revenues	**10.3**	8.0	18.3	13.7
EBITDA	**-1.3**	0.6	-1.9	-1.4
EBIT	**-0.5**	-2.0	-2.8	-4.8
Capex	**-**	-	-	-