



# SARAS

## First Quarter 2011 results

13<sup>th</sup> May 2011

# AGENDA

- Highlights
- Segments Review
- Financials
- Outlook & Strategy
- Q&A

## DISCLAIMER

*Certain statements contained in this presentation are based on the belief of the Company, as well as factual assumptions made by any information available to the Company. In particular, forward-looking statements concerning the Company's future results of operations, financial condition, business strategies, plans and objectives, are forecasts and quantitative targets that involve known and unknown risks, uncertainties and other important factors that could cause the actual results and condition of the Company to differ materially from that expressed by such statements*



## Highlights: Group Results

EUR ml	Q1/11	Q1/10	Var.%	Q4/10
<i>Reported EBITDA</i>	310.4	50.7	+512%	85.8
<i>Reported Net Result</i>	122.8	(9.3)	+1,420%	(10.3)
<i>Comparable<sup>1</sup> EBITDA</i>	154.3	13.8	+1,018%	80.5
<i>Adjusted<sup>2</sup> Net Result</i>	39.5	(29.9)	+232%	(3.5)

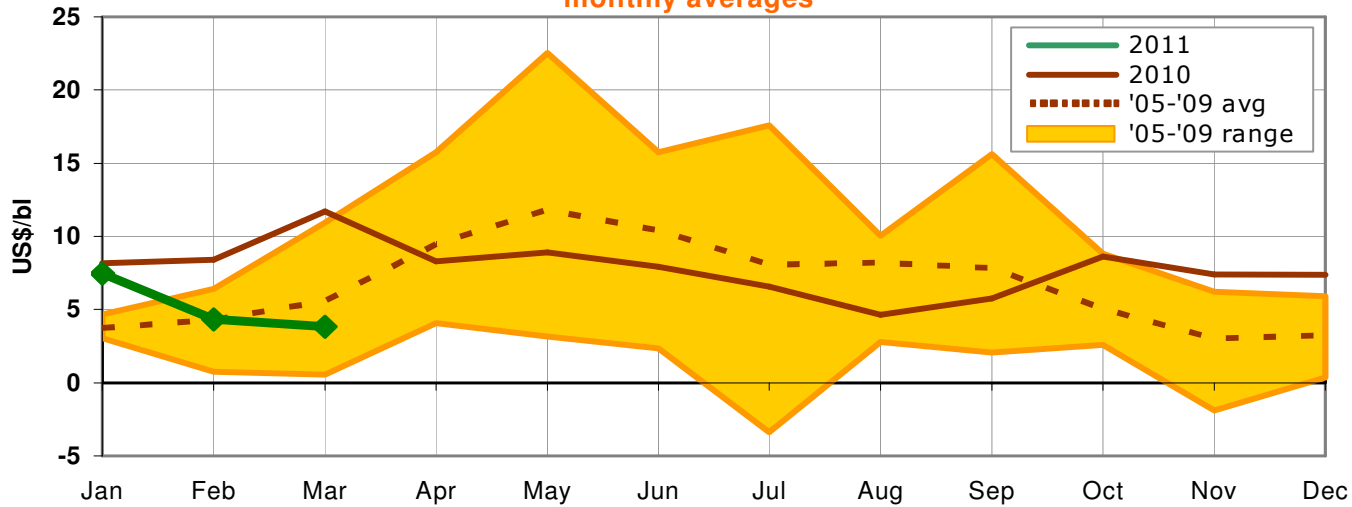
1. Calculated using IFRS principles, deducting non recurring items and based on LIFO methodology (which doesn't include devaluation and revaluation of oil inventories)
2. Adjusted for differences between LIFO and FIFO inventories net of taxes, change of derivatives fair value net of taxes and non-recurring items net of taxes

- **Net Financial Position on 31<sup>st</sup> March at EUR -524 ml**, improved vs. EUR -560 ml as of 31<sup>st</sup> Dec 2010
- **Refining margin after variable costs at 7.6 \$/bl in Q1/11**, vs. 0.9 \$/bl in Q1/10

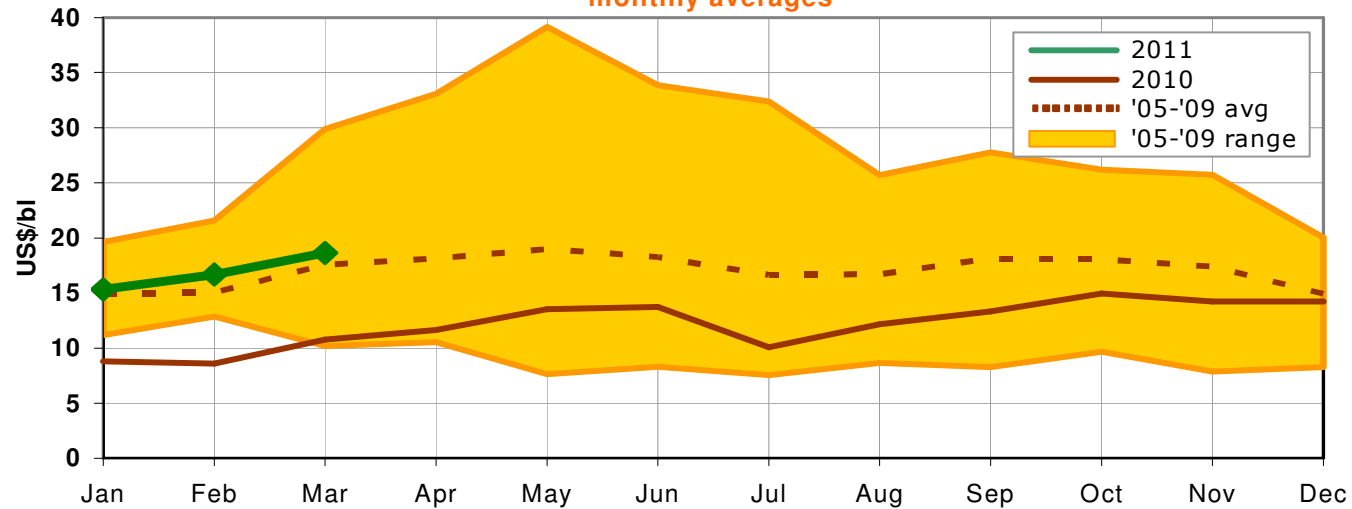


# Highlights: Diesel and Gasoline Crack Spreads

Med: Gasoline Crack spread vs Brent  
monthly averages

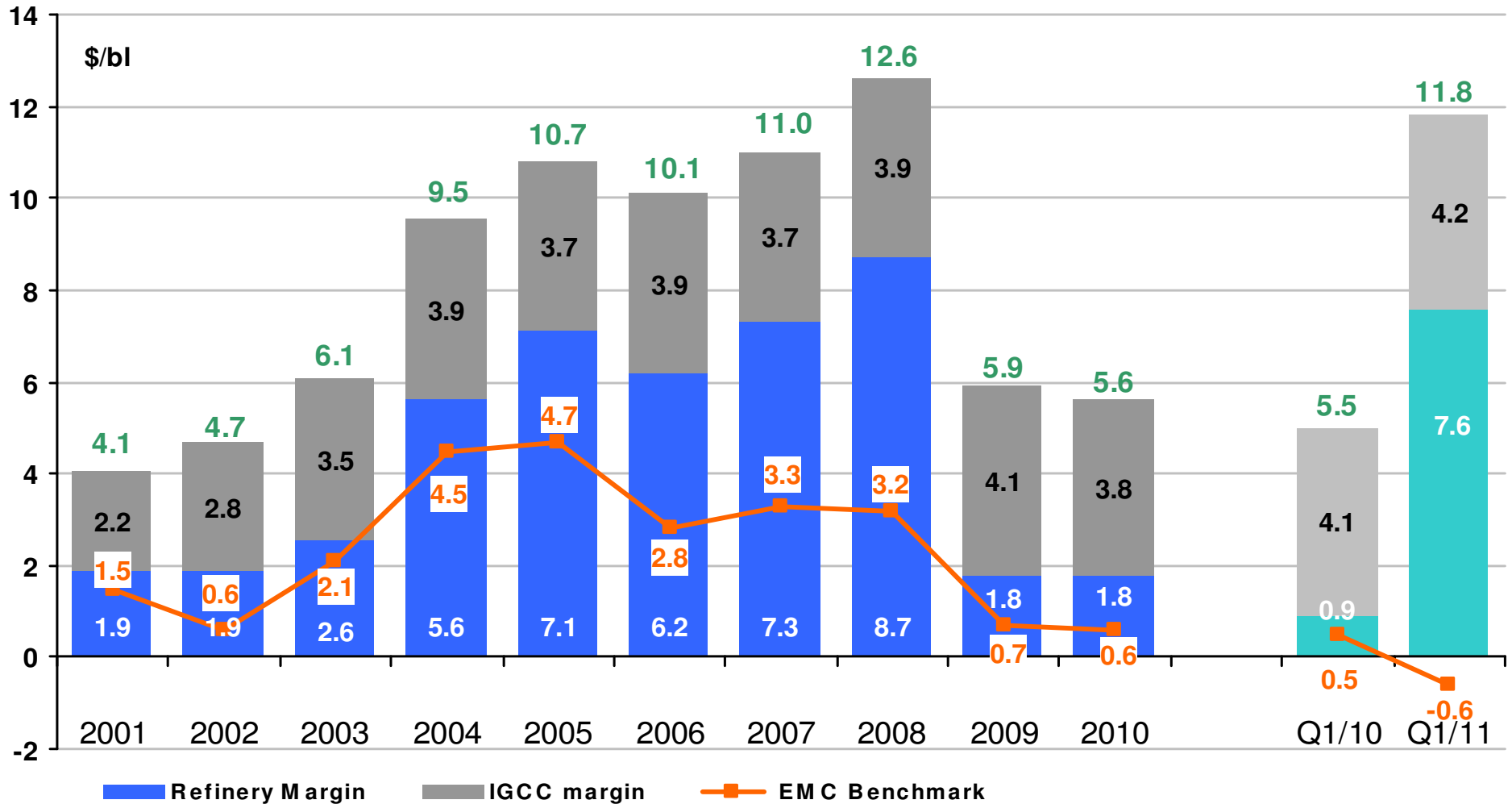


Med: Diesel Crack spread vs Brent  
monthly averages





# Highlights: Refining and Power Generation Margins



**Refinery margins:** (comparable Refining EBITDA + Fixed Costs) / Refinery Crude Runs in the period

**IGCC margin:** (Power Gen. EBITDA + Fixed Costs) / Refinery Crude Runs in the period

**EMC benchmark:** margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

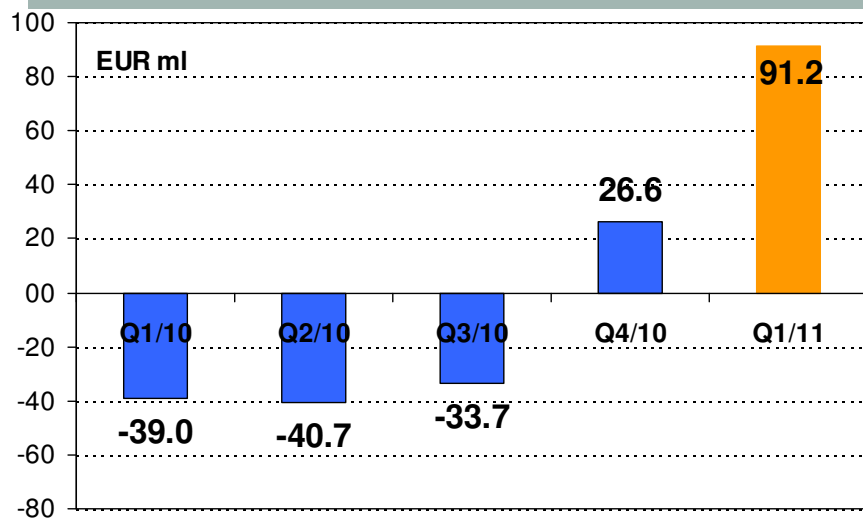


➤ **Segments Review**

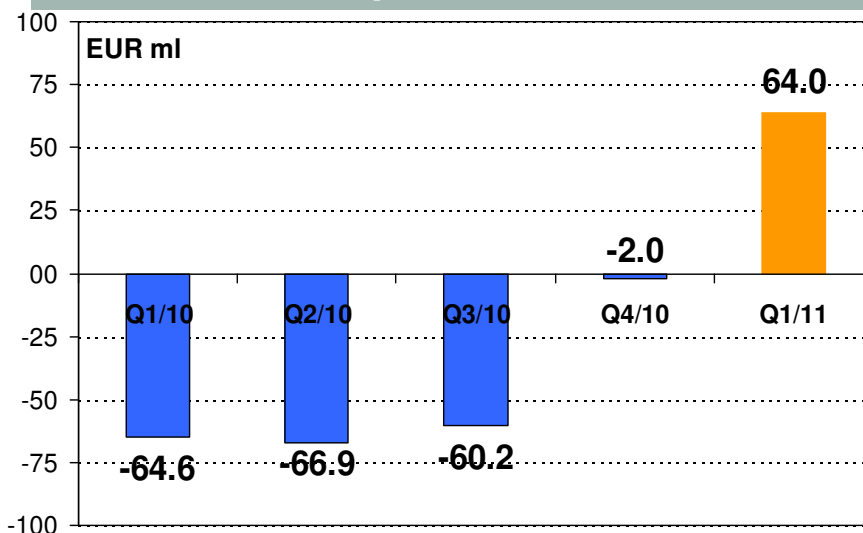


# Segment Review: Refining

## Comparable EBITDA



## Comparable EBIT



## Q1/11

- **Crude runs were 27.0 Mbl (300 kbd), up 7% vs. Q1/10:**
  - ✓ No meaningful scheduled maintenance activities in Q1/11, while in Q1/10 maintenance involved a topping unit (RT2)
- **Comparable EBITDA at EUR 91.2 ml, vs. EUR -39.0 ml Q1/10, deriving from:**
  - ✓ More favourable market conditions for complex refineries than in Q1/10 (conversion spread at 343 \$/tons vs. 193 \$/ton, and “heavy-light” differential at -2.7 \$/bl vs. -0.9 \$/bl)
  - ✓ Robust trading profits in Q1/11 due to steep rise in oil prices. However, according to company policy, all physical trades were systematically covered with the use of derivative instruments (whose effects are reported under “Financial Income/Expense”)
  - ✓ Q1/10 results penalised by scheduled maintenance, which reduced runs and caused conversion losses
  - ✓ Q1/11 results benefited from reduction of oil inventories (feedstock), in preparation for Q2/11 scheduled turnaround

EUR ml	Q1/11	Q1/10	Q4/10
Comparable EBITDA	91.2	(39.0)	26.6
Comparable EBIT	64.0	(64.6)	(2.0)



## Segment Review: Refining – Production and Crude Oil Slate

PRODUCTION		2010	Q1/11
LPG	<i>Thousand tons</i>	323	71
	<i>Yield</i>	2.3%	1.9%
NAPHTHA+GASOLINE	<i>Thousand tons</i>	4,024	1,019
	<i>yield</i>	28.1%	27.5%
MIDDLE DISTILLATES	<i>Thousand tons</i>	7,517	1,996
	<i>yield</i>	52.4%	53.9%
FUEL OIL & OTHERS	<i>Thousand tons</i>	463	91
	<i>yield</i>	3.2%	2.5%
TAR	<i>Thousand tons</i>	1,166	314
	<i>yield</i>	8.1%	8.5%
<b>Balance to 100% are Consumption &amp; Losses</b>			
CRUDE OIL SLATE		2010	Q1/11
Light extra sweet		47%	43%
Light sweet		3%	4%
Medium sweet		1%	0%
Light sour		0%	0%
Medium sour		27%	24%
Heavy sour		23%	29%
Average crude gravity	°API	32.4	32.2





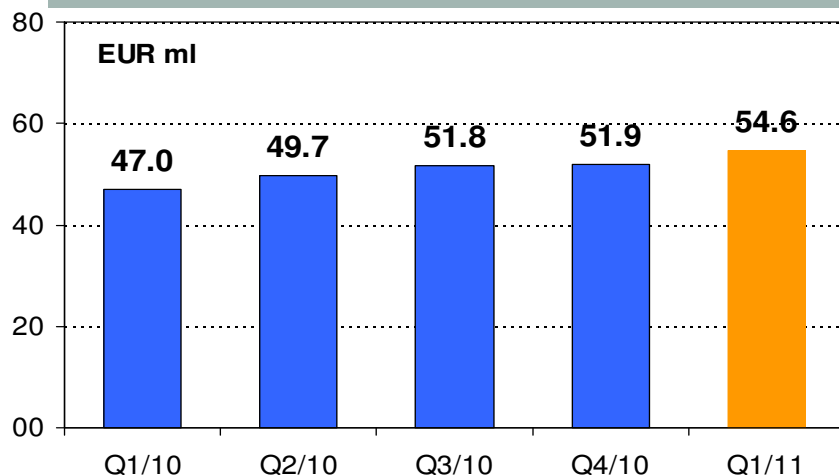
## Segment Review: Refining – Fixed & Variable costs

		2010	Q1/11
<b>Refinery RUNS</b>	Million barrels	104.7	27.0
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.33</i>	<i>1.37</i>
<b>Fixed costs</b>	EUR million	<b>232.8</b>	<b>58.4</b>
	\$/bl	<b>2.9</b>	<b>3.0</b>
<b>Variable costs</b>	EUR million	<b>183.1</b>	<b>45.2</b>
	\$/bl	<b>2.3</b>	<b>2.3</b>



# Segment Review: Power Generation

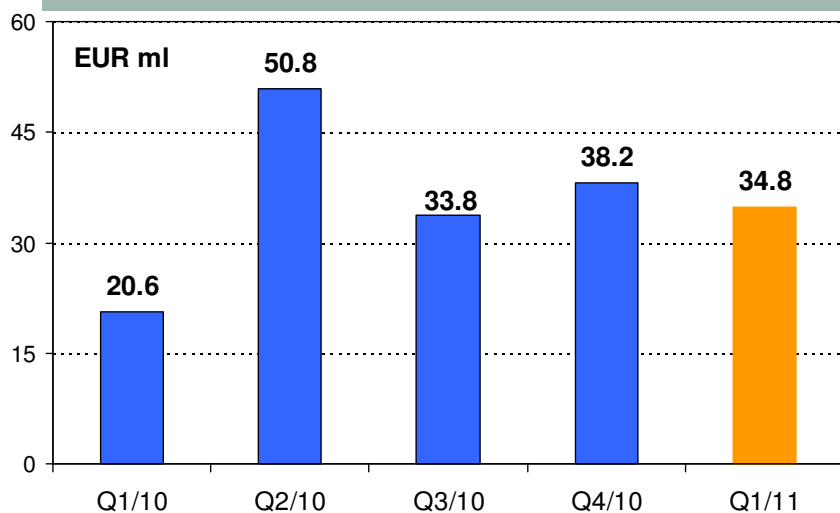
## Comparable EBITDA



## Q1/11

- IT GAAP EBITDA EUR 34.8 ml, up 69% vs. Q1/10, due to:**
  - ✓ Higher electricity production (at 1.174 TWh, up 25% vs. Q1/10), and higher sales of H2 and steam;
  - ✓ CIP/6 power tariff at 9.8 EURcent/kWh (up 6% vs. Q1/10), due to strengthening trend in crude oil prices (9-months delay in the formula)
- IFRS EBITDA at EUR 54.6 ml, up 16% vs. Q1/10, due to:**
  - ✓ Higher sales of H2 and steam, not included in the IFRS equalization procedure (approx. EUR 6 ml)

## IT GAAP EBITDA



EUR ml	Q1/11	Q1/10	Q4/10
Comparable EBITDA	54.6	47.0	51.9
Comparable EBIT	35.3	27.7	32.6
IT GAAP EBITDA	34.8	20.6	38.2



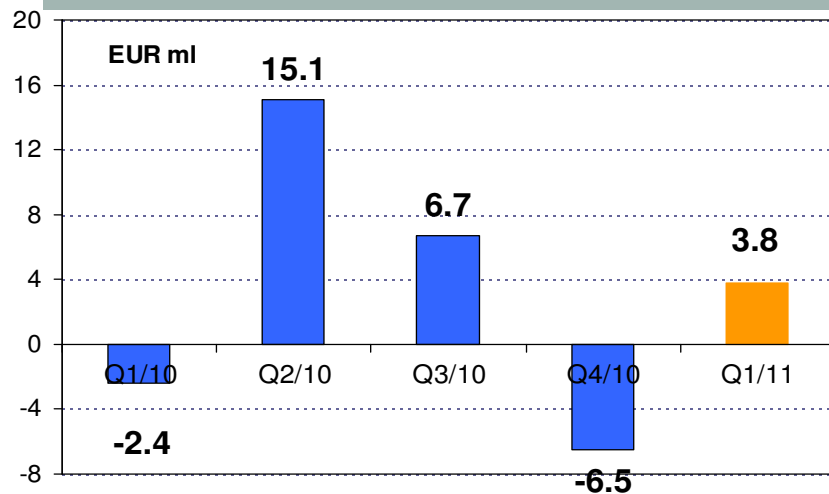
## Segment Review: Power Generation – Fixed & Variable costs (IT GAAP)

		2010	Q1/11
<b>Refinery RUNS</b>	Million barrels	104.7	27.0
<b>Power production</b>	MWh/1000	4,337	1,174
<i>Exchange rate</i>		<i>1.33</i>	<i>1.37</i>
<b>Fixed costs</b>	EUR million	<b>103.4</b>	<b>27.5</b>
	\$/bl	<b>1.3</b>	<b>1.4</b>
	EUR/MWh	<b>24</b>	<b>23</b>
<b>Variable costs</b>	EUR million	<b>61.3</b>	<b>17.6</b>
	\$/bl	<b>0.8</b>	<b>0.9</b>
	EUR/MWh	<b>14</b>	<b>15</b>



# Segment Review: Marketing

### Comparable EBITDA

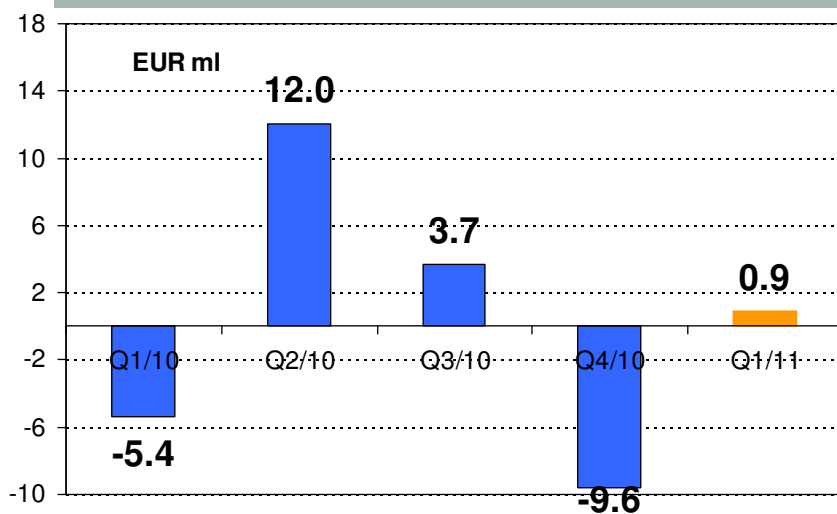


## Q1/11

- **Comparable EBITDA at EUR 3.8ml, up 258% vs. EUR -2.4ml in Q1/10:**

- ✓ Higher total sales (1,101 ktons, up 5% vs. Q1/10), thanks to strong growth in the Italian wholesale market (+41%);
- ✓ Contraction in Spanish sale volumes (-16%), while protecting margins at the same level of Q1/10, in a context of continued weak demand for oil products in OECD (including Spain and Italy);
- ✓ Biodiesel margins continued to suffer from high cost of feedstock

### Comparable EBIT

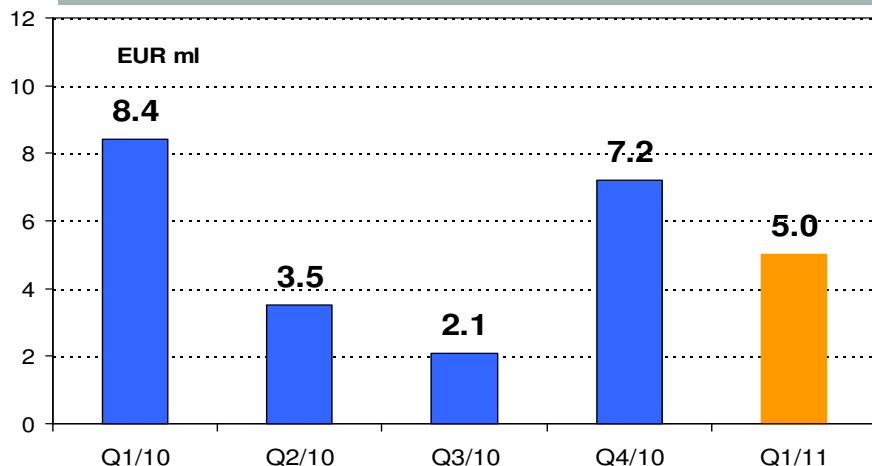


EUR ml	Q1/11	Q1/10	Q4/10
Comparable EBITDA	3.8	(2.4)	(6.5)
Comparable EBIT	0.9	(5.4)	(9.6)



# Segment Review: Wind Power

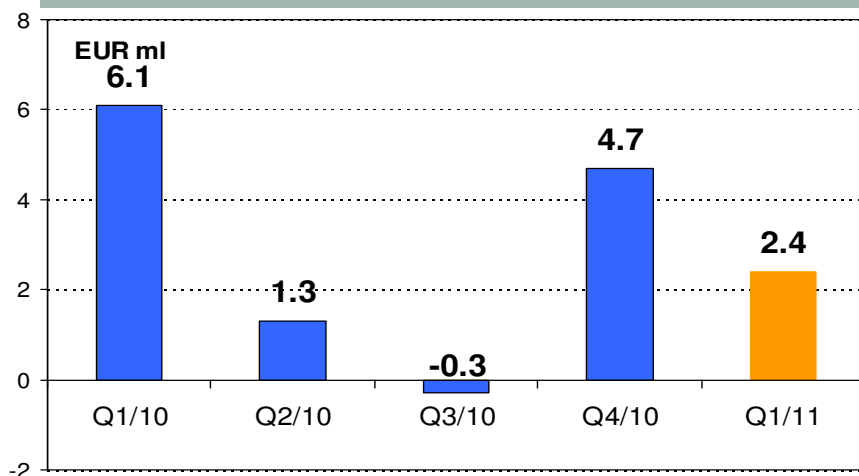
## Comparable EBITDA



## Q1/11

- **Comparable EBITDA at EUR 5.0ml, vs. EUR 8.4 ml in Q1/10:**
  - ✓ Electricity production at 37,949 MWh (down 39% vs. Q1/10) due to unfavourable wind conditions
  - ✓ Power tariff at 6.5 EURcent/kWh (down 8% vs. Q1/10) and Green Certificates at 8.2 EURcent/kWh (down 4% vs. Q1/10)
  - ✓ However, in Q1/11 there was a positive contribution (approx. EUR 1 ml) from sale of Green Certificates related to the previous year

## Comparable EBIT

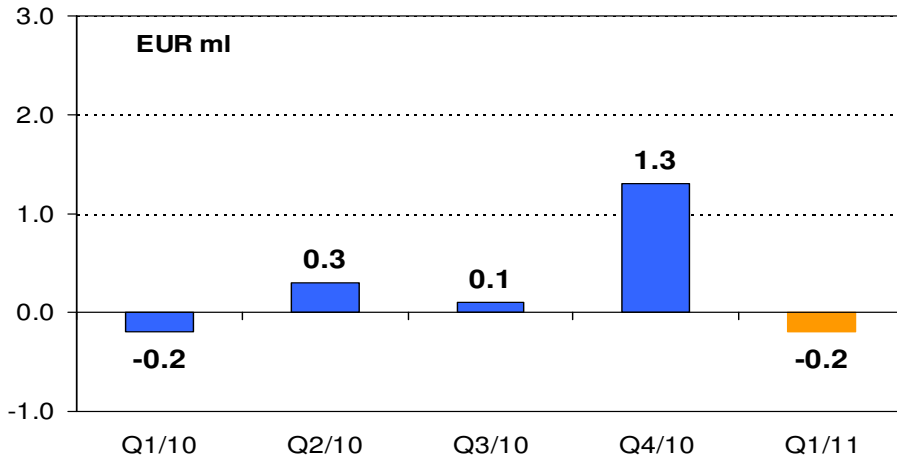


EUR ml	Q1/11	Q1/10	Q4/10
Comparable EBITDA	5.0	8.4	7.2
Comparable EBIT	2.4	6.1	4.7



# Segment Review: Others

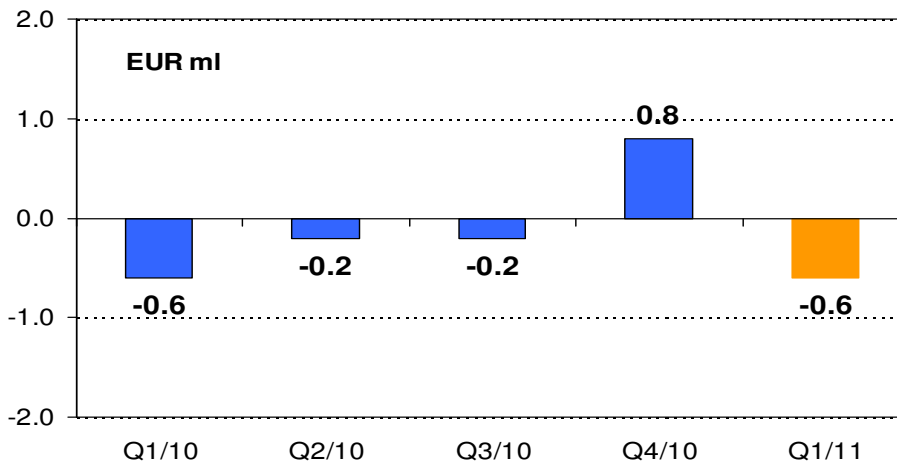
## Comparable EBITDA



## Q1/11

• Comparable EBITDA at EUR -0.2 ml, in line with Q1/10

## Comparable EBIT



EUR ml	Q1/11	Q1/10	Q4/10
Comparable EBITDA	(0.2)	(0.2)	1.3
Comparable EBIT	(0.6)	(0.6)	0.8



➤ **Financials**



## Financials: Key Income Statement Figures

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
<b>EBITDA</b>	50.7	51.0	36.0	85.8	223.5	310.4
<i>Comparable EBITDA</i>	13.8	27.9	27.0	80.5	149.2	154.3
D&A	(50.6)	(51.2)	(51.5)	(54.1)	(207.4)	(52.4)
<b>EBIT</b>	0.1	(0.2)	(15.5)	31.7	16.1	258.0
<i>Comparable EBIT</i>	(36.8)	(23.3)	(24.5)	26.5	(58.1)	101.9
Interest expense	(4.3)	(3.9)	(6.2)	(7.5)	(22.0)	(7.7)
Other	(8.5)	28.2	10.1	(37.9)	(7.9)	(47.9)
Financial Income/Expense	(12.8)	24.3	3.9	(45.4)	(29.9)	(55.6)
<b>Profit before taxes</b>	(12.7)	24.1	(11.7)	(13.6)	(13.8)	202.4
Taxes	3.4	(3.1)	0.7	3.3	4.3	(79.6)
<b>Net Result</b>	(9.3)	21.1	(11.0)	(10.3)	(9.5)	122.8
Adjustments	(20.6)	(18.6)	(2.0)	6.8	(34.4)	(83.3)
<b>Adjusted Net Result</b>	(29.9)	2.4	(13.0)	(3.5)	(43.9)	39.5





## Financials: Details of Net Result *adjustments*

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
(Inventories at LIFO - inv. at FIFO) net of taxes	(24.2)	(14.6)	(5.4)	(5.3)	(49.5)	(97.8)
Non recurring items net of taxes	0.0	0.0	0.0	0.0	0.0	0.0
Change of derivatives fair value net of taxes	3.6	(4.0)	3.4	12.1	15.1	14.5
<b>TOTAL adjustments</b>	<b>(20.6)</b>	<b>(18.6)</b>	<b>(2.0)</b>	<b>6.8</b>	<b>(34.4)</b>	<b>(83.3)</b>



## Financials: Key Cash Flow Figures & CAPEX

<b>KEY CASHFLOW FIGURES</b> (EUR million)	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>	<b>Q4/10</b>	<b>2010</b>	<b>Q1/11</b>
<b>Initial Net Financial Position</b>	<b>(533)</b>	<b>(643)</b>	<b>(567)</b>	<b>(644)</b>	<b>(533)</b>	<b>(560)</b>
<b>CF FROM OPERATIONS</b>	<b>(87)</b>	<b>136</b>	<b>(57)</b>	<b>110</b>	<b>102</b>	<b>56</b>
of which working capital	(138)	45	(114)	88	(119)	(260)
<b>CF FROM INVESTMENTS</b>	<b>(23)</b>	<b>(60)</b>	<b>(20)</b>	<b>(26)</b>	<b>(129)</b>	<b>(20)</b>
tangible & intangible assets	(23)	(60)	(20)	(26)	(129)	(20)
acquisitions	0	0	0	0	0	0
<b>CF FROM FINANCING</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
capital increase	0	0	0	0	0	0
buyback own shares	0	0	0	0	0	0
dividends	0	0	0	0	0	0
<b>TOTAL CASHFLOW</b>	<b>(110)</b>	<b>76</b>	<b>(77)</b>	<b>84</b>	<b>(27)</b>	<b>36</b>
<b>Final Net Financial Position</b>	<b>(643)</b>	<b>(567)</b>	<b>(644)</b>	<b>(560)</b>	<b>(560)</b>	<b>(524)</b>

<b>CAPEX BY SEGMENT</b> (EUR million)	<b>Q1/10</b>	<b>Q2/10</b>	<b>Q3/10</b>	<b>Q4/10</b>	<b>2010</b>	<b>Q1/11</b>
<b>REFINING</b>	<b>19.9</b>	<b>42.8</b>	<b>12.9</b>	<b>16.9</b>	<b>92.5</b>	<b>12.9</b>
<b>POWER GENERATION</b>	<b>1.8</b>	<b>2.7</b>	<b>2.9</b>	<b>2.9</b>	<b>10.3</b>	<b>5.6</b>
<b>MARKETING</b>	<b>0.8</b>	<b>2.8</b>	<b>0.9</b>	<b>0.5</b>	<b>5.1</b>	<b>0.5</b>
<b>WIND</b>	<b>0.1</b>	<b>10.7</b>	<b>3.5</b>	<b>0.6</b>	<b>14.9</b>	<b>0.0</b>
<b>OTHER ACTIVITIES</b>	<b>0.5</b>	<b>0.6</b>	<b>0.1</b>	<b>4.9</b>	<b>6.2</b>	<b>1.0</b>
<b>TOTAL CAPEX</b>	<b>23.1</b>	<b>59.7</b>	<b>20.4</b>	<b>25.8</b>	<b>129.0</b>	<b>19.9</b>

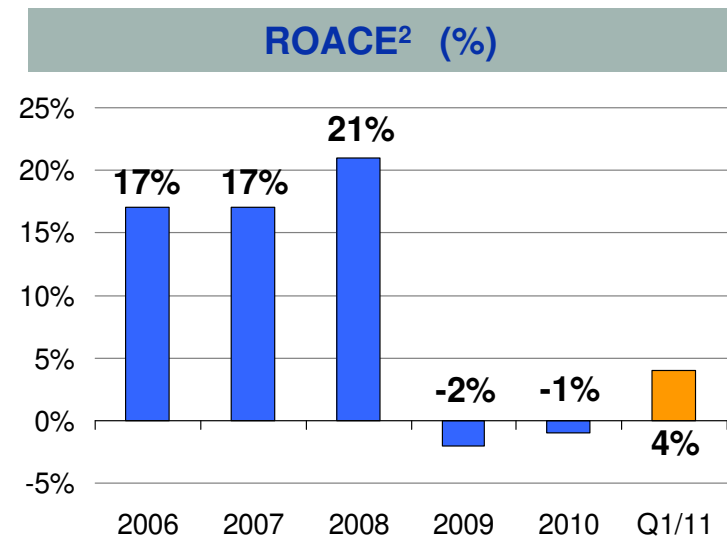
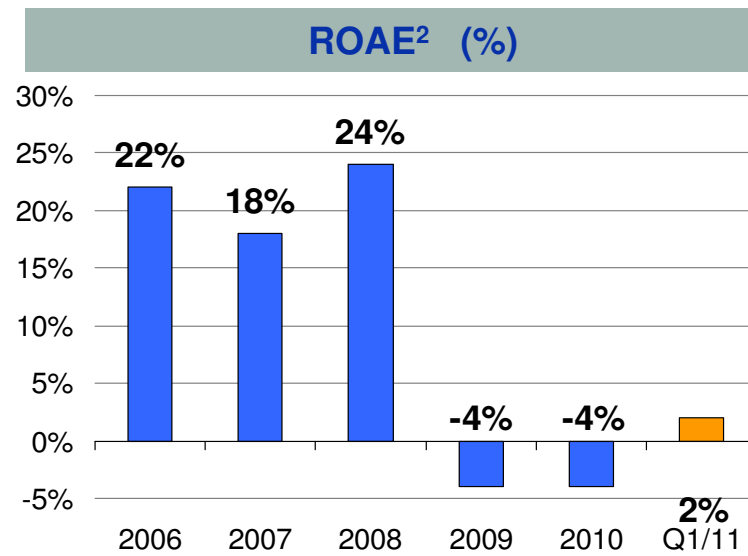
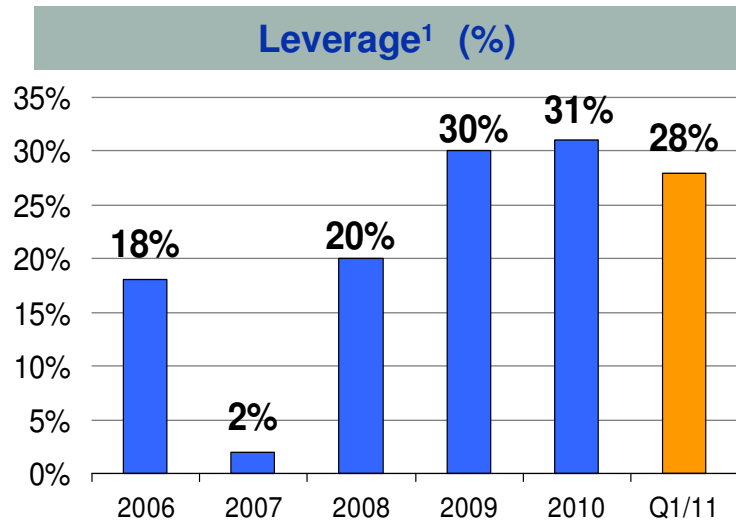


## Financials: Key Balance Sheet Figures

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	Q1/11
<b>Current assets</b>	<b>1,696</b>	<b>1,650</b>	<b>1,652</b>	<b>1,937</b>	<b>2,248</b>
Cash and other cash equivalents	114	122	57	110	149
Other current assets	1,582	1,528	1,595	1,827	2,099
<b>Non current assets</b>	<b>2,001</b>	<b>2,016</b>	<b>1,983</b>	<b>1,956</b>	<b>1,887</b>
<b>TOTAL ASSETS</b>	<b>3,697</b>	<b>3,666</b>	<b>3,635</b>	<b>3,893</b>	<b>4,135</b>
<b>Non interest bear liabilities</b>	<b>1,721</b>	<b>1,737</b>	<b>1,704</b>	<b>2,003</b>	<b>2,119</b>
<b>Interest bear liabilities</b>	<b>757</b>	<b>689</b>	<b>701</b>	<b>670</b>	<b>672</b>
<b>Equity</b>	<b>1,219</b>	<b>1,240</b>	<b>1,230</b>	<b>1,220</b>	<b>1,344</b>
<b>TOTAL LIABILITIES</b>	<b>3,697</b>	<b>3,666</b>	<b>3,635</b>	<b>3,893</b>	<b>4,135</b>



# Financials: Key Ratios



1. Leverage =  $NFP / (NFP + Equity)$
2. After tax, quarterly figures are 1 year rolling



➤ **Outlook & Strategy**



## Outlook: 2011 Maintenance Schedule

- Maintenance schedule for 2011, as per following table, includes one Topping unit (T1), one Vacuum unit (V1), the Visbreaker (VSB), both MildHydroCrackers (MHC1 and MHC2), and some other conversion units
- The cumulative loss of conversion capacity will be approx. 0.2 \$/bl, with only minor impact on refinery runs
- After 10 year of continuous operations, the IGCC plant will have a major turnaround in Q2/11, to perform full inspection and maintenance on all units which do not have a spare system
- Whilst production of electricity in Q2/11 will be lower (due to the 10-year turnaround), the total full year production in 2011 will not substantially differ from standard years

		Q1/11	Q2/11 expected	Q3/11 expected	Q4/11 expected	2011 expected
<b>REFINERY</b>						
<b>PLANT</b>		<b>Alky</b>	<b>MHC1, MHC2, VSB, T1, V1</b>	<b>U700, U500</b>	<b>Slowdown CCR, VSB</b>	
<b>Refinery runs</b>	<b>Tons (ml) Bbls (ml)</b>	<b>3.70 27.0</b>	<b>3.20 ÷ 3.40 23.4 ÷ 24.8</b>	<b>3.70 ÷ 3.90 27.0 ÷ 28.5</b>	<b>3.70 ÷ 3.90 27.0 ÷ 28.5</b>	<b>14.3 ÷ 14.9 104 ÷ 109</b>
<b>Loss on EBITDA due to lower conversion capacity</b>	<b>USD (million)</b>	<b>0</b>	<b>13 ÷ 18</b>	<b>2 ÷ 4</b>	<b>3 ÷ 6</b>	<b>18 ÷ 28</b>
<b>IGCC</b>						
<b>PLANT</b>			<b>10-Year Turnaround</b>		<b>Slowdown 1 Train (G+T)</b>	
<b>Power production</b>	<b>MWh (ml)</b>	<b>1.17</b>	<b>0.75 ÷ 0.85</b>	<b>1.10 ÷ 1.20</b>	<b>1.05 ÷ 1.15</b>	<b>4.07 ÷ 4.37</b>



- In Q1/11, Saras Group strategy continued along the direction outlined at the beginning of the year. In particular, in the refining segment Saras made further progress on the asset management programme called “Project Focus”, improving its production efficiency, operations’ effectiveness and availability of the various refinery units
- The Board of Directors approved the partial restart of the multi-year investment plan announced in 2008. More specifically, a total investment of approx. EUR 60 ml has been approved, in order to complete the project for the revamping of the MildHydroCracking2 unit. The revamping will come to fruition in the first half of 2013, and it will bring benefits which are quantifiable in approx. 600 thousand tons of additional diesel production (in exchange of heating oil), and an increase in refinery runs for approximately 650 thousand tons
- In the Wind segment, the Ulassai wind park will achieve the full capacity of 96MW during Q2/11. In parallel, the Group is making progress in the permitting process for other projects in its pipeline
- Finally, regarding gas exploration activities, the Group is proceeding along the permitting path, which will eventually lead towards the beginning of drilling activities

A photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns and a complex network of pipes and structural steel. The scene is captured in a slightly desaturated, blue-tinted style. The text '➤ Additional Information' is overlaid on the left side of the image.

➤ **Additional Information**





## Additional information: Refining

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
EBITDA	(18.5)	(20.9)	(22.3)	7.3	(54.4)	235.8
<b>Comparable EBITDA</b>	<b>(39.0)</b>	<b>(40.7)</b>	<b>(33.7)</b>	<b>26.6</b>	<b>(86.8)</b>	<b>91.2</b>
EBIT	(44.1)	(47.1)	(48.8)	(21.4)	(161.4)	208.6
<b>Comparable EBIT</b>	<b>(64.6)</b>	<b>(66.9)</b>	<b>(60.2)</b>	<b>(2.0)</b>	<b>(193.7)</b>	<b>64.0</b>
CAPEX	19.9	42.8	12.9	16.9	<b>92.5</b>	12.9
<b>REFINERY RUNS</b>						
Thousand tons	3,469	3,330	3,668	3,873	<b>14,340</b>	3,704
Million barrels	25.3	24.3	26.8	28.3	<b>104.7</b>	27.0
Barrels/day	281	267	291	307	<b>287</b>	300
<i>Of which for third parties</i>	7%	13%	8%	2%	<b>7%</b>	0%
EMC benchmark	0.5	1.2	(0.2)	0.7	<b>0.6</b>	(0.6)
Saras refining margin	0.9	1.2	1.0	4.1	<b>1.8</b>	7.6



## Additional information: Power Generation

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
<b>Comparable EBITDA</b>	47.0	49.7	51.8	51.9	200.4	54.6
<b>Comparable EBIT</b>	27.7	30.5	32.5	32.6	123.3	35.3
EBITDA IT GAAP	20.6	50.8	33.8	38.2	143.5	34.8
EBIT IT GAAP	6.4	36.5	1.9	27.5	72.4	24.1
NET INCOME IT GAAP	3.1	23.0	0.1	17.2	43.4	15.1
CAPEX	1.8	2.7	2.9	2.9	10.3	5.6
<b>ELECTRICITY PRODUCTION</b>						
<small>MWh/1000</small>	939	1,075	1,122	1,201	4,337	1,174
<b>POWER TARIFF</b>						
<small>€cent/KWh</small>	9.2	9.6	9.8	10.2	9.5	9.8
<b>POWER IGCC MARGIN</b>						
<small>\$/bl</small>	4.1	4.0	3.6	3.8	3.8	4.2



## Additional information: Marketing

EUR million	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
EBITDA	14.0	18.4	4.3	18.1	54.8	15.2
<b>Comparable EBITDA</b>	<b>(2.4)</b>	<b>15.1</b>	<b>6.7</b>	<b>(6.5)</b>	<b>12.9</b>	<b>3.8</b>
EBIT	11.0	15.3	1.3	15.0	42.6	12.3
<b>Comparable EBIT</b>	<b>(5.4)</b>	<b>12.0</b>	<b>3.7</b>	<b>(9.6)</b>	<b>0.7</b>	<b>0.9</b>
CAPEX	0.8	2.8	0.9	0.5	5.1	0.5
<b>SALES</b> (THOUSAND TONS)						
ITALY	382	409	458	482	1,731	537
SPAIN	670	650	616	600	2,535	564
TOTAL	1,052	1,058	1,074	1,082	4,266	1,101



## Additional information: Wind and Others

<b>Wind</b>	(EUR million)	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
Comparable EBITDA		8.4	3.5	2.1	7.2	21.2	5.0
Comparable EBIT		6.1	1.3	(0.3)	4.7	11.8	2.4
<b>ELECTRICITY PRODUCTION</b>							
	MWh	61,737	32,094	23,433	58,670	175,934	37,949
POWER TARIFF	€cent/KWh	7.1	6.2	7.2	6.8	6.9	6.5
GREEN CERTIFICATES	€cent/KWh	8.5	8.5	7.6	7.3	8.0	8.2
CAPEX		0.1	10.7	3.5	0.6	14.9	0.0

<b>Others</b>	(EUR million)	Q1/10	Q2/10	Q3/10	Q4/10	2010	Q1/11
Comparable EBITDA		(0.2)	0.3	0.1	1.3	1.5	(0.2)
Comparable EBIT		(0.6)	(0.2)	(0.2)	0.8	(0.2)	(0.6)
CAPEX		0.5	0.6	0.1	4.9	6.2	1.0