



SARAS

First Quarter 2014 results

14th May 2014

AGENDA

- Highlights
- Segments Review
- Financials
- Outlook & Strategy
- Additional Information

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	Q1/14	Q1/13	Var.%	Q4/13
<i>Reported</i> EBITDA	(17.0)	54.4	-131%	46.7
<i>Reported</i> Net Result	(51.7)	(1.8)	n/a	(33.4)
<i>Comparable</i> ¹ EBITDA	7.3	48.2	-85%	64.4
<i>Adjusted</i> ² Net Result	(40.4)	(10.7)	-278%	5.3

1. Calculated using IFRS principles, deducting non recurring items, change of the fair value of derivative instruments, and based on the LIFO methodology (which doesn't include devaluation and revaluation of oil inventories)

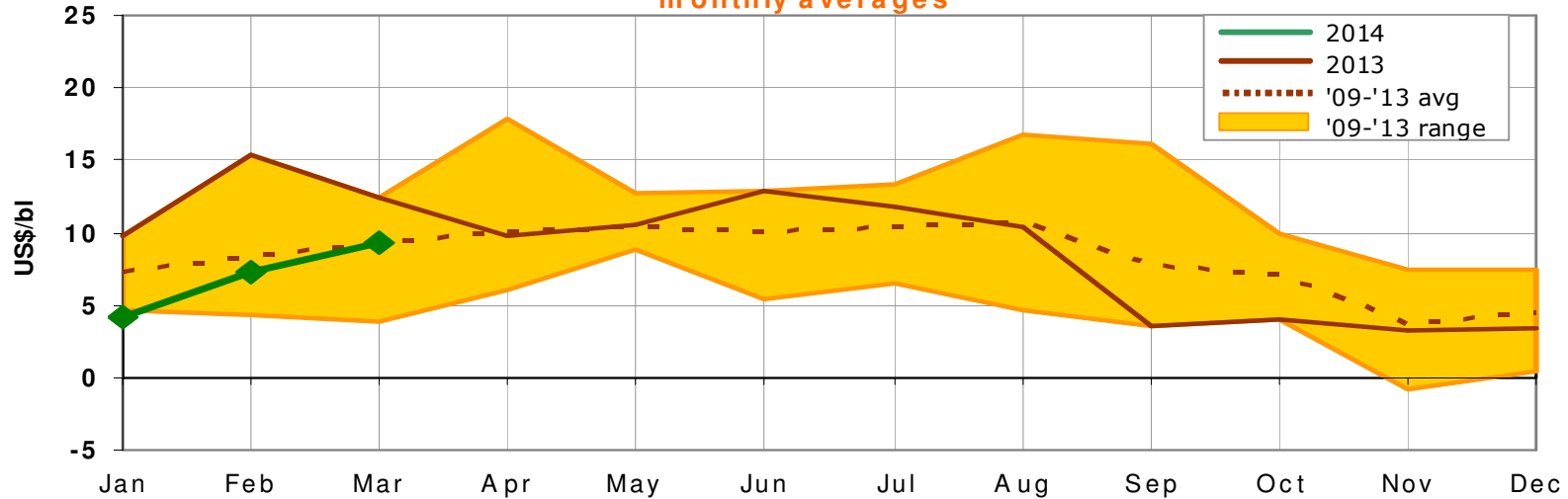
2. Adjusted for differences between LIFO and FIFO inventories net of taxes, change of derivatives' fair value net of taxes, and non-recurring items net of taxes

- **Net Financial Position on 31st Mar 2014 equal to EUR –55 ml, vs. EUR -8 ml on 31st Dec 2013**

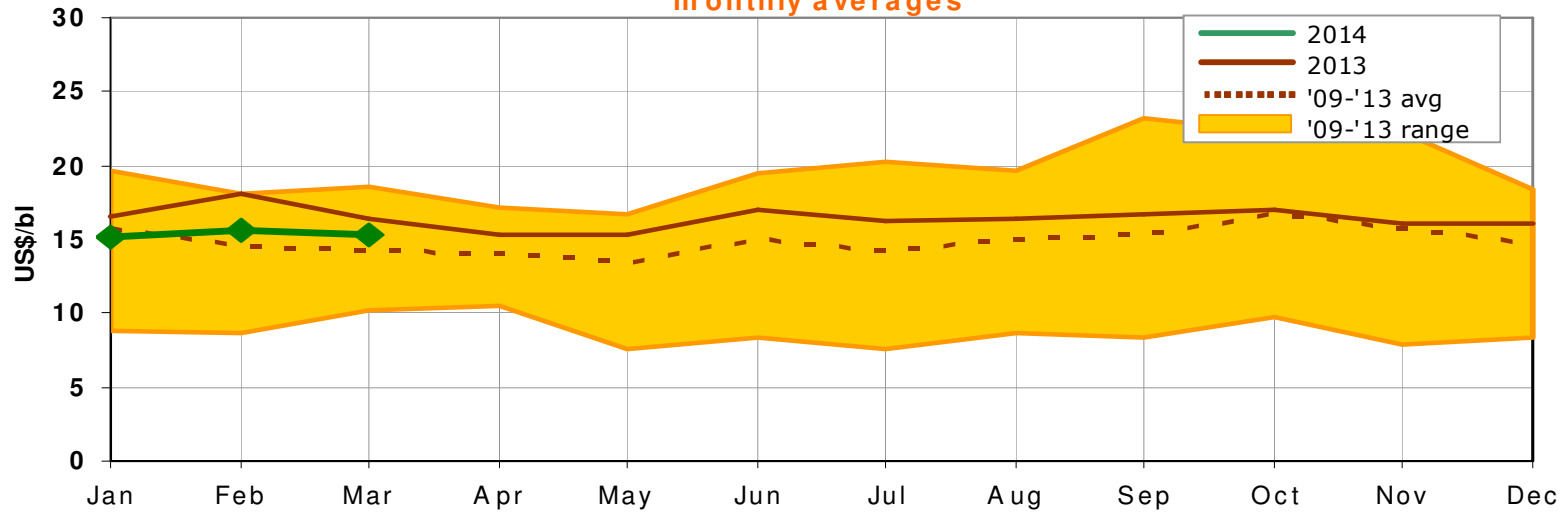


Highlights: Diesel and Gasoline Crack Spreads

Med: Gasoline Crack spread vs Brent
monthly averages

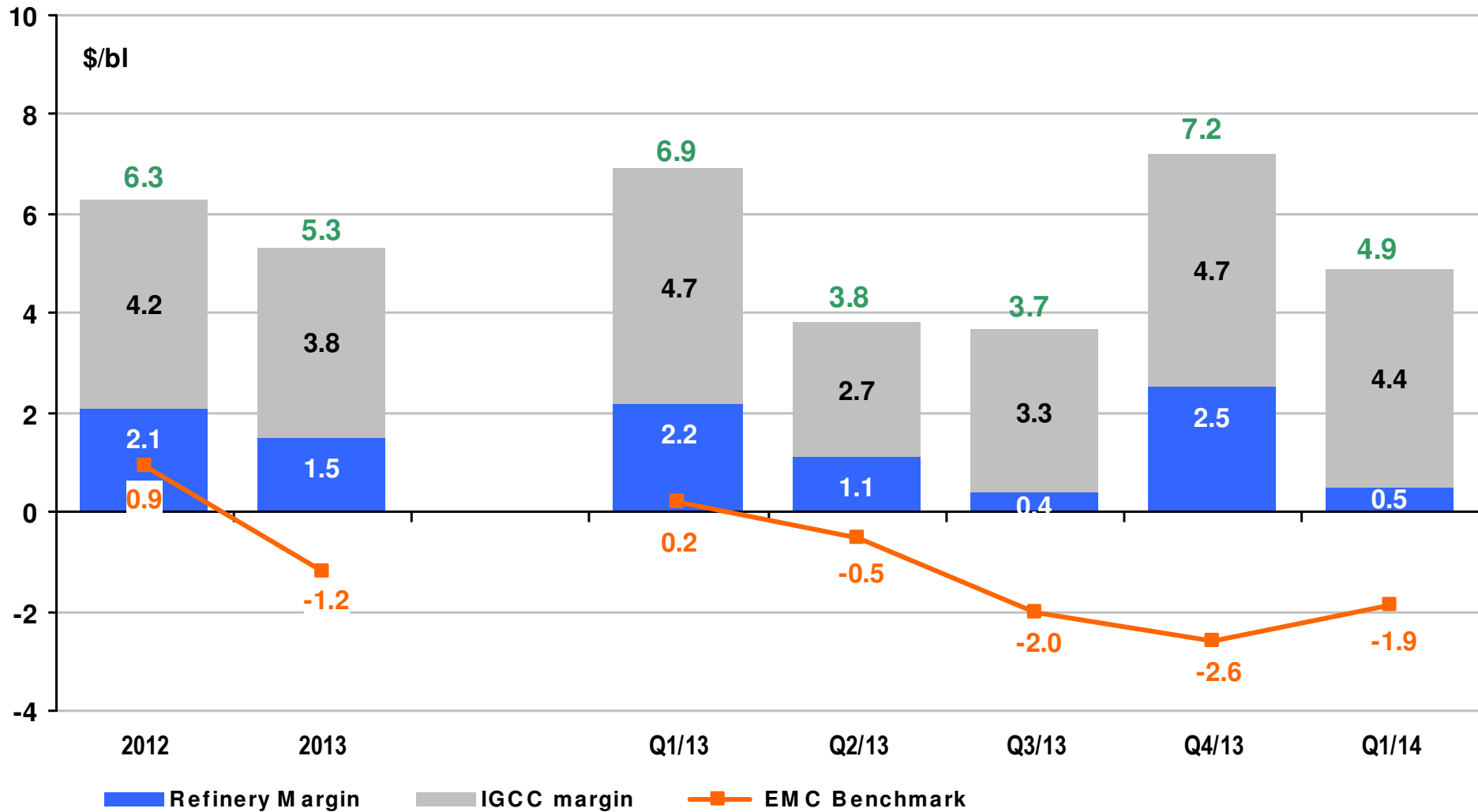


Med: Diesel Crack spread vs Brent
monthly averages





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

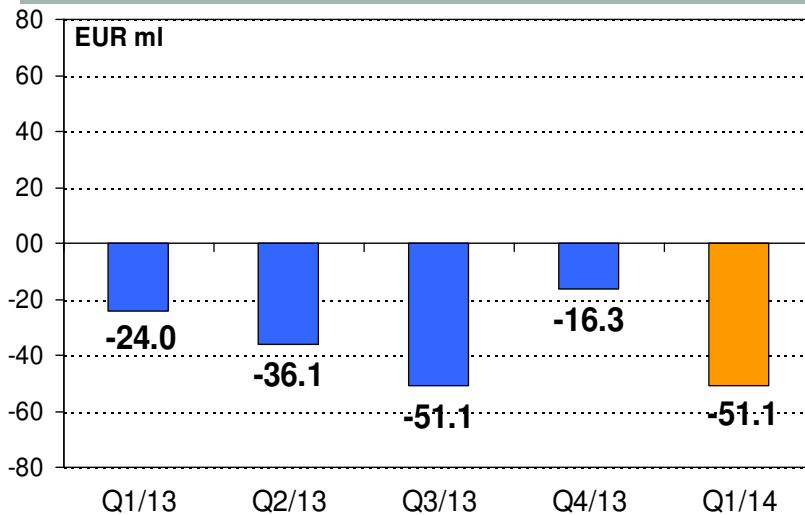
A photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns and a complex network of pipes and structural steel. The scene is captured in a slightly desaturated, blue-tinted style. The text 'Segments Review' is overlaid on the left side of the image, preceded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

➤ **Segments Review**



Segment Review: Refining

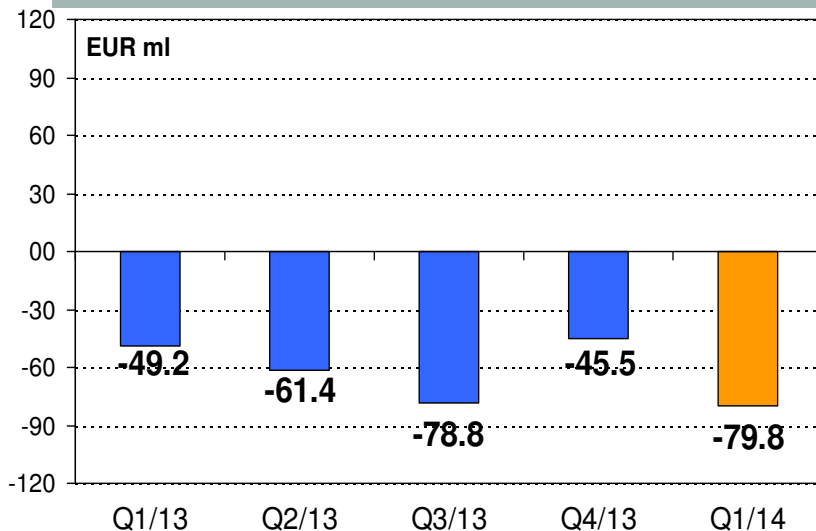
Comparable EBITDA



Q1/14

- **Crude runs at 24.1 Mbl (267 kbd), up 7% vs. Q1/13**
 - ✓ Q1/13 scheduled maintenance involved also one crude distillation unit
- **Comparable EBITDA at EUR -51.1ml, vs. EUR -24.0ml in Q1/13**
 - ✓ Med refining sector under severe pressure in Q1/14, with the EMC Benchmark margin at -1.9\$/bl (vs. +0.2\$/bl in Q1/13)
 - ✓ Saras premium above EMC margin at +2.4\$/bl (vs. +2.0\$/bl in Q1/13), thanks to recently implemented energy efficiency projects, as well as lower impact of scheduled maintenance activities
 - ✓ Result of Forex and derivative instruments used for commercial hedging equal to EUR 1.1ml (vs. EUR -0.2ml in Q1/13), formally included within the "Financial Expense", as usual

Comparable EBIT



EUR ml	Q1/14	Q1/13	Q4/13
Comparable EBITDA	(51.1)	(24.0)	(16.3)
Comparable EBIT	(79.8)	(49.2)	(45.5)



Segment Review: Refining – Production and Crude Oil Slate

PRODUCTION		2013	Q1/14
LPG	<i>Thousand tons</i>	267	40
	<i>Yield</i>	2.1%	1.2%
NAPHTHA+GASOLINE	<i>Thousand tons</i>	3,558	907
	<i>yield</i>	27.4%	27.5%
MIDDLE DISTILLATES	<i>Thousand tons</i>	6,959	1,751
	<i>yield</i>	53.6%	53.1%
FUEL OIL & OTHERS	<i>Thousand tons</i>	304	128
	<i>yield</i>	2.3%	3.9%
TAR	<i>Thousand tons</i>	1,123	289
	<i>yield</i>	8.6%	8.8%

Balance to 100% are Consumption & Losses

CRUDE OIL SLATE		2013	Q1/14
Light extra sweet		45%	35%
Light sweet		2%	2%
Medium sweet/extra sweet		2%	9%
Medium sour		26%	15%
Heavy sour/sweet		25%	38%
Average crude gravity	°API	32.3	30.7



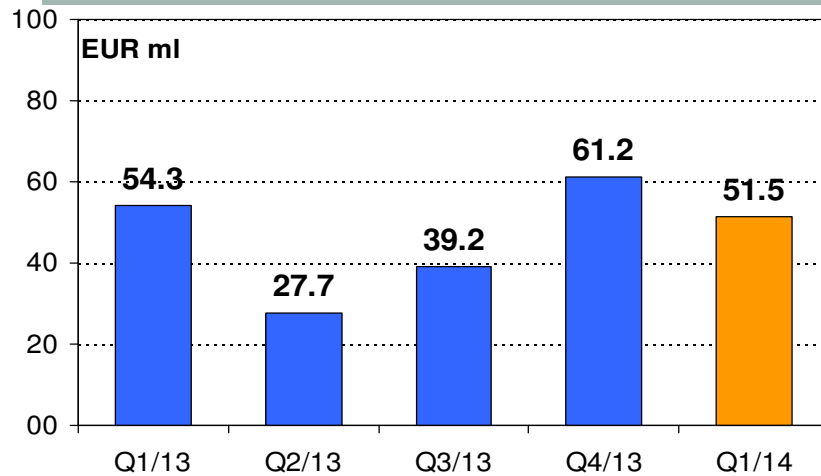
Segment Review: Refining – Fixed & Variable costs

		2013	Q1/14
Refinery RUNS	Million barrels	94.8	24.1
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.33</i>	<i>1.37</i>
Fixed costs	EUR million	237	61
	\$/bl	3.3	3.4
Variable costs	EUR million	177	45
	\$/bl	2.5	2.5

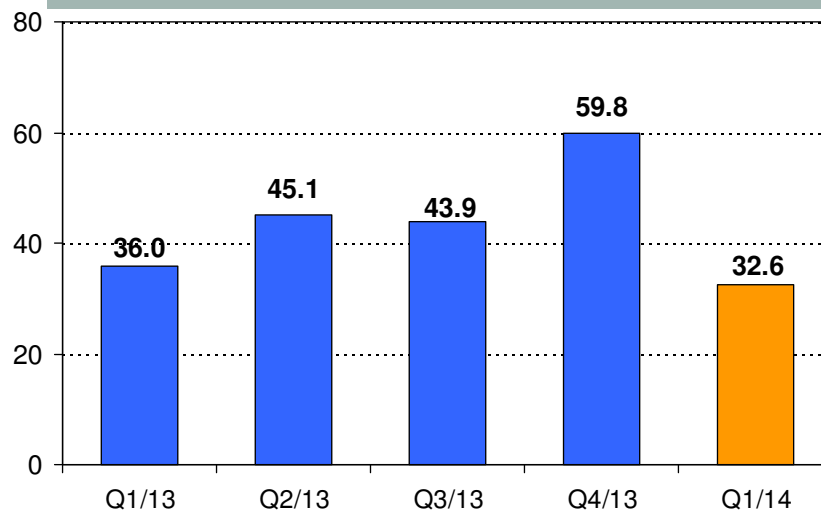


Segment Review: Power Generation

Comparable EBITDA



IT GAAP EBITDA



Q1/14

- **IFRS EBITDA at EUR 51.5ml, vs. EUR 54.3ml in Q1/13**
 - ✓ Mainly due to the effects of the IFRS equalization procedure (applied throughout the duration of the contract), for the new CIP6/92 tariff calculated according the Decree Law 69/13
 - ✓ Higher sales of steam and hydrogen (up by approx. EUR 2ml)
- **IT GAAP EBITDA at EUR 32.6ml, vs. EUR 36.0ml in Q1/13**
 - ✓ Reduction of CIP6/92 tariff (-14% vs. Q1/13) due to Decree Law 69/13
 - ✓ Higher power production (1.085TWh, +16% vs. Q1/13)
 - ✓ Higher sales of steam and hydrogen (up approx. EUR 2ml)

EUR ml	Q1/14	Q1/13	Q4/13
Comparable EBITDA	51.5	54.3	61.2
Comparable EBIT	35.1	34.4	40.5
IT GAAP EBITDA	32.6	36.0	59.8

Note: IFRS EBITDA is coincident with *Comparable EBITDA*

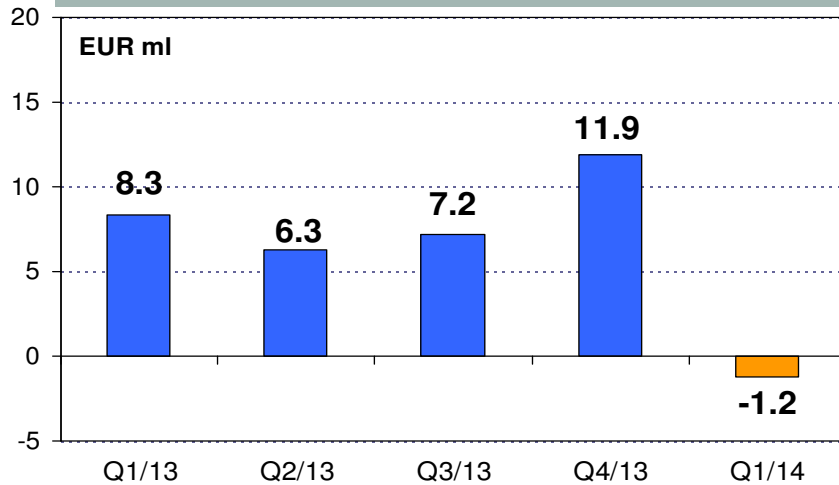


Segment Review: Power Generation – Fixed & Variable costs (IT GAAP)

		2013	Q1/14
Refinery RUNS	Million barrels	94.8	24.1
Power production	MWh/1000	4,217	1,085
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.33</i>	<i>1.37</i>
Fixed costs	EUR million	88	25
	\$/bl	1.2	1.4
	EUR/MWh	21	23
Variable costs	EUR million	71	17
	\$/bl	1.0	1.0
	EUR/MWh	17	15



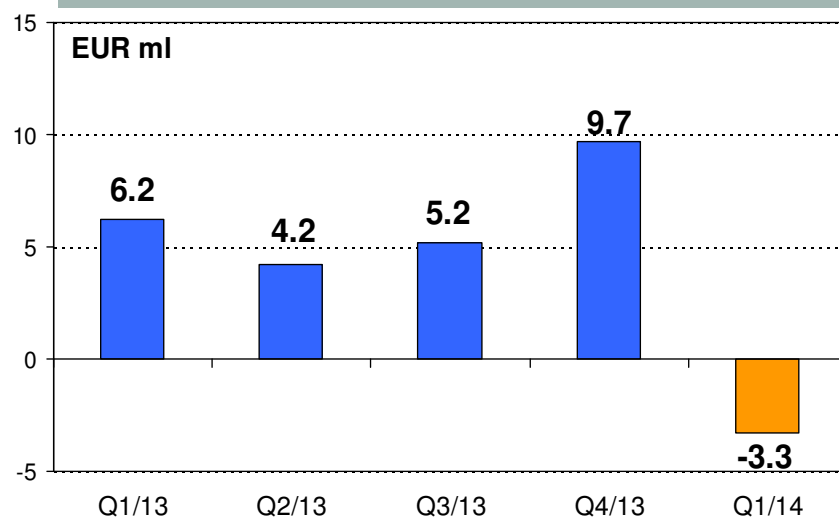
Comparable EBITDA



Q1/14

- Oil products consumption continued to decline in Southern Europe
- Comparable EBITDA at EUR -1.2ml, vs. EUR 8.3ml in Q1/13**
 - Arcola Petrolifera defended its sales (553ktons, unchanged vs. Q1/13), even granting discounts in regions with higher competition
 - Saras Energia continued its policy aimed at the optimization of the sale channels, and it also managed to keep sales unchanged (320ktons)

Comparable EBIT

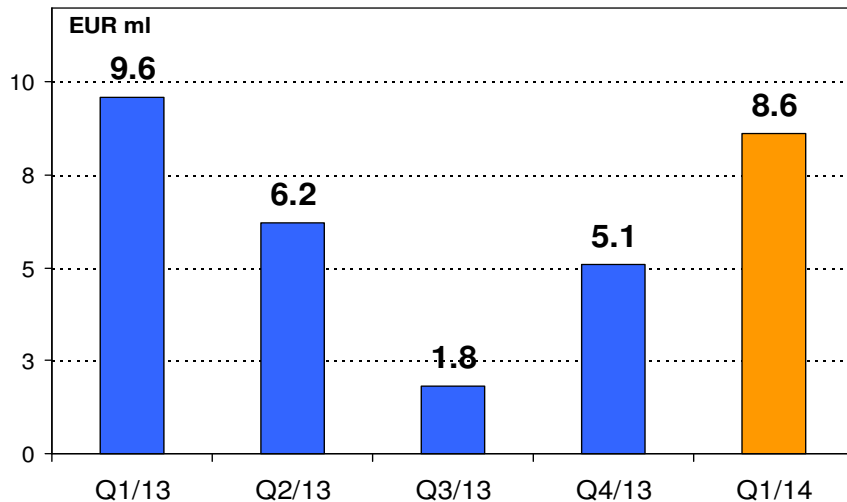


EUR ml	Q1/14	Q1/13	Q4/13
Comparable EBITDA	(1.2)	8.3	11.9
Comparable EBIT	(3.3)	6.2	9.7



Segment Review: Wind Power

Comparable EBITDA

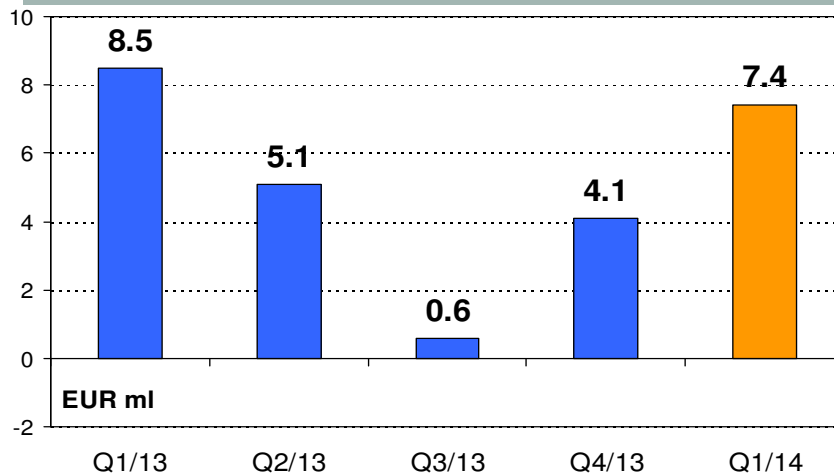


Q1/14

• Comparable EBITDA at EUR 8.6ml, vs. EUR 9.6ml in Q1/13

- ✓ Production of electricity in Q1/14 was very high (61,546 MWh), even if it was down 21% vs. the exceptionally high production in Q1/13
- ✓ The lower value of power tariff (down by 1.3 EURcent/kWh vs. Q1/13) was almost entirely offset by the increase in value of the Green Certificates (up by 0.9 EURcent/kWh)

Comparable EBIT

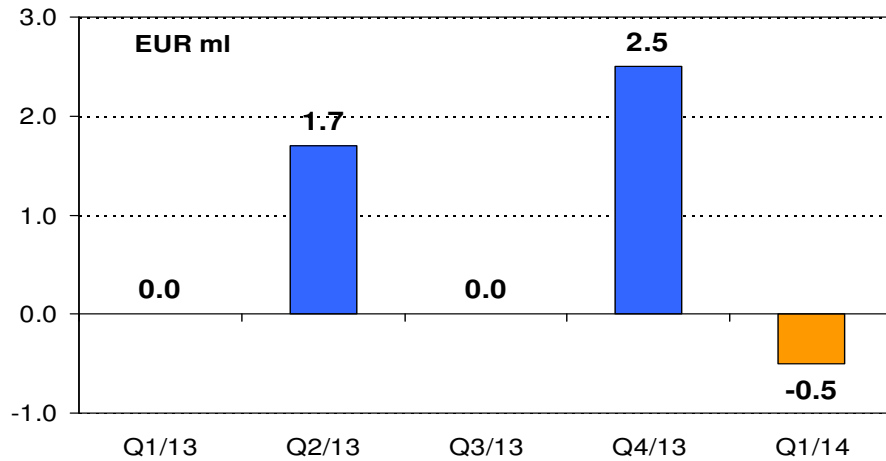


EUR ml	Q1/14	Q1/13	Q4/13
Comparable EBITDA	8.6	9.6	5.1
Comparable EBIT	7.4	8.5	4.1



Segment Review: Others

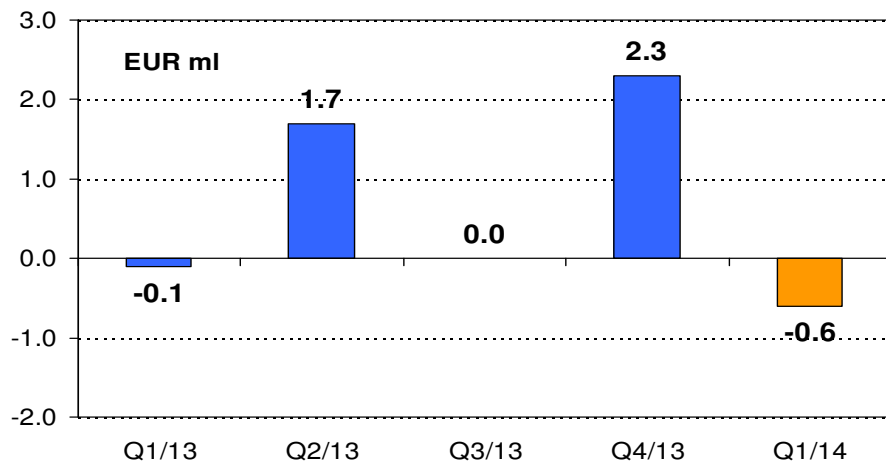
Comparable EBITDA



Q1/14

- Comparable EBITDA at EUR -0.5ml, vs. EUR 0.0ml in Q1/13

Comparable EBIT



EUR ml	Q1/14	Q1/13	Q4/13
Comparable EBITDA	(0.5)	0.0	2.5
Comparable EBIT	(0.6)	(0.1)	2.3



➤ **Financials**



Financials: Key Income Statement Figures

KEY INCOME STATEMENT (EUR ml)	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
EBITDA	54.4	(26.1)	(3.3)	46.7	71.7	(17.0)
Comparable EBITDA	48.2	5.8	(2.9)	64.4	115.5	7.3
D&A	(48.4)	(281.1) ^(*)	(43.0)	(53.3)	(425.9)	(48.5)
EBIT	6.0	(307.2)	(46.3)	(6.6)	(354.2)	(65.5)
Comparable EBIT	(0.2)	(42.8)	(46.0)	11.1	(77.9)	(41.2)
Interest expense	(4.2)	(6.2)	(8.6)	(8.9)	(27.8)	(8.7)
Other	1.4	5.5	(6.6)	(1.8)	(1.6)	1.5
Financial Income/Expense	(2.8)	(0.7)	(15.2)	(10.7)	(29.4)	(7.2)
Profit before taxes	3.2	(307.9)	(61.5)	(17.4)	(383.6)	(72.7)
Taxes	(5.0)	108.5	25.1	(16.1)	112.5	21.0
Net Result	(1.8)	(199.5)	(36.4)	(33.4)	(271.1)	(51.7)
Adjustments	(8.9)	153.2	4.0	38.7	186.9	11.3
Adjusted Net Result	(10.7)	(46.3)	(32.4)	5.3	(84.1)	(40.4)

(*) The revision of the CIP6/92 tariff structure, according to Decree Law 69/13, caused an impairment of the contract between Sarlux and the National Grid Operator (GSE), worth approx. EUR 230 ml pre-tax

DETAILS OF ADJUSTMENT (EUR ml)	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Net Result	(1.8)	(199.5)	(36.4)	(33.4)	(271.1)	(51.7)
(LIFO – FIFO) inventories net of taxes	(3.1)	33.5	(0.5)	13.5	43.4	15.0
non recurring items net of taxes	0.0	121.4	8.7	18.2	148.3	0.0
change in derivatives fair value net of taxes	(5.8)	(1.7)	(4.2)	7.0	(4.7)	(3.8)
Adjusted Net Result	(10.7)	(46.3)	(32.4)	5.3	(84.1)	(40.4)



Financials: Key Balance Sheet Figures

EUR million	Q1/13	Q2/13	Q3/13	Q4/13	Q1/14
Current assets	2,298	2,229	2,339	2,287	2,210
CCE and financial assets held for trading	376	359	378	545	540
Other current assets	1,922	1,870	1,961	1,743	1,670
Non-current assets	1,714	1,577	1,570	1,526	1,524
TOTAL ASSETS	4,012	3,806	3,909	3,814	3,734
Current Liabilities	1,930	1,930	2,060	2,015	2,020
Short-Term financial liabilities	140	129	166	181	224
Other current liabilities	1,790	1,801	1,894	1,834	1,796
Non-Current Liabilities	886	886	894	877	844
Long-Term financial liabilities	424	405	405	386	385
Other non-current liabilities	462	481	489	491	459
Shareholders Equity	1,196	990	955	921	870
TOTAL LIABILITIES & EQUITY	4,012	3,806	3,909	3,814	3,734



Financials: Net Financial Position

EUR Million	31-Mar-13	30-Jun-13	30-Sep-13	31-Dec-13	31-Mar-14
Medium/long term bank loans	(176)	(156)	(156)	(137)	(135)
Bonds	(249)	(249)	(249)	(249)	(249)
Other financial assets	6	6	6	6	6
Total long term Net Financial Position	(419)	(400)	(399)	(380)	(379)
Short term loans	(34)	(41)	(42)	(39)	(39)
Debts due to banks	(69)	(45)	(71)	(110)	(137)
Other short term financial liabilities	(12)	(22)	(36)	(11)	(33)
Fair value on derivatives	(5)	(3)	4	(8)	(2)
Other financial assets held for trading	21	21	27	21	34
Cash and cash equivalents (CCE)	339	322	344	507	494
Warranty deposits for derivatives	10	10	1	11	7
Total short term Net Financial Position	251	243	228	372	324
Total Net Financial Position	(168)	(157)	(171)	(8)	(55)



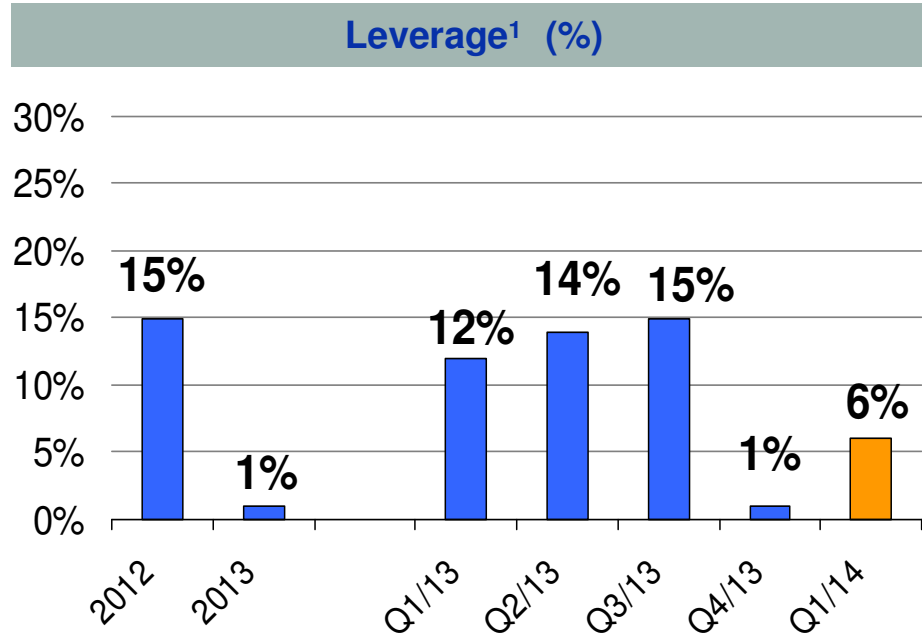
Financials: CAPEX

CAPEX BY SEGMENT (EUR million)	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
REFINING	26.0	24.7	14.9	21.5	87.1	18.1
POWER GENERATION	6.0	4.6	2.2	4.1	16.9	4.5
MARKETING	0.7	1.3	0.6	1.1	3.7	0.6
WIND	0.1	0.0	0.6	(0.5)	0.2	0.2
OTHER ACTIVITIES	0.7	0.3	0.1	0.7	1.7	0.3
TOTAL CAPEX	33.4	30.9	18.4	26.9	109.6	23.7

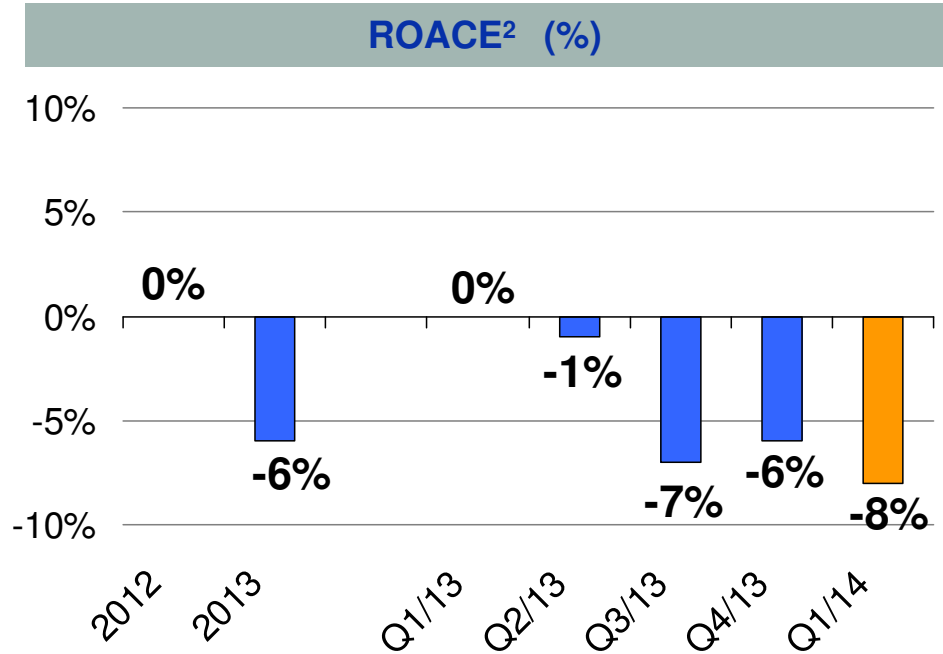
Note: Negative value in Wind segment CAPEX for Q4/13 relates to a change in classification



Financials: Key Ratios



1. Leverage = $NFP / (NFP + Equity)$



2. After tax, quarterly figures are 1 year rolling



➤ **Outlook & Strategy**



- The outlook for the European refining industry should remain difficult in 2014. However, there are some positive developments in Libya, where eastern ports have resumed operations, and the Saras Group has been among the first lifters of crude oil cargoes from the Zueitina oil terminal
- In this environment, Saras' industrial strategy, with regards to the Refining and Power Generation segments, remains prudent and based on the improvement of production efficiency, cost optimization, and tight control of the financial position. In particular, the main areas of attention are the following:
 - Full utilization of the refinery's conversion capacity, according with the expectations for the progressive recovery in the refining margin, and the renewed availability of paraffinic crude oils;
 - Implementation of the improvement programmes, aimed at increasing operational performance, energy efficiency and cost control, which refer to the activities of "Project FOCUS", ongoing since 2011;
 - Limited CAPEX, directed mainly to "HSE" and to "Maintain Capacity" initiatives (aimed at preserving the full operational efficiency and capacity of all the units);
 - Careful management of working capital and oil inventories, in order to achieve a tight control of net debt.
- Regarding the development of a commercial joint venture between Saras and Rosneft, the recent announcement of Rosneft's intention to purchase Morgan Stanley's oil commodity trading business further confirms the programme to enhance commercial activities, and it offers new dimensions and opportunities, also for the Saras Group
- Finally, with regards to the other segments, the Group's strategy strives to consolidate the current positions, and possibly rationalize some "non-core" activities, which are not strategically integrated



➤ **Additional Information**



Additional information: 2014 Maintenance Schedule

- 2014 Refinery maintenance programme:** Only minor maintenance in Q1/14. Going forward, scheduled maintenance will involve several units including the FCC (as shown in the table here below), leading to a reduction of refinery runs (expected at 99 ÷ 103 ml barrels), and also of EBITDA (0.8 ÷ 0.9 \$/bl)
- 2014 IGCC maintenance programme:** in Q1/14 it involved one train of “Gasifier – combined cycle Turbine”; subsequently, in Q2/14 it will involve one of the two “H₂S Absorber” Units and another train of “Gasifier – combined cycle Turbine”. Total power production is expected at 4.14 ÷ 4.44 TWh

		Q1/14	Q2/14 expected	Q3/14 expected	Q4/14 expected	2014 expected
REFINERY						
PLANT		VSB	U300, U400, MHC1	T1, FCC, Alky, TAME, U700		
Refinery runs	Tons (ml) Bbls (ml)	3.3 24.1	3.5 ÷ 3.7 25.6 ÷ 27.0	3.4 ÷ 3.6 24.8 ÷ 26.3	3.3 ÷ 3.5 24.1 ÷ 25.6	13.5 ÷ 14.1 99 ÷ 103
EBITDA reduction due to scheduled maintenance	USD (ml)	4	5 ÷ 7	32 ÷ 35	40 ÷ 43	81 ÷ 89
IGCC						
PLANT		1 Gasifier 1 Turbine	H₂S Absorber 1 Gasifier 1 Turbine			
Power production	MWh (ml)	1.09	0.95 ÷ 1.05	1.05 ÷ 1.15	1.05 ÷ 1.15	4.14 ÷ 4.44



Additional information: Refining

EUR million	2012	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
EBITDA	(91.2)	(13.4)	(57.8)	(57.9)	(24.5)	(153.6)	(75.7)
Comparable EBITDA	(61.2)	(24.0)	(36.1)	(51.1)	(16.3)	(127.5)	(51.1)
EBIT	(197.0)	(38.6)	(83.1)	(85.6)	(53.7)	(261.0)	(104.4)
Comparable EBIT	(167.0)	(49.2)	(61.4)	(78.8)	(45.5)	(234.9)	(79.8)
CAPEX	97.0	26.0	24.7	14.9	21.5	87.1	18.1
REFINERY RUNS							
Thousand tons	13,309	3,088	3,378	3,292	3,222	12,980	3,297
Million barrels	97.2	22.5	24.7	24.0	23.5	94.8	24.1
Barrels/day	265	250	271	261	256	260	267
REFINERY MARGINS							
EMC benchmark	0.9	0.2	(0.5)	(2.0)	(2.6)	(1.2)	(1.9)
Saras margin	2.1	2.2	1.1	0.4	2.5	1.5	0.5



Additional information: Power Generation

EUR million	2012	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Comparable EBITDA	226.8	54.3	27.7	39.2	61.2	182.4	51.5
Comparable EBIT	147.0	34.4	7.6	27.0	40.5	109.5	35.1
EBITDA IT GAAP	178.3	36.0	45.1	43.9	59.8	184.8	32.6
EBIT IT GAAP	133.2	24.9	33.6	32.6	40.1	131.2	17.2
CAPEX	8.7	6.0	4.6	2.2	4.1	16.9	4.5
POWER PRODUCTION	^{MWh/100} ₀ 4,194	937	1,102	1,068	1,111	4,217	1,085
POWER TARIFF	^{€cent/KW} _h 12.2	11.9	11.9	11.9	11.9	11.9	10.3
POWER IGCC MARGIN	^{\$/bl} 4.2	4.7	2.7	3.3	4.7	3.8	4.4



Additional information: Marketing

EUR million	2012	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
EBITDA	18.0	3.9	(3.9)	13.6	2.4	16.0	(0.9)
Comparable EBITDA	31.7	8.3	6.3	7.2	11.9	33.7	(1.2)
EBIT	(29.8)	1.8	(6.0)	11.6	0.2	7.6	(3.0)
Comparable EBIT	19.8	6.2	4.2	5.2	9.7	25.3	(3.3)
CAPEX	8.2	0.7	1.3	0.6	1.1	3.7	0.6
SALES (THOUSAND TONS)							
ITALY	2,210	554	578	608	603	2,342	553
SPAIN	1,584	320	285	345	360	1,310	320
TOTAL	3,794	873	864	952	963	3,652	873



Additional information: Wind and Others

Wind	(EUR million)	2012	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Comparable EBITDA		20.0	9.6	6.2	1.8	5.1	22.7	8.6
Comparable EBIT		9.7	8.5	5.1	0.6	4.1	18.3	7.4
POWER PRODUCTION	MWh	171,050	78,052	55,558	23,220	40,212	197,042	61,546
POWER TARIFF	€cent/KWh	7.1	6.1	5.3	5.8	5.6	5.7	4.8
GREEN CERTIFICATES	€cent/KWh	8.0	9.0	9.4	7.9	8.7	8.9	9.9
CAPEX		3.8	0.1	0.0	0.6	(0.5)	0.2	0.2

Others	(EUR million)	2012	Q1/13	Q2/13	Q3/13	Q4/13	2013	Q1/14
Comparable EBITDA		2.4	0.0	1.7	0.0	2.5	4.2	(0.5)
Comparable EBIT		2.1	(0.1)	1.7	0.0	2.3	3.9	(0.6)
CAPEX		1.6	0.7	0.3	0.1	0.7	1.7	0.3

Note: Negative value in Wind segment CAPEX for Q4/13 relates to a change in classification