



SARAS

First Quarter 2017 results

16th May 2017

AGENDA

- Highlights
- Segments Review
- Financials
- Outlook
- 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

EUR million	Q1/17	Q1/16	Change %	Q4/16
<i>Reported</i> EBITDA	160.4	67.8	+137%	207.5
<i>Reported</i> Net Result	92.1	(0.2)	na	44.4
<i>Comparable</i> ¹ EBITDA	125.6	124.2	+1%	147.8
<i>Adjusted</i> ² Net Result	46.6	40.2	+16%	52.8
Net Financial Position	21	253		99

- Comparable EBITDA** is based on the LIFO methodology and it does not include non-recurring items by nature, relevance and frequency are not considered, neither the fair value of the open positions of derivatives on oil and exchange rates items.
- Adjusted Net Result** is based on LIFO methodology, and it does not include non-recurring items by nature, relevance and frequency are not considered, neither the fair value of the open positions of derivatives on oil and exchange rates items net of taxes



Q1/17 Group reported EBITDA at EUR 160.4M, thanks to supportive market fundamentals and solid refining operations



Group comparable EBITDA at EUR 125.6M (+1% vs. Q1/16), with Refining EBITDA at EUR 71.1M (in line with Q1/16) as higher refinery runs (+19%) offset lower margins



Front-loaded maintenance in 2017, with Q1/17 activities carried out according to plans. Refinery ready to fully capture future market opportunities



Net Financial Position positive (EUR +21M) even after the payment of the final installment of debt to Iran, related to 2012 crude oil purchases

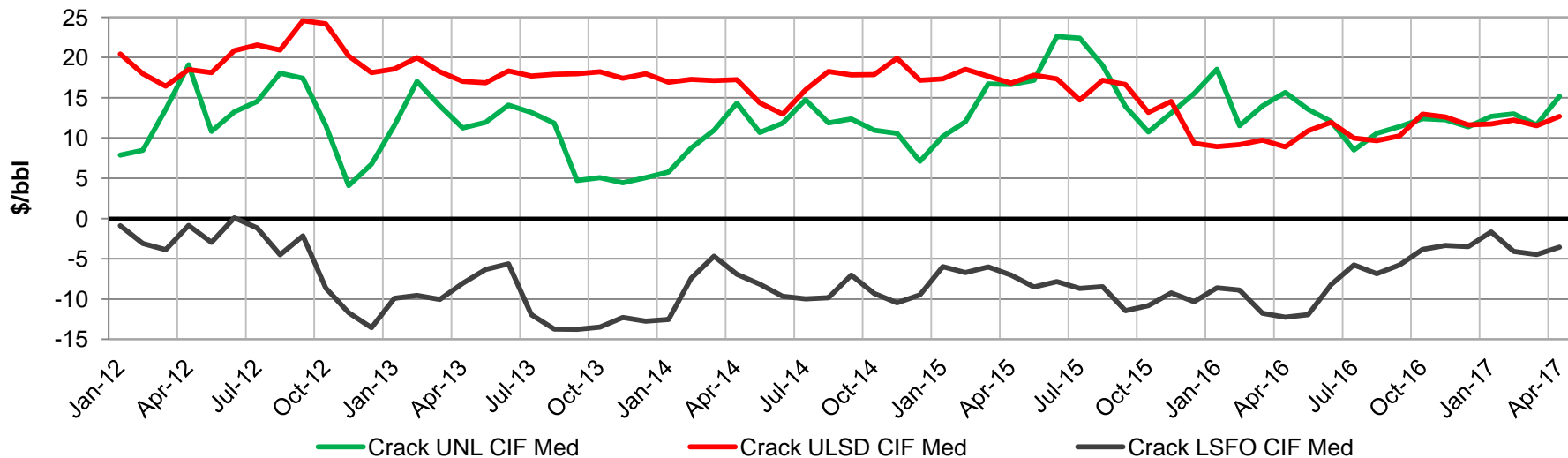


Strong balance sheet and healthy cash flow generation allow to comfortably face upcoming financial commitments, including EUR 0.10 dividend per share, due for payment on May 24th

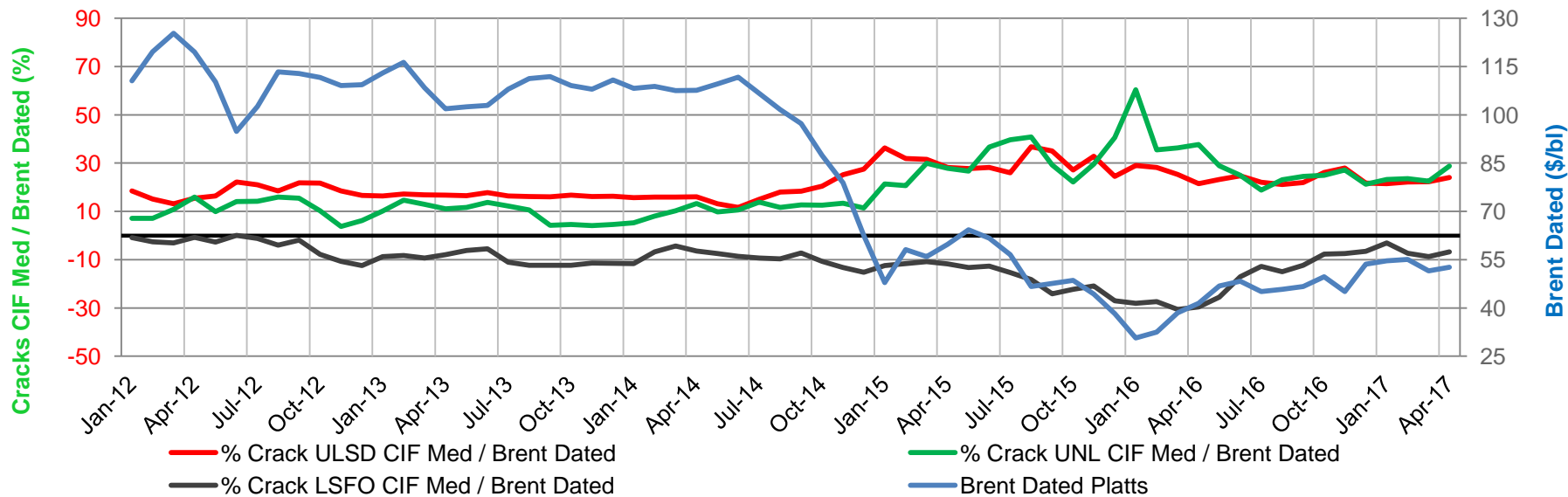


Highlights: Historical Crack Spreads and Ratios to Brent

Product Cracks CIF Med vs. Brent Dated

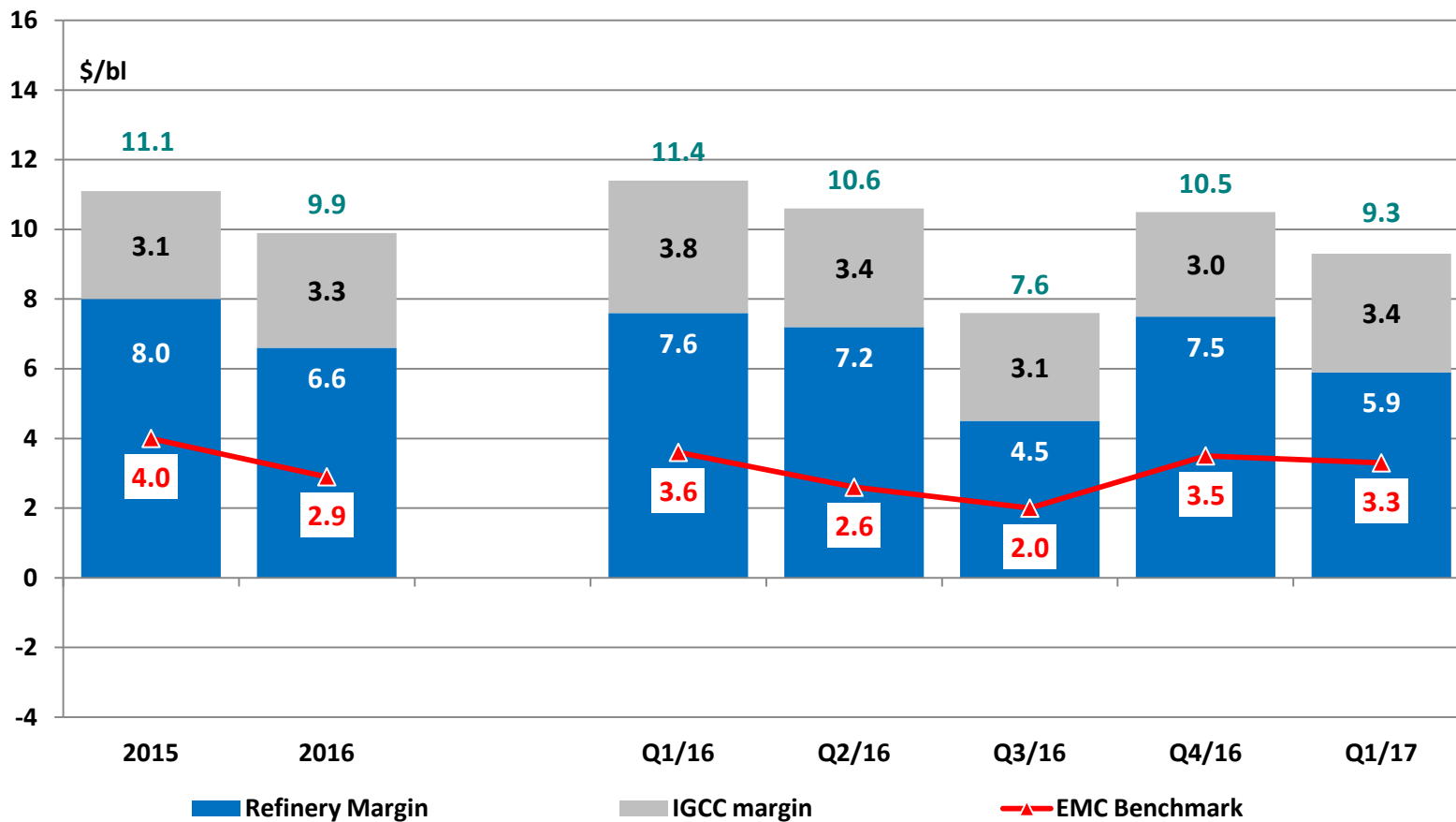


Ratios of Product Cracks CIF Med to Brent Dated





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

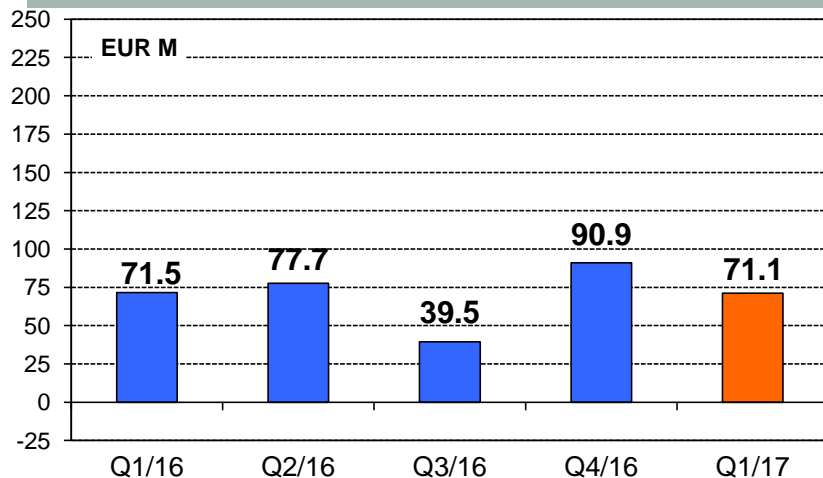
EMC benchmark: margin calculated by EMC (Energy Market Consultants) based on a crude slate made of 50% Urals and 50% Brent

A grayscale photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns, complex piping networks, and structural steel frameworks against a bright, overcast sky. The scene is filled with industrial equipment, including ladders, walkways, and various tanks.

➤ Segments Review



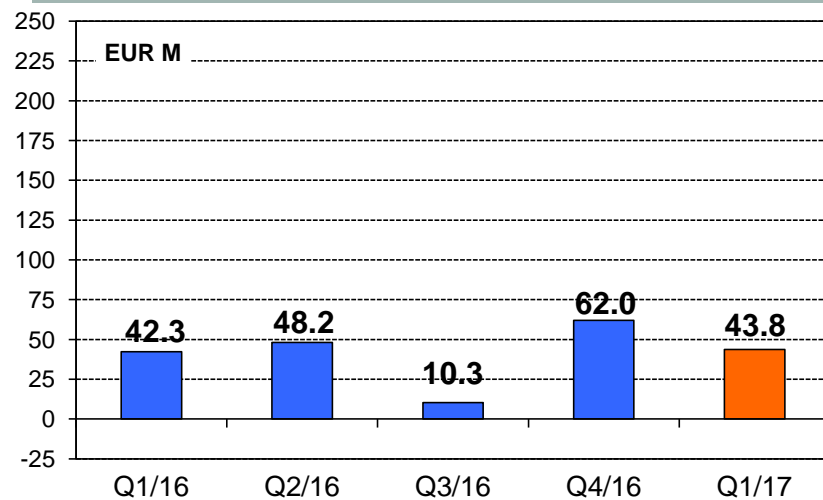
Comparable EBITDA



Q1/17

- **Comparable EBITDA at EUR 71.1M** (vs. EUR 71.5M in Q1/16)
 - ✓ Crude throughput at 25Mbl (+19% vs. Q1/16) due to stronger operating performance and lower maintenance penalisations
 - ✓ Market scenario less favourable, due to higher crude prices and weaker gasoline crack, only partially offset by stronger diesel crack; small positive effect of EUR/USD exch. rate (1.065 vs. 1.102 in Q1/16). Overall scenario impact worth EUR -30M vs. Q1/16
 - ✓ Better operating performance (EUR +35M vs. Q1/16), partly offset by weaker production planning (approx. EUR -15M)
 - ✓ Commercial performance up by EUR 10M vs. Q1/16 (thanks to more favourable opportunities for the sale of specialty products and blending components)

Comparable EBIT



EUR million	Q1/17	Q1/16	Q4/16
Comparable EBITDA	71.1	71.5	90.9
Comparable EBIT	43.8	42.3	62.0



Segment Review: Refining – Crude Oil Slate and Production

REFINERY RUNS		Q1/16	2016	Q1/17
Crude oil	<i>K tons</i>	2,880	12,962	3,436
Complementary feedstock	<i>K tons</i>	384	1,598	377

CRUDE OIL SLATE		Q1/16	2016	Q1/17
Light extra sweet		36%	33%	32%
Light sweet		6%	9%	15%
Medium sweet/extra sweet		0%	0%	0%
Medium sour		34%	39%	34%
Heavy sour/sweet		24%	19%	19%
Average crude gravity	° API	33.4	33.3	33.0

PRODUCTION (From crude runs and feedstock)		Q1/16	2016	Q1/17
LPG	<i>k tons</i>	95	303	66
	Yield	2.9%	2.1%	1.7%
Naphtha + gasoline	<i>k tons</i>	1,035	4,140	1,003
	yield	31.7%	28.4%	26.3%
Middle distillates	<i>k tons</i>	1,459	7,150	1,882
	yield	44.7%	49.1%	49.4%
Fuel oil & others	<i>k tons</i>	219	854	411
	yield	6.7%	5.9%	10.8%
TAR	<i>k tons</i>	223	1,181	208
	yield	6.8%	8.1%	5.4%

Higher crude runs, thanks to lighter maintenance and stronger performance. Complementary feedstock in line with Q1/16

Changes in crude slate (more light sweet and less medium sour crudes) in order to adapt to different supply mix in the market

Lower TAR yield due to VisBreaking and IGCC maintenance; Higher fuel oil yield to exploit strong demand for this product

Balance to 100% are Consumption & Losses

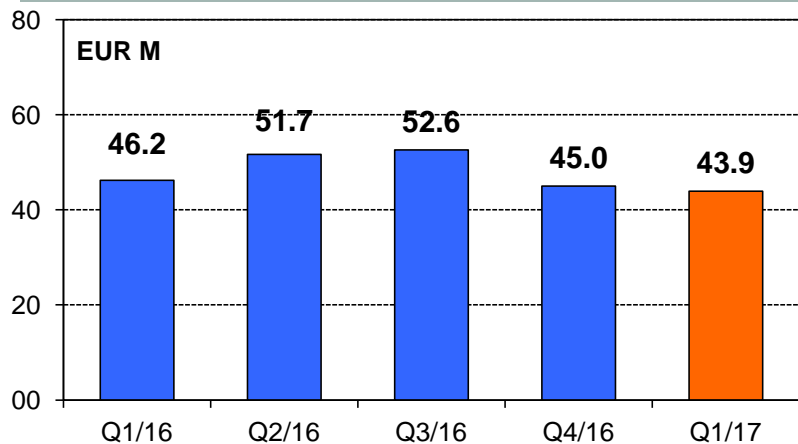


Segment Review: Refining – Fixed & Variable costs

		Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Refinery RUNS	Million barrels	21.0	23.4	26.3	23.9	94.6	25.1
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.10</i>	<i>1.13</i>	<i>1.12</i>	<i>1.08</i>	<i>1.11</i>	<i>1.07</i>
Fixed costs	EUR million	73	72	65	76	287	67
	\$/bl	3.8	3.5	2.8	3.4	3.4	2.9
Variable costs	EUR million	27	30	34	55	146	41
	\$/bl	1.4	1.5	1.5	2.5	1.7	1.7

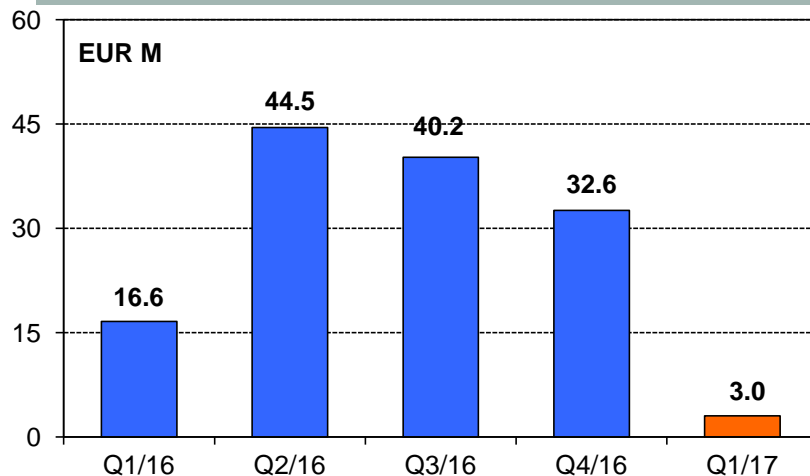


Comparable EBITDA(*)



(*): Comparable EBITDA of Power Generation segment is often coincident with IFRS EBITDA, but it does not include non-recurring items

IT GAAP EBITDA



Q1/17

- **Comparable EBITDA at EUR 43.9M** (vs. EUR 46.2M in Q1/16)
 - ✓ Higher costs, mainly due to heavier maintenance cycle in Q1/17
 - ✓ Partially offset by higher value of CIP6/92 tariff (+8%) and sales of steam & hydrogen (up by EUR 4.5M vs. Q1/16)
- **IT GAAP EBITDA at EUR 3.0M** (vs. EUR 16.6M in Q1/16)
 - ✓ Reduction in electricity production (-15% at 0.74 TWh, due to heavier maintenance and worse performance vs. Q1/16) and higher cost of TAR feedstock (up by EUR 3M) linked to oil prices
 - ✓ The above factors were only partially compensated by higher CIP6/92 tariff (+10%) and sales of hydrogen & steam (EUR 4.5M)
- **The heaviest part of the annual maintenance program for the IGCC plant has been completed in Q1/17**

EUR million	Q1/17	Q1/16	Q4/16
Comparable EBITDA	43.9	46.2	45.0
Comparable EBIT	20.9	21.8	20.0
IT GAAP EBITDA	3.0	16.6	32.6

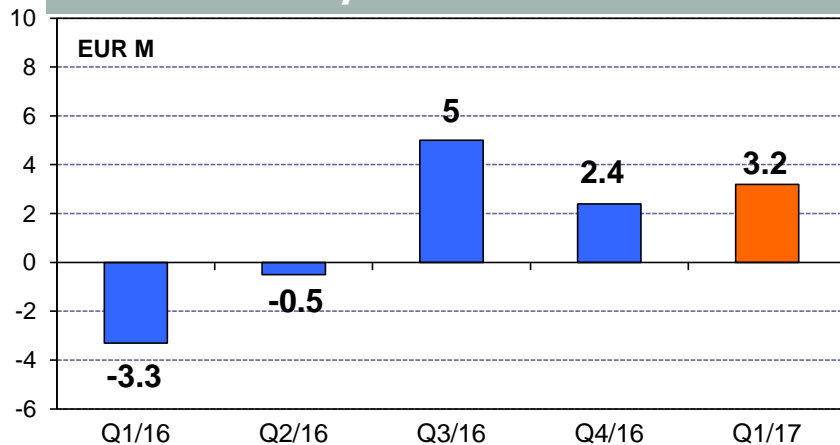


Segment Review: Power Generation – Fixed & Variable costs (IT GAAP)

		Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Refinery RUNS	Million barrels	21.0	23.4	26.3	23.9	94.6	25.1
Power production	MWh/1000	863	1,241	1,239	1,244	4,588	735
<i>Exchange rate</i>	<i>EUR/USD</i>	<i>1.10</i>	<i>1.13</i>	<i>1.12</i>	<i>1.08</i>	<i>1.11</i>	<i>1.07</i>
Fixed costs	EUR million	27	20	20	21	87	35
	\$/bl	1.4	0.9	0.8	1.0	1.0	1.5
	EUR/MWh	31	16	16	17	19	48
Variable costs	EUR million	10	11	13	14	47	14
	\$/bl	0.5	0.5	0.5	0.6	0.6	0.6
	EUR/MWh	11	9	10	11	10	19



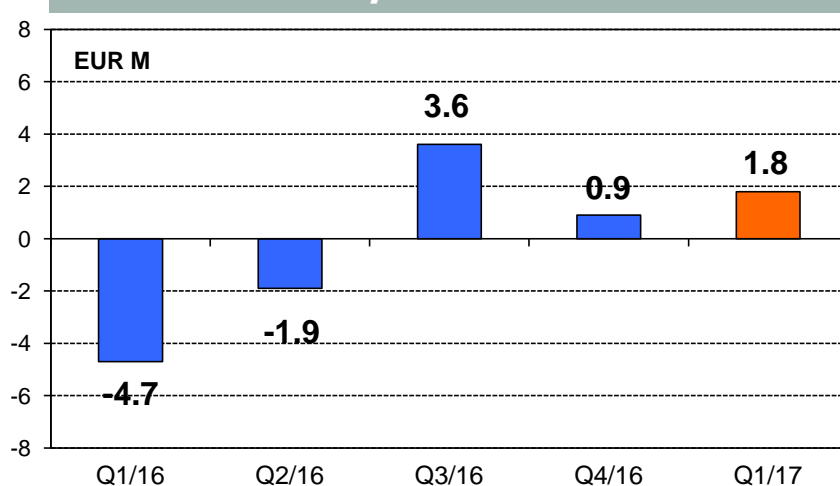
Comparable EBITDA



Q1/17

- **Comparable EBITDA at EUR +3.2M** (vs. EUR -3.3M in Q1/16)
 - ✓ Overall flattish demand (-0.4% in Italy and +0.7% in Spain)
 - ✓ Wholesale margins improved, mainly due lower competition from inland refineries
 - ✓ Client portfolio optimisation led to a decrease of sales (-13%), but profitability improved thanks to better margins and lower operating costs

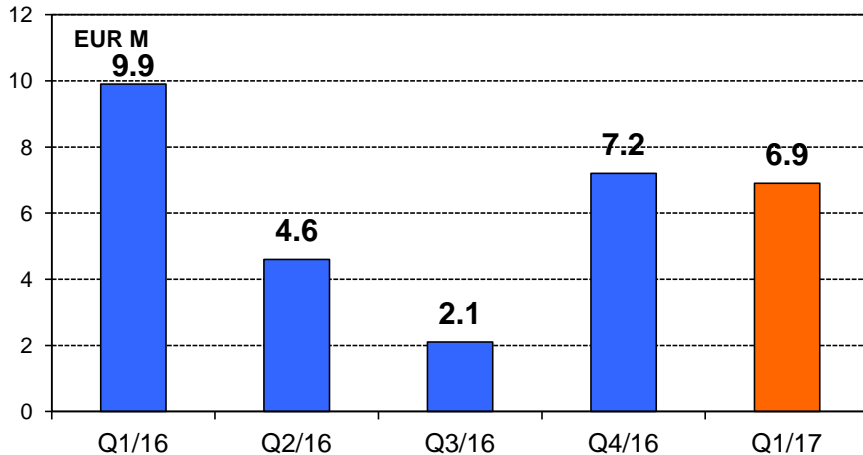
Comparable EBIT



EUR million	Q1/17	Q1/16	Q4/16
Comparable EBITDA	3.2	(3.3)	2.4
Comparable EBIT	1.8	(4.7)	0.9

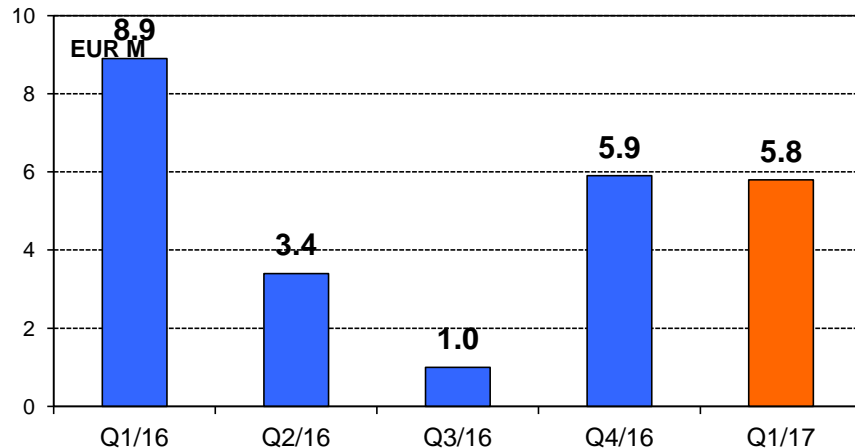


Comparable EBITDA(*)



(*): Comparable EBITDA of Wind segment is often coincident with IFRS EBITDA, but it does not include non-recurring items

Comparable EBIT



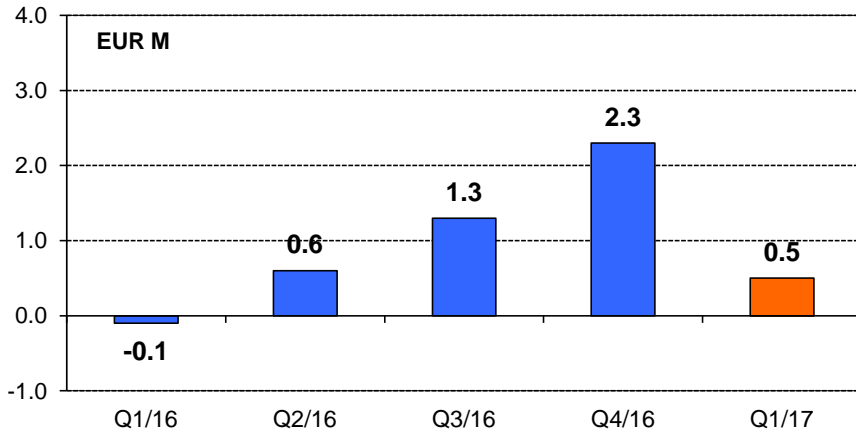
Q1/17

- **Comparable EBITDA at EUR 6.9M** (vs. EUR 9.9M in Q1/16)
 - ✓ Lower electricity production (-34%) due to less favourable wind conditions (when compared to record level reached in Q1/16)
 - ✓ Higher value of Power Tariff (+1.5EURcent/kWh vs. Q1/16) more than offset decline of Incentive Tariff (-0.4EURcent/kWh)

EUR million	Q1/17	Q1/16	Q4/16
Comparable EBITDA	6.9	9.9	7.2
Comparable EBIT	5.8	8.9	5.9



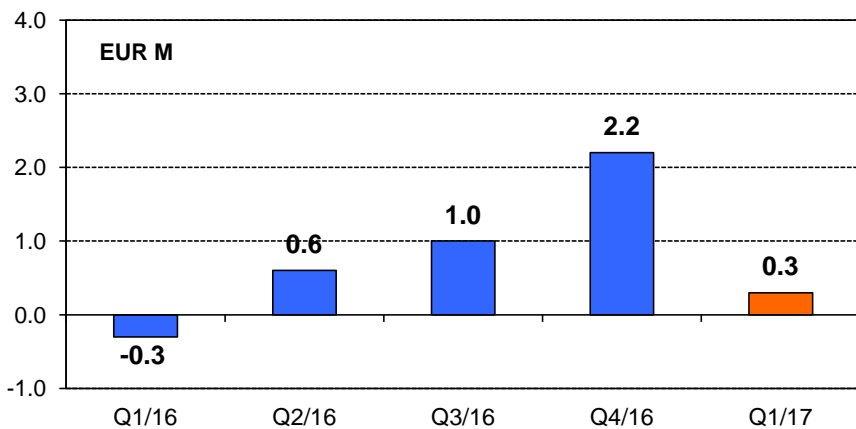
Comparable EBITDA



Q1/17

- Comparable EBITDA at EUR +0.5M (vs. EUR -0.1M in Q1/16)

Comparable EBIT



EUR million	Q1/17	Q1/16	Q4/16
Comparable EBITDA	0.5	(0.1)	2.3
Comparable EBIT	0.3	(0.3)	2.2

A grayscale photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns, complex piping systems, and structural steel frameworks against a bright, overcast sky. The scene is filled with industrial equipment, including ladders, walkways, and various tanks.

➤ Financials



Financials: Key Income Statement Figures

KEY INCOME STATEMENT (EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
EBITDA	67.8	267.3	95.7	207.4	638.1	160.4
<i>Comparable EBITDA</i>	124.2	134.2	100.5	147.8	506.6	125.6
D&A	(56.3)	(56.8)	(57.1)	(76.7)	(246.7)	(52.9)
EBIT	11.5	210.5	38.6	130.7	391.4	107.5
<i>Comparable EBIT</i>	<i>67.9</i>	<i>77.3</i>	<i>43.5</i>	<i>91.1</i>	<i>279.8</i>	<i>72.7</i>
Interest expense	(5.9)	(7.2)	(9.9)	(6.4)	(30.0)	(3.7)
Other	(2.1)	(17.6)	(0.5)	(33.4)	(53.0)	26.8
Financial Income/Expense	(8.0)	(24.8)	(10.4)	(39.8)	(83.0)	23.1
Profit before taxes	3.5	185.7	28.2	91.0	308.4	130.6
Taxes	(3.7)	(56.0)	(5.8)	(46.6)	(112.0)	(38.5)
Net Result	(0.2)	129.7	22.4	44.4	196.3	92.1
Adjustments	40.4	(79.7)	4.0	8.4	(26.9)	(45.5)
Adjusted Net Result	40.2	50.0	26.4	52.8	169.4	46.6

EBITDA Adjustment (EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
EBITDA	67.8	267.3	95.7	207.5	638.1	160.4
(LIFO – FIFO) inventories	51.8	(113.5)	(5.6)	(71.0)	(138.3)	(44.2)
Non-recurring items	0.0	2.5	1.7	22.0	26.3	(4.0)
Realized result of derivatives and net Forex	4.6	(22.1)	8.7	(10.7)	(19.5)	13.4
Comparable EBITDA	124.2	134.2	100.5	147.8	506.6	125.6

Net Result Adjustment (EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Net Result	(0.2)	129.7	22.4	44.4	196.3	92.1
(LIFO – FIFO) inventories net of taxes	35.5	(78.1)	(3.9)	(48.9)	(95.3)	(31.8)
Non-recurring items net of taxes	0.0	1.7	1.2	42.6	45.5	0.0
Fair value of derivatives' open positions net of taxes	4.9	(3.3)	6.7	14.6	22.9	(13.6)
Adjusted Net Result	40.2	50.0	26.4	52.8	169.4	46.6

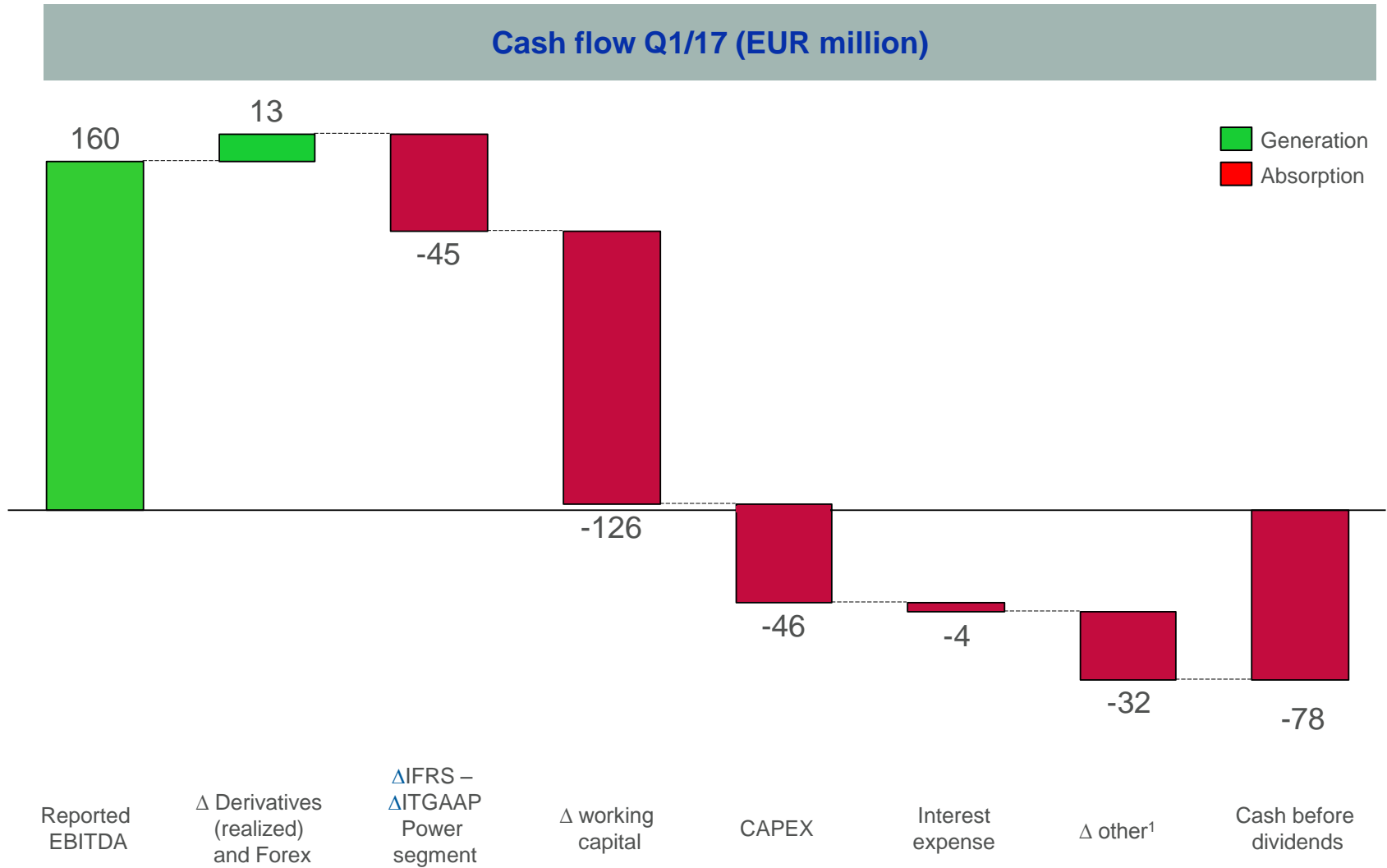


Financials: Key Balance Sheet Figures

EUR million	Q1/16	Q2/16	Q3/16	Q4/16	Q1/17
Current assets	1,972	1,978	1,754	1,689	1,617
CCE and financial assets held for trading	984	847	732	449	296
Other current assets	988	1,131	1,022	1,241	1,321
Non-current assets	1,357	1,288	1,262	1,205	1,176
TOTAL ASSETS	3,330	3,266	3,017	2,894	2,794
Current Liabilities	1,525	1,517	1,447	1,423	1,310
Short-Term financial liabilities	220	162	186	203	158
Other current liabilities	1,305	1,355	1,261	1,220	1,153
Non-Current Liabilities	920	894	692	548	468
Long-Term financial liabilities	578	552	356	183	176
Other non-current liabilities	341	341	336	365	292
Shareholders Equity	885	855	878	923	1,015
TOTAL LIABILITIES & EQUITY	3,330	3,266	3,017	2,894	2,794



Additional information: Group Key Cash Flow Figures



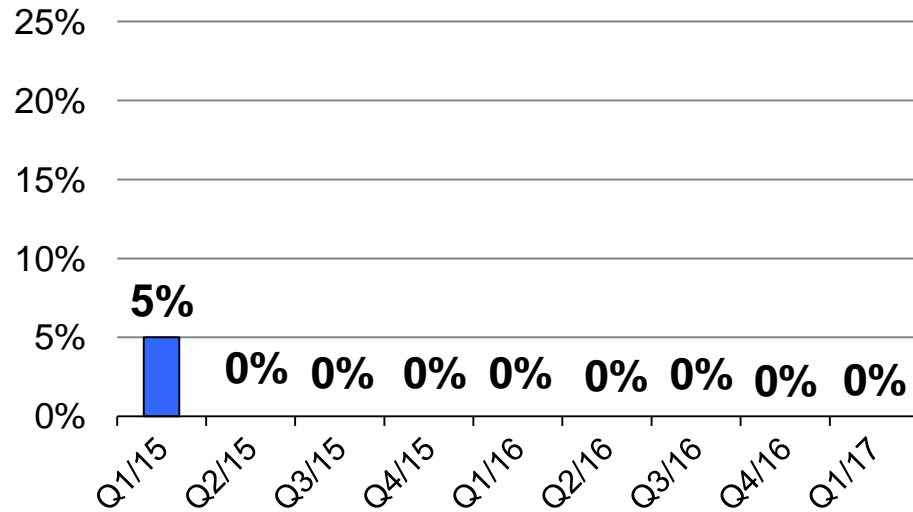
1. Includes CO₂, wind tariff incentives, Energy Efficiency certificates and Taxes paid in the period



CAPEX BY SEGMENT (EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
REFINING	25.6	26.3	33.7	47.9	133.6	41.4
POWER GENERATION	2.8	0.9	3.0	3.0	9.6	4.0
MARKETING	0.1	0.3	0.5	0.5	1.4	0.2
WIND	0.0	0.1	0.3	0.0	0.4	0.0
OTHER ACTIVITIES	0.0	0.2	0.1	0.3	0.6	0.1
TOTAL CAPEX	28.6	27.8	37.6	51.6	145.6	45.8

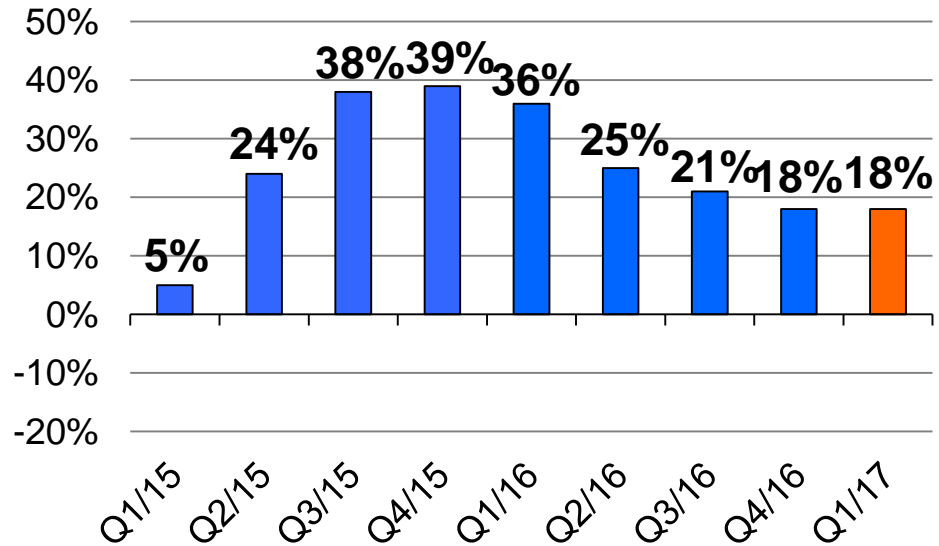


Leverage¹ (%)



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

ROACE² (%)



2. After tax, quarterly figures are 1 year rolling

A grayscale photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns, complex piping networks, and structural steel frameworks against a bright, overcast sky. The scene is filled with industrial equipment, including ladders, walkways, and various tanks.

➤ Outlook



Scenario

Oil supply remains abundant, albeit with a different mix

- OPEC production cuts largely offset by resurgent production in US and additional volumes from other countries (i.e. Libya, Nigeria, Kashagan and others)
- Lower discounts on some heavy sour grades (affected by OPEC cuts), and pressure on premia of light sweet grades (due to additional supply)

Positive outlook for refined products

- Robust gasoline and diesel crack spreads expected to continue
- EMC Benchmark at +4.0 \$/bl in Q2/17-to-date (vs. 2.9 \$/bl in FY/16) supported also by fuel oil strength

Refining

Conditions for strong margin capture for Saras persist

2017 to be a lighter year in terms of maintenance:

- Most of 2017 refinery maintenance completed in Q1/17, and only minor activities due in Q3
- Higher runs, lower fixed costs and lower EBITDA reductions due to plants' unavailability vs. 2016
- Crude runs expected at 105 ÷ 108Mbl, plus further ~12Mbl of complementary feedstock
- Saras Trading in Geneva effectively contributing to capture market opportunities

Saras average premium on EMC Benchmark expected at 3.5 \$/bl for the full year

Power Generation

Solid results expected also for FY2017

- Heaviest part of the annual IGCC maintenance cycle carried out in Q1/17
- Full year production at 3.9 ÷ 4.2 TWh
- *Comparable* EBITDA at approx. EUR 200M

Marketing

Marketing results expected to gradually improve during 2017

- Despite an overall flattish demand in Italy and Spain, wholesale margins are improving, mainly thanks to lower competition from inland refineries
- Sale-channels optimisation strategy and cost cutting providing further support to profitability



Maintenance Schedules for FY 2017

- Refinery:** maintenance activities front-loaded in Q1/17 (concerning VisBreaking “VSB”, cdu “T1” and desulphurisation units “U400” and “U800”) were carried out smoothly and according to plans. With regards to the remaining part of the year, maintenance will involve the cdu “RT2” in Q2/17, “V1” and “VSB” in Q3/17 and the units “ALKY”, “TAME” and reforming “CCR” in Q4/17
- IGCC:** scheduled maintenance programme was heavy in Q1/17 and it involved two of the three trains of “Gasifier – combined cycle Turbine” and one “H₂S Absorber” unit. Standard maintenance will be carried out on the third train of “Gasifier – combined cycle Turbine” in Q2/17

		Q1/17	Q2/17 expected	Q3/17 expected	Q4/17 expected	2017 expected
REFINERY						
Crude runs	Tons (M) Barrels (M)	3.4 25.1	3.6 ÷ 3.7 26.0 ÷ 27.0	3.7 ÷ 3.8 27.0 ÷ 28.0	3.7 ÷ 3.8 27.0 ÷ 28.0	14.4 ÷ 14.7 105 ÷ 108
Complementary feedstock	Tons (M)	0.4	0.3 ÷ 0.5	0.3 ÷ 0.5	0.2 ÷ 0.4	1.2 ÷ 1.8
EBITDA reduction due to scheduled maintenance	USD (M)	32	1 ÷ 3	7 ÷ 10	1 ÷ 3	41 ÷ 48
IGCC						
Power production	MWh (M)	0.7	1.00 ÷ 1.10	1.10 ÷ 1.20	1.10 ÷ 1.20	3.90 ÷ 4.20



➤ **Additional Information**



Additional information: Refining

EUR million	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
EBITDA	14.4	209.9	36.4	157.7	418.3	103.3
Comparable EBITDA	71.5	77.7	39.5	90.9	279.6	71.1
EBIT	(14.8)	180.4	7.2	108.7	281.5	76.1
Comparable EBIT	42.3	48.2	10.3	62.0	162.8	43.8
CAPEX	25.6	26.3	33.7	47.9	133.6	41.4
REFINERY RUNS						
Crude oil (ktons)	2,880	3,209	3,597	3,276	12,962	3,436
Crude oil (Mbl)	21.0	23.4	26.3	23.9	94.6	25.1
Crude oil (bl/d)	231	257	285	260	259	279
Complementary feedstock (ktons)	384	538	442	233	1,598	377
REFINERY MARGINS						
EMC benchmark	3.6	2.6	2.0	3.5	2.9	3.3
Saras margin	7.6	7.2	4.5	7.5	6.6	5.9



Additional information: Power Generation

EUR million	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Comparable EBITDA	46.2	51.7	52.6	45.0	195.4	43.9
Comparable EBIT	21.8	27.0	27.5	20.0	96.3	20.9
EBITDA IT GAAP	16.6	44.5	40.2	32.6	133.9	3.0
EBIT IT GAAP	0.7	28.3	23.5	16.1	68.6	(11.5)
CAPEX	2.8	0.9	3.0	3.0	9.6	4.0
POWER PRODUCTION <small>MWh/1000</small>	863	1,241	1,239	1,244	4,588	735
POWER TARIFF <small>€cent/KWh</small>	8.1	8.1	8.1	8.1	8.1	8.8
POWER IGCC MARGIN <small>\$/bl</small>	3.8	3.4	3.1	3.0	3.3	3.4



EUR million	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
EBITDA	(2.6)	3.0	5.1	4.4	9.9	1.8
Comparable EBITDA	(3.3)	(0.5)	5.0	2.4	3.6	3.2
EBIT	(4.0)	1.5	3.7	3.0	4.2	0.4
Comparable EBIT	(4.7)	(1.9)	3.6	0.9	(2.1)	1.8
CAPEX	0.1	0.3	0.5	0.5	1.4	0.2
SALES (THOUSAND TONS)						
ITALY	581	574	606	538	2,298	496
SPAIN	422	421	458	485	1,787	374
TOTAL	1,003	995	1,063	1,023	4,084	870



Wind	(EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Comparable EBITDA		9.9	4.6	2.1	7.2	23.8	6.9
Comparable EBIT		8.9	3.4	1.0	5.9	19.2	5.8
POWER PRODUCTION	MWh	77,577	49,039	22,159	46,584	195,360	51,268
POWER TARIFF	€cent/kWh	3.7	3.5	4.1	5.0	4.0	5.2
INCENTIVE (prev. GREEN CERTIFICATES)	€cent/kWh	11.1	8.3	10.0	10.0	10.0	10.7
CAPEX		0.0	0.1	0.3	0.0	0.4	0.0

Others	(EUR million)	Q1/16	Q2/16	Q3/16	Q4/16	2016	Q1/17
Comparable EBITDA		(0.1)	0.6	1.3	2.3	4.1	0.5
Comparable EBIT		(0.3)	0.6	1.0	2.2	3.5	0.3
CAPEX		0.0	0.2	0.1	0.3	0.6	0.1