



SARAS

Third Quarter 2016 results

7th November 2016

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



Q3/16 Group Results & Highlights

EUR million	Q3/16	Q3/15	Change %	Jan-Sep 2016	Jan-Sep 2015	Change %
Reported EBITDA	95.7	87.0	10%	430.7	561.9	-23%
Reported Net Result	22.4	46.6	-52%	151.9	276.7	-45%
Comparable¹ EBITDA	100.5	214.6	-53%	358.8	611.0	-41%
Adjusted² Net Result	26.4	109.8	-76%	116.6	296.8	-61%

- Comparable EBITDA** is based on the LIFO methodology and it does not include non-recurring items and the fair value of open positions of the derivative instruments. *Comparable EBITDA* includes the realized gains and losses with the derivative instruments used for hedging transactions on crude oil and products, and the net Forex results
- Adjusted Net Result** is based on LIFO methodology, and it does not include non-recurring items net of taxes and fair value of open positions of the derivative instruments net of taxes



Group comparable EBITDA at EUR 100.5M, mainly due to weaker scenario

Refining results affected by changes in the inventory mix, to exploit *contango* plays



***Crack spreads* under pressure in July & August, later recovering in September**

Long crude oil market continued to offer interesting opportunities

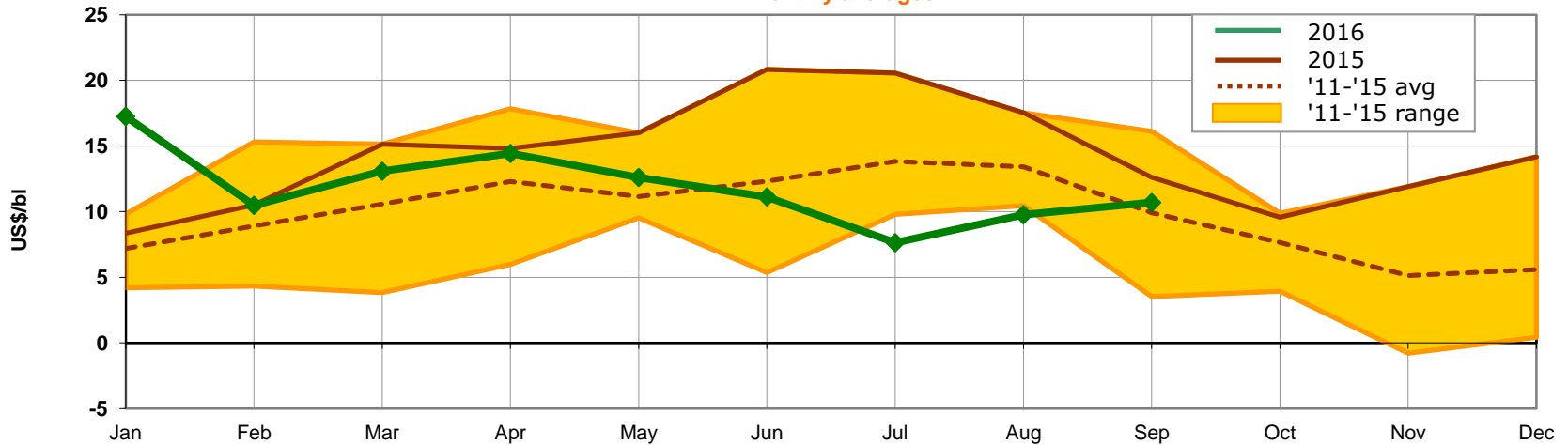


Smooth operational performance at the Refinery (crude runs at 3.6Mtons, plus 0.44Mtons of complementary feedstock), and record-high power production at the IGCC (1.24TWh)

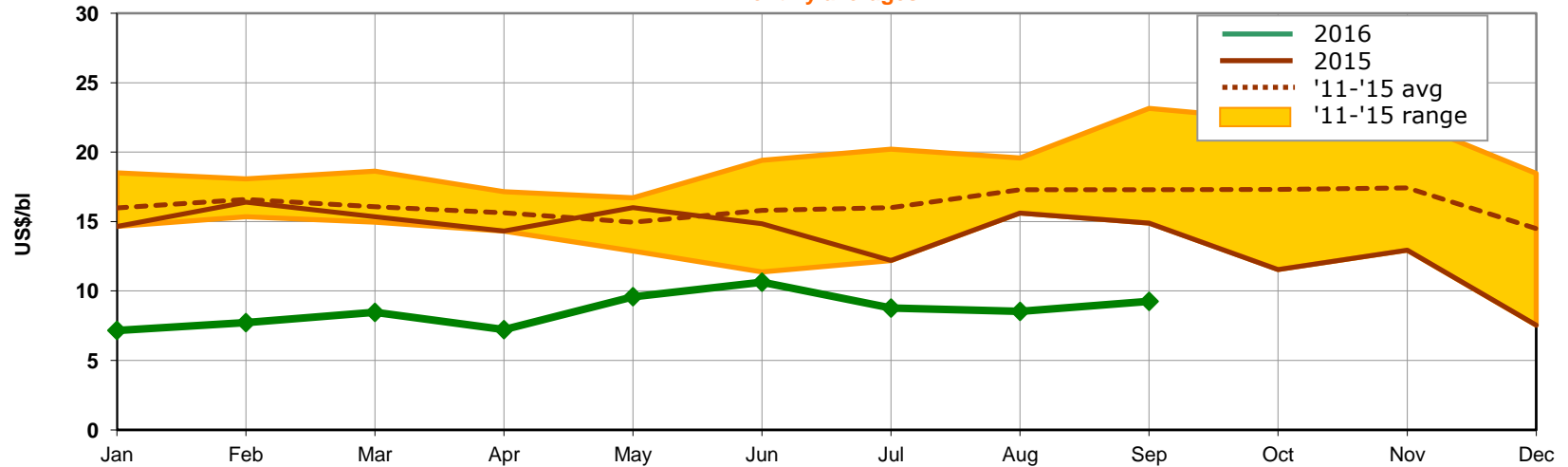


Healthy cash generation from Operations reconfirms firmly positive NFP (at EUR +215M)

Med: Gasoline Crack spread vs Brent monthly averages

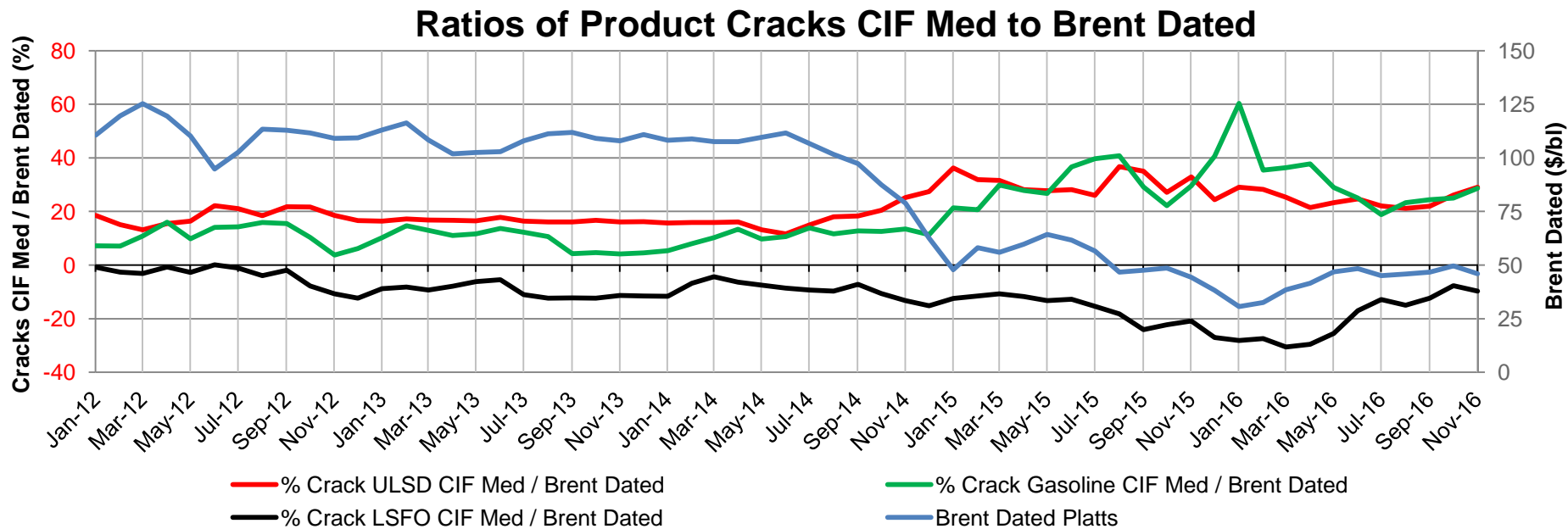
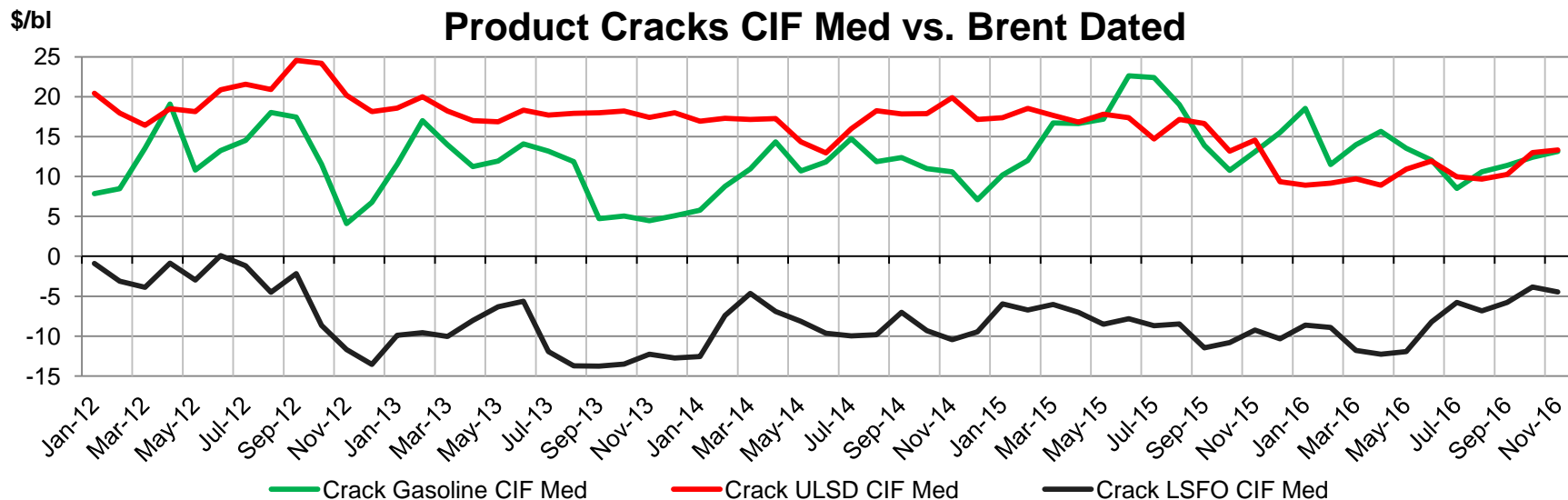


Med: Diesel Crack spread vs Brent monthly averages



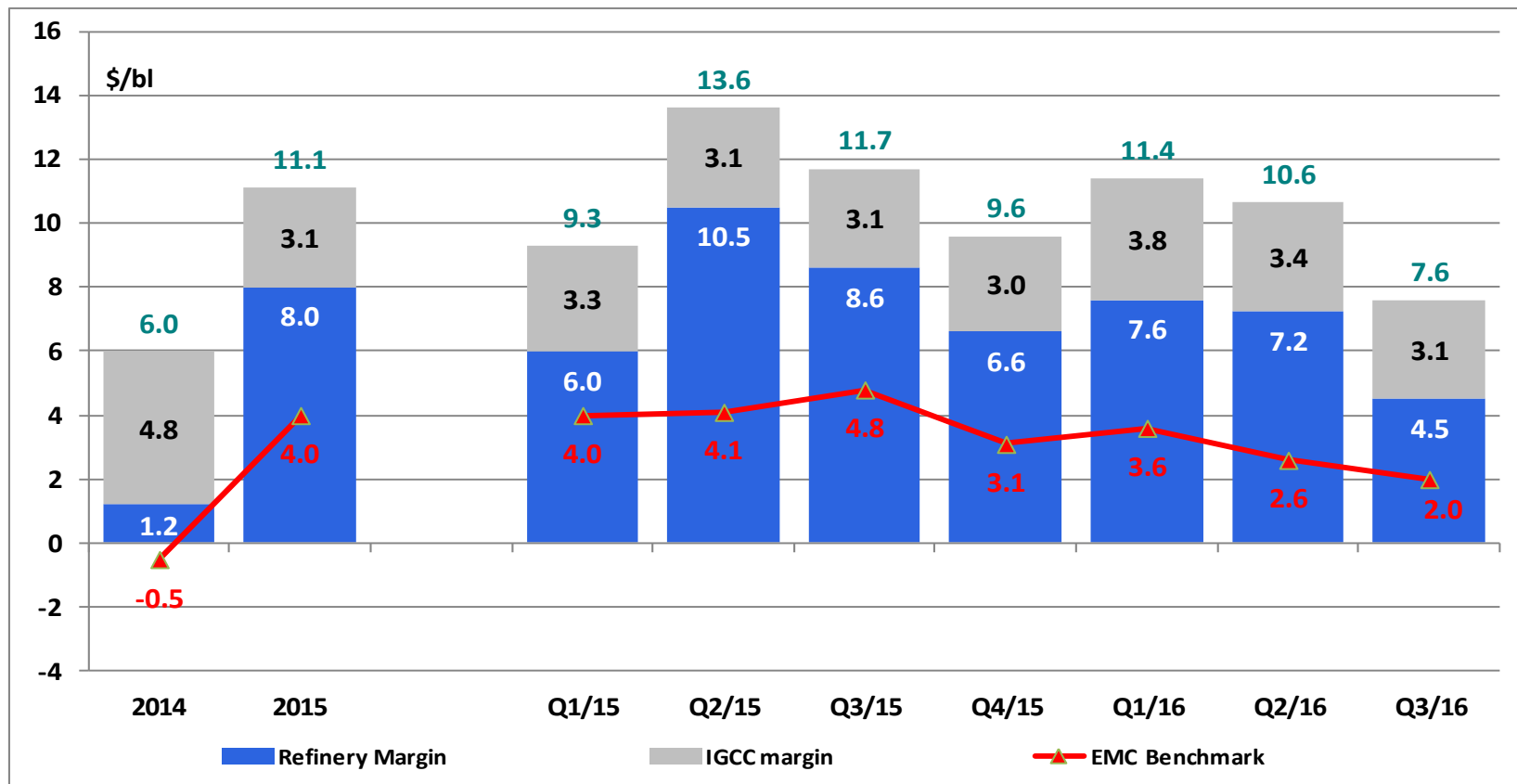


Highlights: Historical Crack Spreads and Ratios to Brent





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

Production planning strategy, aimed at exploiting *contango* market, led to changes in inventory mix held at the end of Q3/16 (vs. mix at the end of Q2/16), hence did not allow to fully capture profitability available in Q3/16

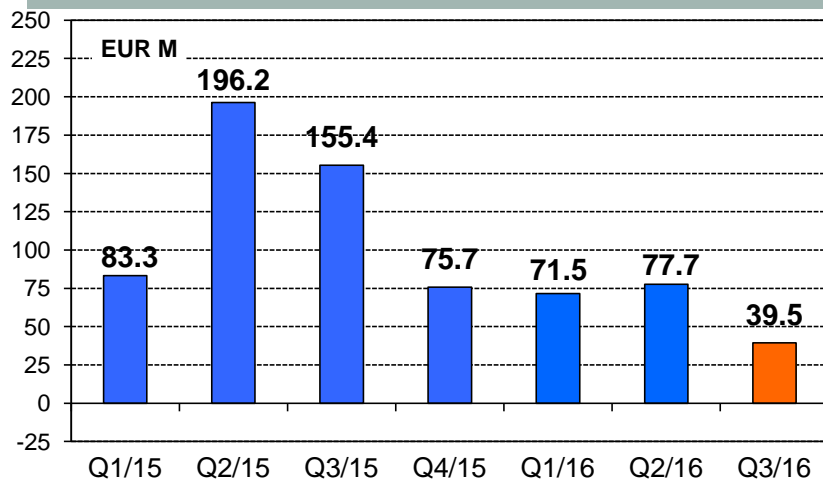
Contribution from inventory mix is worth approx. EUR 30M of additional *comparable* EBITDA in Q3/16, which would have increased Saras' refining margin by 1.3 \$/bl

A grayscale photograph of an industrial refinery or chemical plant. The image shows several tall distillation columns, a complex network of pipes, and structural steel frameworks. The scene is captured from a low angle, looking up at the towering structures against a bright, overcast sky. The overall tone is industrial and technical.

➤ Segments Review



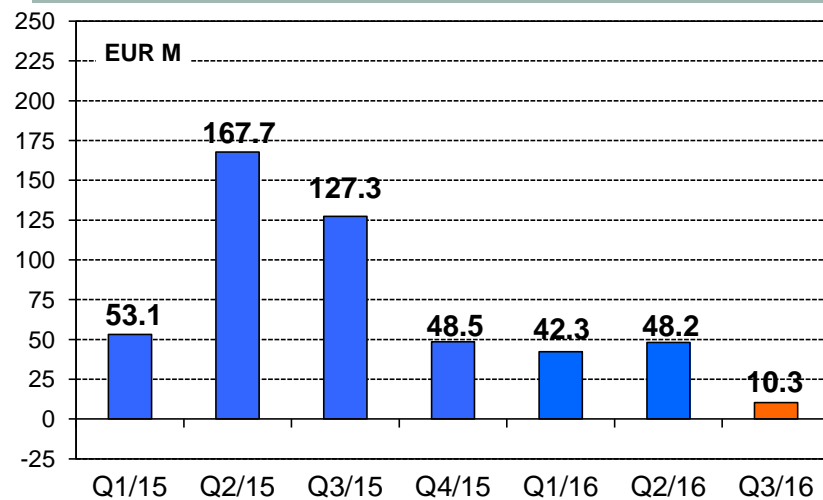
Comparable EBITDA



Q3/16

- **Comparable EBITDA at EUR 39.5M** (vs. EUR 155.4 in Q3/15)
 - ✓ Crude throughput 26.3Mbl (-2% vs. Q3/15), plus 3.2Mbl of other feedstock (+79% vs. Q3/15)
 - ✓ Weaker diesel & gasoline *crack spreads* reduced profitability (by EUR -135M vs. Q3/15), while lower crude prices improved EBITDA (by EUR +15M)
 - ✓ Solid production planning & execution (EUR 16M higher than in Q3/15), and also commercial performance up by EUR 5M vs. Q3/15
 - ✓ Changes in inventory mix, not included in Q3/16 EBITDA, are worth approx. EUR 30M

Comparable EBIT



9M/16

- **Comparable EBITDA at EUR 188.7M** (vs. EUR 434.8M in 9M/15)
 - ✓ Crude throughput 70.7Mbl (-13% vs. 9M/15), plus 9.9Mbl of other complementary feedstock (+85% vs. 9M/15)
 - ✓ Value of production down by EUR -300M vs. 9M/15 due to weaker *crack spreads*; conversely, lower crude oil prices brought approx. EUR +95M advantage vs. 9M/15
 - ✓ Heavier maintenance schedule (in H1) reduced EBITDA (approx. EUR -21M vs. 9M/15), while production planning delivered stronger results (up by EUR +8M vs. 9M/15)
 - ✓ Commercial performance broadly in line with 9M/15

EUR million	Q3/16	Q3/15	9M/16	9M/15
Comparable EBITDA	39.5	155.4	188.7	434.8
Comparable EBIT	10.3	127.3	100.8	348.1



Segment Review: Refining – Crude Oil Slate and Production

REFINERY RUNS		Q3/16	9M/15	9M/16
Crude oil	<i>K tons</i>	3,597	11,090	9,686
Complementary feedstock	<i>K tons</i>	442	739	1,365
Total Runs	<i>K tons</i>	4,039	11,829	11,051

CRUDE OIL SLATE		Q3/16	9M/15	9M/16
Light extra sweet		29%	40%	32%
Light sweet		8%	14%	10%
Medium sweet/extra sweet		0%	1%	0%
Medium sour		45%	13%	38%
Heavy sour/sweet		19%	32%	21%
Average crude gravity	° API	33.4	32.8	33.4

PRODUCTION (From crude runs and feedstock)		Q3/16	9M/15	9M/16
LPG	<i>k tons</i>	73	242	252
	<i>Yield</i>	1.8%	2.0%	2.3%
Naphtha + gasoline	<i>k tons</i>	1,034	3,049	3,130
	<i>yield</i>	25.6%	25.8%	28.3%
Middle distillates	<i>k tons</i>	2,078	6,196	5,386
	<i>yield</i>	51.4%	52.4%	48.7%
Fuel oil & others	<i>k tons</i>	283	699	710
	<i>yield</i>	7.0%	5.9%	6.4%
TAR	<i>k tons</i>	319	884	858
	<i>yield</i>	7.9%	7.5%	7.8%

Lower crude runs, partially offset by increased complementary feedstock

Changes in crude slate due to contingent refinery configuration (due to maintenance) and also to commercial choices

Maximization of gasoline yields, also using higher complementary feedstock (naphtha), to exploit strong crack spreads especially during the first semester

Balance to 100% are Consumption & Losses



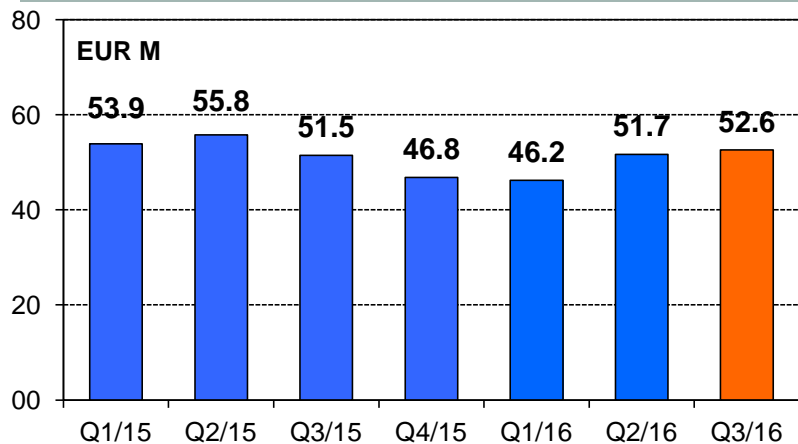
Segment Review: Refining – Fixed & Variable costs

		Q3/16		9M/15	9M/16
Refinery RUNS	Million barrels	26.3		81.0	70.7
<i>Exchange rate</i>	<i>EUR/USD</i>	1.12		1.11	1.12
Fixed costs	EUR million	65		174	211
	\$/bl	2.8		2.4	3.3
Variable costs	EUR million	34		111	91
	\$/bl	1.5		1.5	1.4



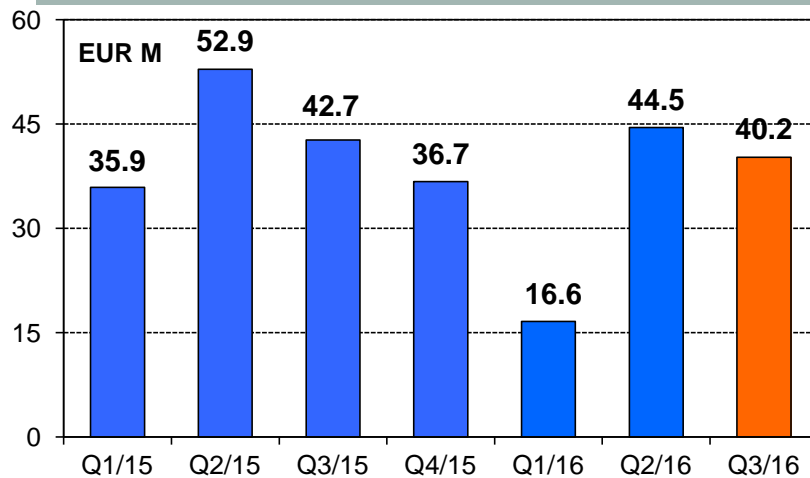
Segment Review: Power Generation

Comparable EBITDA(*)



(*): Comparable EBITDA and Comparable EBIT of Power segment are often coincident with IFRS EBITDA and EBIT, but do not include non-recurring items

IT GAAP EBITDA



Q3/16

- **Comparable EBITDA at EUR 52.6M** (vs. EUR 51.5M in Q3/15)
 - ✓ Power production at full capacity (1.24TWh, +8% vs. Q3/15)
 - ✓ Improvement deriving from lower fixed and variable costs, as well as higher sales of hydrogen & steam (not equalised)
 - ✓ CIP6/92 tariff down by 16% vs. Q3/15, due to updated outlook for prices of crude oil & gas used in equalisation procedure
- **IT GAAP EBITDA at EUR 40.2M** (vs. EUR 42.7M in Q3/15)
 - ✓ Lower CIP6/92 tariff was almost entirely offset by higher power production, higher sales of hydrogen & steam, lower costs, and cheaper TAR feedstock (-18%, linked to crude oil prices)

9M/16

- **Comparable EBITDA at EUR 150.4M** (vs. EUR 161.2M in 9M/15)
 - ✓ Power production at 3.34TWh (-2% vs. 9M/15)
 - ✓ Lower CIP6/92 tariff (-16%), as well as lower sales of hydrogen & steam (down by EUR 8.2M vs. 9M/15)
- **IT GAAP EBITDA at EUR 101.3M** (vs. EUR 131.5M in 9M/15)
 - ✓ Lower CIP6/92 tariff, minor sales of hydrogen & steam, and slightly lower power production, were only partially offset by decline in cost of TAR feedstock (-25%)

EUR million	Q3/16	Q3/15	9M/16	9M/15
Comparable EBITDA	52.6	51.5	150.4	161.2
Comparable EBIT	27.5	27.2	76.3	88.7
IT GAAP EBITDA	40.2	42.7	101.3	131.5

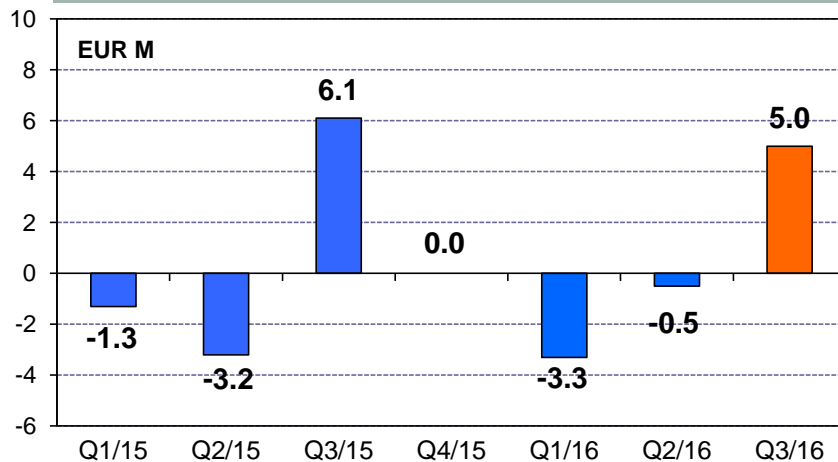


Segment Review: Power Generation – Fixed & Variable costs (IT GAAP)

		Q3/16		9M/15	9M/16
Refinery RUNS	Million barrels	26.3		81.0	70.7
Power production	MWh/1000	1,239		3,407	3,344
<i>Exchange rate</i>	<i>EUR/USD</i>	1.12		1.11	1.12
Fixed costs	EUR million	20		68	66
	\$/bl	0.8		0.9	1.0
	EUR/MWh	16		20	20
Variable costs	EUR million	13		40	34
	\$/bl	0.5		0.6	0.5
	EUR/MWh	10		12	10



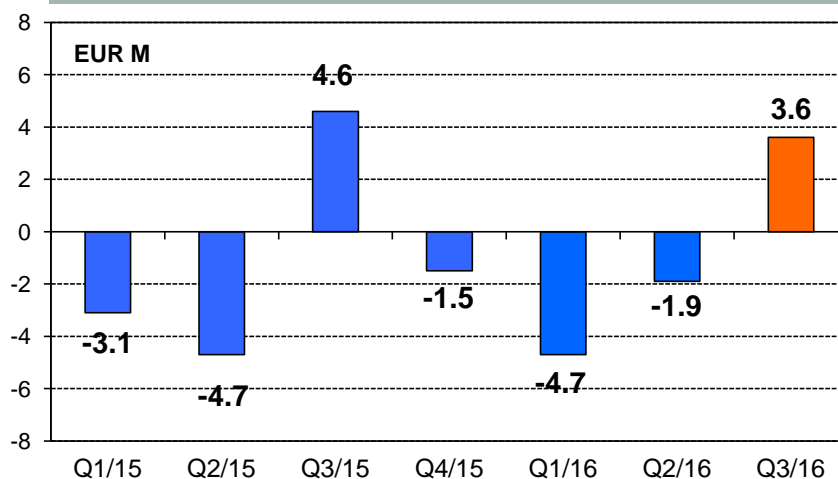
Comparable EBITDA



Q3/16

- **Comparable EBITDA at EUR 5.0M** (vs. EUR 6.1M in Q3/15)
 - ✓ Demand was down in the Italian market (-1.9%), while there was a modest increase in the Spanish market (+0.3% vs. Q3/15)
 - ✓ Notwithstanding intense competition from inland refineries, Group's wholesale margin slightly improved in Italy, also thanks to sales rationalisation (-11% vs. Q3/15)
 - ✓ Competitive pressure squeezed Group's margin in Spain where, however, sales grew significantly (+37% vs. Q3/15)

Comparable EBIT



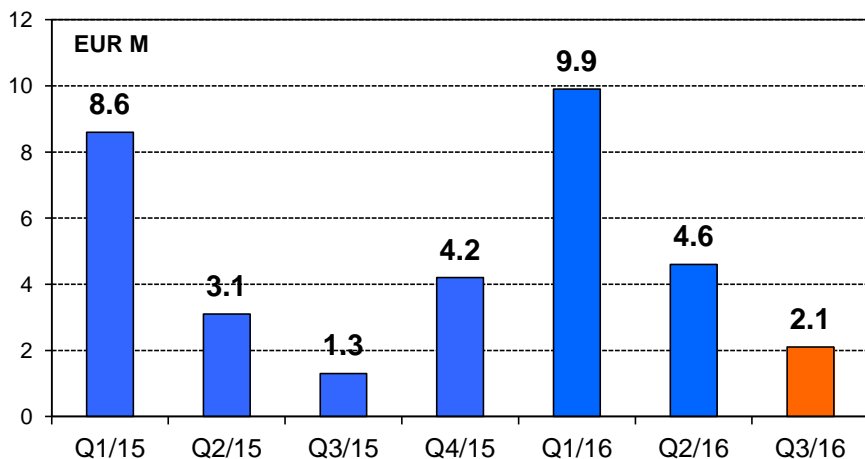
9M/16

- **Comparable EBITDA at EUR 1.3M** (vs. EUR 1.6M in 9M/15)
 - ✓ Product consumption increased in the Italian market by +0.3%, while it was disappointing in Spain (-0.6% vs. 9M/15)
 - ✓ Wholesale profitability under pressure, due to peculiar market conditions
 - ✓ Group' sales in Italy down by 9% (in order to optimize channels), and margin broadly in line vs. 9M/15
 - ✓ Sales of Saras Energia in the Spanish market up by 25%, but profitability declined vs. 9M/15

EUR million	Q3/16	Q3/15	9M/16	9M/15
Comparable EBITDA	5.0	6.1	1.3	1.6
Comparable EBIT	3.6	4.6	(3.0)	(3.2)

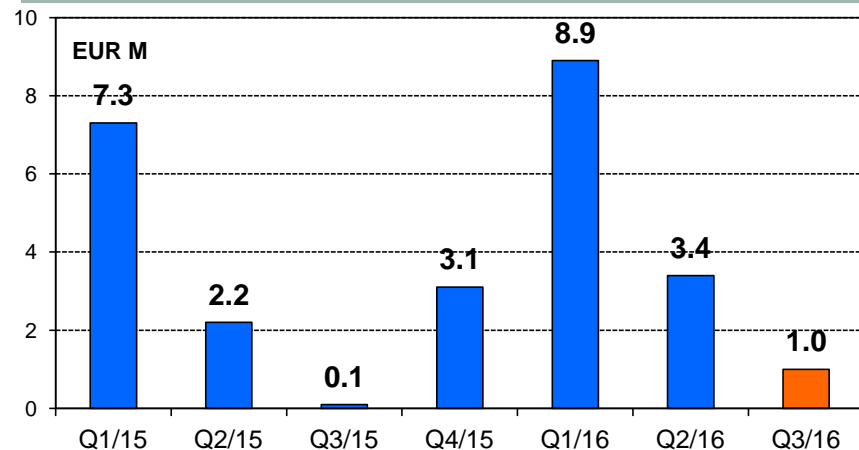


Comparable EBITDA(*)



(*): Comparable EBITDA and Comparable EBIT of Wind segment are often coincident with IFRS EBITDA and EBIT, but do not include non-recurring items

Comparable EBIT (*)



Q3/16

- **Comparable EBITDA at EUR 2.1M** (vs. EUR 1.3M in Q3/15)
 - ✓ Higher electricity production (+11%), thanks to better wind conditions than in Q3/15
 - ✓ Higher value of Incentive Tariff (+2.3EURcent/kWh vs. value of Green Certificates in Q3/15), more than offset the lower Power Tariff (-1.0EURcent/kWh)
 - ✓ **Note:** According to Ministerial Decree issued Jul 6th 2012, Green Certificates have been replaced with a new mechanism based on an Incentive Tariff, as of Jan 1st 2016

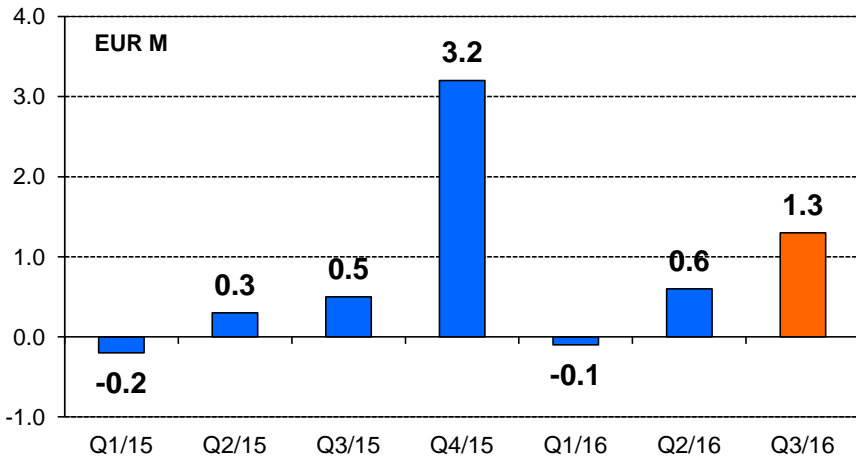
9M/16

- **Comparable EBITDA at EUR 16.6M** (vs EUR 13.0M in 9M/15)
 - ✓ Higher electricity production (+21%), due to more favourable wind conditions across the entire period
 - ✓ Incentive Tariff up by +0.2Eurocent/kWh (vs. Green Certificates in 9M/15), while Power Tariff declined (-1.0EURcent/kWh)

EUR million	Q3/16	Q3/15	9M/16	9M/15
Comparable EBITDA	2.1	1.3	16.6	13.0
Comparable EBIT	1.0	0.1	13.3	9.6



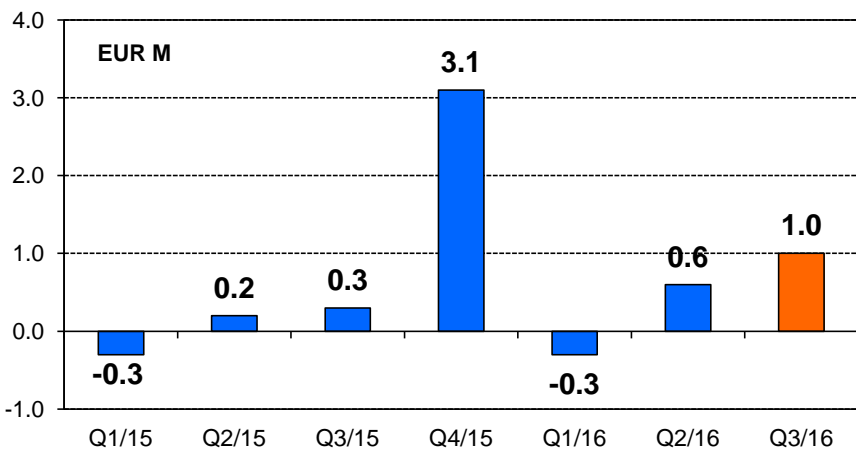
Comparable EBITDA



Q3/16

- Comparable EBITDA at EUR 1.3M (vs. EUR 0.5M in Q3/15)

Comparable EBIT



9M/16

- Comparable EBITDA at EUR 1.8M (vs. EUR 0.5M in 9M/15)

EUR million	Q3/16	Q3/15	9M/16	9M/15
Comparable EBITDA	1.3	0.5	1.8	0.5
Comparable EBIT	1.0	0.3	1.3	0.2

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)	Q1/15	Q2/15	Q3/15	9M/15	Q1/16	Q2/16	Q3/16	9M/16
EBITDA	135.6	339.2	87.0	561.9	67.8	267.3	95.7	430.7
Comparable EBITDA	144.2	252.2	214.6	611.0	124.2	134.2	100.5	358.8
D&A	(57.0)	(78.5)	(55.0)	(190.5)	(56.3)	(56.8)	(57.1)	(170.2)
EBIT	78.6	260.8	32.0	371.4	11.5	210.5	38.6	260.6
Comparable EBIT	87.2	196.6	159.6	443.4	67.9	77.3	43.5	188.7
Interest expense	(8.7)	(11.5)	(7.1)	(27.3)	(5.9)	(7.2)	(9.9)	(23.1)
Other	35.5	(30.4)	39.5	44.7	(2.1)	(17.6)	(0.5)	(20.1)
Financial Income/Expense	26.8	(41.9)	32.4	17.4	(8.0)	(24.8)	(10.4)	(43.2)
Profit before taxes	105.4	218.9	64.4	388.8	3.5	185.7	28.2	217.4
Taxes	(31.3)	(63.0)	(17.8)	(112.1)	(3.7)	(56.0)	(5.8)	(65.5)
Net Result	74.2	155.9	46.6	276.7	(0.2)	129.7	22.4	151.9
Adjustments	(19.6)	(23.4)	63.2	20.1	40.4	(79.7)	4.0	(35.3)
Adjusted Net Result	54.5	132.5	109.8	296.8	40.2	50.0	26.4	116.6

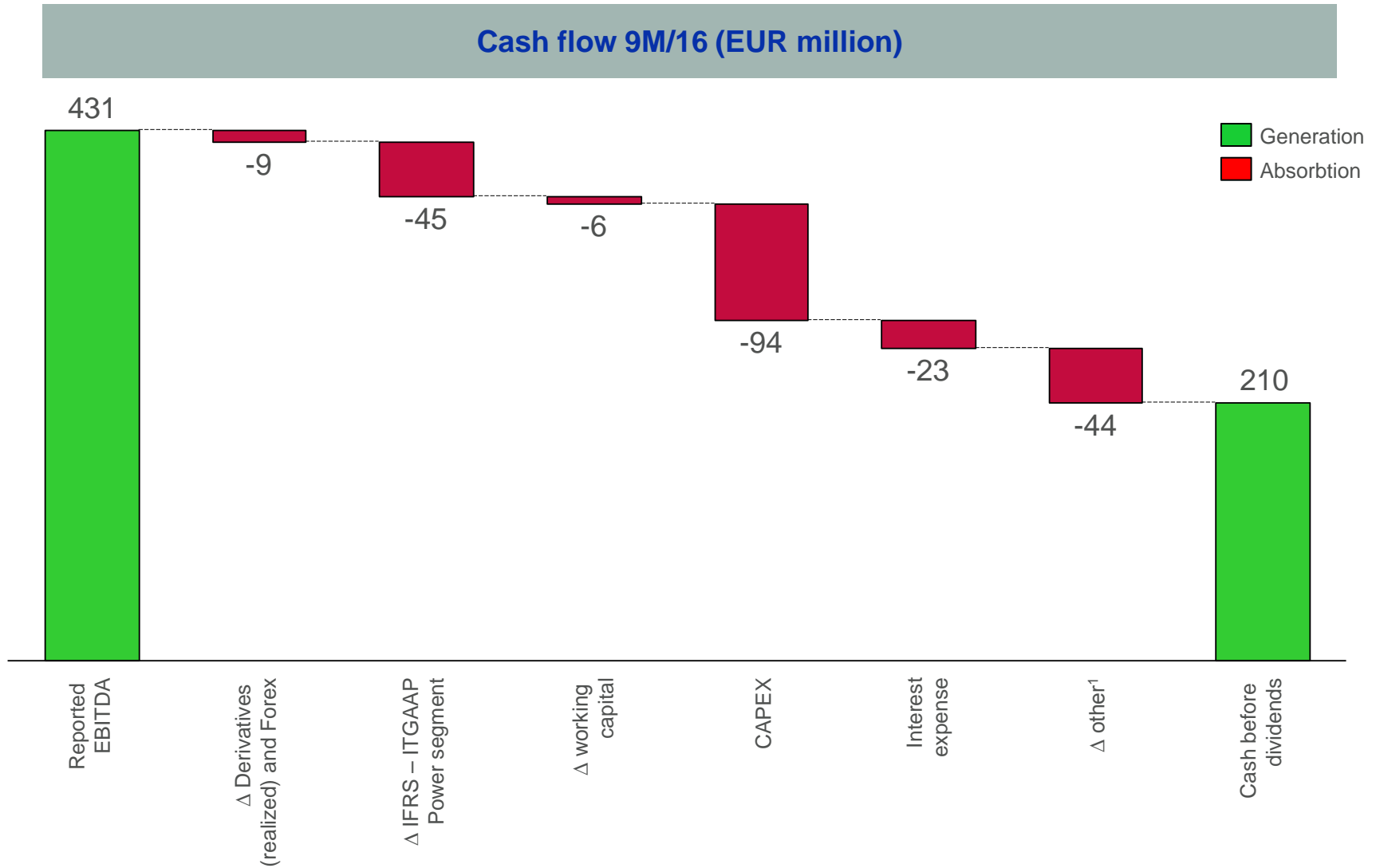
EBITDA Adjustment (EUR million)	Q1/15	Q2/15	Q3/15	9M/15	Q1/16	Q2/16	Q3/16	9M/16
EBITDA	135.6	339.2	87.0	561.9	67.8	267.3	95.7	430.7
(LIFO – FIFO) inventories	(13.3)	(61.8)	85.5	10.4	51.8	(113.5)	(5.6)	(67.3)
Non-recurring items	0.0	0.0	0.0	0.0	0.0	2.5	1.7	4.2
Realized result of derivatives and net Forex	21.9	(25.3)	42.1	38.7	4.6	(22.1)	8.7	(8.8)
Comparable EBITDA	144.2	252.2	214.6	611.0	124.2	134.2	100.5	358.8

Net Result Adjustment (EUR million)	Q1/15	Q2/15	Q3/15	9M/15	Q1/16	Q2/16	Q3/16	9M/16
Net Result	74.2	155.9	46.6	276.7	(0.2)	129.7	22.4	151.9
(LIFO – FIFO) inventories net of taxes	(9.7)	(44.2)	61.3	7.4	35.5	(78.1)	(3.9)	(46.5)
Non-recurring items net of taxes	0.0	17.3	0.0	17.3	0.0	1.7	1.2	2.9
Fair value of derivatives' open positions net of taxes	(9.9)	3.5	1.9	(4.5)	4.9	(3.3)	6.7	8.3
Adjusted Net Result	54.5	132.5	109.8	296.8	40.2	50.0	26.4	116.6



Financials: Key Balance Sheet Figures

EUR million	Q1/15	Q2/15	Q3/15	Q4/15	Q1/16	Q2/16	Q3/16
Current assets	2,112	2,334	1,888	1,929	1,972	1,978	1,754
CCE and financial assets held for trading	707	821	611	883	984	847	732
Other current assets	1,404	1,512	1,278	1,046	988	1,131	1,022
Non-current assets	1,560	1,473	1,427	1,388	1,357	1,288	1,262
TOTAL ASSETS	3,672	3,807	3,315	3,318	3,330	3,266	3,017
Current Liabilities	2,133	2,132	1,557	1,445	1,525	1,517	1,447
Short-Term financial liabilities	372	390	180	203	220	162	186
Other current liabilities	1,761	1,743	1,376	1,242	1,305	1,355	1,261
Non-Current Liabilities	805	784	821	988	920	894	692
Long-Term financial liabilities	418	389	423	586	578	552	356
Other non-current liabilities	387	395	397	402	341	341	336
Shareholders Equity	734	891	938	885	885	855	878
TOTAL LIABILITIES & EQUITY	3,672	3,807	3,315	3,318	3,330	3,266	3,017



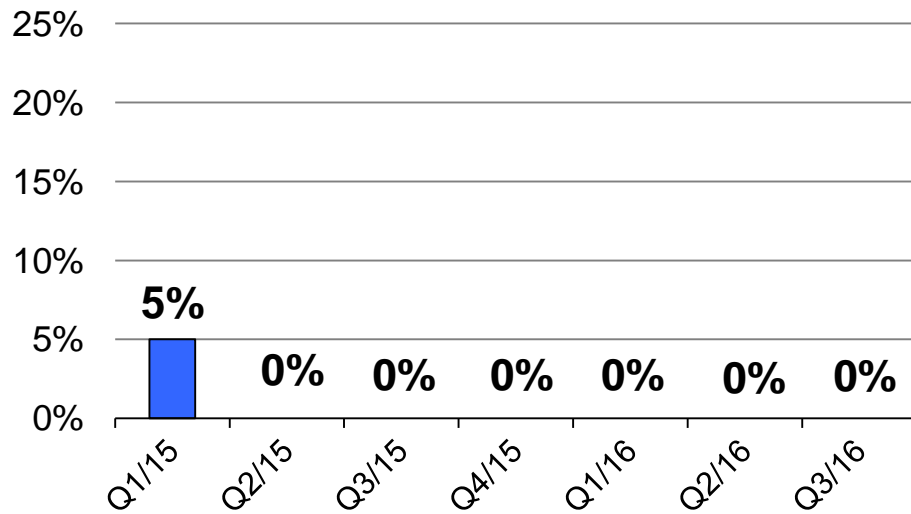
1. Includes CO₂, wind tariff incentives, Energy Efficiency certificates and Taxes paid in the period



CAPEX BY SEGMENT (EUR million)	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
REFINING	19.1	18.9	18.7	18.3	75.0	25.6	26.3	33.7
POWER GENERATION	3.2	1.9	1.4	2.6	9.1	2.8	0.9	3.0
MARKETING	0.2	0.3	0.4	0.2	1.2	0.1	0.3	0.5
WIND	0.0	0.0	0.1	0.2	0.3	0.0	0.1	0.3
OTHER ACTIVITIES	0.2	0.2	0.1	0.2	0.6	0.0	0.2	0.1
TOTAL CAPEX	22.7	21.4	20.6	21.4	86.2	28.6	27.8	37.6



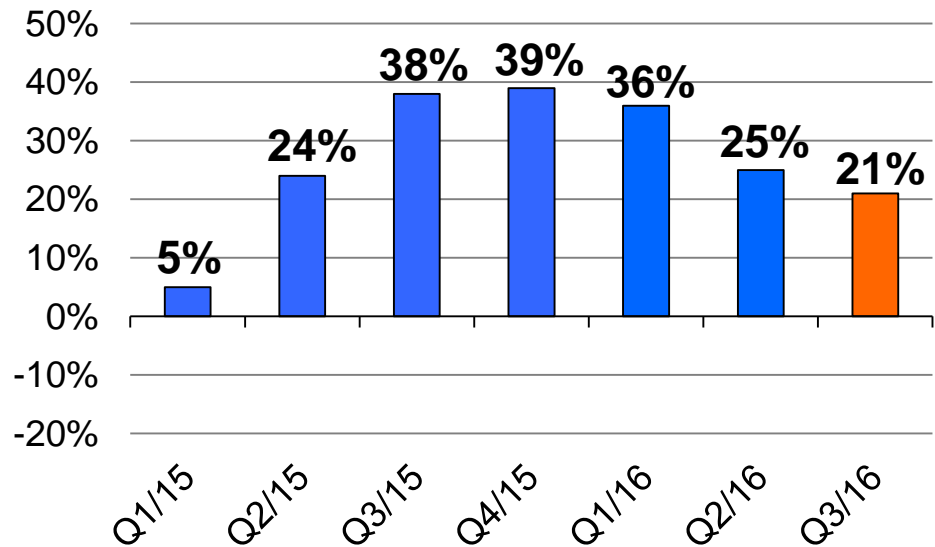
Leverage¹ (%)



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

NB: NFP cash-positive since Q2/15

ROACE² (%)



2. After tax, quarterly figures are 1 year rolling



➤ **Outlook**



- **Outlook for Q4/16:** improving *crack spreads* in October and early part of November, due to reduction in production capacity on a global scale during the autumn maintenance season; Later in the quarter, demand of heating gasoil should increase due to cold weather
- **Crude market is expected to remain oversupplied**, and non-conventional crude grades should remain abundant, providing favourable opportunities and **advantages for flexible and complex refineries** like Sarlux
- Saras' integrated business model should deliver a **premium above the EMC benchmark of approx. 4\$/bl** on average for the entire year 2016
- **NFP expected firmly positive at year end:** Cash flow from operations forecasted to cover WC changes, CAPEX, Dividends, Repayment of part of the Iranian debt, Taxes and Financial Expense

		Q1/16	Q2/16	Q3/16	Q4/16 expected	2016 expected
REFINERY						
Crude runs	Tons (M) Barrels (M)	2.9 21.0	3.2 23.4	3.6 26.3	3.6 ÷ 3.7 26.0 ÷ 27.0	13.3 ÷ 13.4 97 ÷ 98
Complementary feedstock	Tons (M)	0.384	0.538	0.442	0.1 ÷ 0.3	1.5 ÷ 1.7
EBITDA reduction due to scheduled maintenance	USD (M)	48	12		10 ÷ 15	70 ÷ 75
IGCC						
Power production	MWh (M)	0.86	1.24	1.24	1.10 ÷ 1.20	4.44 ÷ 4.54



➤ **Additional Information**



Additional information: Refining

EUR million	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
EBITDA	68.3	280.3	37.0	(48.5)	337.1	14.4	209.9	36.4
Comparable EBITDA	83.3	196.2	155.4	75.7	510.5	71.5	77.7	39.5
EBIT	38.2	233.9	9.0	(76.2)	204.8	(14.8)	180.4	7.2
Comparable EBIT	53.1	167.7	127.3	48.5	396.6	42.3	48.2	10.3
CAPEX	19.1	18.9	18.7	18.3	75.0	25.6	26.3	33.7
REFINERY RUNS								
Crude oil (ktons)	3,705	3,712	3,672	3,460	14,550	2,880	3,209	3,597
Crude oil (Mbl)	27.0	27.1	26.8	25.3	106.2	21.0	23.4	26.3
Crude oil (kbl/d)	301	298	291	275	291	231	257	285
Complementary feedstock (ktons)	236	256	247	287	1,026	384	538	442
REFINERY MARGINS								
EMC benchmark	4.0	4.1	4.8	3.1	4.0	3.6	2.6	2.0
Saras margin	6.0	10.5	8.6	6.6	8.0	7.6	7.2	4.5



Additional information: Power Generation

EUR million	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
Comparable EBITDA	53.9	55.8	51.5	46.8	207.9	46.2	51.7	52.6
Comparable EBIT	30.2	31.3	27.2	22.4	111.1	21.8	27.0	27.5
EBITDA IT GAAP	35.9	52.9	42.7	36.7	168.2	16.6	44.5	40.2
EBIT IT GAAP	20.7	36.8	26.9	20.7	105.0	0.7	28.3	23.5
CAPEX	3.2	1.9	1.4	2.6	9.1	2.8	0.9	3.0
POWER PRODUCTION <small>MWh/1000</small>	1,017	1,241	1,150	1,042	4,450	863	1,241	1,239
POWER TARIFF <small>€cent/KWh</small>	9.6	9.6	9.6	9.6	9.6	8.2	8.1	8.1
POWER IGCC MARGIN <small>\$/bl</small>	3.3	3.1	3.1	3.0	3.1	3.8	3.4	3.1



EUR million	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
EBITDA	5.1	(0.3)	(3.2)	(6.7)	(5.1)	(2.6)	3.0	5.1
Comparable EBITDA	(1.3)	(3.2)	6.1	0.0	1.6	(3.3)	(0.5)	5.0
EBIT	3.3	(6.7)	(4.7)	(8.2)	(16.3)	(4.0)	1.5	3.7
Comparable EBIT	(3.1)	(4.7)	4.6	(1.5)	(4.7)	(4.7)	(1.9)	3.6
CAPEX	0.2	0.3	0.4	0.2	1.2	0.1	0.3	0.5
SALES (THOUSAND TONS)								
ITALY	621	640	680	633	2,573	581	574	606
SPAIN	369	342	333	344	1,388	422	421	458
TOTAL	990	981	1,013	977	3,961	1,003	995	1,063



Additional information: Wind and Others

Wind	(EUR million)	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
Comparable EBITDA		8.6	3.1	1.3	4.2	17.2	9.9	4.6	2.1
Comparable EBIT		7.3	2.2	0.1	3.1	12.7	8.9	3.4	1.0
POWER PRODUCTION	MWh	69,019	33,748	20,049	32,285	155,101	77,577	49,039	22,159
POWER TARIFF	€cent/ kWh	4.9	4.3	5.1	4.8	4.8	3.7	3.5	4.1
INCENTIVE (prev. GREEN CERTIFICATES)	€cent/ kWh	10.0	10.5	7.7	10.9	10.0	11.1	8.3	10.0
CAPEX		0.0	0.0	0.1	0.2	0.3	0.0	0.1	0.3

Others	(EUR million)	Q1/15	Q2/15	Q3/15	Q4/15	2015	Q1/16	Q2/16	Q3/16
Comparable EBITDA		(0.2)	0.3	0.5	3.2	3.8	(0.1)	0.6	1.3
Comparable EBIT		(0.3)	0.2	0.3	3.1	3.3	(0.3)	0.6	1.0
CAPEX		0.2	0.2	0.1	0.2	0.6	0.0	0.2	0.1