SARAS Board of Directors approves first half 2009 results[1]

EBITDA *Comparable* at EUR 115.2 million

First half 2009 highlights

- **Group *reported* EBITDA** at EUR 292.5 ml (-37 % vs. H108)
- **Group *comparable*[2] EBITDA** at EUR 115.2 ml (-66 % vs. H108)
- **Group *reported* Net Income** at EUR 117.0 ml (-65 % vs. H108)
- **Group *adjusted*[3] Net Income** at EUR 7.1 ml (-96 % vs. H108)
- **Saras refining margin** at 3.5 $/bl
  - Premium above EMC benchmark at 1.4 $/bl (penalised by important investments and scheduled maintenance)
- **Net financial position** negative by EUR 472 million vs. a negative of EUR 333 million at 31st December 2008

Second quarter 2009 highlights

- **Group *reported* EBITDA** at EUR 147.9 ml (-53 % vs. Q208)
- **Group *comparable* EBITDA** at EUR 24.1 ml (-87 % vs. Q208)
- **Group *reported* Net Income** at EUR 58.8 ml (-77 % vs. Q208)
- **Group *adjusted* Net Income** at EUR -18.3 ml (-119 % vs. Q208)
- **Saras refining margin** at 1.4 $/bl
  - Premium above EMC benchmark at 0.4 $/bl (penalised by important investments and scheduled maintenance)

Milan, 7th August 2009: The Board of Directors of Saras S.p.A. met yesterday under Chairman Gian Marco Moratti and approved first half 2009 results. The Chairman declared: "***Firstly, I would like to express the deep sorrow of the entire Saras Group for the tragic death of Mr. Melis, Mr. Muntoni and Mr. Solinas, of the company CO.ME.SA., which occurred on the 26th of May, during scheduled maintenance activities in our refinery.***

[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Corrado Costanzo, the Executive** responsible for the preparation of the company's financial reporting, states that the financial information set out in this press release corresponds to the company's documents, books and accounting records

[2] ***Comparable* EBITDA:** calculated evaluating inventories based on LIFO methodology (which does not include revaluations and write downs), and adjusting for non recurring items and change of the derivatives fair value

[3] ***Adjusted* Net Income:** Net income adjusted for the differences between LIFO and FIFO inventories after taxes, non recurring items after taxes and change in the derivatives fair value after taxes. *Comparable* and *Adjusted* figures are un-audited.

In the first half of 2009, Saras was affected by the market scenario, which reflects the global economic recession, with a consequent contraction of oil products demand and, in particular, of middle distillates. Moreover, our results were also penalised by an important cycle of investments and scheduled maintenance activities, which temporarily reduced runs and conversion capacity. These activities however brought important upgrades to our refinery units, which will allow to achieve further performance improvements.

In the near-term, the refining outlook will remain challenging. Nevertheless, in recent months, there have been some positive signs of economic recovery, which support the possibility that a progressive recovery may occur by year end. Moreover, the seasonality should play in favour of refining margins since typically middle distillate demand picks up in autumn and winter. Coherently, Saras is taking steps to improve its industrial performance, focusing on increasing conversion capacity, reducing costs, and achieving higher operational efficiencies".

Programme of the conference call organized for today 7th August 2009

At **15:00 C.E.T**. of Friday 7th August 2009 there will be a conference call for analysts and investors, during which Saras top management will discuss a slide presentation on Q2/09 and H1/09 results, and answer relevant questions. The presentation will be available on our website (www.saras.it) starting from 07:30 am C.E.T..

Dial in numbers:

For Italy	**+39 02 36 00 90 16**
For U.K.	**0 808 238 9072**
For U.S.	**+1 866 508 8020**

Link for the live webcast:
http://www.thomson-webcast.net/uk/dispatching/?event_id=07ca99bff57a7e2b4c6f98f774ad8b7b&portal_id=631d32d312bb9a535ffc19ae06bbd85c

Playback and transcript of the live webcast will also be available on our website.

For any information please contact:

Massimo Vacca
Saras – Head of Investor Relations
Tel + 39 02 7737376

Rafaella Casula
Saras – IR Officer and Financial Communications
Tel. +39 02 7737495

Michele Crisci and **Alessandra Gelmini**
Saras – IR Assistants
Tel + 39 02 7737642

THE SARAS GROUP

The Saras Group, whose operations were started launched by Angelo Moratti in 1962, works in the energy industry and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets, directly and through the subsidiaries Saras Energia S.A. in Spain and Arcola Petrolifera S.p.A. in Italy. The Group also operates in the electric power production and sale through the subsidiary Sarlux S.r.l. (IGCC plant) and Parchi Eolici Ulassai S.r.l (wind plant). In addition the Group provides industrial engineering and scientific research services to the oil, energy and environment sectors through the subsidiary Sartec S.p.A. and operates in the information services sector through the subsidiary Akhela S.r.l..
The Group, with about 2,000 employees, during 2008 reported total revenues of about EUR 8.7 billion, *comparable* EBITDA of EUR 673 million, and *adjusted* Net Income of EUR 327 million (*comparable* and *adjusted* are un-audited figures, calculated evaluating oil inventories based on LIFO methodology, which does not include revaluations and write downs).
Saras' operations are mainly centred at the Sarroch refinery near Cagliari on the southern coast of Sardinia. Sarroch is one of the largest refinery in the Mediterranean by production capacity and one the most complex in Europe. The refinery's actual capacity is 15 million tonnes per year (110 million barrels), representing about 15% of Italy's total refining capacity. Sarlux S.r.l. owns a combined cycle power plant with gross capacity of 575 megawatts and annual production exceeding 4 billion KWh, all of which is sold to the GSE (the Italian entity that manages renewable sources).

Key Consolidated financial figures

Below are the key consolidated financial figures, shown in comparison with the data from the same period last year. *Comparable* and *Adjusted* figures are un-audited.

Saras Group income statement figures

EUR Million	Q2/09	Q2/08	change %	Q1/09	H1/09	H1/08	change %
REVENUES	1,109	2406.0	-54%	1,228	2,337	4,460	-48%
EBITDA	147.9	316.0	-53%	144.6	292.5	467.4	-37%
Comparable EBITDA	**24.1**	**192.1**	**-87%**	**91.1**	**115.2**	**340.2**	**-66%**
EBIT	102.3	275.6	-63%	100.0	202.3	388.9	-48%
Comparable EBIT	**(21.5)**	**151.7**	**-114%**	**46.5**	**25.0**	**261.7**	**-90%**
NET INCOME	58.8	251.5	-77%	58.2	117.0	329.8	-65%
***Adjusted* NET INCOME**	**(18.3)**	**96.7**	**-119%**	**25.3**	**7.1**	**172.1**	**-96%**

Other Group figures

EUR Million	Q2/09	Q2/08	Q1/09	H1/09	H1/08
NET FINANCIAL POSITION	**(472)**	**(223)**	**(223)**	**(472)**	**(223)**
CAPEX	**122**	**69**	**61**	**182**	**128**
OPERATING CASH FLOW	**31**	**33**	**170**	**201**	**198**

Comments to first half 2009 results

During the first half of 2009, the global economic recession led to a reduction in oil products demand, and a consequent deterioration of refining margins. In this context, Saras carried out an important cycle of investments and planned maintenance in the refinery, with a negative impact on the results of the Refining segment. On the contrary, Marketing posted a satisfactory set of results, in spite of the generalised reduction of oil consumption in both the Italian and Spanish markets, thanks mainly to an enhanced focus on improving the mix of sales channels. The Wind segment posted a strong performance, even if the production was penalised by unfavourable weather conditions in the second quarter.

On the 26th of May 2009, a tragic event occurred at the Mildhydrocracking1 unit at the Sarroch Refinery, while it was undergoing scheduled maintenance. This event caused the death of three employees of the subcontracting company CO.ME.SA..

Group Revenues were EUR 2,337 ml, down 48% compared to same period last year, in the light of significantly lower oil product prices.

Group *comparable* EBITDA amounted to EUR 115.2 ml, down 66% versus H1/08, due primarily to the unfavourable economic scenario (characterised by lower demand for oil products and dismal refining margins), and to the penalisations related to the important investment and maintenance cycle at the refinery (which also suffered from delays on the completion of the maintenance due to the above mentioned accident at the MHC1 unit). In the first semester 2009, also the Power Generation segment achieved lower results than in the same period of the previous year, because maintenance activities carried out on one of the three parallel trains of "Gasifier - Turbine" during Q1/09 turned out to be significantly heavier than the corresponding activities carried out in H1/08 on another one of the three trains.

***Adjusted* Net Income was EUR 7.1 ml**, down 96 % vs. H1/08. This result can be explained almost entirely by the lower *comparable* EBITDA generated in H1/09, for the reasons previously described.

Group *reported* EBITDA in H1/09 was EUR 292.5 million, (down 37% vs. H1/08), and **Group *reported* Net Income stood at EUR 117 ml,** down 65 % when compared to the same period of 2008. This result can be explained almost entirely with the reasons previously described at comparable level; moreover, the bottom line was also impacted by higher financial charges, which in H1/09 were negative for EUR 14.2 ml, while in H1/08 were negative for EUR 1.8 ml.

The difference between *comparable* and *reported* figures is almost entirely due to the different methodologies used to evaluate the oil inventories. More specifically, the *reported* (IFRS) figures evaluate oil inventories according to the FIFO methodology, while the *comparable* figures are based on the LIFO methodology. In H1/09, the above mentioned FIFO/LIFO difference after tax was equal to negative EUR 111.8 ml, due to a meaningful rise in prices of crude oil and oil products, which is reflected only in the FIFO evaluation, while it is not included in our inventory evaluation based on LIFO methodology.

CAPEX in H1/09, amounted to EUR 182 ml, in line with the previously announced investment programme to be carried out during 2009.

Net Financial Position was negative by EUR 472 ml, compared to a negative figure of EUR 333 ml at the end of 2008, due to payment of dividends, capital expenditures, and negative working capital effects.

Outstanding shares as of 30th June 2009 were 927.5 ml, versus 944.4 ml at the end of June 2008.

Comments to second quarter 2009 results

Group Revenues in Q2/09 were EUR 1,109 ml down 54% vs. Q2/08, due to the fall in prices of oil products, which in Q2/08 touched historical highs (for sake of example, diesel traded at an average above 1,170 $/ton in Q2/08, versus an average of approx. 500 $/ton in Q2/09).

Group *comparable* EBITDA in Q2/09 amounted to EUR 24.1 ml, down by 87% vs. Q2/08, mainly due to the negative performance of the Refining segment in Q2/09. The latter can be explained when considering that the second quarter 2009 was characterized by important planned maintenance and investment activities, which involved one crude distillation unit (leading to lower runs) and several conversion units (reducing production of both gasoline and middle distillates). Moreover, further losses were caused by a tragic event at the MHC1 unit, which delayed the completion of maintenance activities. The other business segments performed in line with expectations during Q2/09, partially offsetting the above mentioned negative results of the Refining segment.

***Adjusted* Net Income was negative EUR 18.3 ml**, down 119% vs. Q2/08, mainly due to a lower *comparable* EBITDA in Q2/09.

Group *reported* EBITDA in Q2/09 was EUR 147.9 ml. The remarkable drop when compared with the EUR 316 ml recorded in Q2/08, can be explained with the same reasons described in the comments for the EBITDA ***comparable***.

***Reported* Net Income in Q2/09 was EUR 58.8 ml**. The main difference versus the EUR 251,5 ml booked in Q2/08 can be explained with the same factors discussed at the EBITDA level, plus the difference in financial charges (negative for EUR 10.8 ml in Q2/09, while in Q2/08 were negative for EUR 4.3 ml).

When looking at the adjustment of the Net income in the second quarter 2009, it can be observed once again that the *comparable* figures differ from the *reported* ones, mainly because of the difference between FIFO/LIFO inventory evaluations, equal to negative EUR 77.8 ml, for the same reasons explained in the comments of the half year results.

CAPEX amounted to EUR 122 ml in the period, substantially in line with our investment plan. This figure includes approx. EUR 20 ml related to the acquisition of a part of the Spanish service stations from ERG Petroleos (the remaining stations will be purchased during Q3/09).

Comments on EMC and Saras refining margins

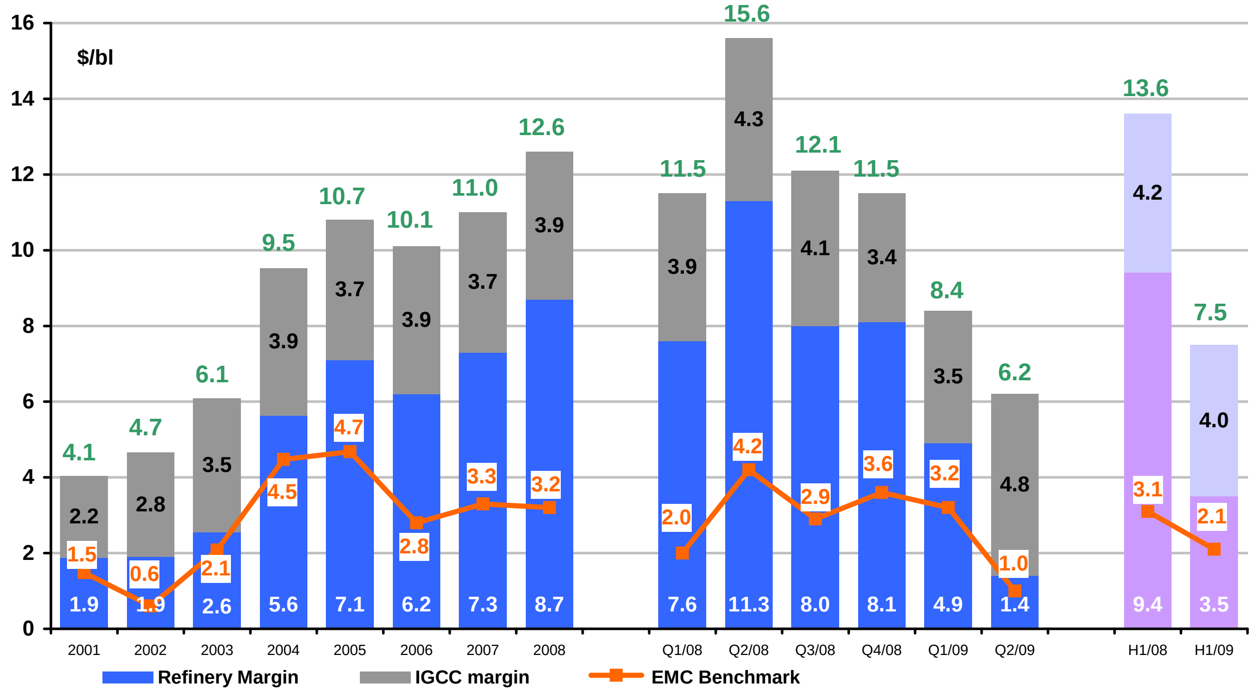
The graph below shows a comparison between Saras refining margin after variable costs, and the corresponding margin calculated by EMC (Energy Market Consultants), which represents the performance of a middle complexity refinery located in the Mediterranean sea, and it is used by Saras as a benchmark.

The effects of the current global recession on the refining industry can be easily observed when looking at the EMC benchmark. In fact, the **EMC margin in H1/09 averaged at 2.1 $/bl** (down 32% vs. the 3.1 $/bl of the average in H1/08). Moreover, **when looking at the second quarter 2009, the EMC benchmark was 1.0 $/bl** (76% lower than the average of 4.2 $/bl posted in the same quarter last year).

These remarkable differences can be justified when considering that the first half of 2008 was characterised by record high diesel cracks, which more than compensated the weakness of gasoline deriving from the sluggish American economy and retail prices in excess of 4 USD/gallon.

This year instead, all products have been quite depressed, and in particular, the most striking contraction relates to middle distillates. On the other hand, gasoline was capable of posting a comparatively robust performance, because lower retail prices encouraged American citizens to drive more than same period last year.

In addition to the weak market scenario previously described, the graph below shows that Saras premium above the EMC benchmark in H1/09 was significantly lower than the premium posted in the same period last year. This can be primarily explained with the previously mentioned important scheduled maintenance and investment cycle carried out in H1/09, which involved several conversion units, reducing our capacity to upgrade heavy products into middle and light distillates.



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

Segment Reviews

Below is the main information relating to the various business segments within the Saras Group.

Refining

EUR Million	Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
EBITDA	67.5	217.9	-69%	89.3	156.8	309.3	-49%
Comparable EBITDA	**(38.9)**	**131.4**	**-130%**	**39.4**	**0.5**	**225.8**	**-100%**
EBIT	46.0	198.2	-77%	68.2	114.2	272.0	-58%
Comparable EBIT	**(60.4)**	**111.7**	**-154%**	**18.3**	**(42.1)**	**188.5**	**-122%**
CAPEX	**90.9**	**50.1**	**82%**	**52.6**	**143.5**	**88.3**	**63%**

Comments to first half 2009 results

During the first half 2009, the economic recession brought to a severe reduction in oil products demand. In particular, in the European market, diesel suffered the largest drop in demand, due to its tighter link to the economic cycle. Diesel cracks contracted from an average value of 29 $/bl in H1/08, to an average of 11 $/bl in H1/09.

Referring to light distillates, gasoline staged a good recovery in H1/09 from the very weak performance observed in the same period of 2008, realigning the value of its crack spread to historical averages. In particular, the gasoline crack averaged at 8.1 $/bl in H1/09, versus 2.7 $/bl in H1/08. Gasoline strength can be mainly attributed to lower consumer prices compared to same period last year, seasonal demand related to the driving season in the USA, and an important contraction in supply during Q1/09, caused by simultaneous maintenance at several refineries across the globe. In late June however, gasoline cracks fell again due to a remarkable hike in refinery utilisation (+5.2 percentage points, up to a peak value of 87.1%), which led to a build up of inventories, and forced the markets to realise that no rapid economical recovery should be expected in the near-term.

Fuel oil showed a remarkable strength in H1/09, mainly because of a reduction in availability of heavy crude oils, whose production has been cut by OPEC, in an attempt to put a floor under falling oil prices. High sulphur fuel oil crack stood at an average of -8.4 $/bl in H1/09, versus an average of -31.8 $/bl in H1/08.

In the above market scenario, the **EMC refining margin stood at 2.1 $/bl**, versus 3.1 $/bl in H1/08, and **Saras premium above the EMC margin shrank to 1.4 $/bl** (versus 6.3 $/bl in H1/08). This is the consequence of a remarkable reduction in the price differential between diesel and fuel oil – the so called "conversion spread", which averaged at 187 $/ton in H1/09, versus 517 $/ton in H1/08.

Nonetheless, it is worth to observe that, with a conversion spread of approx. 190 $/ton, under standard operating conditions, Saras refinery would have added a premium above the EMC benchmark of approx. 3 $/bl. In H1/09 however, Saras suffered penalisations for approximately USD 72 ml, due to losses of conversion capacity related to the important investment and scheduled maintenance activities, and also to the tragic accident which took place in the refinery towards the end of May, causing significant delays in the completion of the previously mentioned.

Refinery runs stood at 6,427 million tons (46.9 million barrels, corresponding to 259 thousand barrels per day). This operating result was due to the planned turnaround and investments activities of several refinery units, including a crude distillation unit (Topping1), as well as several other conversion units, dedicated to the production and finishing of light and middle distillates.

The crude mix was slightly heavier than last year (with an average density of 32.2°API in H1/09), and the processing on behalf of third parties was approximately one third of total runs (29%), in line with our strategy.

Comparable **EBITDA of the refining segment was EUR 0.5 ml,** down versus EUR 225.8 ml in H1/08, driven by the lower conversion spread, and the previously mentioned losses on EBITDA for approximately USD 72 million, due to scheduled maintenance activities and the tragic accident at the MHC1 unit, in Q2/09.

Only partial compensation came from the stronger USD versus the EUR, with an exchange rate averaging at 1.33 during H1/09, vs. 1.53 during H1/08.

Refining **CAPEX in H1/09 was EUR 143.5 ml,** vs. EUR 88.3 ml in H1/08, in line with investment plan for the year.

Comments to second quarter 2009 results

Q2/09 was characterised by very heavy planned maintenance activities, which involved several units, including a crude distillation unit (Topping1), and various conversion units (e.g. the Mildhydrocracking1, the Alkylation, the FCC, and the TAME).

The *comparable* EBITDA was obviously impacted adversely by the maintenance, with conversion losses for approx. USD 40 ml. In addition, further losses for approx. USD 7 ml, occurred during Q2/09, due to the delays in the completion of maintenance and investments activities on all units, caused by the tragic accident at the MHC1.

The crude runs for Q2/09 were 19.7 Mbl (or 2.7 ml tons), down 28% versus same quarter last year, due to the previously mentioned maintenance on the crude distillation unit (Topping1), and the delays caused by the tragedy at the MHC1.

Saras refining margin was 1.4 $/bl in Q2/09, compared to the figure of 11.3 $/bl in Q2/08, while the EMC benchmark stood at 1.0 $/bl, down by 76% versus the 4.2 $/bl achieved in Q2/08. Saras premium in the quarter was 0.4 $/bl, because of the combined effects of a weak differential between middle distillates and fuel oil cracks (averaging at 174 $/ton vs. 602 $/ton in Q2/08), together with the previously mentioned losses caused by the maintenance and investment activities and the tragic event at the MHC1.

Overall, the EBITDA *comparable* contracted sharply down to EUR -38.9 ml in Q2/09, vs. EUR 131.4 ml in Q2/08.

The CAPEX for refining in Q2/09 were EUR 90.9 ml, substantially in line with the investment program for 2009 and planned maintenance schedule.

Margins and refinery runs

		Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
REFINERY RUNS	thousand tons	2,704	3,777	-28%	3,723	6,427	7,697	-16%
	Million bl	19.7	27.6	-28%	27.2	46.9	56.2	-17%
	thousand bl/day	217	303	-28%	302	259	309	-16%
of which:								
Processing for own account	thousand tons	1,878	2,315	-19%	2,688	4,566	5,044	-9%
Processing on behalf of third parties	thousand tons	826	1,462	-44%	1,035	1,861	2,653	-30%
EXCHANGE RATE	EUR/USD	1.363	1.563	-13%	1.303	1.333	1.531	-13%
EMC BENCHMARK MARGIN	$/bl	1.0	4.2	-76%	3.2	2.1	3.1	-32%
SARAS REFINERY MARGIN	$/bl	1.4	11.3	-88%	4.9	3.5	9.4	-63%

Production

		Q2/09	Q1/09	H1/09	2008
LPG	thousand tons	37	70	107	337
	yield	1.4%	1.9%	1.7%	2.2%
NAPHTHA + GASOLINE	thousand tons	536	1,007	1,543	4,056
	yield	19.8%	27.1%	24.0%	26.1%
MIDDLE DISTILLATES	thousand tons	1,326	1,911	3,238	8,275
	yield	49.0%	51.3%	50.4%	53.3%
FUEL OIL & OTHERS	thousand tons	357	292	649	825
	yield	13.2%	7.9%	10.1%	5.3%
TAR	thousand tons	298	225	523	1,121
	yield	11.0%	6.0%	8.1%	7.2%

Balance to 100% is “Consumption & Losses”

Crude Oil slate

		Q2/09	Q1/09	H1/09	2008
Light extra sweet		32%	59%	47%	51%
Light sweet		0%	0%	0%	0%
Medium sweet		0%	0%	0%	0%
Light sour		0%	0%	0%	0%
Medium sour		42%	14%	26%	22%
Heavy Sour		26%	28%	27%	27%
Average crude gravity	°API	31.0	33.0	32.2	32.7

Marketing

Below are the financial highlights of the Marketing segment, which is primarily focused on the wholesale business, through our subsidiaries Arcola Petrolifera S.p.A. in Italy and Saras Energia S.A. in Spain.

EUR Million	Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
EBITDA	30.5	48.0	-36%	2.8	33.3	60.7	-45%
Comparable EBITDA	**13.1**	**10.6**	**24%**	**(0.8)**	**12.3**	**17.0**	**-28%**
EBIT	28.5	46.6	-39%	1.5	30.0	58.1	-48%
***Comparable* EBIT**	**11.1**	**9.2**	**21%**	**(2.1)**	**9.0**	**14.4**	**-38%**
CAPEX	**26.2**	**14.5**		**4.2**	**30.4**	**25.1**	

Sales

		Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
TOTAL SALES	thousand tons	985	967	2%	1,013	1,998	1,999	0%
of which Italy	thousand tons	304	275	11%	308	612	560	9%
of which Spain	thousand tons	681	692	-2%	705	1,387	1,438	-4%

Comments to first half 2009 results

As mentioned in the comments to the Refining segment, the first half of 2009 was characterized by a generalised contraction in oil products demand, as a direct consequence of the global recession, which impacted more severely the economies of developed countries (OECD).

In particular, in the Spanish market, demand shrank (-7%) vs. H1/08 by an estimated 5.5% for gasoline, and by an even steeper -7.2% for middle distillates (with a split of -7.1% for diesel and -7,4% for heating and agricultural gasoil).

In this scenario, **Saras Energia had approx. 4% contraction in sales** versus same period last year. In particular, there was a significant reduction of gasoline sales (-21%), and a substantial stability of sales of gasoil (-0.1% vs. H1/08), achieved thanks to an increase of +0.4% for diesel, and a drop of -1.7% for heating and agricultural gasoil.

Similarly, in the Italian market, demand for oil products decreased overall by 4.8% vs. H1/08. Gasoline was down by 4.7%, while middle distillates were down by 11.0% (mostly related to diesel, while heating oil increased by 2.7% and agricultural gasoil was up by 6.9%).

Notwithstanding the above scenario, in the first half of 2009 **Arcola Petrolifera was capable to grow sales by approx. 9%**, hence providing effective compensation for weaker performance of the Spanish subsidiary. In detail, sales for gasoline were up 22.9%, diesel was up by 18.8%, while other gasoil sales were down by 22.5%, versus same period last year.

***Comparable* EBITDA was EUR 12.3 ml in H1/09**, down 28% compared to the same period last year, mainly because of the negative performance registered in Q1/09, when we suffered by lower sales along with losses on the sales of the biodiesel produced during the initial test runs. This was almost entirely offset by the performance achieved in Q2/09, thanks to our strategy to push sales of products with higher margins, and shift the mix of sales channels towards a more profitable base, increasing volumes towards retail operators, unbranded gas stations, and small & mid-sized dealers, whilst decreasing sales to other commercial operators.

CAPEX were EUR 30.4 ml mainly due to the acquisition of 55 service stations from ERG Petroleos, along with some other investments related to the completion of the new biodiesel plant. The rest of the 81 service stations from ERG Petroleos will be acquired during Q3/09.

Comments to second quarter 2009 results

In the second quarter 2009, the persistence of the global recession led to a further deterioration of demand for oil products, in particular on the Spanish market.

Indeed, during Q2/09 oil products demand in Spain was down 7.6%, with middle distillates shrinking by 8.3% versus Q2/08 (of which -8% for diesel, and -9.3% for heating oil and agricultural gasoil), and also gasoline continued along its negative trend, with sales decreasing by an estimated 4,1% versus Q2/08.

Notwithstanding the extremely challenging market scenario, **Saras Energia managed to hold sales substantially at the same level as in Q2/08, with only a minor contraction of approx. 2%.** When looking more closely at the individual products, it can be observed that gasoline sales contracted by 25.4%, almost entirely offset by an increase in the sales of middle distillates (+3.6%), led by a +5% increase of diesel, while other gasoils flexed by -2.1%.

Similarly, in the Italian market, total oil products demand slowed by 5.6% in Q2/09 versus same period last year, primarily dragged down by middle distillates, which posted a -9% versus Q2/08 (of which -11.8% for transportation diesel, and -6.4% for heating oil and agricultural gasoil).

However, **Arcola Petrolifera** had a remarkable performance in Q2/09, notwithstanding the economic crisis, and **increased sales volumes by 11%**, more than offsetting the marginal decrease in sales volumes from the Spanish subsidiary. More specifically, sales of gasoline went by 19.7%, and diesel was also up by 20.8%, while heating oil was down by 18% versus Q2/08.

All in all, in the second quarter of 2009 the Marketing segment posted a strong set of results, with ***comparable*** **EBITDA at EUR 13.1 ml** (up 24%) compared to EUR 10.6 ml in Q2/08. Such performance can be attributed to the same reasons mentioned for the H1/09 results (i.e. increase in sales of products with higher margins, and shift in the mix of sales channels towards a more profitable base).

CAPEX in Q2/09 were EUR 26.2 ml almost entirely due to the acquisition of the above mentioned service stations, from Erg Petroleos.

Power Generation

Below are the main financial data of the Power Generation segment related to operations by Sarlux S.r.l..

EUR Milion	Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
EBITDA	45.7	49.7	-8%	43.8	89.5	97.4	-8%
***Comparable* EBITDA**	**45.7**	**49.7**	**-8%**	**43.8**	**89.5**	**97.4**	**-8%**
EBIT	26.4	30.9	-15%	24.6	51.0	59.8	-15%
***Comparable* EBIT**	**26.4**	**30.9**	**-15%**	**24.6**	**51.0**	**59.8**	**-15%**
EBITDA ITALIAN GAAP	**47.8**	**63.3**	**-24%**	**57.9**	**105.7**	**133.8**	**-21%**
EBIT ITALIAN GAAP	**33.7**	**49.7**	**-32%**	**43.9**	**77.6**	**106.7**	**-27%**
NET INCOME ITALIAN GAAP	**17.6**	**17.8**	**-1%**	**26.1**	**43.7**	**55.2**	**-21%**
CAPEX	**3.2**	**4.2**		**2.7**	**5.9**	**13.5**	

Other figures

		Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
ELECTRICITY PRODUCTION	MWh/1000	1,116	1,084	3%	897	2,014	2,205	-9%
POWER TARIFF	**Eurocent/KWh**	**9.6**	**13.7**	**-30%**	**14.1**	**11.8**	**13.6**	**-13%**
POWER IGCC MARGIN	$/bl	4.8	4.3	12%	3.5	4.0	4.2	-5%

Comments to first half 2009 results

Results of the Power Generation segment were lower than expected, with **Power production at 2.014 TWh,** down 9% when compared to H1/08, because the scheduled maintenance activities carried out in Q1/09 on one of the three parallel trains of "Gasifier - Turbine" turned out to be heavier than originally planned.

Italian GAAP EBITDA was EUR 105.7 ml, down 21% versus first half 2008, primarily because of the expiry in April 2009 of the "incentive" component of the CIP6/92 tariff. This led to a reduction of approx. EUR 25 ml. The rest is related to a lower production, and a lower average value of the **total CIP6/92 power tariff, which in H1/09 stood at 11.8 EURcent/kWh**, down 13% versus H1/08.

***Comparable* EBITDA was EUR 89.5 ml,** down 8% vs. same period last year, due to lower sales of Hydrogen and Steam (down by EUR 7.8 ml), whose revenues are not subject to the IFRS linearization procedure. More specifically, the lower sales are related to a combination of lower requirements from the refinery while it was undergoing an heavy maintenance cycle, as well as a reduced production linked to the IGCC maintenance cycle.

CAPEX were EUR 5.9 million, as per investment plan.

Comments to second quarter 2009 results

In the second quarter 2009 the Power Generation results were in line with expectations. **Power production was 1.116 TWh,** up 3% when compared to Q2/08.

Italian GAAP EBITDA was EUR 47.8 ml, down 24% versus Q2/08, primarily because of the expiry in April 2009 of the "incentive" component of the CIP6/92 tariff. The marginally higher production in Q2/09, was more than offset by the lower average value of **the total CIP6/92 power tariff (9.6 EURcent/kWh**, down 30% versus Q2/08). Finally, in Q2/09 the “fuel component” of the power tariff stood at 6.8 EURcent/kWh, following the decrease in oil prices in the second half of 2008: indeed, it is worth reminding that there is a 9-months delay in the formula which links its calculation to crude oil prices.

***Comparable* EBITDA was EUR 45.7 ml**, down 8% vs. same period last year, due to lower sales of Hydrogen and Steam (down by EUR 4.2 ml), for the same reasons explained in the H1/09 results.

CAPEX were EUR 3.2 ml, as per our investment plan.

Wind

Following the acquisition by Saras S.p.A. of the minority stake owned by Babcock & Brown Wind Energy, Parchi Eolici Ulassai S.r.l. (PEU) has been fully consolidated starting from 30th June 2008. For a better understanding of the results, the following tables show the financial highlights of the Wind segment at 100%.

EUR million	Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
EBITDA	3.7	5.1	-27%	8.3	12.0	9.5	26%
***Comparable* EBITDA**	**3.7**	**5.1**	**-27%**	**8.3**	**12.0**	**9.5**	**26%**
EBIT	1.3	3.0	-57%	5.9	7.2	5.1	40%
***Comparable* EBIT**	**1.3**	**3.0**	**-57%**	**5.9**	**7.2**	**5.1**	**40%**

Other figures

		Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
ELECTRICITY PRODUCTION	MWh	25,249	47,761	-47%	58,556	83,805	97,534	-14%
POWER TARIFF	EURcent/KWh	6.4	8.9	-28%	7.8	7.4	8.7	-15%
GREEN CERTIFICATES	EURcent/KWh	8.0	6.0	32%	8.4	8.3	7.0	17%

Comments to first half 2009 results

In H1/09 the Ulassai wind farm posted an improved EBITDA versus same period last year. ***Comparable* EBITDA stood at EUR 12 ml in H1/09,** (up 26% vs. H1/08), boosted by profits of approx. EUR 1.3 ml, deriving from the sales of Green certificates related to the year 2008. By contrast, H1/08 was negatively impacted by losses for approximately EUR 3.4 ml, generated by the sale of Green certificates pertaining to the year 2007.

Electricity production at 83,805 MWh in H1/09 was however below expectations (down 14% vs. H1/08), due to unfavourable wind conditions in the second quarter of 2009, which more than offset the excellent production of the first quarter.

Finally, in H1/09 the average price of **Green Certificates stood at EUR 83/MWh**, up 17% vs. H1/08, more than offsetting the lower production as well as a drop in the power tariff (down to EUR 74/MWh, from EUR 87/MWh in H1/08), which came as a consequence of the economic downturn, with lower industrial activity and reduced demand for electricity.

Comments to second quarter 2009 results

In the second quarter of 2009, the performance of the Ulassai wind farm was influenced by lower **electricity production** (**25,249 MWh**, down 47% vs. same period last year), due to unfavourable weather conditions.

***Comparable* EBITDA stood at EUR 3.7 ml,** down 27% vs. Q2/08, due to lower sales of electricity and lower power tariff (EUR 64/MWh vs. EUR 89/MWh in Q2/08). However, some support came from the above mentioned sale of Green certificates related to the year 2008, which was all concentrated in Q2/09 and boosted EBITDA by approx. EUR 1.3 ml.

Other

The following table shows the financial highlights of the segment related to operations by Sartec S.p.A. and Akhela S.r.l..

EUR Million	Q2/09	Q2/08	var %	Q1/09	H1/09	H1/08	var %
EBITDA	0.5	0.4	25%	0.4	0.9	0.0	n/a
***Comparable* EBITDA**	**0.5**	**0.4**	**25%**	**0.4**	**0.9**	**0.0**	**n/a**
EBIT	0.1	(0.1)	200%	(0.2)	(0.1)	(1.0)	90%
***Comparable* EBIT**	**0.1**	**(0.1)**	**200%**	**(0.2)**	**(0.1)**	**(1.0)**	**90%**

Comments to first half and second quarter 2009 results

Results in line with expectations. In H1/09, ***comparable* EBITDA was positive for EUR 0.9 ml**, confirming achievement of the break even position. In second quarter ***comparable*** **EBITDA** stood at **EUR 0.5 ml.**

During the second quarter 2009, the subsidiary Akhela acquired 51% of “Artemide Tecnologie Informatiche” Srl, a company providing ICT services and software development.

Artemide has 50 employees and a turnover of around EUR 3 million per year.

Strategy and Investments

The economic recession has severely impacted demand for petroleum products, and the current scenario has worsened in comparison to the original assumptions behind our 2008 ÷ 2011 Investment Plan.

Our strategy continues to focus on increasing conversion capacity, achieving higher operational flexibility, and enhancing energy efficiency.

However, in order to align our investments with the new market scenario, to pursue the best possible returns for our shareholders, and to take advantage of the lower prices for construction materials and engineering services, our CAPEX plan has been revised and all major “growth” projects from 2010 onwards have been postponed by 12 to 18 months.

More specifically, our investment plan has been revised as follows:

- ✓ CAPEX for “Maintain capacity” and “Health, Safety and Environment” will be carried out as per original schedule;
- ✓ “Growth” CAPEX for the year 2009 will continue as per original schedule and budget;
- ✓ CAPEX to support the “Growth” plan from 2010 onwards will be postponed by 12 ÷ 18 months;
- ✓ Delayed projects relate mainly to the revamping of the MHC2 and the Visbreaking Unit; the construction of the new Steam Reforming Unit; some of the Energy Recovery projects; the expansion of the Sarroch Refinery tank farm and the construction of the new depot in Sagunto.

Finally, we are currently in the final stage of outlining specific projects aimed at improving industrial performance by focusing on cost reductions and operational efficiencies.

Capex by segment

EUR Million	Q2/09	Q1/09	H1/09	H1/08
REFINING	90.9	52.6	143.5	88.3
POWER GENERATION	3.2	2.7	5.9	13.5
MARKETING	26.2	4.2	30.4	25.1
WIND	0.1	0.0	0.1	-
OTHER	1.3	1.1	2.4	0.7
Total	**121.7**	**60.5**	**182.3**	**127.6**

Outlook

REFINING

- Saras forecast for Sarroch refinery runs has now been trimmed down to 13.8 ÷ 14.0 million tons, for the full year 2009, because of the important scheduled maintenance and investment activities which took place during both Q1 and Q2/09, and the delays related to the tragic accident at the Mildhydrocracking1 on the 26th of May.

- As a result of the above mentioned delays, the Q2/09 maintenance actually extended into July, creating an impact on Q3/09 EBITDA estimated at approximately USD 10 ÷ 15 million, on top of the approx. EUR 5 ml already communicated for Q2/09, with a press release issued on the 12th of June.

- However, maintenance is now fully completed, with all refinery units currently up and running, and only minor maintenance is now scheduled to take place for the remainder of the year. This situation will enable the refinery to exploit its flexibility and superior conversion capacity, and take full advantage of the seasonal upturn in middle distillates demand, should this actually materialise in Q3 and Q4/09.

- In the near-term, the refining sector will continue to face fundamental headwinds, due to the heavy toll on oil products demand taken by the severe economic recession (World oil demand is estimated at 83.2 mb/d in 2009, down by 3.0% vs. 2008, according to International Energy Agency (IEA) in their “Medium Term Oil Market Report” published in July 2009).

- In particular, middle distillates have so far suffered the most, given their closer link with industrial activity cycles. Dismal demand has led to large inventories build-ups, and diesel margins are expected to stay under pressure until strong economical recovery will start to materialize.

- However, a recent string of “green shoots” in various countries across the world is leading to expectations that the worst may be over, and that the global economy could start a progressive recovery already towards the end of this year. Moreover, seasonality should also play in favour of middle distillates cracks, given the traditional pick-up in demand during autumn/winter. On the other hand, support for the gasoline market is already vanishing, with the US driving season coming to an end.

POWER GENERATION

- The IGCC plant continues to operate regularly, and the next maintenance cycle (for one of its three parallel trains of “Gasifier – Turbine”) is expected during Q4/09.

- Due to a 9-month delay in the formula used to calculate the “fuel component”, the CIP6/92 power tariff will progressively decrease during H2/09, in line with the trend of crude oil prices during the second half of 2008.

- Finally, the “incentive” component of the CIP6/92 power tariff expired in April 2009, as per original contract with the National Grid Operator (GSE). Due to the IFRS linearisation procedure, there is no impact on *reported* EBITDA, while Italian GAAP EBITDA is expected to decrease by approx. EUR 110 ml in 2009, versus 2008.

Saras Group Financial Statements

Consolidated Balance-Sheets as of 30th June 2009 and 31st December 2008

EUR thousand	30/06/2009	31/12/2008
ASSETS		
current assets	**1,511,255**	**1,310,954**
Cash and cash equivalents	155,928	65,180
Other financial assets held for trading or available for sale	27,680	20,464
Trade receivables	448,887	639,326
Inventories	698,181	469,298
Current tax assets	68,369	7,770
Other assets	112,210	108,916
Non-current assets	**1,991,107**	**1,925,304**
Property, plant and equipment	1,476,291	1,377,018
Intangible assets	469,544	484,575
Equity interests consolidated under the equity method		
Other equity interests	663	1,103
Deferred tax assets	41,749	58,953
Other financial assets	2,860	3,655
Total assets	**3,502,362**	**3,236,258**

LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**1,122,534**	**988,757**
Short-term financial liabilities	328,641	243,980
Trade and other payables	523,349	560,867
Current tax liabilities	193,134	107,746
Other liabilities	77,410	76,164
Non-current liabilities	**1,106,918**	**936,448**
Long-term financial liabilities	327,085	174,211
Provisions for risks	46,856	29,195
Provisions for employee benefits	35,980	37,494
Other liabilities	696,997	695,548
Total liabilities	**2,229,452**	**1,925,205**

EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	1,090,375	1,183,675
Profit/(loss) for the period	116,972	61,822
Total equity attributable to owners of the company	**1,272,903**	**1,311,053**
Minority interest	7	0
Total Equity	**1,272,910**	**1,311,053**
Total liabilities and equity	**3,502,362**	**3,236,258**

Statement of Comprehensive Income for the period: 1st January – 30th June 2009, and 1st January – 30th June 2008

EUR thousand	1 January 30 June 2009	of which non recurring	1 January 30 June 2008	of which non recurring
Revenues from ordinary operations	2,300,494		4,400,156	
Other income	36,436		59,767	
Total revenues	**2,336,930**	***0***	**4,459,923**	***0***
Purchases of raw materials, spare parts and consumables	(1,706,491)		(3,623,743)	
Cost of services and sundry costs	(264,755)		(300,439)	
Personnel costs	(73,222)		(68,250)	
Depreciation, amortization and write-downs	(90,207)		(78,588)	
Total costs	**(2,134,675)**	***0***	**(4,071,020)**	***0***
Operating results	**202,255**	***0***	**388,903**	***0***
Net income (charges) from equity interests			1,367	
Other financial income/(charges), net	(14,166)		(1,810)	
Profit before taxes	**188,089**	***0***	**388,460**	***0***
Income tax for the period	(71,117)		(58,710)	56,872
Net profit/(loss) for the period	**116,972**	***0***	**329,750**	***56,872***
Net profit/(loss) for the period attributable to:				
Equity olders of the company	116,972		329,750	
Minority interest	0		0	
Earnings per share - base (Euro cent)	**12.61**		**34.77**	
Earnings per share - diluted (Euro cent)	**12.61**		**34.77**	

STATEMENT OF COMPREHENSIVE INCOME AS OF 1st JANUARY - 30 JUNE 2009 AND 2008

EUR thousand	1 January 30 June 2009	1 January 30 June 2008
Result of the period (A)	**116,972**	**329,750**
Other Profits / (Loss), net of fiscal effect (B)	**0**	**0**
Consolidated Comprehensive Result of the period (A + B)	**116,972**	**329,750**
Consolidated Comprehensive Result of the period perteining to:		
Parent Company shareholding	116,972	329,750
Minority Interessence	0	0

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2006 to 30th June 2009

EUR thousand	Share Capital	Legal Reserve	Other Reserves	Profit (Loss)	Total equity attributable to owners of the company	Minority interest	Total Equity
Balance as of 31/12/2007	**54,630**	**10,926**	**1,078,000**	**322,903**	**1,466,459**	**0**	**1,466,459**
Allocation of previous period profit			162,060	(162,060)	0		0
Dividends				(160,843)	(160,843)		(160,843)
Reserve for employees stock plan			994		994		994
Share buyback			(21,259)		(21,259)		(21,259)
Share premium reserve adjustment			770		770		770
Renounce of receivable from minority shareholder of the subsidiary Parchi Eolici Ulassai Srl			474		474		474
Profit (loss) for the period				329,750	329,750		329,750
Balance as of 30/06/2008	**54,630**	**10,926**	**1,221,039**	**329,750**	**1,616,345**	**0**	**1,616,345**
Reserve for employees stock plan			1,466		1,466		1,466
Share buyback			(49,048)		(49,048)		(49,048)
Share premium reserve adjustment			(155)		(155)		(155)
Shareholder's equity increase related to the fair value evaluation of asset of Sardeolica S.r.l. r for the stake of 70%			10,373		10,373		10,373
Profit (loss) for the period				(267,928)	(267,928)		(267,928)
Balance as of 31/12/2008	**54,630**	**10,926**	**1,183,675**	**61,822**	**1,311,053**	**0**	**1,311,053**
Allocation of previous period profit			61,822	(61,822)	0		0
Reserve for employees stock plan			2,515		2,515		2,515
Dividends			(157,721)		(157,721)		(157,721)
Effect of Corporate tax rate reduction (IRES)			84		84		84
Minority on Artemide Srl acquisition						7	7
Profit (loss) for the period				116,972	116,972		116,972
Balance as of 30/06/2009	**54,630**	**10,926**	**1,090,375**	**116,972**	**1,272,903**	**7**	**1,272,910**

Consolidated Cash Flow Statements as of 30th June 2009, as of 30th June 2008 and as of 31st December 2008

EUR thousand	01/01/2009 - 30/06/2009	1/1/2008 - 31/12/2008	01/01/2008 - 30/06/2008
A - Cash and cash equivalents at the beginning of period	**65,180**	**308,108**	**308,108**
B - Cash generated from/(used in) operating activities			
Profit/ (Loss) for the period of the Group	116,972	61,822	329,750
Amortization, depreciation and write-down of fixed assets	90,207	167,916	78,588
Net (income)/charges from equity interests	0	(421)	(1,367)
Net change in provisions for risks and charges	17,661	5,899	50,659
Net change in employee benefits	(1,514)	801	(2,067)
Net Change in tax liabilities and tax assets	17,204	(193,462)	(146,057)
Income tax	71,117	28,720	58,710
Profit (Loss) from operating activities before changes in workin	**311,647**	**71,275**	**368,216**
(Increase)/Decrease in trade receivables	190,439	56,147	(135,111)
(Increase)/Decrease in inventory	(228,883)	256,067	(250,378)
Increase/(Decrease) in trade and other payables	(37,518)	(99,006)	73,933
Change in other current assets	(63,893)	(78,914)	(42,167)
Change in other current liabilities	21,385	167,072	166,420
Income tax paid	0	(191,463)	(27,817)
Change in other non-current liabilities	1,449	108,165	45,084
Other non cash items	7,827	0	5
Total (B)	**202,453**	**289,343**	**198,185**
C - Cash flow from (to) investment activities			
(Investments) in tangible and intangible assets, net of disinvestments and accumulated depreciation and amortization	(182,276)	(275,685)	(127,524)
Change in equity interests	440	773	(115)
Change in equity interests valued under the equity method	0	(1,420)	(474)
Acquisition of 30% PEU	0	(32,000)	(32,000)
Interest received/(paid)	(5,868)	(14,485)	(1,782)
Total (C)	**(187,704)**	**(322,817)**	**(161,895)**
D - Cash generated from/(used in) financing activities			
Increase/(Decrease) in medium/long term borrowings	152,874	(76,807)	(42,295)
(Increase)/Decrease in other financial assets	(6,421)	10,891	3,044
Increase/(Decrease) in short term borrowings	84,661	62,389	(9,587)
Buyback own shares	0	(70,307)	(21,259)
Dividend distribution to shareholders	(157,721)	(160,843)	(160,843)
Other non-monetary movements	2,606	13,922	2,238
Total (D)	**75,999**	**(220,755)**	**(228,702)**
E - Cashflow for the period (B+C+D)	**90,748**	**(254,229)**	**(192,412)**
F - Cash from new consolidated subsidiaries	**0**	**11,301**	**11,301**
PEU S.r.l.	0	11,301	11,301
G - Cash and cash equivalents at the end of period	**155,928**	**65,180**	**126,997**