SARAS announces Q3/10 results[1]

January – September 2010 highlights

- **Group *reported* EBITDA** at EUR 137.7 ml (vs. EUR 275.4 ml in 9M/09)
- **Group *comparable*[2] EBITDA** at EUR 68.7 ml (vs. EUR 116.6 ml in 9M/09)
- **Group *reported* Net Result** at EUR 0.8 ml (vs. EUR 67.4 ml in 9M/09)
- **Group *adjusted*[3] Net Result** at EUR -40.4 ml (vs. EUR -30.5 ml in 9M/09)
- **Saras refining margin** after variable costs at 1.0 $/bl
- **Net financial position** to EUR -644 ml as of 30th Sep 2010, vs. EUR -567 ml on 30th Jun 2010

Third Quarter 2010 highlights

- **Group *reported* EBITDA** at EUR 36.0 ml (vs. EUR -17.1 ml in Q3/09)
- **Group *comparable* EBITDA** at EUR 27.0 ml (vs. EUR 1.4 ml in Q3/09)
- **Group *reported* Net Result** at EUR -11.0 ml (vs. EUR -49.6 ml in Q3/09)
- **Group *adjusted* Net Result** at EUR -13.0 ml (vs. EUR -37.6 ml in Q3/09)
- **Saras refining margin** after variable costs at 1.0 $/bl

Milan, 12th November 2010: The Board of Directors of Saras S.p.A. met yesterday under Chairman Gian Marco Moratti and approved Q3/10 and 9M/10 results. The Chairman declared: ***"Third quarter 2010 has been yet again a difficult period for the refining business. Margins came under pressure because of renewed concerns about the economic recovery, and persistently high oil inventories. Within the Mediterranean context, the "EMC benchmark" posted a quarterly average of -0.2 $/bl. Despite such uninspiring scenario, Saras operations were smooth and reliable, and we made further progress towards higher production efficiency, operations effectiveness, and cost control. The fourth quarter started with healthy margins, driven by a decrease in middle distillates' inventories. This effect came with a combination of higher demand and lower production, due to maintenance across refineries in Europe and USA, as well as French strikes. Finally, with winter approaching, the high exposure to middle distillates of the Sarroch refinery, makes Saras well-positioned to capture a potential margin's rebound."***

[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Corrado Costanzo,** the Executive Director 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 Result:** Net Income or Loss 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.

Programme of the conference call organized for today 12th November 2010

At **16:00 C.E.T. of today, Friday 12th November 2010**, there will be a conference call for analysts and investors, during which Saras top management will discuss a slide presentation on Q3/10 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 8058811

For U.K. + 44 203 147 47 96

For U.S. + 1 866 63 203 28

Link for the live webcast:

https://services.choruscall.eu/links/saras101112.html

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

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THE SARAS GROUP

The Saras Group, whose operations were started by Angelo Moratti in 1962, has approximately 2,200 employees and total revenues of about 5.3 billion Euros, as of 31st December 2009. The Group is active in the energy sector, 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 subsidiaries Sarlux S.r.l. and Parchi Eolici Ulassai S.r.l. (PEU). 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 it operates in the information services sector through the subsidiary Akhela S.r.l..

More in details, Saras refinery operations take place in the Sarroch refinery (near Cagliari), on the southern coast of Sardinia. The capacity of Sarroch refinery is approximately 15 million tonnes per year (110 million barrels), representing about 15% of the total refining capacity in Italy. Indeed, Sarroch is regarded as one of the main refineries in the Mediterranean area, in terms of production capacity and asset complexity. Sarlux owns an IGCC (Integrated Gasification Combined Cycle) plant, with installed capacity of 575MW, and electricity production exceeding 4 billion kWh per year, all of which is sold to the GSE (Gestore dei Servizi Energetici - the Italian entity who plays a central role in promotion, support and development of renewable energy sources in Italy, and is also the parent company of "Gestore dei Mercati Energetici S.p.A." (GME), the Italian national Power Grid manager, and of "Acquirente Unico S.p.A." (AU), the company vested with the task of purchasing electricity in the market on the most favourable terms, and subsequently selling it to distributors for supply to captive customers). The wind farm owned by PEU is situated in Ulassai (Sardinia), and has a capacity of 72MW (upgradeable to 96MW). Finally, the Marketing segment sells approximately 4 million tons of oil products through the subsidiaries Arcola Petrolifera and Saras Energia, and it also manages two coastal tank farms owned by the Group (Arcola (Italy) – capacity of 200,000 cubic metres, and Cartagena (Spain) – capacity of 112,000 cubic metres), a biodiesel plant with 200,000 tons/year capacity, located in Cartagena, and a retail network of 124 service stations primarily located along the Spanish Mediterranean Coast.

Key Consolidated financial figures

Below are key consolidated economic and financial figures, shown in comparison with the data related to the same period last year. In order to give a better representation of the Group's operating performance, and in line with the standard practice in the oil industry, the Operating Results (EBITDA and EBIT) and the Net Results are provided also with an evaluation of oil inventories based on the LIFO methodology (and not only according to FIFO methodology, as requested by IFRS accounting principles). The LIFO methodology does not include revaluations and write downs and it combines the most recent costs with the most recent revenues, thus providing a clearer picture of current operating profitability. Furthermore, for the same reason, non recurring items and change of the derivatives' fair value are deducted both from the Operating Results and from Net Results. Operating Results and Net Results calculated as above are called respectively "comparable" and "adjusted", and they are not subject to audit.

Saras Group Income Statement figures:

EUR Million	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	Var %
REVENUES	2,042	1,416	44%	2,183	6,108	3,753	63%
EBITDA	36.0	(17.1)	311%	51.0	137.7	275.4	-50%
Comparable EBITDA	**27.0**	**1.4**	**1829%**	**27.9**	**68.7**	**116.6**	**-41%**
EBIT	(15.5)	(65.5)	76%	(0.2)	(15.6)	136.8	-111%
Comparable EBIT	**(24.5)**	**(47.0)**	**48%**	**(23.3)**	**(84.6)**	**(22.0)**	**-285%**
NET RESULT	(11.0)	(49.6)	78%	21.1	0.8	67.4	-99%
***Adjusted* NET RESULT**	**(13.0)**	**(37.6)**	**65%**	**2.4**	**(40.4)**	**(30.5)**	**-33%**

Detail of Group Net Result *adjustment*:

EUR Million	Q3/10	Q3/09	9M 2010	9M 2009
***Reported* NET RESULT**	**(11.0)**	**(49.6)**	**0.8**	**67.4**
(inventories at LIFO - inventories at FIFO) net of taxes	(5.4)	11.1	(44.2)	(100.7)
non recurring items net of taxes	0.0	0.0	0.0	0.0
change in derivatives fair value net of taxes	3.4	0.9	3.0	2.7
***Adjusted* NET RESULT**	**(13.0)**	**(37.6)**	**(40.4)**	**(30.5)**

Detail of Group EBITDA *adjustment*:

EUR Million	Q3/10	Q3/09	9M 2010	9M 2009
***Reported* EBITDA**	**36.0**	**(17.1)**	**137.7**	**275.4**
inventories at LIFO - inventories at FIFO	(9.0)	18.5	(69.0)	(158.8)
non recurring items	0.0	0.0	0.0	0.0
***Comparable* EBITDA**	**27.0**	**1.4**	**68.7**	**116.6**

Other Group figures:

EUR Million	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009
NET FINANCIAL POSITION	**(644)**	**(463)**		**(567)**	**(644)**	**(463)**
CAPEX	**20**	**70**		**60**	**103**	**252**
OPERATING CASH FLOW (*)	**(57)**	**78**		**136**	**(8)**	**279**

(*) **Cash Flow** reclassified to highlight changes in the Net Financial Position

Comments to January – September 2010 results

The global economic recovery in the first nine months of 2010 proceeded unevenly: Gross Domestic Product, job creation and investments grew significantly in emerging economies. By contrast, in several advanced economies, growth was limited by low consumer confidence, high unemployment, and reduced household incomes. Predictably, oil products' demand followed the same patterns and, in Europe, refining margins remained well below the already low levels recorded in 2009. More specifically, the EMC benchmark refining margin stood at 0.5 $/bl in the first nine months of 2010, down 62% vs. 1.3 $/bl in 9M/09.

The performance of Saras Refining segment was clearly influenced by the above mentioned weak market scenario. In the meanwhile, the Power Generation segment provided an important effect of stabilization to the overall Group EBITDA, thanks to robust operational performance, which increased production by 7% vs. 9M/09. Similarly, the Marketing segment posted good results, in spite of the generalised reduction of oil consumption both in the Italian and in the Spanish markets, thanks to a shift towards a more profitable mix of sales channels. Finally, the Wind segment performed in line with expectation, thanks to favourable wind conditions in the first months of the year.

Group Revenues in 9M/10 were EUR 6,108 ml up 63% vs. 9M/09, with substantially higher revenues coming from the Refining and Marketing segments, in the light of a reduction in the percentage of third party processing activity, as well as significantly higher oil products' prices (for quick reference, in 9M/10 diesel traded at an average of 659 $/ton vs. 503 $/ton in 9M/09, and gasoline priced at 710 $/ton vs. 551 $/ton in 9M/09).

Group *reported* EBITDA in 9M/10 was EUR 137.7 ml, (down 50% vs. 9M/09). This result can be explained almost entirely with the weaker performance of the Refining segment, which suffered from the above mentioned low margin scenario (Saras refining margin stood at 1.0 $/bl in 9M/10, vs. 2.2 $/bl in 9M/09).

Group *reported* Net Result stood at EUR 0.8 ml in 9M/10, down 99% when compared to the same period of 2009, for the same reasons explained at EBITDA level. Moreover, in 9M/10 depreciation and amortization charges stood at EUR 153.3 ml (vs. EUR 138.6 in 9M/09). Finally, in 9M/10 Saras Group posted net "Financial Income" for EUR 15.5 ml, while in 9M/09 the Group recorded net "Financial Expense" for EUR 18.4 ml (with this difference related primarily to gains/losses on hedging instruments and FOREX).

Group *comparable* EBITDA amounted to EUR 68.7 ml in 9M/10, down 41% vs. EUR 116.6 ml in 9M/09, and **Group *adjusted* Net Result was EUR -40.4 ml**, vs. EUR -30.5 ml in 9M/09, for the same reasons explained for the *reported* figures.

As mentioned at the beginning, *comparable* and *reported* figures differ primarily because of 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 9M/10, the above mentioned FIFO/LIFO difference after tax was equal to EUR -44.2 ml, due to the increase in crude and oil products prices.

CAPEX in 9M/10 stood at approx. EUR 103 ml, in line with the previously announced 2010 investment programme, and distributed primarily between the Refining Segment (EUR 75.6 ml) and the Wind segment (EUR 14.2 ml).

On 30th September 2010, the Group Net Financial Position was negative by EUR 644 ml, compared to a negative figure of EUR 567 ml on 30th June 2010. The change in NFP can be explained primarily by negative cashflow from operations (approx. EUR 50 ml, related to an increase in working capital requirements, only partially offset by self-financing from provisions for depreciation and amortisation), and by further EUR 20 ml of CAPEX in the period.

Comments to Third Quarter 2010 results

Group Revenues in Q3/10 were EUR 2,042 ml up 44% vs. Q3/09. Similarly to the comments for the 9M results, the substantially higher revenues came primarily from the Refining and Marketing segments, in the light of a reduction in the percentage of third party processing activity, as well as higher oil products' prices (for quick reference, in Q3/10 diesel traded at an average of 660 $/ton vs. 567 $/ton in Q3/09, and gasoline priced at 689 $/ton vs. 646 $/ton in Q3/09).

Group *reported* EBITDA in Q3/10 was EUR 36.0 ml, up 311% vs. EUR -17.1 ml Q3/09. The better result in Q3/10 derives almost entirely from a smooth operational performance of the Refining segment, which compares with important maintenance delays and conversion losses in Q3/09. All other Group's segments instead performed broadly in line with same period last year.

Group *reported* Net Result in Q3/10 was EUR -11.0 ml, up 78% vs. EUR -49.6 ml in Q3/09, almost entirely for the reasons explained at the EBITDA level. In addition, it can be noted the difference in "Financial Income/Expense", which were positive for EUR 3.9 ml in Q3/10, and negative for EUR 4.2 ml in Q3/09. Depreciation and amortization charges instead stood at similar levels in the periods (EUR 51.5 ml in Q3/10, vs. EUR 48.4 ml in Q3/09).

Group *comparable* EBITDA in Q3/10 amounted to EUR 27.0 ml, up 1829% vs. EUR 1.4 ml in Q3/09. This large difference can be almost entirely attributed to the performance of the Refining segment. Indeed, in Q3/10 the Sarroch refinery run smoothly, whereas in Q3/09 several units were down for maintenance activities, causing significant reduction of runs and conversion losses. Moreover, in Q3/10 the Power Generation segment recorded significantly higher sales of steam and hydrogen, which boosted the divisional EBITDA.

Group *adjusted* Net Result was EUR -13.0 ml in Q3/10, up 65% vs. EUR -37.6 ml in Q3/09, for the same reasons described at EBITDA level, and also because of some gains on hedging instruments and FOREX, which in Q3/10 brought a positive contribution of approx. EUR 16 ml (included in the "Financial Income/Expense").

When looking at the adjustment of the Net Result in the third quarter 2010, it can be observed that the *comparable* figures differ from the *reported* ones, because of the difference between FIFO/LIFO inventory evaluations (equal to EUR -5.4 ml), and also for the change in derivatives' fair value net of taxes (positive for EUR 3.4 ml).

In Q3/10, CAPEX amounted to approx. EUR 20 ml, in line with our investment plan. This figure includes approx. EUR 13 ml related to the investment activities carried out in the Sarroch refinery during the period, and further EUR 3.5 ml for the completion of the installation activities of 6 new aero-generators "Vestas V80" in our Ulassai Wind park.

The Oil Market and Refining margins

Crude oil:
In the first nine months of 2010, crude oil prices remained within a confined range (between 70 and 85 $/bl), moving each time towards the upper or the lower boundary, in accordance with the prevailing market sentiments.

More specifically, the upward trend which started in late January and lasted until the end of April, was driven primarily by positive expectations of a quick economic recovery on a global scale, which in turn would have boosted oil demand. On such premises, Brent Dated reached 85 $/bl. However, towards the end of April, the European debt crisis caused a steep drop in global equity markets, dragging down also crude oil prices, as well as the other raw materials. Brent Dated fell sharply throughout the month of May, reaching a low of 67 $/bl on May 20th. Later on, oil prices recovered on the hopes of a quick institutional solution for the debt crisis, and Brent Dated closed the second quarter at approx. 75 $/bl. In the third quarter, prices continued to increase, reaching a peak of 84 $/bl in early August, aided also by supply disruptions as well as the positive performance of the financial and equity markets. However, August proved to be a troubled month for crude oil prices, which were penalised once again by uninspiring data on global oil inventories, and renewed concerns about the possible slowdown in the economic recovery. On the 24th of August, Brent Dated was down again to 71 $/bl. Shortly afterwards, prices started to increase once more, supported by a weak US dollar, and by fresh positive readings on various macro-economic indicators. The upward trend continued throughout September, pushing Brent Dated to close the third quarter above the 80 $/bl mark.

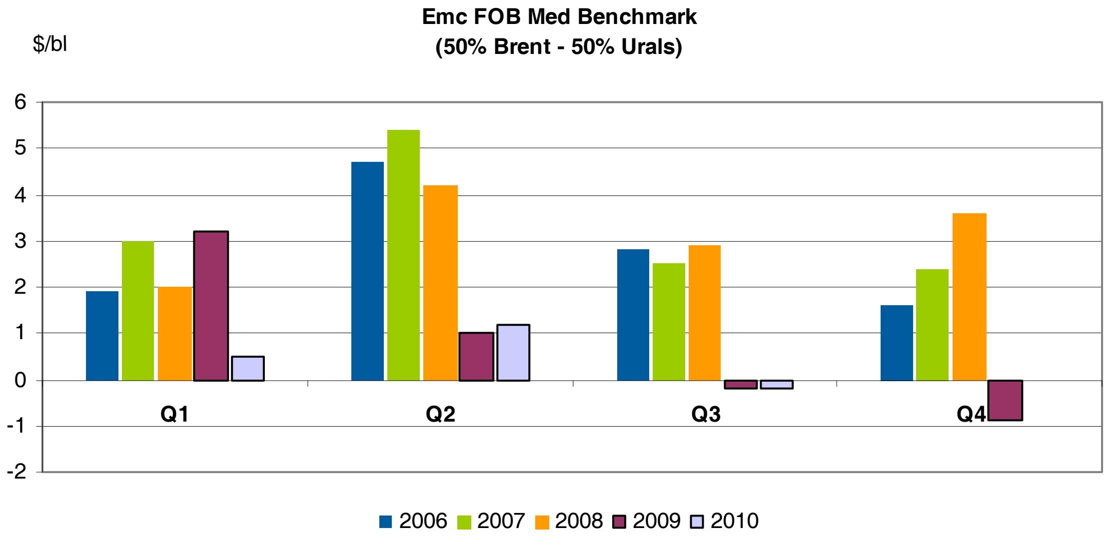
It is also worth to comment on the price differential between “heavy” and “light” crude oil grades (i.e. “Ural” and “Brent” respectively), which is an important indicator of refining profitability. Indeed, the wider is the price differential, the higher is the competitive advantage of complex refineries versus their simpler peers.

In the period from early January until the end of April, the “heavy-light” differential widened to approx. -2.0 $/bl, vs. the narrow spread of -0.5 $/bl experienced in 2009. This was a consequence of the low OPEC compliance with their production quotas. However, in May and June the differential narrowed again, driven by high speculation in the Ural’s market, as well as lower export schedule from the Russian ports of Primorks and Novorossijsk. Subsequently, the “heavy-light” differential widened again in July, as refiners curbed runs and reduced buying interest of medium sour grades, due to uneconomic refining margins. Finally, in August the differential came under pressure again, and even flipped into positive territory in early September. Such renewed strength of the Ural crude oil can be primarily attributed to its reduced availability, due to higher export taxes as well as port maintenance at Primorsk. Finally, in the second half of September, Ural’s availability increased again, and this was immediately reflected in the “heavy-light” differential, which closed the quarter at approx. -1.0 $/bl.

Oil Products:
Throughout the first nine months of the year demand experienced only modest signals of improvement. Starting with gasoline, its “crack spread” (i.e. the difference between the value of an oil product and the value of the crude oil) remained depressed during January and February, at similar level as in Q4/09, with MED monthly averages at around 8 $/bl. The traditional “spring maintenance” for various US and European refineries, combined with robust buying interest from West Africa and Middle East, boosted the crack spread in March, pushing it as high as 14 $/bl, and the monthly average stood at 12 $/bl. During April, May and June however, the gasoline crack moved back below 10 $/bl, due to uneventful demand in the USA, in spite of the traditional “driving season”. Inventories reached record high levels, and the arbitrage windows from Europe closed down. The scenario did not improve in the third quarter, and actually gasoline cracks moved even lower, in August and September, also following the switch to winter grades, and seasonally lower demand patterns.

Middle distillates were quite depressed in the first two months of Q1/10, due to ample inventories and weak demand trends, which moved in synchrony with the slow pace of the industrial and economic recovery. Later on, in March, the above mentioned refinery “spring maintenance” played a fundamental role in reducing the massive inventory overhang, more than halving the volumes held in floating storage. In April, May and June diesel crack spread continued its progressive recovery, amid strong buying interest in Middle East and Asia, combined with a supply reduction of Russian export gasoil. However, in July diesel crack fell below 10 $/bl, although demand was somewhat promising in major regional markets such as turkey. The fall was largely attributed to burgeoning export volumes from Russia, given the return in production of the Ryazan, Yanos and Moscow refineries. The situation improved slightly in August, and the upward trend continued also in September, thanks to European consumers filling up their heating oil tanks, as it typically happens at this time of the year, in anticipation of cold winter weather.

Refining margins:
Finally, the graph below shows the refining margin after variable costs calculated by EMC (Energy Market Consultants) for a mid complexity coastal refinery in the Mediterranean sea. This margin is traditionally used by Saras as a benchmark. The average of the EMC margin was 0.5 $/bl in Q1/10 (vs. 3.2 $/bl in Q1/09), due to a steep spike of the gasoline crack spread in March. It then settled at 1.2 $/bl in Q2/10 (vs. 1.0 $/bl in Q2/09), thanks to cheaper crude oil and growing demand for diesel in Asia and Middle East. Subsequently, the average of the EMC margin dropped to -0.2 $/bl in Q3/10 (vs. -0.2 $/bl in Q3/09), due to product prices failing to keep pace with crude oil.



Segment Review

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

Refining

Saras refinery is positioned in Sarroch (on the South-Western coast of Sardinia), and it has a production capacity of 15 ml tons per year, corresponding to approx. 15% of Italy's total refining capacity. It is one of the biggest and most complex sites in the Mediterranean area.

EUR Million	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
EBITDA	(22.3)	(77.5)	71%	(20.9)	(61.7)	79.3	-178%
***Comparable* EBITDA**	**(33.7)**	**(54.2)**	**38%**	**(40.7)**	**(113.4)**	**(53.7)**	**-111%**
EBIT	(48.8)	(101.0)	52%	(47.1)	(140.0)	13.2	-1161%
***Comparable* EBIT**	**(60.2)**	**(77.7)**	**23%**	**(66.9)**	**(191.7)**	**(119.8)**	**-60%**
CAPEX	**12.9**	**44.1**		**42.8**	**75.6**	**187.6**	

Margins and refinery runs

		Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
REFINERY RUNS	thousand tons	3,668	3,447	6%	3,330	10,467	9,874	6%
	Million bl	26.8	25.2	6%	24.3	76.4	72.1	6%
	thousand bl/day	291	273	6%	267	280	264	6%
of which:								
Processing for own account	thousand tons	3,393	2,373	43%	2,879	9,507	6,939	37%
Processing on behalf of third parties	thousand tons	275	1,074	-74%	451	960	2,935	-67%
EXCHANGE RATE	EUR/USD	1.291	1.430	-10%	1.271	1.315	1.367	-4%
EMC BENCHMARK MARGIN	$/bl	(0.2)	(0.2)		1.2	0.5	1.3	
SARAS REFINERY MARGIN	$/bl	1.0	(0.3)		1.2	1.0	2.2	

Comments to January – September 2010 results

Refinery runs in 9M/10 stood at 10.5 ml tons (76.4 ml barrels, corresponding to 280 thousand barrels per day). This operating performance was 6% higher than same period last year, because the scheduled maintenance activities carried out on the crude distillation units in 9M/09 were significantly heavier than in 9M/10, hence causing a larger reduction on runs.

Processing on behalf of third parties went down to 9% of total runs (vs. 30% in 9M/09), because a processing contract expired at the end of 2009 and was not renewed, due to unfavourable market conditions.

***Comparable* EBITDA was EUR -113.4 ml in 9M/10** vs. EUR -53.7 ml in 9M/09, depressed by significantly lower refining margin than in the same period last year. Indeed, the **EMC benchmark margin stood at 0.5**

$/bl in 9M/10 (vs. 1.3 $/bl in 9M/09), and the **Saras refining margin stood at 1.0 $/bl** (vs. 2.2 $/bl in 9M/09). The low refining margins came as a consequence of unfavourable market conditions, sluggish demand for oil products, tight price differential between "heavy" and "light" crude oils (-1.2 $/bl), and narrow "conversion spread" for the upgrading process of fuel oil into diesel (217 $/tons in 9M/10).

Refining **CAPEX in 9M/10 was EUR 75.6 ml**, in line with investment plan for the period.

Comments to Third Quarter 2010 results

In Q3/10 crude runs were 3.7 ml tons (26.8 ml barrels, corresponding to 291 thousand barrels per day), up 6% versus same quarter last year. The difference relates to maintenance on crude distillation units in Q3/09, while in Q3/10 there were only minor economic run cuts.

Processing on behalf of third parties in Q3/10 was approx. 8% of total runs (vs. 31% in Q3/09), due to the previously mentioned decision not to renew a processing contract expired at the end of 2009.

***Comparable* EBITDA came at EUR -33.7 ml in Q3/10**, up 38% vs. Q3/09. It should be note that, while the EMC benchmark refining margin stood at the same level in both periods (-0.2 $/bl), Q3/09 results suffered a penalisation of approx. USD 65 ml due to technical issues and maintenance delays. Consequently, refinery performance in Q3/10 was significantly better than in Q3/09, both in terms of refinery runs (+6%) and also in terms of Saras refining margin (1.0 $/bl in Q3/10, vs. -0.3 $/bl in Q3/09).

Moreover, the results of our Refining segment in Q3/10 were better than it appears, when taking into account gains for EUR 15.9 ml net, due to hedging instruments on crude and oil products, as well as gains on FOREX related to commercial transactions, which have been included within the "Financial Income/Expense". When these gains are taken into account, the corresponding **Saras refining margin lands at 1.8 $/bl in Q3/10** (with a premium of 2.0 $/bl on top of the EMC benchmark).

CAPEX for refining in Q3/10 was EUR 12.9 ml, substantially in line with 2010 investment programme.

Crude Oil slate and Production

		Q3/10	9M 2010	FY 2009
Light extra sweet		44%	47%	48%
Light sweet		2%	3%	0%
Medium sweet		0%	1%	0%
Light sour		0%	0%	0%
Medium sour		35%	28%	28%
Heavy Sour		19%	21%	24%
Average crude gravity	°API	32.3	32.4	32.4

With an average density of 32.4°API in 9M/10 (and 32.3°API in Q3/10), the crude mix was overall in line with the average of last year. However, the percentage of "heavy sour" crude oil decreased significantly in the first nine months of 2010 vs. 9M/09 levels, and this grade was replaced primarily by “light sweet” and “medium sweet” crude oils.

Moving on to the product slate, in 9M/10 the yield in middle distillates reached 52.4% (and 53.3% in Q3/10), while the light distillates yield stood at 28.0% (and 28.1% in Q3/10). Therefore, when considering also the production of LPG, we can conclude that the percentage of high value products in 9M/10 reached 82.8% (and 83.6% in Q3/10).

		Q3/10	9M 2010	FY 2009
LPG	thousand tons	79	253	221
	yield	2.1%	2.4%	1.7%
NAPHTHA + GASOLINE	thousand tons	1,032	2,931	3,343
	yield	28.1%	28.0%	25.1%
MIDDLE DISTILLATES	thousand tons	1,955	5,482	6,769
	yield	53.3%	52.4%	50.9%
FUEL OIL & OTHERS	thousand tons	87	315	1,119
	yield	2.4%	3.0%	8.4%
TAR	thousand tons	304	847	1,077
	yield	8.3%	8.1%	8.1%

Balance to 100% is “Consumption & Losses”

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	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
EBITDA	4.3	11.3	-62%	18.4	36.7	44.6	-18%
***Comparable* EBITDA**	**6.7**	**6.5**	**3%**	**15.1**	**19.4**	**18.8**	**3%**
EBIT	1.3	8.4	-85%	15.3	27.6	38.4	-28%
***Comparable* EBIT**	**3.7**	**3.6**	**3%**	**12.0**	**10.3**	**12.6**	**-18%**
CAPEX	**0.9**	**22.3**		**2.8**	**4.6**	**52.7**	

Sales

		Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
TOTAL SALES	thousand tons	1,074	969	11%	1,058	3,184	2,968	7%
of which: in Italy	thousand tons	458	320	43%	409	1,249	931	34%
of which: in Spain	thousand tons	616	650	-5%	650	1,935	2,036	-5%

Comments to January – September 2010 results

The oil products market during the first nine months of 2010 has been weak, particularly in the developed economies (OECD), including countries like Spain and Italy, where our Marketing sales are localised.

In particular, the Spanish market posted a 5.7% decrease in gasoline demand vs. 9M/09, and a further 0.7% contraction for middle distillates (split as –0.3% for diesel, and -1.8% for heating and agricultural gasoil).

In this difficult context, **Saras Energia continued its strategy of sales channels optimization**, by reducing opportunity sales towards commercial operators and major oil companies, while increasing sales towards more profitable channels (i.e. unbranded service stations, small retail operators, etc.). As a result, **gross margins remained reasonably healthy, but sale volumes in 9M/10 decreased by 5.0%** (corresponding to 1,935 ktons, vs. 2,036 in 9M/09). Looking in more details, total gasoil sales went down by 4.0% vs. 9M/09 (split as -1.8% for diesel, and -11.9% for heating and agricultural gasoil), and also gasoline sales went down by 10.5%.

Looking at the Italian market, in 9M/10 total demand for oil products decreased by 3.4% vs. 9M/09. Gasoline was down by 5.6%, while middle distillates were down by 2.4% (with a split of -1.2% for diesel, and -5.3% for heating and agricultural gasoil).

In this scenario, **sales of Arcola (Italy) in 9M/10 were 1,249 ktons** (+34.1% vs. 9M/09), due to an increase in the Sardinian wholesale market share. More in detail, gasoline sales went up by 146.8%, diesel went up by 23.4%, while sales of other gasoil were down by 34.2%, vs. same period last year. **Margins were weak in the first quarter** of the year, due to seasonality effects, **but went back up to healthy levels in the second and third quarter of 2010.**

***Comparable* EBITDA was EUR 19.4 ml in 9M/10**, up 3% compared to the same period last year, thanks to a very robust performance in Q2/10, which completely offset the seasonally low performance in Q1/10, and the negative contribution from the biodiesel plant during Q3/10.

CAPEX in 9M/10 was EUR 4.6 ml, in line with the investment plan for the period.

Comments to Third Quarter 2010 results

During Q3/10 demand for middle distillates in Spain lost 1.5% versus Q3/09 (of which -1.4% for diesel, and -2% for heating oil and agricultural gasoil), and also gasoline shrank by 5% versus Q3/09.

In this challenging market scenario, **Saras Energia reduced sales by 5.3%, while protecting marginality at healthy levels**, thanks to a progressive shift towards more profitable sales channels, as discussed in the results for the nine months. When looking more closely at the individual products, it can be observed that total gasoline sales of Saras Energia contracted by 10.6%, and total gasoil flexed by 4.4% vs. Q3/09 (-0.2% for diesel, and -21.8% for heating and agricultural gasoil).

Similarly, in the Italian market total oil products demand slowed by 1.4% in Q3/10 versus same period last year, dragged down by gasoline (-4.7%), and also by the middle distillates complex (-0.6%). However, looking in more details, it should be noted that transportation diesel decreased by 1.6%, while heating and agricultural gasoil provided some partial compensation, increasing by 2.3%.

However, **sales of Arcola Petrolifera went up by 43.5%** vs. Q3/09, due to the previously discussed growth in the Sardinian wholesale market. More specifically, Arcola sales of gasoline climbed by 146.6%, diesel sales enjoyed and increase of 36.4%, while other kind of gasoil went down by 49.9%, vs. same period last year.

***Comparable* EBITDA of the Marketing segment in Q3/10 was EUR 6.7 ml** (up 3% when compared to Q3/09), thanks to a good performance of the retail and wholesale segments, which more than offset a negative contribution from the biodiesel plant.

CAPEX in Q3/10 was EUR 0.9 ml, in line with the investment plan for the quarter.

Power Generation

Below are the main financial data of the Power Generation segment related to the subsidiary Sarlux S.r.l., which operates an IGCC (Integrated Gasification Combined Cycle) plant, with a total capacity of 575MW, integrated with the Group refinery, and located within the same industrial complex in Sarroch (Sardinia).

EUR Milion	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
EBITDA	51.8	46.5	11%	49.7	148.5	136.0	9%
***Comparable* EBITDA**	**51.8**	**46.5**	**11%**	**49.7**	**148.5**	**136.0**	**9%**
EBIT	32.5	27.3	19%	30.5	90.7	78.3	16%
***Comparable* EBIT**	**32.5**	**27.3**	**19%**	**30.5**	**90.7**	**78.3**	**16%**
EBITDA ITALIAN GAAP	**33.8**	**13.3**	**154%**	**50.8**	**105.3**	**119.0**	**-12%**
EBIT ITALIAN GAAP	**1.9**	**-0.9**	**308%**	**36.5**	**44.8**	**76.6**	**-41%**
NET INCOME ITALIAN GAAP	**0.1**	**-1.4**	**107%**	**23.0**	**26.2**	**42.3**	**-38%**
CAPEX	**2.9**	**3.1**		**2.7**	**7.4**	**9.0**	

Other figures

		Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
ELECTRICITY PRODUCTION	MWh/1000	1,122	924	21%	1,075	3,135	2,938	7%
POWER TARIFF	**Eurocent/KWh**	**9.8**	**8.3**	**18%**	**9.6**	**9.3**	**10.6**	**-12%**
POWER IGCC MARGIN	$/bl	3.6	4.2	-14%	4.0	3.9	4.1	-5%

Comments to January – September 2010 results

For the first nine months of 2010 the Power Generation segment posted a strong set of results, thanks to smooth and efficient operational performance. In particular, the service factor of the IGCC plant was higher than same period last year, and **power production reached 3.135 TWh,** up 7% vs. 9M/09 figures.

***Comparable* EBITDA in 9M/10 was EUR 148.5 ml,** up 9% vs.9M/09, primarily because of higher sales of Hydrogen and Steam (for approx. EUR 11 ml), whose revenues are not subject to the IFRS linearization procedure. More specifically, in 9M/09 the lower sales came from a combination of lower requirements from the refinery, while it was undergoing an heavy maintenance cycle, as well as reduced production due to some technical issues on the IGCC plant.

Italian GAAP EBITDA in 9M/10 was EUR 105.3 ml, down 12% versus 9M/09. Indeed, the expiry in April 2009 of the “incentive” component of the CIP6/92 tariff, led to a reduction of 9M/10 Italian GAAP EBITDA worth approx. EUR 40 ml. This is also reflected in the average value of the **total CIP6/92 power tariff, which in 9M/10 stood at 9.3 EURcent/kWh,** down 12% versus 9M/09 (10.6 EURcent/kWh). On the other hand, 9M/10 results enjoyed a “one-off” pre-tax gain of EUR 23 million (in Q2/10), due to the final determination of the adjustment value of the “fuel component” of the CIP6/92 tariff for the year 2009, which was ratified in July 2010 by the Ministry for Economic Development.

CAPEX in 9M/10 was EUR 7.4 ml, according to the investment plan for the year.

On the 15th September 2010, Sarlux S.r.l. proceeded with the early repayment of the residual loans of EUR 32 ml and EUR 47 ml, respectively due to E.I.B. (European Investment Bank) and to Banca Intesa San Paolo S.p.A., taken out on the 29th November 1996, for a total original amount of EUR 960 ml. The repayment of these loans resulted in the cancellation of the obligations, guarantees and covenants required by the contracts.

It should be noted that, according to Italian GAAP principles, the amortisation of intangible assets include the cost of the accessory obligations, guarantees and covenants on the loans. Following the early repayment of the loans, the residual cost of such accessory obligations, guarantees and covenants has been completely expensed in Q3/10. This led to a decrease of approximately EUR 18 ml on the Italian GAAP EBIT result of the period. By contrast, IFRS principles required to expense such costs at the same time when they were incurred.

Comments to Third Quarter 2010 results

In Q3/10 the Power Generation segment achieved a good operational performance. **Power production stood at 1.122 TWh,** up 21% vs. same period last year. However, it should be remembered that in Q3/09 there was a cycle of maintenance activities on one train of “Gasifier - Turbine”, while no major maintenance was undertaken in Q3/10.

Comparable **EBITDA in Q3/10 was EUR 51.8 ml**, up 11% vs. Q3/09, due to significantly higher sales of Hydrogen and Steam (up by EUR 5.3 ml), whose revenues are not subject to the IFRS linearization procedure.

Italian GAAP EBITDA stood at EUR 33.8 ml, up 154% versus Q3/09. This result is explained considering the combination of a significantly higher power production (up 21% vs Q3/09) and also the strengthening of the power tariff (which was up 18% compared to the same period of last year, standing at 9.8 Eurocent/KWh in Q3/10, vs. 8.3 Eurocent/KWh in Q3/09).

CAPEX was EUR 2.9 ml, in line with the investment plan for the period.

Wind

Saras Group is active in the renewable power production and sale through its subsidiary Parchi Eolici Ulassai S.r.l. (PEU), which operates a wind park located in Ulassai (Sardinia).

EUR million	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
EBITDA	2.1	2.2	-5%	3.5	14.0	14.2	-1%
***Comparable* EBITDA**	**2.1**	**2.2**	**-5%**	**3.5**	**14.0**	**14.2**	**-1%**
EBIT	(0.3)	(0.2)	-50%	1.3	7.1	7.0	1%
***Comparable* EBIT**	**(0.3)**	**(0.2)**	**-50%**	**1.3**	**7.1**	**7.0**	**1%**
CAPEX	**3.5**	**0.1**		**10.7**	**14.2**	**0.2**	

Other figures

		Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
ELECTRICITY PRODUCTION	MWh	23,433	16,956	38%	32,094	117,264	100,761	16%
POWER TARIFF	EURcent/KWh	7.2	9.6	-25%	6.2	6.9	7.8	-11%
GREEN CERTIFICATES	EURcent/KWh	7.6	10.0	-25%	8.5	8.3	8.6	-3%

Comments to January – September 2010 results

In 9M/10 the Ulassai wind park posted strong results, substantially in line with the same period of last year. More specifically, ***comparable* EBITDA stood at EUR 14.0 ml in 9M/10,** (down 1% vs. 9M/09), thanks to remarkably higher production of electricity (+16%), which more than offset the lower value of the power tariff and of the Green Certificates. Nonetheless, it should be mentioned that 9M/09 EBITDA received a boost of approx. EUR 1.3 ml from the higher value realized in the sales of Green Certificates related to the year 2008.

Electricity production in 9M/10 stood at 117,264 MWh (up 16% vs. the 100,761 MWh in 9M/09), due to favourable wind conditions in the first quarter of 2010, followed by seasonally lower production in the second and third quarter.

The average price of **Green Certificates in 9M/10 stood at 8.3 EURcent/kWh** (down 3% vs. 9M/09), and also the power tariff declined by 11% vs. 9M/09 (down to 6.9 EURcent/kWh), reflecting reduced demand for electricity related to still ailing economic conditions.

CAPEX in 9M/10 were EUR 14.2 ml, mainly spent during Q2 and Q3/10, in order to complete the Ulassai wind park, by installing 6 new aero-generators model "Vestas V80", each one with a nominal capacity of 2MW.

Comments to Third Quarter 2010 results

In Q3/10 the performance of the Ulassai wind farm was in line with expectations, when considering the seasonality effects. In fact, whilst wind conditions are usually disappointing during summer months, **electricity production in Q3/10 achieved 23,433 MWh**, which is almost 40% higher than same period last year.

Notwithstanding the higher production, ***comparable* EBITDA stood at EUR 2.1 ml in Q3/10,** down 5% vs. Q3/09. This can be explained considering the lower values of the power tariff and the Green Certificates. More specifically, **in Q3/10 Green Certificates average price was 7.6 EURcent/kWh** (-25% vs. Q3/09), and the value of power tariff was **7.2 EURcent/kWh** (-25% vs. Q3/09).

Finally, CAPEX were EUR 3.5 ml, in line with the investment plan for the completion of the Ulassai wind park.

Other Activities

The following table shows the financial highlights of the segment, which relates primarily to the operations of the subsidiaries Sartec S.p.A. and Akhela S.r.l..

EUR Million	Q3/10	Q3/09	Var %	Q2/10	9M 2010	9M 2009	var %
EBITDA	0.1	0.4	-75%	0.3	0.2	1.3	-85%
***Comparable* EBITDA**	**0.1**	**0.4**	**-75%**	**0.3**	**0.2**	**1.3**	**-85%**
EBIT	(0.2)	0.0	n/a	(0.2)	(1.0)	(0.1)	n/a
***Comparable* EBIT**	**(0.2)**	**0.0**	**n/a**	**(0.2)**	**(1.0)**	**(0.1)**	**n/a**

The results are in line with expectations.

Strategy and Investments

There have been no major changes to Saras Group strategy since the previous interim report. In the refining segment we continue to pursue an ambitious asset management programme, in cooperation with world-class consultants, named “Project Focus”, aimed at achieving maximum efficiency in production and effectiveness in operations.

The programme, which targets all aspects of refinery operations (“Asset Integrity”, “Asset Efficiency” and “Asset Effectiveness”), is expected to deliver savings for approx. EUR 10 ml in 2010, almost entirely related to a reduction in fixed costs, while in the mid-term it has been estimated that it’s Net Present Value corresponds to approx. EUR 0.3 per share.

Looking beyond the Refining segment, the Group strategy in 2010 continues to remain focused on consolidating the performance achieved by the Marketing segment in the previous years. This includes the complete integration of the new retail stations acquired in Spain during 2009. Moreover, we are pursuing opportunities to expand in the Spanish retail business, with a "small steps" approach, considering acquisitions of stations which can generate synergies with our existing network.

In the Wind segment, the Group has now completed the Ulassai wind park, with the installation of 6 new “Vestas V80” aero-generators. At the same time, it is well advanced the authorisation process to bring the capacity of the park to 96MW. Furthermore, Saras Group is progressing also with the development of its pipeline, both in southern Italy and also abroad.

Finally, regarding gas exploration activities, the studies carried out during the second half of 2009 were encouraging, showing possible geological formations usually associated with hydrocarbons. These results have warranted further seismic testing, which have now been completed, with the objective of determining more accurately the optimal location for potential exploration wells.

CAPEX by segment

EUR Million	Q3/10	9M 2010	FY 2009
REFINING	12.9	75.6	244.4
POWER GENERATION	2.9	7.4	12.4
MARKETING	0.9	4.6	56.6
WIND	3.5	14.2	0.3
OTHER	0.1	1.3	3.3
Total	**20.4**	**103.2**	**317.0**

Outlook

In the latest "World Economic Outlook" (WEO), published on October 7th, the International Monetary Fund (IMF) expects World growth at about 4.8% in 2010, followed by growth at 4.2% in 2011, broadly in line with earlier expectations.

However, downside risks continue to predominate, because sustained, healthy recovery can only be achieved, according to the IMF, with two "rebalancing" processes, which however have not yet started. Firstly, the IMF believes it is necessary to achieve *"internal rebalancing"*, which means a strengthening of private domestic demand in advanced economies. Secondly, it is also necessary an *"external rebalancing"* process, which requires an increase in net exports in deficit countries (such as the United States and many European countries), and a decrease in net exports in surplus countries (notably emerging Asia).

These two processes interact in strong ways. Increased net exports in advanced economies imply higher demand and higher growth, allowing more room for fiscal consolidation. Strengthened domestic demand would help emerging economies to maintain growth, in the face of lower exports.

REFINING

- Coherently with the IMF forecasts on global GDP growth, the International Energy Agency (IEA) continues to maintain an **optimistic view on oil demand trends**. In their latest "Monthly Oil Market Report", published on October 13th, global oil demand for 2010 and 2011 is revised up by 0.3 mb/d on average, to 86.9 mb/d and 88.2 mb/d respectively, to take into consideration some new data showing much stronger-than-expected Q3/10 readings, notably in the OECD.
- On the **crude supply** side, oil production edged up during the first nine months of 2010, almost matching the rise in demand. The largest share of the supply increase is attributable to non-OPEC countries, notwithstanding production declines in the North Sea and Mexico. OPEC crude oil production in contrast has risen only marginally, despite low capacity utilization in some of the major producers, highlighting the continued need for production curbs to keep prices in the 70 ÷ 80 $/bl range, and the expectation is that this approach will continue until the oil markets will have reached again a full cyclical normalisation.
- Looking at **oil products inventories**, during the first nine months of 2010 the correction of excess cyclical inventories (those above seasonal five-year average levels) in the OECD countries has remained partial. Indeed, middle distillates have decreased meaningfully, and are now close to seasonal norms. On the contrary, gasoline stocks have recently started to increase again, as the US driving season ended.
- **Refining margins** jump-started in the fourth quarter, due to high maintenance activities across European and American refineries, and temporary outages related to French strikes. In particular, our EMC benchmark margin moved rapidly up to 1.6 $/bl in October (from zero in September). In early November however, margins softened somewhat, due to the end of the French protests and the progressive start up of the refineries coming back from maintenance. At the time of writing this report, the EMC benchmark for November is averaging at 0.2 $/bl, but the outlook for the remainder of the period is positive, thanks essentially to middle distillates strength, as we move into winter.
- **Saras refinery runs for Q4/10** are projected between 3.75 ÷ 3.85 million tons (27.4 ÷ 28.1 million barrels), bringing the full year runs in the range 14.2 ÷ 14.3 million tons (104 ÷ 105 million barrels).

POWER GENERATION

- Standard maintenance activities on 2 trains of "Gasifier – Turbine" of our Sarlux IGCC plant were completed as per schedule in H1/10, and **no further maintenance is expected for the remaining part of the year.**
- Due to IFRS linearisation procedure, ***comparable*** **EBITDA** is expected at EUR 180÷190 ml per year, stable until 2021. On the contrary, Italian GAAP EBITDA will reflect oil price volatility, due to the formulas used to calculate CIP/6 tariff.
- The 9-month delay in the formula used to calculate the "fuel component" implies that the **CIP/6 power tariff** will remain approximately at the current levels for the remainder of 2010, in line with the trend of crude oil prices during the second half of 2009 (when Brent DTD stayed within the 65 ÷ 75 $/bl range).

CONDENSED CONSOLIDATED INTERIM FINANCIAL STATEMENTS

Statement of Consolidated Financial Position as of 30th September 2010 and as of 31st December 2009

EUR thousand	30/09/2010	31/12/2009
ASSETS		
current assets	**1,651,794**	**1,405,678**
Cash and cash equivalents	30,199	111,372
Other financial assets held for trading or available for sale	26,308	21,301
Trade receivables	654,687	396,954
Inventories	815,684	732,077
Current tax assets	40,847	39,983
Other assets	84,069	103,991
Non-current assets	**1,982,901**	**2,019,986**
Property, plant and equipment	1,494,863	1,525,547
Intangible assets	422,888	445,549
Other equity interests	571	571
Deferred tax assets	56,809	46,932
Other financial assets	7,770	1,387
Total assets	**3,634,695**	**3,425,664**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**1,185,557**	**1,181,771**
Short-term financial liabilities	218,172	379,562
Trade and other payables	752,110	646,992
Current tax liabilities	118,273	67,955
Other liabilities	97,002	87,262
Non-current liabilities	**1,218,892**	**1,015,853**
Long-term financial liabilities	483,289	289,552
Provisions for risks and future liabilities	96,522	41,118
Provisions for employee benefits	34,894	35,420
Liabilities for deferred tax assets	0	0
Other liabilities	604,187	649,763
Total liabilities	**2,404,449**	**2,197,624**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	1,163,830	1,089,884
Profit/(loss) for the period	882	72,552
Total equity attributable to owners of the company	**1,230,268**	**1,227,992**
Minority interest	(22)	48
Total Equity	**1,230,246**	**1,228,040**
Total liabilities and equity	**3,634,695**	**3,425,664**

Consolidated Income Statement and Statement of Comprehensive Income for the periods: 1st Jan–30th Sep2010 and 1st Jan–30th Sep2009

STATEMENT OF COMPREHENSIVE INCOME AS OF 1st JANUARY - 30 SEPTEMBER 2010 AND 2009

EUR thousand	1 January 30 September 2010	of which non recurring	1 January 30 September 2009	of which non recurring
Revenues from ordinary operations	6.040.140		3.701.844	
Other income	67.412		50.990	
Total revenues	**6.107.552**	***0***	**3.752.834**	***0***
Purchases of raw materials, spare parts and consumables	(5.396.433)		(2.985.627)	
Cost of services and sundry costs	(460.125)		(387.205)	
Personnel costs	(113.261)		(104.566)	
Depreciation, amortization and write-downs	(153.395)		(138.686)	
Total costs	**(6.123.214)**	***0***	**(3.616.084)**	***0***
Operating results	**(15.662)**	***0***	**136.750**	***0***
Net income (charges) from equity interests				
Financial Income	50.103		13.436	
Financial Charges	(34.631)		(31.846)	
Profit before taxes	**(190)**	***0***	**118.340**	***0***
Income tax for the period	1.002		(50.985)	
Net profit/(loss) for the period	**812**	***0***	**67.355**	***0***
Net profit/(loss) for the period attributable to:				
Equity holders of the company	882		67.389	
Minority interest	(70)		(34)	
Net profit/(loss) per share - base (Euro cent)	**0,10**		**7,26**	
Net profit/(loss) per share - diluited (Euro cent)	**0,10**		**7,26**	

STATEMENT OF COMPREHENSIVE INCOME AS OF 1st JANUARY - 30 SEPTEMBER 2010 AND 2009

EUR thousand	1 January 30 September 2010	1 January 30 September 2009
Net result of the period (A)	**812**	**67.355**
Effect of exchange rate on financial accounts	(4)	10
Income / (loss), net of fiscal effect (B)	**(4)**	**10**
Consolidated Comprehensive Result o f the period (A + B)	**808**	**67.365**
Net consolidated Comprehensive Result o f the period perteining to :		
Parent Company shareholding	878	67.399
Minority Interessence	(70)	(34)

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2008, to 30th September 2010

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 31/12/2008	**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
Reserve for employees stock plan			3.005		3.005		3.005
Dividends			(157.721)		(157.721)		(157.721)
Effect of Corporate tax rate reduction (IRES)			70		70		70
Minority on Artemide Srl acquisition					0	7	7
Effect of exchange rate on financial accounts			10		10		10
Net profit (loss) for the period				67.389	67.389	(34)	67.355
Balance as of 30/09/2009	**54.630**	**10.926**	**1.090.861**	**67.389**	**1.223.806**	**(27)**	**1.223.779**
Reserve for employees stock plan			(954)		(954)		(954)
Effect of Corporate tax rate reduction (IRES)			(15)		(15)		(15)
Minority on Artemide Srl acquisition					0	35	35
Effect of exchange rate on financial accounts			(8)		(8)		(8)
Net profit (loss) for the period				5.163	5.163	40	5.203
Balance as of 31/12/2009	**54.630**	**10.926**	**1.089.884**	**72.552**	**1.227.992**	**48**	**1.228.040**
Allocation of previous period profit			72.552	(72.552)	0		0
Reserve for employees stock plan			1.398		1.398		1.398
Effect of exchange rate on financial accounts			(4)		(4)		(4)
Net profit (loss) for the period				882	882	(70)	812
Balance as of 30/09/2010	**54.630**	**10.926**	**1.163.830**	**882**	**1.230.268**	**(22)**	**1.230.246**

Consolidated Cash Flow Statements as of 30th September 2010 and as of 30th September 2009

EUR thousand	1/1/2010 - 30/09/2010	1/1/2009 - 30/09/2009
A - Cash and cash equivalents at the beginning of period	**111,372**	**65,180**
B - Cash generated from/(used in) operating activities		
Net Profit/ (Loss) for the period	812	67,355
Amortization, depreciation and write-down of fixed assets	153,395	138,686
Net (income)/charges from equity interests	0	0
Net change in provisions for risks and charges	55,404	27,391
Net change in employee benefits	(526)	(1,880)
Net Change in tax liabilities and tax assets	(9,877)	7,540
Income tax	(1,002)	50,985
Other non cash items	1,394	3,092
Profit (Loss) from operating activities before changes in working capital	**199,600**	**293,169**
(Increase)/Decrease in trade receivables	(257,733)	202,757
(Increase)/Decrease in inventory	(83,607)	(221,690)
Increase/(Decrease) in trade and other payables	105,118	169,003
Change in other current assets	19,058	(78,108)
Change in other current liabilities	88,212	56,805
Income tax paid	(11,952)	(119,684)
Change in other non-current liabilities	(45,576)	(17,840)
Total (B)	**13,120**	**284,412**
C - Cash flow from (to) investment activities		
(Investments) in tangible and intangible assets	(103,174)	(252,266)
(Investments) disinvestments in other holdings	0	440
Change in financial assets	(11,390)	(2,904)
Interest received	136	765
Other non cash items	3,124	287
Total (C)	**(111,304)**	**(253,678)**
D - Cash generated from/(used in) financing activities		
Increase/(Decrease) in medium/long term borrowings	193,737	154,268
Increase/(Decrease) in short term borrowings	(161,390)	(13,206)
Dividend distribution to shareholders	0	(157,721)
Interest paid	(15,336)	(10,691)
Total (D)	**17,011**	**(27,350)**
E - Cashflow for the period (B+C+D)	**(81,173)**	**3,384**
F - Cash from new consolidated subsidiaries	**0**	**0**
G - Cash and cash equivalents at the end of period	**30,199**	**68,564**