Approval of 2011 Group Consolidated and Saras S.p.A. draft financial statements[1]

Milan, 22nd March 2012: The Board of Directors of Saras S.p.A. met yesterday and approved the draft of the Group Consolidated Financial Statements and of Saras S.p.A. Financial Statements for the year ended 31st December 2011, which closed respectively with a consolidated net result of EUR 58.8 ml, and a net result of EUR -45.5 ml for the parent company. The comments for each business segment are the same as those made for the FY2011 preliminary figures; therefore please refer to the press release dated 28th February 2012.

2011 Annual Report has been submitted to the Board of Statutory Auditors and to the external auditors and, together with all other documents required by the article 154-ter of the Legislative Decree 58/1998 (the "Consolidated Finance Act" – T.U.F.), they shall be made available to the general public at the company's Registered Office and in the offices of the Italian Stock Exchange (Borsa Italiana S.p.A.), and they will also be published on Saras website (**www.saras.it**) in due course, as prescribed by the current regulations.

Herewith enclosed are the 2011 Statement of Financial Position, Income Statement and Statement of Comprehensive Income, Statement of Changes in Consolidated Shareholders' Equity, and Cash Flow Statement for both the Saras Group and for the parent company Saras S.p.A..

Group key financial results[2]

EUR Million	FY 2011	FY 2010	Change %
EBITDA	394.3	223.5	76%
Comparable EBITDA	**267.8**	**149.2**	**79%**
NET RESULT	58.8	(9.5)	718%
***Adjusted* NET RESULT**	**(17.7)**	**(43.9)**	**60%**
NET FINANCIAL POSITION	**(653)**	**(560)**	

Comments to Group Full Year 2011 results

2011 has been a difficult year for the global economy, because of continuing financial troubles in the peripheral countries of the Euro Zone, and persistently high unemployment levels in the United States. Moreover two geopolitical events weighted heavily on the stability of the crude oil supply, causing strong tensions on oil prices. In the first part of the year, the so called "Arab spring" touched its apex with the dramatic events in Libya and Syria. Later, in the last quarter, the confrontation between Iran and the Western World dramatically intensified.

Refining margins were under pressure for most of the year, putting under severe stress the resilience of the entire European refining industry, which also had to face the competition of both American and Asian refineries. In particular, the wide discount of WTI crude versus European Brent, allowed the American refineries based in the Mid-West and in the Gulf of Mexico to benefit from a cheaper cost of the feedstock. This was more than sufficient to compensate the cost of transportation, and made it possible for American refiners to export refined products to Europe at competitive prices. In Asia instead, the local refineries enjoy various forms of economic incentives and fiscal reliefs.

[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] 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 Result 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, changes in *fair value* of the derivative instruments and non recurring items are also deducted, both from the operating results and from the Net Result. Operating results and Net Result calculated as above are called respectively "*comparable*" and "*adjusted*", and they are not subject to audit review.

In such a challenging context, the Refining segment of the Saras Group leveraged its traditional flexibility to limit the effects related to the shortage of Libyan crude oils and it was also able to implement meaningful reductions in operational costs, as well as improvements in energy efficiency. Consequently, it achieved a good result, especially in comparative terms versus the European "*peers*".

Also the Power Generation segment obtained an excellent performance, notwithstanding the important 10-year turnaround cycle, carried out during the second quarter of the year, to allow the scheduled maintenance activities on the IGCC plant. In the subsequent quarters indeed, the plant was again fully operational, and it achieved solid economic results, and full scale productivity.

Moving to the Marketing segment, the year 2011 was characterized by a generalized reduction in oil products' consumption in all main European markets, including Italy and Spain where our Group activities are concentrated. Nonetheless, the segment's economic results have been strong, thanks also to specific policies aimed at optimising the mix of sales channels and the oil products' inventories.

Finally, the Wind segment's performance was influenced by unfavourable weather conditions, especially during the second and third quarter of the year.

Group Revenues in FY2011 were EUR 11,037 ml, up 28% vs. FY2010, mainly because of the higher revenues coming from the Refining and Marketing segments, in the light of significantly higher prices for all the main oil products (for quick reference, in FY2011 diesel traded at an average of 958 $/ton vs. 683 $/ton in FY2010, and gasoline priced at 979 $/ton vs. 730 $/ton in FY2010). Moreover, the higher revenues in FY2011 derive also from higher volumes of oil products sold on our own account, due to the expiry of all third parties processing contracts in the Sarroch refinery.

Group *reported* EBITDA in FY2011 was EUR 394.3 ml, substantially higher than EUR 223.5 ml in FY2010. This result came primarily as a consequence of the revaluation of the oil inventories, related to the growing trend followed by oil prices. Moreover, Group EBITDA was supported also by the higher operational performance of the Sarroch refinery, as well as the stronger results of the Power Generation segment. **Group *reported* Net Result stood at EUR 58.8 ml**, up vs. EUR -9.5 ml in FY2010, essentially for the same reason explained at EBITDA level.

Group *comparable* EBITDA amounted to EUR 267.8 ml in FY2011, up vs. EUR 149.2 ml in FY2010. Similarly, **Group *adjusted* Net Result stood at EUR -17.7 ml**, up vs. EUR -43.9 ml in FY2010. The large improvements versus same period last year can be primarily explained with the better results achieved by the Refining, Marketing and Power Generation segments. Moreover, it should be noted that the net financial charges, which include also the result of the derivative instruments, were negative for EUR 61.6 ml in FY2011, while in FY2010 they were negative for EUR 29.9 ml.

CAPEX in FY2011 stood at EUR 105.0 ml, in line with the investment programme for the year 2011, and distributed primarily between the Refining segment (EUR 64.6 ml) and the Power Generation segment (EUR 31.2 ml).

The **Group Net Financial Position on 31st Dec 2011 was EUR -653 ml**, while on the 31st Dec 2010 it was EUR -560 ml. The difference in the Net Financial Position during the year can be primarily explained with the large increase in working capital (approx. EUR 280 ml) and the investments for the period (EUR 105 ml). Those cash flows were partially offset by the self-financing from provisions for depreciation and amortisation (EUR 213 ml). Finally, with specific reference to inventories, which are included in the working capital, it can be noted that between the beginning and the end of 2011 there was not only a meaningful increase of their value due to pricing effects, but also an increase in volumes (approx. 170 ktons, mainly of refined products). The liquidation of these volumes in subsequent periods will certainly produce positive effects on the financial position.

Comments to Saras S.p.A. Full Year 2011 results

Saras S.p.A. is the Group parent company, and it also operates directly in the refining sector. **In FY 2011, the company refined a total of 102.2 ml barrels of crude oil (corresponding to 14 ml tons)**. This operational performance is substantially in line with last year (-2%), notwithstanding the absence of some peculiar Libyan crude oils for several months during 2011, as a further confirmation of the flexibility of Saras refinery, and of the company's capabilities to procure crude oil from numerous alternative sources.

Refinery runs were entirely on Saras account, since all third party processing contracts expired in 2010 and they were not renewed.

The crude mix processed in FY2011 in the Sarroch refinery had an average density of 32.2°API, broadly in line with the average of the °API in the previous year. However, the dramatic Libyan crisis led Saras to source alternative crude oils, during Q2/11 and Q3/11, with the objective of minimising the economic impact deriving from that situation.

Revenues of Saras S.p.A. in FY2011 were EUR 10,046 ml, up 34% vs. FY2010. This increase can be mainly explained with the higher prices for the oil products.

EBITDA was EUR 112 ml, strongly up versus FY2010 (+373%). This result can be primarily attributed to the revaluation of the oil inventories, related to the growing trend followed by oil prices, and also to the higher operational performance of the Sarroch refinery.

The average of the exchange rate USD / EUR stood at 1.392 in FY2011, versus the average of 1.326 in FY2010.

Saras S.p.A. Net Result stood at EUR -45.5 ml, up 59% vs. EUR -110.1 ml in FY2010.

CAPEX was EUR 66 ml vs. EUR 95 ml in FY2010, in line with the programme for FY2011.

The Net Financial Position of Saras S.p.A. on 31st Dec 2011 was EUR -693 ml, while on the 31st Dec 2010 it was EUR -501 ml. The difference in the Net Financial Position during the year can be primarily explained with the large increase in working capital, and with the investments for the period. Those cash flows were partially offset by the self-financing from provisions for depreciation and amortisation.

Dividend

Coherently with the negative *adjusted* Net Result posted by the Group in FY 2011, and in line with the company's dividend policy, the Board of Directors will propose to the AGM no dividend distribution.

Main events after the end of FY2011

On the **23rd of January 2012**, the European Union decided to establish a total crude oil embargo versus Iran, in order to contrast its nuclear enrichment programme. All supply contracts which had been signed before that date can continue to be performed until the 1st of July 2012. Subsequently, if the embargo should not be revoked, the Iranian crude oils shall no longer be available in the European markets.

The Saras Group has a modest exposure to the supply of Iranian crude oil (approx. 10% of the total refinery runs). In case the embargo should remain, the Group shall resort to its commercial flexibility and to its continued presence on the international oil markets, in order to replace the above mentioned crude oils and guarantee the full utilisation of our refining capacity, while also minimising any possible economic impact deriving from such circumstances.

On the **22nd of February 2012**, the Group reached a preliminary agreement to sell its affiliate Akhela S.r.l., and its subsidiary Artermide S.r.l., active in the Information & Communication Technology sector (ICT), with annual revenues of approximately EUR 26 ml in 2011, and 320 employees. The transaction was completed in the following days. Akhela has been acquired by the Solgenia Group, a leading Italian company in the ICT sector, with approximately 500 employees, expected annual revenues in excess of EUR 50 ml in 2012, and more than 3,000 customers worldwide. Contextually, Saras signed a multiannual contract with Akhela, for the supply of IT services.

For further information, please contact:

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

Alessandra Gelmini
Saras – IR Officer
Tel +39 02 7737642

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 11.0 billion Euros as of 31st December 2011. 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 Sardeolica S.r.l.. 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.. Finally, in July 2011, the Group created a new subsidiary called Sargas S.r.l., which operates in the fields of exploration and development, as well as transport, storage, purchase and sale of gaseous hydrocarbons.

GROUP CONSOLIDATED FINANCIAL STATEMENTS

Statement of consolidated Financial Position:
as of 31st December 2011 and 31st December 2010

EUR thousand	31/12/2011	31/12/2010
ASSETS		
current assets	**2,348,332**	**1,936,994**
Cash and cash equivalents	139,343	80,835
Other financial assets held for trading or available for sale	42,843	28,800
Trade receivables	869,738	868,537
of which with related parties:	*154*	*107*
Inventories	1,154,350	812,162
Current tax assets	36,499	39,266
Other assets	105,559	107,394
Non-current assets	**1,804,425**	**1,956,224**
Property, plant and equipment	1,392,317	1,473,284
Intangible assets	378,258	414,206
Other equity interests	547	571
Deferred tax assets	32,407	67,283
Other financial assets	896	880
Total assets	**4,152,757**	**3,893,218**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**1,996,740**	**1,495,547**
Short-term financial liabilities	573,862	187,790
Trade and other payables	1,188,503	1,123,500
of which with related parties:	*8*	*68*
Current tax liabilities	141,829	89,990
Other liabilities	92,546	94,267
Non-current liabilities	**872,983**	**1,177,286**
Long-term financial liabilities	284,798	481,937
Provisions for risks and charges	77,267	78,533
Provisions for employee benefits	23,299	30,547
Deferred tax liabilities	4,474	0
Other liabilities	483,145	586,269
Total liabilities	**2,869,723**	**2,672,833**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	1,158,676	1,164,297
Profit/(loss) for the year	58,802	(9,468)
Total equity attributable to owners of the company	**1,283,034**	**1,220,385**
Minority interest	0	0
Total Equity	**1,283,034**	**1,220,385**
Total liabilities and equity	**4,152,757**	**3,893,218**

Consolidated Income Statement and Comprehensive Income Statement

1st Jan – 31st Dec 2011 and 1st Jan – 31st Dec 2010

Consolidated Income Statement for the periods: 1st January - 31st December 2011 and 2010

EUR thousand	1st January 31st December 2011	of which non recurring	1 January 31st December 2010	of which non recurring
Revenues from ordinary operations	10,960,866		8,529,750	
of which with related parties:	*40*		*0*	
Other income	76,233		84,888	
of which with related parties:	*106*		*107*	
Total revenues	**11,037,099**	***0***	**8,614,638**	***0***
Purchases of raw materials, spare parts and consumables	(9,907,367)		(7,629,722)	
Cost of services and sundry costs	(576,649)		(611,033)	
of which with related parties:	*(1,104)*		*(1,280)*	
Personnel costs	(158,814)		(150,482)	
Depreciation, amortization and write-downs	(213,316)		(207,327)	
Total costs	**(10,856,146)**	***0***	**(8,598,564)**	***0***
Operating results	**180,953**	***0***	**16,074**	***0***
Net income (charges) from equity interests	0		0	
Financial income	123,730		37,463	
Financial charges	(185,294)	(4,419)	(67,344)	
Profit before taxes	**119,389**	***(4,419)***	**(13,807)**	***0***
Income tax for the period	(60,587)		4,339	
Net profit/(loss) for the period	**58,802**	***(4,419)***	**(9,468)**	***0***
Net profit/(loss) for the period attributable to:				
Equity holders of the company	58,802		(9,468)	
Minority interest	0		0	
Earnings per share - basic (Euro cent)	**6.33**		**(1.02)**	
Earnings per share - diluited (Euro cent)	**6.33**		**(1.02)**	

Statement of Comprehensive Income for the periods: 1st January - 31st December 2011 and 2010

EUR thousand	1st January 31st December 2011	1 January 31st December 2010
Net result of the period (A)	**58,802**	**(9,468)**
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)	**58,798**	**(9,478)**
Net consolidated Comprehensive Result o f the period perteining to :		
Parent Company shareholding	58,798	(9,478)
Minority Interest	0	0

Statement of Changes in Consolidated Shareholders' Equity:
from 31st December 2009 to 31st December 2011

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 31/12/2009	**54,630**	**10,926**	**1,089,884**	**72,552**	**1,227,992**	**48**	**1,228,040**
Period 1/1/2010 - 31/12/2010							
Allocation of previous year profit			72,552	(72,552)	0		0
Reserve for employees stock plan			2,219		2,219		2,219
Effect of exchange rate on financial accounts			(10)		(10)		(10)
Acquisition 49% Artemide S.r.l.			(348)		(348)	(48)	(396)
Net profit (loss) for the period				(9,468)	(9,468)		(9,468)
Balance as of 31/12/2010	**54,630**	**10,926**	**1,164,297**	**(9,468)**	**1,220,385**	**0**	**1,220,385**
Period 1/1/2011 - 31/12/2011							
Allocation of previous year profit			(9,468)	9,468	0		0
Reserve for employees stock plan			3,851		3,851		3,851
Effect of exchange rate on financial accounts			(4)		(4)		(4)
Net profit (loss) for the period				58,802	58,802		58,802
Balance as of 31/12/2011	**54,630**	**10,926**	**1,158,676**	**58,802**	**1,283,034**	**0**	**1,283,034**

Consolidated Cash Flow Statements as of:
31st December 2011 and 31st December 2010

EUR thousand	1/1/2011 - 31/12/2011	1/1/2010 - 31/12/2010
A - Cash and cash equivalents at the beginning of year	**80,835**	**111,372**
B - Cash generated from/(used in) operating activities		
Net Profit / (Loss) for the period	58,802	(9,468)
Amortization, depreciation and write-down of fixed assets	213,316	207,327
Net change in provisions for risks and charges	(1,266)	37,415
Net change in employee benefits	(7,248)	(4,873)
Net Change in tax liabilities and tax assets	39,350	(20,351)
Net interest gains (losses)	32,996	16,051
Income tax	21,237	(4,339)
Change in Fair Value of negotiable financial assets, and of financial liabilities	11,186	13,561
Other non cash items	3,801	2,209
Profit / (Loss) from operating activities before changes in cash and non cash items of working capital	**372,174**	**237,532**
(Increase)/Decrease in trade receivables	(1,201)	(471,583)
of which with related parties:	*(47)*	*(17)*
(Increase)/Decrease in inventory	(342,188)	(80,085)
Increase/(Decrease) in trade and other payables	65,003	476,508
of which with related parties:	*(60)*	*38*
Change in other current assets	4,602	(5,917)
Change in other current liabilities	42,573	71,373
Interests received	368	213
Interests paid	(33,364)	(16,264)
Income tax paid	(13,692)	(21,943)
Change in other non-current liabilities	(103,124)	(63,494)
Total (B)	**(8,849)**	**126,340**
C - Cash flow from (to) investment activities		
(Investments) in tangible and intangible assets	(105,011)	(128,951)
- of which interests paid capitalized	*(7,771)*	*(4,971)*
(Investments) disinvestments in other holdings	74	0
Change in financial assets	16,889	5,663
Other cash items	8,606	5,230
Total (C)	**(79,442)**	**(118,058)**
D - Cash generated from/(used in) financing activities		
Increase/(Decrease) in medium/long term borrowings	0	192,385
Increase/(Decrease) in short term borrowings	146,799	(230,808)
Acquisition 49% Artemide S.r.l.	0	(396)
Total (D)	**146,799**	**(38,819)**
E - Cashflow for the year (B+C+D)	**58,508**	**(30,537)**
F - Cash from new consolidated subsidiaries	**0**	**0**
G - Cash and cash equivalents at the end of year	**139,343**	**80,835**

SARAS SPA FINANCIAL STATEMENTS

Saras S.p.A. Statement of Financial Position:
as of 31st December 2011 and 31st December 2010

(EUR Thousand)	31/12/2011	31/12/2010
ASSETS		
Current assets	**1,869,857**	**1,533,695**
Cash and cash equivalents	97,285	46,906
Other financial assets held for trading or available for sale	34,250	16,243
Trade receivables	672,471	699,119
of which with related parties:	*347,280*	*309,763*
Inventories	959,832	622,652
Current tax assets	33,393	36,843
Other assets	72,626	111,932
of which with related parties:	*43,047*	*82,687*
Non-current assets	**1,157,708**	**1,217,243**
Property, plant and equipment	725,320	771,727
Intangible assets	17,722	15,602
Other Equity interests at cost	300,944	303,891
Other equity interests	495	495
Deferred tax assets	37,267	49,764
Other financial assets	75,960	75,764
of which with related parties:	*75,550*	*75,350*
Total assets	**3,027,565**	**2,750,938**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**1,897,829**	**1,374,703**
Short-term financial liabilities	718,263	285,642
of which with related parties:	*225,468*	*151,012*
Trade and other payables	1,070,526	1,004,720
of which with related parties:	*41,789*	*30,208*
Current tax liabilities	44,152	14,034
Other liabilities	64,888	70,307
Non-current liabilities	**370,259**	**575,062**
Long-term financial liabilities	248,223	437,005
Provisions for risks and charges	65,893	69,649
Provisions for employee benefits	20,719	28,013
Other liabilities	35,424	40,395
of which with related parties:	*35,063*	*40,034*
Total liabilities	**2,268,088**	**1,949,765**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	739,468	845,703
Profit/(loss) for the period	(45,547)	(110,086)
Total Equity	**759,477**	**801,173**
Total liabilities and equity	**3,027,565**	**2,750,938**

Saras S.p.A. Income Statement and Comprehensive Income Statement
1st Jan – 31st Dec 2011 and 1st Jan – 31st Dec 2010

SARAS S.p.A. - INCOME STATEMENT FOR THE PERIODS: 1ST JANUARY - 31ST DECEMBER 2011 AND 2010

(EUR Thousand)	1ST JANUARY 31ST DICEMBRE 2011	of which non recurring	1 JANUARY 31ST DECEMBER 2010	of which non recurring
Revenues from ordinary operations	9,932,619		7,394,327	
of which with related parties:	*2,798,186*		*2,070,034*	
Other income	113,660		107,958	
of which with related parties:	*91,857*		*90,181*	
Total revenues	**10,046,279**	***0***	**7,502,285**	***0***
Purchases of raw materials, spare parts and consumables	(9,367,250)		(6,975,911)	
of which with related parties:	*(75,213)*		*(36,904)*	
Cost of services and sundry costs	(454,529)		(461,265)	
of which with related parties:	*(83,751)*		*(77,233)*	
Personnel costs	(112,164)		(105,860)	
Depreciation, amortization and write-downs	(110,206)		(106,945)	
Total costs	**(10,044,149)**	***0***	**(7,649,981)**	***0***
Operating results	**2,130**	***0***	**(147,696)**	***0***
Net income (charges) from equity interests	(7,457)	(7,353)	(2,445)	
Other financial income	126,395		39,232	
of which with related parties:	*3,579*		*2,686*	
Other financial charges	(180,236)	(849)	(58,948)	
of which with related parties:	*(7,580)*	*(849)*	*(1,240)*	
Profit before taxes	**(59,168)**	***(8,202)***	**(169,857)**	***0***
Income tax for the period	13,621		59,771	
Net profit/(loss) for the period	**(45,547)**	***(8,202)***	**(110,086)**	***0***

SARAS S.p.A. - STATEMENT OF COMPREHENSIVE INCOME FOR THE PERIODS: 1ST JANUARY - 31ST DECEMBER 2011 AND 2010

(EUR Thousand)	1ST JANUARY 31ST DICEMBRE 2011	1 JANUARY 31ST DECEMBER 2010
Result of the year (A)	**(45,547)**	**(110,086)**
Income / (loss), net of fiscal effect (B)	**0**	**0**
Consolidated Comprehensive Result o f the period (A + B)	**(45,547)**	**(110,086)**

Saras S.p.A. Statement of Changes in Shareholders' Equity:
from 31st December 2009 to 31st December 2011

(EUR Thousand)	Share Capital	Legal Reserves	Other Reserves	Profit (loss)	Total equity
Balance as of 31/12/2009	**54,630**	**10,926**	**765,443**	**78,041**	**909,040**
Allocation of previous year profit			78,041	(78,041)	0
Reserve for employees stock plan			2,219		2,219
Profit (loss) for the year				(110,086)	(110,086)
Balance as of 31/12/2010	**54,630**	**10,926**	**845,703**	**(110,086)**	**801,173**
Allocation of previous year profit			(110,086)	110,086	0
Reserve for employees stock plan			3,851		3,851
Profit (loss) for the year				(45,547)	(45,547)
Balance as of 31/12/2011	**54,630**	**10,926**	**739,468**	**(45,547)**	**759,477**

Saras S.p.A. Cash Flow Statements as of:
31st December 2011 and 31st December 2010

(EUR Thousand)	01/01/2011 - 31/12/2011	01/01/2010 - 31/12/2010
A - Cash and cash equivalents at the beginning of year	**46,906**	**22,104**
B - Cash generated from/(used in) operating activities		
Profit/ (Loss) for the period	(45,547)	(110,086)
Amortization, depreciation and write-down of fixed assets	110,206	106,945
Net (income)/charges from equity interests	8,306	2,445
of which with related parties:	*7,457*	*2,445*
Net change in provisions for risks and charges	(3,756)	37,410
Net change in employee benefits	(7,294)	(4,983)
Net Change in tax liabilities and tax assets	12,497	(31,847)
Net interest gains (losses)	29,423	16,656
Income tax	(26,118)	(59,771)
Change in Fair Value of negotiable financial assets, and of financial liabilities	5,876	25,710
Other non cash items	4,350	2,219
Profit / (Loss) from operating activities before changes in cash and non cash items of working capital	**87,943**	**(15,302)**
Increase) / Decrease in trade receivables	26,648	(454,144)
of which with related parties:	*(37,517)*	*(179,068)*
(Increase) / Decrease in inventory	(337,180)	(70,039)
Increase / (Decrease) in trade and other payables	65,806	484,347
of which with related parties:	*11,581*	*3,217*
Change in other current assets	6,886	(28,280)
of which with related parties:	*39,640*	*(5,350)*
Change in other current liabilities	57,050	77,013
Interest received	3,728	2,718
of which with related parties:	*3,579*	*2,686*
Interests paid	(33,151)	(13,141)
of which with related parties:	*(6,216)*	*(1,240)*
Income tax paid	0	(10,097)
Change in other non-current liabilities	(4,971)	(4,962)
of which with related parties:	*(200)*	*(5,021)*
Other non cash items	0	0
Total (B)	**(127,241)**	**(31,887)**
C -Cash flow from / (to) investment activities		
Investments in tangible and intangible assets	(66,011)	(94,502)
- of which interests paid capitalized	*(7,771)*	*(4,971)*
Changes in Equity interests	(510)	0
Change in financial assets	47,079	(1,418)
Other cash items	92	(373)
Total (C)	**(19,350)**	**(96,293)**
D - Cash generated from / (used in) financing activities		
Increase / (Decrease) in medium/long term borrowings	0	248,210
Increase / (Decrease) in short term borrowings	196,970	(95,228)
of which with related parties:	*74,457*	*91,572*
Total (D)	**196,970**	**152,982**
E - Cashflow for the year (B+C+D)	**50,379**	**24,802**
F - Cash and cash equivalents at the end of year	**97,285**	**46,906**