SARAS Board of Directors approves Third Quarter and 9M/09 results[1]

Highlights for the third quarter and 9M/09

- **9M/09 Group *reported* EBITDA** at EUR 275.4 ml (-48% vs. 9M/08)
  - Q3/09 Group *reported* EBITDA at EUR -17.1 ml (-127% vs. Q3/08)
- **9M/09 Group *comparable*[2] EBITDA** in at EUR 116.6 ml (-77% vs. 9M/08)
  - Q3/09 Group *comparable* EBITDA at EUR 1.4 ml (-99% vs. Q3/08)
- **9M/09 Group *reported* Net Income** at EUR 67.4 ml (-78% vs. 9M/08)
  - Q3/09 Group *reported* Net Income at EUR -49.6 ml (-152% vs. Q3/08)
- **9M/09 Group *adjusted*[3] Net Income** at EUR -30.5 ml (-113% vs. 9M/08)
  - Q3/09 Group *adjusted* Net Income at EUR -37.6 ml (-163% vs. Q3/08)
- **9M/09 Saras refining margin** at 2.2 $/bl (-75% vs. 9M/08), and **-0.3 $/bl in Q3/09** (-104% vs. Q3/08)
  - In 9M/09 Saras premium above the EMC benchmark margin was 0.9 $/bl (-0.1 $/bl in Q3/09), penalised by important investments and scheduled maintenance initiated during Q2/09 and delayed into Q3/09, as well as technical problems during the subsequent start up of critical units
- **On 30th Sep'09 Net Financial Position** was EUR -463 ml, improved vs. EUR -472 ml on 30th Jun'09

Milan, 10th November 2009: The Board of Directors of Saras S.p.A. met yesterday under Chairman Gian Marco Moratti and approved third quarter and 9M/09 results. The Chairman declared: ***"In the first nine months of 2009 the economic and financial crisis brought a steep reduction in energy consumption worldwide, and refining margins became very thin. In this challenging context, Saras introduced various technological enhancements, carrying out a major programme of investments and scheduled maintenance activities in its Sarroch refinery. Obviously, these activities forced us to temporarily stop various critical units, with unavoidable effects on our quarterly results. At this stage, however, all of our units are fully operational, and the aforementioned enhancements will allow our Group to take advantage of the economic recovery, which is expected to materialize throughout 2010".***

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[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.

Programme of the conference call organized for today 10th November 2009

At **16:00 C.E.T**. of Tuesday 10th November 2009 there will be a conference call for analysts and investors, during which Saras top management will discuss a slide presentation on Q3/09 and 9M/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=555dae31f454802f839666947f83bb6a&portal_id=631d32d312bb9a535ffc19ae06bbd85c

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, 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 key consolidated economic and financial figures, shown in comparison with the data related to the same period last year. *Comparable* and *Adjusted* figures are unaudited.

Saras Group income statement figures

EUR Million	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	change %
REVENUES	1,416	2,494	-43%	1,109	3,753	6,954	-46%
EBITDA	(17.1)	64.2	-127%	147.9	275.4	531.6	-48%
Comparable EBITDA	**1.4**	**164.2**	**-99%**	**24.1**	**116.6**	**504.4**	**-77%**
EBIT	(65.5)	21.9	-399%	102.3	136.8	410.8	-67%
Comparable EBIT	**(47.0)**	**121.9**	**-139%**	**(21.5)**	**(22.0)**	**383.6**	**-106%**
NET INCOME	(49.6)	(19.7)	-152%	58.8	67.4	310.1	-78%
***Adjusted* NET INCOME**	**(37.6)**	**60.1**	**-163%**	**(18.3)**	**(30.5)**	**232.1**	**-113%**

Other Group figures

EUR Million	Q3/09	Q3/08	Q2/09	9M/09	9M/08
NET FINANCIAL POSITION	**(463)**	**(221)**	**(472)**	**(463)**	**(221)**
CAPEX	**70**	**48**	**122**	**252**	**175**
OPERATING CASH FLOW	**78**	**72**	**31**	**279**	**279**

Comments on Third Quarter and 9M/09 results

During the first nine months of 2009, the global economic recession led to a reduction in oil products demand, and a consequent deterioration of refining margins, which stayed very thin throughout the year, with their weakest performance so far, during Q3/09. In this context, Saras carried out an important cycle of investments and scheduled maintenance in the refinery, with unavoidable impacts on the results of the Refining segment. A tragic accident in May, subsequent delays in the completion of maintenance activities, and some technical problems at the re-start of critical units during Q3/09, all contributed to further penalisations on the results. The Power Generation segment, albeit linearised in accordance with IFRS requirements, was also weaker in Q3/09 and 9M/09 vs. same periods last year, due to lower sales of hydrogen and steam, and also operational problems which reduced production. Marketing also suffered from the generalised reduction of oil consumption, especially in the Spanish market, as it can be observed both in Q3/09 figures and in the cumulative 9M/09 results. The Wind segment, instead, had a positive performance both in Q3/09 and in the 9M/09, beating the results achieved in the corresponding periods of last year, thanks primarily to the appreciation in the value of Green Certificates, which more than offset a lower production vs. same period last year, due to unfavourable weather conditions both in Q2/09 and Q3/09.

Group Revenues in 9M/09 were EUR 3,753 ml, down 46% compared 9M/08, mainly in the light of significantly lower oil product prices (as a point of reference, diesel traded at an average of 503 $/ton in 9M/09, versus a record average of 1,050 $/ton in 9M/08), and lower sales from the various segments. For the same reasons, **in Q3/09, Group Revenues were EUR 1,416 ml**, down 43% vs. Q3/08 (diesel average price in Q3/09 was 567 $/ton, vs. 1,078 $/ton in Q3/08).

Group *comparable* EBITDA in 9M/09 amounted to EUR 116.6 ml, down 77% versus 9M/08, due primarily to the unfavourable economic scenario, which impacted both Refining (-117% vs. 9M/08) and Marketing (-31% vs. 9M/08), but also because of the aforementioned penalisations in the Refining segment, which were related to maintenance, delays and technical problems. Moreover, also the Power Generation segment posted IFRS results down 10% vs. same period last year, because sales of hydrogen and steam to the refinery were significantly lower. On the contrary, the Wind segment posted an EBITDA 32% higher than in 9M/08, mainly due to the higher value of the green certificates.

In Q3/09, Group *comparable* EBITDA amounted to EUR 1.4 ml, down 99% versus Q3/08, mainly because of the weak performance of the Refining segment (down 155% vs. Q3/08), which suffered from delays in completion of the scheduled maintenance started in Q2/09, and subsequently from technical problems during the restart of some critical units. Marketing was also weak (-37% vs. Q3/08) because of the reduction in consumption of oil products, particularly in Spain. Also Power Generation posted IFRS results 13% lower than Q3/08, for the same reason mentioned above.

***Adjusted* Net Income in 9M/09 was EUR -30.5 ml**, down 113% vs. 9M/08. This result can be explained primarily by the lower *comparable* EBITDA, and also by the higher depreciation and amortization (EUR 138.6 ml in 9M/09 vs. EUR 120.8 ml in 9M/08).

In Q3/09 *Adjusted* Net Income was EUR -37.6 ml, down 163% vs. Q3/08, almost entirely because of the sharp drop in *comparable* EBITDA, for the reasons previously described, and for the higher D&A charges (EUR 48.4 ml in Q3/09 vs. EUR 42.3 ml in Q3/08).

Group *reported* EBITDA in 9M/09 was EUR 275.4 million, (down 48% vs. 9M/08), and **Group *reported* Net Income stood at EUR 67.4 ml**, down 78% 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 9M/09 were EUR -18.4 ml while in 9M/08 they were EUR -6.2 ml.

Similarly, **in Q3/09 Group *reported* EBITDA was EUR -17.1 million**, (down 127% vs. Q3/08), and **Group *reported* Net Income stood at EUR -49.6 ml**, down 152% when compared with Q3/08. These results can be almost entirely explained with the reasons described at *comparable* and *adjusted* levels.

Detail of Consolidated Net Income Adjustments*

EUR Million	Q3/09	Q3/08	9M/09	9M/08
GROUP NET INCOME	**(49.6)**	**(19.7)**	**67.4**	**310.1**
(inventories at LIFO - inventories at FIFO) net of taxes	11.1	76.5	(100.7)	(24.2)
non recurring items net of taxes	0.0	4.4	0.0	(52.2)
change of derivatives fair value net of taxes	0.9	(1.1)	2.7	(1.6)
***Group adjusted* NET INCOME**	**(37.6)**	**60.1**	**(30.5)**	**232.1**

* *Adjusted* Net Income figures are not subject to audit.

Detail of Consolidated Comparable* EBITDA

EUR Million	Q3/09	Q3/08	9M/09	9M/08
EBITDA	**(17.1)**	**64.2**	**275.4**	**531.6**
inventories at LIFO - inventories at FIFO	18.5	97.4	(158.8)	(29.8)
non recurring items	0.0	2.6	0.0	2.6
***comparable* EBITDA**	**1.4**	**164.2**	**116.6**	**504.4**

* *Comparable* EBITDA figures are not subject to audit.

As it can be observed in the previous tables, both in 9M/09 and Q3/09 the difference between *comparable* and *reported* figures is almost entirely justified by the different methodologies used to evaluate the oil inventories. Indeed, as previously mentioned, the *reported* (IFRS) figures evaluate oil inventories according to the FIFO methodology, while the *comparable* figures are based on the LIFO methodology.

In 9M/09, the above mentioned FIFO/LIFO difference after tax was equal to negative EUR 100.7 ml, due to a robust increase in crude oil and products prices (which took place essentially during the first 6 months of 2009), and it is reflected only in the FIFO evaluation, while it is not included in our inventory evaluation based on LIFO methodology. More specifically, Brent dated moved from 40 $/bl on January 2nd 2009, up to 68 $/bl on the 30th of June. Similarly Diesel strengthened from 442 $/ton on January 2nd up to 563 $/ton on June 30th, and Gasoline climbed from 326 $/ton on Jan 2nd up to 647 $/ton on 30th June.

Pricing trends stayed flat, or even reversed, during Q3/09. Brent dated slightly decreased from 68 $/bl on July 1st 2009, down to 66 $/bl on the 30th of September. Similarly, Diesel remained level, from 564 $/ton on July 1st to 561 $/ton on September 30th, while Gasoline dropped from 643 $/ton on July 1st down to 603 $/ton on 30th September. Accordingly, the FIFO/LIFO difference after tax in Q3/09 was positive and equal to EUR 11.1 ml.

CAPEX in 9M/09, amounted to EUR 252 ml (of which EUR 70 ml in Q3/09), in line with the previously announced investment programme to be carried out during 2009. This figure includes approx. EUR 40 ml related to the acquisition of the Spanish service stations from ERG Petroleos (half spend in Q2/09 and the rest in Q3/09).

Net Financial Position on 30th September 2009 was negative by EUR 463 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, which took place during the first nine months of 2009. Nonetheless, during Q3/09, the net financial position improved versus the negative EUR 472 ml at the end of Q2/09, keeping leverage within a very safe range.

Outstanding shares as of 30th September 2009 were 927.8 ml.

Comments on EMC and Saras refining margins

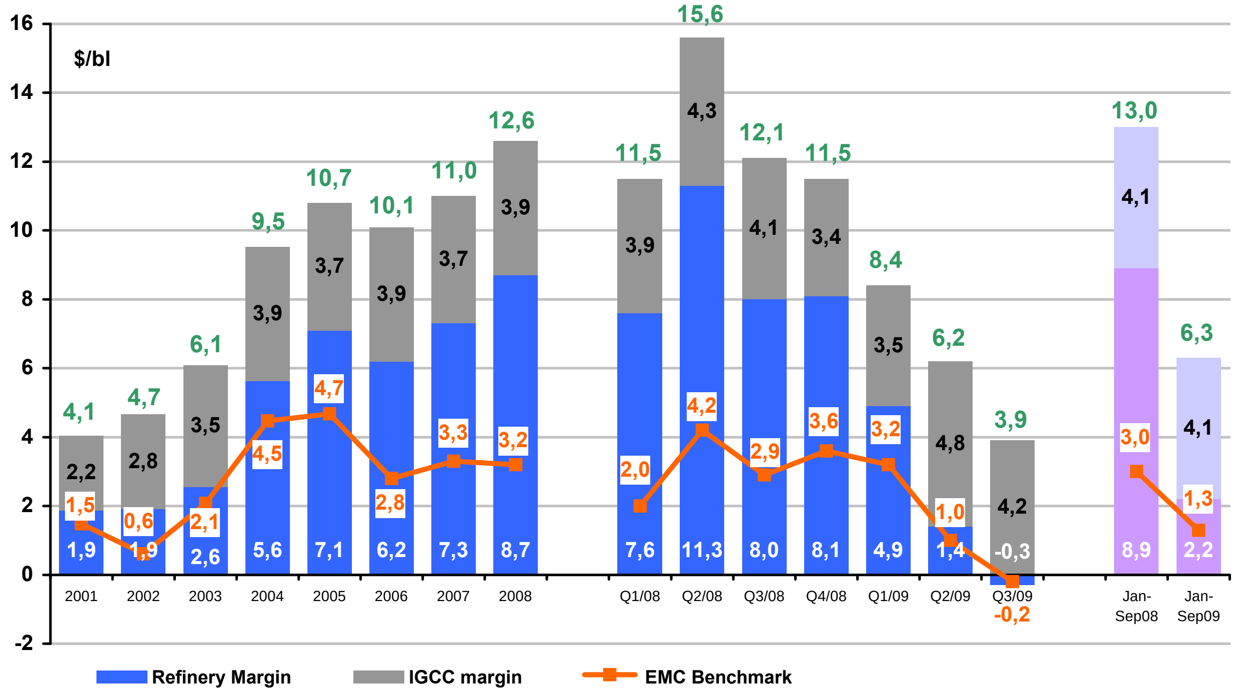
The graph below shows a comparison between Saras refining margin after variable costs, and the corresponding margin calculated by EMC (Energy Market Consultants), which represents the performance of a middle complexity refinery located in the Mediterranean sea, and it is used by Saras as a benchmark.

The effects of the global financial and economic recession on the refining industry can be easily observed when looking at the EMC benchmark. In fact, the **EMC margin in 9M/09 averaged at 1.3 $/bl** (down 57% vs. the 3.0 $/bl of the average in 9M/08). Moreover, **when looking at the third quarter 2009,** the scenario became even more challenging, and this was reflected in the **EMC benchmark, which moved into negative territory at -0.2 $/bl** (107% lower than the average of 2.9 $/bl posted in the same quarter last year).

The above mentioned drop in marginality can be explained when considering that the first nine months of 2008 were characterised by record high diesel cracks, which more than compensated the weakness of gasoline, deriving from the depressed American economy and the high retail prices.

This year instead middle distillates suffered a very steep contraction in demand, given their tight connection with industrial activity and shipments via truck of finished goods along the supply chain. On the other hand, gasoline was capable of posting a comparatively robust performance during the first half of 2009, helped by sensibly lower retail prices, which encouraged American citizens to drive more during summer. In Q3/09 however, gasoline crack bent downwards, due to a return of sluggish demand after the conclusion of the US driving season.

Finally, it can be noted in the graph here below, that Saras premium above the EMC benchmark in 9M/09 was significantly lower than the premium posted in the corresponding period of last year, and during Q3/09 the differential between Saras refinery margin and the EMC even turned negative (-0.1 $/bl). These results can be explained when considering the combined effects of the aforementioned negative market scenario, together with the important penalisations suffered from our refinery, during the period of the heavy scheduled maintenance and investment cycle, which was carried out in H1/09, and the subsequent technical problems which delayed re-starting of critical conversion units, hence 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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	(77.5)	39.2	-298%	67.5	79.3	348.5	-77%
Comparable EBITDA	**(54.2)**	**98.8**	**-155%**	**(38.9)**	**(53.7)**	**324.6**	**-117%**
EBIT	(101.0)	19.9	-608%	46.0	13.2	291.9	-95%
Comparable EBIT	**(77.7)**	**79.5**	**-198%**	**(60.4)**	**(119.8)**	**268.0**	**-145%**
CAPEX	**44.1**	**36.4**	**21%**	**90.9**	**187.6**	**124.7**	**50%**

Margins and refinery runs

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
REFINERY RUNS	thousand tons	3,447	3,887	-11%	2,704	9,874	11,584	-15%
	Million bl	25.2	28.4	-11%	19.7	72.1	84.6	-15%
	thousand bl/day	273	308	-11%	217	264	309	-14%
of which:								
Processing for own account	thousand tons	2,373	2,488	-5%	1,878	6,939	7,532	-8%
Processing on behalf of third parties	thousand tons	1,074	1,399	-23%	826	2,935	4,052	-28%
EXCHANGE RATE	EUR/USD	1.430	1.505	-5%	1.363	1.367	1.522	-10%
EMC BENCHMARK MARGIN	$/bl	(0.2)	2.9	-107%	1.0	1.3	3.0	-57%
SARAS REFINERY MARGIN	$/bl	(0.3)	8.0	-104%	1.4	2.2	8.9	-75%

Comments on Third Quarter and 9M/09 results

During the first nine months of 2009, the economic recession caused a sharp contraction in demand for oil products, and in particular for diesel, which is the product most closely link with the intensity of industrial activity. In the European market, diesel crack contracted from an average value of 28.9 $/bl in 9M/08, to an average of 10.0 $/bl in 9M/09. The situation became even more critical in Q3/09, when it became apparent that, with the current mild pace of economic recovery, it will take at least another 6 months for the excess inventories to be reabsorbed on the major international hubs. The diesel crack in Q3/09 averaged at 8.1 $/bl, while in the same period last year the average was 28.7 $/bl.

Moving on to gasoline, the first nine months of 2009 were characterized by a robust performance, especially during H1/09. This strength can be mainly attributed to lower consumer prices compared to same period last year, seasonal effects related to the US “driving season”, and an important contraction in supply, caused by simultaneous maintenance at several refineries across the globe during H1/09. During the course of Q3/09, however, gasoline crack fell sensibly, due to a remarkable hike in refinery utilisation (+5.2% in July, up to a peak value of 87.1%), which led to a rapid build-up of inventories. More specifically, the gasoline crack in 9M/09 averaged at 8.4 $/bl, versus 2.6 $/bl in 9M/08. Moreover, in Q3/09 gasoline crack averaged at 9.2 $/bl, vs. 2.3 $/bl in Q3/08.

Fuel oil showed a remarkable strength throughout the first nine months of 2009. As commented in previous occasions, this performance can be explained with the reduced availability of heavy crude oils, deriving from OPEC production cuts. High sulphur fuel oil crack stood at an average of -7.2 $/bl in 9M/09, versus an average of -27.3 $/bl in 9M/08. In Q3/09 fuel oil was even stronger, with an average of -5.1 $/bl versus -18.6 $/bl in Q3/08.

In consideration of the above market scenario, our **EMC benchmark for refining margin in 9M/09 stood at 1.3 $/bl**, versus 3.0 $/bl in 9M/08, and **Saras premium above the EMC margin fell to 0.9 $/bl** (versus 5.9 $/bl in 9M/08). In a similar way, **in Q3/09 the EMC benchmark stood at -0.2 $/bl** vs. 2.9 $/bl in Q3/08, and **Saras margin was 0.1 $/bl below the EMC benchmark**, which compares with a premium of 5.1 $/bl in Q3/08.

The unusually narrow premium added by Saras on top of the EMC benchmark is the consequence of various combined effects. Firstly, the price differential between diesel and fuel oil (the so called "conversion spread") has been extremely tight, resenting from the aforementioned weakness in middle distillates and the contextual strength in fuel oil. To be more specific, in 9M/09, the average of the conversion spread was 179 $/ton vs. 495 $/ton in 9M/08, and in Q3/09 it was even lower at 164 $/ton, versus 452 $/ton in Q3/08.

Secondly and more importantly, Saras premium was influenced by heavy conversion losses (USD 137 ml in 9M/09, of which USD 65 ml in Q3/09) caused by an important cycle of maintenance and investment activities, which was originally scheduled to end in H1/09. However, due to a tragic accident which took place in the refinery towards the end of May, turnaround activities suffered from important delays, and they extended until the end of July.

Furthermore, technical problems occurred during Q3/09 at the time of restarting some critical units, which caused further delays in the achievement of standard operating conditions. In particular, a newly installed energy recovery system of the FCC unit had some design faults. This required the unit to be shut down again, and engineering work to be carried out. The suboptimal performance of the FCC caused fouling problems in the etherification unit, which forced a second round of cleaning and repair activities. Additionally, the Visbreaker experienced a shorter turnaround time, requiring an earlier shutdown for its standard cleaning routine.

Finally, the refinery suffered a further penalisation due to the reduced availability of hydrogen, because of operational problems on the IGCC, as well as the decision to bring forward maintenance of one train of Turbine and Gasifier, originally scheduled for Q4/09.

The above mentioned problems progressively summed up to USD 65 ml of penalisation, during the course of Q3/09. Nonetheless, it is worth to note that, with a conversion spread of approx. 170 $/ton, under standard operating conditions, and without the above mentioned penalisations, Saras refinery would have added a premium above the EMC benchmark of approximately 2.7 $/bl.

Refinery runs in 9M/09 stood at 9.874 million tons (72.1 million barrels, corresponding to 264 thousand barrels per day), **of which 3.447 million tons were processed in Q3/09** (25.2 million barrels, corresponding to 273 thousand barrels per day). This operating result in 9M/09 was 15% lower than same period last year, and in Q3/09 was 11% lower than Q3/08. These differences are easily explained when considering that 2009 maintenance activities involved a crude distillation unit (Topping1), while in 2008 all the crude distillations units were running regularly throughout the year.

With an average density of 32.3°API, the crude mix in 9M/09 was slightly heavier than last year. However, **in Q3/09 the crude mix returned to an average density of 32.7°API**, exactly in line with 2008 average. Nonetheless, it should be noted that in 2009 the percentages of light extra sweet and heavy sour both decreased versus 2008 values, while the medium sour increased correspondingly. This change of crude slate is the consequence of the maintenance activities carried out on the FCC unit, which traditionally uses high percentages of light extra sweet crude oils for its feedstock.

Moreover, the heavy scheduled maintenance and investment cycle had obvious effects also on the product slate. Indeed, the loss in conversion capacity led to a lower yield in middle distillates (49.8% in 9M/09 and 48.7% in Q3/09, versus 53.3% in 2008) and also in light distillates (23.8% in 9M/09 and 23.3% in Q3/09, versus 26.1% in 2008). On the contrary, fuel oil and other heavy fractions increased accordingly (11.3% in 9M/09 and 13.7% in Q3/09, versus 5.3% in 2008).

Finally, the processing on behalf of third parties was approximately one third of total runs (30% in 9M/09 and 31% in Q3/09), in line with our strategy.

Comparable **EBITDA of the refining segment in 9M/09 was EUR -53.7 ml**, down 117% versus EUR 324.6 ml in 9M/08, driven by the lower conversion spread, and the previously mentioned losses on EBITDA for approximately USD 137 million. Similarly, **in Q3/09 *comparable* EBITDA was EUR -54.2 ml**, down 155% versus Q3/08, for the combination of delays and technical problems described above.

Only partial compensation came from the stronger USD versus the EUR, with an exchange rate averaging at 1.367 during 9M/09, vs. 1.522 during 9M/08, and 1.430 in Q3/09 versus 1.505 in Q3/08.

Refining CAPEX **in 9M/09 was EUR 187.6 ml, of which EUR 44.1 ml in Q3/09,** in line with investment plan for the year.

Production

		Q3/09	9M/09	2008
LPG	thousand tons	55	162	337
	yield	1.6%	1.6%	2.2%
NAPHTHA + GASOLINE	thousand tons	803	2,347	4,056
	yield	23.3%	23.8%	26.1%
MIDDLE DISTILLATES	thousand tons	1,677	4,915	8,275
	yield	48.7%	49.8%	53.3%
FUEL OIL & OTHERS	thousand tons	471	1,119	825
	yield	13.7%	11.3%	5.3%
TAR	thousand tons	250	772	1,121
	yield	7.2%	7.8%	7.2%

Balance to 100% is “Consumption & Losses”

Crude Oil slate

		Q3/09	9M/09	2008
Light extra sweet		46%	47%	51%
Light sweet		0%	0%	0%
Medium sweet		0%	0%	0%
Light sour		0%	0%	0%
Medium sour		34%	28%	22%
Heavy Sour		21%	25%	27%
Average crude gravity	°API	32.7	32.3	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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	11.3	-27.5	-141%	30.5	44.6	33.2	34%
Comparable EBITDA	**6.5**	**10.3**	**-37%**	**13.1**	**18.8**	**27.3**	**-31%**
EBIT	8.4	-28.8	-129%	28.5	38.4	29.3	31%
***Comparable* EBIT**	**3.6**	**9.0**	**-60%**	**11.1**	**12.6**	**23.4**	**-46%**
CAPEX	**22.3**	**5.9**		**26.2**	**52.7**	**31.0**	

Sales

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
TOTAL SALES	thousand tons	969	986	-2%	985	2,968	2,985	-1%
of which in Italy	thousand tons	320	292	10%	304	931	852	9%
of which in Spain	thousand tons	650	694	-6%	681	2,036	2,133	-5%

Comments on Third Quarter and 9M/09 results

As already mentioned in the comments to the Refining segment, the first nine months of 2009 were characterized by a deep contraction in demand for oil products, deriving from the global recession, which impacted more severely the economies of developed countries (OECD), including Spain and Italy, where our Marketing sales are concentrated.

In particular, in 9M/09 the Spanish market posted a decrease in gasoline demand equal to -4.3% vs. 9M/08, and the contraction was even steeper for middle distillates (-6.2% vs. 9M/08), with a split of -6.3% for diesel and -6.0% for heating and agricultural gasoil. In this scenario, **Saras Energia in 9M/09 had a 5% contraction in sales versus 9M/08**. In particular, there was a significant reduction of gasoline sales (-22%), and a substantial stability in the sales of gasoil (down 1% vs. 9M/08), achieved with a -0.7% for diesel, and a -1.6% for heating and agricultural gasoil.

When looking at the third quarter 2009, the trend in demand for oil products in the Spanish market remained extremely challenging, even if the comparison with Q3/08 shows a smaller drop in percentage terms. However, this is not related to an improvement in Q3/09 demand, but rather to the fact that in the second half of 2008 the financial crisis and the economic downturn had already started to sharpen, taking the first important tolls on oil product demand. For this reason, gasoline demand in Q3/09 slid only by 3% vs. Q3/08, and middle distillates decreased by 4.9% vs. Q3/08 (with a split of -2.6% for diesel, and -13.4% for heating and agricultural gasoil). **Saras Energia in Q3/09 had a total contraction in sales equal to 6% vs. Q3/08**, with gasoline suffering the most (-22.8% vs. Q3/08), and gasoil also shrinking by 2.7% vs. Q3/08 (achieved with a -2.9% for diesel, and a -1.3% for heating and agricultural gasoil).

Moving to the analysis of the Italian market, in 9M/09 demand for oil products decreased overall by 5.5% vs. 9M/08. Gasoline was down by 3.7%, while middle distillates were down by 6.9% (mostly related to diesel which lost 10.4%, while heating oil lost 2.9%, and agricultural gasoil was up by 3.4%). Notwithstanding the above scenario, in the first nine months of 2009 **Arcola Petrolifera was capable of growing sales by 9.3%**, hence providing effective compensation for the weaker performance of the Spanish subsidiary. In detail, sales for gasoline were up 26.1%, diesel was up by 16.2%, while sales of other gasoil were down by 18.3%, vs. same period last year.

When looking at Q3/09, the situation is similar to the one described for the Spanish market. Indeed, total demand for oil products in the Italian market decreased by 5.4% vs. Q3/08, with gasoline losing 2.0%, and middle distillates shrinking by 6.7% (diesel down 6.8%, heating oil down by 19.1%, and agricultural gasoil also down by 3.8%). Nevertheless, **Arcola Petrolifera posted again a very robust set of results in Q3/09**, with sales up by 9.5%, partially offsetting the continued weakness in the Spanish market. More specifically, sales for gasoline in Q3/09 were up 31.6%, diesel was up by 11.7%, while sales of other gasoil were down by 7.8%, vs. Q3/08.

***Comparable* EBITDA in 9M/09 was EUR 18.8 ml**, down 31% 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 (e.g.: increasing volumes towards retail operators, unbranded gas stations, and small & mid-sized dealers, whilst decreasing sales to other commercial operators). However, **Q3/09 was again weaker than same period last year, with a *comparable* EBITDA at EUR 6.5 ml**, 37% lower than Q3/08, primarily because of lower sales and a modest contribution from the biodiesel plant.

CAPEX in 9M/09 were EUR 52.7 ml mainly due to the acquisition of 75 service stations from ERG Petroleos, which was completed during Q2/09 and Q3/09, and also because of some other investments related to the completion of the biodiesel plant in Cartagena**. In Q3/09 CAPEX were EUR 22.3 ml**, reflecting the above mentioned acquisition of the ERG service stations.

Power Generation

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

EUR Milion	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	46.5	53.2	-13%	45.7	136.0	150.6	-10%
***Comparable* EBITDA**	**46.5**	**53.2**	**-13%**	**45.7**	**136.0**	**150.6**	**-10%**
EBIT	27.3	34.4	-21%	26.4	78.3	94.2	-17%
***Comparable* EBIT**	**27.3**	**34.4**	**-21%**	**26.4**	**78.3**	**94.2**	**-17%**
EBITDA ITALIAN GAAP	**13.3**	**93.9**	**-86%**	**47.8**	**119.0**	**227.7**	**-48%**
EBIT ITALIAN GAAP	**(0.9)**	**80.3**	**-101%**	**33.7**	**76.7**	**187.0**	**-59%**
NET INCOME ITALIAN GAAP	**(1.4)**	**46.5**	**-103%**	**17.6**	**42.3**	**101.7**	**-58%**
CAPEX	**3.1**	**4.5**		**3.2**	**9.0**	**18.0**	

Other figures

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
ELECTRICITY PRODUCTION	MWh/1000	924	1,164	-21%	1,116	2,938	3,369	-13%
POWER TARIFF	**Eurocent/KWh**	**8.3**	**14.0**	**-41%**	**9.6**	**10.6**	**13.7**	**-22%**
POWER IGCC MARGIN	$/bl	4.2	4.1	2%	4.8	4.1	4.1	0%

Comments on Third Quarter and 9M/09 results

Results of the Power Generation segment were lower than expected, with **power production in 9M/09 at 2.938 TWh**, down 13% when compared to 9M/08. The reasons for the underperformace in the first nine months of this year are related primarily to the scheduled maintenance activities carried out in Q1/09 on one of the three parallel trains of "Gasifier - Turbine", which turned out to be heavier than originally planned. Moreover, in Q3/09 we brought forward the scheduled maintenance cycle on the second train of "Gasifier – Turbine" which was originally planned for Q4/09. This decision was mainly related to operational problems on the IGCC desalinization units, causing a shortage of distilled water, needed for steam production and power generation. Therefore, **power production in Q3/09 stood at 0.924 TWh**, 21% lower than same period last year, when no maintenance took place in the IGCC.

Italian GAAP EBITDA in 9M/09 was EUR 119.0 ml, down 48% versus 9M/08, primarily because of the expiry in April 2009 of the "incentive" component of the CIP6/92 tariff, which led to a reduction of the EBITDA equal to approx. EUR 65 ml. Another difference of approximately EUR 15 ml can be explained with the lower sales of hydrogen and steam. The rest depends from the minor production of electricity, and the lower average value of the total CIP6/92 power tariff, which in 9M/09 stood at 10.6 EURcent/kWh, down 22% versus 9M/08.

In the third quarter 2009, Italian GAAP EBITDA was EUR 13.3 ml, down 86% versus Q3/08. As previously discussed in the comment to 9M/09, the above difference can be explained with a combination of factors. Firstly, the absence of the "incentive" component of the CIP6/92 tariff, which is worth approx. EUR 35 ml in Q3/09. Secondly, the lower production of electricity versus Q3/08 (deriving from the decision to bring forward in Q3/09 the maintenance of one train of "Gasifier – Turbine", while in Q3/08 there was no maintenance) and the lower average value of the CIP6/92 power tariff (8.3 EURcent/kWh, down 41% versus Q3/08), which together sum up to approximately EUR 36 ml. And finally, the lower sales of hydrogen and steam, which in Q3/09 account for a reduction in EBITDA of approximately EUR 8 ml.

***Comparable* EBITDA in 9M/09 was EUR 136.0 ml**, down 10% vs. same period last year, due to lower sales of Hydrogen and Steam (down by approx. EUR 15 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 operational problems and maintenance cycle. Similarly, **in Q3/09 *Comparable* EBITDA stood at EUR 46.5 ml**, down 13% vs. same period last year, due to lower sales of Hydrogen and Steam (down by EUR 8 ml), for the same reasons explained in the 9M/09 results.

Finally, **CAPEX in 9M/09 were EUR 9.0 million, of which EUR 3.1 ml in Q3/09**, in line with 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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	2.2	(1.4)	257%	3.7	14.2	8.1	75%
***Comparable* EBITDA**	**2.2**	1.2	**83%**	**3.7**	**14.2**	**10.7**	**32%**
EBIT	(0.2)	(3.6)	94%	1.3	7.0	1.5	354%
***Comparable* EBIT**	**(0.2)**	(1.0)	**80%**	**1.3**	**7.0**	**4.1**	**69%**

Other figures

		Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
ELECTRICITY PRODUCTION	MWh	16,956	19,820	-14%	25,249	100,761	117,354	-14%
POWER TARIFF	EURcent/KWh	9.6	8.7	9%	6.4	7.8	8.7	-11%
GREEN CERTIFICATES	EURcent/KWh	10.0	3.0	239%	8.0	8.6	6.3	35%

Comments on Third Quarter and 9M/09 results

The Ulassai wind farm posted solid results **in 9M/09, with a *comparable* EBITDA at EUR 14.2 ml** (up 32% vs. 9M/08), boosted by profits of approx. EUR 1.3 ml, deriving from the sales of Green Certificates related to the year 2008. By contrast, 9M/08 was negatively impacted by losses for approximately EUR 3.4 ml, generated by the sale of Green Certificates pertaining to the year 2007.

In Q3/09, *comparable* EBITDA was EUR 2.2 ml, up 83% vs. Q3/08, thanks to a high value of the Green Certificates. This compares with a very low value for Green Certificated in Q3/08, because the entire 2008 GC production was devaluated in that quarter, with a mark-to-market at 6.3 EURcent/kWh.

Electricity production in 9M/09 was equal to 100,761 MWh, down 14% vs. 9M/08. This came as a result of the unfavourable wind conditions, both in Q2/09 and also in Q3/09, which more than offset the excellent production of the first quarter 2009. In particular, the Ulassai wind farm **in Q3/09 produced 16,956 MWh**, 14% below same period last year, as third quarter is typically characterised by low wind conditions.

Moving to **Green Certificates, their average price in 9M/09 stood at 8.6 EURcent/kWh**, up 35% vs. 9M/08, more than offsetting the lower electricity production and the lower power tariff. Indeed, the power tariff went down to 7.8 EURcent/kWh (from 8.7 EURcent/kWh in 9M/08), as a consequence of the economic downturn, which caused lower industrial activity and reduced demand for electricity.

In Q3/09, the average price of Green Certificates was 10.0 EURcent/kWh, up 239% versus Q3/08, for the same reasons explained above. Finally, the power tariff in Q3/09 climbed back to a remarkable average of 9.6 EURcent/kWh, up 9% vs. Q3/08, thanks to a recovery in industrial demand.

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	Q3/09	Q3/08	Var %	Q2/09	9M/09	9M/08	var %
EBITDA	0.4	0.7	-43%	0.5	1.3	0.7	n/a
***Comparable* EBITDA**	**0.4**	**0.7**	**-43%**	**0.5**	**1.3**	**0.7**	**n/a**
EBIT	0.0	0.0	n/a	0.1	(0.1)	(1.0)	90%
***Comparable* EBIT**	**0.0**	**0.0**	**n/a**	**0.1**	**(0.1)**	**(1.0)**	**90%**

Comments on Third Quarter and 9M/09 results

Results in line with expectations. **In 9M/09, *comparable* EBITDA was positive for EUR 1.3 ml**, confirming achievement of the break even position. **In third quarter *comparable* EBITDA stood at EUR 0.4 ml.**

Finally, it is worth to mention that during Q2/09, the subsidiary Akhela acquired 51% of “Artemide Tecnologie Informatiche” Srl, a company providing ICT services and software development, with 50 employees and a turnover of approx. EUR 3 ml 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, enhancing energy efficiency, and retaining tight control on debt levels.

However, in order to align our investments with the currently depressed market scenario, and to pursue the best possible returns for our shareholders, our CAPEX plan has been revised and all major "growth" projects from 2010 onwards have been postponed by 12 to 18 months.

CAPEX by segment

EUR Million	Q3/09	9M/09	9M/08
REFINING	44.1	187.6	124.7
POWER GENERATION	3.1	9.0	18.0
MARKETING	22.3	52.7	31.0
WIND	0.1	0.2	0.0
OTHER	0.4	2.8	1.7
Total	**70.0**	**252.3**	**175.4**

Outlook

REFINING

- Due to heavy maintenance and investment activities carried out in the first nine months of 2009, as well as delays in completing those activities, and technical problems at the time of restarting some critical units, Saras now expects 2009 refinery runs to settle in the range of 13.5 ÷ 13.8 million tons (hence remaining above the remarkable threshold of 100 million barrels)

- Only minor maintenance will be carried out during Q4/09. This means that our refinery will be able to exploit its superior complexity and flexibility, and benefit from any potential recovery in demand for middle distillates, which could take place during winter (the so called “heating season”)

- Looking forward, the International Energy Agency (IEA) has now revised upwards its estimates for global oil demand and it now expects an average of 84.6 mb/d in 2009 (down 1.9% vs. 2008), followed by a recovery of +1.7% in 2010, reaching 86.1 mb/d

- This improved scenario derives from a more optimistic macroeconomic outlook, as forecasted by the IMF, as well as stronger preliminary data on oil consumption in developing economies (China, India, Latin America and Middle East)

- However, current high level of oil products inventories, and recent additions of refining capacity in the far East, invite to maintain a cautious approach. As such, we share the view of several prominent analysts of the oil sector, and we agree that meaningful rebounds in refining margins and middle distillates crack will probably take place towards the end of H1/2010

- Such a recovery will depend on a gradual and solid upturn in industrial activity worldwide, which will be accompanied by an increase in shipments (via truck) of goods along the supply chain, hence boosting distillates consumption.

POWER GENERATION

- Maintenance activities on one train of “Gasifier – Turbine” in our Sarlux IGCC plant has been brought forward from Q4/09, and it is now complete. No further maintenance is expected for the remainder of 2009

- The 9-month delay in the formula used to calculate the “fuel component”, progressively reduced the CIP/6 power tariff in the first nine months of 2009, in line with the trend of crude oil prices during the second half of 2008

- However, the subsequent recovery of crude oil prices in Q1/09 will shortly translate in a rising trend for the CIP/6 power tariff (for sake of reference, only during Jan’09 Brent DTD rebounded from 36 up to 45 $/bl)

- Finally, as previously announced at the time we reported last quarter results, the “incentive” component of the power tariff has 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 comparable EBITDA, which will remain stable from now until 2021, in the range of EUR 175 ÷ 185 ml per year

- However, there will be an effect on Italian GAAP EBITDA, which is expected to decrease by approx. EUR 115 ml in 2009 versus 2008.

Saras Group Consolidated Financial Statements

Statement of consolidated Financial Position as of 30th September 2009 and 31st December 2008

EUR thousand	(1)	30/09/2009	31/12/2008
ASSETS			
current assets		**1,423,143**	**1,310,954**
Cash and cash equivalents	5.1.1	68,564	65,180
Other financial assets held for trading or available for sale	5.1.2	24,436	20,464
Trade receivables	5.1.3	436,569	639,326
of which with related parties:		*62*	*273*
Inventories	5.1.4	698,780	469,298
Current tax assets	5.1.5	37,029	7,770
Other assets	5.1.6	157,765	108,916
Non-current assets		**2,021,757**	**1,925,304**
Property, plant and equipment	5.2.1	1,506,971	1,377,018
Intangible assets	5.2.2	460,123	484,575
Other equity interests	5.2.3.2	663	1,103
Deferred tax assets	5.2.4	51,413	58,953
Other financial assets	5.2.5	2,587	3,655
Total assets		**3,444,900**	**3,236,258**

LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities		**1,122,734**	**988,757**
Short-term financial liabilities	5.3.1	230,774	243,980
Trade and other payables	5.3.2	729,870	560,867
of which with related parties:		*81*	*241*
Current tax liabilities	5.3.3	87,129	107,746
Other liabilities	5.3.4	74,961	76,164
Non-current liabilities		**1,098,387**	**936,448**
Long-term financial liabilities	5.4.1	328,479	174,211
Provisions for risks	5.4.2	56,586	29,195
Provisions for employee benefits	5.4.3	35,614	37,494
Liabilities for deferred tax assets			0
Other liabilities	5.4.4	677,708	695,548
Total liabilities		**2,221,121**	**1,925,205**
EQUITY	5.5		
Share capital		54,630	54,630
Legal reserve		10,926	10,926
Other reserves		1,090,861	1,183,675
Profit/(loss) for the period		67,389	61,822
Total equity attributable to owners of the company		**1,223,806**	**1,311,053**
Minority interest		(27)	0
Total Equity		**1,223,779**	**1,311,053**
Total liabilities and equity		**3,444,900**	**3,236,258**

(1) Please refer to the Notes to the financial statements chapter 5 "Notes to the financial position"

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

EUR thousand	(1)	1 January 30 September 2009	of which non recurring	1 January 30 September 2008	of which non recurring	1 July 30 September 2009	of which non recurring	1 July 30 September 2008	of which non recurring
Revenues from ordinary operations	6.1.1	3.701.844		6.866.445		1.401.350		2.466.289	
of which with related parties:		*0*		*48*		*0*			
Other income	6.1.2	50.990		87.567		14.554		27.800	
of which with related parties:		*115*		*123*		*28*		*25*	
Total revenues		**3.752.834**	***0***	**6.954.012**	***0***	**1.415.904**	***0***	**2.494.089**	***0***
Purchases of raw materials, spare parts and consumables	6.2.1	(2.985.627)		(5.881.091)		(1.279.136)		(2.257.348)	
Cost of services and sundry costs		(387.205)		(442.396)	*2.577*	(122.450)		(141.957)	2.577
of which with related parties:		*1.323*		*1.325*		*364*		*552*	
Personnel costs	6.2.3	(104.566)		(98.959)		(31.344)		(30.709)	
Depreciation, amortization and write-downs	6.2.4	(138.686)		(120.760)		(48.479)		(42.172)	
Total costs		**(3.616.084)**	***0***	**(6.543.206)**	***2.577***	**(1.481.409)**	***0***	**(2.472.186)**	***2.577***
Operating results		**136.750**	***0***	**410.806**	***2.577***	**(65.505)**	***0***	**21.903**	***2.577***
Net income (charges) from equity interests	6.3			1.367		0		0	
of which with related parties:				*1.367*		*0*		*0*	
Other financial income/(charges), net	6.4	(18.410)		(6.185)		(4.244)		(4.375)	
of which with related parties:				*130*		*0*		*(7)*	
Profit before taxes		**118.340**	***0***	**405.988**	***2.577***	**(69.749)**	***0***	**17.528**	***2.577***
Income tax for the period	6.5	(50.985)		(95.979)	*55.068*	20.132		(37.269)	(1.804)
Net profit/(loss) for the period		**67.355**	***0***	**310.009**	***57.645***	**(49.617)**	***0***	**(19.741)**	***773***
Net profit/(loss) for the period attributable to:									
Equity olders of the company		67.389		310.009		(49.583)		(19.741)	
Minority interest		(34)		0		(34)		0	
Earnings per share - base (Euro cent)		**7,26**		**32,77**		**(5,35)**		**(2,08)**	
Earnings per share - diluited (Euro cent)		**7,26**		**32,77**		**(5,35)**		**(2,08)**	

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

EUR thousand	1 January 30 September 2009	1 January 30 September 2008
Result of the period (A)	**67.355**	**310.009**
Income / (loss), net of fiscal effect (B)	**0**	**0**
Consolidated Comprehensive Result o f the period (A + B)	**67.355**	**310.009**
Consolidated Comprehensive Result o f the period perteining to :		
Parent Company shareholding	67.389	310.009
Minority Interessence	(34)	0

(1) P lease refer to the notes to the Financial Statements chapter 6 "Notes to the Statement of Comprehensive Income"

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2007 to 30th September 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**
Share premium reserve adjustment			(78)		(78)		(78)
Reserve for employees stock plan			557		557		557
Share buyback			(22,041)		(22,041)		(22,041)
Profit (loss) for the period				(19,741)	(19,741)		(19,741)
Balance as of 30/09/2008	**54,630**	**10,926**	**1,199,477**	**310,009**	**1,575,042**	**0**	**1,575,042**
Reserve for employees stock plan			909		909		909
Share buyback			(27,007)		(27,007)		(27,007)
Share premium reserve adjustment			(77)		(77)		(77)
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				(248,187)	(248,187)		(248,187)
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**
Reserve for employees stock plan			490		490		490
Effect of Corporate tax rate reduction (IRES)			(14)		(14)		(14)
Effect of exchange rate on financial accounts			10		10		10
Profit (loss) for the period				(49,583)	(49,583)	(34)	(49,617)
Balance as of 30/09/2009	**54,630**	**10,926**	**1,090,861**	**67,389**	**1,223,806**	**(27)**	**1,223,779**

Consolidated Cash Flow Statements as of 30th September 2009, and as of 30th September 2008

EUR thousand	(1)	01/01/2009 - 30/09/2009	01/01/2008 - 30/09/2008
A - Cash and cash equivalents at the beginning of period		**65,180**	**308,108**
B - Cash generated from/(used in) operating activities			
Profit/ (Loss) for the period of the Group	5.5	67,355	310,009
Amortization, depreciation and write-down of fixed assets	6.2.4	138,686	120,760
Net (income)/charges from equity interests	6.3	0	(1,367)
of which with related parties:		*0*	*(1,367)*
Net change in provisions for risks and charges	5.4.2	27,391	61,337
Net change in employee benefits	5.4.3	(1,880)	(2,721)
Net Change in tax liabilities and tax assets	5.2.4	7,540	(153,071)
Income tax	6.5	50,985	95,979
Other non cash items		3,092	2,717
Profit (Loss) from operating activities before changes in working capital		**293,169**	**433,643**
(Increase)/Decrease in trade receivables	5.1.3	202,757	(86,847)
of which with related parties:		*211*	*289*
(Increase)/Decrease in inventory	5.1.4	(229,482)	(185,366)
Increase/(Decrease) in trade and other payables	5.3.2	169,003	15,273
of which with related parties:		*(160)*	*(216)*
Change in other current assets	5.1.5 - 5.1.6	(78,108)	(70,560)
of which with related parties:		*0*	*6,028*
Change in other current liabilities	5.3.3 - 5.3.4	56,805	165,953
Income tax paid		(119,684)	(87,736)
Change in other non-current liabilities	5.4.4	(17,840)	91,055
Other non cash items		7,792	482
Total (B)		**284,412**	**275,897**
C - Cash flow from (to) investment activities			
(Investments) in tangible and intangible assets	5.2.1 - 5.2.2	(252,266)	(175,357)
(Investments) disinvestments in other holdings	5.2.3.1	440	(116)
Change in equity interests valued under the equity method		0	(474)
Acquisition of 30% PEU		0	(32,000)
Change in financial assets	5.1.2 - 5.2.5	(2,904)	7,497
Interest received		765	8,966
of which with related parties:		*0*	*143*
Other non cash items		287	0
Total (C)		**(253,678)**	**(191,484)**
D - Cash generated from/(used in) financing activities			
Increase/(Decrease) in medium/long term borrowings	5.4.1	154,268	(42,887)
Increase/(Decrease) in short term borrowings	5.3.1	(13,206)	18,541
of which with related parties:		*0*	*(1,198)*
Buyback own shares	5.5	0	(43,300)
Dividend distribution to shareholders	5.5	(157,721)	(160,843)
Interest paid		(10,691)	(15,018)
Total (D)		**(27,350)**	**(243,507)**
E - Cashflow for the period (B+C+D)		**3,384**	**(159,094)**
F - Cash from new consolidated subsidiaries		**0**	**11,301**
PEU S.r.l.		0	11,301
G - Cash and cash equivalents at the end of period		**68,564**	**160,315**

(1) Please refer to the Notes to the Financial Statements chapter 5 "Notes to the financial position" & 6 "Notes to the statement of comprehensive income "