SARAS announces preliminary Full Year 2009 results[1]

Preliminary Full Year 2009 and Fourth quarter 2009 Highlights

- **FY2009 Group *reported* EBITDA** at EUR 345.5 ml (up 35% vs. FY2008)
  - Q4/09 Group reported EBITDA at EUR 70.1 ml (up 125% vs. Q4/08)
- **FY2009 Group *comparable*[2] EBITDA** at EUR 141.2 ml (down 79% vs. FY2008)
  - Q4/09 Group comparable EBITDA at EUR 24.6 ml (down 85% vs. Q4/08)
- **FY2009 Group *reported* Net Income** at EUR 72.6 ml (up 17% vs. FY2008)
  - Q4/09 Group reported Net Income at EUR 5.2 ml (up 102% vs. Q4/08)
- **FY2009 Group *adjusted*[3] Net Income** at EUR -54.5 ml (down 117% vs. FY2008)
  - Q4/09 Group adjusted Net Income at EUR -24.0 ml (down 125% vs. Q4/08)
- **FY2009 Saras refining margin** at 1.8 $/bl (-79% vs. FY2008), and **0.5 $/bl in Q4/09** (-94% vs. Q4/08)
  - In FY2009 Saras premium above the EMC benchmark margin was 1.1 $/bl (1.4 $/bl in Q4/09), penalised by important investments and scheduled maintenance during Q2/09 and Q3/09, some technical problems at the re-start up of the revamped units in Q3/09, and exceptionally strong fuel oil, which eroded part of the "complexity advantage" of top class refineries.
- **On 31st Dec'09 Net Financial Position was firmly under control at EUR -533 ml,** in spite of the important programme of scheduled maintenance and investments carried out during 2009. At the end of 2008, NFP was EUR -333 ml

Milan, 26th February 2010: The Board of Directors of Saras S.p.A. met yesterday under Chairman Gian Marco Moratti and reviewed preliminary Full Year 2009 and fourth quarter 2009 results. The Chairman declared: ***"Last year was very challenging for the global economy. The sharp drop in oil products demand severely reduced refining margins. In 2010, oil demand is expected to recover thanks to economic growth, primarily in emerging economies. Margins will pick up gradually, due to current high levels of oil product inventories. In this scenario, profitability will depend not only on the quality and flexibility of the refining assets, but also on their operational efficiency and reliability. Accordingly, Saras started an ambitious "asset management" programme, with the aid of world class consultants, which will further improve our competitive position".***

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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 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 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. Quarterly, *comparable* and *adjusted* figures are un-audited.

Programme of the conference call organized for today 26th February 2010

At **16:00 C.E.T**. of Friday 26th February 2010 there will be a conference call for analysts and investors, during which Saras top management will discuss a slide presentation on preliminary FY2009 and Q4/09 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:

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For U.K. + 44 203 147 47 96

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Link for the live webcast:

https://services.choruscall.eu/links/saras100220.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, 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. Quarterly, *comparable* and *adjusted* figures are unaudited.

Saras Group income statement figures

EUR Million	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	change %
REVENUES	1,564	1,719	-9%	1,416	5,317	8,673	-39%
EBITDA	70.1	(275.0)	125%	(17.1)	345.5	256.6	35%
Comparable EBITDA	**24.6**	**168.9**	**-85%**	**1.4**	**141.2**	**673.3**	**-79%**
EBIT	15.6	(322.1)	105%	(65.5)	152.4	88.7	72%
Comparable EBIT	**(29.9)**	**121.8**	**-125%**	**(47.0)**	**(51.9)**	**505.4**	**-110%**
NET INCOME	5.2	(248.3)	102%	(49.6)	72.6	61.8	17%
***Adjusted* NET INCOME**	**(24.0)**	**95.1**	**-125%**	**(37.6)**	**(54.5)**	**327.2**	**-117%**

Other Group figures

EUR Million	Q4/09	Q4/08		Q3/09	FY 2009	FY 2008	
NET FINANCIAL POSITION	**(533)**	**(333)**		**(463)**	**(533)**	**(333)**	
CAPEX	**65**	**81**		**70**	**317**	**257**	
OPERATING CASH FLOW	**(5)**	**(4)**		**78**	**274**	**275**	

Comments on Fourth Quarter and preliminary FY 2009 results

During 2009, the global economic recession brought a sharp reduction in industrial activity as well as private consumption worldwide. As a consequence, oil products demand dropped remarkably, and also refining margins followed a progressively deteriorating pattern, hitting the bottom during Q4/09. Notwithstanding the above scenario, Saras carried out, during Q2 and Q3/09, an important cycle of investments and scheduled maintenance activities in the Sarroch refinery, with unavoidable impacts on the results of the Refining segment. In the fourth quarter all units resumed regular operations, although the weak margin environment still did not allow us to post satisfactory results.

Owing to the IFRS linearisation procedure, the Power Generation segment achieved FY2009 results in line with expectations, despite some operational problems which limited availability in Q3/09. The fourth quarter however, posted again a strong operational performance, with full electricity production and conspicuous sales of hydrogen and steam to the refinery.

Notwithstanding the generalised reduction of consumption for oil products, especially in Spain, our Marketing segment posted very strong results both in FY2009 and in particular in Q4/09, thanks to a successful strategy aimed at optimising sales channels, and also because of positive contributions from the biodiesel plant, which reached full scale production in H2/09, and 71 retail stations acquired in Q2 and Q3/09.

Finally, also the Wind segment had a very positive performance in 2009, boosted by a terrific fourth quarter, when production exceeded 55 GWh, more than offsetting a steep drop in electricity tariff, related to the economic recession.

Group Revenues in FY2009 were EUR 5,317 ml, down 39% compared to FY2008, mainly in the light of significantly lower oil product prices (as a point of reference, diesel traded at an average of 533 $/ton in FY2009, versus a record average of 938 $/ton in FY2008, and gasoline stood at 583 $/ton in FY2009 versus 835 $/ton in FY2008), and lower sales in the Refining, Power Generation and Marketing segments. Somewhat differently, **in Q4/09 Group Revenues were still lower than same period in the previous year, standing at EUR 1,564 ml**, down 9% vs. Q4/08. This time however, oil prices were higher than in Q4/08 (diesel average price in Q4/09 was 619 $/ton, vs. 608 $/ton in Q4/08, and gasoline average price in Q4/09 was 678 $/ton vs. 473 $/ton in Q4/08), but sales were significantly lower, with refinery runs in Q4/09 13% down vs. Q4/08.

Group *comparable* EBITDA in FY2009 amounted to EUR 141.2 ml, down 79% vs. EUR 673.3 ml posted in FY2008, due almost entirely to the weak performance of the Refining segment (EUR -103 ml in FY2009 vs. EUR 433.6 ml in FY2008), which resented from the depressed macroeconomic environment, as well as from the penalisations related to the important investment and scheduled maintenance programme carried our in Q2 and Q3/09.

In Q4/09, Group *comparable* EBITDA amounted to EUR 24.6 ml, down 85% versus EUR 168.9 ml in Q4/08. Once again, the shortcoming is attributable to the feeble Refining performance (down 146% vs. Q4/08), which suffered from a deteriorated margin environment. All the other segments posted very strong results in Q4/09, partially compensating the negative gap related to Refining.

***Adjusted* Net Income in FY2009 was EUR -54.5 ml**, down 117% vs. FY2008. This result can be explained primarily by the lower *comparable* EBITDA, and also by the higher depreciation and amortization (EUR 193.1 ml in FY2009 vs. EUR 167.9 ml in FY2008).

In Q4/09 *Adjusted* Net Income was EUR -24.0 ml, down 125% vs. Q4/08, almost entirely because of the sharp drop in *comparable* EBITDA, for the reasons previously described, and for the higher D&A charges (EUR 54.5 ml in Q4/09 vs. EUR 47.1 ml in Q4/08).

Group *reported* EBITDA in FY2009 was EUR 345.5 ml, 35% higher than EUR 256.6 ml in FY2008. This result can be almost entirely explained with the combination of three factors, which acted in opposite directions: on one hand, there were lower refining margins and lower refinery runs in FY2009, which reduced Group *reported* EBITDA versus the year before; on the other hand, there was a pre-tax inventory gain, due to the opposite trends in oil prices in the two comparison years (i.e. in the second half of 2008 oil prices had a dramatic drop, while in 2009 oil prices progressed steadily upwards).

Moving to **Group *reported* Net Income, FY2009 stood at EUR 72.6 ml**, up 17% versus FY2008, for the same reasons explained at reported EBITDA level. However, the smaller percentage difference at bottom line level depends mainly on the higher financial charges, which in FY2009 were EUR -33.7 ml, while in FY2008 were positive for EUR 1.4 ml.

When looking at quarterly figures, **Group *reported* EBITDA in Q4/09 was EUR 70.1 ml**, 125% greater than EUR -275.0 ml recorded in Q4/08, and **Group *reported* Net Income stood at EUR 5.2 ml**, up 102% versus Q4/08. These results can be entirely explained with the same reasons described for the full year figures.

Detail of Consolidated Net Income Adjustments

EUR Million	Q4/09	Q4/08	FY 2009	FY 2008
***Group reported* NET INCOME**	**5.2**	**(248.3)**	**72.6**	**61.8**
(inventories at LIFO - inventories at FIFO) net of taxes	(27.9)	293.5	(128.6)	269.3
non recurring items net of taxes	0.0	48.7	0.0	(3.5)
change of derivatives fair value net of taxes	(1.2)	1.1	1.5	(0.4)
***Group adjusted* NET INCOME**	**(24.0)**	**95.1**	**(54.5)**	**327.1**

Detail of Consolidated Comparable EBITDA

EUR Million	Q4/09	Q4/08	FY 2009	FY 2008
***reported* EBITDA**	**70.1**	**(275.0)**	**345.5**	**256.6**
inventories at LIFO - inventories at FIFO	(45.5)	446.5	(204.3)	416.7
non recurring items	0.0	(2.6)	0.0	0.0
***comparable* EBITDA**	**24.6**	**168.9**	**141.2**	**673.3**

As it can be observed in the previous tables, both in FY2009 and in Q4/09 the difference between *comparable* and *reported* figures is almost entirely justified by the different methodologies used to evaluate the oil inventories. Indeed, as it has been explained in previous occasions, the *reported* (IFRS) figures evaluate oil inventories according to the FIFO methodology, while the *comparable* figures are based on the LIFO methodology.

In FY2009, the above mentioned LIFO/FIFO difference after-tax was equal to EUR -128.6 ml, due to a robust increase in crude oil and products prices, which happened essentially during the first 6 months of 2009, and then again in the last quarter of the year.

Such inventory appreciation is reflected only in the FIFO evaluation, while it is not included in the inventory evaluation based on LIFO methodology. More specifically, Brent DTD moved from 40 $/bl on January 2nd 2009, up to 68 $/bl on the 30th of June. It then stayed levelled in Q3/09, closing at 66 $/bl on 30th September. Finally Brent DTD started to climb again in Q4/09, closing the year at 78 $/bl.

Similar trends could be observed for product prices. More specifically, 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. Subsequently, Diesel remained flat, 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. According to such sideways movements for Brent DTD and Diesel prices, and to the small drop in Gasoline prices, the LIFO/FIFO inventory difference after-tax in Q3/09 was positive and equal to EUR 11.1 ml.

Finally, in fourth quarter 2009, product prices resumed their rising trends again, just like previously described for Brent DTD crude oil. Indeed, Diesel closed the year at 639 $/ton (almost 80 $/ton higher than on Sep 30th), and Gasoline settled at 702 $/ton on December 31st, exactly 100 $/ton higher than on 30th September. Consequently, in Q4/09 LIFO/FIFO differences after-tax came negative at EUR -27.9 ml.

CAPEX in FY2009, amounted to EUR 317 ml (of which EUR 65 ml in Q4/09), 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, which was split almost equally between Q2 and Q3/09.

Net Financial Position on 31st December 2009 was negative by EUR 533 ml, compared to a negative figure of EUR 333 ml at the end of 2008, due to payment of dividends (EUR 158 ml), capital expenditures (EUR 317 ml), and small negative working capital effects. Despite the very difficult macro scenario and the aforementioned weakness in refining margins, Saras was capable of retaining a very tight control on debt levels, keeping leverage within a safe range.

Outstanding shares as of 31st December 2009 were 927.8 ml.

Comments on EMC benchmark margin and Saras premium

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 negative effects of the global recession on the refining industry can be easily observed when looking at the EMC benchmark. In fact, the **EMC margin averaged at 0.7 $/bl in FY2009** (down 78% vs. 3.2 $/bl in FY2008). Moreover, **Q4/09 witnessed a further deterioration of the scenario, with the EMC benchmark falling to -0.9 $/bl** (125% lower than the average of 3.6 $/bl posted in Q4/08), and the lowest quarterly average since it was first introduced in 2005.

The above mentioned drop in refining margins can be explained when comparing 2008 crack spreads for the main oil products, with the corresponding crack spreads in 2009. More specifically, we can recall that 2008 was a record year for the diesel crack spread (with a yearly average at 27.7 $/bl), while it was a very weak period for gasoline (the yearly average for the crack spread stood at a meagre 2.0 $/bl), because gasoline demand resented from the depressed state of the American economy and the extremely high retail prices. Finally, we recall that High sulphur Fuel Oil was also very weak in 2008, with a crack spread yearly average at -24.7 $/bl.

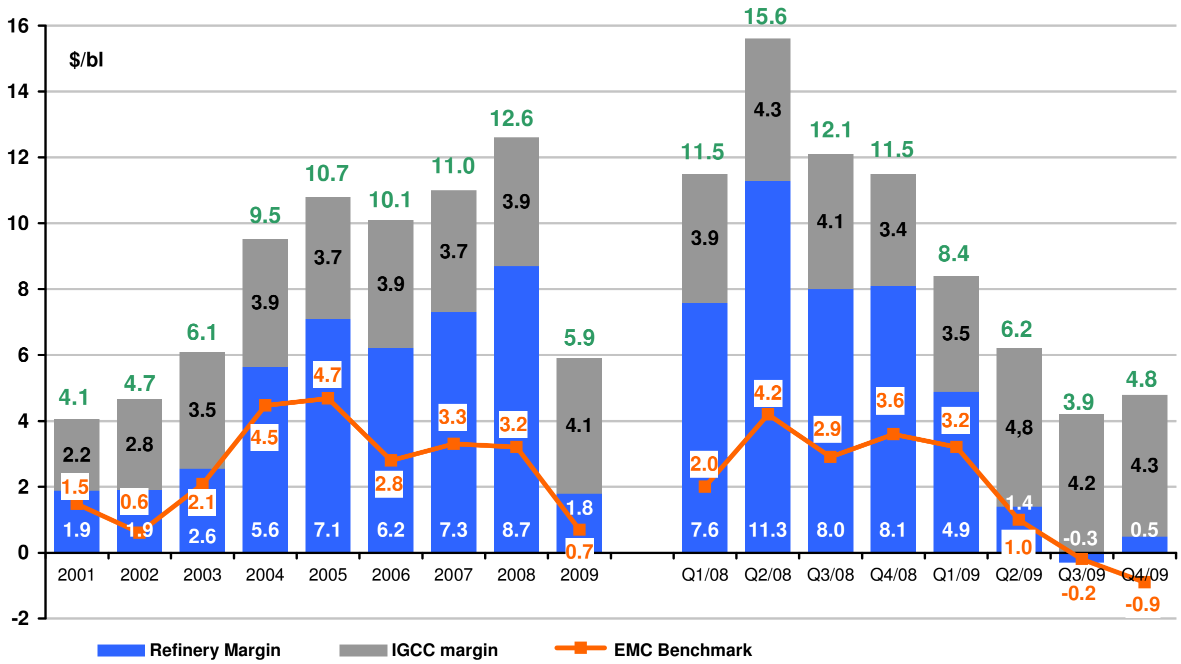
Markets changed radically in 2009. Indeed, the severe recession which swept the global economy caused a very steep drop in total oil products demand. But the contraction was even more acute for middle distillates, given the tight connection of gasoil consumption with the intensity of industrial activity and the truck shipments of finished goods along the supply chain. Dismal demand caused diesel inventories to reach record high levels, and diesel crack spread in the Mediterranean sea averaged at 9.7 $/bl in 2009.

On the other hand, gasoline managed to post a comparatively robust performance in 2009 (especially in the first 9 months of the year), with crack spread averaging at 8.0 $/bl in the Mediterranean sea. This result came on the back of sensibly lower retail prices, which encouraged Americans to drive more during summer. In Q4/09 however, gasoline crack spread bent downwards again, due to a return of sluggish demand after the conclusion of the US driving season.

Moreover, both High and Low sulphur Fuel Oils showed remarkable strength throughout the entire 2009. This performance establishes a striking difference with the year before, and it can be explained with the reduced availability of heavy crude oils, deriving from OPEC crude oil production cuts. In particular, High sulphur Fuel Oil crack spread in 2009 stood at an average of -6.9 $/bl, which is almost 20 $/bl stronger than previous year. This situation clearly contributed to produce a contraction in refinery's "complexity advantage", which is the margin premium which complex refiners have above simpler refineries, related to the capability of converting fuel oil (which traditionally has low market value) into diesel and gasoil (which usually have higher market value).

Finally, the graph here below also reports important information concerning Saras premium above the EMC benchmark. More specifically, it can be observed that in FY2009 Saras premium was 1.1 $/bl, significantly lower than the 5.5 $/bl premium posted in FY2008. Similarly, in Q4/09 Saras premium above the EMC benchmark stood at 1.4 $/bl, less than a third of the 4.5 $/bl in Q4/08.

The full year performance can be explained with combined effects of the aforementioned negative market scenario, together with some important penalisations related to the heavy scheduled maintenance and investment cycle carried out between Q2 and Q3/09. It should also be noted that in Q4/09, when the refinery resumed standard operating conditions, Saras premium resented by the steep contraction in the price differential between "heavy" and "light" crude oils, and also by an exceptionally strong Fuel Oil, which reduced the "complexity advantage" of all top class refineries, including Saras.



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

Segments Review

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

Refining

EUR Million	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
EBITDA	(0.8)	(238.9)	100%	(77.5)	78.5	109.6	-28%
Comparable EBITDA	**(49.6)**	**109.0**	**-146%**	**(54.2)**	**(103.3)**	**433.6**	**-124%**
EBIT	(30.6)	(261.9)	88%	(101.0)	(17.4)	30.0	-158%
Comparable EBIT	**(79.4)**	**86.0**	**-192%**	**(77.7)**	**(199.2)**	**354.0**	**-156%**
CAPEX	**56.9**	**57.6**	**-1%**	**44.1**	**244.4**	**182.3**	**34%**

Margins and refinery runs

		Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
REFINERY RUNS	thousand tons	3,432	3,933	-13%	3,447	13,305	15,517	-14%
	Million bl	25.0	28.7	-13%	25.2	97.1	113.3	-14%
	thousand bl/day	272	312	-13%	273	266	310	-14%
of which:								
Processing for own account	thousand tons	2,373	2,532	-6%	2,373	9,312	10,064	-7%
Processing on behalf of third parties	thousand tons	1,059	1,401	-24%	1,074	3,994	5,453	-27%
EXCHANGE RATE	EUR/USD	1.478	1.318	12%	1.430	1.395	1.471	-5%
EMC BENCHMARK MARGIN	$/bl	(0.9)	3.6	-125%	-0.2	0.7	3.2	-78%
SARAS REFINERY MARGIN	$/bl	0.5	8.1	-94%	-0.3	1.8	8.7	-79%

Comments on Fourth Quarter and preliminary FY2009 results

Refinery runs in FY2009 stood at 13.305 ml tons (97.1 ml barrels, corresponding to 266 thousand barrels per day), **of which 3.432 ml tons were processed in Q4/09** (25.0 ml barrels, corresponding to 272 thousand barrels per day). This operating result in FY2009 was 14% lower than same period last year, and in Q4/09 was 13% lower than Q4/08. The main difference in refinery runs can be 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.

Processing on behalf of third parties was approximately one third of total runs (30% in FY2009 and 31% in Q4/09), in line with our strategy.

***Comparable* EBITDA of the refining segment in FY2009 was EUR -103.3 ml**, down 124% versus EUR 433.6 ml in FY2008, driven by the above mentioned lower refinery runs, as well as a narrower refining margin, for the reasons which will be detailed in the following paragraphs. Only partial relief came from the stronger USD versus the EUR, with an exchange rate averaging at 1.395 in 2009, vs. 1.471 in 2008.

Similarly, **in Q3/09 *comparable* EBITDA was EUR -49.6 ml**, down 146% versus Q4/08, essentially because of lower refinery runs, and a reduced refining margin, which came as a consequence of the previously mentioned tight price differential between “light” and “heavy” crude oils, which provided artificial support to fuel oil prices, thus eroding part of our “complexity advantage”. Furthermore in Q4/09 also FOREX effects played to our disadvantage, with the USD weaker against the EUR than in Q4/08. More specifically, in Q4/09 EUR/USD = 1.478, up 12% vs. 1.318 in Q4/08.

Coming to a detailed profitability analysis of the Refining segment, our **EMC benchmark for refining margin in FY2009 stood at 0.7 $/bl**, versus 3.2 $/bl in FY2008, and **Saras premium above the EMC margin fell to 1.1 $/bl** (versus 5.5 $/bl in FY2008). In a similar way, **in Q4/09 the EMC benchmark stood at -0.9 $/bl** vs. 3.6 $/bl in Q4/08, and **Saras premium above the EMC was 1.4 $/bl,** which compares with a premium of 4.5 $/bl in Q4/08.

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 weakness in middle distillates and the contextual strength in fuel oil. To be more specific, in FY2009, the average of the conversion spread was 179 $/ton vs. 452 $/ton in FY2008, and in Q4/09 it was even lower at 177 $/ton, versus 319 $/ton average in Q4/08.

Secondly and more importantly, Saras premium was influenced by heavy conversion losses (approx. USD 145 ml in FY2009, of which USD 8 ml in Q4/09) 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 in the refinery on May 26th, turnaround activities were delayed until the end of July.

Furthermore, technical problems occurred during Q3/09 at the time of restarting some critical units, which caused some delays in the achievement of standard operating conditions, and a further penalisation came in Q3/09, because of reduced availability of hydrogen for operational problems at the IGCC plant.

And finally, in the fourth quarter 2009, the exceptional strength of Fuel Oil caused the "complexity advantage" to decrease for all top class refineries. In our case, we can quantify that our premium above the EMC benchmark is currently approx. 1$/bl lower than previously expected. The situation will revert back to normal as soon as the economic recovery will drive demand growth for diesel, and differentials for heavier crude oils will return to normal levels.

Refining CAPEX **in FY2009 was EUR 244.4 ml, of which EUR 56.9 ml in Q4/09,** in line with investment plan for the year.

Crude Oil slate and Production

		Q4/09	FY 2009	FY 2008
Light extra sweet		50%	48%	51%
Light sweet		0%	0%	0%
Medium sweet		0%	0%	0%
Light sour		0%	0%	0%
Medium sour		27%	28%	22%
Heavy Sour		23%	24%	27%
Average crude gravity	°API	32.7	32.4	32.7

With an average density of 32.4°API, the crude mix in FY2009 was slightly heavier than last year. However, **in Q4/09 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 crude oil and of heavy sour crude oil both decreased versus 2008 values, while the medium sour crude oil increased correspondingly. This change of crude slate is the consequence of the maintenance and investment activities carried out during Q2 and Q3/09 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 during Q2 and Q3/09 led to a lower yield in middle distillates (50.9% in FY2009, versus 53.3% in FY2008) and also in light distillates (25.1% in FY2009, versus 26.1% in FY2008). On the contrary, fuel oil and other heavy fractions increased accordingly (8.4% in FY2009, versus 5.3% in 2008).

		Q4/09	FY 2009	FY 2008
LPG	thousand tons	59	221	337
	yield	1.7%	1.7%	2.2%
NAPHTHA + GASOLINE	thousand tons	997	3,343	4,056
	yield	29.1%	25.1%	26.1%
MIDDLE DISTILLATES	thousand tons	1,854	6,769	8,275
	yield	54.0%	50.9%	53.3%
FUEL OIL & OTHERS	thousand tons	0	1,119	825
	yield	0.0%	8.4%	5.3%
TAR	thousand tons	304	1,077	1,121
	yield	8.9%	8.1%	7.2%

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	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
EBITDA	13.0	-91.0	114%	11.3	57.6	-57.8	200%
Comparable EBITDA	**16.3**	**7.6**	**114%**	**6.5**	**35.1**	**34.9**	**1%**
EBIT	10.1	-92.5	111%	8.4	48.5	-63.2	177%
***Comparable* EBIT**	**13.4**	**6.1**	**120%**	**3.6**	**26.0**	**29.5**	**-12%**
CAPEX	**3.9**	**14.9**		**22.3**	**56.6**	**45.9**	

Sales

		Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
TOTAL SALES	thousand tons	1,005	1,045	-4%	969	3,972	4,030	-1%
of which in Italy	thousand tons	308	324	-5%	320	1,239	1,176	5%
of which in Spain	thousand tons	697	721	-3%	650	2,733	2,854	-4%

Comments on Fourth Quarter and preliminary FY2009 results

The year 2009 was characterized by a deep contraction in demand for oil products, deriving from the global recession, with a more severe impact on developed economies (OECD), including Spain and Italy, where our sales are concentrated. Nonetheless, our Marketing segment posted very strong results, thanks to a winning strategy aimed at optimising the mix of sales channels, and also thanks to the contribution from our new biodiesel plant (which reached stable full scale production during Q3/09) and from the 71 service stations acquired during Q2 and Q3/09.

From a macro perspective, in FY2009 the Spanish market posted a 4.8% decrease in gasoline demand vs. FY2008, and the contraction was even steeper for middle distillates (-6.3% vs. FY2008), with a split of -5.8% for diesel, and -8.5% for heating and agricultural gasoil. In this difficult context, **Saras Energia had an overall contraction in sale volumes of 4% vs. FY2008**, due to the strategic decision to reduce opportunity sales of gasoline and diesel towards other oil companies. On the contrary, Saras Energia increased sales towards more profitable channels. As a net effect, our Spanish subsidiary retained substantial stability in gasoil (volumes down 0.5% vs. FY2008), while total sales of gasoline decreased by 22%.

When looking at the fourth quarter 2009, the trend in demand for oil products in the Spanish market remained extremely challenging, even if the comparison with Q4/08 shows a smaller drop in percentage terms. However, this is primarily due to the fact that in H2/08 the financial crisis and the economic downturn had already started to sharpen, causing oil products demand to contract accordingly. For this reason, gasoline demand in Q4/09 slid only by 4.5% vs. Q4/08, and middle distillates decreased by 5.8% vs. Q4/08 (with a split of -5.1% for diesel, and -8.5% for heating and agricultural gasoil). Despite the challenging macro environment, **Saras Energia in Q4/09 had a total contraction in sales equal to 3% vs. Q4/08**, with gasoil volumes actually increasing by 1.1% vs. Q4/08 (achieved with a +0.1% for diesel, and a +4.0% for heating and agricultural gasoil), while gasoline instead dropped by 23.8%, for the same opportunistic reasons explained in the full year comment.

Moving to the analysis of the Italian market, in FY2009 demand for oil products decreased overall by 5.3% vs. FY2008. Gasoline was down by 4.4%, while middle distillates were down by 6.9% (mostly related to diesel which lost 9.8%, while heating oil lost 3.5%, and agricultural gasoil was up by 0.9%). Notwithstanding the above scenario, in FY2009 **Arcola Petrolifera was capable of growing sales by 5%**, hence providing effective compensation for the lower sales volumes from the Spanish subsidiary. In detail, sales for gasoline were up 27.5%, diesel was up by 8.7%, while sales of other gasoil were down by 11.0%, vs. same period last year.

When looking at Q4/09, total demand for oil products in the Italian market decreased by 5.5% vs. Q4/08, with gasoline losing 6.1%, and middle distillates shrinking by 5.5% (diesel down 7.0%, heating oil down by 3.6%, and agricultural gasoil also down by 2.3%). Due to the above mentioned macroeconomic headwinds, **Arcola Petrolifera posted lower sales in Q4/09 (-5% vs. same period last year)**, with the following split: gasoline was up 31.0%, diesel was down by 10.0%, while sales of other gasoil were up by 15.3%, vs. Q4/08.

Moving on to the financial analysis, **in FY2009 *comparable* EBITDA from the Marketing segment stood at EUR 35.1 ml**, up 1% compared to the same period last year. Such strong performance came as a consequence of our strategic decision to push sales of oil products with higher margins, and to 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 opportunity sales to other commercial operators). The above factors more than offset the marginal decrease in sales.

When looking at **Q4/09, the *comparable* EBITDA hit a record high at EUR 16.3 ml**, 114% higher than Q4/08, thanks to the previously mentioned sales channel strategy, and also because of positive contributions from the new biodiesel plant in Cartagena, which reached stable full scale production during Q3/09, and from the 71 retail stations acquired during Q2 and Q3/09. These positive factors more than compensated the small decline in sales.

Finally, CAPEX in FY2009 were EUR 56.6 ml mainly due to the acquisition of 71 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 Q4/09 CAPEX were EUR 3.9 ml, in line with our plan.

Power Generation

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

EUR Milion	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
EBITDA	48.5	49.4	-2%	46.5	184.5	200.0	-8%
***Comparable* EBITDA**	**48.5**	**49.4**	**-2%**	**46.5**	**184.5**	**200.0**	**-8%**
EBIT	29.4	29.8	-1%	27.3	107.7	124.0	-13%
***Comparable* EBIT**	**29.4**	**29.8**	**-1%**	**27.3**	**107.7**	**124.0**	**-13%**
EBITDA ITALIAN GAAP	**33.5**	**66.9**	**-50%**	**13.3**	**152.5**	**294.6**	**-48%**
EBIT ITALIAN GAAP	**19.3**	**52.5**	**-63%**	**-0.9**	**95.9**	**239.5**	**-60%**
NET INCOME ITALIAN GAAP	**11.9**	**32.2**	**-63%**	**-1.4**	**54.2**	**133.9**	**-59%**
CAPEX	**3.4**	**8.5**		**3.1**	**12.4**	**26.5**	

Other figures

		Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
ELECTRICITY PRODUCTION	MWh/1000	1,128	948	19%	924	4,066	4,318	-6%
POWER TARIFF	**Eurocent/KWh**	**8.6**	**14.2**	**-39%**	**8.3**	**10.1**	**14.2**	**-28%**
POWER IGCC MARGIN	$/bl	4.3	3.4	26%	4.2	4.1	3.9	4%

Comments on Fourth Quarter and preliminary FY2009 results

Results of the Power Generation segment in the full year 2009 were in line with guidance, with **power production at 4.066 TWh**, down 6% when compared to FY2008. The reasons for the lower performance 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 suffered from operational problems on the IGCC desalinization units, which caused a shortage of distilled water, needed for steam production and power generation, and induced us to bring forward the ordinary maintenance of the second train of “Gasifier – Turbine”, which was originally scheduled to take place in Q4/09. Consequently, **power production in Q4/09 was back to regular levels, and it stood at 1.128 TWh**, 19% higher than same period last year, when we carried out a schedule maintenance of 1 train of “Gasifier and Turbine”.

Italian GAAP EBITDA in FY2009 was EUR 152.5 ml, down 48% versus FY2008, 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 110 ml. Indeed, the average value of the total CIP6/92 power tariff in FY2009 stood at 10.1 EURcent/kWh, down 28% versus FY2008. Another difference of approximately EUR 16 ml can be explained with the lower sales of hydrogen and steam. The rest depends on the minor production of electricity (-6% vs. FY2008).

In Q4/09, Italian GAAP EBITDA was EUR 33.5 ml, down 50% versus Q4/08. This difference can be explained almost entirely with the previously described absence of the “incentive” component of the CIP6/92 tariff, which in Q4/09 was worth approx. EUR 41 ml. Some compensation came instead from the higher production of electricity (+19% versus Q4/08, for the reasons explained in the first paragraph), while sales of hydrogen and steam in Q4/09 were practically in line with Q4/08.

***Comparable* EBITDA in FY2009 was EUR 184.5 ml**, down 8% vs. same period last year, due to lower sales of Hydrogen and Steam (down by approx. EUR 16 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 in Q2 and Q3/09, as well as a reduced production linked to the IGCC operational problems in Q3/09. **In Q4/09 however, *comparable* EBITDA stood at EUR 48.5 ml**, practically in line with Q4/08 (down 2%), due to marginally lower sales of Hydrogen and Steam (down by EUR 0.8 ml versus Q4/08).

Finally, **CAPEX in FY2009 were EUR 12.4 ml, of which EUR 3.4 ml in Q4/09**, 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	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
EBITDA	6.8	3.4	100%	2.2	21.0	11.5	82%
***Comparable* EBITDA**	**6.8**	3.4	**100%**	**2.2**	**21.0**	**14.1**	**49%**
EBIT	5.1	0.9	467%	(0.2)	12.1	2.4	395%
***Comparable* EBIT**	**5.1**	0.9	**467%**	**(0.2)**	**12.1**	**5.0**	**140%**

Other figures

		Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
ELECTRICITY PRODUCTION	MWh	55,209	36,381	52%	16,956	155,970	153,735	1%
POWER TARIFF	EURcent/KWh	5.6	8.5	-33%	9.6	7.0	8.6	-19%
GREEN CERTIFICATES	EURcent/KWh	8.9	8.8	2%	10.0	8.7	6.9	26%

Comments on Fourth Quarter and preliminary FY2009 results

The Ulassai wind farm posted very strong results **in FY2009, with *comparable* EBITDA at EUR 21.0 ml** (up 49% vs. FY2008), boosted by profits of approx. EUR 1.3 ml, deriving from the sales of Green Certificates related to the year 2008. By contrast, FY2008 was negatively impacted by losses for approximately EUR 3.5 ml, generated by the sale of Green Certificates pertaining to the year 2007. Given that electricity production was basically flat year on year (+1%), the rest of the gap at EBITDA level can be explained with the higher value of green certificates pertaining to 2009, which more than offset the lower power tariff.

More specifically, **Green Certificates in FY2009 had an average price of 8.7 EURcent/kWh**, up 26% vs. FY2008, while the power tariff went down to 7.0 EURcent/kWh (from 8.6 EURcent/kWh in FY2008), as a consequence of the economic downturn, which caused lower industrial activity and reduced demand for electricity.

Moving to the analysis of the last quarter, ***comparable* EBITDA in Q4/09 was EUR 6.8 ml**, up 100% vs. Q4/08, thanks primarily to a remarkably higher electricity production (up 52% vs. Q4/08), which more than offset the sharp drop in power tariff. In particular, the power tariff in Q4/09 stood at 5.6 EURcent/kWh, down 33% vs. Q4/08, for the same reasons explained above. **Green Certificates instead stood at an average of 8.9 EURcent/kWh**, basically in line with Q4/08 (+2%).

Finally, as mentioned in the first paragraph, **electricity production in FY2009 was equal to 155,970 MWh,** up 1% vs. FY2008. This came as a combination of very poor wind conditions in Q2 and Q3/09, offset by extremely favourable wind conditions in Q4/09, with December setting a record high production. For sake of completeness, the Ulassai wind farm **in Q4/09 produced 55,209 MWh**, 52% above same period last year.

Others

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	Q4/09	Q4/08	Var %	Q3/09	FY 2009	FY 2008	var %
EBITDA	2.6	2.1	24%	0.4	3.9	2.8	39%
***Comparable* EBITDA**	**2.6**	**(0.5)**	**620%**	**0.4**	**3.9**	**0.2**	**1757%**
EBIT	1.6	1.6	0%	0.0	1.5	0.6	150%
***Comparable* EBIT**	**1.6**	**(1.0)**	**260%**	**0.0**	**1.5**	**(2.0)**	**175%**

Comments on Fourth Quarter and preliminary FY2009 results

In FY2009 *comparable* EBITDA was positive for EUR 3.9 ml, largely exceeding expectations and confirming a positive trend started at the beginning of the year. More specifically, the strong performance came primarily in the **fourth quarter, when *comparable* EBITDA stood at EUR 2.6 ml,** more than 6 times higher than same period last year. The accountability for this good result can be primarily assigned to our Sartec subsidiary, which successfully managed to complete a high number of contracts in Q4/09.

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 global recession in 2009 has severely impacted demand for petroleum products and drastically reduced refining margins. In the above scenario, Saras reviewed its CAPEX plan, postponing by 12 to 18 months all major “growth” projects from 2010 onwards, in order to retain tight control on debt levels.

During these challenging times, our strategic focus will firmly stay on achieving higher operational efficiency, enhancing our energy recovery, and introducing initiatives to reduce both our fixed and variable costs.

More specifically, we have started and “asset management” programme, with the support of a leading global consulting group, aimed at improving “Asset Integrity” (enhancing both routine and turn-around maintenance procedures), “Asset Efficiency” (addressing consumption and losses), and “Asset Effectiveness” (i.e. productivity).

CAPEX by segment

EUR Million	Q4/09	FY 2009	FY 2008
REFINING	56.9	244.4	182.3
POWER GENERATION	3.4	12.4	26.5
MARKETING	3.9	56.6	45.9
WIND	0.1	0.3	0.0
OTHER	0.4	3.3	1.8
Total	**64.7**	**317.0**	**256.5**

Buyback and Dividend

On the 29th October 2009 the Buyback plan approved by the AGM in April 2008 has expired. During the 18 months authorized by the AGM, Saras acquired on the market 18,387,703 ordinary shares (around 1.9% of the share capital), at an average price per share of EUR 3.0, net of commissions, for a total amount of approx. EUR 55 ml.

The total number of shares held in treasury to date is approx. 23 ml (treasury shares are not entitled to receive dividends).

Coherently with the negative adjusted net income posted by Saras Group in the FY2009 and in line with our dividend policy, the Board of Directors will propose to the AGM no dividend distribution.

Outlook

REFINING

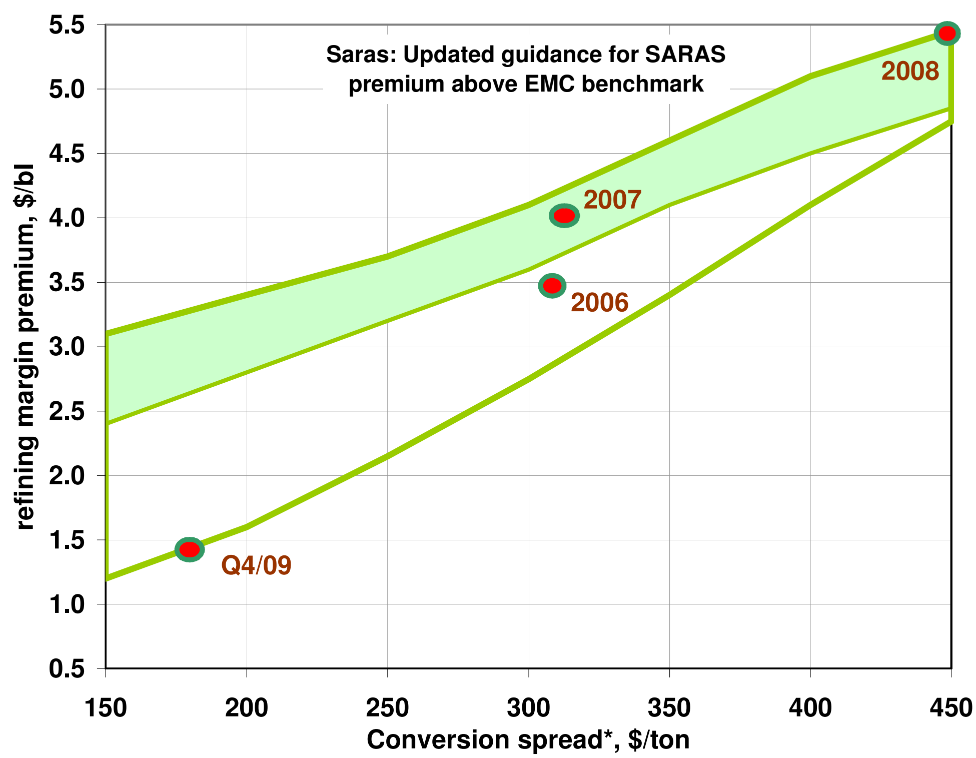
- The International Energy Agency (IEA) expects 2010 to be a recovery year, on the back of a significant upgrade to global GDP projections, as detailed in the recent IMF Economic Outlook. Accordingly, 2010 global oil demand is expected to climb back to pre-crisis levels, at 86.5 mb/d (+1.6 mb/d year-on-year), although growth will essentially come from non-OECD countries.

- Despite the aforementioned demand recovery, refining margins are expected to increase only gradually during the year, because product crack spreads are currently being limited by the release of oil products from the high inventories held both on-shore and in floating storage.

- Based on reports from shipbrokers and newswire sources, 22 oil tankers previously being used for floating storage unloaded in January, releasing on-shore more than 12 Mbl of crude and 15 Mbl of petroleum products, mostly gasoil. If such de-stocking trends were to continue, inventories could normalize within the next six months, subsequently allowing crack spreads and margins to rebound accordingly.

- It is however still too early to confirm if the recent upturn in industrial activity worldwide is sustainable, and to determine accurately the speed of the economic recovery. Therefore, we prefer to maintain a cautious approach, and we forecast an average for the EMC benchmark in 2010 comprised between 1.5 ÷ 2.5 $/bl, and the diesel vs. fuel oil "conversion spread" at an average between 200 ÷ 300 $/ton.

- Finally, our guidance on Saras complexity premium above the EMC benchmark has been modified as shown in the graph here below, owing to the exceptional and unprecedented strength of Fuel Oil.



* spread between ULSD and the average of LSFO&HSFO

POWER GENERATION

- Standard maintenance activities on 2 trains of "Gasifier – Turbine" will be carried out during the first half of 2010 in our Sarlux IGCC plant.

- The 9-month delay in the formula used to calculate the "fuel component", will progressively increase the CIP/6 power tariff in 2010, in line with the trend of crude oil prices during 2009 (in Jan09 Brent DTD started off at 40 $/bl, and rapidly increased during H1/09 to reach a stable range between 65 ÷ 75 $/bl for remainder of the year).

- Due to IFRS linearisation procedure, comparable EBITDA is expected at EUR 175÷185 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.

Saras Group Preliminary Financial Statements

Statement of consolidated Financial Position as of: 31st December 2009 (preliminary), and as of: 31st December 2008

(EUR thousand)	31/12/2009	31/12/2008
ASSETS		
current assets	**1,405,678**	**1,310,954**
Cash and cash equivalents	111,372	65,180
Other financial assets held for trading or available for sale	21,301	20,464
Trade receivables	396,954	639,326
Inventories	732,077	469,298
Current tax assets	39,983	7,770
Other assets	103,991	108,916
Non-current assets	**2,019,986**	**1,925,304**
Property, plant and equipment	1,525,547	1,377,018
Intangible assets	445,549	484,575
Other equity interests	571	1,103
Deferred tax assets	46,932	58,953
Other financial assets	1,387	3,655
Total assets	**3,425,664**	**3,236,258**
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	**1,181,771**	**988,757**
Short-term financial liabilities	379,562	243,980
Trade and other payables	646,992	560,867
Current tax liabilities	67,955	107,746
Other liabilities	87,262	76,164
Non-current liabilities	**1,015,853**	**936,448**
Long-term financial liabilities	289,552	174,211
Provisions for risks	41,118	29,195
Provisions for employee benefits	35,420	37,494
Other liabilities	649,763	695,548
Total liabilities•	**2,197,624**	**1,925,205**
EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,926
Other reserves	1,089,884	1,183,675
Profit/(loss) for the year	72,552	61,822
Total equity attributable to owners of the company	**1,227,992**	**1,311,053**
Minority interest	48	0
Total Equity	**1,228,040**	**1,311,053**
Total liabilities and equity	**3,425,664**	**3,236,258**

Statement of Comprehensive Income for the period: 1st January – 31st December 2009 (preliminary), and for the period: 1st January – 31st December 2008

EUR thousand	1 January 31 December 2009	1 January 31 December 2008
Revenues from ordinary operations	5,229,506	8,555,842
Other income	87,083	116,927
Total revenues	**5,316,589**	**8,672,769**
Purchases of raw materials, spare parts and consumables	(4,293,713)	(7,677,346)
Cost of services and sundry costs	(534,844)	(592,948)
Personnel costs	(142,499)	(145,840)
Depreciation, amortization and write-downs	(193,130)	(167,916)
Total costs	**(5,164,186)**	**(8,584,050)**
Operating results	**152,403**	**88,719**
Net income (charges) from equity interests	(3)	421
Other financial income	16,623	43,494
Other financial charges	(50,343)	(42,092)
Profit before taxes	**118,680**	**90,542**
Income tax for the period	(46,122)	(28,720)
Net profit/(loss) for the year	**72,558**	**61,822**
Net profit/(loss) for the year attributable to:		
Equity olders of the company	72,552	61,822
Minority interest	6	0
Earnings per share - base (Euro cent)	**7.82**	**6.56**
Earnings per share - diluted (Euro cent)	**7.82**	**6.56**

EUR thousand	1 January 31 December 2009	1 January 31 December 2008
Result of the year (A)	**72,558**	**61,822**
Income / (loss), net of fiscal effect (B)	**0**	**0**
Consolidated Comprehensive Result (A + B)	**72,558**	**61,822**
Consolidated Comprehensive Result perteining to :		
Parent Company shareholding	72,552	61,822
Minority Interessence	6	0

Statement of Changes in Consolidated Shareholders' Equity from 31st December 2007 to 31st December 2009 (preliminary)

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 year profit			162,060	(162,060)	0		0
Dividends				(160,843)	(160,843)		(160,843)
Reserve for employees stock plan			2,460		2,460		2,460
Share buyback			(70,307)		(70,307)		(70,307)
Share premium reserve adjustment			615		615		615
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
Renounce of receivable from minority shareholder of the subsidiary Parchi Eolici Ulassai Srl			474		474		474
Profit (loss) for the year				61,822	61,822		61,822
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 year profit			61,822	(61,822)	0		0
Reserve for employees stock plan			2,051		2,051		2,051
Dividends			(157,721)		(157,721)		(157,721)
Effect of Corporate tax rate reduction (IRES)			55		55		55
Minority on Artemide Srl acquisition					0	42	42
Effect of exchange rate on financial accounts			2		2		2
Profit (loss) for the year				72,552	72,552	6	72,558
Balance as of 31/12/2009	**54,630**	**10,926**	**1,089,884**	**72,552**	**1,227,992**	**48**	**1,228,040**

Consolidated Cash Flow Statements as of: 31st December 2009 (preliminary), and as of: 31st December 2008

(EUR thousand)	1/1/2009 - 31/12/2009	1/1/2008 - 31/12/2008
A - Cash and cash equivalents at the beginning of year	**65,180**	**308,108**
B - Cash generated from/(used in) operating activities		
Profit/ (Loss) of the Group	72,558	61,822
Amortization, depreciation and write-down of fixed assets	193,130	167,916
Net (income)/charges from equity interests	3	(421)
Net change in provisions for risks and charges	11,923	5,899
Net change in employee benefits	(2,074)	801
Net Change in tax liabilities and tax assets	12,021	(193,462)
Income tax	46,122	28,720
Other non cash items	2,150	3,075
Profit (Loss) from operating activities before changes in working capital	**335,833**	**74,350**
(Increase)/Decrease in trade receivables	242,372	56,147
(Increase)/Decrease in inventory	(254,987)	256,067
Increase/(Decrease) in trade and other payables	86,125	(99,006)
Change in other current assets	(27,288)	(78,914)
Change in other current liabilities	69,570	167,072
Income tax paid	(130,250)	(191,463)
Change in other non-current liabilities	(45,785)	108,165
Total (B)	**275,590**	**292,418**
C - Cash flow from (to) investment activities		
(Investments) in tangible and intangible assets	(316,972)	(275,685)
(Investments) disinvestments in other holdings	529	(1,420)
Change in equity interests valued under the equity method	0	773
Acquisition of 30% PEU	0	(32,000)
Change in financial assets	1,431	10,891
Interest received	777	11,083
Other non cash items	1,195	10,847
Total (C)	**(313,040)**	**(275,511)**
D - Cash generated from/(used in) financing activities		
Increase/(Decrease) in medium/long term borrowings	120,693	(76,807)
Increase/(Decrease) in short term borrowings	135,582	62,389
Buyback own shares	0	(70,307)
Dividend distribution to shareholders	(157,721)	(160,843)
Interest paid	(14,912)	(25,568)
Total (D)	**83,642**	**(271,136)**
E - Cashflow for the year (B+C+D)	**46,192**	**(254,229)**
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 year	**111,372**	**65,180**