



SARAS: Leading independent refining operator announces results¹ for the third quarter 2007

Satisfactory results despite unfavourable refining environment Adjusted Net Income at EUR 60.0 ml

Highlights for the period

- **Group comparable EBITDA² at EUR 139.0 ml, down 13% on Q3/06 and down 30% on Q2/07**
 - **Group comparable EBITDA for the first nine months at EUR 493.3 ml, up 15% on same period last year**
- **Group adjusted net income³ at EUR 60.0 ml, down 13% on Q3/06 and down 33% on Q2/07**
 - **Group adjusted net income for the first nine months at EUR 225.0 ml, up 25% on same period last year**
- **Saras *refining&power* margin at 9.6 \$/bl down 5% versus Q3/06 and down 33% versus Q2/07**
 - **refinery margin at 5.9 \$/ bl in Q3/07 (6.5 \$/bl in Q3/06 and 9.9 \$/bl in Q2/07)**
 - **refinery margin in the first nine months at 7.4 \$/ bl, up 15% on same period last year**
- **Net financial position at EUR -136 ml, due to a considerable increase in working capital**

Milan, 08 November, 2007. - The Board of Directors of Saras S.p.A. met yesterday under Chairman GianMarco Moratti and approved third quarter 2007 results. The Chairman declared: ***“Despite the unfavourable refining environment we have been able to achieve satisfactory results thanks to the high complexity and flexibility of our refinery and the stable profitability of our power division. The outlook for complex refineries remains positive in the light of strong demand for value added products and soaring costs for the construction of new refineries that represents a solid barrier to entry for the refining sector”.***

¹ The executive manager responsible for the preparation of the company's financial reporting, Mr. Corrado Costanzo, states, pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, 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 at LIFO. In Q2/07 and Q3/07 a non recurring income of EUR 5.2 ml and 0.6 ml respectively (due to change in law in the calculation of provisions for employee retirement benefits) has been deducted

³ **Adjusted net income:** Net income adjusted by difference between inventories at LIFO and inventories at FIFO after taxes, non recurring items after taxes and change in the derivatives fair value after taxes

Program of the conference call organized for today 08th November 2007

at 16:00 C.E.T. conference call for analysts and investors. Slide presentation will be distributed and is available on our website www.saras.it from 07:30 am CET

Dial in numbers:

For Italy +39 02 8020911

For U.K. +44 208 7929750

For U.S. +1 866 2396425

Link for the live webcast http://services.choruscall.com/links/saras_071108.html

A replay of the conference call will be available for 72 hours after the event, starting at 07:30 am CET on 09th November 2007. The number to dial is +39 02 806 137 80 Passcode: 839#. Playback and transcript of the live webcast will also be available on our website.

For any information please contact:

Marco Schiavetti

Saras – IR Manager

Tel. +39 02 7737301

Giordano Serafini

Saras – IR assistant

Tel + 39 02 7737641

Rafaella Casula

Saras – Head of Financial Communications

Tel. +39 02 7737495

Key Consolidated financial figures

Below are the key consolidated financial figures, shown in comparison with the data from the same period last year and previous quarter. **It should be noted** that 1-9/06 figures are proforma, i.e. with Sarlux S.r.l. fully consolidated as of 1st January 2005.

Saras Group income statement figures:

EUR Million	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
REVENUES	1,670.4	1,688.4	-1%	1,700.6	4,878.5	4,970.0	-2%
EBITDA	180.8	84.5	114%	265.7	591.8	423.8	40%
EBITDA comparable	139.0	160.5	-13%	199.3	493.3	428.6	15%
EBIT	140.0	44.2	217%	225.9	471.2	304.8	55%
EBIT comparable	98.2	120.0	-18%	159.4	372.6	309.6	20%
NET INCOME	89.7	33.8	165%	136.0	276.5	172.4	60%
adjusted NET INCOME	60.0	69.2	-13%	89.5	220.5	175.8	25%

Other Group figures:

EUR Million	Q3/07	Q3/06	Q2/07	1-9/07	1-9/06
NET FINANCIAL POSITION	(136)	(187)	12	(136)	(187)
CAPEX	54	18	57	147	88
OPERATING CASH FLOW	(72)	164	347	451	335

Remarks on third quarter results

Saras Group results were largely in line with company expectations even in a scenario of weak refining margins and high volatility of crude oil prices that negatively affected the Refining segment. The excellent and stable results of Power and Marketing supported overall earnings in the quarter.

Group **Revenues** were EUR 1,670 ml in line with same period last year.

Group **Comparable EBITDA** amounted to EUR 139.0 ml a slight decrease (-13%) vs Q3/06 entirely due to the Refining segment.

Adjusted net income was EUR 60 ml, showing a decrease of 13% vs Q3/06, in line with the slowdown of EBITDA.

CAPEX amounted to EUR 54 ml in the period, in line with the investment program for 2007.

Net Financial Position at the end of Q3/07 turned to a negative of EUR 136 ml from a positive of EUR 12 ml at the end of Q2/07 due to a relevant increase of working capital (negative impact on cashflow in excess of EUR 250 ml).

During the quarter a total of 400,000 Saras shares have been bought from the market at an average price of EUR 4.30 per share to service the Stock plans for employees and managers as approved by the last Saras S.p.A. AGM.

Outstanding shares at 30/09/2007 are therefore 950.6 million from 951 million at the end of the previous quarter.

Segment Reviews

Below is the main information relating to the various business segments within the Saras Group. Furthermore, detailed results of the Sardeolica joint venture (Wind segment) are given in order to provide complete information, although the company is consolidated using the equity method.

Refining

EUR Million	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
EBITDA	105.3	31.0	240%	197.2	391.0	237.1	65%
<i>EBITDA comparable</i>	<i>73.7</i>	<i>98.5</i>	<i>-25%</i>	<i>140.8</i>	<i>310.2</i>	<i>243.0</i>	<i>28%</i>
EBIT	86.7	13.8	528%	179.6	337.0	187.0	80%
<i>EBIT comparable</i>	<i>55.1</i>	<i>81.3</i>	<i>-32%</i>	<i>123.2</i>	<i>256.2</i>	<i>192.9</i>	<i>33%</i>
CAPEX	43	16	167%	51	123	83	48%

Refinery runs in Q3 were 305 kbd (3.8 Mton) up 2% versus same period last year confirming the high utilization rates of the refinery. Runs for third parties represented 32% of total, a lower figure compared to same period last year (47%), due to the expiry of a contract at beginning of 2007 that has not been renewed.

Refining margins slimmed down during the quarter on the back of a tightening physical crude market mainly deriving from the persisting OPEC squeeze on the supply side. Both ULSD and gasoline crack spreads came under pressure especially in July as often occurs when the market is constrained on the supply side. The EMC benchmark averaged 2.5 \$/bl in Q3/07 down 0.3 \$/bl from same period last year and down 2.9 \$/bl from previous quarter. Notwithstanding the last weak quarter, during the first nine month of 2007 EMC benchmark averaged 3.6 \$/bl versus 3.1 \$/bl in the same period of 2006, confirming that on average margins remained healthy during 2007.

As anticipated the scheduled maintenance of the MildHydrocracker unit limited diesel production during the quarter more than offsetting the positive impact of the upgrades carried out during the maintenance of the previous quarter. Furthermore there has been a loss of conversion of about 60 kton (1.6% yield on runs) due to:

- a temporary reduction of hydrogen supply from the nearby petrochemical plant caused by several operational glitches
- the stock building of MHC/FCC, feedstock ahead of the scheduled Q4/07 crude distillation unit maintenance

Overall the middle distillates yield declined to 50.3% in the quarter.

As a consequence Saras' refining margin in Q3/07 was 5.9 \$/bl, with a premium over the benchmark of 3.4 \$/bl. During the first nine months of the year Saras' refining margin averaged 7.4 \$/bl, with a premium of 3.8 \$/bl over the benchmark, substantially in line with our guidance.

Margins and refinery runs

		Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
REFINERY RUNS	Thousand ton	3,839	3,764	2%	3,415	11,063	10,391	6%
	Million bl	28.0	27.5	2%	24.9	80.8	75.9	7%
	thousand bl/day	305	299	2%	274	296.0	278	7%
of which: Processing for own account	Thousand ton	2,599	1,982		2,061	7,080	5,296	
Processing on behalf of third parties	Thousand ton	1,240	1,783		1,354	3,983	5,095	
EXCHANGE RATE	EUR/USD	1.374	1.274	8%	1.348	1.344	1.245	8%
EMC BENCHMARK MARGIN	\$/bl	2.5	2.8	-11%	5.4	3.6	3.1	16%
SARAS REFINERY MARGIN	\$/bl	5.9	6.5	-9%	9.9	7.4	6.5	14%

Production

		Q3/07	Q2/07	1-9/07	2006
LPG	thousand ton	78	79	246	312
	yield	2.0%	2.3%	2.2%	2.2%
NAPHTHA + GASOLINE	thousand ton	1,012	979	3,021	3,893
	yield	26.4%	28.7%	27.3%	27.3%
MIDDLE DISTILLATES	thousand ton	1,933	1,774	5,693	7,350
	yield	50.3%	51.9%	51.5%	51.4%
FUEL OIL & OTHERS	thousand ton	304	119	604	725
	yield	7.9%	3.5%	5.5%	5.1%
TAR	thousand ton	289	243	838	1,152
	yield	7.5%	7.1%	7.6%	8.1%

Balance to 100% is Fuel&losses

Crude Oil slate

		Q3/07	Q2/07	1-9/07	2006
Light extra sweet		46%	48%	45%	43%
Light sweet		1%	1%	2%	5%
Medium sweet					1%
Light sour					
Medium sour		23%	26%	26%	23%
Heavy Sour		30%	25%	27%	28%
Average crude gravity	°API	33.0	33.4	32.9	32.9

Marketing

Below are the financial highlights of the marketing segment, which is primarily focused on the wholesale business where the Saras Group operates through Arcola Petrolifera S.p.A. in Italy and Saras Energia S.A./Saras Red S.A. in Spain.

EUR Million	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
EBITDA	20.6	0.8	2475%	17.3	40.9	20.5	100%
EBITDA <i>comparable</i>	10.4	9.3	12%	7.2	23.1	19.4	19%
EBIT	19.3	0.2	9550%	16.1	37.1	19.3	92%
EBIT <i>comparable</i>	9.1	8.7	5%	6.0	19.3	18.2	6%
CAPEX	5	1		1	6	1	

Marketing achieved a good performance in Q3/07, with margins and sales improved versus previous quarters.

Sales in Spain increased by 36% versus same period last year, while in Italy the increase was around 10%.

Worthy of note is that Capex during the quarter increased to EUR 5 million due to the beginning of the construction activities of the biodiesel production plant close to the Saras Energia depot in Cartagena (Spain). Production is expected to start around mid 2008.

Sales

		Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
TOTAL SALES	Kton	994	775	28%	920	2,848	2,349	21%
of which Italy	Kton	261	238	10%	268	784	737	6%
of which Spain	Kton	733	537	36%	652	2,064	1,612	28%



Power Generation

Below are the main financial data of the Power segment related to operations by Sarlux S.r.l.(the data of the first nine months of 2006 are proforma):

EUR Milion	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
EBITDA	53.2	52.6	1%	52.3	159.2	168	-5%
EBIT	32.9	30.5	8%	31.8	98.1	101.8	-4%
EBITDA ITALIAN GAAP	88.5	88.7	0%	51.3	225.4	255.0	-12%
EBIT ITALIAN GAAP	75.1	75.2	0%	37.9	185.4	214.8	-14%
NET INCOME ITALIAN GAAP	45.3	45.2	0%	22.6	111.3	128.5	-13%
CAPEX	7	1		6	17	3	

Other figures

		Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
ELECTRICITY PRODUCTION	MWh/1000	1,169	1,177	-1%	934	3,319	3,468	-4%
POWER TARIFF	Eurocent/KWh	13.4	13.8	-3%	13.0	13.6	13.6	0%
POWER IGCC MARGIN	\$/bl	3.7	3.6	3%	4.4	3.9	4.0	-3%

The excellent performance of the Sarlux IGCC plant was in line with expectations during the third quarter of 2007.

Italian GAAP EBITDA was unchanged from the same quarter last year; power production was also in line and very close to record highs, while power tariff was slightly lower mainly because of the strengthening of the Euro vs USD.

Also in terms of IFRS EBITDA the third quarter was in line with the same period last year since scheduled maintenance, related production changes and minor tariff changes are included in the linearisation procedure required by the IFRS accounting principles. The decrease registered in the first nine months of 2007 vs 2006 is instead attributable to the change of the linearization procedure starting from Q2/06.

It should be noted that the power tariff has been calculated on the basis of the indexation methodology indicated by CIP6/92 law and no provisions had been made in respect of the new indexation introduced by the Energy Authority resolution issued on November last year because Saras considered this illegal for various reasons.

Consequently in November 2006 the resolution was challenged before the relevant court in Italy, which ruled in Saras' favour at the beginning of May 2007. The Authority appealed to the highest administrative level (*Consiglio di Stato*) during the month of October.



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	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
EBITDA	1.7	0.1	1600%	(1.1)	0.7	(1.8)	139%
EBIT	1.1	(0.5)	320%	(1.6)	(1.0)	(3.3)	70%

The results of the nine months to date largely show a breakeven.

Wind

Please note that wind segment is a Joint Venture (Saras share 70%) consolidated by the equity method. Results below are 100% figures.

EUR million	Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
EBITDA	5.0	5.4	-8%	5.9	20.2	17.8	13%
EBIT	3.1	3.1		3.6	13.8	11.9	16%
NET INCOME	0.2	0.8	-70%	2.0	5.9	5.8	2%
Adjusted NET INCOME (*)	0.4	1.4	-71%	1.4	5.1	6.4	-20%

Other figures

		Q3/07	Q3/06	var %	Q2/07	1-9/07	1-9/06	var %
ELECTRICITY PRODUCTION	MWh	29,855	33,058	-10%	31,789	116,554	117,582	-1%
POWER TARIFF	EURcent/KWh	8.4	8.1	4%	9.9	8.5	6.6	29%
GREEN CERTIFICATES	EURcent/KWh	11.9	12.1	-2%	11.9	11.9	11.9	-

Ulassai wind farm suffered from an unusual low wind quarter, with electricity production down 10% versus same period last year and down 6% versus previous quarter. The total power tariff was in line with previous quarters.

An increase in interest rates coupled with a 10% write-down of the value of some 2006 green certificates (accounted during 2006 on the basis of a provisional price and sold during 2007) caused Adjusted Net Income to be substantially lower than the same period last year. In particular during the third quarter the residual amount of 2006 green certificates has been sold at a lower market price compared to the 2006 accounted value.



Strategy and Investments

Continuous upgrading of the Sarroch supersite is the main focus of Saras' investments, and will be the key factor in providing significant organic growth whilst ensuring our operations remain competitive and sustainable in the long term.

This strategy is consistent with our positive view of the refining market for the next few years and reflects our strong confidence that the European deficit of high-quality automotive diesel will persist.

At the same time, Saras carefully scrutinizes M&A opportunities in its core business as well as possible growth opportunities in wind power.

Ongoing construction activities

- The construction of a gasoline desulphurization unit and a tail gas treatment/sulphur recovery plant at the Sarroch refinery is on track. The first is expected to come on stream by mid 2008 and will allow the full production of gasoline with less than 10 ppm sulphur, as required by EU specification starting from 2009. The second will be operational in the second half of 2008 and will allow Saras to be aligned with the best standards in terms of sulphur emissions.
- The construction of the Biodiesel plant in Spain started during the quarter (absorbing in the quarter about EUR 5 million of CAPEX in the marketing segment) with completion expected by mid 2008

Other activities

- The other projects of the 2006-2009 investment plan (globally EUR 600 ml) are in the engineering phase and some procurement activities are beginning
- Gas exploration: seismic tests in Sardinia are continuing with encouraging preliminary findings; on-shore area has been increased and off-shore test will commence at the beginning of next year

Capex by segment

	Q3/07	Q2/07	Q1/07	1-9/07
REFINING	42.7	50.5	30.2	123.4
POWER GENERATION	6.7	5.5	4.5	16.7
MARKETING	4.7	0.8	0.3	5.8
OTHER	0.1	0.6	0.6	1.3
Total	54.2	57.4	35.5	147.2



Outlook

- In the recent weeks margins started to recover, despite high crude oil prices, in the light of a strong recovery of product prices. After a weak October EMC benchmark averaged above 4.0 \$/bl in the first days of November.
- The EMC average refining margin for 2007 is expected to be higher than 2006 (average was 2.8 \$/bl) confirming that, despite a weak start of the second half of the year, refining margins remained at healthy levels during 2007.
- The medium term outlook remains positive, given the projected strong growth in oil demand (recently estimated by IEA for 2008 at +2.4% over 2007) and the tight situation of the refining industry which has also to face the challenge of new investments to comply with more stringent product specifications. All this in an environment of soaring capital costs, lack of engineering skills and consequently increasing delays for project completion.
- Maintenance at one distillation unit started at the beginning of November. Runs in Q4/07 will be reduced by about 11% from normal levels (estimated runs in Q4/07 in the range of 24.5-25.2 million barrel).
- Good results expected from the Power segment despite planned maintenance to 1 turbine and 1 gasifier scheduled for Q4 but without any impact on IFRS EBITDA since maintenance cycles, included related production changes are already included in the linearization procedure required by IFRS.



Saras Group Financial Statements

Consolidated Balance-Sheets as at 30/09/07 and 31/12/06

EUR thousand	30/09/07	31/12/06
ASSETS		
Current Assets	1,886,996	1,513,799
Cash and cash equivalents	314,583	217,604
Other financial assets held for trading	14,929	13,816
Trade receivables	785,615	574,483
Inventory	734,254	599,802
Current tax assets	4,330	66,344
Other assets	33,285	41,750
Non-current assets	1,736,695	1,706,568
Property, plant and equipment	1,153,010	1,105,088
Intangible assets	562,509	584,350
Equity interests consolidated under the equity method	14,174	9,970
Other equity interests	1,841	1,192
Other financial assets	5,161	5,968
Total assets	3,623,691	3,220,367
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	1,118,011	866,545
Short-term financial liabilities	210,561	202,097
Trade and other payables	682,995	551,622
Current tax liabilities	153,079	52,093
Other liabilities	71,376	60,733
Non-current liabilities	1,085,922	1,068,440
Long-term financial liabilities	261,417	322,671
Provisions for risks	23,106	24,485
Provisions for employee benefits	37,317	45,431
Deferred tax liabilities	185,126	161,087
Other liabilities	578,956	514,766
Total liabilities	2,203,933	1,934,985
SHAREHOLDERS' EQUITY		
Share capital	54,630	54,630
Legal reserve	10,926	10,237
Other reserves	1,077,609	825,090
Profit/(loss) for the period	276,593	395,425
Total shareholders' equity	1,419,758	1,285,382
<i>of which : minority interest capital and reserves</i>		
<i>Profit (loss) for the period</i>		
<i>Total minority interest</i>		
Total liabilities and shareholders' equity	3,623,691	3,220,367



Consolidated Income Statements for the periods 1/1-30/9/07, 1/1-30/9/06, 1/7-30/09/07 and 1/7-30/09/06

EUR thousand	1-Jan-2007 30-Sep-2007	<i>of which non recurring</i>	1-Jan-2006 30-Sep-2006	<i>of which non recurring</i>	1-Jul-2007 30-Sep-2007	<i>of which non recurring</i>	1-Jul-2006 30-Sep-2006	<i>of which non recurring</i>
Revenues from ordinary operations	4,862,755		4,482,110		1,666,711		1,682,333	
Other income	15,770		26,658		3,715		6,049	
Total revenues	4,878,525		4,508,768		1,670,426		1,688,382	
Purchases of raw materials, spare parts and consumables	(3,874,740)		(3,853,102)		(1,359,794)		(1,470,584)	
Cost of services and sundry	(328,459)		(266,749)		(106,785)		(106,621)	
Personnel costs	(83,427)	5,731	(80,415)		(23,012)	575	(26,551)	
Depreciation, amortization and write-downs	(120,662)		(74,970)		(40,912)		(40,458)	
Total costs	(4,407,288)	5,731	(4,275,236)		(1,530,503)	575	(1,644,214)	
Operating result	471,237	5,731	233,532		139,923	575	44,168	
Net income (charges) from equity interests	4,195		32,797		292		518	
Other financial income/(charges), net	(31,093)		(7,889)		1,600		11,694	
Sarlux S.r.l acquisition			199,167	199,167				
IPO and company restructuring charges			(12,922)	(12,922)				
Profit before taxes	444,339	5,731	444,685	186,245	141,815	575	56,380	
Income tax for the period	(167,746)	(1,891)	(84,944)	2,894	(52,155)	(1,891)	(22,574)	2,894
Net profit/(loss) for the period	276,593	3,840	359,741	189,139	89,660	(1,316)	33,806	2,894
of which minority interest								
Net Profit (Loss) for the Group	276,593	3,840	359,741	189,139	89,660	(1,316)	33,806	2,894
Earnings per share - base (Euro cent)	29.09	0.40	40.48	21.29	9.43	(0.14)	3.55	0.33
Earnings per share - diluted (Euro cent)	29.08	0.40	40.48	21.29	9.43	(0.14)	3.55	0.33



Statement of Changes in Consolidated Shareholders' Equity for the periods 01/01/06-30/09/07

EUR thousand	Share capital	Legal reserve	Other reserves	Profit/ (Loss) for the period	Shareholders' equity
Balance as at 01/1/2005	51,183	10,237	115,870	198,938	376,228
Allocation of previous period profit	-	-	88,656	(88,656)	-
Dividends	-	-	(29,810)	(110,256)	(140,066)
Utilisation of the reserve related to grants	-	-	(10)	-	-
Other movements	-	-	-	(26)	(36)
Profit (loss) for the year	-	-	-	292,642	292,642
Balance as at 31/12/2005	51,183	10,237	174,706	292,642	528,768
Capital increase (net of IPO costs)	3,447	-	338,983	-	342,430
Allocation of previous period profit	-	-	152,946	(152,946)	-
Dividends	-	-	(30,485)	(139,696)	(170,181)
Shareholders' equity increase related to the fair value evaluation of assets and liabilities of the 55% sarlux stake	-	-	188,940	-	188,940
Profit (loss) for the first half	-	-	-	325,935	325,935
Balance as at 30/06/2006	54,630	10,237	825,090	325,935	1,215,892
Profit (loss) for the second half	-	-	-	69,490	69,490
Balance as at 31/12/2006	54,630	10,237	825,090	395,425	1,285,382
Allocation of previous period profit	-	689	252,086	(252,775)	-
Dividends	-	-	-	(142,650)	(142,650)
Reserve for employee stock plan	-	-	1,435	-	1,435
Profit (loss) for first half	-	-	-	186,933	186,933
Balance as at 30/06/2007	54,630	10,926	1,078,611	186,933	1,331,100
Reserve for employee stock plan	-	-	718	-	718
Own share purchase	-	-	(1,720)	-	(1,720)
Profit (loss) for third quarter	-	-	-	89,660	89,660
Balance as at 30/09/2007	54,630	10,926	1,077,609	276,593	1,419,758



Consolidated Cash Flow Statements as at 30/09/07, 30/06/07, 31/12/06

EUR thousand	1-Jan-2007 30-Sep-2007	1-Jan-2007 30-Jun-2007	1-Jan-2006 31-Dec-2006
A - Cash and cash equivalents at the beginning of period (short-term net financial indebtenss)	217,604	217,604	24,709
B - Cash generated from/(used in) operating activities			
Profit/ (Loss) for the period of the Group	276,593	186,933	395,425
Non recurring income due to the Sarlux acquisition			(199,168)
Amortization, depreciation and write-down of fixed assets	120,662	79,750	118,553
Net (income)/charges from equity interests	(4,204)	(3,910)	(35,512)
Net change in provisions for risks and charges	(1,379)	(1,286)	(3,082)
Net change in employee benefits	(8,114)	(5,259)	(4,586)
Change in tax liabilities and tax assets	24,039	16,367	(33,527)
Income tax	167,746	115,591	107,026
Profit (Loss) from operating activities before changes in working capital	575,343	388,186	345,129
(Increase)/Decrease in trade receivables	(211,132)	37,058	8,110
(Increase)/Decrease in inventory	(134,452)	(25,098)	(29,766)
Increase/(Decrease) in trade and other payables	131,373	58,925	(15,739)
Change in other current assets	70,479	70,282	(41,769)
Change in other current liabilities	14,557	42,488	86,673
Income tax paid	(60,490)	(60,490)	(205,555)
Change in other non-current liabilities	64,190	24,743	61,513
Other non cash items	816	1,612	
Total (B)	450,684	537,706	208,596
C - Cash flow from investment activities			
(Investments) in tangible and intangible assets, net of disinvestments and accumulated depreciation and amortization	(147,126)	(92,922)	(129,807)
Change in equity interests valued under the equity method			
Change in other equity interests	(649)	1	208
Dividends from unconsolidated subsidiaries			
45% Sarlux acquisition			(127,047)
100% acquisition of Estaciones de Servicio Caprabo S.A. (Saras Energia Red S.A.)			(28,041)
interest received/(paid)	(10,184)	(7,237)	(12,563)
Total (C)	(157,959)	(100,158)	(297,250)
D - Cash generated from/(used in) financing activities			
Increase/(Decrease) in medium/long term borrowings	(61,254)	(60,729)	(134,350)
(Increase)/Decrease in other financial assets	(306)	20	(6,427)
Increase/(Decrease) in short term borrowings	8,464	6,362	(1,409)
Capital increase			342,430
Dividend distribution to shareholders	(142,650)	(142,650)	(170,181)
Total (D)	(195,746)	(196,997)	30,063
E - Cashflow for the period (B+C+D)	96,979	240,551	(58,591)
F - Cashflow from new consolidated subsidiaries			
Sarlux S.r.l.			249,940
Caprabo (Saras Energia Red S.A.)			1,546
G - Cash and cash equivalents at the end of period (short-term net financial indebtenss)	314,583	458,155	217,604



THE SARAS GROUP

The Saras Group, whose operations were launched by Angelo Moratti in 1962, works in the energy industry and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets directly and through the subsidiaries Saras Energia S.A. in Spain and Arcola Petrolifera S.p.A. in Italy. The Group also operates in the electric power production and sale through the subsidiary Sarlux S.r.l. and the Parchi Eolici di Ulassai S.r.l. joint-venture. 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 1,800 employees, during 2006 reported total revenues of about EUR 6 billion, a proforma operating profit of EUR 364 million and proforma net profit of EUR 208 million.

Saras' operations are mainly centred at the Sarroch refinery near Cagliari on the southern coast of Sardinia. Sarroch is one of the largest refineries in the Mediterranean by production capacity and one of 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 capacity. Sarlux owns a combined cycle power plant with gross capacity of 575 megawatts and annual production exceeding 4 billion KWhours, all of which is sold to the GSE (the Italian entity that manages renewable sources).