



**SARAS Board of Directors reviewed FY2006 preliminary results.
Proforma¹ adjusted net income² EUR 242 ml, up 5% vs 2005**

2006 Highlights:

- Proforma revenues EUR 6,169 ml, up 11% vs 2005
- Proforma comparable EBITDA³ EUR 568 ml, down 13% vs 2005
- Proforma adjusted net income EUR 242 ml, up 5% vs 2005
- Improved operating performance vs 2005 from refining and power segments
 - refining&power margin continue to be above 10 \$/bl (10.1)
 - refining margin 6.2 \$/bl, down 0.9 \$/bl vs 2005, with EMC benchmark down 1.9 \$/bl
 - IGCC power margin 3.9 \$/bl, up 5% vs 2005
- Net financial position reduced to EUR 291 ml from EUR 573¹ ml
- BoD shall propose to AGM a dividend of 0.15 euro/share (payout 59% on adjusted net income)

Milan, 21st February 2007. The board of Directors of Saras S.p.A. met yesterday under Chairman GianMarco Moratti and reviewed the preliminary 2006 results.

The Chairman declared: *“We are happy to announce that in 2006, despite a challenging market with extremely volatile product prices and lower refining margins, we have been able to achieve a proforma adjusted net income higher than 2005. Our solid performance, together with our strong balance sheet, set the base for our strategy to continue to invest and to grow in our core business in order to increase our position as a leading Mediterranean refiner and consequently adding value to our shareholders”.*

Proforma Saras Group income statement figures:

EUR million	Q4/06	Q4/05	Δ%	Q3/06	2006	2005	Δ%
REVENUES	1,200	1,718	-30%	1,999	6,169	5,547	+11%
EBITDA	102.4	102.1	+0%	84.5	526.2	783.7	-33%
comparable EBITDA	138.9	157.2	-12%	160.5	567.5	653.6	-13%
EBIT	58.7	57.5	+2%	44.2	363.5	612.8	-40%
comparable EBIT⁴	95.2	112.6	-15%	120.0	404.8	482.7	-16%
NET INCOME	35.7	48.0	-25%	33.8	207.8	306.4	-32%
adjusted NET INCOME	66.2	74.0	-11%	69.2	241.9	230.5	+5%

Saras Group income statement figures:

Comparisons quarter on quarter and year on year not relevant due to the change in consolidation area in Q3/06

EUR million	Q4/06	Q4/05	Δ%	Q3/06	2006	2005	Δ%
Revenues	1,200	1,637	-27%	1,999	6,019	5,236	+15%
EBITDA	102.4	49.3	+108%	84.7	411.0	570,3	-28%
EBIT	58.7	29.3	+100%	44.2	292.2	492,4	-41%
NET INCOME	35.7	46.9	-24%	33.8	395.4	292.6	+35%

¹ **Proforma:** considering Sarlux Srl fully consolidated with the line-by line method as of 1st January 2005

² **Adjusted Net income:** Net income adjusted by (inventories at LIFO-inventories at FIFO) after taxes, non recurring items after taxes and variation in the derivatives fair value after taxes

³ **Comparable EBITDA:** calculated evaluating inventories at LIFO

⁴ **Comparable EBIT:** comparable EBITDA – depreciation&amortization



Group Proforma balance-sheet and cashflow figures

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
Net Financial Position	-291	-573	-187	-291	-573
Of which Sarlux Project Finance	-369	-465	-421	-369	-465
CAPEX	41	24	47	133	86
Operating Cashflow⁵	-63	174	164	271	379

Group balance-sheet and cashflow figures:

Comparisons quarter on quarter and year on year not relevant due to the change in consolidation area in Q2/06

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
Net Financial Position	-291	-177	-187	-291	-177
CAPEX	41	15	47	130	59

Comments to the Proforma Group results

Comments on Full year 2006

Saras Group achieved a positive overall performance in 2006.

Revenues increased by 11% vs 2005 due to the increase of oil prices.

Comparable EBIT registered a decrease of 16% vs 2005 due to the lower refining margins that affected the performance of the refining segment partially compensated by the increase in the power segment.

The **adjusted net income** of EUR 242 ml is above to the EUR 230.5 ml of 2005 thanks to good operational performance in all segments and reduced net financial expenses that in 2005 were affected by losses on oil derivatives.

Refining&Power margin also in 2006 has been **above 10 \$/bl** (10.1) confirming the track record of superior margins of the Saras site.

CAPEX of EUR 133 ml, totally financed by the cashflow generated by the operating activities, are up 55% compared to 2005. Investments are mainly focused in the refining segment.

Net Financial Position at the end of the year decreased to EUR -291 ml from EUR -573 ml at the end of 2005 in the light of the strong **operating cashflow** of the period (EUR 271 ml) and also thanks to the capital increase of EUR 342 ml during IPO.

As a consequence **leverage⁶** is down to 19% from 39% at the end of 2005.

ROACE⁷ in 2006 has been 16% , almost unchanged from previous year.

⁵ Includes working capital changes

⁶ Leverage: net debt / net debt + equity

⁷ ROACE: return on average capital employed



Comments on fourth quarter 2006

Comparable EBIT registered a decrease of 15% vs same period last year and 21% vs previous quarter due to a decline of refining margins that affected the performance of the refining segment.

The **adjusted net income** of EUR 66 ml, is down 11% vs same period last year and down only 4% vs previous quarter due to hedging on refining margins and EUR/USD exchange rate that positively affected net financial expenses.

CAPEX of EUR 41 ml, are in line with previous quarter and are mainly concentrated in the refining segment.

Net Financial Position at the end of the year increased to EUR -291 ml from EUR -187 ml at the end of Q3/06 due to a sharp increase of working capital mainly affected by the change of current tax liabilities.

Refining

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	55.1	58.6	31.0	292.2	531.5
Comparable EBITDA	80.8	100.8	98.5	323.8	421.5
EBIT	36.8	38.0	13.8	223.8	458.2
Comparable EBIT	62.5	80.2	81.3	255.4	348.2

<i>Operational figures</i>	Q4/06	Q4/05	Q3/06	2006	2005
Refinery runs (Mt)	3,895	3,765	3,764	14,286	14,396
(M bl)	28.4	27.5	27.5	104.3	105.3
EMC benchmark refining margin(\$/bl)	1.6	4.1	2.8	2.8	4.7
Saras refinery margin (\$/bl)	5.6	6.6	6.5	6.2	7.1

Comments on full year 2006

2006 has been characterized by a decline of refining margins with the EMC benchmark lower at 2.8 \$/bl versus 4.7 \$/bl in 2005 (-1.9 \$/bl).

The operational improvements and the achievement of one important step in the organic growth strategy allowed Saras to achieve a refining margin of 6.2 \$/bl, only 0.9 \$/bl lower than 2005. Consequently premium over the EMC benchmark increased from 2.5 \$/bl in 2005 up to 3.4 \$/bl in 2006.

To be noted that during 2006 (in Q2) an important maintenance cycle has been performed, significantly affecting both runs and conversion capacity of the refinery.

In this context the refinery runs are in line with those achieved during 2005: 104.3 million bl (14.3 million tons) in 2006 vs 105.3 million bl (14.4 million tons) in 2005.

An important improvement has to be highlighted in the products yields with middle distillate production (mainly diesel oil) averaging 51.4% in 2006 vs 49.2% in 2005, while the total yield of light products (middle distillates+gasoline+LPG) increased from 78.4% in 2005 up to 80.9% in 2006.



The result has been achieved with a crude slate averaging the same API gravity of 2005 (32.9 deg in 2006 vs 32.8 in 2005). This is the result of an improved operational performance and also of the strategy of increasing conversion capacity: during the Q2 maintenance, modifications carried out to the vacuum, mild hydrocracking and reforming units allowed to increase the production of low sulphur diesel by about 200,000 tons per year. Further 150,000 tons per year will be added during Q3 2007.

Comments on fourth quarter 2006

Refining margins declined during Q4 and reached the year lows during the month of December. EMC benchmark averaged 1.6 \$/bl in the quarter decreasing by 42% versus Q3 while Saras refining margin decreased only by 21% from 7.1 \$/bl (including 0.6 \$/bl impact of unexpected shutdown of reforming in Q3) to 5.6 \$/bl .

Premium over the benchmark reached 4.0 \$/bl in Q4 despite a minor impact due to a routine cleaning of the Visbreaking unit (abt 0.2 \$/bl), confirming the advantages deriving from a complex and diesel oriented refinery.

Refinery runs in the quarter at 28.4 Mbbbl (3.9 Mton) are also higher (+2.5%) compared to same quarter last year and to previous quarter.

Middle Distillate yield in Q4/06 has been 51.6% vs 50.2% in Q4/05 and 50.9% in Q3/06, with API gravity of our crude slate substantially unchanged, confirming the achievement of additional conversion capacity during the year.

Power Generation

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	52.0	52.8	52.6	220.0	213.4
EBIT	29.9	29.4	30.5	131.7	120.4

Supplementary information - Italian GAAP figures

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	68.8	53.5	88.7	323.8	269.7
EBIT	55.2	37.6	75.2	270.0	208.0
Net Income	32.4	22.9	45.2	160.9	121.8

<i>Operational figures</i>	Q4/06	Q4/05	Q3/06	2006	2005
Electricity production (MWh/1000)	999	921	1,177	4,467	4,347
Power tariff (€ cent/KWh)	13.49	13.28	13.84	13.59	12.10
Power IGCC margin (\$/bl)	3.6	3.6	3.6	3.9	3.7

MWh: Megawatt hour ; KWh: Kilowatt hour

Comments on full year 2006

The power segment reported an excellent result in 2006 with IFRS EBITDA increased by 3% versus 2005. The reasons are mainly attributable to an excellent operational performance of the IGCC plant (92.5% availability during the year that led to electricity sales up 2.8% versus 2005) and to a



consistent increase of the power tariff, up +11.9% versus 2005. The increase of the power tariff is mainly due to the increase of oil and product prices in 2006 that affected the fuel component of the tariff. Sales of hydrogen to the refinery have also been increased by 26% thanks to improvements to the hydrogen production unit.

Comments on fourth quarter 2006

During the fourth quarter routine shutdown of 1 out of 3 trains in October and routine shutdown of one gasifier in November has been successfully completed. Electricity sales increased by 8.5% versus same period last year and power tariff declined by 2.6% versus previous quarter due to lower products and crude oil prices.

Effect on IFRS EBITDA is limited since routine shutdowns are already included in the linearization procedure required by IFRS accounting principles.

On 15th November 2006, resolution No. 249/06, from the “Autorità per l'energia elettrica e il gas” (the Italian authority for electricity and gas) modifies the criteria for evaluating the fuel cost component of the price of the electricity generated by CIP 6 plants since 2007. Sarlux believes that the above mentioned resolution is unlawful for several reasons and therefore on 12th January 2007 challenged the resolution before the relevant court in Italy.

Marketing

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	-5.4	-10.0	0.8	15.1	43.1
Comparable EBITDA	5.4	2.9	9.3	24.8	23.0
EBIT	-7.6	-9.2	0.2	11.7	41.9
Comparable EBIT	3.2	3.7	8.7	21.4	21.8

<i>Operational figures</i>	Q4/06	Q4/05	Q3/06	2006	2005
Total sales (Kt)	870	786	775	3,217	2,956
<i>Of which</i>					
Italy ('000/ton)	276	300	238	1,013	1,036
Spain ('000/ton)	594	486	537	2,204	1,920

Comments on full year 2006

In Italy and Spain the growth trend of diesel oil continues, the opposite is true for gasoline and heating oil, the latter mainly due to warmer weather in Europe. High volatility of product prices together with the increase of compulsory storage costs in Spain determined a retail margin reduction compared to 2005. Saras' marketing division has been able to increase sales, for the first time exceeding 3 million tons (+9% versus 2005), also gaining market share. Comparable EBITDA up 8% versus 2005; comparable EBIT, however in line with 2005 due to additional depreciation deriving from the finalization of the service stations acquisition.

Also notable is the increase of sales of 15% in Spain, +11% for diesel oil, compared to overall diesel market increase of 5.8%. Important in this strategy has been the acquisition in July of 37 service stations in the south of Spain.

The sales in Italy were slightly lower than 2005 (-2%) due to extremely low consumption of heating oil in the North of Italy. Saras has however been able to increase market share in the diesel oil market with sales up 5.4% versus a 1.5% increase in national consumption.



Comments on fourth quarter 2006

Warm weather conditions reduced heating oil consumption in Europe putting pressure also on retail margins.

Nonetheless, EBITDA registered an increase of 86% versus the same period last year thanks to continued growth of sales (+12% versus Q4/05), EBIT however is in line with Q4/05 due to additional depreciation deriving from the finalization of the service stations acquisition.

Sales in the Italian market declined by 8% compared to same period last year. The reduction is totally due to the fall in consumption of heating oil only partially compensated for by an increase of sales in diesel oil.

During the month of October a turnkey contract for the construction of a 200,000 ton/year biodiesel plant was awarded to Desmet Ballestra. The plant will be built close to the depot in Cartagena (Spain). Total estimated cost will be around EUR 35 ml with production planned to start in Q1/08.

Other activities

EUR million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	0.7	0.7	0.1	-1.1	-4.3
EBIT	-0.4	-0.7	-0.5	-3.7	-7.7

Comments on Full year 2006

Akhela (IT services) and Sartec (research and engineering services in the oil sector) restructuring efforts have shown concrete results in 2006 with EBIT improved by 52% versus 2005.

Comments on fourth quarter 2006

Continue the positive trend of the segment with EBIT improved both versus same period last year and previous quarter.

Wind

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

€ millions	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	7.9	-	5.4	25.7	-
EBIT	5.6	-	3.3	17.4	-
Net income	3.2	-	0.8	8.9	-
Adjusted Net income⁸	1.7	-	1.4	8.1	-

<i>Operational figures</i>	Q4/06	Q4/05	Q3/06	2006	2005
Electricity production (MWh)	39,708	-	33,058	157,290	-
Power tariff^(*) (€ cent/KWh)	20.3	-	19.0	19.5	-

(*) includes green certificates

⁸ **Adjusted Net income:** Net income adjusted by (inventories at LIFO-inventories at FIFO) after taxes, non recurring items after taxes and variation in the derivatives fair value after taxes



Comments on Full year 2006

First year of full production of the Ulassai wind farm has been fully in line with expectations despite mild weather conditions in particular during the second half of the year. Power tariffs remained strong during the entire year contributing to the good result.

During the year the Ulassai wind farm has been upgraded from 72 MW to 84 MW , the further upgrade up to 96 Mw is under review because of the change in the law regulating the permitting phase. A pipeline of projects in Sardinia and southern Italy under development are in the permitting phase.

Comments on fourth quarter 2006

Milder weather in the Ulassai wind farm caused the electricity production to be slightly below expectations. This has been fully compensated for by higher power tariffs which increased by 7% versus the previous quarter.

EBITDA up 46% versus Q3/06, but comparison is more effective with Q1/06 (in this case EBITDA is up 2.5%) where weather conditions were similar.



Strategy:

- Saras remains focused on continuously upgrading its refinery facility with the aim of increasing production of high value products such as ultra low sulphur diesel (ULSD), achieving stable higher runs as well as developing its capability for further increasing the percentage of non conventional crudes processed. Over the period of 2006-2009 this program involves a CAPEX of EUR 600 ml which upon completion should add an estimated yearly return of 230-300 M\$ on EBITDA
- Accordingly to the above strategy CAPEX in 2006 in the refining segment has been EUR 108 ml totally financed by the company's cashflows.
- Strategy also involves the construction of a biodiesel plant in Cartagena (Spain) with an estimated CAPEX of abt EUR 35 ml and beginning of production in Q1/08.

Outlook for 2007:

- Margins rebounded in January from December 2006 lows. EMC benchmark averaged 2.7 \$/bbl in the first 50 days of the year, in line with the average of 2006 and better than first quarter 2006 (1.9 \$/bl).
- Margins are expected to remain robust throughout 2007, the fundamentals of the sector remain strong with the incremental refining capacity planned struggling to match the incremental demand for oil products.
- Diesel oil demand continues to increase in Europe allowing complex refineries with high diesel yields, such as Saras, to fully exploit this market trend
- Saras' refinery flexibility allows it to take advantage of more frequently available "unconventional" crudes
- Processing contracts have been renewed in line with current market conditions allowing Saras to retain the highest portion of the upside in refining margins coupled with an efficient protection in case of downturns
- Refining operations in 2007 will have 2 maintenance cycles (in Q2 and Q4). Total runs are planned to be in line with those of 2006. As already reported the loss of conversion during maintenance will penalize EBITDA by 14-20 million \$ during 2007.
- One of the goals of the medium term strategy will be achieved during the routine maintenance in Q2 that will allow Saras to further increase its conversion capacity adding about 150,000 tons/year of diesel oil to its production with an estimated impact on refining margins from Q3/07 of +0.5-0.6\$/bl at current market levels
- IGCC plant expected to perform in line with 2006 as well as Marketing and Wind division
- Sarlux project finance restructuring ongoing. Benefits from Q2/07
- Hedging in place on refining margins
 - About 2 million barrels per quarter (15% of own crude runs)
 - Level of margin hedging : EMC benchmark about 4.0 \$/bl



The program of the conference calls organized for today 21st February 2007 is:

at 11:00 C.E.T., conference call for financial journalists. Dial in number is **+39 02 8020928**

at 16:30 C.E.T. conference call for analysts and investors. Slide presentation will be distributed and is available on our Website www.saras.it.

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/saras070221.html>

A replay of the conference call will be available for 72 hours after the event, starting at 07:30 CET on 22nd February 2006. The number to dial is +39 02 806 137 80 Passcode: 957 #. Playback of the live webcast will also be available on our website.

For further information, see our Web site www.saras.it or call our investor relations department at +39 02 7737301.

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 and the Parchi Eolici di Ulassai joint-venture.

The Group, with about 1,800 employees, in 2006, registered 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 the largest refinery in the Mediterranean by production capacity and one the most complex in Western Europe. The refinery's actual capacity is approximately 15 million tonnes per year, 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).



SARAS GROUP ‘PROFORMA’ STATEMENTS

PROFORMA CONSOLIDATED BALANCE-SHEET

€ millions	12/2004	31/3/05	30/6/05	30/9/05	12/2005	31/3/06	30/6/06	30/9/06	12/2006
CURRENT ASSETS	1,050	1,427	1,425	1,657	1,409	1,618	1,643	1,654	1,516
<i>of which</i>									
<i>Cash</i>	166	357	242	282	227	261	300	393	232
<i>Other current assets</i>	884	1,069	1,183	1,372	1,182	1,356	1,344	1,261	1,284
NON CURRENT ASSETS	1,775	1,752	1,732	1,702	1,684	1,676	1,689	1,707	1,707
TOTAL ASSETS	2,825	3,179	3,157	3,356	3,093	3,294	3,332	3,361	3,223
NON INT.BEARING LIABILITIES	1,179	1,336	1,479	1,426	1,376	1,574	1,502	1,520	1,410
INT. BEARING LIABILITIES	927	1,079	973	1,081	820	930	618	596	532
<i>of which Sarlux Project Finance</i>	566	566	507	507	465	465	421	421	369
EQUITY	719	765	705	849	897	790	1,211	1,245	1,281
EQUITY AND TOTAL LIABILITIES	2,825	3,179	3,157	3,356	3,093	3,294	3,332	3,361	3,223
LOANS TO UNCONSOLIDATED SUBSIDIARIES	35.3	28.6	68.8	75.2	19.4	13.6	14.6	15.8	8.9
NET FINANCIAL POSITION*	-726	-693	-662	-724	-573	-655	-304	-187	-291
NFP / EBITDA**		1.17	1.12	1.09	0.88	1.14	0.57	0.33	0.38

* Net financial position = Interest bearing liabilities – cash – loans to unconsolidated subsidiaries (wind)

** Calculated using comparable EBITDA figures



PROFORMA CONSOLIDATED INCOME STATEMENT

€ million	Q4/06	Q4/05	Q3/06	2006	2005
EBITDA	102.4	102.1	84.7	526.2	783.7
Comparable EBITDA¹	138.9	157.2	160.5	567.5	653.6
Depreciation	-43.7	-44.6	-40.5	-162.7	-170.9
EBIT	58.7	57.5	44.0	363.5	612.8
Comparable EBIT²	95.2	112.6	120.0	404.8	482.7
Net financial income (expenses)	5.9	27.0	11.7	-9.8	-93.9
Adj to the value of fin.assets ⁴	2.5	-0.2	0.5	6.5	-0.4
Non recurring items ⁵	-9.3	0.0	0.0	-22.2	0.0
Profit before taxes	57.8	84.3	56.4	337.9	518.5
taxes	-22.1	-36.3	-22.6	-130.0	-212.1
Net income	35.7	48.0	33.8	207.8	306.4
Adjusted Net income³	66.2	74.0	69.2	241.9	230.5

1. **Comparable EBITDA**: calculated evaluating inventories at LIFO
2. **Comparable EBIT** = Comparable EBITDA - depreciation&amortization
3. **Adjusted NET INCOME** = reported NET INCOME
 +/- (inventories at LIFO-inventories at FIFO) net of taxes
 +/- non recurring items net of taxes
 +/- Δ in derivatives fair value net of taxes
4. **Adj to the value of financial assets**: joint ventures consolidated by the Equity method (Wind)
5. **Non recurring items**: includes certain IPO costs in Q2/06 and other non recurring in Q4/06

Detail of consolidated NET INCOME adjustments

€ million	Q4/06	Q4/05	Q3/06	2006	2005
REPORTED NET INCOME	35.7	48.0	33.8	207.8	306.4
(Inventories at LIFO – Inventories at FIFO) Net of Taxes	22.9	34.6	47.7	26.3	-81.6
Non recurring items Net of Taxes	6.6			14.7	
Δ in derivatives value Net of taxes	0.8	-8.6	-12.3	-7.0	5.7
TOTAL ADJ TO REPORTED NET INCOME	30.4	26.0	35.4	34.0	-75.9
ADJUSTED NET INCOME	66.2	74.0	69.2	241.9	230.5
Reported EPS⁽¹⁾	0.04	0.05	0.04	0.22	0.34
Adjusted EPS⁽¹⁾	0.07	0.08	0.07	0.25	0.26

(1) Number of shares: 891,000,000 in 2005; 951,000,000 after IPO in Q2/06



PROFORMA CONSOLIDATED CASHFLOW

€ million	Q4/06	Q4/05	Q3/06	2006	2005
INITIAL NET FINANCIAL POSITION	-187	-724	-304	-573	-703
CASHFLOW FROM OPERATIONS (a)	-63	174	164	271	379
<i>of which p/l+dep&amort.+change in provisions</i>	93	134	93	494	699
<i>Working capital</i>	-157	40	71	-222	-320
CASHFLOW FROM INVESTMENTS (b)	-41	-24	-47	-161	-86
<i>Investments in tangible and intangible assets</i>	-41		-19	-133	-86
<i>Acquisition of service stations in Spain</i>			-28	-28	0
CASHFLOW FROM FINANCING (c)	0	0	0	172	-140
<i>Capital increase</i>	0	0	0	342	0
<i>dividends</i>	0	0	0	-170	-140
TOTAL CASHFLOW FOR THE PERIOD (a)+(b)+(c)	-104	151	117	283	152
FINAL NET FINANCIAL POSITION	-291	-573	-187	-291	-573



SARAS GROUP STATEMENTS

CONSOLIDATED BALANCE-SHEET

ASSETS		
Current Assets	1,513,799	1,084,525
Cash and cash equivalents	217,604	24,709
Other financial assets held for trading or available for sale	13,816	13,039
Trade receivables	574,483	442,788
Inventory	599,802	541,408
Current tax assets	66,344	24,227
Other assets	41,750	38,354
Non-current assets	1,706,568	546,283
Property, plant and equipment	1,105,088	443,055
Intangible assets	584,350	4,335
Equity interests consolidated by the equity method	9,970	97,175
Other equity interests	1,192	1,400
Other financial assets	5,968	318
Total assets	3,220,367	1,630,808
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities	866,545	749,375
Short-term financial liabilities	202,097	102,164
Trade and other payables	551,622	513,182
Current tax liabilities	52,093	75,749
Other liabilities	60,733	58,280
Non-current liabilities	1,068,440	352,665
Long-term financial liabilities	322,671	132,004
Provisions for risks	24,485	17,569
Provisions for employee benefits	45,431	49,685
Deferred tax liabilities	161,087	96,374
Other liabilities	514,766	57,033
Total liabilities	1,934,985	1,102,040
SHAREHOLDERS' EQUITY		
Share capital	54,630	51,183
Legal reserve	10,237	10,237
Other reserves	657,144	268,915
Profit/(loss) carried forward	167,946	(94,209)
Profit/(loss) for the period	395,425	292,642
Total shareholders' equity	1,285,382	528,768
Total liabilities and shareholders' equity	3,220,367	1,630,808



STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

	Share capital	Legal reserve	Other reserves	Profit/(Loss) carried forward	Profit/(Loss) for the period	Shareholders' equity
Balance as at 1/01/2005	51,183	10,237	208,365	(92,495)	198,938	376,228
Appropriation of previous period profit			90,675	(2,019)	(88,656)	0
Dividends			(29,810)		(110,256)	(140,066)
Utilisation of grants			(157)	157		0
Other					(26)	(26)
First half 2005 result					105,790	105,790
Saldo al 30/06/2005	51,183	10,237	269,073	(94,357)	105,790	341,926
Risultato 3° trimestre					139,914	139,914
Balance as at 30/09/2005	51,183	10,237	269,073	(94,357)	245,704	481,840
Utilisation of other reserves			(158)	158		0
Fourth quarter 2005 result					46,938	46,938
Other				(10)		(10)
Balance as at 31/12/2005	51,183	10,237	268,915	(94,209)	292,642	528,768
Capital increase (net of IPO costs)	3,447		338,983			342,430
Appropriation of previous period profit			(109,209)	262,155	(152,946)	0
Dividends			(30,485)		(139,696)	(170,181)
Fair value of 55% Sarlux stake			188,940			188,940
First half 2006 result					325,935	325,935
Balance as at 30/06/2006	54,630	10,237	657,144	167,946	325,935	1,215,892
Third quarter 2006 result					33,806	33,806
Balance as at 30/09/2006	54,630	10,237	657,144	167,946	359,741	1,249,698
Fourth quarter 2006 result					35,684	35,684
Balance as at 31/12/2006	54,630	10,237	657,144	167,946	395,425	1,285,382



CONSOLIDATED INCOME STATEMENT

	2006	2005	Q4/06	Q4/05
Revenues from ordinary operations	5,986,815	5,196,001	1,193,870	1,626,010
Other income	32,613	39,535	5,955	11,158
Total revenues	6,019,428	5,235,536	1,199,825	1,637,168
Purchases of raw materials, spare parts and consumables	(5,118,970)	(4,245,896)	(955,033)	(1,473,363)
Cost of services and sundry costs	(378,102)	(303,543)	(111,353)	(84,589)
Personnel costs	(111,596)	(115,786)	(31,181)	(29,920)
Depreciation, amortization and write-downs	(118,553)	(77,881)	(43,583)	(20,008)
Total costs	(5,727,221)	(4,743,106)	(1,141,150)	(1,607,880)
Operating results	292,207	492,430	58,675	29,288
Net income (charges) from equity interests	35,302	48,747	2,505	12,770
Other financial income/(charges), net	(2,003)	(76,693)	5,886	31,030
Non recurring income /(charges)	176,945		(9,300)	0
Profit before taxes	502,451	464,484	57,766	73,088
Income tax for the period	(107,026)	(171,842)	(22,082)	(26,149)
Net profit/(loss) for the period	395,425	292,642	35,684	46,939
	-	-	-	-
Earnings per share - base (€ cent)	41.58	32.84	3.75	5.27
Earnings per share - diluted (€ cent)	41.58	32.84	3.75	5.27



CONSOLIDATED CASHFLOW

	2006	2005
A - Cash and cash equivalents at beginning of period (short-term net financial indebtedness)	24,709	13,464
B - Cash generated from/(used in) operating activities		
Profit/ (Loss) for the period of the Group	395,425	292,642
Non recurring income due to the Sarlux acquisition	(199,168)	0
Amortization, depreciation and write-down of fixed assets	118,553	77,881
Net (income)/charges from equity interests	(35,523)	(48,747)
Net change in provisions for risks and charges	(3,082)	1,878
Net change in employee benefits	(4,586)	3,848
Change in tax liabilities and tax assets	(33,527)	62,224
Current taxes	107,026	171,842
Profit (Loss) from operating activities before changes in working capital	345,118	561,568
(Increase)/Decrease in trade receivables	8,110	(80,095)
(Increase)/Decrease in inventory	(29,766)	(188,155)
Increase/(Decrease) in trade and other payables	(15,739)	99,682
Change in other current assets	(41,769)	(5,523)
Change in other current liabilities	86,684	(49,059)
tax paid	(205,555)	(134,839)
Change in other non-current liabilities	61,513	(18,026)
Total (B)	208,596	185,553
C - Flusso monetario da (per) attività di investimento		
(Investments) in tangible and intangible assets, net of disinvestments and accumulated depreciation and	(129,807)	(59,381)
Change in equity interests valued by the equity method	0	4,363
Changes in other equity interests	208	(107)
Dividends from unconsolidated subsidiaries	0	30,718
45% Sarlux acquisition	(127,047)	0
100% Caprabo (now Saras Energia Red S.A.) acquisition	(28,041)	0
Interests	(12,563)	(8,971)
Totale (C)	(297,250)	(33,378)
C - Cash generated from/(used in) financing activities		
Increase/(Decrease) in medium/long term borrowings	(134,350)	(44,173)
(Increase)/Decrease in other financial assets	(6,427)	(1,140)
Increase/(Decrease) in short term borrowings	(1,409)	34,182
Capital increase	342,430	0
Dividend distribution to shareholders	(170,181)	(140,066)
Fair Value beni immateriali Sarlux Srl (al netto effetto fiscale)	0	
Total (D)	30,063	(151,197)
E - Cashflow for the period (B+C+D)	(58,591)	978
Other changes in shareholders' equity due to the adoption of IAS 32 and IAS 39 since January, 1st 2005	0	10,267
Other changes in shareholders' equity due to the adoption of IAS 32 and IAS 39 since January, 1st 2005	0	0
F - Cash from new consolidated subsidiaries	251,486	0
Sarlux S.r.l.	249,940	0
Caprabo (Saras Energia Red S.A.)	1,546	0
G - Cash and cash equivalents at the end of period (short-term net financial indebtedness)	217,604	24,709