SARAS

SARAS' BOARD OF DIRECTORS APPROVES THE DRAFT OF FINANCIAL STATEMENTS AS OF 31 DECEMBER 2006

NET PROFIT GROWTH CONFIRMED: +35%

- **Revenues over EUR 6 billion, up 15% (proforma revenues up 11%) versus 2005**
- **Net profit EUR 395.4 million, up 35% (proforma net profit up 5%) versus 2005**
- **Significant operations performance improvement lead by the Refining and Power Generation segments**
- **Net Financial Position negative by EUR 285 million**
- **The Board of Directors proposes the following to the AGM:**
  - **A dividend distribution of 0.15 EUR/share**
  - **The approval of the draft of two plans: an Stock Plan for employees, and a Stock Grant Plan for managers**
  - **The purchase of own shares to service these two plans**
  - **The extension of the external auditor's mandate**
  - **The nomination of a director**
- **Sarlux's Project Finance debt restructured in March 2007**

Milan, 23 March 2007. Saras S.p.A.'s Board of Directors approved the financial statements for the 2006 financial year.

The 2006 financial year confirmed the solid growth of the Saras Group, which closed the year with a net profit of EUR 395.4, up 35% versus 2005 (adjusted proforma net profit EUR 242 million, up 5%). The Group reported growth on both consolidated IFRS figures and proforma figures, thanks to strong technology skills and the complexity of its refining asset. This confirms the ability of the company to attain important results even in a difficult market, characterized by high price volatility and lower refining margins. This year's solid performance, along with a strong balance sheet, set the base of the Saras Group's strategy, focused on continuing investments aimed at growth in its core businesses in order to improve its position as a leading refiner in the Mediterranean area.

The Board of Directors has decided to propose a dividend distribution of 0.15 EUR/per share at the AGM. The dividend will be paid on 10 May 2007 with a coupon date of 7 May 2007.

FINANCIAL TRENDS

The Saras Group's financial results and the historical figures presented have been reported according to IAS/IFRS (International Accounting Standards) and based on a non-homogeneous Group perimeter due to the change in consolidation area which took place in Q3/06 following the acquisition of the remaining 45% of Sarlux, and therefore to the subsequent full consolidation of this company. The proforma results consider Sarlux to be fully consolidated as of 1 January 2005, showing therefore a homogeneous consolidation perimeter and allowing for a more representative comparison of the Saras Group's financial performance.

Saras Group results

Revenues over EUR 6 billion, up 15% (proforma revenues up 11%) on 2005. This increase is mainly due to price trends in oil products that occurred in the first half of the year.

EBITDA (EUR 411 million) down 28% versus 2005 due largely to the reduction in refining margins that negatively influenced performance in the refining segment, partially offset by the full consolidation of Sarlux S.r.l. starting from the second half of 2006. More representative is the comparable proforma EBITDA figure of **EUR 567.5 million**, which shows a much lower reduction (13%).

Net profit recorded a noteworthy increase versus 2005 **(EUR 395 million,** up 35%). The extraordinary item of **EUR 199.1 million** related to the acquisition of 45% of Sarlux S.r.l. influenced these results significantly. **Adjusted proforma net profit, EUR 242 million,** which wasn't affected by this extraordinary item, however shows an increase of 5% on the EUR 230.5 million registered in 2005 thanks to the good operational performance of all Group business segments and the reduction in financial expenses due to losses on derivatives posted in the 2005 financial year.

CAPEX totaled EUR 130 million, an increase on 2005 figures, and were mainly allocated to the refining segment.

Net financial position at the end of the year was negative by **EUR 285 million**, a decline on 2005. This change is due to debt from Sarlux S.r.l. that on 31 December 2005 did not fall within the Group's net financial position since at the time it was still consolidated by the equity method.
Therefore this comparison is significant only considering the proforma figures, which at 31 December 2005 were EUR 573 million. In this case the improvement is due to the large **operational cash flows** that were generated in the period, and to the capital increase (**EUR 342 million)** deriving from the IPO.

As a result, **leverage**[1] was 19%, down from the 39% at the end of 2005, confirming the Group's strong balance sheet.

The **ROACE**[2] rate in 2006 was 16%, almost unchanged from the previous year.

The results and comments by business segment are the same as those for the 2006 preliminary figures; please refer to the press release dated 21 February 2007.

[1] **Leverage**: net debt/net debt + net Equity.

[2] **ROACE**: return on average capital employed.

SARAS

Stock plan for employees and Grant stock plan for Managers

The Board of Directors approved the draft of two stock plans to be presented at the AGM: a Stock Plan for employees and a Stock Grant Plan for Saras Group managers.

The Stock Plan is intended as an employee loyalty scheme, to create a sense of belonging to the Group. Moreover, it will act as a premium for those who invest in the company's stock.
This stock plan will involve one free share for each six shares bought, and is directed towards the employees of the Company and of its Italian subsidiaries; it will last three years (the 2007/2009 period) and the total value of shares to be awarded will not exceed EUR 12 million.

The Stock Grant plan is directed towards managers of the Company and its subsidiaries with the aim to link managers' benefits to the good development of company results, in order to spur the commitment of all managers towards adding value to the Company and to the Saras Group. The Plan will involve the awarding of Company ordinary shares in the years 2008, 2009 and 2010 according to terms and conditions that take into account Saras' share performance and Group financial results.
The shares will be delivered in one solution in 2010 and the maximum overall number of shares involved in the Stock Grant Plant is 6 millions.

Purchase of own shares to service the stock plans

The Board of Directors, furthermore resolved to propose to the AGM the draft of the purchase plan of own shares to service the two stock plans described above.
The Board will propose to the AGM to authorize the purchase of a maximum of 9 millions Saras' ordinary shares, equivalent to about 1% of share capital fully paid in, in eighteen months time from AGM resolution date.

Refinancing of Sarlux debt

On March 2007, Saras close the restructuring of the Project Finance Sarlux's debt. The goals achieved include a reduction of the cost of debt, the release of cash trapped in the Company and in general a simplification of the procedures required by Project Financing.

Parent Company financial statements

The Parent Company closed the year with a net profit of EUR 257.6 million, a growth on the EUR 246.6 million from the previous year. Sales were EUR 5.6 billion, up 14% versus the EUR 4.9 billion recorded in 2005. Operational results recorded a drop on 2005 figures, mainly due to the decrease of refining margins.

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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 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 (100 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).