SARAS

The Board of Directors of SARAS SpA approves the Half-Year Financial Report as of 30th June 2014[1]

Milan, 8th August 2014: The Board of Directors of Saras SpA met today under Chairman Gian Marco Moratti and approved the Half-Year Financial Report as at 30th June 2014. The results of the second quarter, which are unaudited, are also presented here below for sake of continuity and completeness of the information provided. After the meeting, the Chairman declared:

"The second quarter was yet again a difficult period for the European refining sector, with domestic consumption still subdued and imports of gasoil from extra communitarian countries at unprecedented heights. Notwithstanding all the difficulties of this period, the Saras Group continued its self-improvement programme, with various initiatives aimed at increasing operating performance, energy efficiency, cost optimisation and tight control of the financial position. Looking forward, we shall work with determination in order to finalize the commercial initiatives with our international partners."

Saras Group key financial and operational results[2]

EUR Million	Q2/14	Q2/13	Change %	H1/2014	H1/2013	Change %
REVENUES	2,778	2,774	0%	5,537	5,445	2%
EBITDA	32.6	(26.1)	225%	15.6	28.3	-45%
Comparable EBITDA	**8.3**	**5.8**	**43%**	**15.6**	**54.0**	**-71%**
EBIT	(16.8)	(307.2)	95%	(82.3)	(301.2)	73%
Comparable EBIT	**(39.9)**	**(42.8)**	**7%**	**(81.1)**	**(43.0)**	**-89%**
NET RESULT	(31.7)	(199.5)	84%	(83.3)	(201.3)	59%
***Adjusted* NET RESULT**	**(38.4)**	**(46.3)**	**17%**	**(78.8)**	**(57.0)**	**-38%**
NET FINANCIAL POSITION	**(43)**	**(157)**		**(43)**	**(157)**	
CAPEX	**18.0**	**30.9**		**41.7**	**64.3**	
OPERATING CASH FLOW	**16**	**65**		**(17)**	**125**	

[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] In order to give a better representation of the Group's operating performance, and in line with the standard practice in the oil industry, the operating results (EBITDA and EBIT) and the Net Result are provided also with an evaluation of oil inventories based on the LIFO methodology (and not only according to FIFO methodology, which is adopted in the Financial Statements prepared according to IFRS accounting principles). The LIFO methodology does not include revaluations and write downs and it combines the most recent costs with the most recent revenues, thus providing a clearer picture of current operating profitability. Furthermore, for the same reason, non recurring items and the change in "*fair value*" of the derivative instruments are also deducted, both from the operating results and from the Net Result. Operating results and Net Result calculated as above are called respectively "*comparable*" and "*adjusted*", and they are not subject to audit, like the quarterly results.

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Comments to First Half 2014 results

Group Revenues in H1/14 were EUR 5,537 ml, up 2% vs. H1/13. This change is primarily due to the increase in revenues generated by the Refining segment (up by EUR 93 ml) and by the Power Generation Segment (up by EUR 25 ml). Conversely, revenues generated by the Marketing segment decreased by approx. EUR 22 ml, while revenues from the Wind segment were down by approx. EUR 5 ml.

Group *reported* EBITDA in H1/14 was EUR 15.6 ml, down versus EUR 28.3 ml in H1/13. The difference is almost entirely due to the Refining segment, which faced a particularly harsh market in the first half of 2014, and it achieved an operating margin 1.1 $/bl lower than the one achieved in H1/13. Moreover, in both semesters under comparison, the fluctuations of oil prices between the beginning and the end of the period produced only modest changes in the value of the oil inventories.

Group *reported* Net Result stood at EUR -83.3 ml, significantly up from EUR -201.3 ml in H1/13. Indeed, notwithstanding the lower EBITDA in H1/14 for the reasons described in the previous paragraph, it should be noted that 2013 results were heavily penalised, in the second quarter, by a write-down of the CIP6/92 contract (worth approx. EUR 232 ml pre-tax), as a consequence of the Decree Law 69/2013. Finally, from the analysis of the "Financial Charges and Income" (which include the net FOREX result and the result of the derivative instruments used for hedging purposes), it can be observed that the net charges were EUR 28.8 ml in H1/14, while the net charges stood at EUR 3.5 ml in H1/13. Such difference can be mainly attributed to the results of the derivative instruments used for hedging purposes.

Group *comparable* EBITDA amounted to EUR 15.6 ml in H1/14, down from EUR 54.0 ml achieved in H1/13. As per previous comments to the *reported* results, the difference between the two periods under comparison comes mainly from the Refining segment and, to a lower degree, from the Marketing segment, which operated under penalising market conditions, characterised by low demand for oil products and thin margins. On the contrary, the Power Generation segment gave an important positive contribution, almost EUR 22 ml higher than in H1/13.

Group *adjusted* Net Result stood at EUR -78.8 ml, down versus the Group *adjusted* Net Result of EUR -57.0 ml in H1/13, mainly because of the weaker EBITDA results.

CAPEX in H1/14 was EUR 41.7 ml, in line with the investment programme planned for the first half of 2014, and essentially dedicated to the Refining segment (EUR 34.6 ml).

The Net Financial Position on 30th June 2014 stood at EUR -43 ml, slightly increased versus the position at the beginning of the year (EUR -8 ml). Such change is primarily related to the result from ordinary operations and the CAPEX for the period. On the other hand, such cash outflows were almost entirely offset with self-financing stemming from the provisions for amortisations and depreciation. It should be further noted that some payments for crude oil are still outstanding, due to the oil embargo declared by the European Union against Iran, which started in July 2012.

Comments to Second Quarter 2014 results

Group Revenues in Q2/14 were EUR 2,778 ml, in line with the revenues earned in Q2/13. More in details, the lower revenues from the Refining segment (down by EUR 57 ml) were entirely offset by the higher revenues in the Marketing segment (up by EUR 38 ml) and in the Power Generation segment (up by EUR 24 ml). Revenues from the other segments were substantially unchanged.

Group *reported* EBITDA in Q2/14 was EUR 32.6 ml, increased versus EUR -26.1 ml in Q2/13. Notwithstanding the weakness of the refining margins, as already mentioned in the comments for the semester, the quotations of the main oil products increased during Q2/14, leading to an increase in value of the oil inventories, with positive effects on the results of the quarter. Conversely, the change in the value of the oil inventories was negligible in Q2/13.

Group *reported* Net Result stood at EUR -31.7 ml, largely up from the *reported* Net Result of EUR -199.5 ml in Q2/13, primarily because of the previously mentioned write-down of the CIP6/92 contract, which took place in Q2/13. Moreover, the better result in Q2/14 derived also from the positive inventory effects discussed at EBITDA level. Conversely, a negative impact on Q2/14 results came from the difference in the "Financial Charges and Income" in the two periods under comparison (EUR -21.6 ml in Q2/14, versus EUR -0.7 ml in Q2/13). Nonetheless, as already explained in the comments for the semester, such difference in financial charges is primarily related to the derivative instruments used for hedging purposes.

Group *comparable* EBITDA amounted to EUR 8.3 ml in Q2/14, improved versus EUR 5.8 ml achieved in Q2/13. The improvement in the result is essentially due to the Power Generation segment, which more than offset the decrease in the results of the Refining segment.

Group *adjusted* Net Result stood at EUR -38.4 ml, up from the Group *adjusted* Net Result of EUR -46.3 ml in Q2/13, mainly as a function results previously discussed at EBITDA level.

CAPEX in Q2/14 was EUR 18.0 ml, in line with the investment programme planned for the second quarter of 2014.

For further details and comments on the results of each business segment, on the Group's strategy and on the Outlook, please refer to the Half-Year Financial Report as at 30th June 2014.

Conference call on 8th August 2014 and other information

At 16:00 (CET) of Friday 8th August 2014 there will be a conference call for analysts and investors, during which the Top Management will illustrate Saras Group results for Q2/14 and H1/14, and afterwards will answer to all the relevant questions. A dedicated presentation will be available on the Company's website (**www.saras.it**), under the section called "Investor Relations/Presentations".

The dial-in numbers for the conference call are the following:
From Italy: **+39 02 805 88 11**
From the UK: **+ 44 121 281 8003**
From the USA: **+1 718 705 8794**

The link for the live webcast is the following: http://services.choruscall.eu/links/saras140808.html

Playback and transcript of the webcast will also be available on the Company's website. For further information, please contact the Investor Relations department.

This press release has been prepared pursuant to the Regulation implementing Legislative Decree 24th February 1998 number 58, adopted by CONSOB under resolution 14th May 1999 number 11971, as amended and supplemented. It is available to the general public at Borsa Italiana SpA and on the Company's website, under the section called "Investor Relations/Financial News/Press Releases" and also in the storage and deposit mechanism for regulated information, referred to as "1info" (**www.1info.it**). Moreover, the Half-Year Financial Report as of 30th June 2014, together with the Independent Auditors' Report, is also available to the public at the company's registered office in Sarroch (CA) SS. 195 Sulcitana, Km. 19, at the administrative office in Milan, Galleria de Cristoforis n. 1, on the Company's website under "Investor Relations/Quarterly Report", and also in the storage and deposit mechanism for regulated information, referred to as "1info".

Best regards,

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THE SARAS GROUP
The Saras Group, whose operations were started by Angelo Moratti in 1962, has approximately 1,800 employees and total revenues of about 11.2 billion Euros as of 31st December 2013. The Group is active in the energy sector, 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 its subsidiaries. The Group also operates in the electric power production and sale, through the subsidiaries Sarlux Srl and Sardeolica Srl. In addition, the Group provides industrial engineering and scientific research services to the oil, energy and environment sectors through the subsidiary Sartec SpA. Finally, the Group operates also in the field of exploration for gaseous hydrocarbons.