The Board of Directors of SARAS SpA approves the Half-Year Financial Report as of 30th June 2016[1]

Milan, 1st August 2016: The Board of Directors of Saras SpA met today under Chairman Gian Marco Moratti and approved the Half-Year Financial Report as of 30th June 2016. 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 results achieved in the second quarter of 2016 are very satisfactory. The Saras Group managed to capture full value from the peculiar market conditions which, notwithstanding the lower crack spreads, still continued to offer interesting opportunities for the procurement of the refinery's feedstock. Also the Group's financial strength has been reconfirmed and the semester closed with a net cash position for EUR +147 million, after the payment of the dividends, the CAPEX, and the increase in working capital employed in the oil inventories.
With regards to the remaining part of the year, market fundamentals appear challenged by ample inventory levels of refined products, which built up over the past quarters. We are however confident that our Supply Chain management will enable us to consolidate a robust premium above the reference margin."

Saras Group key financial and operational results[2]

EUR Million	Q2/16	Q2/15	Change %	H1 2016	H1 2015	Change %
REVENUES	1,773	2,728	-35%	3,078	4,713	-35%
EBITDA	267.3	339.2	-21%	335.0	474.9	-29%
Comparable EBITDA	**134.2**	**252.2**	**-47%**	**258.3**	**396.4**	**-35%**
EBIT	210.5	260.8	-19%	222.0	339.4	-35%
Comparable EBIT	**77.3**	**196.6**	**-61%**	**145.3**	**283.8**	**-49%**
NET RESULT	129.7	155.9	-17%	129.5	230.1	-44%
***Adjusted* NET RESULT**	**50.0**	**132.5**	**-62%**	**90.2**	**187.0**	**-52%**
NET FINANCIAL POSITION	**147**	**72**		**147**	**72**	
CAPEX	**27.8**	**21.4**		**56.4**	**44.1**	

Comments to First Half 2016 Group Results

Group revenues in H1/16 were 3,078 million. The difference versus EUR 4,713 million in the first semester of last year is mainly due to the lower oil prices. More precisely, in H1/16 gasoline quotations had an average of 442 $/ton (versus the average of 602 $/ton in H1/15), while diesel quotations stood at an average of 360 $/ton (versus the average of 545 $/ton in H1/15). As a consequence, the Refining segment reduced its revenues by approx. EUR 1,285 million (also taking into account the lower refinery runs and sales of finished products) and, similarly, the Marketing Segment earned lower revenues (down by approx. EUR 310 million), notwithstanding stable volumes sold. Moreover, also the revenues of the Power Generation segment were lower by approx. EUR 38 million versus H1/15, due to the reduction in value of the CIP6/92 power tariff, following the updated outlook for prices of crude oil & gas, used in its calculation procedure.

Group *reported* EBITDA in H1/16 was EUR 335.0 million, versus EUR 474.9 million in H1/15, with the difference almost entirely due to the Refining segment, which conducted an heavy maintenance programme and operated in a market characterised by less favourable crack spreads, than those available in the same period of last year.

[1] Pursuant to the provisions of article 154 bis, paragraph 2, of the Consolidated Finance Act, **Mr. Franco Balsamo, 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), because LIFO methodology does not include end-of-period revaluations and write-downs, hence providing a more representative view of the Group's operating performance. Furthermore, for the same reason, non-recurring items and the "*fair value*" of the open positions of the derivative instruments are also excluded, 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, just like the quarterly results.

Group *reported* Net Result stood at EUR 129.5 million, down from EUR 230.1 million in H1/15, basically for the same reasons discussed at EBITDA level. Moreover, the charges for depreciation and amortisation were equal to EUR 113.1 million in H1/16 (versus EUR 135.5 million in H1/15), the interest charges were approx. EUR 13 million (versus approx. EUR 20 million in H1/15), while the other financial items (which include also the result of the derivative instruments used for hedging purposes, the net Forex results, and the "*fair value*" of the derivative instruments which are still open at the end of the period) summed up to a net financial charge worth approx. EUR 20 million in H1/16, that compares with a net financial income of approx. EUR 5 million in H1/15.

Group *comparable* EBITDA amounted to EUR 258.3 million in H1/16, down from EUR 396.4 million earned in H1/15. As per the comments already made for the *reported* results, that difference can be primarily attributed to the Refining segment. Furthermore, the above mentioned reduction in EBITDA was then reflected down to the bottom line, with the Group *adjusted* Net Result standing at EUR 90.2 million in H1/16, versus EUR 187.0 million in the first half of last year.

CAPEX in H1/16 was equal to EUR 56.4 million, in line with the scheduled programme, and mainly directed to the Refining segment (EUR 52.0 million).

Finally, the Net Financial Position on 30th June 2016 was positive and it stood at EUR 147 million, slightly below the positive position for EUR 162 million as of 31st December 2015. Indeed, the robust cash flow generated from operations has almost entirely compensated the increase in working capital employed in the oil inventories, the CAPEX made during the first semester, the payment of dividends distributed in May 2016, and the first instalment of the Iranian crude oil purchased in the first months of 2012.

Comments to Second Quarter 2016 Group Results

Group Revenues in Q2/16 were EUR 1,773 million. Similarly to the comments already made for the semester, the difference versus EUR 2,728 million in Q2/15 is mainly related to the reference scenario, characterised by lower quotations for the refined oil products, which led to revenues' reductions worth approx. EUR 790 million in the Refining segment, and approx. EUR 150 million in the Marketing segment. More precisely, in Q2/16 gasoline quotations averaged at 487 $/ton (versus 661 $/ton in Q2/15), and diesel quotations stood at 409 $/ton (versus 574 $/ton in Q2/15).

Group *reported* EBITDA in Q2/16 was 267.3 EUR million, versus EUR 339.2 million in Q2/15. Such difference derives mainly from the Refining segment which operated in a market characterised by lower margins than in the same quarter of last year, and it had to carry out some maintenance activities with their subsequent penalisations (while Q2/15 was completely maintenance-free).

Group *reported* Net Result stood at EUR 129.7 million, down from EUR 155.9 million in Q2/15. The difference illustrated at EBITDA level was partially compensated by lower charges for depreciation and amortisation (EUR 56.8 million, versus EUR 78.5 million in Q2/15), lower interest charges (EUR 7.2 million, versus EUR 11.5 million in Q2/15), and other net financial charges worth EUR 17.5 million (versus net financial charges worth EUR 30.4 million in Q2/15).

Group *comparable* EBITDA amounted to EUR 134.2 million in Q2/16, down versus EUR 252.2 million earned in Q2/15, mainly because of the lower results in the Refining segment. Moreover, the Group *adjusted* Net Result was equal to EUR 50.0 million, versus EUR 132.5 million in the same quarter of last year.

CAPEX in Q2/16 was overall equal to EUR 27.8 million, of which EUR 26.3 million dedicated to the Refining segment.

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 2016.

Outlook

With regards to the second semester of 2016, the experts forecast a market scenario characterised by *crack spreads* under pressure for the main refined oil products. At the same time, the crude oil supply should continue to largely exceed demand, with interesting discounts available for non-conventional grades.

Under such circumstances, the reference margin EMC Benchmark (whose calculation formula refers only to standard crudes like Brent and Urals, and it does not take into consideration the price differentials of the non-conventional grades) is expected at lower levels versus the assumptions made in the Business Plan presented by Saras on the 15th of October 2015. More precisely, the markets are currently pricing a negative impact worth approx. EUR 70÷100 million versus the H2/16 Business Plan forecast.

On the other hand, in the second half of 2016 the refinery and the IGCC plant shall run at full capacity, since all the major maintenance activities have already been completed in H1/16 (i.e. there is going to be only minor work in Q4/16 on some refinery units).

Moreover, our business model based on the Supply Chain integration should enable our versatile refinery to capture in a dynamic manner the market opportunities available for the procurement of the feedstock, choosing from time-to-time the ones which have the best *economics* (e.g. non-conventional crude oils, other feedstock complementary to crude, etc.).

Therefore, the Group is confident to achieve in the second semester of 2016 some performance improvements versus the Business Plan, which should translate in a premium of the Saras refinery margin above the EMC Benchmark margin larger than the premium assumed in the Business Plan (similarly to the premium already delivered in the first semester of the year).

Finally, the Net Financial Position at year end is expected at near-zero levels, because the cash flow from operations should cover the changes in working capital (net of inventory changes), the CAPEX of the period, the Dividends and the repayment of part of the Iranian debt for the crude purchased in 2012.

Conference call on 1st August 2016 and Other Information

At 16:30 (CET) of Monday 1st August 2016 there will be a conference call for analysts and institutional investors, during which the Top Management will illustrate Saras Group results for Q2/16 and H1/16, and afterwards will answer 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".

Dial in numbers for the conference call:
For Italy: **+39 02 805 88 11**
For UK: **+ 44 121 281 8003**
For USA: **+1 718 705 8794**

Link for the live webcast: http://services.choruscall.eu/links/saras160801.html

Playback and transcript of the webcast will subsequently 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 on the Company's website under "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 2016, 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, Via dell'Unione n. 1, on the Company's website under "Investor Relations/Quarterly Report", and also in the "1Info" authorised storage and deposit mechanism.

Best regards,
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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has approximately 1,915 employees and total revenues of about 8.2 billion Euros as of 31st December 2015. Today, the Group is a leading European crude oil refiner and it is active also in the energy sector. It sells and distributes petroleum products in the domestic and international markets, directly and through its subsidiaries. The Group also operates in the production and sale of electricity, through its subsidiaries Sarlux Srl (IGCC plant) and Sardeolica Srl (Wind plant). Moreover, the Group provides industrial engineering and scientific research services to the oil, energy and environment sectors through its subsidiary Sartec SpA. Finally, the Group operates also in the field of exploration for gaseous hydrocarbons.