The Board of Directors of SARAS SpA approves the Interim Financial Report as of 30th September 2016[1]

Milan, 7th November 2016: The Board of Directors of Saras SpA met today under Chairman Gian Marco Moratti and approved the Interim Financial Report as of 30th September 2016, which is not subject to audit review. It should be noted that, in accordance with EU Directive 2013/50 transposed with Italian Leg. Decree n.25 dated 15th February 2016, which repealed the obligation to prepare the Interim Financial Reports, this Interim Financial Report has been issued on a voluntary basis, in order to provide information continuity with the past. Nonetheless, the decision to continue providing such voluntary disclosure could be reviewed in the future, also according to the evolution of the Regulations.

After the meeting, the Chairman declared:

"The scenario in the third quarter of 2016 was characterised by refining margins under pressure in July and August, followed by a robust recovery in September. Saras chose to exploit the peculiar market fundamentals, which made it profitable to stock gasoil for subsequent sales into the fourth quarter. This commercial decision is proving correct and, even if it limited the results achieved as of 30th September, it will allow an improvement of our margins in the last quarter of the year.

Cashflow from operations continues to be strong, and the financial position as of 30th September stood cash-positive for EUR 215 million.

Finally, I'm pleased for the landmark decision recently taken by the International Maritime Organization (IMO) which establishes new, tighter limitations on the bunker emissions in the shipping industry, effective as of 1st January 2020, well ahead of the original timeline.

Although it is premature and difficult to draw conclusions on the consequences that such decision will have on the oil markets, there are no doubts that Saras is in a privileged position to fully capture the new opportunities eventually arising from it. I'm particularly delighted that our Group's long-term industrial strategy, always implemented coherently and consistently across several decades, is finally proving to be farsighted."

Saras Group key financial and operational results[2]

EUR Million	Q3/16	Q3/15	Change %	9M 2016	9M 2015	Change %
REVENUES	1,676	1,960	-14%	4,754	6,673	-29%
EBITDA	95.7	87.0	10%	430.7	561.9	-23%
Comparable EBITDA	**100.5**	**214.6**	**-53%**	**358.8**	**611.0**	**-41%**
EBIT	38.6	32.0	21%	260.6	371.4	-30%
Comparable EBIT	**43.5**	**159.6**	**-73%**	**188.8**	**443.4**	**-57%**
NET RESULT	22.4	46.6	-52%	151.9	276.7	-45%
***Adjusted* NET RESULT**	**26.4**	**109.8**	**-76%**	**116.6**	**296.8**	**-61%**
NET FINANCIAL POSITION	**215**	**42**		**215**	**42**	
CAPEX	**37.6**	**20.6**		**94.0**	**64.7**	

[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.

SARAS

Comments to First Nine Months of 2016 Group Results

Group revenues in 9M/16 were EUR 4,754 million. The difference versus EUR 6,673 million in the first nine months of last year is mainly due to the lower oil prices, which influenced the revenues of the Refining and Marketing segments. More precisely, in 9M/16 gasoline quotations had an average of 449 $/ton (versus the average of 589 $/ton in 9M/15), while diesel quotations stood at an average of 377 $/ton (versus the average of 524 $/ton in 9M/15). As a consequence, the Refining segment reduced its revenues by approx. EUR 1,506 million, also taking into account the lower refinery runs and sales of finished products. Similarly, revenues of the Marketing Segment decreased by approx. EUR 370 million, notwithstanding a slight increase of the volumes sold. Finally, revenues of the Power Generation segment were also lower by approx. EUR 46 million versus 9M/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 9M/16 was EUR 430.7 million, versus EUR 561.9 million in 9M/15, with the difference almost entirely due to the Refining segment, which operated in a market characterised by crack spreads less favourable than those available in the same period of last year, and carried out a heavier maintenance programme.

Group *reported* Net Result stood at EUR 151.9 million, down from EUR 276.7 million in 9M/15, basically for the same reasons discussed at EBITDA level. Moreover, the charges for depreciation and amortisation were equal to EUR 170.2 million in 9M/16 (versus EUR 190.5 million in 9M/15), the interest charges were approx. EUR 23 million (versus approx. EUR 27 million in 9M/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 still open at the end of the period) summed up to a net financial charge of approx. EUR 20 million in 9M/16 (versus a net financial income of approx. EUR 45 million in 9M/15).

Group *comparable* EBITDA amounted to EUR 358.8 million in 9M/16, down from EUR 611.0 million earned in 9M/15. As per the comments already made for the *reported* results, that difference can be primarily attributed to the effects of the scenario in the Refining segment. Furthermore, the above mentioned reduction in EBITDA was reflected down to the bottom line, with the Group *adjusted* Net Result standing at EUR 116.6 million in 9M/16, versus EUR 296.8 million in the same period of last year.

CAPEX in 9M/16 was equal to EUR 94.0 million, in line with the scheduled programme, and mainly directed to the Refining segment (EUR 85.7 million).

Finally, the Net Financial Position on 30th September 2016 stood cash-positive at EUR 215 million, further improved versus the already cash-positive position on 31st December 2015 (EUR 162 million). Indeed, the robust cash flow generated from operations in the first nine months of 2016 exceeded the outflows due to the CAPEX made in the period, the dividends distributed in May 2016, the changes in working capital employed (including the oil inventories), and also the instalments paid to Iran in the second and third quarter of 2016 for the crude oil purchased in 2012.

Comments to Third Quarter 2016 Group Results

Group Revenues in Q3/16 were EUR 1,676 million. Similarly to the comments already made for the first nine months, the difference versus EUR 1,960 million earned in Q3/15 is mainly related to the reference scenario, characterised by lower quotations for refined oil products, which led to revenues' reductions worth approx. EUR 220 million in the Refining segment, and approx. EUR 59 million in the Marketing segment. More precisely, in Q3/16 gasoline quotations averaged at 461 $/ton (versus 563 $/ton in Q3/15), and diesel quotations stood at 408 $/ton (versus 482 $/ton in Q3/15).

Group *reported* EBITDA in Q3/16 was EUR 95.7 million, versus EUR 87.0 million in Q3/15. Such difference derives mainly from the Marketing segment which had a negative result in Q3/15. However, when looking at the bottom line, in Q3/16 the Group *reported* Net Result stood at EUR 22.4 million, down from EUR 46.6 million in Q3/15, mainly as a consequence of the difference in financial income and charges in the two quarters under comparison. Indeed, in Q3/16 the result of the derivative instruments used for hedging purposes, the net Forex results, and the "*fair value*" of the derivative instruments still open at the end of the period summed up to a financial charge of EUR 0.5 million, while in Q3/15 the same items summed up to a financial income of EUR 39.5 million. Moreover, in Q3/16 the interest charges were EUR 9.9 million (of which approx. EUR 4 million of extraordinary charges related to the early redemption of the bond issued on 17th July 2014), while in Q3/15 the interest charges were EUR 7.1 million.

Group *comparable* EBITDA amounted to EUR 100.5 million in Q3/16, down versus EUR 214.6 million earned in Q3/15, mainly because of the lower results in the Refining segment. Moreover, the Group *adjusted* Net Result was equal to EUR 26.4 million, versus EUR 109.8 million in the same quarter of last year.

CAPEX in Q3/16 was overall equal to EUR 37.6 million, of which EUR 33.7 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 Interim Financial Report as of 30th September 2016.

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Outlook

With regards to the fourth quarter of 2016, the experts forecast a market scenario characterised by improving *crack spreads* for the main refined products. This is due to a temporary reduction in production capacity on a global scale, as a consequence of the maintenance activities being carried out on many refineries in Europe, Asia and in the United States of America. Moreover, with the beginning of the cold weather middle distillates should benefit from the seasonal increase in demand of heating gasoil.

As for the crude oil production, global supply continues to increase, notwithstanding the frequent rumours of potential agreements for production cuts or freezes, which however do not seem to have enough credibility. Therefore, the experts believe that crude supply will continue to largely exceed demand, not only in the coming quarter but also during the entire year 2017.

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 similar levels as in the past two quarters.

On the other hand, the above scenario could prove more favourable for the Saras Group that can rely on a versatile refinery and, as already demonstrated during the first nine months, it can capture market opportunities in a dynamic manner, purchasing multiple kinds of feedstock, choosing from time to time the ones which have the best economics (e.g. non-conventional crude oils, other feedstock complementary to crude oil, etc.).

Therefore, the Group believes that its refining margin could achieve, for the entire year 2016, an average premium of approx. 4 $/bl above the EMC Benchmark.

Finally, the Net Financial Position at year end is expected firmly positive, because the cash flow from operations should exceed the outflows for the CAPEX of the year, the dividends paid in May, the changes in working capital, and the repayment of part of the Iranian debt for the crude purchased in 2012.

Conference call on 7th November 2016 and Other Information

At 16:00 (CET) of Monday 7th November 2016 there will be a conference call for analysts and institutional investors, during which the Management will illustrate Saras Group results for Q3/16 and 9M/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/saras161107.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 on the "1Info" authorised storage mechanism (www.1info.it). Moreover, the Interim Financial Report as of 30th September 2016 is also available to the public at the Company's registered office in Sarroch (CA) S.S. 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 on the "1Info" authorised storage mechanism.

Best Regards,
Saras Investor Relations
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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.