The Board of Directors of SARAS SpA approves the Interim Financial Report as of 30th September 2017[1]

- **Revenues at EUR 5,658 million** in 9M/17 (+19% versus 9M/16 thanks to higher oil prices)
- **Group comparable EBITDA at EUR 413 million** in 9M/17 (in line with 9M/16) supported by a total refining margin of 6.3 $/bl
- **Group comparable Net Result equal to EUR 162 million** in 9M/17 (+18% versus 9M/16). Group reported Net Result at EUR 109 million
- **Group comparable EBITDA totalled EUR 160 million in Q3/17** (+36% versus Q3/16) mainly thanks to the Refining segment that exploited excellent market conditions and generated a total refining margin of 7.0 $/bl
- **Net Financial Position turned positive** (versus the Net Financial Position of EUR -28 million on 30th June 2017) **and equal to EUR 110 million as of 30th September 2017 thanks to the robust cash flow generation**

Milan, 6th November 2017: The Board of Directors of Saras SpA met today chaired by Mr Massimo Moratti and approved the Interim Financial Report as of 30th September 2017, 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 Decree n.25 dated 15th February 2016, which repealed the obligation to prepare the Interim Financial Reports, this Interim Financial Report has been issued on a voluntary basis, in order to provide information in order to ensure information continuity to the financial community in line with previous quarterly disclosure.

Saras Group key financial and operational results[2]

EUR Million	9M 2017	9M 2016	Change %	Q3/17	Q3/16	Change %
REVENUES	5,658	4,754	19%	1,729	1,676	3%
EBITDA	303.1	430.7	-30%	161.8	95.7	69%
Comparable EBITDA	**412.6**	**411.2 (*)**	**0%**	**160.1**	**118.0 (*)**	**36%**
EBIT	139.3	260.6	-47%	105.0	38.6	172%
Comparable EBIT	**248.9**	**241.2 (*)**	**3%**	**103.8**	**61.0 (*)**	**70%**
NET RESULT	109.4	151.9	-28%	54.9	22.4	145%
***Comparable* NET RESULT**	**161.6**	**137.1 (*)**	**18%**	**51.7**	**32.7 (*)**	**58%**

EUR Million	9M 2017	9M 2016	Q3/17	Q3/16
NET FINANCIAL POSITION	**110**	**215**	**110**	**215**
CAPEX	**138.2**	**56.4**	**38.3**	**37.6**

[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 better reflecting the more recent market dynamic, and in line with the standard practice in the oil industry, the operating results and the Net Result are displayed valuing inventories with FIFO methodology, excluding unrealized inventories gain and losses, due to changes in the scenario, by valuing beginning-of-period inventories at the same unitary value of the end-of-period ones. Moreover the realized and unrealized differentials on oil and exchange rate derivatives with hedging nature which involve the exchange of physical quantities, are reclassified in the operating results, as they are related to the Group industrial performance, even if non accounted under the hedge accounting principles. Non-recurring items by nature, relevance and frequency and derivatives related to physical deals not of the period under analysis, are excluded by the operating results and the Net Result Comparable. Results calculated as above, called "*comparable*", are performance indicators not defined by the International Accounting Standards (IAS/IFRS) and they are not subject to audit.

(*) From H1/17, the criteria of determination of the "comparable" results changed compared to the past. In order to allow comparison with the past, Q3/16 and 9M/16 financial results have been reclassified (comparison scheme in the Annex).

After the meeting, the Chief Executive Officer declared:

"Third quarter results were positive and posted a growth compared to the same period of the previous year. In particular, the refinery benefitted from a context characterized by high margins of the refined products that were the result of structural factors such as strong global demand, and contingencies such as certain unscheduled closures of refineries in Europe and US. We have also overcome some technical issues that have partially limited our operations in the summer and we are ready to fully grasp the favourable market conditions expected for the current quarter.

I would like to emphasize that the net financial position turned positive as expected, compared to the one at the end of first half, thanks to the cash generation confirming the financial solidity of our Group."

Comments to First Nine months of 2017 Group Results

Group revenues in 9M/17 were EUR 5,658 million. The difference versus EUR 4,754 million in the first nine months of last year is mainly due to the increase of the average refined products prices versus the same period of last year. More precisely, in 9M/17 gasoline quotations had an average of 536 $/ton (versus the average of 449 $/ton in 9M/16), diesel quotations stood at an average of 471$/ton (versus the average of 377 $/ton in 9M/16) and low sulphur fuel oil price averaged 304 $/ton (versus 203 $/ton in 9M/16). As a consequence, the Refining segment increased its revenues by approx. EUR 760 million, also taking into account the higher refinery runs. Similarly, revenues of the Marketing Segment increased by approx. EUR 132 million. Finally, revenues of the Power Generation segment were also higher by approx. EUR 18 million versus 9M/16.

Group *reported* EBITDA in 9M/17 was EUR 303.1 million, versus EUR 430.7 million in 9M/16. Such difference is almost entirely due to the Refining segment whose industrial performance was below expectations largely offset by higher runs, and that was influenced by negative scenario effect on inventories that, on the opposite, was positive in the same period of last year. Moreover the positive effect of hedging derivatives is not reflected in the *reported* EBITDA. The result was also negatively affected by a provision made in H1/17 in relation to a dispute related to energy efficiency certificates.

Group *reported* Net Result stood at EUR 109.4 million, down from EUR 151.9 million in 9M/16. The decrease discussed at EBITDA level has been partially offset by other items. In details the charges for depreciation and amortisation were lower than in the same period of previous year (EUR 163.8 million versus EUR 170.1 million in 9M/16), as well as interest charges that decreased by 65% (approx. EUR 8 million versus approx. EUR 23 million in 9M/16) thanks to the renegotiation of some credit lines and the early repayment of bonds, carried out in 2016. Finally the other financial items (which comprise the realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) were positive by approx. EUR 29 million in 9M/17, while in the same period of last year they were negative of approx. EUR 20 million.

Group *comparable* EBITDA amounted to EUR 412.6 million in 9M/17, broadly in line with the EUR 411.2 million earned in 9M/16. In details, the higher profitability of the Marketing segment offset the modest decline of Refining, Power and Wind segments. The **Group *comparable* Net Result, standing at EUR 161.6 million in 9M/17,** is up 18% versus the same period of last year.

CAPEX in 9M/17 was equal to EUR 138.2 million, in line with the scheduled programme, and mainly directed to the Refining segment (EUR 123.1 million). Part of the investments aim at increasing the reliability and the energy efficiency as illustrated in the business plan 2017 – 2020. Moreover the group is carrying on some selected investments in the field of the so called "Industry 4.0", that see the Group highly committed in the development dynamics of the digital technologies.

Finally, the **Net Financial Position** as of 30th September 2017 **was cash-positive at EUR 110 million,** up versus the cash-positive position of EUR 99 million as of 31st December 2016. Indeed, the cash flow generated from operations in the first nine months of 2017 exceeded the final instalment of the debt to Iran related to the crude oil purchased in 2012, the CAPEX made in the period by and the payment of the dividends distributed in May 2017.

Comments to Third Quarter 2017 Group Results

Group Revenues in Q3/17 were EUR 1,729 million, up 3% versus EUR 1,676 million earned in Q3/16. As mentioned for the 9M/17 results it is mainly related to the reference scenario, characterised by higher average quotations for refined oil products, which led to revenues' increase worth approx. EUR 36 million in the Refining segment, approx. EUR 7 million in the Marketing segment and approx. EUR 7 million in the Power segment. More precisely, in Q3/17 gasoline quotations averaged at 544 $/ton (versus 461 $/ton in Q3/16), diesel quotations stood at 485 $/ton (versus 408 $/ton in Q3/16) and, finally, low sulphur oil quotations stood at an average of 300 $/ton (versus 247 $/ton in Q3/16).

Group *reported* EBITDA in Q3/17 was EUR 161.8 million, versus EUR 95.7 million in Q3/16. Such difference derives mainly from the Refining segment that benefited from more favourable market conditions compared to Q3/16, while the quarter has not been influenced by material effect deriving from inventories (average oil prices were broadly in line with the one of the previous quarter). When looking at the bottom line, **in Q3/17 the Group *reported* Net Result stood at EUR 54.9 million**, much higher than the EUR 22.4 million in Q3/16, as effect of the above described increase of the EBITDA in part counterbalanced by the difference of the other financial items (which comprise the realised and unrealised differentials on derivative instruments, net exchange rate differences and other financial income and charges) in the two quarters under analysis. In fact such item was negative by approx. EUR 26 million in Q3/17, while it had no effect on the net result in Q3/16.

Group *comparable* EBITDA amounted to EUR 160.1 million in Q3/17, up versus EUR 118.0 million earned in Q3/16, mainly because of the higher results in the Refining segment that was in the position to fully exploit particularly favourable market conditions in the quarter despite some unplanned maintenance. The growth of the EBITDA was reflected into the **Group *comparable* Net Result that was equal to EUR 51.7 million**, up 58% versus the EUR 32.7 million earned in the same quarter of last year.

CAPEX in Q3/17 was overall equal to EUR 38.3 million, of which EUR 35.1 million dedicated to the Refining segment.

Outlook

Global supply continued to be robust notwithstanding the implementation of the production cuts since the beginning of January, enforced, by OPEC members and other relevant suppliers (Russia in primis), thanks to the recovery of E&P activities in the USA (tight oil from shale rocks) and in the North-Eastern area of the Caspian Sea (the "Kashagan" oil field), in addition to the increase of exports from Libya and Nigeria.

Moving to oil prices, Brent entered in a ascending path that led it up to 60 $/bl, value at which it looks to be settled. This dynamics originates from data above expectations in the third quarter on the demand side as well as in terms of oil inventories drawing. However, looking at the oil market as a whole it is evident some pressure on the premia of light sweet grades and on the discounts of some heavy sour grades because the increased production of the above mentioned countries concerns primarily light sweet grades, while the OPEC cuts affect mainly heavy sour crude oils.

The foreseeable **scenario for the last quarter of the year is positive for medium distillates** with robust crack spreads and moderate inventory levels ahead of the winter period that typically sees an increase in gasoil consumption, while for the gasoline crack spread a seasonal weakening is expected. There are no structural factors that might led, in the short term, to a normalisation of the fuel oil crack spread which should therefore remain at high levels, supporting the EMC Benchmark reference margin.

In view of the factors described above, and considering that there are no significant maintenance activities on the plants, the Group believes to be able to deliver, in the last quarter of the year, **a Saras refining margin premium with respect to the EMC Benchmark improving compared to the one recorded in the first nine months of the year**.

Finally, the **Net Financial Position is expected to remain positive by year end**, as the operating cash flow generated will be in excess of the working capital changes and investments of the period.

Conference call on 6th November 2017 and other information

At 16:00 (CET) of Monday 6th November 2017 there will be a conference call for analysts and investors, during which the Top Management will illustrate Saras Group results for Third Quarter and First Nine Months of 2017 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:

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Link for the live webcast: http://services.choruscall.eu/links/saras171106.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 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 2017 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.

Annex – Comparison scheme of Comparable results

Comparable EBITDA

EUR Million	9M 2016	9M 2016 reclassified	Q3/16	Q3/16 reclassified
***Reported* EBITDA**	**430.7**	**430.7**	**95.7**	**95.7**
Inventories at LIFO - inventories at FIFO	(67.3)		(5.6)	
Realized result of derivatives and net FOREX	(8.8)		8.7	
Gain / (Losses) on Inventories		(25.4)		13.2
Hedging derivatives and net FOREX		1.5		7.3
Non-recurring items	4.2	4.2	1.7	1.7
***Comparable* EBITDA**	**358.7**	**411.2**	**100.5**	**118.0**

Comparable Net Result

EUR Million	9M 2016	9M 2016 reclassified	Q3/16	Q2/16 reclassified
***Reported* NET RESULT**	**151.9**	**151.9**	**22.4**	**22.4**
Inventories at LIFO - inventories at FIFO net of taxes	(46.5)		(3.9)	
Fair value of derivatives' open positions net of taxes	8.2		6.7	
Gain / (Losses) on Inventories net of taxes		(17.7)		9.1
Derivatives related to future deals		0.0		0.0
Non-recurring items	2.9	2.9	1.2	1.2
***Comparable* NET RESULT**	**116.5**	**137.1**	**26.4**	**32.7**

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THE SARAS GROUP

The Saras Group, founded by Angelo Moratti in 1962, has approximately 1,900 employees and total revenues of about 6.9 billion Euros as of 31st December 2016. 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 research services to the oil, energy and environment sectors through its subsidiary Sartec Srl.