The Board of Directors of Saras SpA approves the preliminary Full Year 2015 Financial Statements[1]

Milan, 29th February 2016: The Board of Directors of Saras SpA met today under Chairman Gian Marco Moratti and approved the preliminary Full Year 2015 Financial Statements. The results of the fourth quarter are also presented here below for sake of continuity and completeness of the information provided. After the meeting, the Chairman declared:

"Saras Group achieved excellent results in FY 2015, with comparable EBITDA equal to EUR 741 million and a net financial position standing positive at EUR 162 million. The plants operated efficiently and the total refinery runs of crude oil and complementary feedstock were the highest ever reached, at 15.6 million tons. Our model of integrated supply chain management and the high flexibility of the refinery units proved to be a remarkable competitive advantage, allowing us to exploit in the most effective way the ample availability of feedstock, including non-conventional grades, and also to capture interesting opportunities with regards to the sales of finished products.

The outlook for the European refining sector is proving favourable also during FY 2016, and the margins are following the usual seasonal trends. Saras expects to run at high utilization rates, except for short periods of scheduled maintenance, which will be concentrated mainly during the first quarter. Therefore, we are confident that we shall manage to capture in full the expected rebound in refinery margins which, starting in spring, should be supported by robust demand for high-octane gasoline.

I would like to thank Mr. Igor Sechin for his cooperation and qualified contribution during his tenure in office as Saras' director. Moreover, I would like to welcome Mr. Andrey Shishkin, who today has been appointed in order to replace Mr. Sechin, and who will now provide to our Group his precious knowledge and experience.

Finally, I take this opportunity to wish every success to Saras Trading, which started operations in Geneva on January 1st, and it will be instrumental in order to achieve our goal of optimizing commercial activities."

Saras Group key financial and operational results[2]

EUR Million	Q4/15	Q4/14	FY 2015	FY 2014
REVENUES	1,565	**2,277**	8,238	**10,272**
EBITDA	(5.9)	(233.1)	556.0	(237.0)
Comparable EBITDA	**130.0**	**106.1**	**741.0**	**139.0**
EBIT	(60.8)	(132.6)	310.6	(284.4)
Comparable EBIT	**75.5**	**51.9**	**518.9**	**(61.9)**
NET RESULT	(53.0)	(135.1)	223.7	(261.8)
***Adjusted* NET RESULT**	**29.5**	**24.7**	**326.3**	**(83.6)**
NET FINANCIAL POSITION	**162**	**108**	**162**	**108**
CAPEX	**21.4**	**44.9**	**86.2**	**136.3**

[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. 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 and the preliminary results.
Finally, it should be noted that, starting with the financial year 2015, the *comparable* operating results (EBITDA and EBIT) include also the realized results of the derivate instruments, used for hedging transactions on crude oil and refined products, and the net Forex results, which in previous years were classified within the "Financial Income/Expense". In order to allow comparison, the financial results for the year 2014 have been reclassified, including at the operating levels the relevant aforementioned transactions.

Conference call on 29th February 2016 and other information

At 15:00 CET of Monday 29th February 2016 there will be a conference call for analysts and investors, during which the Management will illustrate Saras' Group preliminary results for FY 2015 and Q4/15 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/saras160229.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: E-mail: ir@saras.it; Telephone: +39 02 7737 642.

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 the section called "Investor Relations/Financial News/Press Releases", and also on the "1Info" authorised storage mechanism (www.1info.it).

Comments to preliminary Full Year 2015 Group results

Group Revenues in FY 2015 were EUR 8,238 million. The difference versus EUR 10,272 million in FY 2014 is mainly due to the drop in oil prices, with consequently lower revenues generated by the Refining segment (down by approx. EUR 1,385 million, notwithstanding a 17% increase in refinery runs and a similarly relevant growth in the quantities of products sold), and by the Marketing segment (down by approx. EUR 570 million, even if the segment' sales of refined products in Italy and Spain increased overall by 8%). More precisely, in FY 2015 gasoline quotations had an average of 557 $/ton (versus the average of 907 $/ton in FY 2014), and diesel quotations stood at an average of 494 $/ton (versus the average of 851 $/ton in FY 2014). Finally, also the revenues from the Power Generation segment were EUR 70 million lower than last year, due to the reduction in the value of the power tariff, only partially compensated by the higher production and sale of electricity.

Group *reported* EBITDA in FY 2015 was EUR 556.0 million, increased from EUR -237.0 million in FY 2014. The difference is almost entirely due to the Refining segment, which was able to capture the favourable market conditions, running at full refining capacity (+17% versus FY 2014) and achieving a substantially larger operating margin (8 $/bl), versus the margin of 1.2 $/bl realized on average in FY 2014.

Group *reported* Net Result stood at EUR 223.7 million, up from EUR -261.8 million in FY 2014, basically for the same reasons discussed at EBITDA level. Nonetheless, in FY 2015 the charges for depreciation and amortisation stood at EUR 245.4 million (including the depreciation of some intangible assets), while in FY 2014 depreciation and amortisation charges were equal to EUR 47.4 million, mainly due to the reversal of the write-off of the CIP6/92 contract (which brought a positive contribution in Q4/14 worth EUR +180 million pre-tax), and the write-off of the "Steam Reformer" unit, also recorded in Q4/14 (worth approx. EUR -23 million pre-tax). Finally, the net interest charges in FY 2015 stood at approx. EUR 35 million, improved versus approx. EUR -40 million in FY 2014, thanks to more favourable financing conditions.

Group *comparable* EBITDA amounted to EUR 741.0 million in FY 2015, significantly up from EUR 139.0 million earned in FY 2014. As per the previous comments made for the *reported* results, the improvement can be primarily attributed to the Refining segment. This trend was reflected all the way down to the bottom line, with the **Group *adjusted* Net Profit standing at EUR 326.3 million**, versus the *adjusted* Net Loss equal to EUR -83.6 million in FY 2014.

CAPEX in FY 2015 was EUR 86.2 million, in line with the investment programme planned for 2015, and mainly directed to the Refining segment (EUR 75.0 million) and, to a lower extent, to the Power Generation segment (EUR 9.1 million).

Finally, **Group Net Financial Position on 31st December 2015 was positive and equal to EUR 162 million**, improved versus the Net Financial Position on 30th September 2015 (positive and equal to EUR 42 million), and also versus the Net Financial Position on 31st December 2014 (positive and equal to EUR 108 million).

Comments to Fourth Quarter 2015 Group results

Group Revenues in Q4/15 were EUR 1,565 million, versus EUR 2,277 million in Q4/14. In a manner similar to that already discussed for the full year results, the difference between the revenues in the two quarters under comparison can be mainly attributed to the drop in oil prices. In particular, the average price of gasoline was 464 $/ton in Q4/15 (versus 705 $/ton in Q4/14), and the average price of diesel was 406 $/ton (vs. 690 $/ton in Q4/14). The increased crude oil runs in the Refining segment (+10% versus the runs in Q4/14), and the higher volumes sold in the Marketing segment (+3%) could only partially offset the decline in revenues coming from the above mentioned drop in oil quotations. Consequently, the revenues generated by the Refining segment declined by approx. EUR 510 million and, similarly, the revenues from the Marketing segment decreased by approx. EUR 150 million. Finally, also the revenues from the Power Generation segment declined by approx. EUR 45 million, because of the reduction in the value of the power tariff, and also the lower production and sale of electricity (-2%).

Group *reported* EBITDA in Q4/15 was EUR -5.9 million, increased versus EUR -233.1 million in Q4/14. As already discussed in the comments to the full year, also in Q4/15 the large difference versus the same quarter of last year is mainly due to the Refining segment, which operated in more favourable market conditions, with higher margins available: the EMC Benchmark margin stood at 3.1 $/bl on average in Q4/15, versus 0.9 $/bl in Q4/14. Nonetheless, it should be noted that, in both quarters under comparison, the IFRS results of the Refining segment have been negative. This comes as a consequence of the FIFO methodology adopted by the IFRS accounting principles for the inventory evaluation. Indeed, in periods when oil prices move downwards, the value of the inventories at the end of the period is lower than the value of the inventories at the beginning of the period, when quantities stored are constant. Moreover, the inventory loss is larger when the price changes are more extreme. Therefore, considering the oil price trends, the devaluation of the oil inventories on 31st December 2015 has been equal to approx. EUR 30 million, while the devaluation on 31st December 2014 was equal to approx. EUR 170 million. In fact, for sake of reference, Brent Dated lost approx. 12 $/bl in Q4/15 (moving from 47.3 $/bl on Sept. 30th 2015, down to 35.7 $/bl on Dec. 31st 2015), while it lost approx. 40 $/bl in Q4/14 (when it went from 94.8 $/bl on Sept. 30th 2014, down to 55.0 $/bl on Dec. 31st 2014).

Group *reported* Net Result stood at EUR -53.0 million, up from EUR -135.1 million in Q4/14, mainly for the stronger result achieved by the Refining segment, as discussed at EBITDA level. Moreover, as explained in the comments to the full year, Q4/14 results include a reversal of the write-off of the CIP6/92 contract (worth EUR +180 million pre-tax), and a write-off of the "Steam Reformer" unit (approx. EUR -23 million pre-tax). Finally, net interest charges in Q4/15 stood at EUR 7.6 million, improved versus the net charges of EUR 12.7 million in Q4/14.

Group *comparable* EBITDA amounted to EUR 130.0 million in Q4/15, up from EUR 106.1 million in Q4/14, mainly thanks to the results of the Refining segment, which more than off-set the lower results from the Power Generation segment. Moreover, the **Group *adjusted* Net Income in Q4/15 stood at EUR 29.5 million**, up from the Group *adjusted* Net Income of EUR 24.7 million in Q4/14.

Finally, **CAPEX in Q4/15 was EUR 21.4 million**, of which EUR 18.3 million were used for the Refining segment, in line with the programme for the quarter.

Calculation of Group *comparable* EBITDA and *adjusted* Net Result

"*Reported*" figures differ from "*comparable*" and "*adjusted*" figures primarily because of the different methodologies used to evaluate the oil inventories. More specifically, the *reported* (IFRS) figures evaluate oil inventories according to the FIFO methodology, while the *comparable* figures are based on the LIFO methodology. Moreover, the *comparable* and *adjusted* figures do not take into account the "*fair value*" of the open positions of the derivative instruments, and the non-recurring items. The relevance of the various items in Q4/15 and FY 2015 results is shown in the following tables.

Group *comparable* EBITDA

EUR Million	Q4/15	Q4/14	FY 2015	FY 2014
***Reported* EBITDA**	**(5.9)**	**(233.1)**	**556.0**	**(237.0)**
Inventories at LIFO - inventories at FIFO	98.0	357.9	108.4	404.7
Non-recurring items	12.5	(50.7)	12.5	(50.7)
Realized result of derivatives and net FOREX	25.4	32.0	64.1	22.0
***Comparable* EBITDA**	**130.0**	**106.1**	**741.0**	**139.0**

In FY 2014 the "non-recurring items" mainly include the positive contribution coming from the acquisition of the Versalis' business branch in Sarroch, recorded in Q4/14.
In FY 2015 instead, the "non-recurring items" refer to charges for legal and tax litigations, recorded in Q4/15.

Group *adjusted* Net Result

EUR Million	Q4/15	Q4/14	FY 2015	FY 2014
***Reported* NET RESULT**	**(53.0)**	**(135.1)**	**223.7**	**(261.8)**
(Inventories at LIFO - Inventories at FIFO) net of taxes	68.4	263.4	75.8	293.8
Non-recurring items net of taxes	12.5	(86.9)	29.7	(85.7)
Fair value of derivatives' open positions net of taxes	1.7	(16.7)	(2.8)	(29.9)
***Adjusted* NET RESULT**	**29.5**	**24.7**	**326.3**	**(83.6)**

In FY 2014 “non-recurring items net of taxes” include primarily the positive contributions due to the reversal of the write-off of the CIP6/92 contract (EUR +124.3 million) and to the acquisition of the Versalis’ business branch in Sarroch (EUR +35.5 million), and the negative contributions due to the write-off of the “Steam Reformer” unit (EUR -16.5 million) and to the write-off of deferred tax assets (EUR -51.4 million). All of the above items took place in Q4/14.
In FY 2015 “non-recurring items net of taxes” mainly include the aforementioned charges for legal and tax litigations (EUR -8.7 million), as well as the write-off of some intangible assets (EUR -17.8 million) and the write-off of a tax asset (EUR -3.2 million).

Net Financial Position

The Net Financial Position on 31st December 2015 was cash positive and it stood at EUR 162 million, improved versus the cash positive position at the beginning of the year (EUR +108 million). More in details, the strong cash generation from operations and the self-financing from the provisions for depreciation more than offset the changes in Working Capital, the payment of taxes, interests and CAPEX made during the year 2015.

Finally, it should be noted that some payments for crude oil are still outstanding, due to the oil embargo declared by the European Union against Iran, which started on July 2012.

Oil Market and Refining Margins

Here below there is a short analysis of the trends followed by crude oil quotations, by the *crack spreads* of the main refined oil products, and also by the reference refining margin (EMC Benchmark) in the European market, which is the most relevant geographical context in which the Refining segment of the Saras Group conducts its operations.

Average Values[(1)]	Q1/15	Q2/15	Q3/15	Q4/15	FY2015
Crude Oil prices and differential ($/bl)					
Brent Dated (FOB Med)	53.9	61.9	50.5	43.8	52.4
Urals (CIF Med)	53.3	62.2	49.9	42.6	51.9
"Heavy-Light" price differential	-0.6	+0.4	-0.6	-1.2	-0.5
***Crack spreads* for refined oil products ($/bl)**					
ULSD *crack spread*	15.5	15.0	14.1	10.7	13.8
Gasoline 10ppm *crack spread*	11.3	17.3	17.0	11.8	14.3
Reference Margin ($/bl)					
EMC Benchmark	+4.0	+4.1	+4.8	+3.1	+4.0

(1) Sources: "Platts" for prices and crack spreads, and "EMC – Energy Market Consultants" for the reference refining margin EMC Benchmark

Crude oil prices:

In Q1/15 crude oil quotations swung between 45 and 60 $/bl and the average price of Brent Dated for the period stood at 53.9 $/bl. With crude supply largely exceeding consumption, in January, Brent Dated continued its descending trajectory started in the fourth quarter of 2014, and it reached the lowest value of the period at 45.2 $/bl, on January 13th. However, at the beginning of February, quotations climbed back above 50 $/bl and crude oil posted a progressive recovery up to the maximum quarterly value of 62.0 $/bl on February 27th. Such reversal is primarily attributed to the reduction in Iraqi oil exports, both for production problems (Kirkuk) and for bad weather conditions (Bashra), and to the almost complete shut-down of Libyan oil production, due to the armed conflicts in various areas of the country. Additional bullish factors came from the data reporting a slow-down in the number of new exploration rigs drilled in the USA, for the research and development of "*tight oil*" fields. Finally, in March, spring maintenance activities started in many European and American refineries, leading to a subsequent reduction in crude oil demand. Brent Dated slipped down once again, and it closed the first quarter at 54 $/bl.

Q2/15 saw Brent Dated moving initially upwards, during the month of April and the first half of May, reaching its highest quotation at 66.7 $/bl on May 13th. This 20% spike derived from a reduction in the production of tight oil in the United States, and also from the beginning of the Saudi military operations against Yemen, which created fears of potential disruptions of maritime flows in the Aden Gulf and in the Bab al-Mandeb strait, which is a choke-point for exports of a large portion of the crude oil produced in region. Interestingly, the upwards trend of prices in those weeks was not even interrupted by the record-high production of Saudi Arabian's crude oil. However, towards the end of May, oil quotations reversed their trend under the destabilising pressure coming from the Greek crisis, and the disappointing macroeconomic data in China, accompanied by huge turmoil in the local financial markets. Given the above, Brent Dated closed the second quarter at 61.1 $/bl, with the average of the period at 61.9 $/bl.

Brent Dated quotations continued to descend also during Q3/15, mainly because of continued oversupply in the crude oil market, along with signals of further deterioration in Chinese macroeconomic conditions. Under these circumstances, on the 24th of August, Brent Dated reached its lowest quotation since 2009, at 41.9 $/bl. Later, towards the end of the quarter, crude oil prices posted a slight recovery, due to news of diminishing tight oil production in the USA. The period closed at 47.2 $/bl, with a quarterly average equal to 50.5 $/bl, down by more than 10 $/bl versus the average of the previous quarter.

Finally, in Q4/15, Brent quotations remained range-bound between 45 ÷ 52 $/bl for the entire month of October. In the following months, however, crude prices accelerated downwards once again, due to the combination of deteriorating global economic conditions, strong US dollar, and persisting crude over-supply. As a matter of fact, with regards to the last item, during the December 4th meeting in Wien, the OPEC countries confirmed their intention not to reinstate any production ceiling, in order to defend their market share. The reaction of the oil markets came immediately, and Brent Dated closed the year at approx. 36 $/bl, the lowest level since December 2008.

Price differential between "heavy" and "light" crude oil grades ("Urals" vs. "Brent"):

During Q1/15 the "heavy-light" crude oil price differential was very volatile, with the quarterly average settling at -0.6 $/bl. In general, the reduction in the export volumes of Libyan crude oil (light sweet grades) acted as a support to the "light crude complex" especially in the first part of the quarter. The differential reached its peak at -1.7 $/bl towards the middle of January. Subsequently, the contraction of Urals' volumes assigned for export compounded with the production problems of the Iraqi Kirkuk crude oil, and the "heavy crude complex" rebounded, actually climbing to a premium versus light crudes: the differential reached +0.7 $/bl at the end of January. Later, towards the end of February and for the entire month of March, the seasonal maintenance of many Russian refineries influenced the price of Urals, and the differential gradually widened again, closing the quarter at -0.6 $/bl.

Subsequently, the "heavy-light" differential was positive for almost the entire second quarter, touching a peak value of +1.1 $/bl on June 18th, and also a positive quarterly average, equal to +0.4 $/bl. Such unusual situation came as a consequence of the reduction in "heavy sour" crude availability in the Mediterranean basin, mainly due to some loading delays of Kirkuk crude oil, and the decision to shift high quantities of Urals crude oil towards Asian buyers.
In Q3/15 the "heavy-light" differential reopened, reaching -2.2 $/bl towards the end of July, mainly due to the renewed abundance of Urals crude oil available for export, both from the Baltic ports and from Novorossiysk. Simultaneously, OPEC production of sour crude oils also increased. Therefore, the average of the differential came at -0.6 $/bl in Q3/15.
Large availability of medium and heavy sour crude oils continues also during Q4/15. As a matter of fact, in the European market the competition between Urals and middle eastern grades became even more intense. At the same time, light crude oils (of West African and North Sea origins) found support from the robust demand for gasoline and naphtha on a global scale. The "heavy-light" differential remained wide for the entire quarter, setting the average of -1.2 $/bl in Q4/15.

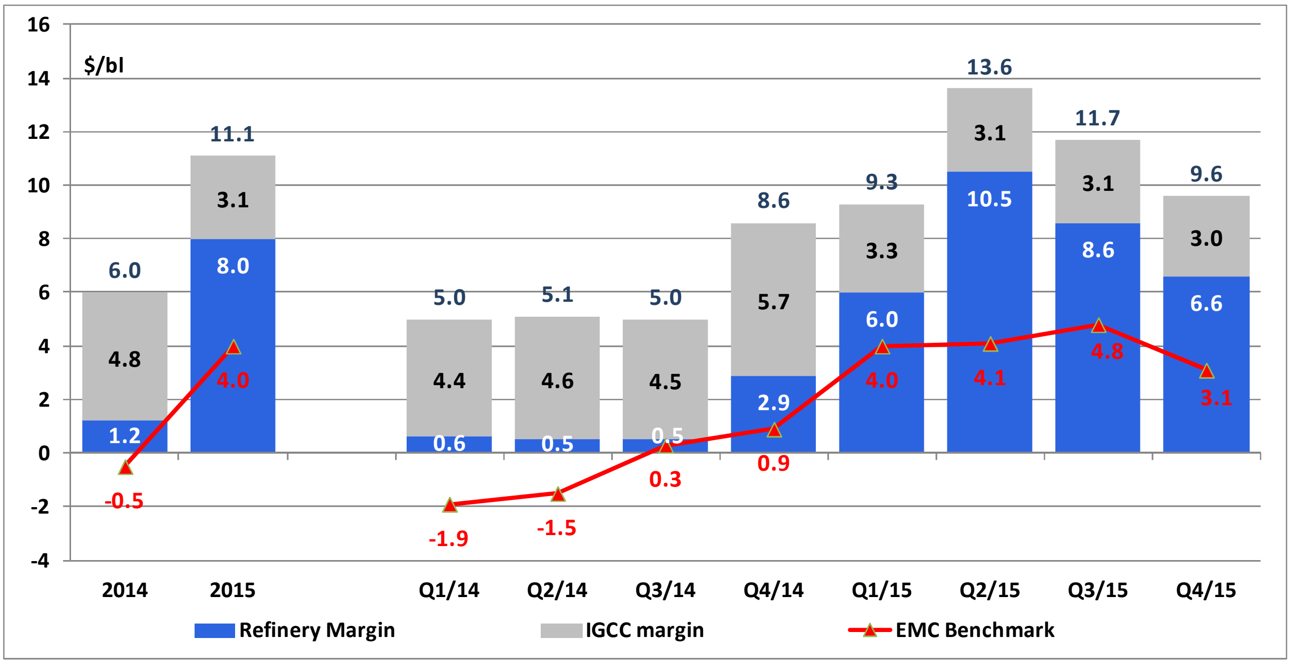
***Crack spreads* of the main products** (i.e. the difference between the value of the product and the price of the crude):
During Q1/15, the gasoline *crack spread* posted a very strong performance, with a quarterly average equal to 11.3 $/bl. Such performance can be explained with robust demand materialising in the Persian Gulf region and in Central America, at the same time with the shut-down of some refineries in the United States, due to strikes and bad weather. Towards the end of the quarter, the gasoline *crack spread* touched its highest level (+17.6 $/bl on March 25th), coincidentally with the switch to summer grades.
In Q2/15 the gasoline *crack spread* further strengthened thanks to a robust increase in US consumption, at the time of the so called "driving season". This circumstance opened the US East coast to numerous arbitrage cargoes coming from European refineries. As such, the quarterly average for the gasoline *crack spread* stood at 17.3 $/bl in Q2/15, with the highest value of 23.6 $/bl reached on June 16th.
Later, in Q3/15, there was a strong increase in demand for high-octane gasoline in the USA and, at the same time, some American refineries had to be temporarily shut down, due to operational problems and, in some instances, to strikes. This situation reopened the arbitrage towards the USA, and the gasoline *crack spread* reached record-high levels also in Europe. As a consequence, the quarterly average stood at 17.0 $/bl.
Finally, in Q4/15 gasoline continued to enjoy robust demand, especially in Asian and African markets, but also in Latin America and in the Atlantic coast of the United States. Therefore, the gasoline *crack spread* set a quarterly average at 11.8 $/bl, which is remarkably higher than the historical averages of the period. Such value is even more surprising when it is compared to the absolute value of crude oil.

Moving to the analysis of the middle distillates, in Q1/15 the crack spread of the automotive diesel remained at a good level, with a quarterly average of 15.5 $/bl, in line with the same quarter of last year, also thanks to the support received from heating gasoil consumption.
Moreover, in Q2/15, the *crack spread* of the auto motive diesel slightly weakened due to the increase in crude oil prices, and notwithstanding the first signals of improvement in consumption, driven by the economic recovery. Overall, the average of the diesel *crack spread* stood at 15.0 $/bl in Q2/15.
Afterwards, for the first part of Q3/15, diesel *crack spread* remained under pressure, especially because of ample stocks both in the USA and in Europe. Starting in August, however, the diesel *crack spread* began to improve, due to the previously discussed decline in crude oil prices, and also to the increase in transportation related to summer tourism. As such, the quarterly average of the diesel *crack spread* stood at 14.1 $/bl.
Finally, in Q4/15 a combination of unfavourable conditions weighted on diesel, and the average of its *crack spread* stood at 10.7 $/bl. Indeed, while extra-EU refineries kept exporting very high volumes of gasoil to Europe, consumption in the Euro zone remained below seasonal averages, also due to particularly mild weather which reduced the need for heating. Gasoil inventories reached close to capacity levels, especially in northern Europe, where ARA terminals also suffered from logistic bottlenecks. Indeed, low water levels in the Rhine river limited the traffic of the traditional barges that deliver gasoil to the Ruhr region, one of the largest consumption hubs for European petroleum products.

Refining Margin:
Moving to the profitability analysis of the refining industry, Saras traditionally uses a reference refining margin calculated by EMC (Energy Market Consultants) for a mid-complexity coastal refinery, located in the Mediterranean Sea, which processes a feedstock made of 50% Brent and 50% Urals crude oils.

The above mentioned margin (called "EMC Benchmark") began a progressive recovery in the second half of 2014 (+0.3 $/bl in Q3/14 and +0.9 $/bl in Q4/14), thanks to the rapid descent of crude oil prices, which dropped from more than 115 $/bl at the end of Jun'14, down to approx. 50 $/bl in early Jan'15. Subsequently, the EMC Benchmark reached very strong levels in 2015 (posting quarterly averages of +4.0 $/bl in Q1/15, +4.1 $/bl in Q2/15, +4.8 $/bl in Q3/15, and finally +3.1 $/bl in Q4/15), thanks to the gradual recovery in consumption of various refined oil products (with gasoline being the strongest product, as shown by its *crack spread* which climbed to record heights in FY 2015), and in a context of crude oil prices stably ranging between 40 – 60 $/bl.

Finally, as shown in detail in the graph here below, the Saras Group's refinery, thanks to the flexibility and complexity of its industrial units, manages to achieve a refining margin sustainably higher than the EMC Benchmark, with a premium which varies from quarter to quarter, according to the specific market conditions and the performance of the industrial and commercial operations.



Refining Margin: (*comparable* EBITDA Refining + Fixed Costs) / Refinery runs in the period
IGCC Margin: (EBITDA IGCC plant + Fixed Costs) / Refinery runs in the period
EMC Benchmark: margin calculated by EMC (Energy Market Consultants) with 50% Urals – 50% Brent crude oil slate

Segment Review

With the purpose of providing a consistent disclosure of the results for each business of the Saras Group, the financial information of the individual companies within the Group have been calculated and reported according to the same business segments adopted in all previous Financial Reports, including also the intercompany services, which ceased to exist as a consequence of some corporate reorganisations, at the same economic conditions applied in the previously existing contracts.

Refining

Sarroch refinery is strategically positioned on the South-Western coast of Sardinia, and it is one of the largest and most complex refineries in the Mediterranean area. It has a production capacity of 15 million tons per year, which corresponds to approximately 15% of Italy's total refining capacity. Below are the financial and operational highlights of this segment:

EUR Million	Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
EBITDA	(48.5)	(309.4)	84%	37.1	337.1	(496.3)	168%
***Comparable* EBITDA**	**75.7**	**11.1**	**581%**	**155.4**	**510.5**	**(140.1)**	**464%**
EBIT	(76.2)	(366.1)	79%	9.0	204.8	(640.7)	132%
***Comparable* EBIT**	**48.5**	**(22.9)**	**312%**	**127.3**	**396.6**	**(261.8)**	**251%**
CAPEX	**18.3**	**41.9**		**18.7**	**75.0**	**124.9**	

Margins and refinery runs

		Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
REFINERY RUNS	Tons (thousand)	3,460	3,144	10%	3,672	14,550	12,430	17%
	Barrels (million)	25.3	22.9	10%	26.8	106.2	90.7	17%
	Bl/day (thousand)	275	249	10%	291	291	249	17%
COMPLEMETARY FEEDSTOCK	Tons (thousand)	287	150	92%	247	1,026	548	87%
EXCHANGE RATE	EUR/USD	1.095	1.250	-12%	1.112	1.110	1.329	-16%
EMC BENCHMARK MARGIN	$/bl	3.1	0.9		4.8	4.0	(0.5)	
SARAS REFINERY MARGIN	$/bl	6.6	2.9		8.6	8.0	1.2	

Comments to preliminary Full Year 2015 results

Refinery crude oil runs in FY 2015 stood at 14.55 million tons (106.2 million barrels, corresponding to 291 thousand barrels per calendar day), up 17% versus FY 2014. In addition to those, the refinery processed also other feedstock, complementary to crude oil, such as "vacuum gasoil" and "straight run" residues, for approx. 1.03 million tons (+87% versus FY 2014). The higher runs in FY 2015 are mainly due to a lighter scheduled maintenance on the distillation units, when compared to the scheduled activities carried out last year. Moreover, the favourable market scenario allowed to push the units up to maximum capacity in FY 2015, while refinery runs were trimmed-down for economic reasons in FY 2014.

***Comparable* EBITDA was EUR 510.5 million in FY 2015**, supported by Saras refinery margin at +8.0 $/bl. Conversely, in FY 2014 *comparable* EBITDA stood at EUR -140.1 million and Saras refinery margin was equal to +1.2 $/bl. Such wide improvement derives from a combination of factors among which, firstly, the structural change of the market conditions and, in addition to that, also the capabilities of the Saras Group to achieve an excellent operational and commercial performance.

More specifically, when analysing the market conditions, it can be noticed that the drop in crude oil prices together with a pick-up in consumption of refined oil products (both themes already discussed in the section dedicated to oil markets), generated a strong rebound of the refining margins (as shown by the reference margin “EMC Benchmark”, which posted an average equal to +4.0 $/bl in FY 2015, versus the average of -0.5 $/bl in FY 2014), and also a remarkable reduction in the cost of the so called “consumption & losses”.

Still on the macroeconomic aspects, a supportive role to FY 2015 results has been played also by the strengthening of the US Dollar against the Euro (the average of the exchange rate stood at 1.110 US Dollars for 1 Euro vs. the average of 1.329 in FY 2014). The benefits of this trend are evident because, as it is well known, the Refining segment pays its fixed and variable costs in Euro, while it earns a gross margin in US dollars.

From an operational point of view, in FY 2015 the production planning (which consists in the optimization of the crude mix to be refined, the management of semi-finished products, and the production of finished products, including specialty products) achieved an increase in EBITDA worth approx. EUR 50 million, versus last year. Moreover, the production execution (which takes into account the penalisation due to maintenance, both scheduled and un-scheduled, and the higher consumption versus technical targets for some utilities like, for instance, fuel oil, steam, electricity, and fuel gas) gave an EBITDA advantage versus last year, worth approx. EUR 22 million.

Looking at the commercial aspects, in FY 2015 the Group was able to fully capture numerous market opportunities concerning procurement of crude oil and other kinds of feedstock, sale of finished products, chartering and inventory management (including also compulsory stocks). As such, the commercial performance gave a contribution to Refining EBITDA worth approx. EUR 42 million more than in FY 2014.

Finally, FY 2015 results include also a positive contribution from the petrochemical plants acquired from Versalis which, however, cannot be compared with FY 2014 results, because the acquisition was finalised at the end of Dec. 2014.

Refining CAPEX in FY 2015 was EUR 75.0 million, in line with the programme of the year.

Comments to Fourth Quarter 2015 results

Refinery crude oil runs in Q4/15 stood at 3.46 million tons (25.3 million barrels, corresponding to 275 thousand barrels per calendar day), up 10% versus the same quarter of 2014. In addition, the refinery processed also other feedstock complementary to crude oil for approx. 0.29 million tons (+92% versus Q4/14). The main difference in runs is due to the maintenance activities, which had a heavier impact in Q4/14.

In Q4/15 the *comparable* EBITDA was EUR 75.7 million supported by Saras refinery margin at +6.6 $/bl, while in Q4/14 the *comparable* EBITDA stood at EUR 11.1 million and Saras refinery margin was +2.9 $/bl. This result is due to a favourable combination of factors, similarly to the comments already made for the full year results.

Firstly, the market conditions have structurally improved, as shown also by the EMC Benchmark margin, whose average stood at +3.1 $/bl in Q4/15, versus the average of +0.9 $/bl in Q4/14. Such margin improvement can be mainly explained by the drop in crude oil prices (with the consequent reduction of the cost of “consumption & losses), and the strong performance of the gasoline *crack spread*.

Moreover, still on the macroeconomic side, the Q4/15 results enjoyed also a stronger USD versus the Euro. Indeed, the average of the exchange rate was equal to 1.095 US Dollars for 1 Euro, versus the average of 1.250 in Q4/14.

From an operational point of view, in Q4/15 the production planning achieved an increase in EBITDA worth approx. EUR 4 million versus Q4/14, and also the production execution gave an EBITDA advantage worth approx. EUR 4 million, versus Q4/14.

Looking at the commercial performance, similarly to the comments already made for the full year, also in Q4/15 the results have been stronger than in the same period of last year, both on the purchase of raw materials, on the sale of finished products, and also on the management of the inventories. The contribution to EBITDA coming from the above mentioned commercial activities has been EUR 14 million stronger than in Q4/14.

Finally, also the contribution from the petrochemical plants acquired from Versalis was robust in Q4/15. The comparison with Q4/14 cannot be made because the Versalis’ acquisition was finalised at the end of December 2014, as already discussed before.

Refining CAPEX in Q4/15 was EUR 18.3 million.

Crude Oil slate and Production

The crude mix processed by the Sarroch refinery in FY 2015 had an average density of 33.7°API, significantly lighter than the mix processed in FY 2014. When looking in detail at the various crude grades used in the feedstock, it can be noted a strong increase in the percentage of light crude oils with sulphur content ranging from low to extremely low (so called "*light sweet*" and "*light extra sweet*"), with a corresponding decrease in the percentage of the crude oils with average density, especially those with high sulphur content (so called *"medium sour"*). These changes in the feedstock mix are mainly due to economic and commercial choices, made in order to exploit the strength of the gasoline *crack spread*, as well as the new opportunities to extract higher value from naphtha in the units acquired from Versalis.

		Q4/15	FY 2015	FY 2014
Light extra sweet		40%	40%	34%
Light sweet		8%	13%	8%
Medium sweet/extra sweet		0%	1%	3%
Medium sour		30%	17%	22%
Heavy sour/sweet		22%	29%	33%
Average crude gravity	°API	34.5	33.7	32.0

Moving on to the product slate, it can be observed that in FY 2015 the absolute quantities produced have been significantly higher than in the previous year, thanks to refinery runs close to maximum capacity. With regards to the yields, it can be noted that LPG (2.0%), light distillates (26.1%), and middle distillates (51.3%) reached excellent levels. This came as a consequence of various factors: firstly, the optimal performance of the refinery; secondly, the decision to process also some other feedstock (such as "vacuum gasoil" and "straight run" residues); and lastly, the lightening of the crude slate, which also allowed to reduce the yield of fuel oil. Overall, the cumulative yield of high value added products stood at 79.4% in FY 2015, which represents an outstanding performance within the European competitive context.

		Q4/15	FY 2015	FY 2014
LPG	Tons (thousand)	65	307	184
	yield (%)	1.7%	2.0%	1.4%
NAPHTHA + GASOLINE	Tons (thousand)	1,023	4,072	3,325
	yield (%)	27.3%	26.1%	25.6%
MIDDLE DISTILLATES	Tons (thousand)	1,790	7,986	6,719
	yield (%)	47.8%	51.3%	51.8%
FUEL OIL & OTHERS	Tons (thousand)	356	1,055	899
	yield (%)	9.5%	6.8%	6.9%
TAR	Tons (thousand)	274	1,158	1,149
	yield (%)	7.3%	7.4%	8.9%

Note: Balance to 100% of the production is "Consumption & Losses".

Marketing

The Saras Group is active in the Marketing segment in Italy and Spain, directly and through its subsidiaries, primarily in the wholesale channel. Below are the financial and operational highlights of the segment.

EUR Million	Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
EBITDA	(6.7)	(16.5)	59%	(3.2)	(5.1)	(4.9)	-5%
***Comparable* EBITDA**	**0.0**	**2.2**	**-100%**	**6.1**	**1.6**	**14.9**	**-89%**
EBIT	(8.2)	(21.5)	62%	(4.7)	(16.3)	(14.7)	-11%
***Comparable* EBIT**	**(1.5)**	**(0.2)**	**-650%**	**4.6**	**(4.7)**	**6.4**	**-173%**
CAPEX	**0.2**	**0.9**		**0.4**	**1.2**	**3.0**	

Sales

		Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
TOTAL SALES	Tons (thousand)	977	949	3%	1,013	3,961	3,683	8%
of which: in Italy	Tons (thousand)	633	646	-2%	680	2,573	2,449	5%
of which: in Spain	Tons (thousand)	344	303	13%	333	1,388	1,234	12%

Comments to preliminary Full Year 2015 results

According to data collected by UP (Unione Petrolifera), during FY 2015 oil products' consumption increased by 3.6% in the Italian market, which represents the main output channel for the wholesale Marketing activities of the Saras Group. In Spain, instead, data compiled by CORES show that demand for oil products was slightly below last year (-0.3%).

In particular, the increase in Italian demand for oil products in FY 2015 derived also from the effect of 2 more working days versus last year, and it was driven by healthy consumption of total gasoil (+2.0%, equal to +515ktons), which more than offset the reduction in gasoline demand (-1.2%, equal to -98ktons). Nonetheless wholesale margins dropped, mainly due to the intensified competitive pressure from inland refineries, which were all running at maximum capacity, in order to take advantage of the favourable refining margins. In addition, further negative pressure on wholesale margins came from the increase in the minimum mandatory level of blending with biofuels (which became 5% as of January 1st 2015, up from the previous level of 4.5%). In such a context, the Saras Group still increased its sales (with volumes up by 5% vs. FY 2014), while its gross commercial margin decreased.

Moving to the analysis of the Spanish market, the drop in consumption of gasoline (-1.7%) and fuel oils (-6.3%), was almost entirely compensated by the increase in demand for total gasoil (+2.6%). The Spanish subsidiary Saras Energia increased sales by 12%, and it partially managed to limit the contraction of the commercial margin, mainly thanks to its ongoing policies of sale channels optimisation.

According to the trends in sales and margins discussed in the previous paragraphs, the ***comparable* EBITDA of the Marketing segment stood at EUR 1.6 million in FY 2015,** down versus EUR 14.9 million in FY 2014.

Comments to Fourth Quarter 2015 results

During Q4/15, consumption of oil products in Italy grew remarkably (+5.2%) thanks to the significant reduction of oil products' retail prices and the effect of 1 more working day versus same period last year. Conversely, Spanish demand went down by 1.9%, mainly due to a sharp drop in confidence, of both businesses and privates, towards the Spanish economic outlook.

In Italy, the Saras Group slightly decreased its sales (-2% versus Q4/14), and it also endured the unavoidable squeeze of its gross margin, amid severe competition and increased blending costs with biofuels. Similarly, the Spanish subsidiary Saras Energia suffered a reduction of profitability, due to the intensified competitive pressure, but it managed to increase its volumes sold (+13%).

***Comparable* EBITDA of the Marketing segment in Q4/15 stood at EUR 0.0 million**, versus EUR 2.2 million in Q4/14.

Power Generation

Below are the main financial and operational data of the Power Generation segment, which uses an IGCC power plant (Integrated Gasification and Combined Cycle power generation) with an installed capacity of 575MW, fully integrated with the Group's refinery and located within the same industrial complex in Sarroch (Sardinia).

EUR Milion	Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
EBITDA	41.8	86.1	-51%	51.5	203.0	240.4	-16%
***Comparable* EBITDA**	**46.8**	**86.1**	**-46%**	**51.5**	**207.9**	**240.4**	**-14%**
EBIT	17.4	249.7	-93%	27.2	106.1	354.7	-70%
***Comparable* EBIT**	**22.4**	**69.7**	**-68%**	**27.2**	**111.1**	**174.7**	**-36%**
EBITDA ITALIAN GAAP	**36.7**	**48.3**	**-24%**	**42.7**	**168.2**	**147.9**	**14%**
EBIT ITALIAN GAAP	**20.7**	**32.7**	**-37%**	**26.9**	**105.0**	**85.9**	**22%**
CAPEX	**2.6**	**1.9**		**1.4**	**9.1**	**6.8**	

Other figures

		Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
ELECTRICITY PRODUCTION	MWh/1000	1,042	1,068	-2%	1,150	4,450	4,353	2%
POWER TARIFF	**Eurocent/KWh**	**9.6**	**10.1**	**-5%**	**9.6**	**9.6**	**10.1**	**-5%**
POWER IGCC MARGIN	$/bl	3.0	5.7	-47%	3.1	3.1	4.8	-35%

Comments to preliminary Full Year 2015 results

The Power Generation segment achieved a very strong operational performance in FY 2015, as shown by the high production of electricity, which was equal to 4.45 TWh, up 2% versus the already high level of production achieved in 2014. The maintenance programmes carried out in the two years under comparison have been similar and, although with different timings, they involved in each year two of the three trains of "Gasifier – combined cycle Turbine" and one of the two "H_2S Absorbers".

In FY 2015 *comparable* EBITDA was EUR 207.9 million, down 14% versus FY 2014. The difference is mainly due to the equalization procedure, updated in the fourth quarter of each year, according to the most recent scenarios for future prices of crude oil and gas, which are used for the calculation of the CIP6/92 power tariff. Moreover, 2014 results could benefit also from sales of hydrogen and steam higher by approx. EUR 20.5 million versus the sales in FY 2015. With regards to IFRS EBITDA, it contains a non-recurring charge worth approx. EUR 5 million, recorded in Q4/15 and related to a litigation referred to previous years.

Moving to the **Italian GAAP EBITDA, it stood at EUR 168.2 million in FY 2015,** up by 14% versus EUR 147.9 million in FY 2014, primarily because of the steep decline (-30%) in the purchase cost of the TAR feedstock, and secondly, thanks to the higher production and sale of electricity (+2%) versus FY 2014. The combination of these two factors more than off-set the lower value of the CIP6/92 tariff (-5%), as well as the lower sales of hydrogen and steam, mentioned above.

Finally, CAPEX in FY 2015 was EUR 9.1 million, coherently with the ordinary maintenance activities carried out during the year 2015.

Comments to Fourth Quarter 2015 results

In Q4/15 the production of electricity stood at 1.042 TWh, broadly in line with the production in Q4/14, and coherent with the conclusion of the scheduled maintenance activities on one of the trains of "Gasifier – combined cycle Turbine" (which started at the end of Q3/15).

***Comparable* EBITDA stood at EUR 46.8 million in Q4/15**, sharply down from EUR 86.1 million in Q4/14. As already discussed in the comments to the full year, such difference is mainly due to the equalization procedure, which is updated in the fourth quarter of each year in order to take into account, in the calculation of the CIP6/92 power tariff, the most recent scenarios for future prices of crude oil and gas. Moreover, in Q4/15 the sales of hydrogen and steam decreased by approx. EUR 5.2 million versus Q4/14.

Finally, the **Italian GAAP EBITDA was equal to EUR 36.7 million in Q4/15,** down by 24% versus EUR 48.3 million in Q4/14. The difference is primarily due to the reduced value of the CIP6/92 tariff (-5%), the sales of hydrogen and steam down by EUR 5.2 million, and the lower production and sale of electricity (-2%), which were only partially compensated by the lower procurement cost of the TAR feedstock.

Wind

Saras Group is active in the production and sale of electricity from renewable sources, through its subsidiary Sardeolica Srl, which operates a wind park located in Ulassai (Sardinia). Below are the financial and operational highlights of the segment.

EUR million	Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
EBITDA	4.2	4.5	-6%	1.3	17.2	20.5	-16%
***Comparable* EBITDA**	**4.2**	**4.5**	**-6%**	**1.3**	**17.2**	**20.5**	**-16%**
EBIT	3.1	3.3	-6%	0.1	12.7	13.4	-5%
***Comparable* EBIT**	**3.1**	**3.3**	**-6%**	**0.1**	**12.7**	**15.9**	**-20%**
CAPEX	**0.2**	**0.3**		**0.1**	**0.3**	**0.6**	

Other figures

		Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
ELECTRICITY PRODUCTION	MWh	32,285	38,929	-17%	20,049	155,101	171,657	-10%
POWER TARIFF	EURcent/KWh	4.8	5.7	-14%	5.1	4.8	4.8	-1%
GREEN CERTIFICATES	EURcent/KWh	10.9	9.0	20%	7.7	10.0	9.7	3%

Comments to preliminary Full Year 2015 results

In FY 2015 the *comparable* EBITDA of the Wind segment (which is equal to the IFRS EBITDA) stood at EUR 17.2 million, down versus the result achieved in FY 2014, mainly due to less favourable wind conditions (especially during the second semester), which led to a lower production of electricity (-10%). The value of the power tariff remained broadly unchanged in the two years under comparison (on average equal to 4.8 EURcent/kWh), while the value of the Green Certificates slightly increased (+0.3 EURcent/kWh versus FY 2014).

Comments to Fourth Quarter 2015 results

***Comparable* EBITDA of the Wind segment (equal to the IFRS EBITDA) stood at EUR 4.2 million in Q4/15**, almost in line with EUR 4.5 million achieved in Q4/14. Indeed, the lower production of electricity (-17%) and the lower value of the power tariff (-0.9 EURcent/kWh versus Q4/14), were almost entirely compensated by the increase in revenues from the sale of the Green Certificates, whose value increased by +1.9 EURcent/kWh versus the same period of last year.

Other Activities

The following table shows the financial highlights of the subsidiaries Sartec SpA, Reasar SA, and others.

EUR Million	Q4/15	Q4/14	Change %	Q3/15	FY 2015	FY 2014	Change %
EBITDA	3.2	2.2	47%	0.5	3.8	3.3	14%
***Comparable* EBITDA**	**3.2**	**2.2**	**47%**	**0.5**	**3.8**	**3.3**	**14%**
EBIT	3.1	2.0	55%	0.3	3.3	2.9	14%
***Comparable* EBIT**	**3.1**	**2.0**	**55%**	**0.3**	**3.3**	**2.9**	**14%**
CAPEX	**0.2**	**(0.0)**		**0.1**	**0.6**	**0.9**	

SARAS

Strategy and Outlook

The year 2016 started in a positive manner for the European refining industry, with refining margins even stronger than last year. For sake of reference, at the time of writing the present Report, the EMC Benchmark is standing at an average of +4.1 $/bl for Q1-to-date, versus the average of +4.0 $/bl in FY 2015. This trend is mainly due to the crude oil supply which continues to largely exceed demand, thus creating favourable conditions for complex and versatile refineries, such as the one owned and operated by the Saras Group, that is capable of processing even the unconventional kind of feedstock (such as medium and heavy crudes, with high sulphur content), whose discounts vs. Brent remain very attractive. To the point, it seems highly likely that the availability of such crude oils will further increase, with positive effects on the refining margins. Indeed, in January 2016, the crude oil embargo against Iran has been lifted, and Teheran has already started to increase the production and export of its crude oils.

Looking at consumption of refined products, in its February 2016 Report, the International Energy Agency (IEA) updated its estimates for global demand growth which, after hitting the 5-year high in FY 2015 (+1.6 million barrels/day versus FY 2014) it's expected to continue growing also in 2016. More precisely, the IEA forecasts global demand growing by an average of approx. +1.2 mbl/d in 2016, mainly thanks to the constant increase in gasoline consumption.

In order to extract maximum value from the current market scenario, Saras continues to implement, with satisfactory results, a project of supply chain integration (called project "SCORE"). This project focuses on the tight coordination between refinery operations and commercial activities. In such scope it perfectly fits the new trading company, which started its operations in Geneva at the beginning of January 2016. Indeed, its positioning in one of the main international trading floors for oil commodities, shall enhance the capture of new commercial opportunities, both for the purchase of crude oil and for the sale of refined products.

From an operational stand-point, in 2016 scheduled maintenance activities in the Sarroch refinery will be articulated as follows: in Q1/16 maintenance will involve the Alkylation Unit, the distillation Units T1 and T2/V2, and the MildHydroCracking 2 Unit; in Q2/16 maintenance will involve the distillation Unit RT2, and the VisBreaking Unit; finally, in Q4/16 there will be a turnaround in the Northern Plants, and a change of catalyst in the MildHydroCracking 1 Unit. Overall, refinery runs for the full year 2016 are expected to reach approx. 14.7 ÷ 14.9 million tons (107 ÷ 109 million barrels), with further runs for approx. 1 million tons of other feedstock complementary to crude oil (i.e. semi-finished products such as "vacuum gasoil" and "straight run" residues). With regards to the expected EBITDA reduction due to maintenance activities, the current estimate is approx. 60 ÷ 75 million USD.

Moving to the Power Generation segment, in 2016 the scheduled maintenance will initially involve standard activities on one of the three trains of "Gasifier – combined cycle Turbine" together with one of the two "H_2S Absorber" units. Afterwards, the standard maintenance will be carried out on another one of the three trains of "Gasifier – combined cycle Turbine". Both activities will be carried out in Q1/16. Total production of electricity for the year 2016 is expected as usual between 4.10 ÷ 4.50 TWh.

Investments by business Segment

EUR Million	Q4/15	FY 2015	FY 2014
REFINING	18.3	75.0	124.9
POWER GENERATION	2.6	9.1	6.8
MARKETING	0.2	1.2	3.0
WIND	0.2	0.3	0.6
OTHER	0.2	0.6	0.9
Total	**21.4**	**86.2**	**136.3**

Main events after the end of the FY 2015

On the **24th February 2016**, Mr. Igor Ivanovich Sechin resigned from the Board of Directors of Saras SpA. Mr. Sechin was not an independent nor an executive director and, to the best knowledge of Saras, he did not hold any shareholding in Saras SpA at the date of his resignation.

On the **29th February 2016**, the Board of Directors of Saras SpA appointed Mr. Andrey Nikolayevich Shishkin as new member of the Saras' Board, in order to replace Mr. Sechin. Mr. Andrey Shishkin was Deputy Minister of Energy of the Russian Federation until 2012, and currently holds the position of Rosneft Vice-President for "Energy and Localization".