



Leading independent refinery operator SARAS announces results for the third quarter 2006

Highlights for the period include:

- *Higher Q3/06 Group proforma¹ adjusted net income² of **69.2 M€**, up on Q3/05 (**60.8 M€**) and Q2/06 (**40.3 M€**)*
- *Q3/06 proforma comparable EBIT³ of the Group at **120.0 M€** vs **159.4 M€** in Q3/05 and **85.2 M€** in Q2/06*
- *Saras refining&power margin **10.1 \$/bl** with the following split:*
 - *Refinery margin **6.5 \$/bl** (3.7 \$/bl above EMC benchmark)*
 - *Power (IGCC) margin **3.6 \$/bl***
- *Achieved target of 200,000 ton/year of additional Ultra Low Sulphur Diesel production adding approx. 0.6 \$/bl to refining margin*
- *Strong performance of Power and Marketing segment*
- *Results reflect the impact of unscheduled shutdown of Reformer unit on Q3: -0.6 \$/bl (-13 M€), technical issues now resolved*

The board of Directors of Saras S.p.A. met yesterday under Chairman GianMarco Moratti and approved the third quarter 2006 results. The Chairman declared: “We believe the summer dip of refining margins to be short-lived, at least for operators of complex refineries like Saras. In spite of challenging market, we have been able to deliver an excellent performance in Q3 with a refining&power margin above 10 \$ per barrel due to the implementation of our strategy geared towards the increased production of high value products such as Ultra Low Sulphur Diesel”

Proforma Saras Group income statement figures:

€ million	Q3/06	Q3/05	Δ%	Q2/06	Q1/06	1-9 /06	1-9/05	Δ%
REVENUES	1,999	1,473	+36	1,440	1,531	4,970	3,829	+29
EBITDA	84.5	298.1		201.2	138.1	423.8	681.6	
comparable EBITDA⁴	160.5	201.2	-20	124.5	143.6	428.6	496.4	-14
EBIT	44.2	256.3		161.7	98.9	304.8	555.3	
comparable EBIT	120.0	159.4	-25	85.2	104.4	309.6	370.1	-16
NET INCOME	33.8	145.1		75.5	62.8	172.1	258.4	
adjusted NET INCOME	69.2	60.8	+13	40.3	66.3	175.8	156.5	+12

Saras Group income statement figures:

Comparisons quarter on quarter not relevant due to the change in consolidation area in Q3/06

€ million	Q3/06	Q3/05	Δ%	Q2/06	Q1/06	1-9 /06	1-9/05	Δ%
Revenues	1,999	1,397	+43	1,380	1440	4,820	3,598	+34
EBITDA	84.7	246.2	-66	148.9	75.0	308.5	521.0	-41
EBIT	44.2	226.2	-81	131.5	57.9	233.5	463.1	-50
NET INCOME	33.8	139.9	-76	269.8	56.1	359.7	245.7	+46

¹ **Proforma:** considering Sarlux Srl fully consolidated with the line-by-line method as of 1st January 2005

² **Adjusted Net income:** Net income adjusted by (inventories at LIFO-inventories at FIFO) after taxes, non recurring items after taxes and variation in the derivatives fair value after taxes

³ **Comparable EBIT:** equal to comparable EBITDA⁴ minus depreciation& amortization

⁴ **Comparable EBITDA:** calculated evaluating inventories at LIFO



Group Proforma balance-sheet and cashflow figures

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Net Financial Position	-187	-724	-304	-655	-187	-724
Of which Sarlux Project Finance	-421	-507	-421	-465	-421	-507
CAPEX	47	14	46	27	120	48
Operating Cashflow⁵	164	-48	54	116	335	205

Group balance-sheet and cashflow figures:

Comparisons quarter on quarter not relevant due to the change in consolidation area in Q2/06

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Net Financial Position	-187	-307	-304	-277	-187	-307
CAPEX	47	11	44	24	114	39
Operating Cashflow ⁵	164	-77	-29	100	253	-32

Comments to the Proforma Group results

Saras Group achieved a positive overall performance in Q3/06, with a substantial increase on Q2/06 due in particular to the Refining segment with the Sarroch refinery at full production after the significant maintenance of last quarter. Good results also were also seen from the Power Generation and Marketing segment.

Despite an unfavourable, but we believe temporary, downward trend in refining margins Saras **Refining&Power margin** continue to be **above 10 \$/bl** confirming the track record of superior margins of the Saras site.

Revenues increased by 36% vs Q3/05 and by 39% Q2/06 due to the increase in oil product prices.

Proforma Comparable EBIT registered an increase of 41% vs Q2/06 (during which refinery underwent major maintenance) and a decrease of 25% vs the same quarter of 2005 when refining margins reached historical high levels due to the effects of hurricanes in the US Gulf region.

Despite decline of EBIT the **Proforma adjusted net income** of 69.2 M€ is above to the 60.8 M€ of the same period of 2005 thanks to reduced net financial expenses that in 2005 were affected by losses on oil derivatives. The first 9 months of the year registered an increase of 19.3 M€ vs same period last year.

CAPEX includes the investment of 28 M€ for the acquisition of the service stations from Caprabo. Investments in the refining segment back to normal level after the increase in Q2 due to the major maintenance in the refinery.

Net Financial Position at the end of the quarter decreased to -187 M€ (+17 M€ vs previous quarter) in the light of the strong **operating cashflow** of the period (164 M€) to which contributed a consistent reduction in working capital (71 M€) caused by the fall of oil prices in the latter part of the quarter.

⁵ Includes working capital changes



Refining

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	31.0	223.1	137.8	68.3	237.1	472.9
Comparable EBITDA	98.5	147.2	66.8	77.7	243.0	320.7
EBIT	13.8	202.4	120.0	53.2	187.0	420.2
Comparable EBIT	81.3	126.5	49.0	62.6	192.9	268.0

<i>Operational figures</i>	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Refinery runs (Mt)	3,764	3,684	2,918	3,709	10,391	10,658
EMC benchmark refining margin(\$/bl)	2.8	5.6	4.7	1.9	3.1	4.9
Saras refinery margin (\$/bl)	6.5	8.6	7.7	5.6	6.5	7.2

Saras refinery margin reached **6.5 \$/bl** despite the unexpected shutdown of the reformer unit which impacted on the margin by 0.6 \$/bl (13 M€ on EBITDA).

Overall performance of the refinery has been good and the announced **target of 200 kt/year of incremental Ultra Low Sulphur Diesel (ULSD) production has been achieved.**

In Q3/06, despite reformer shutdown, ULSD production increased by 104,000 ton vs same quarter last year. ULSD yield in Q3 has been equal to 50.8% to be compared with 49.2% both in Q3/05 and in the full 2005. An increase of 1.6% is equal to 230,000 ton per year (using runs of 14.4 million tons per year as per 2005) well above our declared target of 200,000 ton per year. Average API of the crude slate (32.9) has been roughly the same of Q3/05 and full year 2005 confirming that additional production of ULSD is attributable to increased conversion capacity.

The effectiveness of our strategy is also confirmed by the fact that the premium of Saras' refinery margin over the EMC benchmark is improving: premium was 2.4 \$/bl in 2005, 3.7 \$/bl in Q1/06, 3.0 \$/bl in Q2/06 and finally 3.7 \$/bl in Q3/06.

Refinery runs are higher compared to same quarter last year. Despite major maintenance in Q2/06, refinery runs in the first 9 months of this year are 267,000 ton only lower than same period last year.



Power Generation

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	52.6	51.9	52.3	63.1	168.0	160.6
EBIT	30.5	28.9	30.3	41.0	101.8	91.0

Supplementary information - Italian GAAP figures

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	88.7	77.5	86.8	79.5	255.0	216.3
EBIT	75.2	62.1	73.3	66.3	214.8	170.4
Net Income	45.2	36.2	44.0	39.3	128.5	98.8

<i>Operational figures</i>	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Electricity production (MWh/1000)	1,177	1,147	1,136	1,155	3,468	3,425
Power tariff (€ cent/KWh)	13.84	12.46	13.71	13.31	13.62	11.70
Power IGCC margin (\$/bl)	3.6	3.4	4.5	4.0	4.0	3.7

MWh: Megawatt hour ; KWh: Kilowatt hour

This shows an excellent operational performance: electricity production +2.6% vs same quarter last year and +3.6% vs previous quarter. Power tariff also increased by +11 % vs same quarter last year and +0.9% vs previous quarter.

The effect on the IFRS EBITDA is limited (+0.3 M€ vs last quarter) due to the linearization process of revenues and costs required by IFRS accounting principles. However quarter on quarter increased profitability is better shown by Italian GAAP figures where EBITDA has increased by 2.2% vs last quarter and by 14% vs same period last year.



Marketing

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	0.8	26.7	12.4	7.3	20.5	53.1
Comparable EBITDA	9.3	5.7	6.7	3.4	19.4	20.1
EBIT	0.2	27.2	12.1	7.0	19.3	51.1
Comparable EBIT	8.7	6.2	6.4	3.1	18.2	18.1

<i>Operational figures</i>	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Total sales (Kt)	775	690	771	803	2,349	2,170
<i>Of which</i>						
Italy ('000/ton)	238	241	236	263	737	736
Spain ('000/ton)	537	449	535	540	1,612	1,434

The period saw a strong performance of the Marketing segment with comparable EBIT increased by 40% versus same period last year and by 36% versus last quarter.

This increase is largely due to operations in the Spanish market, margins were also higher than last quarter.

The 37 retail stations purchased from Caprabo, that started to operate under Saras Energia as of 8th of July, contributed to EBITDA by 1.2 M€.

Results from the Italian market in line with the same quarter last year.

Other activities

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	0.1	-3.6	-1.3	-0.6	-1.8	-5.0
EBIT	-0.5	-2.2	-0.5	-2.3	-3.3	-7.0

Akhela (IT services) and Sartec (research and engineering services in the oil sector) restructuring efforts are beginning to show concrete results: first 9 months of 2006 register a loss substantially lower than same period last year.



Wind

Please note that the wind segment is a Joint Venture (Saras share 70%) consolidated by the equity method. The figures shown below are 100%

€ millions	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
EBITDA	5.4	-	4.7	7.7	17.8	-
EBIT	3.3	-	2.8	5.8	11.9	-
Net income	0.8	-	1.6	3.4	5.8	-
Adjusted Net income⁶	1.4	-	1.6	3.4	6.4	-

<i>Operational figures</i>	Q3/06	Q3/05	Q2/06	Q1/06	1-9 /06	1-9/05
Electricity production (MWh)	33,058	-	31,624	52,902	117,582	-
Power tariff^(*) (€ cent/KWh)	19.0	-	17.6	18.3	18.5	-

(*) includes green certificates

Positive results of the wind segment with an increased EBITDA vs previous quarter due to increased sales of electricity (+4.5%) and increased tariff (+18%).

The upgrade to 84 Mw of the Ulassai wind farm has been completed.

Organic growth strategy:

- Saras remains focused on continuously upgrading its refinery facility with the aim of increasing production of high value products such as ultra low sulphur diesel (ULSD), achieving stable higher runs as well as developing its capability for further increasing the percentage of non conventional crudes processed. Over the period of 2006-2009 this program involves a CAPEX of 600 M€ which upon completion should add an estimated return of 230-300 M\$ on EBITDA.
- Strategy also involves the construction of a biodiesel plant in Cartagena (Spain) as well as expansion in the wind segment.

Outlook for the rest of the year:

- In the last weeks refinery margins have started to recover after the downward trend registered during the latter part of the Summer. We believe that this confirms our view that the recent dip of refining margins will not continue in the long term.
- In terms of plant availability Q4 will be characterized by the routine shutdown of 2 gasifiers and 1 turbine of the IGCC plant. There will be no impact on IFRS EBITDA since maintenance cycles are already included in the linearization process as requested by IFRS.
- Routine cleaning of the visbreaker unit completed during the month of October. Impact on Q4 EBITDA will be less than 5 M€.
- Proforma adjusted net income for 2006 should exceed 2005

⁶ **Adjusted Net income:** Net income adjusted by (inventories at LIFO-inventories at FIFO) after taxes, non recurring items after taxes and variation in the derivatives fair value after taxes



Consolidated financial statements of the Saras Group were prepared in compliance with IFRS international accounting standards. Quarterly report as at 30th September 2006 is not subject to audit.

The program of the conference calls organized for today 14th November 2006 is:

at 09:30 C.E.T., conference call for newswire agencies. Dial in number is **+39 02 8020911**.

at 14:30 C.E.T., conference call for financial journalists. Dial in number is **+39 02 8020911**

at 16:30 C.E.T. conference call for analysts and investors. Slide presentation will be distributed and is available on our Website www.saras.it.

Dial in numbers:

For Italy	+39 02 8020911
For U.K.	+44 208 7929750
For U.S.	+1 866 2396425

Link for the live webcast <http://services.choruscall.com/links/saras061114.html>

A replay of the conference call will be available for 72 hours after the event, starting at 07:30 CET on 15th November 2006. The number to dial is +39 02 806 137 80 Passcode: 937 #. Playback of the live webcast will also be available on our website.

For further information, see our Web site www.saras.it or call our investor relations department at +39 02 7737301.

Attached: Saras Group statements, Saras Group Proforma statements, full Quarterly report.

THE SARAS GROUP

The Saras Group, whose operations were launched by Angelo Moratti in 1962, works in the energy industry and is a leading Italian and European crude oil refiner. It sells and distributes petroleum products in the domestic and international markets. The Group also operates in electric power production and sale through the Sarlux and Parchi Eolici Ulassai joint-ventures.

The Group, with around 1,750 employees, had revenues totalling about € 5.2 billion, in 2005, with gross operating margin of € 570 million and net profit of € 293 million.⁷

Saras' operations are mainly centred at the Sarroch refinery near Cagliari on the southern coast of Sardinia. Sarroch is the largest refinery in the Mediterranean by production capacity,⁸ one of Western Europe's six *supersites*⁹. The refinery's actual capacity¹⁰ is approximately 15 million tonnes per year, representing about 15% of Italy's total capacity. Sarlux owns an IGCC power plant with gross capacity of 575 megawatts and annual production exceeding 4 billion kWhours, all of which is sold to the GSE (the Italian entity that manages renewable sources), thereby providing an important contribution to satisfying electric power requirements in Sardinia.

⁷ Source: 2005 IFRS consolidated financial statements of the Saras Group.

⁸ Source: *Oil & Gas Journal*, December 2005.

⁹ The word "supersite" refers to a strategic site of large size, competitive on a major scale and integrated with petrochemical processing (Source: Wood Mackenzie)

¹⁰ Actual capacity: "technical-balanced" capacity, supported by secondary processing plants fit for the production of petrol and gas oils.



SARAS GROUP STATEMENTS

PROFORMA CONSOLIDATED BALANCE-SHEET

€ millions	12/2004	31/3/05	30/6/05	30/9/05	12/2005	31/3/06	30/6/06	30/9/06
CURRENT ASSETS	1,050	1,427	1,425	1,657	1,409	1,618	1,643	1,654
<i>of which</i> <i>Cash</i>	166	357	242	282	227	261	300	393
<i>Other current assets</i>	884	1,069	1,183	1,372	1,182	1,356	1,344	1,261
NON CURRENT ASSETS	1,775	1,752	1,732	1,702	1,684	1,676	1,689	1,707
TOTAL ASSETS	2,825	3,179	3,157	3,356	3,093	3,294	3,332	3,361
NON INT. BEARING LIABILITIES	1,179	1,336	1,479	1,426	1,376	1,574	1,502	1,520
INT. BEARING LIABILITIES	927	1,079	973	1,081	820	930	618	596
<i>of which Sarlux Project Finance</i>	566	566	507	507	465	465	421	421
EQUITY	719	765	705	849	897	790	1,211	1,245
TOTAL LIABILITIES	2,825	3,179	3,157	3,356	3,093	3,294	3,332	3,361
LOANS TO UNCONSOLIDATED SUBSIDIARIES	35.3	28.6	68.8	75.2	19.4	13.6	14.6	15.8
NET FINANCIAL POSITION*	-726	-693	-662	-724	-573	-655	-304	-187
NFP / EBITDA**		1.17	1.12	1.09	0.88	1.14	0.57	0.33

* Net financial position = Interest bearing liabilities – cash – loans to unconsolidated subsidiaries (wind)

** Calculated using comparable EBITDA figures



PRO FORMA CONSOLIDATED INCOME STATEMENT

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9/06	1-9/05	2005
EBITDA	84.7	298.1	201.2	138.1	423.8	681.6	783.7
Comparable EBITDA¹	160.5	201.2	124.5	143.6	428.6	496.4	653.6
Depreciation	-40.5	-41.8	-39.3	-39.2	-119.0	-126.3	-170.9
EBIT	44.0	256.3	161.9	98.9	304.8	555.3	612.8
Comparable EBIT²	120.0	159.4	85.2	104.4	309.6	370.1	482.7
Net financial income (expenses)	11.7	-23.6	-26.6	-0.8	-15.7	-120.9	-93.9
Adj to the value of fin.assets ⁴	0.5	-0.2	1.1	2.4	4.0	-0.2	-0.4
Non recurring items ⁵	0.0	0.0	-12.9	0.0	-12.9	0.0	0.0
Profit before taxes	56.4	232.5	123.5	100.5	280.1	434.2	518.5
taxes	-22.6	-87.4	-47.7	-37.7	-107.9	-175.8	-212.1
Net income	33.8	145.1	75.8	62.8	172.1	258.4	306.4
Adjusted Net income³	69.2	60.8	40.3	66.3	175.8	156.5	230.5

1. **Comparable EBITDA**: calculated evaluating inventories at LIFO
2. **Comparable EBIT** = Comparable EBITDA - depreciation & amortization
3. **Adjusted NET INCOME** = reported NET INCOME
+/- (inventories at LIFO - inventories at FIFO) net of taxes
+/- non recurring items net of taxes
+/- Δ in derivatives fair value net of taxes
4. **Adj to the value of financial assets**: Joint Ventures consolidated by the Equity method (Wind)
5. **Non recurring items**: includes certain IPO costs in Q2/06

Detail of consolidated NET INCOME adjustments

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9/06	1-9/05
REPORTED NET INCOME	33.8	145.1	75.8	62.8	172.4	258.4
(Inventories at LIFO – Inventories at FIFO) Net of Taxes	47.7	(60.8)	(48.1)	3.5	3.0	(116.2)
Non recurring items Net of Taxes	0.0	0.0	8.1	0.0	8.1	0.0
Δ in derivatives value Net of taxes	(12.3)	(23.5)	4.5	0.1	(7.7)	14.3
TOTAL ADJUSTMENTS TO REPORTED NET INCOME	35.4	(84.3)	(35.5)	3.5	3.4	(101.9)
ADJUSTED NET INCOME	69.2	60.8	40.3	66.3	175.8	156.5



PRO FORMA CONSOLIDATED CASHFLOW

€ million	Q3/06	Q3/05	Q2/06	Q1/06	1-9/06	1-9/05	2005
INITIAL NET FINANCIAL POSITION	-304	-662	-655	-573	-573	-726	-703
CASHFLOW FROM OPERATIONS (a)	164	-48	54	116	336	205	379
<i>of which p/l+dep&amort.+ change in provisions</i>	93	276	159	148	400	565	699
<i>Working capital</i>	71	-324	-104	-32	-66	-360	-320
CASHFLOW FROM INVESTMENTS (b)	-47	-14	-46	-27	-120	-63	-86
<i>Investments in tangible and intangible assets</i>	-19	-14	-46	-27	-92	-63	-86
<i>Investments in financial activities</i>	-28	0	0	0	-28	0	0
CASHFLOW FROM FINANCING (c)	0	0	342	-170	172	-140	-140
<i>Capital increase</i>	0	0	342	0	342	0	0
<i>dividends</i>	0	0	0	170	170	-140	-140
TOTAL CASHFLOW FOR THE PERIOD (a)+(b)+(c)	117	-62	351	-81	387	2	152
FINAL NET FINANCIAL POSITION	-187	-724	-304	-655	-187	-724	-573



CONSOLIDATED BALANCE-SHEET

€ thousand	30/09/2006	31/12/2005	30/06/2006
ASSETS			
Current Assets	1.651.842	1.084.525	1.640.915
Cash and cash equivalents	380.153	24.709	286.431
Other financial assets held for trading or available for sale	13.136	13.039	13.144
Trade receivables	515.496	442.788	560.674
Inventory	633.495	541.408	684.297
Current tax assets	51.990	24.227	23.678
Other assets	57.572	38.354	72.691
Non-current assets	1.707.165	546.283	1.688.948
Property, plant and equipment	1.106.107	443.055	1.104.803
Intangible assets	586.129	4.335	569.593
Equity interests consolidated by the equity method	7.270	97.175	6.725
Other equity interests	1.424	1.400	1.440
Other financial assets	6.235	318	6.387
Total assets	3.359.007	1.630.808	3.329.863
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current liabilities	964.002	749.375	974.951
Short-term financial liabilities	195.546	102.164	228.458
Trade and other payables	600.189	513.182	621.348
Current tax liabilities	111.902	75.749	67.782
Other liabilities	56.365	58.280	57.363
Non-current liabilities	1.145.307	352.665	1.139.020
Long-term financial liabilities	393.470	132.004	395.401
Provisions for risks	30.423	17.569	27.307
Provisions for employee benefits	44.862	49.685	43.841
Deferred tax liabilities	179.235	96.374	209.632
Other liabilities	497.317	57.033	462.839
Total liabilities	2.109.309	1.102.040	2.113.971
SHAREHOLDERS' EQUITY			
Share capital	54.630	51.183	54.630
Legal reserve	10.237	10.237	10.237
Other reserves	657.144	268.915	657.144
Profit/(loss) carried forward	167.946	(94.209)	167.946
Profit/(loss) for the period	359.741	292.642	325.935
Total shareholders' equity	1.249.698	528.768	1.215.892
Total liabilities and shareholders' equity	3.359.007	1.630.808	3.329.863



STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

€ thousand	Share capital	Legal reserve	Other reserves	Profit/(Loss) carried forward	Profit/(Loss) for the period	Shareholders' equity
Balance as at 1/01/2005	51.183	10.237	208.365	(92.495)	198.938	376.228
Appropriation of previous period profit			90.675	(2.019)	(88.656)	0
Dividends			(29.810)		(110.256)	(140.066)
Utilisation of grants			(157)	157		0
Other					(26)	(26)
First half 2005 result					105.790	105.790
Balance as at 30/06/2005	51.183	10.237	269.073	(94.357)	105.790	341.926
Third quarter 2005 result					139.914	139.914
Balance as at 30/09/2005	51.183	10.237	269.073	(94.357)	245.704	481.840
Utilisation of other reserves			(158)	158		0
Fourth quarter 2005 result					46.938	46.938
Other				(10)		(10)
Balance as at 31/12/2005	51.183	10.237	268.915	(94.209)	292.642	528.768
Capital increase (net of IPO costs)	3.447		338.983			342.430
Appropriation of previous period profit			(109.209)	262.155	(152.946)	0
Dividends			(30.485)		(139.696)	(170.181)
Fair value of 55% Sarlux stake			188.940			188.940
First half 2006 result					325.935	325.935
Balance as at 30/06/2006	54.630	10.237	657.144	167.946	325.935	1.215.892
Third quarter 2006 result					33.806	33.806
Balance as at 30/09/2006	54.630	10.237	657.144	167.946	359.741	1.249.698



CONSOLIDATED INCOME STATEMENTS

€ thousand	1-9/06	1-9/05	Q3/06	Q3/05
Revenues from ordinary operations	4.792.945	3.569.991	1.993.168	1.386.375
Other income	26.658	28.377	6.049	11.025
Total revenues	4.819.603	3.598.368	1.999.217	1.397.400
Purchases of raw materials, spare parts and consumables	(4.163.937)	(2.772.533)	(1.781.419)	(1.044.864)
Cost of services and sundry costs	(266.749)	(218.954)	(106.621)	(75.913)
Personnel costs	(80.415)	(85.866)	(26.551)	(30.419)
Depreciation, amortization and write-downs	(74.970)	(57.873)	(40.458)	(20.019)
Total costs	(4.586.071)	(3.135.226)	(1.955.049)	(1.171.215)
Operating results	233.532	463.142	44.168	226.185
Net income (charges) from equity interests	32.797	35.977	518	10.645
Other financial income/(charges), net	(7.889)	(107.723)	11.694	(18.922)
Non recurring income/(charges)	186.245		0	
Profit before taxes	444.685	391.396	56.380	217.908
Income tax for the period	(84.944)	(145.693)	(22.574)	(77.994)
Net profit/(loss) for the period	359.741	245.703	33.806	139.914
Earnings per share - base (€ cent)	37,83	27,58	3,55	15,70
Earnings per share - diluted (€ cent)	37,83	27,58	3,55	15,70



CONSOLIDATED CASH FLOW STATEMENTS

€ thousand

**A - Cash and cash equivalents at beginning of period
(short-term net financial indebtiness)**

1-9/06

1-9/05

24.709

13.464

B - Cash generated from/(used in) operating activities

Profit/ (Loss) for the period of the Group

359.741

245.703

Non recurring income due to the Sarlux acquisition

(199.168)

0

Amortization, depreciation and write-down of fixed assets

74.970

57.873

Net (income)/charges from equity interests

(32.797)

(35.977)

Net change in provisions for risks and charges

2.856

315

Net change in employee benefits

(5.155)

3.033

Change in tax liabilities and tax assets

(15.379)

73.543

Profit (Loss) from operating activities before changes in working capital

185.068

344.489

(Increase)/Decrease in trade receivables

67.097

(118.133)

(Increase)/Decrease in inventory

(63.459)

(299.297)

Increase/(Decrease) in trade and other payables

32.828

104.637

Change in other current assets

(43.237)

(56.292)

Change in other current liabilities

31.033

12.686

Change in other non-current liabilities

44.038

(20.192)

Total (B)

253.368

(32.103)

C - Cash flow from investment activities

(Investments) in tangible and intangible assets, net of disinvestments and accumulated depreciation and amortization

(89.022)

(39.463)

Change in equity interests valued by the equity method

(24)

250

Dividends from unconsolidated subsidiaries

0

30.718

45% Sarlux acquisition

(127.047)

0

100% Caprabo (Saras Energia Red S.A. acquisition)

(28.041)

0

Total (C)

(244.134)

(8.495)

C - Cash generated from/(used in) financing activities

Increase/(Decrease) in medium/long term borrowings

(63.551)

(44.129)

(Increase)/Decrease in other financial assets

(6.014)

(917)

Increase/(Decrease) in short term borrowings

(7.960)

260.519

Capital increase

342.430

0

Dividend distribution to shareholders

(170.181)

(140.093)

Total (D)

94.724

75.380

E - Cashflow for the period (B+C+D)

103.958

34.783

Other changes in shareholders' equity due to the adoption of IAS 32 and IAS 39 since January, 1st 2005

0

10.267

Other changes in shareholders' equity due to the adoption of IAS 32 and IAS 39 since January, 1st 2005 in unconsolidated subsidiaries

0

6.423

F - Cash from new consolidated subsidiaries

251.486

0

Sarlux S.r.l.

249.940

0

Caprabo (Saras Energia Red S.A.)

1.546

0

G - Cash and cash equivalents at the end of period

380.153

64.937

(short-term net financial indebtiness)

-END-