

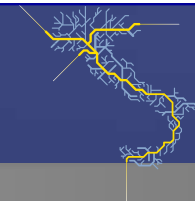


Snam
Rete Gas

Analyst Presentation

2006 Interim Review

July 26th, 2006

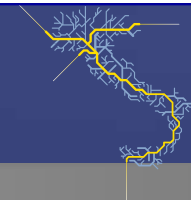


2006 Interim Review



Carlo Malacarne,
Chief Executive Officer
1H 2006 Highlights

Claudio De Marco,
Chief Financial Officer
1H 2006 Results



bcm

- Residential and Commercial
- Industrial
- Thermoelectric
- Other

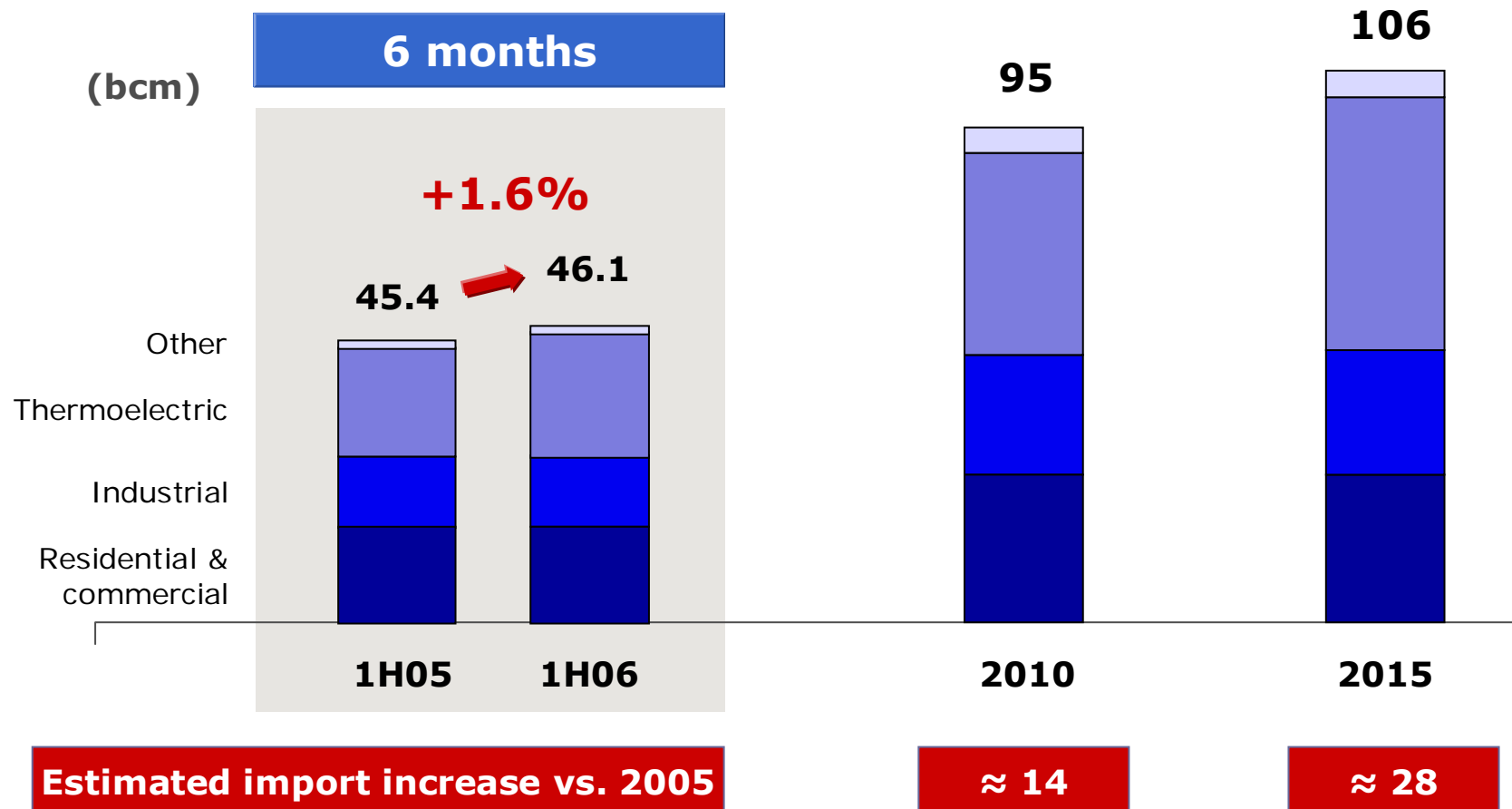
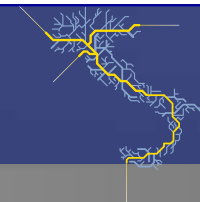
Gas consumption (*)

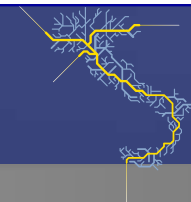
- Storage

Gas injected into the network

| | 1H05 | 1H06 | Δ % |
|--------------------------------------|-------------|-------------|-------------|
| Residential and Commercial | 18.0 | 17.8 | -0.8 |
| Industrial | 11.7 | 11.4 | -2.8 |
| Thermoelectric | 15.2 | 16.4 | +7.6 |
| Other | 0.5 | 0.5 | - |
| Gas consumption (*) | 45.4 | 46.1 | +1.6 |
| Storage | -0.6 | +0.4 | n.m. |
| Gas injected into the network | 44.8 | 46.5 | +3.9 |

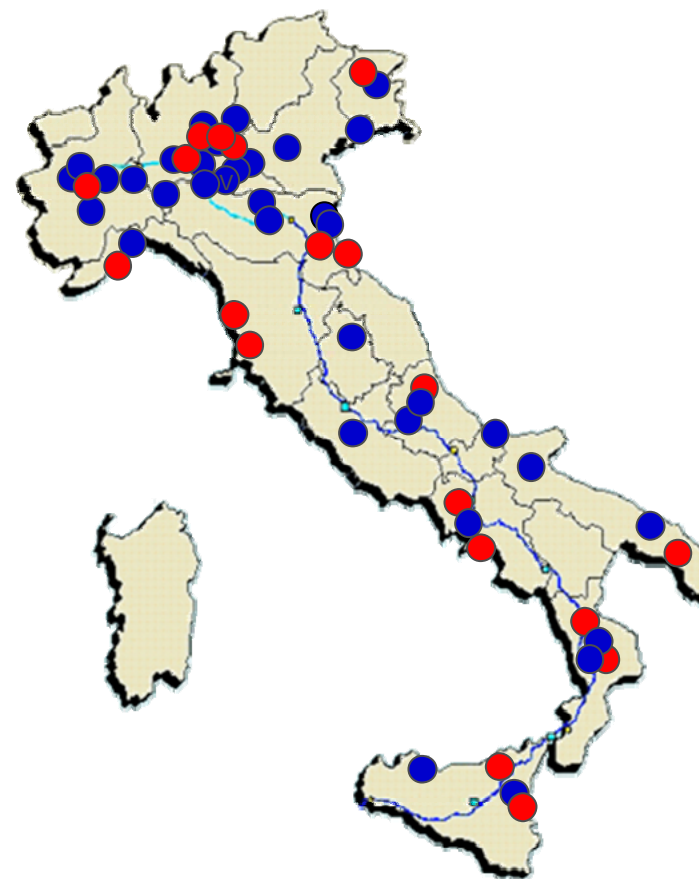
(*) Source: Ministry of Industry and Snam Rete Gas estimates



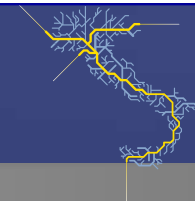


- 19.6 GW in operation/start up
(18.4 GW at the end of 1Q '06)
- 9.7 GW under construction
(8.8 GW at the end of 1Q '06)

| | |
|----------------------|---------|
| • Enel | 0.76 GW |
| • Enipower | 0.78 GW |
| • Tirreno Power | 1.14 GW |
| • Edison | 0.80 GW |
| • IPP/Municipalities | 6.26 GW |



SRG expects
32 GW of CCGT capacity
to be in operation by 2009

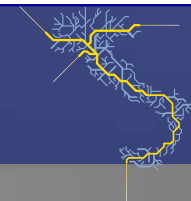


2006 Interim Review

Carlo Malacarne,
Chief Executive Officer
1H 2006 Highlights

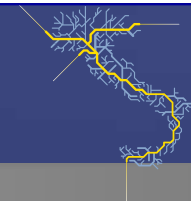


Claudio De Marco,
Chief Financial Officer
1H 2006 Results



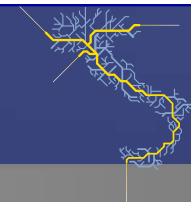
€m

| | 1H05 | 1H06 | Change |
|----------------------------------|------------|------------|------------|
| ▪ Revenues | 925 | 904 | -21 |
| ▪ Operating expenses | -175 | -205 | -30 |
| EBITDA | 750 | 699 | -51 |
| ▪ Depreciation & amortisation | -231 | -227 | +4 |
| EBIT | 519 | 472 | -47 |
| ▪ Net interest income (expenses) | -48 | -80 | -32 |
| EBT | 471 | 392 | -79 |
| ▪ Income taxes | -190 | -152 | +38 |
| NET PROFIT | 281 | 240 | -41 |

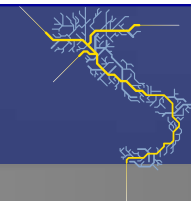


€m

| | 1H05 | 1H06 | Change |
|---------------------------|------------|------------|------------|
| Regulated revenues | 919 | 879 | -40 |
| ▪ Transport | 903 | 866 | -37 |
| Revenues | 877 | 842 | -35 |
| Pass-through revenues | 26 | 24 | -2 |
| ▪ LNG | 16 | 13 | -3 |
| Other revenues | 6 | 25 | +19 |
| TOTAL | 925 | 904 | -21 |

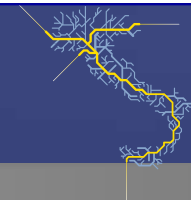


| €m | 1H05 | 1H06 | Change | |
|-----------------------------------|------------|------------|------------|---|
| Regulated activities | 174 | 204 | +30 | -4.6% in nominal terms -6.5% in real terms |
| ▪ Controllable fixed costs | 108 | 103 | -5 | |
| ▪ Variable costs | 41 | 59 | +18 | |
| ▪ Other | 25 | 42 | +17 | |
| Non regulated activities | 1 | 1 | - | |
| TOTAL | 175 | 205 | +30 | |

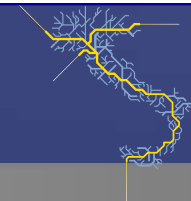


€m

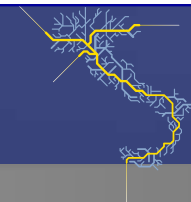
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| ▪ Income tax | -190 | -152 | +38 |
| NET PROFIT | 281 | 240 | -41 |



| €m | 31 Dec 2005 | | 30 Jun 2006 |
|-----------------------------------|----------------|-------------|----------------|
| Net Invested Capital | 8,795 | +20 | 8,815 |
| ▪ Fixed assets | 9,423 | +24 | 9,447 |
| Tangible fixed assets | 9,370 | +27 | 9,397 |
| Intangible fixed assets | 53 | -3 | 50 |
| ▪ Net working capital | -601 | -3 | -604 |
| Receivables | 431 | +41 | 472 |
| Liabilities | -1,032 | -44 | -1,076 |
| ▪ Staff benefits provision | -27 | -1 | -28 |
| Net financial debt | 4,819 | +208 | 5,027 |
| Shareholders' equity | 3,976 | -188 | 3,788 |
| Leverage | 54.8% | | 57.0% |

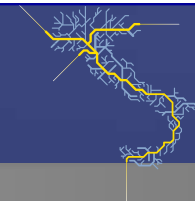


| €m | 1H05 | 1H06 | Change |
|--------------------|------------|------------|-------------|
| DEVELOPMENT | 253 | 148 | -105 |
| ▪ 3% premium | 208 | 101 | -107 |
| ▪ 2% premium | 45 | 47 | +2 |
| OTHER | 79 | 76 | -3 |
| ▪ 1% premium | 32 | 35 | +3 |
| ▪ 0% premium | 47 | 41 | -6 |
| TOTAL | 332 | 224 | -108 |



€m

| | 1H05 | 1H06 | Change |
|---|------------|-------------|-------------|
| Net income | 281 | 240 | -41 |
| Depreciation and other non-monetary items | 230 | 242 | +12 |
| Cash flow before change in working capital | 511 | 482 | -29 |
| Change in net working capital | 201 | 58 | -143 |
| Cash flow from operations | 712 | 540 | -172 |
| Net investments | -318 | -265 | +53 |
| Free cash flow | 394 | 275 | -119 |
| Cash flow from shareholders' equity | -391 | -483 | -92 |
| Cash Flow | 3 | -208 | -211 |



Share Buy Back Plan

- Up to a maximum of 800 m€
- Within 10% of share capital



Already realised at June 30, 2006

- Nr of shares: 43.8 million
- Average price: 3.5372 euro per share
- Total amount: 155 m€



Snam
Rete Gas

Q&A Session



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