



Snam
Rete Gas

2008 Third Quarter Results

Milan, October 29th, 2008





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3Q 2008 Highlight

Carlo Malacarne

Chief Executive Officer

Highlight



		9M 2007	9M 2008	Δ %
Gas injected into the network	(bcm)	58.9	63.4	+7.7
REVENUE	(€m)	1,308	1,380	+5.5
EBIT (*)	(€m)	700	731	+4.4
NET PROFIT (*)	(€m)	327	373	+14.1
EPS (*) (**)	(€)	0.184	0.212	+14.9
Capex	(€m)	468	740	+58.1

(*) 2007 figures adjusted for non recurring items

(**) Avg. number of shares (m): 9M 2007: 1,777.3
 9M 2008: 1,760.9

Tariff Approval



Thermal year 2008-2009

- **NEW RAB SET BY THE AUTHORITY:**
€ 12.3 bn year-end 2007 (of which € 12.2 bn for transport)
- **REVENUE FROM INVESTMENTS CARRIED OUT**
 - **IN THE 1st REGULATORY PERIOD: € 39 m**
 - **IN THE 2nd REGULATORY PERIOD: € 233 m**
- **ADDITIONAL FEE TO COVER EXTRA COSTS FOR FUEL GAS**

Capex fuelling revenue growth

LNG: tariff criteria for the 3rd regulatory period

Volumes



bcm

	9M 2007	9M 2008	Δ %
▪ Residential and Commercial	16.9	19.6	+16.2
▪ Industrial (*)	15.6	14.9	-4.5
▪ Thermoelectric	25.1	25.9	+3.0
▪ Other	0.9	0.9	-
Gas consumption (**)	58.5	61.3	+4.9
▪ Storage & Other (***)	+0.4	+2.1	n.m
Gas injected into the network	58.9	63.4	+7.7

(*) Include: NGV, Agriculture and Non-Energy Use

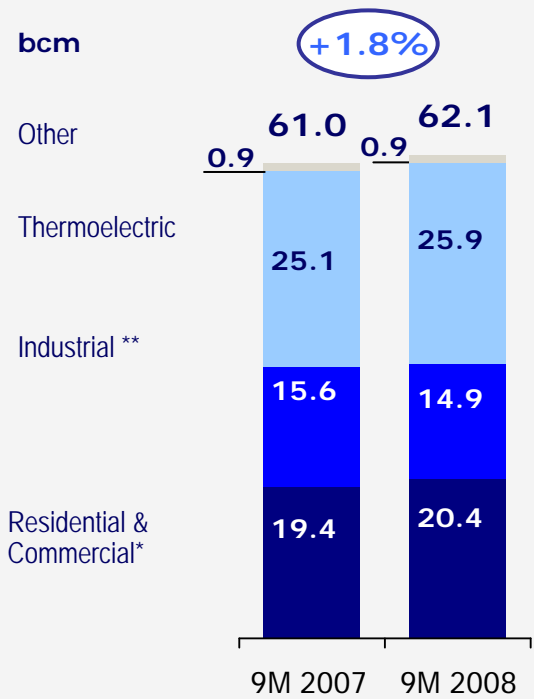
(**) Source: Ministry of Industry and Snam Rete Gas estimates

(***) Includes exports and other consumption

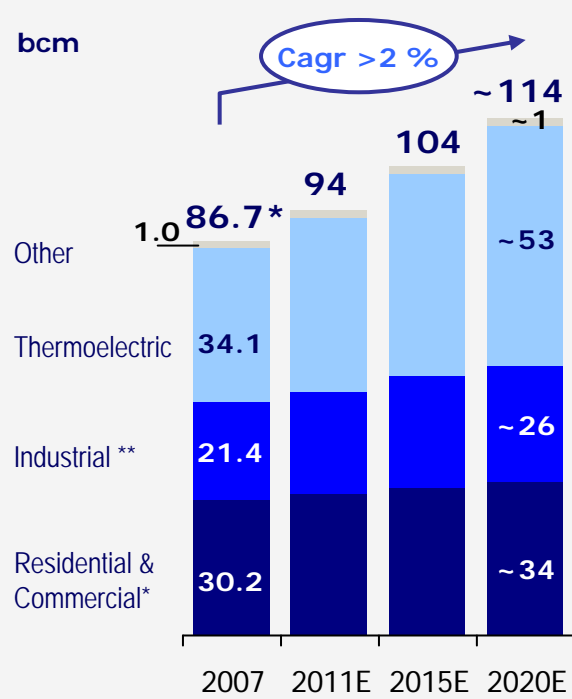
Gas Demand Growth in Italy



9M 2008*



2007-2020



CCGT Programme

34 GW in operation by 2011*

- 25 GW in operation/start (23.8 at the end of 1H 2008)
- 7.6 GW under construction (8.8 at the end of 1H 2008)



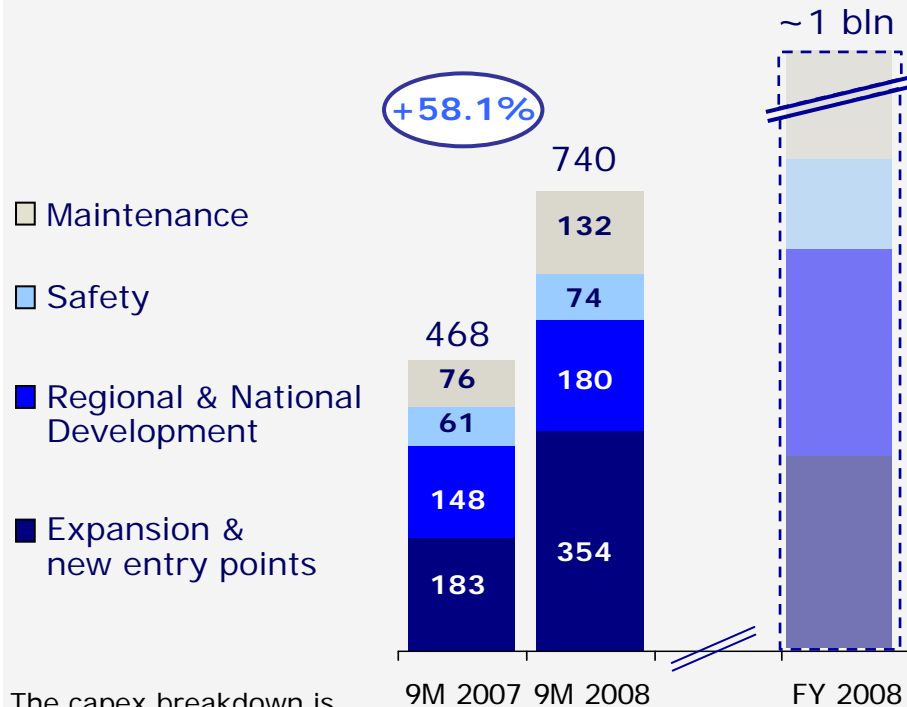
* CCGT utilization estimated at an average of ~ 5,100 h/y

* Weather adjusted
 ** Include: NGV, Agriculture, Non-Energy Use
 Source: Ministry of Industry and SRG estimates

Driven by power generation sector

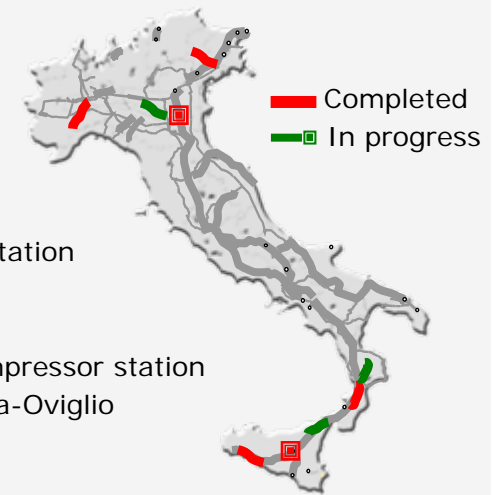
Update

€m



The capex breakdown is included in the tariffs proposal

Main Projects



Completed:

- Mazara-Menfi
- Enna compressor station
- Martirano-Rende
- Flaibano-Gonars
- Poggiorenatico compressor station
- Mortara-Alessandria-Oviglio

In Progress:

- Montalbano-Messina
- Rende-Tarsia-Morano
- Poggio Renatico-Cremona
- Cremona-Sergnano

Galsi

New framework agreement

On track to deliver capex programme

SRG's Value Proposition



Delivered
& Confirmed

STRONG BUSINESS FUNDAMENTALS

- Consistent strategy with long term visibility
- Stable and valuable regulation

PROFITABLE ORGANIC LONG TERM GROWTH

- Strong capex platform with promising further opportunities
- Operating and financial efficiency
- Solid capital structure

ROBUST RETURNS TO SHAREHOLDERS

- Attractive and sustainable dividend
- Competitive yield



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3Q 2008 Results

Antonio Paccioretti
Chief Financial Officer

Income Statement



€m

	9 M 2007 adjusted*	9 M 2008	Change
Revenue	1,308	1,380	+72
Operating expenses	- 252	- 288	-36
EBITDA	1,056	1,092	+36
Depreciation & amortisation	- 356	- 361	-5
EBIT	700	731	+31
Net interest income (expenses)	- 155	- 168	-13
EBT	545	563	+18
Income taxes	- 218	- 190	+28
NET PROFIT	327	373	+46

(*) 2007 figures adjusted for non recurring items

Revenue



€m

	9 M 2007	9 M 2008	Change
Regulated revenue	1,298	1,364	+66
Transport	1,283	1,349	+66
Revenue	1,251	1,313	+62
Pass-through revenue	32	36	+4
LNG	15	15	-
Other revenue	10	16	+6
TOTAL	1,308	1,380	+72

Operating Expenses



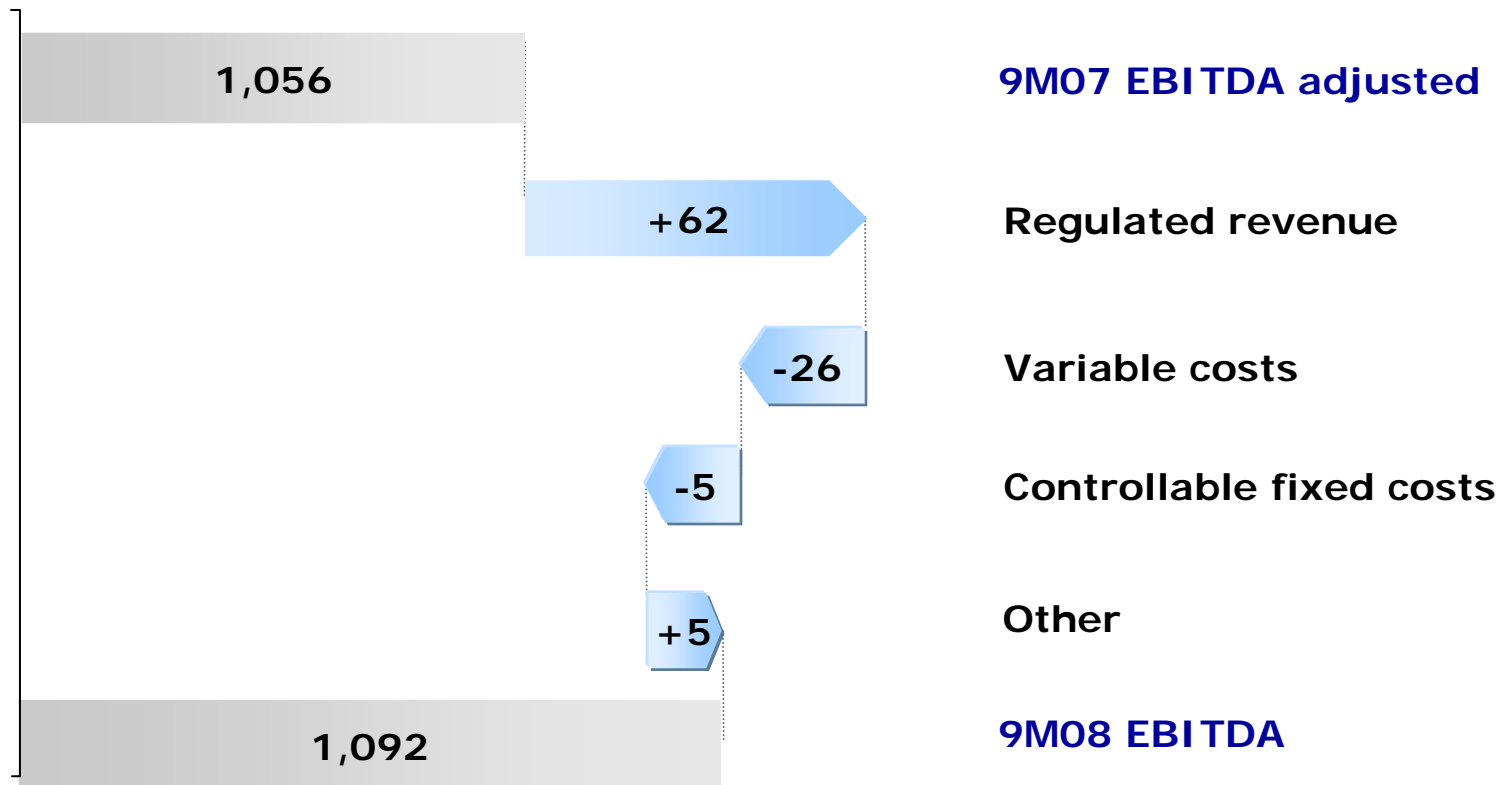
€m

	9 M 2007	9 M 2008	Change
Regulated activities	248	286	+38
Variable costs	65	91	+26
Controllable fixed costs	152	157	+5
Other	31	38	+7
Non regulated activities	2	2	-
TOTAL COSTS	250	288	+38
Adjustment for non recurring items	2	-	-2
TOTAL ADJUSTED COSTS	252	288	+36

EBITDA Analysis



€m



Income Statement



€m

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Balance Sheet



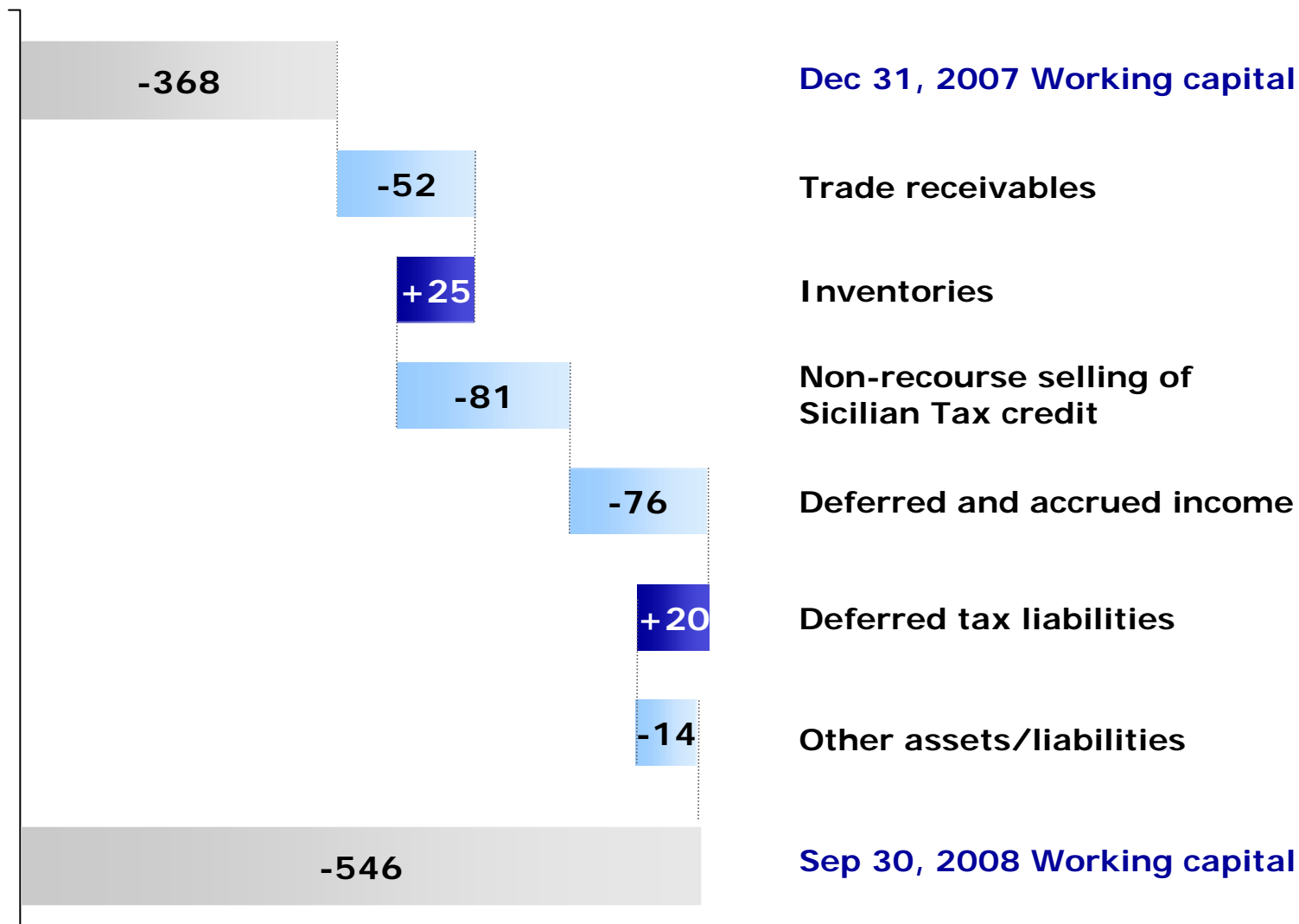
€m

	Dec 31, 2007	Sep 30, 2008	Change
Net Invested Capital	9,389	9,607	+218
Fixed assets	9,786	10,182	+396
Tangible fixed assets	9,745	10,139	+394
Intangible fixed assets	41	43	+2
Net working capital	- 368	- 546	-178
Receivables	685	567	-118
Liabilities	- 1,053	- 1,113	-60
Staff benefits provision	- 29	- 29	-
Net financial debt	5,882	5,950	+68
Shareholders' equity	3,507	3,657	+150
Leverage (D/D+E)	62.6%	61.9%	- 0.7%

Net Working Capital Analysis



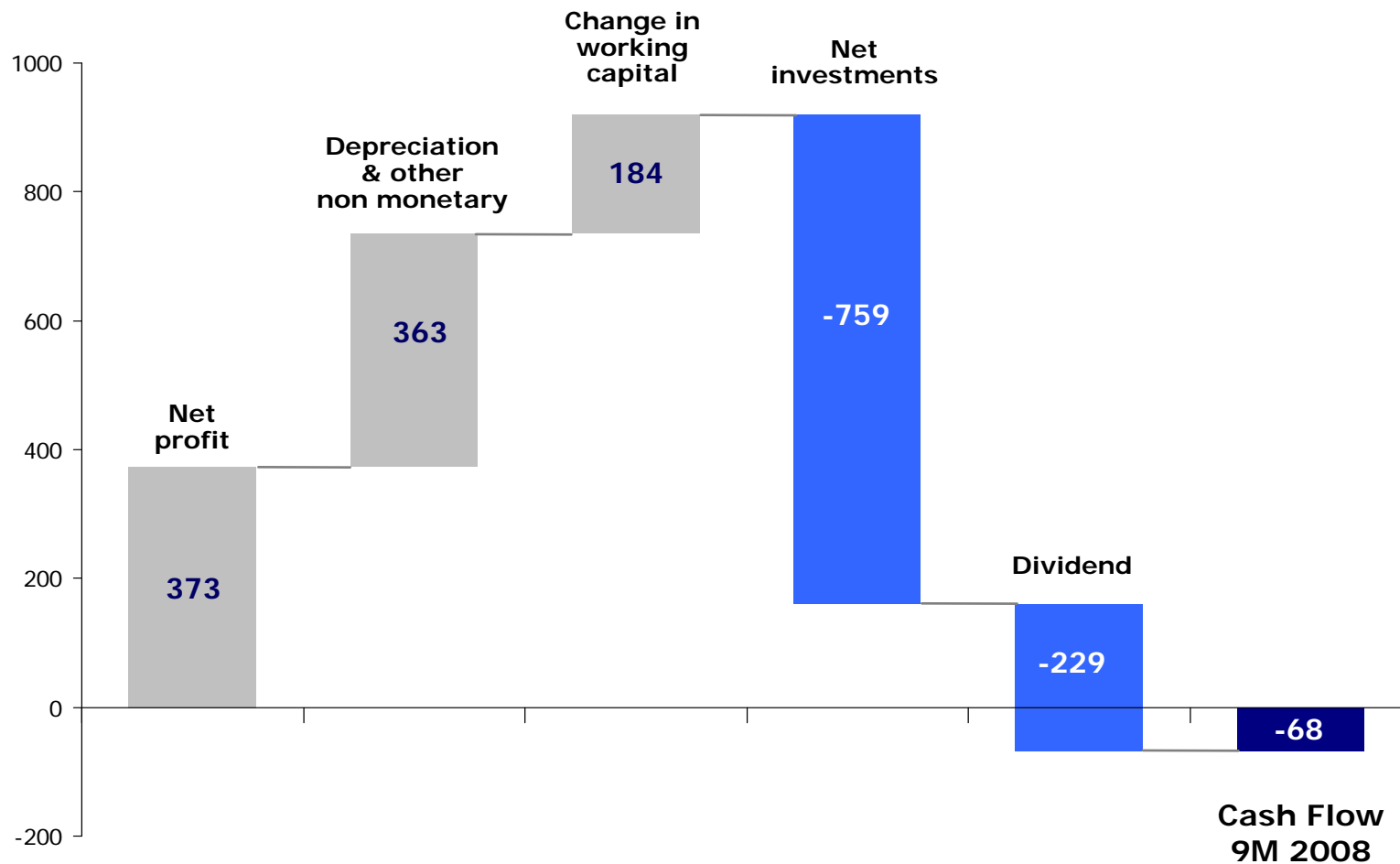
€m



Cash Flow



€m





Q & A Session



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