

snam rete gas



2010 1Q Consolidated Results

Milan, April 22nd, 2010



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This presentation contains forward-looking statements regarding future events and the future results of Snam Rete Gas that are based on current expectations, estimates, forecasts, and projections about the industries in which Snam Rete Gas operates and the beliefs and assumptions of the management of Snam Rete Gas.

In particular, among other statements, certain statements with regard to management objectives, trends in results of operations, margins, costs, return on equity, risk management are forward-looking in nature.

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Highlights

2010 1Q Consolidated Results

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Highlights

Carlo Malacarne
Chief Executive Officer

		1Q 2009 (*)	1Q 2010	Δ %
REVENUES (**)	(€m)	462	801	+73.4
EBIT	(€m)	224	489	n.m
NET PROFIT	(€m)	116	301	n.m
CAPEX	(€m)	204	314	+53.9

(*) 1Q 2009 figures do not include Italgas and Stogit as the consolidation started from July 1st 2009

(**) 1Q 2010 figures do not include the effect of IFRIC 12

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2010 1Q Consolidated Results

Antonio Paccioretti
Chief Financial Officer

€m			
	1Q 2009	1Q 2010	Change
Revenues *	462	801	+339
Operating expenses *	-115	-146	- 31
EBITDA	347	655	+308
Depreciation & amortisation	-123	-166	- 43
EBIT	224	489	+265
Net interest income (expenses)	-49	-63	- 14
Net income from associates	-	11	+11
EBT	175	437	+262
Income taxes	-59	-136	- 77
NET PROFIT	116	301	+185
* 1Q 2010 figures do not include the effect of IFRIC 12.			

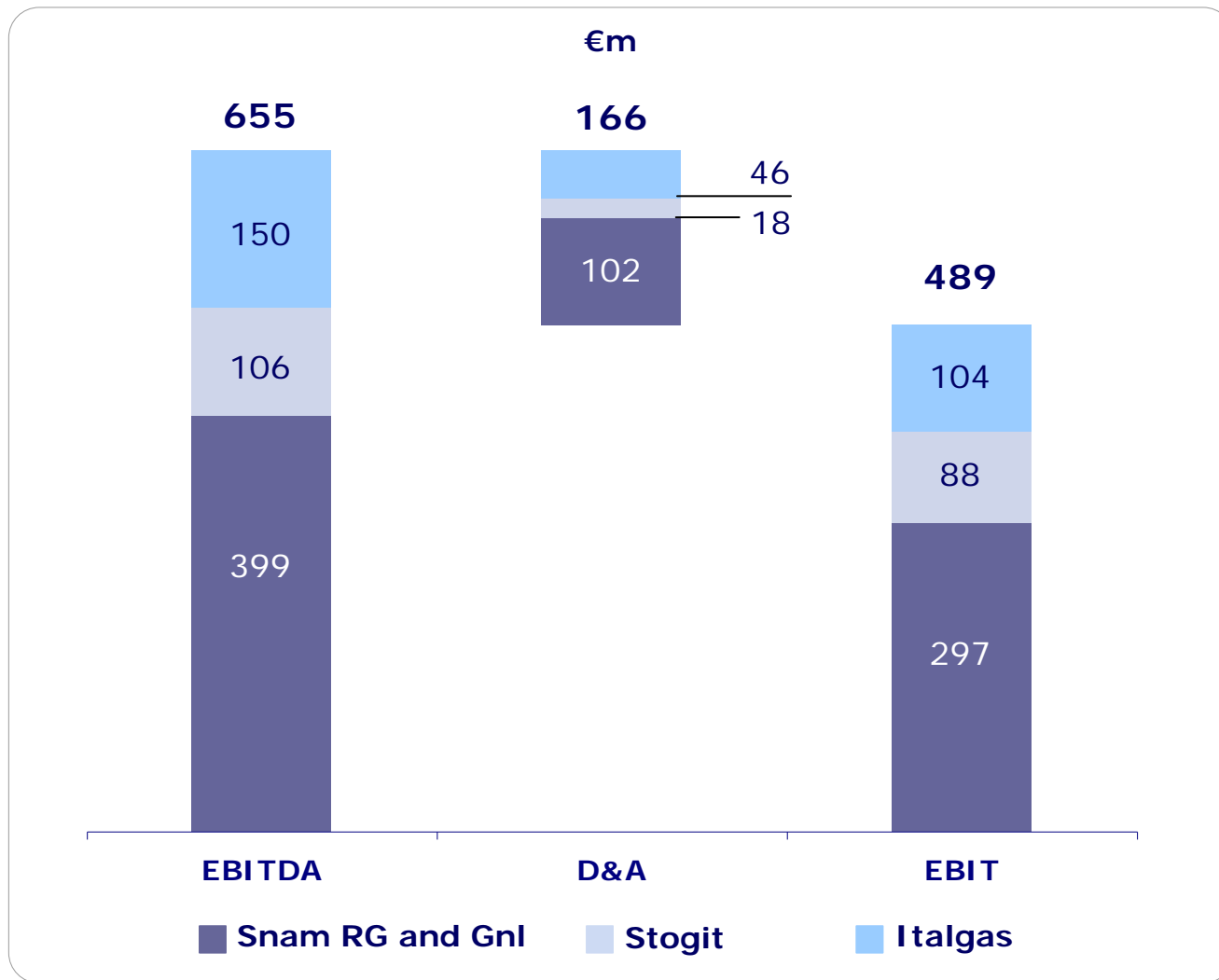
€m

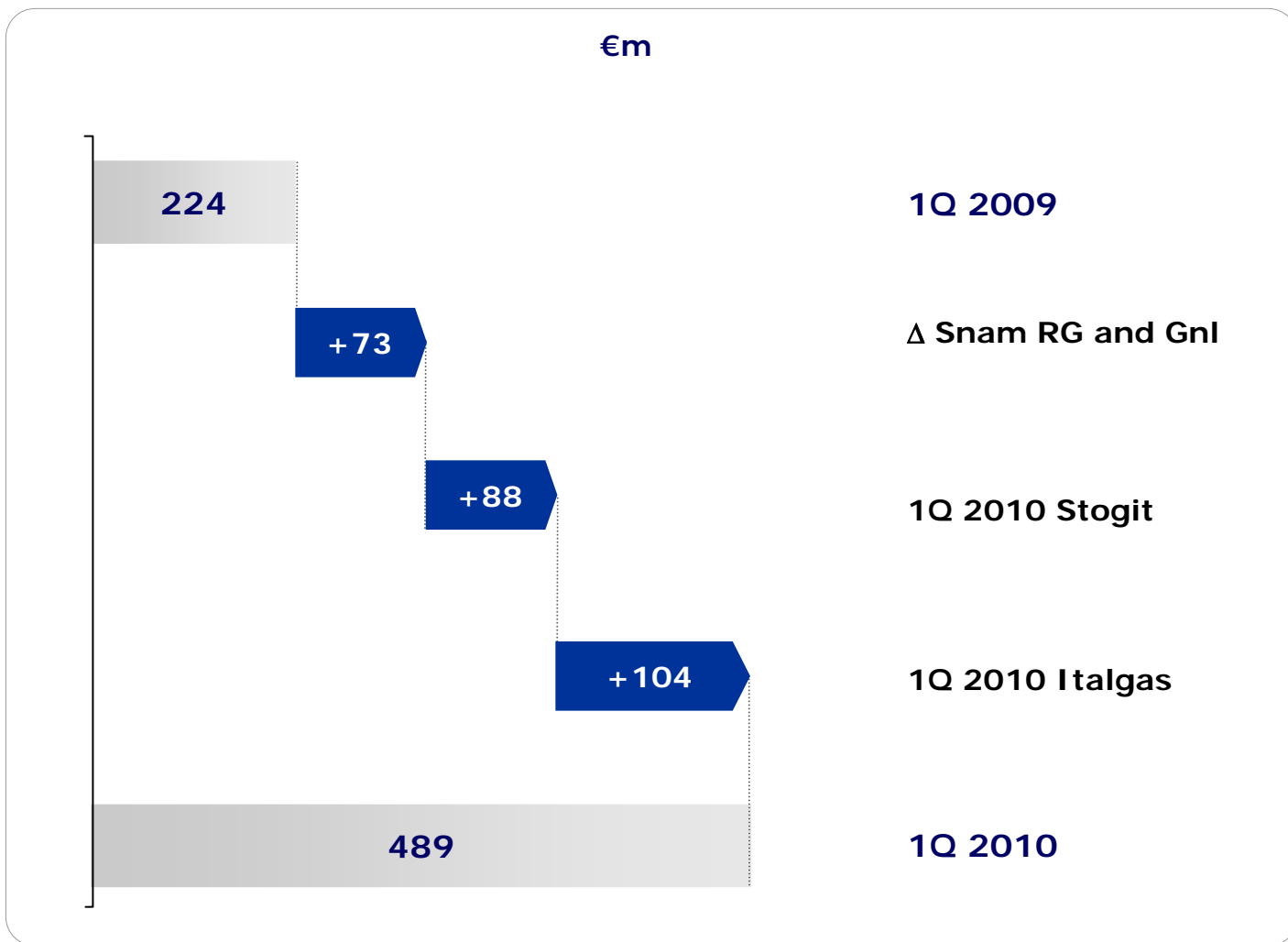
	1Q 2009	1Q 2010	Change
Regulated revenues	458	798	+340
Transport	453	460	+7
Revenues	440	443	+3
Pass-through revenues	13	17	+4
LNG	5	6	+1
Storage	-	118	+118
Distribution	-	214	+214
Other revenues	4	8	+4
Consolidation adjustments	-	-5	-5
TOTAL REVENUES	462	801	+339

Operating Expenses

€m			
	1Q 2009	1Q 2010	Change
Regulated activities	115	139	+24
Controllable fixed costs	52	109	+57
Variable costs	47	4	-43
Other	16	26	+10
Non regulated activities	-	7	+7
TOTAL COSTS	115	146	+31
	1Q 2009	1Q 2010	Change
Transport and LNG	115	70	-45
Storage	-	12	+12
Distribution	-	69	+69
Consolidation adjustments	-	-5	-5
TOTAL COSTS	115	146	+31

1Q 2010 EBIT: business breakdown





€m

	1Q 2009	1Q 2010	Change
Revenues	462	801	+339
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Storage

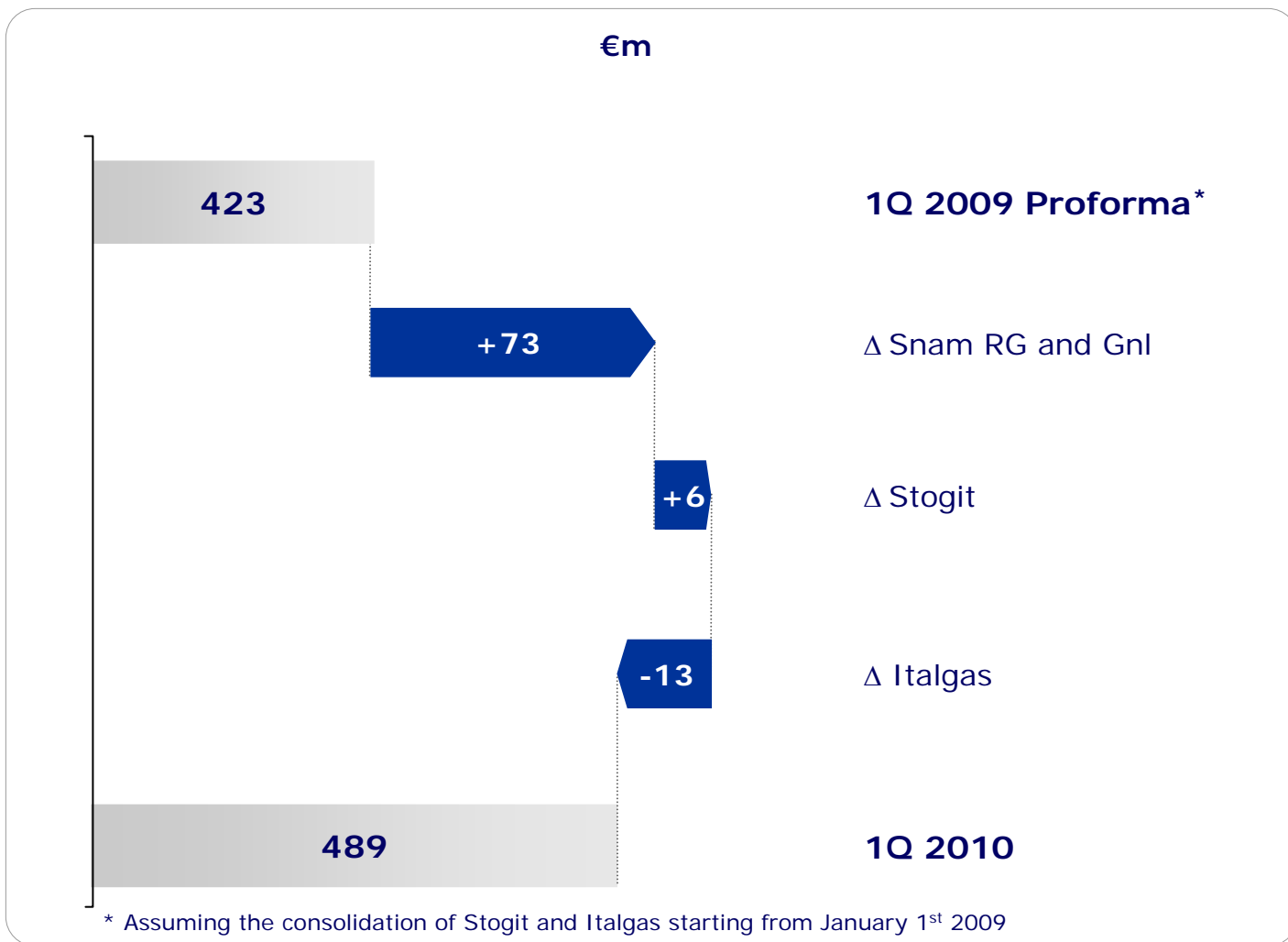
€m

	1Q 2009	1Q 2010	Δ%
Revenues	111	118	+6.3%
<i>of which:</i>			
<i>modulation service</i>	94	101	+7.4%
<i>strategic storage</i>	17	17	-
Operating costs	12	12	-
EBIT	82	88	+7.3%

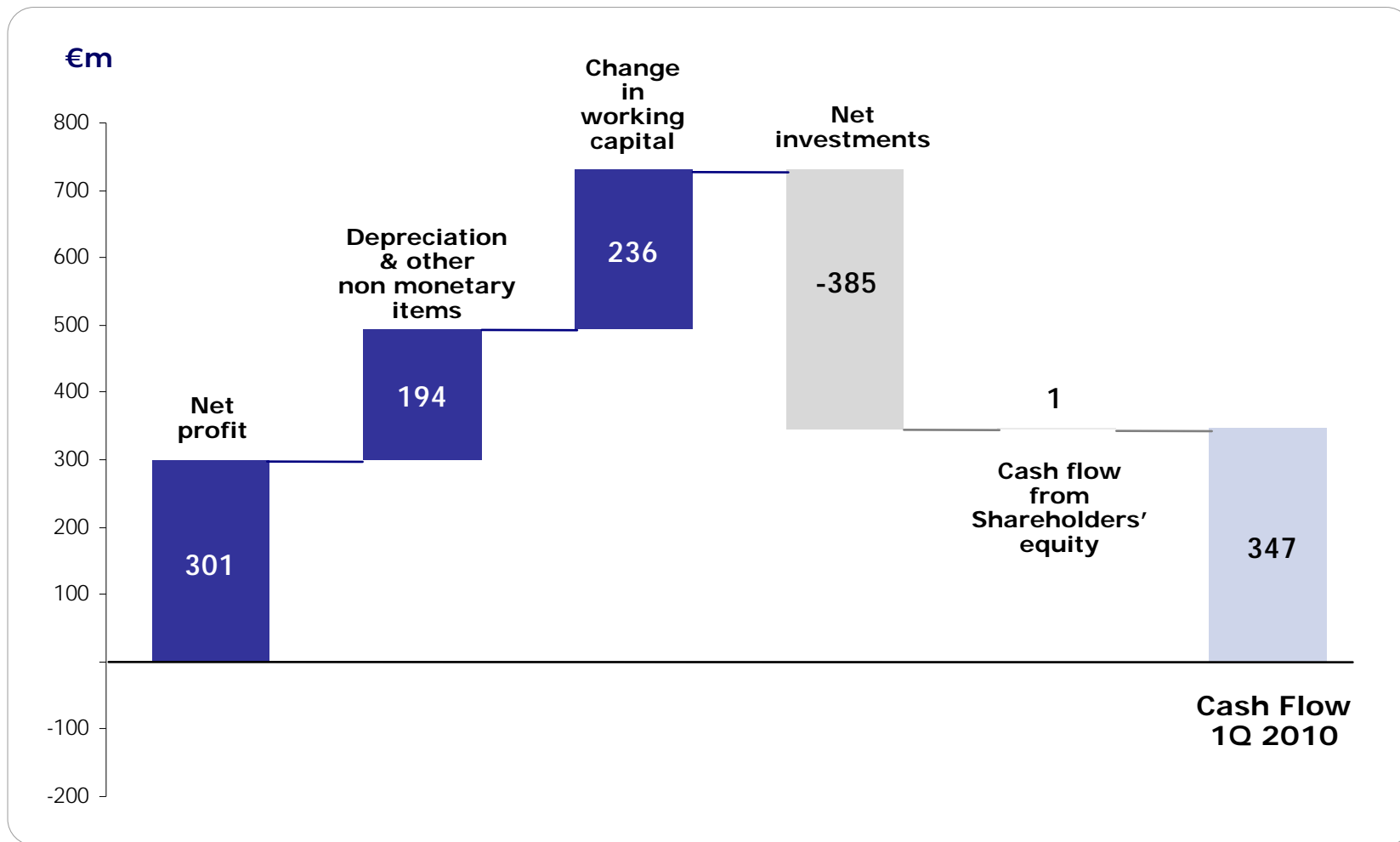
Distribution

	1Q 2009	1Q 2010	Δ%
Revenues	214	219	+2.3%
<i>of which:</i>			
<i>regulated</i>	209	214	+2.4%
<i>other revenues</i>	5	5	-
Operating costs	62	69	+11.3%
EBIT	117	104	-11.1%

EBIT Analysis 1Q 2010 vs 1Q 2009 Proforma (*)



€m			
	Dec, 31 2009	Mar, 31 2010	Change
Net Invested Capital	15,652	15,575	- 77
Fixed assets	17,077	17,306	+229
Tangible fixed assets	12,694	12,890	+196
Intangible fixed assets	4,082	4,104	+22
Equity-accounted and other investments	301	312	+11
Net working capital	- 1,332	- 1,639	- 307
Receivables	1,315	1,303	- 12
Liabilities	- 2,647	- 2,942	- 295
Staff benefits provision	- 107	- 106	+1
Assets held for sale	14	14	-
Net financial debt	9,949	9,602	- 347
Shareholders' equity	5,703	5,973	+270





Q & A Session



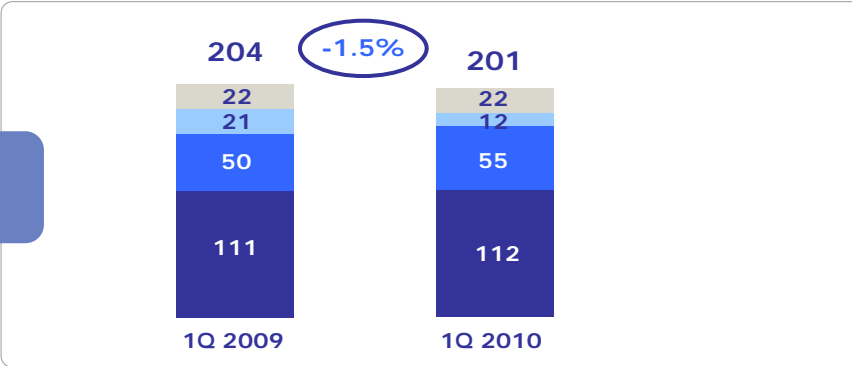
Annexes

Capital Expenditure^(*)



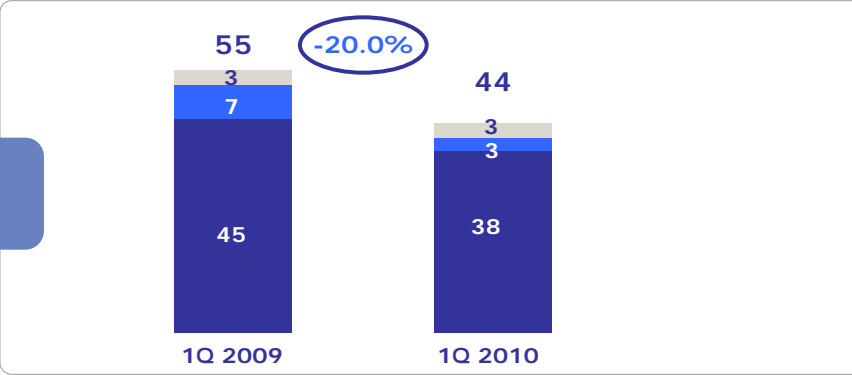
€ mln

Transport and LNG



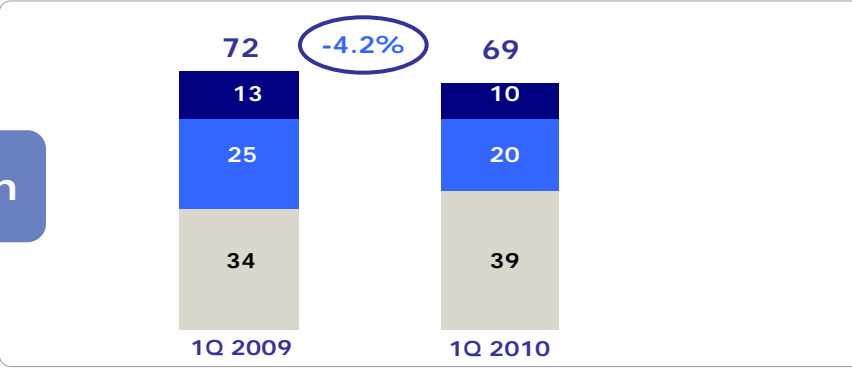
- ### Incentive scheme
- Expansion & new entry points
3% premium for 10 – 15 yrs
 - Regional & national develop.
2% premium for 7 – 10 yrs
 - Safety
1% premium for 5 yrs
 - Maintenance
Base return: 6.4%

Storage



- ### Incentive scheme
- Development of new fields
4% premium for 16 yrs
 - Expansion of existing fields
4% premium for 8 yrs
 - Maintenance
Base return: 7.1%

Distribution



- ### Incentive scheme
- Substitution of cast iron pipes
2% premium for 8 yrs
 - Metering
8% allowed return
 - Other investments
Base return: 7.6%



* Gross of subsidies

		1Q 2009	1Q 2010	Δ %
Transport	■ Gas injected into the network (bcm)	20.3	24.0	+18.2
	■ Gas pipeline network (km in operation)	31,454	31,530	+0.2
Storage	■ Storage capacity (bcm)	13.7	13.9	+1.5
	■ Modulation	8.6	8.9	+3.5
	■ Strategic	5.1	5.0	-2.0
	■ Gas moved through storage system (bcm)	6.1	5.1	-16.3
	■ Injection	0.03	0.26	n.m
	■ Withdrawal	6.05	4.83	- 20.2
Distribution	■ Gas distributed (bcm)	3.5	3.6	+3.5
	■ Active Gas Metering at redelivery points (# million)	5.68	5.79	+1.9

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