

snam rete gas



2011 1Q Consolidated Results

Milan, April 21st, 2011



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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

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Highlights

Carlo Malacarne




Chief Executive Officer

A Consistently Solid Set of Results and Opportunities



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Robust Results

- **Revenues:** € 824 mln  **Up 2.9%**
- **Ebit:** € 519 mln  **Up 6.1%**
- **Net income:** € 305 mln  **Up 1.3%**
- **Net Debt:** € 10.26 billion

Legislative Framework

- **3rd European Package** 
 - ITO model chosen option
- **Decree on distribution concession areas** 
 - 177 concession areas defined (from previous ~6.700)



| bcm | | | |
|--|-----------------------|-----------------------|----------------|
| | 1Q 2010 | 1Q 2011 | Δ % |
| <ul style="list-style-type: none"> ▪ Residential and Commercial (weather adjusted) | 16.1 (15.2) | 15.3 (15.5) | -4.9 (+1.7) |
| <ul style="list-style-type: none"> ▪ Industrial (*) | 4.6 | 4.7 | +1.7 |
| <ul style="list-style-type: none"> ▪ Thermoelectric | 7.8 | 7.8 | -- |
| <ul style="list-style-type: none"> ▪ Other | 0.3 | 0.3 | -- |
| Gas consumption (**) (weather adjusted) | 28.8 (27.9) | 28.1 (28.3) | -2.4 (+1.2) |
| <ul style="list-style-type: none"> ▪ Storage & Other (***) | -4.8 | -4.5 | n.m |
| Gas injected into the network | 24.0 | 23.6 | -1.6 |

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

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

(***) Includes exports and other consumption

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Antonio Paccioretti
Chief Financial Officer

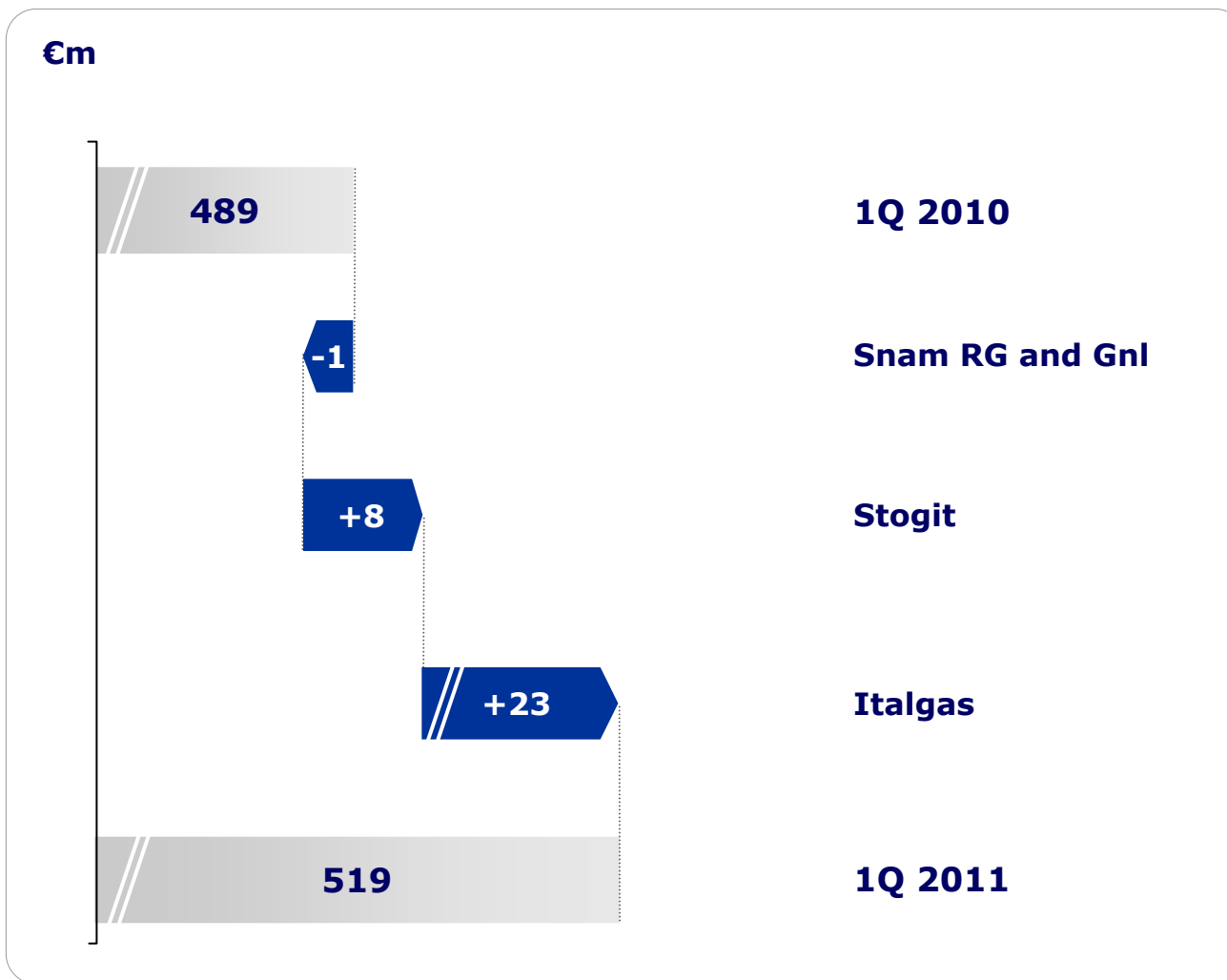
€m

| | 1Q 2010 | 1Q 2011 | Change |
|-----------------------------------|------------|------------|------------|
| Revenues ^(*) | 801 | 824 | +23 |
| Operating expenses ^(*) | -146 | -144 | +2 |
| EBITDA | 655 | 680 | +25 |
| Depreciation & amortisation | -166 | -161 | +5 |
| EBIT | 489 | 519 | +30 |
| Net interest income (expenses) | -63 | -72 | - 9 |
| Net income from associates | 11 | 13 | +2 |
| EBT | 437 | 460 | +23 |
| Income taxes | -136 | -155 | - 19 |
| NET PROFIT | 301 | 305 | +4 |

^(*) do not include the effect of IFRIC 12.

| €m | | | |
|---|------------|------------|------------|
| | 1Q 2010 | 1Q 2011 | Change |
| Regulated revenues | 798 | 821 | +23 |
| Transport | 460 | 474 | +14 |
| Revenues | 443 | 453 | +10 |
| Pass-through revenues | 17 | 21 | +4 |
| LNG | 6 | 6 | - |
| Storage | 118 | 120 | +2 |
| Distribution | 214 | 221 | +7 |
| Other revenues | 8 | 11 | +3 |
| Consolidation adj. (modulation services) | -5 | -8 | -3 |
| TOTAL REVENUES | 801 | 824 | +23 |

| €m | | | |
|---|------------|------------|------------|
| | 1Q 2010 | 1Q 2011 | Change |
| Regulated activities | 139 | 138 | -1 |
| Controllable fixed costs | 109 | 112 | +3 |
| Variable costs | 4 | 6 | +2 |
| Other | 26 | 20 | -6 |
| Non regulated activities | 7 | 6 | -1 |
| TOTAL COSTS | 146 | 144 | -2 |
| | 1Q 2010 | 1Q 2011 | Change |
| Transport and LNG | 70 | 80 | +10 |
| Storage | 12 | 12 | - |
| Distribution | 69 | 60 | -9 |
| Consolidation adj. (modulation services) | -5 | -8 | -3 |
| TOTAL COSTS | 146 | 144 | -2 |



€m

| | 1Q 2010 | 1Q 2011 | Change |
|-----------------------------------|------------|------------|------------|
| Revenues ^(*) | 801 | 824 | +23 |
| Operating expenses ^(*) | -146 | -144 | +2 |
| EBITDA | 655 | 680 | +25 |
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^(*) do not include the effect of IFRIC 12.

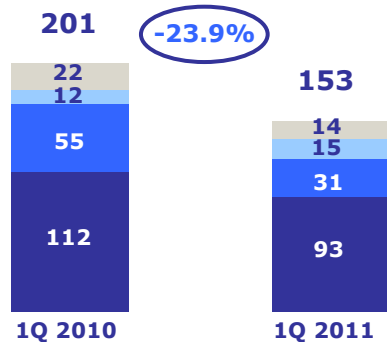
| €m | | | |
|--|----------------|----------------|-------------|
| | Dec, 31 2010 | Mar, 31 2011 | Change |
| Net Invested Capital | 16,257 | 16,545 | +288 |
| Fixed assets | 17,678 | 17,818 | +140 |
| Tangible fixed assets | 13,097 | 13,201 | +104 |
| Intangible fixed assets | 4,262 | 4,285 | +23 |
| Equity-accounted and other investments | 319 | 332 | +13 |
| Net working capital | - 1,331 | - 1,183 | +148 |
| Receivables | 1,334 | 1,525 | +191 |
| Liabilities | - 2,665 | - 2,708 | - 43 |
| Staff benefits provision | - 105 | - 105 | - |
| Assets held for sale | 15 | 15 | - |
| Net financial debt | 10,341 | 10,256 | - 85 |
| Shareholders' equity | 5,916 | 6,289 | +373 |

Capital Expenditure^(*)



€ mln

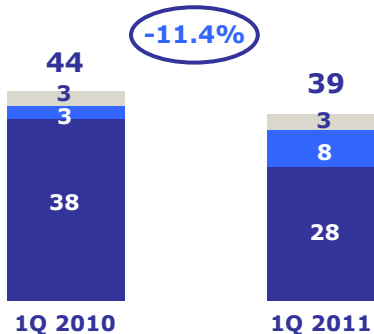
Transport and LNG



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%

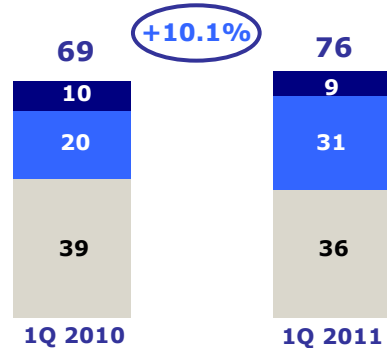
Storage



Incentive scheme

- Development of new fields
4% premium for 16 yrs
- Expansion of existing fields
4% premium for 8 yrs
- Maintenance
Base return: 6.7%

Distribution

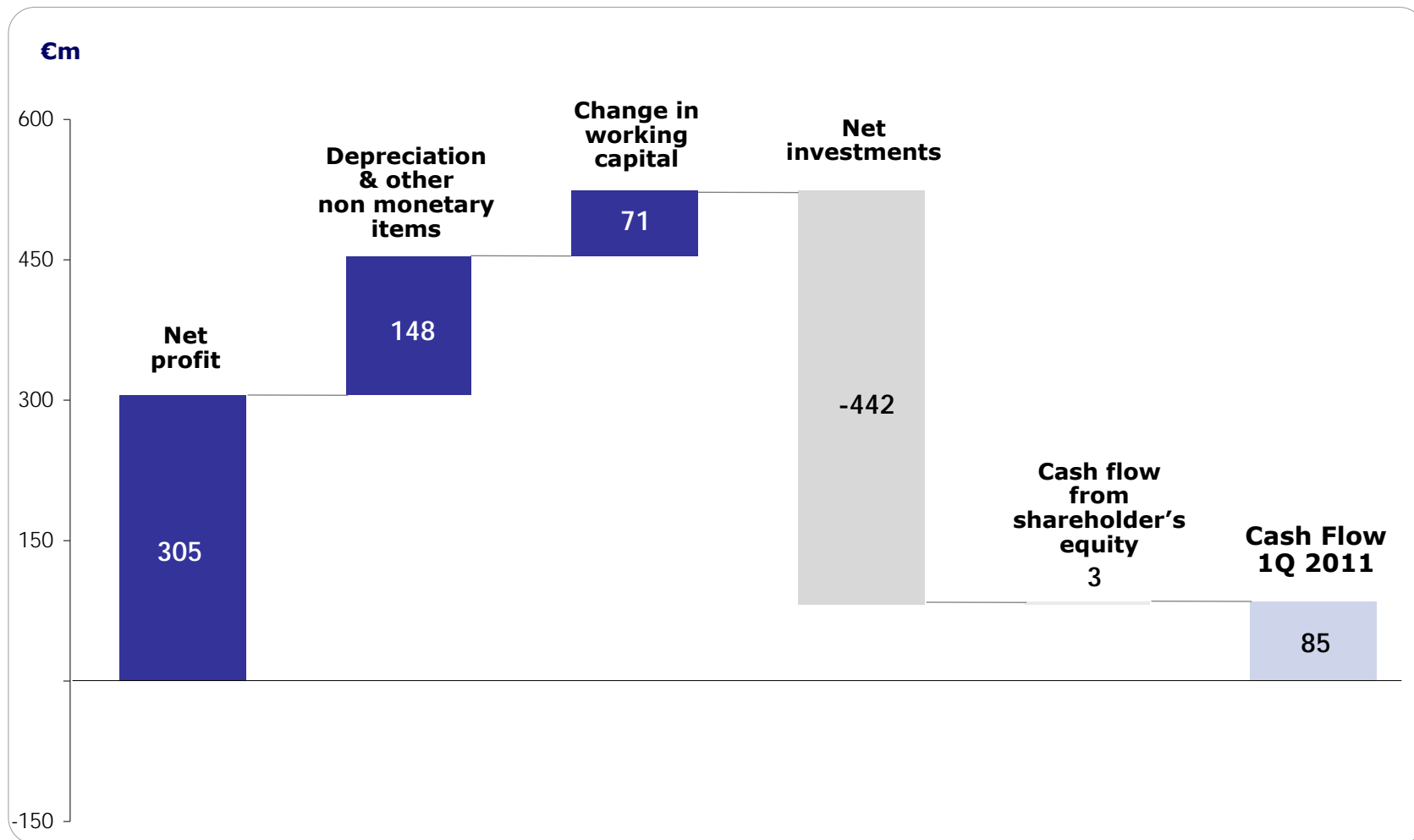


Incentive scheme

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



* Gross of subsidies





Q & A Session



Annex

| | | 1Q 2010 | 1Q 2011 | Δ % |
|---------------------|--|---------|---------|--------|
| Transport | ▪ Gas injected into the network (bcm) | 24.0 | 23.6 | -1.6 |
| | ▪ Gas pipeline network (km in operation) | 31,530 | 31,684 | +0.5 |
| Storage | ▪ Storage capacity (bcm) | 13.9 | 14.2 | +2.2 |
| | ▪ Modulation | 8.9 | 9.2 | +3.4 |
| | ▪ Strategic | 5.0 | 5.0 | - |
| | ▪ Gas moved through storage system (bcm) | 5.1 | 4.5 | -11.8 |
| | ▪ Injection | 0.26 | 0.17 | -34.6 |
| | ▪ Withdrawal | 4.83 | 4.32 | - 10.6 |
| Distribution | ▪ Gas distributed (bcm) | 3.6 | 3.5 | -2.4 |
| | ▪ Active Gas Metering at redelivery points (# million) | 5.79 | 5.86 | +1.2 |

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