

snam rete gas



2011 Interim Review

Milan, July 27th, 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

2011 1H Consolidated Results

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Highlights

Carlo Malacarne

Chief Executive Officer

A Consistently Solid Set of Deliveries and Opportunities

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Strong Results

- **Revenues:** € 1,594 mln **Up 3.1%**
- **Ebit:** € 986 mln **Up 6.0%**
- **Net income:** € 576 mln **Up 5.3%**
- **Capex:** € 681 mln **Up 7.8%**



Operational & Financial Efficiency

- **Cost savings:** close to 2012 target
- **Low cost of debt:** 3.0%



Attractive Shareholder Returns

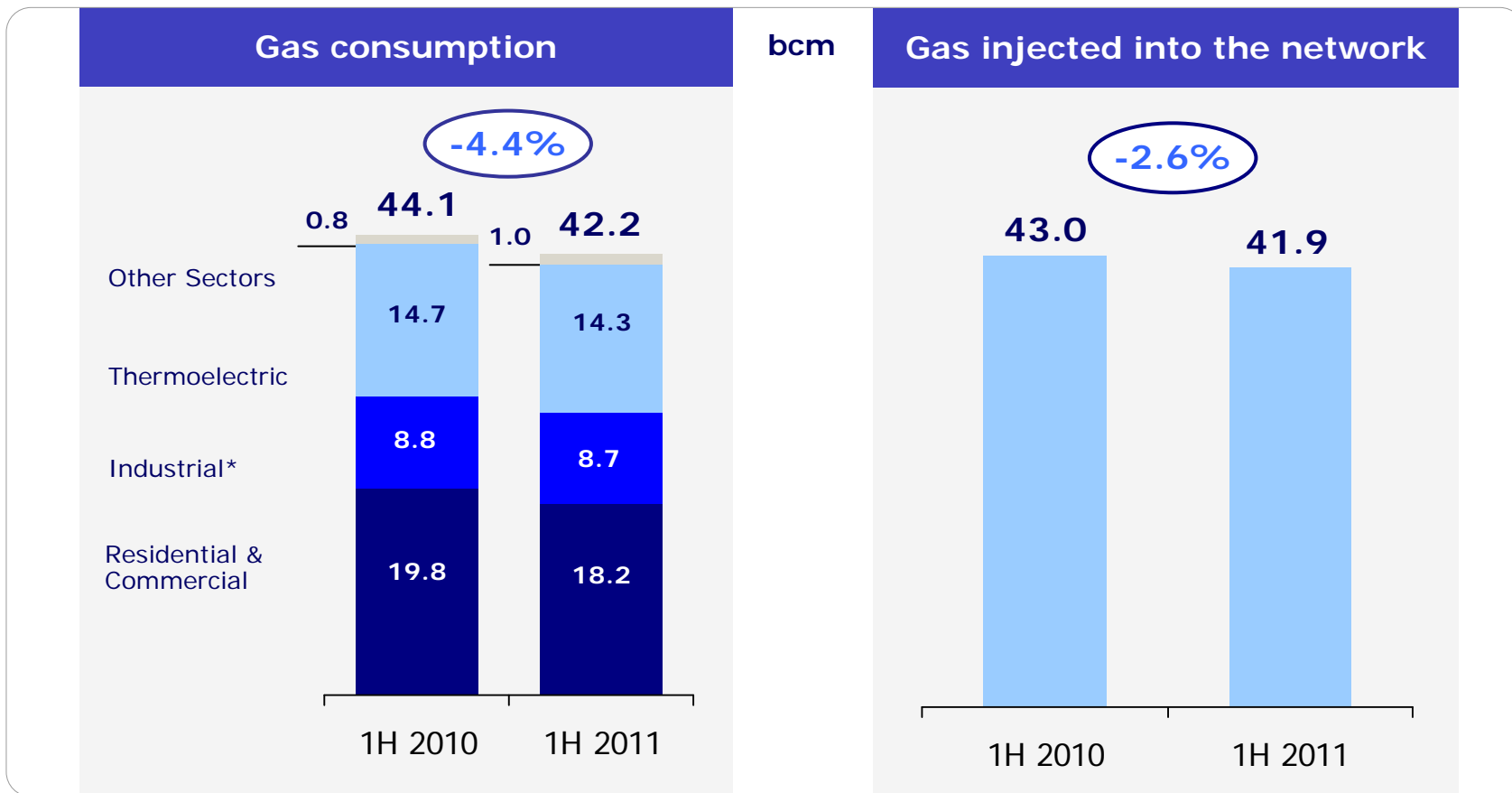
- **Robust 2011 Interim Dividend:** € 0.10/share



Legislative Framework

- **3rd European Package:**
 - ITO model adopted
- **Decree on distribution concession areas**
 - 177 concession areas defined





* Includes: NGV, Agriculture and Non-Energy Use



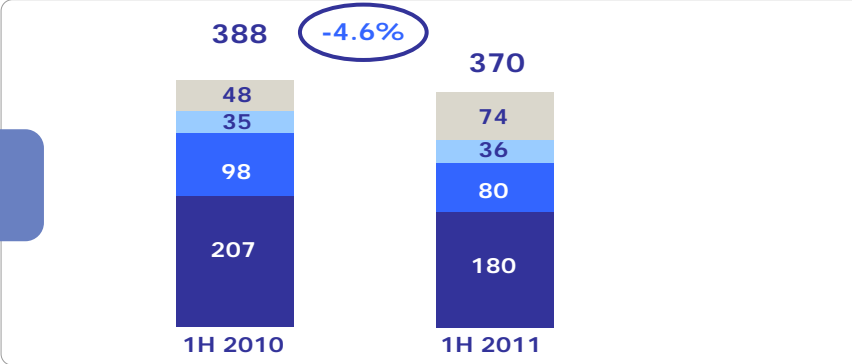
Source: Italian Ministry of Economic Development and SRG estimates

Capital Expenditure^(*)



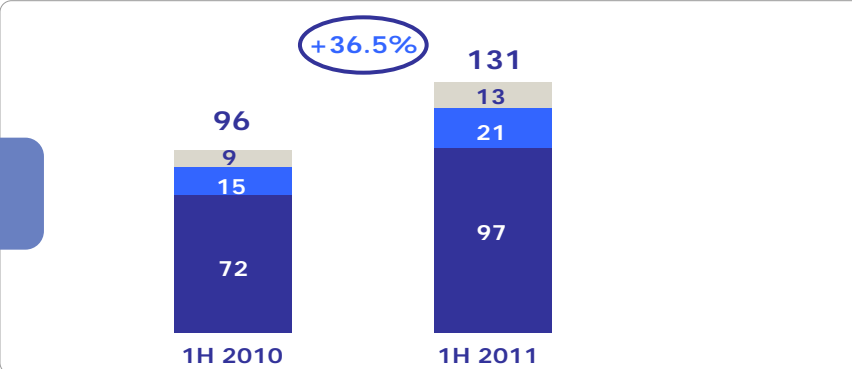
€m

Transport and LNG



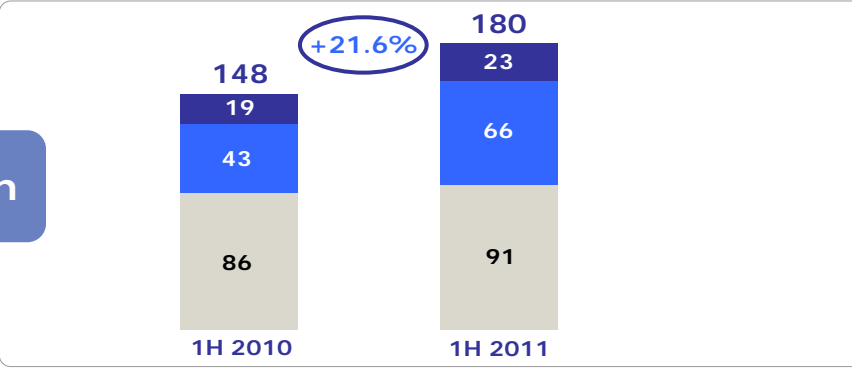
- ### Incentive scheme
- Expansion & new entry points
3% premium for 10 – 15 yrs
 - Regional & national develop.
2% premium for 7 – 10 yrs
 - Safety
1% premium for 5 yrs
 - Maintenance
Base return: 6.4%

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

INTERIM DIVIDEND
<p>2011 Interim Dividend 0.10 €/share</p> <p>Payable from October 27th 2011*</p>
<p>Confirming 2011-2012 DPS 4% yearly increase</p>

2011 SHAREHOLDER RETURNS		
2010 Final Dividend	May 26 th 0.14 € / share	0.47 € billion
2011 Interim Dividend	October 27 th 0.10 € / share	0.34 € billion
2011 Overall cash distribution		= 0.81 € billion
Yield**		~6.0%

* Ex dividend date October 24th 2011

** Overall cash distribution/ 1H 2011 average market cap (net of treasury shares)



Robust shareholder returns in a growing business
DPS sustainable with a top ranking yield

PRESERVING LOW RISK PROFILE

**EXECUTE CAPEX FOR ITALIAN GAS SYSTEM
AND CROSS-BORDER INTERCONNECTIONS**

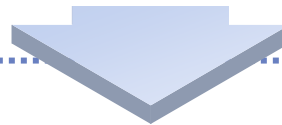
Driving profitable long term growth

DELIVER EFFICIENCY

Exploit value through operational synergies and efficient cost of capital

GUARANTEE SHAREHOLDER RETURNS

Attractive and sustainable return policy



To drive further value creation

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2011 1H Consolidated Results

Antonio Paccioretti
Chief Financial Officer

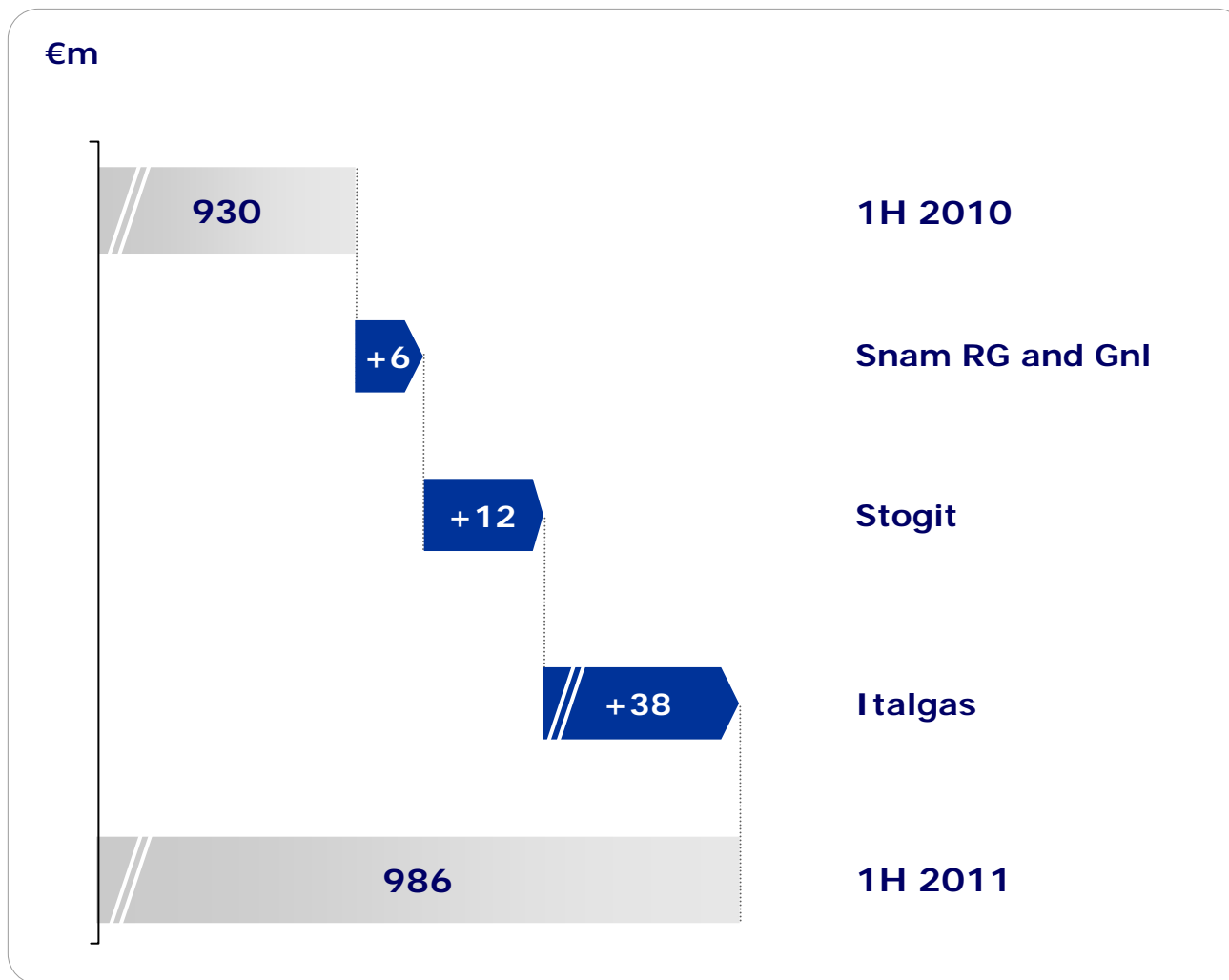
€m			
	1H 2010	1H 2011	Change
Revenues ^(*)	1,546	1,594	+48
Operating expenses ^(*)	- 289	- 294	- 5
EBITDA	1,257	1,300	+43
Depreciation & amortisation	- 327	- 314	+13
EBIT	930	986	+56
Net interest income (expenses)	- 129	- 145	- 16
Net income from associates	23	28	+5
EBT	824	869	+45
Income taxes	- 277	- 293	- 16
NET PROFIT	547	576	+29
(*) do not include the effect of IFRIC 12.			

€m

	1H 2010	1H 2011	Change
Regulated revenues	1,529	1,579	+50
Transport	908	935	+27
Revenues	874	893	+19
Pass-through revenues	34	42	+8
LNG	12	12	-
Storage	188	192	+4
Distribution	421	440	+19
Other revenues	28	32	+4
Consolidation adj. (modulation services)	-11	-17	-6
TOTAL REVENUES	1,546	1,594	+48

Operating Expenses

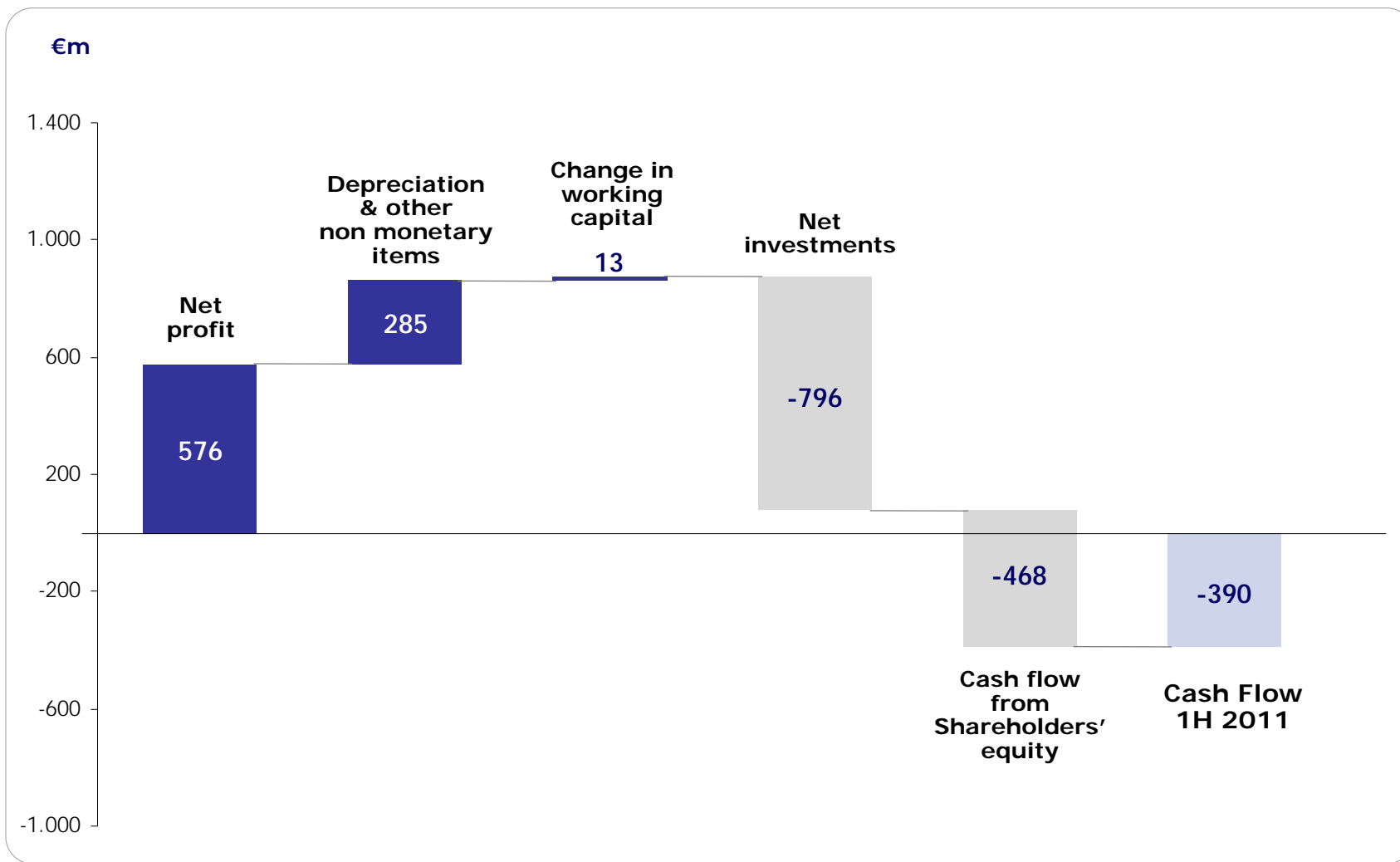
€m			
	1H 2010	1H 2011	Change
Regulated activities	273	281	+8
Controllable fixed costs	229	216	-13
Variable costs	10	8	-2
Other	34	57	+23
Non regulated activities	16	13	-3
TOTAL COSTS	289	294	+5
	1H 2010	1H 2011	Change
Transport and LNG	139	155	+16
Storage	29	29	-
Distribution	132	127	-5
Consolidation adj. (modulation services)	-11	-17	-6
TOTAL COSTS	289	294	+5



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€m			
	Dec, 31 2010	Jun, 30 2011	Change
Net Invested Capital	16,257	16,769	+512
Fixed assets	17,678	18,003	+325
Tangible fixed assets	13,097	13,355	+258
Intangible fixed assets	4,262	4,342	+80
Equity-accounted and other investments	319	306	- 13
Net working capital	- 1,331	- 1,144	+187
Receivables	1,334	1,606	+272
Liabilities	- 2,665	- 2,750	- 85
Staff benefits provision	- 105	- 105	-
Assets held for sale	15	15	-
Net financial debt	10,341	10,731	+390
Shareholders' equity	5,916	6,038	+122





Q & A Session



Annex

		1H 2010	1H 2011	Δ %
Transport	■ Gas injected into the network (bcm)	43.0	41.9	-2.6
	■ Gas pipeline network (km in operation)	31,562	31,716	+0.5
Storage	■ Storage capacity (bcm)	14.2	15.0	+5.6
	■ Modulation	9.2	10.0	+8.7
	■ Strategic	5.0	5.0	--
	■ Gas moved through storage system (bcm)	8.65	8.37	-3.2
	■ Injection	3.81	4.05	+6.3
	■ Withdrawal	4.84	4.32	- 10.7
Distribution	■ Gas distributed (bcm)	4.66	4.42	-5.3
	■ Active Gas Metering at redelivery points (# million)	5.81	5.87	+1.1

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