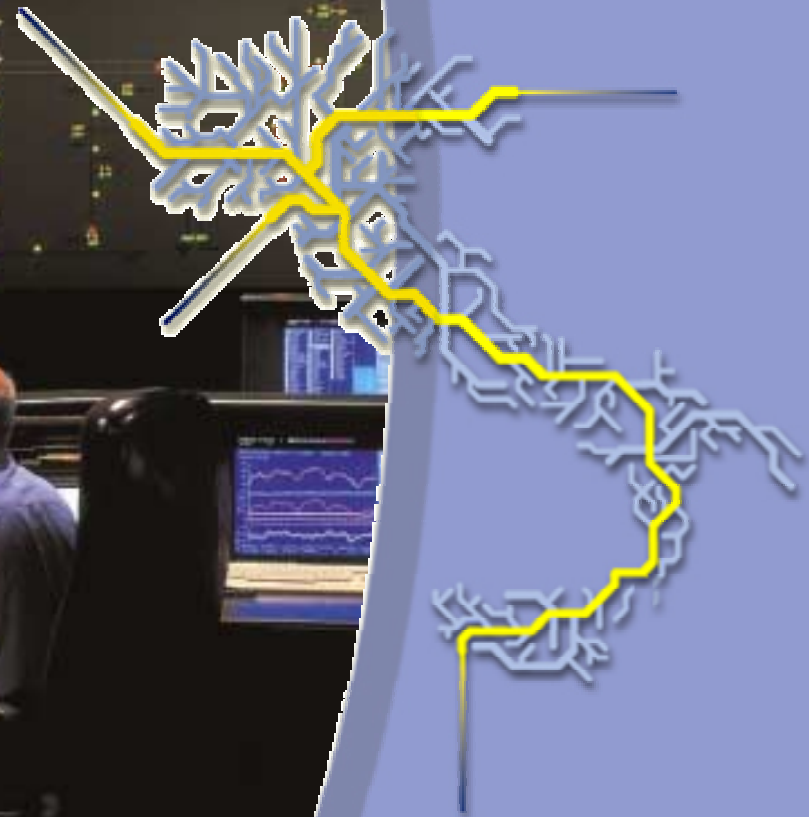




ANALYST PRESENTATION



Snam
Rete Gas



February 27, 2002



1. Significant results achieved in a short timespan

2. FY01 results

Analyzing our performance with a focus on:

Volumes

Cost cutting

Tax value

3. A look at the stock and closing remarks



Achievements

Company's establishment

(November 2000)

Transfer of assets

(July 2001)

Stock market listing

(December 2001)

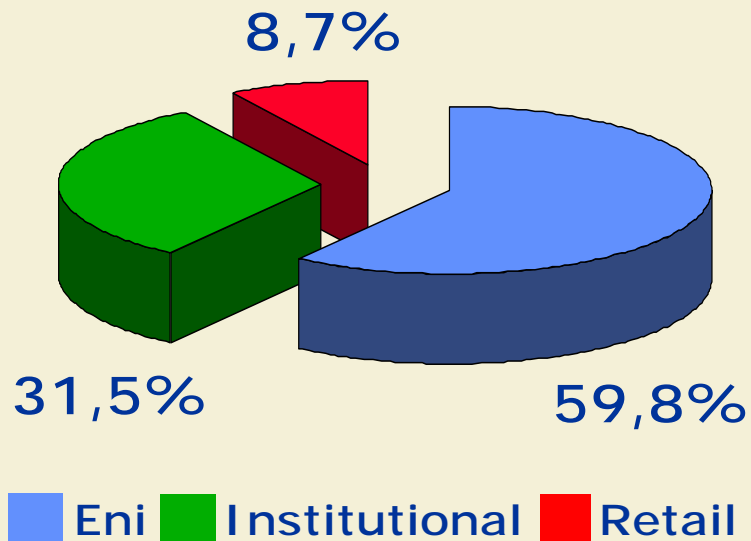
First shrs' meeting:
3 board members elected
by the minorities

(February 2002)

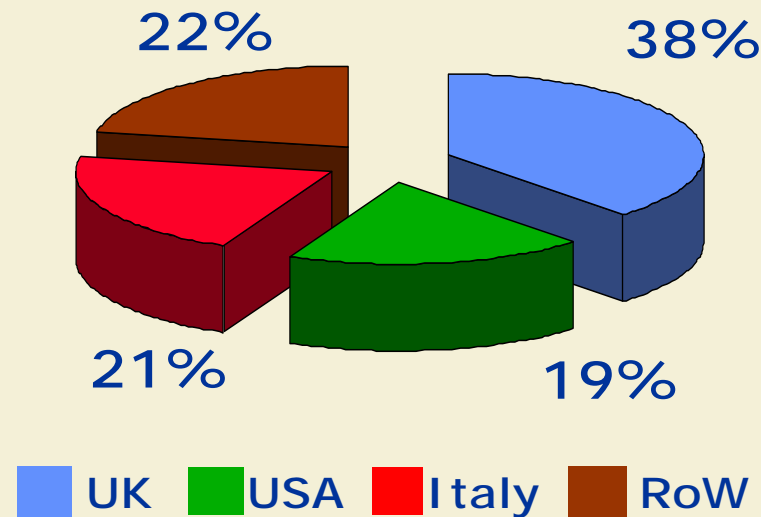


Share capital

Post-IPO share capital



Institutional segment: breakdown by country



A large free float with a significant presence of international investors



Operational steps

Tariff system approval

September
2001

Access conditions

September
2001

Capacity booking process

October
2001



Web platform
for a capacity market

27 operating shippers

Transport capacity at entry points Gas year 2001/2002

M³/day (-15°C; 1,01325 bar)

PASSO GRIES

TECHNICAL Capacity	47,7
ASSIGNED Capacity	43,4
AVAILABLE Capacity	4,3

LNG PANIGAGLIA

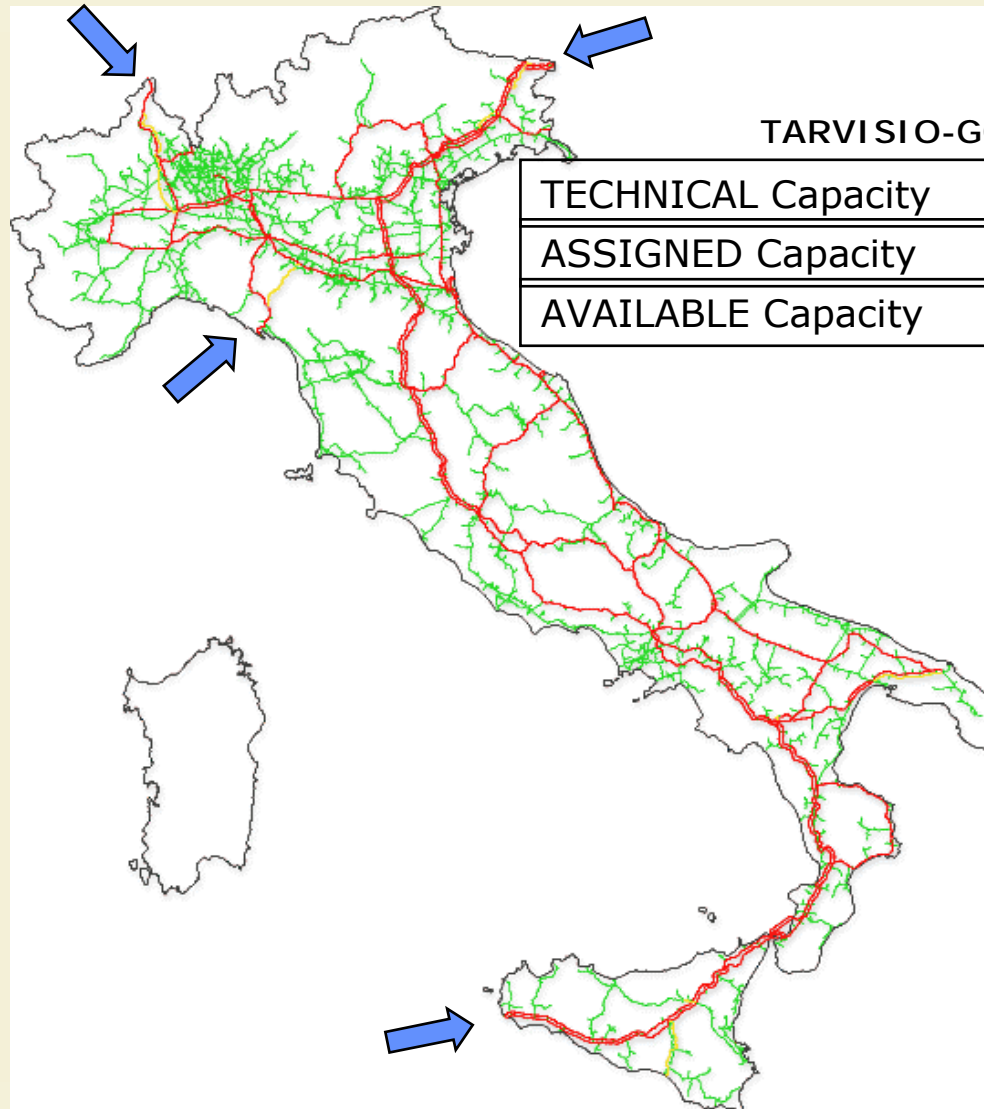
TECHNICAL Capacity	11,4
ASSIGNED Capacity	11,4
AVAILABLE Capacity	0

MAZARA DEL VALLO

TECHNICAL Capacity	88,0
ASSIGNED Capacity	74,4
AVAILABLE Capacity	13,6

TARVISIO-GORIZIA

TECHNICAL Capacity	79,5
ASSIGNED Capacity	74,9
AVAILABLE Capacity	4,6





Highlights

Large size

Healthy margins

Strong cash flow generation

		2H 2001
REVENUES	(Mln €)	932
EBIT	(Mln €)	448
NET PROFIT	(Mln €)	183
FREE CASH FLOW	(Mln €)	268
LEVERAGE (D/D+E)		45%
CAPEX	(Mln €)	256



Income statement



€m	2H 2001
Revenues	932
Operating costs	252
Labour cost	58
Other operating costs	188
Provisions	6
EBITDA	680
Depreciation & Amortisation	232
EBIT	448
Net interest income (expenses)	(126)
Extraordinary income (expenses)	(30)
EBT	292
Income taxes	109
Net profit	183



Revenues



€m

	2H 2001
TOTAL REVENUES	932
REGULATED REVENUES	866
Transport	843
of which on behalf of third parties	9
GNL	23
NON REGULATED REVENUES	66



Volumes

bcm

	2000	2001	Change
Domestic gas demand	70.7	71.2	+0.5

Tariff reference volumes	73.1
of which:	
relevant to Snam RG	72.0

	4Q 2000	4Q 2001	Change
Domestic gas demand	19.0	21.6	+2.6
Volumes injected in Snam RG network	18.1	18.5	+0.4

gas injected = gas demand +/- storage + export + transit



Operating expenses



€m

	2000 p.f.	2001 p.f.	Change	2H 2001
REGULATED ACTIVITIES	494	411	-83	198
Variable costs	70	66	-4	36
Operating fixed costs	297	269	-28	129
Modulation services	83	69	-14	27
Provisions	44	7	-37	6
NON - REGULATED ACTIVITIES	101	100	-1	54
Variable costs	27	18	-9	9
Fixed costs	74	82	+8	45
TOTAL	595	511	-84	252



Headcount reduction

nr.

	1 Jul 2001	31 Dec 2001	Change
Operations	2.541	2.398	-143
Business development	231	243	+12
Staff	329	317	-12
Other	14	15	+1
TOTAL (*)	3.115	2.973	-142

(*) Not including personnel on unpaid leave



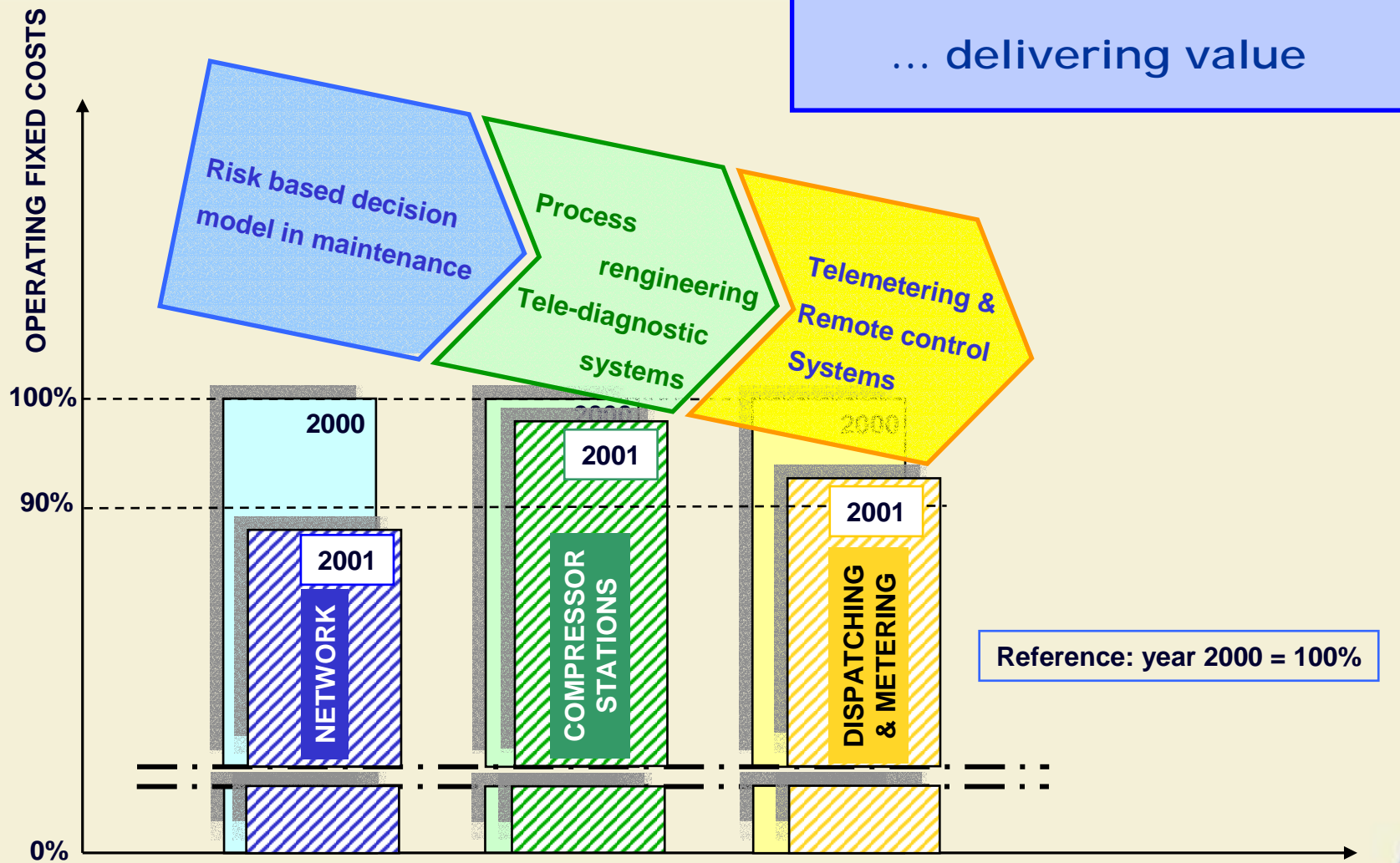
Regulated activities: operating fixed costs

€m

	2000 p.f.	2001 p.f.	Change	2H 2001
REGULATED ACTIVITIES	297	269	-28	129
TRANSPORTATION	286	258	-28	123
Network	224	199	-25	93
Compressor stations	20	20	-	10
Dispatching and metering	42	39	-3	20
LNG	11	11	-	6

9% cost reduction vs 2000

Improving efficiency...



... delivering value



Tax value

€m

Fiscal depreciation

Exceeding depreciation
Tax Saving (IRPEG+IRAP)
Tax value
Current tax savings
Present value of deferred taxes

2H 2001
298
120
55
120
-65

"Tremonti Law"

Capex
Tax base reduction (IRPEG)
Tax value
Current tax savings
Present value of deferred taxes

138
69
25
21
4

TOTAL TAX VALUE

80

TAX RATE

37%

CASH RATE

4%



Balance sheet

€m

	1/7 2001		31/12 2001
Net Invested Capital	9,481	-85	9,396
Fixed assets	9,580	-155	9,425
Tangible assets	9,529	-191	9,338
Intangible fixed assets	51	+36	87
Net working capital	-73	+61	-12
Short term receivables	40	+418	458
Short term liabilities	-113	-357	-470
Staff-leaving indemnity	26	-9	17
Net financial debt (cash)	5,721	-1,528	4,193
Shareholders' equity	3,760	+1,443	5,203
of which: paid-in capital reserve	2,255	+810	3,065



CAPEX

€m

	2000 p.f.	2001 p.f.	Change	2H 2001
TOTAL	379	429	+50	256
DEVELOPMENT	260	295	+35	153
Transportation - national	137	193	+56	100
Transportation - regional	120	99	-21	52
LNG	3	3	-	1
MAINTENANCE AND OTHER	119	134	+15	103
Maintenance	119	86	-33	55
Gas line pack	-	16	+16	16
Listing	-	32	+32	32



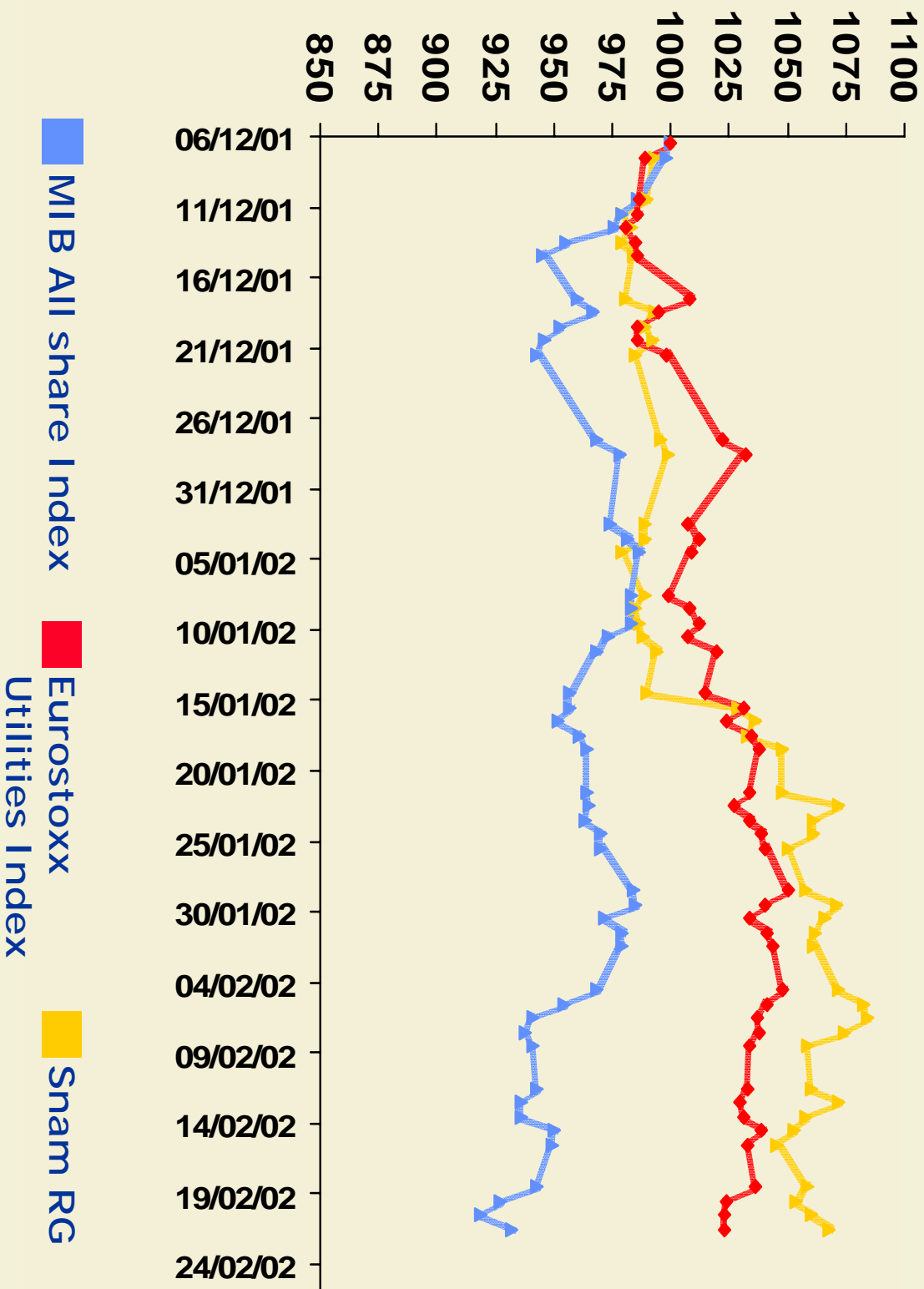
Cash flow

€m	2001
Net income	183
Depreciation	232
Deferred taxes	97
Provisions	11
Change in staff leaving indemnity	-9
Change in working capital	-169
Cash flow from operations	345
Net investments	-77
Free Cash Flow	268
Capital increase (*)	1,263
Net cash flow	1,531
Initial Net Financial Debt (*)	5,724
Final Net Financial Debt	4,193

(*) Including capital increase of 3 m€ in May 2001



The Stock





1. STRONG RESULTS IN THE CORE BUSINESS

2. COST CUTTING AHEAD OF TARGET

3. STRATEGY ON TRACK

4. CORPORATE GOVERNANCE: MINORITIES "ON BOARD"