

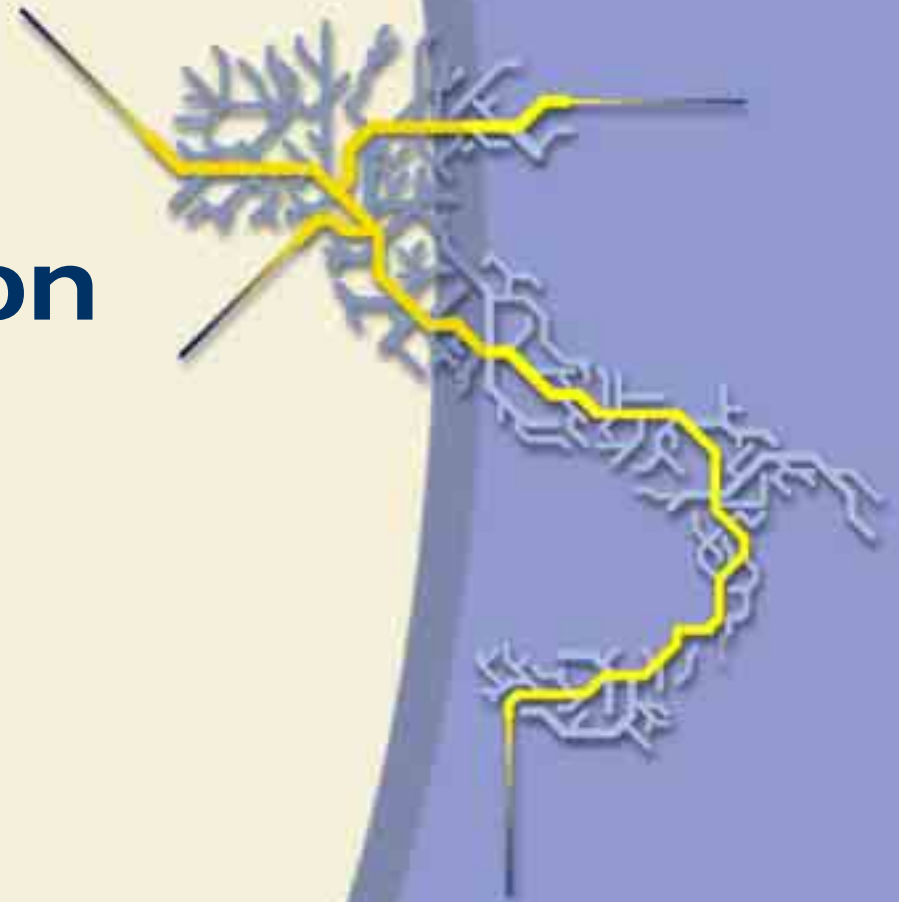


**Snam**  
Rete Gas

# Analyst Presentation

First quarter 2003

May 7, 2003



## ● VOLUMES

- ▶ Gas consumption : 26.5 bcm (+11% over 1Q2002)
- ▶ Gas injected in the network : 21.9 bcm (+4% over 1Q2002)
- ▶ New CCGT plants begin to drive gas consumption growth

## ● CAPEX

- ▶ Capital expenditure : 65 m€ (+10% over 1Q2002)
- ▶ Started implementation of 2003-2006 capex plan

## ● OPEX

- ▶ Headcount reduction : -127 over y.e. 2002
- ▶ New projects supporting future cost efficiency

● **11 GW under construction**

● **3,43 GW in operation by 2003**

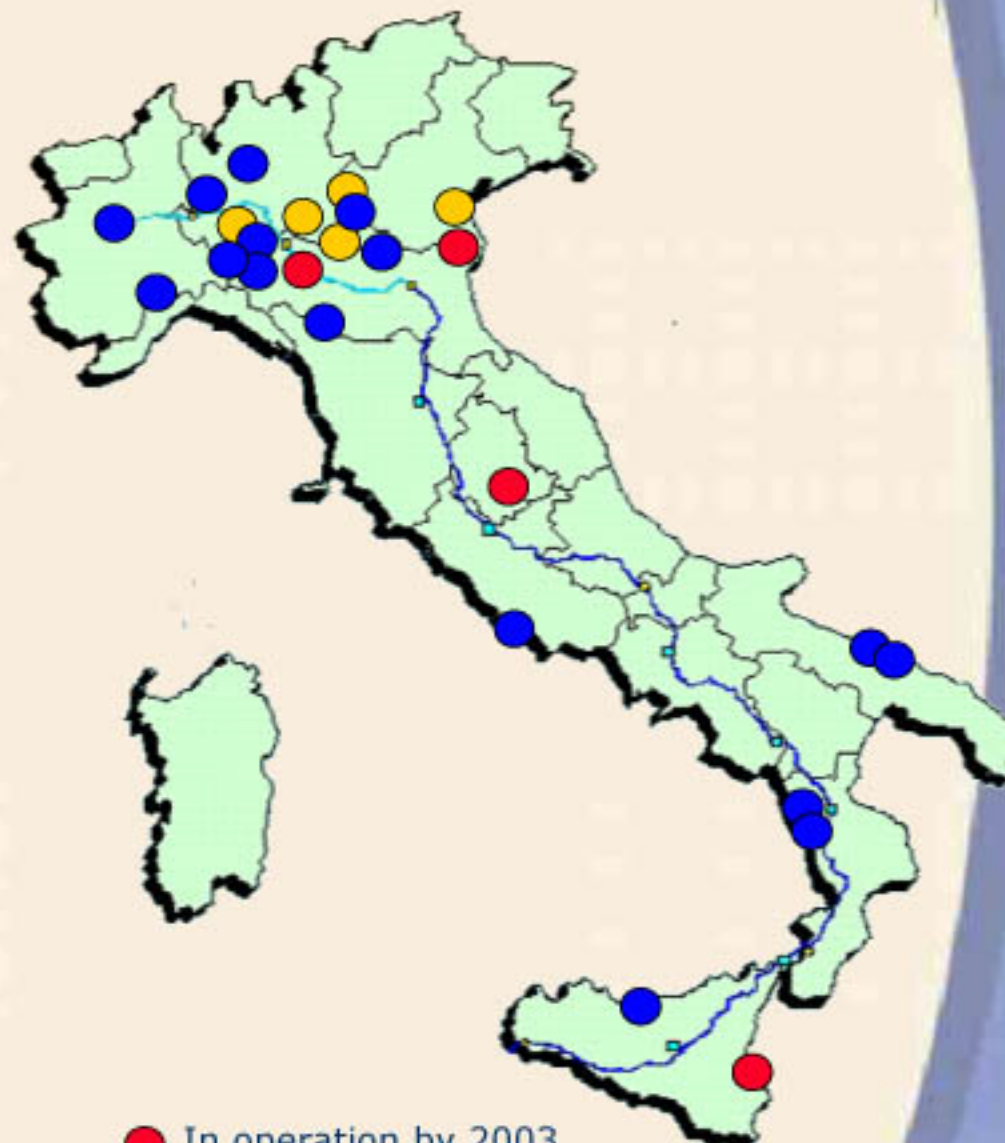
- La Casella (Enel) 1,52 GW
- Porto Corsini (Enel) 0,76 GW
- Pietrafitta (Enel) 0,37 GW
- Priolo (Enel) 0,78 GW

● **2,71 GW in operation by 2004**

- Sermide (Edipower) 0,76 GW
- Ostiglia (Endesa) 0,38 GW
- 3 CCGT Enipower 1,56 GW



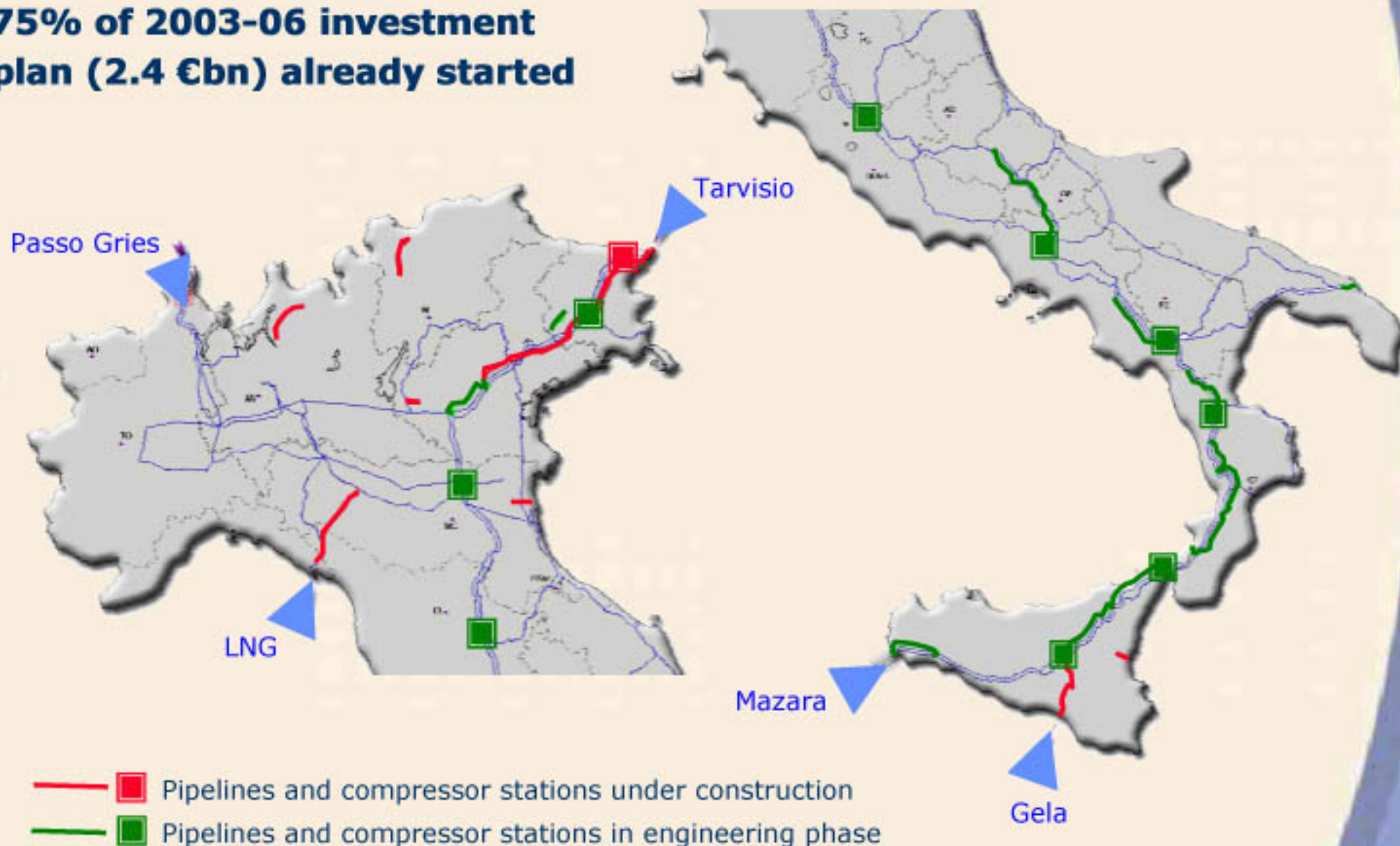
**19 GW by 2006-07 confirmed**



- In operation by 2003
- In operation by 2004
- In operation by 2006-07



**75% of 2003-06 investment  
plan (2.4 €bn) already started**





- **Tariff proposal for gas year 2003-2004 presented to the Regulator**
- **“Network Code” definition process going forward**



# 1Q2003

## Financial Results

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€m

	1Q02	1Q03	Change
<b>REVENUES</b>	<b>461</b>	<b>459</b>	<b>-2</b>
Regulated revenues	437	455	+18
Non regulated revenues	24	4	-20
<b>Operating expenses</b>	<b>-136</b>	<b>-96</b>	<b>+40</b>
<b>EBITDA</b>	<b>325</b>	<b>363</b>	<b>+38</b>
<b>Depreciation &amp; Amortisation</b>	<b>-109</b>	<b>-115</b>	<b>-6</b>
<b>EBIT</b>	<b>216</b>	<b>248</b>	<b>+32</b>
<b>Net interest income (expenses)</b>	<b>-41</b>	<b>-35</b>	<b>+6</b>
<b>Extraordinary income (expenses)</b>	<b>-</b>	<b>-2</b>	<b>-2</b>
<b>EBT</b>	<b>175</b>	<b>211</b>	<b>+36</b>
<b>Income taxes</b>	<b>-54</b>	<b>-84</b>	<b>-30</b>
<b>NET PROFIT</b>	<b>121</b>	<b>127</b>	<b>+6</b>

€m

	1Q02	1Q03	Change
<b>TOTAL REVENUES</b>	461	459	-2
<b>REGULATED REVENUES</b>	437	455	+18
<b>TRANSPORT</b>	426	445	+19
of which pass through	25	9	-16
<b>LNG</b>	11	10	-1
of which pass through	3	3	-
<b>NON REGULATED REVENUES</b>	24	4	-20



€m

	1Q02	1Q03	Change
<b>TOTAL OPERATING EXPENSES</b>	<b>136</b>	<b>96</b>	<b>-40</b>
<b>REGULATED ACTIVITIES</b>	<b>119</b>	<b>95</b>	<b>-24</b>
<b>CONTROLLABLE OPEX</b>	<b>77</b>	<b>72</b>	<b>-5</b>
Operating fixed costs	62	58	-4
Variable costs	15	14	-1
<b>OTHER</b>	<b>42</b>	<b>23</b>	<b>-19</b>
Modulation services	14	11	-3
Pass-through costs	28	12	-16
<b>NON - REGULATED ACTIVITIES</b>	<b>17</b>	<b>1</b>	<b>-16</b>

€m

	31Dec 2002		31Mar 2003
<b>Net Invested Capital</b>	<b>9,007</b>	<b>-144</b>	<b>8,863</b>
<b>Fixed assets</b>	<b>9,288</b>	<b>-19</b>	<b>9,269</b>
Tangible fixed assets	9,182	-11	9,171
Intangible fixed assets	106	-8	98
<b>Net working capital</b>	<b>-264</b>	<b>-125</b>	<b>-389</b>
Receivables	424	-37	387
Liabilities	-688	-88	-776
<b>Staff-leaving indemnity</b>	<b>-17</b>	<b>-</b>	<b>-17</b>
<b>Net financial debt</b>	<b>3,556</b>	<b>-271</b>	<b>3,285</b>
<b>Shareholders' equity</b>	<b>5,451</b>	<b>+127</b>	<b>5,578</b>

€m

	1Q02	1Q03	Change	%
<b>TOTAL</b>	<b>59</b>	<b>65</b>	<b>+6</b>	<b>+10%</b>
<b>DEVELOPMENT</b>	<b>38</b>	<b>45</b>	<b>+7</b>	<b>+18%</b>
Transportation - national	22	24	+2	+9%
Transportation - regional	16	20	+4	+25%
LNG	-	1	+1	-
<b>MAINTENANCE AND OTHER</b>	<b>21</b>	<b>20</b>	<b>-1</b>	<b>-5%</b>

€m

	1Q02	1Q03	Change
Net income	121	127	+6
Depreciation and other non-monetary items	109	116	+7
Change in net working capital	151	124	-27
Change in staff leaving indemnity	-2	-	+2
<b>Cash flow from operations</b>	<b>379</b>	<b>367</b>	<b>-12</b>
Net investments	-58	-96	-38
<b>Free cash flow</b>	<b>321</b>	<b>271</b>	<b>-50</b>
Dividends	-	-	-
<b>Cash Flow</b>	<b>321</b>	<b>271</b>	<b>-50</b>



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