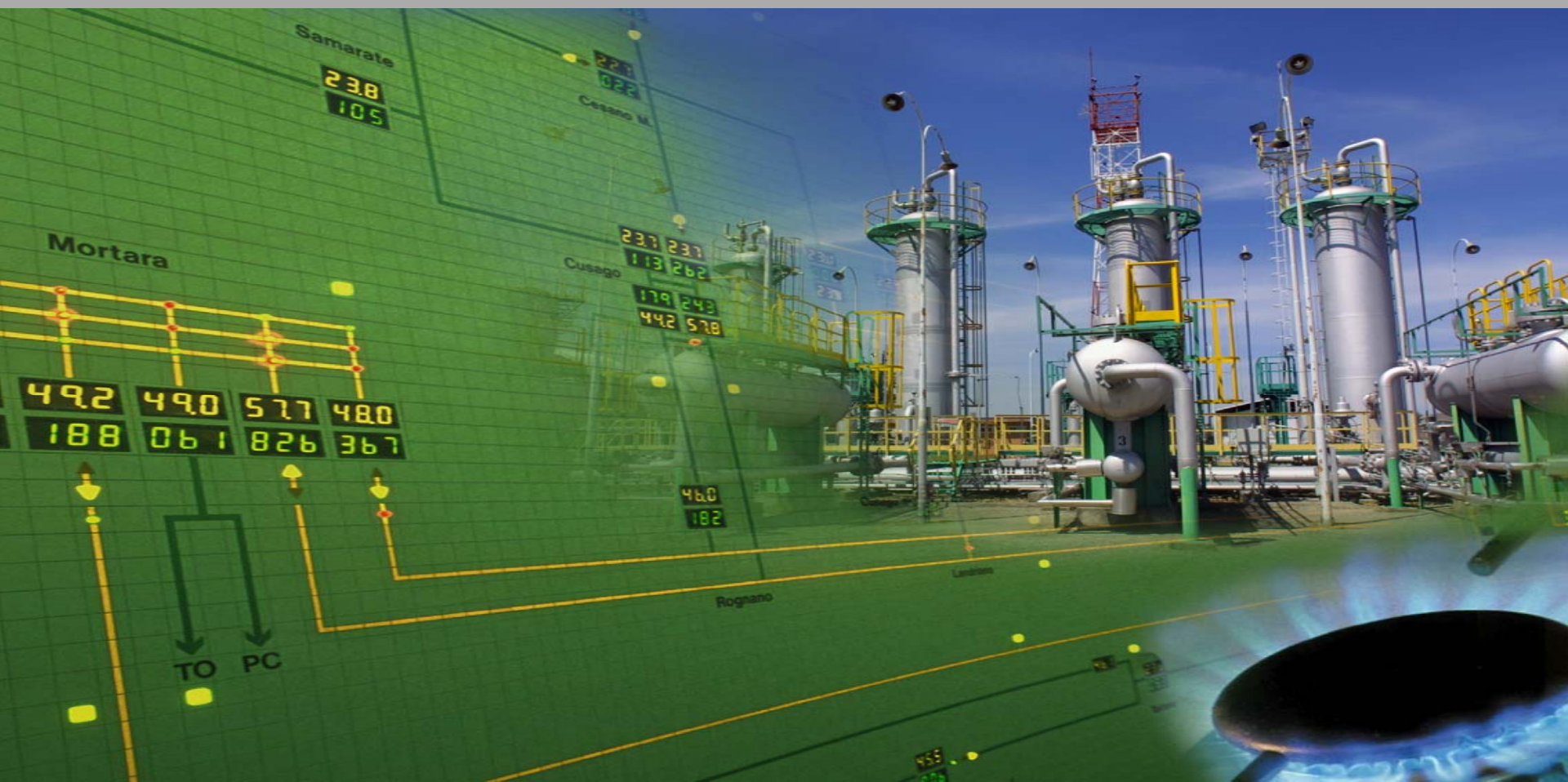




2009 Interim Review

Milan, July 29th, 2009





Disclaimer

Snam Rete Gas's Chief Financial Officer, Antonio Paccioretti, in his position as manager responsible for the preparation of financial reports, certifies pursuant to paragraph 2, article 154-bis of the Legislative Decree n. 58/1998, that data and information disclosures herewith set forth correspond to the company's evidence and accounting books and entries.

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.

Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

These forward-looking statements are only predictions and are subject to risks, uncertainties, and assumptions that are difficult to predict because they relate to events and depend on circumstances that will occur in the future.

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snam rete gas

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1H 2009 Highlights

Carlo Malacarne

Chief Executive Officer

Real Progress in a Challenging Period



Closing Stogit and Italgas acquisition: June 30th

Successful Capital Increase: 99.75% subscribed

Capex on track: €438 million invested in 1H 2009

Resilient operating performance despite gas demand downturn

Ongoing proactive discussion with Authority for the 3rd Regulatory period

Snam Rete Gas Highlights (*)



		1H 2008	1H 2009	Δ %
Gas injected into the network	(bcm)	45.4	38.1	-16.0
REVENUE	(€m)	940	919	-2.2
EBITDA	(€m)	741	692	-6.6
NET PROFIT	(€m)	259	234	-9.7
Capex	(€m)	477	438	-8.2

(*) Snam Rete Gas P&L doesn't consolidate Italgas and Stogit figures

Volumes



bcm

	1H 2008	1H 2009	Δ %
<ul style="list-style-type: none"> ▪ Residential and Commercial (weather adjusted) 	17.5 (18.2)	18.2 (17.9)	+3.9 (-1.8)
<ul style="list-style-type: none"> ▪ Industrial (*) 	10.5	8.3	-21.0
<ul style="list-style-type: none"> ▪ Thermoelectric 	17.2	12.9	-25.0
<ul style="list-style-type: none"> ▪ Other 	0.7	0.7	--
Gas consumption (**) (weather adjusted)	45.9 (46.6)	40.1 (39.8)	-12.7 (-14.7)
<ul style="list-style-type: none"> ▪ Storage & Other (***) 	-0.5	-2.0	n.m
Gas injected into the network	45.4	38.1	-16.0

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

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

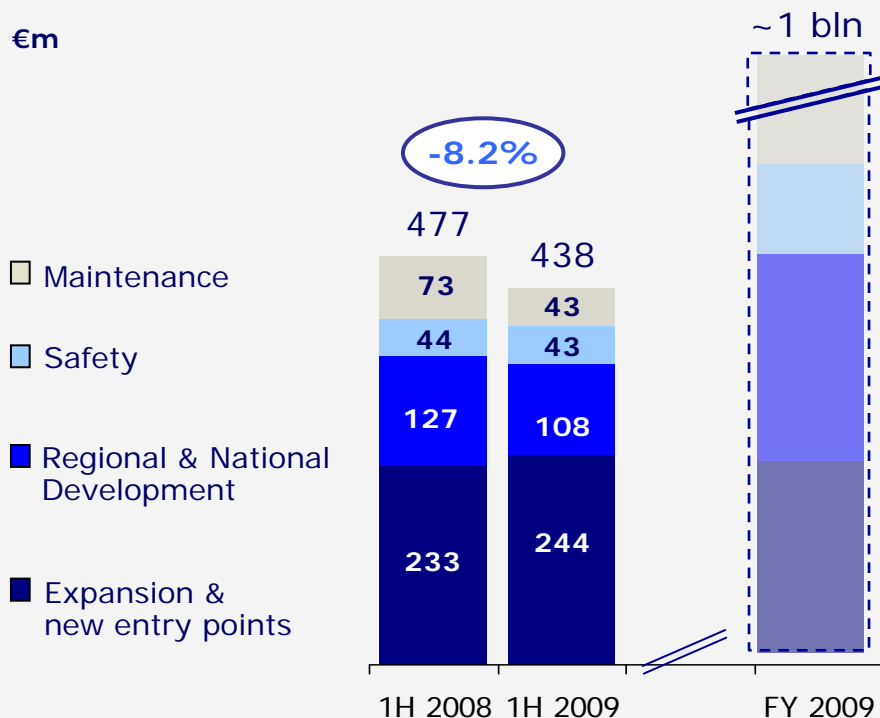
(***) Includes exports and other consumption

SRG Capex



Update

€m



The 2009 capex breakdown is based on the actual incentive scheme. The scheme for the third regulatory period is still to be determined.

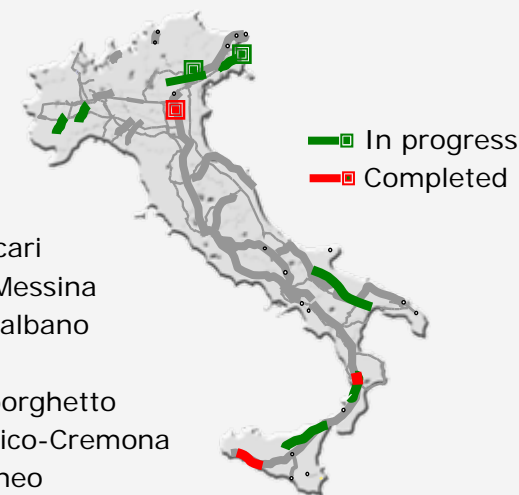
Main Projects

In Progress:

- Massafra-Biccari
- Montalbano-Messina
- Bronte- Montalbano
- Rende-Tarsia
- Tarvisio-Malborghetto
- Poggio Renatico-Cremona
- Cherasco-Cuneo
- Oviglio-Ponti
- Istrana & Malborghetto compression stations

Completed:

- Mazara-Menfi
- Tarsia-Morano
- Poggio Renatico compression station

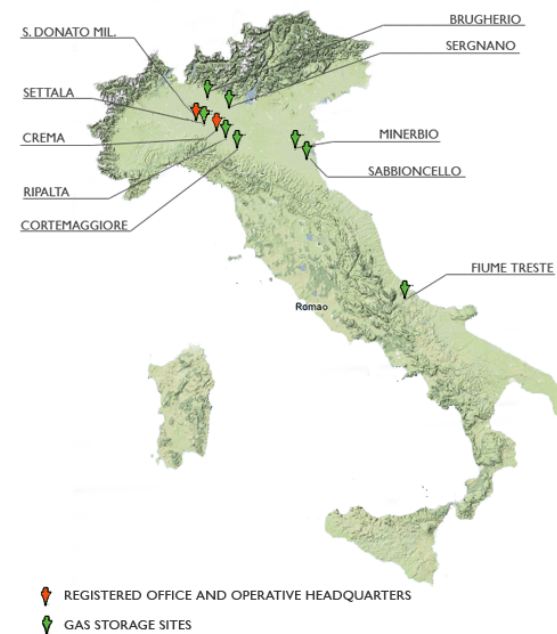


Capex programme on track

Stogit Highlights

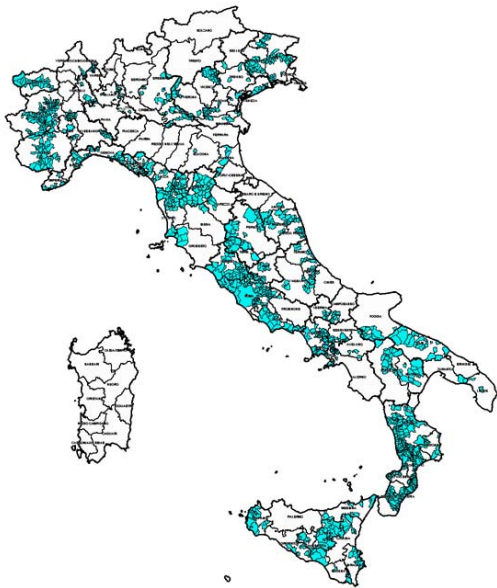


		1H 2008	1H 2009	Δ %
Storage capacity (*)	(bcm)	13.5	13.9	+3.0
▪ Modulation	(bcm)	8.4	8.9	+6.0
▪ Strategic	(bcm)	5.1	5.0	--
Gas moved through storage system	(bcm)	7.11	10.35	+45.8
▪ Injection	(bcm)	3.39	4.30	+26.8
▪ Withdrawal	(bcm)	3.72	6.05	+62.6
Capex	(€m)	98	133	+35.7



(*) Maximum capacity available

Italgas Highlights (*)



		1H 2008	1H 2009	Δ %
Gas distributed	(bcm)	4.38	4.43	+1.3
Active Gas Metering at Redelivery points	(#m)	5.64	5.72	+1.5
Capex (**)	(€m)	85	144	+69.4

(*) Consolidated figures: includes Italgas S.p.A. & Napoletana Gas S.p.A.

(**) Net of subsidies

■ Italgas market positioning

Confirming Attractive Shareholder Returns



2009
Interim Dividend
0.06 €/share

Expected to represent
1/3 of
FY 2009 DPS

Payable from October 22nd 2009*



Robust shareholder returns in a growing business
DPS sustainable
Top ranking yield in the European utilities sector

* Ex dividend date October 19th 2009

Maintaining SRG's Value Proposition



**STRONG BUSINESS
FUNDAMENTALS**

PROFITABLE LONG TERM GROWTH

LOW RISK PROFILE

**ATTRACTIVE & SUSTAINABLE
RETURNS TO SHAREHOLDERS**

Stogit & italgas

ACQUISITION

**REINFORCES
OUR
STRATEGY**



snam rete gas

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1H 2009 Results

Antonio Paccioretti

Chief Financial Officer

Income Statement



€m

	1H 2008	1H 2009	Change
Revenues	940	919	-21
Operating expenses	- 199	- 227	-28
EBITDA	741	692	-49
Depreciation & amortisation	- 241	- 248	-7
EBIT	500	444	-56
Net interest income (expenses)	- 110	- 91	+19
EBT	390	353	-37
Income taxes	- 131	- 119	+12
NET PROFIT	259	234	-25

Revenues



€m

	1H 2008	1H 2009	Change
Regulated revenues	929	910	-19
Transport	918	900	-18
Revenues	893	873	-20
Pass-through revenues	25	27	+2
LNG	11	10	-1
Other revenues	11	9	-2
TOTAL REVENUES	940	919	-21

Operating Expenses



€m

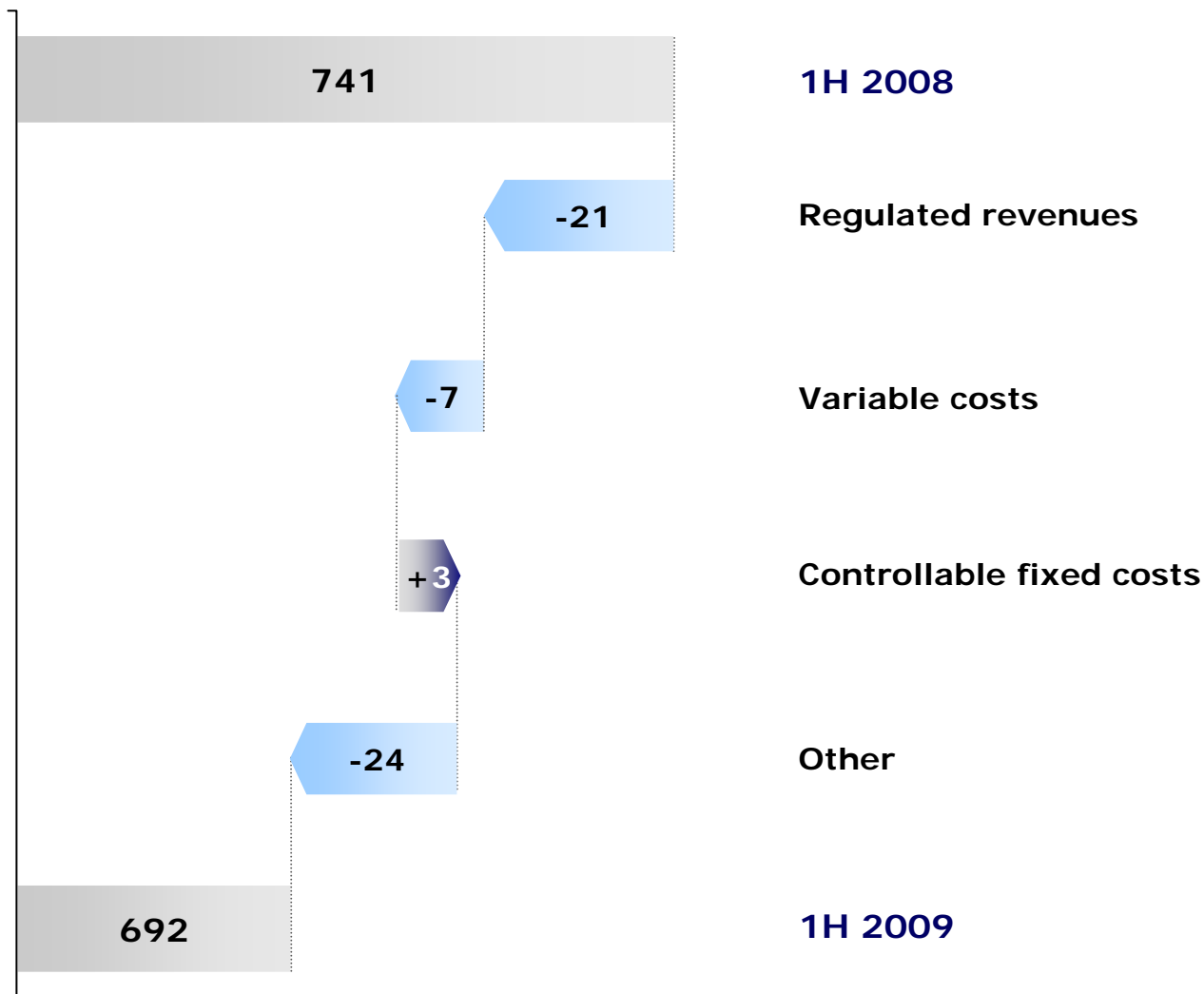
	1H 2008	1H 2009	Change
Regulated activities costs	198	226	+28
Controllable fixed costs	107	104	-3
Variable costs	65	72	+7
Other*	26	50	+24
Non regulated activities	1	1	-
TOTAL COSTS	199	227	+28

(*) of which modulation services from Stogit for 11 m€ in 1H2008 and 1H2009

EBITDA Analysis



€m



Income Statement



€m

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Revenues	940	919	- 21
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Storage Activity: Stogit



€m

	1H 2008	1H 2009	°%
Revenues	171	183	+7,0%
<i>of which:</i>			
<i> modulation service</i>	140	149	+6,4%
<i> strategic storage</i>	31	34	+9,7%
EBIT	111	123	+10,8%
Net profit	59	69	+16,9%
Free Cash Flow	34	- 47	n.m.

Distribution Activity: Italgas



€m

	1H 2008	1H 2009	Δ%
Revenues	439	409	-6.8%
<i>of which:</i>			
<i>regulated</i>	409	382	-6.6%
<i>other revenues</i>	30	27	-10.0%
EBIT	216	195	-9.7%
Consolidated Net Profit	141	126	-10.6%
Free Cash Flow	167	267	+59.9%

Balance Sheet



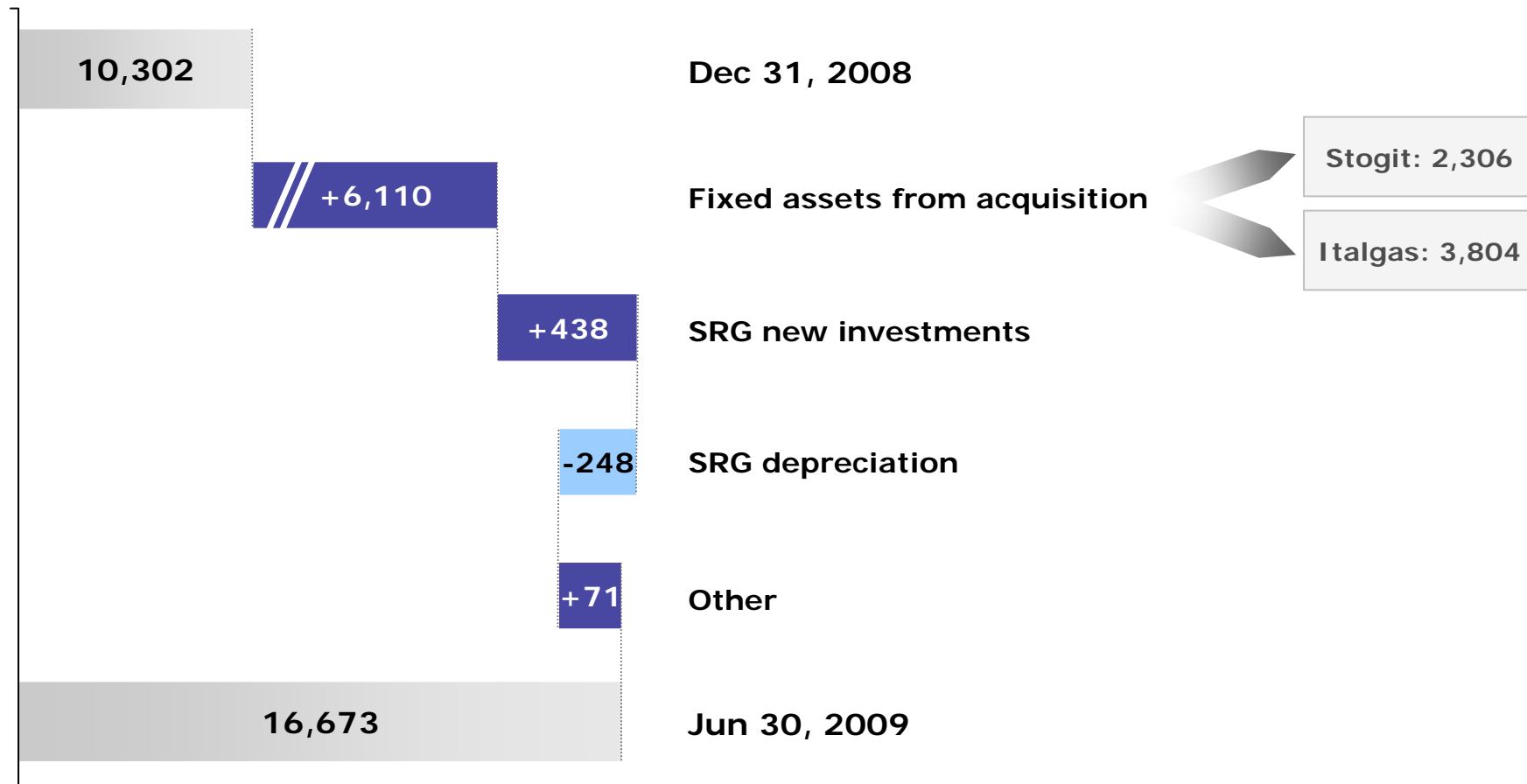
€m

	Dec, 31 2008	Jun, 30 2009	Change
Net Invested Capital	9,809	15,069	+5,260
Fixed assets	10,302	16,673	+6,371
Tangible fixed assets	10,263	15,652	+5,389
Intangible fixed assets	39	738	+699
Equity-accounted and other investments	-	283	+283
Net working capital	- 464	- 1,521	- 1,057
Receivables	577	1,115	+538
Liabilities	- 1,041	- 2,636	- 1,595
Staff benefits provision	- 29	- 108	- 79
Assets held for sale	-	25	+25
Net financial debt	6,236	9,667	+3,431
Shareholders' equity	3,573	5,402	+1,829
Leverage (D/D+E)	63.6%	64.2%	+0.6%

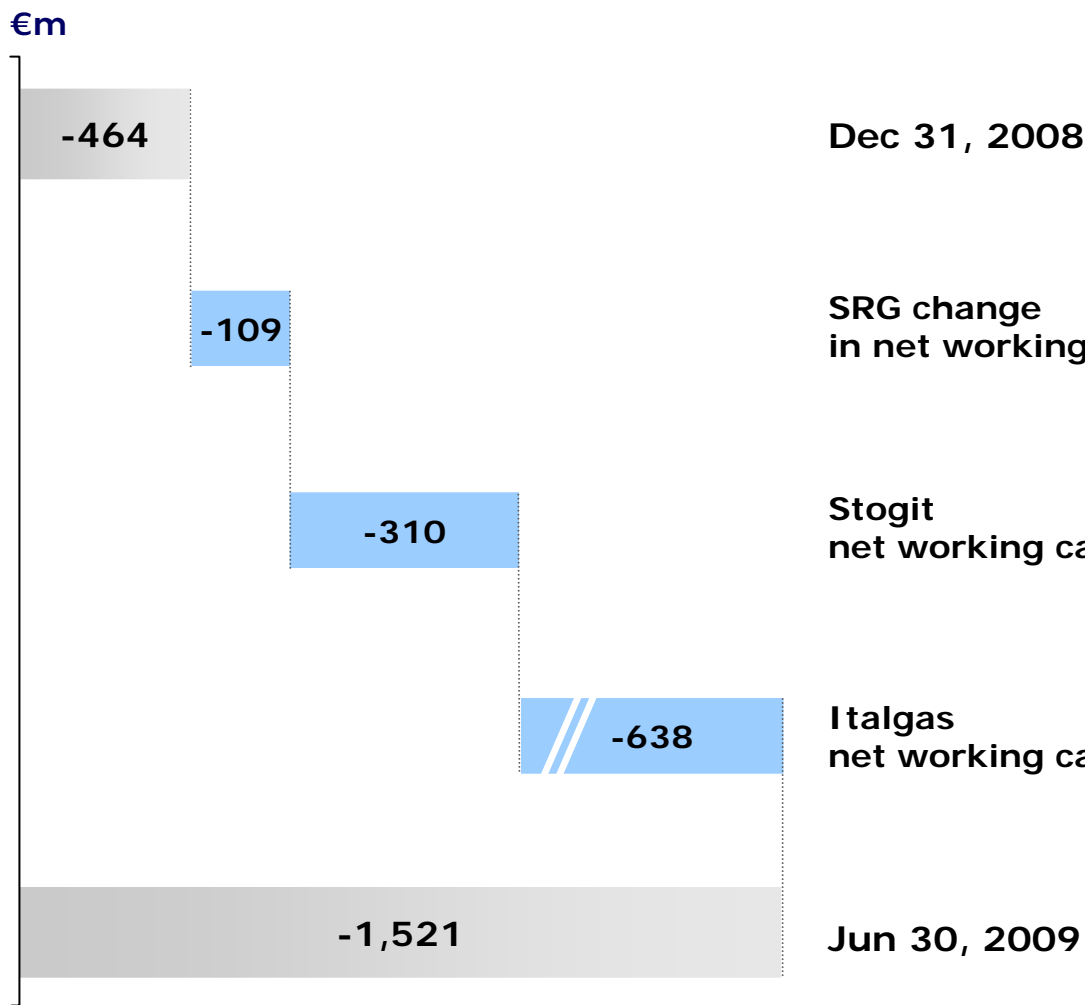
Fixed Assets



€m



Net Working Capital



Dec 31, 2008

SRG change
in net working capital

Stogit
net working capital

Italgas
net working capital

Jun 30, 2009

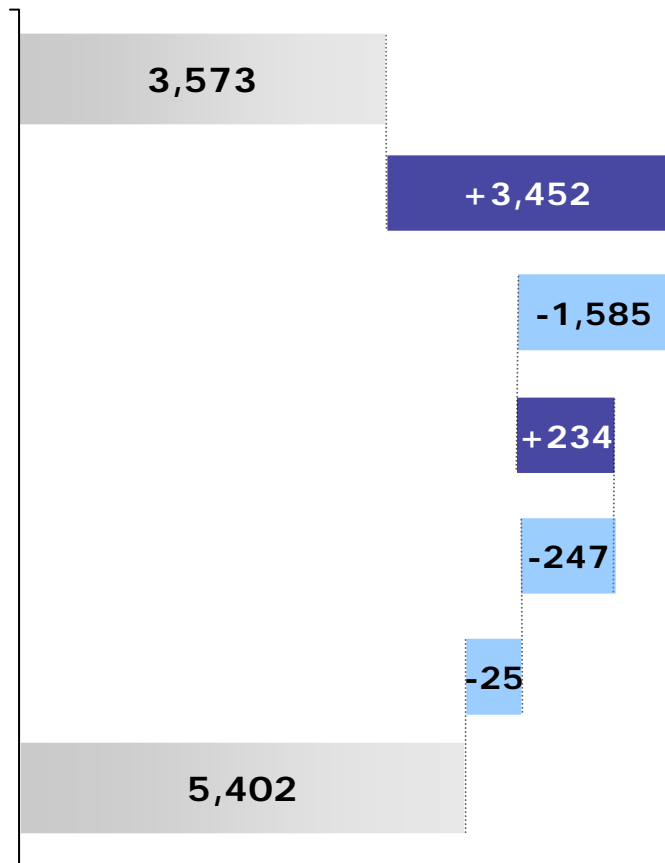
of which:

- Trade and other receivables - 58
- Fair value of IRS - 43

Shareholders' Equity



€m



Dec 31, 2008

Share capital increase (*)

Consideration prices vs. underlined equity book values at Jun 30, 2009

SRG 1H 2009 net profit

SRG 2008 final dividend distribution

Other

Jun 30, 2009

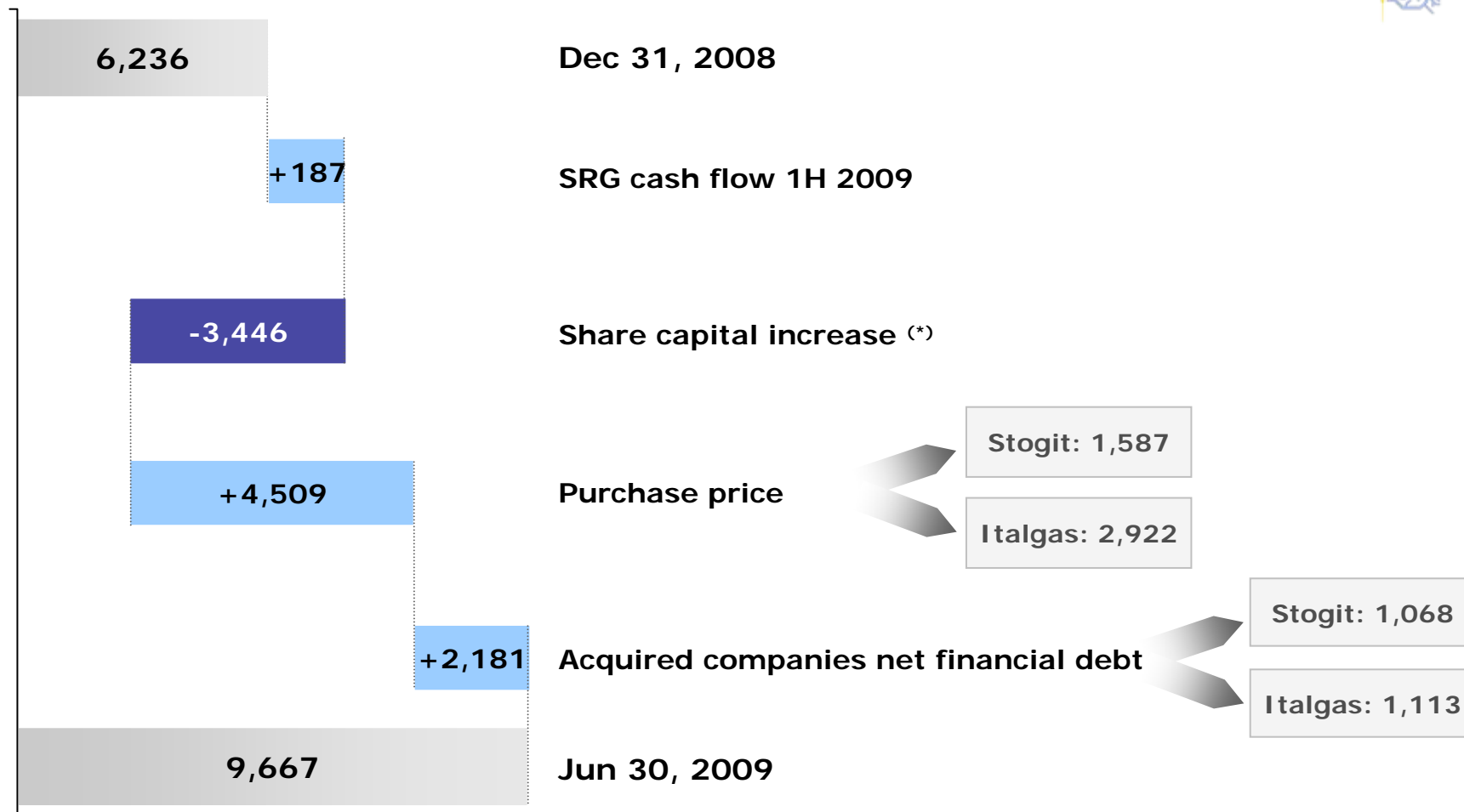
	Stogit	Italgas	TOTAL
Price	1,588	2,924	4,512
Equity book values	923	2,004	2,927
DIFFERENCE	665	920	1,585

(*) Net of relevant expenses after tax.

Net Financial Debt

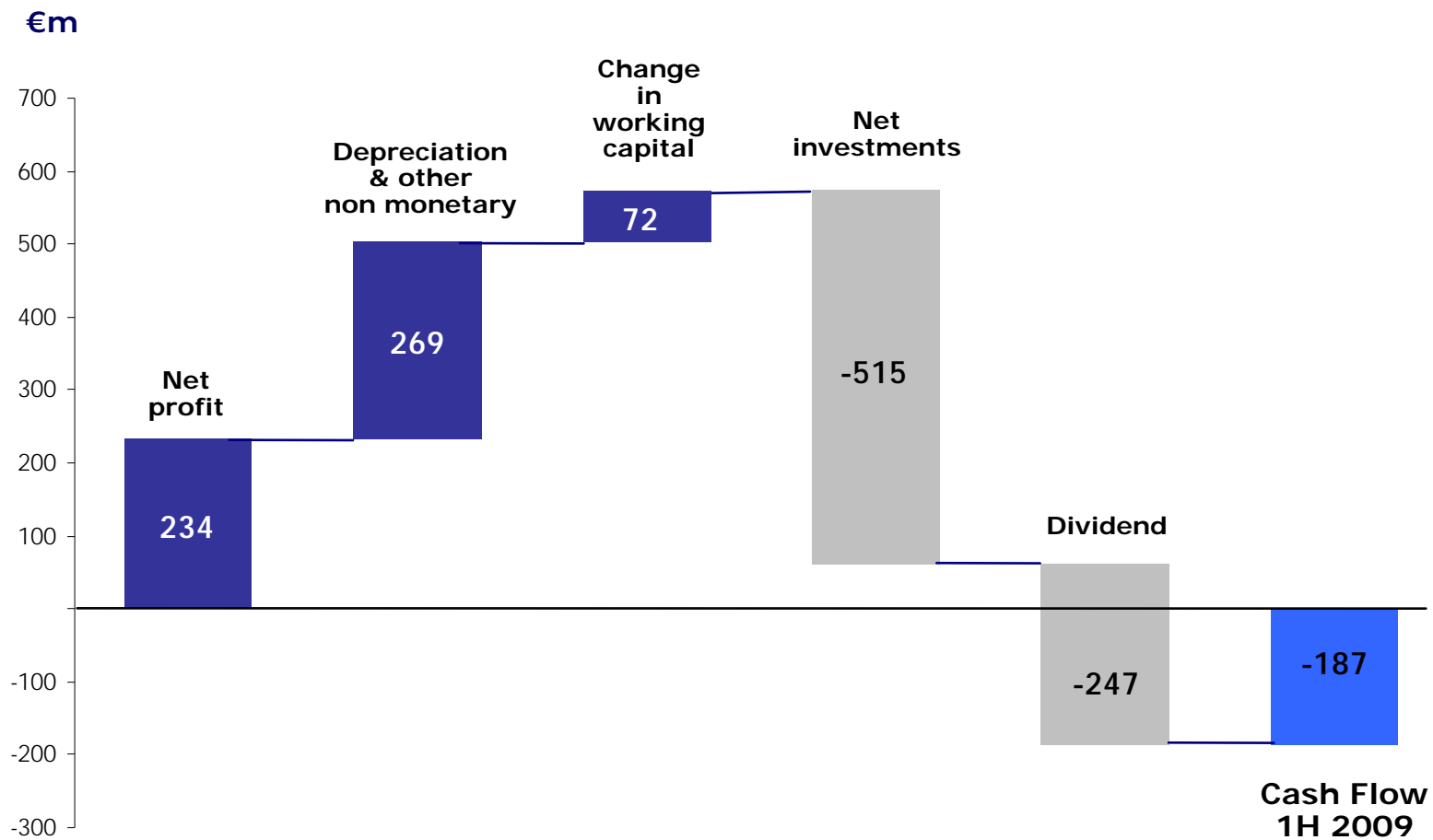


€m

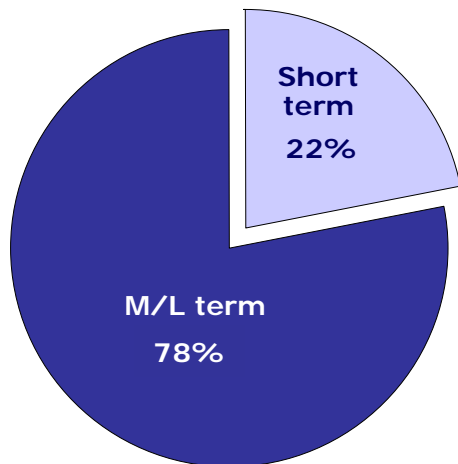


(*) Net of relevant expenses paid.

SRG Cash Flow 1H 2009

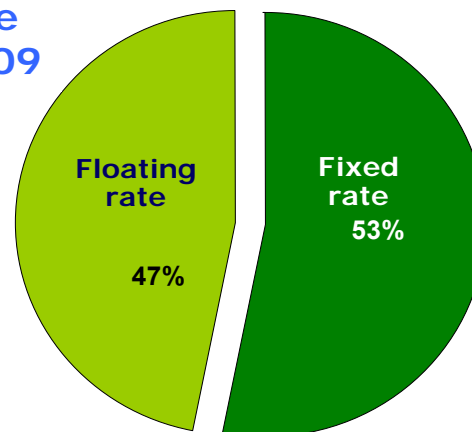


Debt Management



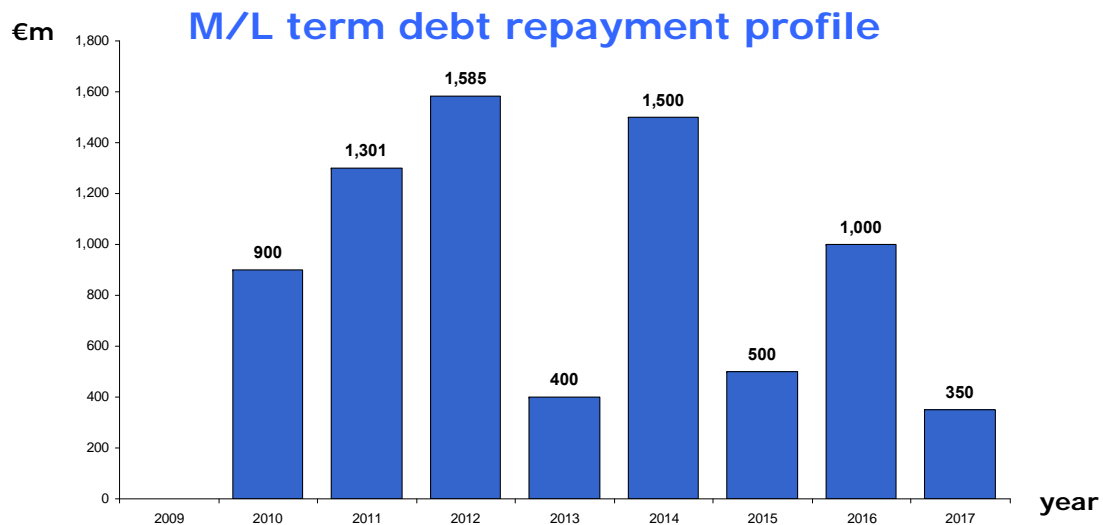
Debt structure
at June 30, 2009

Net Debt
9,667 m€



Average maturity of M/L term: 4.2 years

Duration of fixed rate: 3.8 years





Q & A Session



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