

snam rete gas



## 2009 3Q Results

Milan, October 27<sup>th</sup>, 2009



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**Highlights**

**2009 3Q Results**

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## Highlights

**Carlo Malacarne**

Chief Executive Officer

## Financials

- Full consolidation of Italgas and Stogit in 3Q 2009
- Resilient transport results despite decreased gas demand
- Solid and efficient capital structure

## Transport Regulation

- Ongoing discussion with the Authority for the 3<sup>rd</sup> regulatory period: final ruling expected in November
- Current tariff scheme applicable also in 4Q 2009

## Strategy Update

- Last week of November 2009

		9M 2008	9M 2009 (*)	Δ %
<b>REVENUES</b>	(€m)	1,380	1,640	+18.8
<b>EBITDA</b>	(€m)	1,092	1,265	+15.6
<b>NET PROFIT</b>	(€m)	373	468	+25.5
<b>CAPEX</b>	(€m)	740	781	+5.5

(\*) Snam Rete Gas 9M figures consolidate Italgas and Stogit from July 1<sup>st</sup>

		9M 2008	9M 2009	Δ %
<b>Transport</b>	▪ Gas injected into the network (bcm)	63.4	55.3	-12.7
	▪ Gas pipeline network (km in operation)	31,242	31,557	+1.0
<b>Storage</b>	▪ Storage capacity (bcm)	13.7	14.0	+2.2
	▪ Modulation	8.6	8.9	+3.5
	▪ Strategic	5.1	5.1	--
	▪ Gas moved through storage system (bcm)	9.45	13.35	+41.3
	▪ Injection	5.71	7.30	+27.8
	▪ Withdrawal	3.74	6.05	+61.8
<b>Distribution</b>	▪ Gas distributed (bcm)	5.0	5.1	+1.3
	▪ Active Gas Metering at redelivery points (# thousands)	5,650	5,741	+1.6

bcm			
	9M 2008	9M 2009	Δ %
<ul style="list-style-type: none"> <li>▪ <b>Residential and Commercial</b> (weather adjusted)</li> </ul>	19.9 (20.6)	20.5 (20.3)	+3.1 (-1.7)
<ul style="list-style-type: none"> <li>▪ <b>Industrial (*)</b></li> </ul>	14.6	12.1	-17.1
<ul style="list-style-type: none"> <li>▪ <b>Thermoelectric</b></li> </ul>	25.7	20.4	-20.4
<ul style="list-style-type: none"> <li>▪ <b>Other</b></li> </ul>	1.2	1.2	--
<b>Gas consumption (**)</b> (weather adjusted)	<b>61.4</b> (62.1)	<b>54.2</b> (54.0)	<b>-11.8</b> (-13.2)
<ul style="list-style-type: none"> <li>▪ <b>Storage &amp; Other (***)</b></li> </ul>	+2.0	+1.1	n.m
<b>Gas injected into the network</b>	<b>63.4</b>	<b>55.3</b>	<b>-12.7</b>

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

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

(\*\*\*) Includes exports and other consumption

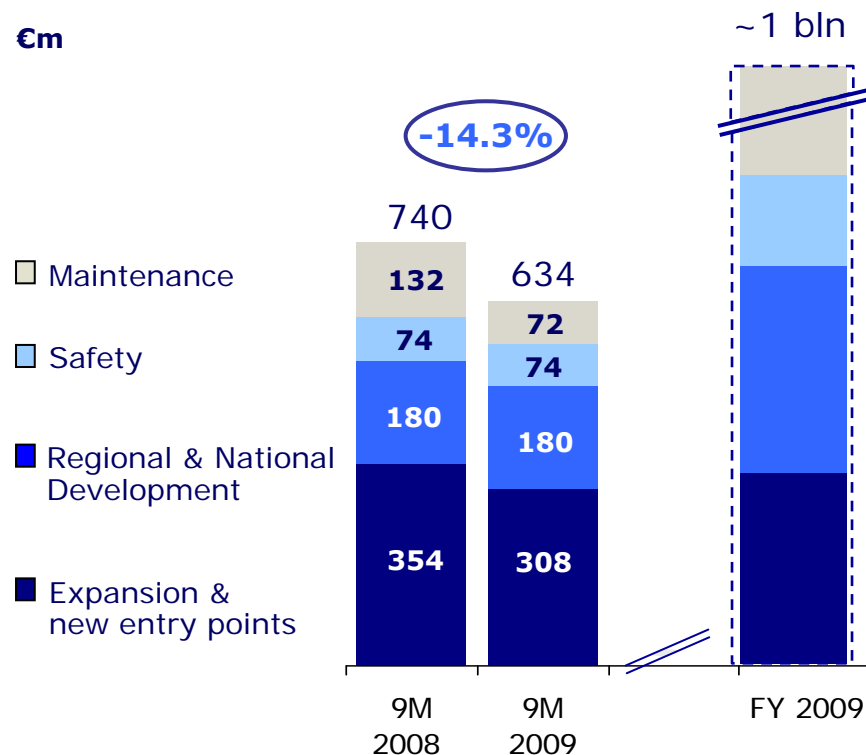




## Update

## Main Projects

€m



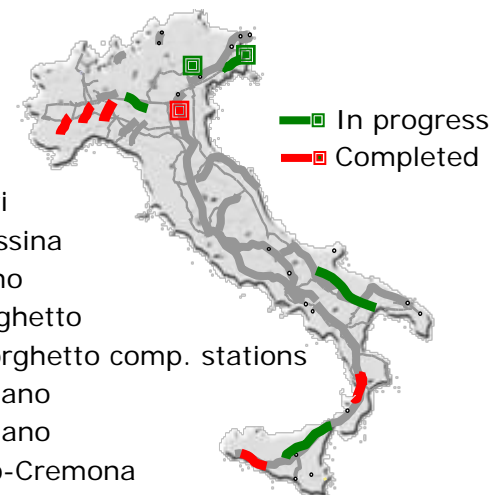
The 2009 capex breakdown is based on the incentive scheme of the 2<sup>nd</sup> Regulatory period.

### In Progress:

- Massafra-Biccari
- Montalbano-Messina
- Enna-Montalbano
- Tarvisio-Malborghetto
- Istrana & Malborghetto comp. stations
- Cremona-Sergnano
- Zimella-Cervignano
- Poggio Renatico-Cremona

### Completed:

- Mazara-Menfi
- Rende-Tarsia
- Tarsia-Morano
- Cherasco-Cuneo
- Oviglio-Ponti
- Mortara-Alessandria
- Poggio Renatico compression station



**Capex programme on track**

# Stogit and Italgas Capex

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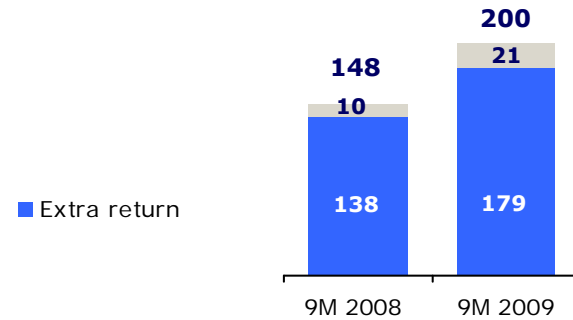
Registered Office and Operative Headquarters (San Donato Milanese, Crema)  
Gas storage sited

Stogit capex is mainly dedicated to the development of new capacity of the Fiume Treste storage field

€m

## Stogit

+35.1%

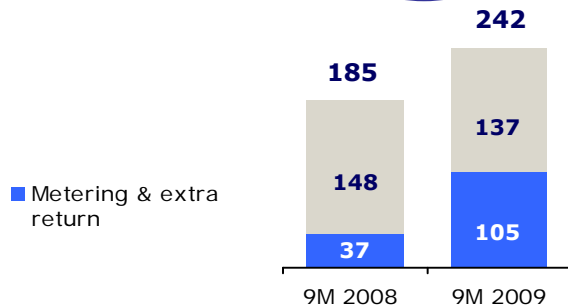


3Q 2009 Capex: € 67 mln

## Italgas

€m

+30.8%



3Q 2009 Capex: € 80 mln

Italgas investments are dedicated both to the distribution (maintenance and network development) and to the substitution of gas metering



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## 2009 3Q Results

**Antonio Paccioretti**  
Chief Financial Officer

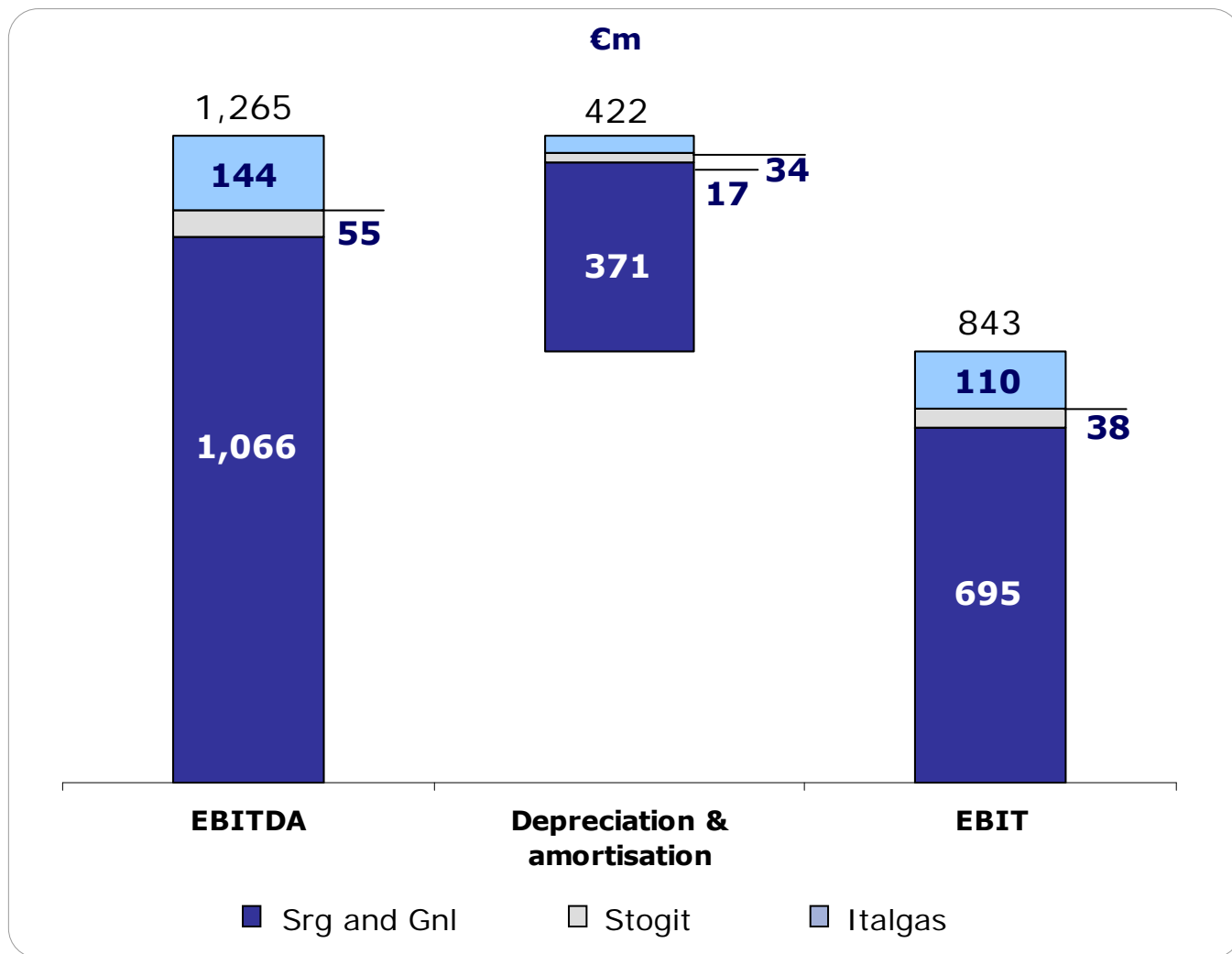
€m			
	9M 2008	9M 2009*	Change
Revenues	1,380	1,640	+260
Operating expenses	- 288	- 375	-87
<b>EBITDA</b>	<b>1,092</b>	<b>1,265</b>	<b>+173</b>
Depreciation & amortisation	- 361	- 422	-61
<b>EBIT</b>	<b>731</b>	<b>843</b>	<b>+112</b>
Net interest income (expenses)	- 168	- 161	+7
Net income from associates	-	14	+14
<b>EBT</b>	<b>563</b>	<b>696</b>	<b>+133</b>
Income taxes	- 190	- 228	-38
<b>NET PROFIT</b>	<b>373</b>	<b>468</b>	<b>+95</b>

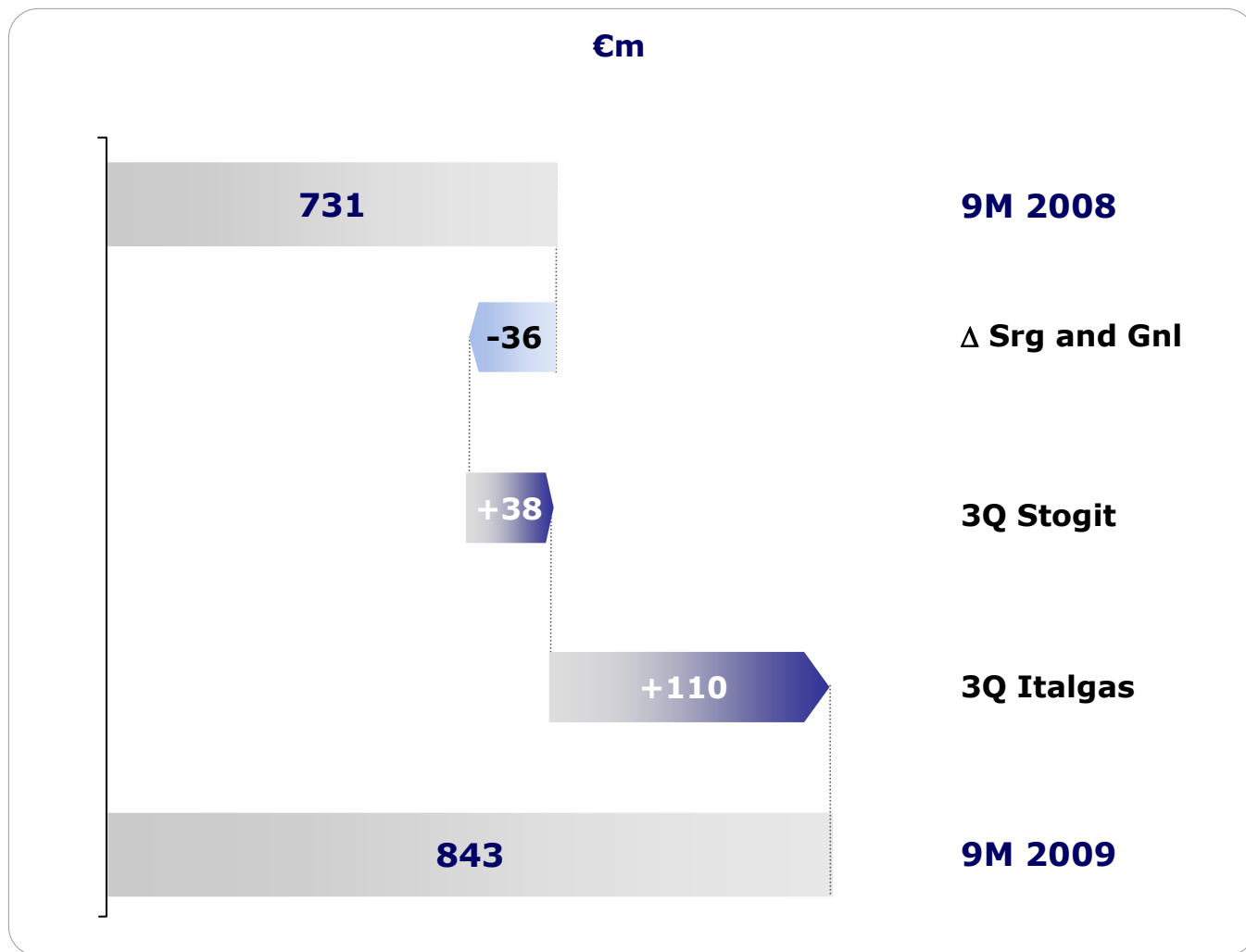
(\*) 9M2009 figures reflect the consolidation of Stogit and Italgas starting from July 1<sup>st</sup>, 2009

<b>€m</b>			
	<b>9M 2008</b>	<b>9M 2009</b>	<b>Change</b>
<b>Regulated revenues</b>	<b>1,364</b>	<b>1,623</b>	<b>+259</b>
<b>Transport</b>	<b>1,349</b>	<b>1,344</b>	<b>-5</b>
Revenues	1,313	1,304	-9
Pass-through revenues	36	40	+4
<b>LNG</b>	<b>15</b>	<b>15</b>	<b>-</b>
<b>Storage</b>	<b>-</b>	<b>68</b>	<b>+68</b>
<b>Distribution</b>	<b>-</b>	<b>196</b>	<b>+196</b>
<b>Other revenues</b>	<b>16</b>	<b>22</b>	<b>+6</b>
<b>Consolidation adjustments*</b>	<b>-</b>	<b>- 5</b>	<b>-5</b>
<b>TOTAL REVENUES</b>	<b>1,380</b>	<b>1,640</b>	<b>+260</b>

(\*) Storage services to SRG in 3Q 09

€m			
	9M 2008	9M 2009	Change
<b>Regulated activities costs</b>	<b>286</b>	<b>377</b>	<b>+91</b>
Controllable fixed costs	157	219	+62
<i>of which: Transport</i>	157	155	-2
Variable costs	91	92	+1
Other	38	66	+28
<b>Non regulated activities</b>	<b>2</b>	<b>3</b>	<b>+1</b>
<b>Consolidation adjustments</b>	<b>-</b>	<b>- 5</b>	<b>-5</b>
<b>TOTAL COSTS</b>	<b>288</b>	<b>375</b>	<b>+87</b>
<b>Transport</b>	<b>288</b>	<b>301</b>	<b>+13</b>
<b>Storage</b>	<b>-</b>	<b>14</b>	<b>+14</b>
<b>Distribution</b>	<b>-</b>	<b>60</b>	<b>+60</b>







<b>€m</b>			
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Revenues	1,380	1,640	260
Operating expenses	- 288	- 375	- 87
<b>EBITDA</b>	<b>1,092</b>	<b>1,265</b>	<b>+173</b>
Depreciation & amortisation	- 361	- 422	- 61
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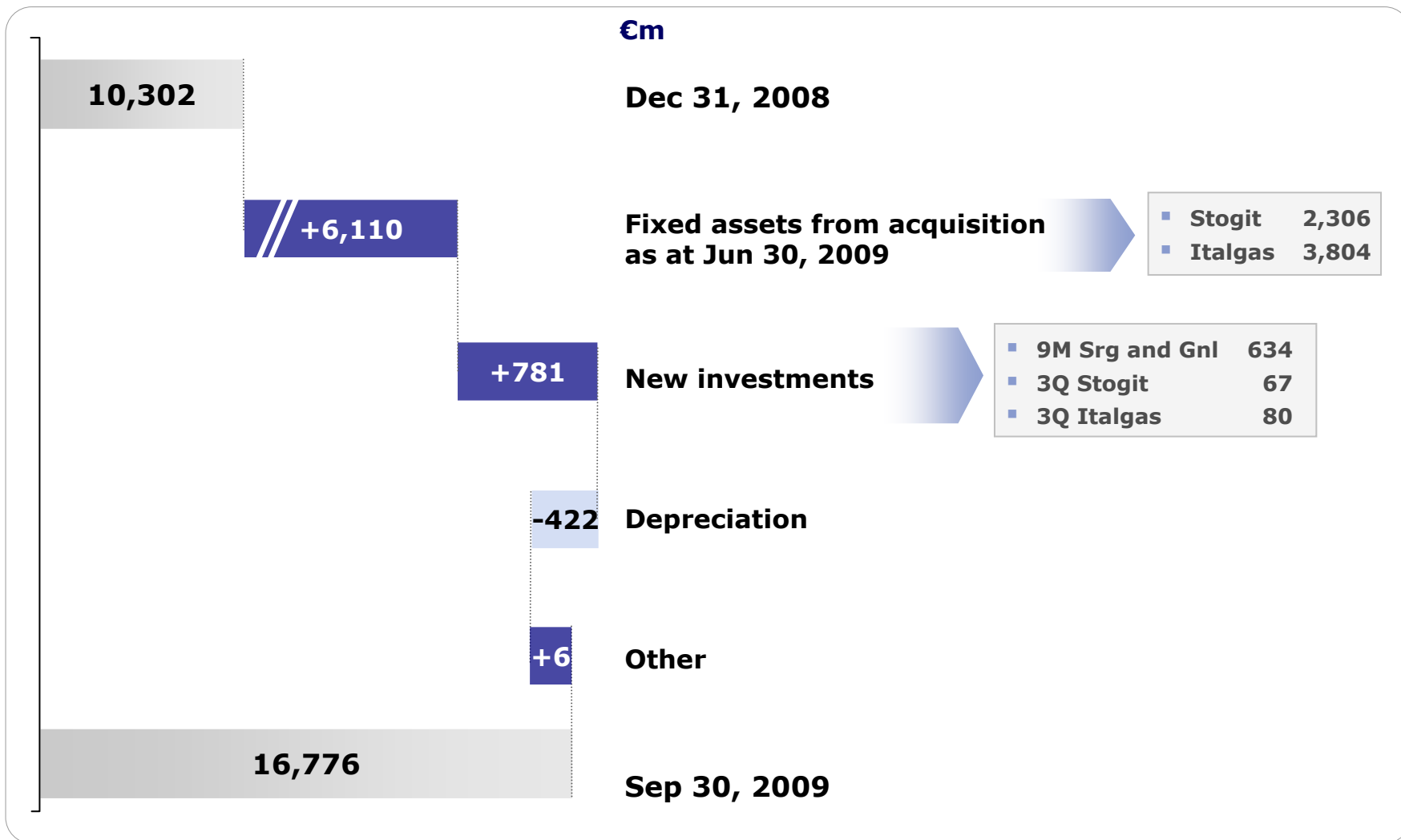
**€m**

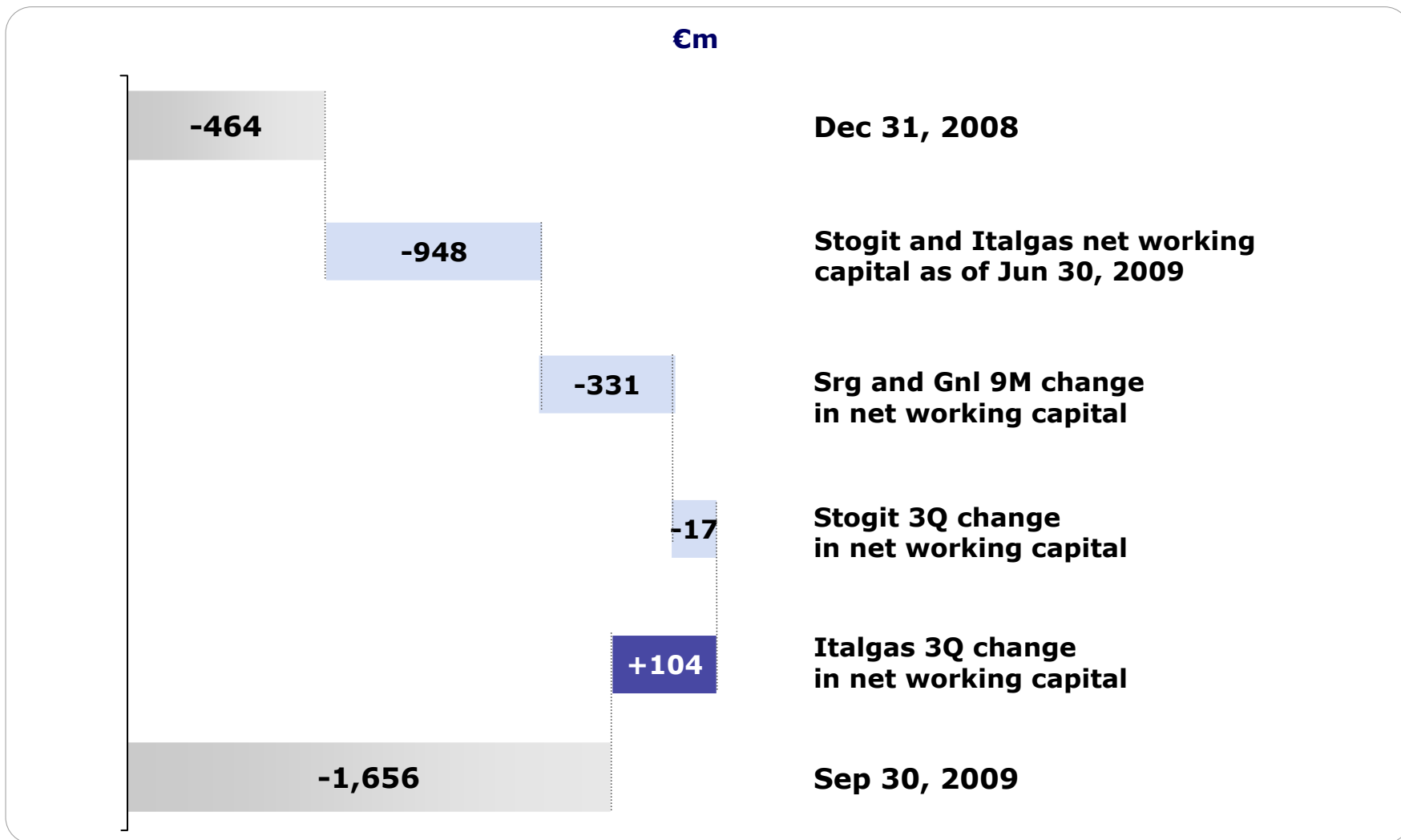
	9M 2008	9M 2009	%
Revenues	228	252	+10.5%
<i>of which:</i>			
<i>modulation service</i>	180	200	+11.1%
<i>strategic storage</i>	47	51	+8.5%
Operating costs	46	40	-13.0%
EBIT	135	160	+18.5%
Net profit	66	88	+33.3%

€m

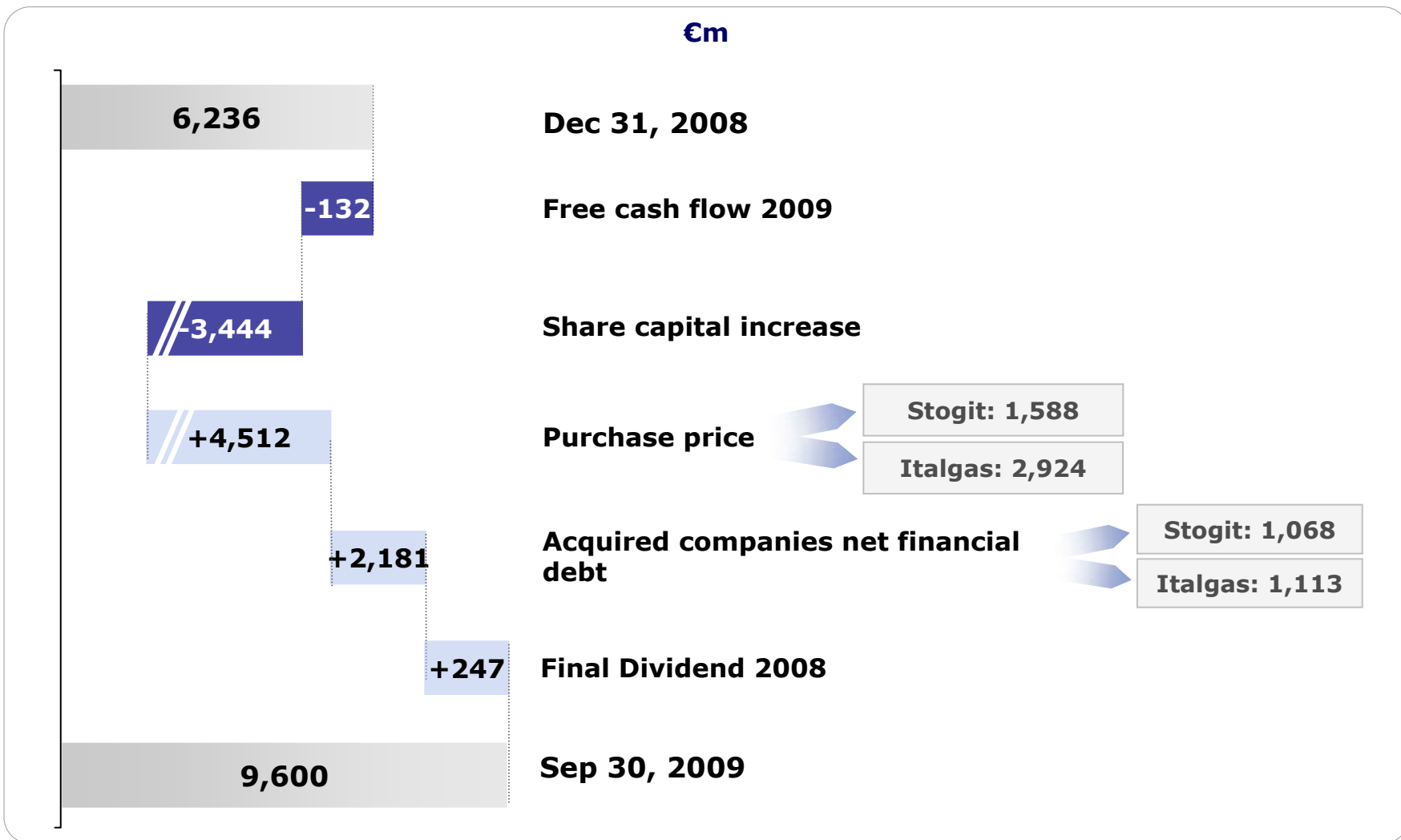
	9M 2008	9M 2009	%
Revenues	524	613	+17.0%
<i>of which:</i>			
<i>regulated</i>	489	578	+18.2%
<i>other revenues</i>	35	35	-
Operating costs	214	204	-4.7%
EBIT	211	305	+44.5%
Net Profit	128	211	+64.8%

<b>€m</b>			
	<b>Dec, 31 2008</b>	<b>Sep, 30 2009</b>	<b>Change</b>
<b>Net Invested Capital</b>	<b>9,809</b>	<b>15,025</b>	<b>+5,216</b>
<b>Fixed assets</b>	<b>10,302</b>	<b>16,776</b>	<b>+6,474</b>
Tangible fixed assets	10,263	15,741	+5,478
Intangible fixed assets	39	741	+702
Equity-accounted and other investments	-	294	+294
<b>Net working capital</b>	<b>- 464</b>	<b>- 1,656</b>	<b>- 1,192</b>
Receivables	577	1,212	+635
Liabilities	- 1,041	- 2,868	- 1,827
<b>Staff benefits provision</b>	<b>- 29</b>	<b>- 109</b>	<b>- 80</b>
<b>Assets held for sale</b>	<b>-</b>	<b>14</b>	<b>+14</b>
<b>Net financial debt</b>	<b>6,236</b>	<b>9,600</b>	<b>+3,364</b>
<b>Shareholders' equity</b>	<b>3,573</b>	<b>5,425</b>	<b>+1,852</b>





€m





**Q & A Session**



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## 2009 3Q Results

Milan, October 27<sup>th</sup>, 2009

