

2012 1Q Consolidated Results

MILAN, APRIL 24TH, 2012





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Agenda



Highlights and operational performance

2012 1Q Consolidated Results



Highlights and Operational Performance

Carlo Malacarne

Chief Executive Officer



Good & Steady Performance

Solid Results

• Revenues ^(*)	Up 3.7%	↑
• EBIT:	Up 3.7%	↑
• PBT	Up 1.3%	↑
• Net Income:	Down 10.2%	↓

Sound Growth

• Capex :	€ 0.26 bn (~75% incentivized)	✓
• Operating Cash Flow :	€ 0.6 bn	
• Net debt:	€ 10.9 bn	

(*) Net of pass-through



Italian Gas Market in 1Q 2012

[bcm]

	1Q 2011	1Q 2012	Δ%
Residential and Commercial	15.3	15.4	+0.7
(weather adjusted)	(15.4)	(15.0)	-2.8
Industrial (*)	4.6	4.6	-0.4
Thermoelectric	7.8	7.1	-9.2
Other	0.4	0.4	-4.3
Gas Consumption (**)	28.1	27.5	-2.3
(weather adjusted)	(28.3)	(27.1)	(-4.2)
Storage and Other (***)	-4.5	-5.0	n.m.
Gas injected into the network	23.6	22.5	-4.5

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

(**) Source: Ministry of Economic Development and Snam estimates

(***) Includes exports and other consumption



2012 1Q Consolidated Results

Antonio Paccioretti

Chief Financial Officer



Income Statement

[€m]

	1Q 2011	1Q 2012	Change
Revenues (*)	824	897	+73
Operating expenses (*)	- 144	- 189	-45
EBITDA	680	708	+28
Depreciation & amortisation	- 161	- 170	-9
EBIT	519	538	+19
Net interest income (expenses)	- 72	- 85	-13
Net income from associates	13	13	-
EBT	460	466	+6
Income taxes	- 155	- 192	-37
NET PROFIT	305	274	-31

(*) do not include the effect of IFRIC 12.



Revenues

[€m]

	1Q 2011	1Q 2012	Change
Regulated revenues	821	892	+71
Transport	474	526	+52
Revenues	453	462	+9
Pass-through revenues	21	64	+43
LNG	6	6	-
Storage	120	125	+5
Distribution	221	235	+14
Other revenues	11	15	+4
Consolidation adj. (<i>modulation services</i>)	- 8	- 10	-2
TOTAL REVENUES	824	897	+73



Operating Expenses

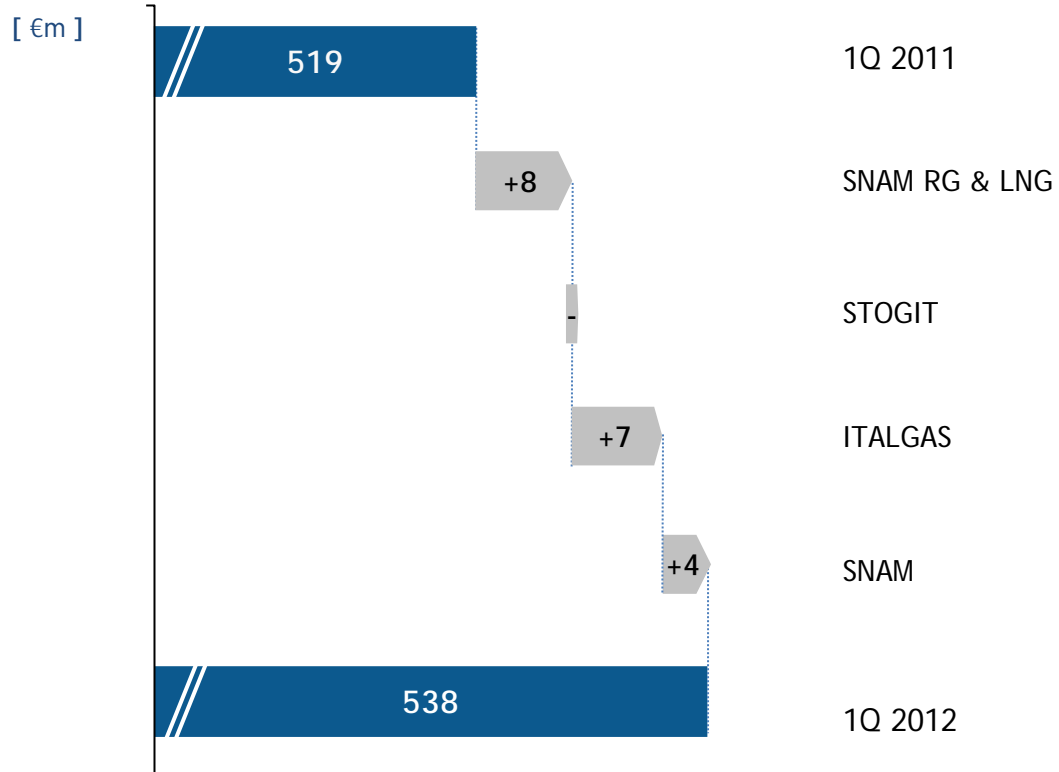
[€m]

	1Q 2011	1Q 2012	Change
Regulated activities	138	183	+45
Controllable fixed costs	112	117	+5
Variable costs	6	48	+42
Other	20	18	-2
Non regulated activities	6	6	-
TOTAL COSTS	144	189	+45

	1Q 2011	1Q 2012	Change
Transport and Lng	80	118	+38
Storage	12	14	+2
Distribution	60	67	+7
Consolidation adj. (<i>modulation services</i>)	-8	-10	-2
TOTAL COSTS	144	189	+45



EBIT Analysis





Income Statement

[€m]

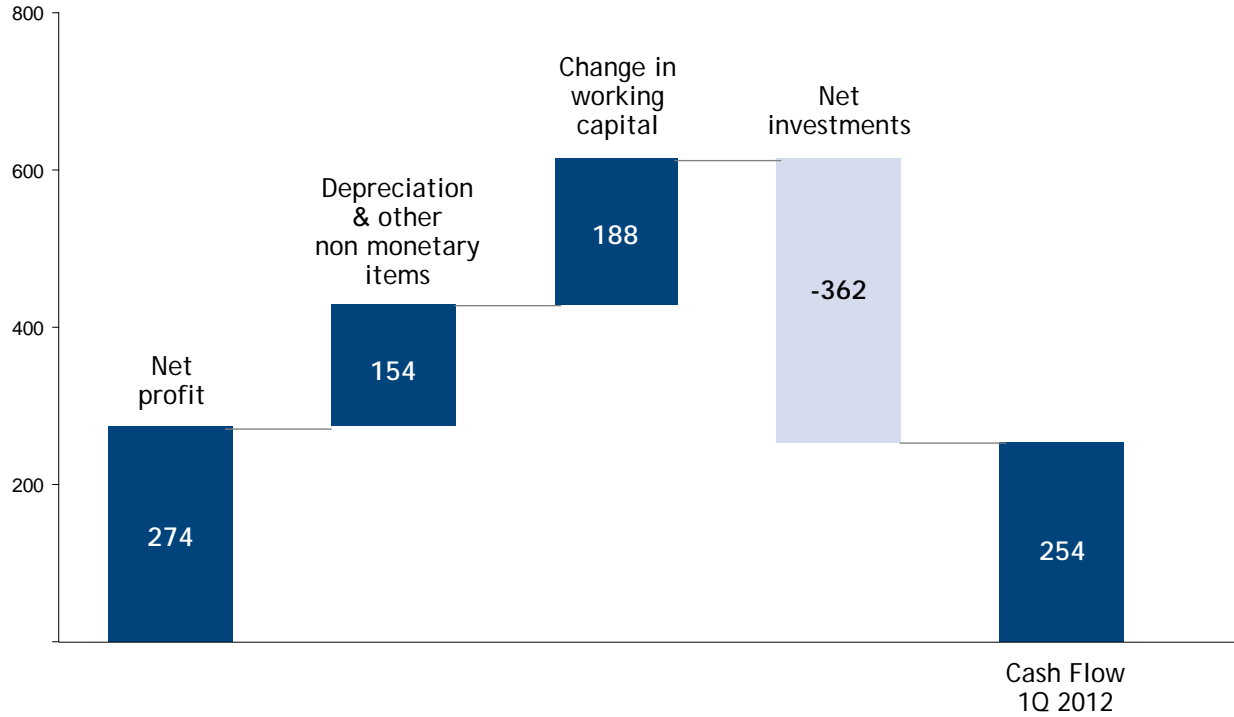
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Cash Flow

[€m]

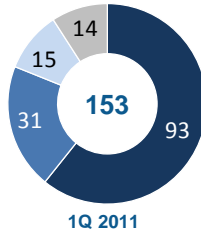




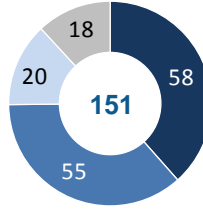
Capital Expenditure^(*)

[€m]

Transport and LNG



1Q 2011

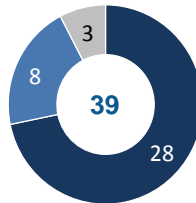


1Q 2012

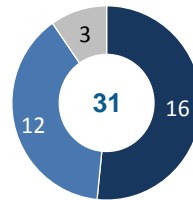
Incentive scheme

- 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



1Q 2011

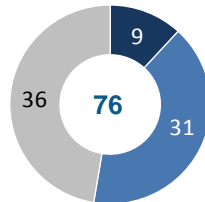


1Q 2012

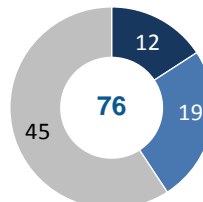
Incentive scheme

- Development of new fields
4% premium for 16 yrs
- Expansion of existing fields
4% premium for 8 yrs
- Maintenance
Base return: 6.7%

Distribution



1Q 2011



1Q 2012

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. In 1Q 2012 capex for € 1 million was carried out by SNAM S.p.A.



Balance Sheet

[€m]

	Dec, 31 2011	Mar, 31 2012	Change
Net Invested Capital	16,989	16,991	+2
Fixed assets	18,778	18,975	+197
Tangible fixed assets	14,015	14,183	+168
Intangible fixed assets	4,444	4,463	+19
Equity-accounted and other investments	319	329	+10
Net working capital	- 1,698	- 1,894	- 196
Receivables	1,782	2,306	+524
Liabilities	- 3,480	- 4,200	- 720
Staff benefits provision	- 107	- 106	+1
Assets held for sale	16	16	-
Net financial debt	11,197	10,943	- 254
Shareholders' equity	5,792	6,048	+256



Q & A S E S S I O N



A N N E X



Operational Data

		1Q 2011	1Q 2012	Δ %
Transport	• Gas injected into the network (bcm)	23.6	22.5	-4.5
	• Gas pipeline network (km in operation)	31,684	32,018	+1.1
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)	4.5	5.3	+17.6
	• Injection	0.17	0.36	n.m.
	• Withdrawal	4.32	4.92	+13.9
Distribution	• Gas distributed (bcm)	3.54	3.55	+0.3
	• Active Gas Metering at redelivery points (# million)	5.86	5.90	+0.6

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