Snam SpA Strategic Plan 2013-2016 Conference Call Transcript

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Presentation

Carlo Malacarne, Snam SpA - CEO [1]

Good afternoon ladies and gentlemen and welcome to the Snam strategic presentation. Our goal of achieving sustainable and valuable growth will be focused to five strategic priorities.

First, we will continue with the disciplined execution of our high quality CapEx which will allow us to drive organic profit growth. Second, we will support the integration of the European network (technical difficulty) and maintain financial discipline. Third, we will preserve our solid capital structure maintaining a return policy and investment strategy which is consistence with our leverage target.

Fourth, we will continue to exploit opportunities to enhance value to the cost saving programs, synergies across our business, and an efficient capital management specifically in the new context of financial independence.

In an evolving industry landscape, all of these bring us to our ultimate priority which is to establish the condition to drive value for all of our shareholders.

To expand on this priority farther, we will take you through our strategic planning four-parts. I will begin by discussing the environment in which we operate as well as our plan investment and international growth plan. Followed by Antonio, we will explain our efficiency and capital management plans. After which I will return for a few summary remarks before taking your questions.

Starting with the business environment, as we have previously highlighted, Snam's strategy takes into consideration the recent development of EU Energy Policy to promote competitiveness, sustainability, and security of supply.

The European Union has adopted specific provisions aimed at boosting the creation of the internal gas market. Such provision can mainly be grouped in several areas of intervention.

First the unbundling of the regulated asset from the companies performing the functions of production and supply to guarantee an efficient access to a sanctioned infrastructure without discrimination.

Second, harmonization and cooperation between member state, national authority, and transmission system operators to foster integration of national markets into a pan-European market.

Third, in order to enhance market liquidity entry/exit tariff systems have been introduced together with the establishment of the market-based balancing regimes and the development of gas exchanges.

Finally, measures for the infrastructure development to ensure security of gas supply and to facilitate market integration have been introduced.

These measures aim to promote the diversification of gas sources by enhancing the infrastructure flexibility and by creating reverse flow capacities.

Moreover, the creation of an internal market requires the possibility for gas to be exchanged between different systems through the increase of interconnection among national networks. This measure could boost investment in new infrastructure as well as in the development of existing facilities even in an environment of moderate gas consumption growth.

The regulatory proposal defines the guideline for the development of priority energy corridors in the EU that cross the four regions indicated on the slide. The discussion of the regulation is very advanced and is expected to become effective in 2014.

The most important thing to highlight is that Italy is included in three of the four corridors. This is further proof that Italy is considered to be at the crossroad for diversifying sources of gas and satisfying demand across Europe.

Projects that are related this corridor will be considered of common interests to facilitate security of supply in the region. This project will benefit from measures to promote their development such as faster permission grants, financial support, and incentivized regulation.

Looking at the environment in which Snam operates, it is also worthwhile to briefly discuss the outlook for the European gas market in the medium and long-term.

Gas demand in Europe is expected to show a moderate annual average growth of around 0.5% from the level of 2010 around 540 BCM to around 600 BCM in 2013.

More notably, the growing gas demand combined with the decline in the region's gas observance and production particularly in the UK and in the North Sea will increase Europe's net import from around 65% of the total demand in 2010, already a significant level, to a remarkable 85% in 2013.

Furthermore, with gas service heavily concentrated in Russia and the Middle East and North Africa, this inevitably implies that Europe will come to depend more significantly on this region to meet its gas need in the future.

As a result, in Europe the security of supply is strictly correlated with the diversification of sources, the flexibility of infrastructure and the increase of interconnection. Targeted investment in both by [applying] an LNG infrastructure will be in line with this trend.

Looking in more detail at the Italian gas market using 2012 as a base year, our forecast of gas consumption show an increase in the medium and long term, which in terms of CAGR is estimate in approximately 1% for the period 2012-2025; 11 BCM by 2025.

The power generation sector will continue to be the key driver of gas consumption also in the long run where it is estimated to grow at an annual average of 3% or by around 11 BCM by 2025.

This is the result of the growth in electricity demand estimated at approximately 1% yearly through 2025. The decrease in electricity import around 4% down yearly to 2025 and finally, the increase in terminated production estimated at 1% yearly through 2025.

The growth of natural gas consumption in the industrial sector approximately 1% yearly is mainly based on the estimated trend of growth in the Italian GDP for the future years.

In the medium and long-terms of residential and commercial we show a typical trend of mature sector staying almost flat for the planned period and then showing a decline mainly due to the energy efficiency measure already implemented in the buildings.

At the level of the overall gas system in Italy, let me underline the increasing role of transit. Over the coming years, the Italian gas market will experience increasing import from the current 68 BCM to around 90 BCM in 2025 to cover not only the Italian gas demand and the decline in domestic production, but also the growing flows of gas export to the European markets.

In line with the European strategy aiming at maximizing the security and diversification of supply we believe that in the future the Italian gas system will provide for an important platform for the transit of gas from diversified sources to European markets.

To summarize the business context, the infrastructure landscape has significantly evolved in the recent years under the pressure of evolving gas market which require higher security of supply, greater diversification of sources, and increased flexibility.

In this context, institution and regulators are seeking to create a more unified framework across Europe. This means increased cooperation at country borders and more harmonized regulatory regimes.

Countries and institutions will move from a domestic perspective to taking a broader European field working together to develop common energy policy and targets.

This evolution creates strong opportunities for infrastructure operators with the industrial know-how, trusted regulatory relationship, and expertise to develop complex projects.

Snam with this know-how and the long-lasting proven track record is managing integrated gas infrastructure will play a crucial role to develop the European gas market. Let's now focus on how Snam can develop its strategy in this evolving environment.

Let's start with our in investment strategy. Snam's CapEx plan has to be analyzed in the context of the supportive environment we just described specifically in order to support the development of the European gas market, the Italian gas network will have to guarantee a high level of security flexibility and liquidity.

This will be achieved through the realization of substantial transport and storage capacity and sufficient cross-border infrastructure including additional capacity to allow for the physical reverse flow of gas from Italy to other European countries.

In particular, in the transport business, capital expenditure is devoted to meeting capacity requirements and to providing supply source diversification to the shippers.

This development should facilitate not only a higher level of security and flexibility of the gas system but also gas transit to the European markets thanks to the physical reverse flow of gas from Italy to other countries and to the establishment of additional interconnection with other national networks.

Coming to storage, our significant investment program is devised to guarantee greater storage capacity in the gas system both in terms of modulation and peak capacity. Optimizing the balance of the overall system and to offering modulation services to the industrial clients.

At the same time, by increasing capacity we can create the condition to favor the development of higher liquidity in the gas system. This will set the path to facilitate the use of our storage system for gas swap opportunities in the European market in the coming years.

The construction of necessary infrastructure to achieve such plan underpins Snam CapEx plan which we are detailing in the next two slides.

Over the plan period, Snam will invest EUR6.9 billion overall to support its sustainable and profitable growth. Specifically, EUR6.2 billion will be devoted to organic growth projects in Italy, resulting in an estimated annual RAB growth of 3.4% by 2016. Beyond 2016, EUR4.6 billion is envisioned to be invested in the transport and storage business in Italy to complete the project under construction during the 2013, 2016 period.

Outside Italy, Snam who will invest EUR0.7 billion of which EUR0.6 billion is dedicated to the purchase and development of TIGF. Other transaction currently under review could require an additional EUR0.1 billion investment. The external growth will provide a significant improvement to our results mainly through the contribution from nonconsolidated associates.

Following the completion of the transaction expected for this year, we estimate by 2016 a growth of around 70% of the Snam EBITDA per quarter interest in nonconsolidated associates. Snam will continue to analyze acquisition opportunities in the European gas infrastructure throughout the plan period maintaining its strict financial discipline and focus on return for shareholders.

Looking more closely at our organic CapEx opportunities in Italy, as I just highlighted, the new CapEx plan of EUR6.2 billion will support an estimated 3.4% annual growth in our consolidated RAB by 2016 starting from 2012 estimated base of EUR23.3 billion.

We plan to manage the pace and timing of our investment to maintain our track record of profitable growth improving capital efficiency and returns.

In 2013, we expect to invest EUR1.3 billion with the remaining EUR4.9 billion to be phased during the remainder of the plan period. Furthermore, we will increase the profitability of our asset base leveraging on the incentive schemes set by the authority having around 75% of total investment incentivized, the share of the overall RAB benefiting from the incentivized remuneration will increase to 36% in 2016.

Over the four-year business plan, the composition of our investment will show almost 60% of the spending for the transport business, nearly 25% for the distribution activity and the remaining 15% is for the storage business.

The project we are developing in Italy will facilitate the establishment of the future Southern European gas hub and are perfectly in line with the requirements of the third European directive in terms of cross-border capacity development.

With regard to imports, key projects in our transport CapEx plan are the South-North developments which will increase the capacity to at the [start of] entry point by around eight BCM associated with the construction of a new LNG terminal for the development of new entry point in the South of Italy. All of these new projects will be on stream by 2019.

Overall investment dedicated to South North development is around EUR0.7 billion over the plan period with around EUR3 billion additional beyond the plan period.

Moving on to export to allow for the physical reverse flow, the project will involve new pipeline development, 450 km, two new compressor stations, 100 megawatt of installed power capacity, as well as the empowerment of an existing station.

Overall investment dedicated to the creation of a reverse flow capacity is around EUR900 million over 2013-2016 period with about EUR200 million beyond the plan period.

All the project detailed before will give to Italian gas system the potential to export gas for around 5 million cubic meters per day at the entry point of Passo Gries and 18 million cubic meters per day at the entry point of Tarvisio by 2015.

Beyond 2016, the maximum export capacity will consequently reach 40 million cubic meters per day at the entry point of Passo Gries and 18 million cubic meters per day at the entry point of Tarvisio.

The projects under development in transport business will create additional import capacity of around 15 million cubic meters per day by 2016 totaling around 350 million cubic meters per day which represents an increase of 4% when compared with the 338 million cubic meters per day of full capacity available in 2012.

The completion of the project already under construction will lead to a further increase of the total capacity at entry points to around 380 million cubic meters per day beyond 2016.

Looking at the storage business, the project include in our investment plan should lead to a 25% increase in modulation capacity which is expected to reach approximately 13.5 BCM in 2016 from the current 10.7 BCM excluding strategic storage which is currently at the level of 4.5 BCM.

In addition, there will be a 14% increase in the peak capacity which is expected to reach 314 million cubic meters per day in 2016 compared to the 275 million cubic meters per day in 2012.

This advancement will increase the level of security and liquidity in the gas system in order to create also thanks to storage the condition necessary for the development of a gas hub in Italy.

We are committed to provide to all the shippers including industrial customers, new modulation services granting them a growing level of flexibility.

I will conclude our discussion on storage investment by emphasizing that the expected capacity development is consistent with the requirement of the minister decree that foresee 4 BCM of available capacity for industrial users by 2015 reinforcing once again the fit between our strategy and the needs of the Italian gas market.

In terms of distribution business, our EUR1.5 billion CapEx program is focused mainly on smart metering and network expansion. With reference to smart metering activity, it will be applied to around 1.1 million meters and it also requires the development of the relative ICT hardware and software.

The plan also includes the development of the distribution network [helped] by adding new lines or by increasing the number of new connections on the existing distribution network. Approximately 1300 km also providing increased service quality and security across the network.

Investment in the four years plan will support the installation of around 0.7 million new gas meters bringing the number of the redelivery points to approximately 6.7 million, an increase of 14% compared to the 5.9 million delivery point in 2012.

Let me now briefly focus your attention on our distribution activity in order to provide greater visibility of the Italgas strategy. Italgas is today the market leader in Italy with a substantial competitive advantage in the tender process to be started in the coming years both financially and operationally.

Leveraging its competitive advantages and operating in a competitive environment, Italgas target to reach the management of around 40% of the overall Italian delivery point exploiting the opportunities to unlock additional value.

This goal will be achieved by increasing its operating activities while maintaining the current capital employed also leveraging on financial partnership in which Italgas retained the role of industrial operator. Additional efficiency will be exploited thanks to the large activity and portfolio optimization moving from a fragmented geographic presence to concentration in more uniform areas of operation.

Value creation will be pushed also thanks to operational services provided to third-party networks that will grant us an additional stream of revenues in the coming years.

Let's now move to the most recent development of our strategic position, proposition, international growth. As we have discussed, Snam aims to play a leading role in the integration of the European gas infrastructure expanding its position beyond Italy into areas of strategic importance for establishing market interconnection.

In order to accomplish the goal, we will focus on executing the four pillars of our international strategy. First, Snam will continue to be an influential player in European gas infrastructure, leveraging its superior industrial and financial size relative to peers, strategic geographic footprint and extensive know-how developed through the management of our high-quality integrated gas infrastructure asset.

Second, we will be selecting an approach to expansion target prioritizing only those assets which offer the ability for cross-border interconnection, the potential for the strategic development of integrated transport, storage and regasification infrastructure or which could farther exploit the value of our domestic asset.

Furthermore, our interest is also focused on asset that will facilitate the creation of interconnected gas pools across the regions. Third, each asset must meet our strict financial criteria and maintain Snam stable risk profile. Our rigorous approach to expansion will be executed in incremental phases.

In line with our offer for TIGF and Interconnector UK, Snam will continue to look at the opportunities for joint ventures and bolt-on acquisition in order to share the financial commitment.

The partners will be selected also with the aim to jointly maximize the value of the asset and we also prioritize those assets which have the potential to increase our risk adjusted return for shareholders.

Lastly, we will try to optimize the risk profile of our portfolio by pursuing opportunities across different European countries and regulatory frameworks. In addition, in order to reduce our reinvestment risk, we will seek out assets which are at the varied stage of the infrastructure investment cycle.

Let me now explain to you how Snam is developing its international strategy. As you already know, within the framework of the strategic alliance with Fluxys we completed the joint acquisition in Interconnector UK, reaching a total interest of 31.5%. Snam total consideration for two stakes amounted to around EUR130 million.

Furthermore, last August Snam and Fluxys took another important step forward in strengthening the security of supply in the European gas market through signing a memorandum of understanding to coordinate the development of a physical reverse flow capacity between the Italian, Swiss, and German/Belgian borders.

The international strategy still continuing to take shape in 2013. At the beginning of February, Total granted exclusive acquisition rights to the consortium constituted by Snam, 45% alongside of EDF, 20%, and government of Singapore GIC 35% for the sale of TIGF asset in France.

Upon the completion of the transaction, Snam will jointly control TIGF together with its financial partner GIC and will provide its industrial expertise and know-how to the consortium in order to leverage the best practice it has in managing and developing gas infrastructure.

The acquisition of TIGF would be in line with Snam international growth aims as it paves the way for building up strategic platform for gas infrastructure development in Europe, creating the opportunities for debottlenecking of LNG import capacity in Spain, connecting the Iberian Peninsula to rest of Europe including Italy.

This deal will allow Snam to diversify the regulatory and geographical risk providing also new investment opportunities with assets at varied stages of the infrastructure investment cycle.

Similarly, to the Italian regulation, TIGF transport return are based on a mature and predictable system. Furthermore, the acquisition takes place at the beginning of the new regulatory period in gas transport and already defined tariff parameter thus allowing full cash flow visibility over the next four years.

The business model of TIGF is similar to the Snam one giving the opportunity of shaping an offer of integrated services including storage and transmission and providing the possibility to extract value thanks to the Snam superior industrial know-how in managing integrate activities.

TIGF storage activity is not regulated but is mainly characterized by a long-term contract mitigating volume and economic cycle exposure risk. Having said that, it's worthwhile to underscore that our evaluation of TIGF asset reflected our strict financial discipline and is expected to generate a risk adjusted return well above the one of our current asset portfolio.

The Snam business is continuously evolving within the context of the current European energy environment. Let's now briefly describe new potential services that an integrated Snam could offer for a more liquid and efficient market.

In the last decade, the Snam business environment had basically a national focus and has been characterized by a strong requirement of infrastructure developments for gas demand growth, cost reductions, and efficiency improvements.

In this context, the regulatory framework has been designed envisaging specific incentives to new investment and to the achievement of the efficiency gains.

The business context is however quickly evolving and it's assuming more and more a European dimension also in the light of the European policy goals aimed at the creation of the integrated gas market.

The increasing import dependence of Europe will change the supply or demand scenarios requiring new energy corridor to supply Europe.

New investments will be mainly required to increase the security of supply, the diversification of sources, and the national market interconnection with the creation of bidirectional gas flow.

This could drive to substantial changes in market like Italy which being at the crossroad of the new energy corridor could evolve from a final consumption country into a transit country. In this respect, regulatory incentives to the new investment will be also in the future one of the main value driver of our business.

However, market and liquidity developments require not only new investment but also the availability of services which facilitate market participants to exchange gas. To enable the role of infrastructure operators, we'll have to evolve from an asset owner to a system operator.

So even if the potential for efficiency gain will diminish in the future, the introduction of new services coupled with a coherent regulatory evolution could activate new revenue streams coming by incentive on the output and quality of the services provided.

The introduction of the services could favor Snam international strategy being perceived as a market facilitator and as such as an ideal partner for the realization of joint ventures with other operators towards the progressive integration of the European gas system.

In this changing environment, the infrastructure system operator has the opportunity to provide new services to boost the liquidity of the gas market. Let me give you some examples just to give you an idea of the new activity that we are going to provide in the next, in the near future.

In the transmission business, it's ongoing and early implementation of cross-border, short term services, bundled capacity which will be offered to the market through common platforms among transmission system operators.

To this extent, Snam is a shareholder in the PRISMA 18.25%, a new European company which is developing these new tools allowing the commercial connection of the TSO to the main north European gas hub. Seven hubs with 19 participating TSO.

With reference to the storage business, new services are going to design to ones where the increasing flexibility needs of users in addition to the basic modulation service.

The future you could -- could envisage incentive scheme for the TSO in providing services aimed to support a better market functioning and to provide timely and accurate information to shipper regarding the commercial portfolio daily consumption.

Finally, joint cooperation has been launched with the gas exchange operators for the proper functioning of gas trading platform boosting the liquidity of spot and future gas market with physical and financial gas products.

Considering the key role that such services have for the creation of the internal gas market, we are working with the [Delridio] institution with the aim to create the condition to exploit value for these services.

Let me now give the floor to Antonio. We will focus on our plan for operational and financial efficiency.

Antonio Paccioretti, Snam SpA - CFO [2]

Thank you, Carlo. And good afternoon everyone. The key pillar of our strategy is the continuing focus on the operating performance. Operating costs during the plan period are expected to be maintained under control thanks to the proven experience that our company has in curbing costs.

Such a result is even more remarkable if we consider that it is achieved in a framework of increased perimeter of activities.

The second lever is of the capacity of the company to deliver both in terms of efficiencies and execution its challenging CapEx plan. Our track record makes us confident we will confirm also in the plan period the performance we delivered in terms of CapEx execution in the last years.

The control of our operating costs combined with our discipline and efficient capital execution should support the increase of our EBITDA margin to around 80% in 2016 from the current level.

These guidelines do not consider the contribution we expect for the potential new services described just before.

Let me now give you some highlights on the expected growth of our nonconsolidated assets. The value of our participation I think can be reasonable estimated today to around EUR760 million of which around EUR625 million comes from the Italgas nonconsolidated affiliates evaluated at equity RAB for the distribution activities and estimating the value of the district heating assets in (inaudible) which you know is not regulated assuming a multiple of seven times EBITDA.

135 million which reflects Snam per quarter purchase price for the very recent acquisition of the share in the Interconnector UK.

Snam per quarter EBITDA related to nonconsolidated associates is currently at the level of EUR140 million and we expect such a level to grow of around 70% by 2016.

With regard to our financial strategy, we confirm two clear targets. First of all, we want to maintain a solid balance sheet in the medium to long term to sustain both our challenging investment plan and to return to shareholders preserving at the same time our current limited risk profile and our capability to tap the credit market as a frequent borrowers at reasonable prices.

Second, to manage our financial structure in order to maintain the cost of capital below the allowed return set by the regulator with limited exposure to interest rate volatility and maturity coherent with our business profile.

As for the soundness of our balance sheet, we expect our four years investment plan to be fully financed by our operating cash flow. This should allow us to maintain a strong balance sheet and preserve our solid investment grade profile.

As for the latter, we reiterate our commitment to keep our ratios aligned with the credit metrics currently implied in our rating. With regard to written metrics, we believe that an adequate understanding of the value of our associates is important to properly assess the asset base ratios calculated for rating purposes and the sustainability of our gearing.

In this regard, as shown in the previous slide, the equity value attributable to associates mainly on an equity RAB base is currently in the range of EUR0.7 billion without considering the expected acquisition of interest in TIGF.

On this basis, we estimate our net debt to asset ratio to average 55% over the plan horizon. Regarding cash flow based metrics it's worth highlighting not only the absolute level but also the quality of our cash flow generation.

Operating in a regulated business, the soundness, visibility and resilience of our cash flow is driven by three main factors. The capability to execute investments exploiting the return and the incentives provided by the regulator, the flexibility of our CapEx plan and the efficiency in working capital management.

As regard the CapEx execution, is it important to underline that the capital allocation choices are under management control, enable the company to achieve financial discipline and to push for the best value creation opportunities across our businesses.

The flexibility of our CapEx plan is explained by the fact that out of EUR6.2 billion of our four-year investment plan, around 75% is incentivized CapEx -- development CapEx and the same 75% is already [derived] Given the global economic outlook working capital management today is getting more and more important in all sectors.

In our case, I believe the implications are less severe given the reliability of our counterparties with the sound credit standing, given the existence of regulatory framework able to limit issues related to the payment of credits, and lastly given to our strict attention to control the weight on our balance sheet of non-cash flow generative assets.

Now let's move to the next slide to give you more granularity on our liquidity debt structure and maturity profile. Our new debt structure secures adequate financial resources to fund our business plan plus an adequate liquidity margin represented by around EUR3 billion of undrawn committed credit facilities.

Going forward, we believe that EUR2 billion, EUR2.5 billion represents an adequate liquidity endowment in the medium term to cover bond repayment scheduled to support a convenient approach in the debt capital market to provide comfortable financial flexibility.

The total amount of committed banking facility in pool is as you know EUR5 billion maturing in 2015 and 2017. In addition, we have concluded bilateral loans for around EUR3.7 billion with maturity up to 3.5 years.

The structure provides an appropriate credit line mix aimed at balancing competitive pricing flexibility from banks as well as stability from medium to long term loans.

The total amount of bonds is EUR6 billion with an average maturity of six years entirely at fixed rate. These results confirms our ability to attract strong demand with a balanced allocation of our paper by country investor type.

Institutional lenders today representing EUR0.7 billion are expected to play a key role representing a cost competitive source of funding granting maturities of up to 20 years longer than what is available in other markets for the same amount.

Regarding the fixed floating breakdown of our debt, we confirm our plan to have around two-thirds of our debt at regime as fixed rate compared to the current level of around 50%.

We believe this debt structure is consistent with the RAB based profile of our business. It is consistent with the length of the regulatory periods and our will to keep the volatility of our profit and loss under control.

Furthermore, it offers adequate room to exploit potential opportunity offered by the credit market and the regulatory framework in terms of extra financial efficiency and sustainable value creation.

In terms of maturity, we don't need to carry out any refinancing exercises until 2015 and we have almost completed prefunding activities of our four year investment plan.

Our bond debt maturities are well distributed over the time avoiding measure concentration issues going forward.

Having debt with the solidity or our balance sheet I believe it is worth giving you some more flavor on our future plans regarding cost and maturities of our debt.

Let me start first of all highlighting that in 2012 in spite the well-known difficult and volatile market conditions we have been able to deliver our 2012 target given before the start of our refinancing exercise with a cost of debt of around 4% for our new debt structure.

We believe that the completion of our refinancing exercise coupled with the market improvement starting in the second part of 2012 offers solid ground for new optimization actions in terms of cost and maturity through our capability to tap again and opportunistically the bond market, a fine-tuning of our banking financing.

As for the debt capital market role we are in the condition to leverage on our strong credit rating, profile, and to the recent but already well established relationship with our investor base with the final aim to combine two main goals; the reduction of cost for sure, but also the management of the average maturity of our debt.

Regarding the cost of debt, that it is worth pointing out that at least based on the current bond curve, a new five years bond today, issuance today, would imply a credit spread of around 150 basis points based on the current level of [miss-swap] for the same maturity this suggests an all in cost of around 2.5% at fixed-rate or less than 2% at floating-rate. So you can understand we are below the average cost of our current debt with a similar maturity.

Regarding the average maturity of our medium to long-term outstanding debt, it is now close to six years substantially in line with our closest comparables. New access to debt capital market is expected to give us the possibility to maintain the current debt maturity at the (inaudible) cost well below conditions offered by banks for similar maturities.

In terms of maturity as well as in terms of cost we expect a growing contribution from institutional lenders. We believe debt at regime, the fund raising from the European investment Bank, could reach EUR1 billion, EUR1.5 billion on a direct and double signature basis.

For this year, we expect new financing from the European Investment Bank up to EUR500 million for some specific eligible projects currently under consideration.

Moving to the banking facilities, we have today the opportunity to exploit its greater flexibility even if on short-term maturities compared to the debt capital market and the ongoing improvement of banks funding condition in terms of cost and in terms of market debt.

Our objective is finding a better compromise between debt cost on one hand and the maturity and financial flexibility on the other hand.

Moving to the guidelines for 2013 cost of debt, I would say that the starting point is the level of 4% implied in our current debt structure based for sure on current interest rate conditions.

Assume the same market condition, this is a good proxy for this year for the guidance related to this year but it is important to underscore that these guidelines do not consider the potential positive effect deriving from the aforementioned optimization exercises and the new financing from institutional lending.

Let me give the floor to Carlo again to conclude with some final remarks.

Carlo Malacarne, Snam SpA - CEO [3]

Thank you, Antonio. We are firmly committed to confirm Snam equity story as a combination of remarkable and sustainable growth and attractive shareholder return.

As highlighted before we have a large CapEx plan to be executed under strict financial discipline. The boost coming from the significant investment program is expected to translate into a RAB 3.4% increase in the consolidated RAB of the group over the next few years.

The cash flow generated by our operating activity during the plan period is expected to fund our asset growth thus providing us the possibility to maintain the leverage within 55%.

In addition, let me underline that a sound and clear regulatory framework with a valuable incentive scheme allows us to increase the proportion of incentivized RAB up to 36% by 2016.

Our value creation is also supported by the increasing contribution of nonconsolidated associated. We are expected to post a 70% growth of the per quarter EBITDA in the plan period.

And on top of that we remain committed to exploiting operating and financial efficiency in order to further strengthen our overall performance.

The sound growth factor leads to a significant opportunity to reinforce our profitability and to create additional value for our shareholders.

On the basis of our sound result and considering the solid capital structure, the board of director proposed at the annual general meeting a dividend of EUR0.25 per share for the fiscal year 2012, a 4.2% growth compared to the DPS of the previous year implying a dividend yield of around 7% at the top of the European utility sector.

Even this year such appealing remuneration remains in place as the 2013 forecast dividend per share is in line within 2012.

Considering that at the end of this year around 85% of our asset will undergo the regulatory review we do not consider appropriate to set any medium long-term guidelines in terms of dividend policy.

However, I do believe that coherently with the stability of the present regulatory framework, the current dividend per share can be considered as sustainable in the coming years. That's all for the presentation. We are now ready to answer any questions you may have.

Questions and Answers

Antonella Bianchessi *- Citi - Analyst* [1]

Hello. Good afternoon. It's Antonella from Citi. Just one question on your debt and your strategy in the distribution. Has the strategy changed in the distribution business in terms of acquisition of additional Italian distributors, distribution network? Because I remember you were supposed to put some money and it seems like now it's going to be capital employed that's going to remain stable.

The second question is your 55% net debt to RAB, is this including any farther expansion in Europe over the four year of the plan? And finally, if you can be a little bit more precise on the room you have to further reduce the cost of debt in 2013. Thank you.

Carlo Malacarne, Snam SpA - CEO [2]

I'll answer the question of the distribution. It's true. There is no intention to increase the share of the distribution. The 40% in the next I think 10 years because I don't think that the evolution of the distribution before tender will be so we start so quickly.

I imagine that we need six, seven years before consolidations but anyway, the intention is to proceed with the [same] joint acquisition or anyway, some agreement with minority participation with Italgas without injection of new capital in the deal, in the new development.

Antonio Paccioretti, Snam SpA - CFO [3]

And in relation to your third question first of all I would say that in terms of optimizing our cost of debt, what we strive to do before is to give you the reference for understanding which is, which could be our cost of debt for new funding as far as the debt capital market and also to give you the flavor that we have also some room for fine tuning our arrangements with the banking system.

In terms of just another reference that could be useful for you is that on a like for like basis (inaudible) different in terms of spread with reference to the one that we have today it's something that we can evaluate as a lower spread of around 100 basis points.

If you consider that in our term loan, we have something that is close to 300 basis points in terms of spread and we are talking about for the same duration something lower, 200 basis points, 100 basis points could be the advantage.

For sure, such an advantage has to be considered applicable on the part of debt which is, which can be managed. So I'm talking about the loans that can be repaid and talking about the loans that the banking facilities that can be subject to discussion, can be subject to discussion with the banking system.

For the other question, the 55%, 55% debt to asset is the reference, is the level debt we -- the gathering for this four-years plan considering the acquisition of TIGF, so we are talking about the sustainability of our balance sheet having in mind the CapEx plan and the around the EUR700 million of investment in participation in shareholdings that we envisage for this year.

We know that with TIGF we have used an important part of our flexibility but anyway on the basis of the quality of the asset and on the basis and all our ratios will be maintained well within the ratios that we have to maintain for defending the fourth -- or confirming the current rating.

Stefano Gamberini - Equita SIM - Analyst [4]

Good afternoon, Stefano Gamberini, Equita SIM. First of all, guiding the CapEx, EUR6.2 billion versus EUR6.7 billion of the previous plan, could you elaborate a little bit more why there's this difference? In 2012 you invested EUR1.3 billion so it means that at the end this EUR6.2 billion includes just the projects already in the previous plan or are there some new investments? In particular I refer to Alfonsine storage investments, the first phase, how big is this investment in the business plan?

And regarding the further investment of EUR4.6 billion, what are included in this amount? What I mean is you've said in the past that the CapEx plan was referred just to a construction of a new LNG in the South of Italy, are you changing this assumption or not?

Second, regarding the stability of the regulation, what do you mean in terms of returns? So what is the return that you applied in your assumption?

And second, regarding the incentives on investments, what do you expect in terms of incentives on investments and in case the regulator will not confirm the incentives, are you ready to reduce your investment or not? These are the two main questions I have.

Carlo Malacarne, Snam SpA - CEO [5]

The CapEx, the previous CapEx plan was 6.7 considering that the [budget] of the CapEx plan was done in 2011, and of 2011 of the new update on the same project, the existing project, we have some savings in the cost of investments.

For example, in the storage you know the price, the cash on gas, the cost of the gas is lower than one year ago. So the adjustment, the update on the cash on gas cost is at EUR150 million in the storage investment.

We have some reduction around 150 in the transmission construction because the construction contract was roughly 5% lower, the (inaudible) than the previous budget. The reason why we don't postpone the investment during the same investment in the previous CapEx plan with the setting of roughly around 300 million.

There is some let me say tuning by the end of the year for example for the [Sumona] compressor station is three months of delay but general, the 6.7 is the same structure of the project we have today in our CapEx 6.2 anyway.

For the strategy, the driver of the CapEx plan, I confirm that we consider in our CapEx plan eight BCM new from South of Italy which means one LNG or the new connection with the new supply sources, could be (inaudible) or IGI.

I remind you that the operation on the new eight BCM or [TAP] in terms of the need of infrastructure is in the CapEx plan 2019. That is the reason why there is [reactive] spending is outside apart from the [Sumona] compressor station is the 3 billion, is in the 4.6 billion beyond the 2006.

It's only to say that the plan of our CapEx, the decision is to maintain, the plan of our CapEx or the decision for one year ago. Today very committed in terms of new [hub] which will arrive in Italy.

We are not intentional let me say to spend or to build new CapEx without the transmission capacity and without the existence of gas. That is the reason why in our forecast our estimate is that it is reasonable to consider one LNG start in front 2019 or the possibility of the new sourcing of gas starting from the 2019.

And our CapEx plan is aligned with this type of strategy. Only to comment, briefly comment on the strategic plan by the government, we are to consider that our strategy today is completely in line with the guideline in the strategic plan set by the government.

The government today considers the need of 16 BCM of gas. The need I repeat, is only for the security of supply in Italy and the flexibility in utilize the Italian network. 16 BCM is the number sector in the document of the government. That means one LNG if there is then new source of import top of ITG or to LNG if there is not the new source on top.

In our CapEx we consider eight BCM. If there is a, let me say and increase proportionate by the investment but if there will be 16 BCM we have to update some projects with an increasing possibility of investment.

The other question? For the regulatory review, frankly speaking, considering it is a consultation document in the distribution, the discussion we have the with the regulator it is my feeling that the incentive for the new investment that we are remaining in place and then do it transmission [frame] regulatory transmission business could be some tuning, could be some specific let me say consideration of the type of investment but anyway, the total return for the new investment is that the feeling is that we are remaining in place and we have to consider that the feeling but I think is in the document of the distribution, the regulatory we consider the 1% increase of a return for the time lag is the same percent in the regulation delay (inaudible) power regulation.

If there will be a reduction of 1% anyway the total return we have today is very probable, very, very realistic that we remain in place. In terms of total return, what I can say is that in our plan we consider a change in (inaudible). I mentioned that the regulator update they will take into account the same mechanism of the 10 year Italian bond linked to the 10 year Italian bond considering there is three of the 12 months before the starting of the new regulation regime.

We can discuss about this number today is 5%. It could be 4.5% but anyway, it's in the range of the existing risk rate. If the economic situation remains (inaudible).

Unidentified Participant [6]

Hello, it's Alberto (inaudible) from (inaudible). Just a question, one is on TIGF. So TIGF is transmission and storage. You are alluding to quite a substantial growth in earnings and I was wondering which one of the two storage and transmission is the one that will grow more.

And the other thing is in terms of your 55% debt to RAB which you think is affordable. Have you stress tested your balance sheet? What can go wrong with your plans and if 55% is no longer appropriate so that you need to beef up the balance sheet that could be hybrid or a capital increase. Thank you.

Antonio Paccioretti, Snam SpA - CFO [7]

First of all, for TIGF, I would say that in terms of risk for file that we have in the portfolio TIGF the transmission network which has a regulatory framework and in general I would say a risk profile that is perfect in line with our assets, with our current portfolio for the storage situation is not too regulated one since the storages are managed on a merchant basis.

Having said that, you know as far as the risk volumes are concerned this risk is limited to around 40% due to the fact that the balance of 60% is dedicated to long-term contract or to use debt for shippers which have a minimum service level in supplying public (inaudible).

So as far as volumes risk situation is really mitigated. As far as price risk, also for this risk, I would say that the cost position of the storages owned by TIGF are in France has a significant advantage in terms of competitive cost. Also this would support us in understanding the business and understanding the value, the possible value creation of our business.

It is I would say not hopeful for the time being to try to understand which is the difference in terms of return for the two because also we have to, it would also let me say assume an allocation amount different businesses of the debt inside of the company. What I would say is that on an overall, the return we set for this target in accepting our offer, the target determinant has been set between I would say 10 and the low [T] level without considering for the target itself on a standalone basis without considering the synergies and the other advantage we have to explore it on the acquisition.

Unidentified Participant [8]

That was more about the 55%, the debt to RAB. What can go wrong such that the 55% is no longer affordable and you need to do something with the balance sheet?

Antonio Paccioretti, Snam SpA - CFO [9]

First of all, the guideline we gave and the level we assume in our plan make us comfortable debt. If there is a buffer, a significant buffer for reaching the ratios and the parameters set by the rating agency. You know that in terms of ratio debt to RAB they are used to talk about 60% of ratio. So we have a floor to manage the possible something that could go wrong.

In terms of use of (inaudible), I would say that again, with the TIGF we are using for financing TIGF we are using important part of our flexibility but remaining well below the ratios so I would say that first of all, it is not necessary for the time being. It is not necessary. We don't have any intention to evaluate any instrument with the content of equity.

At the same time, anyway I would say that we are monitoring the situation in terms of [EBIT] because there are frequently used in the current market because our instrument which could permit the company not to the (inaudible) shareholder position at the same time to preserve the balance sheet being considered 50-50 by the rating agencies, but today again, we don't have any program for it.

If I can add, you know that most proper way in terms of opportunities of launching into this market with this kind of instruments and is when you don't need such an instrument. You have to launch such (inaudible) the market before you are obliged to do it. I would say that in case of opportunities of growth should arise in the future we will evaluate if it is convenient to use such an hybrid product.

Unidentified Participant [10]

(inaudible) from Exane. Just three questions on my side. Firstly, a little one on 3.4% compared to the rapid growth that you provided, could you please indicate what you would take as an aligned inflation assumption on that one?

Secondly, you gave an indication on EBITDA growth from associate, but as you say, TIGF will not be consolidated. So I wonder if you given any indications on the earnings contributions from TIGF.

And finally, just I want to understand a little better, the approval of the CapEx plan you said that the 75% has been approved, so 25% has not been approved? Given that a big part of the CapEx plan is relating to the assumption that a new capacity will be there in the South, the north-south connection, it seems also the reverse flow is the regulatory actually approving you to do these CapEx even though that capacity isn't there yet?

Antonio Paccioretti, Snam SpA - CFO [11]

For the first question, the inflation that we have used is 2% throughout the plan, an average, 2% flat.

As far as the second point is concerned, TIGF will not be consolidated so it is a deal that will support the growth of not consolidated EBITDA per quarter, not consolidated EBITDA margin which was the one that we indicated in the page 29 of the presentation. So this growth is substantially supported by the contribution of TIGF.

Carlo Malacarne, Snam SpA - CEO [12]

The meaning is that today, EUR6.2 billion of spending, 75% is authorized for the construction. That means that we can start tomorrow morning on the construction.

For the 25%, we are awaiting the final construction by the end of 2013. There is no let me say execution risk linked to the permission anyway because anyway for all of the plan we have the environment authorization. It's only the construction authorization. So it's only a discussion with the local authorities for some tuning in the right way. It's not a big point which could jeopardize the execution.

In terms of the second question, the investment we are doing today is investment which we guarantee the security of supply, the flexibility utilized in the network. The authority knows very well our CapEx plan. The Adriatic Sea was in the CapEx plan two years ago. It's not a new project. You know we started on the permission seven years before.

Part of the Adriatic is in our tariff because we built the first step of the Adriatic which is [Mesoph Italy] and do we have the construction authorization for the second step, [Bita Bine Vetio]. So it's anyway running in the cost recognized by the regulator in our target. So I don't imagine that the authority could say okay, the first step is okay, the second step is not okay. There is not this type of reason.

Anyway, we are planning the construction take into account the new supply of gas because there is no, I said a lot of time, there is no interest for us to increase the tariff for the new investment without let me say that condition of, the possibility of the gas transmission or new capacity because anyway it's automatically, the authority we recognize the tariff but you know the objective of the authority is to maintain low tariff in the long time.

So there is no advantage for us to increase the peak of the tariff for investment if there is no let me say the justification of the new supply of gas. That is the reason why when we planned the Adriatic investment we [planned] the Adriatic looking at 2019 the operation which is realistic for the new supply on gas.

Unidentified Participant [13]

Yes, good afternoon. Roberto from (inaudible). Thank you very much. Two questions please the first one is going back to the distribution business and also related to the efficiencies, you were talking about efficiencies and my question is if there would be some efficiency program in the distribution business related to minority portfolio rationalization and also acquisitions if any or something and if you can give us some tentative amount of this efficiency for the next business plan period.

The second question is going back to the Adriatic line, my question is okay, I understand that there are no problems on the Italian side. My question is if this Adriatic line is related to the Caspian corridor if there would be any problem in the pipeline coming from Caspian Sea to Italy if this will be a problem for the Adriatic line operating and investment as well.

Third question and last question is about dividend which would be stable, my question is I understand that there is a RAB growth of 8.4% of that would be a contribution from assets growing in the next few years and my question is if you consider this dividend for 2013, 0.25, stable as a floor and it could be also some upside on this dividend. Thank you very much.

Carlo Malacarne, Snam SpA - CEO [14]

Thank you. Of the distribution intention is that the first strategy of the distribution is to consolidate the new item, then new geographical area set by decree. If you have in some geographical area a part of concessions and there is another company set part of concession who we try to manage directly all of the concessions without acquisition of the new concession but only running the managing of the network.

I know that in some regions could be some antitrust problems. There could be some clearance but anyway, our approach is without new cash for acquisition but a joint venture with the company we put in the company our concession with the concession of the other operator but we have a firm contract for 12 years for managing (inaudible).

So the intention is to recover with the managing and the operating costs the advantage of this type of agreement. This is the approach we are trying to take today.

The only reason is that we have the experience in some joints of which we are in minority, we are minority shareholder for example [Toscana and Elgia]. We are 49%, but the return is very high because we manage the business and we can trust all of the best practice in terms of new technology, in terms of economy of scale of the business in managing the specific network and it's an advantage of the same for the municipality for the company which manage the local distribution. So it's a running in terms of total return.

(inaudible) the reason why there is no interest to increase the share but there is the interest to maximize the return in terms of reduction of operating costs. This is the main strategy.

For the second question, for the Adriatic line, I think that if we consider that there is no new LNG, there is no supply or top or IGI or [Sepa] which is another connection in Italy we have to consider the problem of the gas demand, and the need of the gas demand in loan terms because we speak about 2019 today but starting in front of 2020, 2025, we need anyway for gas in Italy.

If you consider that the economics go down and we remain for 15 years in this condition, we have another supply of gas, but I imagine that the oversupply of gas could remain in place six years maximum but after in Italy, we need anyway more gas supply. So automatically, I don't think that it's possible that we can reach 2020, 2025 without the new supply of gas in Italy.

The second aspect we have to consider the environment in Italy. The power generation by gas today is 50% but the combined cycle is worth 20%, 25% in the last two years. The problem is the gas price.

If there is a competition in the gas price with a return, with a decrease of the gas price, the combined cycle will be competitive with oil, coal, and renewable. The problem is the price on gas.

I don't think that this type of condition we are remaining in place five or six years with overcapacity without decrease of the gas price. For example, the cost of the hub one year ago the [Piaz Lu], the price of the gas was 20% higher than the (inaudible) in the North European hub. In the last two or three months, the value were aligned and in February, the Italian price was 0.4% lower than in the gas of the hub in northern Europe.

The evolution of the price of gas could create competition in the fuel price to increase the use of gas for example in the combined site. So I think that is reasonable to consider eight BCM because it's not let me say a condition. Eight BCM of new supply in Italy which could be anyway an increase for example for Libya.

For Libya, there is the possibility of 2.5 BCM of increase. There is the new field. There's a [panda] in Sicily of which we have a contract with [TNI] of 500 million. So in the possibilities we increase from south to Italy is already realistic. It's not a dream.

A for the last question, for the dividend, frankly speaking, the guideline we have done is the guideline considering the existing situation, considering the capital structure and I can say today that the dividend per share in place today is sustainable. We don't see a risk for the sustainability.

I came back for our guideline in terms of total shareholder return we have done usually we do and do what we have done I said a lot of times it that the business, the perimeter business we have today have to guarantee a total shareholder return around 10% is an average of return. And that is the reason why our intention is to evaluate the dividend per share and the growing of the company to maintain this type of guideline for our shareholders.

Unidentified Participant [15]

Hi. [Sarah Liten] from JPMorgan. My first question is about the 70% increase in associating (inaudible). I was wondering if you could say what proportion of this is coming from the Italian distribution associates and what proportion is coming from the interconnect to the UK investment and the other associated investments there out of the 70%.

My second question is given the domestic and international CapEx plans you've outlined today, can you rule out the need to issue equity over the next four years?

Antonio Paccioretti, Snam SpA - CFO [16]

As for the equity again, it is easy now to confirm that once again we don't have any intention not only to issue but to evaluate any use of instrument with an equity content. So I'm talking about equity. Dividend or convertible or so on.

As far as the other side of your question, I would say that the growth that we are, that we have described in our nonconsolidated affiliates is substantially due to the TIGF and the international let me say expansion in the distribution, in the domestic distribution -- we have a frankly speaking assumed in our plan that following some rationalization in our portfolio between consolidated and nonconsolidated assets, the contribution in Italy for the distribution could be reduced with respect to the current one.

So if you just make a very brief calculation, it is clear that today we have around EUR700 million of participation with a return in terms of EBITDA per quarter or 140. We are seeing that with a new investment of 700, we will increase by 70%.

Why 70 and not 100%? Because it is clear that the new investment will not dilute the current one. It is due to the fact that we expect to consolidate part of the assets, certain part of asset that today are managed, are owned and managed by Snam and not consolidated affiliates we have in our portfolio.

Unidentified Participant [17]

Good afternoon. [Eduardo Maldonado] from [Central] bank. Two questions. One question is on the new services. Do you expect that this service will generate revenue before 2006? And if you can quantify the amount.

Second question is on gas consumptions in Italy in 2013. The first two-month gas consumption were very weak. If you can, what do you expect for this year for the gas consumption and the third question on Robin Hood tax, I want to know if your projections assume decline in the Robin Hood tax as the law said or you conservatively assumed that the Robin Hood tax will be maintained at this level? Thanks.

Antonio Paccioretti, Snam SpA - CFO [18]

From the easiest, Robin tax, in our plan, the Robin tax we have assumed is in line with the rule, with the law. So we are talking about reduction. We have assumed a reduction to 6.5% starting from next year.

For new services, it is clear that we have in mind and we had in mind some guidelines. It is difficult anyway to set the precise number even if we believe such a revenue will boost our EBITDA. Preliminary indication at the regime let me say, so at the end of this plan in the second part at least of the period of this four-year plan is to have revenues which could contribute, who could increase support farther increase our EBITDA by around 2%.

Carlo Malacarne For the last question for the gas demand, we now estimate a decrease in the gas demand in 2013 of roughly 2.5% over the 75 BCM of 2012.

We considering the results of the next two months and could be let me say some change but the beginning of the year, the best estimation is a reduction around 2.5%.

Unidentified Participant [19]

Just a quick follow-up. First of all, regarding the 10, 15% of returning the storage from TIFG I understood correctly is this the return on the offset or their return on equity and is this a pretax return or a post-tax?

Antonio Paccioretti, Snam SpA - CFO [20]

-- bad English. The return, the target return I mentioned is between 10 and low teens first of all. And it is referred to the investment we do on our equity. It is a return on our participation.

So therefore, it's the blended return that the shareholder will receive in participating in both of the distribution and the storage activities.

Unidentified Participant [21]

So if you can give us, what is the return on asset and clearly to understand now, how is this return is it based on the leverage that you will use in this investment.

The second is on the distribution. Is the target of EBITDA or RAB in the region of 10% still confirmed for your investments due to your higher efficiency compared to this sector or not? And in this case, how big is the risk that the regulator could reduce the efficiencies that the EU created in this year with the new regulatory period in 2014? Again in the gas distribution.

Antonio Paccioretti, Snam SpA - CFO [22]

Starting from the distribution, the distribution you know the 10% return which is the ratio between 9.510% which is the ratio between EBIT and RAB in the distribution is the result of what. It is the result of the return on our asset set by the regulation and the extra efficiencies that we have on the operating costs.

In the distribution, the gain of efficiencies is played for each redelivery point. We will receive a standard value for each of the delivery points. We are also due to the economic scale much more efficient than the average of the Italian system and therefore, we can add to the 7.7, 8% that which is (inaudible) on the assets another important (inaudible) so we are driving to a 9.5, 10% of return.

In the future, assuming the same return on assets for sure, so the same return, the regulated return on assets I think that we have the possibility to maintain such a rate of global return due to the fact that again, we don't see for the time being any -- and the evolution does not lead to any different recognition of operating costs other than on standard basis and therefore we think that we will be also in the future in a position to exploit our ex-efficiencies with respect to the cost structure on the entire Italian system.

As far as the return on assets between transmission and storage is, if I got your point, the return on assets on transmission and France are very clear. There is a regulation very clear and I do say it is something that is really close to the Italian one in terms of structure I would say something better in terms of absolute return.

Let me say that when talking about return on asset target in this case, we have set for elaborating our offer, we took into account the different risks associated and therefore the return that we target in calculating the enterprise value of this second business the return was significantly higher.

Carlo Malacarne, Snam SpA - CEO [23]

If you can add for the distribution business, the first consultation document for the operating cost does say that it is increasing the duration of the regulatory framework to six years which is the proposal. With a review of the efficiency target every three years.

There will look these some change during the regulatory period if the final decision will be to increase to six-year the regulatory (inaudible) I think is the first consultation document I think we are remaining in place in the farther consultation documents.

Anyway, it's a positive postpone the duration to increase the duration to six years affecting the change by the regulator. So the change is only (inaudible) every two years and every three years the efficiency target, the visibility when we have the final document in autumn, the visibility will be six years for the distribution business.

So I think in terms of a strategy of the new option or the new joint venture is clear that six years is a strong visibility.

Unidentified Participant [24]

One follow-up. When do you expect the following consultation paper on distribution and on transportation business?

Carlo Malacarne, Snam SpA - CEO [25]

Speaking with the deregulators the intention is to have a second distribution consultation paper in the end of June, beginning of July and a third consultation paper end of September.

I think it would be an asset to consultation the document but the final approval will be last of November to the end of November. But I think with the second and third consultation document is clear and the final decision. For the transmission by the common by regulator is to have the possibility to issue a document by end of July so before the summer.

Unidentified Company Representative [26]

If we do not have any more questions, thank you everyone for coming and attending the conference. Have a good night.

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