

snam rete gas



# 2009 Preliminary Results

Milan, February 10<sup>th</sup>, 2010



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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.

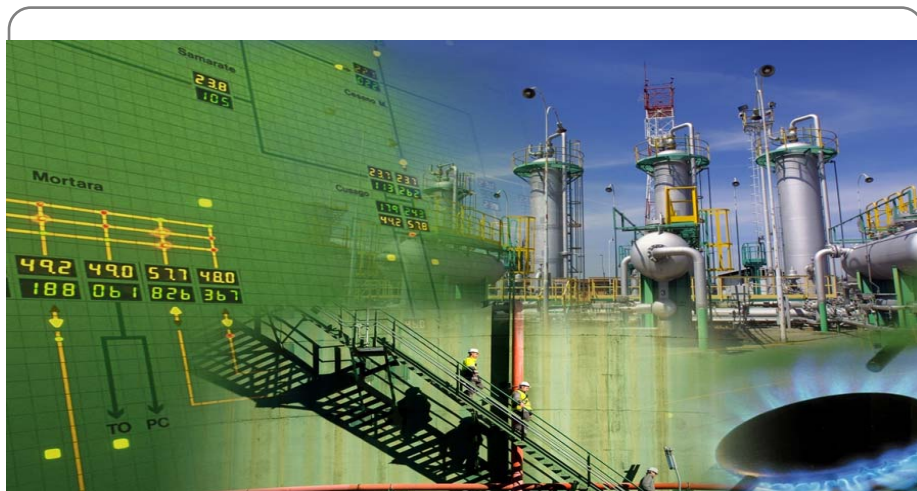
Words such as 'expects', 'anticipates', 'targets', 'goals', 'projects', 'intends', 'plans', 'believes', 'seeks', 'estimates', variations of such words, and similar expressions are intended to identify such forward-looking statements.

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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**Highlights**

**2009 Preliminary Results**

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## Highlights

**Carlo Malacarne**  
Chief Executive Officer

# Key Achievements in a Challenging 2009

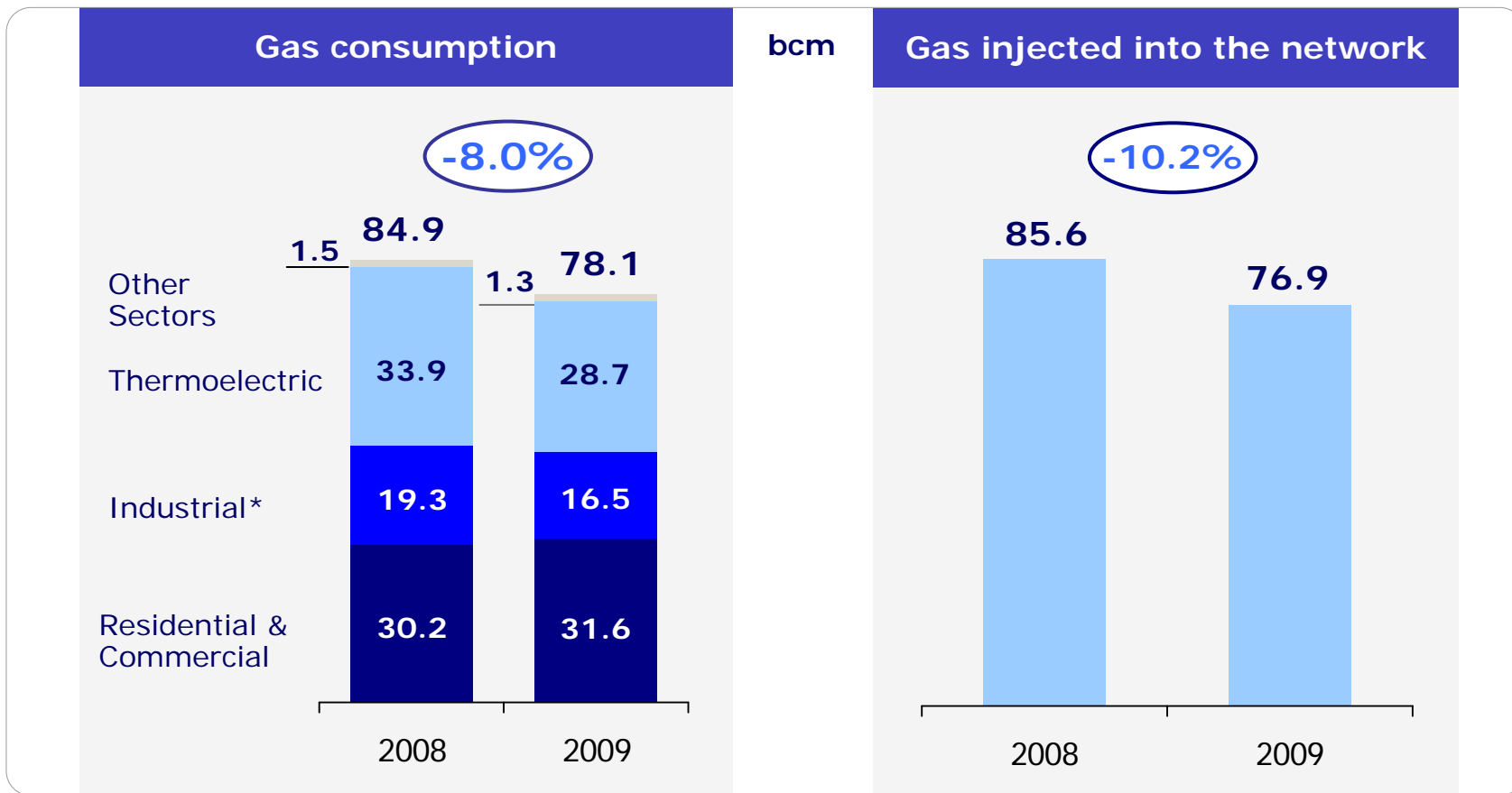
Stogit and Italgas acquisition finalized

Successful capital increase: 99.75% subscribed

Regulatory review for transport business completed

Sound operating performance achieved

Solid and efficient capital structure preserved



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



Source: Italian Ministry of Economic Development and SRG estimates

		2008	2009 (*)	Δ %
<b>REVENUES</b>	(€m)	1,910	2,468	+29.2
<b>EBIT</b>	(€m)	1,022	1,274	+24.7
<b>NET PROFIT</b>	(€m)	530	732	+38.1
<b>NET DEBT</b>	(€m)	6,236	9,949	n.m.

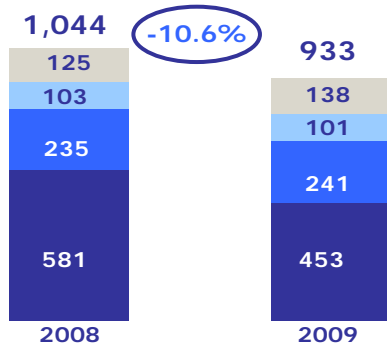
(\*) Snam Rete Gas 2009 figures consolidate Italgas and Stogit from July 1<sup>st</sup>

# Capital Expenditure<sup>(\*)</sup>



€ mln

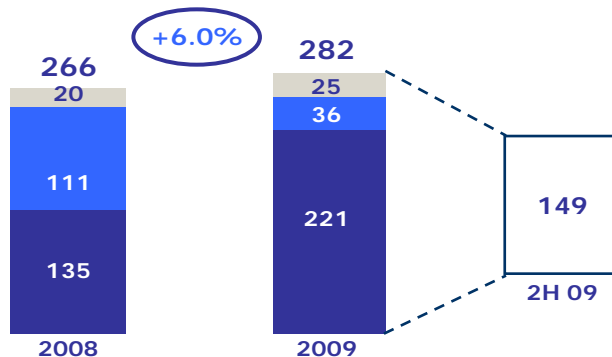
## Transport and LNG



### 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%

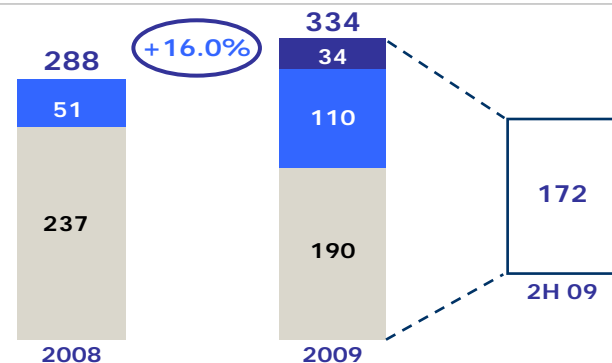
## Storage



### Incentive scheme

- Development of new fields  
4% premium for 16 yrs
- Expansion of existing fields  
4% premium for 8 yrs
- Maintenance  
Base return: 7.1%

## Distribution



### Incentive scheme

- Substitution of cast iron pipes  
2% premium for 8 yrs
- Metering  
8% allowed return
- Other investments  
Base return: 7.6%



\* Full year basis and gross of subsidies



2009 Interim Dividend 0.06 €/share

Paid on October 22<sup>nd</sup> 2009

2009 Final Dividend 0.14 €/share

Payable from May 27<sup>th</sup> 2010



FY 2009 0.20 €/share

**YIELD 5.8%\***

**Robust shareholder returns in a growing business  
DPS sustainable with an attractive yield**

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## 2009 Preliminary Results

Antonio Paccioretti  
Chief Financial Officer

€m			
	2008	2009 <sup>(*)</sup>	Change
Revenues	1,910	2,468	+558
Operating expenses	- 399	- 581	-182
<b>EBITDA</b>	<b>1,511</b>	<b>1,887</b>	<b>+376</b>
Depreciation & amortisation	- 489	- 613	-124
<b>EBIT</b>	<b>1,022</b>	<b>1,274</b>	<b>+252</b>
Net interest income (expenses)	- 226	- 217	+9
Net income from associates	-	22	+22
<b>EBT</b>	<b>796</b>	<b>1,079</b>	<b>+283</b>
Income taxes	- 266	- 347	-81
<b>NET PROFIT</b>	<b>530</b>	<b>732</b>	<b>+202</b>

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

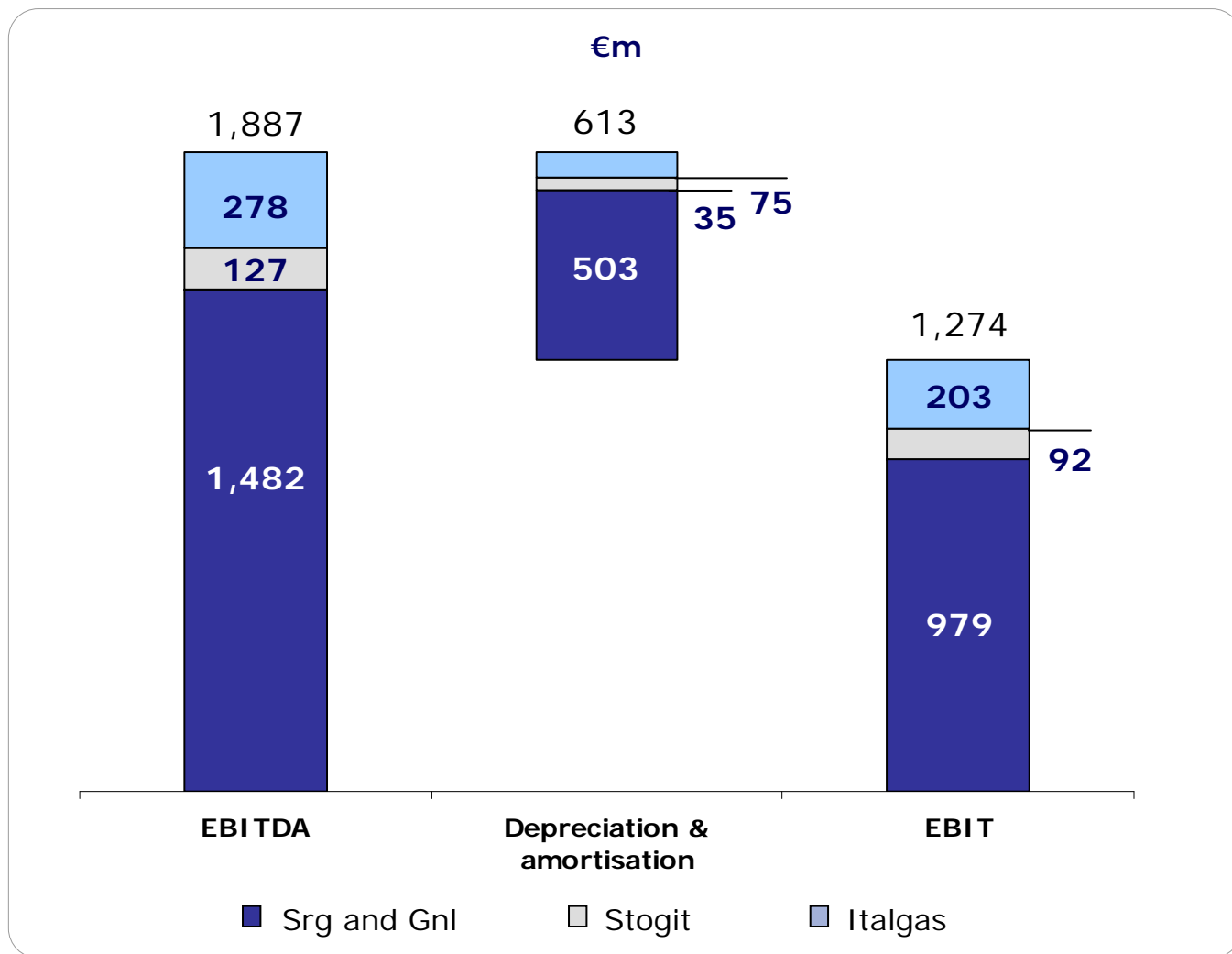
€m

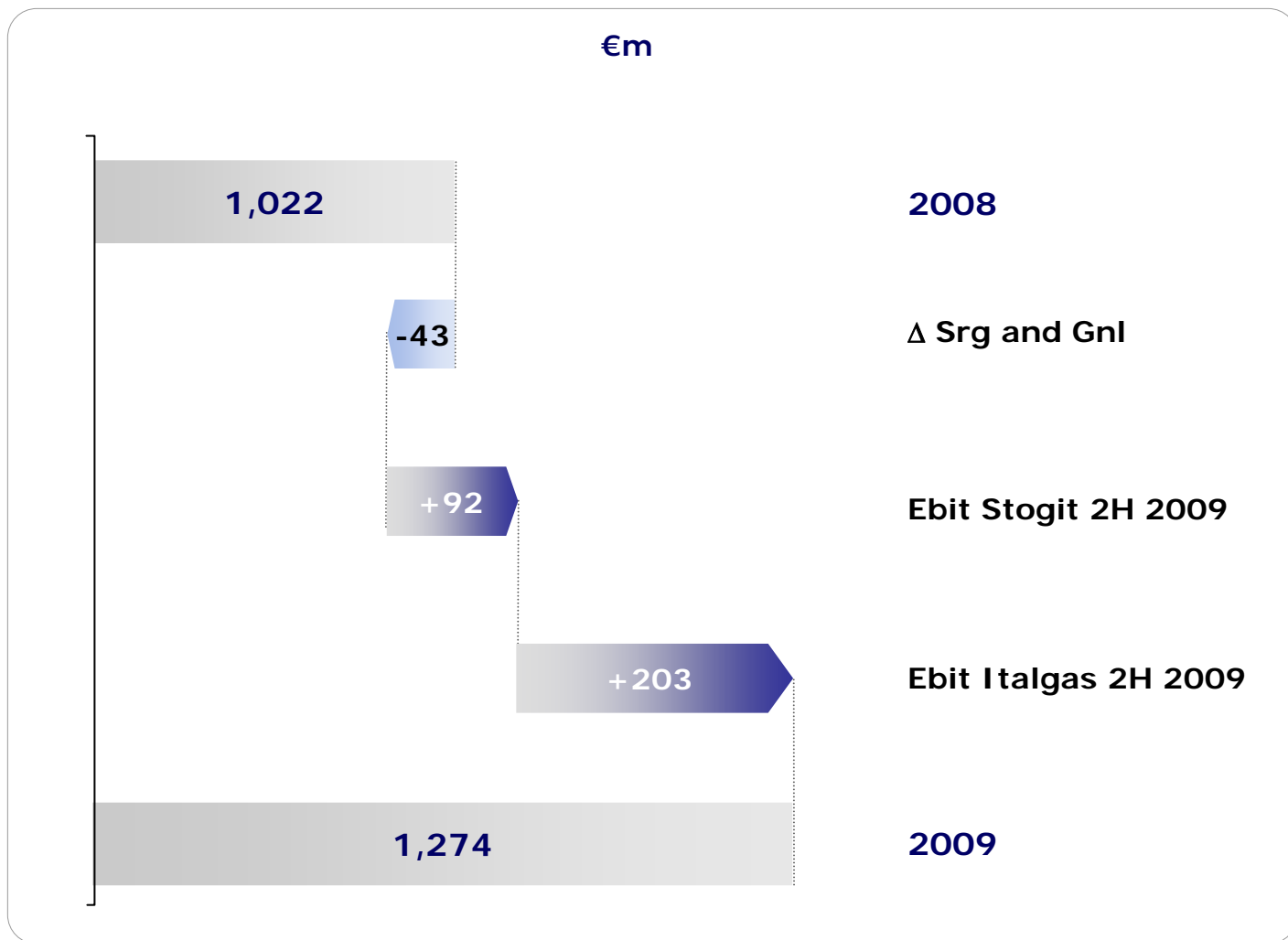
	2008	2009	Change
<b>Regulated revenues</b>	<b>1,887</b>	<b>2,434</b>	<b>+547</b>
<b>Transport</b>	<b>1,867</b>	<b>1,848</b>	<b>-19</b>
Revenues	1,818	1,793	-25
Pass-through revenues	49	55	+6
<b>LNG</b>	<b>20</b>	<b>21</b>	<b>+1</b>
<b>Storage</b>	<b>-</b>	<b>158</b>	<b>+158</b>
<b>Distribution</b>	<b>-</b>	<b>407</b>	<b>+407</b>
<b>Other revenues (*)</b>	<b>23</b>	<b>45</b>	<b>+22</b>
<b>Consolidation adjustments</b>	<b>-</b>	<b>- 11</b>	<b>-11</b>
<b>TOTAL REVENUES</b>	<b>1,910</b>	<b>2,468</b>	<b>+558</b>

(\*) 2009 figure net of consolidation adjustments of 3 million euros.

€m			
	2008	2009	Change
<b>Regulated activities</b>	<b>395</b>	<b>567</b>	<b>+172</b>
Controllable fixed costs	209	352	+143
Variable costs	135	117	-18
Other	51	98	+47
<b>Non regulated activities</b>	<b>4</b>	<b>14</b>	<b>+10</b>
<b>TOTAL COSTS</b>	<b>399</b>	<b>581</b>	<b>+182</b>
	2008	2009	Change
<b>Transport and LNG</b>	<b>399</b>	<b>410</b>	<b>+11</b>
<b>Storage</b>	<b>-</b>	<b>38</b>	<b>+38</b>
<b>Distribution</b>	<b>-</b>	<b>147</b>	<b>+147</b>
<b>Consolidation adjustments</b>	<b>-</b>	<b>- 14</b>	<b>-14</b>
<b>TOTAL COSTS</b>	<b>399</b>	<b>581</b>	<b>+182</b>

# 2009 EBIT: business breakdown





€m			
	2008	2009(*)	Change
Revenues	1,910	2,468	558
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<b>EBITDA</b>	<b>1,511</b>	<b>1,887</b>	<b>+376</b>
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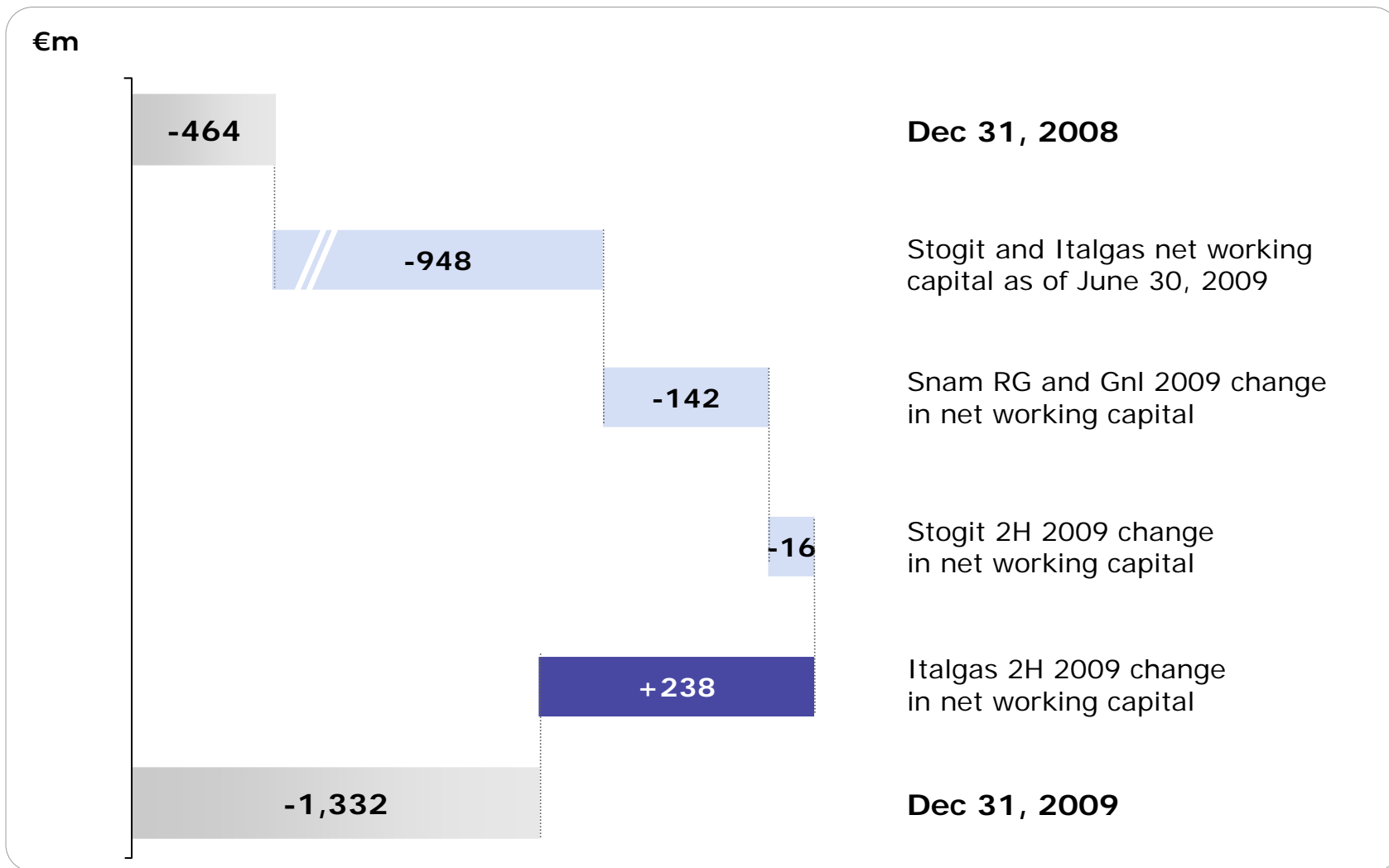


€m			
	2008	2009	Δ%
Revenues	305	348	+14.1%
<i>of which:</i>			
<i>    modulation service</i>	<i>241</i>	<i>273</i>	<i>+13.3%</i>
<i>    strategic storage</i>	<i>63</i>	<i>68</i>	<i>+7.9%</i>
Operating costs	68	64	-5.9%
EBIT	172	214	+24.4%
Net profit	83	121	+45.8%

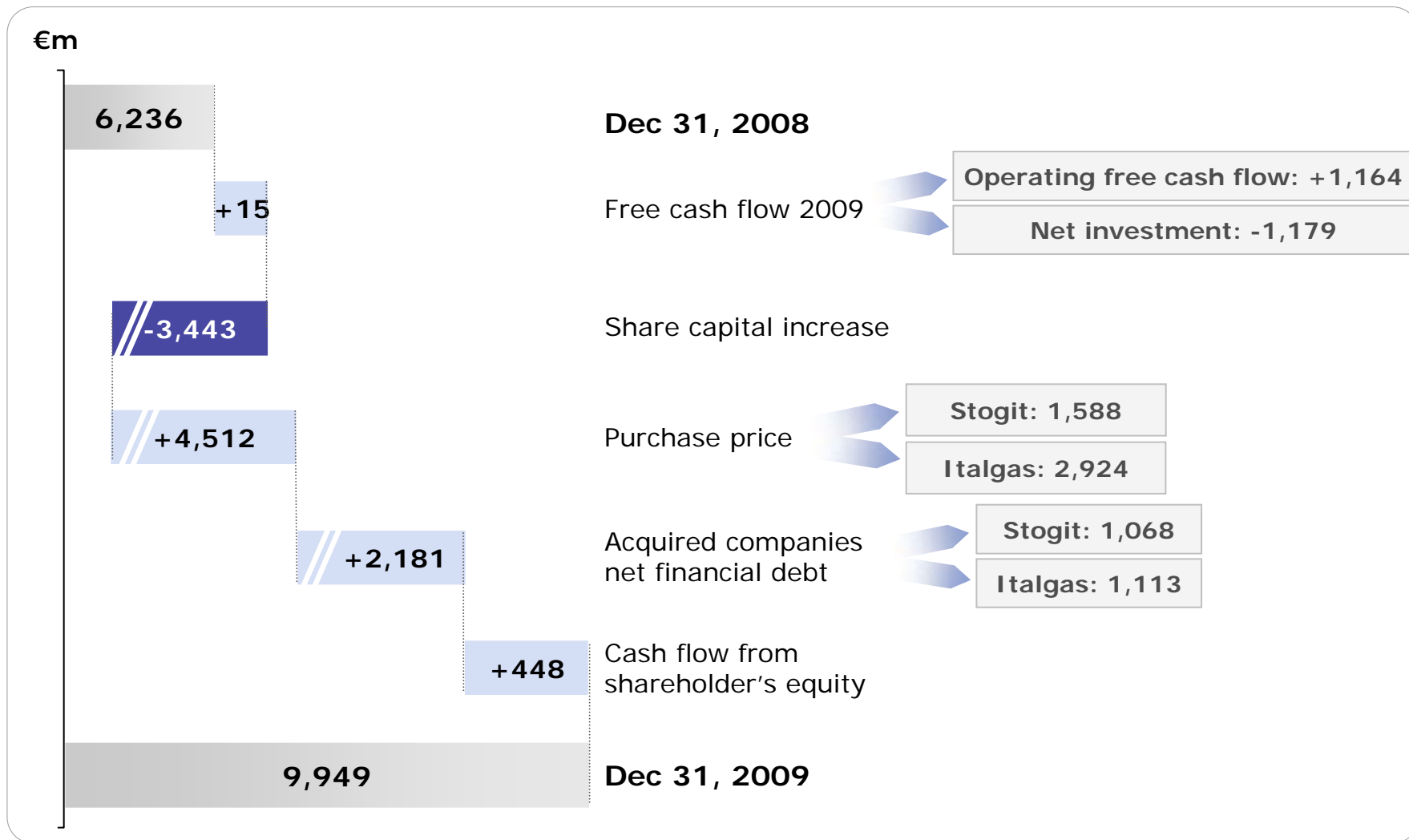
€m

	2008	2009	Δ%
Revenues	756	835	+10.4%
<i>of which: regulated</i>	<i>719</i>	<i>798</i>	<i>+11.0%</i>
<i>other revenues</i>	<i>37</i>	<i>37</i>	<i>-</i>
Operating costs	301	291	-3.3%
EBIT	318	398	+25.2%
Net Profit	228	275	+20.6%

€m			
	Dec, 31 2008	Dec, 31 2009	Change
<b>Net Invested Capital</b>	<b>9,809</b>	<b>15,652</b>	<b>+5,843</b>
<b>Fixed assets</b>	<b>10,302</b>	<b>17,077</b>	<b>+6,775</b>
Tangible fixed assets	10,263	16,035	+5,772
Intangible fixed assets	39	741	+702
Equity-accounted and other investments	-	301	+301
<b>Net working capital</b>	<b>- 464</b>	<b>- 1,332</b>	<b>- 868</b>
Receivables	577	1,315	+738
Liabilities	- 1,041	- 2,647	- 1,606
<b>Staff benefits provision</b>	<b>- 29</b>	<b>- 107</b>	<b>- 78</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>9,949</b>	<b>+3,713</b>
<b>Shareholders' equity</b>	<b>3,573</b>	<b>5,703</b>	<b>+2,130</b>



# Net Financial Debt





**Q & A Session**



**Annex**

	2008	2009	Δ %	
<b>Transport</b>	Gas injected into the network (bcm)	85.6	76.9	-10.2
	Gas pipeline network (km in operation)	31,474	31,531	+0.2
<b>Storage</b>	Storage capacity (bcm)	13.7	13.9	+1.5
	▪ Modulation	8.6	8.9	+3.5
	▪ Strategic	5.1	5.0	-2.0
	Gas moved through storage system (bcm)	11.57	16.52	+42.8
	▪ Injection	6.30	7.81	+24.0
▪ Withdrawal	5.27	8.71	+65.3	
<b>Distribution</b>	Gas distributed (bcm)	7.4	7.5	+1.4
	Active Gas Metering at redelivery points (# million)	5.68	5.77	+1.7



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