

November 2014

the Snam Shareholder

THE GUIDE TO GETTING INVOLVED IN YOUR INVESTMENT



Snam

Snam profile.

Results, organisation and strategies.

Snam on the Stock Exchange

Get to know us and understand us.

To make informed investment decisions.

Get involved in your Snam investment

How to play your role.

Dates and information not to miss.



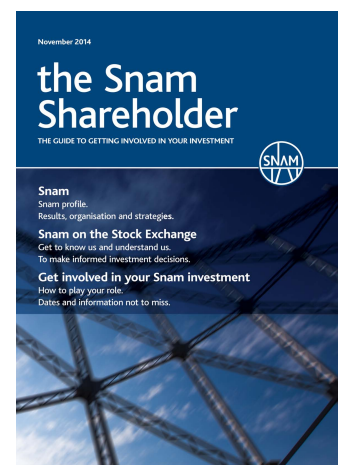


Dear shareholders,

the purpose of this Guide is to provide both current and potential owners of Snam shares with a summary of relevant information. Starting from 2010, it is part of a series of tools to enhance our communication with retail investors. We believe that the trust you have showed us must be cultivated through an increasingly effective dialogue.

The first part of the Guide outlines the Group's structure, its business and strategic guidelines. The Guide also presents some key features about Snam shares and practical information so that you can really get involved in your role as a shareholder. We hope that these pages will be easy and interesting to read, as well as helpful.

By nature, this Guide is not an exhaustive product. In order to obtain more complete information we invite you to visit our corporate website at www.snam.it or, for specific requests, to contact the Investor Relations department.



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MISSION

Snam is a European leader in the construction and integrated management of natural gas infrastructure. It favours the right conditions for fair energy costs by managing the gas system efficiently, developing infrastructure and providing integrated services for the market. It promotes the integration of the European networks, including through strategic partnerships with the biggest operators in the sector, along the main continental energy corridors. Snam follows an ethical and socially responsible business model, capable of generating value for the Company and for the community in which it operates, with acknowledged professionalism and transparent dialogue with all its stakeholders, respecting the environment and the regions. A clear and sustainable long-term development strategy, based on one of the most substantial investment programmes in Italian industry, has enabled the Company to attract Italian and foreign capital, boosting growth and employment.

With its 6,000 employees, Snam is active in natural gas transportation, storage, regasification and urban distribution. We manage a national transportation network that is more than 32,000 km long, including eight storage facilities, one regasification plant and a local distribution network that covers more than around 53,000 km in total.

3,529 million euro 2013 total revenue*

2,803 million euro 2013 EBITDA

917 million euro 2013 net profit reported

0.25 euro 2013 dividend per share

6,045 employees at 2013 year-end

32,306 km transportation network length

69.01 billion m³ gas injected

18.42 billion m³ gas moved through the storage system

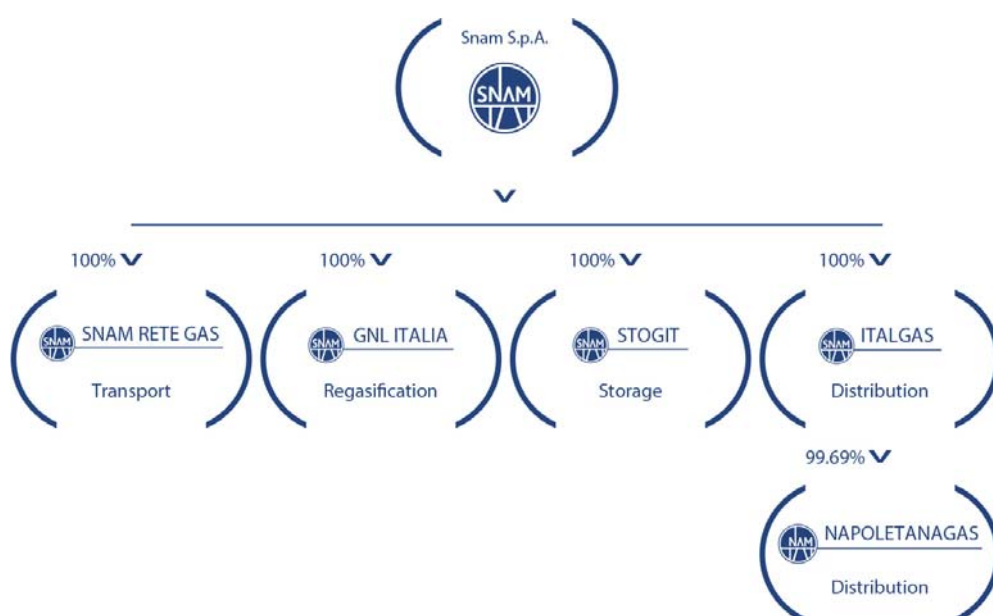
53,214 km distribution network length

5.9 million final clients in distribution

*The application of international accounting standard IFRIC 12 "Service Concession Arrangements", in force from 1 January 2010, has not had any effect on the consolidated results, except for the recording, in equal measure, of revenue and costs related to the construction and expansion of distribution infrastructure (€325 million and €319 million, respectively, in 2012 and 2013).

SNAM IS A EUROPEAN LEADER IN THE REGULATED GAS SECTOR

Snam is an integrated Group, operating in the regulated gas sector in Italy. In Europe, it is leader in terms of regulatory asset base (RAB). Acting as an integrated Group, the Company transports and dispatches natural gas, regasifies liquefied natural gas (LNG), distributes and stores natural gas, through four operating companies, 100% controlled by the Corporate Snam SpA: namely Snam Rete Gas, GNL Italia, Italgas and Stogit. With effect from 1 January 2012, thanks to the new Group structure, Snam has adopted the model of the Ownership Unbundling (OU), after the transfer of the transport business to the new subsidiary company, which changed its name to Snam Rete Gas.



1 dispatching centre
11 compression stations
1 regasification plant

8 storage fields
1,435 gas distribution concessions
5.9 million gas meters in use



Milestones of a long path

1941-1999

Snam develops a widespread methane pipeline network in Italy and constructs large-scale import pipelines.

Snam, founded in 1941, is an integrated operator for 60 years in the supply, transport and distribution of natural gas in Italy. It gradually extends an articulated pipeline network throughout the national territory and constructs large-scale pipelines, which presently allow the country to count on different import lines: from Russia, The Netherlands, Algeria, North Sea and Libya. In 1971, Snam constructs the first LNG regasification plant in Italy, in Panigaglia (La Spezia).

2000-2011

After separating the Company's transportation activities, Snam Rete Gas is founded. In 2009 it acquires the storage and distribution businesses.

Snam Rete Gas is set up on 15 November 2000, in order to take charge of Snam's Italian activities in transportation, dispatching and LNG regasification. The separation of the corporate activities took place as per the Letta Decree (Legislative Decree no. 164/2000), which implements the European Directive liberalising the gas market. On 6 December 2001, after the resolution of the Italian Electricity and Gas Authority which sets the criteria for regulating the transportation tariffs, Snam Rete Gas is listed on the Stock Exchange. In 2009, the Company acquires 100% of Stogit, the largest Italian company in gas storage, and 100% of Italgas, the leading operator in gas distribution in Italy. With the two newly-acquired businesses in its portfolio, Snam becomes a leading integrated operator in the regulated activities of the gas sector, ranking first by regulatory asset base (RAB) in Continental Europe

2012 - Today

Snam operates with a new Group structure and extends its interest to the European scene.

With effect from 1 January 2012, the Company changes its name from Snam Rete Gas to Snam; it then transfers the gas transport business to a new subsidiary, which assumes the name Snam Rete Gas. Following to the Prime Minister Decree of 25 May 2012, the ownership unbundling from eni takes place. Having bought from eni 30% of Snam share capital, starting from 15 October 2012 CDP becomes the majority shareholder.

In early 2012 Snam signed a strategic alliance with Fluxys; in joint venture with the Belgian operator it acquired a 31.5% equity stake in the Interconnector UK, the subsea pipeline between the UK and Belgium, providing a link between the UK and the most important continental gas trading places; the two companies have also acquired from eni the 51% of Interconnector Zeebrugge Terminal and the 10% of Huberator. The two companies have moreover signed a Memorandum of Understanding for the development of bi-directional flow capacities from South to North between Italy and the UK (from Passo Gries, through Switzerland and Germany); within the project, through Snam Italy may play a role as gas hub.

In July 2013, for 2.4 billion euro, Snam acquired from Total the assets of TIGF (Transport et Infrastructures Gaz France), the player owning and managing a gas transport pipeline of 5,000 km and two storage site in the South-West of France. Snam completed the acquisition after winning an international bidding process, at the head (45%) of a consortium with EdF (20%) and GIC (35%).

On 12 September 2014 the BoD of Snam approved the acquisition from CDP GAS, for 505 million euro, of an 84.47% stake in TAG (Trans Austria Gasleitung GmbH), with economic rights equal to 89.22%. TAG owns the Austrian section of the pipeline that connects Russia to Italy, through three parallel lines extending approximately 380 km each. The transaction will allow Snam to leverage on a new strategic asset in the East-West gas corridor, which can be operated bi-directionally.





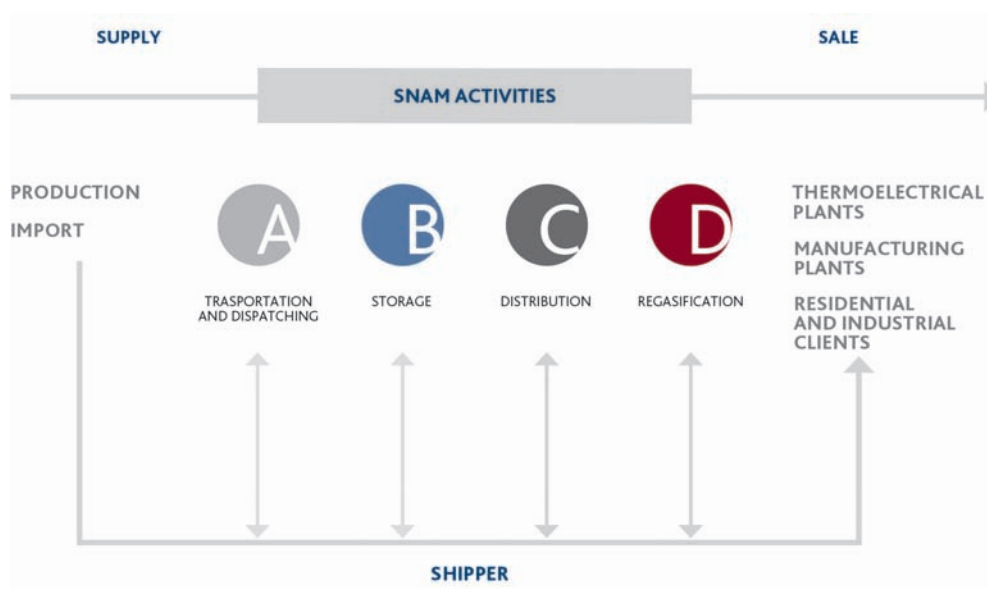
SNAM BUSINESS

An integrated operator, with a leadership position in the system of natural gas infrastructures.

Gas plays a crucial role in Italian energy sector. Consumption has increased significantly, from 71 billion m³ in 2001 to approximately 83 billion in 2010. However, the current recession that has taken place over the last few years has resulted in a drop in consumption of natural gas; in 2013 it fell to 70.1 billion m³, with a reduction of 4.8 billion m³.

Snam, through the operating company Snam Rete Gas, provides natural gas transport and dispatching services, by making available, through the use and development of its Transportation Network, the transport capacity required to meet market demand and to satisfy the access request to its Transportation Network submitted by Shippers.

Following the Stogit and Italgas acquisition, the new group also provides natural gas storage and distribution services: presently Snam is the only integrated operator in any activity of the regulated gas sector in Italy and one of the main regulated players in Europe.





TRANSPORTATION AND DISPATCHING

Thanks to investments to develop and upgrade infrastructure, the network transportation capacity has always grown in the past years. In line with the provisions of the EU Third Energy Package, the Company is committed, through specific investments, to facilitating trans-European flows, thanks to the development of reverse-flow transport infrastructure.

The gas from abroad is injected into the national network via eight entry points where the network joins up with the import pipelines (Tarvisio, Gorizia, Gries Pass, Mazara del Vallo and Gela) and with the LNG regasification terminals (Panigaglia, Cavarzere and Livorno). Once imported or regasified, gas is transported to local distribution networks, to withdrawal points along the Regional Network, or to large final clients, either thermoelectric plants or industrial consumers. Snam Rete Gas operates 11 Compression Stations, located along the National Network, which increase gas pressure in the pipelines up to the level required to ensure flow continuity. The Dispatching Centre is responsible for monitoring and remotely overseeing the Transportation Network.

Snam Rete Gas infrastructures are managed by eight Districts, which supervise and oversee the activities of 55 Maintenance Centres across Italy, and by a Dispatching Centre that coordinates 11 Compression Stations, ensuring the observance of applicable health, safety and environmental legislation. Snam Rete Gas allocates transportation capacity to the shippers upon their request. Then they gain the right – as Users – to inject and withdraw at any time during the thermal year, a quantity of gas not greater than the daily capacity allocated.

Terms to access the transportation service are set out in the Network Code, which is updated by Snam Rete Gas on the basis of the criteria issued by the Authority. Shippers may sell and trade gas injected into the National Network, at a Virtual Trading Point, thanks to a supporting computer platform developed and made available by Snam Rete Gas.

Solar year 2011			Solar year 2012			Solar year 2013		
Available capacity	Allocated capacity	Saturation	Available capacity	Allocated capacity	Saturation	Available capacity	Allocated capacity	Saturation
360.7	322.4	89.4%	361.6	326.2	90.2%	375.6	326.9	87.0%

(Transportation capacity figures in million m³/day)

SNAM RETE GAS - NETWORK INFRASTRUCTURE



8 entry points of the National Network for natural gas coming from abroad: Tarvisio, Gorizia, Passo Gries, Mazara del Vallo, Gela, as well as the LNG terminals in Panigaglia, in Rovigo (Cavarzere) and in Livorno (OLT).

53 entry points of the National Network at which **national production** is injected.

2 virtual entry points, one for each storage operator (Stogit SpA and Edison Stoccaggio SpA).

69.01 billion m³ of natural gas injected into the National Network in 2013.

32,306 km Transportation Network in use at 2013 year-end.



STORAGE

Snam storage capacity has sizeably increased over the last decade, thanks to relevant investments both to increase capacity of existing fields and to develop new sites.

The gas storage system fulfils different requirements between supply and consumption that are derived from the seasonality of demand. The injection phase into the National Network is generally concentrated between April and October, while the withdrawal phase from fields, treatment and delivery to users via the Transportation Network is usually concentrated between November and the following March. Storage also ensures that strategic quantities of gas are available to compensate for any lack of or reduction in non-EU supply or crises in the gas system. Stogit is the major Italian operator and one of the leading European natural gas storage operators, via eight storage fields in Lombardy (four), Emilia-Romagna (three) and Abruzzo (one).

Stogit, the largest operator in Italy and one of the main operators in Europe, was incorporated in 2000 as part of the eni Group and acquired by Snam in 2009. It operates under a concession system. According to economic and technical efficiency criteria, the Company uses an integrated infrastructure system made of storage fields, treatment plants, compression stations and an operating dispatching system.

Stogit storage fields are depleted gas production reservoirs, located at average depths of between 1,000 and 1,500 metres below the surface. Cushion gas is the minimum quantity of gas that must be present to allow the withdrawal of working gas – present during the storage – and to prevent the water basin from rising without any adverse effects on the mineral characteristics of the storage field.

The treatment plants include the necessary infrastructure to make the gas withdrawn from reservoirs compliant with the required quality, pressure and temperature for injection into the transportation system.

Compression stations compress natural gas received from the Transportation Network to make it possible to inject it into the reservoirs. Finally, the operating Dispatching Centre, through a remote system, monitors and controls the operating performance of the facilities, guaranteeing gas injection and withdrawal on the basis of the information provided by the operating and commercial schedule, while ensuring safety monitoring of the system.

10 concessions:

- **8 storage fields** 4 in Lombardia, 3 in Emilia Romagna and 1 in Abruzzo.
- **2 concessions** not currently in use.

Strategic storage: 4.5 billion m³

Available storage capacity: 11.4 billion m³

18.42 billion m³ gas volumes moved through the storage system in 2013.

STOGIT - PRESENCE





DISTRIBUTION

The distribution network is multiregional: it covers the entire Italian mainland and Sicily. Snam is continuously committed to guaranteeing the highest quality, efficiency and safety across the entire network, through maintenance and development investments.

The distribution business involves the service of distributing gas through local pipelines, from delivery points at the city gates to the re-delivery points at end-customers, including both households and businesses.

Like the storage business, the distribution business also operates on a licensing basis, with local public authorities appointing service providers through the granting of a concession. The Letta Decree specified that all the existing concessions would be newly awarded by way of tender by the end of 2012 and that new concessions length cannot exceed 12 years.

The Letta Decree specifies that gas is distributed to authorised gas shippers who then supply the gas to final customers including both households and businesses, through urban gas networks. The Network Code sets out services provided to the supplying companies.

At the end of 2013, Italgas, which Snam acquired from eni in 2009, held gas distribution concessions in 1,435 municipalities. It is the leading domestic distributor of natural gas in Italy. It operates using an integrated infrastructure system, much of which is owned by Italgas, which includes cabins for the uptake of gas from Transportation Network, pressure-reducing facilities, local transportation and distribution networks (53,214 km) and re-delivery points (technical equipment on which meters are located, where final users are – residential customers, commercial and service businesses, as well as small industrial clients).

The consolidated subsidiaries of Italgas also include Napoletanagas, which distributes gas across urban networks in Campania.

In September 2012 Italgas won the tender to distribute natural gas in Rome, securing the operational management of Italy's biggest concession by size (nearly 5,000 km of network) and by number of users (more than 1.3 million redelivery points) for another 12 years.

ITALGAS - MUNICIPAL CONCESSIONS



53,214 km network length
at 2013 year-end.

7,352 million m³ volumes of gas
distributed in 2013.

1,435 distribution concessions
at 2013 year-end.

5.9 million meters in use
at 2013 year-end.



REGASIFICATION

Through the Panigaglia regasification plant, Snam provides the Italian gas system with the proper diversification of sources, while ensuring a high degree of flexibility in terms of supply.

The process for the extraction of natural gas from the fields, its liquefaction for transportation by ship and subsequent regasification for use by the users, forms the 'LNG chain'. The process begins in the country of the exporter, where the natural gas is brought to a liquid state by cooling it to -160°C and subsequently loaded onto tankers for shipping to the LNG regasification terminal. At the regasification terminal, the LNG is unloaded, then heated and returned to a gaseous state before being injected into the natural gas Transportation network. Natural gas is also injected into the national Transportation network by the LNG terminal at Panigaglia (La Spezia), which is owned by the Snam subsidiary GNL Italia and is able to regasify 17,500 cubic metres of LNG per day; when operating at maximum capacity, the terminal can therefore inject over 3.5 billion cubic metres of natural gas a year into the Transportation network. The regasification service includes unloading the LNG from the vessel, operating storage, i.e. the storage time required for vaporising the LNG, regasifying it and injecting it into the national network. A total of 0.05 billion cubic metres of LNG was regasified in 2013, with one methane tanker unloaded. The lower volume regasified was mainly due to the trend in global LNG demand, which produced particularly high demand in the Middle Eastern markets, to European market's detriment.

Regasified LNG (billion m³)

2008	2009	2010	2011	2012	2013
1.52	1.32	1.98	1.89	1.12	0.05

17,500 m³ of LNG

daily maximum regasification capacity of the Panigaglia terminal.

3.5 billion m³ of LNG

maximum annual gas volume that can be injected into the Network.





Around 96% of Snam consolidated revenue is "regulated", i.e. subject to the regulation of the natural gas sector, in order to ensure that transportation, regasification, storage and distribution services are provided to third parties according to non-discriminatory criteria and at regulated tariffs set according to the Letta Decree which provided for the sector liberalisation.

REGULATION

Regulatory Authority for Electricity, Gas and Water (AEEGSI)

The AEEGSI, operating since 1997, is in charge of regulating the national market of natural gas and electricity. It sets the update of tariffs on the basis of the criteria defined for each regulatory period and defines the rules governing the access to the infrastructures and the use of the services of natural gas transportation and dispatching, LNG regasification, natural gas storage and distribution.

Regulatory periods

In accordance with the Letta Decree, which in 2000 implemented the European Directive for the liberalisation of the gas market, the AEEGSI has established tariff systems in each sector, defining the criteria for the setting of tariffs for different regulatory periods, which normally last four years.

During 2013 the AEEGSI reviewed the regulation of transport, regasification and distribution. The new regulatory period is effective since January 2014. During this year the Authority reviewed also the storage regulation; the new regulatory period is effective from January 2015.

TRANSPORTATION AND DISPATCHING	January 2014 - December 2017
LNG REGASIFICATION	January 2014 - December 2017
STORAGE	January 2015 - December 2018
DISTRIBUTION	January 2014 - December 2019

The tariff system for each of the four activities is based on common principles, which specify that revenue is calculated on the basis of:

- recognised cost of RAB through application of a set rate of return on RAB,
- rates for technical-economic amortisation,

- operating costs.

For development investments, made for upgrading infrastructure, there is also a provision for an increase in the rate of return, which depends on the type and duration of the specific investment.

	TRANSPORTATION AND DISPATCHING	REGASIFICATION	STORAGE	DISTRIBUTION
Calculation of net invested capital recognised for regulatory purposes (RAB)	Revalued historical cost	Revalued historical cost	Revalued historical cost	Revalued historical cost Parametric method for centralised assets
Return on net invested capital recognised for regulatory purposes (pre-tax WACC)	6.3%* for investments made by 31 December 2013 7.3% for investments made after 31 December 2013	7.3%* for investments made by 31 December 2013 8.3% for investments made after 31 December 2013	6.0%*	6.9%* (distribution) 7.2%* (metering)
Extra return on new investments	1% over 7 years (on investments in developing the regional network) 1% over 10 years (on investments in developing the national network) 2% over 10 years (on investments in developing entry capacity)	2% over 16 years (new terminals or increasing capacity at existing terminals by more than 30%)	Retention of 20% of new capacity auction revenues if above the reference revenues	Incentives for service quality
Efficiencies X factor	2.4% on operating costs	0%	To be defined by subsequent order from the Regulatory Authority for Electricity, Gas and Water	1.7%** on distribution operating costs 0%** on metering operating costs

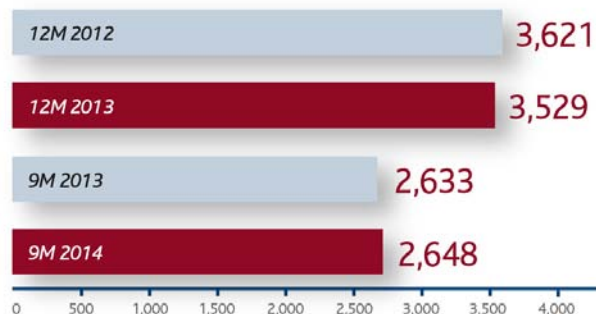
(*) With review of the exogenous variables starting from January 2016.

(**) With review starting from January 2017

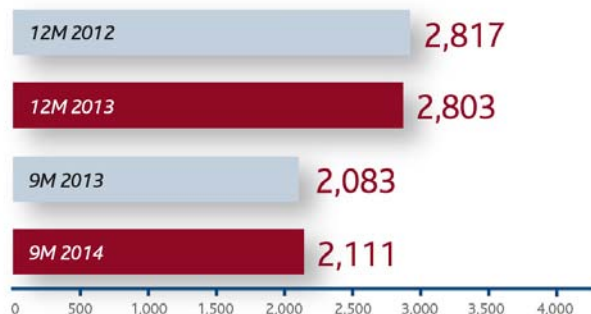


KEY-FIGURES

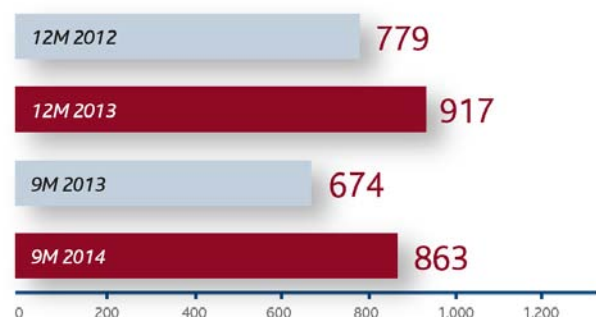
TOTAL REVENUE (million euro)*



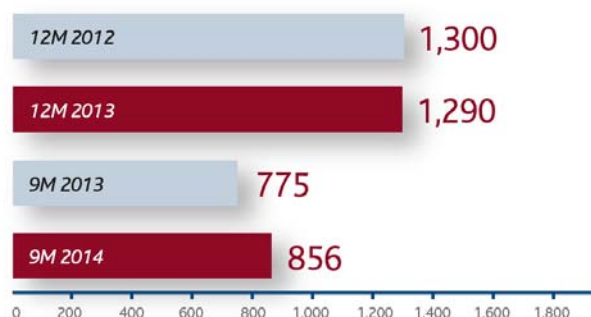
EBITDA (million euro)



REPORTED NET PROFIT (million euro)



INVESTMENTS (million euro)



	12M 2012	12M 2013	9M 2013	9M 2014
GAS INJECTED INTO THE NATIONAL NETWORK BCM	75.78	69.01	50.32	47.19
TOTAL REVENUE MILLION EURO*	3,621	3,529	2,633	2,648
EBITDA MILLION EURO	2,817	2,803	2,083	2,111
REPORTED NET PROFIT MILLION EURO	779	917	674	863
OPERATING INVESTMENTS MILLION EURO	1,300	1,290	775	856
NET INVESTED CAPITAL BILLION EURO	18.31	19.32	18.62	20.09
NET FINANCIAL DEBT BILLION EURO	12.40	13.33	12.88	13.73
NET EQUITY BILLION EURO	5.92	5.99	5.74	6.36

(*) From 1 January 2014 and only for the reclassified income statement, revenue from the construction and upgrading of distribution infrastructure entered in accordance with IFRIC 12 and recognised in an amount equal to the costs incurred (€202 and €211 million respectively in the first nine months of 2013 and 2014; €72 and €71 million respectively in the third quarter of 2013 and of 2014), is shown as a direct reduction of the respective cost items. The corresponding amounts for 2013 were reclassified accordingly.



INVESTMENTS IN ITALY

The investment plan of Snam in Italy, placed in a context of strong and efficient capital structure of the Company, meets the need of guaranteeing further development to the domestic gas infrastructure in the wider perspective of an effective interconnection of the European networks.

TRANSPORT

In the coming years, the capacity of the National transport network will begin to play an important role in supporting both transit gas flows and exports to North Europe.



NORTH GAS MARKET AND REVERSE FLOW CAPACITY DEVELOPMENTS

MAIN PROJECT

- Po Valley Infrastructure (~450 km)
- Empowerment/construction of compressor stations (~100 MW)

SOUTH – NORTH DEVELOPMENTS

MAIN PROJECT

- Length: ~420 km
- Installed power capacity: ~30 MW

CAPACITY AT ENTRY POINTS FROM SOUTH

- +8 Bcm

Import transport capacity to accommodate more diversified gas flows



Italian export capacity



* Maximum daily export capacity is 40Mscm/d

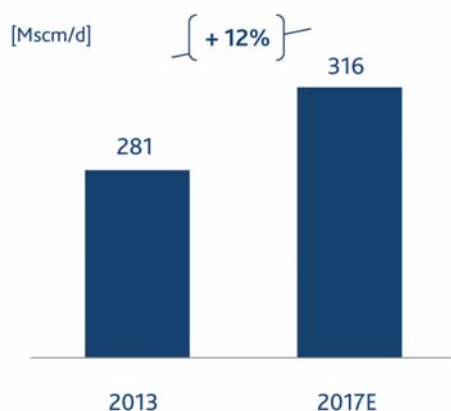


Even the projects aimed to improve the storage system flexibility are geared to enhance interconnections at European level. The integrated management of both transport and storage infrastructures represents the condition for developing new, highly evolved services that Snam is going to provide to the shippers. Lastly, the asset development will also involve the distribution business, with the aim of improving reliability levels and optimizing the asset portfolio also through the new tenders for concessions.

STORAGE

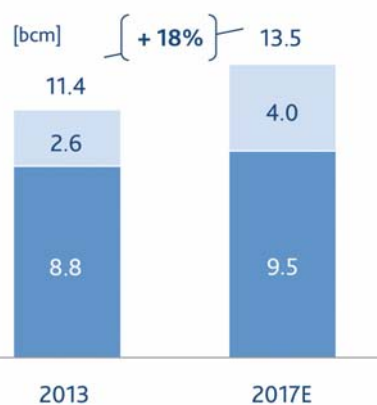
2014 – 2017 developments

Peak capacity



Modulation capacity

Industrial users
Residential/regasification

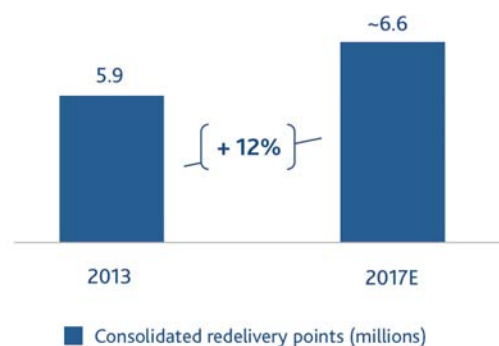


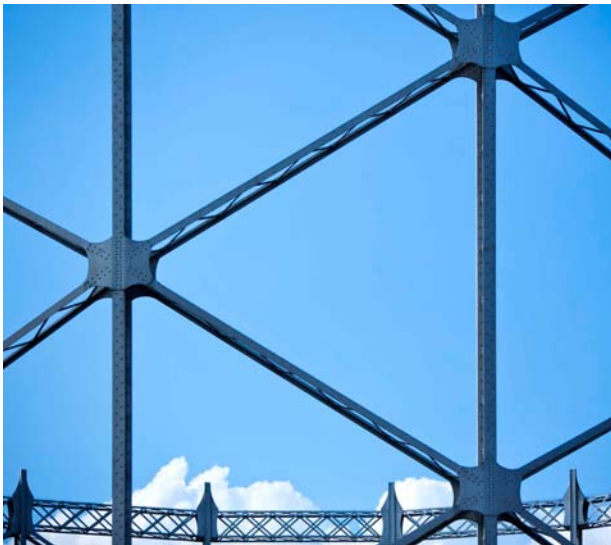
DISTRIBUTION

Italgas investments

- New connections on existing distribution network
- Development of new distribution network
- Smart metering project

Growing activities





Market trends

- Increasing dependence on imports (declining domestic production)
- Renegotiation of long term gas supply contracts, with prices more linked to the gas spot market
- Strengthening of strategic role of storage

New challenges

- To promote the diversification of gas sources, the infrastructure interconnection and the security of supply
- To coordinate the national network development plans
- To strengthen the flexibility of the gas flows and the markets liquidity, as well as the harmonization of the legislative and regulatory rules between Countries.
- Unbundling

The new role of operators

- To strengthen interconnections between networks and hubs
- To facilitate the gas market dynamics
- To develop the cooperation among exchange operators and enhance the gas trades
- To provide integrated services to satisfy flexibility needs and optimization of the gas shippers portfolio

INFRASTRUCTURE OPERATORS IN EUROPE, FROM ASSET OWNER TO SYSTEM OPERATOR

From infrastructure operators to market facilitators, the role of infrastructure operators in Europe is undergoing a significant evolution. Through the full development of its strategy, Snam responded quickly and effectively to the new challenges presented by the gas market, both at national and European level.



In order to take advantage of its strategic position among the European gas corridors and, at the same time, to optimise the value of Italian assets, Snam has increasingly paid attention to the international role, as highlighted by international investments over the last two years.

2013:
1.3 bln euro
of investments

2014-2017
Plan:
6 bln of euro

The international strategy of Snam follows some key pillars:

- To focus on the development of the European gas corridors (by implementing the north-south and east-west corridors)
- To complete the reverse flow project at national borders in order to increase the security of the Italian gas system and, at the same time, the gas transit to European markets
- To increase infrastructure integration and to facilitate technical and commercial swaps between different supply sources
- To develop new integrated services (storage service for industrial customers and peak capacity increase, balancing service to increase the flexibility of the system, optimal utilization of the use of regasification terminals)

...on guaranteeing always an high level of operational and financial efficiency



STRATEGIC GUIDELINES

We aim to maintain a limited risk profile.
This is why we focus on regulated activities of the gas business.

Investments

Invest to improve the security, the flexibility of the gas system, the diversification of supply sources, and to contribute to the development of the North-South and East-West energy corridors

The core strategy of Snam is its investment plan. Over the 2014-2017 four-year period the overall investment plan amounts to **euro 6 billion** (of which Euro 1.3 billion in 2014). More in depth Snam plans to increase the transport capacity, expanding its network by some 1,000 km – from the current length of 32,306 km – and to increase by 15% the installed power of compression stations versus 2013 (867 Mw); at the same time Snam plans to increase the modulation capacity of storage sites by approximately 18%, compared to the 11.4 billion standard cubic meters of 2013, and to rise their peak capacity of roughly 12%. Lastly, in the area of gas distribution Snam aims to invest mainly to maximize operational efficiency, even thanks to an increase in the number of users, from 5.9 million redelivery points installed as at 2013 up to 6.6 million as at 2017.

International investments

In the last two years, Snam has purchased a 45%-stake in the company TIGF and has acquired an overall 31.5% stake in Interconnector (UK). Snam's development strategy in Europe is progressed a step further by the signing of a Memorandum of Understanding with Cassa Depositi e Prestiti (CDP), which defines the negotiation process for the purchase by Snam of CDP's stake in TAG GmbH, the company holding transport rights in the pipeline connecting the Slovakian-Austrian border with the entrypoint of Tarvisio in Italy. The system is made up of 3 pipelines, each 380 km long (for an overall length of 1,140 km) and 5 compression stations, with a transport capacity of around 48 billion cubic meters of gas.

Dividends

Attractive and sustainable returns for our shareholders

For the fiscal years 2014 and 2015 Snam expects to distribute an annual dividend per share of 0.25 euro, to be paid each year in May.

Operational efficiency

Continuous targeting of new efficiencies

In 2013 the fixed controllable component remained stable in real terms.

In the 2014-2017 plan, the company's target expects to maintain stable in real terms the controllable fixed costs, mitigating the effects of the increase in the scope of activities.

To demonstrate the importance of efficient cost management, Snam has identified three KPIs that characterize the period of the plan:

- Transport business - average annual reduction in real terms of the controllable fixed costs on kilometers of network ratio of around 1%
- Distribution business - flat in real terms KPI controllable fixed cost per number of redelivery points
- Storage business - 2% annual reduction in real terms of KPI controllable fixed cost per cubic meter of working gas

Financial efficiency

Solid capital structure

Over the 2014-2017 four-year period, Snam has the goal to maintain:

- Debt/Total Assets(consolidated RAB plus equity consolidated associates) around 55%
- A debt at regime to have around 2/3 as fixed rate
- A maturity well distributed over time, with an average tenor of about 5 years.

During 2013 Snam has successfully optimised its own debt structure, making it more consistent with business requirements, both in terms of debt maturity and of exposure to changes in interest rates, reducing at the same time the overall cost.



INTERNATIONAL STRATEGY

Snam enjoys a privileged position in the European gas corridors. This allows the Company to play a leading role in the interconnection of European gas infrastructures. Thanks to the newly achieved international presence, finally Snam also takes the opportunity of optimising its risk profile, through the diversification of both the regulatory and country risk.

INTERCONNECTOR UK

Acquisition of a 16.41% stake from eni and of a 15.09% stake from E.ON in 2012, through a 50/50 JV with Fluxys. Snam investment of 131 million euro, included 51% of Interconnector Zeebrugge Terminal and 10% of Huberator.

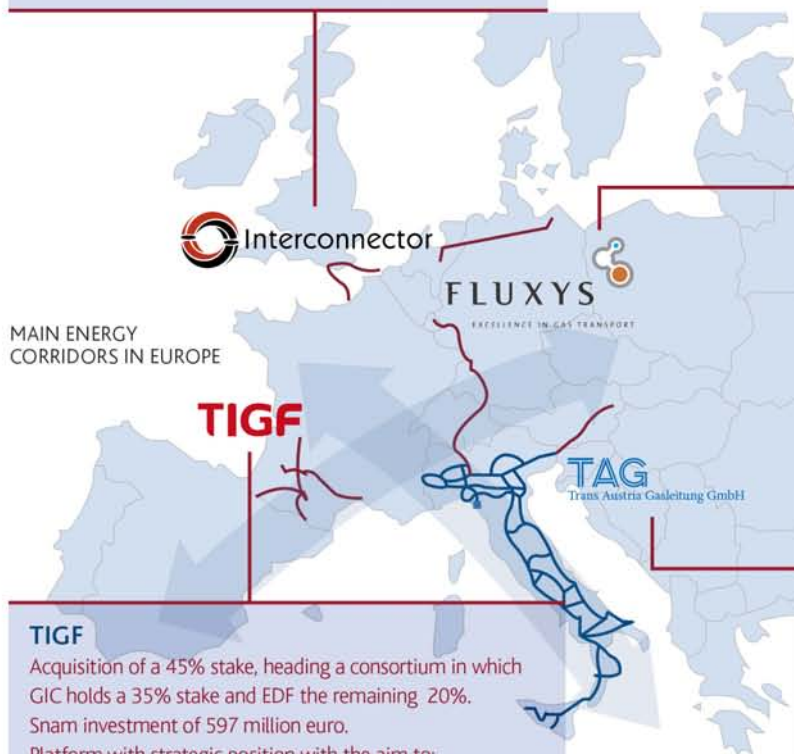
IUK: THE ASSETS

- 235 km subsea gas pipeline between Bacton (United Kingdom) and Zeebrugge (Belgium): strategic bi-directional link between UK and the major European gas trading places.
- 1 terminal and 1 compression station in Bacton.
- 1 terminal and 4 compressors in Zeebrugge.

JOINTLY CONTROLLED COMPANY WITH FLUXYS

In March 2014 Snam has signed an MoU with Fluxys, aimed to further develop the strategic alliance signed in 2012, through the establishment of a jointly controlled company; the new entity would manage the international assets of the two operators, located on the South-North and East-West European energy corridors, with the exclusion of the infrastructure located in their respective domestic markets (Italy and Belgium).

MAIN ENERGY CORRIDORS IN EUROPE



TIGF

Acquisition of a 45% stake, heading a consortium in which GIC holds a 35% stake and EDF the remaining 20%. Snam investment of 597 million euro.

Platform with strategic position with the aim to:

- Develop the South-Western European market, through the de-bottlenecking of Spanish LNG import capacity.
- Support the development of the Western leg of South-North corridor.

TIGF: THE ASSETS

- 5,000 km network, with 7 compression stations.
- 5.7 bcm of storage capacity.

TAG

On 12 September 2014 the BoD of Snam approved the acquisition, from CDP GAS, of an 84.47% stake in TAG share capital, with economic rights equal to 89.22%. The amount of 505 million euro for the acquisition will be paid through the execution of a capital increase with a maximum of 119 million of Snam share, with exclusion of the pre-emption right, reserved in favour of CDP GAS.

The Austrian gas pipeline, which can be operated bi-directionally, represents a key infrastructure in the East-West gas corridor.

TAG: THE ASSETS

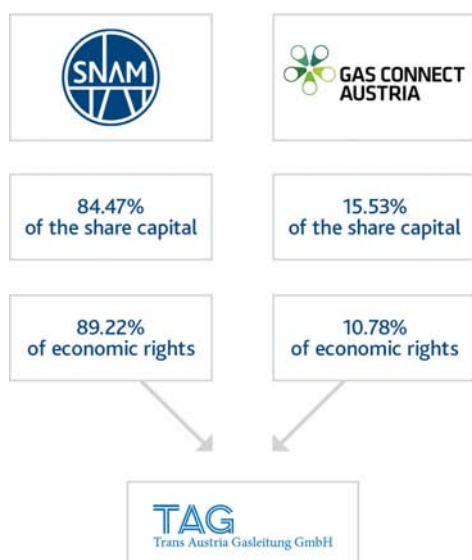
- 3 parallel gas pipelines, extending approximately 380 km each.
- 5 compression stations.



TAG (TRANS AUSTRIA GASLEITUNG)

TAG is the company owning the Austrian section of the pipeline that connects Russia to Italy. With the coming acquisition, Snam takes an attractive opportunity of strengthening its own leadership in the European landscape of integrated infrastructure operators. TAG represents a strategic asset also in light of a potential reverse flow towards Central Europe. The Austrian pipeline, which can be operated bi-directionally, connects Baumgarten (on the Austrian-Slovak border) with Arnoldstein (border between Austria and Italy).

TAG SHAREHOLDERS AFTER SNAM ACQUISITION



2013 FIGURES

(Austrian accounting principles):

- Revenues: 319.6 mln euro
- EBITDA: 153,7 mln euro
- Net Debt: 393 mln euro



OPERATIONAL DATA 2013:

- 1,140 km of network
- 5 compression station
- 47.5 bcm/year transport capacity



GOVERNANCE

Since its inception, Snam has had a corporate governance system in line with international best practices. Snam adopts the traditional administration and control system, which features a Board of Directors, a Board of Statutory Auditors and the Shareholders' Meeting.

Since its listing on the stock exchange in 2001, Snam has complied with the Code of Corporate Governance of Listed Companies promoted by Borsa Italiana, in the latest version of December 2011 as well.

The Shareholders' Meeting held on 26 March 2013 resolved that the members of the BoD of the Company shall consist of nine Directors.

The term of the office of those Board members has been set in three financial years, expiring on the date of the Shareholders' Meeting that will resolve upon the approval of the financial statements as at 31 December 2015.

Moreover the Shareholders' Meeting resolved to appoint: Lorenzo Bini Smaghi, Carlo Malacarne, Sabrina Bruno, Alberto Clò, Francesco Gori, Andrea Novelli, Elisabetta Oliveri and Pia Saraceno.

The Shareholders' Meeting has furthermore confirmed Lorenzo Bini Smaghi as Chairman of the Board of Directors, whilst the Board of Directors held on the same date confirmed Carlo Malacarne as Chief Executive Officer.

Lorenzo Bini Smaghi, Carlo Malacarne, Alberto Clò, Andrea Novelli and Pia Saraceno are the candidate Directors of the list submitted by the shareholder CDP Reti S.r.l..

Sabrina Bruno, Francesco Gori and Elisabetta Oliveri are the candidate Directors of the list submitted jointly by certain minority shareholders.

Sabrina Bruno, Alberto Clò, Francesco Gori, Elisabetta Oliveri and Pia Saraceno are the Directors that meet the independence requirements as provided both by law and by the Code of Corporate Governance.

The number (5) and the standing of independent members ensure that their opinion can have an impact on Board decisions.

The female component is four out of nine Directors, a greater number than the minimum required by law in relation to gender balance.

The Board has established the following committees within the Board, with consultative and advisory duties:

- a) the Control and Risk Committee
- b) the Compensation Committee
- c) the Appointments Committee.

The aforementioned Committees consist of three members, with the exception of the Control and Risk Committee, which consists of four Directors.

At the meeting held on 27 July 2010, the Board of Directors created the Combined Independent Committee, a decision-making body (committee) dedicated to jointly managing Snam's regulated activities. The Committee is provisionally composed by individuals in the following positions: CEO of Snam; CEO of GNL Italia; CEO of Italgas; CEO of Stogit; CEO of Snam Rete Gas.

The Board of Directors granted the operator all powers for the performance of its functions. The CEO of Snam chairs the Combined Independent Committee and represents the organisational structure, part of the Combined Independent Committee itself.

The Directors' remuneration is established at the Shareholders' Meeting; the remuneration of the executive directors is set by the Board of Directors, which resolves on the proposals of the Compensation Committee, heard the opinion of the Board of Statutory Auditors. During 2013, the Board met 11 times.

The Board of Statutory Auditors is appointed by the Shareholders' Meeting based on the lists submitted by the shareholders. On 26 March 2013, the Shareholders' Meeting appointed statutory auditors for a term of three financial years until the date of the Shareholders' Meeting called to approve the financial statements on 31 December 2015: Massimo Gatto (Chairman), Leo Amato and Stefania Chiaruttini are principal statutory auditors; Maria Gimigliano and Luigi Rinaldi are alternate statutory auditors. In 2013, the Board of Statutory Auditors met 15 times.



Lorenzo Bini Smaghi
Chairman



Carlo Malacarne
CEO

MANAGEMENT

At Snam the **organisational structure** is **lean and functional**, ensuring a clear distinction of roles and responsibilities. The senior management, which consists of a team of professionals with **considerable technical and specialized experience**, share a strong commitment to **value creation**.



Marco Porro
Investor Relations



Silvio Bianchi
Internal Audit



Agostino Limonta
Enterprise risk
management



Federico Ermoli
Business development
and international
business



Patrizia Rutigliano
Public Affairs and
Communications



Marco Reggiani
General Counsel and
Corporate Affairs



Bruno Burigana
Human Resources,
Organisation and
Security



Antonio Paccioletti
Planning,
Administration,
Finance and Control



Gaetano Mazzitelli
Regulatory Affairs and
Development



Gloria Gazzano
ICT



Carlo Eligio Gramola
HSEQ, Property and
Facilities Management

SNAM ON THE STOCK EXCHANGE



From 6 December 2001,
first trading day after the IPO,
to 31 October 2014: **+ 236%**
Total Shareholder Return.

From 11.9 in 2012 to 14.6 billion euro
as of 31 October 2014, the increase in
market capitalisation.

Around 8.6 billion euro total amount of
dividends for the fiscal years from 2001
to 2013.

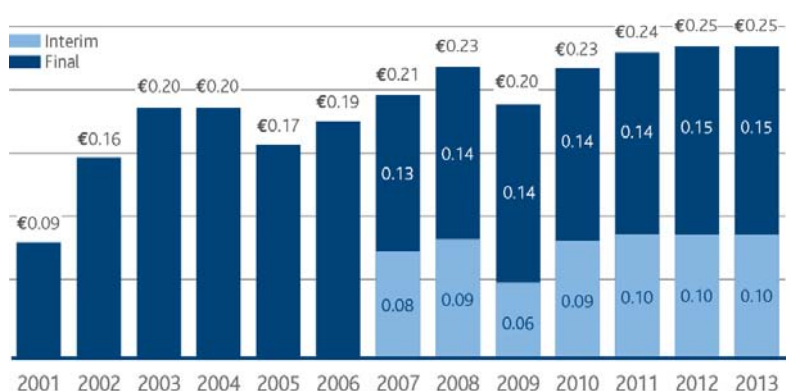
Snam shares have returned great value to shareholders over
time.



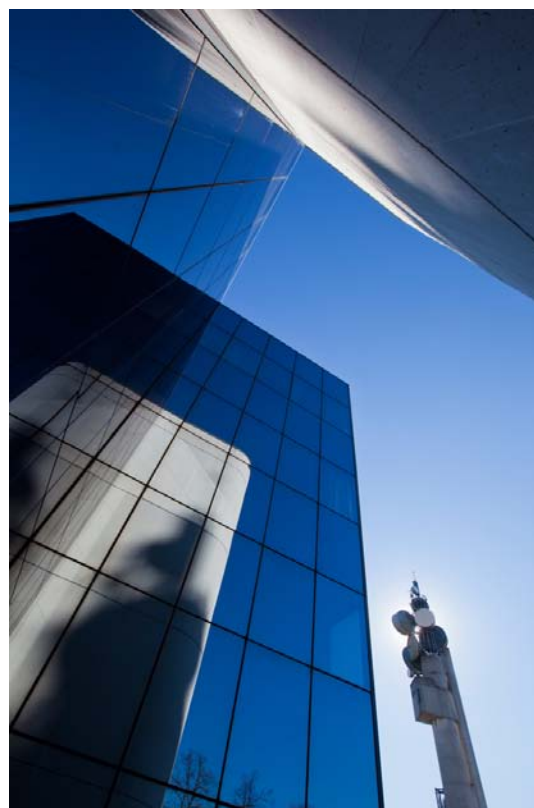
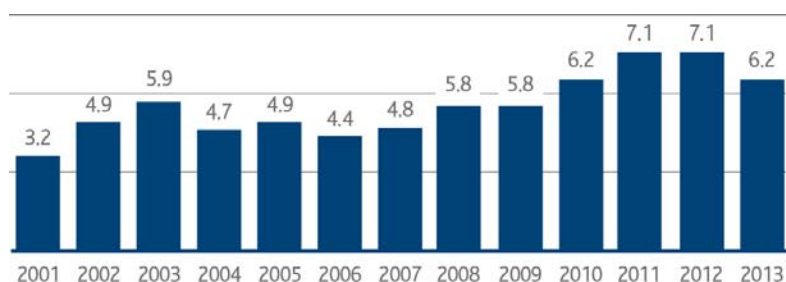
THE SHAREHOLDER RETURNS

Since its initial listing on the stock market Snam has consistently posted a net profit and distributed dividends. Investors who subscribed to the Initial Public Offer have made considerable returns, equal to 236%. Since 2001, Snam has distributed around 8.6 billion euro in dividends (considering also the extraordinary dividend of about 2 billion euro in 2005), corresponding to over 80% of net profit on average.

DIVIDEND PER SHARE (€)



DIVIDEND YIELD (%) (ORDINARY DIVIDEND/YEAR-END OFFICIAL PRICE)



2013 dividend and 2014 full dividend payment

Sound results achieved in fiscal year 2013 have led the Board of Directors to propose to the Shareholders Meeting, called for 15 April 2014, to resolve upon the distribution of a dividend of 0.25 euro per share, of which 0.10 euro distributed in October 2013 as an interim payment. The balance dividend of 0.15 euro per share has been paid as of 22 May 2014, with an ex-dividend date of 19 May 2014, confirming Snam's commitment to an attractive and sustainable remuneration of its shareholders over time.

Snam confirms its commitment to an attractive and sustainable remuneration policy for shareholders and, based on the Company's economic and financial prospects, forecasts a dividend per share for fiscal years 2014 and 2015 of 0.25 euro, to be paid each year in May.

NOTE: The 2008 dividend adjusted for the effect of the capital increase is equal to Euro 0.185. Dividends distributed before the 2009 fiscal year do not take into account the effects of the capital increase.



SNAM STOCK

Milestone moments over thirteen years as a listed company.

Since IPO a 'blue chip' in the Italian equity market

On 6 December 2001 Snam shares were listed on the MTA (Mercato Telematico Azionario), the Italian equity market, after a successful placement, with significant demand for the Initial Offer both by retail and high-profile institutional investors - domestic and international - in spite of the uncertainty dominating markets in the weeks following 11 September 2001. Thanks to the sizeable float and to the high daily volumes traded, Snam shares were included in the MIB30 index of Borsa Italiana at the first reshuffling date, on 18 March 2002. From that day on the Snam shares have always been a component of the basket of shares with the largest capitalization in the Italian stock market, which has been adopted as the equity market benchmark. So it was included in the MIB30 index, which became S&PMIB in June 2003, and was later renamed the FTSEMIB index in June 2009.

November 2005: extraordinary dividend and buyback launch

The Shareholders' Meeting on 24 November 2005 represented a milestone in shareholder value creation: it approved the distribution of an extraordinary dividend of Euro 1 per share (Euro 1,955 million in total) and the launch of a buyback plan, which ended on 2 May 2007 with a number of repurchased shares equal to 9.96% of the share capital, at an average price of Euro 4.06*, for a value of Euro 791 million. The optimization of the capital structure, which had consequently been achieved, generated positive effects on the cost of capital of Snam.

* Both the stake of treasury shares and the average price are expressed as 'pre-capital increase' values.

STOCK PRICE

COMPARED WITH SECTOR AND MARKET INDEX (BASE 1 JAN 2014 = 100)

Snam price as of 31 October 2014: 4,31 €





2009: capital increase and enhanced presence in ethical indices

On 23 April 2009, Snam launched a relevant capital increase, in order to partially fund the acquisition of Stogit and Italgas. The 1,614,292,394 new ordinary shares were issued at 2.15 euro: the total value of the issue was equal to Euro 3,470,728,647. The rights issue ended on 1 June 2009 with the subscription of all the new ordinary shares offered, representing 45.21% of the new share capital, equal to 3,570,768.494.00 euro. In September 2009 the Snam share was included in the most prestigious ethical world index, the Dow Jones Sustainability Index; its membership was confirmed even in the following years. Furthermore, starting from 2002 Snam has always been present in another prestigious global index, the "FTSE4Good".

Eni's stake reduction and cancellation of treasury shares

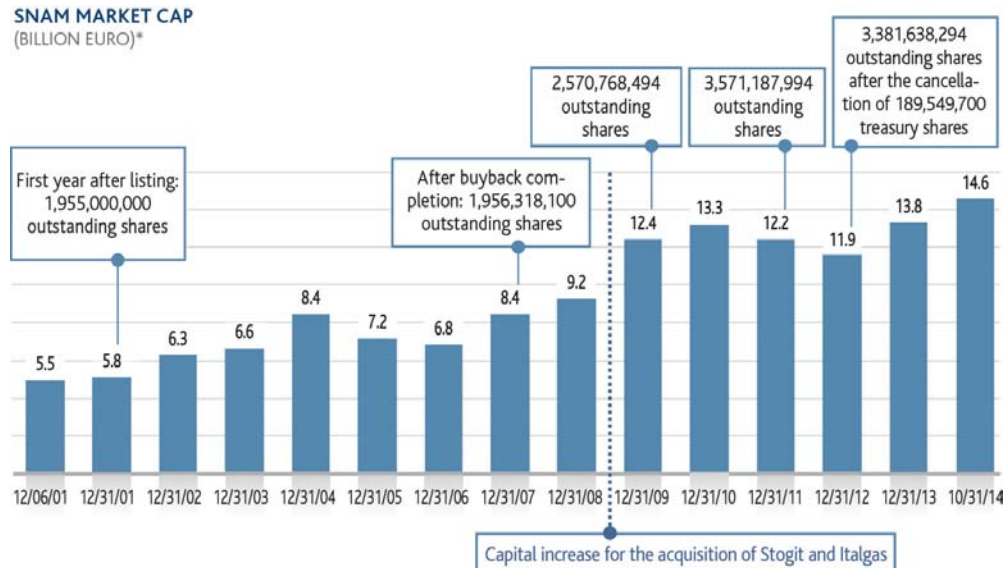
On 15 June 2012 eni, majority shareholder of Snam with a stake that at the moment was equal to 52.53%, has formalised with Cassa Depositi e Prestiti the sale of 30% less one share of the voting shares of Snam SpA, at a price of 3.47 euro per share. The closing of the transaction occurred on 15 October 2012. It represents a prompt response to the Decree of the President of the Council of Ministers on 25 May 2012, which set out the guidelines for the sale of eni's stake in Snam and identified CDP as the appropriate entity to continue to provide stability to Snam's shareholder base through the purchase of at least a 25.1% stake in the Company. Furthermore, on 16 July eni has launched the sale of a 5% stake in Snam share capital through an accelerated bookbuilding procedure, placing it to qualified investors.

The Ordinary Shareholders' Meeting that took place at the end of July 2012 resolved to eliminate the nominal value of the ordinary shares that make up the share capital and to cancel 189,549,700 treasury shares with no nominal value, maintaining the current share capital unchanged (3,571,187,994.00).

2013: further reduction of the eni's stake

On 15 January eni placed senior unsecured bonds convertible into Snam shares, for an amount of 1.25 billion euro at a price of 4.33 euro, with a premium of around 20% over the reference share price, equal to 3.61 euro. The bonds are convertible into around 288.7 million Snam shares, which equals a 8.54% stake in the Company's share capital. On 9 May 2013 eni has completed the sale of 395,253,345 ordinary shares, equal to an 11.69% stake in Snam share capital, through an accelerated bookbuilding aimed at selected investors, at a price of 3.69 euro per share. Presently eni holds 8.54% of Snam share capital underlying the euro 1.25 billion convertible bond expiring on 18 January 2016.

SNAM MARKET CAP
(BILLION EURO)*



* Market capitalisation calculated by multiplying all the issued shares of the share capital by the closing price as at the indicated date.



MAIN STOCK MARKET DATA

	31.12.2008	31.12.2009	31.12.2010	31.12.2011	31.12.2012	31.12.2013	30.06.2014
AVERAGE NUMBER OF SHARES OUTSTANDING DURING THE PERIOD (MILLION)	1,773.2	2,579.3	3,376.2	3,378.6	3,378.7	3,379.5	3,380.3
NUMBER OF SHARES (MILLION)	1,956.3	3,570.8	3,570.8	3,571.2	3,381.6	3,381.6	3,381.6
EARNINGS PER SHARE (EURO) (*)	0.30	0.28	0.33	0.23	0.23	0.27	0.17
BOOK VALUE PER SHARE (EURO) (*)	2.03	2.21	1.75	1.71	1.75	1.77	1.79
DIVIDEND PER SHARE (EURO) (**)	0.23	0.20	0.23	0.24	0.25	0.25	NA
ORDINARY DIVIDEND DISTRIBUTED (MILLION EURO) (**)	405	675	777	811	845	845	NA
PAYOUT (%) (**)	76%	92%	70%	103%	108%	92%	NA
OFFICIAL SHARE PRICE AT THE END OF THE PERIOD (EURO)	3.98	3.46	3.73	3.39	3.52	4.04	4.41
AVERAGE OFFICIAL SHARE PRICE IN THE PERIOD (EURO)	4.14	3.22	3.59	3.75	3.43	3.66	4.20
PRICE/BOOK VALUE (AVERAGE OFFICIAL SHARE PRICE/NET EQUITY PER SHARE) (EURO)	2.04	1.46	2.05	2.19	1.95	2.06	2.35
DIVIDEND YIELD (ORDINARY DIVIDEND/OFFICIAL SHARE PRICE AT THE END OF THE PERIOD)	5.78%	5.78%	6.17%	7.08%	7.10%	6.20%	5.66%

(*) Calculated considering the average number of shares outstanding in the period.

(**) The dividend is for the reporting year.

Borsa Italiana Equity Market.

Segment **Blue Chip**.

Type of shares **Ordinary shares**.

Index membership **FTSEMIB, FTSE All-share, Euro Stoxx, Euro Stoxx Utility, Stoxx Europe 600**.

Ethical index membership **FTSE4Good, Ethibel, Capital Partners, Dow Jones Sustainability World, Vigeo World 120 and Vigeo Europe 120**.

Total shares as of 31 December 2013

3,381,638,294

Market Cap as of 31 October 2014 **14.6 billion euro**.

Codice Isin IT0003153415.

Codice Reuters SRG.MI.

Codice Bloomberg SRG IM.

All the shares listed on the Italian Stock Exchange are distinguished by an alphanumeric code that has international validity, named ISIN (International Security Identification Number). Snam shares are also identified with an abbreviation or ticker, SGR, followed by a suffix which varies depending on each financial agency.



SNAM AND THE BOND MARKETS

Snam financial structure aims to provide adequate funding to the growth of business activities. Debt presents a well-balanced diversification in terms of sources, loan maturity and type of interest rate, guaranteeing proper financial flexibility and a competitive cost of debt.

Since 2013 Snam has undertaken a process of financial optimisation aimed to achieve a competitive cost of debt over time as well as to make the debt structure more consistent with business requirements, both in terms of financing maturity and of exposure to changes in interest rates. Such activity resulted in the EMTN programme continuation and in the terms' re-negotiation of certain pre-existing bank loans, as well as in the increasing contribution of loans by "institutional lenders" such as EIB and CDP. Thanks to the success of the EMTN program, Snam till today has placed around 9.95 billion euro. On 23 June 2014 Snam's Board of Directors approved the renewal of the EMTN program for a maximum overall value of up to 12 billion euros and, therefore, the issue before June, 2015 of one or more further bonds with an overall value of up to 2 billion euros. On 30 September 2014:

Net Financial Debt
13,734 million euro.

The prevalent part of the debt is represented by medium-long term indebtedness (87% of total), with an average maturity around 5 years. Such breakdown is in line with the high weight of fixed assets on total assets.

Current credit rating of Snam
Moody's: Baa1; S&P's: BBB+

EURO MEDIUM TERM NOTES PROGRAMME

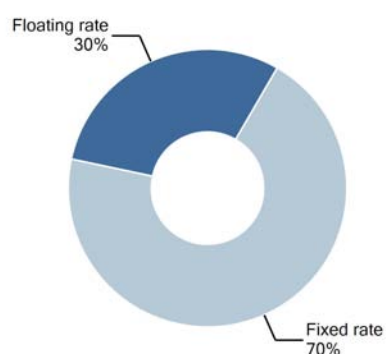
Issuer: Snam S.p.A. - Amount and Coupon

Bond issue	Maturity	Amount Euro	Coupon
11 Jul. 2012	11 Jul. 2016	1,000,000,000	4.375%
19 Jul. 2012	18 Jan. 2019	1,000,000,000	5.000%
17 Sep. 2012	19 Mar. 2018	1,500,000,000	3.875%
17 Sep. 2012	19 Sep. 2022	1,000,000,000	5.250%
13 Nov. 2012	13 Nov. 2015	750,000,000	2.000%
13 Nov. 2012	13 Feb. 2020	1,250,000,000	3.500%
10 Apr. 2013	30 Jun. 2017	1,250,000,000	2.375%
10 Apr. 2013	29 Jan. 2021	500,000,000	3.375%
10 Sep. 2013	10 Sep. 2018	70,000,000	2.625%
17 Oct. 2013	17 Oct. 2016	300,000,000	float rate*
25 Oct. 2013	25 Oct. 2019	JPY 10,000,000,000	1.115%
22 Jan. 2014	22 Jan. 2024	600,000,000	3.250%
22 Jan. 2014	22 Jan. 2016	150,000,000	float rate**
24 Apr. 2014	24 Apr. 2019	500,000,000	1.500%
22 Oct. 2014	21 Apr. 2023	500,000,000	1.500%

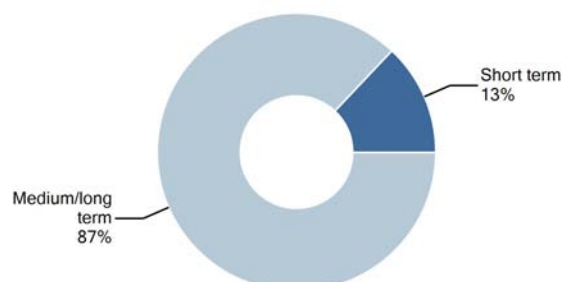
* 3 months Euribor +85 bps

** 3 months Euribor +65 bps

DEBT BREAKDOWN BY TYPE OF INTEREST RATE



DEBT BREAKDOWN BY MATURITY





SNAM: AN INVESTMENT IN SUSTAINABILITY

Sustainability, which is an integral part of the business model of Snam, is a guiding element in making strategic and operational decisions for the Company; at the same time it is instrumental in ensuring responsible growth over the medium and long term.

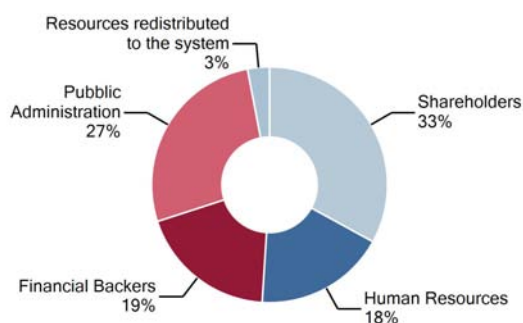
SNAM STAKEHOLDERS

Snam promotes transparency and discussion to foster the building of consensus and trust, improve decision-making processes and help to improve communications to the various stakeholders. The engagement system at Snam is present at all company levels.



2013 ADDED VALUE – BREAKDOWN BY TYPE OF STAKEHOLDER

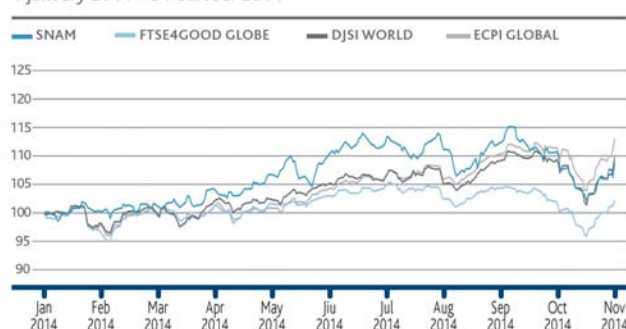
The Net Global Added Value, which in 2013 is equal to 2,557 million euro, is broken down amongst different stakeholders according to the percentages indicated in the ring chart.



In selecting the securities to be included in their portfolio, socially responsible investors follow criteria based not only on financial performance, but also on the company's results in terms of social and environmental responsibility. Their references are ethical indices, which feature the stocks of companies that best meet these criteria. In September 2014 Snam has been confirmed, for the sixth year in a row, in the Dow Jones Sustainability World Index (DJSI); the membership confirmation follows the award received in January 2014, with the Bronze Class of the "Sustainability Yearbook 2014"; such excellence cluster lists, within the Dow Jones Sustainability World Index, companies that are outstanding in terms of Corporate Sustainability. For the thirteenth year in a row, Snam has moreover been listed in the FTSE4Good Index. DJSI and FTSE4Good represent the two most important international stock indices rating companies for their corporate social responsibility; the chart below shows their performance.

Snam is also a member of other international ethical indices: the group of ECPI Indices, the Stoxx Global ESG Leader Indices, the new United Nations Global Compact 100 index, the series of MSCI Global Sustainability Indices, the Oekom Research index, the Vigeo and Ethibel indices. In October 2014 Snam has been confirmed, for the second year in a row, in the CDP Italy 100 Climate Disclosure Leadership Index (CDLI), part of the CDP (Driving Sustainable Economies), a not-for-profit organisation, among the most important entities at international level, which is committed to assess transparency in corporate information concerning climate change and greenhouse gas emissions. Snam collaboration with the CDP dates back to 2007; starting from June 2007, Snam is among the companies supporting the initiatives of that organisation by means of a voluntary contribution.

DJ SUSTAINABILITY INDEX FTSE4GOOD (BASE 1 JAN 2014=100)
1 January 2014 – 31 October 2014



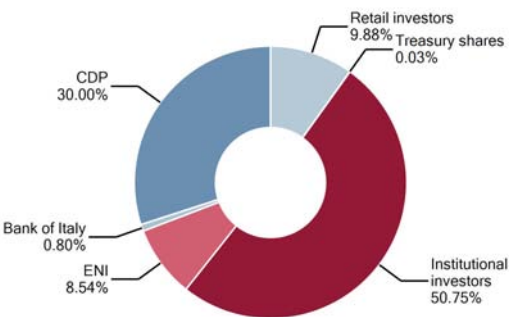


SHAREHOLDERS

Snam has succeeded in gaining and cultivating the trust of a diverse group shareholders over time. As of 31 December 2013 Snam share capital amounts to euro 3,571,187,994 and is divided into 3,381,638,294 ordinary shares, with no nominal value.



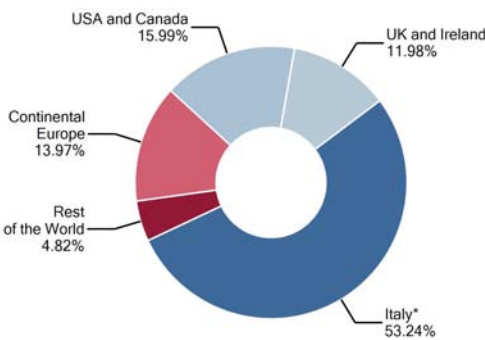
SHAREHOLDING STRUCTURE*



* November 2014 update

Retail investors hold a sizeable stake of Snam share capital, close to 10%, while institutional investors hold a stake exceeding 50%. Another feature of the shareholding structure of Snam is the overwhelming majority of international investors among institutional shareholders. Following up the Decree of the President of the Council of Ministers on 25 May 2012, on 15 June eni, at the moment Snam majority shareholder, has formalised with Cassa Depositi e Prestiti the sale of 30% less one share of the voting shares of Snam SpA, at a price of 3.47 euro per share.

SHAREHOLDING GEOGRAPHICAL BREAKDOWN



* The "Italy" percentage figure includes the shares owned by retail investors and the treasury shares

The closing has taken place on 15 October 2012. Eni has moreover launched, on 16 July 2012, the sale to qualified investors of a 5% stake in Snam share capital, through an accelerated bookbuilding procedure. Another stake held by eni, equal to 11.69% of Snam share capital, has been placed with selected investors on 9 May 2013. The current stake held by eni in Snam share capital is therefore 8.54%; it is represented by the shares underlying the euro 1.25 billion convertible issued on 18 January 2013, with a 3 year maturity.

GET INVOLVED IN YOUR SNAM INVESTMENT

How do I vote at the Shareholders' Meeting?

To vote means to get involved in your role as a shareholder.

It is your right to attend the Shareholders' Meeting and to express vote: we explain how to do it on page 32.

How do I become a shareholder?

The steps you need to take to invest are very easy: you can find a description on page 31. Once you have become a shareholder, you will automatically receive a dividend when it is distributed.



THE STEPS TO INVESTING

You can buy Snam shares on the stock market, through a financial intermediary: a bank or an authorized SIM (Società di Intermediazione Mobiliare, i.e. a broker).



How to buy shares

It is very easy to buy shares: all you need is to have a bank account. You have to indicate how many shares you want to buy and, if appropriate, the price at which the transaction should be completed.

To buy Snam shares you need to have an account with an authorized intermediary: a bank or a SIM.

You can place the purchase order through the intermediary or through the online trading systems that the intermediaries make available for their clients. In the purchase order you have to specify the number of shares you want to include in your portfolio, indicating a price limit and a time limit for the order's validity, if appropriate. A market-to-limit order will be executed buying the maximum number of shares available at the lowest price at that time.

The intermediary issues the "executed order" when completed. Shares listed on the stock market are "dematerialised" securities – therefore following the purchase you will not receive any actual printed share certificate. The intermediary's written confirmation is proof that the shares should be credited to the shareholder's account.

How to collect dividends

Once you have become a shareholder, the dividend will be paid automatically to your account.

Once you hold a certain number of shares, you do not need to do anything in order to receive the respective dividends. If you still own the shares when the coupon is detached, on payment date the amount will be directly paid to your account through the financial intermediary managing your brokerage account.

You can monitor the performance of your investment in Snam by:

- ❖ visiting the IR section of Snam website, www.snamretegas.it, section INVESTOR RELATIONS/SNAM STOCK;
- ❖ visiting Borsa Italiana website, www.borsaitaliana.it, section QUOTES/STOCKS;
- ❖ consulting leading financial newspapers and websites.



HOW TO ATTEND THE SHAREHOLDERS' MEETING

How to monitor the call notice

The Shareholders' Meeting is called through a NOTICE, indicating the date, time and venue for the Meeting and the agenda. Within ten days after publication of the Notice, Shareholders who, even jointly, represent at least 2.5% of the share capital may request the SUPPLEMENT to the list of matters to be discussed or may present proposals for resolution on items already on the agenda. Questions must be submitted in writing by recorded delivery or by certified e-mail to snam.assemblea@pec.snam.it, accompanied by a description of the items requested for resolution or of the reasons for further proposals for resolution presented on items already on the agenda.

How to communicate your participation

In order to attend the Meeting, you have to ask the financial intermediary (bank or SIM) with whom the Snam shares are deposited to issue a "Certification of attendance", attesting your possession of the right to participate, by the close of business of the seventh trading day preceding the Meeting. The Certification must reach Snam by the end of the third market trading day before the date set for the first call of the Meeting. It makes sense to ask your financial intermediary to issue the certification some days in advance. Those who take possession of shares after the record date shall not have a right to participate or to vote in the Meeting.

You are allowed to submit questions about subjects on the agenda even before the Meeting, having them reach the Company by the end of the third market trading day before the date set for the first call of the Meeting:

1. By mail to the following address
Snam S.p.A. Legal, Corporate and Compliance Department
(April 2014 Shareholders' Meeting Questions)
Piazza Santa Barbara, 7 - 20097 San Donato Milanese (MI) – Italy
2. By fax to the Snam Legal, Corporate and Compliance Department at the n.+ 39 02 37037631;
3. By e-mail to segreteria@societaria@snam.it;
4. Using the appropriate section of the Company Website.

Questions will be answered no later than during the Meeting. Please check in advance whether the information you mean to request is available or not in FAQ format in the appropriate section of the corporate website.

How to attend

You can attend the Meeting in person, according to the provisions of the Call Notice, or you can be represented by means of a written proxy. The proxy form can be downloaded from the Snam website, in the sub-section Governance / Shareholders' Meetings for participating and voting by proxy.

Notification of proxy delegation may be sent:

1. By mail to the Registered Office of the Company:
Snam S.p.A. Legal, Corporate and Compliance Department
(April 2014 Shareholders' Meeting proxies)
Piazza Santa Barbara, 7 - 20097 San Donato Milanese (MI) – Italy
2. By certified e-mail to: snam.assemblea@pec.snam.it or to: segreteria@societaria@snam.it
3. By fax no. +39 02 37037631 - Legal, Corporate and Compliance

Department of Snam.

Snam shareholders also have a DESIGNATED REPRESENTATIVE, to whom they may delegate proxy with voting instructions on any or all of the proposals in the agenda, free of charge.

The Ordinary Shareholders' Meeting

The Ordinary Shareholders' Meeting must be called at least once a year, within 180 days after the fiscal year ends, to approve the financial statements of fiscal year ending on 31 December; it also approves dividend distribution as proposed by the Board of Directors and, periodically, appoints members of the Board and Statutory Auditors; it also determines their remuneration.

The Extraordinary Shareholders' Meeting

The Extraordinary Shareholders' Meeting is called when amendments to the Articles of Association are needed, or when extraordinary capital and M&A transactions need to be approved.

Documentation regarding the items on the agenda is available at Snam's registered office and at Borsa Italian SpA. It is also available on the Company website. For additional information concerning the Meeting, please consult the appropriate section of the Company website, or send an e-mail to the address segreteria@societaria@snam.it. The following are also in operation: the toll-free number 800-360243 (calls from Italy), or phone number +39 02 37000890 and, lastly, the fax number +39 02 37037631 .

To learn more about Shareholders' Meeting procedures you can refer to the "Regulations of Meetings" available at www.snam.it, section GOVERNANCE/Social bodies/Shareholder's Meetings.

During the 15 April 2014 Ordinary Meeting, shareholders resolved upon the approval of the 2013 Financial Statements and on the dividend distribution proposal. They also voted on remuneration policy.



HOW TO KEEP YOURSELF INFORMED AND PARTICIPATE IN CORPORATE EVENTS

Snam makes a series of tools available to its current and future shareholders, through a variety of information channels. All documents are downloadable from the corporate website (www.snam.it).

Section "Snam stock"

From the home page of the INVESTOR RELATIONS section you can go to the sub-section "SNAM STOCK"; there you can find information about Snam share price and volumes, interactive charts that provide comparative performances of the Snam share vis-à-vis its peers and with sector indices; you can even calculate the return over a certain time span of the number of shares you have purchased.

Periodicals for our shareholders

Among contents of its INVESTOR RELATIONS section Snam website presents a subsection, "SHAREHOLDERS' UPDATE", in which you can find the complete series of the issues of three different products, aimed to keep shareholders informed about results and perspectives of Snam. Besides the issues of this Guide "The Snam Shareholder", you can read 'online', print or download the magazine News@Facts, issued four times a year. In the four pages that make up News@Facts you can find a summary of recent results, news about strategies, regulation and projects, as well as an updated picture of the factors influencing the price of Snam's stock.

The Financial Markets Review is also available on a monthly basis: a tool facilitating a better understanding of the evolution of financial markets, of the dynamics of the utility sector and of the performance of Snam's stock compared to its peers. Inside the SUSTAINABILITY section, in the sub-section UTILITIES AND REPORTS, you can also find the annual issue "Sustainability. Building shared value", presenting Snam sustainability performance and policies.

Reports

Inside the INVESTOR RELATIONS section you also have access to the REPORTS subsection; there you can find, starting from 2003, annual, interim and quarterly reports.

Press releases

Inside the MEDIA section you can access Company PRESS RELEASES, starting from 2001. You can also use the E-mail alert service to receive information about calendar events or news published on the website, by typing your personal details. The registration is free of charge.

Meetings' minutes and documents

In the GOVERNANCE section, inside the subsection SOCIAL BODIES/SHAREHOLDERS' MEETINGS, you can read or download the Shareholders' Meeting Regulations and a series of minutes and documents related to Meetings held starting from 2002: the notice of call, the Board of Directors' reports about the proposed resolutions presented to the Meeting, the minutes of the Meeting and the Meetings' resolutions.

New information channels

RSS e Podcast

Among the "utility buttons" at the top of each page of the Snam website you can find the RSS (Really Simple Syndication) and Podcast services.

Snam Apps

Snam has developed two apps, "The Snam Network App" and "Snam Reports", for iPad and iPhone, which allow shareholders to receive continuously updated information on latest Group news. The apps are downloadable for free.

The presence on social media

Twitter is the first social network account opened by Snam; on that channel, the Company is increasingly active, posting and interacting with stakeholders, especially during events and shows. You can learn more and follow news about Snam also on Facebook, LinkedIn and Wikipedia. Group videos and photos are shared on YouTube, Instagram and Flickr while presentations are available on Slideshare. Snam makes use of the google+ platform as a tool for its online conferences.

Paper copies of the all the above mentioned documents are available at the Company's registered office or with Borsa Italiana SpA.

If you wish to receive information documents by mail, please ask the Investor Relations department. You can find their contacts on the last page of this Guide.



GLOSSARY

At the top of any page of our website (www.snam.it), you can find a glossary explaining the meaning of economic and financial terms, technical terms and regulatory terms as well as the definition of units of measurement. Below we have included the meaning of the terms presented in this Guide.

Economic-financial terms

Treasury shares

Shares owned by the Company, which it has repurchased for a variety of objectives.

Corporate governance

Set of rules that monitor and guide the companies' management and control. The corporate governance systems establish the segregation of duties and rights amongst the corporate roles by assigning tasks, responsibilities and decision-making powers.

Market capitalization

Value of a listed company which is obtained by multiplying the share price by the number of outstanding shares.

Ordinary and extraordinary dividend

From a corporate viewpoint the ordinary dividend stems from earning and is a share of the year's net profit. In the case of an extraordinary dividend, however, shareholders receive a part of the Company's distributable reserves. This amount may come from provisions made in prior years, from the disposal of Company assets or from other corporate strategies.

Dividend yield

It measures the yield of an equity investment linked to the dividend distribution, in terms of percentage ratio of dividend for the fiscal year to the year-end share price.

Capital gain

It measures the return of an equity investment linked to the cost, in terms of the percentage ratio 'share price at the beginning of the year' to 'year-end price'.

Total shareholder return (TSR)

It measures the overall percentage return of an equity investment, calculated on an annual basis, considering both capital gain and dividend yield, assuming that the distributed dividend is re-invested in the stock at the ex-dividend date.

Technical terms

Compression Stations

Facilities that increase the pressure of gas in the pipelines to bring it to the necessary level to ensure the required gas flows or facilities that lower the gas pressure to allow the injection into storage fields. The Compression Stations are positioned along the National Pipeline Network and generally comprise several compression units.

Dispatching centre

Operating centre continuously controlled, which is responsible for monitoring, overseeing and remote control of the transport network, receiving telecommunication information about the gas pressure, capacity and temperature as well as about the state of the valves at the interception of the pipelines and of the Compression Stations. On the back of the information received and according to transport programs, the Dispatching Centre regulates gas flows, remotely controlling valves and compression units.

Natural gas

Mixture of hydrocarbons, composed mainly of methane and with some small amounts of ethane, propane and higher hydrocarbons. The natural gas injected into the pipeline network must respect a set quality so as to guarantee its compatibility with the gas already in the pipelines.

Liquefied natural gas (LNG)

Natural gas, that has been liquefied by cooling at -161°C under normal atmospheric pressure in order to make it suitable for transportation by special ships (tankers) or for storage in tanks. In order to be injected into the transportation network,

the liquid product must first be reconverted into its gas state in regasification plants and brought up to the pressure in the pipelines.

National Gas Transportation Network

The network consists of pipelines, compression stations and infrastructure, which work both at national and regional levels, to ensure the transportation of gas by interconnections to the international networks, to production and storage facilities, to the redelivery points for gas distribution and consumption.

National Gas Pipeline Network

The network comprises pipelines and plants which are of the size needed to meet the requirements for imports, exports and the main national production and storage facilities which transfer large quantities of gas from entry points to large areas of consumption.

Regional Transportation Network

The network consists of a pipeline which allows natural gas to be transported across geographic areas, typically at a regional level.

Shipper or User

User of the gas system. Shippers purchase natural gas from producers, importers or other Shippers and sell it to other Shippers or to final users, including electricity producers and industrial plants, which are usually connected to the Transport Network, or to the residential and commercial clients, which are connected to the local distribution network, or to other Shippers.

Regulatory terms

Regulated activities

Activities subject to regulation by the Regulatory Authority for Electricity, Gas and Water. In the gas business transportation, distribution, storage and regasification are regulated activities.

Regulatory period

Period of time for which the regulation is defined by Authority for each different sector.

Regulatory Asset Base (RAB)

RAB value of net invested capital is calculated as per the criteria established by the Regulatory Authority for Electricity, Gas and Water for companies operating in the transportation and dispatch of natural gas, LNG regasification, storage and distribution in order to set the reference revenue.

TO GAIN GREATER KNOWLEDGE

Borsa Italiana

www.borsaitaliana.it

Consob

www.consob.it

Regulatory Authority for Electricity Gas and Water

www.autorita.energia.it

Erg - Energy Regulators Group

www.erg.eu.int

Entsog - European Network of Transmission System Operators for Gas

www.entsog.eu

Ceer - Council of Europe on Energy Regulators

www.energy-regulators.eu

Dow Jones Sustainability Index

www.sustainability-indices.com

FTSE4Good Index Series

[www.ftse.com/Indices/FTSE4Good_
Index_Series/index.jsp](http://www.ftse.com/Indices/FTSE4Good_Index_Series/index.jsp)

If you wish to receive updates, such as financial newsletters, calendar of events, etc., from the Company on a regular basis please provide us with the following details:

Surname

First name

Street

N°

ZIP code

City

Country

E-Mail

Mobile phone

Fiscal code

Notice pursuant to art. 13 and authorisation to process personal data pursuant to art. 23 of Legislative Decree 196 of June 30, 2003.

Pursuant to Legislative Decree 196/2003 (law governing the protection of personal data), your personal data will be processed in observance of the principles of correctness, lawfulness and transparency, and your privacy and rights will be protected. Pursuant to article 13 of Legislative Decree 196/2003, we hereby inform you that:

- the personal data collected will be used by Snam S.p.A., Piazza Santa Barbara 7, San Donato Milanese, which is responsible for data processing, for the sole purpose of sending users information published in the "Investor Relations" section of this site;
- it is not obligatory to provide said data;
- failure to provide the data and the authorisation to process it may make it impossible for Snam S.p.A. to send users the information published in the "Investor Relations" section of this site;
- the data collected will be processed using paper and/or electronic means;
- pursuant to art. 7 of Legislative Decree 196/2003, you are entitled to access this personal data at Snam S.p.A. at any time, to request that it to be updated, changed or supplemented, in all cases notwithstanding your right to oppose the processing of the data for legitimate reasons, by writing to the owner of the processing of the data, through the e-mail address investor.relations@snam.it.

By crossing the box below, you authorise us to process your personal data, pursuant to art. 23 of Legislative Decree 196/2003. I acknowledge the notice presented above,

☐

and give my consent

☐

do not give my consent

to the processing of my personal data by Snam S.p.A., within the limits set forth in the notice above.

Faithfully,

Date

Signature

Investor Relations

investor.relations@snam.it

T. +39 02 37031

F. +39 02 3703 7803

Piazza Santa Barbara, 7
20097 San Donato Milanese
(Milan) - Italia

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