

## SNAM RETE GAS 2007 INTERIM REPORT

- **Half year results confirmed: EBIT €471 million, profit €222 million**
- **2007 interim dividend approved: €0.08 per share**

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*San Donato Milanese, 18 September 2007.* Today, the board of directors of Snam Rete Gas S.p.A. approved the consolidated 2007 interim report, which was subjected to a limited review by the independent auditors. The consolidated income statement showed an EBIT of €471 million and a profit for the six months of €222 million. The half year results had already been published on 25 July 2007 following approval of the second quarter report on 30 June 2007.

The board of directors resolved to distribute a 2007 interim dividend of €0.08 per share to the shareholders for the shares outstanding at the ex dividend date (22 October 2007) to be paid from 25 October 2007. The independent auditors issued their opinion on the distribution of the interim dividend as required by paragraph 5, article 2433-bis of the Italian Civil Code.

The consolidated 2007 interim report and the accounts of the parent company Snam Rete Gas S.p.A. have been submitted to the board of statutory auditors and independent auditors.

The reclassified consolidated financial statements, income statement, balance sheet and cash flow statement of the group and of the parent company Snam Rete Gas S.p.A at 30 June 2007, are attached.

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*This press release is also posted on the company's website [www.snamretegas.it](http://www.snamretegas.it).*

Reclassified consolidated financial statements \*

**Consolidated income statement**

(€m)

2006	First half		Change	Change %
	2006	2007		
1,760 Core business revenue	884	886	2	0.2
29 Other revenue and income	20	1	(19)	(95.0)
20 including: non-recurring	19		(19)	(100.0)
<b>1,789 Total revenue</b>	<b>904</b>	<b>887</b>	<b>(17)</b>	<b>(1.9)</b>
(395) Operating costs	(205)	(178)	27	(13.2)
(14) including: non-recurring	(13)	2	15	
<b>1,394 EBITDA</b>	<b>699</b>	<b>709</b>	<b>10</b>	<b>1.4</b>
(483) Amortisation, depreciation and impairment losses	(227)	(238)	(11)	4.8
<b>911 EBIT</b>	<b>472</b>	<b>471</b>	<b>(1)</b>	<b>(0.2)</b>
(168) Net financial expense	(80)	(100)	(20)	25.0
<b>743 Profit before tax</b>	<b>392</b>	<b>371</b>	<b>(21)</b>	<b>(5.4)</b>
(295) Income taxes	(152)	(149)	3	(2.0)
(3) including: non-recurring	(3)	(1)	2	(66.7)
<b>448 Profit (**)</b>	<b>240</b>	<b>222</b>	<b>(18)</b>	<b>(7.5)</b>

(\*\*)The profit is totally attributable to the shareholders of Snam Rete Gas.

**Consolidated balance sheet**

(€m)

	31.12.2006	30.06.2007	Change
Property, plant and equipment	9,715	9,745	30
Intangible assets	48	49	1
Net payables for investments	(236)	(148)	88
<b>Non-current assets</b>	<b>9,527</b>	<b>9,646</b>	<b>119</b>
<b>Net working capital</b>	<b>(539)</b>	<b>(594)</b>	<b>(55)</b>
<b>Provisions for employee benefits</b>	<b>(34)</b>	<b>(29)</b>	<b>5</b>
<b>NET INVESTED CAPITAL</b>	<b>8,954</b>	<b>9,023</b>	<b>69</b>
<b>Equity</b>	<b>3,699</b>	<b>3,289</b>	<b>(410)</b>
<b>Net financial debt</b>	<b>5,255</b>	<b>5,734</b>	<b>479</b>
<b>COVERAGE</b>	<b>8,954</b>	<b>9,023</b>	<b>69</b>

\* Reference should be made to the directors' report of the consolidated half year report (section on "Comments on the results") for a reconciliation of the reclassified consolidated financial statements with the mandatory formats. The reclassified schedules have not been reviewed by the independent auditors.

## Consolidated cash flow statement

	(€m)	
	<b>First half</b>	
<b>2006</b>	<b>2006</b>	<b>2007</b>
448 Profit	240	222
Adjusted by:		
496 - Amortisation, depreciation and other non-monetary items	242	238
462 - Interest and income taxes	236	249
<b>1,406 Cash flows from operating activities before changes in working capital</b>	<b>718</b>	<b>709</b>
73 Change in working capital due to operating activities	68	96
(537) Interest and income taxes paid	(246)	(257)
<b>942 Net cash flows from operating activities</b>	<b>540</b>	<b>548</b>
(629) Investments in property, plant and equipment and intangible assets	(204)	(269)
2 Disinvestments	3	
31 Payables related to investing activities	(64)	(88)
<b>346 Free cash flow</b>	<b>275</b>	<b>191</b>
436 Change in financial payables	208	479
(782) Cash flows of equity	(483)	(670)
<b>0 Net cash flows for the period</b>	<b>0</b>	<b>0</b>
<b>346 Free cash flow</b>	<b>275</b>	<b>191</b>
(782) Cash flows of equity	(483)	(670)
<b>(436) CHANGE IN NET FINANCIAL DEBT</b>	<b>(208)</b>	<b>(479)</b>

Reclassified financial statements of Snam Rete Gas S.p.A

**Income statement of Snam Rete Gas S.p.A.**

(€m)				
2006	First half		Change	Change %
	2006	2007		
1,737 Core business revenue	872	875	3	0.3
28 Other revenue and income	19	1	(18)	(94.7)
20 including: non-recurring	19		(19)	(100.0)
<b>1,765 Total revenue</b>	<b>891</b>	<b>876</b>	<b>(15)</b>	<b>(1.7)</b>
(389) Operating costs	(202)	(175)	27	(13.4)
(14) including: non-recurring	(13)	2	15	
<b>1,376 EBITDA</b>	<b>689</b>	<b>701</b>	<b>12</b>	<b>1.7</b>
(479) Amortisation, depreciation and impairment losses	(231)	(236)	(5)	2.2
<b>897 EBIT</b>	<b>458</b>	<b>465</b>	<b>7</b>	<b>1.5</b>
(168) Net financial expense	(80)	(99)	(19)	23.8
9 Income from investments	9	7	(2)	(22.2)
<b>738 Profit before tax</b>	<b>387</b>	<b>373</b>	<b>(14)</b>	<b>(3.6)</b>
(291) Income taxes	(147)	(147)		
(3) including: non-recurring	(3)	(1)	2	(66.7)
<b>447 Profit (**)</b>	<b>240</b>	<b>226</b>	<b>(14)</b>	<b>(5.8)</b>

**Balance sheet of Snam Rete Gas S.p.A.**

(€m)			
	31.12.2006	30.06.2007	Var.
Property, plant and equipment	9,630	9,661	31
Intangible assets	47	48	1
Investments	43	43	
Net payables for investments	(234)	(147)	87
<b>Non-current assets</b>	<b>9,486</b>	<b>9,605</b>	<b>119</b>
<b>Net working capital</b>	<b>(529)</b>	<b>(585)</b>	<b>(56)</b>
<b>Provisions for employee benefits</b>	<b>(33)</b>	<b>(29)</b>	<b>4</b>
<b>NET INVESTED CAPITAL</b>	<b>8,924</b>	<b>8,991</b>	<b>67</b>
<b>Equity</b>	<b>3,683</b>	<b>3,277</b>	<b>(406)</b>
<b>Net financial debt</b>	<b>5,241</b>	<b>5,714</b>	<b>473</b>
<b>COVERAGE</b>	<b>8,924</b>	<b>8,991</b>	<b>67</b>

## Cash flow statement of Snam Rete Gas S.p.A.

	(€n)	
	<b>First half</b>	
<b>2006</b>	<b>2006</b>	<b>2007</b>
447 Profit	240	226
Adjusted by:		
493 - Amortisation, depreciation and other non-monetary items	246	236
449 - Dividends, interest and income taxes	223	239
<b>1,389 Cash flows from operating activities before changes in working capital</b>	<b>709</b>	<b>701</b>
76 Change in working capital due to operating activities	70	103
(521) Interest, dividends and income taxes paid	(233)	(252)
<b>944 Net cash flows from operating activities</b>	<b>546</b>	<b>552</b>
(625) Investments in property, plant and equipment and intangible assets	(203)	(268)
1 Disinvestments	3	
30 Payables related to investing activities	(64)	(87)
<b>350 Free cash flow</b>	<b>282</b>	<b>197</b>
432 Change in financial payables	201	473
(782) Cash flows of equity	(483)	(670)
<b>0 Net cash flows for the period</b>	<b>0</b>	<b>0</b>
<b>350 Free cash flow</b>	<b>282</b>	<b>197</b>
(782) Cash flows of equity	(483)	(670)
<b>(432) CHANGE IN NET FINANCIAL DEBT</b>	<b>(201)</b>	<b>(473)</b>