



Snam Rete Gas presents its 2010-2013 Strategic Plan

- **Consolidated investment plan: 6.4 billion euro in the 2010-2013 period**
- **RAB: average annual increase of approximately 4.5% in the 2010- 2013 period**
- **Operational efficiency: the ongoing development of the efficiency programme linked to the integration with Stogit and Italgas confirms the planned reduction of around 80 million annually in 2012, in real terms, compared to the 2008 controllable fixed costs**
- **Dividend policy: expected 4% annual growth of DPS in the 2010-2012 period**

San Donato Milanese, March 11, 2010: – Snam Rete Gas CEO, Carlo Malacarne, today presents to the financial community the 2010-2013 Strategic Plan, approved by the Company's Board of Directors chaired by Alberto Meomartini.

"Snam Rete Gas will operate in the coming years in a clear and stable regulatory framework. This enables us to confirm a strategy focused on investment and efficiency to drive growth and value creation in the medium and long term. We will invest 6.4 billion euro over the 2010-2013 period and execute an efficiency programme which is expected to produce 80 million euro of annual savings in real terms by 2012", said Snam Rete Gas CEO, Carlo Malacarne.

"Snam Rete Gas' ability to create value supported by our solid business model allows us to ensure attractive and sustainable returns for our shareholders. We today announce that we expect to achieve 4% annual growth in the dividend over the next three years", said Carlo Malacarne.

The key strategic guidelines for the 2010-2013 period are:

Development of the gas infrastructure system in Italy

The combined investment plan for the 2010-2013 period is set at 6.4 billion euro, of which 1.4 billion will be spent in 2010. Investments are aimed at developing the infrastructure of the gas system in Italy and enhancing the company's growth opportunities in the medium and long term.

Snam Rete Gas' strategy is focused on improving security and flexibility of the gas system as well as to meet capacity requirements in line with rising demand in the medium and long term. Furthermore, the Company confirms its commitment to contribute to the creation of a gas hub for Southern Europe. This will also be pursued through projects that allow for the transit of gas to foreign countries.

The main guidelines for each business investment plan are the following:

Transport and regasification:

To assure the development of the gas transportation network to meet rising demand and to improve flexibility and security of the gas system in order to:

- increase supply sources diversification;
- allow the transit of gas to foreign countries.

The planned investments will allow the company to increase the transportation capacity by extending the transport network by around 1,300 km, which is an approximate 4% increase on the 2009 year end network of more than 31,000 km, and by increasing the installed power of the compression stations by around 20% compared to 2009 (857 MW).



Storage:

- improve the overall flexibility and security of the storage system through an increase in both the modulation and peak capacity;
- support the liquidity of the gas system in Italy.

The investments in the storage business are expected to deliver a 35% increase in the modulation capacity in the period (from 8.9 billion standard cubic meters in 2009 to around 12 billion standard cubic meters in 2013) and up to a 13% increase in the peak capacity.

Distribution:

- selective network development in order to optimise the portfolio of concessions with the aim of maximizing profitability;
- improve the quality of the gas distribution service.

The projects included in the plan should lead to a rise in the number of current users with an increase of around 8% in the gas meters installed, which should exceed 6 million in 2013.

With the execution of the four-year investment plan, the value of the company's "Regulated Asset Base" (RAB) is expected to grow at an annual average rate of 4.5% until 2013, assuming a yearly 2% inflation rate and on the basis of the current regulatory framework.

Efficiency programme

Snam Rete Gas confirms the ongoing integration programme of Stogit and Italgas which will allow the Company to achieve estimated savings of 40 million euro in 2010 and 80 million euro annually by 2012 (calculated in real terms on the 2008 controllable fixed costs), on the basis of the current business composition.

Through this programme, the Company has already achieved savings on controllable fixed costs of 27 million euro, in real terms, in 2009. The implementation of projects already selected and now under study should allow the Company to exploit additional savings in the years beyond 2012.

Solid financial structure

The capital structure remains solid and efficient in the medium to long term: Snam Rete Gas confirms its commitment to maintain an average Debt to RAB of around 50% in the 2010-2013 period.

The cash flow generated by the operating activities during the Plan period is expected to fully fund the dividend distribution as well as more than 50% of the significant capex programme. Debt conditions are expected to remain competitive during the 2010-2013 period.

Shareholders Returns

The Board of Directors proposed for the FY2009 a dividend of €0.20 per share, of which €0.06 was distributed in October 2009 as an interim payment, to the shareholders' meeting scheduled for 27 and 28 April 2010. The outstanding dividend of €0.14 per share will be paid from 27 May 2010, with an ex-dividend date of 24 May 2010.

Given the company's forecast performance and financial position as well as the visibility of the regulatory framework in the coming years, Snam Rete Gas intends to pursue a dividend policy



for the 2010-2012 period that foresees a 4% annual growth of the dividend per share, with 2009 as reference year.

A conference call will be hosted at 3 p.m (CET) by Snam Rete Gas Top Management to present the 2010-2013 Strategic Plan to financial analysts and institutional investors. Support material for the conference call will be available online on the website www.snamretegas.it, in the Investor Relations section, concurrent with the beginning of the conference call.

In the same section, it will also be possible to follow the presentation in video webcasting.

Pursuant to paragraph 2, article 154-bis of the TUF, the manager in charge of preparing the company's financial reports, Antonio Paccioretti, states that the accounting information included in this press release corresponds to documents, accounting ledgers and other records.

Disclaimer

This press release includes forward-looking statements. Such statements by their very nature are subject to risk and uncertainty as they depend on the fact that certain events and developments will take place. The actual results may differ from those communicated due to different reasons, such as foreseeable trends in demand, offer and natural gas prices, general macro-economic conditions, the effect of new energy and environment legislation, the successful development and implementation of new technologies, changes in the stakeholders' expectations and other changes in business conditions.

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This press release is also available on the Snam Rete Gas website at www.snamretegas.it.