



SNAM: EIB GRANTS LOANS TOTALLING 365 MILLION EURO FOR THE DEVELOPMENT OF ITALGAS AND SNAM RETE GAS PROJECTS

San Donato Milanese, 24 October 2013 – The European Investment Bank (EIB) has signed two loan contracts with Snam, amounting to 300 and 65 million Euro, for the financing of two projects to be developed respectively by Italgas and Snam Rete Gas, the two Snam-controlled companies operating in the distribution and transmission of natural gas across the national grid.

The two loans, in addition to the 283 million Euro loan granted in August for Stogit's development project for the Bordolano storage reservoir, are in line with Snam's strategy to optimize the Group's financial structure, in that they are complementary to bonds and banking facilities, characterized by longer durations at the competitive costs which can be achieved through this kind of funding.

About 40% of Italgas' investment plan, and over 60% of Snam Rete Gas' plan, involve projects in southern Italy, in full compliance with the funding policies of the European Investment Bank, aimed at working with and developing underprivileged areas.

Italgas' investment plan incorporates projects amounting to an estimated cost of around € 620 million Euro, aimed at making its distribution network more efficient and technologically advanced, through the progressive replacement of pipes and meters, the implementation of smart-metering projects and the development of new distribution networks. The 300 million Euro financing will be at a floating rate and will have a duration of 20 years.

Snam Rete Gas' investments, for which the EIB will provide a 65 million Euro loan - at floating rate and for a period of 19 years – total an estimated cost of approximately € 170 million and will enable the completion of the Zimella- Cervignano d'Adda pipeline, between the provinces of Verona and Lodi in the Po Valley, and the replacement of four turbines at the compressor station of Messina. These activities are key to the enhancement of the Italian gas system, with a view to increasing interconnection amongst European gas networks.



The Stogit project, for which the EIB granted € 283 million last summer, involves the development of a storage reservoir in Bordolano, in the province of Cremona, which is included in the TEN-E (Trans-European Energy Network) program, providing funding to trans-European energy networks with the aim of increasing both security and diversification of supply.

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