

Other information

Relationships with related parties

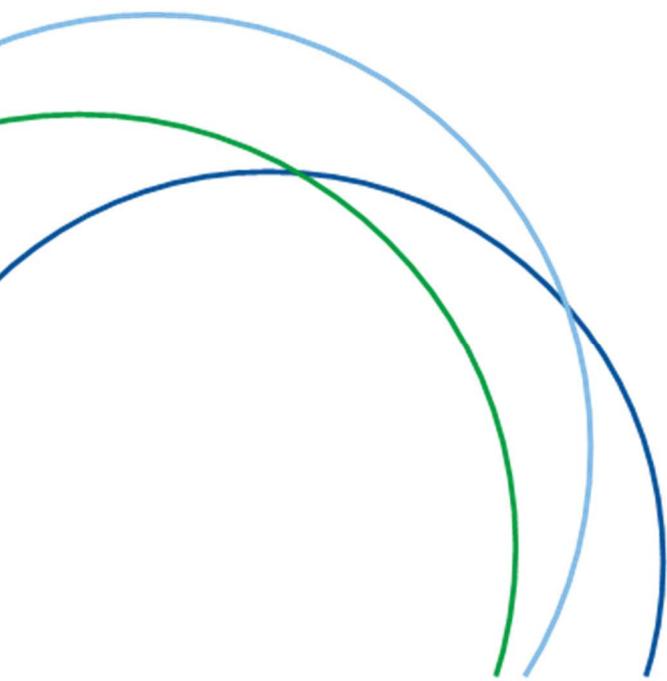
Considering the de facto control of CDP S.p.A. over Snam S.p.A., pursuant to the international accounting standard IFRS 10 - Consolidated Financial Statements, based on the current Group ownership structure the related parties of Snam are represented by Snam's associates and joint ventures as well as by the parent company CDP S.p.A. and its subsidiaries and associates, and direct or indirect subsidiaries, associates and joint ventures of the Ministry of Economy and Finance. Members of the Board of Directors, Statutory Auditors and managers with strategic responsibilities, and their relatives, of the Snam Group and CDP, are also regarded as related parties. Transactions between Snam and related parties are part of ordinary business operations and are generally settled under market conditions, i.e. the conditions that would be applied between two independent parties. The main operations with these parties involve the exchange of goods and the provision of regulated services in the gas sector. All the transactions carried out were in the interest of the companies of the Snam Group.

Pursuant to the provisions of the applicable legislation, the Company has adopted internal procedures to ensure that transactions carried out by Snam or its subsidiaries with related parties are transparent and correct in their substance and procedure.

Directors and statutory auditors declare potential interests that they have in relation to the Company and the Group every six months, and/or when changes in said interests occur; they also inform the Chief Executive Officer (or the Chairman, in the case of the Chief Executive Officer's interests), who in turn informs the other directors and the Board of Statutory Auditors, of individual transactions that the Company intends to carry out and in which they have an interest.

No management or coordination activity of CDP S.p.A. has been formalised or exercised. Snam manages and coordinates its subsidiaries, pursuant to Article 2497 et seq. of the Italian Civil Code.

The amounts involved in commercial, miscellaneous and financial relations with related parties, descriptions of the key transactions and the impact of these on the balance sheet, income statement and cash flows, are provided in Note 29 "Relationships with related parties" of the Notes to the condensed interim consolidated financial statements.



Treasury shares

Period	Number of shares	Average cost (€) (*)	Total cost (€ millions)	Share capital (%) (**)
Purchases				
Year 2005	800,000	4.399	3	0.04
Year 2006	121,731,297	3.738	455	6.22
Year 2007	73,006,653	4.607	336	3.73
Year 2016	28,777,930	3.583	103	0.82
Year 2017	56,010,436	3.748	210	1.60
First half 2018	48,339,437	3.788	183	1.39
	328,665,753	3.925	1,290	
Less treasury shares allocated/sold/cancelled:				
. granted under the 2005 stock grant plans	(39,100)			
. sold under the 2005 stock option plans	(69,000)			
. sold under the 2006 stock option plans	(1,872,050)			
. sold under the 2007 stock option plans	(1,366,850)			
. sold under the 2008 stock option plans	(1,514,000)			
. cancelled in 2012 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(189,549,700)			
. cancelled in the first half of 2018 following the resolution by the Extraordinary Shareholders' Meeting of Snam S.p.A.	(31,599,715)			
Treasury shares held by the Company as at 30 June 2018	102,655,338			

(*) Calculated on the basis of historic prices.

(**) The share capital is the same as that of the date of the last acquisition in the year/period.

In the first half of 2018, as part of the share buyback programme approved by the Snam Shareholders' Meeting on 11 April 2017, 36,606,724 Snam shares (equal to 1.05% of the share capital) were acquired for a total cost of €142 million. On 24 April 2018, the Snam Shareholders' Meeting approved the new 18-month share buyback programme starting from the date of the shareholders' resolution after revoking the programme approved previously³². In execution of this resolution, on 18 June 2018 Snam launched the new programme, as part of which on 30 June 2018 11,732,713 Snam shares (equal to 0.34% of the share capital) were acquired for a total cost of €41 million.

The Extraordinary Shareholder's Meeting held on 24 April 2018 also approved the cancellation of 31,599,715 treasury shares with no nominal value with no reduction in the share capital, completed on 7 May 2018, and the resulting amendment of art. 5.1 of the Articles of Association.

As at 30 June 2018, Snam therefore held 102,655,338 treasury shares, equal to 2.96% of its share capital (85,915,616 as at 31 December 2017, amounting to 2.45% of the share capital), with a total book value of €382 million (€318 million as at 31 December 2017) and recognised as a reduction in shareholders' equity³³. Their market value as at 30 June 2018 was around €367 million³⁴.

The share capital as at 30 June 2018 consists of 3,469,038,579 shares with no nominal value for a total value of €2,736 million.

³² For more information, please see the section "Summary data and information – Main events" in this Report.

³³ As at the date of this Report, the treasury shares outstanding total 111,013,577 (3.20% of the share capital), against a book value of roughly €413 million.

³⁴ Calculated by multiplying the number of treasury shares by the period-end official price of €3.5805 per share.