

Financial Markets Review

The financial markets pag. 1
The sector performance pag. 2

Snam shares and its peers pag. 3



Mixed performance on the stock markets, the main American index was positive, whilst the utility sector was negative

The Snam stock closed down

Oil prices rose

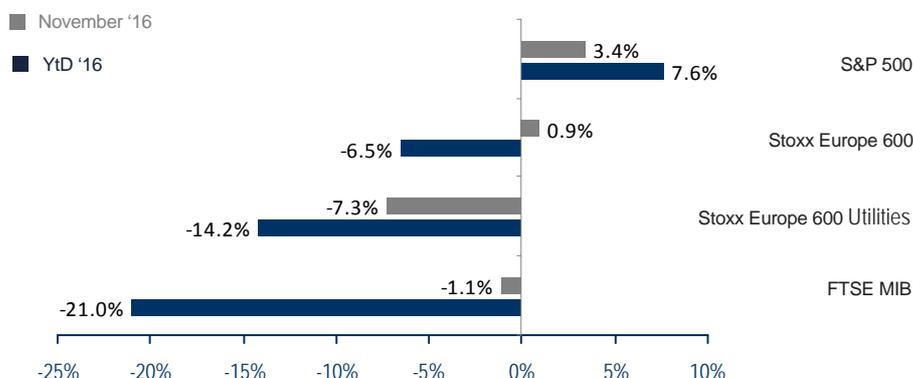
Snam S.p.A. Investor Relations

The financial markets

The stock markets registered mixed performances in November, with rises of +3.4% for the U.S. S&P500 and +0.9% for the European Stoxx600, while a slight decline of -1.1% for the Italian FTSE MIB and -7.3% for the Stoxx Europe 600 Utilities sector index. The outperformance of the main American index was largely supported by expectations for an expansionary monetary policy by the new U.S. Administration, while the European Stoxx 600 benefitted in particular from better-than-expected macroeconomic data. By contrast, the FTSE MIB was negatively impacted by ongoing tensions in the Italian banking sector, while the upward movement in bond yields weighed on the utility sector as yields could become competitive compared to dividends issued by companies in the sector.

From a macroeconomic perspective, in the United States (with reference to October's data on a monthly basis) durable goods were up (+4.8%), as were existing home sales (+2.0%) and retail sales (+0.8%). U.S. GDP growth of +3.2% on an annualised

Performance of the main stock indices



Source: Snam on the Bloomberg data

quarterly basis in Q3 2016 was above expectations compared to the initial forecast (+2.9%). The Fed confirmed the official interest base rates at current levels (between 0.25% and 0.5%).

In the Eurozone (November data on a monthly basis) the manufacturing PMI index was up (at 53.9 points from 53.5 the previous month). The German Zew index on econo-

mic growth expectations was also up (at 13.8 points from 6.2 the previous month). Eurozone GDP was up +0.3% in Q3 2016, as were German GDP (+0.2%) and Italian GDP (+0.3%).

The oil markets

The oil price rose in November both for the U.S. crude benchmark WTI (+5.5%, closing the month at \$49.4/barrel) and for Brent (+6.8% at \$49.9/barrel), positively impacted

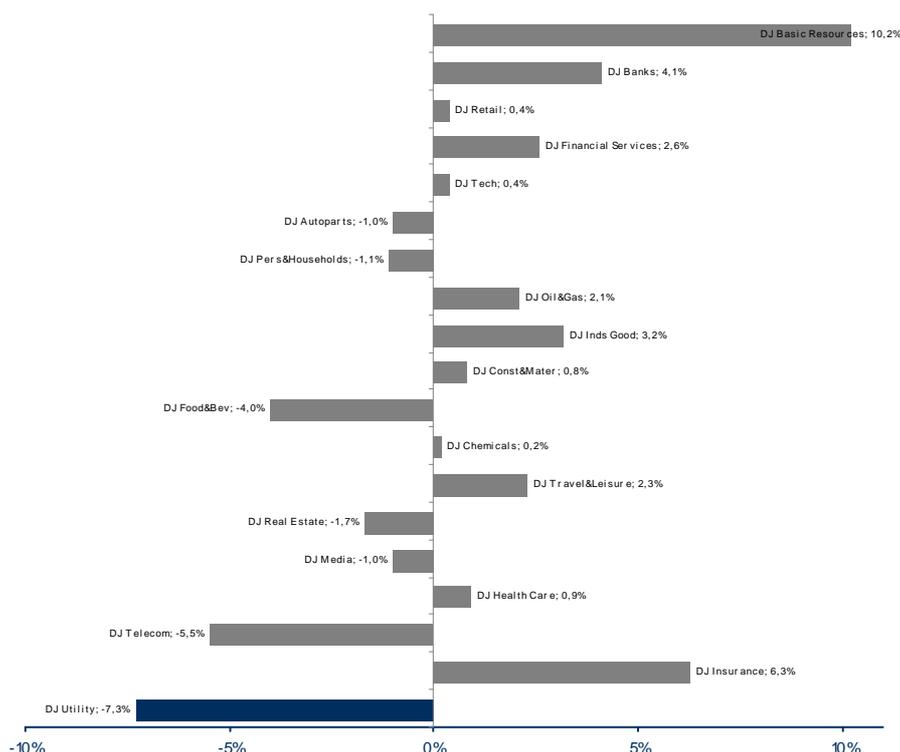
by expectations for an agreement between the OPEC countries to reduce oil output. The agreement was effectively reached at the Vienna summit on 30th November (followed

by a positive performance of the oil prices) and it includes a cut in oil production for a total of 1.2 million barrels per day.

Sectors in the Stock markets

The sectors registered mixed but also largely positive performances. The Basic Resources sector saw a particularly positive trend (+10.2%), mainly boosted by a rise in oil prices, as did the Insurance and the Banks sector (respectively +6.3% and +4.1%), which benefitted from positive trends on European stock markets. Negative trends were registered by the Utility sector (-7.3%), impacted by bond yields' upward movement; the Telecommunications (-5.5%) and Food industry sectors (-4.0%), pushed down by several corporate results.

Main sector performance, November 2016



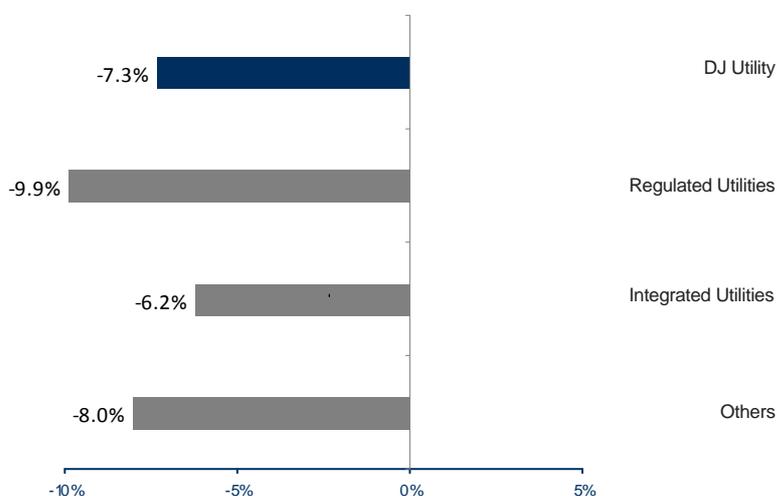
Source: Snam on the Bloomberg data

The Utility sector performance

The utility sector registered a negative performance in November (-7.3%), as did its subsectors of Regulated utilities (-9.9%), "Others" utilities (-8.0%) and Integrated utilities (-6.2%).

Amongst the Regulated utilities, the worst performances were seen by National Grid (-14.3%), following a significant decline in returns; Red Electrica (-11.6%) and Enagas (-11.1%), both negatively affected by current sector issues (upward movement of bond yields). In the "Other" subsector, Veolia's performance was particularly negative (-18.0%), after being hit by exchange rates this year and also potentially in the medium term. With regards to the Integrated subsector, RWE was also significantly down (-18%), due to lower-than-expected results.

Sector and subsector performance, November 2016



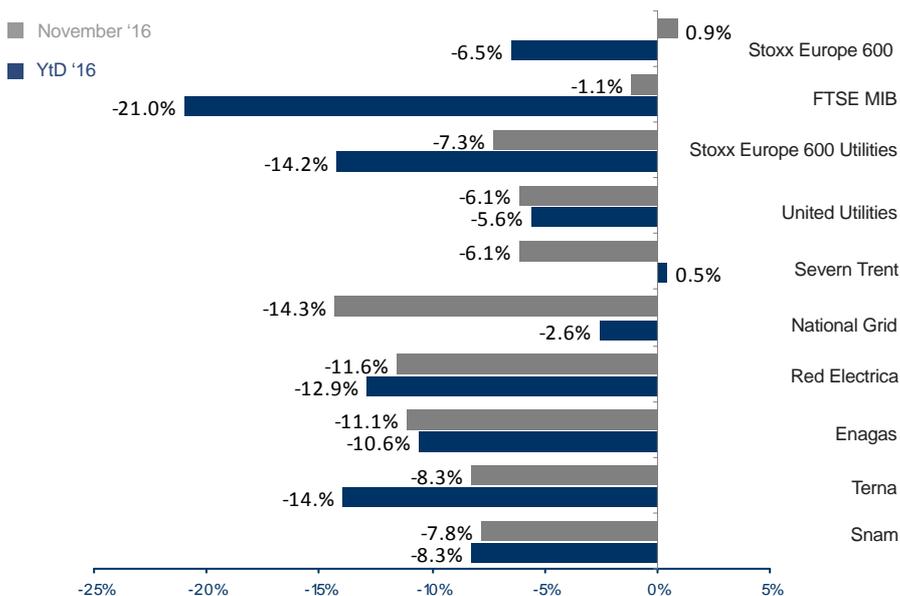
Source: JP Morgan

The Snam shares and its peers in the Stock Markets

The Snam stock closed the last session in November down -7.8% at 3.65 euros per share, in line with the utility sector. The share price includes the adjustment factor applied after the demerger of Italgas at the beginning of the month.

The stock's average daily trading volume totalled 19.2 million units, up from 10.7 million units the previous month.

Snam and its peers



Source: Snam on the Bloomberg data

Agenda

No event by the end of 2016

Corporate News

Snam: 9M results

Snam's Board of Directors, chaired by Carlo Malacarne, met on 14 November and approved the consolidated results for the first nine months and the third quarter of 2016 (unaudited). The results, which reflect the entry into force of the new regulatory period with adjustment of the WACC, do not incorporate the accounting results following the separation of Italgas Reti S.p.A. from Snam S.p.A., which took effect from 7 November 2016, the effective date of the demerger of Snam S.p.A. from Italgas S.p.A.

Marco Alverà, Snam's CEO, made the following comments on the results: "The results for the first nine months are in line with expectations and reflect the WACC adjustment of the new regulatory period. A free cash flow of over €660 million and the strength of the financial statements and financial operating efficiency have enabled us to carry out the investments set out in our strategic plan, consolidating Snam's leadership in the European gas market. Our position was further strengthened thanks to the agreement with Allianz to purchase 49% of Gas Connect Austria from Omv. Furthermore, the demerger from Italgas, which was successfully concluded in the expected timeframe, will allow us to pursue our growth strategy thanks to greater financial flexibility".

Snam starts a share buyback program

Pursuant to the resolution of Snam's Shareholder Meeting on 1 August 2016, Snam started a share buyback program from 7 November, being the effective date of the demerger of Snam.

For the first part of the program, Snam has signed a buy back agreement with a primary intermediary agent, for a period of maximum 4 months from the effective date of the demerger, under which the intermediary in charge proceeds to the purchase of the Snam shares in full independence.

Since the start of the purchase plan to 1 December Snam acquired n. 18,979,826 shares, equal to 0.54% of the share capital.

Snam SpA

Piazza Santa Barbara 7 - 20097 S. Donato Milanese (Mi) Italy
 www.snam.it — investor.relations@snam.it
 tel: +39 02 37037272- fax: +39 02 37037803