

September 2015

News@Facts



The interview: Talking to Marco Porro, Head of Investor Relations

The new frontiers of financial communications at Snam

How have Snam Investor Relations' activities changed in the last period?

Our Investor Relations continue to follow the principles of openness and transparency, in communicating the targets of the Strategic Plan as well as in presenting results achieved over time. A path that we have undertaken in 2001, at the time of listing, and that we have consistently followed, by increasingly enriching channels and tools to dialogue with investors, with the aim of meeting the needs of an ever more diversified audience, in terms both of typology and geography.

Today, to whom are you talking?

The Snam's floating capital, according to the June 2015 update, represents 60.8% of the total share capital: institutional investors account for 51.3%, while retail investors represent another 9.5%. From a geographical viewpoint, ex-Italy shareholders hold

Continue on page 2

Performance: First-half 2015 results

Net profit increases by 9.1%

In the first half of 2015 total revenues show a 3.1% increase vs. the same period of 2014, benefitting also from the contribution of the newly consolidated companies: starting from 1st April 2015, Acam Gas, following the acquisition of the remaining 51% by Italgas and, from July

Continue on page 2

Results	1 H 2014	1 H 2015	Change
Gas injected into the network (BCM)	32.78	32.77	-0.03%
No. of active meters (mn)	5.911	6.518	+10.3%
Total revenues (mn €)	1,782	1,837	+3.1%
Ebitda (mn €)	1,428	1,434	+0.4%
Ebit (mn €)	1,044	1,012	-3.1%
Net profit (mn €)*	561	612	+9.1%
Technical investments (mn €)	526	487	-7.4%

(* Net profit is attributable to Snam)

News

Debt management The "investment grade" credit ratings reflect the optimisation of financing sources p. 3

News

Distribution Italgas confirms its BoD after the revocation of the judicial administration p. 3

Focus

Sustainability Snam confirmed for the seventh year in the Dow Jones Sustainability World Index p. 4

News@Facts Issue 3 / Year 6
Information as of 11 September, 2015
Registered at the Court in Milan
Registration n. 534
as of November 26, 2009
Chief Director: Patrizia Rutigliano
Editorial Director: Marco Porro
Snam SpA - Piazza Santa Barbara, 7
20097 San Donato Milanese (MI) - Italy
T.: +39 023703 7272
F.: +39 023703 7803

continue The interview: Talking to Marco Porro, Head of Investor Relations

48.0% of our share capital; such peculiarity of our shareholding structure demands an ever more timely and effective web communication, besides an intense roadshow activity.

In how many activities Snam engages to communicate with the financial community along the year?

We regularly organise conference calls when we present the Group earnings and the Strategic Plan, making the webcast available to all our stakeholders.

In 2014, in addition to 20 roadshows in the main European and North American financial centres, we have participated to 5 conferences focused on the utility sector; we have overall met with over 250 investors, through 108 one-on-one and 32 group meetings.

Moreover, we have met 39% of the funds following the Socially Responsible Investing (SRI) criteria that are present in Snam share capital. The Finance Department has pursued similar activities (again articulated through the participation to conferences, the organisation of conference calls and one-on-one meetings) in order to meet with bond investors and credit market

analysts. On this side, we have moreover maintained relations with the three agencies that rate Snam's debt: on top of Standard&Poor's and Moody's, recently we have added FitchRatings.

What role do web channels play in your communication strategies?

We have made a considerable effort with the aim of best exploiting the corporate website as a continuous and immediate way to communicate with our stakeholders. Thanks to the upgrade done, Snam's website has achieved the second highest score in the Webranking by Comprend both at Italian and at European level. The presence on a wide range of social media, since 2013 has led us to utilise in a growing way further interactive potentials that those media provide.

What innovations have you introduced in your corporate literature portfolio?

Our Annual Report, increasingly enriched in terms of contents and metrics, also on the Sustainability issues, has offered a fundamental contribution to the quality and the granularity of our information. A reality proven also by the "Oscar di Bilancio" prize, which was awarded to

Snam in 2014. In addition to this quarterly newsletter, we have regularly continued to deliver the monthly "Financial Market Reviews", the bi-annual update of the guide "The Snam Shareholder", while in May, once per year, the edition of "Sustainability. Building a shared value" is available. Starting from December 2014, we have launched a new publication focused on the Corporate Social Responsibility issues, the CSR Review. Lastly, we are about to publish the first release of the Fact Book, a new communication tool aimed to provide an in-depth knowledge of the Snam Group, even from the potential investor's viewpoint.

The wide breath of the Fact Book makes it possible to cover a broad range of issues, while also providing a significant level of detail. We are confident that the new efforts that we are making will reward us; our communication flows, so rich and articulated by contents and channels, will allow us to improve continuously the quality of information to investors, which will in turn be able to make a fair evaluation of the shares and the bonds issued by Snam.

continue Performance: First-half 2015 results

2014, A.E.S. Torino (100% Italgas).

In the first half of 2015 EBIT declines by 32 million (-3.1%), due to the increase in operating costs (mainly linked to gas withdrawals from storage to cover the sale of natural gas no longer needed for the transportation business) and to higher depreciation (+9.9%).

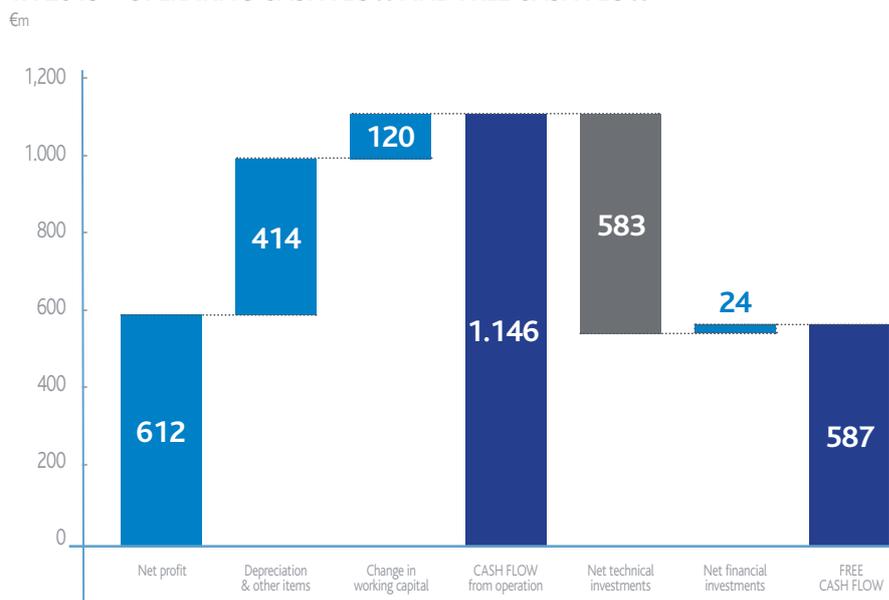
When analysing the EBIT performance from the viewpoint of the different businesses, the EBIT of the transport business results in being in line with that of the 2014 first-half, against a fall in the EBIT of both distribution (-3.5%) and storage (-14.6%). In the last business, the decline reflects the change in the timing profile of regulated revenues during the year, in comparison with 2014, on top of a reduction of non-regulated revenues.

Net profit reaches 612 million euro, with a 9.1% increase (+51 million euro), thanks to the following three positive factors: the 18 million euro decline in net financial expense, the 20 million euro rise in net income from equity investments and the 45 million fall in income taxes, due to the termination of the additional corporate income tax IRES (known as "Robin Hood Tax"), once it was declared to be unconstitutional.

Operating cash flow generation, equal to 1,146 million euro, largely exceeded the needs for funding total net investments, amounting to 559 million euro; Free Cash Flow therefore was 587 million euro. Net

financial debt of 13,936 million euro, after the payment to shareholders of the 2014 dividend of 875 million euro, presents a 284 million euro increase vs. that as of 31 December 2014.

1H 2015 – OPERATING CASH FLOW AND FREE CASH FLOW



The "investment grade" credit ratings reflect the optimisation of financing sources

On 22 June 2015 the Snam's Board of Directors resolved to renew for the next year the Euro Medium Term Notes (EMTN) and the bond issue programme started in 2012 for a maximum total amount of 12 billion euro; amount confirmed once again.

By 30 June 2016, additional bonds, for a maximum total amount of 1.3 billion euro can be issued; the new issues will be mainly placed with European institutional investors.

Under the EMTN programme, to date Snam has issued bonds for approximately 10.7 billion euro.

In facilitating such placements, the favourable ratings that the credit rating agencies have assigned to Snam play a fundamental role.

On 23 July 2015, Fitch issued its Snam credit rating: "BBB+" for both long-term debt and unsecured senior debt, with "stable" outlook. Concerning the short-term debt, the agency has assigned the "F2" rating to Snam.

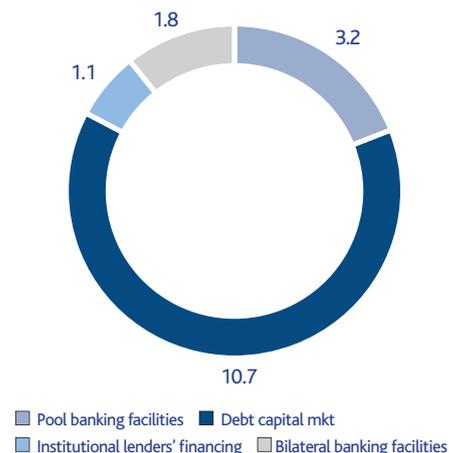
	MOODY'S	STANDARD & POOR'S	FitchRatings
Last update	19-Feb-15	09-Dec-14	23-Jul-15
Rating on long term debt	Baa1	BBB	BBB+
Rating on short term debt	Not assigned	A- 2	F2
Outlook	Stable	Stable	Stable

Two other agencies have long rated the Snam debt: Moody's and Standard&Poor's. The synoptic presentation portrays the ratings' overview.

The "investment grade" credit ratings from the three major agencies reflects the solid capital structure that Snam has achieved.

Snam aims to maintain a well-balanced and diversified debt structure, made up of bonds, banking facilities and available committed credit lines from the banking system. As of 30 June 2015 the sum of committed credit lines and bonds amounts to 16.8 billion euro; the ring chart shows the breakdown of that structure.

Bonds and committed banking facilities (16.8 € bn)



Italgas confirms its BoD after the revocation of the judicial administration

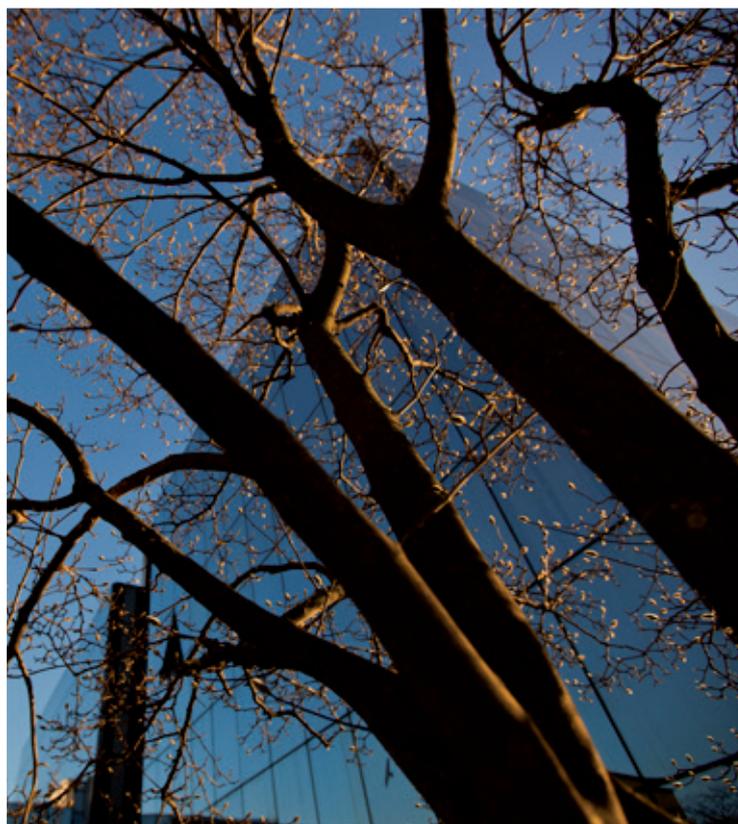
On 9 July 2015 the activities relating to the revocation of the judicial administration that was ordered by the Court of Palermo concluded. The return of Company follows the verifications carried out, with the active cooperation provided by the Snam Group.

The revocation refers, among others things, to the sharing of an organisational and procedural plan, achieved through a technical round table, as well as a plan to monitor and verify the activities of Italgas SpA. Italgas' Shareholders' Meeting therefore took place on the same day to appoint the Company's Board of Directors that will remain in office until the approval of the 31 December 2015 Financial Statements.

The new Board has in turn confirmed Luca Schieppati as Chief Executive Officer.



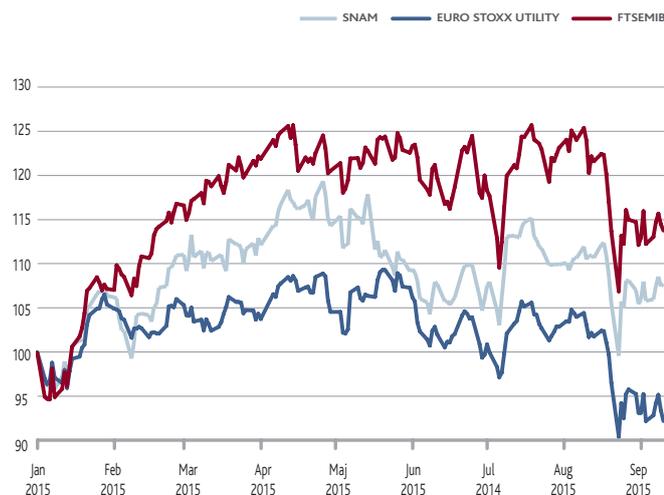
Luca Schieppati, after the degree in nuclear engineering from the Milan Politecnico, has joined the Snam Group in 1991. In the 2012-2014 three-year period he has been the Head of Operations at Snam Rete Gas, the transport and dispatching company, just before his first appointment as CEO of Italgas in April 2014.



Snam and the financial markets

STOCK PRICE PERFORMANCE (2 JANUARY 2015 – 11 SEPTEMBER 2015)

STOCK PRICE (CLOSING PRICE OF 11 SEPTEMBER 2015 = 4.39 EURO)
 COMPARED WITH SECTOR AND MARKET INDEX (BASE 2 JAN.2015 = 100).



The Snam's shares continue to show a positive performance since the beginning of 2015 (+7.1%), despite the heavy correction that has generally affected the stock markets in the third week of August, as a consequence of the worries for the deceleration of the Chinese economy. The Snam's defensive characteristics that investors acknowledge, together with the good fundamentals, also confirmed by the release of half-year results (on 28 July), have allowed the stock to limit the price fall even during the quick decline of stock markets' prices in the second half of August. Snam has showed a lower volatility than that recorded by the Italian blue chip index (FTSEMIB), which includes sectors that are strongly penalised by a potential weakening of exports towards China as well as by the recovery of competitiveness of dollar vs. euro.

The stock has moreover outperformed the sector benchmark, which presents a negative change vs. the beginning of the year (-8.1%), also due to the deep correction experienced by the Energy segment of the Euro Stoxx Utility Index in August.

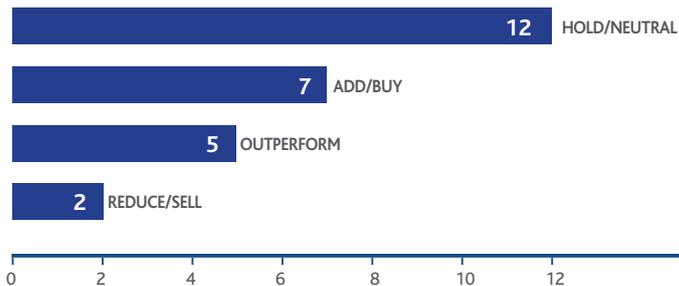
The consensus target price representing the average of those indicated by the 26 analysts that cover the Snam stock is equal to 4.7 euro, in line with the level at the time of the last N@F issue, released in June 2015.

At recent prices, around 4.4 euro, the potential revaluation gap continues to be around 7%.

Brokers' ratings remain favourably oriented, with 7 Buying and 5 Outperforming recommendations and 12 Hold/Neutral ratings that suggest maintaining Snam in the portfolio.

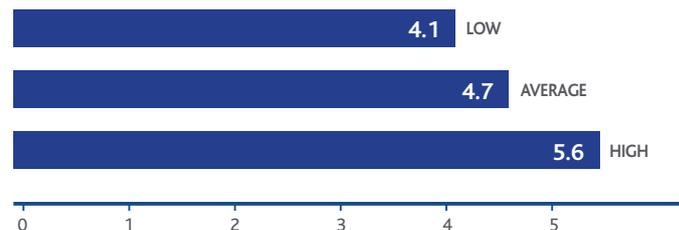
BROKER RECOMMENDATIONS

NUMBER OF BROKERS 26



CONSENSUS TARGET PRICE

NUMBER OF BROKERS 26



SNAM AND THE STOCK EXCHANGE

OFFICIAL LISTING MARKET > BORSA ITALIANA EQUITY MARKET

TYPE OF SHARES > AZIONI ORDINARIE

INDEX MEMBERSHIP > FTSEMIB / FTSE ALL-SHARE / EURO STOXX / EURO STOXX UTILITY / STOXX EUROPE 600

ETHICAL INDEX MEMBERSHIP > FTSE4GOOD / ETHIBEL / CAPITAL PARTNERS / DOW JONES SUSTAINABILITY WORLD/ STOXX GLOBAL ESG LEADERS INDICES / VIGEO WORLD 120 / VIGEO EUROPE 120 / GC100 / CDLI / MSCI GLOBAL SUSTAINABILITY INDEX

CREDIT RATINGS > S&P'S: BBB+; MOODY'S: BAA1; FITCHRATINGS: BBB+ CODES

ISIN > IT0003153415

REUTERS > SRG.MI

BLOOMBERG > SRG IM

HIGH (365 DD) > € 4.86 – 27 APRIL 2015

LOW (365 DD) > € 3.82 - 03 NOVEMBER 2014

LAST DIVIDEND PAID (FISCAL YEAR 2014) > € 0.25- 20 MAY 2015

TOTAL N. OF SHARES OF THE SHARE CAPITAL > 3,500,638,294

MKT CAP (BILLION EURO) > 15.37

2015 FINANCIAL CALENDAR: UPCOMING EVENTS

THIRD QUARTER 2015 REPORT

27 OCTOBER 2015 > BoD

28 OCTOBER 2015 > PRESS RELEASE AND CONFERENCE CALL

Press release will be issued in the morning (non-trading hours).
 Conference Calls take place in the afternoon.

News: Sustainability

Snam confirmed for the seventh year in the Dow Jones Sustainability World Index

The confirmation, also in 2015, of Snam as a component of the Dow Jones Sustainability World Index, in which it has been continuously listed since 2009, proves the Company's commitment to sustainable development and value creation. In the 2015 Review Snam has improved the overall score, moving from 82 to 85 points, especially thanks to the results achieved in the environmental section – which place Snam among the sector's best scores – and in the social dimension.



The DJSWI is the most important stock exchange index assessing performance in corporate social responsibility: it includes 317 companies at a global level, of which 10 are from Italy, from a universe of 2,500 assessed companies.

In-depth in Snam businesses – DISTRIBUTION

56,636 km network length as of 30 June 2015.

4,431 million m3 of gas distributed in the first half of 2015.

1,472 distribution concessions as of 30 June 2015.

6.5 million meters in use as of 30 June 2015.

INVESTMENT OBJECTIVES

- **Optimise asset portfolio**, also through a proactive approach to the coming concession tenders, with the outcome of benefitting from **operating and financial efficiencies**, through the achievement of economies of scale.
- Develop **new sections and connections of the network** for approximately 1,000 km, and replace around 800 km of existing pipelines.
- Improve the level of **reliability** and **quality** of the distribution service, lifting the technological level of **metering** through the introduction of digital meters.

Snam has planned to invest a total amount of 5.1 billion euro in Italy in the 2015-2018 four-year period, of which around **30.4%**, that is **1.55 billion euro, in the distribution business**.

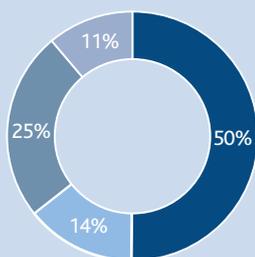
Projects included in the Plan and the optimisation of the business portfolio in the 2015-2018 are expected to lead to an increase in the number of meters up to **6.6 million units in 2018**, with a **growth of approximately 3.1%** over the 6.4 million units as at 2014 year-end.

2015-2018
INVESTMENTS
IN DISTRIBUTION

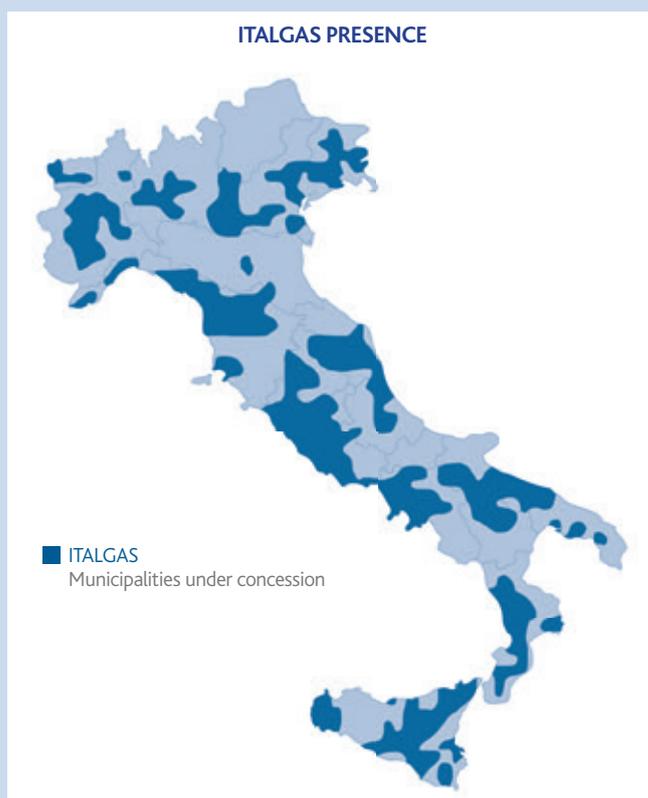
1.55 € bn
(of which 0.4 billion in 2015)

2014 INVESTMENTS IN DISTRIBUTION

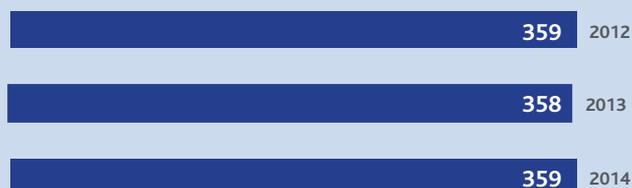
- Other
- Metering
- Network development and maintenance
- Substitution of cast iron pipes (2% premium for 8 years)



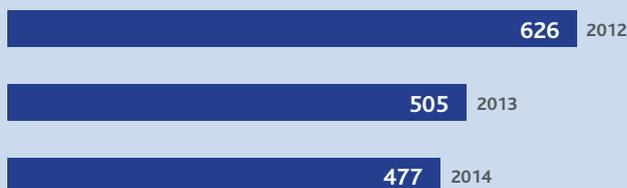
ITALGAS PRESENCE



DISTRIBUTION OPERATING INVESTMENTS (€ mn)



DISTRIBUTION EBIT (€ mn)



Focus: Gas Tenders

Through its subsidiary, Italgas, today Snam is already the leading group in gas distribution in Italy, with around 33% market share.

The consolidation process, which will take shape in the next four years via tenders for the concessions' assignment, will offer Italgas the opportunity of further strengthening its market share and extracting new synergies.

Thanks to an already efficient structure of operating costs and to a solid capital structure, Italgas is well-positioned to create further value through the participation to tenders.

With the optimisation of the present concession portfolio, which has a widespread presence, but fragmented in certain areas, Italgas might achieve a more focused positioning compared to the present one, expressing new synergies.

Even though the numbers in Snam's 2015-2018 plan do not provide for a financial commitment as part of the process of the consolidation of the distribution sector, Italgas will nonetheless be attentive to monitoring the best opportunities that may emerge considering the above-mentioned objectives.