



## 2015 Interim Review

Milan, July 29<sup>th</sup>, 2015

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# Outline



Highlights and operational performance

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1H 2015 Consolidated Results

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# Highlights and operational performance

Carlo Malacarne

Chief Executive Officer



# 1H 2015 Highlights

[ €mn ]

## Solid Results

• Revenues	1,837	↑	Up 3.1%
• Ebitda	1,434	↑	Up 0.4%
• Net profit	612	↑	Up 9.1%

[ €mn ]

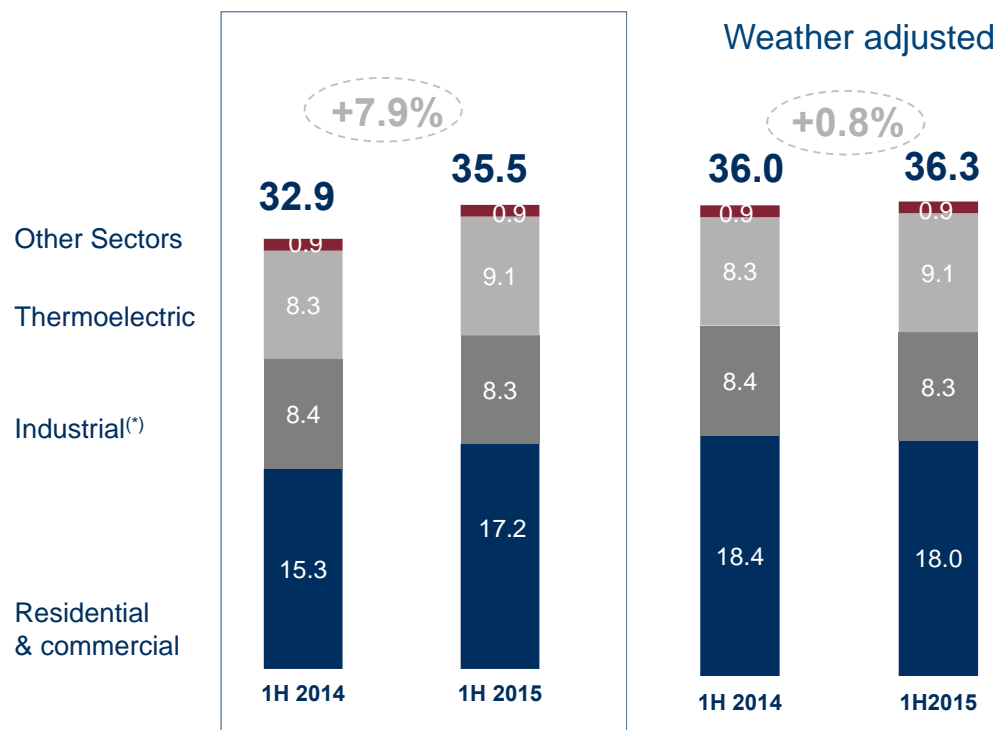
## Sound Growth & Cash Flow generation

• Capex	487
• Free Cash Flow	587
• Net debt	13,936

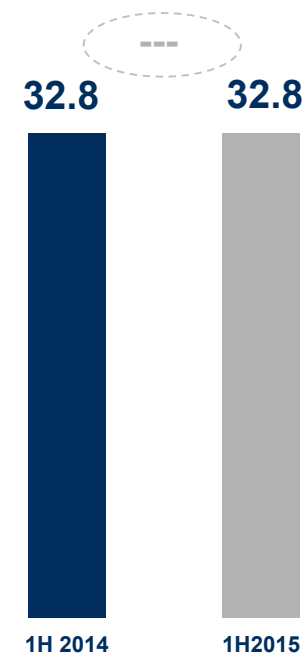


# Italian Gas Market in 1H 2015

## Gas consumption



## Gas injected into the network



(\*) Includes: NGV, Agriculture and Non-Energy Use

Source: National Transport Network Balance



# 1H 2015 Consolidated Results

Antonio Paccioretti

Chief Financial Officer



# Income Statement

[€mn]	1H 2014	1H 2015	Change
Revenues	1,782	1,837	+55
Operating expenses	- 354	- 403	- 49
<b>EBITDA</b>	<b>1,428</b>	<b>1,434</b>	<b>+6</b>
Depreciation & amortisation	- 384	- 422	- 38
<b>EBIT</b>	<b>1,044</b>	<b>1,012</b>	<b>- 32</b>
Net interest income (expenses)	- 204	- 186	+18
Net income from associates	49	69	+20
<b>EBT</b>	<b>889</b>	<b>895</b>	<b>+6</b>
Income taxes	- 328	- 283	+45
<b>NET PROFIT</b>	<b>561</b>	<b>612</b>	<b>+51</b>



# Revenues

[ €mn ]	1H 2014	1H 2015	Change
<b>Regulated revenues</b>	<b>1,748</b>	<b>1,796</b>	<b>+48</b>
Transport	939	947	+8
Distribution	489	528	+39
Storage	243	236	-7
LNG	10	11	+1
Pass-through revenues	67	74	+7
<b>Other revenues</b>	<b>34</b>	<b>41</b>	<b>+7</b>
<b>TOTAL REVENUES</b>	<b>1,782</b>	<b>1,837</b>	<b>+55</b>

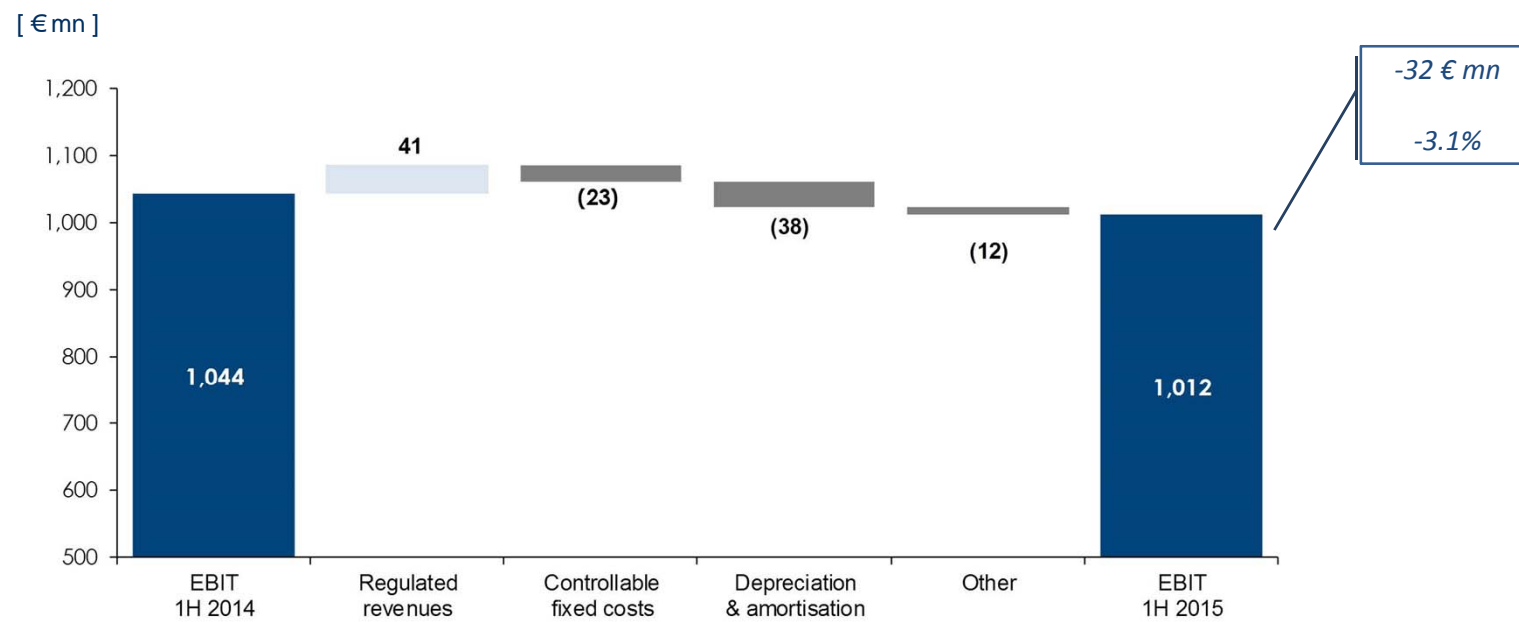




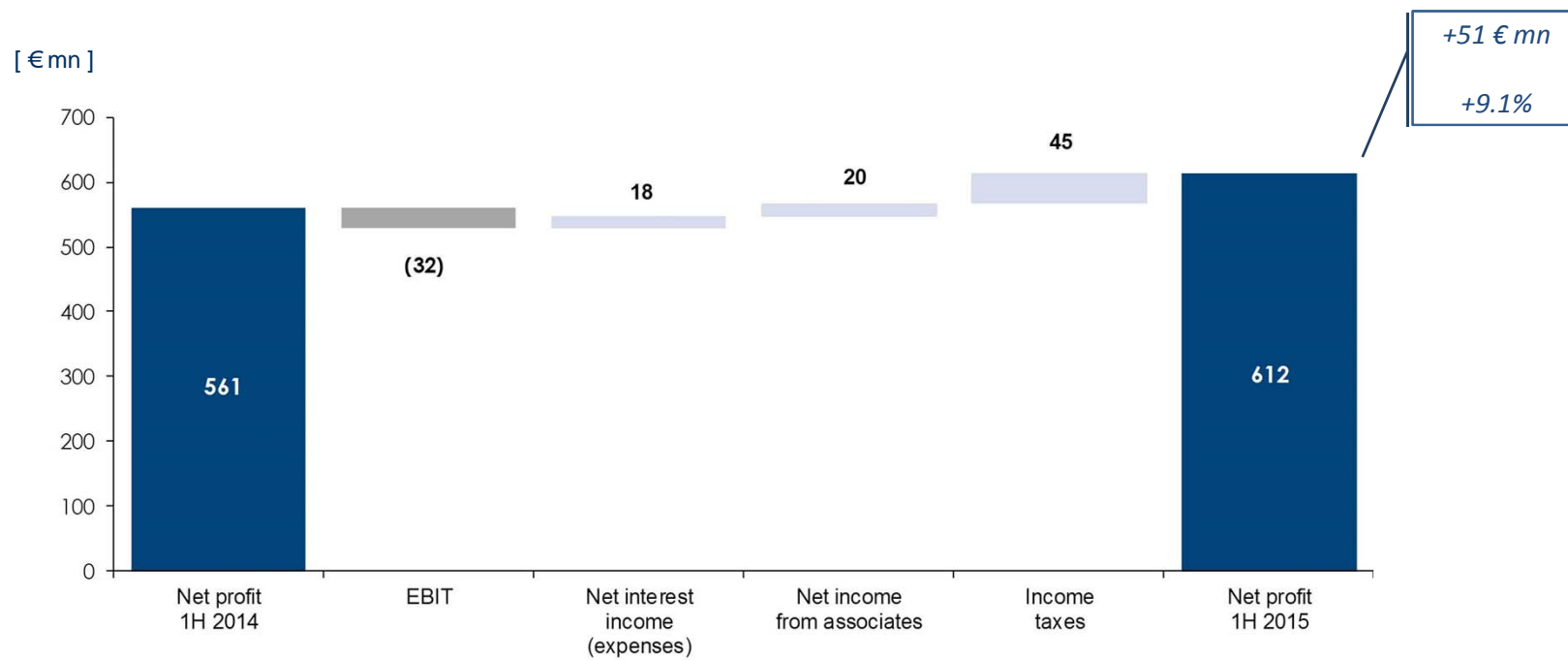
# Operating Expenses

[ € mn ]	1H 2014	1H 2015	Change
<b>Regulated activities</b>	<b>341</b>	<b>367</b>	<b>+26</b>
Controllable fixed costs	225	248	+23
Variable costs	7	11	+4
Other costs	42	34	-8
Pass-through costs	67	74	+7
<b>Non regulated activities</b>	<b>13</b>	<b>36</b>	<b>+23</b>
<b>TOTAL COSTS</b>	<b>354</b>	<b>403</b>	<b>+49</b>

# EBIT Analysis



# Net Profit Analysis



# Main Financial Actions and Results

## Main actions

### ✓ Bond issuances

- 8.2y fixed rate bond: 250 €mn

### ✓ Institutional lenders financing:

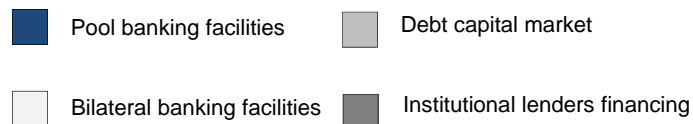
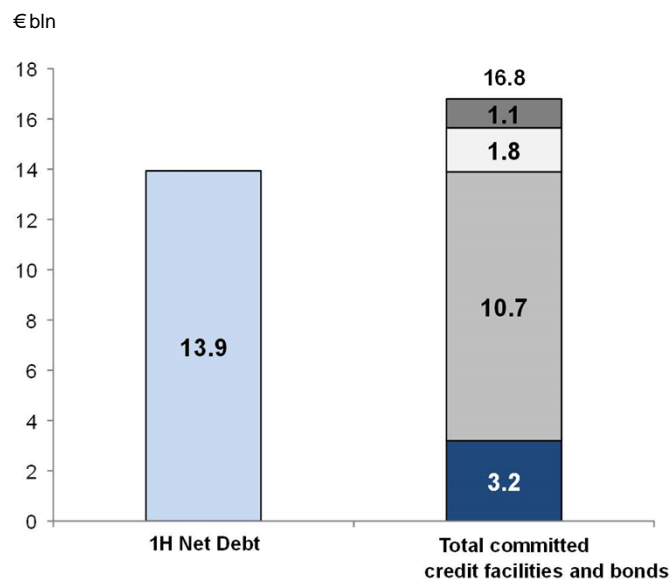
- New EIB financing for 200 €mn
- Cancellation of relatively expensive EIB financing for 300 €mn

### ✓ Repricing and renegotiation of 3.2 €bn M/L Term committed credit lines (3y and 5y)

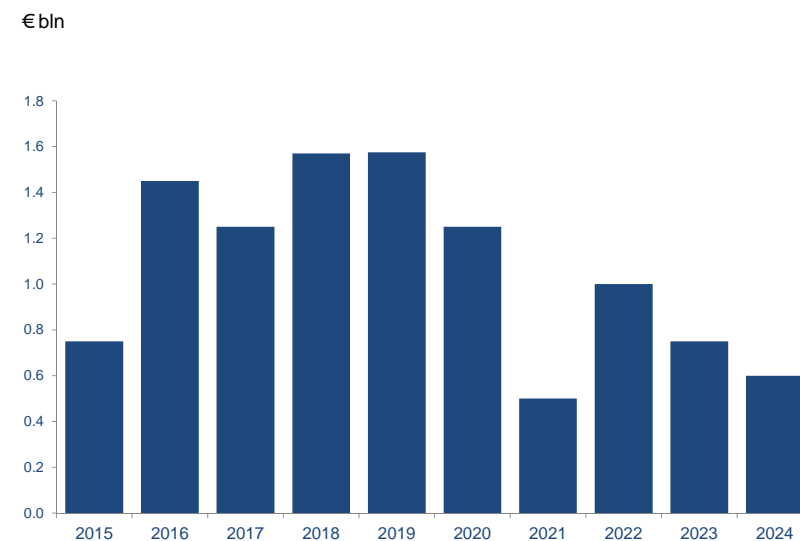
### ✓ Treasury management optimization

### ✓ Fitch rating assignment (BBB+)

## Existing debt as at 30 June 2015 (€ bln)



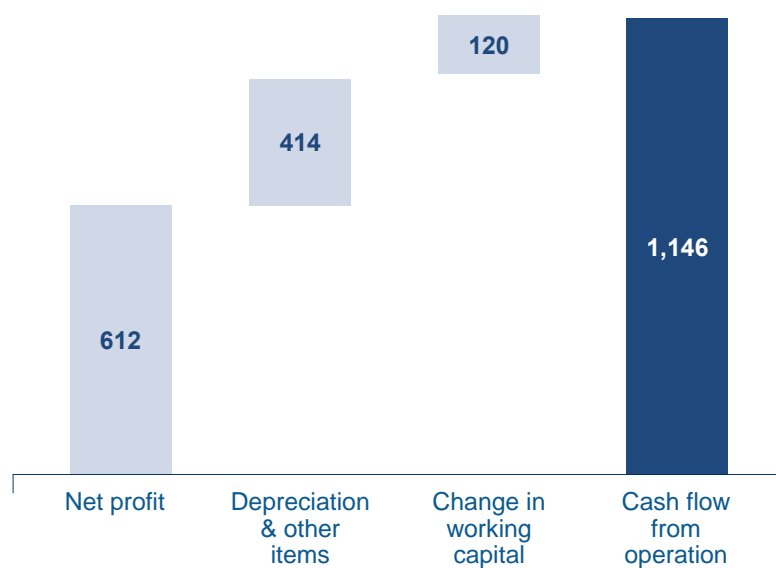
## Bond Maturity Profile (€ bln) as at 30 June 2015



# Cash Flow from Operation and Net Investments

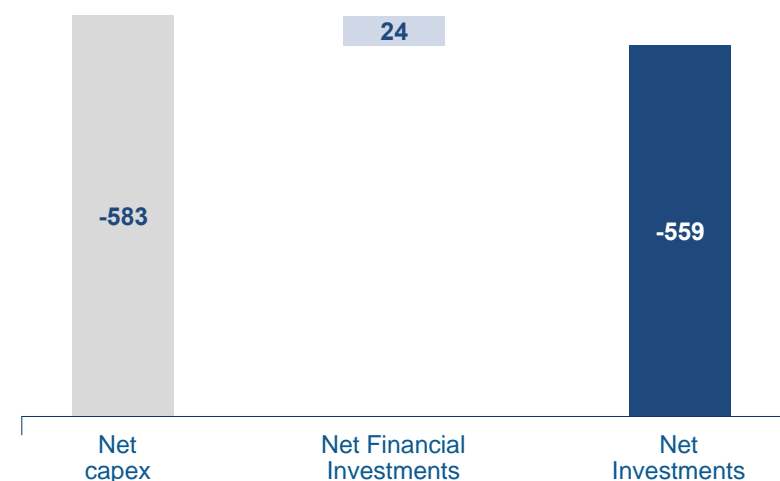
## Cash flow from operation

[ € mn ]



## Net investments

[ € mn ]



**FREE CASH FLOW 1H 2015**  
**+ 587 € mn**



# Balance Sheet

[ €mn ]	Dec, 31 2014	Jun, 30 2015	Change
<b>Net invested capital</b>	<b>20,824</b>	<b>20,889</b>	<b>+65</b>
<b>Fixed capital</b>	21,813	21,970	+157
Tangible fixed assets	15,335	15,520	+185
Intangible fixed assets	5,076	5,180	+104
Equity-accounted and other investments	1,402	1,270	-132
<b>Net working capital</b>	<b>-864</b>	<b>-958</b>	<b>-94</b>
Receivables	2,190	1,900	-290
Liabilities	-3,054	-2,858	+196
<b>Provisions for employee benefits</b>	<b>-141</b>	<b>-139</b>	<b>+2</b>
<b>Assets held for sale and directly related liabilities</b>	<b>16</b>	<b>16</b>	<b>-</b>
<b>Net financial debt</b>	<b>13,652</b>	<b>13,936</b>	<b>+284</b>
<b>Shareholders' equity</b>	<b>7,172</b>	<b>6,953</b>	<b>-219</b>



## Q & A Session

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## Annexes

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## Operational Data

		1H 2014	1H 2015	Δ %
<b>Transport</b>	Gas injected into the network (bcm)	32.8	32.8	--
	Gas pipeline network (km in operation)	32,303	32,354	+0.2
<b>Storage</b>	Storage capacity (bcm)	15.9	15.9	--
	•Modulation (*)	11.4	11.4	--
	•Strategic	4.5	4.5	--
	Gas moved through storage system (bcm)	9.51	11.96	+25.8
	•Injection	4.75	4.76	+0.2
	•Withdrawal	4.76	7.20	+51.3
<b>Distribution</b>	Gas distributed (bcm)	3.52	4.43	+25.8
	Active Gas Metering at redelivery points (# million)	5.91	6.52	+10.3



(\*) Available capacity.

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