



# 2016 1Q Consolidated Results

Milan, May 12<sup>th</sup>, 2016

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**Antonio Paccioretti**  
Chief Financial Officer



# 1Q 2016 Highlights

[ bcm ]

## Italian gas market


- Gas consumption weather adj. 24.8  **Up 1.2%**
- Gas injected into the network 16.5  **Up 3.2%**

[ €mn ]

## Financial Results

- Revenues 852  **Down 8.3%**
- Ebit 429  **Down 15.9%**
- Net profit 266  **Down 18.2%**

## Sound Growth & Cash Flow generation

- Capex 231  **Up 2.7%**
- Operating Cash Flow 572
- Net debt 13,543



# Income Statement

[ € mn ]	2015 1Q	2016 1Q	Change
Revenues	929	852	- 77
Operating expenses	- 212	- 209	+3
<b>EBITDA</b>	<b>717</b>	<b>643</b>	<b>- 74</b>
Depreciation & amortisation	- 207	- 214	- 7
<b>EBIT</b>	<b>510</b>	<b>429</b>	<b>- 81</b>
Net interest income (expenses)	- 95	- 91	+4
Net income from associates	41	31	- 10
<b>EBT</b>	<b>456</b>	<b>369</b>	<b>- 87</b>
Income taxes	- 131	- 103	+28
<b>NET PROFIT</b>	<b>325</b>	<b>266</b>	<b>- 59</b>



# Revenues

[ € mn ]	2015 1Q	2016 1Q	Change
<b>Regulated revenues</b>	<b>898</b>	<b>838</b>	<b>- 60</b>
Transport	470	438	-32
Distribution	260	247	-13
Storage	123	116	-7
LNG	5	5	
Pass-through revenues	40	32	-8
<b>Other revenues</b>	<b>31</b>	<b>14</b>	<b>- 17</b>
<b>TOTAL REVENUES</b>	<b>929</b>	<b>852</b>	<b>- 77</b>



# Operating Expenses

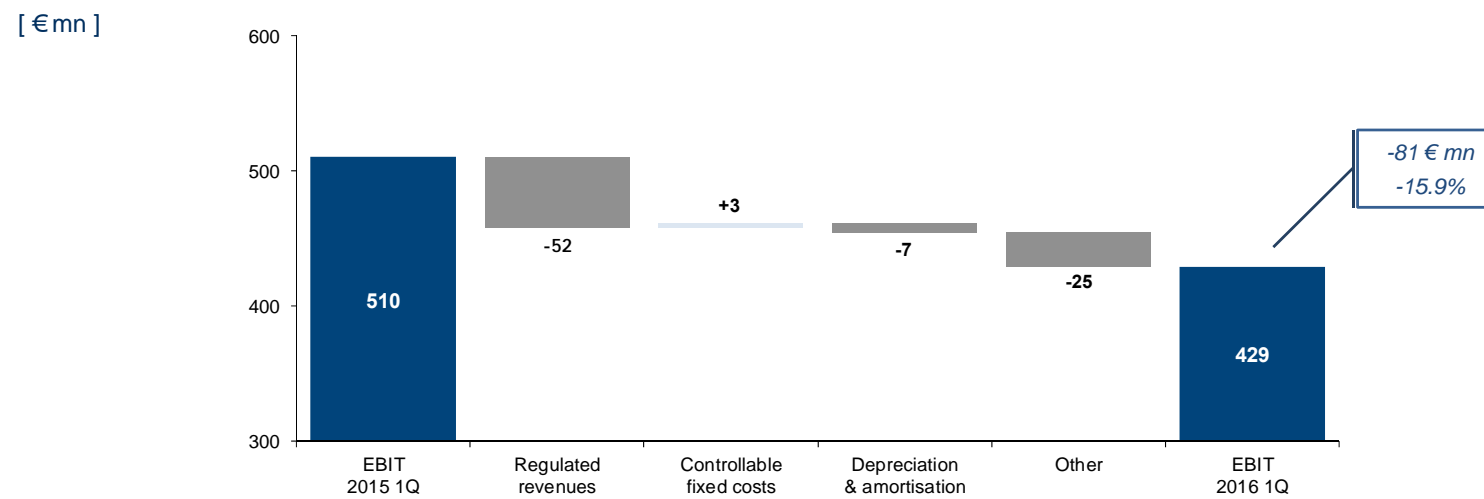
[ € mn ]	2015 1Q	2016 1Q	Change
<b>Regulated activities</b>	<b>189</b>	<b>205</b>	<b>+16</b>
Controllable fixed costs	131	128	-3
Variable costs	4	10	+6
Other costs	14	35	+21
Pass-through costs	40	32	-8
<b>Non regulated activities</b>	<b>23</b>	<b>4</b>	<b>- 19</b>
<b>TOTAL COSTS</b>	<b>212</b>	<b>209</b>	<b>- 3</b>

[ € mn ]	2015 1Q	2016 1Q	Change
<b>Cost breakdown by business<sup>(1)</sup>:</b>			
<i>Transport</i>	78	67	-11
<i>LNG</i>	3	3	
<i>Storage</i>	15	17	+2
<i>Distribution</i>	76	91	+15

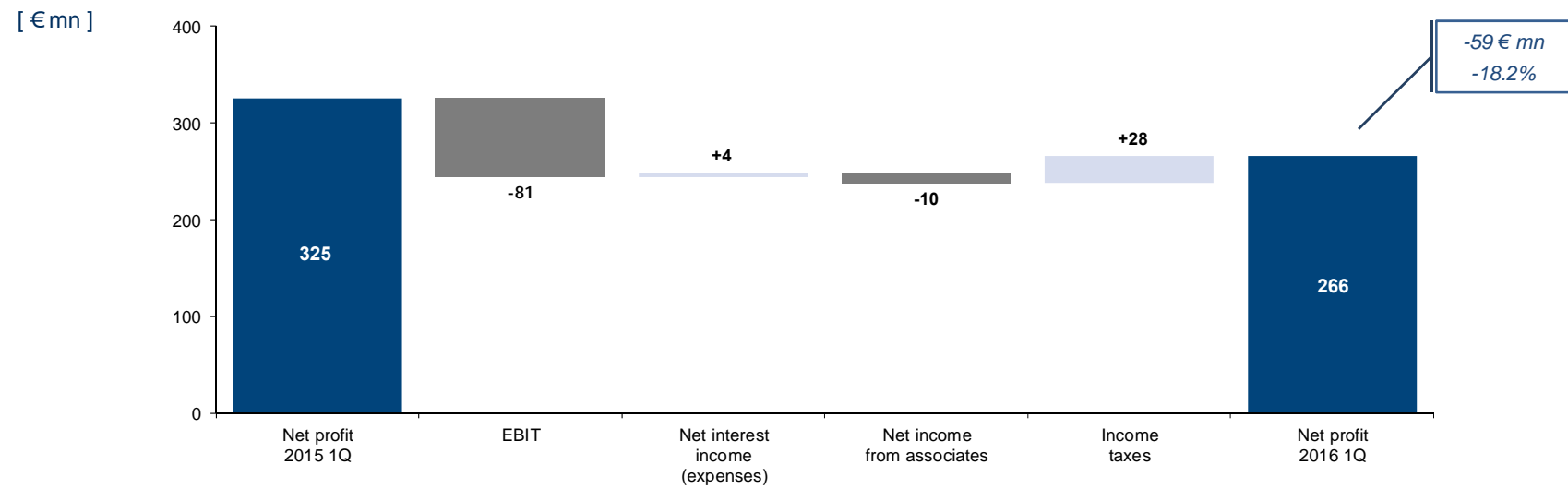


<sup>(1)</sup> Net of pass-through costs.

# EBIT Analysis



# Net Profit Analysis



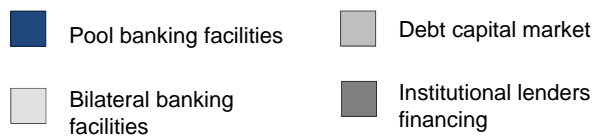
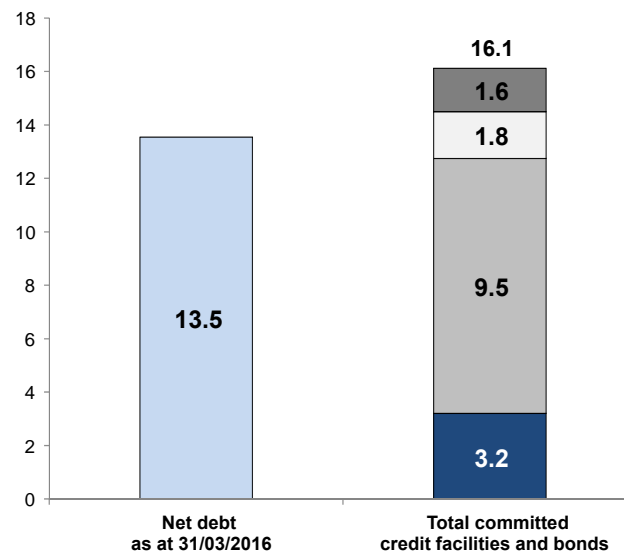


# Snam debt structure

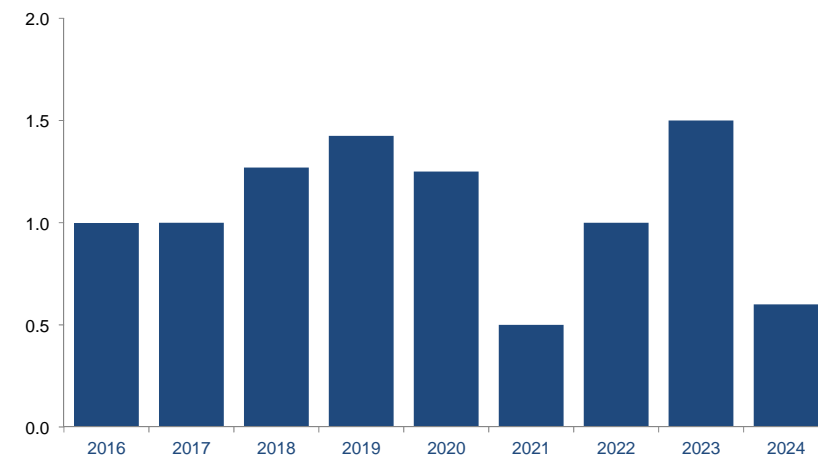
## Key figures

- ✓ Fixed/variable rate debt: 65% / 35%;
- ✓ M/L Term debt maturity: ca. 5 years;
- ✓ Bond expired:
  - 2Y Bond FRN € 150 million - Jan 16.

## Existing debt as of 31 March 2016 (€ bn)



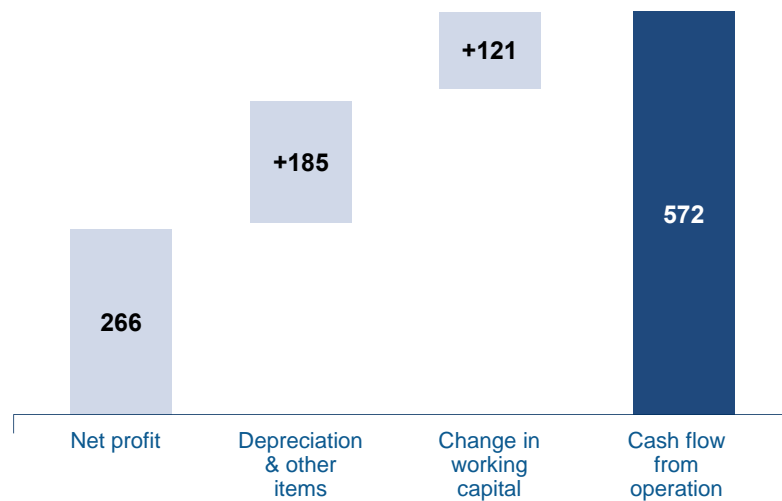
## Bond Maturity Profile (€ bn) as of 31 March 2016



# Free Cash Flow

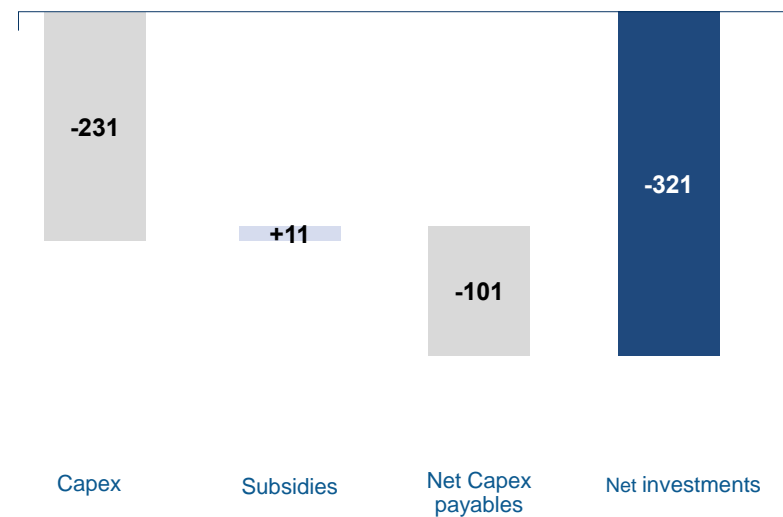
## Cash flow from operation

[ €mn ]



## Net investments

[ €mn ]



**FREE CASH FLOW 1Q 2016**  
**+ €251 mn**



# Balance Sheet

[ € mn ]	Dec, 31 2015	Mar, 31 2016	Change
<b>Net invested capital</b>	<b>21,365</b>	<b>21,409</b>	<b>+44</b>
<b>Fixed capital</b>	22,121	22,386	+265
Tangible fixed assets	15,396	15,643	+247
Intangible fixed assets	5,275	5,272	-3
Financial receivables held for operating activities	78	79	+1
Equity-accounted and other investments	1,372	1,392	+20
<b>Net working capital</b>	-607	-828	-221
Receivables	2,092	2,075	-17
Liabilities	-2,699	-2,903	-204
<b>Provisions for employee benefits</b>	-166	-166	-
<b>Assets held for sale and directly related liabilities</b>	17	17	-
<b>Net financial debt</b>	<b>13,779</b>	<b>13,543</b>	<b>-236</b>
<b>Shareholders' equity</b>	<b>7,586</b>	<b>7,866</b>	<b>+280</b>



## Q & A Session

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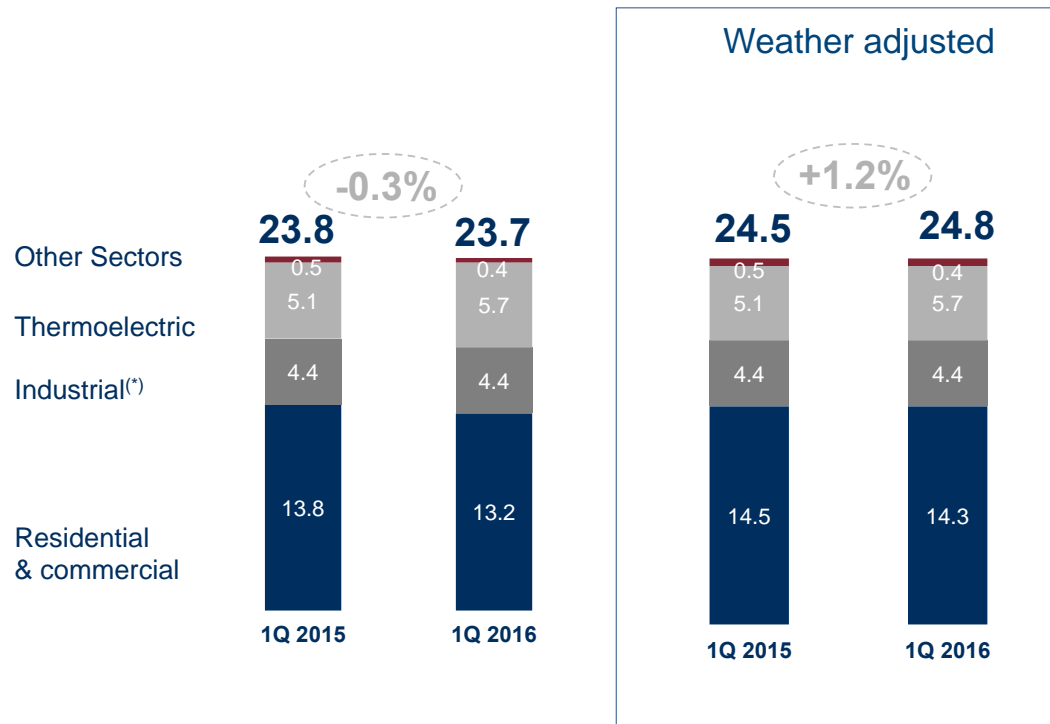
## Annexes

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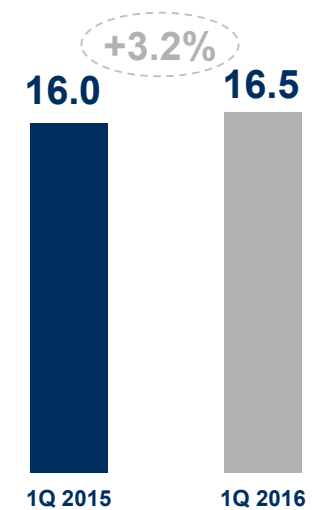


# Italian Gas Market in 1Q 2016

## Gas consumption



## Gas injected into the network



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

Source: National Transport Network Balance



## Operational Data

		1Q 2015	1Q 2016	Δ %
<b>Transport</b>	Gas injected into the network (bcm)	16.0	16.5	+3.2
	Gas pipeline network (km in operation)	32,338	32,515	+0.5
<b>Storage</b>	Storage capacity (bcm)	15.9	16.0	+0.6
	•Modulation (*)	11.4	11.5	+0.9
	•Strategic	4.5	4.5	-
	Gas moved through storage system (bcm)	7.16	6.53	-8.8
	•Injection	0.01	-	n.m.
	•Withdrawal	7.15	6.53	-8.7
<b>Distribution</b>	Gas distributed (bcm)	3.48	3.46	-0.6
	Active Gas Metering at redelivery points (# mln)	6.41	6.53	+1.8



(\*) Available capacity

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