

Balance Sheet

(€ millions)	Note	31.12.2008		31.12.2009	
		Total	including with related parties	Total	including with related parties
ASSETS					
Current assets					
Cash and cash equivalents	(1)			36	
Trade and other receivables	(2)	452	289	916	496
Inventories	(3)	128		411	
Current tax assets	(4)	1		2	
Other current tax assets	(4)	2		5	
Other current assets	(5)	52	6	67	1
		635		1,437	
Non-current assets					
Property, plant and equipment	(6)	10,549		16,025	
Inventories - Compulsory stock	(7)			405	
Intangible assets	(8)	39		741	
Equity-accounted investments	(9)			301	
Other investments	(9)				
Other financial assets		1		1	
Other non-current assets	(10)	3	1	34	3
		10,592		17,507	
Non-current assets held for sale	(11)			25	
TOTAL ASSETS		11,227		18,969	
LIABILITIES AND EQUITY					
Current liabilities					
Short-term financial liabilities	(12)	1,023	1,023	1,585	1,585
Short-term portion of long-term financial liabilities	(16)	14	14	915	914
Trade and other payables	(13)	536	129	1,106	308
Current tax liabilities	(14)	1		5	
Other current tax liabilities	(14)	4		18	
Other current liabilities	(15)	52	25	187	66
		1,630		3,816	
Non-current liabilities					
Long-term financial liabilities	(16)	5,200	5,200	7,486	7,485
Provisions for risks and charges	(17)	52		669	
Provisions for employee benefits	(18)	29		107	
Deferred tax liabilities	(19)	487		934	
Other non-current liabilities	(20)	256	19	243	16
		6,024		9,439	
Liabilities directly associated with assets held for sale	(11)			11	
TOTAL LIABILITIES		7,654		13,266	
EQUITY	(21)				
Equity attributable to Snam Rete Gas					
Share capital		1,956		3,570	
Reserves		2,039		2,395	
Profit for the year		530		732	
Treasury shares		(794)		(792)	
Interim dividend		(158)		(203)	
Total equity attributable to Snam Rete Gas		3,573		5,702	
Minority interests				1	
TOTAL EQUITY		3,573		5,703	
TOTAL LIABILITIES AND EQUITY		11,227		18,969	

Income statement

(€ millions)	31.12.2008		31.12.2009		
	Note	Total	including with related parties	Total	including with related parties
REVENUE	(24)				
Core business revenue		1,902	1,355	2,438	1,595
Other revenue and income		8	4	30	6
Total revenue		1,910		2,468	
OPERATING COSTS	(25)				
Purchases, services and other costs		(294)	(203)	(403)	(164)
Personnel expense		(105)		(178)	
Amortisation, depreciation and impairment losses		(489)		(613)	
OPERATING PROFIT		1,022		1,274	
FINANCIAL INCOME (EXPENSE)	(26)				
Financial income		2		7	
Financial expense		(255)	(250)	(158)	(142)
Derivatives		27	27	(66)	(66)
		(226)		(217)	
INCOME (EXPENSE) ON INVESTMENTS	(27)			22	
Effect of equity method of accounting				21	
Other income (expense) on investments				1	
PROFIT BEFORE TAX		796		1,079	
Income taxes	(28)	(266)		(347)	
Profit for the year		530		732	
Attributable to:					
- Snam Rete Gas		530		732	
- Minority interest					
Earnings per share					
- basic (€ per share)	(29)	0.30		0.28	
- diluted (€ per share)	(29)	0.30		0.28	

Statement of comprehensive income

(€ millions)	Note	2008	2009
Net profit		530	732
Other items of comprehensive income			
Change in the fair value gains of cash flows hedging derivatives		(108)	(29)
Tax effect of other items of comprehensive income		30	8
Total other items of comprehensive income net of tax effect	(21)	(78)	(21)
Total comprehensive income		452	711
Attributable to:			
- Snam Rete Gas		452	711
- Minority interest			
		452	711

Statement of changes in consolidated equity

	Equity attributable to Snam Rete Gas											Minority interest	Total equity
	Share capital	Consolidation reserve	Share premium reserve	Legal reserve	Cash flow hedge reserve ^(*)	Other reserves	Retained earnings	Profit for the year	Treasury shares	Interim dividend	Total		
(€ millions)													
Equity at 31 December 2007	1,956		115	391	47	795	544	594	(794)	(141)	3,507		3,507
Transactions with shareholders:													
- Dividend distribution (€0.13 per share to complete the 2007 interim dividend of €0.08 per share)								(370)		141	(229)		(229)
- Allocation of 2007 residual net profit								224	(224)				
- 2008 interim dividend (€0.09 per share)										(158)	(158)		(158)
- Issue of shares for stock option and stock grant plans	...		1								1		1
			1				224	(594)		(17)	(386)		(386)
Profit for financial year 2008					(78)			530			452		452
Equity at 31 December 2008	1,956		116	391	(31)	795	768	530	(794)	(158)	3,573		3,573
Transactions with shareholders:													
- Increase in share capital	1,614		1,860					(23)			3,451		3,451
- Dividend distribution (€0.14 per share to complete the 2008 interim dividend of €0.09 per share)								(405)		158	(247)		(247)
- Allocation of 2008 residual net profit								125	(125)				
- 2009 interim dividend (€0.06 per share)										(203)	(203)		(203)
- Disposal of treasury shares for stock option plans			2			(2)			2		2		2
	1,614		1,862			(2)	102	(530)	2	(45)	3,003		3,003
Profit for financial year 2009					(21)			732			711		711
Other changes in equity:													
- Impact of Italgas and Stogit acquisition		(1,586)									(1,586)	1	(1,585)
- Stock option costs						1					1		1
		(1,586)				1					(1,585)	1	(1,584)
Equity at 31 December 2009 (Note 21)	3,570	(1,586)	1,978	391	(52)	794	870	732	(792)	(203)	5,702	1	5,703

(*) The statement of changes in consolidated equity, following changes to financial statements required by IAS 1, "Presentation of Financial Statements", shows the amount of comprehensive income with an indication of reserves containing "Other items of comprehensive income". The fair value reserve of cash flow hedge derivatives has been reported separately; the amounts corresponding to the periods in question have been reclassified from "Other reserves" and "Retained earnings" to "Cash flow hedge reserve".

Cash flow statement

(€ millions)	Note	2008	2009
Profit for the year		530	732
Amortisation and depreciation	(25)	489	613
Net impairment losses		1	(22)
Change in provisions for risks and charges		(8)	26
Change in provision for employee benefits			(1)
Losses (gains) on disinvestments, eliminations and derecognitions		6	6
Interest income		(32)	(9)
Interest expense		255	212
Income taxes	(28)	266	347
Other adjustments		1	2
<i>Cash flows from operating activities before changes in working capital</i>		1,508	1,906
Changes:			
- Inventories		(33)	54
- Trade and other receivables		61	(202)
- Other assets		(43)	(35)
- Trade and other payables		31	(10)
- Other liabilities		74	53
<i>Cash flows from operating activities</i>		1,598	1,766
Interest collected		43	10
Interest paid		(252)	(204)
Income taxes paid		(336)	(408)
Net cash flows from operating activities		1,053	1,164
- including with related parties	(31)	889	1,134
Investments:			
- Property, plant and equipment	(6)	(1,071)	(1,189)
- Intangible assets	(8)	(26)	(36)
- Consolidated companies			(4,474)
- Change in receivables and payables for investments		74	16
<i>Cash flows used for investments</i>		<i>(1,023)</i>	<i>(5,683)</i>
Disinvestments			
- Property, plant and equipment		2	18
- Equity investments			12
<i>Cash flows from disinvestments</i>		<i>2</i>	<i>30</i>
Net cash flows used in investing activities		(1,021)	(5,653)
- including with related parties	(31)	(61)	(4,596)
Taking on of long-term financial liabilities		3,564	12,407
Repayments of long-term financial liabilities		(2,865)	(10,564)
Increase (decrease) in short-term financial liabilities		(345)	(313)
Capital injections		1	3,445
Dividends paid		(387)	(450)
Net cash flows used in financing activities		(32)	4,525
- including with related parties	(31)	139	3,209
Net cash flows for the year		0	36
Cash and cash equivalents at start of year	(1)	0	0
Cash and cash equivalents at end of year	(1)	0	36

Additional information

(€ millions)	2009	
	Partial values	Total values
Analysis of investments in consolidated companies		
Current assets		658
Cash and cash equivalents	38	
Trade and other receivables	245	
Inventories	367	
Current tax assets	1	
Other current tax assets	2	
Other current assets	5	
Non-current assets		6,209
Property, plant and equipment	4,811	
Inventories - Compulsory stock	411	
Intangible assets	700	
Equity-accounted investments	280	
Other investments	2	
Other non-current assets	5	
Assets held for sale		37
Current liabilities		(1,489)
Short-term financial liabilities	(875)	
Short-term portion of long-term financial liabilities	(8)	
Trade and other payables	(561)	
Current tax liabilities	(8)	
Other current tax liabilities	(9)	
Other current liabilities	(28)	
Non-current liabilities		(2,475)
Long-term financial liabilities	(1,336)	
Provisions for risks and charges	(543)	
Provisions for employee benefits	(78)	
Deferred tax liabilities	(518)	
Liabilities directly associated with assets held for sale		(12)
Difference between acquisition price and Group equity (*)		1,585
Net effect of investments		4,513
Minority interest		(1)
Acquisition price		4,512
<i>less:</i>		
<i>Cash and cash equivalents</i>		(38)
Cash flows from investing activities		4,474

(*) Equivalent to €4,512 million (including ancillary expenses of €3 million) and €2,927 million respectively.

Investments in consolidated companies consist of the acquisition, by the parent Eni S.p.A., of 100% of Italgas and Stogit. The acquisition is treated as a related party transaction. For further information about the transaction, see Note 22, "Other information – Business combinations".