



# **Distrigas Transaction**

Brussels - May 29th, 2008

# Transaction Highlights

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- Eni buys from Suez its 57.24% holding in Distrigas for a consideration of 2,739 million euro, equal to 6,809.64 euro per share, with a 8.3% premium on last trading price
- Following the acquisition of the majority stake in Distrigas, Eni will launch a mandatory tender offer on the remaining Distrigas shares
- On the basis of the effective value at which Distrigas will sell Distrigas & Co and should Distrigas after the transfer receive a price adjustment due to an increase in transit tariffs, Eni will recognize such additional value to Suez and to shareholders who will tender their shares into the mandatory tender offer
- Conditions precedent for closing:
  - EU Antitrust approval
  - Merger of Suez and Gaz de France
  - Finalization of agreement on shareholder pre-emption rights
- Eni and Suez have entered into a framework agreement aiming at the transfers from Eni to Suez certain assets and business activities (the “Consideration Assets”). The total amount is approximately equal to the valuation of the stake of Distrigas - subject to due diligence

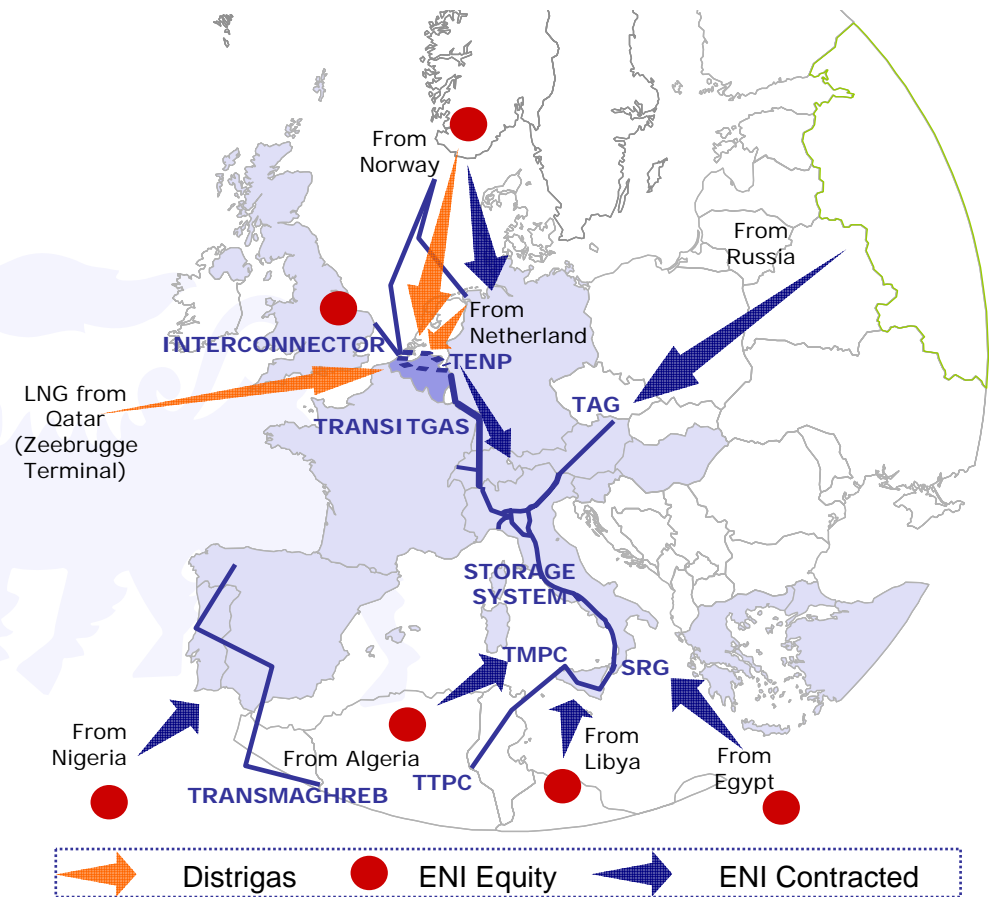
# Benefits for Consumers in Belgium

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- Increased security of supplies through access to:
  - largest gas portfolio in Europe (>100 Bcm)
  - longest portfolio life (>23 years)
  - most diversified gas sources (Russia, Algeria, Libya, Netherlands, Norway, UK, Italy, Egypt, Oman, Nigeria)
- Access to strategic gas storage projects in Europe
- Eni's commitment to continue to develop Zeebrugge as a major European gas trading hub
- Increased competition in the Belgian energy market

# Distrigas' Fit within Eni's G&P activities

- 17 entry/exit points
- Fully liberalized since January 2007
- Fragmented market
  - Belgian/Dutch speaking end customers
  - 4 regulatory bodies (1 federal, 3 regional)
- Limited availability of long term gas supply
- 47.8 Bcm transited in 2006, 2.3x internal consumption



**A 'must-have' strategic asset for Eni**



# Transaction Rationale

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- Significant reinforcement of Eni's leadership in the European gas market
- Strong acceleration in Eni's strategy to grow outside of Italy
- Increase in Eni's and Distrigas' operational flexibility
- Access to the highly interconnected Belgian market, complementary to Eni's upstream/midstream and downstream presence
- Access to best in class gas trading team and platform

**Significant strategic flexibility through unique platform**

# The Consideration Assets

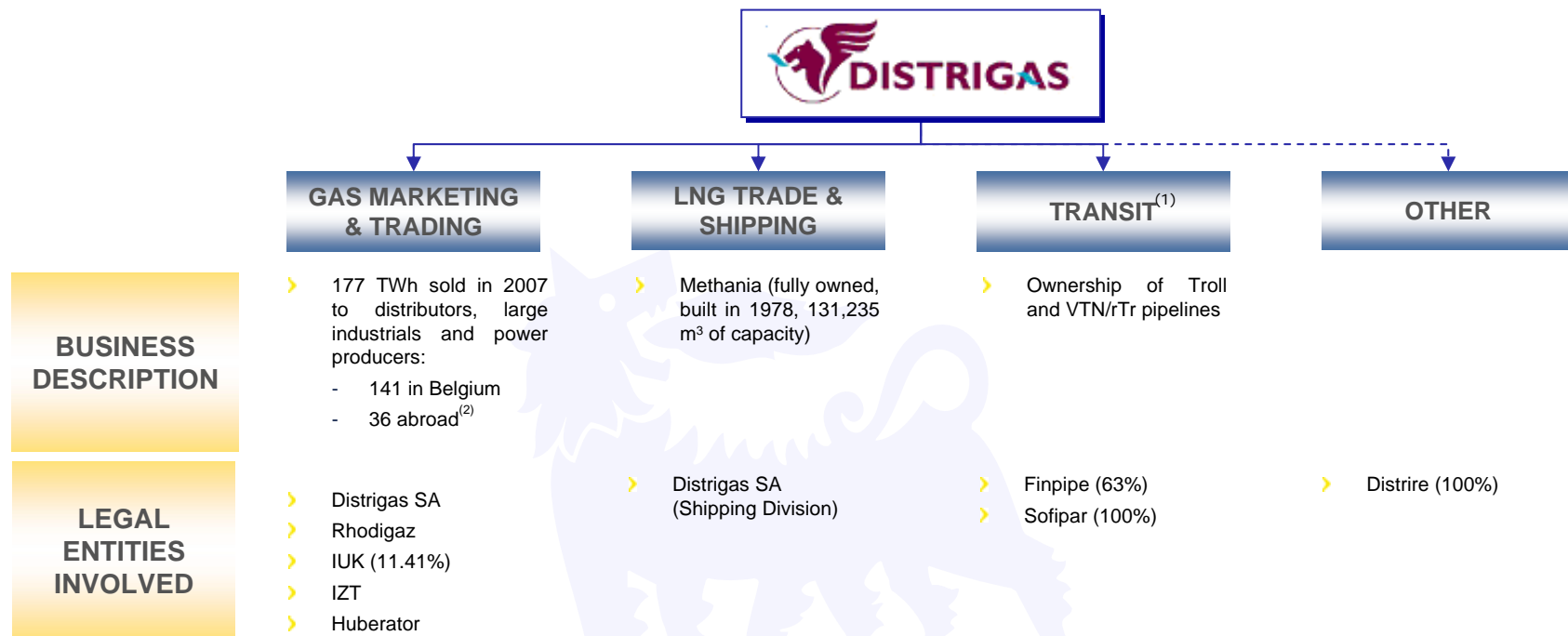
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- Long term gas contracts  
long-term contracts for gas supply to be delivered in Italy and abroad for a period of up to 20 years  
0.9 bcm/yr LNG for a period of 20 years
- Virtual Power Capacity  
1,100 MW in Italy for a 20 year period starting from Jan. 2009 at a price of 1.2 billion euro
- Gas Distribution network  
5,300 km pipeline network in the metropolitan area of Rome (Rome city and six smaller municipalities connected to Rome's distribution grid) at a price of 1.1 billion euro
- Upstream assets  
exploration and production assets located in UK, Gulf of Mexico, Egypt and Indonesia at a price of 273 million euro



Appendix

# Distrigas - Overview of Activities



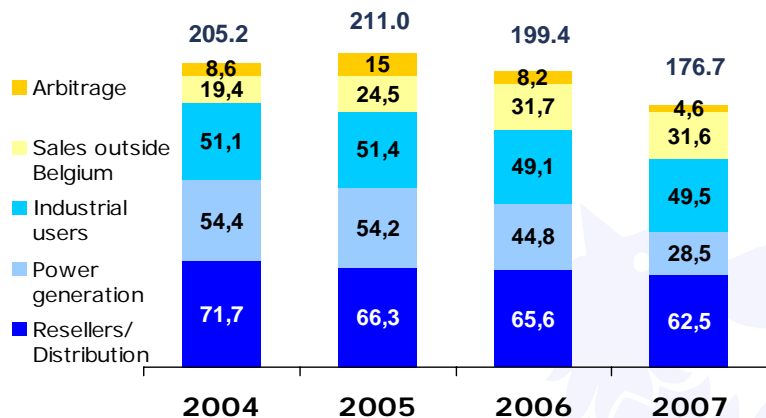
- > The leading Belgian gas merchant supplying industries, power generators and resellers for more than 75 years
- > An active player on the short term markets in Belgium, UK and Netherlands, with significant LNG arbitrage activity
- > Owns two pipelines (Troll - transit pipeline of H gas – and VTN/rTr - mixed transmission/transit pipeline of H gas)
- > Owns 11.4% of Interconnector UK (operates the UK – Belgian pipeline)

(1) The perimeter does not include Distrigas & Co. and its subsidiaries, expected to be sold to Fluxys before the transaction closing

(2) Including arbitrage

# Distrigas - Key Operating Highlights

## GAS SALES (TWh)



## KEY FINANCIAL DATA (Mln €)

	2004	2005	2006	2007
<b>Revenues</b>	<b>2,944</b>	<b>3,803</b>	<b>4,626</b>	<b>4,285</b>
<i>Growth%</i>		29%	22%	-7%
<b>EBITDA</b>	<b>329</b>	<b>388</b>	<b>426</b>	<b>456</b>
<i>Margin%</i>	11%	10%	9%	10%
<b>EBIT</b>	<b>306</b>	<b>366</b>	<b>404</b>	<b>439</b>
<i>Margin%</i>	10%	10%	9%	10%
<b>Net Income</b>	<b>211</b>	<b>208</b>	<b>264</b>	<b>297</b>
<i>Margin%</i>	7%	5%	6%	7%
<b>Dividend Distributed</b>	<b>101</b>	<b>107</b>	<b>125</b>	<b>132</b>
<b>Capex</b>	<b>-20</b>	<b>-38</b>	<b>-5</b>	<b>-7</b>
<b>Equity</b>	<b>843</b>	<b>991</b>	<b>1,100</b>	<b>1,343</b>
<b>Net Cash</b>	<b>678</b>	<b>796</b>	<b>836</b>	<b>827</b>

**2007 market share in Belgium: 78.2%**

## CURRENT SUPPLY PORTFOLIO

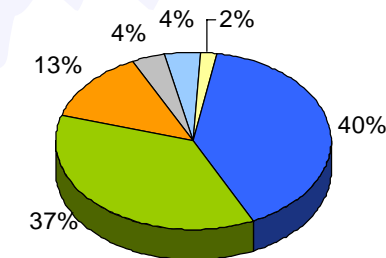
### DISTRIGAS SUPPLY CONTRACTS

Country	Remaining term from now
Qatar (LNG)	up to 20 years
Norway (Pipeline)	up to 15 years
Netherlands (Pipeline)	up to 20 years <sup>(1)</sup>

(1) Distrigas is negotiating a 10-year extension

(2) (1 m<sup>3</sup> (n) = 0.01163 MWh)

2007 Gas Supply:  
15.2 bcm<sup>(2)</sup>

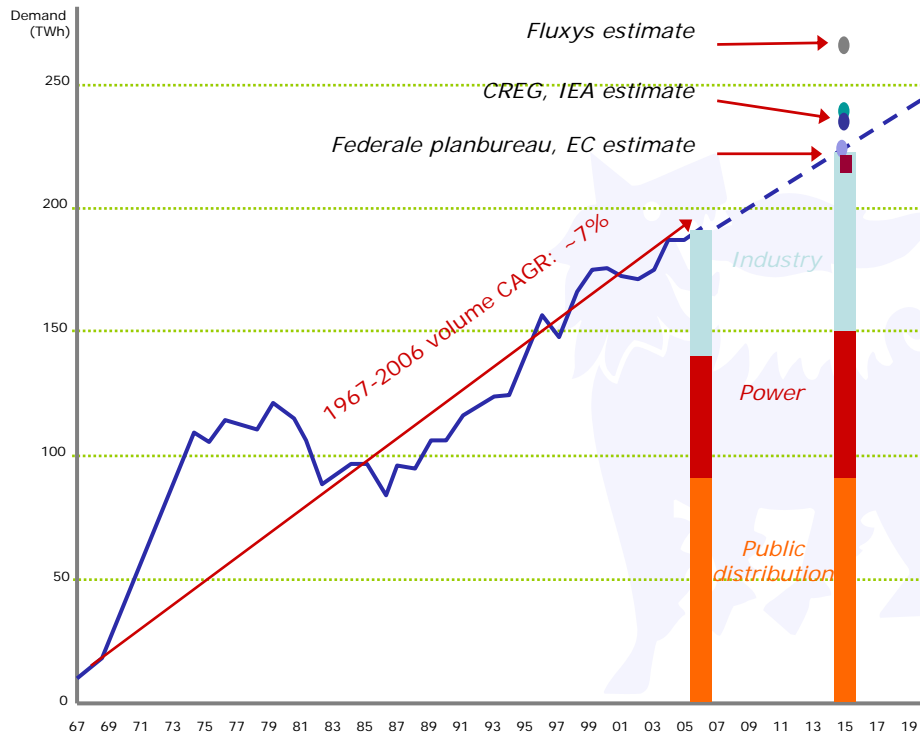


■ Netherlands ■ Norway  
■ Qatar ■ Algeria  
■ France ■ Short Term

- Guaranteed long-term supply of 2,400 TWh (13.6x 2007 total sales)
- 81% of total gas supply from European "safe" countries
- Firm delivery commitments and high degree of off-take flexibility
- Periodic price renegotiation to ensure competitiveness



# The Belgian Gas Market: Strong Growth Expectations



- Steady long-term growth path, expected to continue
- Future growth driven by the large industrial sector and the power sector
- Further upside potential driven by possible shut-down of nuclear power plants starting in 2014
  - By law no nuclear plant should be running after 2025, unless required to ensure security of power supply
  - 6 GW of installed capacity produced approximately 45 TWh of power in 2006, which could hypothetically translate into 90 TWh of additional gas demand/year