

“energie”: the integration program

Welcome, include, work together, and pursue shared objectives. This is what we have done to create a cohesive Group after the acquisition of Italgas and Stogit. To develop this integration, we have put in place the “energie” program, a project whereby Snam Rete Gas, Italgas, Stogit and GNL Italia have combined forces, histories and different professional cultures to reach a common goal. Our principal objective has been to appreciate human capital and corporate know-how.

It is on the people, their know-how, their experience and their aspirations that the project has been based. The integration has not been a straightforward merger of four companies, but rather a formidable opportunity for growth that bases its foundations on the capacities of everyone and on the values that bind us together.

The work of the people involved in the project is inspired by words like synergy, coordination and convergence, while at the same time it is guided by a clear vision and a specific mission. We have examined all of our experience, in order to promote the excellence and strengths of the originating companies, and we have turned to look ahead, to the future, to express the knowledge and capacities that the people display.

A unified vision of the regulated gas business, maintenance of the decision-making independence of the operating companies, increasing our credibility and authority to stakeholders, and developing economies of scope and scale to the utmost: these are just some

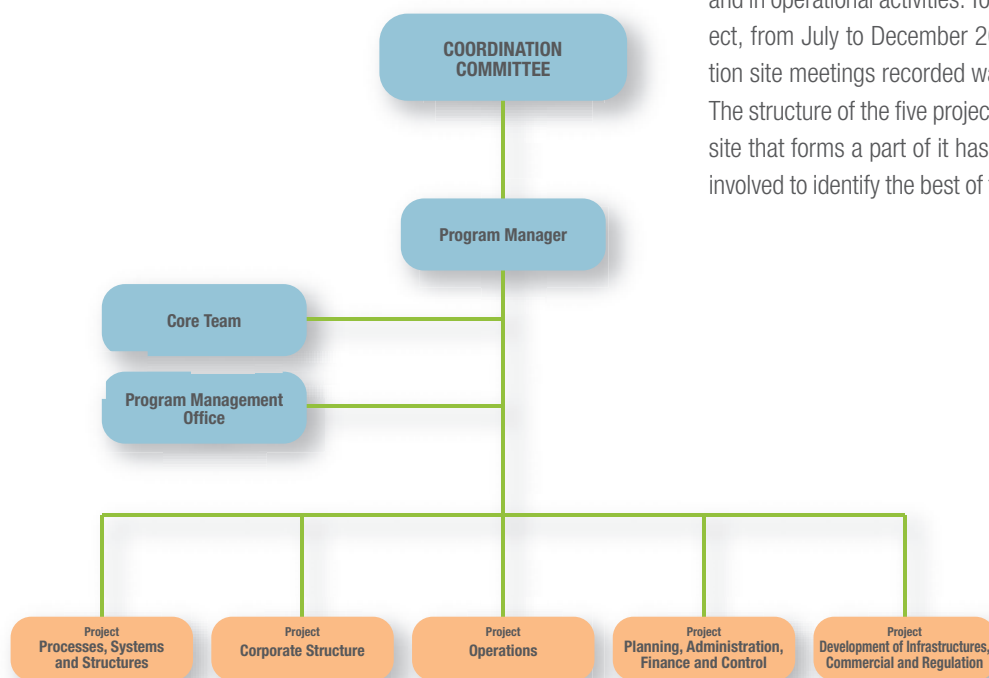


of the principles that we have assumed as the manifest foundation of our programme, and based on which the “construction sites” have operated.

To sketch out the future of our Group, 300 people including executives, expert middle managers and young people have worked in 26 construction work sites, coordinated in 5 projects that hinge on the key themes of the integration process. Their objective was to focus on the best practices of the four companies and identify possible economies of scale and scope, both between staff functions and in operational activities. To give an idea of the extent of the project, from July to December 2009 the number of official construction site meetings recorded was 388.

The structure of the five projects and of each individual construction site that forms a part of it has been designed to enable the people involved to identify the best of the specific capabilities of each com-

THE ORGANISATIONAL STRUCTURE OF THE PROGRAM



pany individually, so placing it at the service of the new Group. The work on the construction sites enabled the Group to already sketch out the organisational structure early in 2010, three months ahead of the deadline specified at the start of the project.

Organisational departments, processes and procedures are the tangible results of this comprehensive program, which has been deeply integrated within the Group. Also important are the intangible results, processes that are equally vital in the life of the corporate organism. The interdepartmental and intercompany teams have developed a solid process of reciprocal knowledge, identified as individual, business and functional-area knowledge. But also deriving from this is a process of sharing, which means developing a common vision and organisational design, shared objectives, and a culture, as fertile ground for an integration that is not only formal but substantial.

This important occasion of change has been managed by seeking the involvement of people and, at the same time, putting in place communication that is open, transparent and addressed to everyone. For those who were not directly involved in the project, a variety of innovative internal communication tools has been set up to disseminate information clearly and promptly. Videonews, printed newsletters and common intranet platforms have enabled the entire corporate population to be informed of the process under way. In the "energie" logo, people can clearly identify a message of aggregation, the first step in the construction of a shared culture. The integration is obviously an ongoing process which will be consolidated through cooperation and reciprocal learning in carrying out day-to-day activities. And this in the full awareness that diversity is a factor for enrichment, when it is geared towards a single, shared objective.

principles of the process of integration

- United vision of the regulated gas business
- Single and cohesive definition of the strategic direction of the business
- Maintenance of decisional and management independence of the operative companies
- Greater strength and credibility on the market
- Greater authority in relations with the Italian Electricity and Gas Authority
- Consolidation of the technical know-how of the operative companies
- Implementation of the best organisational economies of scope and scale



THE INTANGIBLE RESULTS

