



HIGHLIGHTS

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- ✓ Results for the first quarter of 2012 reflect the impact of the inclusion of the Gaviota underground storage facility but do not include the 40% stake in the Altamira regasification plant (added after the quarter was closed).
- ✓ **Net profit rose 0.8%** in 1Q12 to **€86.7Mn, in line with the 2012 target.**
- ✓ **Operating expenses rose by 2.3% like-for-like** in the quarter, while **total revenue was up by 8%.**
- ✓ **EBITDA climbed 4%** year-on-year to **€214.2Mn**, and **EBIT advanced to €139.6Mn** at 31 March 2012, a **0.7%** increase.
- ✓ **Investment** amounted to **€163Mn**, while **€26.7Mn of assets were put into operation.**
- ✓ **Net financial debt** at 31 March stood at **€3.414Bn**, implying a gearing ratio of 63.6%.
- ✓ **Total transported gas demand** in the first quarter of 2012 increased by **1.4%** compared to 1Q11.
- ✓ All the items included on the agenda for the **General Shareholders' Meeting** held on 30 March 2012 were duly adopted. These included **payment on 5 July of a final gross dividend of €0.612 per share**, as a supplement to the dividend paid in December 2011. Accordingly, the total gross dividend charged to 2011 earnings was €0.99 per share (65% payout), 18.5% higher than in the previous year.

Conference-call/Webcast:

24 April 2012. 10:00 CET
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KEY INDICATORS

Key indicators: January - March (unaudited)

Income statement

(€ Mn)	January-March		
	2012	2011	% Chg
Regulated revenue	270.7	242.1	11.8%
EBITDA	214.2	205.9	4.0%
EBIT	139.6	138.7	0.7%
Net profit	86.7	86.0	0.8%

Balance sheet and financial ratios

	January-March	
	2012	2011
Total assets (€ Mn)	7,923	6,824
Net debt (€ Mn)	3,414	3,179
Equity (€ Mn)	1,954	1,695
Net debt/total assets (%)	43.1%	46.6%
Net debt/(net debt + equity) (%)	63.6%	65.2%

Investments

(€ Mn)	January-March		
	2012	2011	% Chg
Investment	163.3	130.0	25.6%
Assets put into operation	26.7	165.0	-83.8%

EARNINGS PERFORMANCE

1Q12

Net profit totalled **€86.7Mn** in the first quarter of 2012, **0.8% higher** than the €86Mn recorded at 31 March 2011 and in line with the 2012 growth target.

Net finance expense (-€15.4Mn) **declined slightly** year-on-year.

The depreciation and amortisation charge for the quarter amounted to €74.6Mn, up 11% on 2011 and in line with the greater asset volume following the put into operation of new assets in the year and the integration of assets at the Gaviota underground storage facility. **EBIT** totalled **€139.6Mn**, **0.7%** higher than at 31 March 2011.

EBITDA increased from €205.9Mn to **€214.2Mn** at the end of the first quarter of 2012, **up 4%**.

Like-for-like and excluding the impact of the Gaviota storage facility and other non-recurring expenses included in the first quarter of 2012, **operating costs grew 2.3%** year-on-year.

Total revenues grew by 8.0%.

EPS in the period was €0.36 and EBITDA per share stood at €0.90.

INVESTMENT

Assets put into operation

Projects worth **26.7Mn** came on stream in the first quarter of 2012.

Investments

Enagás invested a total of **€163.3Mn** in the first quarter of 2012, including a €78.8Mn provision for the dismantling of

regasification plants. With this investment, the Company is firmly on track towards its total-year investment goal of €550Mn.

FINANCIAL STRUCTURE

The Company's **net financial debt** at 31 March 2011 totalled **€3.414Bn**, in line with the €3.443Bn recorded at the 2011 year end and slightly higher than the 31 March 2011 figure of €3.179Bn.

The **gearing ratio** (net debt/net debt + equity) was **63.6%** at 31 March 2012, compared to 65.2% at 31 March 2011.

The percentage of **fixed-rate net debt** at 31 March stood at **79%**, in line with the optimum debt structure strategic target set by the Company. In the first quarter of 2012, the Company arranged new hedges on a total of €200Mn.

Furthermore, **82%** of debt at 31 March was **long-term**, with an **average maturity period of 6 years**.

Net cash flow over the first quarter, totalling **€117.1Mn**, was primarily used to finance investments.

Net finance expense, including capitalised borrowing costs (€5Mn), amounted to **€15.4Mn**, compared to €15.9Mn for the first quarter of 2011, (including €6.4Mn in capitalised borrowing costs).

In terms of untapped available financing, the Company had **liquidity** of **€2.459Bn** at the end of the first quarter of 2012, giving it sufficient funds to cover planned investments through 2014 under excellent payment and cost conditions.

On **2 March**, Enagás and the **European Investment Bank (EIB)** signed the final **€175Mn tranche** of the €1Bn loan granted to the Company in 2008.

OPERATING HIGHLIGHTS

Demand

Demand for gas transported through 31 March 2012 totalled 124,688 GWh, 1.4% higher than in the first quarter in 2011.

This figure includes 9,312 GWh of exports and 4,307 GWh in ship loading operations.

Conventional demand in the first quarter of 2012 was 6.5% higher than in 1Q11, while gas deliveries for electricity generation at conventional and combined-cycle thermal plants fell 16.9% year-on-year.

Demand peaks

Conventional demand for natural gas (household/commercial, industrial and co-generation) hit a new record of 1,249 GWh on 3 February, mainly in response to the extremely low temperatures at that time. This was 5.9% higher than the maximum demand set the previous winter, of 1,179 GWh.

(GWh)	1Q 2012	1Q 2011	% Chg
Conventional demand	85,940	80,717	6.5%
Electricity generation	24,804	29,864	-16.9%
Exports and others	9,312	11,084	-16.0%
Ship loading	4,307	956	350.5%
Gas for operation and heels	325	374	-13.1%
Total gas demand transported	124,688	122,995	1.4%

SUMMARY OF SIGNIFICANT EVENTS IN 1Q12

2012 General Shareholders' Meeting

Enagás S.A. held its Ordinary General Shareholders' Meeting on 30 March 2012, at second call. The meeting was validly called to order with a quorum of 55.7%.

All the agenda items the Board of Directors proposed to the Company's shareholders were approved at the meeting.

These proposals included payment on 5 July of a final gross dividend of €0.61180956 per share as a supplement to the dividend paid in December 2011, also charged to 2011 earnings. Accordingly, the total gross dividend against 2011 profit was €0.99 per share, implying a 65% payout and a 18.5% increase on the previous year.

CONSOLIDATED INCOME STATEMENT

Accumulated

€ Mn (unaudited)	1Q 2012	1Q 2011	% Chg
Revenue from regulated activities	270.7	242.1	11.8%
Other operating revenue	6.6	14.5	-54.6%
Total revenue	277.3	256.6	8.0%
Personnel expenses	-18.9	-16.4	15.4%
Other operating expenses	-44.2	-34.4	28.5%
EBITDA	214.2	205.9	4.0%
Depreciation/amortisation charge	-74.6	-67.2	11.0%
Operating profit (EBIT)	139.6	138.7	0.7%
Net finance expense	-15.4	-15.9	-3.3%
Profit before tax	124.2	122.7	1.2%
Income tax	-37.5	-36.8	2.0%
Net profit for the period	86.7	86.0	0.8%

CONSOLIDATED BALANCE SHEET

€ Mn (unaudited)	31 March 2012	31 Dec 2011
Intangible assets	52.9	54.8
Property, plant and equipment	5,670.5	5,580.1
Non-current investments in group companies and associates	8.3	4.7
Other non-current financial investments	28.4	53.6
Deferred tax assets	31.6	29.4
Non-current assets	5,791.6	5,722.6
Inventories	14.0	13.8
Receivables	571.3	545.0
Other current financial assets	3.0	6.6
Other current assets	1.2	2.1
Cash and cash equivalents	1,542.2	1,427.3
Current assets	2,131.7	1,994.8
TOTAL ASSETS	7,923.3	7,717.4
<i>Capital</i>	358.1	358.1
Legal reserve	71.6	71.6
Other reserves	1,168.4	1,168.4
Reserves at consolidated companies	-4.2	-4.4
<i>Reserves</i>	1,235.8	1,235.6
Retained earnings	364.6	0.0
Profit for the period attributable to equity holders of the parent	86.7	364.6
Interim dividend capitalised	-91.0	-91.0
Capital and reserves	1,954.3	1,867.4
Hedges	-9.9	-5.8
Changes in fair value recognised in equity	-9.9	-5.8
Equity	1,944.4	1,861.6
Provisions	171.1	91.6
Non-current financial liabilities	3,503.1	3,323.1
Non-current liabilities payable to group companies and associates	0.7	0.7
Deferred tax liabilities	388.2	386.8
Other non-current liabilities	74.6	76.0
Non-current liabilities	4,137.7	3,878.1
Current financial liabilities	1,493.7	1,606.5
Current liabilities payable to group companies and associates	4.8	4.7
Trade and other payables	342.8	366.5
Current liabilities	1,841.2	1,977.7
EQUITY AND LIABILITIES	7,923.3	7,717.4

CONSOLIDATED CASH FLOW STATEMENT

€ Mn (unaudited)	Jan-March 2012	Jan-March 2011
CONSOLIDATED PROFIT BEFORE TAX	124.2	122.7
Adjustments to profit	90.1	74.7
Depreciation of PP&E	74.6	67.2
Other adjustments to profit	15.5	7.5
Changes in working capital	-125.8	-81.1
Inventories	-9.0	0.3
Trade and other receivables	-59.8	-32.9
Other current assets	-0.1	-0.1
Trade and other payables	-57.0	-48.4
Other cash flows from operating activities	28.6	-15.6
Interest paid	-21.7	-18.5
Interest collected	5.3	10.1
Income tax received /(paid)	45.0	-7.2
NET CASH FLOWS FROM OPERATING ACTIVITIES	117.1	100.7
Capital expenditure	-83.1	-123.7
Group companies and associates	-3.5	0.0
Intangible assets, PP&E and investment property	-79.5	-123.6
Other financial assets	0.0	-0.1
Proceeds from disposals	3.8	32.1
Group companies and associates	0.0	22.0
Intangible assets, PP&E and investment property	0.3	10.1
Other financial assets	3.5	0.0
NET CASH FLOWS USED IN INVESTING ACTIVITIES	-79.3	-91.7
Proceeds from/(payments on) financial liabilities	77.1	-73.8
Issuance	879.2	71.0
Repayment	-802.1	-144.8
Dividends paid	0.0	0.0
NET CASH FLOWS FROM FINANCING ACTIVITIES	77.1	-73.8
TOTAL NET CASH FLOWS	114.9	-64.7
Cash and cash equivalents - opening balance	1,427.3	1,087.1
CASH AND CASH EQUIVALENTS - CLOSING BALANCE	1,542.2	1,022.3
Cash and bank deposits	23.6	28.5
Other financial assets	1,518.6	993.8

APPENDIX I: COMPANY ASSETS

Enagás' Gas System Assets 31/03/2012		
REGASIFICATION ASSETS	Units	m³ or m³/h
LNG tankers (number and capacity)	18	2,037,000
Nominal regasification capacity		4,650,000
Tank loaders	9	
TRANSPORT ASSETS	Units	Km
Km. of operational gas pipeline		9,280
Compressor stations	18	
Gas regulation and metering stations	436	
UNDERGROUND STORAGE ASSETS	Units	Mm³/day
No. of storage facilities	2	
Max. injection		8.9
Max. output		12.4

Note: Enagás holds a 40% stake in the BBG regasification plant, which currently has two 150,000 m³ LNG storage tanks and a nominal regasification capacity of 800,000 m³(n)/h.

The Spanish Gas System infrastructures map



APPENDIX II: RELATED-PARTY TRANSACTIONS

Introduction

Every quarter since 2003, Enagás, S.A. has disclosed information on its dealings with related parties. Since Spanish Ministerial Order EHA/2050/2004 of 15 September came into effect, the format for these disclosures has changed to accommodate the new rules.

Key points to note regarding related party disclosures:

- a) Any related party transactions of material size and which exceed volumes handled in the normal business of Enagás, S.A. are approved by the Company's Board of Directors, following a report by the Appointments, Remuneration and Corporate Responsibility Committee.
- b) Under Ministerial Order EHA/3050/2004, there is no need to disclose transactions that form part of the Company's ordinary course of business, are carried out on an arm's length basis or are immaterial in size. Therefore, given the scale of Enagás, S.A.'s financial statements, any transactions whose cumulative volume is less than €3Mn are not disclosed, although the Company may still on occasion decide to disclose transactions that fall below this threshold.
- c) Unless otherwise stated, transactions refer to contracts signed before the period of reference. Where figures refer to new relationships deriving from contracts agreed or commitments undertaken during the year, this is explicitly stated.

Enagás S.A. transactions with group companies

Transactions with Gasoducto Al Andalus S.A.

Enagás, S.A. has granted this company a loan amounting to €9Mn.

Enagás S.A. also incurred costs of €4.4Mn for transmission rights deriving from long-term contracts arranged between the two companies, and received revenues of €1.3Mn from franchise royalties and pipeline maintenance services.

Transactions with Gasoducto Extremadura S.A.

Enagás S.A. incurred costs of €2.2Mn for transmission rights deriving from long-term contracts arranged between the two companies, and received revenues of €1.3Mn from franchise royalties and pipeline maintenance services.

Transactions with Gasoducto Escombreras, S.L.

In October 2011 Gasoducto Escombreras, S.L. granted Enagás, S.A. a €5Mn credit line maturing in 2012 (renewable annually). At 31 March 2012, the undrawn balance was €4.7Mn.

Transactions with Enagás Altamira, S.L. Sociedad Unipersonal

1) Enagás, S.A. has granted Enagás-Altamira, S.L. a €2.1Mn loan. This short-term loan was extended in the third quarter of 2011 and matures on 5 September 2012. The terms governing interest, fees, expenses and guarantees are all on an arm's length basis.

1Q12 Results

Specifically, Enagás, S.A. lent Enagás-Altamira S.L. the amount needed in respect of payments on account and fees for extending the specified compliance term for the sale and purchase of shares in Altamira LNG Investment I, BV, Altamira LNG Investment II, BV and Altamira LNG Investment III, BV.

In accordance with the contract, the purchaser (Altamira LNG CV) undertook to pay the vendors certain amounts, including payments on account of the purchase price and fees for extending the term in which the conditions precedent must be met. These amounts were subsequently deducted from the price.

In this regard, the following must be noted:

(i) As Altamira LNG CV did not have sufficient funds to honour these payments, the partners of Altamira LNG CV advanced the amounts stipulated in the sale and purchase agreement, thereby giving rise to a balance payable to the Altamira LNG CV partners for the amounts advanced.

(ii) As Enagás-Altamira, S.L. (as a partner of Altamira LNG CV) had not yet been incorporated and did not have sufficient funds to make the payments noted in point (i) above, Enagás, S.A. (as sole partner of Enagás-Altamira, S.L.) advanced these funds on behalf of Enagás-Altamira, S.L., thereby giving rise to the aforementioned loan between these parties.

Transactions between Enagás-Altamira, S.L. and Altamira LNG C.V.

On 6 September 2011 Vopak LNG Holding Mexico B.V. and Enagás-Altamira S.L. signed a shareholder loan in favour of Altamira LNG C.V. for \$17.5Mn (€11.9Mn). Enagás-Altamira S.L. contributed \$7Mn (€4.7Mn) to this loan. The initial maturity date is 5 September 2012. The terms governing interest, fees, expenses and guarantees are all on an arm's length basis.

Enagás-Altamira, S.L. and Altamira LNG C.V. have therefore signed a subordinated shareholder loan for \$7Mn (€4.7Mn) as per the terms and conditions of this shareholder loan.

Transactions between Enagás, S.A. and companies exercising significant influence over it:

Transactions with Bahía de Bizkaia Gas, S.L.

Enagás, S.A. received revenues of €149Mn from this company for engineering services.

Companies with significant influence over Enagás and companies over which Enagás has significant influence

Transactions with Kutxa Bank, S.A

1) Enagás, S.A. has a €25Mn credit line with Kutxa Bank and a bank guarantee facility of €6Mn.

2) Enagás, S.A. also received a €100Mn loan from Kutxa Bank.

The terms governing interest, fees and commissions, expenses and guarantees in all financial agreements with Kutxa Bank are on an arm's length basis.

1Q12 Results

Transactions with directors, managers and their immediate relatives (Article 4.1, paragraph b, of Ministerial Order EHA/3050/2004)

Attendance fees paid to the members of the Board of Directors through 31 March 2012 totalled €1.8Mn.

Other related-party transactions (Article 4.1, paragraph d, of Ministerial Order 3050/2004)

Transactions with Banco Mare Nostrum (and/or Caja Murcia)

Enagás, S.A. has a €35Mn credit line and a €6Mn bank guarantee facility with Banco Mare Nostrum (Caja Murcia).

The terms governing interest, commissions, expenses and guarantees in all financial agreements with Banco Mare Nostrum (Caja Murcia) are arranged on an arm's length basis.

Transactions with Banco Sabadell

Banco Sabadell and Enagás, S.A. signed an agreement whereby the bank brokers a loan for €100Mn corresponding to tranche C of the €1Bn loan granted by the EIB.

Enagás, S.A. also has a three-year €6Mn credit line and a €6Mn bank guarantee facility with Banco Sabadell.

Enagás has an additional three-year €150Mn loan with Banco Sabadell maturing in 2012.

In February 2012, Enagás arranged a three-year €150Mn loan with Banco Sabadell, maturing in 2015.

Lastly, Enagás, S.A. arranged an interest-rate swap (IRS) with Banco Sabadell for €50Mn for the period running from November 2009 to November 2012. In March 2012 Enagás arranged an interest-rate swap (IRS) for €50Mn, maturing in 2015.

The terms governing interest, fees and commissions, expenses and guarantees in all financial agreements with Banco Sabadell are on an arm's length basis.

Transactions with Grupo Eulen

Enagás, S.A. incurred €0.5Mn in expenses for building and facility maintenance services.

Transactions with Naturgás Energía Grupo, S.A

1) Enagás, S.A. incurred expenses of €5Mn, comprising €3.5Mn for gas purchases for own use and €1.5Mn for gas services.

2) Enagás, S.A. has a total of 16 third-party access (TPA) contracts in force with Naturgás Comercializadora, of which 15 are long-term and 1 is short-term.

Between 1 January and 31 March 2012 the following services were rendered: regasification of 1,377.6 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €2.2Mn); transmission of 813.4 GWh (billings for these services, including the transmission component of tolls, were €0.5Mn); and storage of 1,544.7 GWh (billings for these services were €2.7Mn). TPA contracts are standard forms approved by the Ministry for Industry, Energy and Tourism. The tolls billed by Enagás are also standardised by the Ministry.

Transactions with Iberdrola S.A.

1) Enagás, S.A. incurred expenses of €1.6Mn, comprising €1.3Mn for gas purchases for own use, €0.2Mn for electricity and €0.8Mn for office rental.

2) Enagás, S.A. has a total of 23 third-party access agreements in force with the Iberdrola S.A. Group, of which 1 is short-term and 22 are long-term. Two TPA contracts were arranged in 1Q12, which are no longer in force.

Between 1 January and 31 March 2012 the following services were rendered: regasification of 2,428.9 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €5.2Mn); transportation of 2,270.5 GWh (billings for these services, including the transportation component of tolls, were €5.3Mn); and storage of a daily average of 2,368.2 GWh (billings for these services were €6.4Mn). TPA contracts are standard forms approved by the Ministry for Industry, Energy and Tourism. The tolls billed by Enagás are also standardised by the Ministry.

Transactions with Hidroeléctrica del Cantábrico S.A

Enagás, S.A. has a total of eight long-term TPA contracts in force with Hidrocantábrico Energía S.A. and HC Energía Gas, S.L. Four TPA agreements were signed in 1Q12, of which one remained in force at 31 March 2012. No regasification services were carried out and only the fixed amount stipulated by law was billed. A total of 1,116.4 GWh was transported, billing €0.4Mn.

APPENDIX III: CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Indexes, certifications and assessment agencies



Enagás has renewed its membership of the United Nations Global Compact, of which it has been a member since 2003. Membership implies an ethical commitment to ten universal principles governing conduct and action on matters concerning human rights, work, the environment and the fight against corruption.



Enagás went to the top of the utilities sector in the Dow Jones Sustainability World Index in 2011, having been a member of this index since 2008. The index is the global benchmark for sustainable investing, analysing the world's 2,500 largest companies and selecting only those with the best sustainability best track record.



FTSE4Good

Enagás' inclusion in the FTSE4Good index, of which it has been a member since September 2006, has been reaffirmed. This index tracks companies' performance on internationally-recognised corporate citizenship criteria.



Enagás was confirmed by the Ethibel Forum as a member of the Ethibel Pioneer & Excellence Index, of which it has formed part since 2009. This Forum analyses companies' financial, social and environmental performance in order to provide investors with specific instruments to help them identify socially-responsible products.



In 2011 Enagás joined the new STOXX ESG Leaders index. This index highlights the best companies in the field of sustainability, out of the 1,800 largest companies in the world.



Enagás has been ranked "B Prime" by Oekom since 2010. Oekom is one of the world's top sustainability rating agencies, publishing sustainable-investing research reports.



AA1000

Enagás' 2010 annual report was verified for the second time in accordance with standard AA1000, having obtained, and, for the fourth consecutive year, received the top score awarded by the Global Reporting Initiative - GRI (A+). These international standards reflect Enagás' commitment to transparency.



As a standard-bearer in corporate social reporting, in 2011 Enagás adhered to the International Integrated Reporting Committee's (IIRC) initiative. The IIRC supports the preparation of a single integrated corporate report and shares its knowledge and best practices in this regard.

CARBON DISCLOSURE PROJECT

Enagás was listed in the Carbon Disclosure Leadership Index's (CDLI) CDP Iberia 125 Report, which analyses the 125 largest companies in Spain and Portugal. This initiative, which dates back to 2000, compiles information about climate change from over 2,500 of the world's largest companies.



In 2011, Enagás renewed its certification as a Family-Responsible Company, granted by Fundación +Familia to the Company in 2007. Enagás was rated B – Proactive". This is a private, not-for-profit, independent charity set up and run to provide innovative and highly professional solutions to support and protect the family.



In 2010, Enagás was recognised for its equal opportunities and treatment policy, receiving the Equality at Work seal from the Ministry for Health, Social Policy and Equality.

1Q12 Results



For the second year in a row, in 2011 Enagás was named one of Spain's Top Employers, based on an independent analysis conducted by the CRF Institute. According to the Institute, the Company is one of the best places to work.



Lastly, in 2010 Enagás was awarded EFQM + 400 certification (European Foundation for Quality Management) for its management model. The EFQM model is the European standard-bearer for excellence in organisational management.



Enagás has secured ISO 9001:2008 certification for its system operator (TSO) and third party network access management processes, as well as its information management systems (2010) and infrastructure development systems (2011).

APPENDIX IV: Contact data

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