SUMMARY OF RESULTS

FROM THE THIRD QUARTER OF 2002

ENAG.MC / ENG <EQ>

3Q* 2001	3Q 2002	2002 RESULTS (Million Euros)	Jan - Sep* 2001	Jan - Sep 2002
		Unaudited figures		
17.5	27.9	Net Income before extraordinary and non-recurring items	48.1	85.5
57.5	27.5	Net Income	90.0	80.9
13.7	52.7	Operating Profit	83.5	160.5
41.3	84.9	Operating Cash Flow	165.5	254.3
		Euro per share		
1.46	0.12	Net Income before extraordinary and non-recurring items	4.03	0.36
4.82	0.12	Net Income	7.54	0.34
3.46	0.36	Operating Cash Flow	13.86	1.07
11.9	238.7	Number of shares at the end of the period (million)**	11.9	238.7

*Revenues between both periods are not comparable as a result of a change in the regulatory framework as of 2/19/2002.
**On 5/3/2002, a split was carried out of 20 new shares per pre-existing share.

HIGHLIGHTS FROM THE THIRD QUARTER OF 2002

- **The Company obtained a net income,** before extraordinary and non recurring items, of 27.9 million Euros in the third quarter of 2002, as compared to the 17.5 million Euros obtained in the third quarter of 2001. The reported Net Income comes to 27.5 million Euros.

- In the third quarter**, the operating cash flow came to 84.9 million Euros,** as compared to 41.3 in the same quarter of 2001.

- Since the beginning of the year, **investments** totaling 250 million Euros have been put into operation. Moreover, in the third quarter, investments amounting to 261 million Euros were approved, raising the figure for budgeted projects in progress to more than 1.4 billion Euros. The quarter's investments came to 27.3 million Euros.

- **Mandatory Planning:** On Friday, September 13, 2002, the Spanish Council of Ministers approved the Document on the Planning and Development of the Gas and Power Transport Networks, which envisages investments of 5.23 billion Euros for the development of the gas transport network over the 2002-2011 period, thereby confirming the plan for 2002-2006 presented by Enagas at its initial public offering.

- **New Organisation:** On September 23, Enagas unveiled its new organisational structure, designed to adequately respond to the Company's new needs.

1. RESULTS

1.1 Quarterly Results

The quarter's **Net Income before extraordinary and non-recurring items** came to 27.9 million Euros, as compared to 17.5 in the same period of 2001.

The most relevant item under net extraordinary results is that for 0.4 million Euros from the reversion of the excess in provisions of earlier years.

The quarter's **Net Income** came to 27.5 million Euros, as compared to 57.5 million Euros in the previous year.

The quarter's **Operating Profit (EBIT)** came to 52.7 million Euros, as compared to the 13.7 million Euros obtained during the same period last year.

Operating Cash Flow (EBITDA) went from 41.3 million Euros in the third quarter of 2001 to 84.9 million Euros in the same period of 2002.

Net Income per share in the third quarter of 2002 was 0.12 Euros. The Operating Cash Flow per share in the same period came to 0.36 Euros.

1.2 Accumulated Results.

Net Income before accumulated extraordinary and non-recurring items came to 85.5 million Euros, as compared to 48.1 million Euros in the same period of 2001.

During the period, gross negative **extraordinary results** were registered amounting to 7.8 million Euros, due to IPO expenses and payroll adjustments, and gross positive extraordinary results were registered amounting to 0.1 million Euros in the first quarter and 0.6 million in the third. Their net effect came to 4.6 million Euros.

As of September 30, 2002, Enagas had obtained a **Net Income** of 80.9 million Euros, having registered 90.0 million Euros for the same period in 2001.

Operating Profit (EBIT) for the first nine months was 160.5 million Euros, as compared to 83.5 million Euros in the previous year.

Operating Cash Flow (EBITDA) came to 254.3 million Euros, as compared to the 165.5 million Euros accumulated as of September 2001.

On May 3, 2002, each pre-existing share was **split** into 20 new ones, resulting in an increase from 11.9 to 238.7 million shares.

Net Income per share came to 0.34 during the period. The Operating Cash Flow per action came to 1.07 Euros.

1.3 Operating Highlights

The demand for gas transported by Enagas in the third quarter and that accumulated over the year were as follows:

3Q 2001	3Q 2002	GAS DEMAND TRANSPORTED	Jan - Sep 2001	Jan - Sep 2002
		(Gwh)		
25.730	20.104	Regulated Market	92.786	81.040
20.338	35.421	Liberalised Market	57.606	94.699
46.068	**55.525**	**Total Gas Demand Transported**	**150.392**	**175.739**

2. INVESTMENTS

During the third quarter, investments amounting to 84 million Euros were put into operation, and 27.3 million Euros of investments were made.

Moreover, the Enagas Board of Directors approved investments of 261 million Euros, primarily aimed at increasing the capacities of regasification plants and underground storage, the laying of new gas pipelines and increases in compression. With this approval, these new investments join the portfolio of Company projects already in progress for an accumulated higher than 1.4 billion Euros.

2.1 Investments Put into Operation.

Since the beginning of the year, assets amounting to 250 million Euros have been put into operation. The following highlights should be noted:

- Increase capacity at Cartagena plant: Second LNG tank with a capacity of 105,000 m3 and 300,000 m3/h increase in production capacity for a total of 450,000 m3/h.
- Puente Genil-Malaga pipeline.
- Cartagena-Lorca pipeline, phase I.
- Gajano-Treto pipeline.
- Paterna ‘s compressor station.
- Rivas Loeches- Alcala pipeline.

2.2 Investments Made.

Investments in the third quarter came to 27.3 million Euros, resulting in an accumulated yearly total of 97.8 million Euros.

3. FINANCIAL STRUCTURE

As of September 30, 2002, the net debt ratio (calculated as net debt over total assets) was 43.8%, whereas that at the end of the previous quarter was 43.6%.

The Company's financial net debt at the close of the third quarter amounted to 1.20 billion Euros, as compared to the 1.14 billion Euros at the end of the second quarter of 2002.

As of September 30, the average cost of the Company's debt was 3.90%, as compared to 3.84% at the end of the previous quarter.

The net cash flow generated during the quarter, 55.3 million Euros, was applied to the financing of investments for a value of 27.3 million Euros and the working capital increase.

The quarter's Financial Result, including the capitalisation of financial expenses (0.9 million Euros), gave a negative figure of 11.0 million Euros.

4. HIGHLIGHTS

4.1. New Board Members.

ATALAYA INVERSIONES and **BANCAJA** came to form a part of the Enagas Board of Directors, respectively appointing **Mr. Carlos Egea** and **Mr. Julio de Miguel** to act in their names and on their behalf.

4.2 Approval of the Mandatory Planning for Gas and Power.

On September 13, 2002, the Spanish Council of Ministers approved the Document on the Planning and Development of the Gas and Power Transport Networks for the 2002-2011 period, whose purpose is to ensure total coverage of the demand for electricity over the next ten years, in which natural gas is expected to be the source of energy that will show the highest growth.

The report sets out two types of plans: binding, which affects the basic infrastructures for energy development, and indicative, which constitutes a basic tool for facilitating decision-making for incumbents with regard to their investment processes in order to ensure as little uncertainty as possible.

The document envisages investments amounting to 5.23 billion Euros for the development of the gas transport network over the 2002-2011 period.

These investments are included in the new gas and power transport infrastructures, an activity regulated by the Spanish Government, and are complimented by those investments made by the private sector in generation and distribution activities, which are not subject to binding planning.

With regard to the evolution of energy consumption, the document estimates that natural gas will be the energy source that will experience the highest growth over the next decade, reaching a share of over 22 percent of the total by the year 2010, mainly due to its use in the production of electricity.

4.3 New Organisational Structure.

On September 23, Enagas unveiled its new organisational structure designed to adequately respond to the new demands and challenges faced by the Company.

The new organisation is divided into three General Management Offices dependent on the Presidency:

. The General Direction of Technology, Engineering and Environment.

It will be responsible for the development of all of the investment projects in infrastructures that the Company must carry out in order to respond to the projected growth of the gas market. Furthermore, it will manage the Company's environmental and technological development policies.

. The General Direction of Infrastructures and Operations.

It will guarantee the good working order of the system via appropriate management of its operation and maintenance of the infrastructures. Moreover, it will develop the Company's marketing activities.

. The General Direction of Strategy and Regulation.

It will carry out the management of aspects related to the area of regulation and strategic planning. It will also be in charge of the System's Technical Manager Office and the Company's communication activities.

The following Directions complete the Company's organisational chart:

- Legal Affairs
- Financial
- Human Resources
- Information Systems

In addition, the Office of Technical System Manager, a new Direction of Investor Relations and an Internal Audit Unit have all been created.

Madrid, October 30th, 2002.

Conference Call: Oct. 30, '02; 17.00h CET
Dial-In: +44-1296333400
Password: C 639907

Replay: +44-1296618700
Retrieval no.: 440726

Investor Relations
Paseo de los Olmos, 19
Madrid 28005
e-mail:
investors@enagas.es

INCOME STATEMENT

(Million Euros)

(Unaudited Figures)

3Q* 2001	3Q 2002		Jan - Sep* 2001	Jan - Sep 2002
545.9	241.8	Sales	1,702.7	1,030.1
41.5	116.0	Provision of Services	117.9	309.9
12.0	12.3	Other Operating Revenues	36.3	37.2
599.4	**370.1**	**Total Revenues**	**1,856.9**	**1,377.2**
-515.6	-242.3	Supplies	-1,559.1	-987.3
-11.4	-11.7	Personnel Expenses	-34.5	-36.0
-31.1	-31.2	Other Operating Expenses	-97.8	-99.6
41.3	**84.9**	**Operating Cash Flow (EBITDA)**	**165.5**	**254.3**
-27.6	-32.2	Provision for Depreciation of Fixed Assets	-82.0	-93.8
13.7	**52.7**	**Operating Profit (EBIT)**	**83.5**	**160.5**
-9.3	**-11.0**	**Financial Results**	**-33.5**	**-29.1**
61.6	**0.6**	**Extraordinary Items**	**64.5**	**-7.1**
66.0	**42.3**	**Results Before Taxes**	**114.5**	**124.3**
8.5	14.8	Corporate Income Tax	24.5	43.4
57.5	**27.5**	**Net Income**	**90.0**	**80.9**

*Revenues between both periods are not comparable as a result of a change in the regulatory framework as of 2/19/2002.

CONSOLIDATED STATEMENT OF CASH FLOWS

(Million Euros)

(Unaudited Figures)

3Q* 2001	3Q 2002	ALLOCATIONS**	Jan - Sep* 2001	Jan - Sep 2002
27.6	27,3	**Acquisition of Fixed Assets**	109.9	97.8
10.4	0.0	**Dividends**	112.6	16.0
197.4	3.0	**Long-term Debts**	375.5	872.3
0.0	23.4	**Surplus Sources Over Allocations (increase in working capital)**	0.0	0.0
235.4	**53.7**	**Total Allocations**	**598.0**	**986.1**

3Q* 2001	3Q 2002	SOURCES OF FUNDS**	Jan - Sep* 2001	Jan - Sep 2002
18.9	52.3	**Sources from Operations**	93.1	152.5
0.9	-1.6	**Capital Subventions**	28.6	25.4
0.0	0.0	**Other Reserves**	0.1	0.1
7.0	3.0	**Disposal of Fixed Assets**	46.1	5.9
208.6	0.0	**Excess Allocations Over Sources (decrease in working capital)**	430.1	802.2
235.4	**53.7**	**Total Sources**	**598.0**	**986.1**

*Revenues between both periods are not comparable as a result of a change in the regulatory framework as of 2/19/2002.
** To calculate the sources and allocation of funds, the pro-forma balances from FY2000 contained in the Offering Prospectus.
registered at the CNMV on June 10, 2002, were used.

BALANCE SHEET

(Million Euros)
(Unaudited Figures)

	SEPTEMBER 2001	SEPTEMBER 2002
Intangible Fixed Assets..................................	5.2	8.3
Tangible Fixed Assets....................................	2,211.8	2,260.8
Permanent Financial Assets............................	43.8	41.0
Fixed Assets	2,260.8	2,310.1
Deferred Expenses	20.3	19.2
Stocks...	8.0	8.3
Accounts Receivable.....................................	260.2	390.9
Short-term Financial Investments..................	4.2	3.9
Cash...	3.2	3.0
Accrual Accounts...	1.5	4.8
Liquid Assets	277.1	410.9
TOTAL ASSETS	**2,558.2**	**2,740.2**
Equity..	358.7	358.1
Reserves...	404.6	405.6
Consolidated Profits and Losses....................	90.0	80.9
(Surplus - Interim Div. Assets)........................	0.0	0.0
Shareholders' Equity.	853.3	844.6
Deferred Income	487.2	482.4
Provisions Contingencies & Expenses	1.3	2.2
Long-term Debts with Financial Institutions.....	78.6	74.3
Long-term Debts w/ Group Companies & Assoc.	684.0	0.0
Other Accounts Payable.................................	2.7	38.8
Long-term Liabilities	765.3	113.1
Current financial debt...................................	97.4	1,082.7
Short-term Debts w/ Group Companies..........	253.0	103.1
Trade Accounts Payable.................................	54.6	51.3
Other non-trade current liabilities.................	46.1	60.8
Short-term Liabilities	451.1	1,297.9
TOTAL LIABILITIES	**2,558.2**	**2,740.2**

*Revenues between both periods are not comparable as a result of a change in the regulatory framework as of 2/19/2002.

MAIN OPERATING HIGHLIGHTS

Relative to gas demand transported

GAS DEMAND TRANSPORTED (Gwh)	3Q 2001	3Q 2002
Regulated Market	92,786	81,040
Liberalised Market	57,606	94,699
Total Transported Demand	**150,392**	**175,739**

Relative to Assets

REGASIFICATION ASSETS	Units	m3 or m3/h
LNG Tanks (number and capacity)	8	560,000 m3
Nominal Regasification Capacity		2,100,000 m3/h
Cistern Loading Bays	9	

Transportation Assets	Units	Km
Km of pipelines in operation		6,343
Compression Stations	9	
Regulating and Measuring Stations (RMS) and Measuring Stations (MS)	248	

Underground Storage Assets	Units	Gw/h
No. Of Storage Facilities	2	
Capacity		24,671