SUMMARY OF RESULTS

FROM THE FIRST QUARTER OF 2003

ENAG.MC / ENG SM<EQ>

Jan-Mar 2003	2003 RESULTS (Million Euros)	Jan-Mar 2003

Unaudited figures

35.7	Net Income before extraordinary	35.9
35.8	Net Income	35.9
63.3	Operating Profit	63.8
92.7	Operating Cash Flow	96.7

Euro per share

3.00	Net Income before extraordinary	0.15
3.01	Net Income	0.15
7.79	Operating Cash Flow	0.41

11.9	Number of shares at the end of the period (million)(*)	238.7

*On 5/3/2002, a split was carried out of 20 new shares per pre-existing share.

Note: The first-quarter 2003 results are not comparable with the results for the same period in 2002, because they are subject to a completely different regulatory framework.

HIGHLIGHTS FROM THE FIRST QUARTER OF 2003

- In the first quarter of 2003, the Company earned a **net income** of 35.9 million euros. In comparable terms, this result is **23% higher** to those of fourth quarter of 2002, which is more comparable with this quarter, as both periods fell under equivalent regulatory frameworks.

- **The operating cash flow** totaled **96.7 million euros.**

- According to Company's policy to improve **operating efficiency,** operating costs were maintained at levels similar to those of the first quarter of 2002.

- **Assets put into operation** in the first quarter of 2003 came to 41.5 million euros.

- The quarter's investments came up to 75 million euros. The Board of Enagas approved 312.2 million euros of **new investment projects** in the first quarter of 2003.

- **Enagas signed a syndicated loan** for one billion euros with a number of financial institutions to refinance the bridge loan that matured in June 2003, thereby reaching its financial-policy objectives by achieving long-term financing under favorable terms.

- **Dividend:** On January 17 Enagas paid out a gross interim dividend per share of 0.09 euros for fiscal 2002. Under the Company's dividend policy of distributing 50% of the net profit among its shareholders, the General Shareholders' Meeting approved the distribution of a **total gross dividend of 0.23 euros per share** for fiscal 2002.

1. RESULTS

1.1 Quarterly Results

The quarter's **net income** came to 35.9 million euros, as compared to 35.8 million euros in the first quarter of 2002.

The **operating profit (EBIT)** for the quarter came up to 63.8 million euros, which may be compared to the 63.3 million euros obtained in the same period last year.

The **operating cash flow (EBITDA)** rose to 96.7 million euros, compared to 92.7 million euros in the first quarter of 2002.

The net profit per share in the first quarter of 2003 was 0.15 euros. The operating cash flow per share in the same period came up to 0.41 euros.

1.2 Operating Highlights.

Jan-Mar 2002	GAS DEMAND TRANSPORTED	Jan-Mar 2003
	(GWh)	
35,024	Regulated Market	32,939
28,125	Liberalised Market	42,048
63,149	**Total Gas Demand Transported**	**74,987**

The transported gas demand during first quarter of 2003 reached 74,987 GWh, 19% higher than the figure for the first quarter of the previous year. The regulated market's demand came down 3%, while the liberalized market's demand shot up 49% in clear confirmation of the sector's growing liberalization.

2. INVESTMENTS

During the first quarter of the year, the investments made came to 75 million euros.

In addition, the Enagas Board of Directors approved new investment's projects of 312.2 million euros, which means that Company's budgeted projects in progress currently add up to an accumulated of over 1.8 billion euros.

In the first quarter, administrative approvals were received for the following projects: a third tank in both the Cartagena and Huelva plants; a fifth tank in Barcelona; the Huelva-Cordoba pipeline; and, finally, the Cordoba-Madrid pipeline, with the exception of a small part, for which an authorization is expected in the following weeks. With these approvals, **all the main projects of the Enagas plan for 2002-2006 have received administrative sanction**.

2.1 Assets Put Into Operation.

Since the year started, 41.5 million euros of assets have been put into operation, led by the following items:

- Serrablo storage compressors.
- Several branch pipelines.

3. FINANCIAL STRUCTURE

The net debt ratio (calculated as net debt over total assets) as of March 31, 2003, was situated at 39.8%, compared to the 43.3% net debt ratio at the end of 2002.

The Company's net debt at the close of the first quarter totaled 1,147.6 million euros, compared to the 1,253 million euros at the end of year 2002. This significant debt reduction was influenced by the fact that on December 31, 2002, 260 million euros were still pending reception from the liquidation table, of which sum 200.9 million euros were received in March 2003, at the conclusion of the ratification of the liquidation procedure established in Ministerial Order 2692/2002.

The average cost of the Company's debt in accumulated terms as of March 31 was 3.17%, as opposed to 3.87% at the end of the quarter before.

Complying with the Company's financial-policy objective of minimizing risk and optimizing the balance-sheet structure, on April 10 a one-billion-euro syndicated loan was signed with several top-ranking financial institutions to refinance the bridge loan that matures in June 2003.

With this loan, Enagas has reached its twofold objective of fully refinancing its bridge loan and achieving attractive financing that is long-term at a competitive cost.

In fact, Enagas has successfully ensured coverage for all its financial needs in fiscal 2003, complying with its financial policy objectives, and without increasing the average cost of debt.

The net cash flow generated this quarter, 61.3 million euros, was applied to the partial financing of investments valued at 75 million euros.

The quarter's financial result, including the capitalization of financial expenses (one million euros) showed a negative figure of 9.0 million euros.

4. HIGHLIGHTS

4.1 Enagas' Addition to the IBEX 35.

On January 10, 2003, Enagas was effectively included in the IBEX 35 stock index. This was a major landmark, as it meant the Company is acknowledged for its representative and liquidity position.

4.2 Interim Dividend Payment.

On January 17 an interim dividend of 0.09 euros per share was paid, drawing on the results of fiscal 2002. La Caixa was the payment agent.

4.3 Remuneration 2003

Ministerial Order ECO/30/2003 established the remuneration framework for gas-sector activities applicable to 2003, which was published on January 17, 2003.

The fixed revenues for Enagas regulated activities went up by nearly 12% from the total payment for the year 2002.

On that same date, Ministerial Orders ECO/31/2003 and ECO/32/2003 were published, setting the rates for natural gas and channeled manufactured gases. The tolls for third-party access to gas facilities were also approved. Rates went down 1.25%, while tolls declined by 1.68%.

The recognized payment for Enagas for 2003 is an important step forward, since it provides corroboration of continuing stability in the regulatory framework and confirmation of the profitability and growth of Enagas' business activity.

4.3 Audit Committee

In compliance with the Act to Reform the Spanish Financial System, the National Securities-Market Commission (CNMV) was informed of the functions and members of the Enagas Audit Committee, which was created in July 2002.

The functions entrusted to the Committee are the following:

- Appointment and replacement of the Outside Auditor, to be approved by the Company Stockholders' Meeting, and the Outside Auditor's emoluments.
- Tracking of progress on the annual audit.
- Investigation of any internal items related with auditing activity.
- Tracking of the internal financial-control system.
- Review of the information on Company activities and results that is put together periodically under current stock-market rules.

4.4 Syndicated Loan for One Billion Euros

On April 10 Enagas signed a syndicated loan with several top-ranking institutions for €1 billion. Twenty-one leading financial institutions are participating in the loan, which is being managed by La Caixa, BBVA, Banesto and Citigroup.

The loan has a five-year repayment term.

With this operation, Enagas has guaranteed coverage for all its financial needs in fiscal 2003, meeting the objectives of its financial policy.

4.5 Liberation of Gas-System Capacity After the Publication of Royal Decree 1434/2002

March 31 was the deadline operators were given under Royal Decree 1434 to adjust their contracted gas-system capacity to suit their real needs at no extra cost, so as to optimize and get the maximum use out of the existing one.

In this period, the companies operating in the system have taken advantage of this opportunity, and a total capacity of about 15 million cubic meters/day has been liberated. This amount is around 20% of the total, which means a sufficient capacity has been freed up for contracting. This does not affect Enagas as a transport company, but it does reduce the pressure brought to bear by urgent capacity needs.

For all these reasons, the system will have a capacity surplus of between 10% and 20% during the next three years, in line with the mandatory planning objectives that call for a system that can easily cover needs.

4.6 2003 General Shareholders' Meeting

The Enagas General Shareholders' Meeting was held on April 25, 2003. At the meeting, the Chairman, Mr. Antonio González-Adalid, summarized the main points of fiscal 2002, the progress made towards the company's strategic objectives and future perspectives. The motions that were passed and full documentation are **available at www.enagas.es.**

The Chairman's main messages included the following:

Dividend: As part of the shareholder-remuneration policy that was announced when the Company went public, under which 50% of the net profits generated during the fiscal year are to be distributed in dividends, the General Shareholders' Meeting approved the distribution of a total gross dividend of **0.23 euros per share** for fiscal 2002. The **dividend yield, 4%** in 2002, was one of the highest of Spain's IBEX-35.

Corporate governance: Enagas has a firm commitment to honor the principles and recommendations on good practice in corporate governance.

Today **Enagas meets most of the recommendations included in the Spanish Olivencia and Aldama Reports** plus the latest new points of corporate-governance legislation introduced by the Act on Measures to Reform the Spanish Financial Sector. In its handful of months as an independent listed company, Enagas has attained a stature on a par with big companies that have more market experience.

The forthcoming 2002 Annual Report will include an extensive corporate-governance report.

Motions submitted to the Shareholders: All motions on the agenda were approved. These included:

Motion Two, whereby the **number of members of the Board** was set at fourteen and new appointees were named to the Board of Directors, Caja de Ahorros del Mediterráneo (CAM), in its capacity as a significant shareholder in Enagas, and Mr. Jesús David Álvarez Mezquíriz, as an independent board member, thus maintaining the parity between the two types of members.

Under Motion Nine, Pricewaterhousecoopers, S.L., was named the Company's auditor.

Of the remaining resolutions, two concerned the payment of the members of the Company's Board of Directors.

Under Item Five on the agenda, a **change was approved in the payment procedure stipulated by the By-laws,** while in Item Seven the **sums for fiscal 2003** were approved.

Thus, a specific article on the system of payment was written into the By-laws. Furthermore, a system was approved that, in line with current trends in corporate governance, seeks to foster board members' participation in company management and to compensate board members for their actual work.

Profit-linked payment disappears, because it is liable to be disproportionate, and furthermore it could be inappropriate for a company like Enagas.

In Item Seven, certain **items and sums of payment** were approved. These amounts are clearly moderate in comparison with other IBEX-35 companies that are similar to Enagas.

Lastly, a **regulation of the Shareholders' Meeting** was approved in Item Eight on the agenda, following one of the Aldama Report's recommendations for improving corporate governance.

Madrid, May 6, 2003

Conference Call: May 6, 2003; 17:00 CET
Dial-In +44-1296480100
Password: C 493897

Replay: 44-1296618700
Retrieval no.: 322489

Investor Relations
Paseo de los Olmos, 19
Madrid 28005
investors@enagas.es

INCOME STATEMENT

(Million Euros)

(Unaudited Figures)

Jan-Mar* 2002		Jan-Mar 2003
485.0	Sales	448.8
83.2	Provision of Services	129.9
12.9	Other Operating Revenues	10.8
581.1	**Total Revenues**	**589.5**
-445.2	Supplies	-448.6
-12.3	Personnel Expenses	-13.4
-30.9	Other Operating Expenses	-30.8
92.7	**Operating Cash Flow (EBITDA)**	**96.7**
-29.4	Provision for Depreciation of Fixed Assets	-32.9
63.3	**Operating Profit (EBIT)**	**63.8**
-8.5	**Financial Results**	**-9.0**
0.2	**Extraordinary Items**	**0.0**
55.0	**Results Before Taxes**	**54.8**
19.2	Corporate Income Tax	18.9
35.8	**Net Income**	**35.9**

*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)

Jan-Mar* 2002	ALLOCATIONS	Jan-Mar 2003
38.4	**Acquisition of Fixed Assets**	75.0
0.0	**Dividends**	0.0
0.0	**Variation in long term provisions**	0.0
75.4	**Long-term Debts**	46.5
0.0	**Surplus Sources Over Allocations (increase in working capital)**	0.0
113.8	**Total Allocations**	**121.5**

Jan-Mar* 2002	SOURCES OF FUNDS	Jan-Mar 2003
60.1	**Sources from Operations**	61.3
20.7	**Capital Subventions**	1.0
0.0	**Other Reserves**	0.0
1.7	**Disposal of Fixed Assets**	2.1
0.0	**Increase of net financial debt**	0.0
31.3	**Excess Allocations Over Sources (decrease in working capital)**	57.1
113.8	**Total Sources**	**121.5**

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

BALANCE SHEET

(Million Euros)

(Unaudited Figures)

	March 2002	March 2003
Intangible Fixed Assets.................................	7.9	9.8
Tangible Fixed Assets....................................	2,266.2	2,357.0
Permanent Financial Assets............................	44.4	36.4
Fixed Assets	2,318.5	2,403.2
Deferred Expenses	19.6	20.8
Stocks...	8.3	2.4
Accounts Receivable.....................................	249.8	397.7
Short-term Financial Investments..................	8.2	53.7
Cash..	3.6	2.0
Accrual Accounts...	0.5	2.9
Liquid Assets	270.4	458.7
TOTAL ASSETS	**2,608.5**	**2,882.7**
Equity..	358.7	358.1
Reserves...	404.8	405.7
Consolidated Profits and Losses....................	35.8	35.9
Interim Div. Assets........................	16.2	88.6
Shareholders' Equity.	815.4	888.3
Deferred Income	494.5	470.0
Provisions Contingencies & Expenses	2.1	2.1
Long-term Debts with Financial Institutions.....	74.3	144.1
Long-term Debts w/ Group Companies & Assoc.	792.0	8.5
Other Accounts Payable.................................	43.7	36.8
Long-term Liabilities	910.0	189.4
Current financial debt...................................	85.1	1,011.5
Short-term Debts w/ Group Companies..........	203.0	156.2
Trade Accounts Payable................................	64.4	121.4
Other non-trade current liabilities.................	34.0	43.8
Short-term Liabilities	386.5	1,332.9
TOTAL LIABILITIES	**2,608.5**	**2,882.7**

*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)	1Q 2002	1Q 2003
Regulated Market	35,024	32,939
Liberalised Market	28,125	42,048
Total Transported Demand	**63,149**	**74,987**

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		6,431
Compression Stations	9	
Regulating and Measuring Stations (RMS) and Measuring Stations (MS)	256	

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