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## MAIN HIGHLIGHTS

- ✓ The results for the first nine months of 2011 include, **from 1 January 2010**, the positive impact of the inclusion of the **Gaviota underground storage facility**, which received its final administrative permit in September.
- ✓ Figures include the proportional consolidation of 40% of the **proforma balance sheet** of the **Altamira** regasification plant, owned by the Company since 13 September. The results will be proportionally consolidated in the fourth quarter of 2011.
- ✓ **Net profit** advanced **6.2%** in the first nine months to **€270.8Mn**.
- ✓ **Operating expenses (excluding the Gaviota underground storage facility)** increased by **0.8%** in the period, once again demonstrating the Company's commitment to tight cost control.
- ✓ **EBITDA** rose **11.3%** compared to the same period the previous year to **€654.7Mn**.
- ✓ **EBIT** rose **7%** year-on-year to **€434.6Mn**.
- ✓ **Investment** amounted to **€534.5Mn**, while **€548.6Mn of assets were put into operation**.
- ✓ **Net debt at 30 September stood at €3.32Bn and includes €86Mn from Altamira LNG CV. The Company's average cost of debt in 9M11 was 2.82%, compared to 2.68% a year earlier.**
- ✓ **Demand for gas transmitted** to 30 September totalled 302,673 GWh, **4.4% lower** than in 2010. Of this, **conventional demand increased 0.6%**, while deliveries of natural gas for **electricity generation** at conventional and combined-cycle plants declined **15.1%**.

### Conference-call/Webcast:

25 de octubre de 2011. 10.00 CET  
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## KEY HIGHLIGHTS

### Key indicators. January - September (unaudited)

#### Income statement

(€ Mn)	January-September		
	2011	2010	Var %
<b>Regulated revenue</b>	<b>815.6</b>	718.5	<b>13.5%</b>
<b>EBITDA</b>	<b>654.7</b>	588.1	<b>11.3%</b>
<b>EBIT</b>	<b>434.6</b>	406.3	<b>7.0%</b>
<b>Net profit</b>	<b>270.8</b>	254.9	<b>6.2%</b>

#### Balance sheet, financial ratios and average cost of debt

	January-September	
	2011	2010
<b>Total assets (€ Mn)</b>	<b>7,477.5</b>	6,571.5
<b>Net debt (€ Mn)</b>	<b>3,324.8</b>	2,972.9
<b>Equity (€ Mn)</b>	<b>1,879.8</b>	1,737.2
<b>Net debt/total assets (%)</b>	<b>44.5%</b>	45.2%
<b>Net debt/(net debt + equity) (%)</b>	<b>63.9%</b>	63.1%
<b>Average cost of debt (%)</b>	<b>2.82%</b>	2.68%

#### Other metrics

(€ Mn)	January-September		
	2011	2010	Var %
<b>Capex</b>	<b>534.2</b>	559.1	<b>-4.5%</b>
<b>Assets put into operation</b>	<b>548.6</b>	190.7	<b>187.6%</b>

### Key indicators. July - September (unaudited)

(€ Mn)	3Q		
	2011	2010	Var %
<b>Regulated revenue</b>	<b>321.6</b>	244.0	<b>31.8%</b>
<b>EBITDA</b>	<b>239.3</b>	203.0	<b>17.9%</b>
<b>EBIT</b>	<b>156.3</b>	141.0	<b>10.8%</b>
<b>Net profit</b>	<b>97.5</b>	89.8	<b>8.5%</b>

## EARNINGS PERFORMANCE

### 9M11

The results for the first nine months of 2011 include, from 1 January 2010, the positive impact of the inclusion of the Gaviota underground storage facility, which received its final administrative permit in September. The figures to 30 September 2011 include the proportional consolidation of 40% of the BBG regasification plant, while figures for the first nine months of 2010 included consolidation of 25% of BBG from April that year.

Figures also include the proportional consolidation of 40% of the proforma balance sheet of the Altamira regasification plant, owned by the Company since 13 September. This will be proportionally consolidated in the fourth quarter of 2011.

**Net profit** for 9M11 was **€270.8Mn**, a **6.2% increase** on the 9M10 figure of €254.9Mn.

**Net Finance Expense** (-€48.1Mn) **increased by 8.9%** compared to the previous year due to higher debt compared to the first nine months of 2010 and a slight increase in the average cost of debt, which rose from 2.68% to 2.82%.

Net debt at 30 September stood at €3.32Bn and includes €86Mn from Altamira LNG CV.

The depreciation and amortisation charge for the nine months was €220Mn, 21% higher than in 2010 and in line with the growth in asset volume over the last year and the amortisation charge for Gaviota since the beginning of 2010. As a result, **EBIT advanced 7%** on 9M10 to **€434.6Mn**.

**EBITDA** rose **11.3%**, from €588.1Mn in 9M10 to **€654.7Mn** in **9M11**.

Operating expenses increased by 0.8% (excluding the Gaviota underground storage facility) compared to the first nine months of 2010, demonstrating Enagás' commitment to tight cost control at a time of significant growth in its asset base.

**Regulated revenue grew 13.5%** thanks to the addition of new assets brought on stream and the integration of the Gaviota facility from 1 January 2010.

EPS in the period was €1.13 while EBITDA per share over the same period was €2.74.

### Quarterly results

Net profit for 3Q11 was €97.5Mn, an 8.5% increase on the 3Q10 figure of €89.8Mn.

EBITDA rose 17.9% yoy, from €203Mn to €239.3Mn.

Figures for the third quarter of 2011 include the proportional consolidation of 40% of the BBG regasification plant, while figures for the third quarter of 2010 included consolidation of 25% of BBG from April that year. The Gaviota underground storage facility was also included in the third quarter, with effect from 1 January 2010.

## INVESTMENT

### Assets put into operation

Projects worth **€548.6Mn** came on stream in the first nine months of the year.

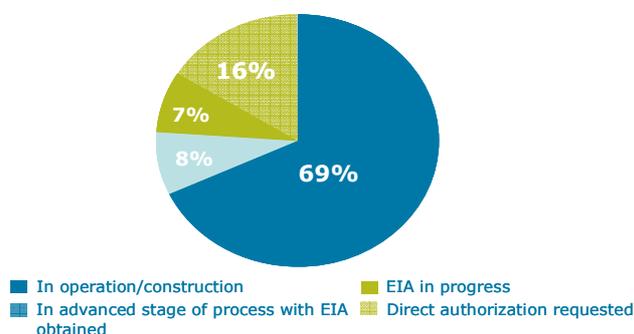
The most noteworthy projects brought into operation include the eighth LNG tank (150,000m<sup>3</sup> capacity) at the Barcelona regasification plant, the Villar de Arnedo compressor station and the Algete-Yela gas pipeline, the Tivissa-Paterna gas pipeline (Castellón tranche) the Gaviota underground storage facility and 40% of the Altamira regasification plant.

### Investments

Enagás invested a total of **€534.2Mn** in the first nine months of the year.

It is worth highlighting that 77% of the planned investment earmarked in the 2010-2014 investment plan is now operational, under construction or at an advanced stage in the planning permission process, having already obtained the relevant EIS (environmental impact statement).

Permits Capex plan 2010-2014



### Acquisitions

Three important milestones were reached in the third quarter:

1) The final administrative permit was granted for Enagás to acquire 100% of the Gaviota underground storage facility thereby enabling the asset to be taken over and included in the 2011 income statement.

2) The National Energy Commission (CNE) and the Mexican Energy Regulatory Commission (CRE) authorised Enagás to acquire 40% of Altamira, which will have a positive impact on the Company's income statement from the fourth quarter.

3) Enagás entered into a purchase agreement with Regional Canaria de Energías, S.L., whereby it has acquired a 41.94% holding in Gascan from its industrial shareholders in the Canary Islands. The acquisition is subject to the pertinent administrative and anti-trust authorisations.

## FINANCIAL STRUCTURE

The Company's **net debt** at 30 September totalled **€3.32Bn (including €86Mn from Altamira LNG CV)**, higher than the figure of €2.95Bn at 30 September 2010.

**The gearing ratio (net debt / net debt + equity) at the end of the third quarter of 2011 was 63.9%, compared to 63.1% at the same point in 2010.**

The percentage of **fixed-rate debt** at 30 September stood at **68%**, in line with the strategic target set by the Company for its optimum debt structure.

Furthermore, **82%** of debt at the end of the third quarter was **long-term**, with an **average maturity period of 6.1 years**.

The **average cost of debt** at 30 September was **2.82%**, compared to 2.68% for the same period in 2010.

## Results 9M11

Net cash flow through to the end of September, totalling €417.6Mn, was largely used to finance investments and pay dividends.

The Company reported a **net finance expense** including capitalised borrowing costs (€19.8Mn) of **€48.1Mn**, compared

with the net finance expense of €44.2Mn recognised in 2010 (including €17.3Mn of capitalised borrowing expenses).

In terms of untapped available financing, the Company had **liquidity** of **€2.07Bn** at the end of the third quarter.

## OPERATING HIGHLIGHTS

### Demand

Demand for gas transmitted to 30 September totalled 302,673 GWh, 4.4% lower than in the first nine months of 2010.

This figure includes 9,389 GWh of exports and 16,298 GWh of flows from the Maghreb-Europe pipeline through Portugal.

Conventional demand in the first nine months of 2011 was similar to that in the same period last year even though temperatures were not as low as in the winter of 2009-2010.

Demand in the conventional sector rose by 0.6%, as a result of the recovery in the industrial consumption of natural gas.

Gas demand for electricity generation in conventional and combined-cycle thermal plants fell by 15.1% compared to the same period in 2010, as a result of the increased contribution from coal-fired power stations.

There were 66 combined-cycle generators at 30 September 2011.

(GWh)	January-September		
	2011	2010	Var% 2011/2010
<b>Conventional demand</b>	190,820	189,693	0.6%
<b>Electricity generation</b>	86,166	101,545	-15.1%
<b>Exports</b>	9,389	8,859	6.0%
<b>Guadalquivir underground storage output</b>	0	806	-
<b>GME to REN transfers</b>	16,298	15,819	3.0%
<b>Total gas demand transported</b>	<b>302,673</b>	<b>316,722</b>	<b>-4.4%</b>

## **SUMMARY OF SIGNIFICANT EVENTS 3Q11**

### **New dividend policy**

The robust asset base (the result of its investment efforts) and strict containment of operating and financial expenses enabled the Board of Directors of Enagás to approve an improvement in the Company's pay-out policy at its meeting on 18 July.

Under this new scheme, shareholder remuneration will increase from 60% at present to 65% in the dividend paid against 2011 earnings and up to 70% in the 2012-2014 period. These increases in the pay-out have still to be approved by the General Shareholders' Meeting.

## CONSOLIDATED INCOME STATEMENT

### 9M11

€ Mn (unaudited)	Jan-Sept 2011	Jan-Sept 2010	Var%
Revenue from regulated activities	815.6	718.5	13.5%
Other operating revenue	31.1	25.5	22.2%
<b>Total revenue</b>	<b>846.7</b>	<b>744.0</b>	<b>13.8%</b>
Personnel expenses	-49.7	-46.0	8.0%
Other operating expenses	-142.4	-109.7	29.7%
<b>EBITDA</b>	<b>654.7</b>	<b>588.1</b>	<b>11.3%</b>
Depreciation/amortisation charge	-220.0	-181.9	20.9%
<b>Operating profit (EBIT)</b>	<b>434.6</b>	<b>406.3</b>	<b>7.0%</b>
Net finance expense	-48.1	-44.2	8.9%
<b>Profit before tax</b>	<b>386.5</b>	<b>362.1</b>	<b>6.7%</b>
Income tax	-115.7	-107.2	7.9%
<b>Net profit for the period</b>	<b>270.8</b>	<b>254.9</b>	<b>6.2%</b>

Note: Figures for the period January to September 2011 include the proportional consolidation of 40% of the BBG regasification plant, the Gaviota underground storage facility from 1 January 2010 and the proportional consolidation of 40% of the proforma balance sheet of the Altamira regasification plant, owned by the Company since 13 September.

Figures for the same period in 2010 included the proportional consolidation of 25% of BBG from April that year.

### 3Q11

€ Mn (unaudited)	3Q 2011	3Q 2010	Var%
Revenue from regulated activities	321.6	244.0	31.8%
Other operating revenue	9.6	9.6	0.0%
<b>Total revenue</b>	<b>331.2</b>	<b>253.6</b>	<b>30.6%</b>
Personnel expenses	-16.4	-15.5	5.8%
Other operating expenses	-75.5	-35.0	115.8%
<b>EBITDA</b>	<b>239.3</b>	<b>203.0</b>	<b>17.9%</b>
Depreciation/amortisation charge	-83.0	-62.0	33.9%
<b>Operating profit (EBIT)</b>	<b>156.3</b>	<b>141.0</b>	<b>10.8%</b>
Net finance expense	-17.3	-14.7	17.7%
<b>Profit before tax</b>	<b>139.0</b>	<b>126.3</b>	<b>10.0%</b>
Income tax	-41.5	-36.5	13.7%
<b>Net profit for the period</b>	<b>97.5</b>	<b>89.8</b>	<b>8.5%</b>

## CONSOLIDATED BALANCE SHEET

€ Mn (unaudited)	30 Sept 2011	31 Dec 2010
Intangible assets	44.0	36.6
Property, plant and equipment	5,431.0	5,123.7
Non-current investments in group companies and associates	9.2	0.9
Other non-current financial investments	76.5	31.9
Deferred tax assets	25.1	35.4
<b>Non-current assets</b>	<b>5,585.7</b>	<b>5,228.6</b>
Non-current assets held for sale	0.0	31.3
Inventories	5.1	5.3
Receivables	441.4	366.5
Other current financial assets	4.2	108.0
Other current assets	1.7	2.3
Cash and cash equivalents	1,439.3	1,087.1
<b>Current assets</b>	<b>1,891.8</b>	<b>1,600.5</b>
<b>TOTAL ASSETS</b>	<b>7,477.5</b>	<b>6,829.1</b>
<i>Capital</i>	<i>358.1</i>	<i>358.1</i>
Legal reserve	71.6	71.6
Other reserves	1,168.4	1,041.4
Reserves at consolidated companies	10.9	8.7
<i>Reserves</i>	<i>1,250.9</i>	<i>1,121.7</i>
Retained earnings	0.0	0.0
Profit for the period attributable to equity holders of the parent	270.8	333.5
Interim dividend capitalised	0.0	-74.5
<b>Capital and reserves</b>	<b>1,879.8</b>	<b>1,738.8</b>
Hedges	-6.0	-2.6
<b>Changes in fair value recognised in equity</b>	<b>-6.0</b>	<b>-2.6</b>
<b>Equity</b>	<b>1,873.9</b>	<b>1,736.2</b>
Provisions	39.0	34.4
Non-current financial liabilities	3,310.6	3,678.1
Non-current liabilities payable to group companies and associates	0.0	0.0
Deferred tax liabilities	307.8	214.7
Other non-current liabilities	76.5	79.1
<b>Non-current liabilities</b>	<b>3,733.9</b>	<b>4,006.2</b>
Liabilities linked with assets held for sale	0.0	5.9
Current provisions	3.3	3.3
Current financial liabilities	1,506.6	730.8
Current liabilities payable to group companies and associates	5.4	0.0
Trade and other payables	354.4	346.7
<b>Current liabilities</b>	<b>1,869.7</b>	<b>1,086.7</b>
<b>EQUITY AND LIABILITIES</b>	<b>7,477.5</b>	<b>6,829.1</b>

Note: Figures for the period January to September 2011 include the proportional consolidation of 40% of the BBG regasification plant, the Gaviota underground storage facility from 1 January 2010 and the proportional consolidation of 40% of the proforma balance sheet of the Altamira regasification plant, owned by the Company since 13 September.

Figures for the same period in 2010 included the proportional consolidation of 25% of BBG from April that year.

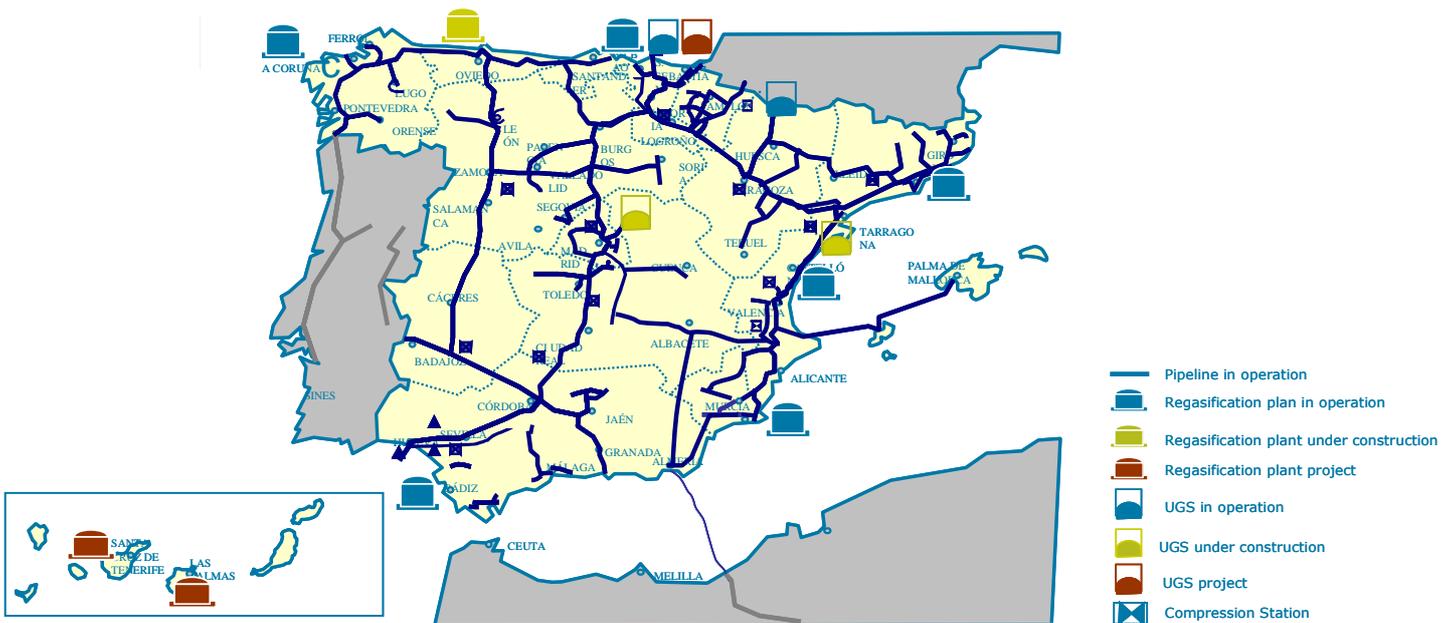
## CONSOLIDATED CASH FLOW STATEMENT

€ Mn (unaudited)	Jan-Sept 2011	Jan-Sept 2010
<b>CONSOLIDATED PROFIT BEFORE TAX</b>	<b>386.5</b>	<b>362.1</b>
<b>Adjustments to profit</b>	<b>262.0</b>	<b>225.3</b>
Depreciation of PP&E	220.1	181.9
Other adjustments to profit	41.9	43.4
<b>Changes in working capital</b>	<b>-191.2</b>	<b>74.1</b>
Inventories	0.2	1.5
Trade and other receivables	-129.4	45.5
Other current assets	-2.6	-2.9
Trade and other payables	-59.3	30.1
<b>Other cash flows from operating activities</b>	<b>-39.6</b>	<b>-80.2</b>
Interest paid	-56.8	-87.8
Interest collected	26.1	9.0
Income tax received /(paid)	-8.9	1.3
Other inflows/(outflows)	0.0	-2.8
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>417.6</b>	<b>581.2</b>
<b>Capital expenditure</b>	<b>-569.1</b>	<b>-583.2</b>
Group companies and associates	-9.0	0.0
Intangible assets, PP&E and investment property	-515.1	-482.9
Other financial assets	-45.0	-100.3
<b>Proceeds from disposals</b>	<b>32.1</b>	<b>22.2</b>
Group companies and associates	22.0	0.0
Intangible assets, PP&E and investment property	10.1	22.2
<b>NET CASH FLOWS USED IN INVESTING ACTIVITIES</b>	<b>-537.0</b>	<b>-561.0</b>
<b>Proceeds from/(payments on) financial liabilities</b>	<b>597.4</b>	<b>495.0</b>
Issuance	972.7	594.4
Repayment	-375.3	-99.3
<b>Dividends paid</b>	<b>-125.6</b>	<b>-111.3</b>
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>471.8</b>	<b>383.8</b>
<b>TOTAL NET CASH FLOWS</b>	<b>352.3</b>	<b>403.9</b>
Cash and cash equivalents - opening balance	1,087.1	640.5
<b>CASH AND CASH EQUIVALENTS - CLOSING BALANCE</b>	<b>1,439.3</b>	<b>1,044.4</b>
Cash and bank deposits	33.3	21.7
Other financial assets	1,406.0	1,022.7

## APPENDIX I: COMPANY ASSETS

Enagás' Gas System Assets 09/30/11		
<b>REGASIFICATION ASSETS</b>	<b>Units</b>	<b>m<sup>3</sup> ó m<sup>3</sup>/h</b>
LNG tankers (number and capacity)	18	2,037,000
Nominal regasification capacity		4,650,000
Tank loaders	9	
<b>TRANSPORT ASSETS</b>	<b>Units</b>	<b>Km</b>
Km. of operational gas pipeline		9,204
Compressor stations	17	
Gas regulation and metering stations	432	
<b>UNDERGROUND STORAGE ASSETS</b>	<b>Units</b>	<b>Mm<sup>3</sup>/día</b>
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 m<sup>3</sup> LNG storage tanks and a nominal regasification capacity of 800,000 m<sup>3</sup> (n)/h. Also, in September the Company received the final permit required to include the Gaviota underground storage facility among its assets.



## **APPENDIX II: RELATED-PARTY TRANSACTIONS**

### **Introduction**

Every quarter since 2003, Enagás, S.A. has disclosed information on 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 and 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 referred to. Where figures refer to new relationships deriving from contracts agreed or commitments undertaken during the period, this is explicitly stated.

### **Transactions carried out by Enagás, S.A. with other group companies, significant shareholders or companies exercising significant influence over Enagás, S.A. (Article 4.1, Paragraph a, of Ministerial Order EHA 3050/2004)**

#### **Enagás, S.A. subsidiaries**

##### **Transactions with "Gasoducto Al Andalus"**

Gasoducto Al Andalus S.A. has paid Enagás, S.A. €6.3Mn in dividends in respect of 2010 results.

Enagás, S.A. has granted Gasoducto Al Andalus a €12.1Mn loan.

Enagás, S.A. has incurred expenses of €12.79Mn relating to transmission rights and long-term contracts arranged between the two companies and received revenues of €4.02Mn from franchise royalties and pipeline maintenance services.

##### **Transactions with "Gasoducto Extremadura"**

Gasoducto de Extremadura, S.A. has paid Enagás, S.A. €4Mn in dividends in respect of 2010 results.

The loan granted to Gasoducto de Extremadura, S.A. has been partially repaid and the balance outstanding is €25,000.

## Results 9M11

Enagás, S.A. has incurred expenses of €6.5Mn relating to transmission rights and long-term contracts arranged between the two companies and received revenues of €3.8Mn from franchise royalties and pipeline maintenance services.

### **Transactions with “Bahía de Bizkaia Gas, S.L.”**

Enagás, S.A. has received revenues of €0.3Mn from this company for engineering services.

### **Transactions with “Enagás Altamira, S.L. Sociedad Unipersonal”**

1) Enagás, S.A. has granted Enagás-Altamira, S.L. Sociedad Unipersonal a €2.09Bn loan. This short-term loan was granted in the third quarter of 2011, and matured on 5 September 2011. The terms governing interest, fees, expenses and guarantees are all on an arm’s length basis.

Under the terms and conditions of the loan, Enagás, S.A. lent Enagás – Altamira S.L. Sociedad Unipersonal the amount needed in respect of downpayments or advances and fees for extending the deadlines relating to the sale and purchase of shares in Altamira LNG Investment I, BV, Altamira LNG Investment II, BV and Altamira LNG Investment III, BV.

Under the terms of the contract the purchaser (Altamira LNG CV) pledged to pay the vendors certain amounts, including downpayments or advances on the price and fees for extending the deadlines to meet the conditions precedent. 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 loan in favour of the Altamira LNG CV partners for the amounts advanced.

(ii) As Enagás-Altamira, S.L. Sociedad Unipersonal (as a partner of Altamira LNG CV) had not yet been established and, as was the case, 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. Sociedad Unipersonal) advanced these funds to Enagás-Altamira, S.L. Sociedad Unipersonal, thereby giving rise to the loan between both parties.

### **Transactions between “Enagás-Altamira, S.L. Sociedad Unipersonal and Altamira LNG C.V.”**

1) On 6 September 2011 Vopak LNG Holding Mexico B.V and Enagas-Altamira S.L. Sociedad Unipersonal signed a shareholder loan in favour of Altamira LNG C.V. for €12.38Bn. Enagas-Altamira S.L. Sociedad Unipersonal will pay €4.9Mn. 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. Sociedad Unipersonal and Altamira LNG C.V. have therefore signed a subordinated shareholder loan for €4.9Mn as per the terms and conditions of this shareholder loan.

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

#### **Transactions with Caja de Ahorros de Asturias (Cajastur)**

1) On 5 July 2011, Enagás, S.A. paid Cantábrica de Inversiones de Cartera, S.L.U. (Cajastur) a final dividend of €6.3Mn, as approved at its Shareholders' Meeting. Added to the €3.7Mn interim dividend paid on 21 December 2010, the total dividend was €10Mn.

2) Enagás, S.A. has a €12Mn bank guarantee line with Cajastur.

In the second quarter of 2011, Enagás, S.A. cancelled a €2Mn loan agreement and a €30Mn loan with Cajastur which matured in 2011

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

#### **Transactions with Bilbao Bizkaia Kutxa (BBK)**

1) On 5 July 2011, Enagás, S.A. paid Kartera 1 S.L. (BBK) a final dividend of €6.3Mn, as approved at its Shareholders' Meeting. Added to the €3.7Mn interim dividend paid on 21 December 2010, the total dividend was €10Mn.

2) Enagás, S.A. has a €25Mn credit line with BBK and also a bank guarantee line of €6Mn.

3) It has also arranged a €100Mn loan with BBK.

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

#### **Transactions with Oman Oil Holdings Spain, S.L.U.**

On 5 July 2011, Enagás, S.A. paid Oman Oil Holdings Spain, S.L.U. a final dividend of €6.3Mn, as approved at its Shareholders' Meeting. Added to the €3.7Mn interim dividend paid on 21 December 2010, the total dividend was €10Mn.

#### **Transactions with Sagane Inversiones, S.L.**

On 5 July 2011, Enagás, S.A. paid Sagane Inversiones, S.L. a final dividend of €6.3Mn, as approved at its Shareholders' Meeting. Added to the €3.7Mn interim dividend paid on 21 December 2010, the total dividend was €10Mn.

#### **Transactions with Spanish State Holding Company (SEPI)**

On 5 July 2011, Enagás, S.A. paid SEPI a final dividend of €6.3Mn, as approved at its Shareholders' Meeting. Added to the €3.7Mn interim dividend paid on 21 December 2010, the total dividend was €10Mn.

### **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 to 30 September 2011 totalled €0.6Mn.

## Results 9M11

Remuneration paid to the Company's senior management as at 30 September 2011 totalled €3.1Mn.

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

#### **Transactions with Mare Nostrum (Caja Murcia)**

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

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

#### **Transactions with Caixa Catalunya**

Enagás, S.A. has a €10Mn credit policy with Caixa Catalunya and a bank guarantee line of €12Mn.

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

#### **Transactions with Banco Sabadell**

Banco Sabadell and Enagas, S.A. have an agreement under which the bank will broker 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 line with Banco Sabadell.

In addition, Enagás has a three-year €150Mn loan with Banco Sabadell maturing in 2012.

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.

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

#### **Transactions with Grupo Eulen**

Enagás, S.A. incurred €1.8Mn in expenses for building and facility maintenance services rendered.

#### **Transactions with Naturgás, S.A**

Enagás, S.A. incurred expenses of €0.9Mn consisting for gas purchases for its own consumption and €6,000 for gas services.

#### **Transactions with Naturgas Comercializadora S.A.**

Enagás, S.A. has total of 17 TPA contracts in force with Naturgas Comercializadora, of which 16 are long-term and one is short-term. One TPA agreement was arranged in 3Q11, which is no longer in force.

## Results 9M11

Between 1 January and 30 September 2011 the following services were provided: regasification of 3,688.8 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €5.2Mn); transmission of 3,299 GWh (billings for these services, including the transmission component of tolls, were €1.3Mn); storage of a daily average of 1,885.4 GWh (billings for these services were €7.4Mn). TPA contracts are standard form agreements approved by the Ministry for Industry, Trade and Tourism. The tolls billed by Enagás are also set by the Ministry.

### Transactions with Iberdrola

1) Enagás, S.A. incurred expenses of €8.9Mn consisting of €8.08Mn for gas purchases for its own consumption, €0.6Mn for electricity and €0.2Mn for office rental.

2) Enagás, S.A. has a total of 19 third-party access (TPA) agreements in force with Iberdrola S.A., of which one is short-term and 18 long-term.

Two TPA contracts were arranged in 3Q11, which are no longer in force.

Between 1 January and 30 September 2011 the following services were provided: regasification of 11,696.6 GWh (billings for these services, including cistern loading, offloading tankers and LNG storage, totalled €10Mn); transmission of 13,944.4 GWh (billings for these services, including the transmission component of tolls, were €9.4Mn); storage of a daily average of 3,745 GWh (billings for these services totalled €20.4Mn). TPA contracts are standard form agreements approved by the Ministry for Industry, Trade and Tourism. The tolls billed by Enagás are also set by the Ministry.

### Transactions with Hidrocantábrico

1) Enagás, S.A. incurred expenses of €11.8Mn for electricity services.

2) Enagás, S.A. has a total of eight long-term TPA contracts in force with Hidrocantábrico Energía S.A.

One TPA agreement was arranged in 3Q11, which is still in force. No regasification services were carried out and only the fixed amount stipulated by law was billed. A total of 2,372.8 GWh of gas was transmitted for Hidrocantábrico with €0.9Mn billed.

## 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 is the world leader in the utilities sector in the 2011 review of the Dow Jones Sustainability Index World (DJSI). Enagás has been a member of this index since 2008. The index is the global benchmark for sustainable investing and analyses the world's 2,500 largest companies, selecting those with the best records on sustainability.



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 in order to facilitate socially responsible investing.

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Enagás has once again been included in the Ethibel Pioner & Excellence index, having joined in 2009. This Forum provides investors with specific instruments to help them identify socially responsible products by analysing companies' financial, social and environmental performance records worldwide.



In 2011 Enagás joined the new STOXX ESG Leaders index. This index analyses the world's largest 1,800 companies with the best sustainability record.



In 2010 Enagás was evaluated for the first time by Oekom which awarded it a B Prime rating. Oekom is one of the world's top sustainability rating agencies, publishing sustainable investing specific research reports.

**AA1000**

Enagás' 2011 annual report was verified for the second time in accordance with standard AA1000, having obtained, for the fourth consecutive year, the top score awarded by the Global Reporting Initiative - GRI (A+). These standards reflect Enagás' commitment to transparency.

**CARBON DISCLOSURE PROJECT**



In 2011, Enagás participated in the Carbon Disclosure Project (CDP) for the third year running. This initiative, which dates back to 2000, compiles information about climate change from over 2,500 of the world's largest companies, enabling it to create the world's largest database on corporate greenhouse gas emissions.



In 2010 Enagás renewed its certification as a Family-Responsible Company granted by the Fundación +Familia to the Company in 2007. Enagás was rated B – Proactive". This is a private, non-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 award by the Ministry for Health, Social Policy and Equality.

Enagás was named one of Spain's Top Employers 2011 based on an independent analysis conducted by the CRF Institute, which identified the Company as 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' system operator (TSO) and third party network access (TPA) management processes have been certified under ISO 9001:2008 since 2009, and in 2010 its information management systems were certified.

## APPENDIX IV: Contact data

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