Financial results: 2014

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24 February 2015 09:00 CET

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HIGHLIGHTS 2014

- The results for 2014 are the first to be affected by the new regulatory framework approved under **Royal Decree-Law 8/2014**, which envisages a **period of regulatory stability to 2020**. Enagás estimates an average annual effect of €120Mn on company regulated revenue until 2020.
- The **effect of the regulatory reform**, which is effective from July onwards, represents a cut in regulated revenue for 2014 of **€57Mn**. The cut to revenue is offset fundamentally by the reduced rate of amortisation and depreciation that is a result of the extended useful life of the gas pipelines envisaged in the new regulations and the positive effect of the fiscal reform on the relevant financial statements in 2014. Following approval of the **fiscal reform** the recognised deferred tax assets and liabilities have been revalued at the new corporate tax rate. The revaluation had **an accounting-positive effect of €58.1Mn on the financial statements in 2014.**
- In 2014 certain investments associated with technical facilities were written down by €18.3Mn. However, further write downs are not expected. A write down of €22.1 million was also recognised on land acquired by Enagas, S.A. for construction of its head office following the decision not to build it there in 2014. Both amounts have been charged as higher D&A.
- At 31 December 2014 **Net Profit is up 0.8%** to €406.5Mn. The **dividend for 2014,** which will be submitted for approval by the shareholders at the next annual general meeting, has been pegged at **€1.30 per share** in line with the Strategic Plan. It represents an increase of 2.4% on the dividend paid in 2013.
- **Investments** in the year stood at **€625Mn,** fulfilling the investment target in 2014. Of these investments **76% corresponds to international projects**, mainly the stake in TGP/COGA (Peru) and the initial investments in *Gasoducto del Sur* pipeline in Peru and the TAP pipeline in Europe.
- At 31 December the Company's **net financial debt was €4.059,1Mn,** which represents an adjusted **Net debt/EBITDA ratio of x4.2 and an FFO/Net debt ratio of 16.5%.**
- In the 2014 annual review, the credit ratings agencies **Standard & Poor's and Fitch agreed with** the respective ratings of **BBB and A-** awarded by Enagás.
- The **total demand for transported gas** amounted to **397,519 GWh,** down **1.4%** on 2013.
- Enagás has been included in the prestigious **Dow Jones Sustainability Index,** a global benchmark for sustainability, **for the seventh year in a row**.

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KEY FIGURES

Key figures January-December (unaudited)

	January-December		
	2014	2013*	Var %
Operating income (€ Mn)	1,223.8	1,261.9	-3.0%
EBITDA (€ Mn)	939.8	995.9	-5.6%
EBIT (€ Mn)	589.6	649.8	-9.3%
Profit after tax (€ Mn)	406.5	403.2	0.8%

(*)Pro-forma, BBG and Altamira accounted using the equity method in 2013 also

	January-December	
	2014	2013*
Total assets (€ Mn)	7,711.8	7,043.5
Net debt (€ Mn)	4,059.1	3,657.0
Equity (€ Mn)	2,218.5	2,118.4
Net Debt/EBITDA adjusted (1)	4.2x	3.6x
FFO/ Net Debt	16.5%	19.5%
Net debt/(net debt + equity) (%)	64.7%	63.3%

(*) BBG and Altamira recognised using the equity method of accounting in 2013
(1) EBITDA adjusted for dividends obtained from subsidiaries

Other key figures

	January-December		
(€Mn)	2014	2013	Var %
Investment (Equity)	625.0	531.4	17.6%

Key quarterly indicators (unaudited)

	Quarter 4		
	2014	2013*	Var %
Regulated revenue (€ Mn)	283.3	306.0	-7.4%
Other revenue (€ Mn)	10.7	11.2	-3.9%
EBITDA (€ Mn)	206.9	258.6	-20.0%
EBIT (€ Mn)	93.5	154.1	-39.3%
Net Profit (€ Mn)	98.4	99.6	-1.1%

(*) BBG and Altamira recognised using the equity method of accounting in 2013

EARNINGS PERFORMANCE

Accumulated P&L

Profit in 2014 is the first to be affected by the new regulatory framework since 4 July, which is when Royal Decree-Law 8/2014 was approved.

In accordance with IFRS 11 (whereby joint ventures can no longer be accounted for using the proportionate method of consolidation), BBG and Altamira were accounted for using the equity method in 2014, contributing to profit after tax only. Therefore, for comparison reasons 2013 has been re-stated by incorporating the investments in BBG and Altamira using the equity method.

Revenue

At the end of 2014 total revenue at Enagás amounted to **€1,223.8Mn, down 3%** on the revenue reported at 31 December 2013.

This variation is due mainly to the application of the regulatory reform since 4 July, which has had a negative effect of €57Mn on regulated revenue.

It is also worth noting that the regulated revenue for 2014 reflects earnings for a full twelve months for ETN (Naturgas) but only ten months in 2013.

Operating expenses

Enagás' operating expenses rose 6.8% compared with the previous year.

Staff costs grew 2.9% for an average workforce that was slightly bigger than in 2013. This was a result of lower capitalized staff costs due to less ongoing organic investment.

In addition, "Other Operating Expenses" rose 8.5% to €199.3Mn mainly due to the recognition of non-recurring maintenance costs and other provisions.

Due to these effects, EBITDA went from €995.9Mn to **€939.8Mn**, which represents **a reduction of 5.6%**.

Depreciation and amortisation charges

Depreciation and amortisation charges were up 1.2% to €350.2Mn. There are two main effects, one positive and one negative, that explain this variation:

Firstly, the extension of the useful life of the gas pipelines included in the regulatory reform has meant a reduction in the depreciation charge of €23Mn.

In 2014 certain investments associated with technical facilities were written down by €18.3Mn. However, further write downs are not expected. A write down of €22.1 million was also recognised on land acquired by Enagas, S.A. for construction of its head office following the decision not to build it there in 2014.

As a result, **EBIT** at 31 December amounted to **€589.6Mn**, down **9.3%** on 2013.

Financial results

The financial result went from -€103.9Mn to **-€105.5Mn** as a result of the increased net financial debt compared to 2013 and the slight rise from 3.0% to 3.2% in the average cost of debt.

Results from subsidiaries accounted for by the equity method

Results from subsidiaries of the Company accounted for using the equity method are virtually the same as the results in 2013. It is worth pointing out that the positive contribution of TGP (€12Mn) has been offset by other one-off accounting effects of various subsidiaries which will contribute a slightly negative amount because they are at the construction stage.

At 31 December 2014 the various subsidiaries paid out a dividend of €32.9Mn, an increase of 63.1% compared with the previous year.

Corporate tax

The approval of the fiscal reform in 2014 had an extraordinary accounting effect on 2014 because the deferred tax assets and liabilities were revalued at the new corporate tax rate. This effect of €58.1Mn is the reason for the reduction under "Income Tax" of 44%.

Net Profit

Net Profit at the end of 2014 amounted to **€406.5Mn, up 0.8%** compared with €403.2Mn at 31 December 2013.

Dividends

The Company's will pay a dividend of €1.30 per share from net profit for 2014, which is in line with target growth of 2.4% reported at the start of the year before the gas sector reform.

INVESTMENTS

At 31 December 2014, **investment** amounted to **€625Mn,** meaning the Company has met its investment target for 2014.

Of this amount, approximately 24% was invested in Spain and 76% was invested outside of Spain.

The international investment figure includes the acquisition of 20% of TgP (Peru) and 30% of COGA, responsible for the operation and maintenance of the gas pipeline, for €349.9Mn. "Investments" also includes the initial investments made after the Company was awarded the Peruvian *Gasoducto Sur* greenfield pipeline project, in which Enagás has a 25% stake, and the new shareholder developing the Trans Adriatic Pipeline (TAP) project in which Enagás has a holding of 16%.

These investments meet the strict criteria for international investments.

FINANCIAL STRUCTURE

At 31 December 2014 the Company's **net financial debt** rose to **€4,059.1Mn, compared with** €3,772.7Mn reported at 31 December 2013 (€3,657.0Mn as re-stated). At the end of 2014 this debt represents an **adjusted Net Debt/EBITDA ratio of x4.2** and an **FFO/Net Debt ratio of 16.5%.**

At 31 December 81% of the Company's net debt was made up of fixed-rate debts which is in line with the strategic target of optimum debt set by the Company.

In addition, at the end of Q4, 91% of the net financial debt had been issued in euros (9% had been issued in dollars).

Accumulated **net cash flows from operating activities** totalled **€556.8Mn** at 31 December.

The Company reported **a financial loss** of **-€105.5Mn** compared with -€103.9Mn of the same period in the previous year.

At 31 December 2014 the **average net cost of debt** was **3.2%**, which was slightly below the annual target but up on the 3.0% at the end of 4Q13.

In terms of **available financing,** company liquidity stood at **€2.443Mn** at 31 December 2014.

In its annual review published in September **Standard & Poor's confirmed its long-term rating** of "**BBB**" for Enagás as well as a **stable outlook**.

In its annual review Fitch Ratings confirmed Enagás' long-term rating of "A-", and changed the outlook from positive to stable on 13 November.

OPERATING HIGHLIGHTS

Demand

Total demand for transported gas was 397,247 GWh, down 1.4% on 2013 mainly due to the effect of the temperatures, which were exceptionally high over the year and the fall in natural-gas fuelled co-generation. Adjusted for the effect of the temperature, demand would have increased by around 2% compared to 2013.

System demand for natural gas in transit (exports, tanker loading and gas in transit to Portugal) increased by 40% in 2014.

LNG tanker loading at regasification plants set a new record of 60TWh, up 89% on the previous year.

This service, along with other new Enagás services, leverage Spain's gas infrastructure and the company's ability to adapt to changes in the market.

National demand	
Conventional	*-9.8% vs Jan-Dec 2013*
Electricity sector	*-8.8% vs Jan-Dec 2013*
TOTAL	**-9.6% vs Jan-Dec 2013**

Transit through the Gas System	
Exports	*-36.4% vs Jan-Dec 2013*
LNG Ship loading	*+89.0% vs Jan-Dec 2013*
Portugal Transit	*+7.5% Jan-Dec 2013*
TOTAL	**+42.9% vs Jan-Dec 2013**

Transported gas demand	-1.4 % vs Jan-Dec 2013

SIGNIFICANT EVENTS IN THE FOURTH QUARTER 2014

Enagás has renewed the multi-currency financing facility signed in 2013, raising the amount to €1.5Bn.

At 16 of December, Enagás, S.A. has renewed the self-arranged Club Deal multi-currency financing facility signed in 2013 and maturing in 2018.

The amount has been raised from €1.2Bn to €1.5Bn and will now mature in December 2019, with the possibility of an additional two-year extension.

This deal bolsters the company's liquidity and financial structure and takes advantage of the favourable market conditions in order to improve the terms of the facility.

The same financial institutions as in the original facility are involved with international banks representing over 70% of the total.

Fitch Ratings ratifies Enagas' rating

At 13 of November, Fitch Ratings Agency, in its annual review, has affirmed the long term rating of Enagas, currently at "A-", modifying the outlook from positive to stable.

SIGNIFICANT EVENTS IN THE FIRST QUARTER 2015

Enagás entered into an agreement with a fund managed by Deutsche Asset & Wealth management to acquire its shareholdings in Bahía de Bizkaia Gas and Saggas

On 14 January 2015 Enagás Transporte, S.A.U. entered into an agreement with a fund managed by Deutsche Asset & Wealth Management to acquire holdings of 30% in BBG (Enagás' currently holds 40% of BBG) and 30% in Saggas. These companies own the Bilbao and Sagunto regasification plants, respectively.

On 21 January 2015 the Seller, Enagas Transporte and EVE, entered into a new agreement to buy BBG, which rendered the previous contract void. In the new agreement, Enagás Transporte shall purchase 10% of BBG while EVE shall purchase 20%. Notwithstanding the foregoing, these acquisitions are still subject to approval by the regulatory authorities which had not been granted at the date of preparation of these consolidated annual accounts.

This transaction is in line with the criteria laid out in Enagás' Strategic Update for 2013-2015, which prioritises the regulated assets in Spain. It also fits the company's core business and the target profitability and debt level.

On January 23rd, Enagás placed in the markets an issue of 600 million euros. The issue, with a maturity of 10 years, has an annual coupon of 1.25% and priced at 99.08

On January 23rd, Enagás successfully completed €600 million placement of 10-year bonds with a coupon of 1.25%. The company has obtained the lowest coupon of all Spanish issuers and European utilities for the 10-year horizon.

The issue will enable the company to bring down its long-term borrowing costs Enagás placed its €600 million bond issue on the market today. The issue has a 2025 maturity and bears an annual coupon of 1.25%, with an issue price of 99.08.

The issue, which falls within the Guaranteed Euro Medium Note (EMTN) programme, was closed in under two hours with final demand for over €6,000 million, more than 10 times the amount offered. This is a clear indication that the Company is held in high regard in the capital markets.

A portion of the bonds will be swapped for a portion of bonds from the €750 million issue with coupon payment of 4.25% and maturity in 2017.

The success of the placement with respect to both duration and cost has further improved the company's financial position, which has a well-diversified range of financing sources. Following the issue, 66% of its debt has been secured from the capital markets, while 32% comes from long-term borrowing from public bodies (European Investment Bank and Spain's National Credit Institute (ICO)), and 2% from bank borrowing.

Further to the relevant event announced by Enagás on 23 January 2015

Further to the relevant event announced by Enagás on 23 January 2015 (registration number 217560, the "Initial Notification"), Enagás hereby announces that, on 6 February 2015, a total of 2,592 Series 7 Notes for an aggregate nominal amount of EUR 259,200,000 to be issued on such date by Enagás Financiaciones, S.A.U., with the guarantee of Enagás, due 6 February 2025 (ISIN Code: XS1177459531), under its Guaranteed Euro Medium Term Note Programme (EMTN Programme), will be swapped for 2,823 Series 1 Notes due 5 October 2017 (ISIN Code: XS0834643727), for an aggregate nominal amount of EUR 282,300,000, which were issued by Enagás Financiaciones, S.A.U. and guaranteed by Enagás and which BNP Paribas has agreed to acquire today, in accordance with the terms and conditions established in the Tender Offer Memorandum dated 23 January 2015 referred to in the Initial Notification (the "Existing Notes Acquired").

The acquisition by BNP Paribas of the Existing Notes Acquired will take place on 4 February 2015 and, once the re-allocation of the Notes has been executed (i.e. on 6 February 2015), they will be redeemed and cancelled. Following such redemption and cancellation, the number of outstanding Series 1 notes in issue will total 4,677, for an aggregate nominal amount of EUR 467,700,000.

Gascan

On 28 January 2015, Enagás Transporte S.A.U. entered into an agreement with Unión Eléctrica de Canarias Generación, S.A.U. and Sociedad para el Desarrollo Económico de Canarias, S.A. to purchase 47.18% and 10.88% of the stakes that these shareholders held in Gascan, respectively. Enagás Transporte, S.A.U. will acquire all of the holding in Gascan, pursuant to Head of State Law 17/2013, of 29 October, guaranteeing supply and increased competition in the electricity grids both inside and outside the peninsular. Accordingly, the regasification plants planned for the Canary Islands should correspond to the business group comprising the technical manager of the natural gas system (Enagás GTS S.A.U., a wholly-owned investee of Enagás, S.A.). The total transaction, which stands at €8,989 thousand comprises the share price and the participating loans of these shareholders.

CONSOLIDATED PROFIT AND LOSS ACCOUNT

Cumulative figures

€ Mn (unaudited)	Jan-Dec 2014	Jan-Dec 2013	% Chg
Revenues from regulated activities	1,185.1	1,215.0	-2.5%
Other operating revenues	38.7	46.9	-17.4%
Total revenues	**1,223.8**	**1,261.9**	**-3.0%**
Personnel expenses	-84.7	-82.3	2.9%
Other operating expenses	-199.3	-183.7	8.5%
Total OPEX	**-284.0**	**-266.0**	**6.8%**
EBITDA	**939.8**	**995.9**	**-5.6%**
Depreciation/amortisation charge	-350.2	-346.1	1.2%
Operating profit (EBIT)	**589.6**	**649.8**	**-9.3%**
Net finance expense	-105.5	-103.9	1.6%
Results from equity accounted subsidiaries	11.2	14.8	-24.3%
Profit before tax	**495.3**	**560.7**	**-11.7%**
Income tax	-87.6	-156.5	-44.0%
Minority interests	-1.1	-1.1	3.5%
Net profit for the period	**406.5**	**403.2**	**0.8%**

(*) The consolidated profit and loss account at 31 December 2013 has been re-stated in accordance with the IFRS rules in force at 1 January 2014.

Quarterly

€ Mn (unaudited)	4Q 2014	4Q 2013	% Chg
Revenues from regulated activities	283.3	306.0	-7.4%
Other operating revenues	10.7	11.2	-3.9%
Total revenues	**294.0**	**317.2**	**-7.3%**
Personnel expenses	-21.9	-22.2	-1.3%
Other operating expenses	-65.3	-36.4	79.5%
EBITDA	**206.9**	**258.6**	**-20.0%**
Depreciation/amortisation charge	-113.4	-104.5	8.5%
Operating profit (EBIT)	**93.5**	**154.1**	**-39.3%**
Net finance expense	-27.2	-22.9	18.7%
Results from equity accounted subsidiaries	-5.9	1.8	-432.6%
Profit before tax	**60.4**	**132.9**	**-54.6%**
Income tax	38.3	-32.7	-217.1%
Minority interests	-0.2	-0.6	-66.0%
Net profit for the period	**98.4**	**99.6**	**-1.1%**

(*) The consolidated income statement at 31 December 2013 has been re-stated in accordance with the IFRS rules in force at 1 January 2014.

CONSOLIDATED BALANCE SHEET

€ Mn (unaudited)	31-Dec 2014	31-Dec 2013*
Intangible assets, property, plant and equipment	5,439.7	5,670.7
Investments accounted for using the equity method	740.6	254.6
Non-current investments in group companies and associates	112.0	14.7
Other non-current financial investments	287.9	2.2
Deferred tax assets	72.4	57.6
Non-current assets	**6,652.6**	**5,999.8**
Assets held for sale	0.0	0.0
Inventories	15.7	15.1
Receivables	484.5	687.8
Other current financial assets	3.2	3.0
Other current assets	4.4	2.8
Cash and cash equivalents	551.4	335.0
Current assets	**1,059.2**	**1,043.7**
TOTAL ASSETS	**7,711.8**	**7,043.5**
Capital	358.1	358.1
Reserves	1,578.0	1,477.2
Profit for the period attributable to equity holders of the parent	406.5	403.2
Interim dividend capitalised	-124.1	-120.1
Capital and reserves	**2,218.5**	**2,118.4**
Hedges	-1.7	10.4
Exchange differences	29.3	-3.4
Other	0.0	0.0
Changes in fair value recognised in equity	**27.6**	**7.0**
Results from equity accounted subsidiaries	**14.2**	**13.9**
Equity	**2,260.3**	**2,139.4**
Debentures and other marketable securities	2,041.0	1,829.8
Non-current financial liabilities	1,621.3	1,651.6
Non-current liabilities	72.8	44.9
Deferred tax liabilities	318.0	400.8
Provisions	163.3	169.7
Other non-current liabilities	56.1	77.3
Non-current liabilities	**4,272.4**	**4,174.1**
Current financial liabilities	943.2	482.9
Current liabilities payable	235.8	247.1
Current liabilities	**1,179.0**	**730.0**
EQUITY AND LIABILITIES	**7,711.8**	**7,043.5**

(*) The consolidated balance sheet at 31 December 2013 has been re-stated in accordance with the IFRS rules in force at 1 January 2014.

CONSOLIDATED STATEMENTS OF CASH FLOWS

€ Mn (unaudited)	Jan-Dec 2014	Jan-Dec 2013
(A) CONSOLIDATED PROFIT BEFORE TAX	**495.3**	**560.7**
Adjustments to profit (1)	**432.8**	**411.7**
Depreciation of PP&E	314.9	329.0
Other adjustments to profit	117.9	82.7
Changes in working capital (2)	**-80.6**	**-120.4**
Inventories	-0.5	0.9
Trade and other receivables	-100.0	-96.3
Other current assets	-2.4	-5.5
Trade and other payables	22.4	-19.4
Other cash flows from operating activities (3)	**-290.7**	**-301.3**
Interest paid	-118.2	-123.0
Interest collected	8.3	18.4
Income tax received /(paid)	-190.2	-194.3
Other collections and payments	9.5	-2.3
(B) NET CASH FLOWS FROM OPERATING ACTIVITIES (A+1+2+3)	**556.8**	**550.8**
Capital expenditure (4)	**-706.8**	**-466.5**
Group companies and associates	-531.1	-262.0
Intangible assets, PP&E and investment property	-140.3	-204.3
Other financial assets	0.0	-0.2
Non-current assets held for sale	-35.3	0.0
Proceeds from disposals (5)	**37.0**	**11.8**
Group companies and associates	0.0	11.8
Intangible assets, PP&E and investment property	0.0	0.0
Non-current assets held for sale	37.0	0.0
Other cash flows for investment activities (6)	**32.9**	**20.2**
Other cash flows for investment activities	32.9	20.2
(C) NET CASH FLOWS USED IN INVESTING ACTIVITIES (4+5+6)	**-636.9**	**-434.6**
Proceeds from/(payments on) financial liabilities (7)	**603.8**	**-963.5**
Issuance	2,173.7	1,241.3
Repayment	-1,570.0	-2,204.8
Dividends paid (8)	**-307.2**	**-283.6**
(D) NET CASH FLOWS FROM FINANCING ACTIVITIES (6+7)	**296.6**	**-1,247.0**
Effect of changes in consolidation method (9)	**-18.3**	**-13.8**
(E) TOTAL NET CASH FLOWS (B+C+D+ 9)	**198.1**	**-1,144.6**
Cash and cash equivalents - opening balance (10)	353.4	1,479.6
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (E+10)	**551.4**	**335.0**

(*) The consolidated statement of cash flows at 31 December 2013 has been re-stated in accordance with the IFRS rules in force at 1 January 2014.

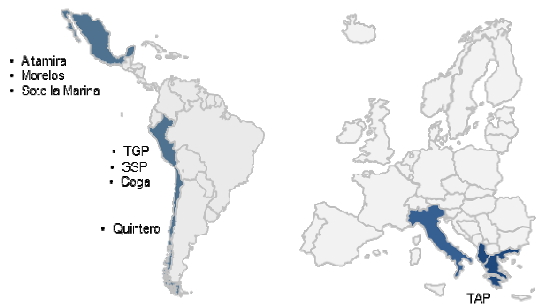
APPENDIX I: COMPANY ASSETS

Enagás' Gas System Assets 30/12/2014		
REGASIFICATION ASSETS	**Units**	**m^3 or m^3/h**
LNG tankers (number and capacity)	16	1,957,000
Nominal regasification capacity		4,650,000
Tank loaders	9	
TRANSPORT ASSETS	**Units**	**Km**
Km. of operational gas pipeline		10,314
Compressor stations	18	
Gas regulation and metering stations	491	
UNDERGROUND STORAGE ASSETS	**Units**	**Mm^3/day**
No. of storage facilities	3	
Max. injection		18.9
Max. output		27.4

Note: Enagás holds a 40% stake in the BBG regasification plant, which currently has two LNG storagetanks each with a capacity of $150,000^3$ and a nominal regasification capacity of 800,000 m^3(n)/h.

España

Internacional



APPENDIX II: RELATED-PARTY TRANSACTIONS

Pursuant to Order EHA/3050/2004, of 15 September, and the CNMV Circular 1/2008, of 30 January, we would like to report the following transactions:

Transactions between Enagás, S.A. and companies over which it exercises control

- **Transactions with Gasoducto de Morelos S.A.P.I. de C.V.**

Enagás, S.A. has given a loan of €16,655 thousand to Gasoducto de Morelos S.A.P.I. de C.V.

Enagás, S.A. has guarantees amounting to €16,489 thousand in respect of the obligations of Gasoducto de Morelos S.A.P.I. de C.V.

- **Transactions with Estación de Compresión Soto la Marina S.A.P.I. de C.V.-**

Enagás Internacional, S.L.U. has given a loan of €55,990 thousand to Estación de Compresión Soto la Marina, S.A.P.I. de C.V.

Transactions between Enagás Transporte, S.A.U. and companies over which it exercises control.

- **Transactions with Bahía de Bizkaia Gas, S.L.**

Enagás Transporte, S.A.U. has guarantees of up toof €60,207 thousand in respect of the obligations of Bahía de Bizkaia Gas, S.L.

Transactions between Enagás Internacional, S.L.U. and companies over which it exercises significant influence

- **Transactions with Trans Adriatic Gas Pipelines, AG.**

Enagás Internacional, S.L.U. has given a loan of €29,191 thousand to Trans Adriatic Gas Pipelines, AG.

- **Transactions with Gasoducto del Sur de Perú, S.A.**

Enagás Internacional, S.L.U. has guarantees of €72,141 thousand in respect of the obligations of Gasoducto del Sur de Perú, S.A.

Transactions between Enagás, S.A. and directors, executives and their immediate relatives (Article 4.1 b) of Ministerial Order EHA/3050/2004).

Attendance fees paid to the members of the Board of Enagás, S.A. totalled €1,083 thousand at 31 December 2014.

Remuneration paid to the members of the Management Committee amounted to €2,241 thousand.

Transactions with companies over which directors or executives exercise significant influence: (Article 4.1 d) of Ministerial Order EHA 3050/2004)

- **Transactions with BANCO SANTANDER**

1) Enagás, S.A. has four interest rate swaps with Banco Santander for the following amounts:
    - €50Mn maturing in June 2015;
    - €85Mn maturing in January 2017;
    - €100Mn maturing in May 2017;
    - €150Mn maturing in January 2020;

2) Enagás, S.A. has various guarantees and sureties with Banco Santander totalling €153,078 thousand.

- **Transactions with EULEN, S.A.-**

Services received: The detail of the expenses of €964,000 incurred by Enagás, S.A. is as follows:

Services received: The detail of the expenses of €621,000 incurred by Enagás Transporte, S.A.U. is as follows:

- **Transactions with Newcomer 2000.-**

Services received: The detail of the expenses of €12,000 incurred by Enagás, S.A.:

APPENDIX III: Corporate responsibility and sustainability

(Indexes, standards and assessment bodies)

	Enagás has been a member of the United Nations Global Compact since 2003. The Progress Report has been awarded the GC Advanced level since 2011. It has also been included in the Global Compact 100 index since 2013.		Enagás' management model was once again awarded the EFQM 500+ European Seal of Excellence in 2014. In addition, Enagás won the EFQM Good Practice Competition award.
	Enagás has been a member of the Dow Jones Sustainability World Index (DJSI) since 2008. The Company has once again received silver in the Sustainability Yearbook 2015 published by ROBECOSAM.		The 2012 and 2013 Annual Reports were drawn up in accordance with the integrated reporting principles laid down by the International Integrated Reporting Council (IIRC). As a corporate reporting leader, since 2011 Enagás has been a member of the international initiative led by the International Integrated Reporting Council (IIRC) for the preparation of integrated reporting, knowledge sharing and best practices thereon.
	Enagás has been a member of the FTSE4Good index since 2006.	**AA1000**	The 2013 Annual Report of Enagás was awarded the AA1000APS standard for the fifth year in a row and was awarded A+ for the sixth year in a row under the Global Reporting Initiative (GRI).
	Enagás has been a member of the Ethibel Pioneer & Excellence index since 2009.		In 2014 Enagás renewed the family-responsible company certificate which it first received in 2007. Enagás has kept its "B+ Proactive" rating.
	Enagás has been a member of the MSCI Global Sustainability Indices since 2010.		In 2014 Enagás renewed the Ministry for Health, Social Services and Equality's Equality at Work Seal, which it obtained in 2010 for the first time. Furthermore, in 2014 the Company also signed a cooperation agreement with the Ministry for Health, Social Services and Equality aimed at increasing the number of women in executive positions.
	Enagás has been a member of STOXX ESG Leaders index since 2011.		
	Enagás, a global leader in Gas Utilities, is the only Spanish company in the index and it has been ranked 19th in the 100 Most Sustainable Corporations in the World in 2015.		In 2014 Enagás was recognised for the fourth year in a row as being one of the Top Employers in Spain making it one of the best companies to work for.
	Enagás has been rated B Prime by oekom since 2010 and it joined the Global Challenges Index for the first time in 2014.		Enagás holds ISO 9001:2008 certification for the processes in place for technical management of its system, asset management, infrastructure development and information systems management.
	Enagás has been involved in the Carbon Disclosure Project's assessment of climate-change related risk and opportunity management since 2009. In 2014, Enagás was awarded Level B for Performance and 91 points for Transparency.		Since 2011, Enagás has held SSAE 16 certification for its "System Feasibility Capacity Management and Analysis" process and "Supply Security in the System/Technical Management of the System's Underground Storage" process.

APPENDIX IV: Consolidated financial statements (for 2013 not re-stated)

Profit and loss account

€ Mn (unaudited)	Jan-Dec 2014	Jan-Dec 2013	% Chg
Revenues from regulated activities	1,185.1	1,235.4	-4.1%
Other operating revenues	38.7	72.7	-46.8%
Total revenues	**1,223.8**	**1,308.1**	**-6.4%**
Personnel expenses	-84.7	-85.5	-1.0%
Other operating expenses	-199.3	-194.5	2.5%
Total OPEX	**-284.0**	**-280.0**	**1.4%**
EBITDA	**939.8**	**1,028.1**	**-8.6%**
Depreciation/amortisation charge	-350.2	-359.2	-2.5%
Operating profit (EBIT)	**589.6**	**668.9**	**-11.9%**
Net finance expense	-105.5	-109.5	-3.6%
Results from equity accounted subsidiaries	11.2	5.6	100.0%
Profit before tax	**495.3**	**565.0**	**-12.3%**
Income tax	-87.6	-160.7	-45.5%
Minority interests	-1.1	-1.1	3.8%
Net profit for the period	**406.5**	**403.2**	**0.8%**

Note: The consolidated profit and loss account for 2014 is not comparable with the consolidated profit and loss account for 2013 since in accordance with IFRS 11 (which no longer includes the option of accounting for joint ventures using the proportionate method of consolidation), BBG and Altamira are accounted for using the equity method, making a contribution to profit after tax only

Consolidated balance sheet

€ Mn (unaudited)	31-Dec 2014	31-Dec 2013*
Intangible assets, property, plant and equipment	5,439.7	5,881.8
Investments accounted for using the equity method	740.6	165.8
Non-current investments in group companies and associates	112.0	14.7
Other non-current financial investments	287.9	2.5
Deferred tax assets	72.4	72.0
Non-current assets	**6,652.6**	**6,136.7**
Assets held for sale	0.0	0.0
Inventories	15.7	15.2
Receivables	484.5	699.3
Other current financial assets	3.2	3.0
Other current assets	4.4	3.0
Cash and cash equivalents	551.4	353.4
Current assets	**1,059.2**	**1,073.9**
TOTAL ASSETS	**7,711.8**	**7,210.6**
Capital	358.1	358.1
Reserves	1,578.0	1,477.2
Profit for the period attributable to equity holders of the parent	406.5	403.2
Interim dividend capitalised	-124.1	-120.1
Capital and reserves	**2,218.5**	**2,118.4**
Hedges	-1.7	10.4
Exchange differences	29.3	-3.4
Other	0.0	0.0
Changes in fair value recognised in equity	**27.6**	**7.0**
Results from equity accounted subsidiaries	**14.2**	**13.9**
Equity	**2,260.3**	**2,139.4**
Debentures and other marketable securities	2,041.0	1,829.8
Non-current financial liabilities	1,621.3	1,774.3
Non-current liabilities	72.8	45.1
Deferred tax liabilities	318.0	416.4
Provisions	163.3	177.3
Other non-current liabilities	56.1	77.3
Non-current liabilities	**4,272.4**	**4,320.3**
Current financial liabilities	943.2	494.3
Current liabilities payable	235.8	256.6
Current liabilities	**1,179.0**	**750.9**
EQUITY AND LIABILITIES	**7,711.8**	**7,210.6**

Note: The consolidated balance sheet for 2014 is not comparable with the consolidated balance sheet for 2013 since in accordance with IFRS 11 (which no longer includes the option of accounting for joint ventures using the proportionate method of consolidation), BBG and Altamira are accounted for using the equity method, making a contribution to profit after tax only.

Consolidated statement of cash flows

€ Mn (unaudited)	Jan-Dec 2014	Jan-Dec 2013
(A) CONSOLIDATED PROFIT BEFORE TAX	**495.3**	**565.0**
Adjustments to profit (1)	**432.8**	**439.6**
Depreciation of PP&E	314.9	342.1
Other adjustments to profit	117.9	97.5
Changes in working capital (2)	**-80.6**	**-124.6**
Inventories	-0.5	0.9
Trade and other receivables	-100.0	-96.8
Other current assets	-2.4	-4.3
Trade and other payables	22.4	-24.4
Other cash flows from operating activities (3)	**-290.7**	**-310.8**
Interest paid	-118.2	-128.0
Interest collected	8.3	16.1
Income tax received /(paid)	-190.2	-198.9
Other collections and payments	9.5	0.0
(B) NET CASH FLOWS FROM OPERATING ACTIVITIES (A+1+2+3)	**556.8**	**569.2**
Capital expenditure (4)	**-706.8**	**-481.0**
Group companies and associates	-531.1	-262.0
Intangible assets, PP&E and investment property	-140.3	-218.7
Other financial assets	0.0	-0.3
Non-current assets held for sale	-35.3	0.0
Proceeds from disposals (5)	**37.0**	**11.8**
Group companies and associates	0.0	11.8
Intangible assets, PP&E and investment property	0.0	0.0
Non-current assets held for sale	37.0	0.0
Other cash flows for investment activities (6)	**32.9**	**4.8**
Other cash flows for investment activities	32.9	4.8
(C) NET CASH FLOWS USED IN INVESTING ACTIVITIES (4+5+6)	**-636.9**	**-464.4**
Proceeds from/(payments on) financial liabilities (7)	**603.8**	**-947.4**
Issuance	2,173.7	1,283.8
Repayment	-1,570.0	-2,231.2
Dividends paid (8)	**-307.2**	**-283.6**
(D) NET CASH FLOWS FROM FINANCING ACTIVITIES (6+7)	**296.6**	**-1,231.0**
Effect of changes in consolidation method (9)	**-18.3**	**0.0**
(E) TOTAL NET CASH FLOWS (B+C+D+ 9)	**198.1**	**-1,126.2**
Cash and cash equivalents - opening balance (10)	353.4	1,479.6
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (E+10)	**551.4**	**353.4**

Note: The consolidated statement of cash flows for 2014 is not comparable with the 2013 consolidated statement of cash flows since in accordance with IFRS 11 (which no longer includes the option of accounting for joint ventures using the proportionate method of consolidation), BBG and Altamira are accounted for using the equity method, making a contribution to profit after tax

APPENDIX V: Contact details

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