



Conference call-Webcast
1Q 2010 Results
27th April 10am CET



FTSE4Good



Key figures



(€mill)	Jan-Mar 2010	Jan-Mar 2009	%10vs09
Regulated revenues	232.3	203.0	+14.5%
EBITDA	189.7	162.5	+16.8%
EBIT	130.6	112.0	+16.6%
Net Profit	82.0	68.7	+19.4%

Investments	131.2	365.0
Assets put into operation	55.6	103.9

Net Debt	3,020.6	2,516.6
Net Debt/Assets	49.5%	50.8%
Leverage	64.3%	63.7%
Cost of debt	2.72%	3.25%

(GWh)

Transported gas demand	112,022	105,271	+6.4%
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Results aligned with 2010 budgeted targets



Our commitments in 2010



1 Net Income growth around double digit (+10%)

2 €700 million Investments

3 €500 million Assets put into operation

4 Financial resources at very attractive conditions
in terms of both maturity and cost

5 Look for value creation opportunities with acquisitions of third
party regulated assets

6 Ensure continuity and security of supply of natural gas
and act as back up of the system

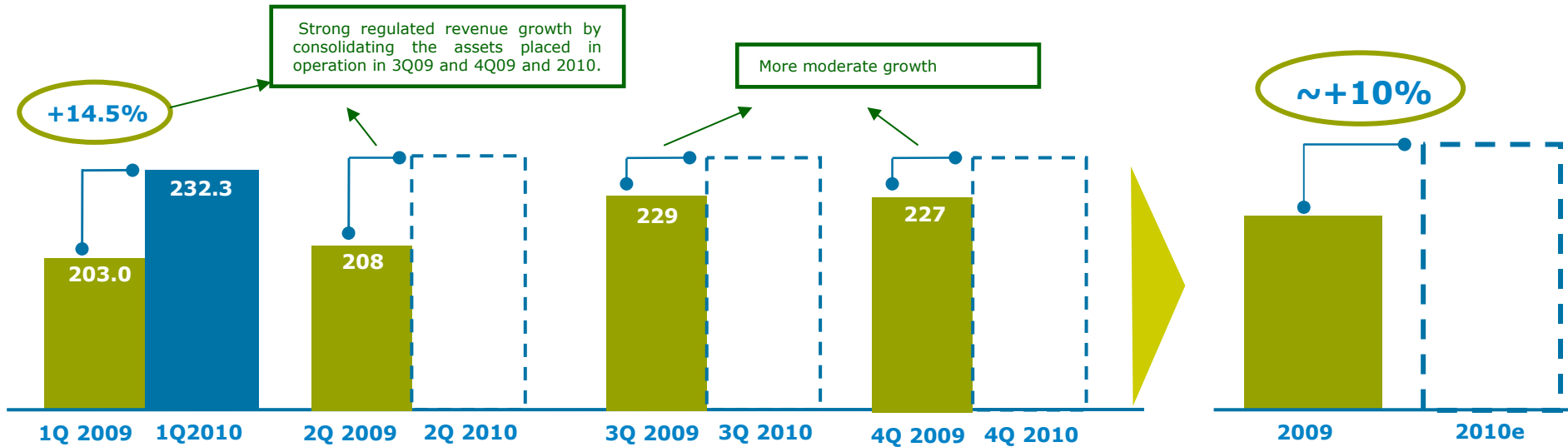
7 Strategic Plan Update for 2010-2014 period



Regulated revenues evolution



Regulated revenues (€ mill)



Strong regulated revenue growth in 1Q2010 by consolidating the assets placed in operation in 2009.

The comparison will become more homogeneous from the second half, when comparing with strong 3Q09 and 4Q09

In line with the target of double digit growth in regulated revenues in 2010 (~+10%)

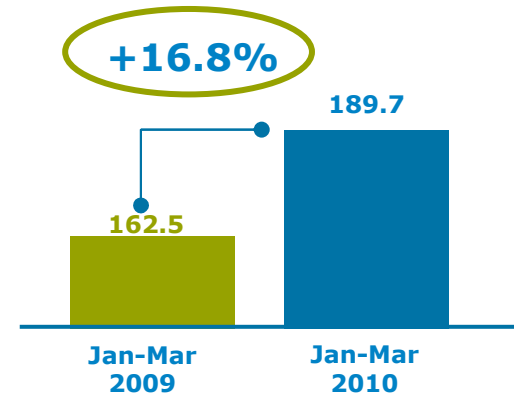
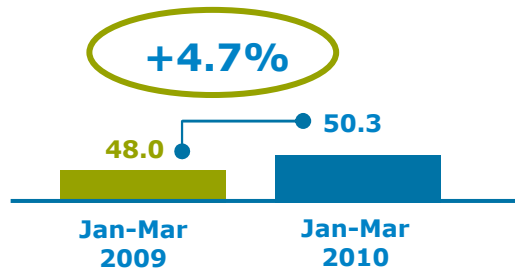


Operating Efficiency



Opex (€ mill)

EBITDA (€ mill)



Increased opex associated with the consolidation of assets placed in operation in 2009. The comparison with 2009, as well as in revenues, will become more homogeneous from the second half.

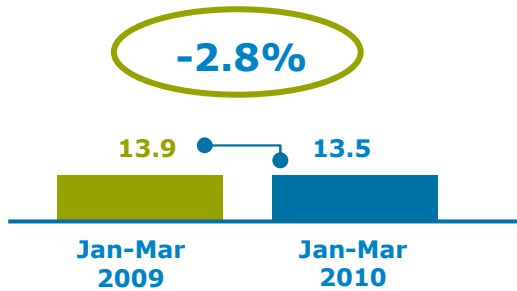
Significant increase in EBITDA for the referred revenues and opex evolution. In line with the EBITDA annual target, around double digit growth (~+10%)

Enagás continues to implement rigorously the Efficiency Plan. Since January 2009 assets by worth € 1,021 million have been put into operation With a moderate growth in operating costs



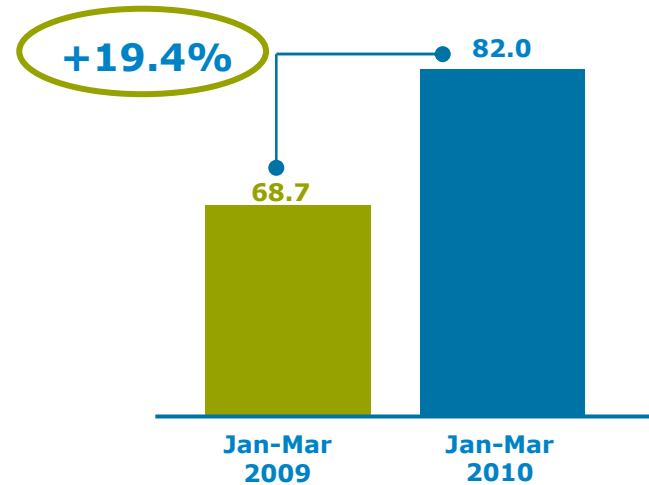
Net Profit

Net Financial Result
(€ mill)



Despite the increase in debt, control over financial costs (average cost of debt of 2.7%), makes the financial result improve over 1Q09

Net Profit
(€ mill)

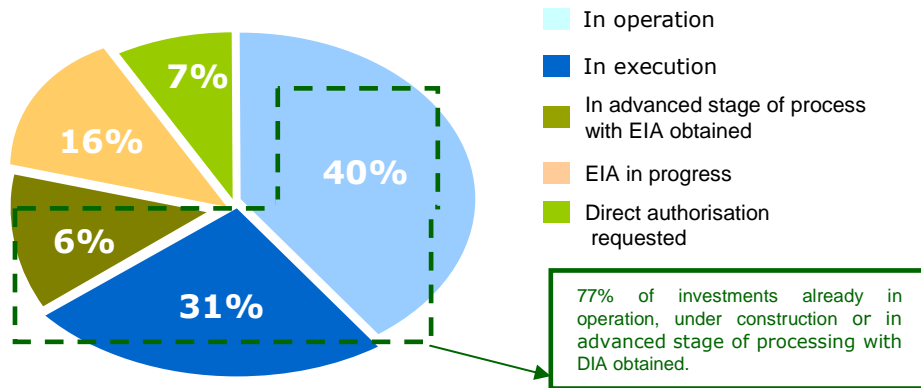


Net Profit positively affected by regulated revenues increase and cost efficiency.
Annual target for Net Profit will be around double digit growth (~+10%)

Results aligned with 2010 budgeted targets



Permits 31/03/2010



Capex



In 2010 permits amounting to € 225 mill were obtained

**€131.2 mill
In line with the annual target**

Increase strategic storage, improve international connections and entry points, and resolution of bottlenecks for reasons of security of supply guarantee.





Assets put in operation



**€55.6
mill**



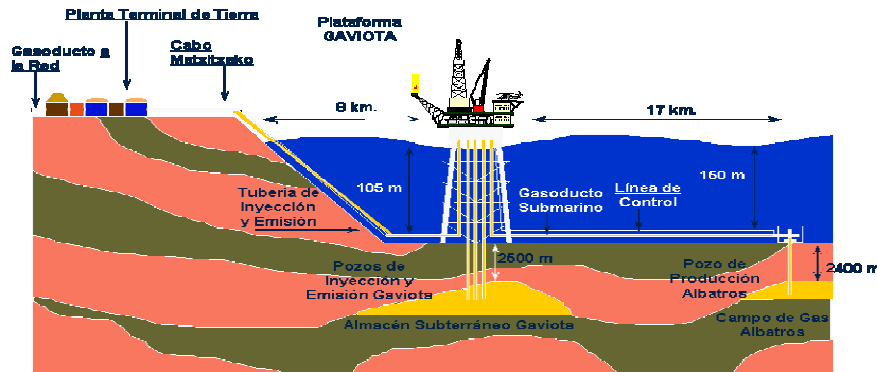
- ▶ C.S. Montesa
- ▶ RMSs
- ▶ Barcelona Regasification Plant Control System

**Quarter aligned with the
annual budget**

**Supporting renewable energy development and back-up of the entire
electricity generation system**



Acquisition of Repsol's stake in U.G.S of Gaviota



- ▶ Gaviota is an "off-shore" gas storage, near Bermeo (Vizcaya), included in the Regulated Basic Network, with 1bcm of operative volume.
- ▶ Last 8th April Enagás bought Repsol's **82%** in the underground natural gas storage facility.
- ▶ Gaviota current shareholders are Enagás (82%) and Murphy Spain Oil Company (18%). Advanced negotiations with Murphy Oil to acquire its 18% in the same conditions
- ▶ **Amount of the operation: €70,5 mill(*)**.
- ▶ **2010e EBITDA Multiple : 7X**
- ▶ **IRR nominal post tax: 8%**
- ▶ **Revenues will be integrated in Enagás: 1/1/2010**
- ▶ **Lifetime extension: January 2019**
- ▶ **P&L 2009 (100% asset): Revenues: €32 mill, EBITDA: €12 mill, Net Profit: €4 mill**
- ▶ Mandatory Planning 2008-2016 envisages the extension of Underground Gas Storage of Gaviota to **1,6 bcm**.
- ▶ Acquisition consistent with the strategic objectives of acquiring regulated assets in Spain, profitability and debt
- ▶ The closing is subject to obtaining the relevant administrative and competition authorizations.

(*): There is a commitment by Enagas to pay an additional 16.4 million if the Ministry of Industry, Tourism and Trade approves the project to expand the storage capacity.

The transaction generates profits from the first year



Acquisition of 25% of the BBG plant



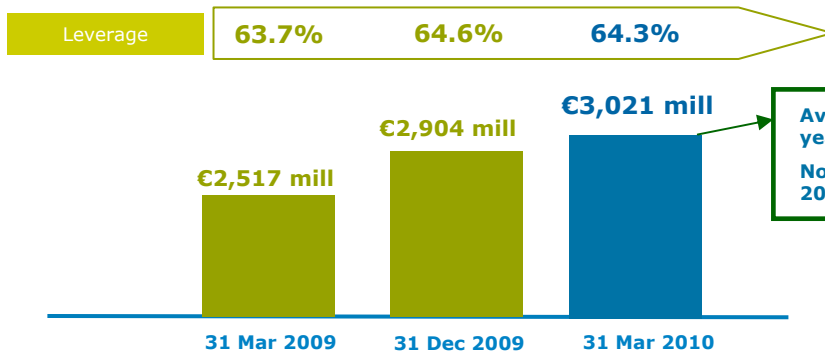
- ▶ The BBG regasification plant is located in the municipality of Zierbena (Vizcaya). Total storage capacity of 300,000 m³ of LNG and emission capacity of 800,000 Nm³ / h.
- ▶ On September 3, 2009 Enagás bought BP's 25% stake it held in the plant..
- ▶ Shareholders: 25% Enagás, 25% Repsol, 25% Ente Vasco de la Energía, 25% RREEF.
- ▶ **Amount of the operation (including debt): €65 mill.**
- ▶ **2010e EBITDA multiple: 6X.**
- ▶ **P&L 2009 (100% asset): Revenues: €61 mill, EBITDA: €46 mill, Net Profit: €13,2 mill.**
- ▶ We have received all necessary approvals by the CNE and competition authorities
- ▶ The transaction generates a positive benefit from the first year
- ▶ Acquisition consistent with the strategic objectives of acquiring regulated assets in Spain, profitability and debt

Once all necessary permits have been received, Enagás consolidates BBG stake proportionately since April 14th

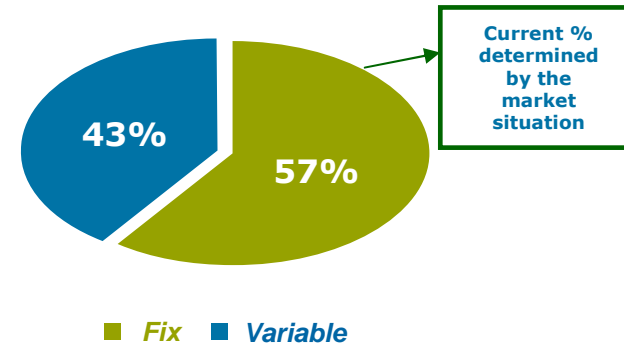


Financial structure and liquidity

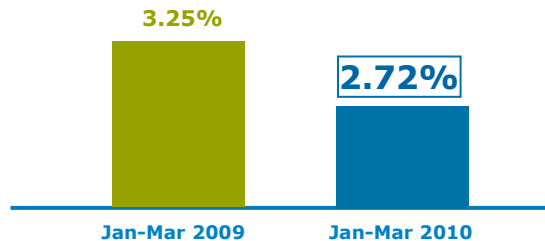
Net Debt



Debt structure



Average cost of debt



Liquidity 31/Mar/2010

€1,796 mill

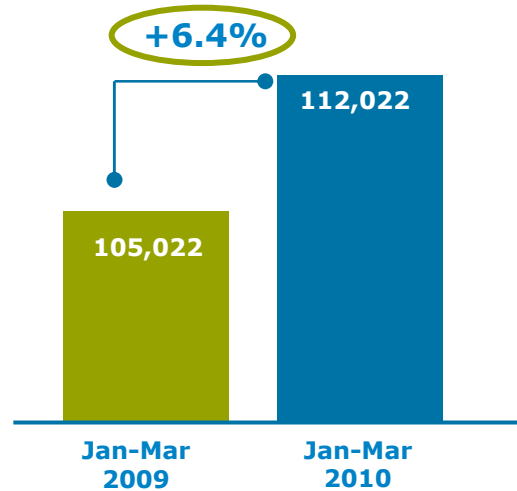
Enough Financial resources to carry on the investment plan at very attractive conditions in terms of both maturity and cost



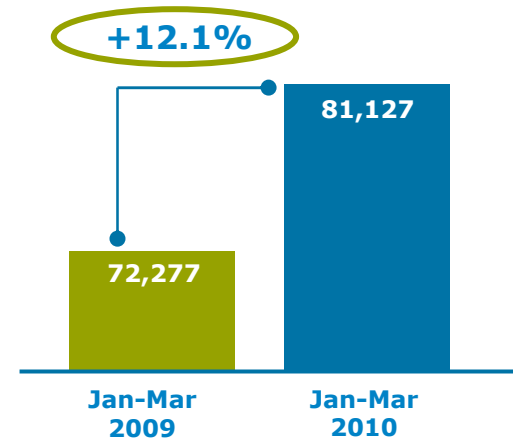
Natural gas demand



Transported Gas demand GWh



Conventional gas demand GWh



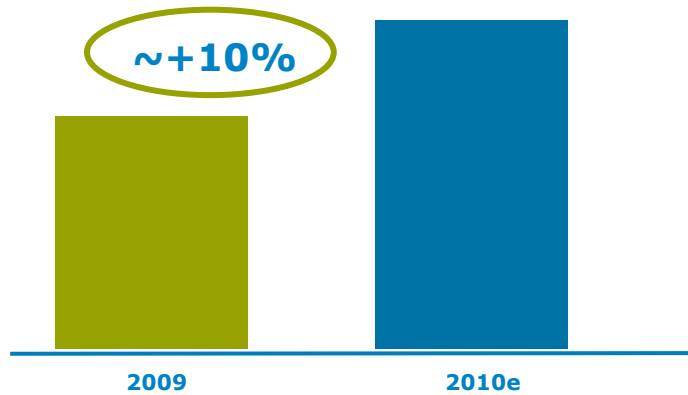
- ▶ In the first quarter of 2010, the accumulated demand exceeds by 6.4% that recorded in the first three months of 2009.
- ▶ The conventional demand (Domestic and commercial, industrial and industrial cogeneration) has increased by 12.1% over the first quarter of 2009. This increase is influenced by the effects of temperature decrease and increase of the industrial consumption.
- ▶ Demand for electricity generation has decreased by 6.1% mainly due to high wind and hydro power production. Enagás serves this segment of demand giving support to the development of renewable energy and as back-up of the Spanish energy system.



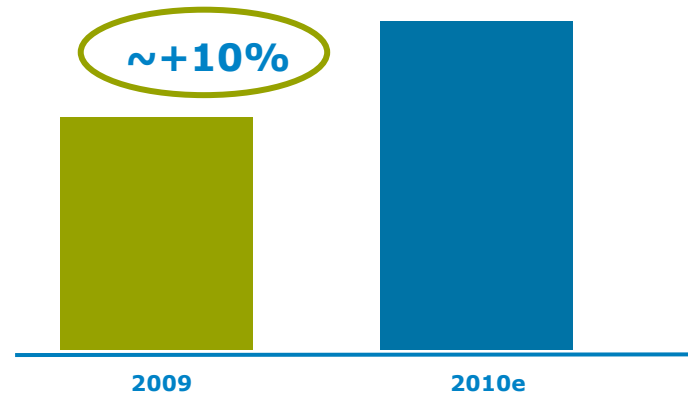
2010 Financial objectives



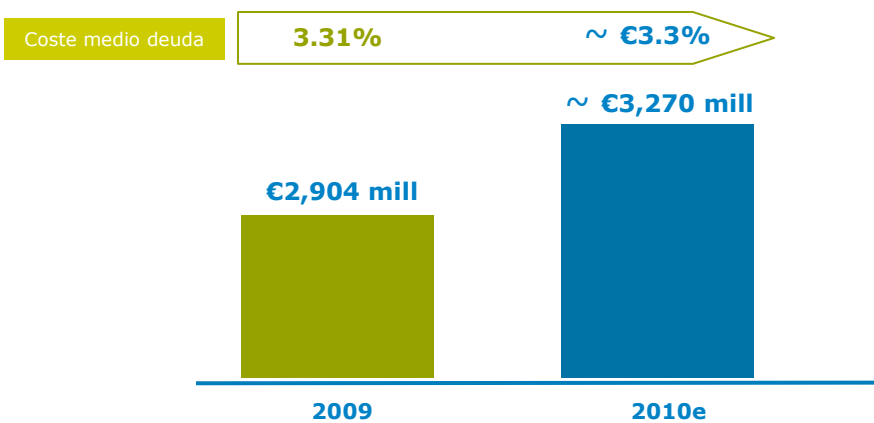
Regulated revenues



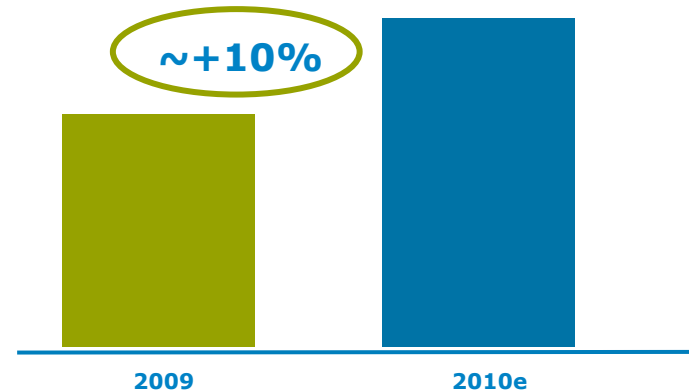
EBITDA



Leverage and Financial cost



Net Profit



A year of double digit growth on an excellent year 2009



2010 Investment objectives



Investments

€700 mill

Cruise speed for the next few years

Assets put into operation

€500 mill

Assets put into operation between 2010 and 2011 to reach 1,300 million euros

The document of revision of the 2008-2016 infrastructure planning confirms previous guidance of Enagás of annual capex of €700m between 2010 and 2012

The Ministry has already initiated the process for the future 2011-2020 infrastructure planning



1Q 2010 Conclusions



- ▶ EBITDA and net profit growth will be softened during the following quarters to reach the annual growth target of $\sim +10\%$.
- ▶ First quarter results are in line with the budget of the Company, underscoring the commitment of Enagás to achieve the planned growth targets on an excellent year 2009.
- ▶ Enagás continues to implement rigorously the Efficiency Plan.
- ▶ 1Q investments and assets put into operation in line with the annual target
- ▶ The acquisitions made by the Company (25% BBG and 82% Gaviota), are consistent with the objectives of profitability and debt announced.
- ▶ Already obtained all necessary permits, Enagás proportionately consolidates its participation in BBG since 14 April..
- ▶ The rigorous financial policy pursued by Enagás allowed to lower the average cost of debt to 2.7% in the first quarter .
- ▶ Diversified financing sources. Liquidity € 1,796 mill.
- ▶ Gas demand recovery in the first quarter (+6,4%), mainly by the increase in conventional demand (+12.1%).
- ▶ Regulatory Stability: Ministerial Order ITC/3520/2009 maintains the remuneration methodology established in previous years, standard values adopted for new transmission assets.
- ▶ The Ministry has already started the planning process for the new National Energy Plan 2012-2020.



2010 Financial Calendar



Quarterly Results

2Q 2010 27-July-2010

3Q 2010 26-October-2010

General Shareholders Meeting

GSM 30-April-2010

- ▶ **Corporate Governance Improvements: Unified Code of Corporate Governance**
- ▶ **Amendment of Corporate Purpose: Future action in the medium-long term to include transport and storage of captured CO2**
- ▶ **Powers and responsibilities in respect to Corporate Social Responsibility granted to the Appointments and Remuneration Committee**
- ▶ **Appointment of a new woman independent director following the best practices of Corporate Governance**
- ▶ **Strengthening the independence of the Board Committees**



During the month of June, Enagás will update its Strategic Plan for 2010-2014

Note: All dates are tentative and are subject to change





Conference call-Webcast Investor Relations

investors@enagas.es

www.enagas.es

+34.91.709.93.30



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