



Conference call-Webcast 1Q 2011 Results

19/April/2011



Key figures



(€mill)	Jan-Mar 2010	Jan-Mar 2011	%10vs09
Regulated revenues	232.3	242.1	+4.2%
Total revenues	239.9	256.6	+7.0%
EBITDA	189.7	205.9	+8.6%
EBIT	130.6	138.7	+6.2%
Net Profit	82.0	86.0	+4.8%
Investments	131.2	130.0	-1%
Assets put into operation	55.6	165.0	+197%
Net debt	3,020.6	3,178.6	
Leverage	64.3%	65.2%	
Cost of debt	2.72%	2.76%	
Transported gas demand in the regulated system (GWh)*	115,496	114,822	-0.6%

Results aligned with budget and 2011 targets

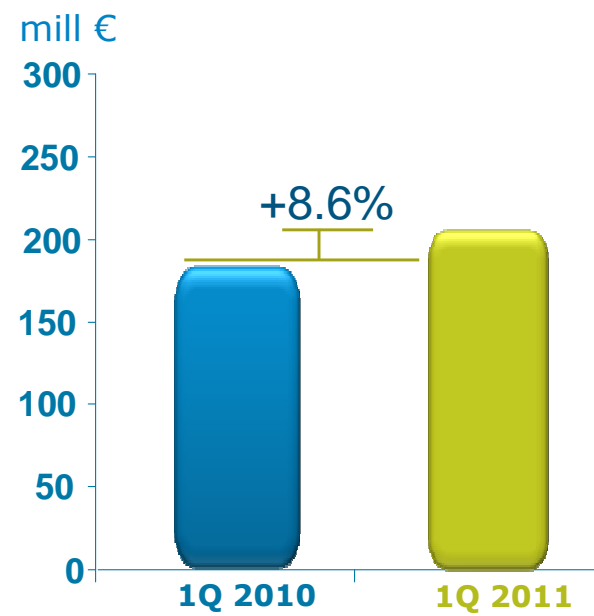
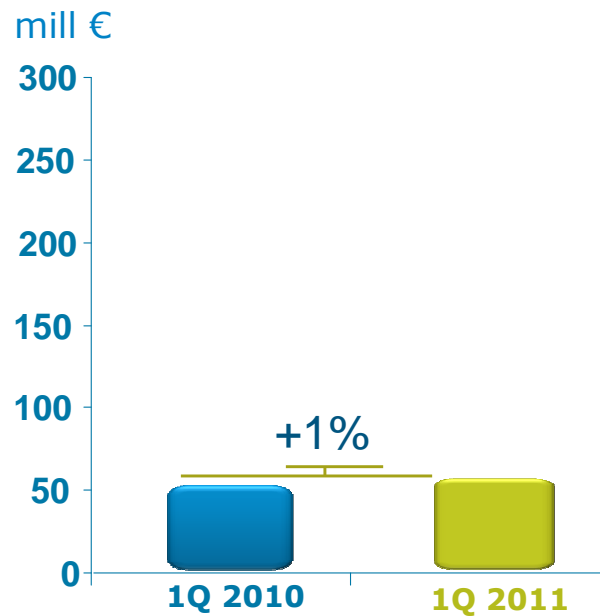
Note: In 1Q2011, 40% of BBG regasification plant has been proportionally consolidated, while 1Q2010 numbers did not include this concept
 * Includes total demand of gas transported in the regulated Spanish system: National demand, exports and injections in non basics storages. It is not included the gas in transit of the GME, Magreb-Europe pipeline, to Portugal.

Operating Efficiency



Opex (mill€)

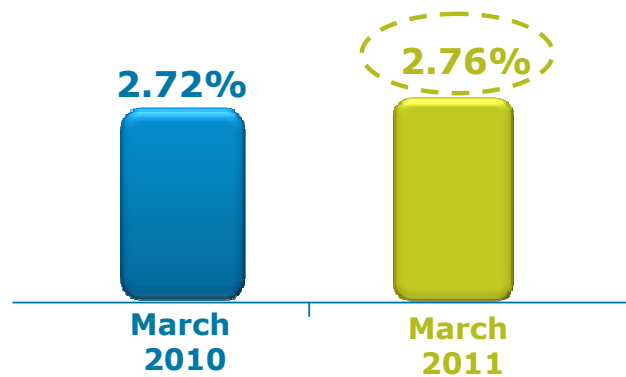
EBITDA (mill€)



Significant increase of the RAB with a moderate Opex growth

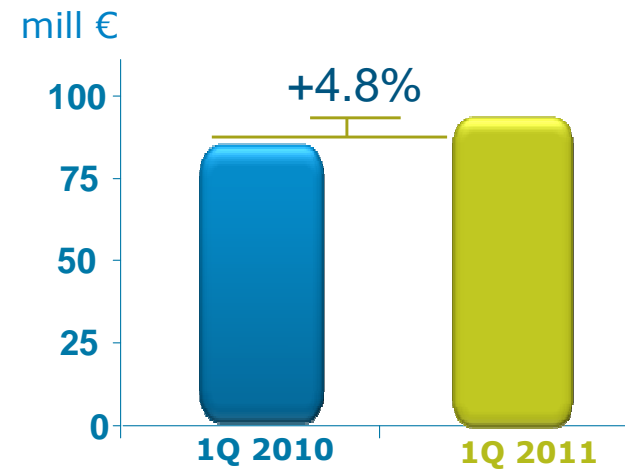
Financial cost control

Average cost of debt



Cost of debt at similar levels of 2010

Net Profit (mill€)

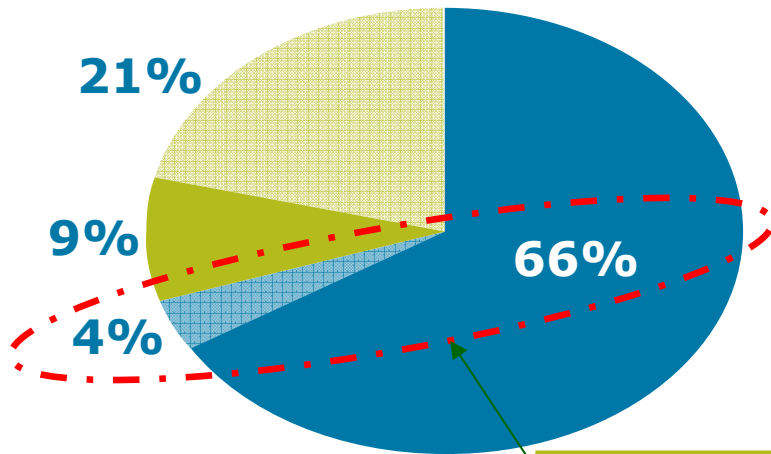


Net profit growth aligned with budget and 2011 targets

Investments



Permits Capex plan 2010-2014



- In operation/construction
- In advanced stage of process with EIA
- EIA in progress
- Direct authorisation requested

✓ The 70% of investments are already in operation, under construction or in advanced stage of processing with EIA obtained.

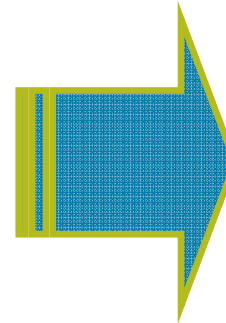
Investments 1Q 2011



In 2011 permits amounting to €241 mill were obtained

Capex of €130 mill

Assets put into operation

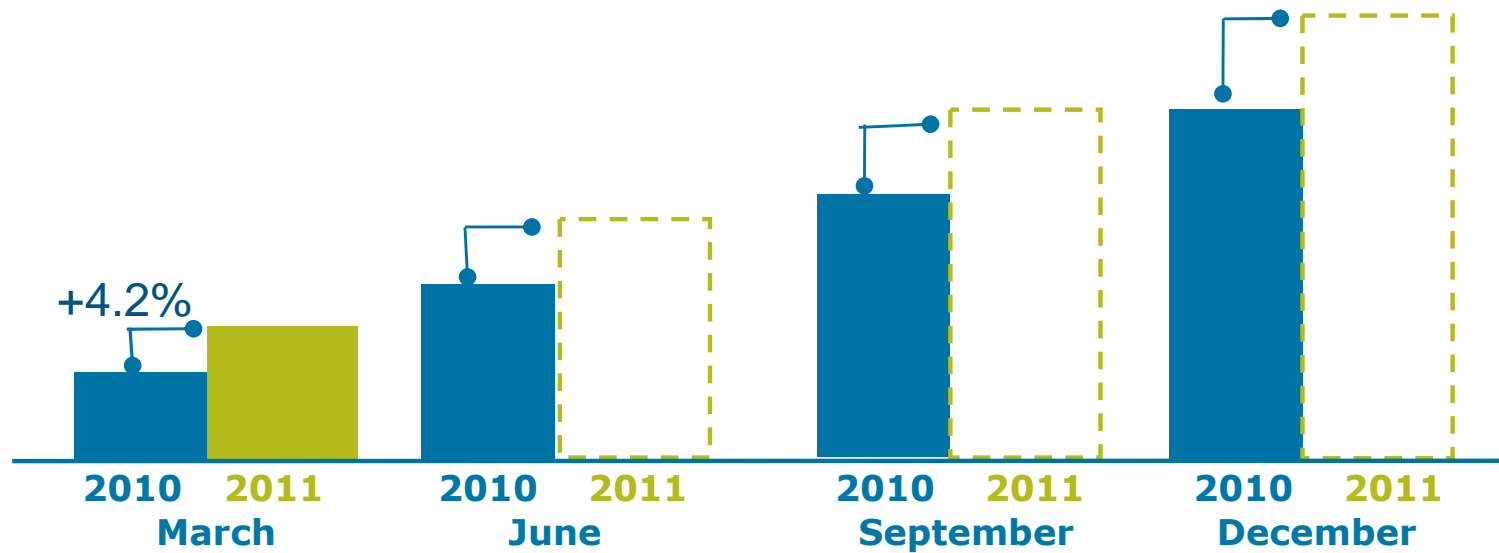


€165 mill

- Main assets:**
- 8th LNG tank
Barcelona plant
 - C.S Villar de Arnedo

Enagás' investments enables the development of renewable energies and helps the Spanish energy system work properly

Regulated revenues



Regulated revenue growth will become more noticeable over the coming quarters due to the incorporation of new assets into operation and the integration of Gaviota

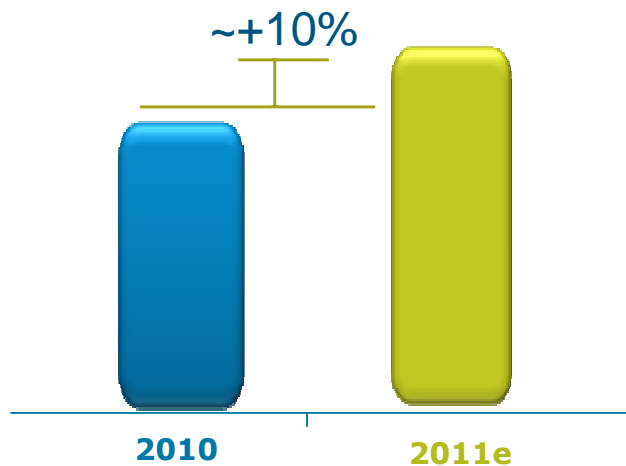
Note: the Company is awaiting final government approval for the acquisition of the Gaviota underground storage facility

2011 financial targets

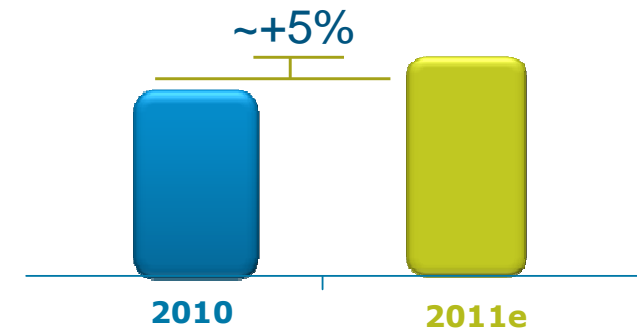


EBITDA

Net Profit



Average cost of debt: 3.3%



Double digit growth in EBITDA for the third consecutive year

Prudent Net Profit target

2011 investment targets

Capex

Assets put into
operation

€ 650 mill

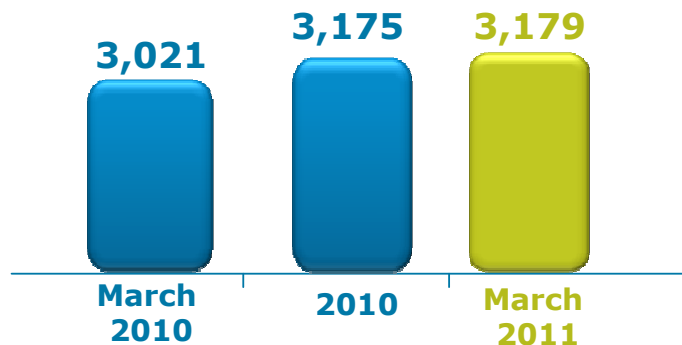
€ 650 mill

**Key investments to guarantee supply
and in the right track of 2010-2014 Strategic Plan**

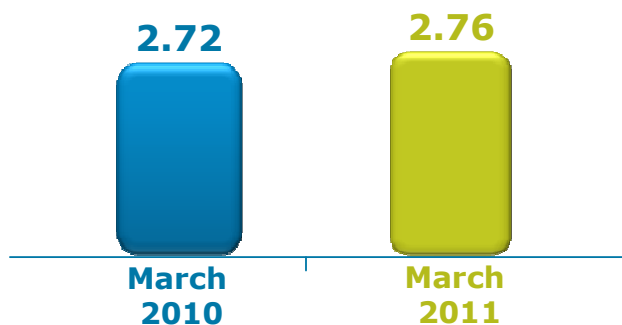
Financial structure and liquidity



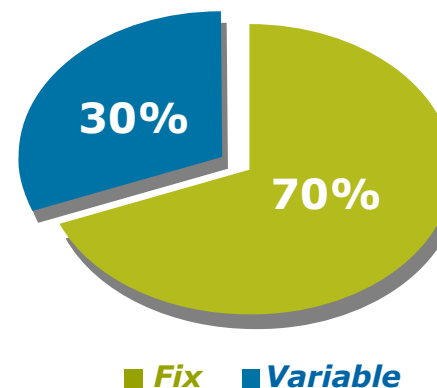
Net debt (mill €)



Average cost of debt (%)



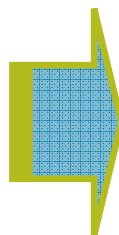
Debt net structure



Liquidity 03/31/11

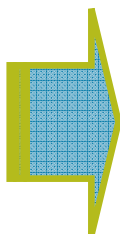
€ 2,063 mill

Summary of significant events 1Q2011



AGM 2011

- Quorum 56.98%
- Approval of all agreements
- Final dividend 5-July:
€0.53/share



Signature of EIB loan tranche

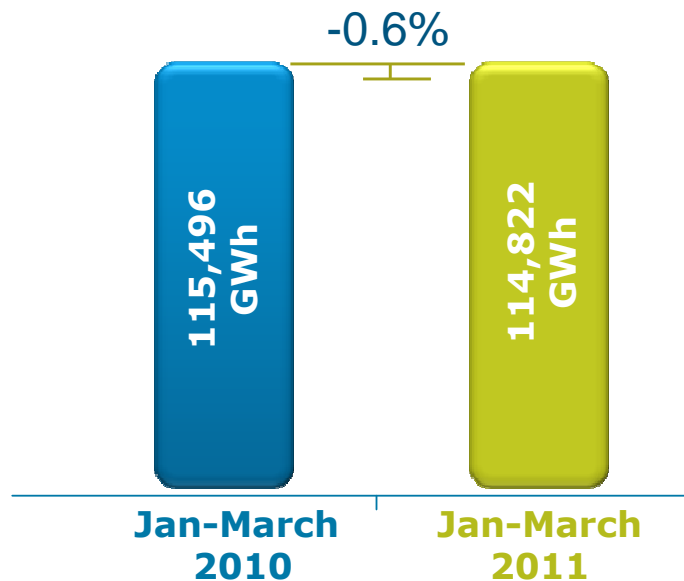
- Amount €350 mill
- Optimal transaction in terms of cost and maturity

Regulation

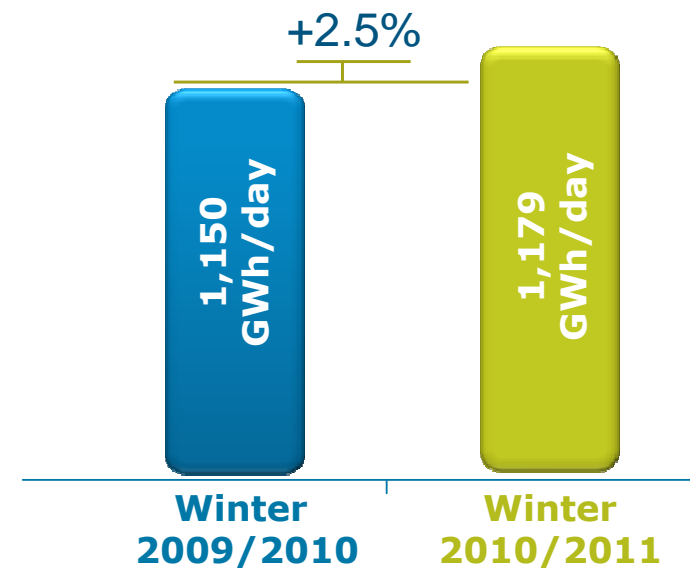
- ▶ **Regulatory stability expected for the next years**
- ▶ **From 2014, Enagás will undertake the investments contemplated under the new 2012-2020 Mandatory Planning document, which is being drafted and is expected to be approved during the second half of 2011**
- ▶ **Scope of the Third Package:**
 - **The Agency for the Cooperation of Energy Regulators (ACER) was established**
 - **ENTSOG has received the formal request of the European Commission to develop the first European Network Code, which will focus on Capacity Allocation Mechanisms**
- ▶ **European Ten Year Network Development Plan**

Natural gas demand

Total demand in the regulated system



Peaks of conventional demand 1Q2011



The conventional segment increased by 5%, once corrected by the weather and working days effects

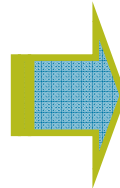
System designed for peaks of demand

Reflections after the 1Q2011 events

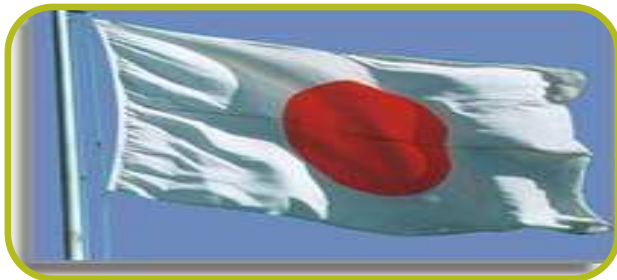


Necessary infrastructure to guarantee supply:

- Underground gas storage
- International connections



Medgaz will be fully justified when the new interconnection with Europe, Midcat, is built



Role of the natural gas chain as one of the bedrocks of energy systems

Enagas's infrastructure is key to guarantee and diversify supplies , for the openness and the integration of markets and to enable the use of renewable energy

Conclusions



- ▶ **The growth of regulated revenues together with the opex control, will allow the annual growth target EBITDA~+10%**
- ▶ **1Q2011 results totally aligned with budget and reaffirm the Enagas's commitments to meet the target of annual Net Profit growth ~+5%**
- ▶ **Capex and assets put into operation in 1Q are in the right track to meet targets of €650 mill in both figures**
- ▶ **The strict financial policy carried out by Enagás has allowed the Company to obtain an average debt cost of 2.76%**
- ▶ **From 2014, Enagás will undertake the investments contemplated under the new 2012-2020 Mandatory Planning document, which is being drafted and is expected to be approved during the second half of 2011**
- ▶ **Recent global events reinforce the role of the natural gas chain as one of the bedrocks of energy systems**



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