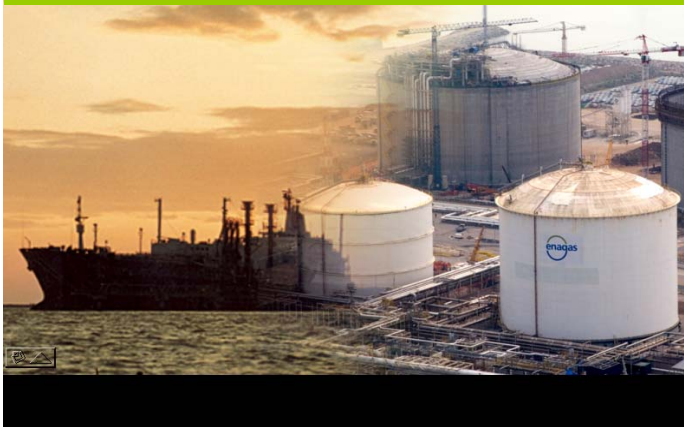


Maintaining our focus on efficiency and growth

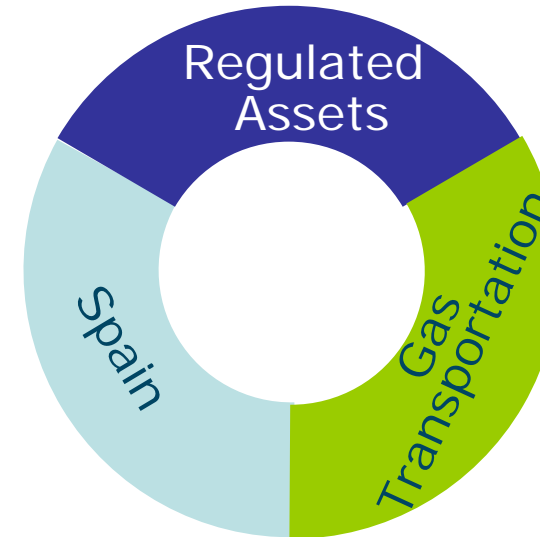


21st April 2006

Basic Information

Market Cap.⁽¹⁾	€4,130m
Net Debt 2005	€1,547m
Revenues 2005	€681m
EBITDA 2005	€478m
Net Income 2005	€191m

Triple Core Strategy

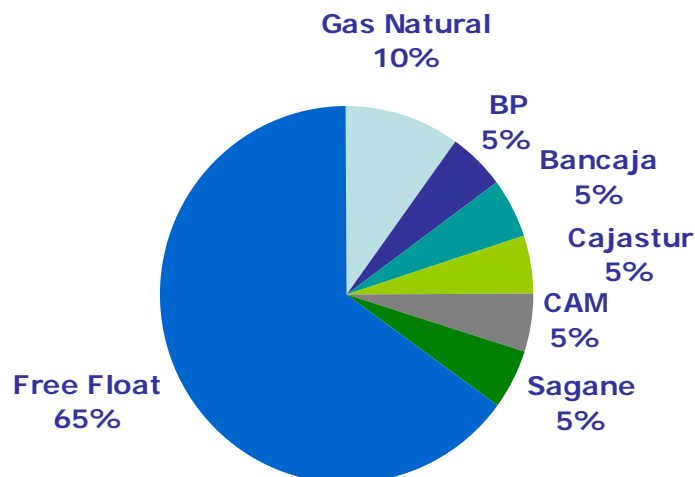


Overview of Presentation



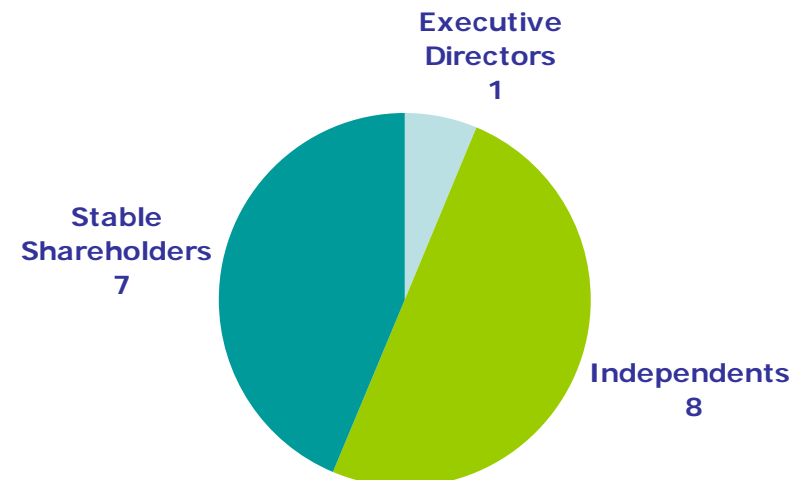
Note: (1) As of 19th April 2006, €17.3 per share.

Shareholders



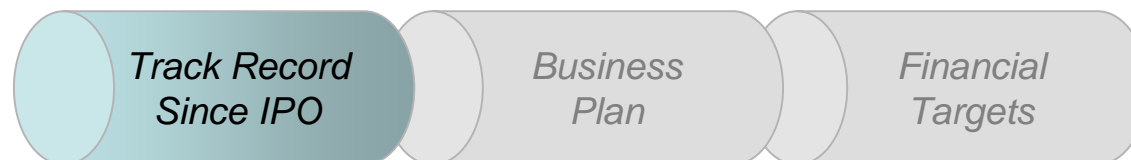
- ▶ 65% free float; ~ €2,700m
- ▶ Average daily trading of €19m in the last 12 months; 1% traded every 2 days
- ▶ Gas Natural has reduced its stake since the IPO from 41% to 10% currently
- ▶ Government proposal to limit players in the Spanish gas sector to a 1% stake and other shareholders to 3% would increase free float by at least another 21%

Board



- ▶ 6 stable shareholders with Board presence
- ▶ Majority of independents
- ▶ Functioning of Board and Committees as per Spanish and international best practices of corporate governance

1. Track Record Since IPO

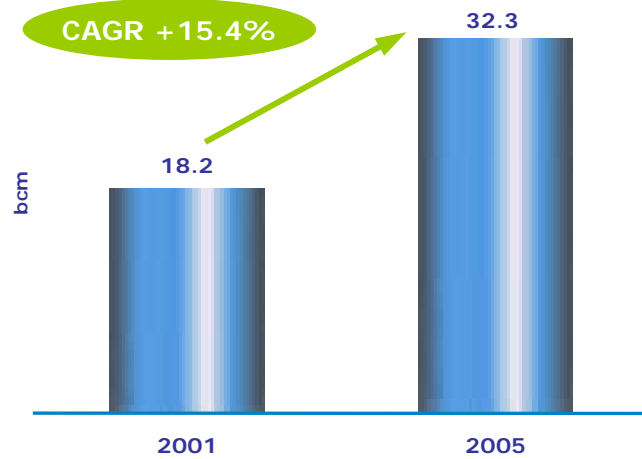


High gas demand growth, above expectations

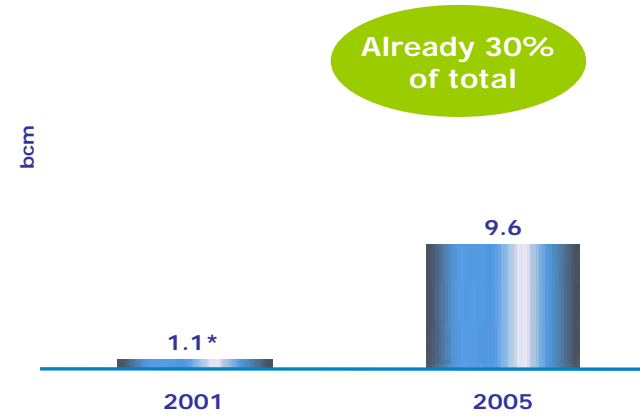


Track Record Since IPO Business Plan Financial Targets

Total Demand

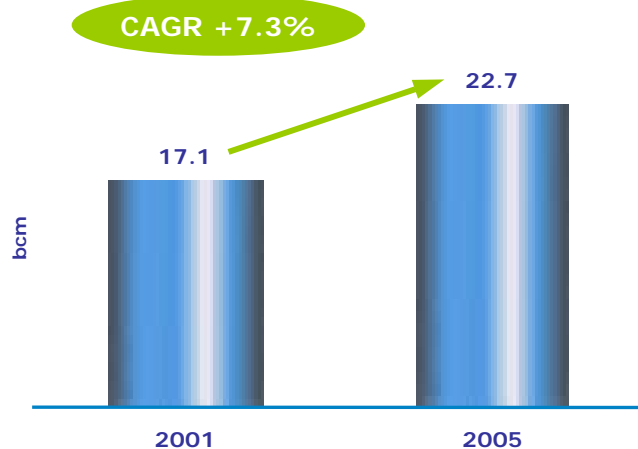


Demand for Electricity Generation

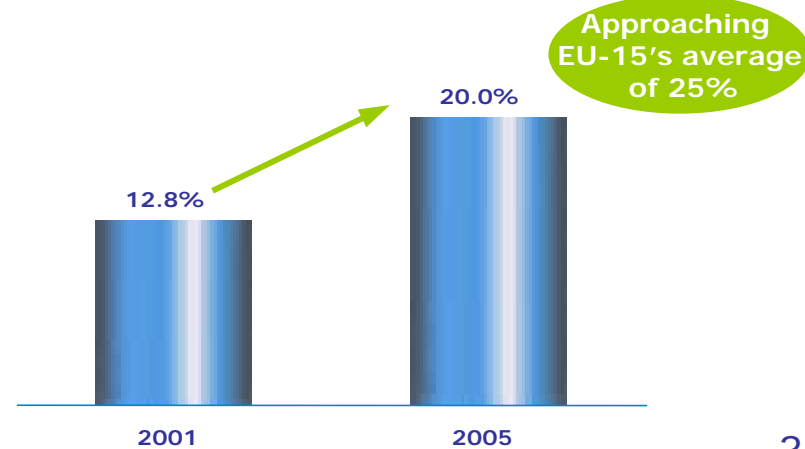


Note: * Non-CCGT gas fired plants.

Demand for Residential+Industrial Use



Gas - % of Spanish Primary Energy



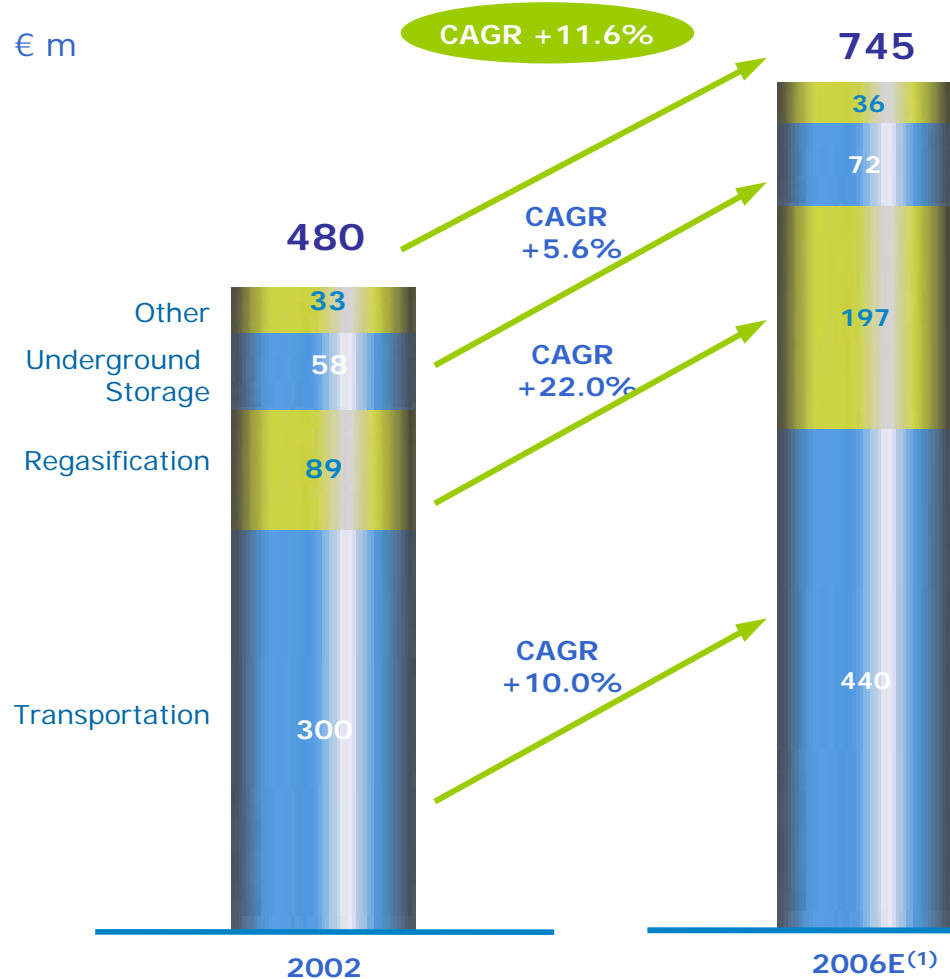
Source: Ministry of Industry "Planificación de los Sectores de Electricidad y Gas 2002-2011, Revisión 2005-2011 - Marzo 2006".

Regulation recognising growth

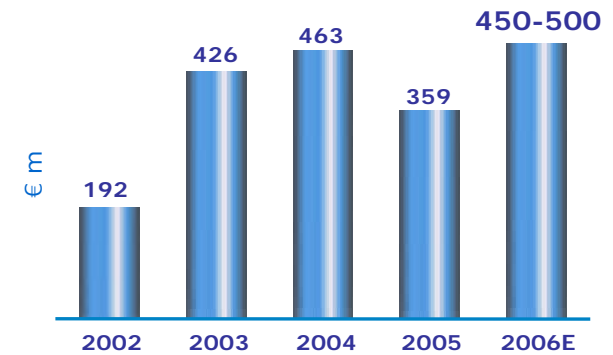


Track Record Since IPO Business Plan Financial Targets

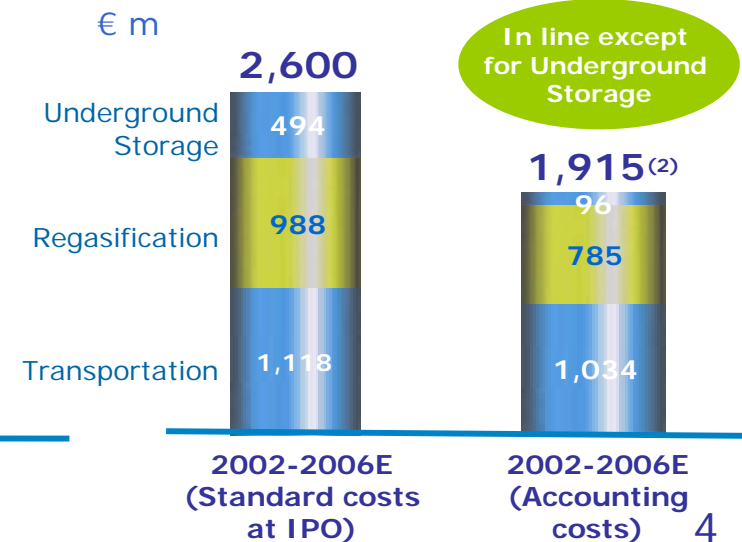
Enagás' Regulated Revenues



Annual Capex



Actual vs. Expected Capex



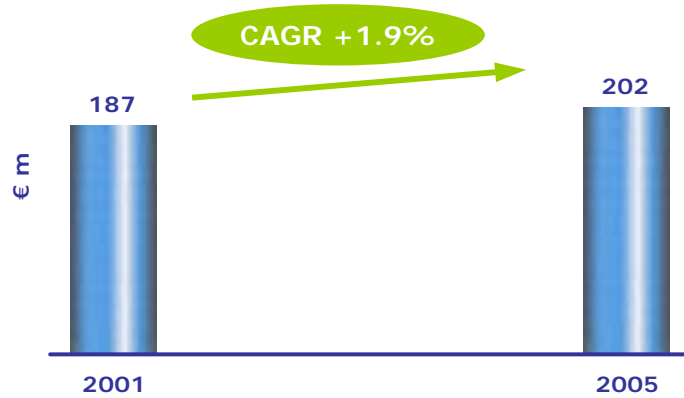
Notes: (1) 2006E maximum recognised revenues as per ITC/4099/2005.
 (2) Using the average of the range for the expected investments during 2006.

Strong operating leverage achieved

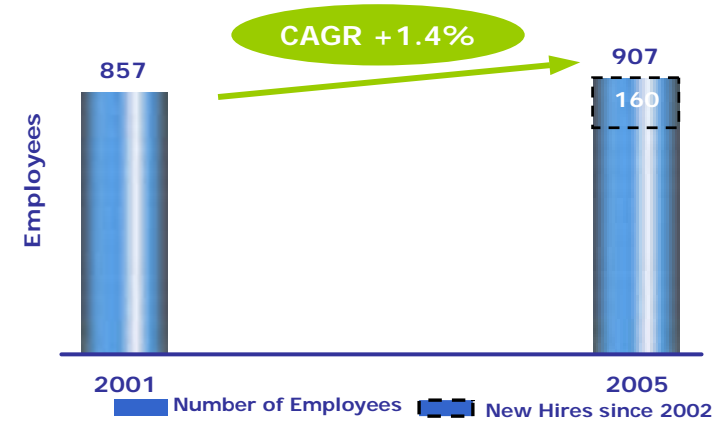


Track Record Since IPO Business Plan Financial Targets

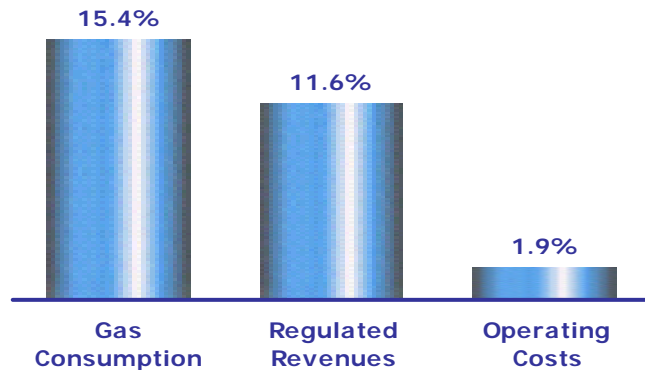
Flat Operating Expenses



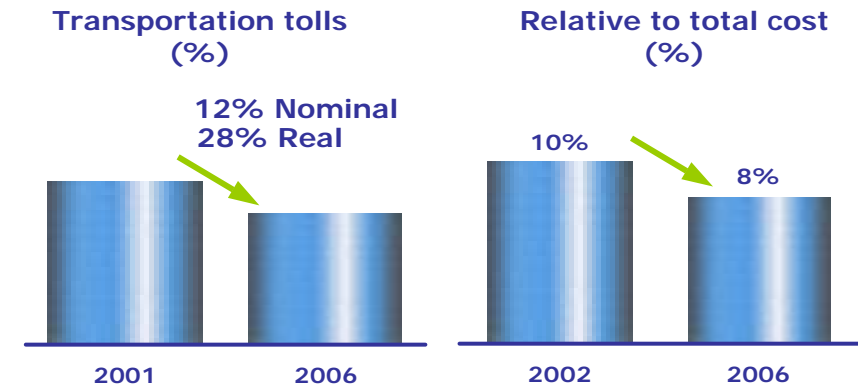
Stable Headcount



Operating Leverage (CAGR)



Lower Weight in Gas System Costs



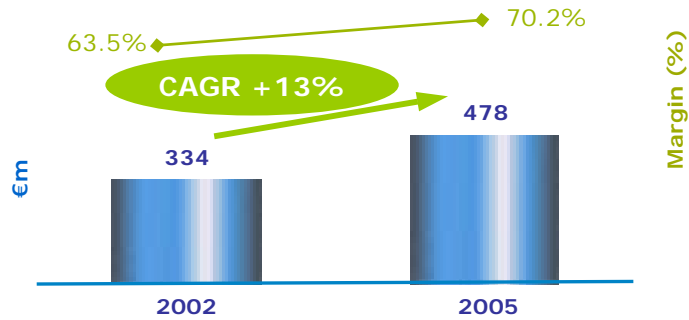
Note: 2001-2005 except regulated revenues 2002-2006E.

Strong financial growth

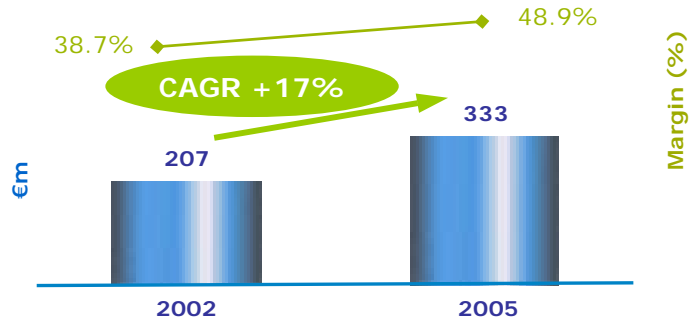


Track Record Since IPO Business Plan Financial Targets

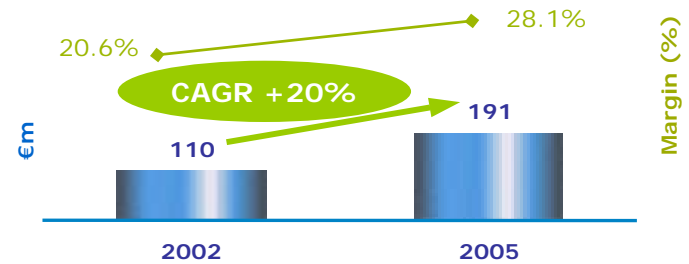
EBITDA



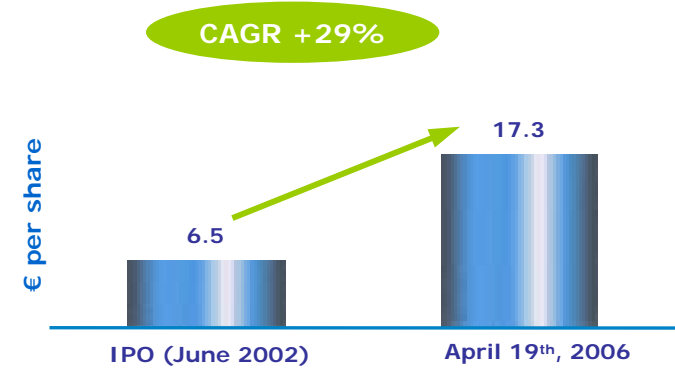
EBIT



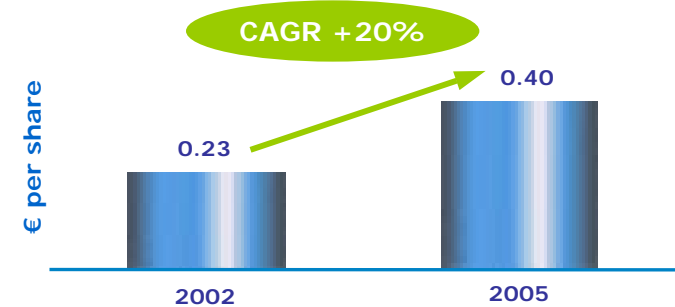
Net Income



Share Price



Dividend



**33% CAGR
TOTAL SHAREHOLDER
RETURN SINCE IPO**

Note: Assumes dividend reinvestment in Enagás shares.

2. Business Plan

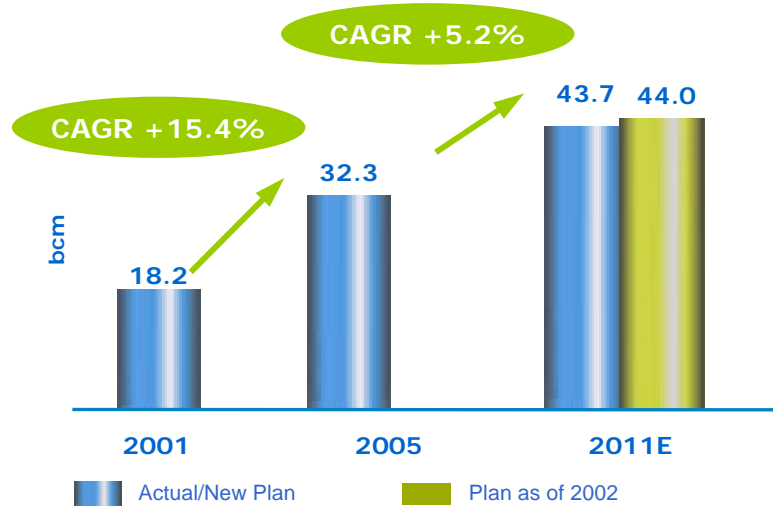


Update of Infrastructure Mandatory Plan

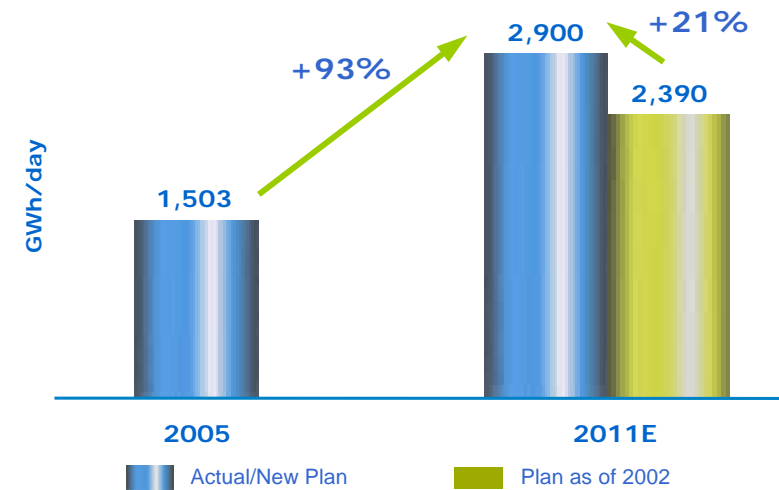


Track Record Since IPO | Business Plan | Financial Targets

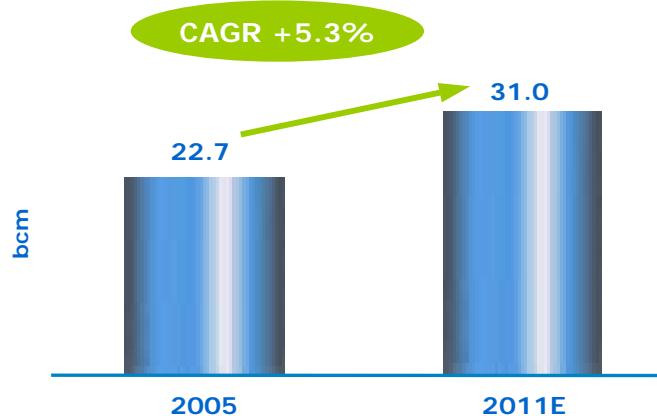
Total Demand Evolution



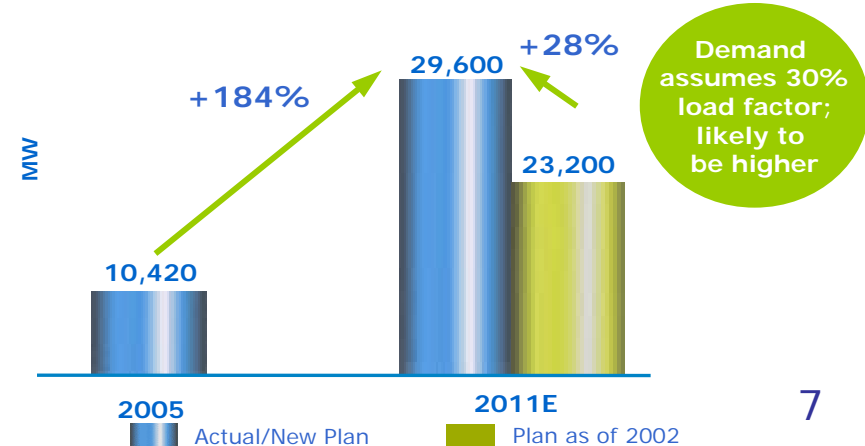
Peak Demand



Demand for Residential+Industrial Use



CCGT Installed Capacity



Source: Ministry of Industry "Planificación de los Sectores de Electricidad y Gas 2002-2011, Revisión 2005-2011 - Marzo 2006".

Spanish gas infrastructure by 2011E

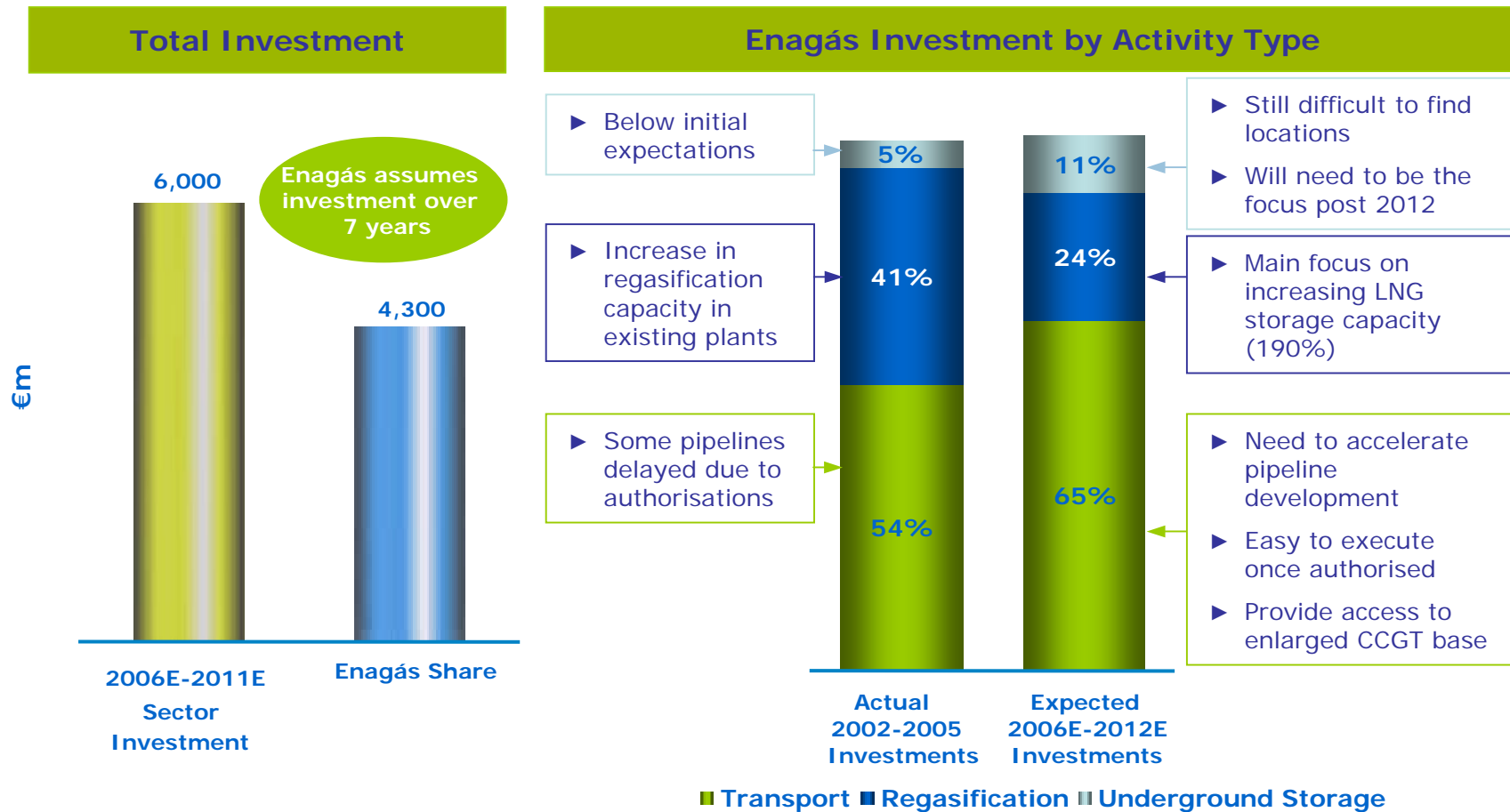


- ▶ Meeting increased demand with higher quality of service:
 - ▶ Improved meshing of grid
 - ▶ More entry points to the system
 - ▶ Additional capacity to avoid bottlenecks
 - ▶ Higher security of supply through enlarged storage capacity (underground + LNG)

	Current Pipelines in operation
	Pipelines under construction
	Current underground storages in operation
	Increase/new underground storages
	Regasification plants in operation (nominal capacity)
	Regasification plants in project or under construction
	Compression stations in operation
	Increase/new compression stations

Source: Ministry of Industry "Planificación de los Sectores de Electricidad y Gas 2002-2011, Revisión 2005-2011 - Marzo 2006".

Highlights of the new plan

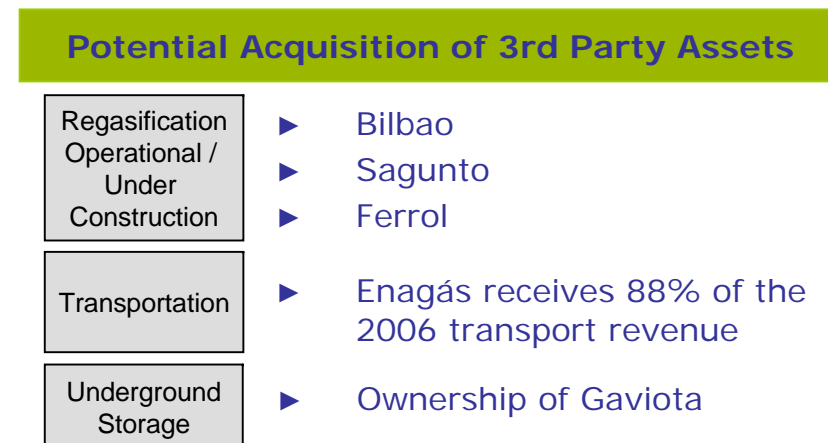
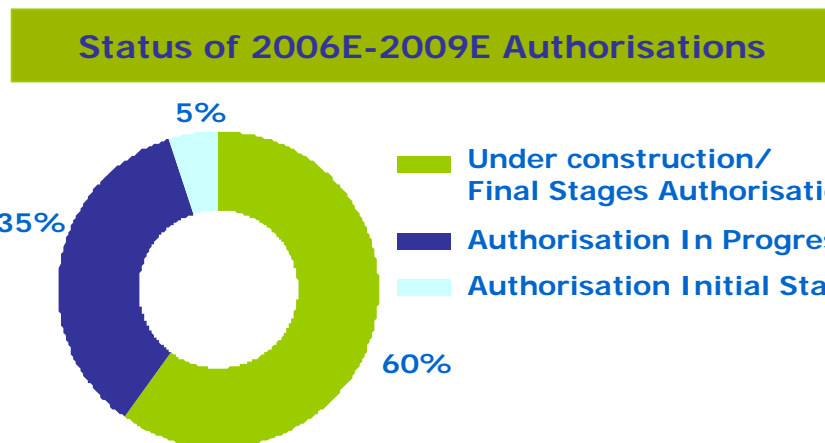
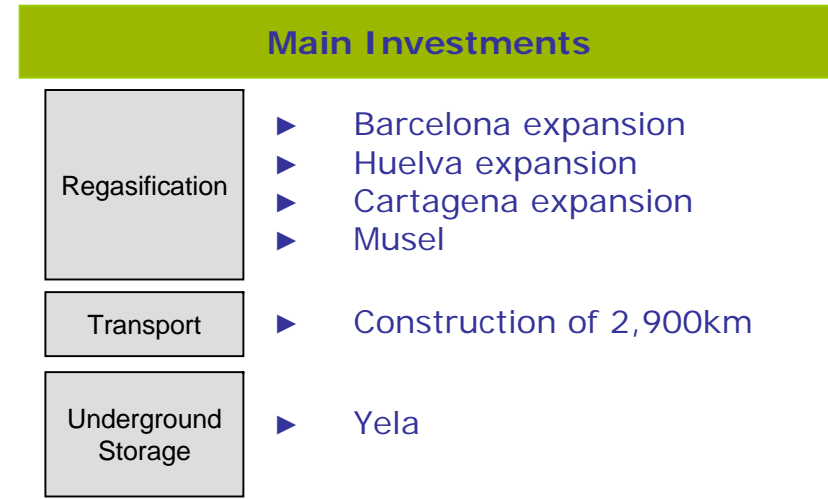
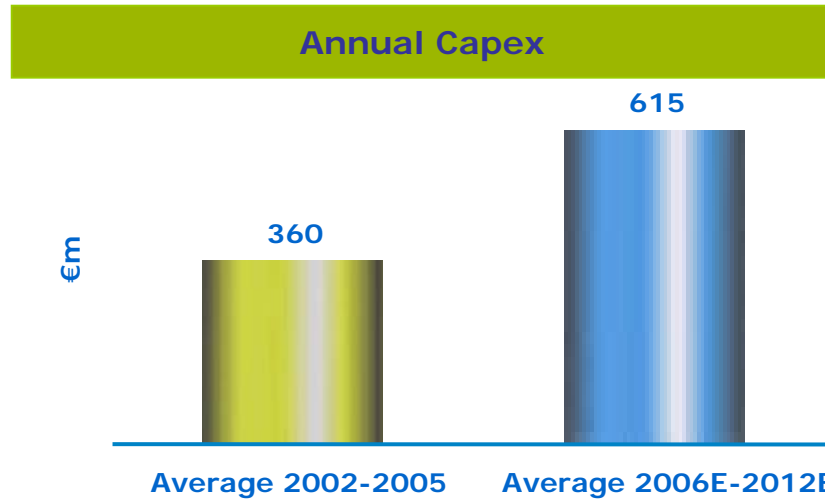


New Government plan reinforces the importance of the investment cycle in the gas transport network

Enagás capex plan 2006-2012

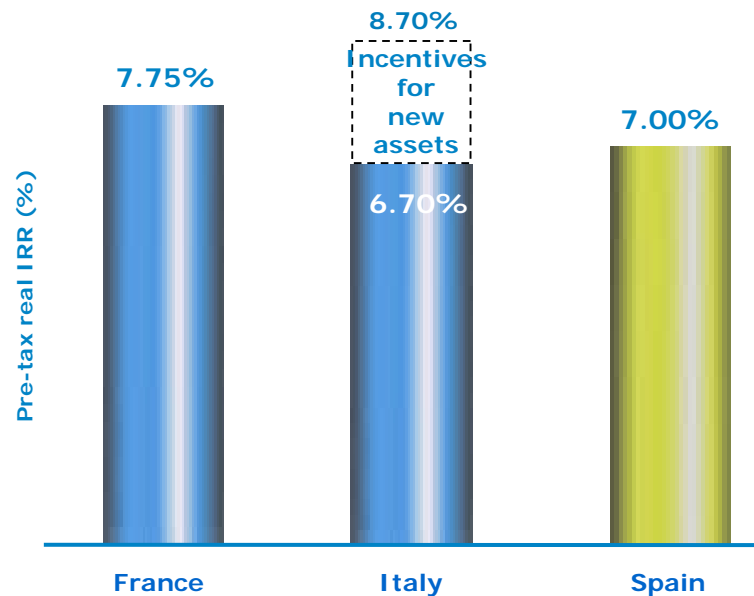


Track Record Since IPO Business Plan Financial Targets



From 2012 onwards, Spanish transportation infrastructure will still require significant expansion

IRR vs. Other European Countries



Regulatory Update

- ▶ Stability in the years prior to the start of the year regulatory periods
 - ▶ Main remuneration variables fixed at same levels as in 2002 in real terms
 - ▶ Regulator focused on development of gas infrastructure
- ▶ Several improvements under discussion:
 - ▶ Fixed regasification revenue
 - ▶ Standard investment costs (regasification, pipeline)
 - ▶ Underground storage
 - ▶ Collection of revenues from new assets put into operation in a reasonable time frame
- ▶ Other areas of further improvement
 - ▶ Remuneration of operational assets after ending of regulatory life

Appropriate regulatory returns reinforced with Enagás' strong focus on efficiency

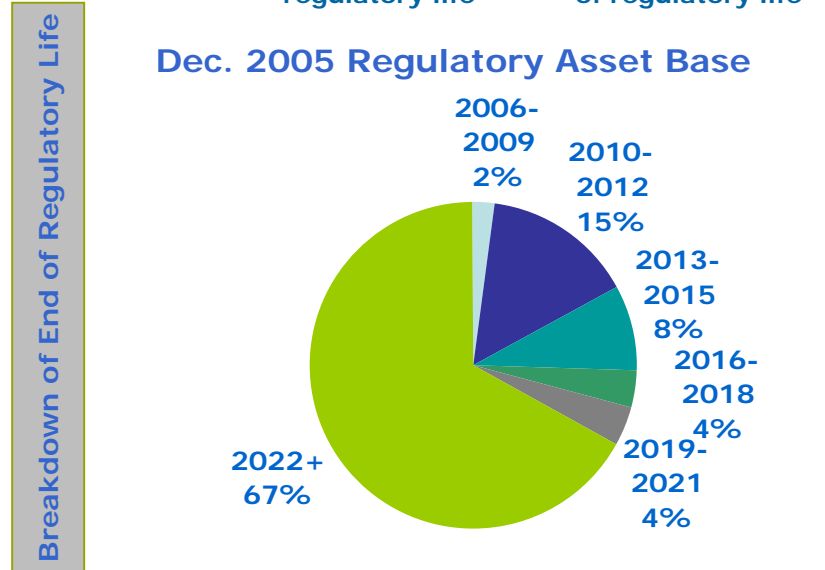
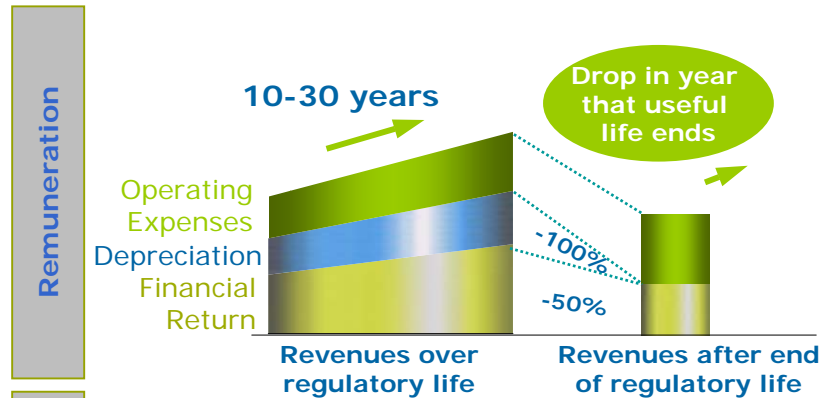
Note: Spanish pre-tax real return based on 3.5% 10-year bond yield on 30 year assets.

Expected evolution of regulated revenues

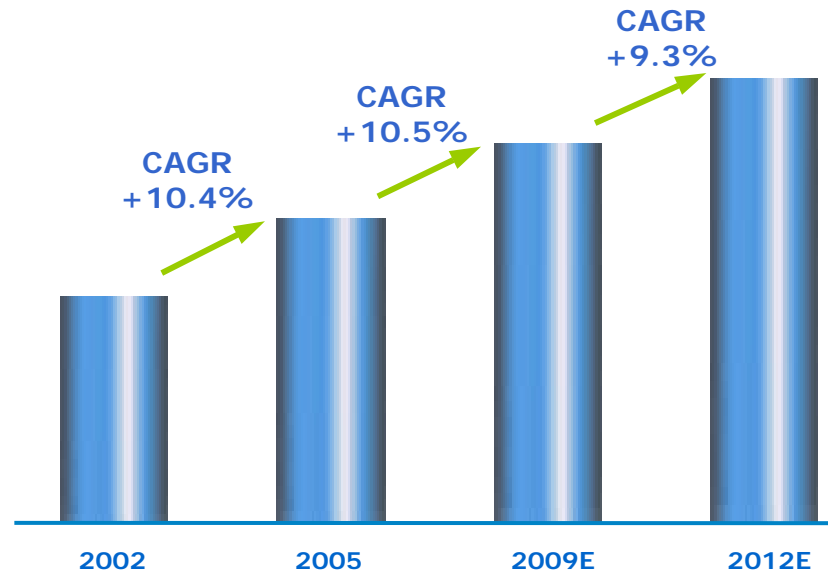


Track Record Since IPO | Business Plan | Financial Targets

End of Regulatory Life of Assets



Regulated Revenue Growth



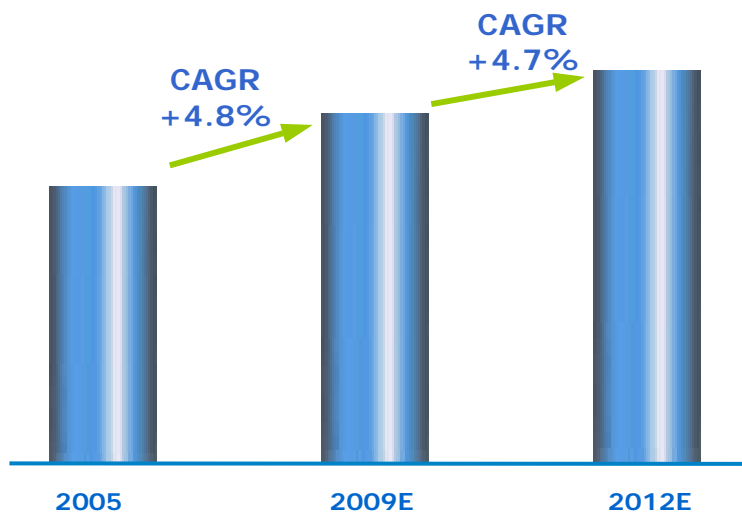
Strong sustained revenue growth with a rejuvenated asset base thanks to increased investment levels

Continued strong focus on efficiency

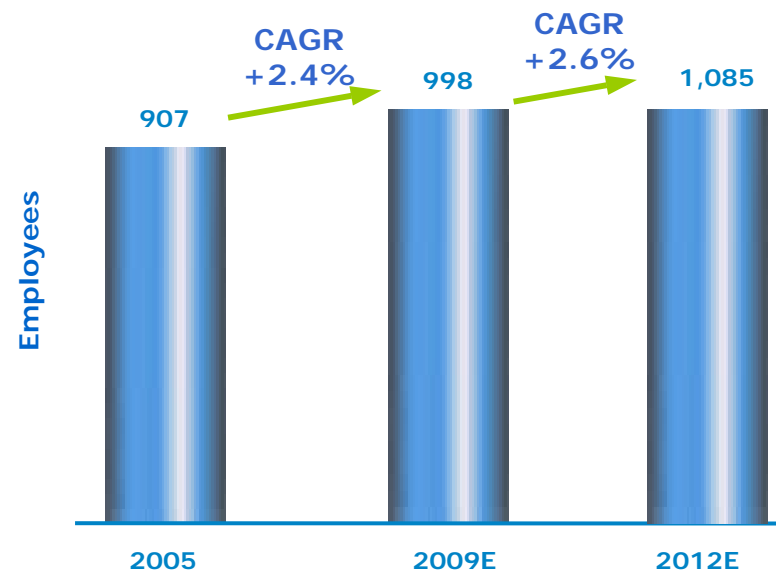


Track Record Since IPO | Business Plan | Financial Targets

2005-2012E Operating Costs

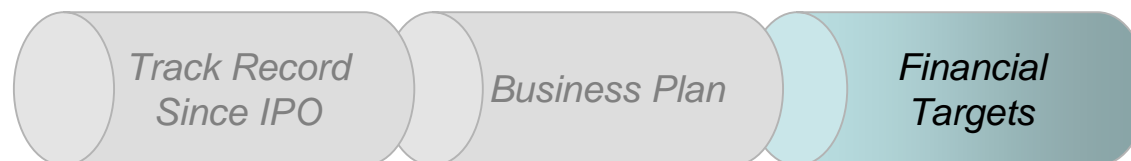


Evolution of Headcount



- ▶ Growth of headcount (2.4%) and costs (4.8%) will be limited compared to high growth in asset base (x2) and regulated revenues (10.3%)
- ▶ Higher increase in operating costs vs. previous period 2001-2005 given higher levels of investment
- ▶ Rotation of employees will continue to build a younger, more skilled workforce

3. Financial Targets



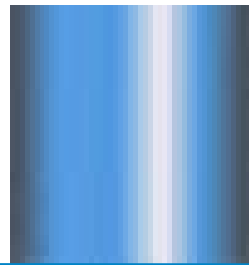
Net income growth



2005-2009E CAGR Target

>€300m in 2009E

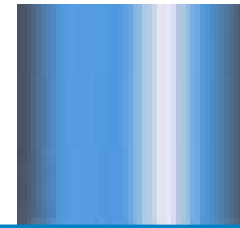
>13.0%



2005-2012E CAGR Target

>€400m in 2012E

>11.5%



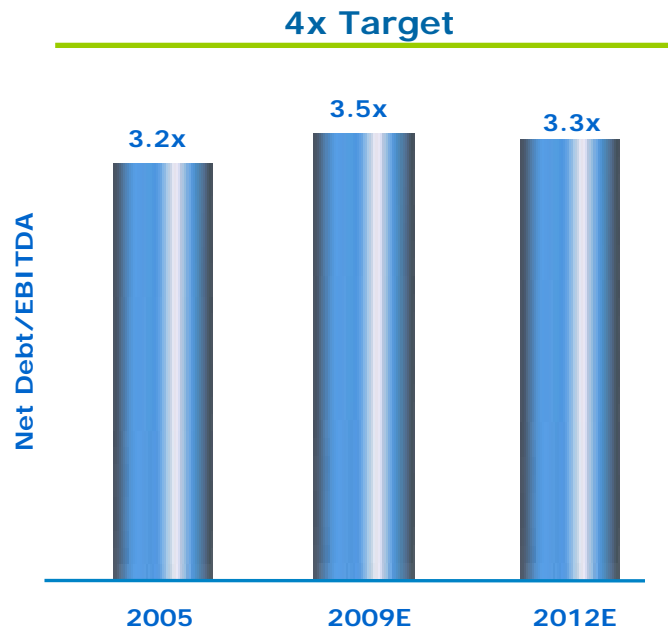
- ▶ 2009 targets will be incorporated into Enagás' variable compensation plans
- ▶ The acquisition of third party transportation assets, if it occurs, will improve net income growth
- ▶ Lower growth rate in 2009-2012 due to assets ending their regulatory life
- ▶ Upside if expected reduction of Spain's corporate tax rate to 30% is confirmed, increasing CAGR in +100bps

From 2012 onwards, a lower rate of assets ending their regulatory life will improve growth

Solid financial structure still has room for further optimisation



Leverage Evolution

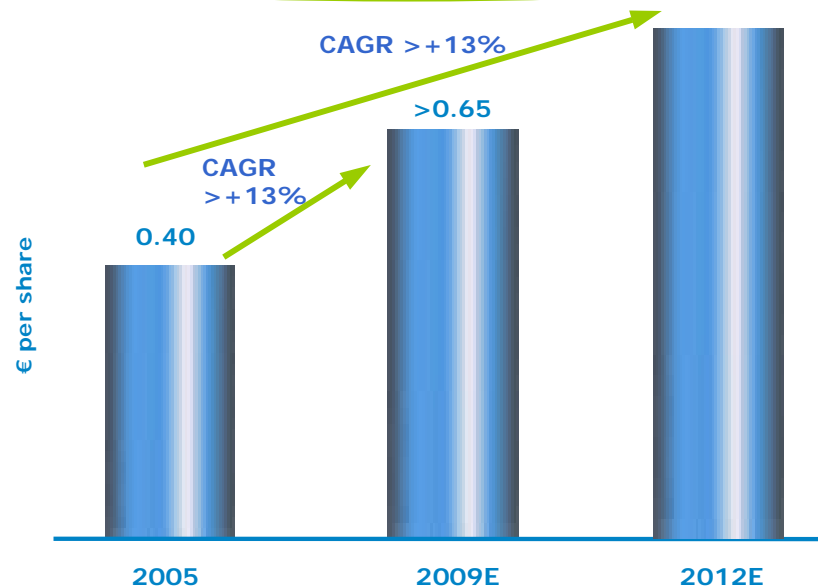


- ▶ Net debt of €1.543m as of December 2005
- ▶ Strong credit ratings (S&P AA-, stable outlook, Moody's A2, positive outlook)
- ▶ Future financing policy:
 - ▶ Optimisation of balance sheet
 - ▶ Any acquisitions of Spanish regulated assets to provide returns in line with current asset base
 - ▶ Net Debt/EBITDA target around the 4x level
 - ▶ Compatible with a solid A credit rating target

Maintain dividend policy

DPS Evolution

DPS Growth > EPS Growth



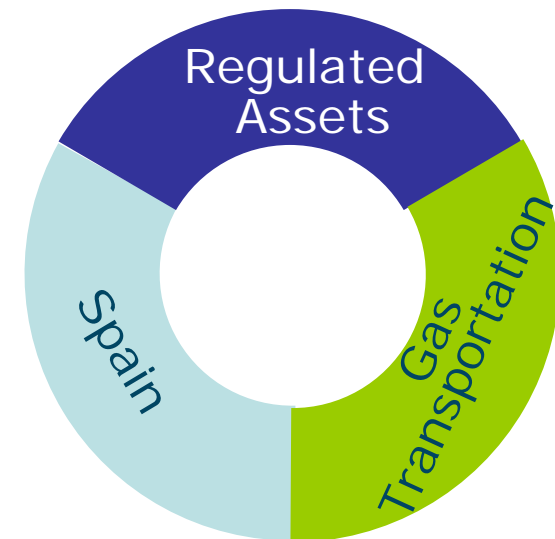
- ▶ Flexibility for asset acquisitions more valuable than increased remuneration in the short-term
- ▶ Pay-out will increase if opportunities do not materialise or if there is room within our leverage target
- ▶ Commitment to review the dividend policy after announcing 2006 dividend

Commitment to at least a 50% pay-out and a dividend growth above net income growth

Summary of Plan



- ✓ Focus on Core Business
- ✓ €615m of Capex per Year
- ✓ Double Digit Net Income Growth
- ✓ Balance Sheet Optimisation
- ✓ At least 13% Yearly Dividend Growth per Year



Disclaimer



This document may contain market assumptions. Different sourced information and forward-looking statements with respect to the financial condition, results of operations, business, strategy and the plans of Enagás, SA. Such statements are based on a number of assumptions that could ultimately prove inaccurate and are subject to a number of risk factors including the ability to realize cost reductions and operating efficiencies without unduly disrupting business operations, environmental, regulatory considerations and general economic and business conditions.

In no case may this document be interpreted as an offer made by any entity mentioned therein to sell, exchange or purchase, nor may it represent an invitation to make any type of offer, particularly, to acquire or purchase any security issued by said companies. Neither Enagás nor its advisors assume any obligation to update publicly any forward-looking statements, whether as a result of new information, future events or otherwise. Further information on factors which could affect the company's financial results is provided in documents filed by the company with the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores or CNMV).

This disclaimer must be taken into account by any persons or entities to which the present document is addressed, as well as by those who consider as necessary to adopt decisions or issue or broadcast opinions on the securities issued by Enagás, S.A. and, in particular, by the analysts handling the same, without prejudice to the possibility of consulting the documentation and public information that has been notified or recorded at the CNMV, a consultation which Enagás, S.A. recommends.

Enagás

Investor Relations

investors@enagas.es

Tlf: +34-91-7099330

www.enagas.es