



2013 General Shareholders' Meeting

www.enagas.es

24 April 2013



2013 General Shareholders' Meeting

2012 Results



Key results drivers



1
Strict control over operating expenses



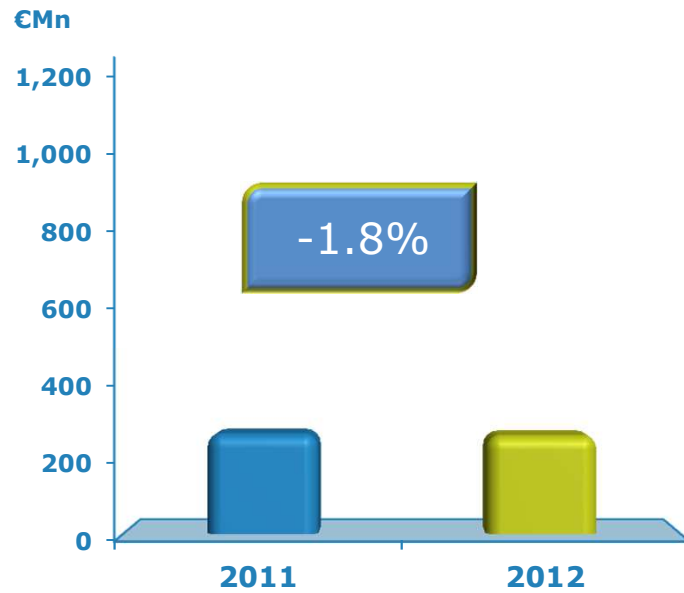
2
Correct execution of the investment Plan and of core business acquisitions

3
Average cost of debt lowest among comparable companies

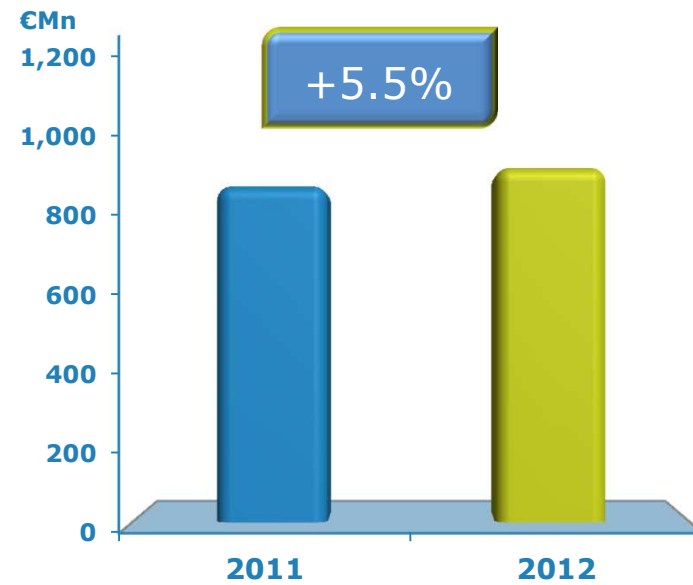
Cost efficiency



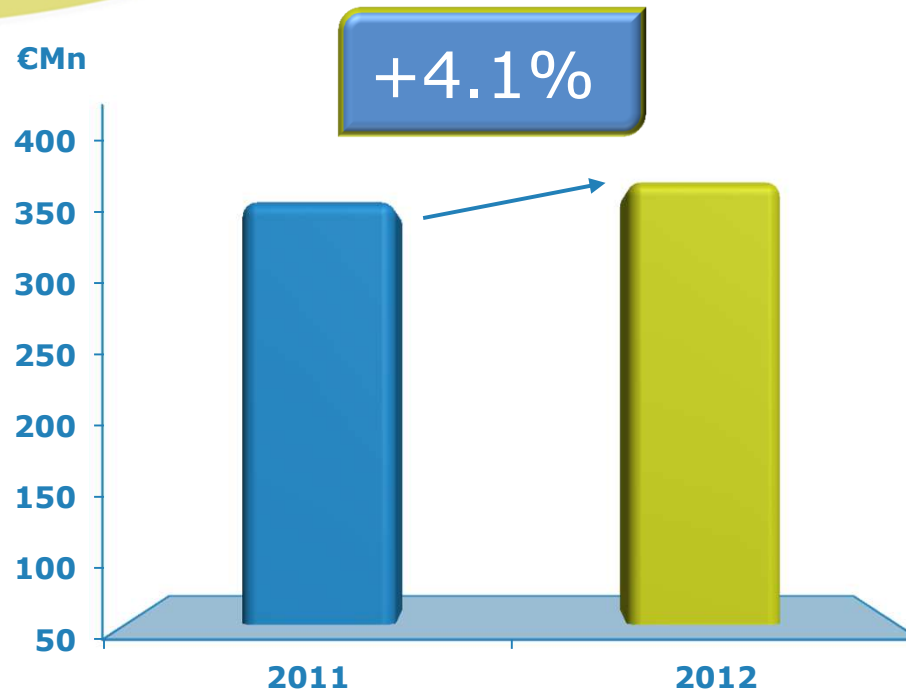
Operating expenses



EBITDA



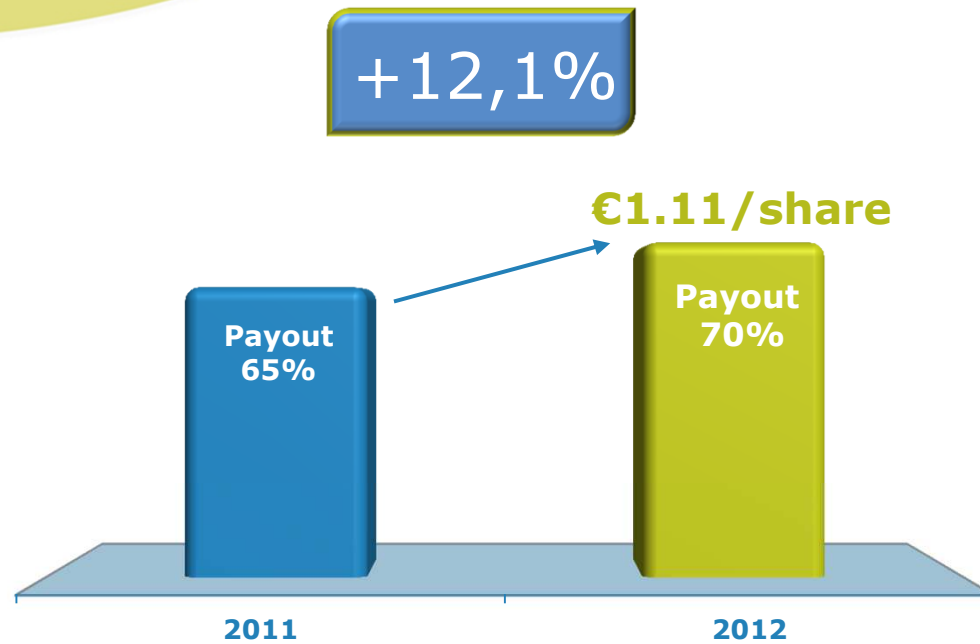
Net profit growth



Initial guidance of flat growth surpassed



Dividend proposed at the General Meeting



Comfortably surpassing the target of 8% dividend growth



Investment and assets put into operation



Investment:
€761 Mn



Assets put into
operation: €994Mn

- ✓ Annual targets surpassed
- ✓ All-time record for assets put into operation

Investment milestones in 2012

Yela storage facility



Key to ensure the security of the Spanish gas system

Quintero LNG plant (Chile)



Acquisition of core business assets with stable and recurring cash flows

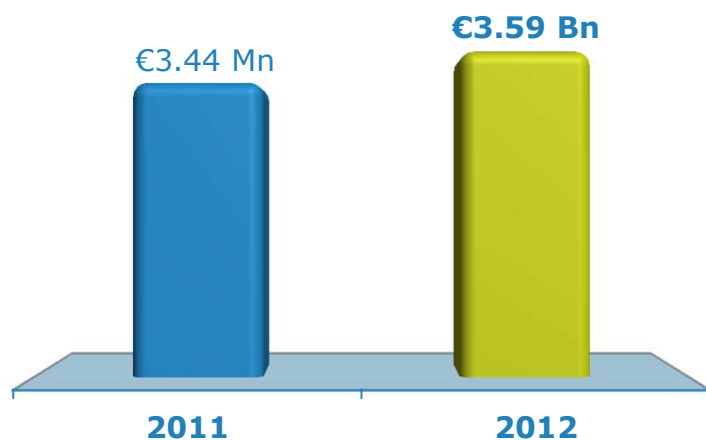
Martorell-Hostalric gas pipeline



Significant strengthening of the north-east Spanish axis

Consolidation of Enagás' status as TSO and sole transmission company for the gas transmission trunk network

Net Debt at 31 Dec



Debt and liquidity figures

Net debt/EBITDA

3.8x

Fixed/Floating

82%/18%

Average life of debt

6.5 years

Ratings
(S&P/Fitch)

BBB/A-

Liquidity

€2.23 Mn

New €750Mn bond issue, with a five-year maturity

Innovation and energy efficiency



**Huelva
Regasification Plant**



System for recovering energy from the cooling process

**Almendralejo
Compressor Station**



the heat recovery project

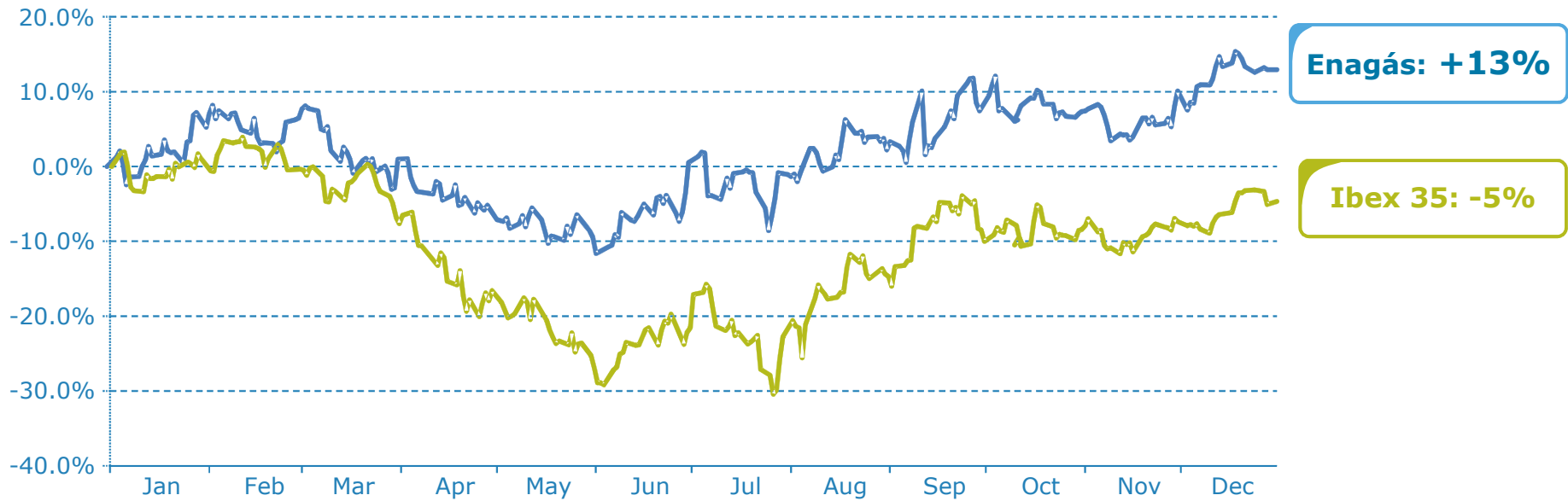
**Zaragoza (DPC)
Data Processing Centre**



European leader in terms both of security and energy efficiency.

The energy efficiency projects allow Enagás to generate the equivalent of 10% of the consumption needs. This figure will reach 35% in 2015.

Share price performance in 2012



Enagás was the top-performing energy company on the Ibex 35 in 2012

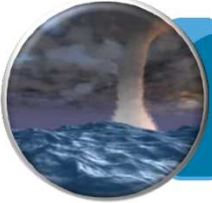


2013 General Shareholders' Meeting

Introduction



**40 years of history and 10 years
as a listed company**



Sixth year of the global crisis



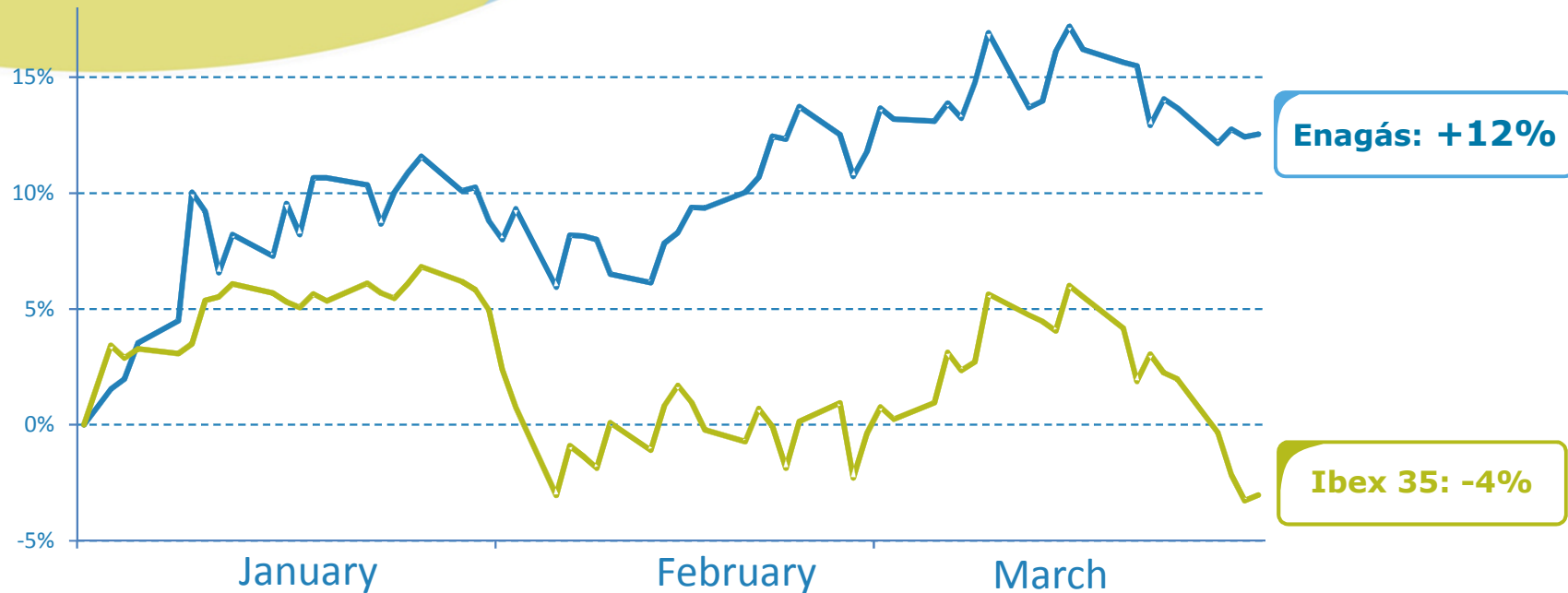
Meeting targets for the sixth consecutive year



**Results for the first quarter of 2013
in line with annual targets**



Share price performance in 2013

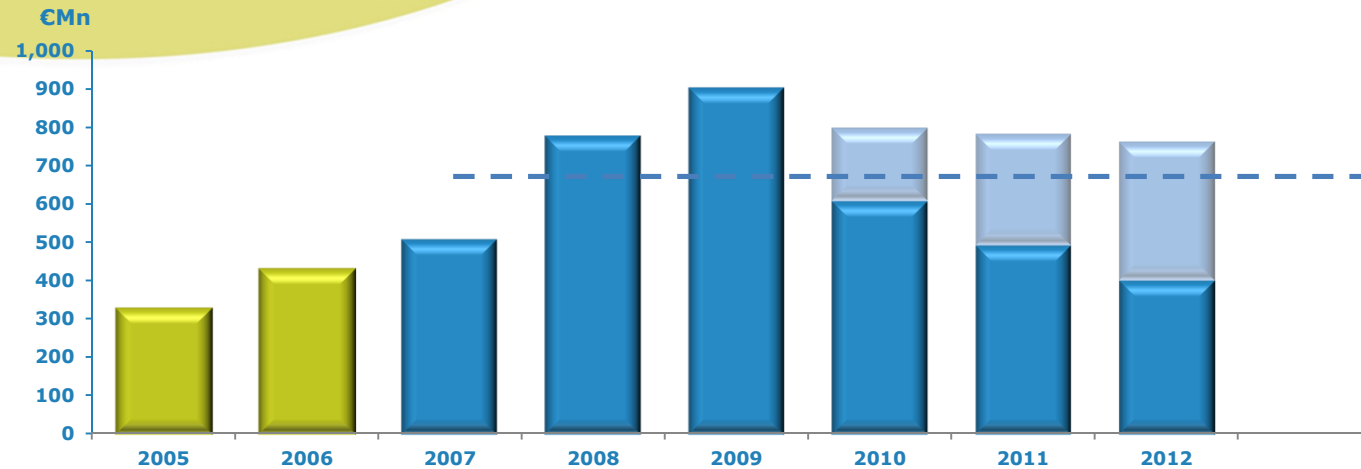


In 2013 Enagás is continuing to outperform the market and peers

Review of the 2007-2012 strategic plan



Investment



Average investment in Spain and acquisitions from third parties 2007-2012 ≈€750 Mn

- Investment in Spain prior to Strategic Plan
- Investment in Spain Strategic Plan 2007-2012
- Acquisitions from third parties

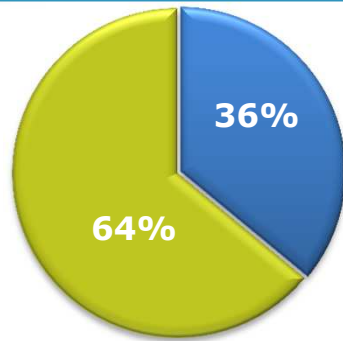
Strong growth in investment

Investments in keeping with the situation in the economy and energy markets

Financing



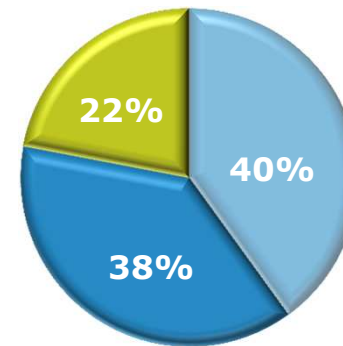
**Before the crisis
(31 Dec 2006)**



■ ICO+EIB ■ Bank debt

- ✓ 56% of debt at fixed rate
- ✓ Mainly bank financing
- ✓ Excellent ratings from S&P/Fitch: AA-/A+
- ✓ Liquidity: €417 Mn

**Current situation
(31 Dec 2012)**



■ ICO+EIB ■ Bank debt
■ Capital market

- ✓ 82% of debt at fixed rate
- ✓ Diversified and balanced financing sources
- ✓ Ratings S&P/Fitch: BBB/A- (affected by the rating for the Kingdom of Spain)
- ✓ Liquidity €2.23 Bn

Lowest average cost of debt among non-financial companies on the Ibx 35

Efficiency Plan

Efficiency Plan 2008-2012

Efficiency European leader: the lowest cost in terms of System Management



15% of reduction both in terms of operation and maintenance network costs



Around 25% over the European peers average in terms of human resources productivity



5% of reduction in energy auto-consumption



Around 40% below European peers (TSO's) in terms of total unit costs

100%

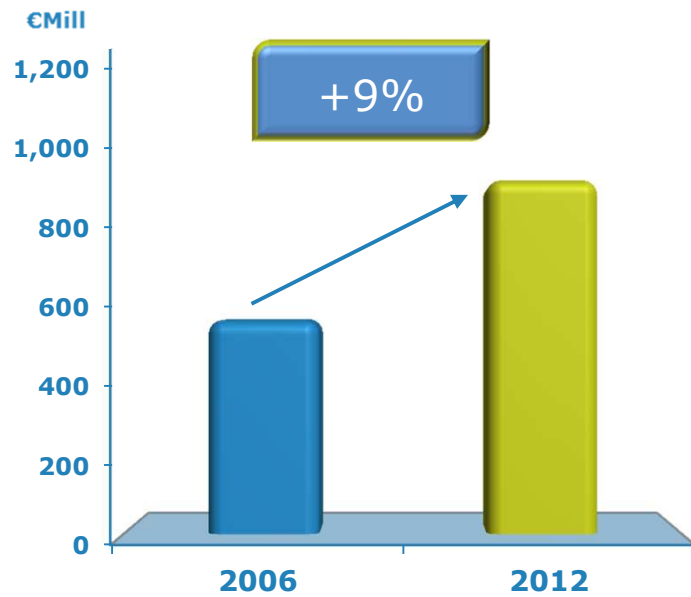
Availability and operational safety requirements

Efficiency as key factor for the competitiveness

Cost control and efficiency plan



CAGR EBITDA

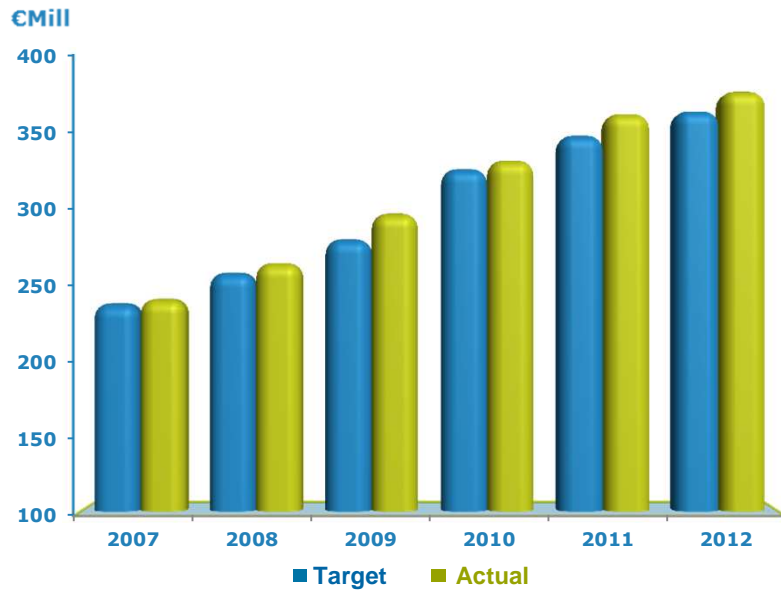


- Strict control over operating expenses
- Efficiency Plan implemented since 2008
- Stepped up and expanded until 2014

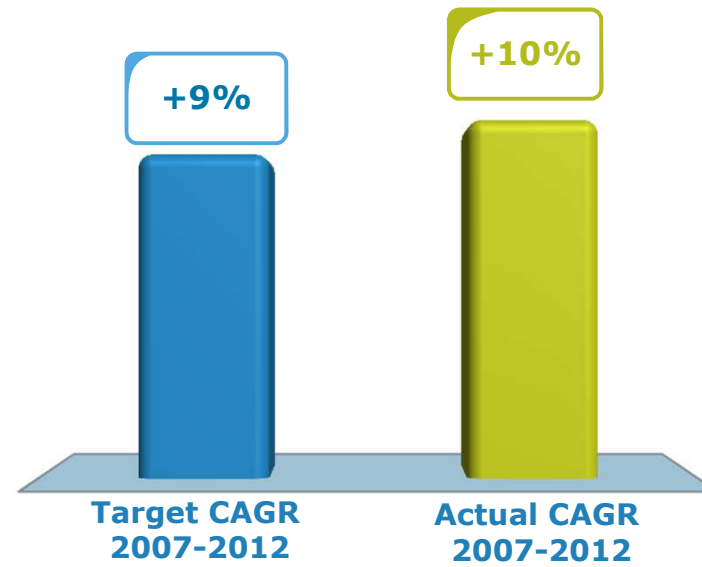
Leading the way in efficiency among European peers

Targets met since 2007: Net Profit

Net profit growth



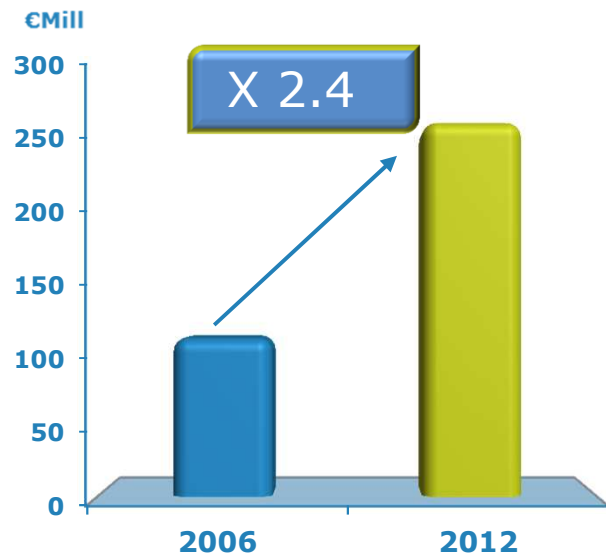
CAGR Net Profit



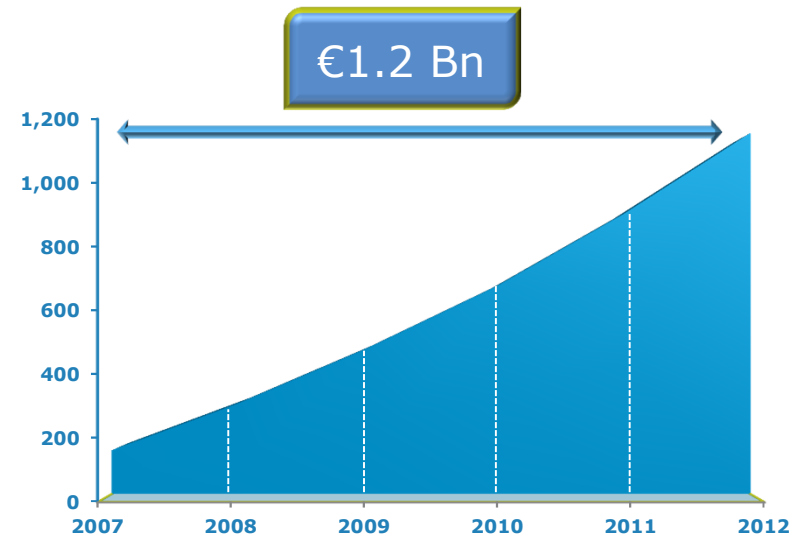
Adapting to the economic backdrop has enabled us to meet our commitments to the markets

Targets met since 2007: Dividend

Increase in dividends



Dividends paid

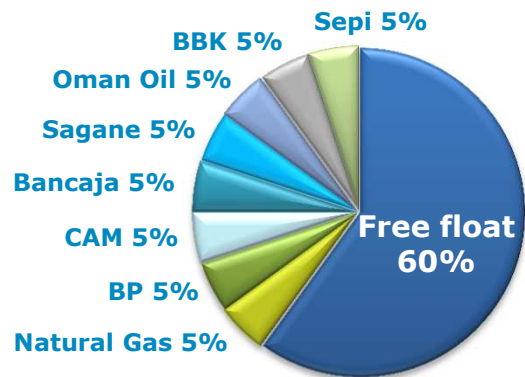


The cumulative dividend yield since 2007 is 28%

Ownership structure

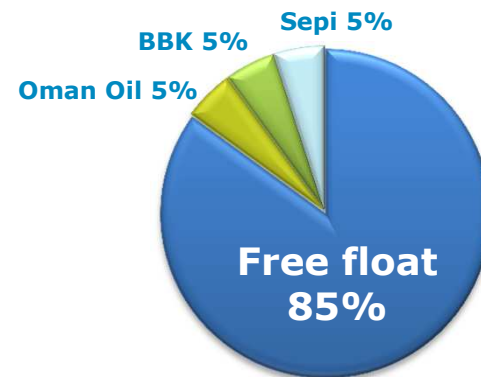


Before the crisis



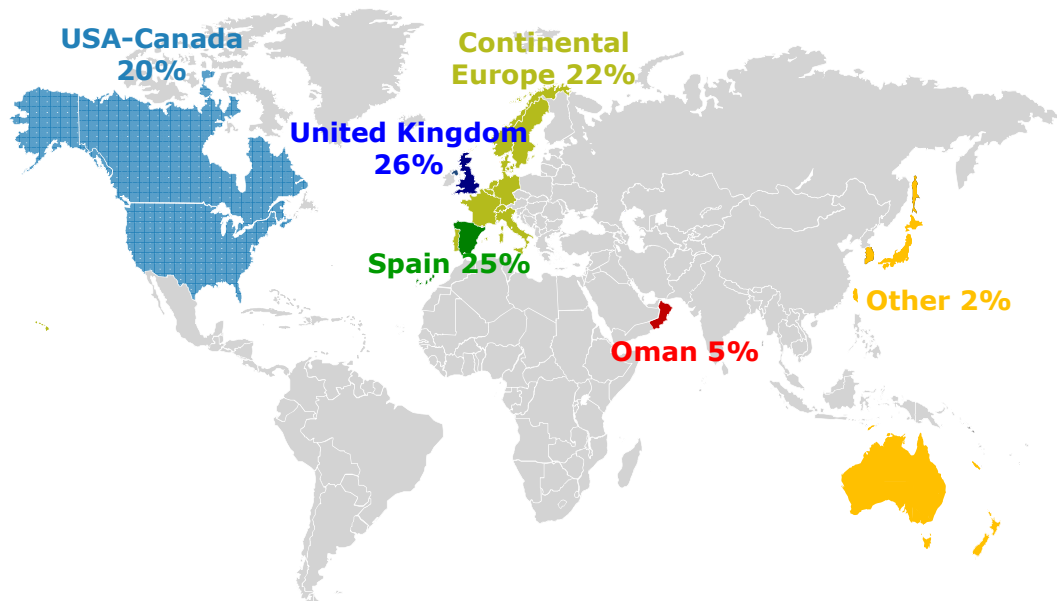
Larger presence of institutional shareholders

Current situation



Exit of institutional shareholders due to the economic backdrop

Ownership structure: Location of shareholders



75% foreign share ownership

Trust of foreign institutional shareholders in Enagás and in Spain despite the economic crisis

Fluid dialogue with markets (over 350 meetings with investors/analysts in 2012)

This high free float means the stock is one of the most liquid on the Ibx 35

Progress in Corporate Governance

**Reduction to 15 in the number of Directors
and a majority of independent Directors**

**Assignment of Corporate Governance and Corporate
Responsibility duties to the Appointments and Remunerations Committee**

Electronic forum and voting

Chairing by and majority presence of Independent Directors on Committees

Percentage of women directors higher than the Ibox 35 average

Limit on presence of Directors on other Boards

**Appointment and subsequent strengthening of the duties
of the Independent Leader Director**

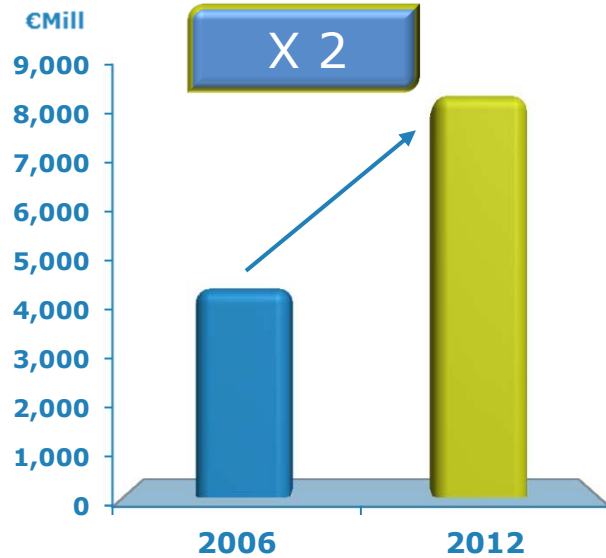
Vote at the GSM on the remuneration report

Internal procedure for the award of contracts to the external auditor

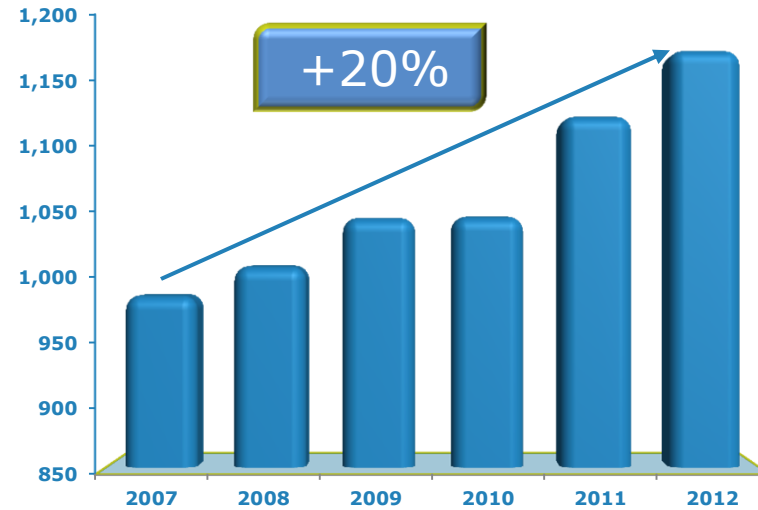
Appointment of the Chief Executive Officer, Marcelino Oreja

Growth in assets and workforce

Growth in gross property, plant and equipment



Workforce

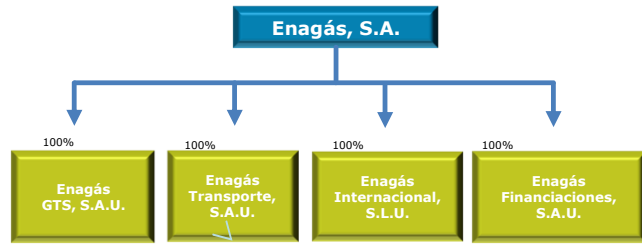
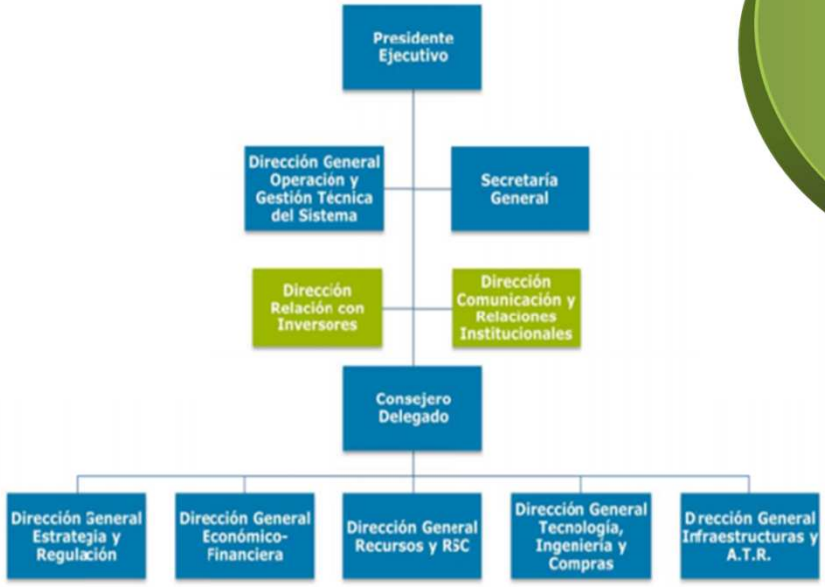


Amid a severe economic crisis the company has doubled in size and created jobs

New corporate structure

Strengthening of our organisational structure so that we can employ best Corporate Governance practices

New holding company structure for Enagás and accreditation by the CNE and EU as TSO



Commitment to Corporate Social Responsibility



Among the world's top 100 most sustainable companies, world leader of the utilities sector and number one Spanish company according to the Global 100 index



Enagás is the only Spanish company on the Vigeo World 120 index



In 2012 Enagás' management model was awarded the Seal of European Excellence 500+ EFQM

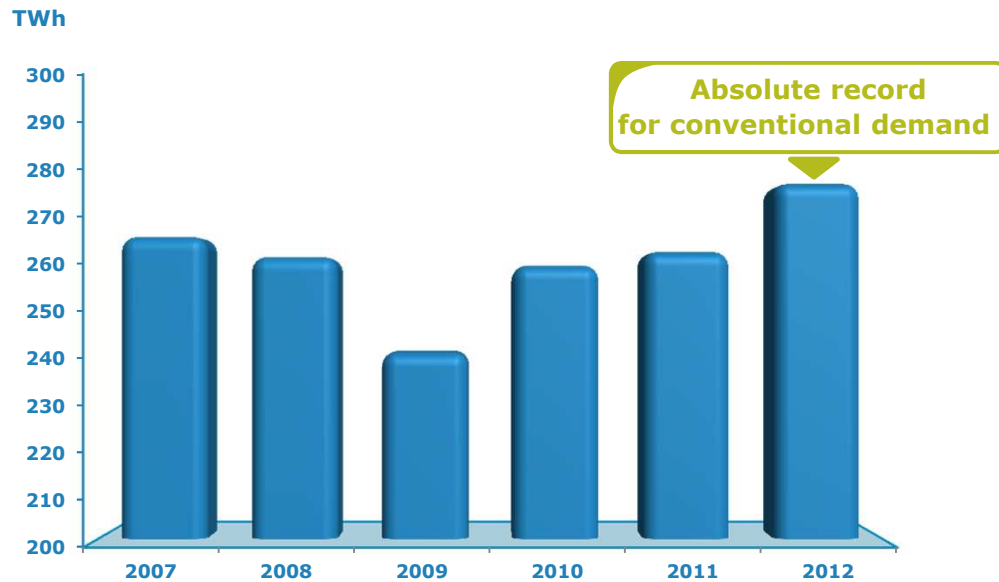


Enagás is a member of the DJSI, FTSE4Good, ETHIBEL, STOXX etc.

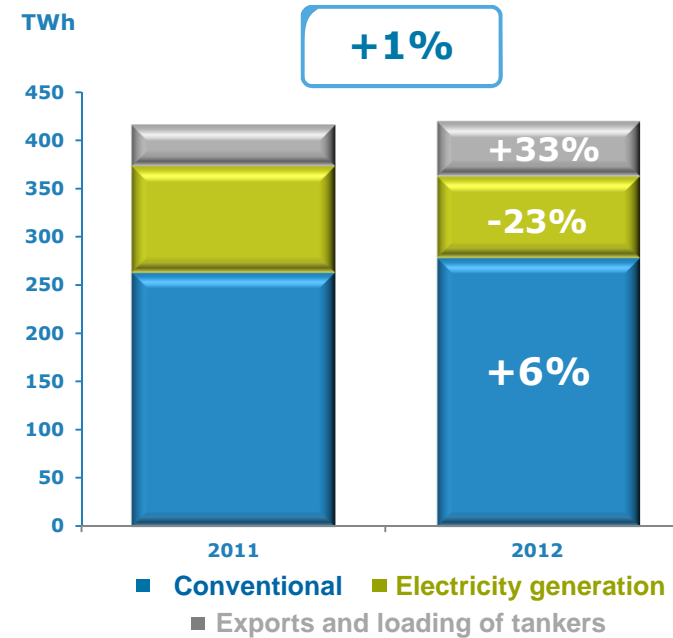


Natural gas demand

Growth in conventional demand

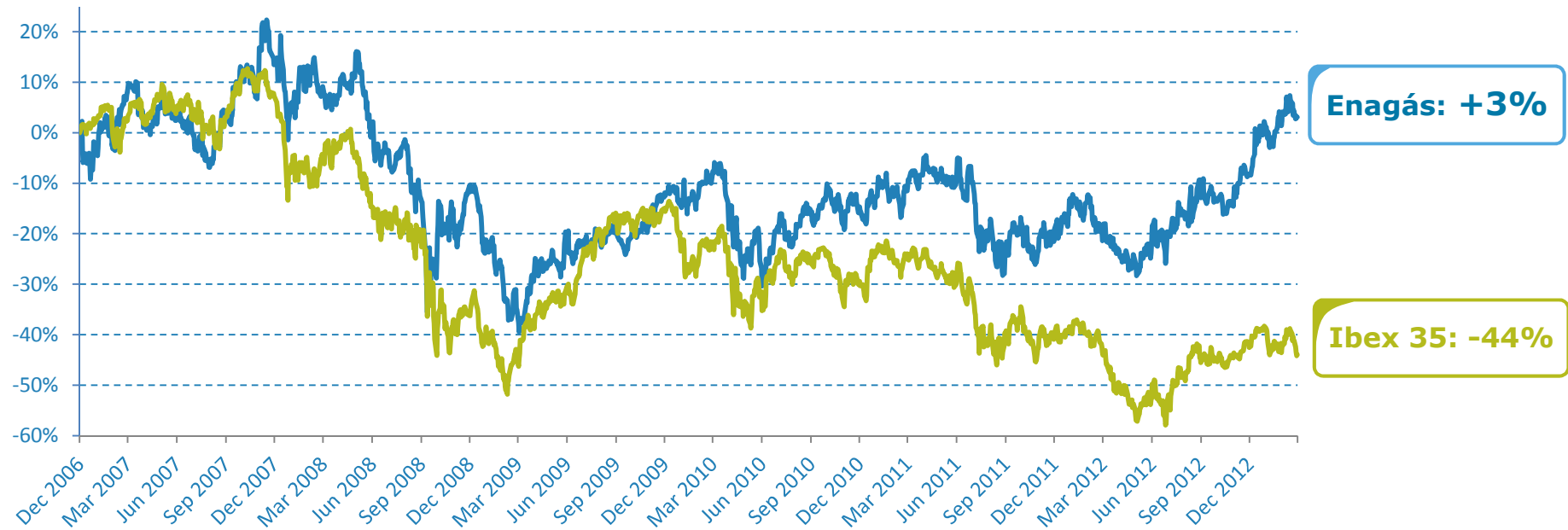


Demand in 2012



Enagás' key role as a Technical Manager of the System

Share price performance since 2007

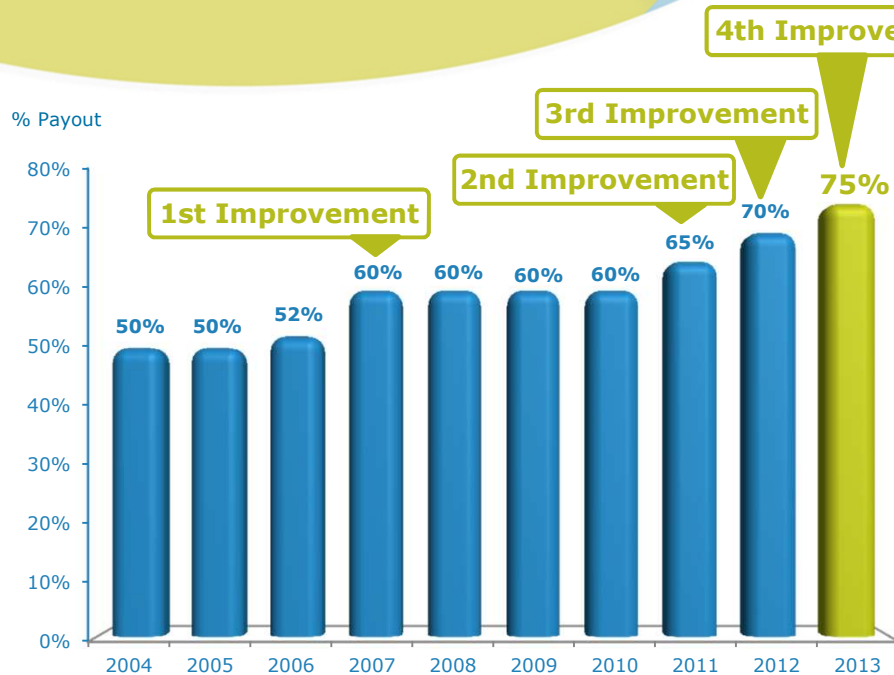


Our share price performance reflects the sustainable and steady growth in our results and dividends in the period, along with our debt profile

The outlook for 2013-2015



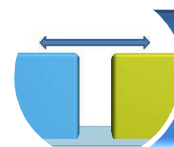
2nd cornerstone: Improvement of the shareholder remuneration policy



Payout up to 75% in 2013



Third consecutive increase in payout since 2011



Payout in line with regulated European companies

Commitment of Board to shareholders

3rd cornerstone: Strengthen the company through opportunities for international growth

Enagás' strengths



Experience as TSO, 40 years managing the Spanish gas system



Extensive business know-how



Global specialists in regasification



Current position in growth markets (Mexico and Chile) which are stable from a regulatory standpoint



Financial strength

Investment criteria



Core business activities



Acceptable returns



Stable cash flows, keeping debt within the established limits



Search for partners with capabilities that dovetail with those of Enagás

3rd cornerstone: Strengthen the company through opportunities for international growth

Current situation

40% Altamira regasification plant (Mexico)



20% Quintero LNG regasification plant (Chile)



Strengthening the Company



Maintenance of know-how



Increase, rejuvenate and improve technical skills of workforce



Increased growth and value creation

4th cornerstone: Sustainability as a business driver

Operating excellence



Strict security and environmental standards

Values



Strengthening of know-how and commitment to ethical business practices

The environment



Energy efficiency and reduction in emissions of CO₂

Targets for 2013-2015



Estimated investment: ~ €2.1Bn



A realistic investment plan which reflects the new environment



Sufficient resources at a good price for all requirements over the period



A solid financial and liquidity position



**CAGR Net Profit +4%
CAGR Dividend +6%**



Value creation through operational efficiency and the Company's financial structure

Sustainable and sustained profit and dividend growth

2013 targets



Targets for 2013



Capex: €650Mn



Assets put into operation: €550Mn



EBITDA growth: +9%



Net profit growth: +5.5%

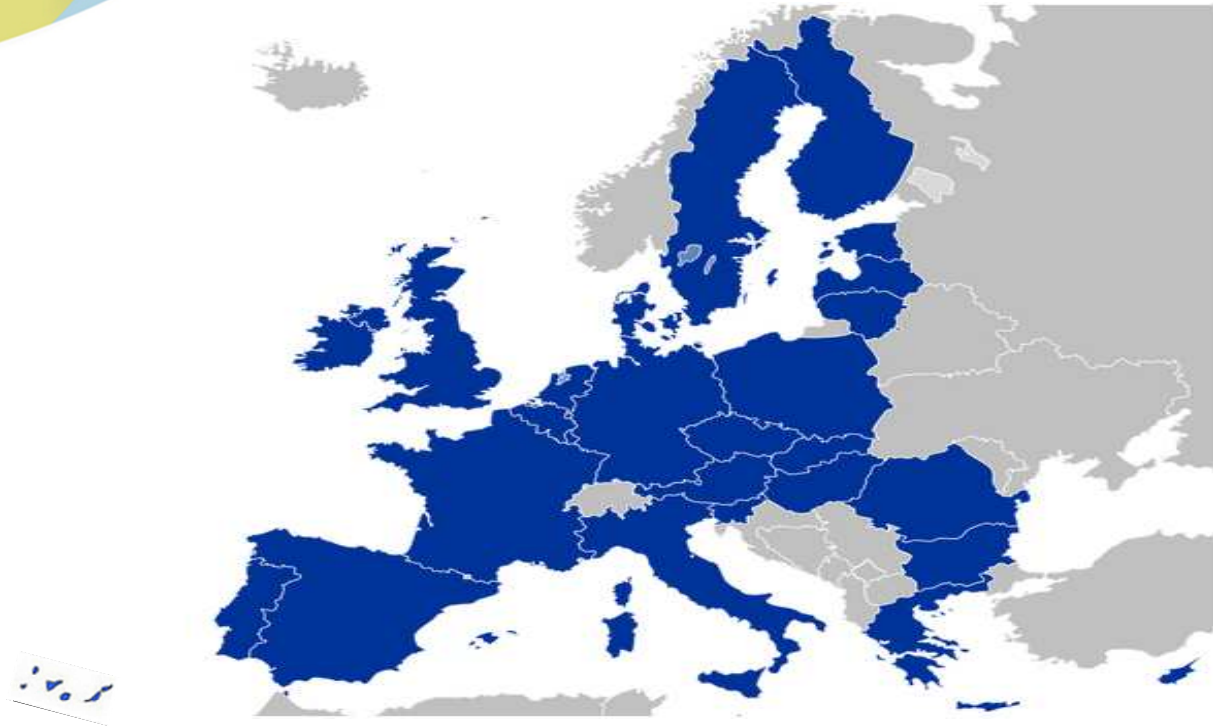


Dividend growth: +13% (payout: 75%)



Average cost of net debt: ~ 3.25%

Spain and the European Union



We urgently need a clear roadmap from the European Union to achieve fiscal and monetary union

Conclusions and proposals to the Meeting



Conclusions



Adapting to the economic backdrop has enabled us to meet our commitments to the markets



A solid business model



Targets met for the sixth year running



Sustainable and steady profit and dividend growth



Commitment to all stakeholders



Proposals to the General Shareholders' Meeting



1. To examine and, if appropriate, approve the Annual Financial Statements for 2012
2. To approve, if applicable, the proposed distribution of Enagás, S.A.'s profit for the financial year 2012
3. To approve, if appropriate, the performance of the Board of Directors of Enagás, S.A. in 2012
4. To re-appoint Deloitte S.L. as Auditor of Enagás, S.A. and its Consolidated Group for 2013
5. To ratify, appoint or re-elect members of the Board of Directors
6. To approve directors' remuneration for 2013
7. To submit the annual report on directors' remuneration referred to in Article 61 ter of the Ley de Mercado de Valores (Securities Market Act, "LMV") to advisory voting
8. Report not submitted to a vote concerning modifications to the "Rules and Regulations on the Organisation and Functioning of the Board of Directors of Enagás, S.A." since the last General Shareholders' Meeting
9. To delegate powers to supplement, implement, perform, rectify and formalise the resolutions adopted at the General Shareholders' Meeting



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