



FTSE4Good



# Conference call-Webcast

## 2009 Results

### 10am CET

▶ 2nd February, 2010

# Key figures



(€mill)	2008	2009	% 09 vs 08
<b>Regulated Revenues</b>	<b>813.1</b>	<b>866.8</b>	<b>+6.6%</b>
<b>EBITDA</b>	<b>636.2</b>	<b>701.3</b>	<b>+10.2%</b>
<b>EBIT</b>	<b>433.1</b>	<b>484.7</b>	<b>+11.9%</b>
<b>Net Income</b>	<b>258.9</b>	<b>298.0</b>	<b>+15.1%</b>

\*In homogeneous terms, Regulated revenues growth would stand at 8.4%.

<b>Capex</b>	<b>776.9</b>	<b>901.6</b>	<b>+16.1%</b>
<b>Assets put into operation</b>	<b>591.2</b>	<b>965.3</b>	<b>+63.3%</b>

<b>Net Debt</b>	<b>2,351.3</b>	<b>2,904.0</b>
<b>Net Debt/Assets</b>	<b>49.8%</b>	<b>50.2%</b>
<b>Net Debt/EBITDA</b>	<b>3.7x</b>	<b>4.1x</b>
<b>Leverage</b>	<b>61.8%</b>	<b>64.6%</b>
<b>Cost of Debt</b>	<b>4.70%</b>	<b>3.31%</b>

(GWh)			
<b>Demand for transported gas</b>	<b>449,389</b>	<b>402,001(*)</b>	<b>-10.5%</b>

*All 2009 targets have been exceeded*

\*Data still provisional

1

Net Income growth

2

Progressing in the efficiency plan 2008-2010

3

New record of investments and  
assets put into operation

4

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

5

Strengthen Enagas' role in the Spanish Gas System  
Advances in the regulatory framework

6

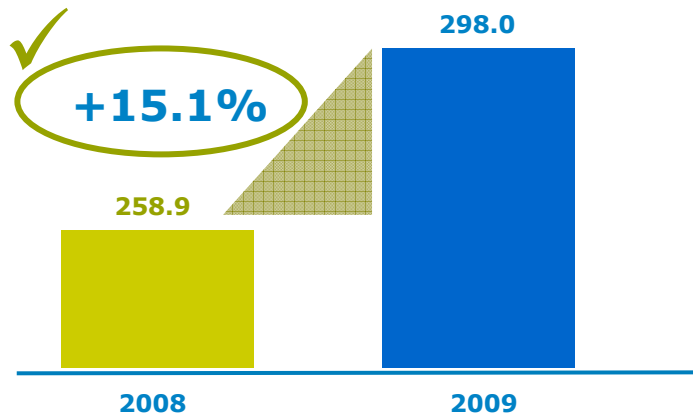
Look for value creation opportunities with acquisitions

7

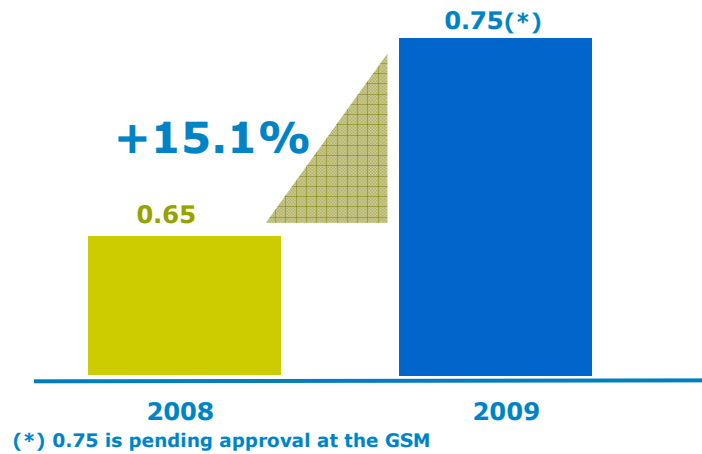
Stability in the shareholding structure

**First Commitment:**  
Minimum growth of 8.6% in Net Profit figure

Net Profit  
(€ mill)



Dividend  
(€)

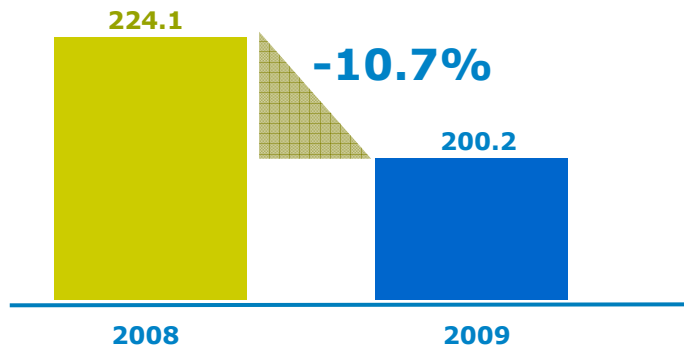


*Target has been significantly surpassed as a result of operating and financial cost control*

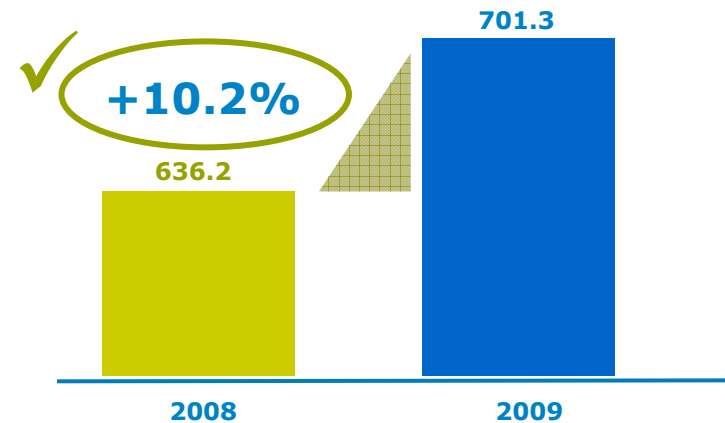
## Second Commitment:

Progressing in the efficiency plan 2008-2010 and double digit growth in EBITDA

Opex  
(€ mill)



EBITDA  
(€ mill)

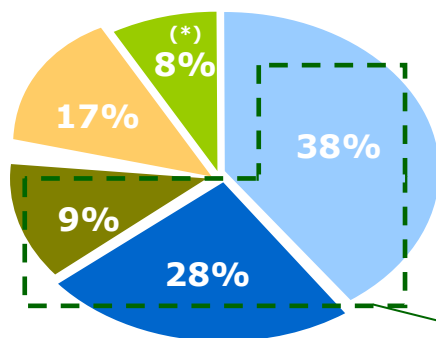


*Rigorous control of the operating costs of the Company*

## Third commitment:

Capex of €900 mill

Permits 31/12/2009



- In operation
- In execution
- In advanced stage of process with EIA obtained
- EIA in progress
- Direct authorisation requested

75% of investments already in operation, under construction or with Environmental Impact authorization.

(\*) Treto-Llanera pipeline is the main project pending of direct authorisation .



**Permits for the infrastructure progressing at a good pace**

**A new record figure of capex: €901.6 mill:**

**67% transport**  
**25% regasification**  
**8% Underground Storage**

✓ *Increase in underground gas storage, improvement of the international connections and entries to the System, and deblocking of bottlenecks for security of supply*

✓ *The objective of Enagas 's investments is to secure the supply of the Spanish energy system*

## Third commitment: Assets put in operation of €900 mill



✓  
**€965.3  
mill**

- ▶ Almeria- Chinchilla pipeline (Medgaz connection)
- ▶ Lelona- Haro pipeline
- ▶ C.E. Lumbier and Increase C.E. Haro
- ▶ Tranch Montesa-Denia pipeline
- ▶ Increase vap. cap. to 1,950,000 m<sup>3</sup>(n)/h in Barcelona Plant
- ▶ Balearic Island sea-line

**A new record figure for Enagas**

**Initial target surpassed in more than 7%**

**95% is new transport asset base**

*Support to the development of renewable energies and back-up of the electricity generation system*



Balearic Island sea-line includes three main projects:

- Montesa-Denia pipeline
- Compression Station of Denia
- Sea-line Denia-Ibiza-Mallorca

- The project with the most technical difficulty in the history of Enagas

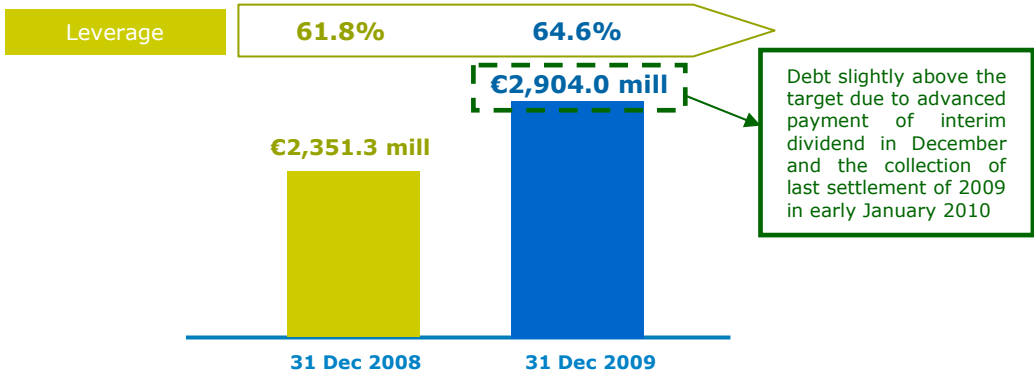
- The longest offshore pipeline in Spain

*The biggest project in terms of investment*

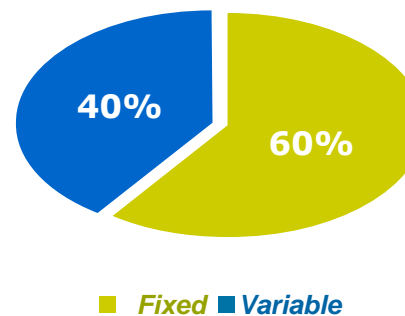


## Fourth commitment: Financial resources at very attractive conditions in terms of both maturity and competitive cost

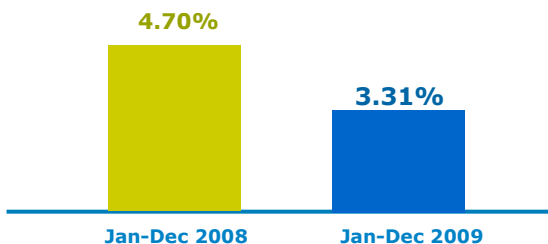
### Net Debt



### Debt structure



### Average cost of debt



### Liquidity 31/dic/2009

EIB	€725 Mn
ICO	€150 Mn
Credit Lines and other loans	€748 Mn
<b>Total Liquidity</b>	<b>€1,623 Mn</b>

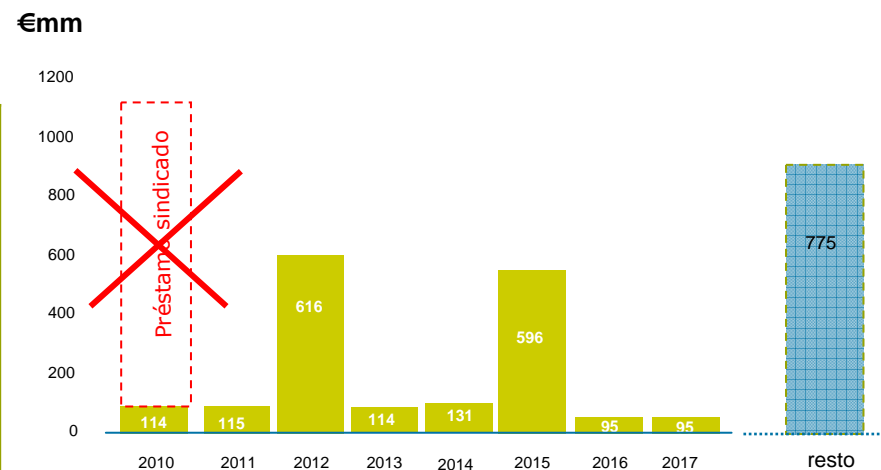
**S&P AA-, Moody's A2. Ratings ratified in 2009**

## Bonds

	3Y	6Y	AFLAC 30Y
Payment Date	6 July 2009	6 July 2009	15 Sept 2009
Maturity Date	6 July 2012	6 July 2015	15 Sept 2039
Issue Amount	€500 mill	€ 500 mill	€147.5 mill
Enagás financial cost	3.263%	4.412%	Variable (Euribor 6M+Spread)

Successful first bond issues

## Refinancing profile



- On July 10th Enagas paid off in advance the syndicated loan of EUR €1 bn maturing in January 2010
- Debt maturity: 6.3 years

**Financial resources for the whole capex plan at very attractive conditions in terms of both maturity and competitive cost**

## **Fifth commitment:**

### **Strengthen Enagas' role in the Spanish Gas System Advances in the regulatory framework**

#### **▶ Strengthening Enagas's role in the Spanish Gas System**

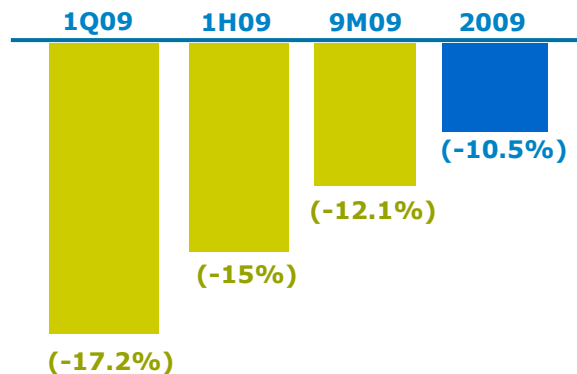
- ▶ Transmission System Operator for the high pressure gas network, in line with the recently approved EU Gas Directive
- ▶ Enagas has been included in the European Network of Transmission System Operators of Natural Gas (ENTSOG)

#### **▶ Ministerial Order ITC/3520/2009: Remuneration of regulated activities for 2010**

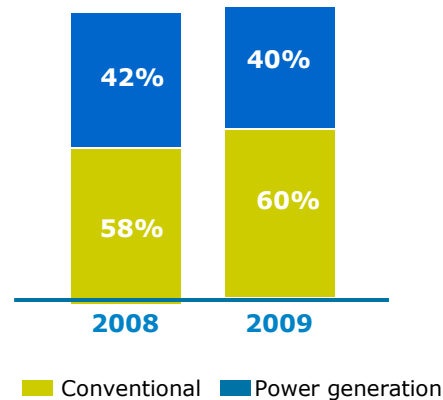
- ▶ Stability of the regulatory framework. No changes have been applied on the main reference variables
- ▶ According to this Order, the total estimated remuneration for Enagas in 2010 from regulated activities, is fully in line with the remuneration expected by the Company
- ▶ New opex and capex standard values for transport assets put into operation since January 2008
  - ▶ Reflect the current reality of costs
  - ▶ Fully in line with expectations and neutral impact on estimates
  - ▶ Room for generating future efficiencies

# Operational Data: Record peak of natural gas transported

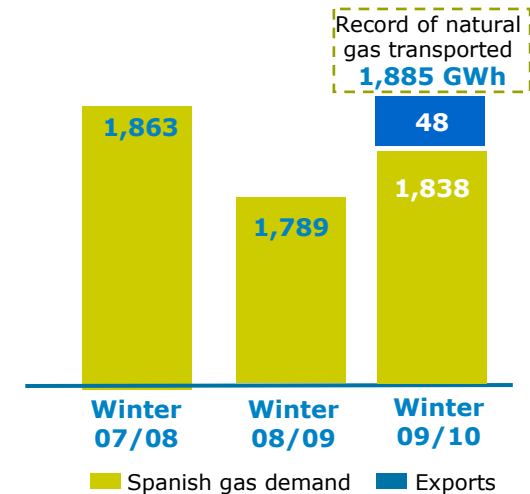
GWh gas demand transported  
(% 09 vs 08)



Gas Demand Breakdown  
(%)

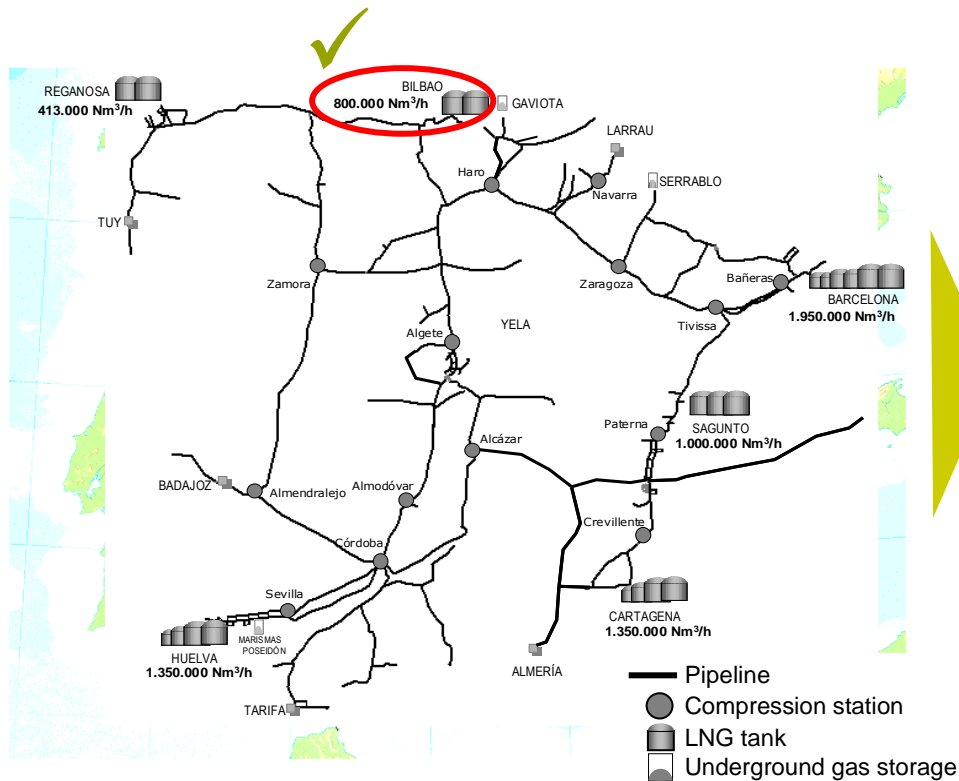


Peak demand  
(GWh/d)



- ▶ **Slowdown in the growth of natural gas demand (-10.5% yoy).** Decline in demand attributable to lower consumption for power generators (-14.2%) as well as a decrease in conventional consumption (-7.9%)
- ▶ In 2009, 29% of annual electricity demand in Spain was covered with CCGT. Electricity demand represents 40% of the total gas demand
- ▶ Remarkable increase in exports to France and Portugal, 5.4x compared to year 2008
- ▶ In 4Q09, natural gas demand has decreased by 5.7% qoq and in December presented a positive performance of 6.3% over the same month of 2008
- ▶ On 16th December Demand in Spain rose to 1,837 GWh and exports totaled 48 GWh, a record level of natural gas transported in the Spanish Gas System (1,885 GWh)
- ▶ Forecast of flat growth in natural gas demand in 2010

**Sixth commitment:**  
**Look for value creation opportunities with acquisitions**



ACQUISITION CONSISTENT WITH:

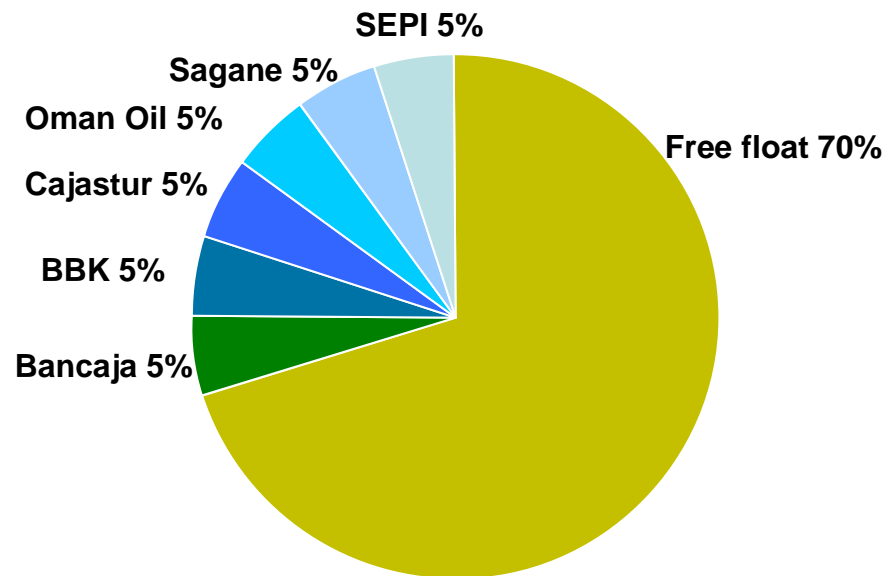
Enagas' core business

Enagas' profitability criteria

Company's intended debt levels

*Transaction approved by the CNE and pending permission from competition authorities*

## Seventh commitment: Stability in the shareholding structure



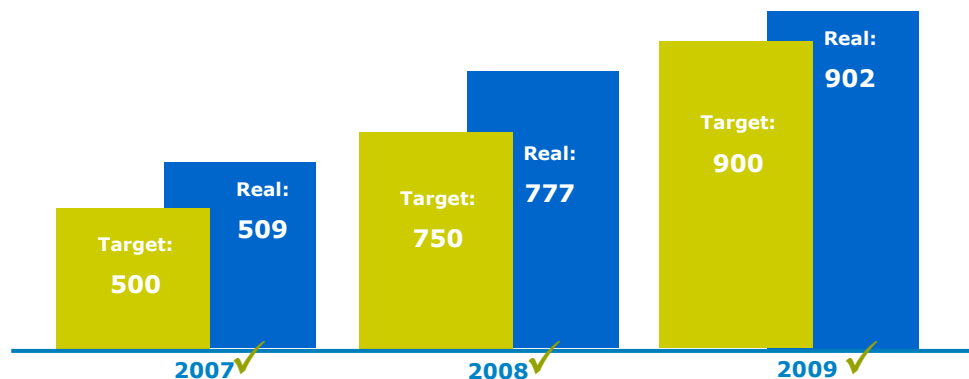
- ▶ Market Cap ~ €3.6bn; 70% free float
- ▶ 5% ownership by SEPI (Spanish State)
- ▶ Oman Oil appointed as new stable shareholder in the Board
- ▶ Maximum limit on share ownership (excluding SEPI) of 5% with a limited exercise of voting rights of 1% for parties acting in the gas sector and 3% for the remaining shareholders

***Shareholders changes in 2009 provides stability to the ownership structure***

# Delivery on Commitments



## Capex (mill €)



- ▶ Historical record of investments and assets put into operation
- ▶ Permits in place for the infrastructure progressing at a good pace
- ▶ Real capacity to finance investment at attractive cost and reaching the expected results

## Net Profit (Var %)



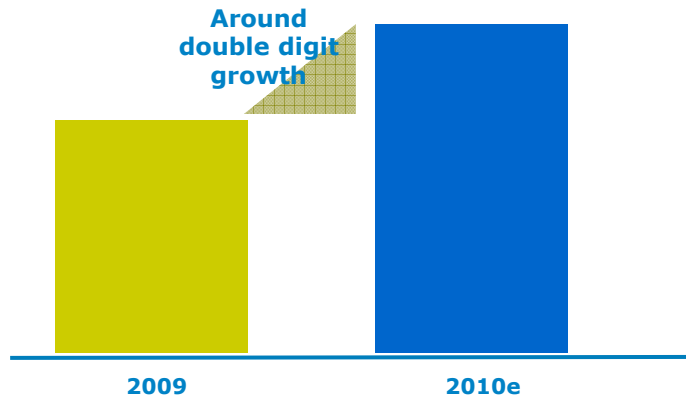
- ▶ Rigorous control of the operating costs of the Company
- ▶ CAGR N.Profit 07-09: 12%
- ▶ CAGR Dividend 07-09: 12%

***Enagás has consistently beaten the targets it communicates to investors***

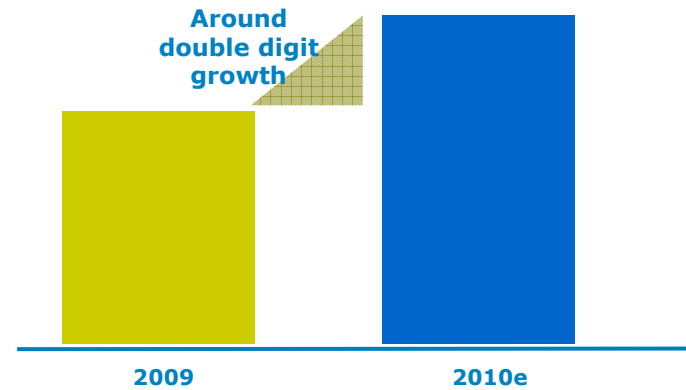
# Financial targets 2010



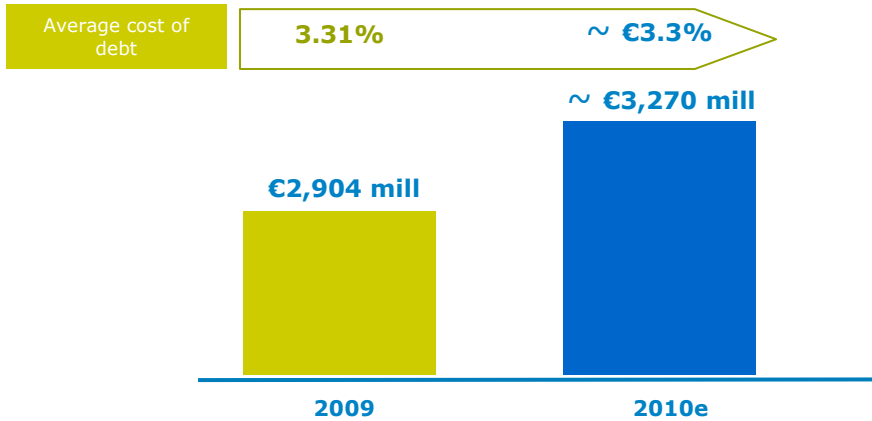
## Regulated revenues(\*)



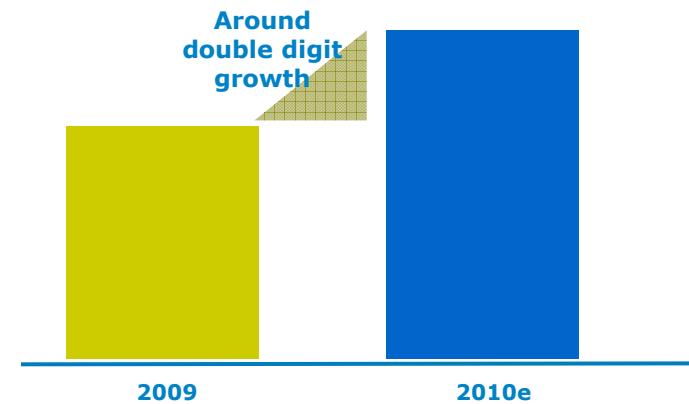
## EBITDA(\*)



## Net debt and average cost of debt



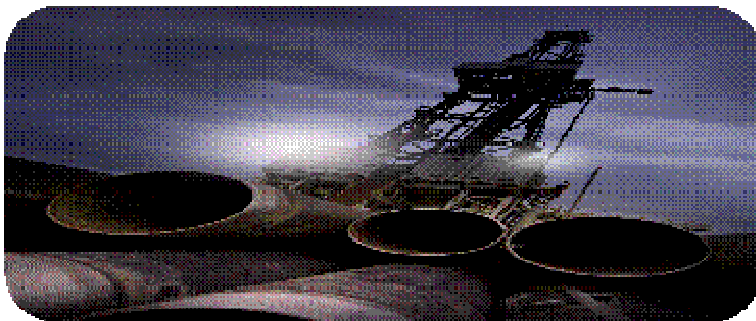
## Net Profit(\*)



(\*) All estimates for 2010 include the consolidation of 25% stake in BBG regasification plant from 1st of April 2010

***A year of double digit growth over an excellent year 2009***





## Capex

**€700 mill**

Cruise speed for the next years

## Assets put in operation

**€500 mill**

Assets put into operation 2010-2011 will reach €1.3 bn

The Ministry is going to start the process for the new National Energy Planning 2012-2020 (expected to finish in 2011).

The Ministry is preparing a revision document of the current 2008-2016 planning. This document will serve as a transition planning between both NEP

***Enagas continues to analyze potential acquisitions, always taking into account profitability and the impact on the indebtedness of the Company***

- ▶ 2007,2008 and 2009 targets have been met.
- ▶ Target has been significantly surpassed, taking into account the global economic-financial backdrop, as a result of operating and financial cost control.
- ▶ Historical record of investments and assets put into operation, doubling the investment average 2002-2006.
- ▶ 15.1% growth in Net Profit and dividend.
- ▶ First acquisition of Enagas (25% BBG), is consistent with Enagas' profitability criteria and Company's intended debt levels . Transaction approved by the CNE and pending permission from competition authorities.
- ▶ With the recent bond issues (€1,150 mill), finance is guaranteed for the whole capex plan at very attractive conditions in terms of both maturity and competitive cost.
- ▶ Diversified funding sources. €1.6bn of liquidity.
- ▶ Stability of the regulatory framework. No changes have been applied on the main reference variables.
- ▶ New opex and capex standard values for transport assets have a neutral effect in Enagas' P&L.
- ▶ The regulatory framework is moving in line with the European framework, with the finalisation of the gas sector model.
- ▶ Shareholders changes in 2009 provides stability to the ownership structure.

## Quarterly results

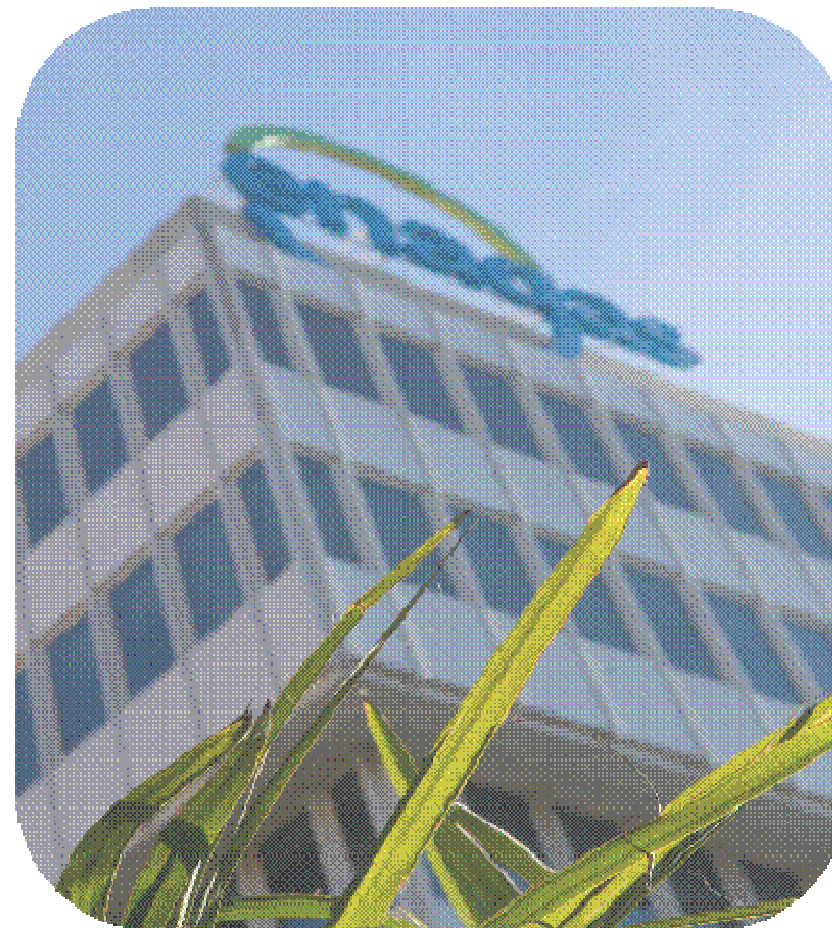
1Q 2010 27th-April-2010

2Q 2010 27th-July-2010

3Q 2010 26th-October-2010

## Annual General Meeting

AGM 30th-April-2010



***Once the 2008-2016 planning revision document is approved, Enagás will update the Strategic Plan with the 2010-2014 horizon***

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### 2009 Results

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