



FTSE4Good



**Conference call-Webcast**  
**2009 1H Results**  
**10am CET**

▶ July 28, 2009

# Our commitments at the beginning of the year



1 New record of investments and assets put into operation

2 Net Income growth

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

4 Strengthen the Enagas's role in the Spanish Gas System

5 Stability in the shareholding structure

# Key figures



(€mill)	Jan-Jun 08	Jan-Jun 09	% 09 vs 08
<b>Regulated Revenues (*)</b>	<b>400.6</b>	<b>410.8</b>	<b>+2.5</b>
<b>EBITDA</b>	<b>317.0</b>	<b>330.5</b>	<b>+4.3</b>
<b>Net Income</b>	<b>129.9</b>	<b>139.5</b>	<b>+7.4</b>

\*In homogeneous terms, Regulated revenues growth would stand at 5%.

<b>Capex</b>	<b>365.8</b>	<b>598.4</b>	<b>+63.6</b>
<b>Assets put into operation</b>	<b>394.5</b>	<b>420.4(*)</b>	<b>+6.6</b>

\*As of July, €161 mill additional projects have been put into operation

<b>Net Debt</b>	<b>2,016.7</b>	<b>2,537.3</b>
<b>Net Debt/Assets</b>	<b>44.6%</b>	<b>48.0%</b>
<b>Leverage</b>	<b>59.2%</b>	<b>62.8%</b>
<b>Cost of Debt</b>	<b>4.67%</b>	<b>2.96%</b>

(GWh)

<b>Demand for transported gas</b>	<b>233,014</b>	<b>197,949</b>	<b>-15.0</b>
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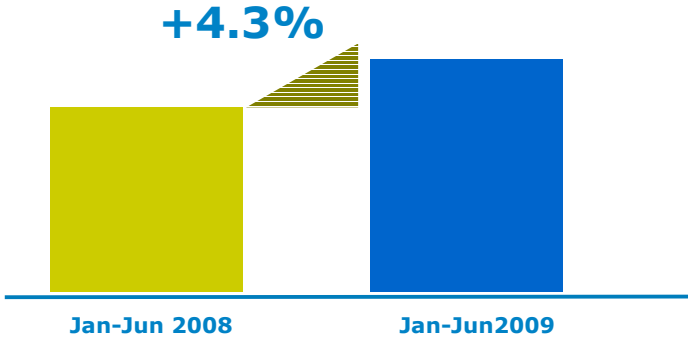
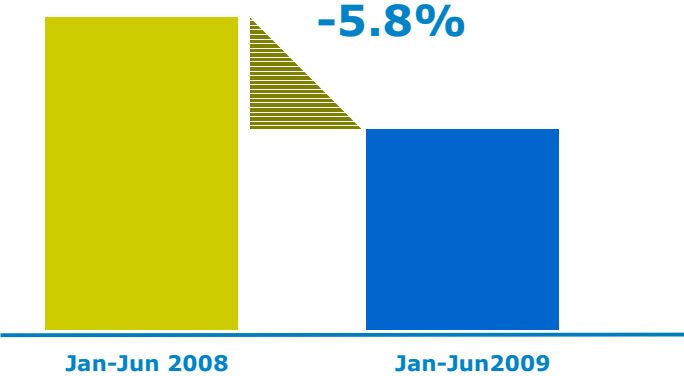
***In line with 2009 targets:  
Regulated revenues (+7.6%) and Net Income (Minimum +8.6%)***

# Efficiency and Cost Control Plan



**OPEX  
(€ mill)**

**EBITDA  
(€ mill)**



**Expected evolution in 2009**

**Regulated Revenues  
+7.6%**

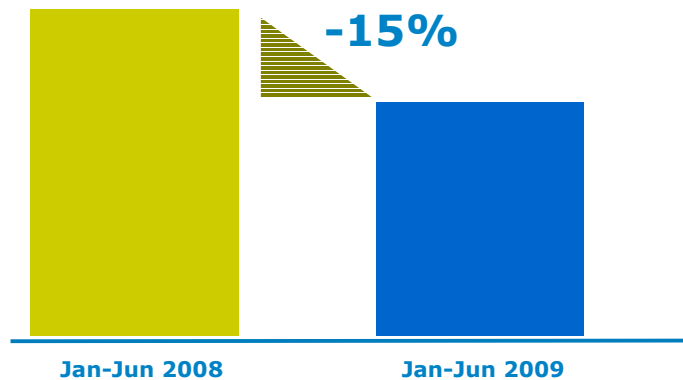
**Strong Opex control**

**Double digit  
growth in  
EBITDA**

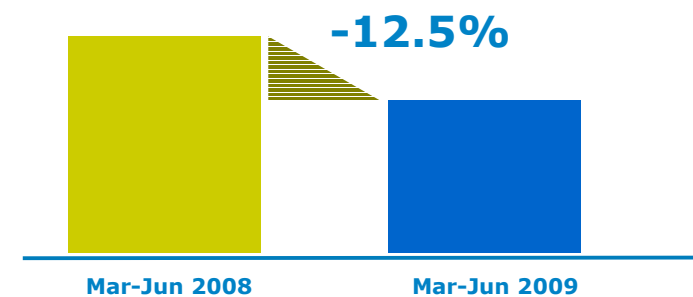
*Growing revenues during the quarters as we put more assets in operation*

*Implementation of the efficiency plan 2008-2010*

## Transported gas demand (GWh)



## Transported gas demand (GWh)

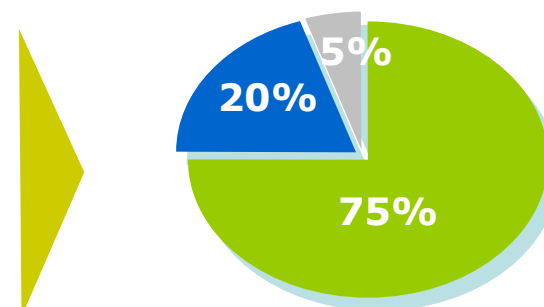


- ▶ The global economic situation and its impact on the Spanish economy has caused a slowdown in the growth of natural gas demand
- ▶ Decline in demand attributable to lower consumption for power generators (-22.4%) as well as a decrease in conventional consumption (-10.1%)...
- ▶ ...however, in the last month, the trend shows signs of recovery
- ▶ Despite this significant fall in demand, the peak demand registered as at the beginning of January has increased by 53 GWh/day with respect to previous year
- ▶ Fully liberalised market

## Investments 1H 2009



**€598.4  
mill**



■ Transport ■ Regasification ■ UGS

Enagás will deliver its  
2009 guidance  
investing €900mill

Capex Jun08-Jun09 amounted  
more than €1bn

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

## Assets put in operation 1H 2009



**€420.4<sup>(\*)</sup>  
mill**

- ▶ Almeria- Chinchilla pipeline (Medgaz connection)
- ▶ Lemona- 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

Enagás will deliver its 2009 guidance put into operation €900mill

Balearic Island sea-line will be put into operation in the next few weeks

***Acceleration of the projects put into operation from 3Q.***

\*As of July, €161 mill additional projects have been put into operation

## Advances in the regulatory framework

- ▶ Revision of standard CAPEX and OPEX values.
- ▶ Regulator names Enagás as Transmission System Operator for primary gas transport
- ▶ Approval of third package of measures for the energy sector.
  - Third Gas Directive
  - Regulation of gas transportation
  - Agency for Cooperation of Energy Regulators (ACER)



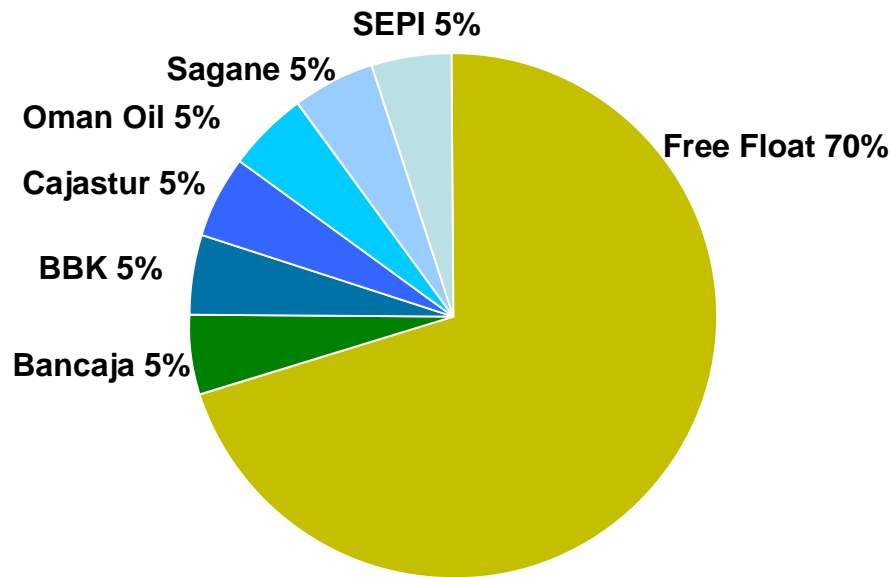
***Completion of the gas sector model***



# Shareholding Structure and Corporate Governance

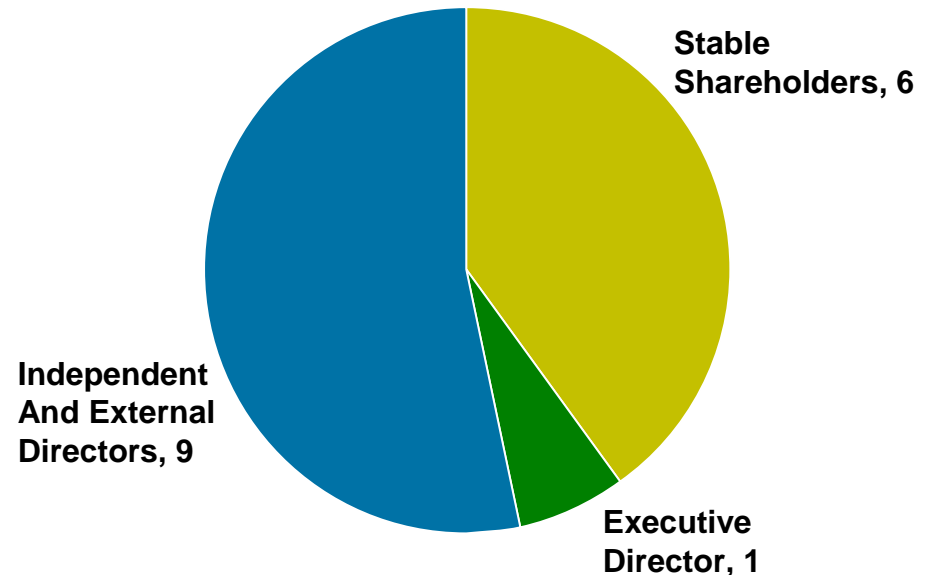


## Shareholding Structure



- ▶ Market Cap ~ €3.3bn; 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

## Board of Directors



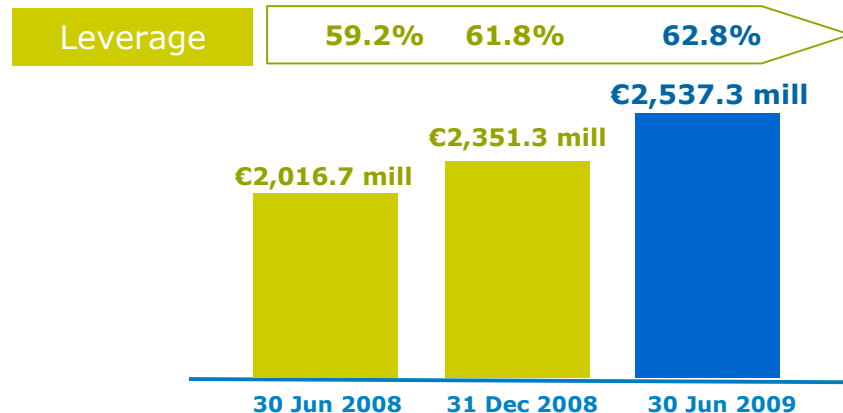
- ▶ Six stable shareholders with Board presence
- ▶ Majority of independents
- ▶ Best practices of corporate governance in the functioning of Board and Committees as per Spanish and international

***Recent shareholders changes provides stability to the ownership structure***

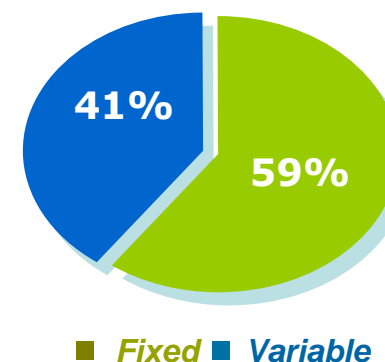
# Financial structure and liquidity 1H09



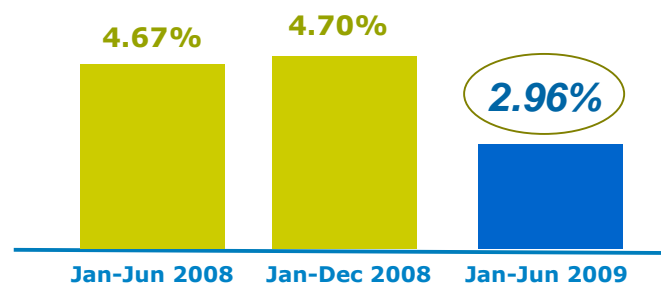
## Net Debt



## Debt structure



## Average cost of debt



## Liquidity

EIB	€725 Mn
ICO	€275 Mn
Credit Lines and other loans	€767 Mn
<b>Total Liquidity</b>	<b>€1,767 Mn</b>

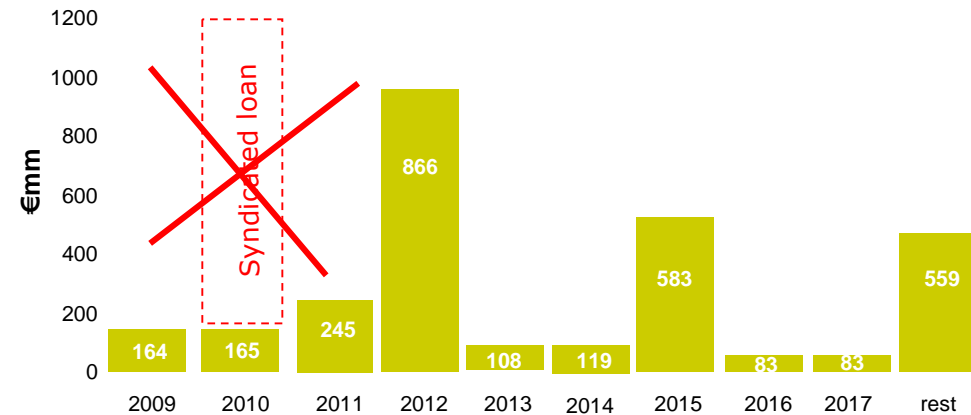
*Commitment to maintaining strong ratings*

## Bonds

	3Y	6Y
Payment Date	6 July 2009	6 July 2009
Maturity Date	6 July 2012	6 July 2015
Issue Amount	€500 mill	€ 500 mill
Re-offer Spread	+95 bp over 3Y MS	+125 bp over 6Y MS
Coupon (annual)	3.250%	4.375%
Enagás financial cost	3.263%	4.412%

Successful bond issue

## Debt Maturity Profile (as today)



On July 10th Enagas paid off in advance the syndicated loan of EUR €1 bn maturing in January 2010

- *We continue to study the possibility to do a private placing of a small amount for the long term*
- *Financial resources for the whole capex plan at very attractive conditions in terms of both maturity and competitive cost*

## Potential Lower Investments

- Demand reduction in 2009 YTD has lowered need to front-end 2016 infrastructure plan to 2007–2012 as was so far the assumption
- Spanish Energy Secretary has recently openly suggested that the Infrastructure Plan may be adjusted down
- Enagás currently analysing potential scenarios, but no intention to adjust Plan until Ministry publishes an updated Infrastructure Plan

## Potential Spanish Regulated Asset Acquisition

- Enagás has historically publicly displayed interest in acquiring regulated assets in Spain owned by other players
- Enagás might initiate negotiations with some of the shareholders of some of these assets, which could potentially conclude in a transaction

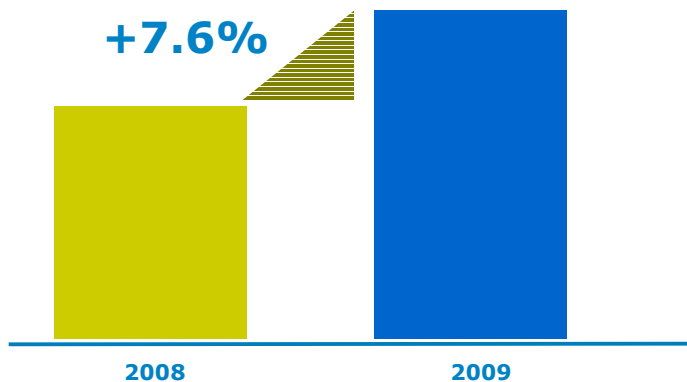
***Leverage targets remain unchanged as potential acquisitions would be compensated with lower investments***

## Investments



**€900 mill**

Regulated Revenues

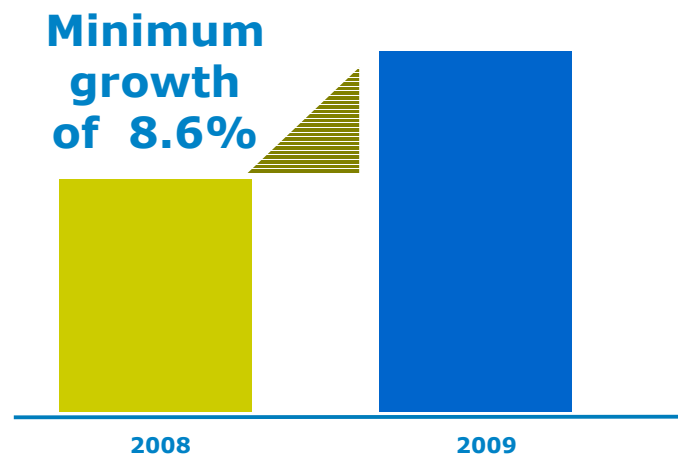


## Assets put into operation



**€900 mill**

Net Income



- ▶ Enagás will deliver its 2009 guidance, since this was drawn up using prudent criteria and taking the global economic-financial backdrop into account.
- ▶ In 1H09 Enagás made a new record investment of €598.4Mn, which equates to 66% of the annual capex announced.
- ▶ Permits in place for the infrastructure progressing at a good pace.
- ▶ The imminent start-up of the Balearic gas sealine will ensure the Company meets its 2009 assets put into operation target of €900Mn.
- ▶ With the recent bond issues, finance is guaranteed for the whole capex plan at very attractive conditions in terms of both maturity and competitive cost.
- ▶ Commitment not to increase debt levels targeted in our Business Plan.
- ▶ Diversified funding sources. €1.7bn of liquidity.
- ▶ Commitment to maintaining strong ratings.
- ▶ Enagás will continue to raise profitability as it implements the operational efficiency plans set out in its Strategic Plan.
- ▶ Recent shareholders changes provides stability to the ownership structure
- ▶ The regulatory framework is moving in line with the European framework, with the finalisation of the gas sector model.

- 1 €900 mill expected in capex and assets put into operation
- 2 Net Income growth on target
- 3 Diversified funding sources. High level of liquidity
- 4 Transmission System Operator for primary gas transport
- 5 Recent shareholders changes provides stability to the ownership structure



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## Conference call-Webcast

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