



FTSE4Good



Conference call-Webcast
2009 3Q Results
10am CET

▶ **October 27, 2009**

1

Net Income growth

2

New record of investments and assets put into operation in 2009

3

Progress in authorisation process

4

Value creation acquiring regulated assets owned by other players

5

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

6

Strengthening the Enagas's role in the Spanish Gas System

Key figures



(€mill)	Jan-Sept 08	Jan-Sept 09	% 09 vs 08
Regulated Revenues	610.7	639.4	+4.7%
EBITDA	487.2	515.5	+5.8%
Net Income	201.2	217.4	+8.1%

Capex	535.9	763.8	+42.5%
Assets put into operation	494.8	892.2	+80.3%

Net Debt	2,213.9	2,802.7
Net Debt/Assets	47.5%	52.0%
Leverage	60.3%	63.9%
Cost of Debt	4.72%	3.10%

(GWh)			
Demand for transported gas	337,123	296,186	-12.1

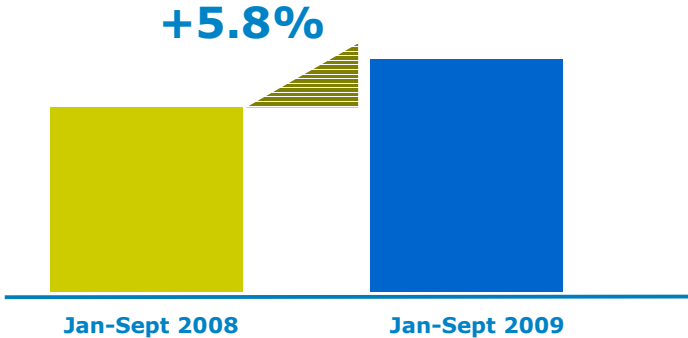
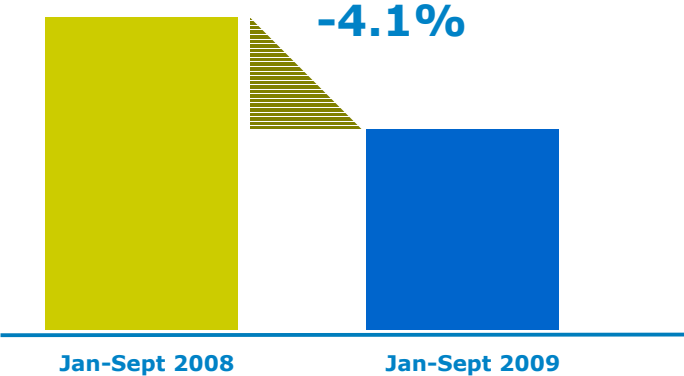
*In line with 2009 targets:
Regulated revenues (+7.6%) and Net Income (Minimum +8.6%)*

Efficiency and Cost Control Plan



OPEX
(€ mill)

EBITDA
(€ mill)



Expected evolution in 2009

Regulated Revenues
+7.6%

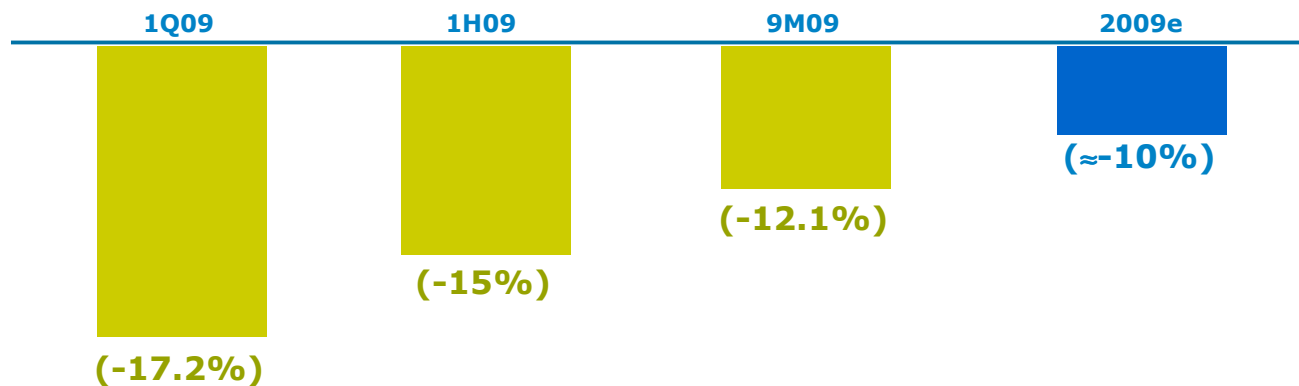
Growing revenues in Q4 to reach the annual target

Strong Opex control

Implementation of the efficiency plan 2008-2010

Double digit growth in EBITDA

GWh gas demand transported (% 09 vs 08)



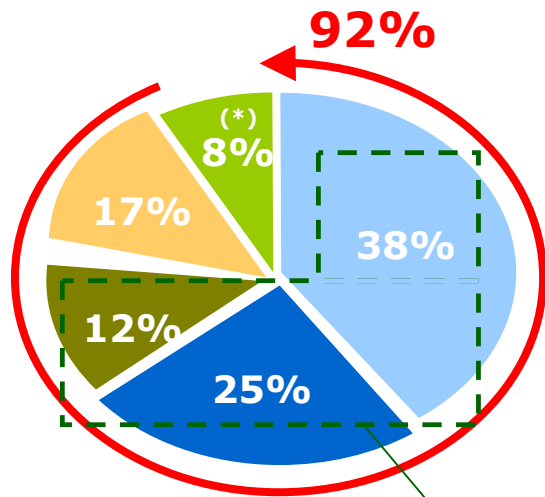
- ▶ The global economic situation and its impact on the Spanish economy has caused a slowdown in the growth of natural gas demand (-12% yoy)
- ▶ ...however, in the last quarter (-5.6%), the trend shows signs of recovery. Total demand in 2009 could decline around 10%
- ▶ Decline in demand attributable to lower consumption for power generators (-15.9%) as well as a decrease in conventional consumption (-9.3%)

Authorisation process



Sept 2009

Main permits obtained in 2009



	2009
Environmental Impact Authorization	€413 mill
Adm. authorization	€638 mill
Total (*)	€1,051 mill

(*) The same project can be approved and found in several phases, and therefore, accounted in several steps at the same time

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

75% of investments already in operation, under construction or with Environmental Impact authorisation.
In March 2009 this percentage was 65%.

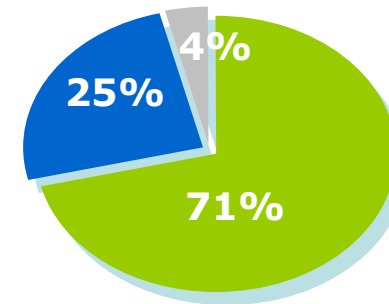
■ In operation	■ In execution	■ In advanced stage of process with EIA obtained
■ Environmental Impact authorisation in progress	■ Direct authorisation requested	

Permits in place for the infrastructure progressing at a good pace

Investments 9M 2009



**€763.8
mill**



■ Transport ■ Regasification ■ UGS

Enagás will deliver its
2009 guidance
investing €900mill

Capex Sept08-Sept09 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 9M 2009

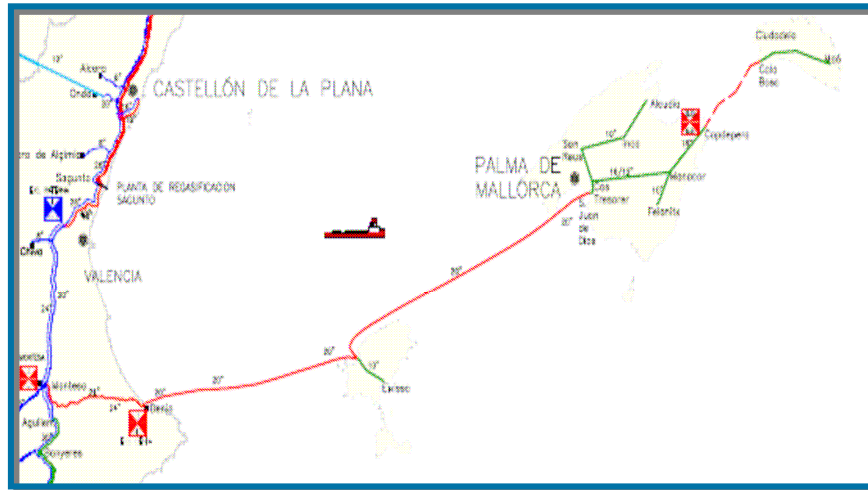


**€892.2
mill**

- ▶ 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 m³(n)/h in Barcelona Plant
- ▶ Balearic Island sea-line

Annual target (€900 mill)
achieved already at 30 Sept

A new record figure, of which
95% is new transport asset base



Balearic Island sea-line includes three main projects:

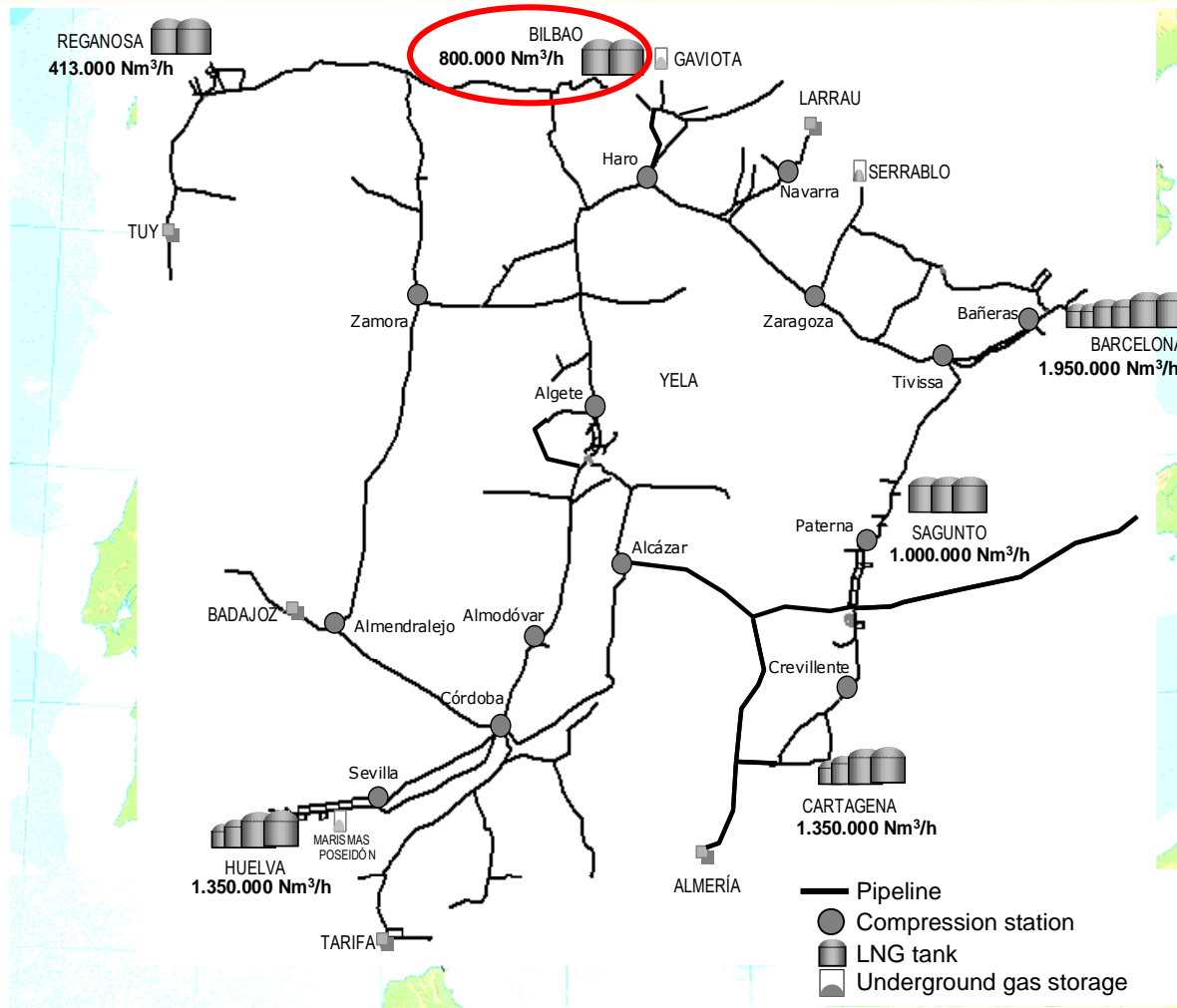
- Montesa-Denia pipeline
- Compression Station of Denia
- Sea-line Denia-Ibiza-Mallorca

- 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

Acquisition 25% of BBG regasification plant



BBG operational data

LNG storage (m ³)	300,000
Vap. Capacity (Nm ³ /h)	800,000
Put into operation	Dec-2003
Current owners (25% each one)	Repsol, RREEF, Basque regional energy board, Enagas

BBG financial data 2008

Revenues	€64,2 mill
EBITDA	€45,3 mill
Net Profit	€36,2 mill
Net debt	€130,9 mill

Transaction data

Stake (seller)	25% (BP)
Amount (debt included)	€65 mill
EV/EBITDA	6X

Transaction will not raise the Company's intended debt levels and consistent with Enagas' profitability criteria. Pending permission from CNE and competition authorities.

▶ **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
- ▶ Assures there is supply in the short and mid term
- ▶ Facilitates increased competition in the gas market
- ▶ Efficient management of LNG and Underground Storage facilities

▶ **New transport standard values:**

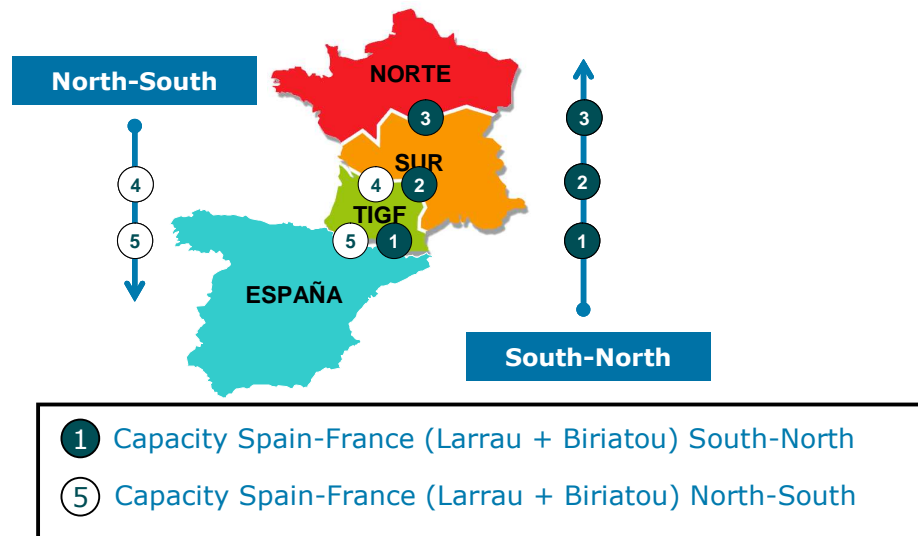
- ▶ The Board of Directors of the CNE has informed favourably about the new values of OPEX/CAPEX standards for the transport assets
- ▶ In line with Enagas' previous guidelines

Key role in a fully liberalized market

Open season Spain-France interconnection



- Open Season for the development of new capacity between France and Spain launched in July 2009.
 - Binding bids for the West axis (Larrau/Biriatou, 2013), and non-binding for the East axis (MIDCAT, 2015) during the second half of september. Announcement of final allocation on October, 30th.
 - Launch of binding assignment for the East axis (MIDCAT): 1st half 2010.
- The request for demand for 2013 shows strong interest in the increase of the interconnection capacity:



1	Capacity offered	Capacity requested
GWh/day	180.00	361.64
% requested over offer	200.91%	
5	Capacity offered	Capacity requested
GWh/day	117.98	69.00
% requested Over offer	58.48%	

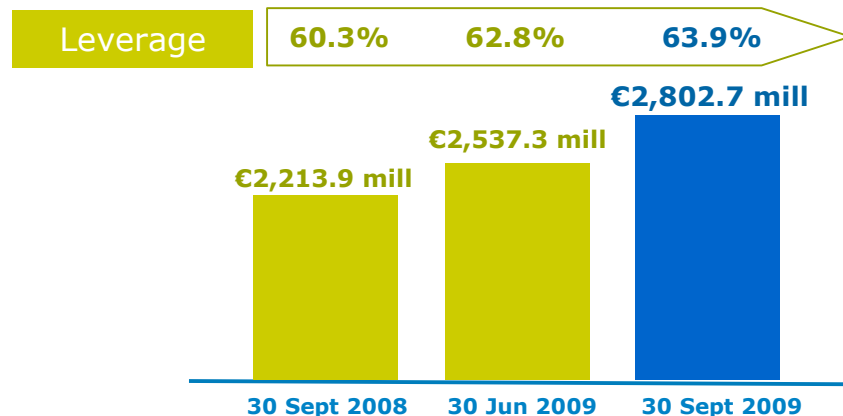
Source: CNE

**European interconnections get one of the key goals that would permit:
Increasing competition and improving the security of supply**

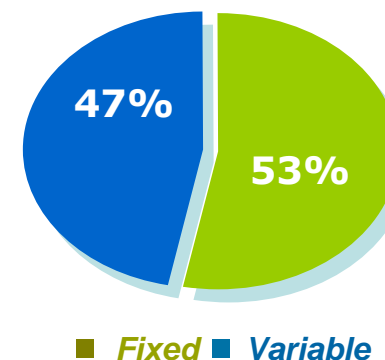
Financial structure and liquidity 9M09



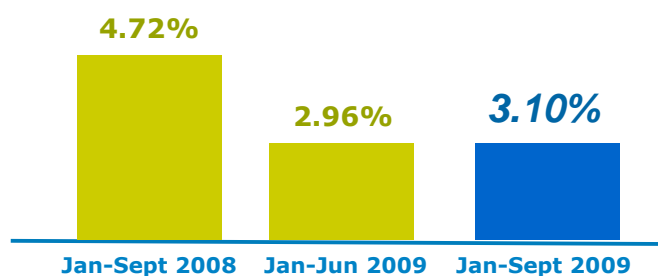
Net Debt



Debt structure



Average cost of debt



Liquidity

EIB	€725 Mn
ICO	€275 Mn
Credit Lines and other loans	€630 Mn
Total Liquidity	€1,630 Mn

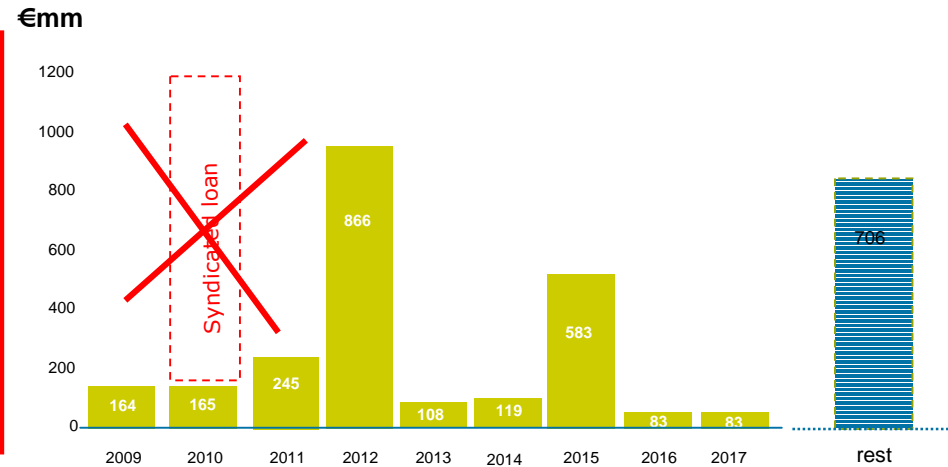
Commitment to maintaining strong ratings

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 bond issues

Debt Maturity Profile (as of today)



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

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

AFLAC bond issue



	AFLAC 30Y
Payment Date	15 Sept 2009
Maturity Date	15 Sept 2039
Issue Amount	€147.5 mill
Enagás financial cost	Variable (Euribor 6M+Spread)

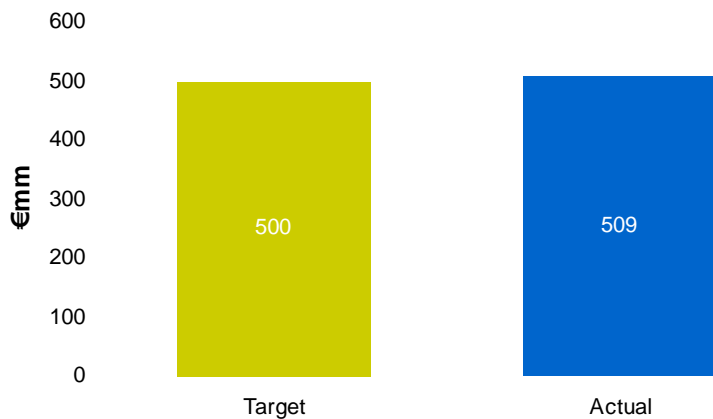
- It closes the financial needs of Enagás for the LT
- High credit quality as strong consideration for this transaction
- Very attractive conditions in terms of cost, term and flexibility

Diversified funding sources

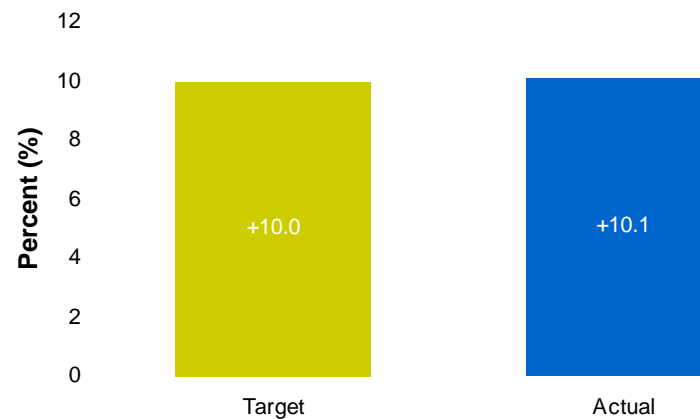
Delivery on Commitments



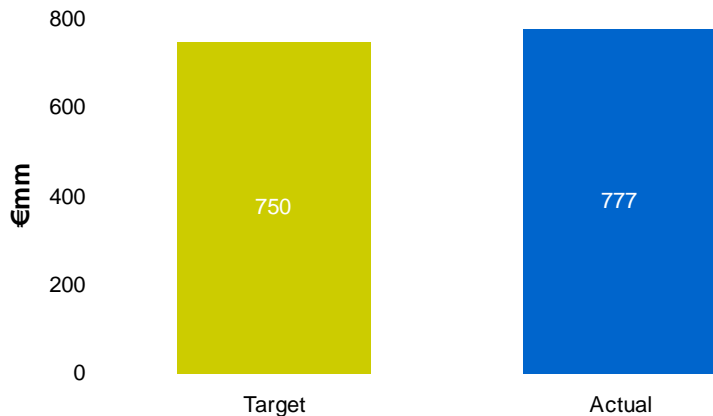
Investments 2007



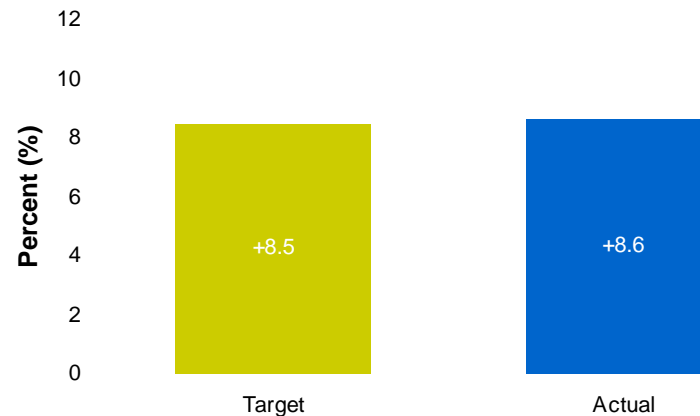
Net Income Growth 2007



Investments 2008



Net Income Growth 2008



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

Targets 2009

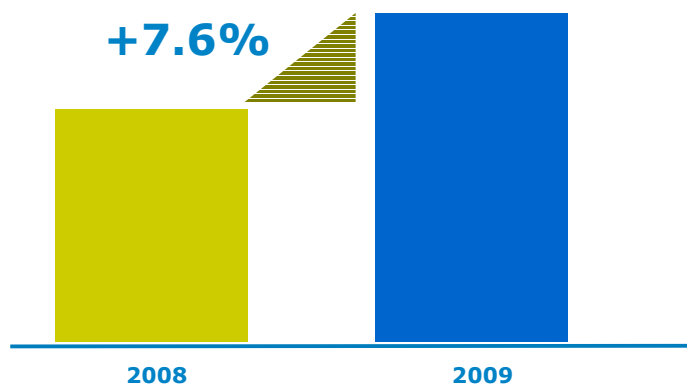


Investments



€900 mill

Regulated Revenues



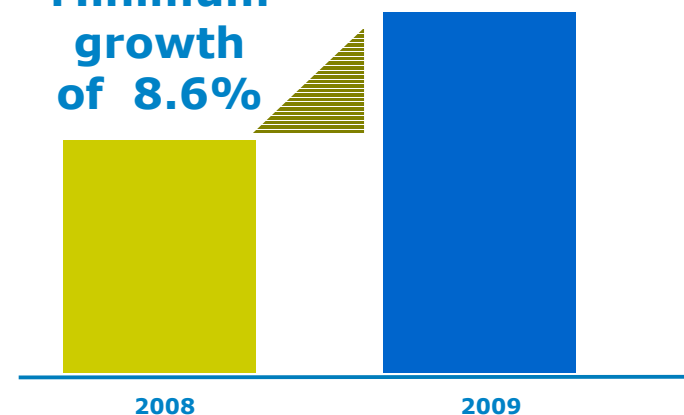
Assets put into operation



€900 mill

Net Income

Minimum growth of 8.6%



... and will deliver its 2009 guidance

- ▶ Enagás will deliver its 2009 guidance, since this was drawn up using prudent criteria and taking the global economic-financial backdrop into account.
- ▶ In 9M09 Enagás made a new record investment of €763.8Mn, which equates to 85% of the annual capex announced.
- ▶ Permits in place for the infrastructure progressing at a good pace.
- ▶ Assets put into operation: Annual target (€900 mill) reached in Sept.
- ▶ Acquisitions consistent with Enagas' profitability criteria.
- ▶ 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.
- ▶ Commitment not to increase debt levels targeted in our Business Plan.
- ▶ Diversified funding sources. €1.6bn of liquidity.
- ▶ Enagás will continue to raise profitability as it implements the operational efficiency plans set out in its Strategic Plan.
- ▶ Regulation: The Board of Directors of the CNE has informed favourably about the new values of OPEX/CAPEX standards for the transport assets.
- ▶ Good prospects for 2010 and beyond.

- 1 Net Income growth (+8.1%) on target
- 2 €900 mill expected in capex and annual target already achieved in assets put into operation
- 3 Permits in place for the infrastructure progressing at a good pace
- 4 Acquisition 25% of BBG regasification plant consistent with Enagas' profitability criteria
- 5 Diversified funding sources. High level of liquidity
- 6 Transmission System Operator for primary gas transport
- 7 Favourable report of the CNE for the revision of standard values opex/capex for the transport assets.



FTSE4Good



Conference call-Webcast

2009 3Q Results

+34 91 709 93 30
investors@enagas.es