Enagás
1H2012 Results

24 July 2012

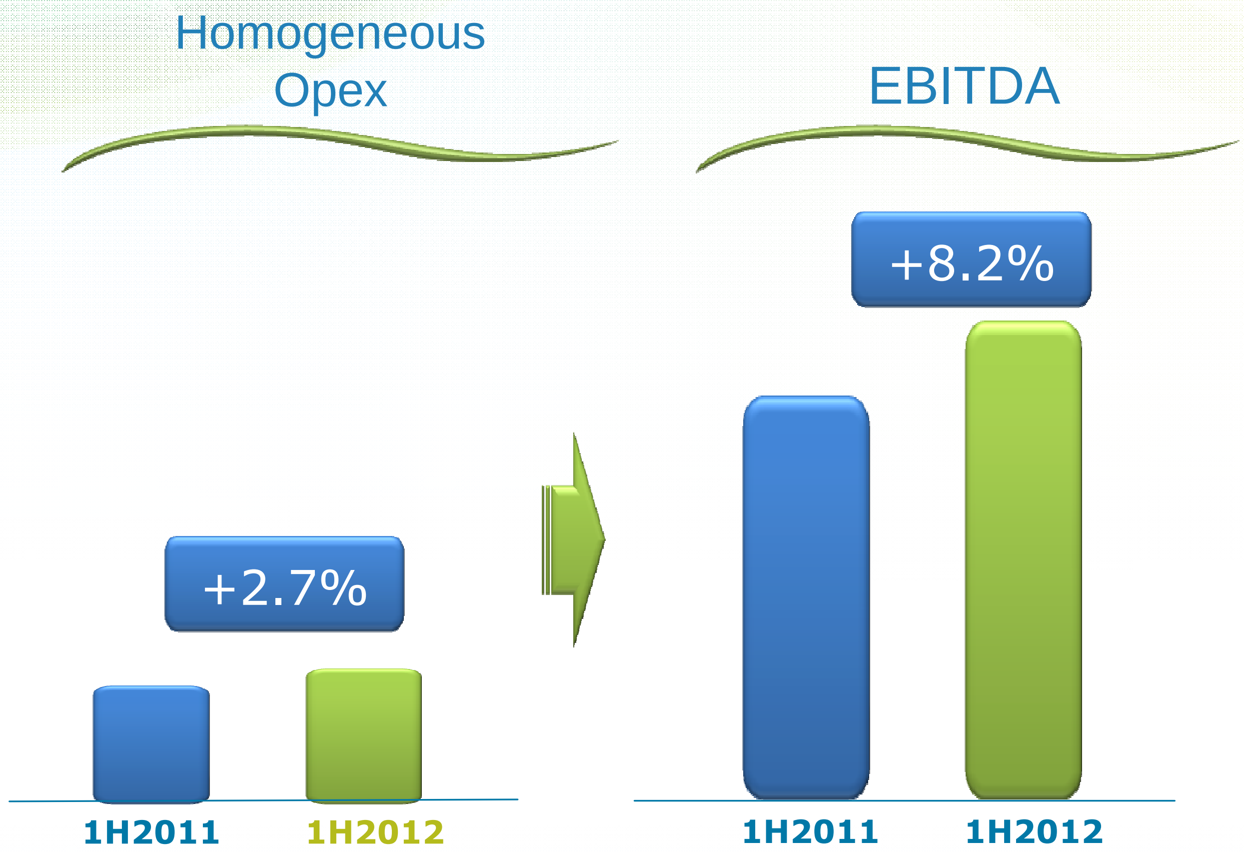
Key figures

(€mill)	Jan-Jun 2011	Jan-Jun 2012	%12vs11
Total revenues	515.6	**568.1**	**+10.2%**
EBITDA	415.4	**449.4**	**+8.2%**
EBIT	278.4	**298.4**	**+7.2%**
Net profit	173.4	**185.5**	**+7.0%**
Investments	272.5	**274.1**	
Assets put into operation	276.2	**177.5**	
Net debt	3,050.4	**3,224.3**	
Leverage	63.1%	**62.6%**	
Transported gas demand (GWh)	217,871	**222,422**	**+2.1%**

Note: 1H2012 results includes the contribution of Gaviota UGS and the proportional consolidation of 40% of Altamira Plant (Mexico) that corresponds to the first quarter

Note: Capex figure includes the accounting effect of the provision for dismantling regasification plants amounting €78.8 mill

Operating efficiency

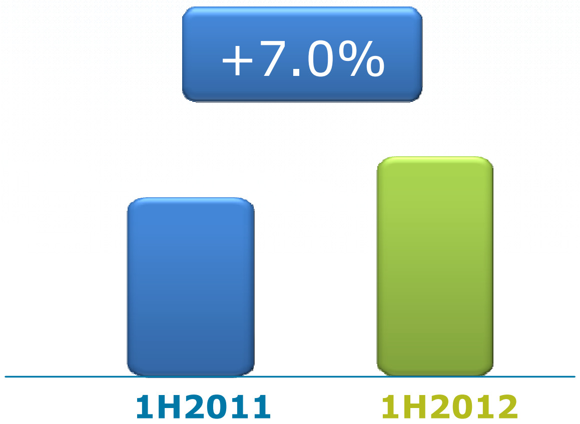


In a complex environment the Company continues to strengthen its efficiency plan

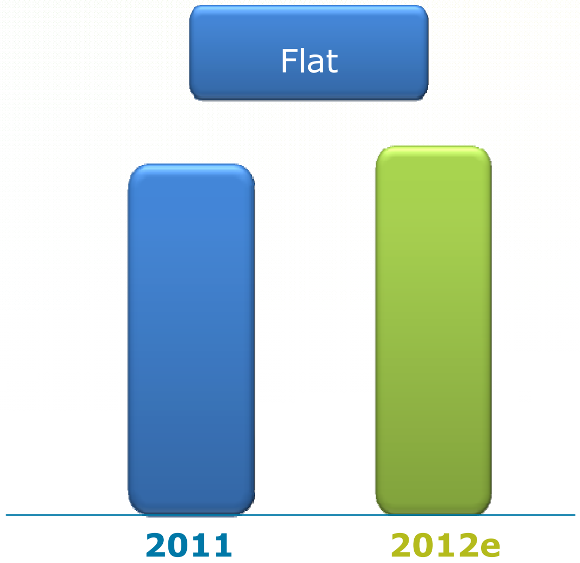
Note: Like for like Opex, without taking into consideration the Gaviota's opex in 1Q2012, 40% of Altamira participation and other non-recurrent expenses

Net profit performance

1H2012



2012e



Net profit growth higher than the 2012 target due to the contribution of Gaviota and Altamira in the 1H2012 and not in the 1H2011

Comparison will become more demanding in the second half, when comparing with a strong 2H2011, which includes 2 years of Gaviota and the participation of Altamira

Enagas maintains 2012 target of Net Profit flatish growth

Capex & Assets put into operation

Capex 1H2012

€274.1M

50% of the annual target

Assets put into operation 1H2012

€177.5M

With the incorporation in September of the Yela UGS, the Yela-Villar de Arnedo and Martorell-Hostalric pipelines, 85% of the annual target will be achieved

In line with estimates and in the righ track to achieve 2012 targets

Note: Capex figure includes the accounting effect of the provision for dismantling regasification plants amounting €78.8 mill. In this figures are not included the acquisition of GNL Quintero (expected for the 3Q2012) neither the participation in Morelos Pipeline

2012 Targets

EBITDA	+8%
Net Profit	Flat
Pay-Out	70%
Dividend	+8%

Efficiency and cost control are key factors for 2012

2012 Investments targets

Capex 2012

€550M

Assets put into operation 2012

€750M

Investments and core business acquisitions, organic investment expected for 2012, 2013 and 2014, and the possible core business acquisitions under study, confirms the 2010-2014 investment plan by ± 10%

Enagás will present an update of the Strategic Plan at the end of this fiscal year. Likely to coincide with 2012 Results

Note: In 2012 investment and new assets put into operation targets include possible core business acquisitions

Core Business Acquisitions/Participations

Announced strategy

Vertically integrated energy companies are currently selling "non-core assets" ✓

Sound investment opportunities which complement Enagás' business base ✓

Taking advantage of the Company's know how, technological knowledge and operating and financial resources ✓

Acquisitions consistent with Enagás'core business and objectives of debt and profitability, that provide a recurrent and safe revenues stream ✓

Spain	Regulated assets related to our activity
European Union	Operating as TSO, or by agreements with other European TSO
General ✓	LNG Know-How Regasification Plants and pipelines

1H2012 Milestones

Acquisition GNL Quintero (Chile)

Participation Morelos Pipeline (México)

Note: Detailed information on the two transactions is available in the relevant facts communicated to the CNMV on 04/27/2012 (GNL Quintero) and 06/27/2012 (Morelos Pipeline) and in the corporate website

Acquisitions/Participations in core business assets: Naturgas

Strategic fit

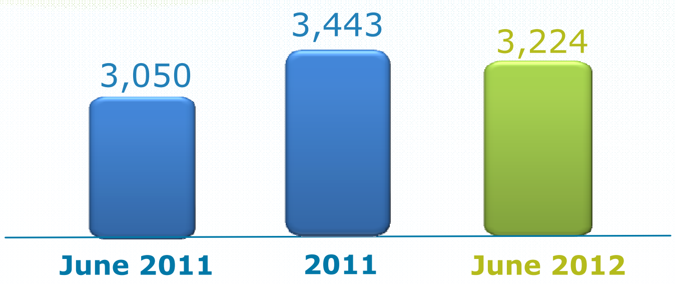
- Core business assets , in line with the objectives of profitability and indebtedness of the Company, and providing a recurring revenue stream
- In accordance with the 3rd EU Gas Directive, which states that vertically integrated energy operators must separate transmission operations from the rest of their businesses
- Enagás consolidates its position as the sole transmission company in Spain's gas transmission trunk network
- Strategic asset and key to the planned development of the expansion of interconnection capacity with France via Irun
- Value creation for the three parties in the transaction

Main data of the agreement of acquisition of the 90% of Naturgas Energía Transporte

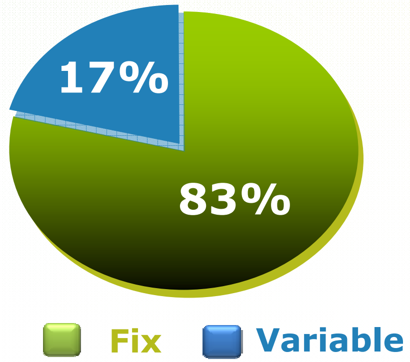
Transaction	Agreement with EDP to acquire 90% of Naturgas Energía Transporte The EVE (Basque regional energy board) will retain 10% of the company
Main assets	High-pressure gas pipelines (≈60% Basque country) and the international Irún connection
EV	€241 Mill (D/E=34/66)
IRR	Similar to the IRR of the Company's high-pressure regulated transport assets in Spain
Financial data (100%)/ consolidation date	EBITDA 2012e:≈€25mill, Net profit:≈€11mill After obtaining all permits, integration expected in 1Q2013

Financial structure and liquidity (June 2012)

Net Debt (mill€)



Debt structure



Liquidity

€2,789M

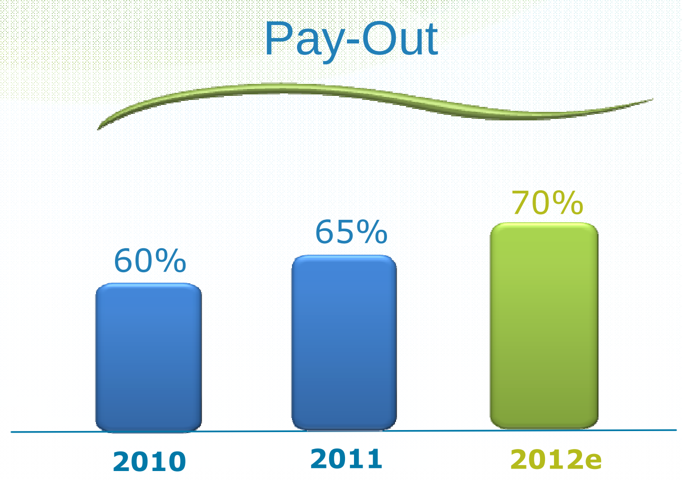
1H 2012 Financial highlights

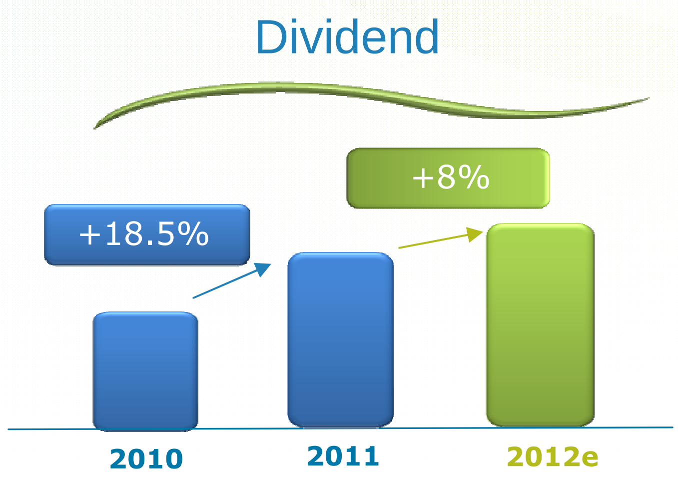
Renewals and refinancing 1H 2012	~ €615 mill
New facilities	~ €900 mill
New ECP issues	~ €100 mill

The financial activity carried out in 1H represented 97% of the planned refinancing in the whole year 2012

Due to the current market conditions and the strong financial situation of the Company, Enagás decided to amortize the €500 million bond that expired on July 6 with the available resources, waiting for a more favorable evolution of the markets for refinancing

Financial highlights. Dividend payment





After the payment of the final dividend last 5th of July, 2011 total dividend has gone up by 18,5% vs. last year figure

The dividend for 2011 has meant a payout of 65%. In 2012 the pay-out is established at 70%, as announced by the Company

Dividend growth target 2012: ~+8%

Shareholders remuneration compatible with the investment plan and leverage targets

Note: The increase in the Pay-Out for 2012 approved by the Board of Directors, is subject to approval by the Annual General Meeting to be held in 2013, according to Spanish corporate legislation

Regulation

The adjustments set in the Royal Decree 13/2012 of March 30th and in the Ministerial Order IET 849/2012 of April 26th, have been directed to reduce the temporary gas tariff deficit

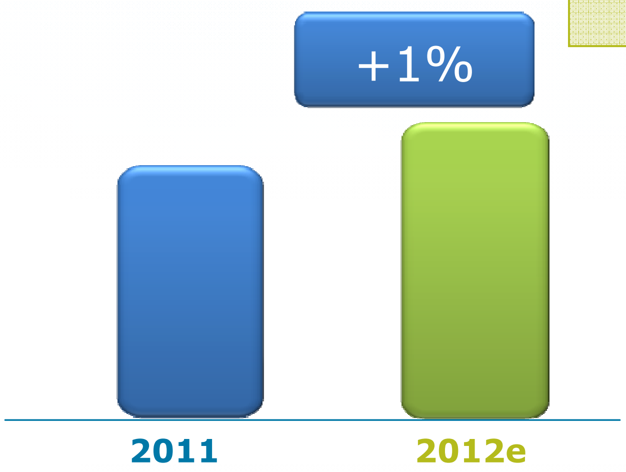
The main adjustments are : Change in the amortization period for new UGS and the freezing of the Musel regasification plant (receiving the financial remuneration for the invested capex)

On average, tolls have increased in 2012 by 7.7%

The adjustments made and the increased tolls are on track to eliminate the temporary gas tariff deficit and reinforce the long term regulatory stability

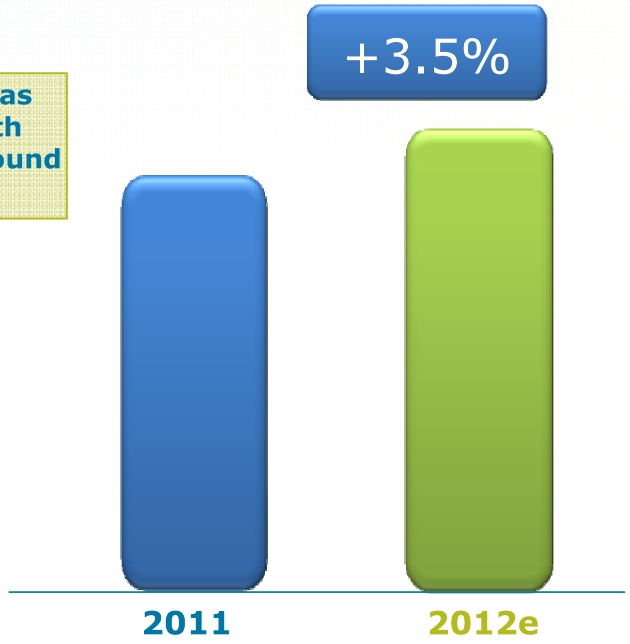
2012 Natural gas demand

2012 transported gas demand forecast
(conventional+power generation)



Conventional gas demand growth 2012e will be around +6%

2012 transported gas demand forecast



Conventional demand record in February 2012 (30,730 GWh)

Note: Total transported gas demand includes I.C. Exportations, GME to REN transfers, and ship loading

Conclusions

- Efficiency and cost control are key factors for 2012
- 1H2012 results, aligned with 2012 budget, are in the right track to achieve 2012 targets: Flat Net Profit growth, Dividend +8% (Pay-Out 70%)
- New financing raised in 1H represented 97% of the planned refinancing in 2012
- Investments and assets put into operation reached in 1H are in the path to achieve 2012 targets (€550 mill and €750mill respectively)
- GNL Quintero (Chile) acquisition, Morelos Pipeline participation (Mexico) and the agreement for the acquisition of 90% of Naturgas Energía Transporte, are consistent with Enagás'core business and objectives of debt and profitability, and recurrent EBITDA stream and compatible with the announced dividend.
- Government adjustments, and the increased tolls (+7.7% in 2012), are on the right track to eliminate the temporary gas tariff deficit and reinforce the long term regulatory stability

Conference call-Webcast
1H2012 Results
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