Investor Relations Direction

Enagas arranges coverage instruments to limit the financial cost of its indebtedness.

- **This way the company meets its financial policy objectives, ensuring the profitability of its investments.**

As of June 30, 2003, Enagas' net financial debt was 1,200.6 million euros, comprised mainly of a long-term, floating-interest syndicated loan for 1 billion euros. Enagas has arranged for instruments providing interest-rate coverage for the 2005-2008 period that will enable it to keep its financial cost low and meet the company's financial-policy objectives. One of Enagas's main objectives is to minimize risk, financing its investments primarily with long-term, fixed-cost debt under the best possible conditions.

These instruments, which come at zero cost for the firm since it has set a maximum and a minimum interest rate applicable to a total of 1 billion euros, start in January 2005 and mature in April 2008 at a maximum possible fixed cost of 4.66%.

The coverage levels Enagas has negotiated have been set up in line with the financial compensation called for by the Regulatory Framework (average for the 10-year Spanish Bond + 150 basic points), and they show a differential that is clearly in the company's favor.

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General Direction of Strategy and Regulation
Investor Relations Direction
Phone: +34 917 099 330
www.enagas.es
investors@enagas.es