



Enagás

4Q and 2008 Results

February 3rd, 2009



PRELIMINARY 4Q AND 2008 RESULTS

4Q 2007	4Q 2008	Var%	Main highlights (Unaudited figures)	Jan-Dec 2007	Jan-Dec 2008	Var%
61.9	57.7	-6.8%	Net Profit (Million €)	238.3	258.9	8.6%
100.5	95.1	-5.4%	Operating Profit (Million €)	408.3	433.1	6.1%
148.3	148.9	0.4%	Operating Cash-Flow (Million €)	595.5	636.2	6.8%
119,525	112,468	-5.9%	Total Demand Transported (GWh)	408,431	449,591	10.1%

Jan-Dec 2007	Main highlights (Unaudited figures)	Jan-Dec 2008
1,942.7	Net Debt (Million €)	2,351.3
1,344.8	Shareholders Equity (Million €)	1,456.1
48.9%	Net Debt /Total Assets	49.8%
59.1%	Net Debt/Net Debt +Shareholders Equity	61.8%
4.28%	Cost of Debt	4.70%
508.6	Investments (Million €)	776.9
94.2	Assets put into operation (Million €)	591.2

- Enagás reported FY08 **Net Profit** of €258.9Mn, an **8.6% increase** on 2007.
- **EBITDA** totalled **€636.2Mn, 6.8% higher** than the €595.5Mn generated in 2007 while **EBIT** totalled **€433.1Mn**, up **6.1%** on the previous year.
- **Investment** totalled **€776.9Mn**, the highest in the Company's history.
- A total of **€591.2Mn** worth of **assets** were **put into operation**, in line with the annual target and a **record figure** for Enagás. From January 2007 to 31 December 2008, the Company made progress on the **approvals process** affecting investments of more than **€6Bn**.
- **Net financial debt** at 31 December 2008 stood at **€2.35Bn**, equivalent to **49.8% of total assets and 3.7x EBITDA**. At the end of 2008, 65% of debt was hedged with derivative instruments. **The average** cost of debt was **4.70%**.
- **Demand for gas transported in the system in 2008** amounted to 449,591 GWh, up 10.1% from 2007. This increase was driven by a **32% yoy jump in natural gas-fired electricity generation**.
- At its meeting on 22 December, Enagás, S.A.'s Board of Directors approved the payment of a gross dividend charged against 2008 earnings of €0.26 per share, some 8.3% higher than for the previous year. Payment of this dividend was made on 12 January 2009.

1. RESULTS

1.1 4Q08

Net profit for 4Q08 was **€57.7Mn, 6.8% less than** the 4Q07 figure of €61.9Mn.

EBIT fell **5.4% yoy**, from €100.5Mn to **€95.1Mn**.

EBITDA rose 0.4% yoy, from €148.3Mn to **€148.9Mn**.

The lower earnings in the quarter are due to the prudent accounting policy adopted by Enagás, with provisions made for settlements pending from 2003.

EPS in 4Q08 came to €0.24 while EBITDA per share over the same period was €0.62.

1.2 FY08

Enagás reported FY08 net profit of **€258.9Mn, an 8.6% increase** on the figure of €238.3Mn reported in 2007 and in line with the strategic target set at the beginning of the year.

EBIT amounted to **€433.1Mn, 6.1% higher than** the figure of €408.3Mn reported to December 2007 .

EBITDA amounted to **€636.2Mn, up 6.8%** on the figure of €595.5Mn recorded in 2007.

2007 earnings included €28.3Mn under "Operating costs" and €29.3Mn under "Revenue from regulated activities" in connection with the costs of running the Gaviota underground storage facility. As of 1 January 2008 Enagás stopped leasing the Gaviota site, so 2008 did not include regulated revenue or operating costs for this concept.

In addition, "Personnel expenses" in 2007 included €4.7Mn related to severance payments made to senior managers.

"Personnel expenses" in 2008 also included a one-off expense of €6.6Mn for early retirement payments.

Self-supply revenues were reclassified in 2008 regulated revenues and are now included in the gross margin for gas measurement differences. Revenues from self-supply in 2008 are now netted against its associated costs and not accounted as regulated revenues as it was done in the previous years.

Regulated revenues advanced **6.1% in 2008** from 2007.

EPS stood at €1.08 at year end while EBITDA per share over the same period was €2.66.

1.3 Operating highlights

Total demand for gas transported in the system in 2008 was **449,591 GWh**, **10.1% higher than the 2007 figure**.

Gas consumption for **electricity generation** advanced **32%** yoy. This jump was due to the low contribution from hydro in the period and the decline in generation from coal-fired thermal plants.

The volume of natural gas transported **for power generation in 2008** accounted for **41.7% of total demand**, compared with 34.8% in 2007. At 31 December, there were **54 units of 400 MW** in operation, one more than a year earlier.

Combined cycle power plants are becoming established as the main source of electricity generation (35%), with their contribution rising by 9% from 2007.

Gas demand for conventional consumption (262,057 GWh) fell by 1.6% from the same period in 2007 due to the decrease in industrial activity.

Demand in the **liberalized market** accounted for **96% of all gas transported** in the year. Demand in the system in 4Q08 was 112,468 GWh, 5.9% less than in 4Q07.

4Q 2007	4Q 2008	TRANSPORTED GAS DEMAND (GWh)	Jan-Dec 2007	Jan-Dec 2008
13,089	-195	Tariff Market	46,608	17,151
106,436	112,663	Liberalised Market	361,823	432,440
119,525	112,468	Total gas demand transported	408,431	449,591

Note: 1 bcm = approximately 11,630 GWh

Note: The tariff market has a negative balance in the quarter due to adjustments made to the actual gas balance at 31.12.08.

A total of 458,871 GWh of natural gas was supplied in 2008. Some 72.3% of this supply was liquefied natural gas (LNG), 27.4% via the international connections, whilst just 0.3% was domestic production.

2. INVESTMENT

2.1 Assets put into operation

In 2008 **assets worth €591.2Mn came on stream, a new record for the company** and completely in line with the annual target of approximately €600Mn. The most important projects to obtain authorisation were:

First quarter

- “Splitting of the Barcelona-Arbós” pipeline
- Zaragoza Compression Station

Second quarter

- Alcázar de San Juan- Villarobledo gas pipeline.
- Southwest Madrid semicircle pipeline.
- Albacete- Villarobledo gas pipeline
- Splitting of the Campo de Gibraltar branch.
- Albacete- Montesa gas pipeline.
- Alcázar de San Juan compression station.
- Increase in regasification capacity of the Cartagena plant to 1,350,000m³(n)/h

Third quarter

- Fourth 150,000 m³ LNG tank at the Cartagena plant

Fourth quarter

- Montesa – Denia gas pipeline
- Boil-off recovery system at the Cartagena plant

2.2 Investment

Investment in 4Q08 was €237Mn bringing the total for 2008 to **€776.9Mn, a new record**. In addition, the **Enagás board approved investment projects worth €820.7Mn**.

2.3 Authorisation processes

In addition to the €581Mn in projects brought on stream in 2008, progress continued towards obtaining authorisation for projects worth approximately €2.415Bn.

It is important to emphasise that from January 2007 to 31 December 2008, the Company made progress on the approvals process affecting investments of around €6.137Bn.

Of this amount, on top of the €675Mn of projects put into operation in the period, projects worth €1.97Bn have administrative approval, projects totalling €2.27Bn

have obtained Environmental Impact Statements and projects worth €1.89Bn have direct approval from the Ministry for Industry, Tourism and Trade.

3. FINANCIAL STRUCTURE

Net financial debt at 31 December 2008 stood at **€2.35Bn**, compared to €2.21Bn at the end of September 2008 and €1.94Bn at the end of 2007.

At 31 December a **total of 65% of debt was hedged with derivative instruments**. These derivatives were contracted in 2008 and have a total cost of 4% applicable to €1.52Bn and ending in 2011.

Included under "Financial assets at fair value through profit or loss" were derivative instruments and hedges valued at €2.2Mn at 31 December.

The **gearing ratio** (net debt/total assets) at 31 December 2008 was **49.8%** compared to 47.5% the previous quarter and 48.9% the previous year. The EBITDA/debt ratio for the same period was 3.7x compared to 3.3x at 31 December 2007.

Net cash flow in FY08 totalled **€493.8Mn** and was largely used to finance investments and pay dividends.

The Company's **average cost of debt** at 31 December was **4.7%**, compared to 4.72% at end-September 2008 and 4.28% at year-end 2007.

The company reported a **net financial loss** including capitalised borrowing costs (€30.1Mn) of **€67Mn**, compared with a net financial loss in 2007 including capitalised borrowing costs (€19.4Mn) of €57.6Mn.

The Company's **liquidity**, in terms of untapped available financing, stood at **€1.93Mn** at year-end.

4. SIGNIFICANT EVENTS DURING THE YEAR

4.1 2008 Interim Dividend

Enagás, S.A.'s Board of Directors approved the payment of a gross dividend charged against 2008 earnings of €0.26 per share, some 8.3% higher than for the previous year. Payment of this dividend was made on 12 January 2009.

4.2 Enagás joins Dow Jones Sustainability Index

On 22 September Enagás was added to the Dow Jones Sustainability World Index (DJSI) and the European Dow Jones STOXX Sustainability Index made up of the leading sustainability-driven companies worldwide.

Enagás also joined the FTSE4Good index in 2006, the other benchmark global index in the field of corporate responsibility.

4.3 Standard & Poor's maintains long-term debt rating for Enagás

On 1 August Standard & Poor's upheld its "AA-" long-term and "A-1+" short-term ratings for the Company with a stable outlook.

Standard & Poor's based its decision on the updated Strategic Plan presented in May in which the Company announced plans to invest €5Bn over the 2007-2012 period.

Standard & Poor's rated positively the Company's reliable revenues from regulated activities and robust liquidity which should ensure the success of the company's planned investments.

Furthermore, the agency valued the key role played by Enagás' activity in the Spanish economy and the low-risk profile of the Company's business, thanks to a strategy based on the regulated activity of natural gas transport in Spain.

4.4 Spanish Gas and Electricity Infrastructure Plan 2008-2016

On 30 May 2008, the Spanish Cabinet approved the Spanish Gas and Electricity Infrastructure Plan 2008-2016

Enagás estimates that the new projects to be developed under the 2008-2016 Spanish Gas and Electricity Gas Plan, approved by the Spanish cabinet, implies investment by the Company in 2013-2016 of between €2.2 and 3Bn, depending on the final investment earmarked for the development of planned new storage facilities.

These investments come on top of the €5Bn contemplated in the Company's 2007-2012 Strategic Plan, announced on 7 May.

4.5 2008 General Shareholders' Meeting

Enagás held its General Shareholders' Meeting on 25.04.08. All resolutions put forward on the agenda were approved.

Resolutions adopted at the meeting include:

- ✓ To re-elect Peña Rueda S.L. Unipersonal as a member of the Board of Directors for an additional period of four years. Peña Rueda S.L. Unipersonal shall retain its status as a proprietary director at the request of Cantábrica de Inversiones de Cartera, S.L.
- ✓ To ratify the appointment made by virtue of co-option by the Board of Directors until the date of the Meeting and appoint Bilbao Bizkaia Kutxa (BBK) as a member of the Board of Directors for a bylaw-stipulated period of four years, and BBK will retain its Proprietary Director status, at the request of BBK, as an shareholder.
- ✓ To appoint the Spanish State Holding Company (SEPI) as a member of the Board of Directors for a bylaw-stipulated period of four years. SEPI shall be a proprietary director at the request of SEPI itself, an Enagás shareholder. The number of Directors is thus set at 17.
- ✓ Approval was also given at the meeting to pay a final dividend of €0.358874 per share, before tax. The additional dividend will be paid on 3 July 2008.

4.6 Long-term €500Mn loan from the ICO to finance new gas infrastructure

Continuing with its policy of giving preference to institutional financing, on 15 April Enagás signed an agreement with the Instituto de Crédito Oficial (ICO) to extend its financing with a new €500mn loan. The loan must be repaid within 15 years and has a grace period of up to five years.

5. RELATED-PARTY TRANSACTIONS

5.1 Introduction

Every quarter since 2003, Enagás has disclosed information on any dealings with related parties. Since Spanish Ministerial Order EHA/2050/2004, of 15 September, came into effect the format for these disclosures has changed to accommodate the new rules.

Key points to note regarding related-party disclosures are:

- a) Any related-party transactions of material size and which exceed volumes handled in the normal business of Enagás are approved by the Company's Board of Directors, following a report by the Appointments and Remuneration Committee.
- b) Under Ministerial Order EHA/3050/2004, there is no need to disclose transactions that form part of the Company's ordinary course of business, are carried out on an arm's length basis or are immaterial in size. Therefore, given the scale of Enagás' financial statements, any transactions whose cumulative volume is less than €3Mn are not disclosed, although the company may still on occasion decide to disclose transactions that fall below this threshold.
- c) The published figures may sometimes change as a result of subsequent accounting adjustments.
- d) Unless otherwise stated, transactions refer to contracts signed before the period referred to. Where figures refer to new relationships deriving from contracts agreed or commitments undertaken during the period, this is explicitly stated.

5.2 Transactions carried out by Enagás S.A. with other group companies, significant shareholders or companies exercising significant influence over Enagás S.A. (article 4.1, paragraph a, of Ministerial Order EHA 3050/2004).

5.2.1 Enagás S.A. subsidiaries

- Transactions with "Gasoducto Al Andalus"

Enagás S.A. has granted Gasoducto Al Andalus a €25Mn loan.

Gasoducto Al Andalus S.A. has paid Enagás S.A. €4.7Mn in dividends in respect of 2007 results.

Enagás S.A. has also incurred a cost of €17.2Mn for transport rights and received revenues of €4.6Mn for pipeline maintenance and franchise royalties, all of which are covered by long-term contracts between the two companies.

- Transactions with "Gasoducto Extremadura"

Enagás S.A. has granted Gasoducto Extremadura a €1.9Mn loan.

Gasoducto Extremadura S.A. paid Enagás S.A. €3.2Mn in dividends in respect of 2007 results.

Enagás S.A. has also incurred a cost of €8.7Mn for transport rights and received revenues of €5Mn for pipeline maintenance and franchise royalties, all of which are covered by long-term contracts between the two companies.

- Transactions with "Gasoducto Campo Maior–Leiria–Braga"

Enagás S.A. has granted Gasoducto Extremadura a €4.4Mn loan. Enagás has incurred a cost of €3.2Mn for transport services provided by Gasoducto Campo Maior–Leiria–Braga.

- Transactions with "Gasoducto Braga–Tuy"

Enagás S.A. has guaranteed a €10.9Mn loan by a Portuguese bank to Gasoducto Braga-Tuy S.A. Enagás has incurred a cost of €3.3Mn for transport services provided by Gasoducto Braga-Tuy.

5.2.2 Companies with significant influence over Enagás and companies over which it exerts significant influence

- Transactions with Gas Natural SDG and subsidiaries

1) Pursuant to approval at the Shareholders' meeting of 3 July 2008, Enagás S.A. paid Gas Natural SDG, S.A. a final dividend of €4.3Mn. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.

2) Enagás S.A. has a number of gas trading agreements with companies in the Gas Natural group to provide supplies to the tariff market. During 2008, Enagás S.A. acquired 17,420 GWh of natural gas for €383.6Mn. The acquisition price corresponds to the cost of raw materials used to set the price of sales to distributors.

In the same period, Enagás S.A. transported 14,704 GWh of natural gas to distributors in the Gas Natural group, for €329.5Mn.

The terms, conditions and pricing of these transactions are regulated by the Spanish government.

3) Desarrollo del Cable S.A. leases Enagás part of the fibre optic cable required for its telecommunications services at market rates under a contract signed in 1999 and amended in 2005. The cost of this service in 2006 was €19Mn.

4) Enagás paid Gas Natural group companies a total of €7.2Mn for self-supply gas.

- 5) Enagás paid Gas Natural group companies a total of €5.3Mn for various services.
- 6) Rental of inventory and storage space for LNG in tankers from Gas Natural group companies cost Enagás S.A. €1.6Mn.
- 7) Enagás supplied various Gas Natural group companies with maintenance and infrastructure connection services, for which it received €3.7Mn.
- 8) Enagás received revenues of €18Mn from the sale of surplus tariff market gas to Gas Natural group companies.

- **Transactions with Caja de Ahorros de Valencia, Castellón y Alicante (Bancaja)**

- 1) On 03.07.08, Enagás S.A. paid Bancaja a final dividend, as approved at its Shareholders' Meeting, of €4.3Mn. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.
- 2) Enagás S.A. has an open credit line with Bancaja of €6Mn and a bank guarantee line of a further €6Mn.
- 3) Enagás S.A. has an interest rate collar contract worth €50Mn with Bancaja for the period between January 2009 and January 2010.

The terms governing interest, commissions, expenses and guarantees in all financial agreements with Bancaja are at market rates.

- **Transactions with Caja de Ahorros de Asturias (Cajastur)**

- 1) On 3 July 2008, Enagás S.A. paid Cantábrica de Inversiones de Cartera SL, a final dividend of €4.3Mn, as approved at its Shareholders' Meeting. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.
- 2) Enagás S.A. has a loan agreement and bank guarantee line with Cajastur for €6.0Mn and €12Mn respectively.
- 3) Cajastur also contributed €65Mn to the club deal loan arranged on 24 November 2004 and disbursed on 10 January 2005.
- 4) Enagás S.A. has an interest rate collar contract worth €50Mn with Cajastur for the period between January 2009 and January 2010.
- 5) It has also signed a €30Mn loan contract with Cajastur.

The terms governing interest, commissions, expenses and guarantees in all financial agreements with Cajastur are at market rates.

- **Transactions with Bilbao Bizkaia Kutxa (BBK)**

- 1) On 3 July 2008, Enagás S.A. paid BBK a final dividend of €4.3Mn, as approved at

its Shareholders' Meeting. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.

2) Enagás S.A. has established a €12Mn credit line with BBK and also has a bank guarantee line of €6Mn.

3) Enagas has arranged a €50Mn loan with BBK which matures in one year.

4) Enagás S.A. has an interest rate collar contract worth €30Mn with BBK for the period between January 2009 and January 2010.

The terms governing interest, commissions, expenses and guarantees in all financial agreements with BBK are at market rates.

- **Transactions with Sagane Inversiones S.L.**

On 3 July 2008, Enagás S.A. paid Sagane Inversiones SL a final dividend of €4.3Mn, as approved at its Shareholders' Meeting. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.

- **Transactions with Caja de Ahorros del Mediterráneo (CAM)**

Enagás S.A. paid CAM an interim dividend of €2.8Mn in January 2008.

- **Transactions with the Spanish State Holding Company (SEPI)**

On 3 July 2008, Enagás S.A. paid Sepi a final dividend of €4.3Mn, as approved at its Shareholders' Meeting. Adding this to the €2.9Mn interim dividend paid in January 2008, the total dividend was €7.2Mn.

5.2.3 Transactions with directors, executives and their close family members (Article 4.1, paragraph b, of Ministerial Order EHA/3050/2004).

Attendance fees paid to the members of the Board of Directors through 31 December 2008 totalled €1.2Mn (including fees paid to Caja de Ahorros del Mediterráneo prior to its resignation).

Remuneration paid to the company's senior management (including the internal auditor) totalled €2.2Mn.

5.2.4 Other related-party transactions (Article 4.1, paragraph d, of Ministerial Order 3050/2004)

- **Transactions with Caixa d'Estalvis i Pensions de Barcelona (La Caixa) and subsidiaries**

1) La Caixa contributed €89Mn to the club deal loan arranged on 24 November 2004 and disbursed on 10 January 2005.

2) Enagás S.A. also has a loan agreement with Cajastur for €50Mn and a bank guarantee line of €12Mn.

3) Guarantees granted by La Caixa to Enagás amounted to €63Mn at 31.12.08.

4) Enagás has a €100Mn three-year loan with La Caixa.

5) Enagás S.A. has an interest rate collar contract worth €100Mn with La Caixa for the period between January 2009 and January 2010.

6) Enagás has renting agreements with La Caixa group subsidiaries for €8.2Mn.

The terms governing interest, commissions, expenses and guarantees in all financial agreements with the La Caixa are at market rates.

- **Transactions with Caixa Catalunya**

1) Enagás S.A. has a €6Mn credit line with Caixa Catalunya and a bank guarantee line of €12Mn.

2) Caixa Catalunya also contributed €15Mn to the club deal loan arranged on 24 November 2004 and disbursed on 10 January 2005.

The terms governing interest, commissions, expenses and guarantees in all financial agreements with Caixa Catalunya are at market rates.

- **Transactions with Caja Murcia**

Enagás S.A. has a loan agreement with Caja Murcia for €35Mn and a bank guarantee line of €6Mn.

- **Transactions with Grupo Intermoney**

Enagás received €2.9Mn from the "Wind to Market S.A." company from the sale of emission rights. This transaction was carried out at market rates

- **Transactions with Grupo Hidrocantábrico S.A.**

Enagás incurred costs of €6.8Mn in 2008 for electricity services provided by the Hidrocantábrico S.A. company.

- **Transactions with Grupo Eulen S.A.**

Enagás paid the Eulen company €2.3mn for building and installation maintenance services.

- **Transactions with Iberdrola S.A**

Enagás paid Iberdrola the following amounts in 2008: €5.9Mn for self-supply gas, €351,000 for office rental services, and €284,000 for electricity services.

Explanatory notes:

- **Third-party access (TPA) transactions:**

1) Enagás S.A. has a total of 23 third-party access (TPA) agreements in force with Gas Natural Comercializadora S.A., of which 1 is short-term and 22 are long-term. Of the 63 contracts signed in 4Q08, 10 remain in force. Between 1 January and 31 December 2008 the following services were provided: regasification of 72,139,77 GWh (revenues for these services, including cistern loading, totalled €56.96Mn); transport of 174,276.90 GWh (revenues for these services, including the transport component of the tolls, were €86.27Mn); storage of a daily average of 4,488.5 GWh, (revenues for these services were €42.23Mn).

2) Enagás S.A. has a total of 12 third-party access (TPA) agreements in force with Iberdrola S.A., of which one is short-term and 11 are long-term. Of the 21 contracts signed in 4Q08, 4 remain in force. Between 1 January and 31 December 2008 the following services were provided: regasification of 17,948.54 GWh (revenues for these services, including cistern loading, the offloading of tankers and LNG storage, totalled €14.48Mn); transport of 20,586.16 GWh (revenues for these services, including the transport component of the tolls, were €16.47Mn); storage of a daily average of 874.4 GWh, (revenues for these services were €8.38Mn).

3) Enagás has total of 3 long-term contracts in force with Hidrocarburo Energía. Of the 4 contracts signed in 4Q08, 1 remains in force. Between 1 January and 31 December 2008 the following services were provided: regasification of 466.68 GWh (revenues for these services, including cistern loading, the offloading of tankers and LNG storage, totalled €1.52Mn); transport of 2,663.20 GWh (revenues for these services, including the transport component of the tolls, were €1.20Mn); storage of a daily average of 28.8 GWh, (revenues for these services were €0.36 Mn).

4) Enagás has total of 7 TPA contracts in force with Naturgas Comercializadora, of which 6 are long term and 1 is short term. Of the 27 contracts signed in 4Q08, 5 remain in force. Between 1 January and 31 December 2008 the following services were provided: regasification of 2,905.26 GWh (revenues for these services, including cistern loading, the offloading of tankers and LNG storage, totalled €2.60Mn); transport of 6,786.71 GWh (revenues for these services, including the transport component of the tolls, were €1.57Mn); storage of a daily average of 270.0 GWh, (revenues for these services were €4.39Mn).

Madrid, February 3, 2009

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6. ANNEXES

6.1 Consolidated Profit and Loss Account

4Q 2007	4Q 2008	Million euros (Unaudited Figures)	Jan-Dec 2007	Jan-Dec 2008
-11.3	20.7	Gross profit (*)	-12.2	7.6
206.7	182.8	Revenue from regulated activities	792.0	813.1
12.0	13.1	Other operating income	36.7	39.5
207.5	216.5	Total Revenue	816.6	860.2
-14.5	-15.1	Personnel Expenses	-62.0	-69.0
-44.7	-52.6	Other Operating Expenses	-159.1	-155.1
148.3	148.9	Operating Cash Flow (EBITDA)	595.5	636.2
-47.8	-53.8	Provision for Depreciation of Fixed Assets	-187.2	-203.1
100.5	95.1	Operating Profit (EBIT)	408.3	433.1
-10.9	-15.7	Net financial result	-57.6	-67.0
89.7	79.4	Profit before taxes	350.7	366.1
-27.7	-21.7	Income tax expense	-112.4	-107.2
61.9	57.7	Net Profit	238.3	258.9

(*) Sales of gas-supplies of gas

6.2 Consolidated Cash Flow Statement

Millones de euros (cifras no auditadas)	Jan-Dec 2007	Jan-Dec 2008
PROFIT BEFORE TAX	350.7	366.1
Adjustments to profit	210.6	205.5
Depreciation of property, plant and equipment	187.2	203.1
Other adjustments to profit	23.4	2.5
Fixed assets impairment	0.5	0.9
Movement in provisions	14.0	0.7
(Gains) / losses on disposal of assets	-3.3	-7.3
Change in deferred revenue	15.8	5.8
Change in accruals	0.5	0.1
Other adjustments	-4.0	2.3
Movements in working capital	-23.9	-17.9
(Increase) / decrease in inventories	75.4	1.2
Cauchon Gas reclassification	-42.7	0.0
(Increase) / decrease in borrowings	-45.8	53.0
(Increase) / decrease in trade and other payables	101.3	33.8
(Increase) / decrease in other receivables	0.0	0.0
Change in income tax	-112.1	-105.9
Other cash flows from operating activities	-70.6	-59.9
Income tax received /(paid)	-70.6	-59.9
NET CASH FLOWS FROM OPERATING ACTIVITIES	466.8	493.8
Purchases of investments	-524.7	-791.3
Intangible assets, property, plant & equipment and investment property	-523.4	-791.3
Other financial assets	-1.4	0.0
Proceeds from disposals	6.8	15.1
Intangible assets, property, plant & equipment and investment property	4.3	7.3
Other financial assets	2.5	7.8
Other cash flows from investing activities	0.0	0.4
Other inflows/(outflows) from investing activities	0.0	0.4
NET CASH FLOWS USED IN INVESTING ACTIVITIES	-517.9	-775.8
Proceeds from/(payments on) equity instruments	0	0
Proceeds from/(payments on) financial liabilities	165.7	634.3
Issue	249.8	820.3
Repayment and redemption	-84.1	-186.0
Dividends paid	-112.6	-143.0
NET CASH FLOWS FROM/(USED IN) FINANCING ACTIVITIES	53.1	491.3
TOTAL NET CASH FLOWS	1.9	209.3
Cash and cash equivalents at 1 January	3.3	5.3
CASH AND CASH EQUIVALENTS AT 30 JUNE	5.3	214.5

6.3 Consolidated IFRS Balance Sheet

Millions of euros (unaudited)	At 31 Dec 2007	At 31 Dec 2008
Intangible assets	34.0	37.6
Investment properties	0.0	0.0
Property, plant and equipment	3,390.7	3,975.0
Financial assets	25.0	19.7
Deferred tax assets	10.1	14.2
Non-current assets	3,459.8	4,046.5
Inventories	3.4	2.2
Trade and other receivables	497.3	444.2
Other financial assets	8.3	8.5
Other assets	1.9	1.9
Cash and cash equivalents	5.3	214.5
Current assets	516.1	671.3
TOTAL ASSETS	3,976.0	4,717.8
<i>Issued capital</i>	<i>358.1</i>	<i>358.1</i>
Revaluation reserve	0.0	0.0
Legal reserve	71.6	71.6
Voluntary reserves	731.5	824.1
Reserves at consolidated companies	3.3	6.1
IFRS conversion reserve	-0.7	-0.7
<i>Reserves</i>	<i>805.7</i>	<i>901.2</i>
Profit/(loss) brought forward	0.0	0.0
Profit for the year attributable to equity holders of the parent	238.3	258.9
Interim dividend	-57.3	-62.1
Capital and reserves	1,344.8	1,456.1
Available-for-sale financial assets	0.0	-0.6
Hedges	1.0	-15.2
Others	-1.9	0.0
Valuation adjustments	-0.9	-15.7
Net Worth	1,343.9	1,440.4
Grants	0.0	0.0
Provisions	30.7	31.5
Financial liabilities	1,782.7	2,156.4
Deferred tax liabilities	1.8	1.4
Other liabilities	64.0	69.8
Non-current liabilities	1,879.1	2,259.0
Liabilities associated with available-for-sale assets	0.0	0.0
Provisions	0.0	0.0
Financial liabilities	229.2	514.7
Trade and other payables	523.3	503.2
Other liabilities	0.5	0.5
Current liabilities	752.9	1,018.4
TOTAL EQUITY AND LIABILITIES	3,976.0	4,717.8

6.4 Volume data and assets

Demand for total transported gas in the system (GWh)	Jan-Dec 2007	Jan-Dec 2008
Tariff Market	46,608	17,151
Liberalised Market	361,823	432,440
Total Demand Transported	408,431	449,591

SYSTEM ENAGAS'S ASSETS

REGASIFICATION ASSETS	Unid.	m3 ó m3/h
LNG Tanks (number and capacity)	14	1,437,000
Nominal Regasification Capacity		4,350,000
Cistern Loading Bays	9	
TRANSPORT ASSETS	Unid.	Km
Km of pipelines in operation		8,134
Compression Stations	13	
Regulating and Measuring Stations	403	
UNDERGROUND STORAGE ASSETS	Unid.	Mm3/día
No. of Storage Facilities	1	
Injection Capacity		4.0
Extraction Capacity		6.9