

# Key figures and 2016-2020 outlook



## Letter from the Chairman



Enagás has maintained its sustainable growth in recent years, allowing us to meet all of our targets for nine consecutive years.

The results for 2015 not only meet our expectations, but exceed the commitment we took on at the start of the year. Net profit has grown by 1.5%, compared to the 0.5% we had set ourselves for the year, reaching a total of 412.7 million euros. Another of the year's milestones was the improvement in the credit rating given to Enagás on two occasions by Standard and Poor's, which now stands at A-

Together with the annual results, we present an outlook for 2016–2020 that expands the horizon for our aims and provides greater visibility. A key aspect of this updating is the extension of our shareholder remuneration policy, with the commitment to grow the dividend by 5% per year until 2020. Moreover, we forecast that net profit will grow over this period by 2% per year.

With regard to the international development plans for Enagás, we are maintaining our growth model, which is based on three pillars: Europe, growth markets and the global LNG market. Likewise, we continue to uphold our strict investment criteria, which always require attractive yields, controlled business risk (owing to regulations or long-term contracts), stable countries, partners that add value and the participation of Enagás in the decision-making process.

This prudent and realistic outlook until 2020 is accompanied by a very solid financial policy. Therefore, we have the strengths that make us well prepared to face a global context of market volatility.

Sustainability is one of our four strategic drivers. For a number of years now, Enagás has been adopting the best practices in the fields of corporate governance, social and

environmental. This has allowed us to achieve the highest ranking ever obtained by a Spanish company in the Global 100 index and to remain on the Dow Jones Sustainability Index for the eighth year in a row.

We have been certified as an Empresa Familiarmente Responsable (Familiarly Responsible Company), and I am particularly satisfied to be able to say that our workforce has grown by 42% since the end of 2006.

**"We have achieved the highest ranking ever obtained by a Spanish company in the Global 100 sustainability index"**

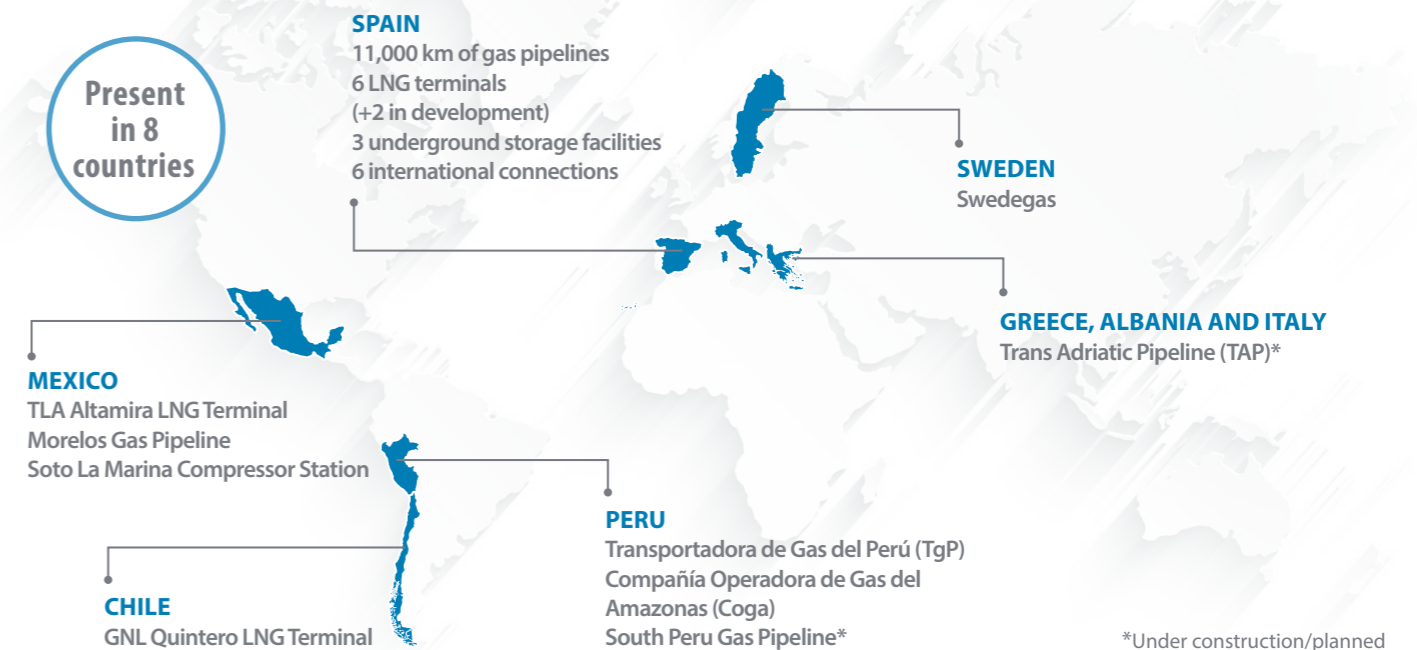
2015 was also the first full year of the new regulatory framework in Spain, and the overall picture is positive. System costs were reduced and revenues were increased, thanks also to the growing national demand for natural gas, which rose by 4.5% for the year over 2014, the largest increase since 2008.

In 2016 Enagás will continue to efficiently and safely develop and manage gas infrastructure for the purpose of creating value for our shareholders, investors and our other stakeholders, and always sustainably.

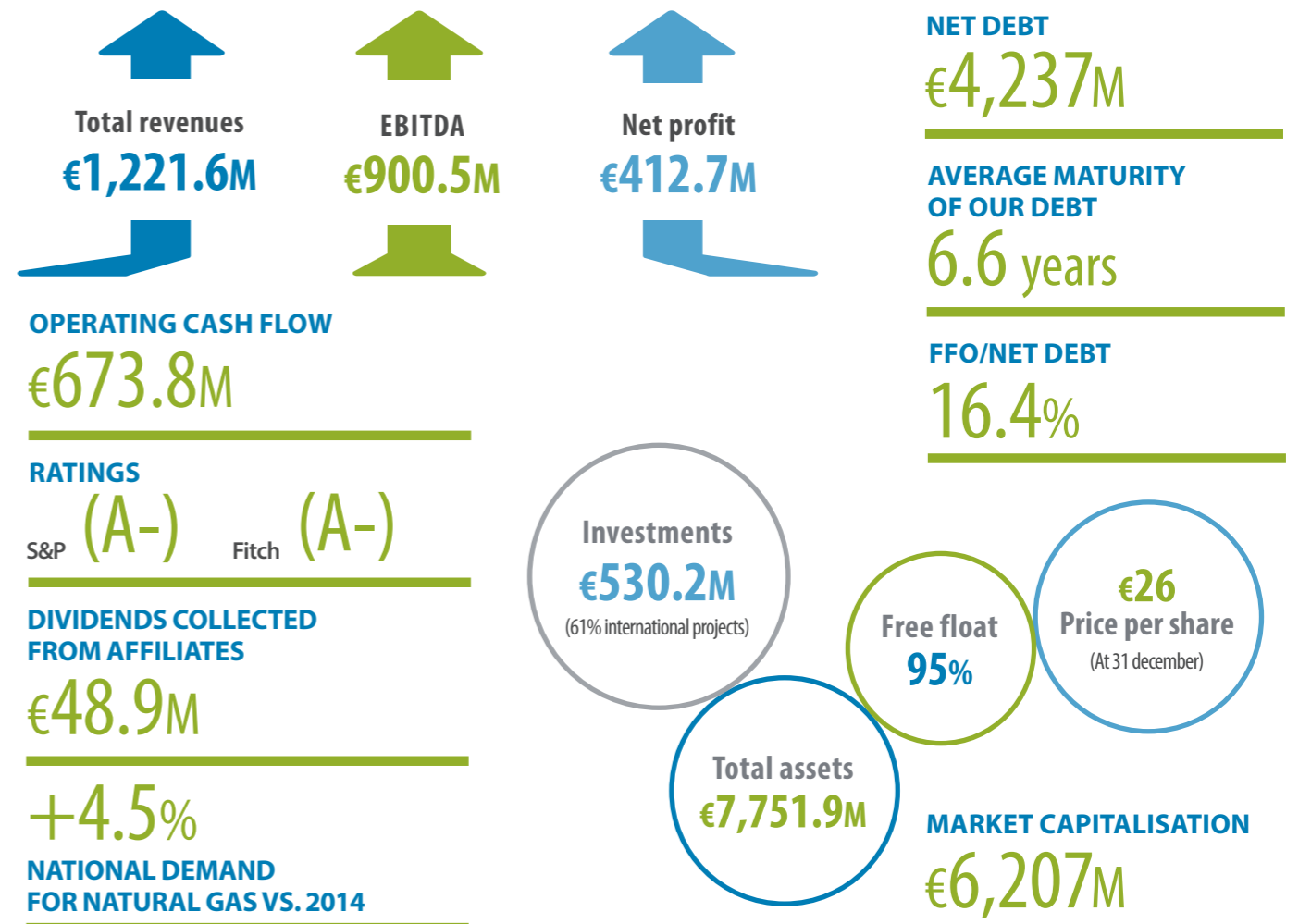
**Antonio Llardén**  
Executive Chairman of Enagás

## Leaders in natural gas infrastructures

Enagás, a midstream company with 45 years of experience and independent European TSO, is an international standard bearer in the development and maintenance of natural gas infrastructures and in the operation and management of gas networks.

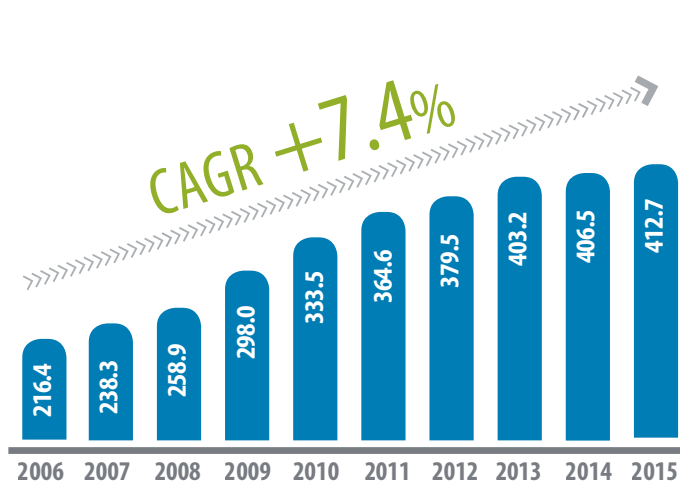


## 2015 Key figures

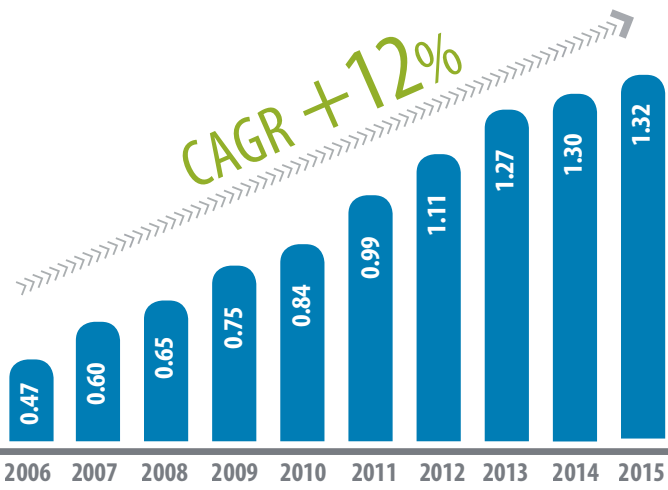


## Meeting our targets for the 9<sup>th</sup> year in a row

### NET PROFIT (€M)



### DIVIDENDS €/SHARE



### STOCK MARKET PERFORMANCE

Total shareholder return of Enagás including dividends distributed during the period 2007-2015 **+98%**



### TOTAL INVESTMENTS 2007-2015

€6,212M

### WORKFORCE INCREASE 2007-2015

+42%

## 2016-2020 Outlook

### GROWTH PILLARS



**EUROPE.**  
We are able to contribute in a decisive way to the security of European supply



**GROWTH MARKETS.**  
We are present in the most stable Latin American countries, such as: Peru, Mexico and Chile



**GLOBAL LNG MARKETS.**  
We take advantage of opportunities by maintaining our leadership in LNG

### STRATEGIC DRIVERS



Continued efforts in operating efficiency



Realistic and profitable Investment Plan



Focus on international growth



Sustainability as framework for the development of our business

### STRATEGIC CRITERIA



Natural gas transmission and storage, LNG infrastructures, logistic solutions and related activities



Key role as industrial partner with veto rights



Long term agreements with creditworthy off-takers



Strategic partnership with local companies with complementary activities



Stable and predictable cash flows

### REGULATORY FRAMEWORK STABLE UNTIL 2020

#### KEY PRINCIPLES

Adapt to maturing network

Sustainable

Predictable

Stability

#### METHODOLOGY

Linked to operating asset base

**RDA**  
(Remuneration for Availability of Assets)

- Remuneration linked to the net asset within its useful regulatory life
- Financial remuneration rate 2015-2020: 5.09%
- Extension of regulatory life pre 2008 transport assets

**RCS**  
(Remuneration for Continuity of Supply)

- Remuneration linked to the long term availability of assets for the Gas System with appropriate maintenance
- RCS is not affected by assets' amortization
- Based on the formula: Previous year RCS x 0.97 x (1 + Δ gas demand)
- Limited impact of changes in demand in the formula

**O&M**

- Remuneration based on opex variability
- Once the useful life ends, the extension of useful life will be remunerated in addition to O&M retribution
- TSO remuneration updated from €11M to €24M from 2016 onwards

### 2016E-2020E TARGETS

2015-2020E Net Profit CAGR: **~+2%**

Results from committed international investments will account for at least **~13%** of Net Profit in 2017E and **~25%** in 2020E

Average annual FFO **~€700M**

1€ = 1.11 USD

Dividends coming from affiliates will represent **~€100M** in 2017E and **~€140M** in 2020E

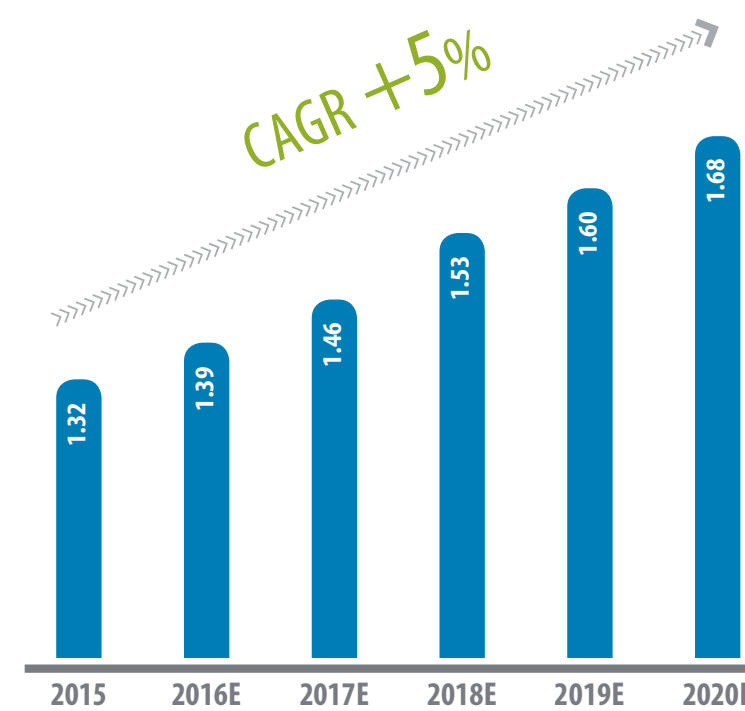
Without exposure to potential depreciation of local currencies, being all subsidiaries in LATAM dollarized (revenues and dividends in USD). High visibility of the expected dividends from our affiliates for being regulated assets or protected by long term ship or pay contracts.

Average of net financial cost below **3.0%**

Average annual investment **~€400M**

Commitment to maintain our current stand alone credit ratings **(FFO/ND > 15%)**

### DIVIDEND GROWTH AS MAIN PRIORITY (€/SHARE)



Future annual growth **+5%** until 2020

## Leaders in sustainability

Enagás is leader in the development of infrastructure contributing to decarbonise the economy while guaranteeing a competitive and sustainable energy supply. This is made possible by means of a management model that has been acknowledged by the main sustainability indices.

Sustainability is one of our strategic drivers and allows us to keep up our level of operating excellence and achieve sustainable results in the fields of corporate governance, social and environmental.

### 2015 MAIN INDICATORS

#### CORPORATE GOVERNANCE

Free float **95%**

Board Members **13**

Independent Directors **62%**

Women on the Board **23%**

#### SOCIAL

Employees **1,337**

Training / employee **49.8h**

Social investment **€1.9M**

#### ENVIRONMENTAL

Carbon footprint reduction **47%**

Savings in natural gas consumption **155 GWh**

Carbon Disclosure Project (CDP) Climate Change score **99/B**

The world's most sustainable company in its sector



8 consecutive years on the DJSI



### COMMITTED TO THE DEVELOPMENT OF SUSTAINABLE BUSINESS MODELS

- Development of infrastructure that allows the efficient use of gas, replacing highly polluting fuels.
- Contributing to the reduction of local pollution and to the decarbonisation of the transport industry by promoting the use of LNG for shipping and the development of solutions for road transport.
- Penetration of biogas in our transmission facilities.

#### Fugitive emission reduction programme

**30%** CO<sub>2</sub> emissions reduction target for 2016-2018 vs. 2013-2015

#### Energy efficiency plan



2015 Constituent MSCI Global Sustainability Indexes





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