

Translation of consolidated financial statements originally issued in Spanish and prepared in accordance with IFRSs, as adopted by the European Union (see Notes 2 and 34). In the event of a discrepancy, the Spanish-language version prevails.

ENAGÁS S.A. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEET AT 31 DECEMBER 2008
(Figures in thousands of euros)

<u>Assets</u>	Notes	31/12/2008	31/12/2007
NON-CURRENT ASSETS		4.046.543	3.459.808
Intangible assets	5	37.552	34.042
Property, plant and equipment	6	3.975.029	3.390.727
Financial assets	8	19.716	24.952
Deferred tax assets	20	14.246	10.087
CURRENT ASSETS		671.283	516.149
Inventories	10	2.215	3.378
Trade and other receivables	9	444.208	497.292
Other financial assets	8	8.461	8.305
Other assets		1.857	1.919
Cash and cash equivalents		214.542	5.255
TOTAL ASSETS		4.717.826	3.975.957
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<u>Equity and liabilities</u>	Notes	31.12.2008	31.12.2007
EQUITY		1.440.366	1.343.905
CAPITAL AND RESERVES		1.456.080	1.344.800
Issued capital	11	358.101	358.101
Reserves	11	901.165	805.709
Profit for the year		258.885	238.286
Interim dividend	11	(62.071)	(57.296)
NET UNREALIZED GAINS (LOSSES) RESERVE	11	(15.714)	(895)
Available-for-sale financial assets		(554)	-
Hedging instruments		(15.160)	1.006
Other		-	(1.901)
NON-CURRENT LIABILITIES		2.259.041	1.879.144
Provisions	13	31.523	30.683
Non-current financial liabilities	14	2.156.403	1.782.714
Deferred tax liabilities	20	1.355	1.764
Other liabilities	15	69.760	63.983
CURRENT LIABILITIES		1.018.419	752.908
Current financial liabilities	14	514.735	229.161
Trade and other payables	18 y 20	503.159	523.292
Other liabilities		525	455
TOTAL EQUITY AND LIABILITIES		4.717.826	3.975.957

Notes 1 to 34 are an integral part of the consolidated balance sheet at 31 December 2008

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ENAGÁS S.A. AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2008
(Figures in thousands of euros)

	Note:	2008	2007
Purchase-sale of gas on regulated market	21	7.640	(12.151)
Revenue from regulated activities	21	813.101	792.025
Revenue from liberalised activities	21	16.186	15.499
Other operating income	21	16.807	16.070
Employee benefits expense	22	(68.952)	(62.002)
Other operating costs	22	(155.126)	(159.073)
Depreciation and amortisation		(203.051)	(187.183)
Impairment losses and gains (losses) on disposal of non-current assets		6.508	5.110
OPERATING PROFIT		433.113	408.295
Finance revenue	23	13.799	1.464
Finance costs	23	(80.910)	(61.020)
Change in fair value of financial instruments	23	124	-
Impairment and gains (losses) on disposal of financial instruments	23	-	1.926
PROFIT BEFORE TAX FROM CONTINUING OPERATIONS		366.126	350.665
Income tax expense	20	(107.241)	(112.379)
PROFIT FOR THE YEAR FROM DISCONTINUED OPERATIONS		258.885	238.286
Profit for the year from discontinued operations		-	-
PROFIT FOR THE YEAR		258.885	238.286
Attributable to:			
Equity holders of the parent		258.885	238.286
BASIC EARNINGS PER SHARE	12	1,08	1,00
DILUTED EARNINGS PER SHARE	12	1,08	1,00

Notes 1 to 34 are an integral part of the consolidated income statement at 31 December 2008

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ENAGÁS, S.A. AND SUBSIDIARIES
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEARS ENDED 31 DECEMBER 2008 AND 2007
(Figures in thousands of euros)

	<u>2008</u>	<u>2007</u>
PROFIT BEFORE TAX	366.126	350.665
Adjustments to profit	269.450	244.377
Depreciation of property, plant and equipment	203.051	187.183
Other adjustments to profit	66.399	57.194
Change in working capital	35.897	13.528
Inventories	1.164	75.358
Restatement of minimum linepack for gas pipeline	-	(42.702)
Trade and other receivables	45.635	(47.429)
Other current assets	(3.360)	(2.727)
Trade and other payables	(7.542)	31.028
Other current liabilities	-	-
Other non-current assets and liabilities	-	-
Other cash flows from operating activities	(200.253)	(184.598)
Interest paid	(112.328)	(75.451)
Interest received	11.714	459
Income tax receipts (payments)	(99.639)	(109.606)
CASH FLOWS FROM OPERATING ACTIVITIES	471.220	423.972
Payments on investments	(761.069)	(506.096)
Property, plant and equipment, and investment property	(760.339)	(504.212)
Other financial assets	(730)	(1.884)
Proceeds from disposals	9.064	6.792
Property, plant and equipment, and investment property	7.322	4.340
Other financial assets	1.742	2.452
Other cash flows from/ (used in) investing activities	406	-
Other proceeds from /(payments made on) investing activities	406	-
NET CASH USED IN INVESTING ACTIVITIES	(751.599)	(499.304)
Proceeds from and payments on equity instruments	-	-
Proceeds from and payments of financial liabilities	632.638	189.911
Issues	710.500	202.690
Repayment and redemption	(77.862)	(12.779)
Dividends paid	(142.972)	(112.637)
CASH FLOWS FROM FINANCING ACTIVITIES	489.666	77.274
INCREASE IN CASH AND CASH EQUIVALENTS	209.287	1.942
Cash and cash equivalents at 1 January	5.255	3.313
CASH AND CASH EQUIVALENTS AT 31 DECEMBER	214.542	5.255

Notes 1 to 34 are an integral part of the consolidated cash flow statement for the year ended 31 December 2008

ENAGÁS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2008
Figures in thousands of euros

	Issued capital and share premium	Other reserves	Retained earnings	Profit (loss) for the year	Interim dividend	Net unrealised gains (losses)	Equity
Balance at 31/12/2007	358.101	805.709	-	238.286	(57.296)	(895)	1.343.905
Adjustments for changes in accounting criteria	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-
Adjusted balance at 31/12/2007	358.101	805.709	-	238.286	(57.296)	(895)	1.343.905
I.Total recognized income and expense				258.885		(14.819)	244.066
II.Transactions with shareholders and owners	-	-	-	-	(4.775)	-	(4.775)
Capital increase / (decrease)	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(4.775)	-	(4.775)
Transactions with treasury shares or own equity instruments	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-
Other transactions with shareholders and owners	-	-	-	-	-	-	-
III.Other changes in equity	-	95.456	-	(238.286)	-	-	(142.830)
Equity-settled transactions	-	-	-	-	-	-	-
Transfers between equity accounts	-	-	-	(238.286)	-	-	(238.286)
Other changes	-	95.456	-	-	-	-	95.456
Balance at 31/12/2008	358.101	901.165	-	258.885	(62.071)	(15.714)	1.440.366

Notes 1 to 34 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2008

ENAGÁS, S.A. AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF TOTAL CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2007
Figures in thousands of euros

	Issued capital and share premium	Other reserves	Retained earnings	Profit (loss) for the year	Interim dividend	Net unrealised gains (losses)	Equity
Balance at 31/12/2006	358.101	706.399	-	216.384	(45.360)	(321)	1.235.203
Adjustments for changes in accounting criteria	-	-	-	-	-	-	-
Adjustments for errors	-	-	-	-	-	-	-
Adjusted balance at 31/12/2006	358.101	706.399	-	216.384	(45.360)	(321)	1.235.203
I.Total recognized income and expense				238.286		(574)	237.712
II.Transactions with shareholders and owners	-	-	-	-	(11.936)	-	(11.936)
Capital increase / (decrease)	-	-	-	-	-	-	-
Conversion of financial liabilities into equity	-	-	-	-	-	-	-
Dividends paid	-	-	-	-	(11.936)	-	(11.936)
Transactions with treasury shares or own equity instruments	-	-	-	-	-	-	-
Business combinations	-	-	-	-	-	-	-
Other transactions with shareholders and owners	-	-	-	-	-	-	-
III.Other changes in equity	-	99.310	-	(216.384)	-	-	(117.074)
Equity-settled transactions	-	-	-	-	-	-	-
Transfers between equity accounts	-	-	-	(216.384)	-	-	(216.384)
Other changes	-	99.310	-	-	-	-	99.310
Balance at 31/12/2007	358.101	805.709	-	238.286	(57.296)	(895)	1.343.905

Notes 1 to 34 are an integral part of the consolidated statement of changes in equity for the year ended 31 December 2008