



**Results for the nine months ended 30 September 2006**

**Enagás reported net profit of €164.9 million for the first nine months of 2006, a 10.6% increase on the same period last.**

- **In the first nine months this year, the Board of Directors has approved record investment projects totalling €1.05 billion.**
- **Investment through 30 September amounted to €259.2 million, while €208.8 million worth of assets were put into operation in the period.**
- **Demand for gas transported in the system rose 7.7% from the same period last year, to 296,485 GWh.**

Enagás reported net profit for the nine months ended 30 September 2006 of €164.9 million, a 10.6% increase on the same period last year. Last year's figures included two exceptional items that produced €7 million of non-recurrent capital gains. Stripping these out, the increase net profit would have been 14.1%.

EBIT totalled €285.9 million, 9.2% higher than the €261.8 million registered in the first nine months of last year.

EBITDA amounted to €411.7 million, 12% more than the €367.7 million of last year.

**Operating highlights**

Total demand for gas transported in the system in the first nine months of 2006 rose 7.7% year-over-year to 296,485 GWh. Of this amount, 228,550 GWh (77.1%) used Enagás entry points.



Demand for natural gas transported for domestic, commercial and industrial use in 9M06 was 2.3% lower than the previous year. This could be due to the impact of higher prices in some industrial customers and to the milder winter, with shorter cold fronts than the year before.

The volume of natural gas transported for power generation increased by around 27% year-over-year and represented 35.5% of total demand, compared in the first nine months of last year. At 30 September, there were 34 units of 400MW in operation (with four more in the trial phase), up from 29 the year before.

3Q 2005	3Q 2006	GAS DEMAND TRANSPORTED (Markets)	9M 2005	9M 2006
		(GWh)		
8,668	5,927	Tariff market	41,690	39,449
76,304	86,557	Liberalised market	233,553	257,036
<b>84,972</b>	<b>92,484</b>	<b>Total demand transported</b>	<b>275,243</b>	<b>296,485</b>

**Progress in the investment plan**

Through 30 September 2006, some €208.8 million worth of assets were put into operation.

The main projects included the fourth LNG tank in Huelva, with capacity to store 150,000m<sup>3</sup>, and capacity increases in the company's three regasification plants.

Also, the Castellón-Onda gas pipeline and Phase I of the Semicircle pipeline in southwest Madrid came on stream.

Total investment through 30 September 2006 was €259.2 million.

So far this year, the board has approved investment projects totalling €1.05 billion, setting a new record for the Company and implying a pick-up in the pace of investment over the coming months. In the third quarter, Enagás's board approved €630.3 million of new investment projects, mostly to double the Tivisa-Paterna pipeline and the new Almería-Chinchilla pipeline.



**Financial position**

Net financial debt at 30 September 2006 stood at €1.61 billion, compared to €1.49 billion at end-September 2005. Net debt/total assets was 46.9%, compared to 45.3%.

The Company's average cost of debt at 30 September was 3.57%, compared to 3.39% at end-September 2005.

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Technical Secretary

**External Relations**

**Tel: 91 709 93 40**

[relaciones.externas@enagas.es](mailto:relaciones.externas@enagas.es)

[www.enagas.es](http://www.enagas.es)