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Enagás 2007-2012 Strategic Plan

- **Enagás plans to invest 4 billion euros in the period between 2007 and 2012.**
- **Enagás' objective: to construct and expand the infrastructures laid out in the Obligatory Planning.**

Investment

- All the projects included in the revision of the Plan are wide-reaching, such as the new El Musel regasification plant, the Yela underground storage facility and 7 extensive transport projects, which will make up the vertebral axes of the System (Cross Axis, Medgaz Connection with Algeria, Gasification of the Balearics, Strengthening of the Mediterranean Axis, Strengthening of the North Axis, Strengthening of the Central Axis, Strengthening with France through Larrau).
- The investments that make up this Enagás Plan respond to the need to increase diversification of supply sources and to improve the security of the supply.
 - Diversification of supply sources:
 - Development of regasification plants (new tanks and increased vaporisation capacity). Predicted investment: 1 billion euros.
 - Development of international connections (investment included in transport).



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- Increased security for the supply:
 - Increased interconnection and meshing of the supply network. Predicted investment: 2.6 billion euros.
 - Increased capacity for the underground storage facility. Predicted investment: 400 million euros.

Demand

- Predicted annual increases in gas demand is less than has taken place up to the present moment. With the development of the infrastructures brought together in this Plan, Enagás aims to guarantee supply in cases of peak demand (predicted increase of 9.8% accumulated each year).
- Natural gas also has significant importance as a substitute for other energy sources which, at certain times, may be scarce.

Regulatory Framework

- The Regulator has expressed its interest to maintain the Regulatory Framework for the existing transport assets, and commits to guaranteeing nominal profitability after taxes for regasification underground storage, of at least $WACC^* + 200/300$ basic points.

* Weighted average cost of capital



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A solid, realistic and efficient strategic plan

- Strong, sustained growth in revenue in the long term: predicted Net Profit growth of over 10% annually.
- Growth levels for employee numbers (2.2%⁹ and operating costs (5.1%) will be limited compared to the strong growth in the assets base and regulated revenue (>9,0%).
- New dividends policy: increase to 60% payout.
- Increased operational leveraging.

Enagás commits to maintain a policy of total neutrality with all the agents within the Gas System, coordination with the Government and transparency of information with all stakeholders, especially the media.

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