



Results for the nine months ended 30 September 2007

Enagás reported net profit for the first nine months of 2007 of 176.3 million euros, an increase of 7% on the same period last year.

- **The quarterly progression of net profit growth (2% in the first quarter, 5.1% in the first half and 7% in the first nine months) leaves the company on track to achieve its target of a 10% increase for full year 2007**
- **Enagás' Board of Directors approved 1,174.7 million euros worth of investment projects in the period, a new record for the company.**
- **Investment through to 30 September 2007 amounted to 297.7 million euros, while 64.6 million euros worth of assets were put into operation.**
- **Significant progress was made in the period towards obtaining authorisation for projects worth around 2,075 million euros.**

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The quarterly progression of net profit growth (2% in the first quarter, 5.1% in the first half and 7% in the nine-month period) leaves the company on track to achieve its target of around a 10% increase for the full year 2007.

EBITDA amounted to 450.5 million euros, 9.4% more than the 411.7 million euros obtained in the first nine months of last year.

EBIT totalled 307.8 million euros, an increase of 7.6% from the 285.9 million euros registered in the same period last year.



Operating highlights

Total demand for gas transported in the system through to September was 289,046 GWh, 1.5% lower than last year. Of this amount, 71.5% (206,782 GWh) used Enagás entry points.

Gas consumption for electricity generation dropped 7.5% compared to the same period in 2006. This was due to the higher contribution from hydro and wind energy in the first nine months of the year, and milder temperatures than those recorded in the first nine months of 2006.

Natural gas transported for power generation through to 30 September 2007 accounted for 33.7% of total demand, compared to 35.9% in the same period in 2006. At 30 September, there were 51 combined cycle generators of 400 MW in operation, up from 38 last year.

| 3Q 2006 | 3Q 2007 | Demand for gas transported (markets) | Jan-Sep 2006 | Jan-Sep 2007 |
|---------------|---------------|---|-----------------|-----------------|
| | | (GWh) | | |
| 5,927 | 3,483 | Tariff Market | 39,449 | 33,519 |
| 83,562 | 86,858 | Liberalised Market | 254,086 | 255,527 |
| 89,489 | 90,341 | Total gas transported | 293,535 | 289,046 |

Note: 1 bcm = approximately 11,630 GWh

Progress in the investment plan

Investment in the first nine months of 2007 amounted to 297.7 million euros, 64.6 million euros worth of assets were put into operation.

The main projects to come on stream in the period were the second section of the Falces-Irurzun (Navarra) gas pipeline and the emission capacity increase (from 1,200,000 m³/h to 1,350,000 m³/h) at the group's regasification plant in Huelva.

In the third quarter, **Enagás' Board** approved **630.2 million euros in new investment projects**, mostly in the Musel regasification plant in Asturias, the new underground storage in Yela (Guadalajara) and the Chinchilla compression station



Press Release

(Albacete). In the first nine months this year, the Board approved projects totalling 1,174.7 million euros, setting a new record for the Company.

In addition, significant progress was made in the first nine months of the year towards obtaining authorisation for projects worth around 2,075 million euros. Of this amount, 1,299 million euros relate to projects for which direct authorisation has been obtained from the Ministry of Industry, Tourism and Commerce, 162 million euros to projects which have already obtained the Environmental Impact Statement and 614 million euros to projects which have been granted the pertinent governmental authorisation.

In the third quarter, Enagás obtained direct authorisation to operate the natural gas underground storage at Yela (Guadalajara) and governmental authorisation to start building the mainland-Balearic Islands underwater gas pipeline. In November, the Company will begin working on the pipeline's on-shore links in Ibiza.



Financial position

Net financial debt at 30 September 2007 stood at 1,947.1 million euros, compared to 1,608.2 million euros at end-September 2006. The gearing ratio (net debt/total assets) at the end of the third quarter was 52%, compared to 46.9% the year before.

The Company's average cost of debt at 30 September was 4.16%, compared to 3.57% at the same date last year.

Significant events during the period

Following the presentation of the 2007-2012 Enagás Strategic Plan, credit rating agencies Standard & Poor's and Moody's have affirmed the Company's ratings. Standard & Poor's maintained its "AA-" long-term and "A-1+" short-term ratings, while Moody's affirmed its "A2" long-term and "P-1" short-term ratings. The rating outlooks from both agencies were stable.

In addition, on 20 July, the Spanish State holding company (SEPI) informed the Spanish national securities commission, the CNMV, that it had been authorised by the Spanish Cabinet to acquire shares representing up to 5% of Enagás' share capital. SEPI is responsible for enforcing the decision and adopting the necessary measures.

On 5 July, Enagás paid a final gross dividend of 0.281809 euros per share out of 2006 profit. This came on top of the interim dividend paid in January 2007, also charged against 2006 net profit.

Lastly, Enagás was informed by Bilbao Bizkaia Kutxa, BBK, that it had acquired a 5% stake in the Company.

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