



## Full year 2007 Results

### **Enagás reported full year 2007 net profit of 238.3 million euros, a 10.1% increase on 2006**

- **Investment totalled 508.6 million euros, the highest in the Company's history**
- **In 2007 the Company's Board approved investment projects worth 1,188.9 million euros and significant progress was made towards obtaining authorisation for projects worth around 3.5 billion euros**
- **Total demand for gas transported in the system in 2007 rose 4.3% to 408,329 GWh**

Enagás reported full year 2007 net profit of 238.3 million euros, a 10.1% increase on the 216.4 million euros reported in 2006.

EBIT totalled 408.3 million euros, an increase of 7.8% from the 378.7 million euros registered in the same period last year.

EBITDA for the year rose 5.7% to 596 million euros compared to 563.6 million euros the previous year.

### Operating highlights

Total demand for gas transported in the system in 2007 rose 4.3% to 408,329 GWh.

Of this amount, 72.2 % (294,642 GWh) used Enagás entry points.

On 17 December 2007, demand for natural gas totalled 1,863 GWh, a new record and 12.1% higher than the previous winter's record.



4T 2006	4T 2007	DEMANDA DE GAS TRANSPORTADA (Mercados)	Ene-Dic 2006	Ene-Dic 2007
		(GWh)		
15.133	13.089	Mercado a tarifa	54.582	46.608
82.767	106.334	Mercado liberalizado	336.853	361.721
<b>97.900</b>	<b>119.423</b>	<b>Total demanda transportada</b>	<b>391.435</b>	<b>408.329</b>

Gas consumption for electricity generation advanced 5.5% year on year in 2007 to 142,057 GWh.

Natural gas transported for power generation through to 31 December 2007 accounted for 34.8% of total demand, compared to 34.4% in 2006. At year end 2007 there were 53 combined cycle generators of 400 MW in operation, 14 more than the year before.

A total of 410,019 GWh of natural gas was supplied in 2007. Some 68.4% of this supply was liquefied natural gas (LNG), 31.3% via the international connections, whilst just 0.3% was domestic production.

### **Progress in the investment plan**

Investment totalled 508.6 million euros, the highest in the Company's history and 94.2 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 gas pipeline and the emission capacity increase (from 1,200,000 m<sup>3</sup>/h to 1,350,000 m<sup>3</sup>/h) at the group's regasification plant in Huelva as well as various regulation and metering stations.

The Enagás board approved investment projects totalling 1,188.9 million euros which include the El Musel regasification plant in Asturias, the underground storage facilities at Yela (Guadalajara) and the Chinchilla compression station in Albacete.



In addition, significant progress was made towards obtaining authorisation for projects worth around 3.5 billion euros. Of this amount, 1,150 million euros relate to projects for which direct authorisation has been obtained from the Ministry of Industry, Tourism and Commerce, 935 million euros to projects which have already obtained the Environmental Impact Statement and 1,295 million euros to projects which have been granted the pertinent governmental authorisation. This amount also includes 94.2 million euros worth of projects put into operation in 2007.

In 2007 Enagás obtained direct authorisation to operate the natural gas underground storage facility at Yela (Guadalajara) and governmental authorisation to start building the mainland-Balearic Islands underwater gas pipeline as well as the Almería-Lorca-Chinchilla gas pipeline (a continuation of Medgaz).

### **Financial position**

Net financial debt at 31 December 2007 stood at 1,942.7 million euros compared to 1,779.2 million euros the previous year. The gearing ratio for the same period was 59.1% compared to 59% at 31 December 2006.

The Company's average cost of debt at 31 December 2007 was 4.28%, compared to 3.62% at the same date the previous year. Of total debt at the end of 2007, 91.3% was long term.

### **Significant events in fourth quarter 2007**

- On 21 December, Eurogas Corporation (Eurogas), ACS and Enagás signed an agreement to promote Project Castor for the underground storage of natural gas in the province of Castellón. Under the terms of this agreement Enagás will hold a 33.33% stake in this facility when it comes on stream, estimated for the end of 2010.
- At its meeting on 19 December Enagás, S.A.'s Board of Directors approved the payment of a gross dividend charged against 2007 earnings of 0.24



cents per share, some 26.3% higher than for the previous year. It was also agreed at the 2007 General Shareholders' Meeting to increase the percentage of net profit allocated to dividend, i.e. the payout, from 52% to 60% as of 2007.

- Enagás held an **Extraordinary General Shareholders' Meeting** on 31 October 2007, where approval was obtained to amend the Company's Articles of Association to introduce new voting rights limits as set out in Law 12/2007.

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