



First quarter 2008 results

Enagás reports first quarter 2008 Net Profit of 64.8 million euros, a 15.2% increase on 2007.

- Investment amounted to 156.9 million euros while 78.9 million euros of assets were brought on steam in the quarter
- Total demand for gas transported in the system rose 17.9% to 127,146 GWh

In the first quarter of 2008 Enagás recorded a net profit of 64.8 million euros, a 15.2% increase on the 56.2 million euros recorded in the same period the year before.

EBIT for the first quarter advanced 10.8% to 110 million euros compared to the year ago figure of 99.2 million.

EBITDA at 31 March 2008 totalled 158.9 million euros, 8.4% more than the 146.6 million euros recorded a year ago.

Operating highlights

Total demand for natural gas transported in the system in the first quarter of 2008 was 127,146 GWh, 17.9% higher than at 31 March 2007. This increase was prompted mainly by gas consumption for electricity generation, which climbed 62.2% year-on-year as a result of lower hydropower output.

DEMAND FOR GAS TRANSPORTED	Jan-Mar 2007	Jan-Mar 2008	Chg %
(GWh)			
Tariff market	20,91	12,692	-38.4%
Liberalised market	87,270	114,454	31.1%
Total demand	107,861	127,146	17.9%

Note: 1 bcm = approx. 11,630 GWh

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The volume of natural gas transported for power generation in the first quarter of the year represented 37.5% of total demand, up from 27.2% in 2007. At 31 March, there were 53 units of 400 MW in operation, up from 43 the year before. Demand in the liberalised market made up 90% of all gas transported to the end of March.

Progress in the investment plan

During the first quarter of the year, Enagás invested 156.9 million euros while 78.6 million euros worth of assets were put into operation. The main projects to come on stream in the period were the splitting of the Barcelona-Arbós gas pipeline and the Zaragoza compression station.

In this period Enagás' Board of Directors approved investment projects worth 247.4 million euros. This amount includes the Algete-Yela, Zarza de Tajo-Yela and Castropodame-Villafranca del Bierzo pipelines as well as the El Villar de Arnedo compression station.

Financial position

The Company's net debt at 31 March 2008 was 2,126.7 million euros, compared to 1,942.7 million euros at year-end 2007 and 1,798.7 million euros at the end of the first quarter of 2007. Of total debt at the end of the first quarter of 2008, 92.2% was long-term, with 46.7% hedged with derivative instruments.

Gearing (net debt/total assets) at 31 March 2008 was 51.3% compared to 48.9% at the end of 2007 and 49.2% at the end of the first quarter of 2007.

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