



**First half 2009 results**

**Enagás invested a record €598.4Mn in the first half of 2009**

- **Net profit rose 7.4% yoy to €139.5Mn, in line with the Company's forecasts.**
- **Enagás ended the first half of 2009 with €1.77Bn of liquidity.**
- **Average borrowing costs in the period stood at 2.96%, down from 4.67% in 1H08.**
- **1H09 earnings are in line with the Company's full-year targets for 2009.**

Enagás invested €598.4Mn in the first half of 2009, up from €365.8Mn in the same period last year. This figure, a new half-year record, is in line with a target for 2009 to invest a record of €900Mn.

Around 75% of investment made went to transmission infrastructure, 20% to regasification facilities and 5% to underground storage.

**Results**

Enagás reported a net profit for the first six months of 2009 of €139.5Mn, a 7.4% increase on the 1H08 figure of €129.9Mn.

EBIT rose 4% year-on-year to €227.8Mn, up from €219.1Mn in 1H08.

EBITDA for the six-month period totalled €330.5Mn, 4.3% higher than the year-earlier figure of €317Mn.

The Company cut operating expenses by 5.8% year-on-year, mainly as a result of implementing its 2008-2010 Efficiency and Cost Containment Plan.



### **Financial position**

Enagás had a total of €1.77Bn of undrawn financial facilities at the end of the first half of 2009.

Net financial debt at 30 June 2009 stood at €2.54Bn, up from €2.35Bn at year-end 2008 and €2.02Bn at 30 June 2008.

The average cost of debt in the first half of 2009 was 2.96%, compared to 4.67% in the first half of last year.

Leverage (net debt/total assets) at 30 June 2009 was 48%, compared with 49.8% at year-end 2008 and 44.6% at the end of 1H08.

### **Infrastructure**

In the first half of 2009, Enagás commissioned €420.4Mn worth of assets, 46.7% of its stated target for this year of €900Mn. Key projects included the start-up of the Lemona-Haro gas pipeline, a number of sections of the Almería-Chinchilla pipeline, a section of the Montesa-Denia pipeline and the Lumbier compression station, the enlargement of the Haro compression station, and the emission capacity enlargement of the Barcelona regasification plant to 1,950,000 m<sup>3</sup>(n)/h.

Enagás plans to bring the pipeline connecting the Balearic Islands to the mainland into operation by the third quarter.

### **Operating highlights**

Total demand for natural gas transported in the system in 1H09 was 197,949 GWh, 15% lower than in 1H08.

The decrease mainly reflects lower gas consumption for electricity generation, due to weaker domestic demand for power and increased hydro output –higher rainfall in 2009-. The volume of natural gas transported for power generation in 1H08 accounted for 36.6% of total demand. Combined cycle thermal plants in operation at 30 June 2009 had capacity equivalent to 55 generators of 400 MW.



Natural gas demand from traditional consumption markets – residential and industrial– declined 10.1%.

### **Significant events during 1H09**

- On 2 July 2009, Enagás paid out a final gross dividend of €0.39 per share out of 2008 profit. This came on top of the interim dividend paid in January 2009, also out of 2008 earnings. This gives a total gross dividend for 2008 of €0.65 per share, 8.6% higher than the year before.
- On 22 June 2009, Enagás held its first-ever bond issue, entailing two simple bonds, each in the amount of €500Mn. The first entails 3-year bonds with an annual coupon of 3.25%, and the second 6-year bonds with an annual coupon of 4.375%.

On 10 July 2009, the Company paid off the €1Bn syndicated loan due in January 2010 ahead of schedule.

- On 6 June 2009, Moody's affirmed Enagás' A2 credit rating and its "stable" outlook.

### **Meeting targets**

Enagás' 1H09 results are in line with the Company's full-year 2009 targets as set down in January.

#### **1) Record investments and assets put into operation**

The 1H09 figures for investment (€598.4Mn) and assets put into operation (€420.4Mn) mark clear progress towards achieving the record €900Mn amounts set for each for 2009.

#### **2) Increased net profit**

Net profit rose 7.4% year-on-year in 1H09, in line with the target of posting a net profit at least equal to 2008.



### 3) Robust financial position

Even in the economic conditions now prevailing, Enagás has been able to raise the liquidity it needs (€1.77Bn) for its planned investments, at a low borrowing cost.

### 4) Reinforce Enagás' role in the Spanish gas system

In May 2009, Enagás was named the sole transporter for the primary gas transport trunk network, thanks to the amendment of the Spanish Hydrocarbon Law in accordance with European Union guidelines.

### 5) Stable shareholder structure

The Company has earned the confidence of a new shareholder, Oman Oil, a sovereign wealth fund of the Sultanate of Oman with a solid track record in investing in energy companies. Oman Oil's profile as a long-term investor fits well with Enagás' goal of having a stable core of institutional shareholders amid a difficult backdrop for stock markets worldwide.

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