



First quarter 2011 results

Enagás' net profit rises 4.8% to €86Mn

- **€165Mn of assets were put into operation and investment totalled €130Mn**
- **These results are in line with the targets of the 2010-2014 Strategic Plan**
- **The European Investment Bank's confidence in Enagás is confirmed with the signing of a €350Mn tranche of the €1Bn loan granted in 2008**
- **Conventional demand for natural gas rose 5%, once the working day and temperature were taken into account**
- **José Riva, new President of the Enagás Audit and Compliance Committee**

Enagás reported net profit for the first three months of 2011 of €86Mn, a 4.8% increase on the figure of €82Mn to 31 March 2010.

EBITDA totalled €205.9Mn, 8.6% higher than the previous year's figure of €189.7Mn.

These results are in line with guidance for the year which calls for net profit growth of 5% and a double-digit increase in EBITDA, in line with the 2010-2014 Strategic Plan.

Operating expenses rose just 1%, demonstrating the Company's commitment to tight control of operating costs at a time of significant growth in its asset base.

Financial position

The Company's financial policy saw a 2.76% reduction in the average cost of debt.



In terms of untapped available financing, the Company had liquidity of €2,063Mn at the end of the first quarter of 2011, giving it sufficient funds to cover planned investments through 2014 under excellent payment and cost conditions.

Net debt at 31 March 2011 stood at €3,179Mn, compared to €3,021Mn in the same period last year. The gearing ratio was 65.2%, compared to the year before figure of 64.3%.

On 1 April, bank guarantees were signed for a €350Mn tranche of the €1,000Mn loan granted to Enagás in 2008 by the European Investment Bank. This tranche, signed under excellent payment and cost conditions, has been underwritten by six major banks. The loan, which will enable Enagás to continue developing its Investment Plan, confirms the European Investment Bank's confidence in the Company.

Investment

Enagás invested a total of €130Mn in the first quarter of the year and brought into operation projects worth €165Mn, in line with its target for the year of €650Mn.

Of these projects we would highlight the eighth LNG tank at the Barcelona regasification plant and the Villar de Arnedo compressor station in La Rioja.

Operating highlights

Demand for gas transported in the Spanish regulated system during the first quarter of the year totalled 114,822 GWh, 0.6% lower than the previous year.

Conventional demand for natural gas (domestic, commercial, industrial and cogeneration consumption) stood at 80,785 GWh, 0.3% lower than at 31 March 2010. Once the working day and temperature are taken into account, conventional demand rose 5%.

Conventional demand for natural gas set a new all-time record on 24 January of 1,179 GWh, mainly because of the low temperatures in Spain. This was 1.1% higher than the previous record of 1,166 GWh set on 16 December 2010, and 2.5% above last winter's record of 1,150 GWh.



Demand for natural gas for electricity generation declined 3%, largely due to the increase in generation from coal-fired plants.

Changes in the Audit and Compliance Committee

Yesterday the Enagás Board of Directors agreed to appoint José Riva as President of the Audit and Compliance Committee to replace Martí Parellada, whose four-year term of office has expired.

José Riva Francos is an architect by profession and has been an Independent Director of Enagás since 2002 and a member of the Audit and Compliance Committee since June 2010. He is also Vice President and Managing Director of the Suardíaz Group and a board member of Logista, S.A..

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Communications Department
Tel: 91 709 93 40
dircom@enagas.es
www.enagas.es