



## **2015 Results Figures and 2016-2020 Outlook**

### **Enagás' net profit totals 412.7 million euros**

- **The company's net profit is 1.5% higher than 2014, above the year's forecast**
- **The company has met targets for the ninth year in a row**
- **In 2015, the ratings agency Standard and Poor's improved the Enagás rating by two levels, from BBB to A- with a stable outlook**
- **For the 2016-2020 period, the company maintains the growth drivers and strategic criteria**
- **Enagás' commitment is to maintain the 5% annual growth of the dividend until 2020**
- **The international business is expected to account for around 25% of net profit by 2020**
- **Enagás is committed to the implementation of sustainable business models and it takes part in projects for the use of natural gas as a fuel for sea transportation and to encourage the use of biogas**
- **The company is the worldwide leader in its sector according to the Global 100 Most Sustainable Corporations in the World, unveiled at the Davos Forum**

#### **2015 Results Figures**

In 2015, Enagás reported a net profit of 412.7 million euros, which represents a 1.5% increase on 2014, above target growth of 0.5% forecast for the year. The main reasons behind this increase were the contribution of affiliates, international projects and improved financial results.

In 2015, Enagás invested 530.2 million euros, in line with the 2015-2017 Strategic Update. Of the total amount, 324.1 million euros was targeted at international investments: at the acquisition of 50% of the Swedish grid operator, Swedegas; at the purchase of an additional 4.34% of TgP (Transportadora de Gas de Perú); and at projects in progress during the year,



such as TAP (Trans Adriatic Pipeline), GSP (Southern Peruvian Pipeline), the Morelos pipeline and the Soto La Marina Compression Station, in Mexico.

In Spain, the company invested 206.1 million euros. This figure includes a 10% increase in the stake of the BBG plant, in Bilbao, where Enagás currently holds 50%; and the acquisition of 30% of the Saggas plant, in Sagunto.

The company conducted two issues of bonds in 2015, for a total of 1 billion euros, maturity of eight and 10 years, with a historically low financing cost for the issue of corporate debt in Spain.

At the year-end, net borrowing of Enagás totalled 4.237 billion euros and financial resources stood at 2.268 billion. More than 80% of the debt was at a fixed rate; the average life of the debt was 6.6 years; and the average net cost of the debt was 2.7%, versus 3.2% for the same date in 2014.

Furthermore, in 2015 the ratings agency Standard and Poor's (S&P) improved the Enagás rating by two levels, from BBB to A- with a stable outlook Fitch also maintained the company's rating of A- stable over the long term.

All these clearly point to the excellent financial situation of Enagás to continue to move forward in complying with its strategic objectives.

These figures confirm that the company has been able to meet its targets for the ninth year in a row.

### **Operating highlights**

At the year-end, national demand for natural gas in 2015 was up 4.5% on 2014, totalling 315 TWh, which accounts for the largest growth since 2008. This growth has been caused by increases both in the demand for natural gas to generate electricity as well as in household consumption.

More specifically, demand for electricity production was up 18% compared to last year, mainly due to reduced hydraulic generation in 2015, increased electricity demand and greater activity of the combined cycles during the summer months, as a consequence of heatwaves.

Conventional demand, targeted at the domestic-commercial and industrial sectors, increased by 2%, mainly through the 8% growth in household consumption of natural gas.



### **2016-2020 Outlook**

For the 2016-2020 period, Enagás maintains its strategic drivers, as well as its investment criteria.

The company intends to invest an annual average of 400 million euros over the period, in line with the forecasts in the 2015-2017 Strategic Update.

Enagás also expects average annual growth of net profit of around 2% until 2020.

International business is expected to account for around 25% of net profits by 2020. The company estimates that the dividends from these projects will rise from 49 million euros in 2015 to 140 million euros in 2020.

Enagás' commitment is to maintain annual dividend growth of 5% until 2020, which means reaching a dividend per share of 1.68 euros in that year.

The company's forecasts for this period point to an annual average increase of 3.5% in the demand for gas in Spain, due mainly to an improved economic setting and greater penetration of gas in the energy matrix.

The international gas market offers long-term growth opportunities for Enagás. Within this context, the company maintains its three drivers of international growth: Making use of its experience as Transmission System Operator (TSO), developing natural gas infrastructures in growth markets such as Mexico and Peru, and consolidating its position as a global specialist in LNG.

Enagás also reasserts itself in the strategic and financial targets established with regard to efficiency, profitability, international expansion, sustained growth of profits and suitable remuneration to shareholders. All of this is backed by a solid financial structure and the best sustainability practices.

### **Sustainability**

The company has been recognised as worldwide leader in sustainability in the Gas Utilities sector, according to the Global 100 Most Sustainable Corporations in the World, of the Corporate Knights agency, presented at the Davos Forum. Enagás, which has reached sixth position in the overall ranking, is one of two Spanish companies included in this year's review.



In line with its commitment to sustainability, Enagás is focused on the development of sustainable business models. In this regard, the company coordinates the 'CORE LNGas hive' project, to drive the use of liquefied natural gas (LNG) as a fuel mainly in shipping.

This initiative, which features participation by 42 partners, has been selected by the European Commission in the "Connecting Europe Facility" (CEF) aid announcement for the development of the Trans-European Transport Network.

In Sweden, through Swedegas, the company is working on projects to enable the use of the gas grid for the transportation of biogas.

As the cleanest fossil fuel, natural gas presents itself as a key alternative in the fight against climate change.

### **2016 Targets**

Enagás aims to end 2016 with a growth in net profit of 0.5% and to make investments of around 465 million euros. Furthermore, its commitment is to pay out a dividend charged to net profit in 2016 of 1.39 euros per share, representing a 5% increase on the previous year.

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