



2016 Results and 2017-2020 Outlook

Enagás' net profit amounts to 417.2 million euros

- **The company meets its targets for the tenth consecutive year**
- **The company's net profit is 1.1% higher than that of 2015, in line with the year's forecast**
- **The investments made in 2016 strengthen the company's strategic position with regard to assets in which it already holds a stake**
- **Spanish demand for natural gas, which grew by 2.1% in 2016, shows an increase of 20% in the year to date**
- **The company is continuing with its strategic priorities for the 2017–2020 period**
- **In this period the company intends to invest a total of 1.45 billion euros and achieve growth in its average accumulated profit of 3–4%**
- **Enagás' commitment is to maintain the 5% annual growth in its dividend until 2020**
- **Enagás is the highest-ranked Spanish company and world leader in its sector on the Global 100 Most Sustainable Corporations in the World index**

2016 Results Figures

Enagás reported a 2016 net profit of 417.2 million euros, which represents a 1.1% increase on 2015, in line with the target set for the year. This increase was mainly due to the contribution from its investee companies.

Specifically, international projects made a 10% contribution to the company's 2016 net profit. The dividends paid by its investee companies came to a total of 90.5 million euros, exceeding the target set for the year.



In 2016 Enagás invested 912 million euros in assets in which the company already held a stake. These acquisitions strengthen the company's strategic position in those projects.

At the year-end, Enagás net borrowings totalled 5.089 billion euros and financial resources stood at 2.409 billion. Over 80% of the debt was at a fixed rate and the average cost of the debt was 2.4%, versus 2.7% for the same date in 2015.

The company launched two bond issues in 2016: one for a total of 750 million euros at 12 years, with a yearly coupon rate of 1.375%; and another for 500 million euros at ten years, with an annual coupon rate of 0.75%.

These figures confirm the company's sound financial position, enabling Enagás to continue to forge ahead towards meeting its strategic goals.

With these results, the company has met the target it has set for itself for the tenth consecutive year.

Gas demand

Spanish demand for natural gas in 2016 grew by 2.1% on 2015, reaching 321,495 GWh, which showed an increase for the second year running.

This growth was essentially due to demand by industry, the main consumer of gas natural, which rose by 3.3%, in line with the evolution of the economy, and to growth in household and commercial demand, which increased by 3.2%.

In the year to date, demand for natural gas in Spain has grown by 20% on the same period in 2016, as a result of the cold snap, among others. Demand for gas on 19 January peaked at record levels not seen since February 2012, while total demand was met as normal thanks to the part played by the company's underground storage facilities and regasification plants.

Demand for natural gas for power generation is growing by 32% in 2017, which highlights the essential role played by natural gas in guaranteeing power supply.



2017-2020 Outlook

Enagás is maintaining its strategic priorities for the 2017–2020 period, which are directed towards the consolidation of its position in regions where the company already has a presence, reinforcing operating efficiency, preserving its solid financial position, attractive and sustainable remuneration for shareholders, and the promotion of new uses for natural gas.

The operating environment in the coming years will be foreseeably characterised by a Europe-led transition towards a low-carbon energy model in which gas will play an essential role as a low-emissions fuel.

In this context, Enagás will be able to play an important part in guaranteeing security of supply in Europe and in market integration, because of its presence in the main gas infrastructure developments and in projects to encourage new uses for natural gas.

Enagás will continue its efforts to develop and operate gas and LNG infrastructure in growth markets in which the company has a presence, also through its subsidiaries.

The company intends to invest a total of 1.45 billion euros until 2020, and achieve growth in its average accumulated profit of 3–4%, depending on whether additional investments are made at the end of this period.

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 forecast for this period points 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. According to this forecast, the Spanish gas system will be balanced – no longer dealing with a yearly deficit – by 2018.

2017 targets

Enagás aims to end 2017 with a growth in standalone net profit of approximately 5% and carry out investments of about 650 million euros. Furthermore, the company is committed to paying out a dividend charged to net profit in 2017 of 1.46 euros per share, representing a 5% increase on the previous year.



Sustainability

Enagás was included on the Dow Jones Sustainability Index (DJSI) in 2016, for the ninth consecutive time, and was acknowledged leader in the gas utilities sector.

Moreover, Enagás is the highest-ranked Spanish company on the Global 100 Most Sustainable Corporations in the World index, which was presented at the Davos meeting of the World Economic Forum, and is among the 10 most sustainable companies in the world. The company continues to be recognised as the leading company in the world in the gas utilities sector of this index.

Enagás is also included on the A-List of the CDP (Carbon Disclosure Project), featured among the leading companies that are working to combat climate change.

Madrid, 14 February 2017
**Communication and
Public Affairs Office**
Tel.: +34 91 709 9340
dircom@enagas.es
www.enagas.es