



**Results for the nine months ended 30 September 2008**

**Enagás invested €536Mn euros to guarantee the infrastructure necessary to ensure the security of the Spanish gas supply system**

- **€494.8Mn of assets were brought on stream, a record level for the Company. Enagás' Board of Directors approved investment projects totalling €678Mn.**
- **The level of financing secured to date ensures the Company can execute the investments envisaged in its Strategic Plan through 2011**
- **Net profit for the first nine months of the year amounted to €201.2Mn, in line with the Company's 8.5% growth target for 2008**
- **These results were underpinned by the Company's operating and financial cost control policy**

Enagás invested €535.9Mn during the first nine months of the year in infrastructure to ensure the security of the Spanish gas system. This compares with investment of €297.7Mn in the same period last year. This level of investment, an all time record for the Company, puts it on track to deliver the annual investment target of €750Mn.

Since the beginning of the year, assets worth €494.8Mn have come on stream, 82.5% of the annual target of €600Mn.

The main projects started up in the period include the Transversal Axis (Alcázar de San Juan-Montesa), the south east Madrid semicircle pipeline and the splitting of the Barcelona-Arboç pipeline and of the Campo de Gibraltar branch. In addition, the emission capacity of the Cartagena regasification plant was increased from 1,200,000 m<sup>3</sup>(n)/h to 1,350,000 m<sup>3</sup>(n)/h, and a fourth LNG storage tank was commissioned. The



Zaragoza and Alcázar de San Juan (Ciudad Real) compression stations were also put into operation.

The Board of Directors approved €677.9Mn worth of investment projects during the first nine months of the year.

In addition, significant progress was made on obtaining authorisation for projects worth an aggregate of around €764Mn. From January 2007 to 30 September 2008, progress on the approvals process encompassed investments worth around €5.079Bn.

These investments, included in the Company's Strategic Plan, are necessary to guarantee the necessary infrastructure to ensure the security of the Spanish gas supply system.

### **Financial position**

Enagás has sufficient funds to finance the investments planned for 2008, 2009 and part of 2010. The rollover, in 2010, of its outstanding €1Bn syndicated loan would provide funding for all investments through 2011.

Net financial debt at 30 September 2008 stood at €2.214Bn, compared to €1.947Bn a year earlier.

The gearing ratio (net debt/total assets) at the end of the third quarter was 47.5%, compared to 52% at 30 September 2007.

### **Operating highlights**

Total demand for gas transported in the system in the first nine months of 2008 was 337,072 GWh, 16.7% higher than in the same period last year.

The growth in demand was underpinned by a 49.7% year-on-year jump in gas consumption for electricity generation, in turn due to the low contribution of hydro-fuelled generation in the period and the decline in generation from coal-fired thermal plants.



The volume of natural gas transported for power generation in 9M08 represented 43.2% of total demand vs. 33.7% in 9M07. At 30 September, there were combined cycle plants equivalent to 54 units of 400 MW in operation, up from 50 in the same period last year.

### **Financial results**

During the first nine months of 2008, Enagás generated net profit of €201.2Mn and EBITDA of €487.2Mn, leaving the Company on track to meeting its annual growth targets for these indicators of 8.5% and 7.5%, respectively.

These results were buoyed by the Company's operating and financial cost control policy.

### **Significant events during the period**

#### **- Final 2007 dividend**

On 3 July 2008, Enagás paid a final gross dividend of €0.358874 per share against 2007 profit. This came on top of the €0.24 per share interim dividend paid in January 2008, also charged against 2007 net profit.

The total dividend paid against 2007 earnings amounted to €0.598874 per share (before tax), a payout of 60%.

#### **- Standard & Poor's affirms its long-term debt rating for Enagás**

In August, Standard & Poor's affirmed its "AA-" long-term and "A-1+" short-term ratings for the Company, and the stable outlook.

The agency cited the Company's reliable revenue from regulated activities and robust liquidity, which should guarantee execution of the Company's announced investment plan.

#### **- Enagás joins Dow Jones Sustainability Index**

On 22 September, Enagás was added to the Dow Jones Sustainability World Index (DJSI) and the European Dow Jones STOXX Sustainability Index made up of the leading sustainability-driven companies worldwide.



Enagás also renewed its position in the FTSE4Good index, the other benchmark global index in the field of corporate responsibility, in which it has featured since 2006.

Madrid, 24 October 2008  
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