

## **GAS NATURAL SDG, S.A.**

Gas Natural SDG, S.A. (the “**Guarantor**” or “**Gas Natural Fenosa**”) in compliance with the provisions of article 17 of Regulation (EU) 596/2014 of the European Parliament and of the Council of 16 April 2014 on market abuse and article 228 of the consolidated text of Act 24/1988, of 28th of July, on the Securities market, hereby notifies the National Securities Market Commission of the following:

### **REGULATORY ANNOUNCEMENT**

Further to our announcements on 16 January 2018 and 23 January 2018 (registration numbers 260,680 and 260,925, respectively), Citigroup Global Markets Limited (“**Citigroup**”) hereby announces the final results and pricing of its invitation to holders of notes issued by Gas Natural Capital Markets, S.A. and Gas Natural Fenosa Finance B.V. (jointly the “**Issuers**” and each one, an “**Issuer**”) and guaranteed by the Guarantor to offer to sell the following notes on a voluntary basis to Citigroup (the “**Solicitation of Offers to Sell**”):

(i) €500,000,000 5.375 per cent. guaranteed notes due May 2019 (ISIN: XS0627188468) issued by Gas Natural Capital Markets, S.A. (“**GNCM**”) (the “**May 2019 Notes**”);

(ii) €500,000,000 6.375 per cent. guaranteed notes due July 2019 (ISIN: XS0436928872) issued by GNCM (the “**July 2019 Notes**” together with the May 2019 Notes, the “**GNCM Notes**”);

(iii) €500,000,000 3.500 per cent. guaranteed notes due 2021 (ISIN: XS0981438582) issued by Gas Natural Fenosa Finance B.V. (“**GNFF**”) (the “**2021 Notes**”);

(iv) €750,000,000 3.875 per cent. Guaranteed Notes due 2022 (ISIN: XS0914400246) issued by GNFF (the “**2022 Notes**”);

(iv) €600,000,000 3.875 per cent. guaranteed notes due 2023 (ISIN: XS0875343757) issued by GNFF (the “**2023 Notes**” together with the May 2019 Notes, the July 2019 Notes, the 2021 Notes and the 2022 Notes, the “**Notes**”)

The Solicitation of Offers to Sell was made upon the terms and subject to the conditions contained in a tender offer memorandum dated 16 January 2018 (the “**Memorandum**”) prepared in connection with the Solicitation of Offers to Sell, and

is subject to the offer restrictions set out below. Capitalised terms used in this announcement and not otherwise defined have the meanings ascribed to them in the Memorandum.

### **New Issue and Summary of Results and Pricing**

Following the expiration of the Solicitation of Offers to Sell at 5:00 p.m. (CET) on 22 January 2018 (the “**Expiration Time**”), Citigroup hereby announces that:

- (i) the pricing of a new issue (the “**New Notes**”) and the signing of the subscription agreement to be entered into for the purchase of, and subscription for, the New Notes has taken place;
- (ii) it has accepted for purchase EUR915,500,000 in aggregate principal amount of the Notes in accordance with the terms and conditions of the Solicitation of Offers to Sell; and
- (iii) it has accepted in full all Offers to Sell in respect of the Notes which were validly submitted by the Expiration Time.

The Purchase Price for each Series of Notes accepted for purchase was determined at or around 2:00 p.m. (CET) today in accordance with the terms set out in the Memorandum (i) in respect of the 2023 Notes, by reference to the sum of the Reference Benchmark Yield and the Purchase Spread and (ii) in respect of the May 2019 Notes, July 2019 Notes, 2021 Notes and 2022 Notes, by the Joint Dealer Managers by reference to the relevant Purchase Yield, as follows:

Description of Notes / ISIN	May 2019 Notes (XS0627188468)	July 2019 Notes (XS0436928872)	2021 Notes (XS0981438582)	2022 Notes (XS0914400246)	2023 Notes (XS0875343757)
<b>Maturity Date</b>	24 May 2019	9 July 2019	15 April 2021	11 April 2022	17 January 2023
<b>Minimum Denomination</b>	EUR100,000	EUR50,000	EUR100,000	EUR100,000	EUR100,000
<b>Aggregate principal amount accepted</b>	EUR207,600,000	EUR143,800,000	EUR167,100,000	EUR259,000,000	EUR138,000,000
<b>Reference Benchmark</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	2023 Interpolated Mid-Swap Rate
<b>Reference Benchmark Yield</b>	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0.366%

Description of Notes / ISIN	May 2019 Notes (XS0627188468)	July 2019 Notes (XS0436928872)	2021 Notes (XS0981438582)	2022 Notes (XS0914400246)	2023 Notes (XS0875343757)
Purchase Spread	Not Applicable	Not Applicable	Not Applicable	Not Applicable	0 bps
Purchase Yield	-0.25%	-0.25%	-0.05%	0.10%	0.366%
Accrued Interest (expressed as a percentage)	3.608%	3.476%	2.723%	3.058%	0.074%
Purchase Price (expressed as a percentage)	107.498%	109.670%	111.450%	115.855%	117.288%
Accrued Interest (per Minimum Denomination)	€3,607.88	€1,737.84	€2,723.29	€3,057.53	€74.32
Purchase Price (per Minimum Denomination)	€107,497.62	€54,834.83	€111,450.04	€115,854.72	€117,287.90

## Settlement

On 24 January 2018, Citigroup will pay, or procure the payment of, the relevant Purchase Price plus Accrued Interest to all Noteholders whose Offers to Sell have been validly accepted by Citigroup pursuant to the Terms and Conditions, subject to receipt of the relevant Notes.

Notes in respect of which Citigroup has not accepted an Offer to Sell will remain outstanding subject to the terms and conditions of such Notes.

Pursuant to the above, on 24 January 2018, the following Notes will be repurchased and cancelled by GNCM from Citigroup (the “**GNCM Repurchased Notes**”):

- (i) an aggregate principal amount of €207,600,000 of the May 2019 Notes; and
- (ii) an aggregate principal amount of €143,800,000 of the July 2019 Notes.

On the same day, the GNCM Repurchased Notes will then be cancelled and the aggregate principal amounts of the GNCM Notes outstanding will be as follows:

- (i) an aggregate principal amount of €292,400,000 of the May 2019 Notes;  
and
- (ii) an aggregate principal amount of €356,200,000 of the July 2019 Notes.

### **Further Information**

A complete description of the terms and conditions of the Solicitation of Offers to Sell is set out in the Memorandum. Citigroup Global Markets Limited, Natixis, ING Bank N.V. and CaixaBank, S.A, are the Joint Dealer Managers for the Solicitation of Offers to Sell.

**Requests for information in relation to the Solicitation of Offers to Sell  
should be directed to:**

**JOINT DEALER MANAGERS**

**Citigroup Global Markets Limited**

Citigroup Centre  
Canada Square  
Canary Wharf  
London E14 5LB  
United Kingdom

Telephone: +44 20 7986 8969

Email:

liabilitymanagement.europe@citi.com

**Attn: Liability Management Group**

**CaixaBank, S.A.**

Calle Pintor Sorolla 2-4  
46002 Valencia  
Spain

Telephone: +34 91 700 56 08 / 09 /  
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Email: mlafont@caixabank.com;

araguiar@caixabank.com;

natalia.garcia@caixabank.com;

lst.originacion.rf@lacaixa.es

**Attn: Miguel Lafont, Alvaro  
Aguilar, Natalia Garcia**

**ING Bank N.V.**

Foppingadreef 7  
1102 BD Amsterdam  
The Netherlands

Telephone: +31 20 563 8017

Email: liability.management@ing.com

**Attn: Liability Management Group**

**NATIXIS**

30, avenue Pierre Mendès France  
75013 Paris  
France

Telephone: +33 1 58 55 80 98 / +33  
1 58 55 88 36

Email: liability-management-  
corporate@natixis.com

**Attn: Liability Management**

**Requests for information in relation to the procedures for submitting an  
Offer to Sell should be directed to:**

**THE TENDER AGENT**

**Lucid Issuer Services Limited**

Tankerton Works  
12 Argyle Walk  
London WC1H 8HA  
United Kingdom

Attn.: David Shilson  
Tel.: +44 207 704 0880  
Email: gn@lucid-is.com

Further details relating to the contents of this announcement can be obtained  
from:

**Gas Natural Capital Markets, S.A.**

Avenida de San Luis, 77,  
28033 Madrid  
Spain

Email: eberenguer@gasnaturalfenosa.com  
Attention: Enrique Berenguer Marsal (Sole Administrator)

**Gas Natural Fenosa Finance B.V.**

Barbara Strozilaan 201  
1083 HN Amsterdam  
The Netherlands

Email: eberenguer@gasnaturalfenosa.com  
Attention: Enrique Berenguer Marsal (Managing Director)

Madrid, 23 January 2018

**Gas Natural SDG, S.A.**

#### **Offer Restrictions relating to the Solicitation of Offers to Sell**

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Each of this announcement, the Solicitation of Offers to Sell and the Memorandum do not constitute an offer to buy or the solicitation of an offer to sell the Notes in any jurisdiction in which such offer or solicitation is unlawful, and Offers to Sell by Noteholders originating from any jurisdiction in which such offer or solicitation is unlawful will be rejected. In those jurisdictions where the securities laws or other laws require the Solicitation of Offers to Sell to be made by a licensed broker or dealer, the Solicitation of Offers to Sell shall be deemed to be made on behalf of Citigroup by one or more registered brokers or dealers licensed under the laws of such jurisdiction. None of the delivery of this announcement, the Memorandum, the Solicitation of Offers to Sell or any purchase of Notes shall, under any circumstances, create any implication that there has been no change in the affairs of each Issuer and the Guarantor since the date hereof, or that the information herein is correct as of any time subsequent to the date hereof.

A Noteholder or a beneficial owner of the Notes who is a Sanctions Restricted Person may not participate in the Solicitation of Offers to Sell. Citigroup reserves the absolute right to reject any and all Offers to Sell when Citigroup in its sole discretion is of the view that such Offer to Sell has been submitted by or on behalf of a Sanctions Restricted Person.

#### **United States**

The Solicitation of Offers to Sell is not being made, and will not be made, directly or indirectly, in or into, or by use of the mail of, or by any means or instrumentality (including, without limitation: facsimile transmission, telex, telephone, e-mail and other forms of electronic transmission) of interstate or foreign commerce, or of any facility of a national securities exchange, of the United States, and Notes may not be offered for sale by any such use, means, instrumentality or facility from or within the United States or by persons located or resident in the United States as defined in Regulation S of the U.S. Securities Act of 1933, as amended (the "**Securities Act**"). Accordingly, copies of this announcement, the Memorandum and any related documents are not being and must not be directly or indirectly distributed, forwarded, mailed, transmitted or sent into or from the United States (including without limitation by any custodian, nominee, trustee or agent). Persons receiving this announcement or the Memorandum (including, without limitation, custodians, nominees, trustees or agents) must not distribute, forward, mail, transmit or send it or any related documents in, into or from the United States or use such mails or any such means, instrumentality or facility in connection with the Solicitation of Offers to Sell. Any purported tender of Notes in the Solicitation of Offers to Sell resulting directly or indirectly from a violation of these restrictions will be invalid and any Offers to Sell made by a resident of the United States, by any agent, fiduciary or other intermediary acting on a non-discretionary basis for a principal giving instructions from within the United States, or by any U.S. person (as defined in Regulation S under the Securities Act) or by use of such mails or any such means, instrumentality or facility, will not be accepted.

Each holder of Notes participating in the Solicitation of Offers to Sell will represent that it is not located in the United States and is not participating in such Solicitation of Offers to Sell from the United States or it is acting on a non-discretionary basis for a principal located outside the United States that is not giving an order to participate in such Solicitation of Offers to Sell from the United States.

For the purposes of this announcement, the Memorandum and the above paragraph, "**United States**" refers to the United States of America, its territories and possessions (including Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and The Northern Mariana Islands), any State of the United States of America and the District of Columbia.

## United Kingdom

Each of this announcement and the Memorandum has been issued by Citigroup Global Markets Limited, which is regulated by the Bank of England's Prudential Regulation Authority ("**PRA**") and the Financial Conduct Authority (the "**FCA**") and is being distributed only to existing holders of the Notes. Each of this announcement and the Memorandum is only addressed to such existing holders being investment professionals and high net worth companies/undertakings each within the meaning of the Financial Services and Markets Act 2000 (Financial Promotions) Order 2005 (the "**Order**"), or other persons to whom it can lawfully be communicated by a person not authorised under the Order. Each of this announcement and the Memorandum is not addressed to or directed at any other person, including any persons who would be retail clients within the meaning of the FCA rules and such other persons should not act or rely on it. Recipients of this announcement and/or the Memorandum should note that Citigroup is acting on its own account in relation to the Solicitation of Offers to Sell and will not be responsible to any other person for providing the protections, which would be afforded to clients of Citigroup, or for providing advice in relation to the Solicitation of Offers to Sell.

## Republic of Italy

None of the Solicitation of Offers to Sell, this announcement, the Memorandum or any other documents or materials relating to the Solicitation of Offers to Sell have been or will be submitted to the clearance procedure of the *Commissione Nazionale per le Società e la Borsa* ("**CONSOB**") pursuant to Italian laws and regulations. The Solicitation of Offers to Sell is being carried out in the Republic of Italy as an exempted offer pursuant to article 101-bis, paragraph 3-bis of the Legislative Decree No. 58 of 24 February 1998, as amended (the "**Financial Services Act**") and article 35-bis, paragraph 4 of CONSOB Regulation No. 11971 of 14 May 1999, as amended (the "**Issuers' Regulation**"). The Solicitation of Offers to Sell is also being carried out in compliance with article 35-bis, paragraph 7 of the Issuers' Regulation.

A holder of Notes located in the Republic of Italy can tender the Notes through authorised persons (such as investment firms, banks or financial intermediaries permitted to conduct such activities in the Republic of Italy in accordance with the Financial Services Act, CONSOB Regulation No. 16190 of 29 October 2007, as amended from time to time, and Legislative Decree No. 385 of September 1, 1993, as amended) and in compliance with applicable laws and regulations or with requirements imposed by CONSOB or any other Italian authority.

Each intermediary must comply with the applicable laws and regulations concerning information duties vis-à-vis its clients in connection with the Notes or the Solicitation of Offers to Sell.

## Belgium

*(The below offer restriction is applicable to the July 2019 Notes only)*

None of this announcement, the Memorandum or any other documents or materials relating to the Solicitation of Offers to Sell have been submitted to or will be submitted for approval or recognition to the Financial Services and Markets Authority ("*Autorité des services et marchés financiers / Autoriteit financiële diensten en markten*") and, accordingly, the Solicitation of Offers to Sell may not be made in Belgium by way of a public offering, as defined in Articles 3 and 6 of the Belgian Law of 1 April 2007 on public takeover bids (the "**Belgian Takeover Law**") as amended or replaced from time to time. Accordingly, the Solicitation of Offers to Sell may not be advertised and the Solicitation of Offers to Sell will not be extended, and none of this announcement, the Memorandum or any other documents or materials relating to the Solicitation of Offers to Sell (including any memorandum, information circular, brochure or any similar documents) has been or shall be distributed or made available, directly or indirectly, to any person in Belgium other than (i) to "qualified investors" in the sense of Article 10 of the Belgian Law of 16 June 2006 (the "**Belgian Law**") on the public offer of placement instruments and the admission to trading of placement instruments on regulated markets,



acting on their own account or (ii) in any circumstances set out in Article 6, §4 of the Belgian Takeover Law. This announcement and the Memorandum have been issued only for the personal use of the above qualified investors and exclusively for the purpose of the Solicitation of Offers to Sell. Accordingly, the information contained in this announcement and the Memorandum may not be used for any other purpose or disclosed to any other person in Belgium.

#### **Republic of France**

The Solicitation of Offers to Sell is not being made, directly or indirectly, to the general public in the Republic of France. This announcement, the Memorandum or any other documentation or material relating to the Solicitation of Offers to Sell (including memorandums, information circulars, brochures or similar documents) have not been distributed to, and or are not being distributed to, the general public in the Republic of France. Only (i) persons that provide investment services in the field of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour compte de tiers*) and/or (ii) qualified investors (*investisseurs qualifiés*) (that are not individuals) acting for their own account, in each case as defined in or pursuant to articles L.411-1, L.411-2 and D.411-1 of the French *Code Monétaire et Financier*, may participate in the Solicitation of Offers to Sell. Each of this announcement and the Memorandum has not been, and will not be, submitted for clearance to nor approved by the *Autorité des marchés financiers*.

#### **Spain**

None of the Solicitation of Offers to Sell, this announcement or the Memorandum constitutes an offer of securities or the solicitation of an offer of securities to the public in Spain under the restated text of Spanish Securities Market Act approved by Legislative Royal Decree 4/2015, of 23 October 2015 (*Real Decreto Legislativo 4/2015, de 23 de octubre, que aprueba el texto refundido de la Ley 24/1988, de 28 de julio, del Mercado de Valores*), the Royal Decree 1310/2005, of 4 November 2005 and the Royal Decree 1066/2007, of 27 July 2007, all of them as amended, and any regulation issued thereunder. Accordingly, this announcement and the Memorandum have not been and will not be submitted for approval nor approved by the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).