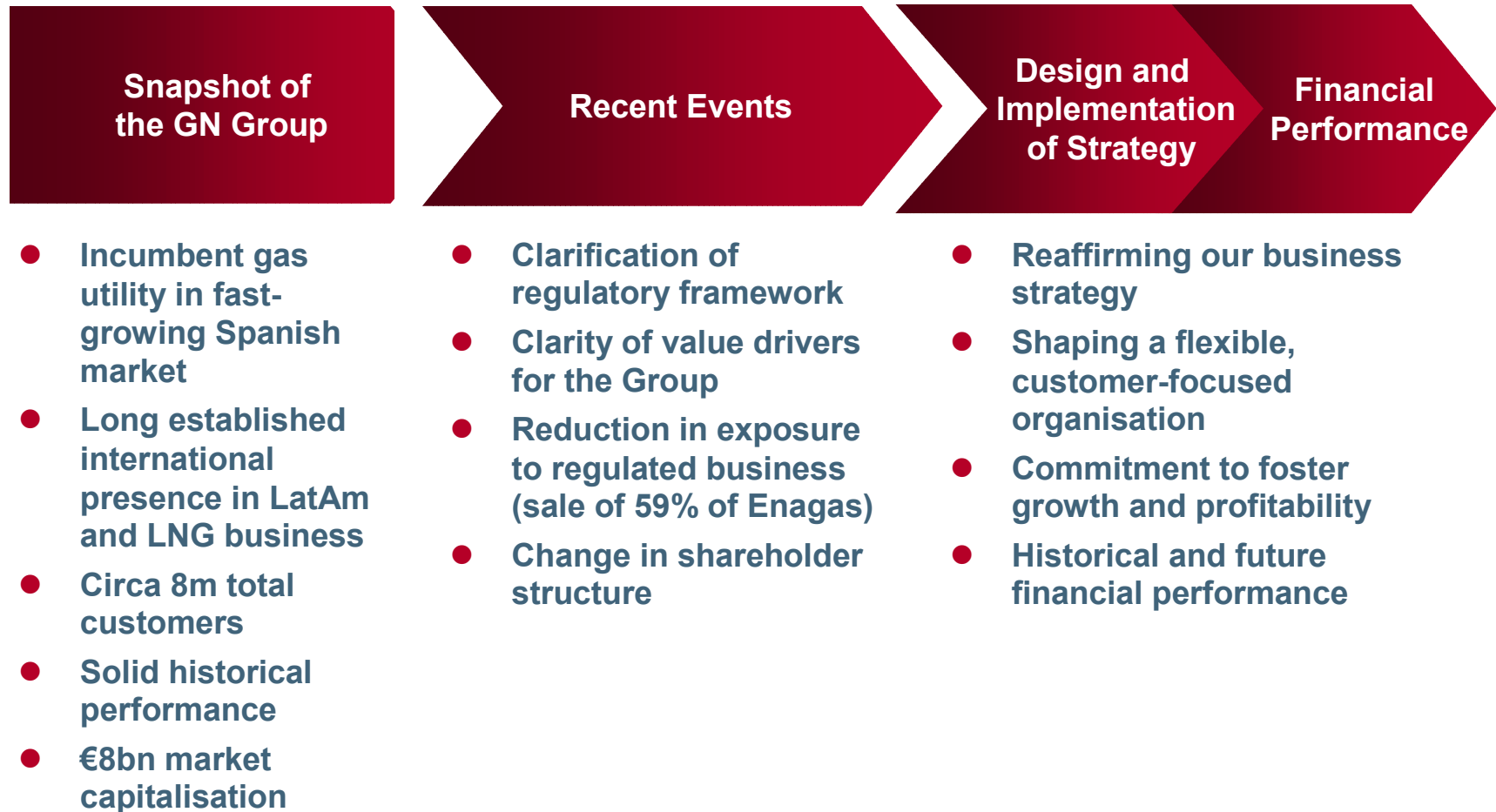


Gas Natural Group

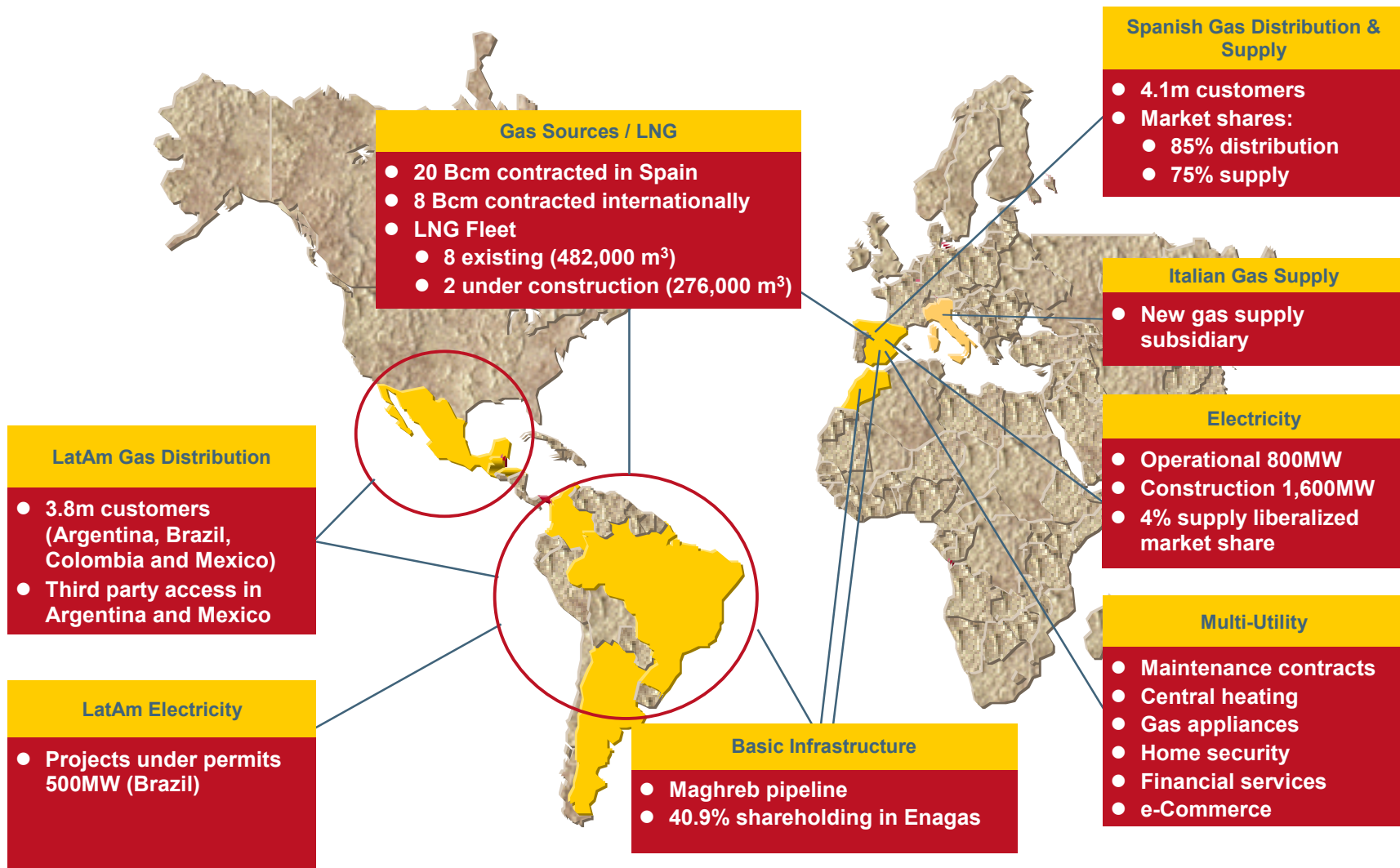
November 2002



Customer-Focused Strategy



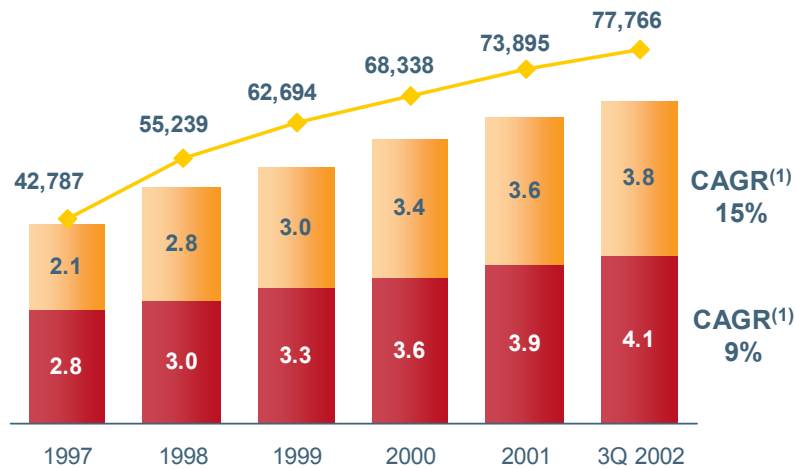
Gas Natural Group Overview



A Solid Track Record

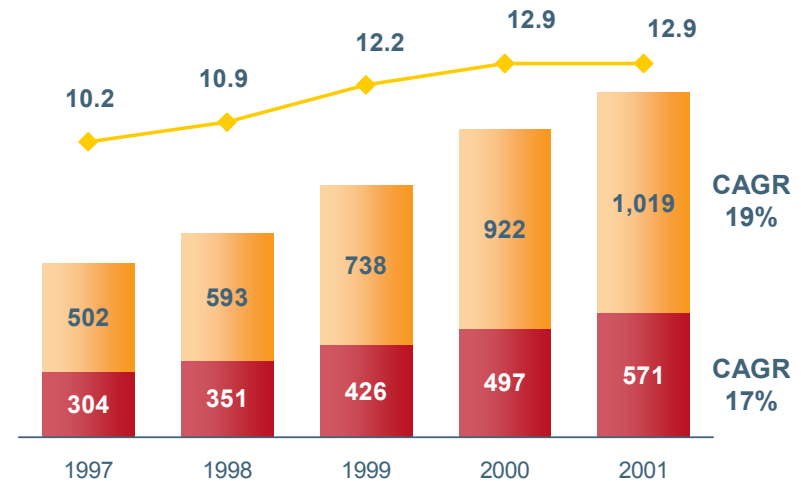


Operating Highlights



■ International Customers (m)
■ Spanish Customers (m)
◆ Network (km) Excluding Enagas

Financial Highlights



■ EBIT (€m)
■ Adjusted Net Income (€m)
◆ ROACE (%)

Skills

Management of transition to new regulation and improved efficiency

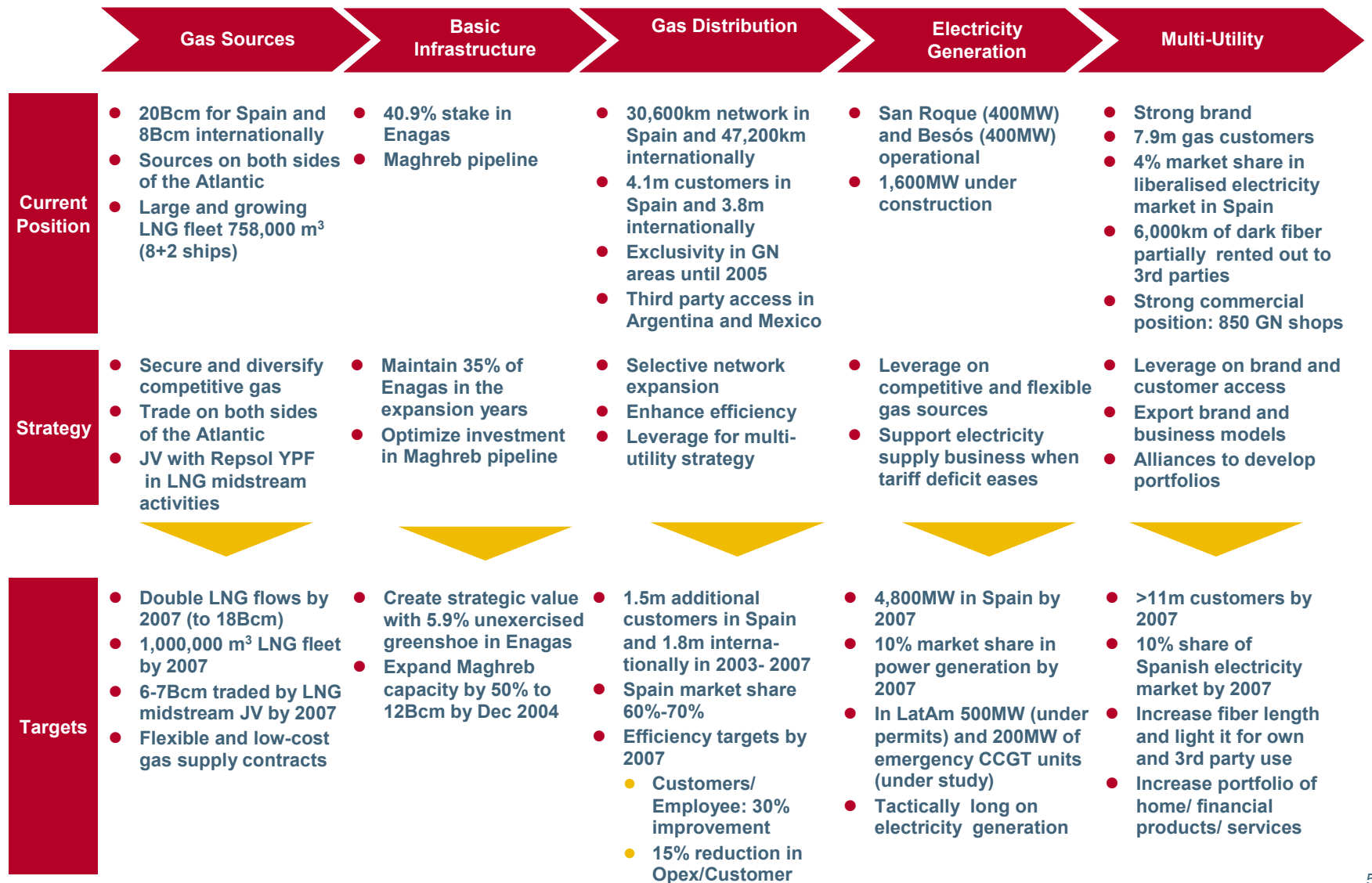
Integration into value added business to take advantage of CCGT and LNG Trading

Consolidation of brand as a reference in multi-product offering

Ability to develop immature markets internationally at the right pace

1) 1997-2001

Building on our Strengths



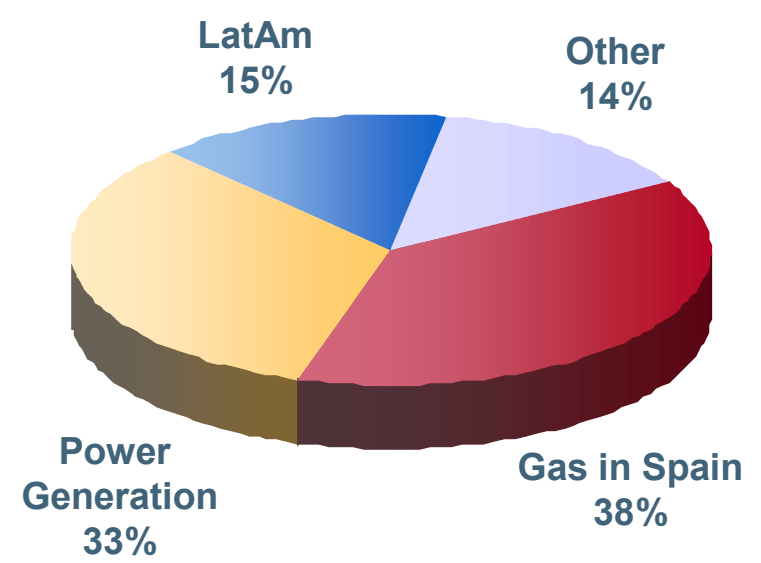
Investments 2003-2007



These investments, together with a potential expansion into new immature gas markets, will improve our gearing position

Target IRR: +400 bps over WACC

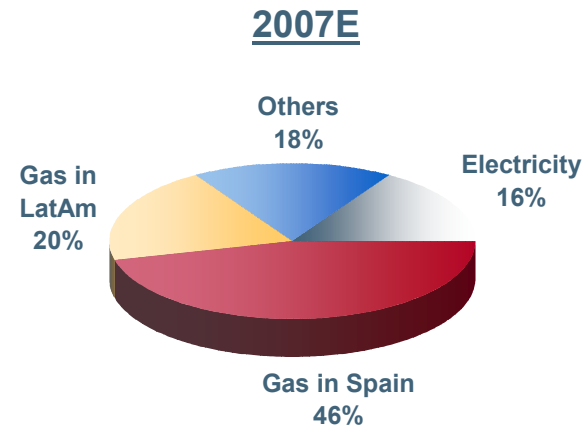
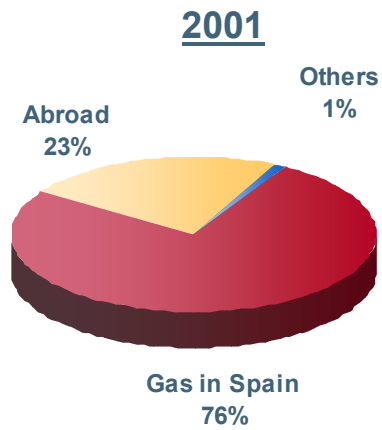
Investment Breakdown



Growth Plan



EBITDA Contribution



ROACE



Through more than a 10% CAGR increase in net profit

Commitment to Deliver Profitable Growth



Our sound positioning and solid track record (1997-2001) ...

- Efficiency
 - 12% CAGR in customers
 - 7% CAGR in customers/employee
 - 7% CAGR in GWh/employee
- Profitability
 - > 200 bp improvement in ROACE
- Growth
 - 17% CAGR EPS growth



... backed by highly favourable market conditions ...

- 7.9m customers
- 12% penetration of Spanish gas market (vs. 24% in Europe)
- 9% expected 10-yr CAGR growth in volumes (vs. 2% in Europe) coming from all segments
- 14 GW CCGT plants expected by 2007



... will ease the execution of our customer-oriented strategy

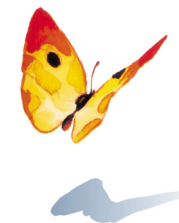
- >11m customers by 2007
- >10% market share in electricity supply
- Increase portfolio of products/services
- Secure flexible and competitive gas sources



... fostering growth and profitability for our shareholders (2002-2007)

- >10% CAGR increase in EPS by 2007
- >15% ROACE target
- Efficiency ratios
 - 30% improvement in customers per employee
 - 15% OPEX per customer reduction
- Stable dividend payout; growing dividend per share

Appendices

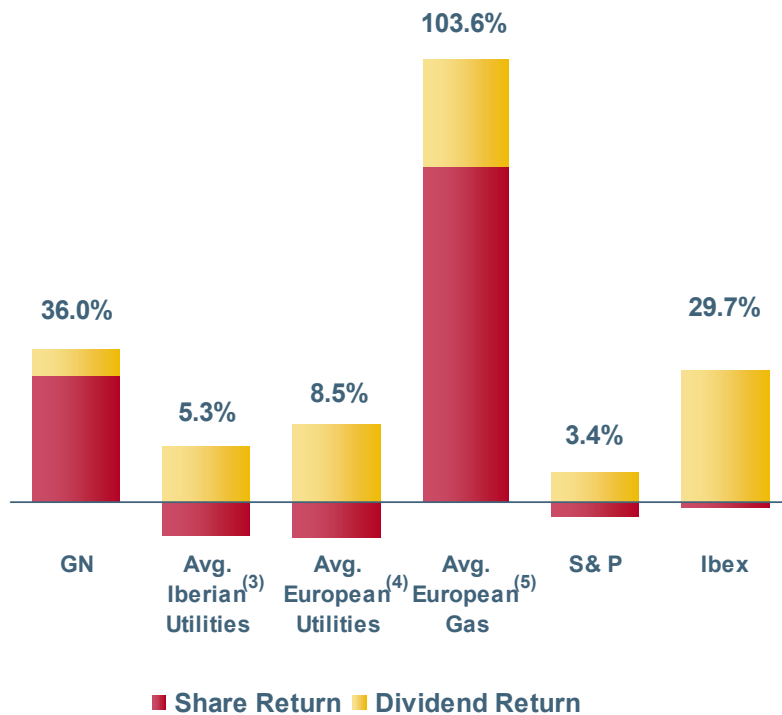


Appendix	Topic	Page(s)
A. Overview of Gas Natural Group	● Stock Market Performance	10
	● High Growth in Core Spanish Gas Market	11
	● Maximum Peak Load Coverage	12
B. Key Recent Developments	● Regulation	13 - 14
	● Partial Sale of Enagas	15
	● Changes in Shareholder Structure	16
C. Compelling Business Profile	● Focus on Energy and Customer Service	17
	● Gas Sources	18
	● Tactically Long on Electricity Generation	19
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	● Gas distribution in LatAm	21
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Overview of Gas Natural Group Stock Market Performance

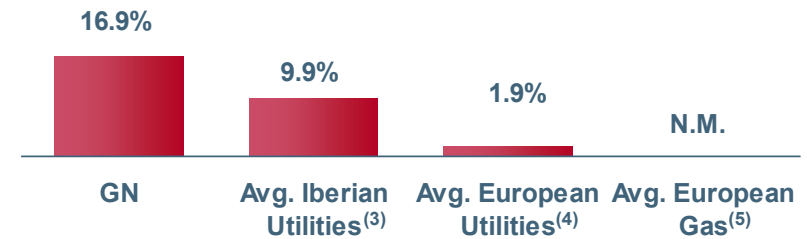


Total Return Last 5 years⁽¹⁾



Source: Datastream

EPS CAGR Growth Last 5 years⁽²⁾



Source: Datastream

Financial Ratios

	ROACE	Leverage ⁽⁶⁾
Gas Natural	12.9%	26%
Avg. Iberian Utilities	7.9%	60%
Avg. European Utilities	7.8%	38%
Avg. European Gas	19.0%	19%

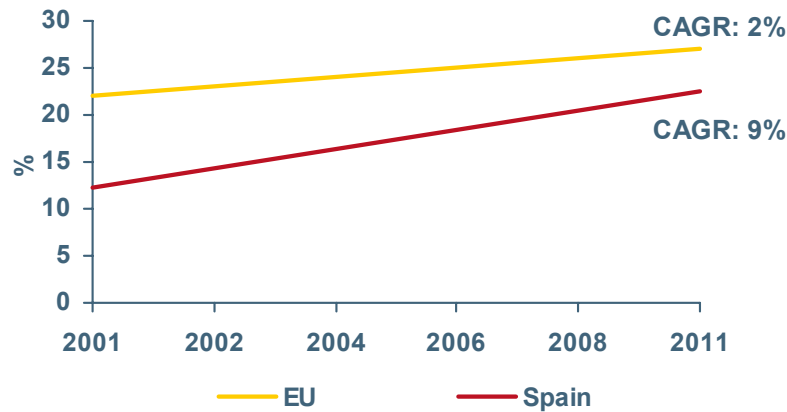
Source: Company Reports

- 1) Share price appreciation and dividends for November 4, 1997 to November 4, 2002. Data for ENEL since IPO
- 2) Last 5 full-year reported EPS
- 3) Includes Endesa, Iberdrola, Unión Fenosa and EDP
- 4) Includes E.On, Electrabel, Enel and ScottishPower
- 5) Includes Italgas and Centrica
- 6) Net Debt / (Equity + Minorities+Net Debt) as of June 30, 2002

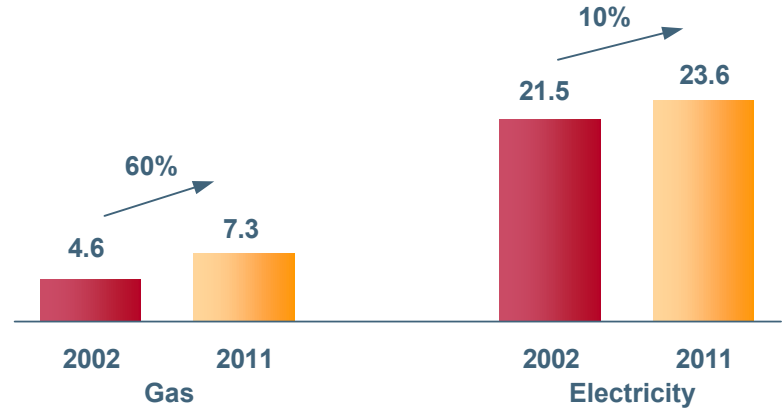
Overview of Gas Natural Group High Growth in Core Spanish Gas Market



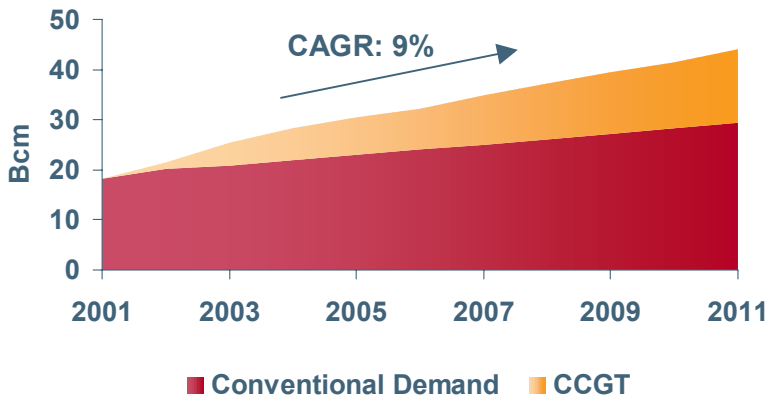
Natural Gas in Primary Energy Consumption



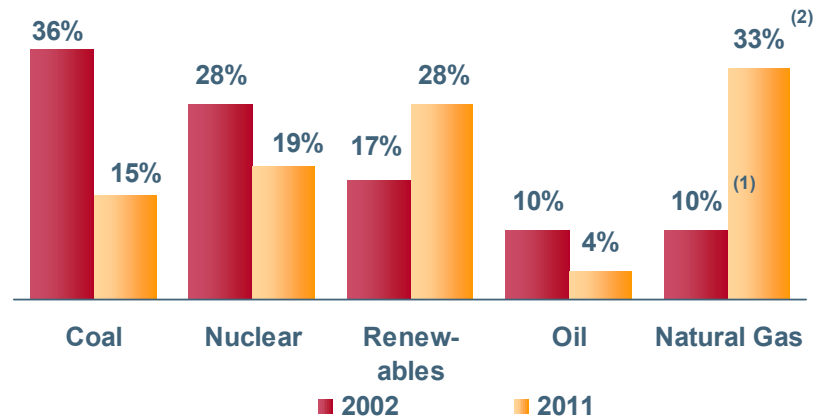
Number of Customers (m)



Evolution of Total Gas Demand



Electricity Generation Sources



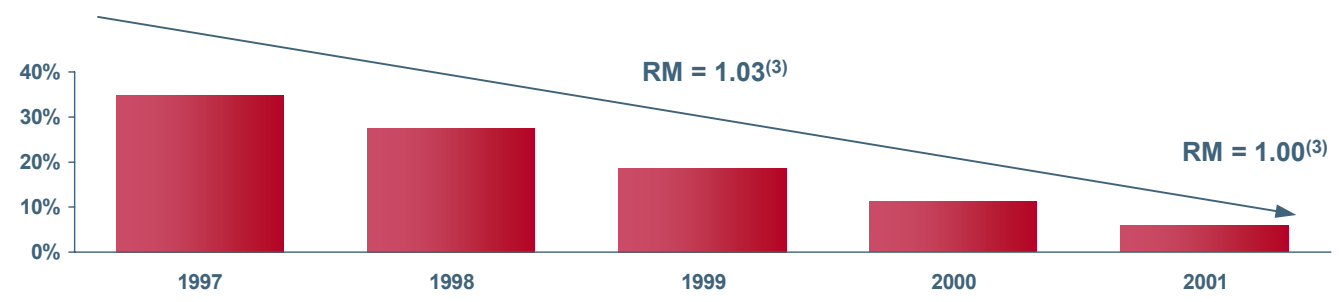
Source: National Energy Plan 2002-2011

- 1) Primarily cogeneration and conventional fuel/gas generation
- 2) CCGT generation represents about 80%

Overview of Gas Natural Group Maximum Peak Load Coverage



Reserve Margin⁽¹⁾⁽²⁾



2007 Power Capacity Requirements Breakdown

2001 Maximum Load Peak Demand	35,000 MW
2007 Maximum Load Peak Demand according to National Energy Plan	43,800 MW
Δ Peak Load 2007-2001	+8,800 MW
Ideal Minimum Reserve Margin 2007 (+10%)	4,400 MW
Estimated Plant Decommissionings ⁽⁴⁾	5,000 MW
↓	
Loss of Estimated Availability for Peak Load (80%)	4,000 MW

Required Installed Power Capacity 2007
17,200 MW

2007 Capacity Increase Breakdown

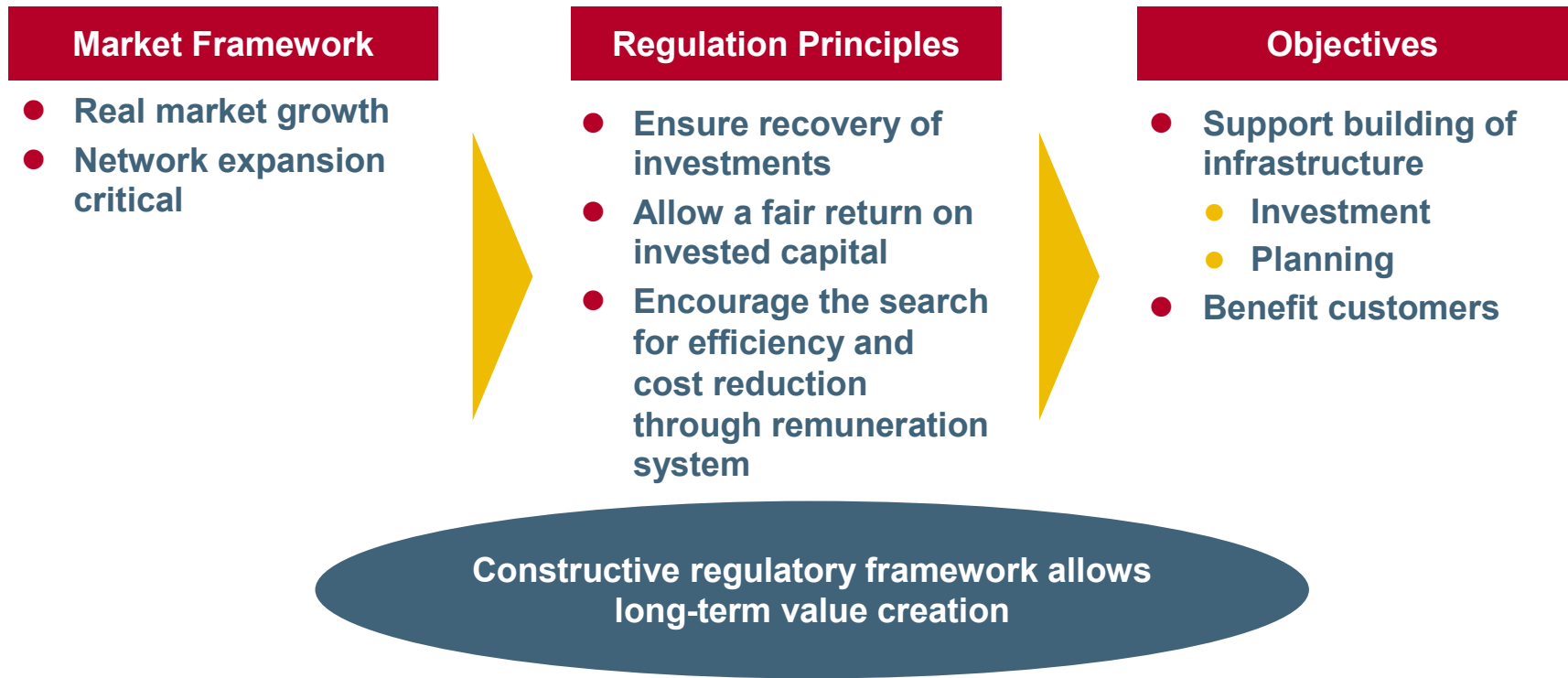
CCGT Plants Commissionings (2002–2007)	
- Gas Natural	4,800 MW
- Competitor 1	4,000 MW
- Competitor 2	2,400 MW
- Competitor 3	2,000 MW
- Other	2,400 MW
<hr style="border: 0; border-top: 1px solid black; margin: 0;"/> 15,600 MW	
↓	
Estimated availability for Peak Load (90%)	14,000 MW
Renewables and Cogeneration estimated new capacity (2002–2007)	
9,200 MW	
↓	
Estimated Availability for Peak Load (35%)	3,200 MW

1) Relationship between available power and maximum peak load
 2) Measured with annual availability coefficients
 3) Measured with availability coefficients per hour
 4) Assets' life: Coal plants 40 years, fuel gas plants 35 years

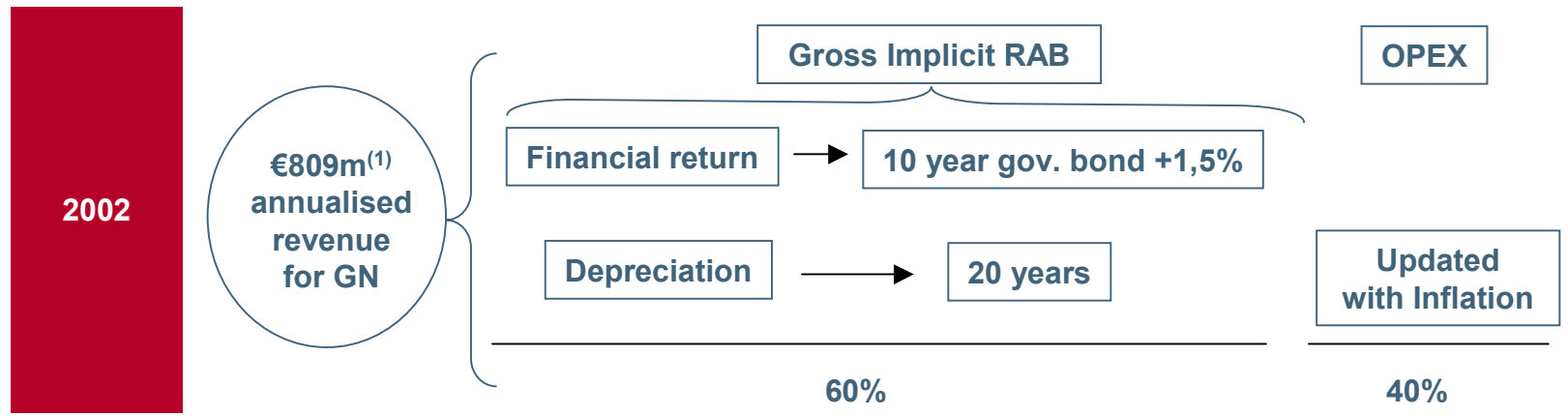
Key Recent Developments Regulation for Spanish Gas Distributors



The new regulation mirrors the reality of the Spanish gas market



Key Recent Developments Regulation for Spanish Gas Distributors



2003 and Beyond

- Previous year's revenue rolled forward using $RPI \times F$ ($F \leq 0.85$)
- New investment recognised via:
 - New Retail connections (60%)
 - Volume growth (40%)
- 7.5% CAGR increase in regulated revenue based on our growth expectations

Exclusivity in Gas Natural areas until 2005

Regulated Revenues Linked to Regulated Market Sales

- Customer management parameters designed in 2002 rolled forward using $RPI \times F$ ($F \leq 0.85$)
- Recognised losses, generated in the distribution system based on natural gas costs
- Financing working capital based on Euribor + premium

1) In 2002; applied linearly after February 18

Key Recent Developments

Partial Sale of Enagas



59.1% of the shares of Enagas were sold (excluding greenshoe)

- Implied Enagas market value: €1,552m (€6.50 per share)

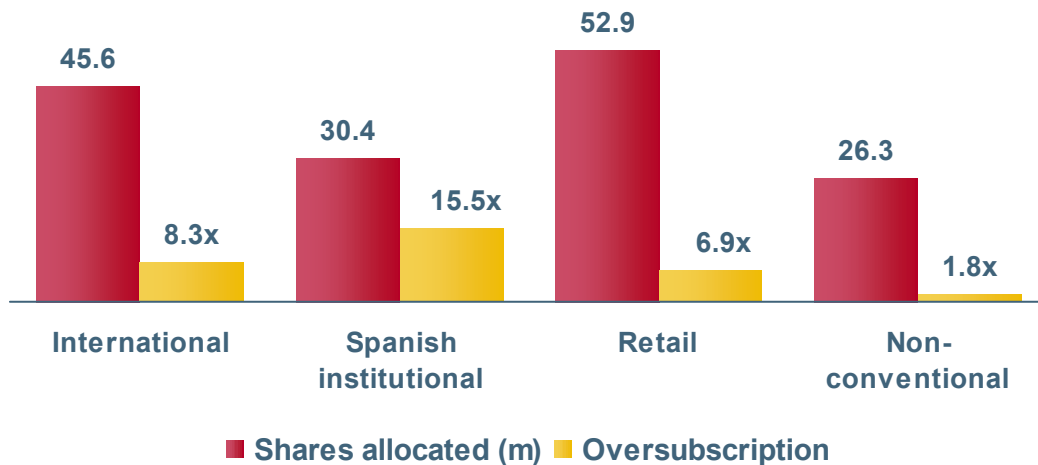
- Implied Enagas enterprise value: €2,655m

- June 26, 2002 first day of trading, in line with initial schedule

- Repayment of intragroup loans (€848m)

- Allocation (including greenshoe):

Placed among a broad base of top-quality investors



Greenshoe retained for strategic value creation purposes
 Gas Natural SDG will only have 35% of the voting rights

The proceeds boost Gas Natural's financial flexibility to make selective investments

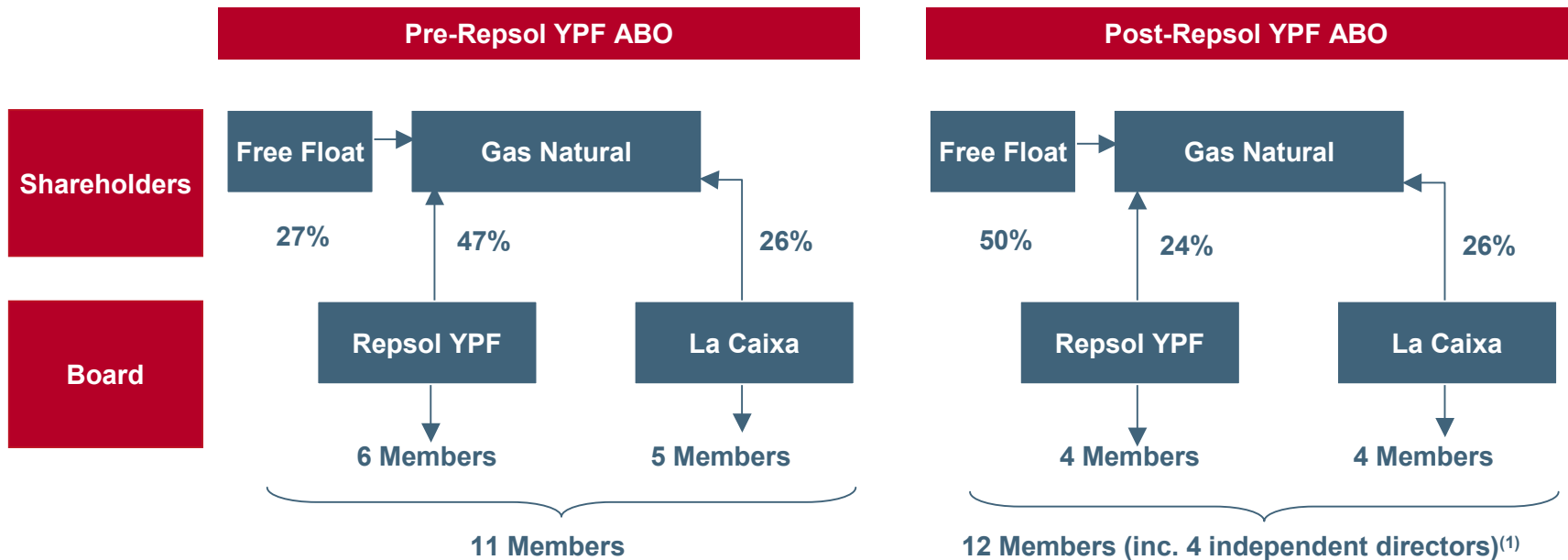
Key Recent Developments

Changes in Shareholder Structure



Sale of Repsol's 23% Stake in Gas Natural

- On May 16, 2002, Repsol YPF reduced its shareholding in Gas Natural by placing a block of 23% of the company's shares in the market through an Accelerated Bookbuilt Offering (ABO)
- The transaction represented over 130 days of trading and was more than two times oversubscribed
- As a result of this deal, Gas Natural's free float almost doubled; moreover, the transaction triggered a significant change in the company's shareholder structure, with consequences on the composition of Gas Natural's Board of Directors



1) Pending approval at December 16, 2002 extraordinary shareholders' meeting

Compelling Business Profile

Focus on Energy and Customer Service



Growth in Core Business

- 9% estimated CAGR in Spanish gas demand 2001- 2011
- 1.5m new Gas Natural customers in Spain in 2003-2007
- Flexible and low-cost gas supply contracts

Customer-Centered Multi-Utility

- Leverage gas cost advantages in CCGT generation
- Synergies from dual fuel customers
- Enhance customer loyalty via new products and services

Strong Execution Skills

- Driving force behind development of the Spanish gas industry
- Proven ability to deliver efficient growth
- Reasonable outcome from distribution regulation
- Expertise to develop immature markets

Avoiding Pitfalls

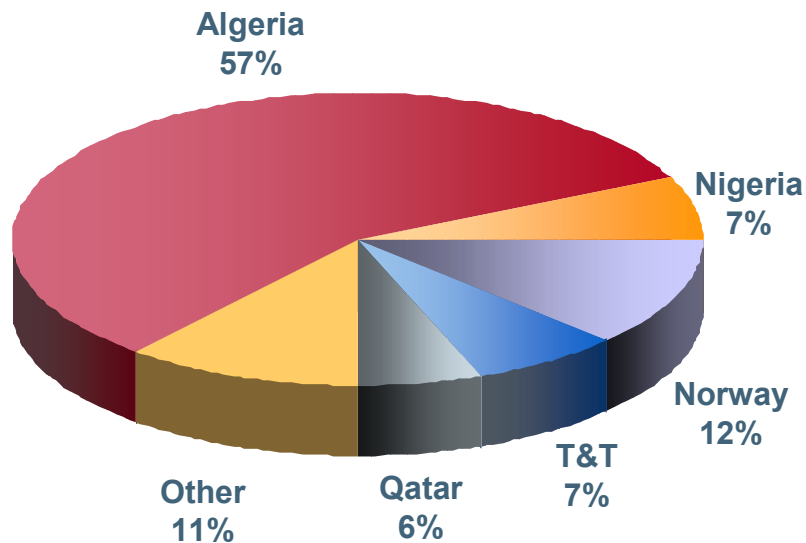
- No exposure to telecom
- Appropriate leverage

Compelling Business Profile

Gas Sources



Gas Sources⁽¹⁾



Highlights

Maghreb Expansion

- The project to expand the capacity of the Maghreb-Europe gas pipeline by 50% (to 12Bcm per year), has commenced
 - Investment: €63m
 - Deadline for completion: December 2004

LNG Purchases

- Recent agreement for spot LNG purchases from Abu Dhabi, Brunei, Qatar (1Bcm combined)

LNG Midstream

- Increase in trading of LNG to the US: 1Bcm in 2002 vs. 0.5Bcm in 2001
- 50:50 JV with Repsol YPF established to manage and develop both companies' presence along the LNG value chain
- 6-7Bcm traded by 2007

Emphasis on expanding and diversifying sources of supply

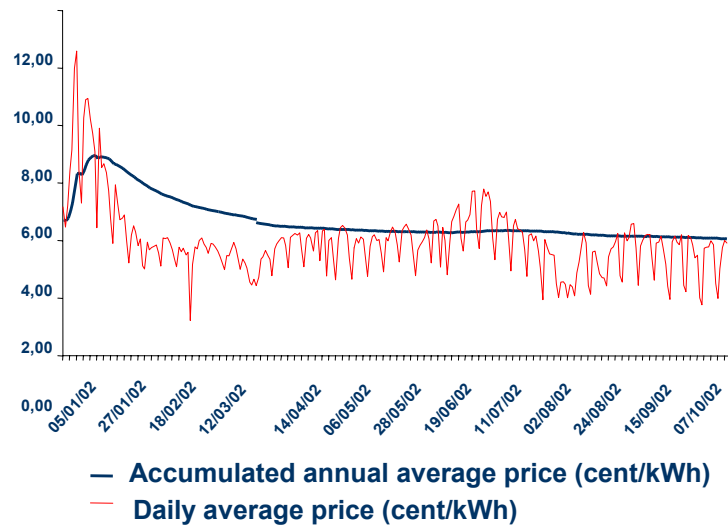
1) 9 months 2002 (excludes LatAm operations)

Compelling Business Profile Tactically Long on Electricity Generation



Advantageous Pool Prices

2002



Ideal situation to enter
generation pool

GN's Cost Advantages

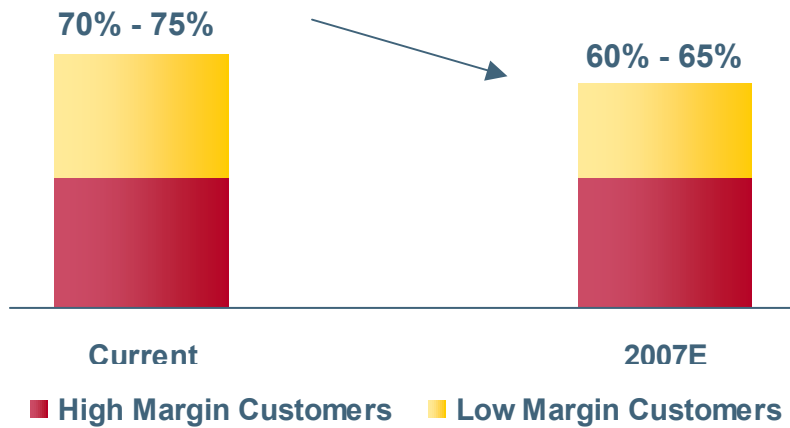
- Diverse and low-cost sources of supply
- Growing efficiencies from transporting / handling larger amounts of gas
- Fully contracted supply, storage, regasification and transportation
- Low level of contracted CCGT opex

GN has significant gas
cost and flexibility
advantage vs. competing
CCGT projects

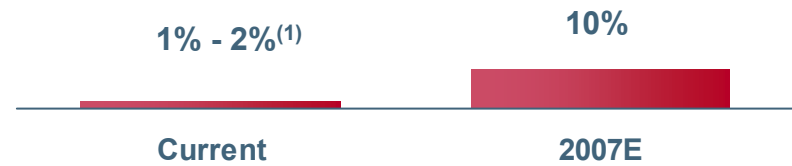
Compelling Business Profile Optimising Market Shares in Spain



Gas Market Shares



Electricity Market Shares



Gas Tactics

- Optimise customer base, keeping most profitable customers
- Ability to use our commercial strength

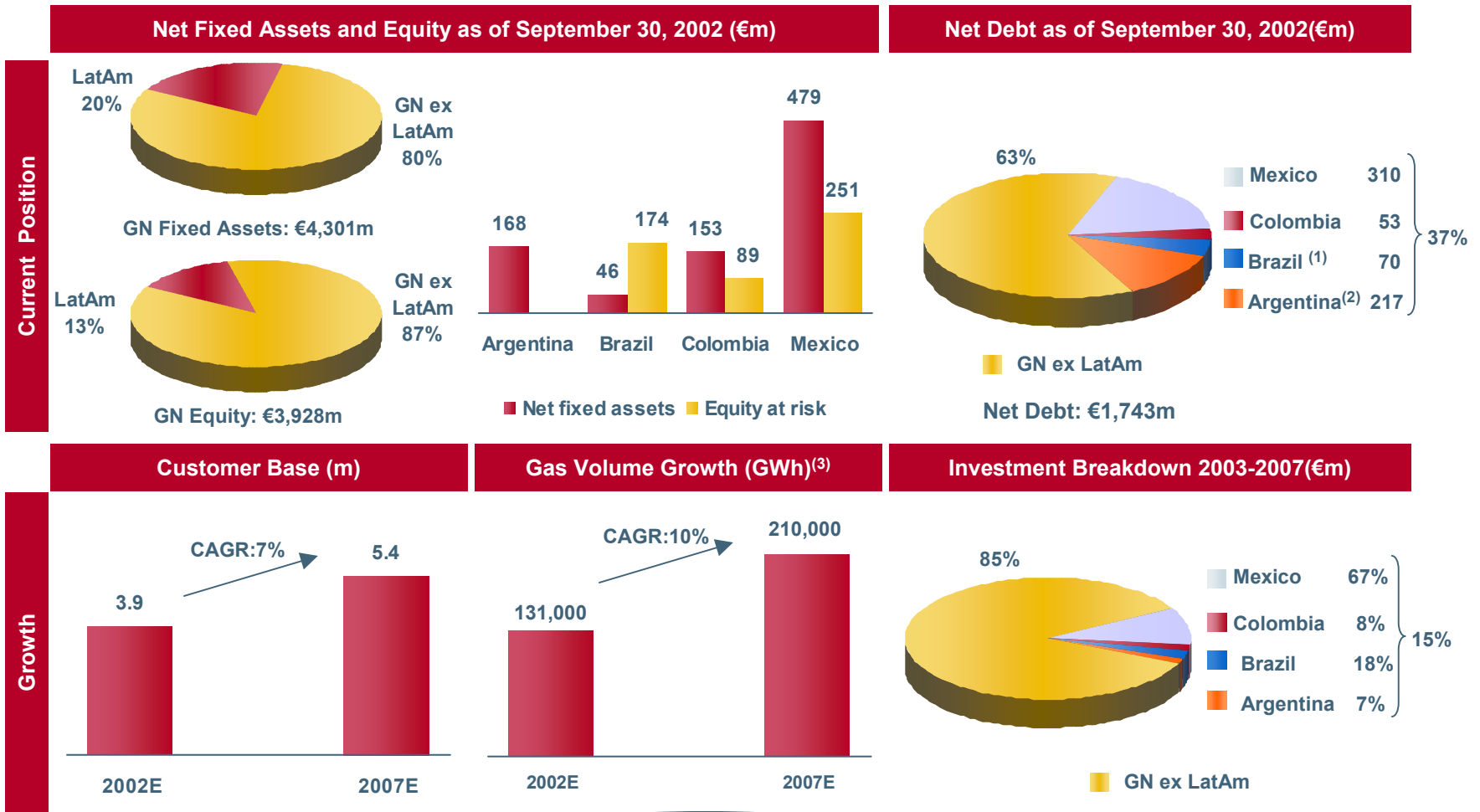
Electricity Tactics

- Profit from high pool prices through flexibility to balance generation and supply
- Ability to use our commercial strength

1) 4% in liberalised market

Compelling Business Profile

Gas Distribution in LatAm



All countries are EBIT positive, limited risk & future growth

1) Includes €15m
 2) Includes \$226m
 3) TPA included

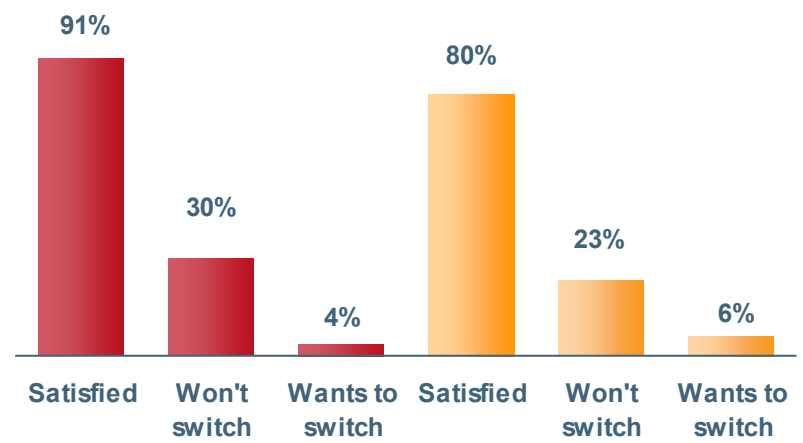
Compelling Business Profile

Multi-Utility: Full Liberalisation on Jan-2003



GN's Brand and Service

Natural Gas	Electricity
-------------	-------------



Gas and Electricity Synergies

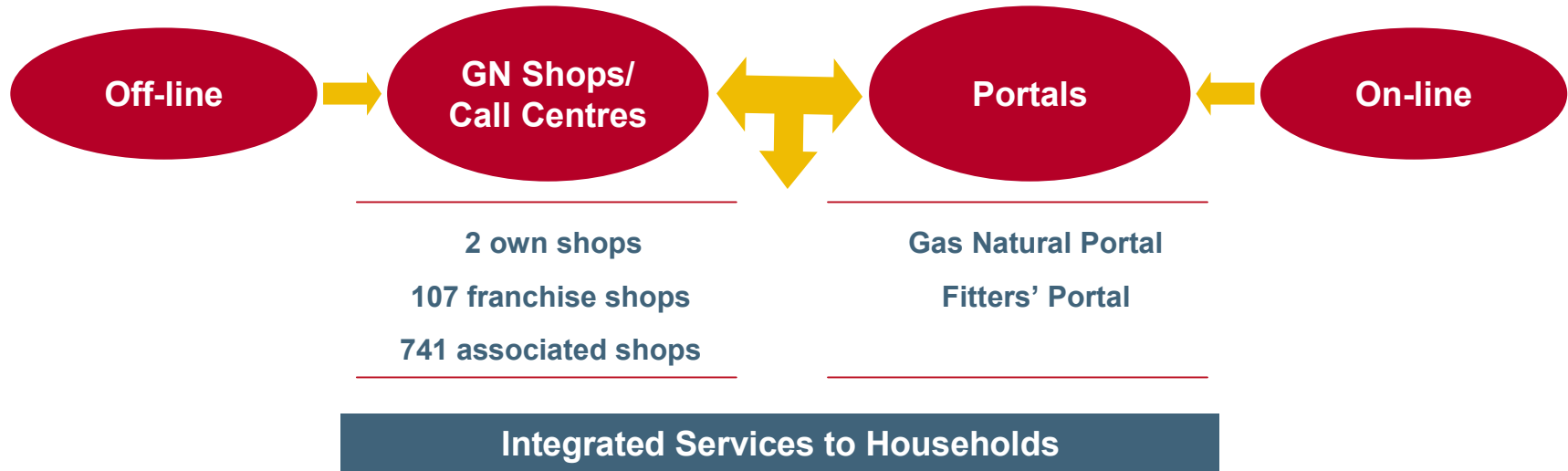
- | | |
|--------------------|--|
| Gas Cost | <ul style="list-style-type: none"> Purchasing power vs. suppliers Efficiencies with larger volumes |
| Admin | <ul style="list-style-type: none"> Billing Collections Queries IT Systems |
| Brand | <ul style="list-style-type: none"> Brand management Marketing Smaller discounts to gain customers |
| Home Visits | <ul style="list-style-type: none"> Both meter readings in same visit Combined appliance maintenance Cross selling |

GN well positioned to gain dual fuel distribution market share

Source: PwC Consulting, May-2002

Compelling Business Profile

Building Loyalty Through Commercial Expertise



	Additional Contracts 2003-2007
Home services (maintenance contracts) ⁽¹⁾	1,000,000
Central heating installations	160,000
Gas appliances sales	250,000
GN services (insurance, credit cards, security, etc)	160,000

1) 653,000 contracts as of September 30, 2002

Solid Financial Performance

Recent Financial Highlights



Figures in €m		1997	1998	1999	2000	2001	9M 2002	CAGR (%) ⁽⁴⁾
Summary P&L	Net Sales	2,575	2,683	3,170	4,892	5,531	3,944	21%
	EBITDA	794	907	1,140	1,360	1,484	1,113	17%
	Operating Income	502	593	738	922	1,019	753	19%
	Net Income	304	351	426	497	571	664 ⁽³⁾	17%
Summary B/S	Total Investments	842	831	1,028	1,726	1,012	681	5%
	Net Debt	2,053	2,105	2,651	3,665	3,677	1,743	16%
	Net Cash Flow	569	631	833	929	1,004	717	15%
	Leverage ⁽¹⁾ (%)	45%	44%	46%	51%	49 %	30%	
Profitability	ROACE (%)	10.2%	10.9%	12.2%	12.9%	12.9 %		
	ROE ⁽²⁾ (%)	14.2%	14.5%	15.6%	15.9%	16.3 %		

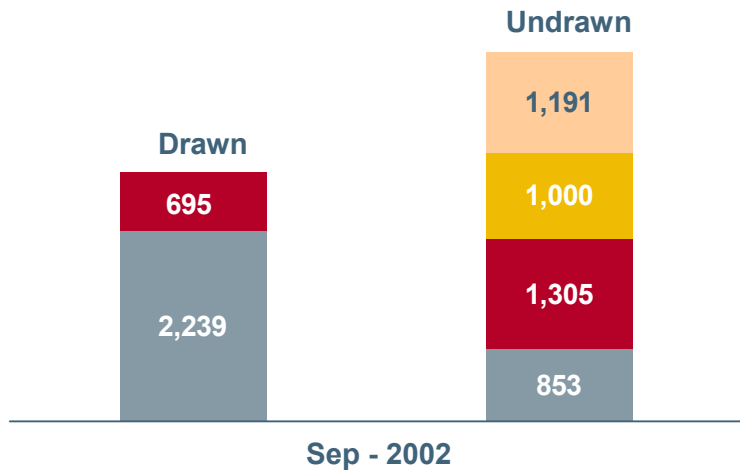
- 1) Net Debt/(Net Debt + Minorities + Shareholders' Equity)
- 2) Return on Equity = Net Income/Shareholders' Equity
- 3) Includes €267m in net capital gains from the 59.1% Enagas disposal
- 4) 1997-2001

Solid Financial Performance

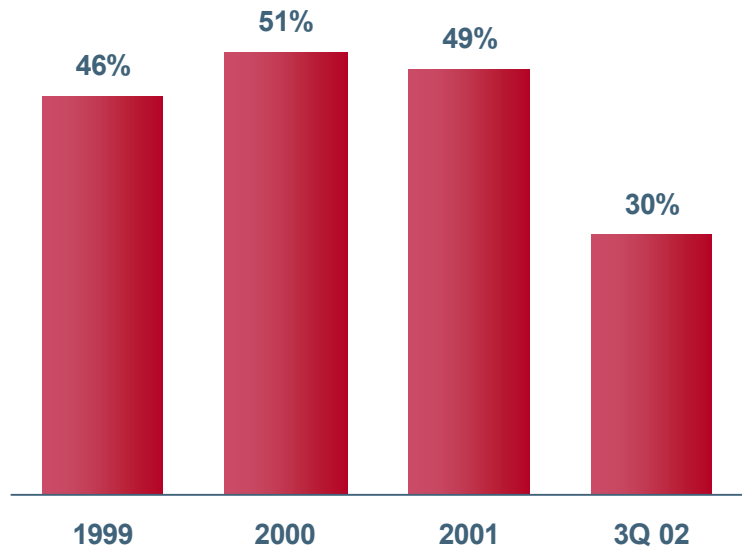
Leverage Target at Historical Levels



Financial Facilities (€m)



Leverage⁽¹⁾



- Bank Facilities
- EMTN
- ECP
- Cash Placement

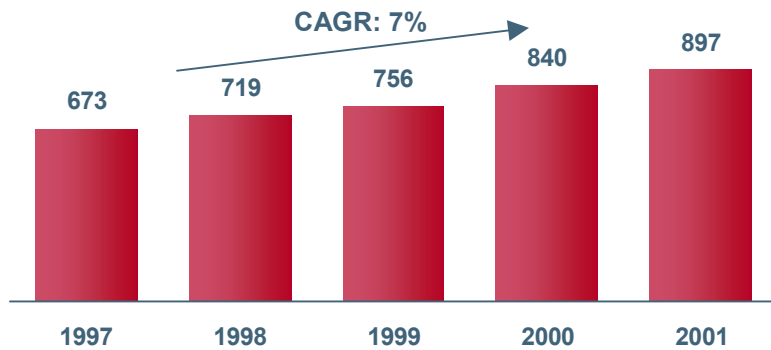
Financial flexibility to support organic growth and acquisitions

1) Net Debt/(Net Debt + Minorities + Shareholders' Equity)

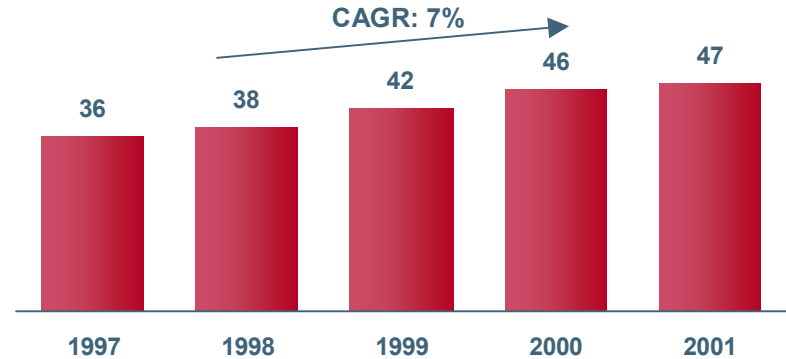
Solid Financial Performance Efficiency Track Record and Targets



Customers per Employee⁽¹⁾

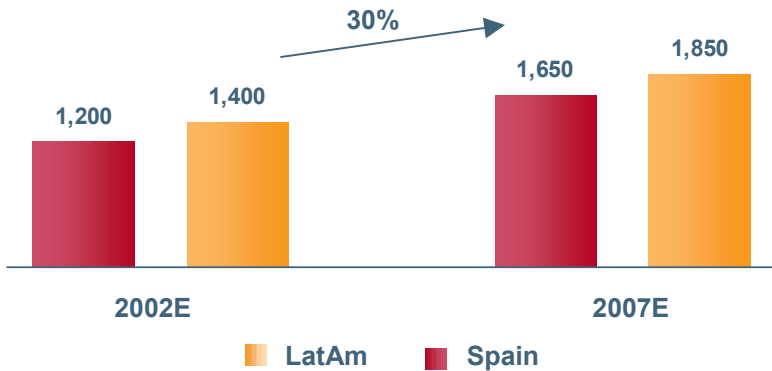


Sales (GWh) per Employee

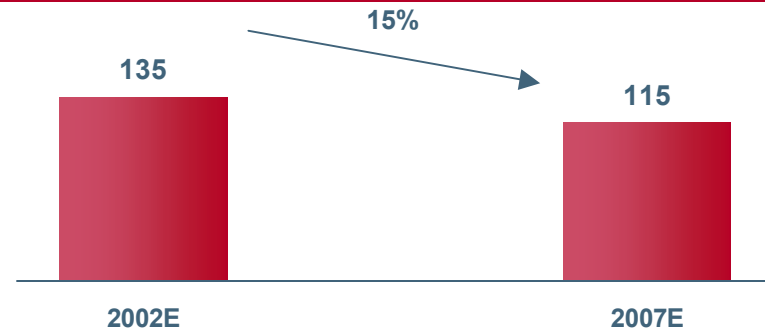


Targets

Customers per Employee



OPEX (€) per Customer⁽²⁾



1) Figures include Enagas employees
2) Target figures based exclusively on activity in Spain

Gas Natural Group - 3Q02 Results

Economic-Financial Highlights



3Q02	3Q01 ⁽¹⁾	3Q01	Change (%) ⁽²⁾		YTD 02	YTD 01	Change (%)
1,243.2	1,161.8	1,153.9	7.0	Net Sales	3,944.1	4,000.3	-1.4
826.8	828.2	820.3	-0.2	Gas in Spain	2,990.6	3,023.7	-1.1
94.7	17.2	17.2	450.6	Other activities in Spain	208.6	56.3	270.5
321.7	316.4	316.4	1.7	Gas abroad	744.9	920.3	-19.1
268.6	243.0	283.7	10.5	EBITDA	1,112.5	1,045.5	6.4
173.9	116.0	156.7	49.9	Gas in Spain	856.0	738.6	15.9
11.9	5.2	5.2	128.8	Other activities in Spain	15.9	17.3	-8.1
82.8	121.8	121.8	-32.0	Gas abroad	240.6	289.6	-16.9
175.1	153.4	166.5	14.1	EBIT	753.4	702.4	7.3
102.9	80.9	79.3	27.2	Net Income	663.6	365.7	81.5
170.5	168.3	185.4	1.3	Net Cash Flow	717.3	694.1	3.3
203.8	165.5	193.0	23.2	Investments	681.1	623.2	9.3
-	-	-	-	Leverage, %	29.6	49.0⁽³⁾	-

(€m)

1) Including only 40.9% of Enagas (consolidated as per equity method)

2) Regarding 3Q01⁽¹⁾

3) As of December 31, 2001

Gas Natural Group - 3Q02 Results

Operational Highlights



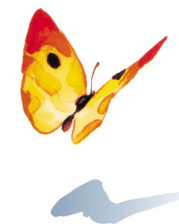
3Q02	3Q01	Change (%)		YTD 02	YTD 01	Change (%)
108,870	86,688	25.6	Gas Activity Sales (GWh)	324,405	266,688	21.6
59,241	47,382	25.0	Spain ⁽¹⁾	191,674	153,105	25.2
46,670	43,295	7.8	Gas Sales	158,625	139,732	13.5
12,571	4,087	207.6	TPA	33,049	13,373	147.1
36,257	30,914	17.3	LatAm	97,283	85,150	14.2
23,152	18,780	23.3	Gas Sales	59,117	49,410	19.6
13,105	12,134	8.0	TPA	38,166	35,740	6.8
13,372	8,392	59.3	Others	35,448	28,433	24.7
5,804	1,866	211.0	Gas Sales	11,883	10,378	14.5
7,568	6,526	16.0	TPA	23,565	18,055	30.5
142,000	131,000	8.4	Growth in Customers	410,000	383,000	7.0
64,000	67,000	-4.5	Spain	199,000	208,000	-4.3
78,000	64,000	21.9	LatAm	211,000	175,000	20.6
-	-	-	Number of Customers	7,948,000	7,372,000	7.8
-	-	-	Spain	4,108,000	3,816,000	7.7
-	-	-	LatAm	3,840,000	3,556,000	8.0
1,272	1,383	-8.0	Network⁽²⁾	77,766	71,994	8.0
586	649	-9.7	Spain	30,594	27,942	9.5
686	734	-6.5	LatAm	47,172	44,052	7.1
-	-	-	Employees⁽²⁾	6,050	6,141	-1.5

1) Growth in 3Q02 and YTD02 would be 12.3% and 15.2%, respectively if 25% Algerian Gas Contract sales are not considered

2) Excluding Enagas

Gas Natural Group - 3Q02 Results

EBITDA Analysis



	YTD 02	YTD 01	Change (%)
Group EBITDA	1,112.5	1,045.5	6.4
Enagas EBITDA for the period ⁽¹⁾	-164.9	-164.0	-
Group EBITDA, excluding Enagas	947.6	881.5	7.5
Argentina operations	-35.6	-133.3	-
Regulated revenues: linear vs. seasonal	-45.4	-	-
Consolidation changes	-44.3	-	-
Adjusted EBITDA	822.3	748.2	9.9

(€m)

1) Equivalent to Enagas' EBITDA in first 6 months of 2002 and to Enagas' EBITDA in first 9 months of 2001 (Enagas fully consolidated in 2001 and first 6 months of 2002; consolidation by equity method in 3Q 2002)

Gas Natural Group - 3Q02 Results

Net Income Analysis



	YTD 02	YTD 01	Change (%)
Net income reported	663.6	365.7	81.5
Capital gain on the Enagas and GN México sale ⁽¹⁾	-277.9	-	-
Net effect of devaluation in Argentina (Fx) ⁽²⁾	40.6	-	-
Adjusted net income	426.3	365.7	16.6

(€m)

1) Capital gain on the sale of 59.1% of Enagas and 13.25% of Gas Natural México, considering related expenses, provisions and taxes

2) Adjustment by inflation not booked

Gas Natural Group - 3Q02 Results

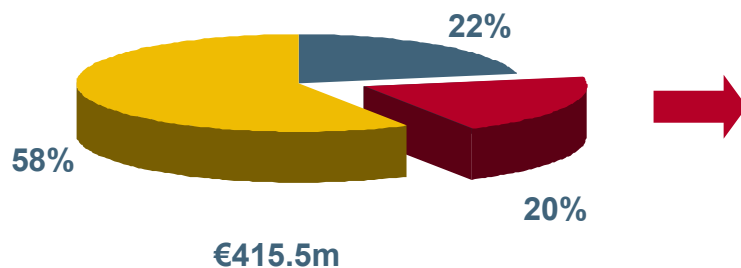
Capital Expenditure



3Q02	3Q01	Change (%)	(1)	YTD02	YTD01	Change (%)
192.3	145.0	32.6	Tangible	415.5	404.7	2.7
8.8	8.2	7.3	Intangible	18.8	20.4	-7.8
2.7	8.7	-69.0	Financial	162.7	78.3	107.8
-	3.6	-	Other	4.1	9.9	-58.6
203.8	165.5	23.1	Total Investments	601.1	513.3	17.1

(€m)

YTD02 Tangible Investments



Abroad Breakdown (€m)

Mexico	53.3
Brazil	9.9
Colombia	9.4
Argentina	1.6
Others	8.7

■ Gas in Spain
 ■ Other activities in Spain
 ■ Abroad

1) Excluding Enagas

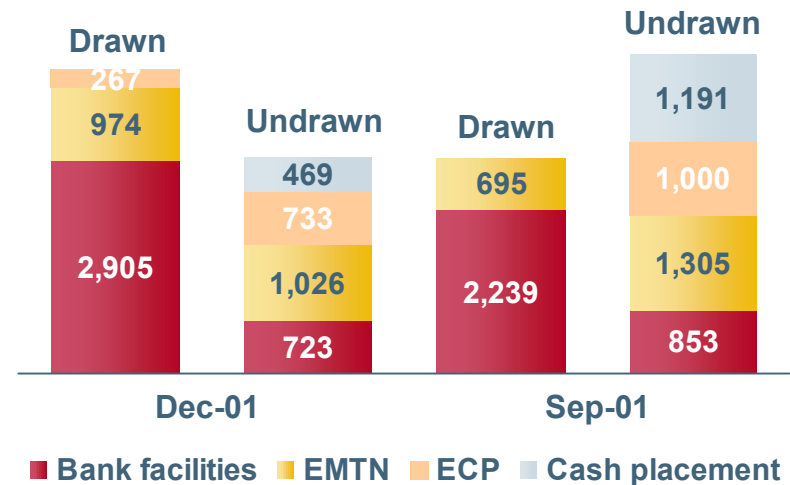
Gas Natural Group - 3Q02 Results

Capital Structure

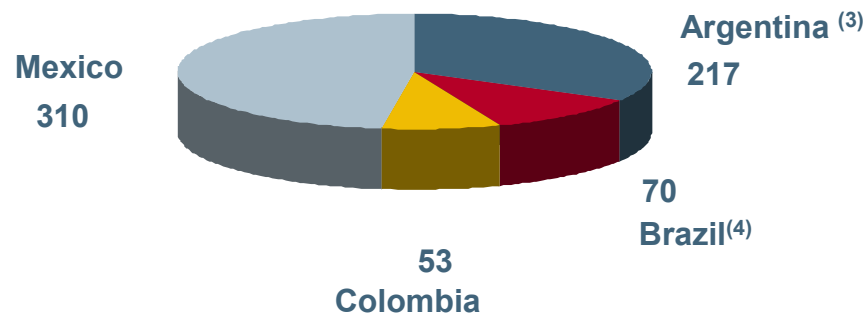


	FY01	YTD 02
EBITDA/Net Interest ⁽¹⁾	8.1x	12.8x
Leverage	49.0%	29.6%
Net Debt/EBITDA ⁽²⁾	2.5x	1.8x
Net Debt (€m)	3,677	1,743

Financial Facilities



Net Debt in LatAm by Countries (€m)



1) Excluding Argentine Fx provision
 2) Excluding Enagas contribution
 3) Includes \$226m
 4) Includes €15m

Gas Natural Group - 3Q02 Results

Main Events



- A 3-year agreement was signed with ASCER and ANFFECC

- The Sant Adrià de Besòs (Barcelona) plant became operational

- Red Eléctrica de España officially certified Gas Natural to operate as an electricity regulation zone

- Gas Natural Vendita Italia was incorporated to supply natural gas in Italy

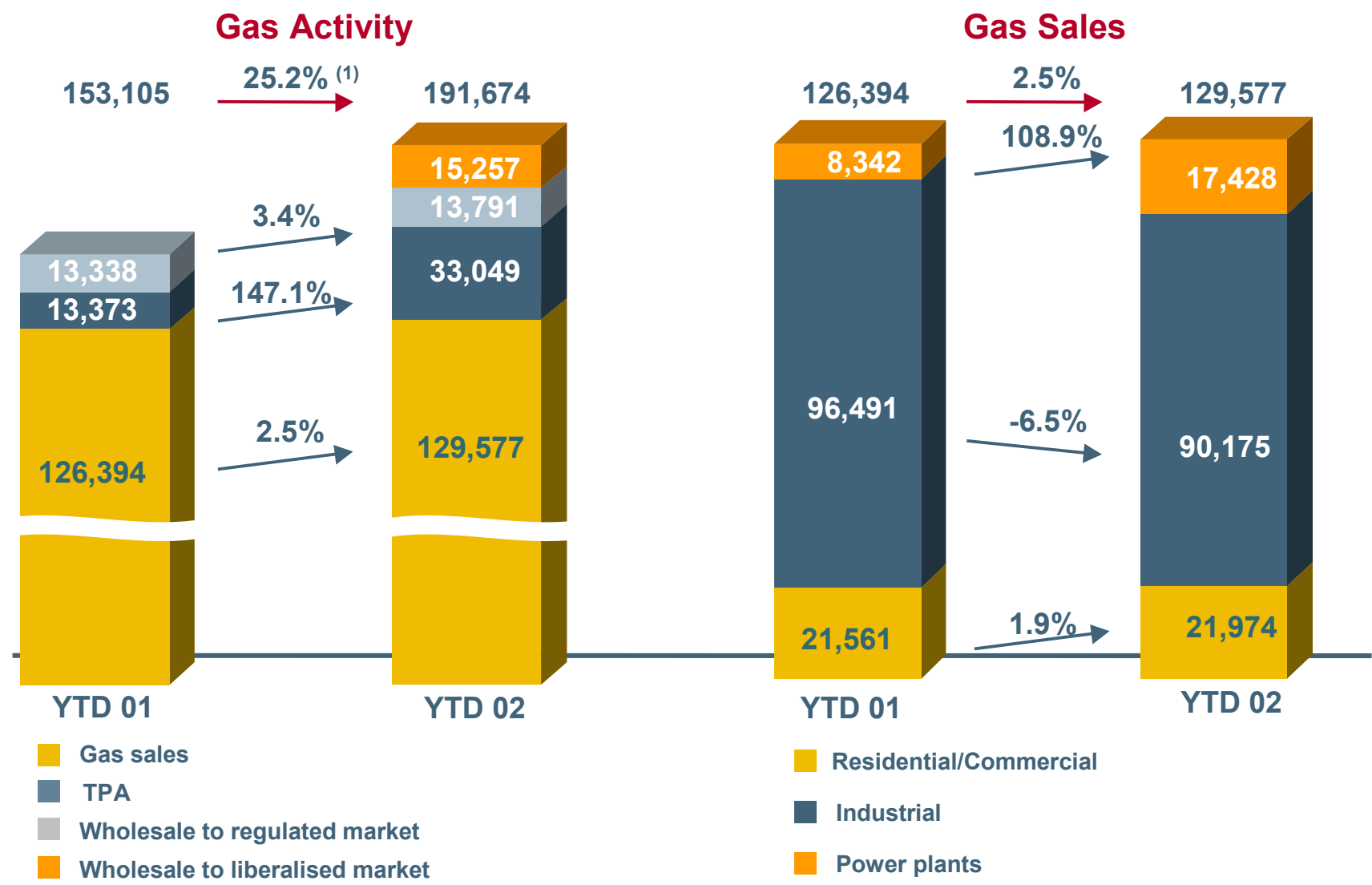
- The Spanish Cabinet approved the 2002-2011 Electricity Transmission and Gas Transportation Network Planning and Development Document

- A cooperation agreement was signed with Securitas Direct to market security systems for households and small enterprises

- Gas tariffs rose due to the upward adjustment for raw material costs under the current regulatory framework

Gas Natural Group - 3Q02 Results

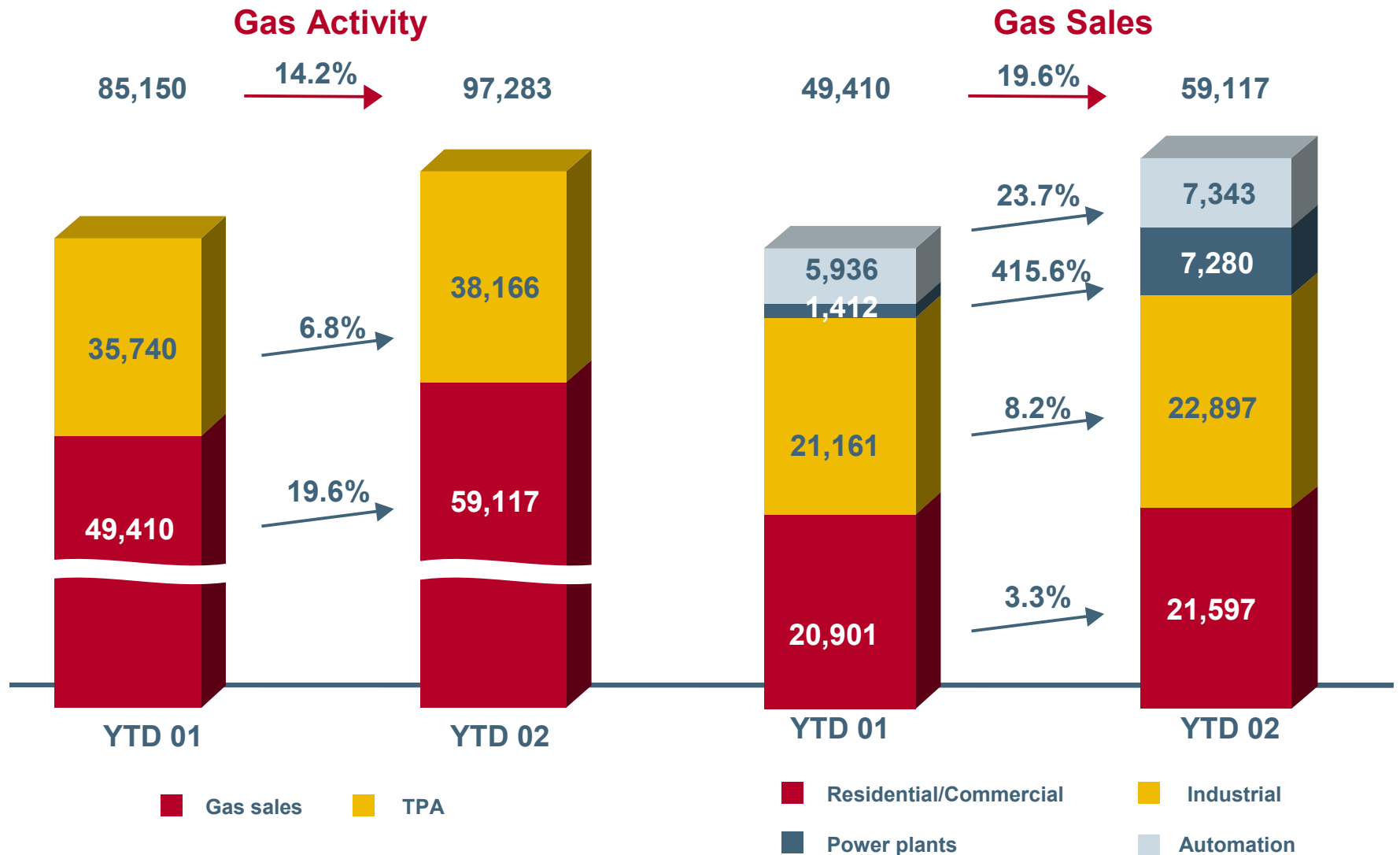
Breakdown of Spain Gas Activity (GWh)



1) Growth in YTD02 would be 15.2%, if 25% Algerian Gas Contract sales are not considered

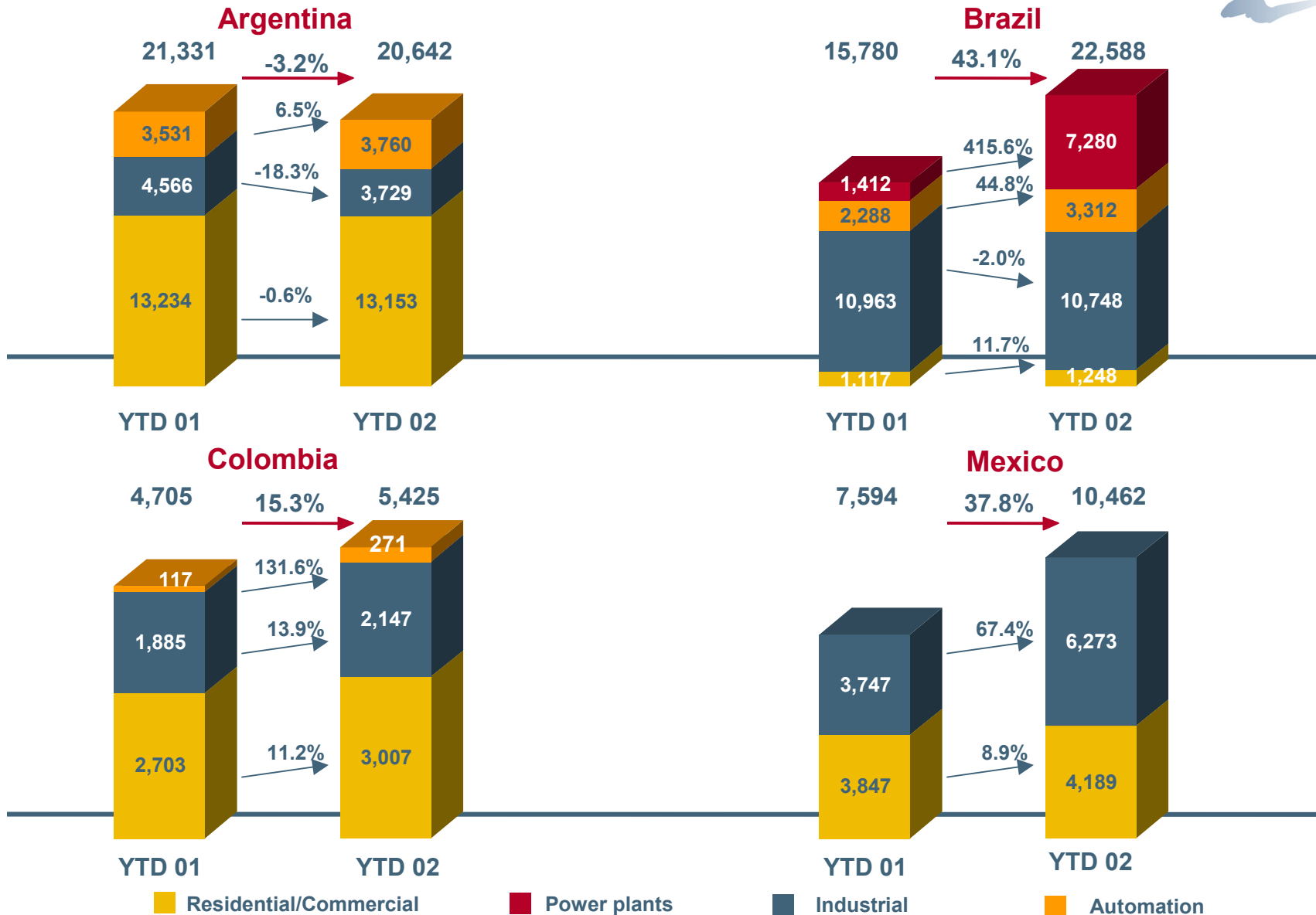
Gas Natural Group - 3Q02 Results

Breakdown of LatAm Gas Activity (GWh)



Gas Natural Group - 3Q02 Results

Breakdown of LatAm Gas Sales (GWh)

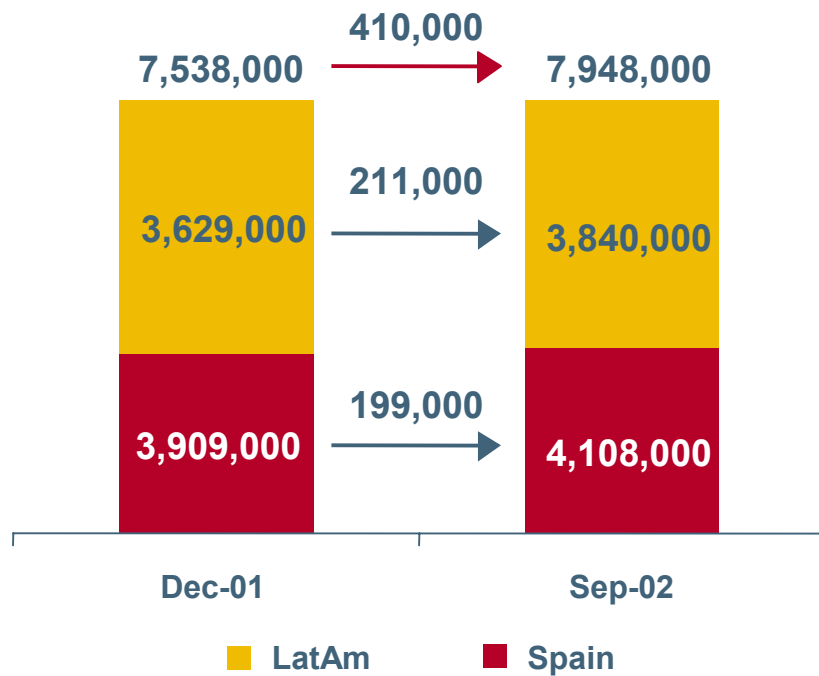


Gas Natural Group - 3Q02 Results

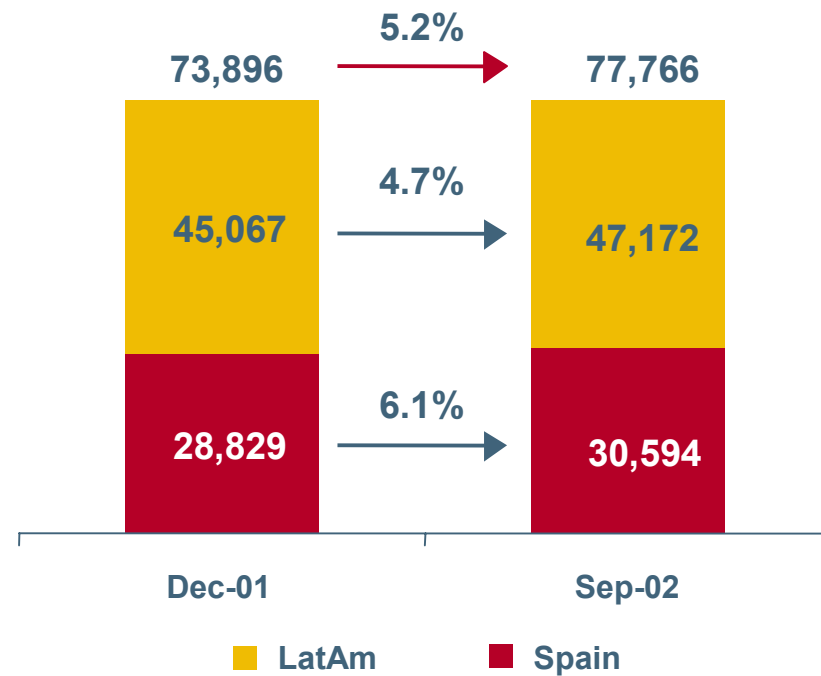
Gas Distribution



Customers



Network (Km)



8.5% reduction in OPEX per customer

Customer per employee: 1,940 by 2002 vs 1,811 in 2001⁽¹⁾

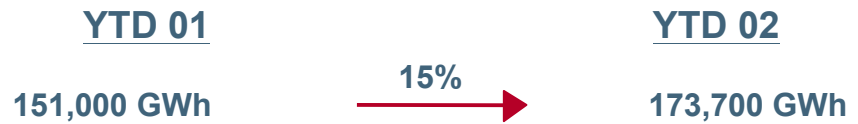
1) Figures based exclusively on distribution in Spain

Gas Natural Group - 3Q02 Results

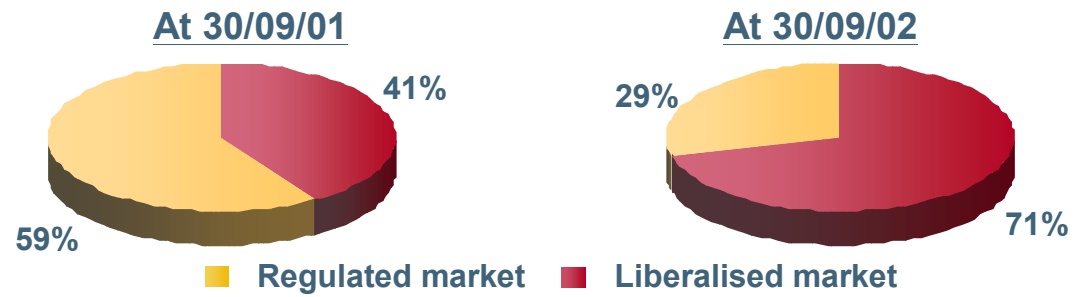
Gas Market in Spain⁽¹⁾



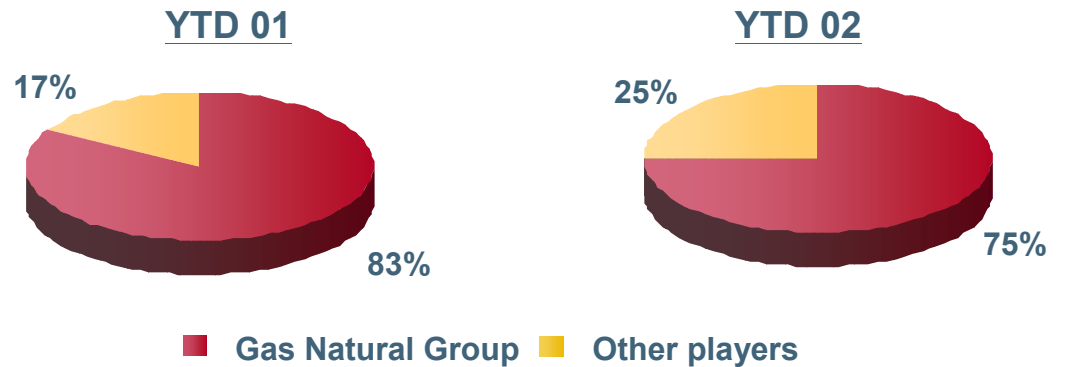
Gas Demand (GWh)



Gas Market Liberalization



GN Market Share



Growing in a free market situation

1) Gas Natural estimation

Gas Natural Group - 3Q02 Results Electricity

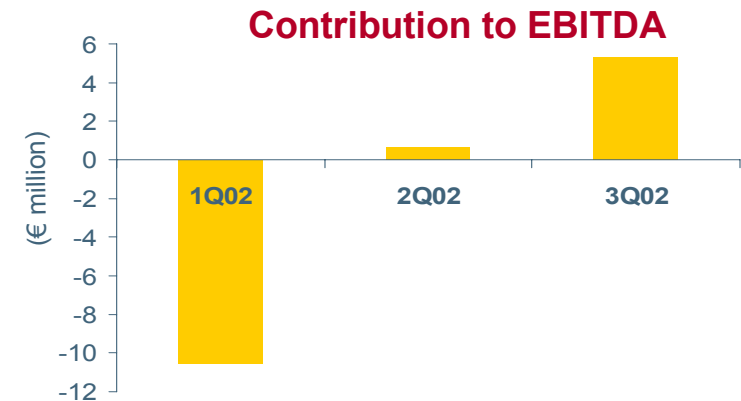
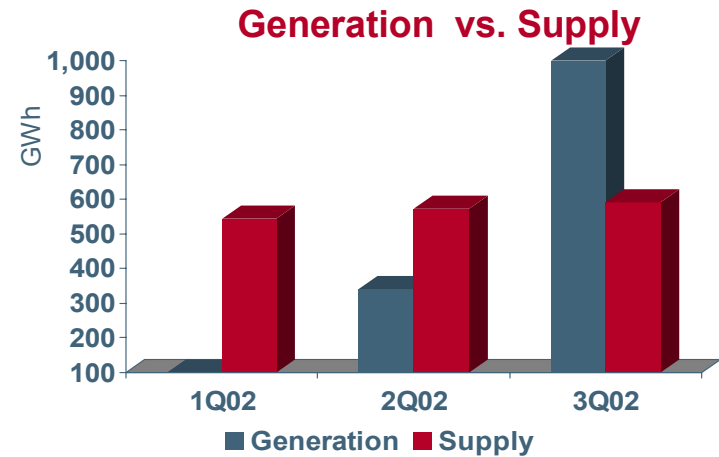


Generation

- 800 MW operational (San Roque and Besós)
- Engineering procurement and construction (EPC) contract awarded for 1,600 MW
- Land reserved and paperwork commenced for new sites

Supply

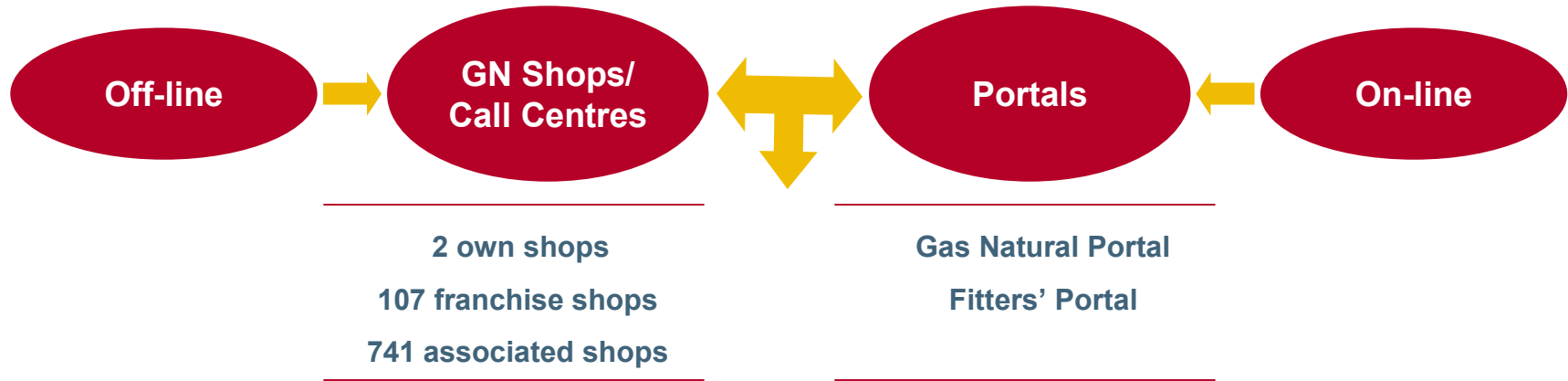
- 1,887 supply contracts (industrial market)
- 2,963 GWh/year contracted amounts
- 4% of the liberalised electricity market



The electricity business makes a positive contribution to EBITDA

Gas Natural Group - 3Q02 Results

Other Products and Services



Integrated Services to Households

	YTD02
Home services	
• Net increase in maintenance contracts	157,900
• Maintenance contracts at 30/09/2002	653,300
Central heating installations	49,500
Gas appliance sales	33,400
Financial services (insurance, credit cards, etc)	3,500

Gas Natural Group



This document may contain market assumptions, different sourced information and forward-looking statements with respect to the financial condition, results of operations, business, strategy and the plans of Gas Natural SDG, S.A. and its subsidiaries.

Such forward-looking statements are not guarantees of future performance and involve risks and uncertainties, and actual results may differ materially from those in the forward-looking statements as a result of various factors.

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November 2002

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Thank you

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