

HIGHLIGHTS

CONTENTS

HIGHLIGHTS	1
KEY FIGURES	2
EARNINGS PERFORMANCE	3
INVESTMENT AND ASSETS PUT INTO OPERATION...	3
FINANCIAL STRUCTURE	4
OPERATING HIGHLIGHTS.....	4
CONSOLIDATED INCOME STATEMENT	5
CONSOLIDATED BALANCE SHEET	6
CONSOLIDATED CASH FLOW STATEMENT	7
APPENDIX I: COMPANY ASSETS.....	8
APPENDIX II: RELATED-PARTY TRANSACTIONS	9
APPENDIX III: CORPORATE RESPONSIBILITY AND SUSTAINABILITY	13
APPENDIX IV: Contact data	14

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- ✓ The growth of results stemmed from a **change in the perimeter of consolidation** in the first half of 2013 as compared with the first half of 2012.
- ✓ Figures for the first half of 2013 include the proportional consolidation of the 40% stake in the Altamira LNG CV regasification plant (6 months), the consolidation using the equity method of the contribution of 20% of GNL Quintero (6 months) and the global consolidation, from March, of Enagás Transporte del Norte (Naturgás). Figures for the first half of 2012 included the proportional consolidation for the first quarter of the 40% stake in the Altamira plant (Mexico).
- ✓ **Net profit** advanced **9%** in the first half of 2013 to €202.1Mn.
- ✓ **Annual growth in Net Profit in 2013 should converge towards the target of 5.5%**, resulting from a more comparable scope of consolidation in the second half of the year and the average cost of debt, in line with the budgeted target for 2013.
- ✓ **EBITDA** climbed **12.3%** year-on-year to €504.5Mn at 30 June.
- ✓ **Investment** amounted to **€356.8Mn**, while **€300.3Mn in assets** was **put into operation**. Enagás reiterated its aim to invest €650Mn and put into operation €550Mn in assets by year-end 2013.
- ✓ **Net debt** at 30 June stood at **€3.5Bn**, with a gearing ratio of 63.2%.
- ✓ On **3 July**, Enagás paid a **gross dividend** per share of **€0.685**, as a supplement to the dividend paid in December 2012. Accordingly, the total gross dividend charged to 2012 profits was €1.11 per share, i.e., 12.1% higher than in the previous year after applying a pay-out of 70%.
- ✓ **Total demand for gas transported** in the system in 1H13 was 202,441 GWh, **9% lower** than the 1H12 figure.

KEY FIGURES

Key figures January-June (unaudited)

Income statement

(€ Mn)	January-June		
	2013	2012	% Chg
Regulated revenues	610.6	546.1	11.8%
EBITDA	504.5	449.4	12.3%
EBIT	337.6	298.4	13.1%
Net profit	202.1	185.5	9.0%

Balance sheet, financial ratios and average cost of debt

	January-June	
	2013	2012
Total assets (€ Mn)	8,398.1	8,385.1
Net debt (€ Mn)	3,507.8	3,224.3
Equity (€ Mn)	2,038.2	1,927.6
Net debt/Total assets (%)	41.8%	38.5%
Net debt/(net debt + equity) (%)	63.2%	62.6%

Other metrics

(€ Mn)	January-June		
	2013	2012	% Chg
Investment	356.8	274.1	30.2%
Assets put into operation	300.3	177.5	69.2%

Key indicators. April - June (unaudited)

(€ Mn)	Second quarter		
	2013	2012	% Chg
Regulated revenues	321.4	275.4	16.7%
EBITDA	270.2	235.2	14.9%
EBIT	184.8	158.8	16.4%
Net profit	107.2	98.9	8.4%

EARNINGS PERFORMANCE

1H13 earnings

Figures for the first half of 2013 include the proportional consolidation of the 40% stake in the Altamira LNG CV regasification plant (6 months), the consolidation using the equity method of the contribution of 20% of GNL Quintero (6 months) and the global consolidation, from March, of Enagás Transporte del Norte (Naturgás). Figures for the first half of 2012 included the proportional consolidation for the first quarter of the 40% stake in the Altamira plant (Mexico).

Net profit in 1H13 totalled **€202.1Mn**, a **9% increase** on the 1H12 figure of €185.5Mn.

Net finance expense (€-53.4Mn) rose compared with the figure for the first half of 2012 (€-32.6Mn), mainly as a result of higher debt compared with 1H12 and a higher average cost of debt.

The depreciation and amortisation charge in the first half was €166.9Mn, 10.7% higher than at 30 June 2012 and in line with the growth in asset volume over the past year and the acquisitions carried out. **EBIT** for the first six months of the year totalled **€337.6Mn**, **13.1%** higher year-on-year.

EBITDA increased by **12.3%** from €449.4Mn to **€504.5Mn** at the end of the first half of 2013.

Regulated revenues grew by **11.8%** compared with the first half of 2012, boosted by the addition of new assets put into operation, especially the start-up in the second half of 2012 of the Yela underground storage facility and the contribution since March 2013 from Enagás Transporte del Norte (Naturgás).

EPS in the period was €0.85, while EBITDA per share over the same period was €2.11.

Quarterly results

2Q13 net profit was €107.2Mn, 8.4% higher than the €98.9Mn obtained in the same quarter of 2012.

EBIT and EBITDA for the quarter rose year-on-year by 16.4% and 14.9%, respectively.

As with the six-month earnings, the comparison of quarterly results is skewed by the change in the perimeter of consolidation between the second quarter of 2012 and the second quarter of 2013.

INVESTMENT AND ASSETS PUT INTO OPERATION

In the first half of 2013 **assets put into operation** totalled **€300.3Mn**, while **investment** amounted **€356.8Mn**.

Both figures include €245Mn stemming from the acquisition of a 90% stake in Naturgas Transporte, a transaction finalised on 15 February 2013.

This investment volume and the value of assets put into operation are in line with the Company's annual targets of €650Mn and €550Mn, respectively.

FINANCIAL STRUCTURE

At 30 June 2013, **net debt** stood at **€3.5Bn**, up from €3.2Bn at 30 June 2012.

The **gearing ratio** (net debt/net debt + equity) was **63.2%** at the end of 1H13, compared with 62.6% at 30 June 2012.

The **percentage of fixed-rate debt** at 30 June stood at **85%**, fully in line with the strategic target set by Enagás for its optimum debt structure.

In addition, **96%** of debt at the end of the second quarter was **long-term**, with

an **average maturity period of 6.1 years**.

Net cash flows from operating activities at 30 June totalled **€449.4Mn** and was used primarily to finance investments.

Net finance expense (including €2.9Mn in capitalised borrowing costs) amounted to **€-53.4Mn**, up from €-32.6Mn in 1H12 (including €13.4Mn in capitalised borrowing costs).

Liquidity, in terms of untapped available financing at the end of the first half of 2013, amounted to **€2.6Bn**.

OPERATING HIGHLIGHTS

Demand

Demand for gas transported up to 30 June 2013 totalled 202,441 GWh, 9% lower than in the first half of 2012.

This figure includes 17,301 GWh of exports and 10,838 GWh in tanker loading operations.

Conventional demand in the first half of 2013 was 0.7% higher than in 1H12, while gas deliveries for electricity generation at conventional and combined-cycle thermal plants in the first six months of the year fell 42.8% year-on-year.

(GWh)	1H 2013	1H 2012	% Chg
Conventional demand	149,299	148,312	0.7%
Electricity generation	24,221	42,310	-42.8%
Exports and others	17,301	17,768	-2.6%
Ship loading	10,838	13,325	-18.7%
Gas for operation and heels	783	862	-9.2%
Total gas demand transported	202,441	222,577	-9.0%

CONSOLIDATED INCOME STATEMENT**Accumulated**

€ Mn (unaudited)	Jan-June 2013	Jan-June 2012	% Chg
Revenues from regulated activities	610.6	546.1	11.8%
Other operating revenues	38.8	22.0	76.4%
Total revenues	649.5	568.1	14.3%
Personnel expenses	-41.6	-37.0	12.4%
Other operating expenses	-103.4	-81.7	26.6%
EBITDA	504.5	449.4	12.3%
Depreciation/amortisation charge	-166.9	-150.9	10.7%
Operating profit (EBIT)	337.6	298.4	13.1%
Net finance expense	-53.4	-32.6	63.7%
Equity Method	2.3	-	-
Profit before tax	286.5	265.8	7.8%
Income tax	-84.1	-80.3	4.7%
Results from equity accounted subsidiaries	-0.3	-	-
Net profit for the period	202.1	185.5	9.0%

Quarterly

€ Mn (unaudited)	2Q 2013	2Q 2012	% Chg
Revenues from regulated activities	321.4	275.4	16.7%
Other operating revenues	16.1	15.4	4.5%
Total revenues	337.6	290.8	16.1%
Personnel expenses	-22.8	-22.6	0.8%
Other operating expenses	-44.6	-58.7	-24.0%
EBITDA	270.2	235.2	14.9%
Depreciation/amortisation charge	-85.3	-76.3	11.8%
Operating profit (EBIT)	184.8	158.8	16.4%
Net finance expense	-33.6	-17.2	95.3%
Equity Method	1.2	-	-
Profit before tax	152.4	141.7	7.6%
Income tax	-45.0	-42.8	5.1%
Results from equity accounted subsidiaries	-0.3	-	-
Net profit for the period	107.2	98.9	8.4%

CONSOLIDATED BALANCE SHEET

€ Mn (unaudited)	30-June 2013	31-Dec 2012
Intangible assets, property, plant and equipment	5,926.9	5,753.8
Investments accounted for using the equity method	176.1	152.3
Non-current investments in group companies and associates	16.4	15.7
Other non-current financial investments	1.6	14.1
Deferred tax assets	59.4	42.0
Non-current assets	6,180.4	5,977.9
Inventories	14.6	13.8
Receivables	581.0	607.5
Other current financial assets	2.5	2.2
Other current assets	4.1	2.4
Cash and cash equivalents	1,615.5	1,479.6
Current assets	2,217.7	2,105.6
TOTAL ASSETS	8,398.1	8,083.4
Capital	358.1	358.1
Reserves	1,477.9	1,379.4
Profit for the period attributable to equity holders of the parent	202.1	379.5
Interim dividend capitalised	0.0	-102.2
Capital and reserves	2,038.2	2,014.9
Hedges	1.3	-13.7
Exchange differences	3.7	3.6
Changes in fair value recognised in equity	5.0	-10.1
Minority interests	13.1	0.0
Equity	2,056.3	2,004.8
Debentures and other marketable securities	1,860.2	1,818.4
Non-current financial liabilities	2,274.5	2,700.4
Non-current liabilities	30.1	19.4
Deferred tax liabilities	419.8	422.0
Provisions	185.4	175.39
Other non-current liabilities	80.3	74.5
Non-current liabilities	4,850.3	5,210.2
Debentures and other marketable securities	431.9	270.6
Current financial liabilities	522.9	286.9
Current liabilities payable	360.4	293.4
Trade and other payables	176.3	17.5
Current liabilities	1,491.4	868.4
EQUITY AND LIABILITIES	8,398.1	8,083.4

CONSOLIDATED CASH FLOW STATEMENT

€ Mn (unaudited)	Jan-June 2013	Jan-June 2012
(A) CONSOLIDATED PROFIT BEFORE TAX	286.5	265.9
Adjustments to profit (1)	216.7	188.8
Depreciation of PP&E	167.0	150.9
Other adjustments to profit	49.7	37.9
Changes in working capital (2)	7.6	-28.3
Inventories	-0.8	-9.1
Trade and other receivables	63.7	35.7
Other current assets	-1.7	-0.1
Trade and other payables	-53.6	-54.9
Other cash flows from operating activities (3)	-61.4	-5.5
Interest paid	-35.2	-35.7
Interest collected	11.0	14.8
Income tax received /(paid)	-37.2	15.4
(B) NET CASH FLOWS FROM OPERATING ACTIVITIES (A+1+2+3)	449.4	420.9
Capital expenditure (4)	-341.5	-179.2
Group companies and associates	-259.6	-22.2
Intangible assets, PP&E and investment property	-81.8	-156.9
Other financial assets	-0.2	0.0
Proceeds from disposals (5)	0.0	3.8
Group companies and associates	0.0	0.3
Intangible assets, PP&E and investment property	0.0	0.0
Other financial assets	0.0	3.5
Other cash flows for investment activities	1.5	0.0
(C) NET CASH FLOWS USED IN INVESTING ACTIVITIES (4+5)	-340.0	-175.4
Proceeds from/(payments on) financial liabilities (6)	26.4	337.4
Issuance	895.6	1,545.1
Repayment	-869.2	-1207.7
Dividends paid (7)	0.0	0.0
(D) NET CASH FLOWS FROM FINANCING ACTIVITIES (6+7)	26.4	337.4
(E) TOTAL NET CASH FLOWS (B+C+D)	135.8	582.9
Cash and cash equivalents - opening balance (8)	1,479.6	1,427.3
CASH AND CASH EQUIVALENTS - CLOSING BALANCE (E+8)	1,615.5	2,010.2

APPENDIX II: RELATED-PARTY TRANSACTIONS

Introduction

Pursuant to Ministerial Order EHA/3050/2004, of 15 September, and CNMV Circular 1/2008, of 30 January, we are hereby reporting the following transactions:

Transactions between Enagás, S.A. and companies over which Enagás, S.A. exercises significant influence

- **Transactions with Gasoducto de Morelos SAPI de C.V.-**

In the fourth quarter of 2012, Enagás S.A. granted Gasoducto de Morelos SAPI de CV a participating loan for the amount of \$20.2Mn (equivalent to €15.7Mn), maturing in 2031. The terms governing interest, fees, expenses and guarantees are all on an arm's length basis.

Additionally, Enagás, S.A., contributed a total of \$30.1Mn, equivalent to €23.2Mn, to Gasoducto de Morelos SAPI de CV, as advances for future capital increases.

Provision of services: Enagás, S.A. received revenues of €0.8Mn from this company for engineering services.

- **Transactions with Enagás Internacional, S.L.-**

Provision of services: Enagás, S.A. received revenues of €0.3Mn from this company for holding services.

- **Transactions with Terminal de Valparaíso.-**

Enagás Internacional, S.L.U. received dividends amounting to \$2Mn from Terminal de Valparaíso.

- **Transactions with Enagás-Altamira, S.L.U.-**

Provision of services: Enagás, S.A. received revenues of €0.2Mn from this company for holding services.

- **Transactions with Altamira LNG CV.-**

Enagás-Altamira S.L.U. received dividends amounting to \$4.9Mn from Altamira LNG, CV.

Provision of services: Enagás, S.A. received revenues of €49,000 from this company for services provided.

- **Transactions with Enagás Transporte, S.A.U.-**

1H13 Results

Provision of services: Enagás, S.A. received revenues of €49.1Mn and incurred expenses of €1,000 related to services with this company.

- **Transactions with Enagás GTS, S.A.U.-**

Provision of services: Enagás, S.A. received revenues of €10.7Mn and incurred expenses of €0.7Mn related to services with this company.

- **Transactions with Bahía de Bizkaia Gas, S.L.-**

Enagás has secured bonds of BBG in favour of the European Investment Bank for a maximum of €10Mn.

Provision of services: Enagás, S.A. received revenues of €0.8Mn from this company for engineering services.

- **Transactions with Compañía Transportista de Gas Canarias, S.A.-**

Provision of services: Enagás, S.A. received revenues of €23,000 from this company for holding services.

Transactions between Enagás Transporte, S.A.U and companies over which it exercises significant influence

- **Transactions with Bahía de Bizkaia Gas, S.L.-**

Enagás Transporte S.A.U. received dividends amounting to €10.8Mn.

- **Transactions with Gasoducto Al-Andalus S.A.-**

Enagás Transporte S.A.U. has granted this company a loan the balance of which stands at €3.9Mn at 30 June 2013. The terms governing interest, fees, expenses and guarantees are all on an arm's length basis.

Provision of services: Enagás Transporte, S.A.U. received revenues of €6.3Mn and incurred expenses of €9.7Mn related to services with this company.

- **Transactions with Gasoducto Extremadura S.A.-**

Provision of services: Enagás Transporte, S.A.U. received revenues of €3.7Mn and incurred expenses of €4.6Mn related to services with this company.

- **Transactions with Enagás Transporte del Norte, S.A.U.-**

Enagás Transporte, S.A.U. granted this company a €129.7Mn loan on 15 February 2013. Additionally, on 1 March 2013, Enagás Transporte, S.A.U granted a €2.3Mn loan to Enagás Transporte del Norte, S.A.U., which was cancelled on 1 April 2013.

The terms governing interest, fees, expenses and guarantees are all on an arm's length basis.

1H13 Results

- **Transactions with Bahía de Bizkaia Gas, S.L.-**

Provision of services: Under an agreement to provide services entered into between BBG and ETN, ETN has received no revenues and has incurred expenses of €14,000.

- **Transactions with Gasoducto de Extremadura, S.A.-**

Provision of services: Enagás Transporte, S.A.U. received revenues of €1.8Mn and incurred expenses of €2.3Mn related to services with this company.

Transactions between Enagás, S.A. and companies over which Enagás, S.A. exercises significant influence: Sociedad Iberian Gas Hub, S.L., Palencia 3 investigación, desarrollo y explotación, S.L., GNL Quintero, S.A.

Enagás Chile I SpA, a Chilean company wholly owned by Enagás Internacional, S.L.U., entered into a contract on 31 May 2013 for technical advisory services with GNL Quintero, S.A. The consideration for the services to be rendered by Enagás Chile I SpA amounts to the sum of \$45,000 per quarter.

Transactions between Enagás, S.A. and companies exercising significant influence over it

- **Transactions with Kutxabank, S.A.-**

Enagás S.A. has a €25Mn credit line with Kutxabank and also a bank guarantee line of €6Mn. The terms governing interest, fees and commissions, expenses and guarantees in all financial agreements with Kutxabank are all arranged on an arm's length basis.

Transactions with directors, managers and their immediate relatives (Article 4.1, paragraph b, of Ministerial Order EHA/3050/2004)

Attendance fees paid to the members of the Board of Directors of Enagás, S.A. at 30 June 2013 totalled €0.5Mn. Remuneration paid to the members of the Management Committee amounted to €1.4Mn.

Transactions between Enagás, S.A. and companies over which directors and managers exercise significant influence: (Article 4.1, paragraph d, of Ministerial Order EHA 3050/2004)

- **Transactions with BANCO SABADELL-**

Banco Sabadell and Enagás Transporte S.A.U. signed an agreement whereby the bank brokers a loan for €100Mn corresponding to tranche C of the €1Bn loan granted by the EIB.

Enagás, S.A. also has a €6Mn credit line and Enagás Transporte holds a €12Mn bank guarantee line with Banco Sabadell.

Enagás Transporte S.A.U. has a €150Mn loan with Banco Sabadell, falling due in 2015.

1H13 Results

Lastly, Enagás Transporte, S.A.U. has a €50Mn interest-rate swap (IRS) agreement with Banco Sabadell, maturing in 2015.

The terms governing interest, fees and commissions, expenses and guarantees in all financial agreements with Banco Sabadell are on an arm's length basis.

- **Transactions with EULEN, S.A.-**

Provision of services: Enagás, S.A. has received no revenues and has incurred expenses of €0.8Mn related to this company.

- **Transactions with Newcomer 2000**

Provision of services: Enagás, S.A. has received no revenues and has incurred expenses of €12,000 related to this company.

Transactions between Enagás Transporte S.A.U. and companies in which directors and managers exercise a significant influence

- **Transactions with EULEN, S.A.-**

Provision of services: Enagás Transporte, S.A.U. has received no revenues and has incurred expenses of €290,000 related to this company.

APPENDIX III: CORPORATE RESPONSIBILITY AND SUSTAINABILITY

Indexes, certifications and assessment agencies



Enagás has been a member of the United Nations Global Compact since 2003. Since 2011, the Progress Report has met all the criteria for the GC Advanced level.



In 2012, Enagás' management model was awarded the EFQM 500+ European Seal of Excellence



Enagás' membership of the Dow Jones Sustainability World Index (DJSI) was confirmed in 2012. It has been a member of this index since 2008.



As a standard-bearer in corporate social reporting, in 2011 Enagás adhered to the International Integrated Reporting Committee's (IIRC) initiative. The IIRC supports the preparation of a single integrated corporate report and shares its knowledge and best practices in this regard.



FTSE4Good

Enagás has been a member of the FTSE4Good index since 2006.



AA1000

Enagás' 2012 Annual Report has been verified, for the fourth year, under the AA1000APS standard, and has been prepared in accordance with the Global Reporting Initiative (GRI), with an A+ level of application.



Enagás has been a member of the Ethibel Pioneer & Excellence index since 2009.



In 2012, Enagás renewed its certification as a Family-Responsible Company, first granted to it in 2007. Enagás maintains its "B+" rating.



Enagás has been a member of the STOXX ESG Leaders index since 2011



In 2012, Enagás renewed the Equality at Work Seal it first obtained in 2010. Enagás was recognised for its equal opportunities and treatment policy, receiving the seal from the Ministry for Health, Social Policy and Equality.



Enagás was recognised as one of the 100 most sustainable companies in the world in 2012, a world leader in the utilities sector and the leading Spanish company in this field according to the Global 100 index.



In 2012, Enagás was assessed for the third year running as being one of the Top Employers Spain, and was also found to be one of the best companies to work for



Enagás is the only Spanish company to form part of the Vigeo World 120 index.



Enagás has secured ISO 9001:2008 certification for technical system management (TSM) and third party network access (TPA) management processes, as well as its information systems management and infrastructure development systems.



Oekom upheld its B Prime rating of Enagás, granted in 2010.



Since 2011, Enagás has held SSAE 16 certification for its "System capacity management and viability analysis" and "System security of supply/technical management of underground storage" procedures.



Enagás improved its ranking in the CDP Iberia 125 Report in 2012, achieving 85 points for Disclosure and maintaining a B for Performance.

APPENDIX IV: Contact data

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