Gas Natural
Power & gas activities

Latest update: March 2010

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1. Gas Natural Group

1.1 Company Profile

1.1.1 Overview

The Gas Natural Group is the historical gas group in Spain, which became a leading energy services multinational, active in natural gas supply, distribution and commercialisation, as well as in power generation and commercialisation.

In 2008, Gas Natural acquired a 45.3% stake in Union Fenosa from ACS (9.9% purchased in August 2008 from UBS and Caixanova) and submitted a takeover bid for the remaining shares. In April 2009, Gas Natural held 95.2% of the capital of Union Fenosa.
This €16.7bn acquisition was approved by the regulator CNC. In turn, the Group had to sell gas supply points and about 2,000 MW of installed capacity. Gas Natural also had to reduce its links with Cepsa and sell its 5% stake in Enagas, which was completed in June 2009 (sold to Oman Oil). During its General Shareholders' Meeting in April 2010, the Group presented its new brand name Gas Natural Fenosa resulting from the merger process between Gas Natural and Union Fenosa.

With the integration of Union Fenosa businesses, the Group counts more than 21 million clients and diversified its activities to coal production (South Africa) and power distribution (Spain, Moldova, Guatemala, Nicaragua, Colombia and Panama). The generation portfolio increased from Spain, Puerto Rico and Mexico to Costa Rica, Dominican Republic, and Kenya (plus projects in Romania).

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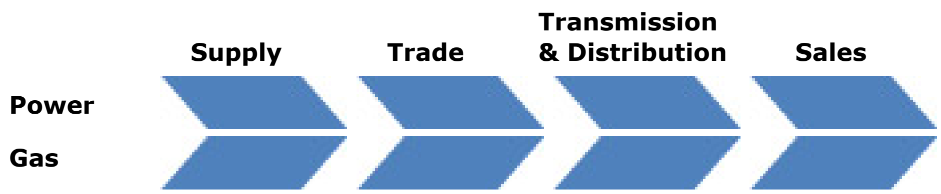
Presence on Power & Gas Value Chains - Gas Natural Group



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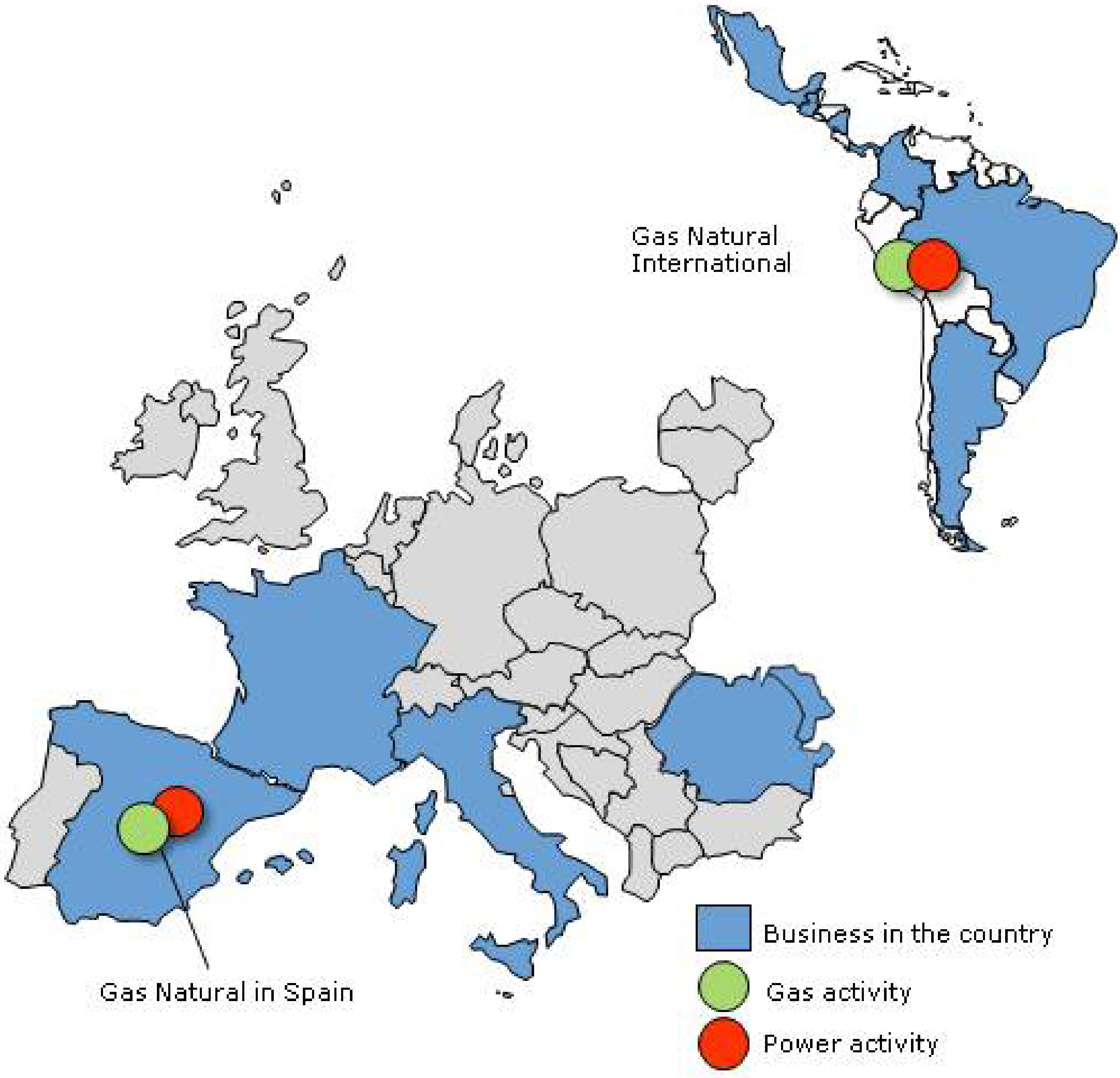
European Footprint of Gas Natural



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Organisation & Business Units

- Organisation Structure

Gas Natural has five main businesses: gas distribution, electricity distribution, electricity generation, and gas activities (upstream and midstream, wholesale and retail and UF Gas). Gas and power activities can also be divided into operations in Spain and abroad (see Gas Natural International).

- Gas Distribution

The division includes the regulated gas activity, remunerated gas distribution and bundled tariff, third-party access services to the pipeline network and non-regulated activities related to distribution. Gas distribution covers three main regional business units (Spain, Italy and Latin America, with American distribution companies).

- Electricity distribution

The division was created to integrate Union Fenosa's activities, in Spain essentially but also in Latin America and in Moldova (three main business units). It includes regulated distribution of electricity and network services for customers, and third-party access to Gas Natural's distribution network. As of July 1, 2009, the bundled electricity tariff was abolished and the business unit stopped selling electricity.

- Electricity

This division, with three regional business units, includes the generation of electricity through combined-cycle generation plants, cogeneration projects and wind farms in Spain, Mexico, and other countries and the commercialisation of electricity in Spain to customers in the liberalised market.

- Gas

The Gas division covers three main business units: Upstream & Midstream, Wholesale & Retail, and now Union Fenosa Gas.

- Upstream activities include gas exploration and production activities, gas transportation from the moment gas is extracted until it reaches the liquefaction plant and is subjected to the liquefaction process. Midstream activities include value chain activities for LNG, from the exit point in exporting countries to the entry points in final markets.
- The Wholesale & Retail division includes commercialisation of natural gas to wholesale & retail customers in the liberalised market in Spain, as well as the provision of gas related products and services in Spain. In addition, it includes the sales of LNG to wholesalers outside of Spain.
- Union Fenosa Gas is in charge of wholesale and retail gas procurement and supply, including the liquefaction plant in Damietta (Egypt), the Sagunto and Reganosa regasification plants, and the gas carrier fleet. UF Gas also holds stakes in Qalhat LNG (Oman).

Main Shareholders

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
La Caixa Group	**%**	**32.1**	**33.1**	**33.0**	**33.0**	**37.5**	**36.4**	**2.57%**
Repsol YPF	**%**	**30.9**	**30.9**	**31.0**	**31.0**	**30.9**	**30.0**	**-0.56%**
GDF SUEZ	**%**	**5.00**	**5.00**	**5.00**	**11.0**	**8.80**	**6.00**	**3.71%**
Caixa d'Estalvis de Catalunya	**%**	**3.03**	**3.03**	**3.03**	**3.03**	**3.03**	**1.60**	**-12.0%**
Institutional in Spain	**%**	**7.00**	**6.00**	**6.00**	**5.00**	**2.00**	**2.50**	**-18.6%**
Institutional abroad	**%**	**15.0**	**16.0**	**16.0**	**11.0**	**12.4**	**13.5**	**-2.09%**
Retailers in Spain	**%**	**7.00**	**6.00**	**6.00**	**6.00**	**5.40**	**10.0**	**7.39%**

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La Caixa Group	La Caixa Group holds 35.3% of Gas Natural directly and 2.46% through its 49% share in HISUSA. Taking into account the ownership of HISUSA, La Caixa Group holds 37.5% of Gas Natural.
GDF SUEZ	GDF SUEZ holds 8.84% of Gas Natural directly and 2.56% through HISUSA (Holding de Infraestructuras y Servicios Urbanos, S.A.).

In March 2009, Gas Natural proceeded to a €3.5bn capital increase, issuing 478 million new shares at €7.82, in order to reduce the debt contracted for the acquisition of Union Fenosa. In September 2009, 26 million new shares were issued, increasing Gas Natural's capital to €921.7m in late 2009.

Board of Directors

Chairman	Salvador Gabarro Serra
Chief Executive Officer	Rafael Villaseca Marco
Chief Operating Officer	Antonio Gallart Gabas
Chief Financial Officer	Carlos J. Alvarez Fernandez
Director of Latin America	Sergio Aranda Moreno
Director of Energy Planning	José Maria Egea Krauel
Director of Wholesale Business	Manuel Alvarez Fernandez
Director of Retail Business	Josep Moragas Freixa
Director of Regulated Gas Business	Antoni Peris Mingot
Director of Regulated Power Business	José Antonio Couso López
Manager of Strategy & Development	Antonio Basolas Tena
Manager of Legal Services	Manuel Garcia Colabeda

1.1.2 Key figures

Key Figures

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Power Sales	**TWh**	**7.3**	**10.5**	**19.5**	**18.7**	**31.5**	**89.4**	**65.2%**
Total Gas Sales	**TWh**	**365.3**	**440.0**	**425.6**	**427.7**	**450.4**	**459.6**	**4.70%**
Turnover	**€m**	**6,266**	**8,527**	**10,348**	**10,093**	**13,543**	**14,878**	**18.9%**
Power business	€m	593	1,059	1,507	1,271	2,718	7,963	68.1%
Gas business	€m	7,078	9,573	10,480	10,329	12,910	11,334	9.87%
Other Activities	€m	119	135	146	154	167	584	37.5%
Adjustment	€m	-1,524	-2,240	-1,785	-1,661	-2,252	-5,003	26.8%
- Upstream and Midstream activities	€m	215	262	285	259	284	276	5.13%
- Wholesale and Retail	€m	3,952	5,774	6,346	6,037	8,220	6,972	12.0%
- Gas distribution in Spain	€m	1,821	1,993	2,154	2,116	1,711	1,360	-5.67%
- Gas distribution - International	€m	1,090	1,544	1,695	1,917	2,695	2,142	14.5%
- Power Business in Spain	€m	475	926	1,348	1,127	1,898	3,656	50.4%

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- Power Business - International #1	€m	118	133	159	144	820	1,464	65.5%
- Electricity distribution in Spain	€m	0	0	0	0	0	849	
- Electricity distribution - International	€m	0	0	0	0	0	1,994	
EBITDA	**€m**	**1,336**	**1,519**	**1,912**	**2,277**	**2,564**	**3,937**	**24.1%**
Gas distribution	€m	974	1,122	1,228	1,323	1,389	1,493	8.92%
Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	644	
Electricity	€m	98	152	322	338	516	1,052	60.7%
Gas	€m	252	238	401	604	650	699	22.6%
Others	€m	12	8	-39	12	9	49	32.5%
EBIT	**€m**	**862**	**968**	**1,263**	**1,597**	**1,794**	**1,767**	**15.4%**
Gas distribution	€m	645	753	798	887	944	501	-4.94%
Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	311	
Electricity	€m	63	88	224	236	331	749	64.0%
Gas	€m	193	173	331	534	574	169	-2.62%
Others	€m	-39	-46	-90	-60	-55	37	0%
Net Income	**€m**	**n.a.**	**827**	**929**	**1,056**	**1,172**	**1,390**	
Cash Flow	**€ 000's**	**n.a.**	**838**	**1,454**	**1,829**	**2,023**	**2,477**	
Employees	**empl.**	**6,697**	**6,717**	**6,686**	**6,699**	**6,842**	**19,803**	**24.2%**
- of which, Spain	empl.	3,572	3,731	3,822	3,818	3,744	10,034	22.9%
- of which, Italy	empl.	432	396	366	359	378	346	-4.34%
- of which, Argentina	empl.	635	637	636	608	584	564	-2.34%
- of which, Brazil	empl.	562	560	530	522	501	480	-3.11%
- of which, Colombia	empl.	583	578	574	579	587	2,223	30.7%
- of which, Mexico	empl.	731	629	568	619	853	1,086	8.24%
- of which, Puerto Rico	empl.	75	78	78	77	75	76	0.27%
- of which, Morocco	empl.	107	107	107	107	107	105	-0.38%
Customers #2	**000's**	**9,565**	**10,179**	**10,662**	**11,115**	**11,492**	**21,415**	**17.5%**
Spain	000's	4,808	5,134	5,435	5,681	5,842	9,652	15.0%
Italy	000's	252	288	320	357	397	414	10.4%
Argentina	000's	1,257	1,289	1,322	1,355	1,393	1,425	2.54%
Brazil	000's	691	745	753	773	789	802	3.02%
Colombia	000's	1,495	1,614	1,712	1,816	1,926	4,606	25.2%
Mexico	000's	1,062	1,109	1,120	1,133	1,145	1,164	1.85%
Moldova	000's	0	0	0	0	0	807	
Central America #3	000's	0	0	0	0	0	2,545	
EBITDA/Net Income	**€m**	**n.a.**	**1.8**	**2.1**	**2.2**	**2.2**	**2.8**	
Turnover per Employee	**€ 000's**	**936**	**1,269**	**1,548**	**1,507**	**1,979**	**751**	**-4.30%**
Customers per employee ratio	**Cust./ Empl.**	**1,428**	**1,515**	**1,595**	**1,659**	**1,680**	**1,081**	**-5.41%**

Other Activities

Other activities cover Union Fenosa Gas in 2009 (wholesale and retail gas procurement and supply, including the liquefaction plant in Damietta, the Sagunto and Reganosa regasification plants and the gas carrier fleet).

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1.1.3 Investments

Investments

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**€m**	**1,503**	**1,484**	**1,164**	**2,323**	**3,697**	**15,696**	**59.9%**
Tangible investments	€m	946	1,125	1,057	1,148	1,068	1,767	13.3%
- of which, Gas	€m	34	34	116	163	33	169	38.0%
- of which, Electricity	€m	380	450	317	336	353	749	14.6%
- of which, Gas distribution	€m	513	611	592	624	662	501	-0.46%
- of which, Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	311	
- of which, other tangible investments	€m	20	31	32	25	20	37	12.8%
Intangible investments	€m	63	63	57	63	141	116	13.2%
Financial investments	€m	1,504	1,484	50	1,112	2,488	13,813	55.8%

- of which, Gas	Gas tangible investments include "Up & Midstream" (representing €139m in 2009 against €21m in 2008) and "Wholesale & Retail" (representing €18m against €12m in 2008) businesses. Since 2009, it has also included UF Gas (€12m).
- of which, Electricity	Electricity tangible investments include businesses in Spain, Puerto Rico and Mexico. International investments accounted for €162m and €587m were invested in Spain (€310m in 2008). These capital expenditures were directed to the development of Malaga and Barcelona Port CCGT power plants, to the desulphuration facilities at the Narcea and La Robla thermal power stations, to the Meirama thermal power plant retrofit, and to the development of wind farms.
- of which, Gas distribution	Tangible investments include natural gas distribution activities in Spain (€357m to add about 2,120 km in gas grid), Latin America (€100m) and Italy (€44m).
- of which, Electricity distribution	This activity appeared in 2009 with the integration of Union Fenosa: €225m were invested in Spain, €77m in Latin America and €9m in Moldova.
Financial investments	Financial investments refer to the acquisition of Union Fenosa in 2008 and in 2009 in particular (€13.8bn were financed in 2009 for 80.5% of the acquisition).

In 2008, Gas Natural acquired a 45.3% stake in Union Fenosa from ACS for €18.33 per share (9.9% purchased in August 2008) and submitted a takeover bid for the remaining shares. During the year, Gas Natural purchased a 5.15% stake from UBS and a 4.72% stake from Caixanova, which retains 0.8%, for €1.8bn. In April 2009, Gas Natural held 95.2% of the capital of Union Fenosa.

This €16.7bn acquisition was approved by the regulator CNC, which demanded the group to sell 600,000 gas supply points, equal to 9% of its total number in Spain and sell 2,000 MW of installed capacity in gas combined cycle plants. Gas Natural also had to sell its stakes in Enagas (to Oman oil for €155m in June 2009) and in REE (1% stake sold for €43m) and to reduce its links to Cepsa by leaving the group's board (sale of 5% in Cepsa for €529m). The company also sold 13% in Indra for €320m and 4.4% in Isagen (Colombia) for €88m, totalling €1,135m in cash from financial asset disposals. Gas Natural also sold its stakes in EPSA, a power company in Colombia.

To comply with the CNC, Gas Natural sold gas distribution assets and customer contracts (2,860 km of gas network, 256,000 gas connection points, 210,000 gas customers and 4,000 electricity customers) to

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Naturgas, a subsidiary of EDP, for €330m (€50m in capital gains). It also sold 504,000 gas connection points, 412,000 gas customers and 8,000 electricity customer contracts in Madrid to Galp Energia and Morgan Stanley Infrastructures for €800m (€380m in capital gains), with the transaction to be completed in 2010. The sale of 2 GW in CCGT power capacity is under study.

In 2007, the Gas Natural Group entered the electricity business in Mexico through the acquisition of five combined-cycle power plants (Rio Bravo, Altamira and Saltillo) and a 54-km gas pipeline, resulting in a total installed capacity of 2,233 MW. It became the largest private energy operator in Mexico. Related commercial operations began in 2008. In 2009, Gas Natural entered into a sale agreement with Mitsui and Tokyo Gas for these 5 CCGT power plants, to be transferred in 2010 pending regulatory approval.

The Group's main strategic lines of action for the period 2008-2012 are based on four pillars:
- consolidating its position in its main markets: Spain, Italy and Latin America;
- vertical upstream integration in the gas chain;
- exporting the Spanish downstream model to other countries that can be integrated into the natural gas/liquefied natural gas chain;
- ongoing focus on effectiveness and efficiency.

Gas Natural notably aims to attain a gas contract portfolio of 35 bcm and 10,000 MW of installed electrical capacity, with wind power reaching up to 900 MW. The acquisition of Union Fenosa should enable Gas Natural to surpass these targets. To achieve these goals, the Group has adopted a €12.5bn investment plan over the 2008-2012 period, while Union Fenosa had planned to invest €8.5bn (or a global €21bn capital expenditure plan). The company aims to reduce that figure by €8-10bn to limit the investments to €8-9bn (or €3.8bn to €4.8bn each year between 2010 and 2012).

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1.2 Power Activities

1.2.1 Production

Power Capacity by Source

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Nuclear	**MW**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**589**	
Conventional Thermal	**MW**	**1,057**	**3,057**	**3,057**	**6,090**	**6,090**	**14,357**	**68.5%**
From Gas	MW	1,057	3,057	3,057	6,090	6,090	11,382	60.9%
- of which, combined cycles	MW	1,057	3,057	3,057	6,090	6,090	11,382	60.9%
From Coal	MW	n.r.	n.r.	n.r.	n.r.	n.r.	2,048	
From Oil	MW	n.r.	n.r.	n.r.	n.r.	n.r.	310	
- of which, gas turbines	MW	n.r.	n.r.	n.r.	n.r.	n.r.	310	
Non specified	MW	n.r.	n.r.	n.r.	n.r.	n.r.	617	
Large-Hydro	**MW**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**2,810**	
CHP	**MW**	**23**	**23**	**22**	**17**	**28**	**69**	**24.6%**
Total Renewable (except large hydro)	**MW**	**51**	**279**	**347**	**363**	**363**	**990**	**81.0%**
From Wind	MW	51	279	347	363	363	801	73.5%
From Mini-Hydro	MW	n.r.	n.r.	n.r.	n.r.	n.r.	142	
From Biomass, Waste Treatment, Solar, etc.	MW	n.r.	n.r.	n.r.	n.r.	n.r.	47	
Total	**MW**	**1,131**	**3,359**	**3,426**	**6,470**	**6,481**	**18,815**	**75.5%**

Total Renewable (except large hydro)	In Spain, Gas Natural has 975 MW of installed power under the special regime (including the 50% stake in EUFER, i.e. 1.2 GW in 2008).

In 2007, power capacity doubled: in Spain, the Gas Natural Group synchronised the first of the two 400 MW generation units in its La Plana del Vent plant (Tarragona) to the national electricity grid; in Mexico, assets purchased from EDF (5 CCGT power plants) were incorporated. The capacity should reach 11.3 GW with the absorption of Union Fenosa, even after the compulsory sale of 2 GW in power capacity.

Power Capacity by Business Unit

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**MW**	**1,131**	**3,359**	**3,426**	**6,470**	**6,481**	**18,815**	**75.5%**
Gas Natural in Spain	MW	874	3,102	3,169	3,980	3,991	13,411	72.7%
Gas Natural International	MW	257	257	257	2,490	2,490	5,404	84.0%

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Generation by Source

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Nuclear	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.0**	
Conventional Thermal	**TWh**	**7.1**	**9.8**	**18.7**	**17.8**	**30.5**	**55.9**	**50.9%**
From Gas	TWh	7.1	9.8	18.7	17.8	30.5	52.3	48.9%
- of which, combined cycles	TWh	7.1	9.8	18.7	17.8	30.5	52.3	48.9%
From Coal	TWh	0.0	0.0	0.0	0.0	0.0	2.0	
From Oil	TWh	0.0	0.0	0.0	0.0	0.0	1.6	
Large-Hydro	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**6.3**	
CHP	**TWh**	**0.1**	**0.1**	**0.2**	**0.1**	**0.1**	**0.0**	
Total Renewable (except large hydro)	**TWh**	**0.0**	**0.5**	**0.7**	**0.8**	**0.8**	**2.8**	**159%**
Total	**TWh**	**7.3**	**10.5**	**19.5**	**18.7**	**31.5**	**69.0**	**56.8%**

Generation by Business Unit

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**TWh**	**7.3**	**10.5**	**19.5**	**18.7**	**31.5**	**69.0**	**56.8%**
Gas Natural in Spain	TWh	5.8	8.9	17.8	17.0	18.1	38.0	45.6%
Gas Natural International	TWh	1.5	1.6	1.7	1.7	13.3	31.0	84.0%

1.2.2 Transmission & Distribution

Power Network

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Power Supplied on Distribution Network	**TWh**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**n.a.**	

Gas Natural was not active in power transmission and distribution until the acquisition of Union Fenosa. In 2008, Union Fenosa had 8,432km in high voltage networks and 105,450 km in low voltage networks in Spain and supplied 36.2 TWh on the distribution network.

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1.2.3 Sales

Total Power Sales

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Power Sales	**TWh**	**7.3**	**10.5**	**19.5**	**18.7**	**31.5**	**89.4**	**65.2%**
Sales to end customers - Spain	TWh	4.5	6.3	2.8	2.2	6.2	31.1	47.5%
Wholesale market - Spain	TWh	1.3	2.6	15.1	14.8	11.9	10.4	50.4%
Sales to end customers - International	TWh	0.0	0.0	0.0	0.0	0.0	21.1	
Power purchase agreements - International	TWh	1.5	1.6	1.7	1.7	13.3	26.9	78.8%

Sales to end customers - International	In 2009, Gas Natural sold 21.1 TWh to end consumers outside Spain, of which 11.3 TWh were in Colombia, 3.3 TWh in Panama, 2.3 TWh in Nicaragua, 2.3 TWh in Moldova and 1.9 TWh in Guatemala.

Power Sales by Customer Segment

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**4.5**	**6.3**	**2.8**	**2.2**	**6.2**	**52.2**	**63.6%**
- of which, regulated market	TWh	n.r.	n.r.	n.r.	n.r.	n.r.	26.1	
- of which, liberalised market	TWh	4.5	6.3	2.8	2.2	6.2	26.1	42.4%
Industrial & Corporate	TWh	3.8	4.3	0.8	1.5	5.7	n.a.	
Private & Commercial	TWh	0.7	2.0	1.9	0.7	0.5	n.a.	
Wholesale	**TWh**	**1.3**	**2.6**	**15.1**	**14.8**	**11.9**	**10.4**	**50.4%**
Distributors	TWh	0.0	0.0	0.0	0.0	0.0	1.1	
Power purchase agreements	TWh	1.5	1.6	1.7	1.7	13.3	26.9	78.8%
Customers	**000's**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**9,625**	
Gas Natural in Spain	000's	n.a.	n.a.	n.a.	n.a.	n.a.	3,698	
Gas Natural International	000's	n.r.	n.r.	n.r.	n.r.	n.r.	5,927	

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Total end-consumer sales	In Spain, Gas Natural sells electricity on the deregulated market and on the regulated market (since 2009, with the integration of Union Fenosa). In Puerto Rico and Mexico, electricity generated is sold to public monopolies under long-term power purchase agreements. The same framework is used in Costa Rica and Kenya (Union Fenosa power markets). In the Dominican Republic, Union Fenosa sold its stakes in distribution companies and entered into long-term sales agreements with distributors. Gas Natural has now access to end-consumers. In Panama and in Colombia, the power produced is sold on the regulated market. The group also has stakes in distribution companies in Nicaragua and Guatemala.
- of which, regulated market	Gas Natural began to sell power on the regulated market in 2009 with the consolidation of Union Fenosa's activities. Until this date, the power produced in Spain was sold in full on the liberalised market. In 2009, 6.3 TWh were sold on the regulated market in Spain and 19.7 TWh to distribution customers in Moldova, Colombia, Guatemala, Nicaragua and Panama.
Distributors	Through Union Fenosa, Gas Natural is active in the Dominican Republic in the generation segment; Union Fenosa sold its stakes in distribution companies in 2003 and entered into PPA with distributors.
Power purchase agreements	Part of the power generated by Gas Natural outside Spain is sold through long-term power purchase agreements to the public monopolies: in Puerto Rico, electricity is sold by EcoElectrica to the PREPA (Puerto Rico Electric Power Authority) and in Mexico, to the Federal Electricity Commission (CFE). Power purchase agreements are also in used in Kenya (Iberafrica, 80% held by Union Fenosa) and in Costa Rica (25-year PPA).

1.2.4 Power plants

Recent and planned major power plants

Country	Site	Fuel	Technology	Capacity (MW)	Commissioning year	Investment	Stake
Spain	Arrúbal - La Rioja 1&2	Gas	CCGT	800	2005		100%
Spain	Plana del vent	Gas	CCGT	800	2007	€360m	100%
Spain	Malaga	Gas	CCGT	400	2009		100%
Spain	Arrúbal - La Rioja 3	Gas	CCGT	100	2010		100%
Spain	Barcelona	Gas	CCGT	800	2010	€500m	100%
Spain	Lantarón	Gas	CCGT	800	2012	€500m	100%

#: All notes are available on page 51

1.3 Gas Activities

1.3.1 Supply

Gas Supply

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Gas Supplied	**TWh**	**365.3**	**440.0**	**425.6**	**427.7**	**450.4**	**459.6**	**4.70%**

In 2004, the Group began its natural gas production activities.

In March 2006, Gas Natural acquired 100% of Petroleum Oil & Gas España, active in the exploration, development and production of hydrocarbons in Spain. Petroleum Oil & Gas España has gas reserves mainly located in the Guadalquivir Valley, and geological research is under way in Villaviciosa (Asturias) or should begin in Alava, in Navarre and off the coast of Tarragona.

The Gas Natural Group's projects continued with the construction of underwater storage, exploration and production areas in Marismas (Huelva), and with Repsol YPF, the exploration projects in Gassi Chergui (Algeria), where the drilling of the first well has begun, the Tangiers-Larache project (Morocco) and the exploration project in Malaga.

The Gas Natural Group signed an agreement with ENI, Exem, Galp and Sonagas (subsidiary of Sonangol) to set up an international consortium, in which it will have a 20% stake, to develop an integrated gas project in Angola. The object of this consortium is the exploration, assessment, development and production of a set of gas fields in Angola.

Origin of gas purchases

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total long-term contracts	**TWh**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	
of which, gas pipelines	**TWh**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	
Sonatrach (Algeria)	TWh	87.4	110.6	100.7	96.1	98.6	80.5	-1.62%

Sonatrach (Algeria)   Sonatrach supplies the Gas Natural Group via the Maghreb-Europe pipeline.

Gas Natural imports LNG from Libya, Nigeria and Qatar, which cover a significant part of its gas supply needs.
- the Group signed a contract in 1971, extended in 1990, with Brega Petroleum Marketing (Libya) for the supply of 1.46 bcm/year until 2008.
- NLNG supplies 1.58 bcm/year until 2019 (contract signed in 1992) and 2.7 bcm/year until 2022 (contract signed in 1999)
- Gas Natural signed two contracts with Qatargas for the supply of 2.81 bcm/year (in total).

Rasgas (Qatar) should increase its deliveries to Gas Natural, as the company decided in July 2008 to enter into negotiation for the acquisition of 5 bcm of LNG in the mid and long-term.

Gas Natural and Repsol YPF have a new methane vessel with a 138,000 m3 capacity which has become part of the fleet of Stream, the joint venture engaged in the transport and commercialisation of LNG.

#: All notes are available on page 51

In 2008, Gas Natural and Gazprom Marketing and Trading signed a framework agreement to carry out flexible transactions in the LNG market. The two companies are considering a further cooperation.

1.3.2 Transmission & Distribution

Gas Transported

Gas Natural distributes gas in Latin America, Spain and Italy, and transports gas to Spain, Morocco and Portugal (109 TWh in 2009, compared to 133 TWh in 2008).

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Distribution	**TWh**	**246.8**	**264.0**	**250.1**	**283.2**	**298.2**	**247.9**	**0.09%**
Transportation	TWh	254.5	304.8	312.4	294.1	316.7	264.0	0.73%

Distribution: Distributed volumes correspond to gas distribution to Gas Natural's customers in Spain (138 TWh in 2009), in Latin America (107 TWh) and in Italy (3 TWh).

Transportation: Transported volumes correspond to TPA distribution (in Spain, Latin America and Italy) and to secondary transport.
The Group is the major shareholder of Metragaz and EMPL, two companies managing operation & maintenance in the Moroccan section of the Maghreb-Europe gas pipeline linking the Algerian Hassi R'Mel fields with the Iberian Peninsula in Portugal. The pipeline was commissioned on 8 November 1996. The annual capacity of the pipeline is 8.6 bcm of natural gas. A plan to expand the capacity to 11.7 bcm per year is in progress. It serves the Portuguese and Moroccan gas markets, as well as the Gas Natural Group in Spain. In 2009, Gas Natural transported 109 TWh through EMPL and 28.7 TWh through Metragaz and imported 80.5 TWh from Sonatrach.

Gas Network

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Pipelines	**km 000's**	**95.2**	**100.2**	**104.5**	**109.8**	**115.3**	**118.7**	**4.51%**

In September 2007, Natural Gas purchased the Italian gas group Italmeco for €32m. With this transaction, the Group is present in 178 towns in Italy. Distribution networks in Italy totalled 5,521 km in 2008.
At year-end 2009, Gas Natural had a distribution network of about 119,000 km and served 11.8 million of distribution customers.

LNG terminals

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total gasification capacities	**bcm**	**1.7**	**2.0**	**2.2**	**2.3**	**2.4**	**3.1**	**13.3%**
Barcelona	bcm	10.5	13.1	14.5	14.5	14.5	n.r.	
Share of Capacity	%	5.00	5.00	5.00	5.00	5.00	n.r.	
Cartagena + Huelva	bcm	13.2	17.1	21.0	22.3	23.7	n.r.	
Share of Capacity	%	5.00	5.00	5.00	5.00	5.00	n.r.	
Penuelas (Puerto Rico)	bcm	1.0	1.0	1.0	1.0	1.0	1.0	0%

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Share of Capacity	%	47.5	47.5	47.5	47.5	47.5	47.5	0%
Sagunto	bcm	n.r.	n.r.	n.r.	n.r.	n.r.	8.8	
Share of Capacity	%	n.r.	n.r.	n.r.	n.r.	n.r.	21.3	
Reganosa	bcm	n.r.	n.r.	n.r.	n.r.	n.r.	3.6	
Share of Capacity	%	n.r.	n.r.	n.r.	n.r.	n.r.	21.0	

Penuelas (Puerto Rico) The LNG terminal Penuelas was commissioned in 2000 in Puerto Rico. It is the only LNG terminal on the island. Gas Natural manages the regasification facility through its 47.5% interest in EcoElectrica. EcoElectrica also operates a 160,000 m3 LNG tanker.

Sagunto Union Fenosa Gas (50% owned by Gas Natural) holds a 42.5% shareholding in the Saggas LNG facilities. Iberdrola and Endesa hold 50% of the plant through a joint venture with 60% and 40% holdings, respectively. Oman Oil Company holds the remaining 7.5% share. LNG deliveries started in February 2006. The regasification capacity of the plant is 6.7 bcm.

Reganosa The Reganosa regasification plant entered into commercial operations in 2007 and was fully included in the Spanish gas system in 2008. The plant includes a 130-km gas pipeline connected to the national basic network, a storage capacity of 300,000 m3, and a regasification capacity of 3.6 bcm/year. Gas Natural, through Union Fenosa, owns a stake of 21% of Reganosa.

With the acquisition of Union Fenosa and of its stakes in the Sagunto and Reganosa LNG terminals, Gas Natural had to sell its 5% stake in Enagas and, thus, its stakes in Barcelona, Cartagena and Huelva LNG terminals. In 2009, the company regasified 65.1 TWh, of which 36.7 TWh were for its own consumption (about 80% in Sagunto and 20% in Reganosa).
Gas Natural will start to build an LNG import terminal at Aquilinia site (Trieste Zaule) near the port of Trieste in the first half of 2010. This project, evaluated between €500 - 600m would have a regasification capacity of 8 bcm a year and would come on stream by 2013. The group also plans to build another 8 bcm regasification capacity in Taranto, still pending on authorisation.

1.3.3 Sales

Total Gas Sales

The Gas Natural Group is very active on the Spanish market, as well as on the international market. It is the main gas supplier in Spain.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Gas Sales	**TWh**	**365.3**	**440.0**	**425.6**	**427.7**	**450.4**	**459.6**	**4.70%**
Spain	TWh	208.6	271.9	251.4	245.6	239.1	286.5	6.55%
Argentina	TWh	66.9	69.4	69.2	74.1	72.0	68.0	0.34%
Brazil	TWh	37.2	43.3	45.3	46.3	75.9	42.7	2.76%
Colombia	TWh	9.7	11.2	13.6	15.7	16.7	16.1	10.5%
Mexico	TWh	41.5	41.6	43.7	43.3	43.9	42.8	0.65%
Italy	TWh	1.4	2.7	2.4	2.8	2.9	3.5	20.9%

Italy Gas sales in Italy rose with the acquisition of Pitta Costruzione (Puglia), which supplies natural gas to 11 municipalities (about 15,000 clients and 393 km). In 2009, Pitta distributed 131 GWh.

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Gas Sales by Customer Segment

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**237.9**	**305.5**	**302.3**	**312.2**	**309.2**	**311.5**	**5.54%**
- of which, regulated market	TWh	98.9	140.3	141.7	144.8	119.7	77.0	-4.88%
- of which, liberalised market	TWh	139.0	165.2	160.6	167.4	189.5	234.5	11.0%
Gas supply to power plants	**TWh**	**46.0**	**66.9**	**65.2**	**66.7**	**104.0**	**110.6**	**19.2%**
Wholesale	**TWh**	**116.9**	**122.1**	**111.1**	**104.0**	**99.8**	**114.9**	**-0.34%**
Distributors	TWh	49.1	50.8	52.9	45.3	41.6	37.8	-5.11%
Trading	TWh	67.8	71.3	58.3	58.7	58.4	77.1	2.62%
Customers	**000's**	**9,666**	**10,179**	**10,662**	**11,125**	**11,492**	**11,790**	**4.05%**
Gas Natural in Spain	000's	4,909	5,134	5,435	5,691	5,842	5,954	3.94%
Gas Natural International	000's	4,757	5,045	5,227	5,434	5,650	5,836	4.17%

Total end-consumer sales	Total gas sold by the Gas Natural Group includes gas sold on the Spanish market and gas commercialised on European markets. In 2008, Gas Natural and EDF signed an agreement to supply EDF with a total of 4 bcm of natural gas in the coming years.
Gas supply to power plants	Information on gas sales to power plants in Spain are not available between 2005 and 2008: Gas Natural has included them in sales on the liberalised market. Thus, gas sales to the electrical sector is estimated between 2005 and 2008.

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1.4 CO2

CO2 Emissions

In Spain.

In November 2007, Gas Natural was assigned 14.2 Mt CO2 for the period 2008-2012 (2.8 tonnes per year). The group acquires emission rights to cover its deficit.
At the end of 2008, Gas Natural was engaged in eight MDL projects in different stages of execution and had 48,000 emissions rights recognised by the United National for MDL projects (Sombrilla and Quimvale).

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2. Gas Natural in Spain

2.1 Company Profile

2.1.1 Overview

Gas Natural is the leading gas supplier in Spain.

In 2008, Gas Natural acquired a 45.3% stake in Union Fenosa from ACS (9.9% purchased in August 2008) and submitted a takeover bid for the remaining shares. During the year, Gas Natural purchased a 5.15% stake from UBS and a 4.72% stake from Caixanova for €1.8bn. In April 2009, Gas Natural held 95.2% of the capital of Union Fenosa. This €16.7bn acquisition was approved by the regulator CNC. In turn, the group had to sell gas supply points and about 2,000 MW of installed capacity. Gas Natural also had to reduce its links to Cepsa and sell its stake in Enagas. This was completed in June 2009, with the purchase by Oman Oil of its 5% shareholding for €155.2m.

The acquisition of Union Fenosa strongly increased installed capacity, from nearly 4 GW to 13.4 GW (before the expected divestment of 2 GW in CCGT capacity), and end-consumer electricity sales (from 6 TWh to 31 TWh in 2009). In the gas sector, the sale of Gas Natural's 5% stake in Enagas was offset by Union Fenosa's stakes in the Sagunto and Reganosa LNG terminals, and in the Damietta and Qalhat LNG plants.

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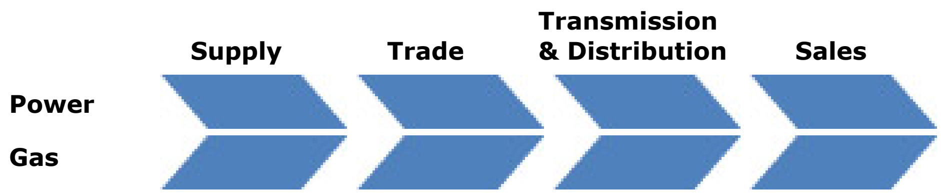
Presence on Power & Gas Value Chains - Gas Natural in Spain



Organisation & Business Units

- Organisation Structure
In Spain, Gas Natural has four main businesses: gas distribution, electricity distribution, electricity generation, and gas activities (upstream and midstream, wholesale and retail and UF Gas).

- Gas Distribution
The division includes the regulated gas activity, remunerated gas distribution and bundled tariff, third-party access services to the pipeline network and non-regulated activities related to distribution.

- Electricity distribution
The division was created to integrate Union Fenosa's activities in Spain. It includes the regulated

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distribution of electricity and network services for customers, and third-party access to Gas Natural's distribution network. As of July 1, 2009, the bundled electricity tariff was abolished and the business unit stopped selling electricity.

- Electricity
This business unit includes the generation of electricity through combined-cycle generation plants, cogeneration projects and wind farms, and the commercialisation of electricity in Spain to customers in the liberalised market.

- Gas
The Gas division covers three main business units: Upstream & Midstream, Wholesale & Retail, and now Union Fenosa Gas.
- Upstream activities include gas exploration and production activities, gas transportation from the moment gas is extracted until it reaches the liquefaction plant and is subjected to the liquefaction process. Midstream activities include value chain activities for LNG from the exit point in exporting countries to the entry points in final markets.
- The Wholesale & Retail division includes commercialisation of natural gas to wholesale & retail customers in the liberalised market in Spain, as well as the provision of gas related products and services in Spain. In addition, it includes the sales of LNG to wholesalers outside of Spain.
- Union Fenosa Gas is in charge of wholesale and retail gas procurement and supply, including the liquefaction plant in Damietta (Egypt), the Sagunto and Reganosa regasification plants, and the gas carrier fleet. UF Gas also holds stakes in Qalhat LNG (Oman).

Subsidiaries

- Sagane, S.A.
100% Gas Natural

- Gas Natural Aprovisionamientos SDG, S.A.
100% Gas Natural

- Repsol-Gas Natural LNG, S.L.
50% Gas Natural

- Gas Natural Transporte SDG, S.L.
100% Gas Natural

- Gas Natural Distribución SDG, S.A.
100% Gas Natural

- Gas Natural Servicios SDG, S.A.
100% Gas Natural

- Gas Natural Comercializadora, S.A.
100% Gas Natural

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Board of Directors

Chairman	Salvador Gabarro Serra
Chief Executive Officer	Rafael Villaseca Marco
Chief Operating Officer	Antonio Gallart Gabas
Chief Financial Officer	Carlos J. Alvarez Fernandez
Director of Energy Planning	José Maria Egea Krauel
Director of Wholesale Business	Manuel Alvarez Fernandez
Director of Retail Business	Josep Moragas Freixa
Director of Regulated Gas Business	Antoni Peris Mingot
Director of Power Generation	José Javier Fernández Martínez
Director of Regulated Power Business	José Antonio Couso López
Manager of Strategy & Development	Antonio Basolas Tena
Manager of Legal Services	Manuel Garcia Colabeda

2.1.2 Key figures

Key Figures

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Power Sales	**TWh**	**5.8**	**8.9**	**17.8**	**17.0**	**18.1**	**40.3**	**47.4%**
% / Group	%	79.8	85.1	91.4	90.8	57.6	45.1	-10.8%
Total Gas Sales	**TWh**	**208.6**	**271.9**	**251.4**	**245.6**	**239.1**	**286.5**	**6.55%**
% / Group	%	57.1	61.8	59.1	57.4	53.1	62.3	1.77%
Turnover	**€m**	**4,449**	**6,002**	**7,538**	**7,160**	**8,578**	**n.a.**	
Power business	€m	475	926	1,348	1,127	1,898	4,505	56.8%
Gas business #4	€m	1,821	1,993	2,154	2,116	1,711	1,360	-5.67%
Other Activities	€m	2,153	3,083	4,036	3,917	4,969	n.a.	
- Power generation	€m	475	926	1,348	1,127	1,898	3,656	50.4%
- Power distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	849	
% / Group	%	71.0	70.4	72.8	70.9	63.3	n.a.	
EBITDA	**€m**	**767**	**868**	**1,071**	**1,142**	**1,252**	**2,118**	**22.5%**
Gas distribution	€m	722	778	812	863	886	927	5.12%
Electricity distribution	€m	n.a.	n.a.	n.a.	n.a.	n.a.	385	
Electricity	€m	44	90	259	279	366	806	78.6%
% / Group	%	57.4	57.1	56.0	50.2	48.8	53.8	-1.28%
EBIT	**€m**	**488**	**562**	**706**	**767**	**835**	**1,169**	**19.1%**
Gas distribution	€m	459	517	527	572	573	357	-4.91%
Electricity distribution	€m	n.a.	n.a.	n.a.	n.a.	n.a.	225	
Electricity	€m	29	45	179	195	262	587	83.0%
% / Group	%	56.6	58.1	55.9	48.0	46.5	66.2	3.18%
Employees	**empl.**	**3,572**	**3,731**	**3,822**	**3,818**	**3,744**	**n.a.**	
% / Group	%	53.3	55.5	57.2	57.0	54.7	n.a.	
Customers	**000's**	**4,808**	**5,134**	**5,435**	**5,681**	**5,842**	**9,652**	**15.0%**
Gas supply points	000's	4,808	5,134	5,435	5,681	5,842	5,954	4.37%

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Electricity supply points	000's	n.a.	n.a.	n.a.	n.a.	n.a.	3,698	
% / Group	%	50.3	50.4	51.0	51.1	50.8	45.1	-2.16%
Turnover per Employee	**€ 000's**	**1,246**	**1,609**	**1,972**	**1,875**	**2,291**	**n.a.**	
Customers per employee ratio	**Cust./ Empl.**	**1,346**	**1,376**	**1,422**	**1,488**	**1,560**	**n.a.**	

Power business — Higher production and price increase contributed to the rise in electricity turnover in 2008.

Gas business — The 19.1% decrease in gas distribution revenues is due to lower regulated gas sales. Indeed, bundled tariffs were suppressed on July 1st, 2008.

Trading

Gas Natural has trading activity in Spain, but no information is available.

2.1.3 Investments

Investments

Figures correspond to tangible and intangible investments.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**€m**	**830**	**913**	**812**	**888**	**936**	**1,169**	**7.09%**
Gas distribution	€m	366	354	412	451	461	357	-0.50%
Electricity generation and sales	€m	373	446	306	331	377	587	9.49%
Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	225	
Others	€m	91	113	94	106	98	n.a.	

Gas Natural began the construction of a new gas combined cycle in the port of Barcelona (800 MW) in early 2008 and continues to build a 400 MW CCGT power plant in Malaga. The Group is awaiting authorisations to build a 800 MW CCGT in Lantaron (Alava).

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2.2 Power Activities

2.2.1 Production

Power Capacity by Source

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Nuclear	**MW**	**0**	**0**	**0**	**0**	**0**	**589**	
Conventional Thermal	**MW**	**800**	**2,800**	**2,800**	**3,600**	**3,600**	**9,987**	**65.7%**
From Gas	MW	800	2,800	2,800	3,600	3,600	7,322	55.7%
- of which, combined cycles	MW	800	2,800	2,800	3,600	3,600	7,322	55.7%
From Coal	MW	0	0	0	0	0	2,048	
Non specified #5	MW	0	0	0	0	0	617	
Large-Hydro	**MW**	**0**	**0**	**0**	**0**	**0**	**1,860**	
CHP	**MW**	**23**	**23**	**22**	**17**	**28**	**69**	**24.6%**
Total Renewable (except large hydro)	**MW**	**51**	**279**	**347**	**363**	**363**	**906**	**77.8%**
From Wind	MW	51	279	347	363	363	801	73.5%
From Mini-Hydro	MW	0	0	0	0	0	69	
From Biomass, Waste Treatment, Solar, etc.	MW	0	0	0	0	0	36	
Total	**MW**	**874**	**3,102**	**3,169**	**3,980**	**3,991**	**13,411**	**72.7%**

- of which, combined cycles	The combined-cycle capacity increased with the incorporation of the 800 MW La Plana del Vent power plant in 2007. Gas Natural is continuing the building of a 400 MW CCGT plant in Malaga and began initial works in the port of Barcelona, where a 800 MW CCGT power plant should come on stream in 2010. Gas Natural has to sell 2 GW in CCGT capacity to comply with the CNC requests.
CHP	In 2009, CHP capacity increase was bound to the acquisition of Union Fenosa (+26 MW) and to new capacity (+15 MW).
Total Renewable (except large hydro)	In Spain, Gas Natural has 391 MW of installed power under the special regime (wind, divided into 21 wind farms, and cogeneration). In 2008, Gas Natural inaugurated the first experimental hydrogen production and storage plant in Europe, in the Sotavento Wind farm (Galicia). In 2009, the capacity increase is linked to the integration of Union Fenosa assets (427 MW, of which 346 MW were in wind capacity, 45 MW in minihydro and 36 MW in other RES) and to new capacities (116 MW of which 92 MW were in wind power and 24 MW in small hydro).

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Generation by Source

Net generation.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Nuclear	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**4.0**	
Conventional Thermal	**TWh**	**5.7**	**8.2**	**17.0**	**16.1**	**17.2**	**28.2**	**37.8%**
From Gas	TWh	5.7	8.2	17.0	16.1	17.2	26.2	35.8%
- of which, combined cycles	TWh	5.7	8.2	17.0	16.1	17.2	26.2	35.8%
From Coal	TWh	0.0	0.0	0.0	0.0	0.0	2.0	
From Oil #6	TWh	0.0	0.0	0.0	0.0	0.0	0.0	
Large-Hydro	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**3.4**	
CHP	**TWh**	**0.1**	**0.1**	**0.2**	**0.1**	**0.1**	**0.0**	
Total Renewable (except large hydro)	**TWh**	**0.0**	**0.5**	**0.7**	**0.8**	**0.8**	**2.5**	**152%**
Total	**TWh**	**5.8**	**8.9**	**17.8**	**17.0**	**18.1**	**38.0**	**45.6%**

Total Renewable (except large hydro) Corresponding to wind power generation.

Power generation in 2009 is about 24% lower than in 2008 (aggregate Gas Natural and Union Fenosa), due to lower domestic demand.

Power Balance

Gas Natural is active in power generation and commercialisation. All power generated is sold to the wholesale market. It purchases on the same wholesale market place for its customers on the liberalised market. It is not involved in the power transmission and distribution.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Gross Production	**TWh**	**5.9**	**9.0**	**18.2**	**17.7**	**18.9**	**41.9**	**47.9%**
Self-consumption	TWh	0.2	0.4	0.7	0.7	0.7	3.9	73.8%
Net Production	**TWh**	**5.8**	**8.9**	**17.8**	**17.0**	**18.1**	**38.0**	**45.6%**
Total Power Supplied	**TWh**	**5.8**	**8.9**	**17.8**	**17.0**	**18.1**	**40.3**	**47.4%**

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2.2.2 Transmission & Distribution

Power Network

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Power Supplied on Distribution Network	**TWh**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**n.r.**	**33.1**	
- of which, regulated market	TWh	n.r.	n.r.	n.r.	n.r.	n.r.	9.2	
- of which, liberalised market	TWh	n.r.	n.r.	n.r.	n.r.	n.r.	23.9	

- of which, regulated market — The regulated tariff was abolished on July 1, 2009. In 2008, Union Fenosa had distributed 36.2 TWh, of which 23.2 TWh were on the regulated market and 13 TWh on the liberalised market.

Gas Natural was not active in power transmission and distribution until the acquisition of Union Fenosa. In 2008, Union Fenosa had 8,432km in high voltage networks and 105,450 km in low voltage networks and supplied 36.2 TWh on the distribution network.

2.2.3 Sales

Power Sales by Customer Segment

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**4.5**	**6.3**	**2.8**	**2.2**	**6.2**	**31.1**	**47.5%**
- of which, regulated market	TWh	n.r.	n.r.	n.r.	n.r.	n.r.	6.3	
- of which, liberalised market	TWh	4.5	6.3	2.8	2.2	6.2	24.8	40.9%
Industrial & Corporate	TWh	3.8	4.3	0.8	1.5	5.7	n.a.	
Private & Commercial	TWh	0.7	2.0	1.9	0.7	0.5	n.a.	
Wholesale	**TWh**	**1.3**	**2.6**	**15.1**	**14.8**	**11.9**	**9.2**	**47.0%**
Customers	**000's**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**3,698**	

Wholesale — In 2009, trading transactions maturing in the year amounted to nearly 15 TWh and the company traded over 9.2 TWh in the period.

Through the merger with Union Fenosa, Gas Natural is now present on the regulated market.

#: All notes are available on page 51

2.3 Gas Activities

2.3.1 Supply

Gas Supply

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Gas Supplied	**TWh**	**208.6**	**271.9**	**251.4**	**245.6**	**239.1**	**286.5**	**6.55%**
- of which, long-term contracts	TWh	208.6	271.9	251.4	245.6	239.1	286.5	6.55%

Total Gas Supplied — The Gas Natural Group supplies Enagás, which supplies gas distribution companies not belonging to the Group, for sales on the regulated market in Spain.

Origin of gas production

Gas Natural is active in gas exploration in Morocco and in Algeria. No production is done in Spain.

Origin of gas purchases

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total long-term contracts	**TWh**	**208.6**	**271.9**	**251.4**	**245.6**	**239.1**	**286.5**	**6.55%**
of which, gas pipelines	**TWh**	**87.4**	**110.6**	**100.7**	**96.1**	**98.6**	**80.5**	**-1.62%**
Sonatrach (Algeria)	TWh	87.4	110.6	100.7	96.1	98.6	80.5	-1.62%
of which, LNG	**TWh**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**40.5**	
Egypt	TWh	n.a.	n.a.	n.a.	n.a.	n.a.	24.0	
Oman LNG	TWh	n.a.	n.a.	n.a.	n.a.	n.a.	5.7	
Others	TWh	n.a.	n.a.	n.a.	n.a.	n.a.	10.8	

Total long-term contracts — Gas Natural imports LNG from Libya, Nigeria and Qatar.
- The group signed a contract in 1971, extended in 1990, with Brega Petroleum Marketing (Libya) for the supply of 1.46 bcm/year until 2008.
- NLNG supplies 1.58 bcm/year until 2019 (contract signed in 1992) and 2.7 bcm/year until 2022 (contract signed in 1999)
- Gas Natural signed 2 contracts with Qatargas for the supply of 2.81 bcm/year (in total).
- Gas Natural also has access to 0.85 bcm/year from Atlantic LNG in Trinidad & Tobago from 2002 to 2023 ; the company has also signed swap agreements for 1.38 bcm/year from 1999 to 2018.

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Sonatrach (Algeria)	Sonatrach supplies the Gas Natural Group via the Maghreb-Europe pipeline. An agreement was signed in 1992 for the annual delivery of 6 bcm starting in 1997 to 2021 and was extended in 2001 (3 bcm/year between 2007 and 2027). Sonatrach has instigated international arbitration, following commercial disagreements concerning the pricing formula. In 2009, Gas Natural-EMPL transported 109 TWh of natural gas, 28.7 TWh of which were for Portugal and Morocco and 80.5 TWh for the company's own supply through Sagane. Gas Natural also signed a purchase agreement with Norway for the delivery of 1.9 bcm/year between 1993 and 2023.
of which, LNG	LNG procurement figures correspond to Union Fenosa Gas activities.
Egypt	Egypt signed an LNG contract with Union Fenosa in July 2000 to procure 4.3 bcm/year of gas during the period 2004-2029. LNG is delivered in Sagunto.
Oman LNG	Union Fenosa Gas is the recipient of 50% of the third train's output in accordance with the long-term contract signed in 2002 (2006-2025): nearly 2.2 bcm is supplied to Union Fenosa each year.

2.3.2 Transmission & Distribution

Gas Transported

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Gas distributed for Gas Natural Group	**TWh**	**153.3**	**161.4**	**140.9**	**165.2**	**151.5**	**137.7**	**-2.13%**
Transported volume for third parties	TWh	75.6	93.3	117.9	105.8	118.6	91.9	3.97%

Gas distributed for Gas Natural Group	The Gas Natural Group distributes natural gas for its regulated and liberalised markets and for third-parties. Gas Natural has also been active in gas transmission through a 5% share in Enagas, the Spanish gas transport company. Following the request of the Spanish Comisión Nacional de Competencia (CNC) after the acquisition of Union Fenosa in 2008, Gas Natural agreed to sell its stake in Enagás to Oman Oil for €155.2m, and thus effected its exit from the share capital of Enagas.

Gas Network

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Pipelines	**km 000's**	**37.5**	**39.6**	**42.4**	**45.4**	**48.6**	**50.7**	**6.20%**
Distribution network	km 000's	37.5	39.6	42.4	45.4	48.6	50.7	6.20%

Gas Natural owns a large share of the Spanish gas distribution network. As of 31 December 2009, supply points for the Group totalled 5.954 million (compared to 5.8 million in 2008), up 1.9% on the previous year.

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LNG terminals

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total gasification capacities	**bcm**	**1.2**	**1.5**	**1.8**	**1.8**	**1.9**	**2.6**	**17.2%**
Barcelona	bcm	10.5	13.1	14.5	14.5	14.5	n.r.	
Share of Capacity	%	5.00	5.00	5.00	5.00	5.00	n.r.	
Cartagena	bcm	5.3	7.9	10.5	10.5	11.8	n.r.	
Share of Capacity	%	5.00	5.00	5.00	5.00	5.00	n.r.	
Huelva	bcm	7.9	9.2	10.5	11.8	11.8	n.r.	
Share of Capacity	%	5.00	5.00	5.00	5.00	5.00	n.r.	
Sagunto	bcm	n.r.	n.r.	n.r.	n.r.	n.r.	8.8	
Share of Capacity	%	n.r.	n.r.	n.r.	n.r.	n.r.	21.3	
Reganosa	bcm	n.r.	n.r.	n.r.	n.r.	n.r.	3.6	
Share of Capacity	%	n.r.	n.r.	n.r.	n.r.	n.r.	21.0	

Sagunto — Union Fenosa Gas (50% owned by Gas Natural) holds a 42.5% shareholding in the Saggas LNG facilities. Iberdrola and Endesa hold 50% of the plant through a joint venture with 60% and 40% holdings, respectively. Oman Oil Company holds the remaining 7.5% share. LNG deliveries started in February 2006. The regasification capacity of the plant was 8.76 bcm in 2009.

Reganosa — The Reganosa regasification plant entered into commercial operations in 2007 and was fully integrated in the Spanish gas system in 2008. The plant includes a 130-km gas pipeline connected to the national basic network, a storage capacity of 300,000 m3, and a regasification capacity of 3.6 bcm/year. Gas Natural, through Union Fenosa, owns a 21% stake in Reganosa.

With the acquisition of Union Fenosa and its stakes in the Sagunto and Reganosa LNG terminals, Gas Natural had to sell its 5% stake in Enagas and thus its stakes in Barcelona, Cartagena and Huelva LNG terminals. In 2009, the company regasified 65.1 TWh, of which 36.7 TWh were for its own consumption (about 80% in Sagunto and 20% in Reganosa).

Storage

In 2009, Gas Natural was awarded through an auction process 4,257 GWh of underground gas storage capacity over the period 1 April 2009 - 31 March 2010.

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2.3.3 Sales

Gas Sales by Customer Segment

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**119.5**	**160.8**	**152.3**	**150.4**	**141.1**	**157.1**	**5.63%**
- of which, regulated market	TWh	16.0	50.1	44.7	38.3	14.2	0.0	-72.3%
- of which, liberalised market #7	TWh	139.0	165.2	160.6	167.4	189.5	234.5	11.0%
Gas supply to power plants	**TWh**	**35.5**	**54.5**	**53.0**	**55.2**	**62.5**	**77.4**	**16.9%**
Wholesale	**TWh**	**53.6**	**56.6**	**46.1**	**39.9**	**35.4**	**51.9**	**-0.63%**
Distributors #8	TWh	10.4	9.9	14.0	6.7	3.2	0.0	
Trading	TWh	43.2	46.7	32.1	33.2	32.2	51.9	3.76%
Customers	**000's**	**4,909**	**5,134**	**5,435**	**5,691**	**5,842**	**5,954**	**3.94%**

Total end-consumer sales	Figures include sales on the liberalised market by Union Fenosa Gas (50% stake, but fully consolidated here).
- of which, liberalised market	Since 2009, liberalised sales include Union Fenosa Gas (52.2 TWh).
Gas supply to power plants	Gas sales to power plants are estimated as of 2005, as Gas Natural includes them in liberalised sales (gas sales to end customers). We estimate them on the average weight of the electrical sector in liberalised sales between 2002 and 2004. In 2009, UnionFenosa Gas sold 31.7 bcm to power plants; the remaining volumes can be attributed to Gas Natural.
Customers	In 2009, the number of customers rose by 112,000 despite the lower volume of new home construction (the annual increase in new customers is 26% lower than in 2008).

On December 31, 2009, Gas Natural completed the sale of its low pressure gas distribution assets in Cantabria and in Murcia, representing about 2611 km of network, 256,000 distribution connections, and 3.5 TWh/year of gas. The company also sold the bulk of its high pressure distribution networks in Asturias, Cantabria and the Basque country (489 km, or 7.5 TWh/year) and its supply businesses in these regions (210,000 gas customers, 4,000 electricity customers and 67,000 energy service contracts).
As required by the competition authorities, Gas Natural sold its gas activities around Madrid in April 2010 to Galp Energia and Morgan Stanley Infrastructure for €800m: the gas distribution business will be handled by Morgan Stanley Infrastructure (500,000 gas supply points). The supply business (412,000 regulated and unregulated end customers), will be managed by Galp Energia.

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2.4 CO2

CO2 Emissions

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Amount of CO2 Allocated (Combustion) #9	MtCO2	n.r.	3.6	4.2	5.7	2.9	11.4	
Real emissions under ETS perimeter	MtCO2	2.0	2.5	5.7	5.8	6.3	12.2	43.0%
Gap (real emissions minus allocated) #10	MtCO2	n.a.	-1.0	1.6	0.1	3.5	0.8	
Real emissions per kWh produced	gCO2/kWh	352	286	321	339	350	321	-1.85%
Number of sites under ETS perimeter	Sites	n.r.	9	9	9	9	15	

Total Amount of CO2 Allocated (Combustion)	CO2 allocations and emissions include Union Fenosa as of 2009.

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3. Gas Natural International

3.1 Company Profile

3.1.1 Overview

The Gas Natural Group is a major distributor of natural gas in Latin America. The company has 5.8 million gas customers outside Spain (of which 5.4 million are in Latin America), accounting for 27% of its global customer portfolio. Gas Natural is also active in power generation (power assets in Puerto Rico, Mexico, Colombia, Panama, Costa Rica, Dominican Republic and Kenya), power distribution (Colombia, Panama, Guatemala and Nicaragua) and commercialisation. The acquisition of Union Fenosa in 2009 increased the internationalisation of the company (55% of the customer base against 49% in 2008 and 38% of the turnover against 26% in 2008).

Presence on Power & Gas Value Chains - Gas Natural International

Board of Directors

Chief Executive Officer Sergio Aranda Moreno

3.1.2 Key figures

Key Figures

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Power Sales	**TWh**	**1.5**	**1.6**	**1.7**	**1.7**	**13.3**	**49.1**	**102%**
% / Group	%	20.2	14.9	8.61	9.22	42.4	54.9	22.1%
Total Gas Sales	**TWh**	**156.7**	**168.1**	**174.2**	**182.1**	**211.3**	**173.1**	**2.01%**
% / Group	%	42.9	38.2	40.9	42.6	46.9	37.7	-2.57%
Turnover	**€m**	**1,208**	**1,677**	**1,842**	**2,061**	**3,515**	**5,600**	**35.9%**
Power business	€m	118	133	159	144	820	3,458	96.5%
Gas business #11	€m	1,090	1,544	1,695	1,917	2,695	2,142	14.5%
Adjustment	€m	0	0	-12	0	0	0	
- Gas Distribution in Latin America	€m	1,027	1,420	1,557	1,766	2,531	1,959	13.8%
- Gas Distribution in Italy	€m	63	124	138	151	164	183	23.8%
- Electricity distribution in Moldova	€m	n.r.	n.r.	n.r.	n.r.	n.r.	181	

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- Electricity distribution in Latin America	€m	n.r.	n.r.	n.r.	n.r.	n.r.	1,813	
- Electricity sales in Mexico	€m	n.r.	n.r.	n.r.	n.r.	n.r.	804	
- Other electricity sales	€m	n.r.	n.r.	n.r.	n.r.	n.r.	660	
% / Group	%	19.3	19.7	17.8	20.4	26.0	37.6	14.3%
EBITDA	**€m**	**306**	**406**	**479**	**519**	**653**	**1,071**	**28.5%**
Gas distribution	€m	252	344	416	460	503	566	17.6%
Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	259	
Electricity	€m	54	62	63	59	150	246	35.5%
% / Group	%	22.9	26.7	25.1	22.8	25.5	27.2	3.54%
EBIT	**€m**	**221**	**279**	**316**	**356**	**440**	**392**	**12.2%**
Gas distribution	€m	186	235	271	315	371	144	-4.99%
Electricity distribution	€m	n.r.	n.r.	n.r.	n.r.	n.r.	86	
Electricity	€m	35	44	45	41	69	162	36.3%
% / Group	%	25.6	28.8	25.0	22.3	24.5	22.2	-2.80%
Employees	**empl.**	**3,125**	**2,985**	**2,864**	**2,881**	**3,098**	**9,769**	**25.6%**
- of which, Argentina	empl.	635	637	636	608	584	564	-2.34%
- of which, Brazil	empl.	562	560	530	522	501	480	-3.11%
- of which, Colombia	empl.	583	578	574	579	587	2,223	30.7%
- of which, Mexico	empl.	731	629	568	619	853	1,086	8.24%
- of which, Puerto Rico	empl.	75	78	78	77	75	76	0.27%
- of which, Italy	empl.	432	396	366	359	378	346	-4.34%
- of which, France	empl.	0	0	5	10	13	23	
- of which, Morocco	empl.	107	107	107	107	107	105	-0.38%
% / Group	%	46.7	44.4	42.8	43.0	45.3	49.3	1.12%
Customers #12	**000's**	**4,757**	**5,045**	**5,227**	**5,434**	**5,650**	**11,763**	**19.8%**
- of which, Argentina	000's	1,257	1,289	1,322	1,355	1,393	1,425	2.54%
- of which, Brazil	000's	691	745	753	773	789	802	3.02%
- of which, Colombia #13	000's	1,495	1,614	1,712	1,816	1,926	4,606	25.2%
- of which, Mexico	000's	1,062	1,109	1,120	1,133	1,145	1,164	1.85%
- of which, Italy	000's	252	288	320	357	397	414	10.4%
- of which, Moldova #14	000's	0	0	0	0	0	807	
- of which, Guatemala #15	000's	0	0	0	0	0	1,372	
- of which, Nicaragua & Panama #16	000's	0	0	0	0	0	1,173	
% / Group	%	49.7	49.6	49.0	48.9	49.2	54.9	2.01%
Turnover per Employee	**€ 000's**	**557**	**642**	**718**	**655**	**589**	**n.a.**	
Customers per employee ratio	**Cust./ Empl.**	**1,742**	**1,917**	**2,057**	**1,886**	**1,824**	**n.a.**	

Total Power Sales	Through the acquisition of Union Fenosa in 2008, Gas Natural is now active in power distribution, in Europe (Moldova) and in Latin America. In 2009, Gas Natural also sold 0.3 TWh in Costa Rica and 0.5 TWh in Kenya through Power Purchase agreements.
Power business	Power activities correspond to Puerto Rico until incorporation of Mexico in 2008 (€149m in Puerto Rico and €671m in Mexico).

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Employees

Gas Natural's staff rose significantly in 2009 following the merger with Union Fenosa. The Group now has 864 employees in Guatemala, 1,010 in Nicaragua, 1,242 in Moldova, 706 in South Africa and 507 in Panama, among others.

3.1.3 Investments

Investments

Figures correspond to tangible and intangible investments.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**€m**	**179**	**275**	**302**	**324**	**273**	**392**	**17.0%**
Latin America	€m	127	197	120	125	178	339	21.7%
Puerto Rico #17	€m	6	4	8	8	7	n.a.	
Maghreb	€m	18	6	102	133	19	n.a.	
Europe	€m	27	68	72	58	69	53	14.4%

Latin America

In 2008, Gas Natural incorporated electrical activities in Mexico, following the acquisition of five CCGT power plants from EDF, which were sold to Mitsui and Tokyo Gas in late 2009. These assets will be transferred in early 2010 and will thus not be consolidated in 2010 accounts. In September 2008, the group sold 15% of Gas Natural Mexico to Sinca Inbursa and completed the sale of a 19.6% stake in Gas Natural BAN (Argentina) to Chemo (€38m) in December 2008. Gas Natural retains a majority stake and control of the two companies. The company incorporated Union Fenosa's assets in 2009 (3 CCGT power plants in Mexico); the 6.8% stake held in EPSA (Empresa de Energia del Pacifico, Colombia) was sold for €1.1bn in late 2009, to reduce the company's debt.
In 2009, Gas Natural invested €100m in gas distribution in Latin America, €77m in electricity distribution and €162m in power generation.

Europe

Gas Natural invested €44m for gas distribution in Italy in 2009 vs. €65m in 2008. A further €9m were invested in electricity distribution in Moldova.

Gas Natural's investment portfolio increased strongly with the integration of Union Fenosa assets. In 2009, Gas Natural and Kitimat LNG signed a memorandum of understanding under which Gas Natural intends to acquire up to 30% of production from Kitimat LNG's proposed LNG export terminal (up to 2.2 bcm/year of LNG from the terminal for 20 years). The MoU also provides Gas Natural with an option to purchase an equity stake in the Kitimat LNG terminal.

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3.2 Power Activities

3.2.1 Production

Power Capacity by Source

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Conventional Thermal	**MW**	**257**	**257**	**257**	**2,490**	**2,490**	**4,370**	**76.3%**
From Gas	MW	257	257	257	2,490	2,490	4,060	73.7%
- of which, combined cycles	MW	257	257	257	2,490	2,490	4,060	73.7%
From Oil	MW	0	0	0	0	0	310	
- of which, gas turbines	MW	0	0	0	0	0	310	
Large-Hydro	**MW**	**0**	**0**	**0**	**0**	**0**	**950**	
Total Renewable (except large hydro)	**MW**	**0**	**0**	**0**	**0**	**0**	**84**	
From Mini-Hydro #18	MW	0	0	0	0	0	73	
From Biomass, Waste Treatment, Solar, etc. #19	MW	0	0	0	0	0	11	
Total	**MW**	**257**	**257**	**257**	**2,490**	**2,490**	**5,404**	**84.0%**

- of which, combined cycles	Combined cycle capacity increased in 2009 with the acquisition of Union Fenosa's power plants (1570 MW). Union Fenosa was also developing a 450 MW CCGT power plant in Norte (Durango), expected to enter commercial operation in the first quarter of 2010.
- of which, gas turbines	Union Fenosa's oil-fired power plants are located in the Dominican Republic (198 MW) and Kenya (58 MW).
Large-Hydro	Union Fenosa is constructing hydroelectric plants in Colombia (20 MW in Amaime, 40 MW in Tulua, 55 MW in Cucuana and 118 MW in La Miel II), in Panama (10 MW in Algarrobos) and in Costa Rica (50 MW in Torito). Moreover, it is currently studying several hydropower projects, which should increase total capacity by another 500 MW. In December 2009, Gas Natural sold 950 MW in hydro capacity to Colener, Inversiones Argos and Banca de Inversion Bancolombia; before this transfer, Union Fenosa's hydro capacity in Colombia was about 990 MW. This capacity is included here.
Total Renewable (except large hydro)	In 2008, Union Fenosa acquired 80% of an 800 MW portfolio of wind power projects in Australia, to be completed by 2013 (the first 80 MW are expected by 2010). The expected investment amounted to €960m.

The Gas Natural Group has been present in Puerto Rico since October 2003, when it purchased a 47.5% share of EcoEléctrica. Its facilities include a 540 MW combined cycle power station.

In 2007, Gas Natural acquired five combined-cycle power plants totalling 2,233 MW and has thus become the largest private energy operator in Mexico. These power plants shall begin commercial operations in 2008. The assets include:
- the Anahuac power plant (Rio Bravo II) with a 495 MW capacity
- the Lomas del Real power plant (Rio Bravo III) with a 495 MW capacity

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- the Valle Hermoso power plant (Rio Bravo IV) with a 500 MW capacity
- the Aguila de Altamira power plant (Altamira II) with a 495 MW capacity in north-west Mexico
- the Saltillo power plant with a 248 MW capacity located in the north-west of the country (Coahuila state).

The transaction was valued at €1.5bn.

In late 2008, the Mexican regulator authorised Gas Natural to acquire the combined-cycle power plants operated by Unión Fenosa in the country, following the merger of the two utilities. The integration of 1,570 MW (1,491 MW net) raised Gas Natural's installed capacity in Mexico to over 3.7 GW in 2009. Capacities are expected to increase further in 2010 with the commissioning of the Durango-Norte 450 MW CCGT power plant (North Mexico).

Gas Natural also incorporated Union Fenosa's assets in Colombia (950 MW, sold in December 2009), Panama (33 MW), Costa Rica (51 MW), Dominican Republic (198 MW) and Kenya (112 MW).

Power Capacity by Business Unit

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**MW**	**257**	**257**	**257**	**2,490**	**2,490**	**5,404**	**84.0%**
Puerto Rico	MW	257	257	257	257	257	257	0%
Mexico	MW	0	0	0	2,233	2,233	3,803	
Dominican Republic	MW	0	0	0	0	0	198	
Kenya	MW	0	0	0	0	0	112	
Colombia	MW	0	0	0	0	0	950	
Costa Rica	MW	0	0	0	0	0	51	
Panama	MW	0	0	0	0	0	33	

Total	Gas Natural International capacity rose in 2009 with the integration of Union Fenosa International, which is responsible for the Company's international investments in the generation and distribution of electricity in Mexico, the Dominican Republic, Moldova, Nicaragua, Costa Rica, Colombia and Panama. Union Fenosa also holds 72% of Iberafrica Power (IBP) operating in Kenya and acquired stakes in Chile, Australia and Romania in 2008.
Mexico	In October 2008, Gas Natural was authorised by the Federal Competition Commission of Mexico (COFECO) to buy the power plants owned by Union Fenosa in the country (1,570 MW in gross capacity, or 1,491 MW net). The capacity consists of 3 CCGT power plants, at Hermosillo (270 MW), Naco Nogales (300 MW) and Tuxpan-3-4 (1,000 MW). In December 2009, Gas Natural announced the sale of the 5 power plants bought in 2007 (2,233 MW) to Mitsui and Tokyo Gas by mid-2010.

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Generation by Source

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Conventional Thermal	**TWh**	**1.5**	**1.6**	**1.7**	**1.7**	**13.3**	**27.7**	**79.9%**
From Gas	TWh	1.5	1.6	1.7	1.7	13.3	26.1	77.8%
- of which, combined cycles	TWh	1.5	1.6	1.7	1.7	13.3	26.1	77.8%
From Oil #20	TWh	0.0	0.0	0.0	0.0	0.0	1.6	
Large-Hydro	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**2.9**	
Total Renewable (except large hydro)	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.4**	
Total	**TWh**	**1.5**	**1.6**	**1.7**	**1.7**	**13.3**	**31.0**	**84.0%**

- of which, combined cycles	The sharp increase in power generation is due to the acquisition of 5 CCGT power plants in Mexico in 2008 and to the acquisition of Union Fenosa's assets in this country (3 CCGT power plants).

Generation by Business Unit

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total	**TWh**	**1.5**	**1.6**	**1.7**	**1.7**	**13.3**	**31.0**	**84.0%**
Puerto Rico	TWh	1.5	1.6	1.7	1.7	1.9	1.7	3.16%
Mexico	TWh	0.0	0.0	0.0	0.0	11.5	24.4	
Dominican Republic	TWh	0.0	0.0	0.0	0.0	0.0	1.1	
Kenya	TWh	0.0	0.0	0.0	0.0	0.0	0.5	
Colombia	TWh	0.0	0.0	0.0	0.0	0.0	2.9	
Costa Rica	TWh	0.0	0.0	0.0	0.0	0.0	0.3	
Panama	TWh	0.0	0.0	0.0	0.0	0.0	0.1	

3.2.2 Transmission & Distribution

Power Network

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Power Supplied on Distribution Network	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**21.1**	

Power Supplied on Distribution Network	Gas Natural was not active in power transmission and distribution until the acquisition of Union Fenosa. In 2009, the company supplied distribution customers in Moldova, Colombia, Guatemala, Nicaragua and Panama.

#: All notes are available on page 51

3.2.3 Sales

Total Power Sales

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Power Sales	**TWh**	**1.5**	**1.6**	**1.7**	**1.7**	**13.3**	**49.1**	**102%**
Moldova	TWh	0.0	0.0	0.0	0.0	0.0	2.3	
Colombia	TWh	0.0	0.0	0.0	0.0	0.0	11.3	
Guatemala	TWh	0.0	0.0	0.0	0.0	0.0	1.8	
Nicaragua	TWh	0.0	0.0	0.0	0.0	0.0	2.3	
Panama	TWh	0.0	0.0	0.0	0.0	0.0	3.3	
Dominican Republic	TWh	0.0	0.0	0.0	0.0	0.0	1.1	
Puerto Rico	TWh	1.5	1.6	1.7	1.7	1.9	1.7	3.16%
Mexico	TWh	0.0	0.0	0.0	0.0	11.5	24.4	

Total Power Sales — Through the acquisition of Union Fenosa in 2008, Gas Natural is now active in power distribution, in Europe (Moldova) and in Latin America. In 2009, Gas Natural also sold 0.3 TWh in Costa Rica and 0.5 TWh in Kenya through Power Purchase agreements.

Moldova — Union Fenosa has operations in the Republic of Moldova since 2000, through the control of 3 of the five existing distributors: RED Chisinau, RED Centru and RED Sud. In 2007, the legal procedure for the merger of the three companies began. The newly merged company is called RED Union Fenosa and supplies about 70% of the population.

Power Sales by Customer Segment

Gas Natural sells the power produced in Mexico and Puerto Rico to national public monopolies. Through Union Fenosa, the company has access to end-consumers and has distribution activities in Colombia, Guatemala, Nicaragua and Panama.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**21.1**	
- of which, regulated market	TWh	0.0	0.0	0.0	0.0	0.0	19.7	
- of which, liberalised market	TWh	0.0	0.0	0.0	0.0	0.0	1.4	
Wholesale	**TWh**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**1.1**	
Distributors #21	TWh	0.0	0.0	0.0	0.0	0.0	1.1	
Power purchase agreements	TWh	1.5	1.6	1.7	1.7	13.3	26.9	78.8%
Customers	**000's**	**0**	**0**	**0**	**0**	**0**	**5,927**	
Latin America	000's	0	0	0	0	0	5,120	
Moldova	000's	0	0	0	0	0	807	

#: All notes are available on page 51

Total end-consumer sales	Gas Natural is active in the distribution segment in Panama and in Colombia (through EPSA, its power generation and distribution company); the power produced in these two countries is sold to end-consumers on the regulated market. Gas Natural also sells power to distribution consumers in Guatemala and Nicaragua.
Distributors	Through Union Fenosa, Gas Natural is active in the Dominican Republic on the generation segment; Union Fenosa sold its stakes in distribution companies in 2003 and concluded PPA with distributors.
Power purchase agreements	Part of the power generated by Gas Natural is sold through long-term power purchase agreements to public monopolies: electricity is sold by EcoElectrica to the PREPA (Puerto Rico Electric Power Authority) in Puerto Rico and to the Federal Electricity Commission (CFE) in Mexico. Power generation in Mexico rose by 8.6% in 2009 vs. 2008 (pro forma), after higher demand from the CFE. In Kenya, Iberafrica (80% Union Fenosa) entered into a PPA with the State Utility. In Costa Rica, the power produced at La Joya hydro power plant is sold through a 25-year PPA.

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3.3 Gas Activities

3.3.1 Supply

Gas Supply

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Gas Supplied	**TWh**	**156.7**	**168.1**	**174.2**	**182.1**	**211.3**	**173.1**	**2.01%**
- of which, gas purchased on international markets	TWh	n.a.	n.a.	n.a.	n.a.	n.a.	18.9	
- of which, long-term contracts	TWh	n.a.	n.a.	n.a.	n.a.	n.a.	154.2	

Total Gas Supplied — Gas Natural sources gas through mid-term and long-term gas contracts.

About 90% of gas sales are supplied on the American market under medium-term agreements. The rest is purchased on spot markets. In July 2008, Gas Natural and Petrobras signed a final agreement ensuring 2 mcm per day, the required volume of gas to meet current and future demand (5% annual growth in gas sales in Brazil through 2012). In 2009, Gas Natural and Gazprom signed a Memorandum of Understanding under which they will negotiate medium- and long-term sale agreements and explore commercial agreements to develop their gas businesses in Northwestern Europe.

Origin of gas production

Gas Natural has no gas production activities in Latin America. The company is developing exploration projects in North Africa (Tangiers - Larache) and in Spain and had an E&P project in Algeria, in Gassi Touil and Gassi Chergui (terminated). In 2007 a consortium including Gas Natural and Repsol signed an agreement to develop an integrated gas project (assessment of gas reserves, investment and, if feasible, export gas as liquid natural gas) in Angola. The first exploratory well is planned for 2010.

3.3.2 Transmission & Distribution

Gas Transported

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Distributed volumes for Gas Natural Group	**TWh**	**93.4**	**102.5**	**109.2**	**118.0**	**146.7**	**110.2**	**3.36%**
Transported volumes (third-parties access)	TWh	63.3	65.6	65.0	64.1	64.6	62.9	-0.11%

Gas Natural owns a gas network in Argentina, Colombia, Brazil and Mexico as well as in Italy (since 2003). In 2008, the group sold 25% of its shareholding in Transcogas, a natural gas transportation company operating in Colombia.
In 2009, Gas Natural and Kitimat LNG signed a memorandum of understanding under which Gas Natural intends to acquire up to 30% of production from Kitimat LNG's proposed LNG export terminal (up to 2.2 bcm/year of LNG from the terminal for 20 years). The capacity would reach 6.8 bcm/year by 2013. The MoU also provides Gas Natural with an option to purchase an equity stake in the Kitimat LNG terminal.

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Gas Network

The pipeline length includes both the transmission network and the distribution network.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Pipelines	**km 000's**	**57.6**	**60.5**	**62.2**	**64.3**	**66.7**	**68.0**	**3.36%**
of which, Latin America	km 000's	54.1	56.8	58.2	59.6	61.2	62.3	2.86%
of which, Italy	km 000's	3.5	3.8	4.0	4.8	5.5	5.6	10.0%

Supply points reach 5.4 million in Latin America and 414 in Italy (2009).

LNG terminals

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total gasification capacities	**bcm**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.5**	**0.15%**
Penuelas (Puerto Rico)	bcm	1.0	1.0	1.0	1.0	1.0	1.0	0.15%
Share of Capacity	%	47.5	47.5	47.5	47.5	47.5	47.5	0%

Penuelas (Puerto Rico)	The LNG terminal Penuelas was commissioned in 2000 in Puerto Rico. This is the only structure receiving and regasifying natural gas on the island. The plant has a regasification capacity allowing it to supply to 1 bcm/year.
Share of Capacity	Gas Natural manages the regasification facility through its 47.5% interest in EcoElectrica. EcoElectrica also operates a 160,000 m3 LNG tanker.

The Gas Natural Group signed an agreement with Repsol YPF in 2005 to jointly develop the LNG operations (an LNG transport company was set up).
Gas Natural will start to build an LNG import terminal at Aquilinia site (Trieste Zaule) near the port of Trieste in the first half of 2010. This project, evaluated between €500 - 600m, would have a regasification capacity of 8 bcm a year and two 140,000 m3 storage tanks and would come on stream by 2013. The Group also plans to build another 8 bcm regasification capacity in Taranto, still pending authorisation.

3.3.3 Sales

Total Gas Sales

The Gas Natural Group is the leading gas distributor in Latin America. These figures include both gas sales and third-party access.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total Gas Sales	**TWh**	**156.7**	**168.1**	**174.2**	**182.1**	**211.3**	**173.1**	**2.01%**
Argentina	TWh	66.9	69.4	69.2	74.1	72.0	68.0	0.34%
Brazil	TWh	37.2	43.3	45.3	46.3	75.9	42.7	2.76%
Colombia	TWh	9.7	11.2	13.6	15.7	16.7	16.1	10.5%
Mexico	TWh	41.5	41.6	43.7	43.3	43.9	42.8	0.65%
Italy	TWh	1.4	2.7	2.4	2.8	2.9	3.5	20.9%

#: All notes are available on page 51

Italy	Gas sales in Italy rose with the acquisition of Pitta Costruzione (Puglia), which supplies natural gas to 11 municipalities (about 15,000 clients and 393 km). In 2009, Pitta distributed 131 GWh.

Gas Sales by Customer Segment

In 2009, information on the sectoral consumption breakdown between by industry, households and gas sales to power plants is not yet available. As well, the geographical breakdown of TPA sales is not yet published. For this year, figures are thus estimated.

	Unit	2004	2005	2006	2007	2008	2009	CAGR 04/09
Total end-consumer sales	**TWh**	**82.9**	**90.2**	**97.0**	**106.5**	**105.5**	**77.0**	**-1.47%**
- of which, regulated market	TWh	82.9	90.2	97.0	106.5	105.5	77.0	-1.47%
Industrial & Corporate	TWh	50.8	55.7	32.4	66.9	67.2	48.5	-0.92%
Private & Commercial	TWh	32.1	34.5	64.6	39.6	38.0	28.5	-2.38%
Gas supply to power plants #22	**TWh**	**10.5**	**12.4**	**12.2**	**11.5**	**41.5**	**33.2**	**25.8%**
Wholesale #23	**TWh**	**63.2**	**65.5**	**65.0**	**64.1**	**64.3**	**62.9**	**-0.10%**
- of which, TPA in Argentina	TWh	38.7	40.9	38.8	38.6	38.4	37.8	-0.47%
- of which, TPA in Mexico, Colombia and Italy	TWh	24.6	24.6	26.2	25.5	26.2	25.2	0.47%
Customers #24	**000's**	**4,757**	**5,045**	**5,227**	**5,434**	**5,650**	**5,836**	**4.17%**
Latin America	000's	4,505	4,757	4,907	5,077	5,253	5,422	3.78%
Italy	000's	252	288	320	357	397	414	10.4%

Total end-consumer sales	Gas sales include distribution in Latin America and in Italy (estimated in 2009).
Gas supply to power plants	Gas Natural sells gas to power plants in Brazil.
Wholesale	Sales on the wholesale market correspond to TPA in Argentina and Mexico.

End consumer sales are made on the regulated market.

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4. Financials

Source: Cofisem

Annual balance sheet

EUR thousands	2005	2006	2007	2008	2009
ASSETS					
Goodwill	456	441	541	546	6,056
Intangible fixed assets	1,354	1,188	1,095	1,071	4,268
Tangible fixed assets	7,551	8,106	9,706	9,988	24,683
Investment real estate	n.a.	n.a.	n.a.	n.a.	n.a.
Shareholdings in equity-accounted companies	32	34	38	42	141
Non current financial assets	212	158	992	2,820	604
Deferred tax assets	223	255	n.a.	339	956
Assets for sale and discontinued activities	640	368	n.a.	n.a.	n.a.
Total non current assets	**10,468**	**10,550**	**12,372**	**14,806**	**36,708**
Stock and work-in-progress	456	440	462	560	740
Customer receivables and related accounts	2,148	1,896	2,077	2,370	3,454
Other current assets	434	329	186	398	740
Current financial assets	2	10	65	360	1,387
Taxes payable assets	n.a.	n.a.	104	17	40
Cash and cash equivalents	201	127	152	249	589
Assets for sale and discontinued activities	3	3	2	5	1,694
Total current assets	**3,244**	**2,805**	**3,048**	**3,959**	**8,644**
TOTAL ASSETS	**13,712**	**13,355**	**15,420**	**18,765**	**45,352**
LIABILITIES					
Shareholder equity (group share)	5,411	5,652	6,071	6,376	10,681
Minority interests	355	344	357	345	1,496
Stockholder's equity	**5,766**	**5,996**	**6,428**	**6,721**	**12,177**
Provisions for non current contingencies and charges	365	445	465	625	1,881
Non-current financial debts	3,545	2,822	3,411	4,337	18,470
Other non-current liabilities	81	82	46	720	893
Deferred tax liabilities	450	471	495	526	2,700
Other non-current liabilities	578	601	759	706	1,077
Liabilities for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	n.a.
Total non-current liabilities	**5,019**	**4,421**	**5,176**	**6,914**	**25,021**
Provisions for current contingencies and charges	n.a.	8	65	146	128
Suppliers and related accounts	1,653	1,657	1,926	2,345	3,322
Other current liabilities	565	489	545	1,705	1,145

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Current financial debts	539	655	1,011	924	2,833
Other current financial liabilities	19	46	269	10	16
Current tax liabilities	151	83	n.a.	n.a.	226
Liabilities for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	484
Total current liabilities	**2,927**	**2,938**	**3,816**	**5,130**	**8,154**
TOTAL LIABILITIES	**13,712**	**13,355**	**15,420**	**18,765**	**45,352**

Annual statement of income

EUR thousands	2005	2006	2007	2008	2009
Income from ordinary activities	8,635	10,472	10,174	13,639	15,099
Purchases consumed (-)	6,150	7,418	6,747	8,902	7,718
Personnel costs (-)	252	277	308	338	600
Other purchases and external costs (-)	533	653	539	894	1,415
Taxes and duties, similar payments (-)	n.a.	n.a.	88	102	189
Allowances for amortization (-)	519	592	651	726	1,400
Provisions (-)	n.a.	n.a.	0	44	0
Restructuring charges (-)	n.a.	n.a.	n.a.	n.a.	n.a.
Other income and charges	-212	-269	-274	-839	-1,329
Operating income	**969**	**1,263**	**1,567**	**1,794**	**2,448**
Including non-recurrent charges:	n.a.	n.a.	n.a.	n.a.	n.a.
Including non-recurrent income:	n.a.	n.a.	n.a.	n.a.	n.a.
Cost of net financial indebtedness	**51**	**33**	**-176**	**-287**	**-843**
Other financial income	10	33	39	38	127
Other financial charges	282	333	85	0	0
Other financial income and charges	**-272**	**-300**	**-46**	**38**	**127**
Equity-Accounted companies' contribution to results	**320**	**235**	**8**	**6**	**59**
Taxes on profits (-)	**241**	**302**	**359**	**379**	**440**
Net profit from discontinued activities	**n.a.**	**n.a.**	**62**	**n.a.**	**39**
NET INCOME	**827**	**929**	**1,056**	**1,172**	**1,390**

Annual ratios

	2005	2006	2007	2008	2009
Net profit per share, group share	n.a.	0	0	0	0
Diluted net profit per share, group share	n.a.	0	0	0	0

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Operating margin	0	0	0	0	0
Financial profitability	0	0	0	0	0
Indebtedness ratio	0	0	0	0	0
Year-end workforce	n.a.	n.a.	n.a.	7	18
Average workforce	7	7	7	7	15

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Cashflow statements

	2005	2006	2007	2008	2009
Consolidated net profit	827	929	1,056	n.a.	n.a.
Charges and income without impact on cash flow	188	346	678	n.a.	n.a.
Self-financing capacity after cost of financial indebtedness and taxes	*1,015*	*1,275*	*1,734*	*n.a.*	*n.a.*
Net cost of financial indebtedness	-84	-44	1	n.a.	n.a.
Taxes on profits	241	302	359	n.a.	n.a.
Self-financing capacity before cost of financial indebtedness and taxes	*1,172*	*1,533*	*2,094*	*n.a.*	*n.a.*
Taxes paid	-117	-351	-328	n.a.	n.a.
Variation of working capital requirement linked to activities	-217	272	63	n.a.	n.a.
Net cash flows arising from operational activities	**838**	**1,454**	**1,829**	**2,023**	**2,477**
Variations of tangible and intangible assets	-1,134	-1,154	-1,084	n.a.	n.a.
Acquisitions of financial assets	-170	-11	-26	n.a.	n.a.
Disposals of financial assets	455	353	125	n.a.	n.a.
Variation of financial assets	285	342	99	n.a.	n.a.
Impact of variations in perimeter	n.a.	n.a.	n.a.	n.a.	n.a.
Other inflows and outflows	-167	102	-904	n.a.	n.a.
Cash flows arising from investment transactions	**-1,016**	**-710**	**-1,889**	**-2,652**	**-13,902**
Variation of loans	532	-340	730	n.a.	n.a.
Variation of stockholder equities	-16	n.a.	n.a.	n.a.	n.a.
Variations in control shares	n.a.	n.a.	n.a.	n.a.	n.a.
Dividends distributed over the financial year	-368	-451	-521	n.a.	n.a.
Other inflows and outflows	n.a.	n.a.	-112	n.a.	n.a.
Cash flows arising from financing transactions	**148**	**-791**	**97**	**738**	**11,752**
Effect of variations in foreign exchange on net cash	**25**	**-27**	**-12**	**-12**	**13**
VARIATION OF NET CASH	**-5**	**-74**	**25**	**97**	**340**
CASH AT THE START OF THE FINANCIAL YEAR	**206**	**201**	**127**	**152**	**249**
Variation of net cash	-5	-74	25	97	340
Other adjustments	n.a.	n.a.	n.a.	n.a.	n.a.
CASH AT THE CLOSE OF THE FINANCIAL YEAR	**201**	**127**	**152**	**249**	**589**

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Quaterly accounts

	2006	2007	2008	2009	2010
First quarter turnover	3,107	2,742	3,326	3,143	5,085
Second quarter turnover	2,315	2,249	3,090	3,337	4,346
Third quarter turnover	2,285	2,348	3,286	4,047	n.a.
Fourth quarter turnover	2,641	2,755	3,842	4,352	n.a.
HALF-YEAR TURNOVER	**5,422**	**4,990**	**6,416**	**6,480**	**9,431**
YEAR-END TURNOVER	**10,348**	**10,093**	**13,544**	**14,879**	**n.a.**

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Half year balance sheet

EUR thousands	2006	2007	2008	2009	2010
Goodwill	456	456	474	1,595	11,228
Intangible fixed assets	1,295	1,285	1,145	n.a.	n.a.
Tangible fixed assets	7,141	7,709	8,252	9,718	27,413
Investment real estate	n.a.	n.a.	n.a.	n.a.	n.a.
Shareholdings in equity-accounted companies	223	34	36	40	83
Non current financial assets	578	783	669	691	1,268
Deferred tax assets	n.a.	n.a.	n.a.	292	1,112
Assets for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	n.a.
Total non current assets	**9,693**	**10,268**	**10,575**	**12,336**	**41,104**
Stock and work-in-progress	283	430	399	497	718
Customer receivables and related accounts	n.a.	n.a.	n.a.	n.a.	n.a.
Other current assets	1,855	2,164	1,907	2,406	5,342
Current financial assets	n.a.	n.a.	n.a.	73	756
Taxes payable assets	n.a.	n.a.	n.a.	n.a.	n.a.
Cash and cash equivalents	276	301	628	772	481
Assets for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	n.a.
Total current assets	**2,414**	**2,894**	**2,934**	**3,748**	**7,297**
TOTAL ASSETS	**12,107**	**13,162**	**13,510**	**16,084**	**48,401**
Shareholder equity (group share)	4,894	5,480	5,901	6,225	9,990
Stockholder's equity	**5,166**	**5,811**	**6,251**	**6,591**	**12,374**
Provisions for non current contingencies and charges	302	384	436	544	1,890
Non-current financial debts	2,844	2,939	2,327	2,500	17,592
Other non-current liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
Deferred tax liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
Other non-current liabilities	1,307	1,378	1,347	1,693	5,903
Liabilities for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	n.a.
Total non-current liabilities	**4,453**	**4,701**	**4,110**	**4,737**	**25,385**
Provisions for current contingencies and charges	n.a.	n.a.	n.a.	n.a.	n.a.
Suppliers and related accounts	n.a.	n.a.	n.a.	n.a.	n.a.
Other current liabilities	2,051	2,249	2,371	3,262	5,471
Current financial debts	437	401	778	1,494	5,171
Other current financial liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
Current tax liabilities	n.a.	n.a.	n.a.	n.a.	n.a.
Liabilities for sale and discontinued activities	n.a.	n.a.	n.a.	n.a.	n.a.
Total current liabilities	**2,488**	**2,650**	**3,149**	**4,756**	**10,642**
TOTAL LIABILITIES	**12,107**	**13,162**	**13,510**	**16,084**	**48,401**

#: All notes are available on page 51

Half year statement of income

EUR thousands	2006	2007	2008	2009	2010
Income from ordinary activities	3,827	5,476	5,028	6,460	6,528
Purchases consumed (-)	2,635	4,022	3,366	4,551	4,118
Personnel costs (-)	120	137	161	180	249
Other purchases and external costs (-)	n.a.	n.a.	n.a.	n.a.	n.a.
Taxes and duties, similar payments (-)	n.a.	n.a.	n.a.	n.a.	n.a.
Allowances for amortization (-)	256	318	312	358	521
Provisions (-)	n.a.	n.a.	25	11	37
Restructuring charges (-)	n.a.	n.a.	n.a.	n.a.	n.a.
Other income and charges	-345	-383	-374	-432	-520
Operating income	**471**	**616**	**790**	**928**	**1,083**
Including non-recurrent charges:	n.a.	n.a.	n.a.	n.a.	n.a.
Including non-recurrent income:	n.a.	n.a.	n.a.	n.a.	n.a.
Cost of net financial indebtedness	**n.a.**	**n.a.**	**n.a.**	**n.a.**	**n.a.**
Other financial income	n.a.	n.a.	n.a.	4	101
Other financial charges	n.a.	n.a.	n.a.	104	322
Other financial income and charges	**-102**	**-137**	**-108**	**-100**	**-221**
Equity-Accounted companies' contribution to results	**24**	**3**	**5**	**3**	**55**
Taxes on profits (-)	**154**	**176**	**212**	**213**	**217**
Net profit from discontinued activities	**162**	**180**	**79**	**n.a.**	**n.a.**
NET INCOME	**401**	**486**	**554**	**618**	**700**

#: All notes are available on page 51

5. Notes

#1: In 2008, Gas Natural's turnover was €149m in Puerto Rico and €671m in Mexico).
#2: Correspond to gas distribution customers.
#3: Guatemala, Nicaragua & Panama.
#4: Gas distribution activities.
#5: Oil and gas.
#6: Oil and gas.
#7: Including gas input to power plants
#8: Sales to distributors on regulated market.
#9: Corresponds to combustion installations with a rated thermal input exceeding 20 MW.
#10: Positive figures mean CO2 emissions were higher than amounts allocated, while negative figures indicate that CO2 emissions remained lower than the allocated quotas.
#11: Gas distribution business.
#12: Gas supply points.
#13: Including electricity distribution customers.
#14: Electricity distribution customers.
#15: Electricity distribution customers.
#16: Electricity distribution customers.
#17: Corresponds to power activities.
#18: 51 MW in Costa Rica and 22 MW in Panama.
#19: CHP in Panama.
#20: Including oil and gas.
#21: Dominican Republic.
#22: Estimated in 2009.
#23: Estimated in 2009.
#24: Supply Points.

6. Table of Abbreviations

000's	thousands
€c	Euro cents
€m	Euro millions
bcm	billion cubic meters
CAGR	Compound Annual Growth Rate
Cust./ Empl.	Customers / Employee
empl.	employees
ETS	Emission Trading Scheme
gCO2	gram of CO2
HHI	Herfindahl-Hirschman Index
km	kilometres
kWh	Kilo Watt hours
mcm	million cubic meters
MtCO2	million tons of CO2
MW	mega Watt
MWh	mega Watt hours
TWh	tera Watt hours

#: All notes are available on page 51

