



## **Enagás' General Shareholders' Meeting approves the 2013 results and management of the Company, which met its strategic targets for the seventh consecutive year**

- **Enagás has met its targets for the seventh consecutive year thanks to its ability to think ahead, prudent management and the steadfast commitment of its professionals**
- **Llardén emphasised that international investors, whom he has met in recent weeks, have significantly changed their perception of Spain, underlining that the recovery of our economy is being recognised by the markets**
- **Enagás will continue to prioritise its Spanish regulated business whilst pressing ahead with its international expansion**
- **The Company announced yesterday that it has completed the acquisition of 22.38% of Transportadora de Gas de Perú (TgP) from Hunt and Repsol along with the deal to sell 2.38% of TgP to the Canada Pension Plan Investment Board (CPPIB) and to acquire 30% of Compañía Operadora de Gas del Amazonas (Coga). Enagás is now co-owner of Peru's main gas transmission company and becomes an active operator in the country**
- **Enagás' 75% payout is similar to those of its European peers and in line with the Company's investment requirements**
- **Despite the economic crisis, Enagás has continued to create employment and increased the size of its workforce by 2.8% in 2013. Between 2007 and 2013 the number of women in senior and middle management positions doubled**
- **Spain boasts great strength in regasification plants and two connections with North Africa, which means it has the potential to become a bridge between Europe and the main gas producers, said Llardén**
- **Demand for natural gas for exports, transmission to Portugal and tanker loading is expected to rise by 23% in 2014**
- **Enagás' General Meeting approved all resolutions on the agenda.**



The Chairman of Enagás, Antonio Llardén, today presided over the General Shareholders' Meeting, which approved the financial statements, the 2013 management report and all resolutions on the agenda.

During the Meeting, the Chairman and the Chief Executive Officer, Marcelino Oreja, reviewed the Company's performance in 2013 and the key strategic lines for the coming years.

### **Targets met**

During his speech, Llardén reminded shareholders that Enagás met all its targets for the seventh consecutive year thanks to its ability to think ahead, prudent management and the steadfast commitment of its professionals. In this context, he pointed out that Enagás has invested €5Bn and paid a dividend of €1.5Bn since the launch of the Strategic Plan in 2007.

The Chief Executive Officer, Marcelino Oreja, said that the company had surpassed its targets yet again by keeping a tight grip on operating costs, improving average borrowing costs and thanks to the contribution of acquisitions. In this regard, he said that in 2013 "international acquisitions accounted for approximately 30% of the growth in our net profit."

### **Trust in the Company's management**

Llardén underlined the trust of investors in the Company's management in recent years. "Even during the toughest years of the crisis we were able to attract international investment at Enagás," he stated. The group of investors, both Spanish (25%) and international (75%), "is strong, consistent and stable, with a long-term profile."

The Chairman of Enagás underlined that at meetings in recent weeks international investors have informed him that there has been a significant shift in the perception of Spain and that they believe the right action is being taken to achieve recovery. "This shows that the financial markets are recognising the macro-level recovery of our economy, which is good news for both Spain and Spanish companies", he added.

### **A strategy tailored to the environment**

Antonio Llardén said that the Spanish regulated business will remain the priority of Enagás, which will also continue to pursue international expansion whenever opportunities arise that satisfy the company's strategic criteria.

In this regard, Llardén pointed out the Company's announcement yesterday that it has completed the acquisition of 22.38% of Transportadora de Gas de Perú (TgP) from Hunt and



Repsol along with the deal to sell 2.38% of TgP to the Canada Pension Plan Investment Board (CPPIB) and to acquire 30% of Compañía Operadora de Gas del Amazonas (Coga). This means Enagás now co-owns Peru's main gas transmission company and has become an active operator in the country.

Shareholder remuneration is also at the heart of Enagás' strategy. Enagás' payout currently stands at 75%, similar to those of its European peers and in line with the Company's investment requirements. Llardén also pointed out that the cumulative dividend yield stands at 35% since 2007. "If we also take into account our improved stock market performance, return per share has increased by 42%," he added.

For the 2013-2015 period, Enagás is focusing on sustainability as the main driver of business development. The Chairman explained: "Sustainable and outstanding management will enable us to continue creating value for all our stakeholders."

#### **The outlook for 2014**

The goal for 2014, according to Llardén, is to deliver 2.4% growth in net profit. Enagás also plans to invest €625Mn, of which 35% is earmarked for regulated assets in Spain and the remaining 65% for international projects, in line with the Strategic Update.

In 2014 the Company will maintain debt ratios within the target levels established in the Strategic Plan and will continue to finance itself largely through the markets and, to a lesser extent, through banks and savings banks, the Chairman explained.

#### **Corporate Governance and commitment to CSR**

In keeping with its commitment to Good Governance, the Company continued to adopt best national and international practice in this sphere in 2013. Moreover, it also deepened its commitment to corporate social responsibility. Among the milestones in this area, Antonio Llardén said that Enagás has improved supplier management and implemented energy efficiency measures that enabled it to reduce CO<sub>2</sub> emissions by 18% and cover 8.75% of its electricity requirements with residual energy from its infrastructures.

Moreover, Enagás has continued to create employment despite the economic crisis and increased the size of its workforce by 2.8% in 2013. Underlining its commitment to equality, between 2007 and 2013 the Company doubled the number of women in senior and middle management positions. In this regard, last January the Company signed an agreement with the



Ministry for Health, Social Policy and Equality aimed at achieving parity between men and women in positions of responsibility.

### **Energy sector**

With regard to the energy outlook, Llardén said that, according to International Energy Agency forecasts, global demand for energy will grow 35% by 2035. He explained that all energy sources will have a role to play in the new energy system and that natural gas will play a key role as a type of energy compatible with renewables in technological terms.

He also said that conflicts such as the one currently taking place between Russia and Ukraine are underlining the importance of having secure energy systems. With this in mind, he pointed out that "Spain boasts great strength in regasification plants and two connections with North Africa, which means it has the potential to become a bridge between Europe and the main gas producers. "These regasification plants can be used not just by Spain and Europe but by any country in the world, as evidenced by the fact that large methane tankers from around the globe are already starting to load at plants in Spain and Portugal."

### **Natural gas demand**

In Spain, conventional demand for natural gas is already at pre-crisis levels, Llardén explained. Demand corresponding to the transmission of gas via the Spanish gas system — for consumption outside Spain — grew by 23% in 2013 owing to the increase in exports and tanker loading. This demand is forecast to grow by a further 23% this year.

### **Regulation of the Gas System**

Regarding the Ministry of Industry, Energy and Tourism's announcement that it will be conducting a review of regulated activities in the gas sector in 2014, Llardén said that "the regulator and the system agents are working to come up with a solution satisfactory to all parties that improves our future prospects and ushers in a new period of regulatory stability." He also reminded shareholders that "the burgeoning deficit in the gas system deficit is not comparable to the situation in the electricity sector" and that "there are feasible and affordable solutions."

### **General Shareholders' Meeting Resolutions**

The Enagás General Shareholders Meeting approved all resolutions on the agenda with practically 100% of the votes in favour.



Remuneration for the members of the Board of Directors was adopted by a majority of more than 99%. However, some proxies and investors specified that Senior Management should have an additional long-term incentive plan, so the annual report on Directors' remuneration, which is subject to an advisory vote, was the only item on the agenda with a lower vote, and even then almost 85% of votes were in favour.

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