



January - September 2015 Results

4 November 2015

NET PROFIT IN THE FIRST NINE MONTHS OF 2015 AMOUNTED TO €1,094 MILLION

- Net profit in the period from January to September 2015 amounted to €1,094 million, an 11.7% decline due basically to the interperiod difference in divestment capital gains. Whereas extraordinary profit in 2014 from the sale of Gas Natural Fenosa Telecomunicaciones and its subsidiaries amounted to €190 million, divestment profits in 2015 amounted to just €5 million, from the sale of electricity distribution company Barras Eléctricas Galaico Asturianas (BEGASA). In like-for-like terms, i.e. adjusting for net capital gains in the two periods, net profit increased by 3.8%, in a context of a sharp increase in global uncertainty, due to Gas Natural Fenosa's balanced profile with a broad diversification of businesses and also to strict financial discipline.
- Consolidated EBITDA in the first nine months rose by €392 million to €3,998 million, a 10.9% increase on the same period of 2014.
- Chilean company Compañía General de Electricidad (CGE), which was consolidated by Gas Natural Fenosa as from 30 November 2014 and, therefore, made no contribution in the first nine months of 2014, provided €464 million in consolidated EBITDA through 30 September 2015, offsetting both the €56 million impact on EBITDA, with respect to last year, of regulatory measures under Royal Decree Law 8/2014, which affected regulated gas activities in Spain, effective since 5 July 2014, and the €32mn contribution from the telecommunications business, divested in June 2014.
- Gas Natural Fenosa reached an agreement to buy the piped propane gas business of Repsol Butano in the Company's existing distribution territories. Under the agreement, Gas Natural Fenosa will progressively acquire approximately 250,000 gas distribution connections associated with the assets, as the necessary administrative authorisations are issued. Once completed, the deal will have cost approximately €450 million.
- In October 2015, KIA completed the acquisition of 25% of Global Power Generation (GPG) by subscribing for a €550 million capital increase.
- Also in October 2015, Gas Natural Fenosa completed the acquisition of 8.33% of Metrogas (Chile) for €116 million and now owns 60.17% of that company.
- In October 2015, Gas Natural Fenosa acquired control of the Gecalsa group for €260 million.
- Also in October, the Board of Directors of the European Investment Bank (EIB) approved a loan of up to €900 million to partly finance investments in gas distribution assets in Spain in 2015-2018.
- The level of indebtedness is gradually being normalised following the acquisition of CGE. As of 30 September 2015, the leverage ratio was 46.9% and the proforma net interest-bearing debt/EBITDA ratio was 3.0.
- The Board of Directors declared an interim dividend of €408 million (€0.4078 per share), payable in cash on 8 January 2016, out of 2015 profit, i.e. an 2.7% increase with respect to the dividend distributed out of 2014 profit.

1.- MAIN AGGREGATES

1.1.- Main financial aggregates

(unaudited)						
3Q15	3Q14	%	(€ Mn)	9M15	9M14	%
6,357	6,069	4.7	Net sales	20,042	18,223	10.0
1,324	1,185	11.7	EBITDA	3,998	3,606	10.9
818	728	12.4	Operating income	2,472	2,490	-0.7
343	307	11.7	Net profit	1,094	1,239	-11.7
926	649	42.7	Cash flow from ordinary activities	2,537	2,069	22.6
-	-	-	Average number of shares (million)	1,001	1,001	-
-	-	-	Price at 30/09 (€)	17.43	23.31	-25.2
-	-	-	Market capitalisation at 30/09	17,442	23,333	-25.2
-	-	-	Net profit per share (€)	1,16 ¹	1,24	-6.5
464	363	27.8	Investments	1,208	1,056	14.4
-286	548	-	Equity	18,124	15,985	13.4
-706	371	-	Net interest-bearing debt (30/9)	16,031	13,843	15.8

1.2.- Ratios

(unaudited)		
	9M15	9M14
Leverage ²	46.9%	46.4%
EBITDA/ Financial result	6.2x	6.6x
Net interest-bearing debt /EBITDA ³	3.0x	2.9x
P/E	13.2x	14.9x
EV/EBITDA ⁴	6.3x	7.8x

Share performance and balance sheet at 30 September.

¹ Results at 30 September 2015 adjusted in accordance with IAS 33 due to the carrying amount of the preference shares exceeding the amount paid to redeem them, net of the tax effect.

² Net interest-bearing debt/(Net interest-bearing debt+Net equity).

³ In annualised proforma terms, including CGE EBITDA from October to November 2014. Otherwise, the figure would be 3.1x.

⁴ In annualised proforma terms, including CGE EBITDA from October to November 2014. Otherwise, the figure would be 6.4x.

1.3.- Main physical aggregates

Gas and electricity distribution:

3Q15	3Q14	%		9M15	9M14	%
102,939	99,696	3.3	Gas distribution (GWh):	318,863	310,987	2.5
37,341	34,808	7.3	Europe:	130,898	124,212	5.4
37,341	34,808	7.3	TPA ⁵	130,898	124,212	5.4
65,598	64,888	1.1	Latin America:	187,965	186,775	0.6
43,293	42,505	1.9	Tariff gas sales	121,079	119,033	1.7
22,305	22,383	-0.3	TPA	66,886	67,742	-1.3
12,978	12,935	0.3	Electricity distribution (GWh):	39,282	38,649	1.6
8,251	8,515	-3.1	Europe:	25,797	25,857	-0.2
630	615	2.4	Tariff Electricity sales	1,988	1,919	3.6
7,621	7,900	-3.5	TPA	23,809	23,938	-0.5
4,727	4,420	6.9	Latin America:	13,485	12,792	5.4
4,462	4,157	7.3	Tariff Electricity sales	12,702	12,011	5.8
265	263	0.8	TPA	783	781	0.3
-	-	-	Gas distribution connections, ('000)	12,489	12,185	2.5
-	-	-	(30/09):			
-	-	-	Europe	5,687	5,664	0.4
-	-	-	Latin America	6,802	6,521	4.3
-	-	-	Electricity distribution connections ('000)	7,672	7,528	1.9
-	-	-	(30/09):			
-	-	-	Europe	4,543	4,526	0.4
-	-	-	Latin America	3,129	3,002	4.2
-	-	-	ICEIT in Spain (minutes)	33	37	-10.8

Gas business:

3Q15	3Q14	%		9M15	9M14	%
66,757	69,012	-3.3	Wholesale supply (GWh):	210,187	207,356	1.4
39,209	41,285	-5.0	Spain	117,603	121,965	-3.6
27,548	27,727	-0.6	Rest	92,584	85,391	8.4
2,225	1,998	11.4	Retail supply (GWh)	22,021	19,220	14.6
31,056	30,354	2.3	Gas transportation - EMPL (GWh)	82,210	91,901	-10.5

⁵ Also includes TPA services in the secondary network.

Electricity business:

3Q15	3Q14	%		9M15	9M14	%
13,836	13,732	0.8	Electricity generated (GWh):	36,923	36,307	1.7
9,028	9,101	-0.8	Spain:	23,690	22,815	3.8
317	427	-25.8	Generation:	2,141	3,410	-37.2
1,207	1,082	11.6	Hydroelectric	3,326	3,169	5.0
2,843	2,677	6.2	Nuclear	5,814	4,174	39.3
4,264	4,550	-6.3	Coal	10,931	10,490	4.2
397	365	8.8	CCGT	1,478	1,572	-6.0
			Renewables and Cogeneration			
4,808	4,631	3.8	Global Power Generation:	13,233	13,492	-1.9
4,198	4,187	0.3	Mexico (CCGT)	11,412	12,301	-7.2
150	-	-	Mexico (wind)	604	-	-
129	47	-	Costa Rica (hydroelectric)	266	118	-
13	16	-18.8	Panama (hydroelectric)	45	43	4.7
-	4	-	Panama (oil-fired)	-	28	-
286	275	4.0	Dominican Republic (oil-fired)	812	628	29.3
32	102	-68.6	Kenya (oil-fired)	94	374	-74.9
-	-	-	Installed capacity (MW):	14,847	14,551	2.0
-	-	-	Spain:	12,145	12,122	0.2
-	-	-	Generation:			
-	-	-	Hydroelectric	1,954	1,948	0.3
-	-	-	Nuclear	604	604	-
-	-	-	Coal	2,065	2,065	-
-	-	-	CCGT	6,603	6,603	-
-	-	-	Renewables and Cogeneration	919	902	1.9
-	-	-	Global Power Generation:	2,702	2,429	11.2
-	-	-	Mexico (CCGT)	2,035	2,035	-
-	-	-	Mexico (wind)	234	-	-
-	-	-	Costa Rica (hydroelectric)	101	51	98.0
-	-	-	Panama (hydroelectric)	22	22	-
-	-	-	Panama (oil-fired)	-	11	-
-	-	-	Dominican Republic (oil-fired)	198	198	-
-	-	-	Kenya (oil-fired)	112	112	-

Compañía General de Electricidad:

3Q15	3Q14	%		9M15	9M14	%
13,725	-	-	Gas distribution			
-	-	-	Gas activity sales (GWh)	36,715	-	-
			Gas distribution connections, ('000)	610	-	-
			(30/09)			
3,875	-	-	Electricity distribution			
-	-	-	Electricity activity sales (GWh)	11,955	-	-
			Electricity distribution connections ('000)	2,906	-	-
			(30/09)			
3,486	-	-	Electricity transmitted (GWh)	10,932	-	-
			LPG			
2,481	-	-	Supply (GWh)	6,141	-	-
1,652	-	-	Sales to end customers (GWh)	4,298	-	-

2.- ANALYSIS OF CONSOLIDATED RESULTS

2.1.- Changes in group size

There were no significant changes in consolidated group size in the first nine months of 2015.

The main changes in the consolidated group in 2015 with respect to 2014 are as follows:

- Telecommunications company Gas Natural Fenosa Telecomunicaciones and its investees were sold in June 2014.
- In November 2014, the company acquired 96.7% of Chilean company Compañía General de Electricidad, S.A. (CGE), which has been fully consolidated since 30 November 2014.

2.2.- Analysis of results

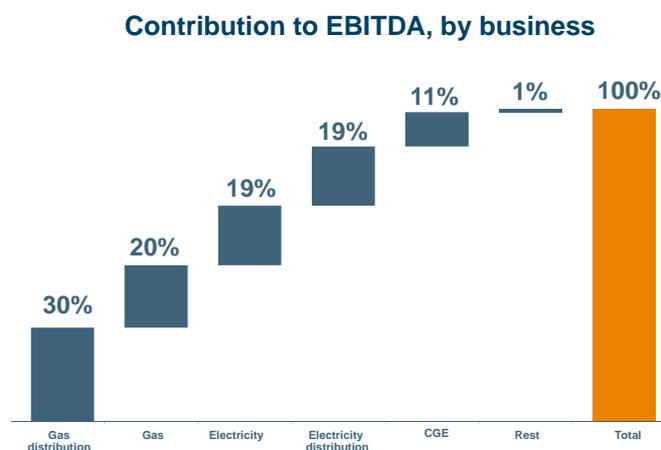
2.2.1.- Net sales

Net sales totalled €20,042 million in the first nine months of 2015, a 10.0% increase over the same period of 2014, mainly as a result of consolidating Compañía General de Electricidad.

2.2.2.- EBITDA and operating income

Consolidated EBITDA in the first nine months of 2015 amounted to €3,998 million, an increase of €392 million (10.9%) with respect to 2014.

Compañía General de Electricidad (CGE), in Chile, which was consolidated by Gas Natural Fenosa as from 30 November 2014 and, therefore, made no contribution in 9M14, provided €464 million in consolidated EBITDA in the first nine months of 2015, offsetting the €56 million impact on EBITDA, with respect to last year, of regulatory measures under Royal Decree Law 8/2014, which affected regulated gas activities, effective since 5 July 2014, and the €32mn contribution from the telecommunications business, divested in June 2014.



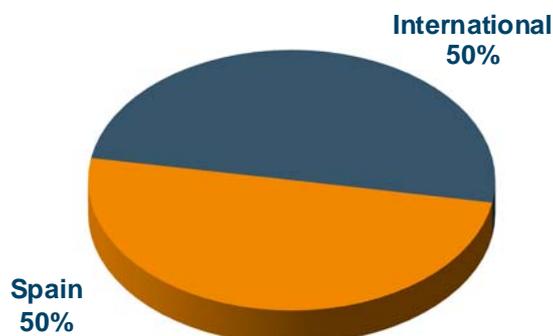
The impact on EBITDA in 2015 of foreign currency performance against the euro is an increase of €37 million with respect to 2014, due mainly to appreciation of the dollar against the euro, which offset the depreciation of other currencies.

The chart illustrates the business lines' contributions to consolidated EBITDA, showing an appropriate degree of diversification, including a notable contribution by gas distribution (29.8%), followed by gas (20.3%), and electricity distribution and generation, mainly in Spain (18.8% each). The recently acquired CGE contributed 11.0%.

EBITDA from Gas Natural Fenosa's international activities increased by 30.0% due to the integration of CGE and accounts for 50.1% of the consolidated total, compared with 42.7% last year. EBITDA from operations in Spain fell by 3.4% and declined as a share of the consolidated total to 49.9%.

Depreciation and amortisation charges and impairment losses in 9M15 increased by 12.9% year-on-year to €1,337 million. Provisions for bad debts amounting to €194 million, compared with €185 million in 2014, and a sharp decline in gains on asset divestments in 2015 (€5 million, vs. €253 million in 2014), resulted in operating income amounting to €2,472 million, a 0.7% decline year-on-year.

Contribution to EBITDA, by geographic area



2.2.3.- Financial results

The breakdown of financial results is as follows:

(unaudited)				
3Q15	3Q14	(€Mn)	9M15	9M14
-212	-171	Cost of net interest-bearing debt	-642	-550
-23	-19	Other financial expenses/revenues	-62	-41
5	2	Financial income - Costa Rica	10	4
-230	-188	Financial result	-694	-587

The cost of net interest-bearing debt in 9M15 was €642 million, i.e. higher than in 9M14 due to the acquisition and consolidation of CGE at the end of 2014. Excluding that transaction, interest-bearing debt and the related cost would have declined.

2.2.4.- Equity-accounted affiliates

The result from equity-accounted affiliates was -€5 million in 9M15, compared with -€75 million in 9M14, basically due to the positive €17 million contribution by CGE and the lower negative contributions by the Union Fenosa Gas subgroup and Nueva Generadora del Sur.

Output by Ecoeléctrica's CCGT in Puerto Rico was 22.7% lower than in 9M14 since its scheduled shutdown lasted longer and had a larger scope than in 2014, and because the major overhaul of unit 2, planned for 2016, was brought forward due to damage caused by tropical storm Erika. Its contribution to the consolidated group increased slightly with respect to last year.

Gas supplied in Spain by Unión Fenosa Gas⁶ amounted to 25,172 GWh in 9M15, compared with 28,651 GWh in 9M14. Additionally, a total of 15,055 GWh of energy was traded in international markets, compared with 16,335 GWh in the first nine months of 2014.

⁶ Assuming 100%.

2.2.5.- Corporate income tax

On 27 November 2014, Law 27/2014, on Corporate Income Tax was approved, reducing the general tax rate from 30% to 28% for 2015 and to 25% as from 2016.

The effective tax rate in 9M15, based on the best estimate of the effective rate for the year as a whole, is 24.5%, i.e. unchanged with respect to the same period last year, since the reduction of the general rate under Law 27/2014 was offset basically by lower tax credits.

2.2.6.- Non controlling interest

The main items in this account are the non-controlling interests in EMPL, CGE, gas distribution companies in Brazil, Colombia and Mexico; and electricity generation and distribution companies in Panama and Colombia.

Income attributed to non-controlling interests amounted to -€245 million in 9M15, compared with -€141 million in 9M14. That increase is due mainly to the integration of CGE (€71 million) and to booking interest accrued on the perpetual subordinated bond issue (€38 million).

3. BALANCE SHEET

3.1.- Investments

The breakdown of investments by type is as follows:

(unaudited)			
(€Mn)	9M15	9M14	%
Capital expenditure and intangible assets	1,116	1,015	10.0
Financial investments	92	41	-
Total investments	1,208	1,056	14.4

Investments in property, plant & equipment and intangible assets amounted to €1,116 million in the first nine months of 2015, an increase of 10.0% year-on-year. This change includes the addition under finance lease of the Ribera del Duero LNG carrier ship (170,000 m³ capacity) for €177 million, and the consolidation of CGE in 2015, at an investment of €187 million. Adjusting for those amounts, investment in tangible and intangible assets increased by 11.0%.

Financial assets added in 2015 correspond mainly to the acquisition of an additional 12.75% of subsidiary Gasmar (Chile) for €34 million, plus €19 million spent in Costa Rica to build the 50 MW Torito hydroelectric plant, booked in accordance with the service concession model established by IFRIC 12, and the acquisition of an additional 0.65% stake in Compañía General de Electricidad, S.A. (CGE) for €18 million.

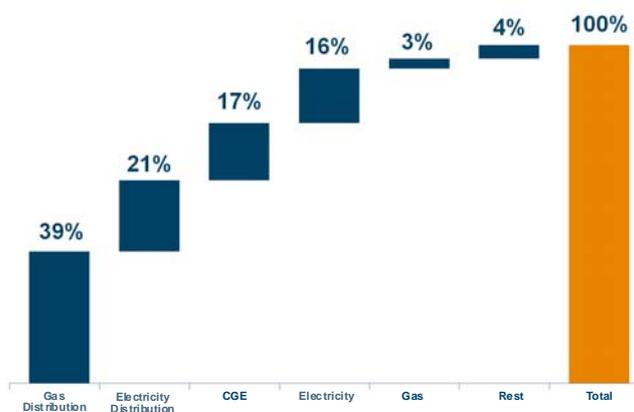
Financial assets added in 2014 correspond basically to capital expenditure in Costa Rica in accordance with the service concession model established under IFRIC 12.

The breakdown of investment in property, plant and equipment and intangible assets, by line of business, is as follows:

(unaudited)

(€Mn)	9M15	9M14	%
Gas distribution:	434	342	26.9
Spain	251	191	31.4
Italy	15	15	-
Latin America	168	136	23.5
Electricity distribution:	237	207	14.5
Spain	143	117	22.2
Moldova	4	9	-55.6
Latin America	90	81	11.1
Gas:	30	203	-85.2
Infrastructure	7	185	-96.2
Procurement and Supply	23	18	27.8
Electricity:	177	193	-8.3
Spain	138	87	58.6
Global Power Generation	39	106	-63.2
CGE	187	-	-
Rest	51	70	-27.1
Total capital expenditure and intangible assets	1,116	1,015	10.0

Total capital expenditure and intangible assets by activity



Capital expenditure was focused in the gas distribution business, where it increased by 26.9% and accounted for 38.9% of the consolidated total. Investment in electricity distribution increased by 14.5% and accounted for 21.2% of the total, with notable growth in Spain. Capital expenditure by CGE represents another 16.8% of the total.

Capital expenditure declined by -7.0% in Spain (+28.3%, excluding the investment in the LNG carrier in 1Q14). Capital expenditure outside Spain increased by 39.5% due to the integration of CGE (otherwise, the figure would have decreased by 10.8%).

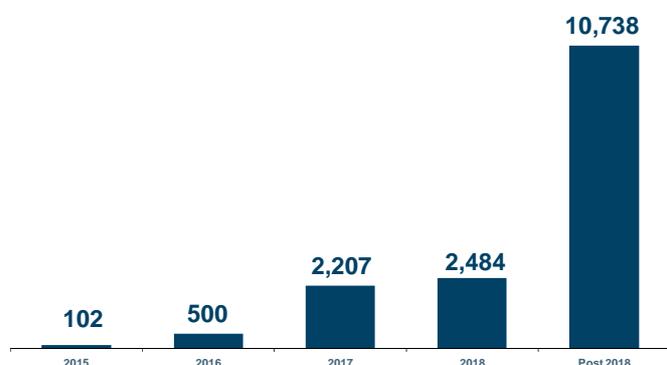
3.2.- Debt

At 30 September 2015, net interest-bearing debt amounted to €16,031 million and leverage was 46.9%.

The net debt/EBITDA ratio was 3.1 and EBITDA/cost of net interest-bearing debt was 6.2 at 30 September 2015. In proforma terms, including EBITDA from CGE for October-November 2014, net debt/EBITDA would have been 3.0.

A total of 96.2% of the net interest-bearing debt matures in or after 2017. The average term of the debt is slightly more than 5 years.

Net interest-bearing debt maturity (€Mn)



Considering the impact of financial hedges, a total of 79.1% of the net interest-bearing debt is at fixed interest rates and the other 20.9% is at floating rates. Of the net interest-bearing debt, 3.2% is short term and 96.8% is long term.

The figure shows Gas Natural Fenosa's net debt maturity calendar at 30 September 2015.

At 30 September 2015, cash and cash equivalents together with available bank finance totalled €9,932 million, providing the company with sufficient liquidity to cover its debt maturities for more than 24 months, as detailed below:

(unaudited)

Liquidity (€Mn)	Available in 09/2015
Committed credit lines	7,074
Uncommitted credit lines	525
Undrawn loans	53
Cash and cash equivalents	2,280
Total	9,932

Additionally, at 30 September 2015 the company had €5,639 million available in the form of shelf registrations for financial instruments, including €3,395 million in the Euro Medium Term Notes (EMTN) programme, €522 million in the Euro Commercial Paper (ECP) programme; and a combined €1,722 million in the stock market certificates programmes on the Mexico Stock Exchange, the commercial paper programme on the Panama Exchange, the straight bonds programme in Colombia and the bond lines in Chile.

The total amount outstanding under the EMTN programme is €10,605 million at 30 September 2015.

In line with its finance policy in connection with diversification in terms of both geographies and instruments, Gas Natural Fenosa made a number of transactions in the capital markets. On 13 January 2015, through its EMTN programme, Gas Natural Fenosa completed a bond issue in the euromarket amounting to €500 million, maturing in January 2025, with an annual coupon of 1.375%.

To that same end, on 14 July 2015, subsidiary Gas Natural México S.A. de C.V. issued two bonds for a total of MXN 2,800 million under the stock market certificates programmes on the Mexico Stock Exchange. The 3-year tranche, amounting to MXN 1,500 million, was placed at a variable rate (the Mexican interbank rate—TIIE—plus a spread of 44 basis points), while the 10-year tranche, amounting to MXN 1,300 million, pays an annual coupon of 7.67%. This issue was rated AAA by Fitch Ratings and AA+ by Standard & Poor's.

In the third quarter of 2015, Gas Natural Fenosa continued to manage bank liquidity and reduce spreads to take advantage of the current favourable situation in the financial markets.

Also, in October, the Board of Directors of the European Investment Bank (EIB) approved a loan of up to €900 million. The loan will be used to partly finance investments in gas distribution assets in Spain in 2015-2018.

The breakdown of the net financial debt by currency at 30 September 2015, in absolute and relative terms, is as follows:

(unaudited)

(€ Mn)	30/09/15	%
EUR	12,473	77.8
CLP	1,850	11.5
USD	770	4.8
COP	459	2.9
MXN	259	1.6
BRL	201	1.3
Others	19	0.1
Total net interest-bearing debt	16,031	100.0

The credit ratings of Gas Natural Fenosa's short- and long-term debt are as follows:

Agency	Long term	Short term
Fitch	BBB+	F2
Moody's	Baa2	P-2
Standard & Poor's	BBB	A-2

3.3.- Shareholders' equity

The allocation of 2014 income approved by the Ordinary Shareholders' Meeting on 14 May 2015 entails the payment of a dividend amounting to €909 million. That represents a payout of 62.1% and a dividend yield of more than 4.4% based on the share price at 31 December 2014 (€20.81).

Consequently, given the number of outstanding shares (1,000,689,341), the total dividend amounted to €0.908 gross per share. The company paid an interim dividend of €0.397 per share on 8 January 2015, and a supplementary dividend of €0.511 per share on 1 July 2015, both in cash.

On 21 April 2015, Gas Natural Fenosa completed a €500 million perpetual subordinated bond issue, callable at the issuer's election as from its 9th year, with an annual coupon of 3.375%, issued at 98.65% of par.

Additionally, on 4 May 2015, the Board of Directors of Gas Natural SDG, S.A. approved a cash tender offer for preference shares at 85% of par. Those preference shares were issued by Unión Fenosa Preferentes SAU in the amount of €750 million in 2005; the offer was accepted by 85.3%. i.e. a nominal value of €640 million.

At 30 September 2015, Gas Natural Fenosa's shareholders' equity totalled €18,124 million. Of that figure, €14,431 million is attributable to Gas Natural Fenosa, i.e. an increase of 0.1% with respect to 30 September 2014.

The Board of Directors declared an interim dividend of €408 million (€0.4078 per share), payable in cash on 8 January 2016, out of 2015 profit, i.e. an increase of 2.7% with respect to the dividend distributed out of 2014 profit.

4.- ANALYSIS OF RESULTS BY ACTIVITY

The criteria used to assign amounts to the activities are as follows:

- All revenues and expenses relating directly and exclusively to a specific business activity are allocated directly to it.
- The margin on intercompany transactions is allocated on the basis of the market which is the final destination of the sale.
- Corporate expenses and revenues are assigned on the basis of their use by the individual business lines.

4.1.- GAS DISTRIBUTION IN EUROPE

4.1.1.- Spain

This area includes gas distribution, third-party access (TPA) and secondary transportation, as well as the distribution activities in Spain that are charged for outside the regulated remuneration (meter rentals, customer connections, etc.).

4.1.1.1.- Results

(unaudited)						
3Q15	3Q14	%	(€ Mn)	9M15	9M14	%
307	296	3.7	Net sales	898	926	-3.0
-	-5	-	Purchases	-10	-15	-33.3
-20	-19	5.3	Personnel costs, net	-57	-57	-
-58	-48	20.8	Other revenues and expenses	-166	-178	-6.7
229	224	2.2	EBITDA	665	676	-1.6
-71	-70	1.4	Depreciation & amortization, and impairment losses	-217	-214	1.4
-2	-2	-	Change in operating provisions	-2	-6	-66.7
156	152	2.6	Operating profit	446	456	-2.2

Royal Decree Law 8/2014, of 4 July, included a series of adjustments in remuneration for regulated gas activities, effective as from 5 July 2014, the goal being to resolve the sector's incipient tariff deficit.

The adjustments also include the establishment of a stable regulatory framework, until 2020, which includes a remuneration mechanism for gas distribution that will match the remuneration to system revenues and, therefore, maintain the incentive to grow the distribution network and acquire new customers.

That modification in remuneration fully impacted earnings in the first nine months of 2015, whereas it affected only three months of the comparable period in 2014. The differential impact is an estimated €56 million.

Net sales in the gas distribution business totalled €898 million, i.e. €28 million less than in the same period last year due to the above-mentioned change in regulations, while EBITDA declined by 1.6%.

4.1.1.2.- Main aggregates

The main aggregates in gas distribution in Spain were as follows:

3Q15	3Q14	%		9M15	9M14	%
37,007	34,458	7.4	Gas TPA sales (GWh):	128,091	121,670	5.3
836	298	-	Distribution network (km)	50,463	48,556	3.9
-20	10	-	Change in connection points ('000)	5	36	-86.1
-	-	-	Connection points ('000) (at 30/09)	5,231	5,208	0.4

Regulated gas sales increased by 5.3% (+6,421 GWh). Demand for gas distribution at pressures of less than 4 bar increased by 16.9% (+4,269 GWh) due to favourable weather compared with the third quarter of 2014, a difference of +108 degree days⁷ (2014 was the warmest year in the last 15 years). In contrast, demand in the industrial market at pressures of less than 60 bar declined by 1.1% (-754 GWh) as cogeneration plants were affected by the new regulatory measures effective as from the second quarter of 2014.

The distribution network expanded by 1,907 km in the last 12 months and by 1,453 km in the first nine months of 2015, connecting 24 new municipalities to reach a total of 1,171 municipalities with access to natural gas and a total of 5,231,094 distribution connections (+0.4%).

On 5 March 2015, Gas Natural Fenosa was awarded, by public tender, a contract by the Balearic Government to begin supplying gas to Menorca, with an expected execution period of four years.

On 30 September 2015, Gas Natural Fenosa signed an agreement to acquire piped gas assets from Repsol Butano; the company will purchase approximately 250,000 supply connection points in its current distribution territories, enabling them to be connected to the natural gas distribution grid. These assets will accelerate growth and expansion in the group's regulated natural gas business in the coming years.

4.1.2.- Italy

This area refers to regulated gas distribution in Italy.

4.1.2.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
22	21	4.8	Net sales	68	67	1.5
-	-	-	Purchases	-	-	-
-2	-3	-33.3	Personnel costs, net	-8	-8	-
-3	-2	50.0	Other revenues and expenses	-10	-9	11.1
17	16	6.3	EBITDA	50	50	-
-7	-8	-12.5	Depreciation & amortisation, and impairment losses	-20	-20	-
-	-	-	Change in operating provisions	-	-	-
10	8	25.0	Operating profit	30	30	-

⁷ Accumulated value, in the period, of positive differences between the average daily temperature and 15°C.

EBITDA amounted to €50 million in the first nine months of 2015, in line with the same period of 2014.

4.1.2.2.- Main aggregates

3Q15	3Q14	%		9M15	9M14	%
334	350	-4.6	Gas TPA sales (GWh)	2,807	2,542	10.4
19	33	-42.4	Distribution network (km)	7,143	7,038	1.5
-	-	-	Connection points ('000) (at 30/09)	456	456	-

A total of 2,807 GWh of gas were distributed, i.e. 10.4% more than in 2014 due to more favourable weather.

The distribution grid expanded by 105 km in the last 12 months, to 7,143 km at 30 September 2015.

Gas Natural Fenosa has 456,344 gas distribution connection points in Italy, a slight increase with respect to 2014.

4.1.3- Latin America

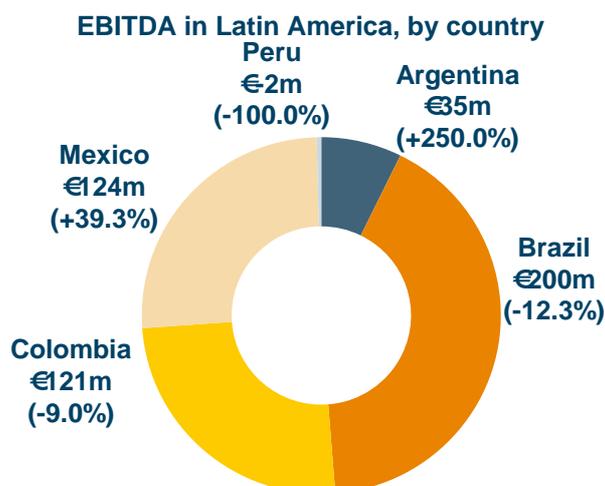
This division involves regulated gas distribution in Argentina, Brazil, Colombia, Mexico and Peru.

4.1.3.1.- Results

(unaudited)

3Q15	3Q14	%	(€Mn)	9M15	9M14	%
820	893	-8.2	Net sales	2,556	2,493	2.5
-589	-644	-8.5	Purchases	-1,822	-1,789	1.8
-23	-22	4.5	Personnel costs, net	-73	-67	9.0
-59	-67	-11.9	Other revenues and expenses	-183	-178	2.8
149	160	-6.9	EBITDA	478	459	4.1
-27	-27	-	Depreciation & amortisation, and impairment losses	-85	-78	9.0
-5	-5	-	Change in operating provisions	-16	-12	33.3
117	128	-8.6	Operating profit	377	369	2.2

Revenues increased by 2.5% to €2,556 million, on 0.6% growth in sales volume year-on-year.



EBITDA amounted to €478 million, an increase of 4.1% with respect to the same period of 2014, and was positively impacted by currency appreciation in Argentina (+9.5%) and Mexico (+2.4%), offsetting depreciation in Colombia (-9.1%) and Brazil (-10.6%). Excluding the effect of currency fluctuations, EBITDA would have increased by 10.8%.

The figure shows gas distribution EBITDA in Latin America, by country, and the variation with respect to 2014.

Brazil contributed 41.8% of EBITDA. The reduction in EBITDA with respect to 2014 was due mainly to the currency effect.

Adjusting for that effect, EBITDA in this business declined by -1.2% due to the sharp economic deceleration in Brazil (GDP declined by 2.85% in 2015), resulting in lower sales in the industrial (-9.3%) and residential-commercial market (-1.3%), offset by higher demand from power generation (+2.8%).

Mexico accounted for 25.9% of total EBITDA in this business. The improvement with respect to 2014 is due to the higher energy margin (24.7%), attributable to the increase in sales in all markets.

Colombia accounted for 25.3% of EBITDA and increased sales volume by 8.1%, due primarily to growth in the industrial market.

4.1.3.2.- Main aggregates

The main physical aggregates in gas distribution in Latin America are as follows:

3Q15	3Q14	%		9M15	9M14	%
65,598	64,888	1.1	Gas activity sales (GWh)	187,965	186,775	0.6
43,293	42,505	1.9	Tariff gas sales	121,079	119,033	1.7
22,305	22,383	-0.3	TPA	66,886	67,742	-1.3
591	524	12.8	Distribution network (km)	72,555	70,285	3.2
70	74	-5.4	Change in connection points ('000)	209	200	4.5
-	-	-	Connection points ('000) (at 30/09)	6,802	6,521	4.3

The key physical aggregates by country in 2015 are as follows:

	Argentina	Brazil	Colombia	Mexico	Total
Gas activity sales (GWh)	52,936	78,408	19,614	37,007	187,965
Change vs. 9M 2014 (%)	-5.1	0.3	8.1	6.9	0.6
Distribution network (km)	24,599	7,047	21,301	19,608	72,555
Change vs. 30/09/2014 (km)	313	390	712	855	2,270
Connection points ('000) (at 30/09)	1,605	972	2,710	1,515	6,802
Change vs. 30/09/2014 ('000)	25	45	105	106	281

At 30 September 2015, there were a total of 6,802,104 gas distribution connections. The pace of growth year-on-year remains high: 281,000 connection points were added in the last twelve months, including notably 106,000 in Mexico and 105,000 in Colombia.

Sales in the gas activity in Latin America, which include both gas sales and TPA (third-party access) services, totalled 187,965 GWh, a 0.6% increase with respect to 2014.

The gas distribution grid expanded by 2,270 km (+3.2%) in the last 12 months, to 72,555 km at the end of September 2015. This sizeable expansion is attributable most notably to Mexico, which added 855 km, and Colombia, which added 712 km.

Highlights in Latin America in 9M15:

- In June 2015, Argentina's Energy Secretariat issued Resolution no. 263/2015, which establishes "Transitional Economic Assistance" for gas distributors, the goal being to maintain the chain of payments connected with operation and maintenance until the process concludes with a comprehensive tariff review. The amount established as assistance for Gas Natural Fenosa is 515 million Argentinean pesos. The resolution and the supplementary notes from Enargas establish that the assistance will be received in ten monthly instalments, while also establishing a number of requirements and limitations to be fulfilled by the company. As a result, earnings increased with respect to the same period of the previous year.

Additionally, the company continued to contain expenditure in a complex economic situation with high inflation (around 30% per year).

- In Brazil, residential-commercial customer numbers increased by 23.6% net in the last twelve months. Sales in the power generation and TPA markets were 2.8% above the high levels attained in the same period of 2014, due to ongoing scant precipitation and low water reserves. Reservoir levels in September 2015 stood at 32.4%, i.e. 34.5 percentage points below the historical average (66.9% over 8 years) in the southeast/west-central region, which holds 70% of the country's water reserves.
- In Colombia, gas and TPA sales expanded by 8.1% year-on-year, due mainly to growth in industrial consumption (+13.9%), particularly higher sales in the secondary market. Net residential-commercial customer numbers increased by 74,979 in the period, i.e. 14.1% less than in the same period of 2014, due mainly to the delay in the delivery of new homes by construction companies.

The unregulated businesses performed better than in 2014, particularly Servigas, which increased customer numbers by 28% net and the margin by 55%; additionally, the number of insurance contracts expanded by 7% and the margin by 16%. Appliance sales increased by 7% and the operating margin rose by 19%.

- In Mexico, the acceleration plan continues, focusing primarily on Mexico City and the Bajíos area with a view to maintaining sustained growth. The net increase in customer numbers achieved a notable 33.3% in the first nine months of 2015, while new installations increased by 17.6%, due mainly to greater horizontal saturation in the Bajíos area and in Mexico City and in new buildings in Monterrey and Mexico City, as well as to containment of customer churn. As for gas sales, there was a 7.9% increase in sales to the industrial sector due to broadening the customer base; sales in the residential-commercial segment increased by 5.8%, also boosted by the expanding customer base in all areas; TPA shipments increased by 6.7% due to larger volumes shipped to Mexico City.
- In Peru, the company continues development work with a view to initiating commercial operations in 2016.

As a result of the concession awarded in July 2013, Gas Natural Fenosa will supply energy to an area in south-west Peru that is not yet connected to the gas grid and expects to supply natural gas to over 80,000 households.

4.2.- ELECTRICITY DISTRIBUTION

4.2.1. Spain

The electricity distribution business in Spain includes regulated distribution of electricity and network services for customers, basically connections and hook-ups, metering and other actions associated with third-party access to Gas Natural Fenosa's distribution network.

4.2.1.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
218	206	5.8	Net sales	627	615	2.0
-	-1	-	Purchases	-1	-1	-
-22	-23	-4.3	Personnel costs, net	-68	-76	-10.5
-34	-30	13.3	Other revenues and expenses	-107	-99	8.1
162	152	6.6	EBITDA	451	439	2.7
-54	-53	1.9	Depreciation & amortization, and impairment losses	-161	-155	3.9
-1	1	-	Change in operating provisions	-1	-1	-
107	100	7.0	Operating profit	289	283	2.1

Order IET/2444/2014, of 19 December, established the remuneration for electricity transmission, distribution and customer management for the electricity distribution company owned by Gas Natural Fenosa and the other industry players. That remuneration reflects the amendments made by the Electricity Sector Law (Law 24/2013, of 26 December).

EBITDA in January-September 2015 amounted to €451 million, a 2.7% increase on the same period of 2014. Net sales amounted to €627 million, i.e. slightly more than in the same period of last year. The reduction in personnel expenses is due to efficiency measures implemented in 2014, which are having a positive impact this year.

4.2.1.2.- Main aggregates

3Q15	3Q14	%		9M15	9M14	%
7,621	7,900	-3.5	Electricity TPA sales (GWh)	23,809	23,938	-0.5
-	-	-	Connections ('000) (at 30/09)	3,679	3,672	0.2
-	-	-	ICEIT (minutes)	33	37	-10.8

Power supplied fell by 0.5% due to billing under the TTS tariff (for the Tagus-Segura interbasin water transfer). Adjusting for that tariff, there was a 0.5% increase in electricity supplied in like-for-like terms, which was lower than the increase in total demand in the national distribution network in 9M15 (+2.7% to 185,012 GWh, according to Red Eléctrica de España—REE).

The number of distribution connections increased by 7,000 in the last twelve months ago.

The ICEIT (installed capacity equivalent interrupt time) was lower than in 2014 due to favourable weather with no major incidents.

4.2.2.- Moldova

The business in Moldova includes regulated distribution of electricity and the supply of electricity at the bundled tariff in the capital city and the central and southern regions. Gas Natural Fenosa is responsible for 70% of electricity distribution in Moldova.

4.2.2.1.- Results

(unaudited)						
3Q15	3Q14	%	(€ Mn)	9M15	9M14	%
57	50	14.0	Net sales	186	166	12.0
-46	-38	21.1	Purchases	-149	-127	17.3
-2	-2	-	Personnel costs, net	-5	-5	-
-3	-2	50.0	Other revenues and expenses	-8	-8	-
6	8	-25.0	EBITDA	24	26	-7.7
-1	-1	-	Depreciation & amortisation, and impairment losses	-4	-4	-
-	-	-	Other operating provisions	-	-	-
5	7	-28.6	Operating profit	20	22	-9.1

Net revenues reflect the pass-through effect of procurement costs together with recognition of past capital expenditure and operation and maintenance performed in accordance with the country's current regulations.

EBITDA was impacted by the euro's strength against the local currency (Leu—MDL) in 2015 (20.59 MDL/€ in 9M15, vs. 18.59 MDL/€ in 9M14).

EBITDA rose by 4.3% in local currency terms due to higher tariff revenues driven by the positive impact of the MDL/USD exchange rate on asset remuneration, lower grid losses and the application of the cost of extending asset useful lives.

4.2.2.2.- Main aggregates

3Q15	3Q14	%		9M15	9M14	%
630	615	2.4	Electricity activity sales (GWh)	1,988	1,919	3.6
-	-	-	Connection points ('000) (at 30/09)	864	854	1.2
-	-	-	Network loss ratio (%)	8.7	9.1	-0.4 p.p.

Gas Natural Fenosa continues to implement its plan to improve operations in Moldova, focusing on processes linked to energy control in the distribution networks, operating processes associated with

the customer management cycle, and optimisation of facility O&M; the plan is achieving its objectives and providing an ongoing improvement in basic operating indicators:

- Electricity supplied increased by 3.6%, due to the positive effect of loss reduction campaigns and to a slight increase in consumption.
- The number of supply connections totalled 863,860, i.e. an increase of 1.2% in the last twelve months, primarily as a result of growth in the real estate sector.

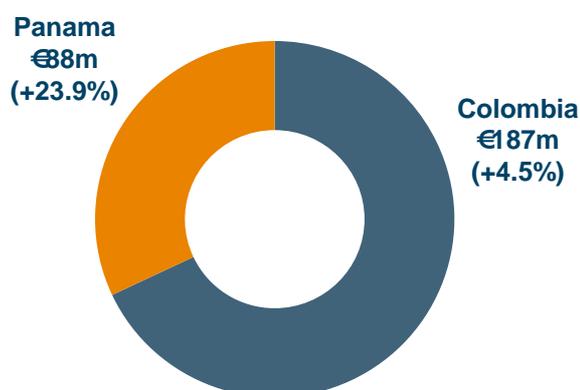
4.2.3- Latin America

This division involves regulated electricity distribution in Colombia and Panama.

4.2.3.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
551	582	-5.3	Net Sales	1,647	1,657	-0.6
-399	-420	-5.0	Purchases	-1,181	-1,234	-4.3
-12	-12	-	Personnel costs, net	-39	-38	2.6
-47	-51	-7.8	Other revenues and expenses	-152	-135	12.6
93	99	-6.1	EBITDA	275	250	10.0
-17	-16	6.3	Depreciation & amortisation, and impairment losses	-49	-46	6.5
-29	-23	26.1	Change in operating provisions	-92	-74	24.3
47	60	-21.7	Operating profit	134	130	3.1

EBITDA in Latin America, by country



EBITDA from electricity distribution in Latin America totalled €275 million, a 10.0% increase compared with 2014.

Excluding the effect of currency fluctuations, EBITDA would have increased by 12%.

The distribution business in Colombia contributed €187 million to EBITDA, i.e. a 16% increase excluding the currency effect. EBITDA reflects an €11 million increase in taxes due to the Wealth Tax resulting from the tax reform approved in December 2014. Excluding the effect of this tax, the change would have been +23%, mainly as a result of growth in revenues because of the higher retail

supply charge since May 2015 and also higher demand.

Despite growth in business volume in Colombia, EBITDA was impacted by the significant increase in energy costs, mainly in September as a result of weather conditions.

Distribution companies in Panama contributed €88 million to EBITDA in the first nine months of 2015.

Provisions for bad debts increased mainly in Colombia, due to the increase in the volume of invoices referred to debt collection agencies in areas with higher indices of fraud.

4.2.3.2.- Main aggregates

3Q15	3Q14	%		9M15	9M14	%
4,727	4,420	6.9	Electricity activity sales (GWh):	13,485	12,792	5.4
4,462	4,157	7.3	Tariff electricity sales:	12,702	12,011	5.8
265	263	0.8	TPA	783	781	0.3
-	-	-	Connection points ('000) (at 30/09)	3,129	3,002	4.2

Electricity sales amounted to 13,485 GWh, up 5.4% due to growth in demand in Colombia and Panama.

Demand continues to perform positively, with customer numbers increasing in both countries, by 4.2% overall.

The key physical aggregates by country in 2015 are as follows:

	Colombia	Panama	Total
Electric activity sales (GWh)	9,885	3,600	13,485
Change vs. 9M14 (%)	4.9	7.0	5.4
Connection points ('000) (at 30/09)	2,556	573	3,129
Change vs. 30/09/2014 ('000)	101	26	127
Network loss ratio (%)	16.6	11.4	15.2

The increase in sales and connection points reflects the sustained growth in the electricity distribution businesses in Latin America.

4.3.- GAS

4.3.1.- Infrastructure

This area includes operation of the Maghreb-Europe gas pipeline, maritime transportation, the development of integrated liquefied natural gas (LNG) projects, and hydrocarbon exploration, development, production and storage.

4.3.1.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
77	77	-	Net sales	234	231	1.3
-	-1	-	Purchases	-2	-6	-66.7
-1	-1	-	Personnel costs, net	-3	-3	-
-3	-4	-25.0	Other revenues and expenses	-13	-11	18.2
73	71	2.8	EBITDA	216	211	2.4
-22	-23	-4.3	Depreciation & amortisation, and impairment losses	-61	-61	-
-	-	-	Change in operating provisions	-	-	-
51	48	6.3	Operating profit	155	150	3.3

Net sales in the infrastructure business totalled €234 million in the first nine months of 2015, a 1.3% increase.

EBITDA in the period amounted to €216 million, i.e. 2.4% more than in the first nine months of 2014 despite the lower volume transported by the Magreb-Europe pipeline in 2015, but favoured by appreciation by the USD.

4.3.1.2.- Main aggregates

The main aggregates in international gas transportation are as follows:

3Q15	3Q14	%		9M15	9M14	%
31,056	30,354	2.3	Gas transportation-EMPL (GWh):	82,210	91,901	-10.5
9,889	8,599	15.0	Portugal-Morocco	26,864	26,281	2.2
21,167	21,755	-2.7	Spain-Morocco (Gas Natural Fenosa)	55,346	65,620	-15.7

The gas transportation activity conducted in Morocco through companies EMPL and Metragaz represented a total volume of 82,210 GWh, 10.5% less than in the same period of 2014. Of that figure, 55,346 GWh were shipped for Gas Natural Fenosa through Sagane and 26,864 GWh for Portugal and Morocco.

In 2013, Gas Natural Fenosa acquired a 14.9% stake in Medgaz, S.A. Medgaz operates the Algeria-Europe subsea gas pipeline connecting Beni Saf with the Almería coast (capacity: 8 bcm/year). The corresponding capacity is associated with a new supply contract amounting to 0.8 bcm/year. A total of 5,716 GWh were shipped via the Medgaz pipeline for Gas Natural Fenosa in the first nine months of 2015.

The company continues to advance the paperwork for the five exploration, production and storage projects planned for the coming years in the Guadalquivir Valley (Marismas, Aznalcázar and Romeral areas) in Spain. In January 2013, the Secretary of State for the Environment granted Environmental Impact Assessments (EIA) for the Saladillo, Eastern Marismas and Aznalcázar projects; the company had previously obtained an EIA for the Western Marismas project. The Andalusia Regional Government subsequently suspended processing of the Combined Environmental Authorisation for the Eastern Marismas and Aznalcázar projects. Gas Natural Fenosa appealed the decision. In May 2015, the Andalusia Regional Government issued a preliminary decision to grant a Combined

Environmental Authorisation for Aznalcázar and to deny it for the Eastern Marismas project; Gas Natural Fenosa has entered pleadings. Since April 2012, the Western Marismas area has been partly operational as an underground gas store.

4.3.2.- Procurement and Supply

This area includes wholesale gas procurement and supply both in the Spanish liberalised market and in other countries, retail supply of gas and other related products and services in the liberalised market in Spain and Italy, and supply of gas at the last-resort tariff (TUR) in Spain.

4.3.2.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
2,330	2,716	-14.2	Net sales	8,164	8,822	-7.5
-2,120	-2,467	-14.1	Purchases	-7,341	-7,940	-7.5
-17	-15	13.3	Personnel costs, net	-50	-47	6.4
-53	-48	10.4	Other revenues and expenses	-178	-155	14.8
140	186	-24.7	EBITDA	595	680	-12.5
-7	-5	40.0	Depreciation & amortisation, and impairment losses	-19	-16	18.8
-15	-30	-50.0	Change in operating provisions	-46	-69	-33.3
118	151	-21.9	Operating profit	530	595	-10.9

Net sales amounted to €8,164 million, a 7.5% decrease with respect to the same period of last year. EBITDA amounted to €595 million, a 12.5% decrease, which is moderate in comparison with the decline in energy prices so far this year. Flexibility in managing the overall portfolio of contracts to adapt to the current price situation should lead to stabilisation of the declining trend in margins.

4.3.2.2.- Main aggregates

The main aggregates in the wholesale gas procurement and supply activity are as follows:

3Q15	3Q14	%		9M15	9M14	%
66,757	69,012	-3.3	Wholesale supply (GWh):	210,187	207,356	1.4
39,209	41,285	-5.0	Spain:	117,603	121,965	-3.6
29,255	28,153	3.9	Gas Natural Fenosa supply	86,800	84,742	2.4
9,954	13,132	-24.2	Supply to third parties ⁸	30,803	37,223	-17.2
27,548	27,727	-0.6	International:	92,584	85,391	8.4
10,028	8,831	13.6	Supply in Europe ⁸	37,104	30,597	21.3
17,520	18,896	-7.3	Other	55,480	54,794	1.3

Wholesale supply by Gas Natural Fenosa totalled 210,187 GWh, a 1.4% increase, basically due to supply of natural gas in other countries.

⁸ Does not include swap transactions.

In a situation of weak demand, the volume of gas supplied by Gas Natural Fenosa to end customers in Spain recovered for the fifth consecutive quarter, to 29,255 GWh in 3Q15, i.e. 3.9% more than in 3Q14, basically as a result of greater consumption by CCGT plants. Lower procurement for third parties resulted in a 3.6% decrease in supply in Spain in the first nine months of 2015.

Gas supply outside Spain maintained the trend observed in previous quarters and amounted to 27,548 GWh in 3Q15, 0.6% less than in 3Q14. Sales in the first nine months amounted to 92,584 GWh, a 8.4% increase.

The period for injection into underground store ended in September; Gas Natural Fenosa attained 100% of the capacity it had contracted for.

According to the latest wholesale market oversight report from the CNMC, dated 17 September, Gas Natural Fenosa is the company with the largest market share in the Spanish secondary (OTC) market, with 11.9%.

Gas Natural Fenosa is still Portugal's second-largest operator, with a 15% market share; it is the largest foreign operator there. Its activities are focused in the industrial market, where it has a share of over 20%. This enables it to maintain its leading position in the Iberian Peninsula as the creation of the Iberian Gas Market (MIBGAS) approaches.

During the quarter, Gas Natural Comercializadora bid successfully in the monthly auctions held on the PRISMA platform for exports to France. A total of 2.5 TWh were exported to France in the third quarter.

Gas Natural Europe (the French subsidiary for supply in Europe) currently has a contracted portfolio of 24.8 TWh per year in France with customers in a range of sectors, from industrial companies (chemicals, paper mills, etc.) to local governments and the public sector.

The French subsidiary strengthened its position in Belgium, Luxembourg, the Netherlands and Germany, where it already has a contracted portfolio of 14.8 TWh per year.

Gas Natural Vendita had a portfolio under contract in the Italian wholesale market amounting to 6.5 TWh/year at the end of September 2015.

The company continues to diversify into international markets, having sold gas in the Americas and Asia. This strengthens our presence in the main international LNG markets, providing us with a medium-term position in countries with growth potential and those which are large consumers of LNG.

The main aggregates in the retail gas procurement and supply activity are as follows:

3Q15	3Q14	%		9M15	9M14	%
-	-	-	Retail contracts (Spain) (at 30/09):	11,827,004	11,436,146	3.4
-	-	-	Energy contracts	8,949,461	8,793,860	1.8
-	-	-	Energy services contracts	2,877,543	2,642,286	8.9
-	-	-	Contracts per customer (Spain)	1.53	1.50	2.0
-	-	-	Market share of gas contracts (Spain)	57.5	57.9	-0.4 p.p.
2,225	1,998	11.4	Retail supply (GWh):	22,021	19,220	14.6
1,999	1,767	13.1	Spain	19,700	17,208	14.5
226	231	-2.2	Italy	2,321	2,012	15.4

Gas Natural Fenosa aims to meet the energy needs of its retail clients by providing quality products and services. As a result of this commitment, it has 12.4 million active gas, electricity and maintenance service contracts, of which 542,000 are in Italy.

The company, a pioneer in the combined supply of gas and electricity, serves more than 1.5 million homes, most of which (82%) have also contracted maintenance service, which offers an excellent, quick and effective response.

With a strong focus on continued growth in the retail business, the company sells products and services throughout Spain, having obtained 1,380,000 new contracts in 2015.

In the SME market, the company expanded its exclusive Energy Class service to electricity customers that consume over 50 MWh/year. The portfolio of gas and electricity maintenance services for SMEs continues to expand, having attained 15,000 contracts. During the quarter, the company began signing energy supply contracts under the framework agreement with the Spanish Federation of Municipalities and Provinces.

Gas Natural Fenosa remains committed to innovation to meet the expectations of its clients as efficiently as possible, including new functionalities in all digital channels, such as the ability to buy services and receive customer care online; its online platform receives 6 million queries per year.

The broad, diversified offering of services for residential clients and SMEs has enabled the company to increase the number of active contracts to 2.7 million, managed through the group's own operating platform with 141 associated firms connected via an online system, which has enabled it to maximise service quality and customer satisfaction. As a result of this performance, the number of energy and services contracts in the retail segment increased by 3% in like-for-like terms with respect to 30 September 2014.

Gas Natural Fenosa continues to develop its own network of natural gas service stations that are open to the public; at the end of September 2015, it had a total of 45 service stations (both compressed and liquefied natural gas). A total of 21 stations are open to the public, 14 are private, and the other 10 are private but are open to the public.

Gas Natural Fenosa is Europe's leading supplier of natural gas for use by heavy vehicles, and it has filling stations on the main transport routes in the Iberian Peninsula.

The Integrated Energy Services Solutions business continues to expand. A survey conducted by DBK identified Gas Natural Servicios as market leader in energy services to business.

4.4.- ELECTRICITY

4.4.1. Spain

This area basically includes power generation in Spain, wholesale and retail electricity supply in the liberalised market in Spain, and electricity supply at the Small Consumer Voluntary Price (PVPC).

4.4.1.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
1,517	1,555	-2.4	Net sales	4,354	4,319	0.8
-1,188	-1,157	2.7	Purchases	-3,270	-3,143	4.0
-36	-37	-2.7	Personnel costs, net	-101	-109	-7.3
-97	-184	-47.3	Other revenues and expenses	-430	-503	-14.5
196	177	10.7	EBITDA	553	564	-2.0
-126	-125	0.8	Depreciation & amortisation, and impairment losses	-386	-399	-3.3
-17	-9	88.9	Change in operating provisions	-37	-22	68.2
53	43	23.3	Operating profit	130	143	-9.1

Net sales in the electricity business in Spain amounted to €4.354 million, 0.8% more than in the same period of 2014, while EBITDA amounted to €553 million, a 2.0% decrease year-on-year, basically as a result of different pool price performance between the two periods.

Electricity demand in mainland Spain amounted to 63,934 GWh in the third quarter of 2015, an increase of 3.9% with respect to the same period of 2014, in line with the rising trend of the previous two quarters. Performance declined during the quarter: after strong 11.7% growth in July, due to the heat waves affecting mainland Spain, growth eased to 3.3% in August and turned negative in September (-3.7%), impacted in the latter month by unusually mild temperatures.

Overall, demand rose by 2.6% year-to-date; correcting for the calendar effect and temperatures, net demand increased by 1.2%.

Peak capacity usage in one hour in 3Q15 was registered on 21 July 2015: 40,097 MW, i.e. approaching the year's winter peak, notably higher than the 37,020 MW attained in the same quarter of 2014 (17 July 2014) and quite close to the 40,934 MW summer peak attained in 2010.

The balance of international power flows was a net export in physical terms: 620 GWh in the third quarter of 2015 (41.2% less than in the third quarter of 2014). So far this year, the balance is a net export of 2.0 TWh, i.e. exports are 1.0 TWh less than in the same period of 2014.

Consumption for pumped storage amounted to 760 GWh in 3Q15, i.e. 12.8% more than in 3Q14. In the first nine months, pumped storage consumption amounted to 3.2 TWh, an 18.0% decline with respect to the same period of 2014.

Net generation in Spain increased by 3.2% year-on-year in the third quarter of 2014, and by 1.6% in the first nine months.

Compared with 3Q14, renewable output fell by 1.0% and covered 31.8% of total demand in 3Q15, i.e. two points less than in the third quarter of 2014. Year-to-date, renewable output fell 11.1% and covered 39.5% of demand, 6 points less than in 2014.

Wind power output increased by 8.5% in the quarter with respect to the same quarter last year, although performance was variable during the quarter: output declined in July (-15%) and then surged in August (+13.7%) and, particularly, September (+41.1%). Wind covered 14.6% of demand in the quarter, 0.5 percentage points more than in the same quarter in 2014. Year-to-date, wind output is down 2.2% on the first nine months of 2014, and 1 percentage point lower in terms of coverage.

Output by other renewables declined by 7.9% in the quarter; the only increases were in solar thermal (+2.5%) and renewable thermal (+1.1%). In 2015, all technologies increased output with the exception of hydroelectric (-20.1%); solar thermal achieved a notable 5.3% increase.

Conventional hydroelectric output declined by 10.8% in the quarter and by 28.2% in the first nine months of 2015. In terms of hydroelectric energy capability, 2015 is proving to be a dry year, with an exceedance probability of 81% when compared with the historical average; i.e. statistically, 81 out of every 100 years would be wetter than 2015.

Non-renewable output increased by 5.2% year-on-year in 3Q15, with growth in all technologies except coal. The thermal gap increased in 3Q15 by 3.8%, achieving a similar coverage level to the same quarter of 2014 (37.1%). Non-renewable output increased by 11.5% in the first nine months of 2015, with strong growth by coal and CCGTs. Accordingly, the thermal gap increased by 24.8%, covering 30.0% of demand, 5.4 points more than in 2014.

Nuclear output increased by 9.9% in the quarter, affected by changes in the dates of scheduled shut-downs. Nuclear output rose by 2.9% in the first nine months.

Coal-fired output declined by 1.7% in 3Q15, and covered 24.7% of demand, 1.4 percentage points less than in the same period of 2014. In the first nine months, coal-fired output increased by 26.3% and covered 19.9% of demand, 3.8 points more than in the same period of 2014. Year-to-date, utilisation of the former capacity guarantee units was 47%, compared with 59.4% for other coal-fired units.

In the third quarter of 2015, CCGTs increased output by 16.6% with respect to the same period of 2014. CCGT output covered 12.4% of demand in the quarter, 1.3 percentage points more than in 3Q14. Year-to-date, output rose 22.1%, covering 10.1% of demand, slightly over 1.5 percentage points more than in the first nine months of 2014.

Other non-renewable thermal output (basically cogeneration) increased output by 0.3% in 3Q15 with respect to the same quarter in 2014, bringing the increase year-to-date to 2.5%.

The weighted average price in the daily power generation market was €57.04/MWh in the third quarter of 2015, i.e. €4.02 more than in 3Q14 (€53.02/MWh) and 15% higher than in 2Q15 (€49.60/MWh). Daily average prices in the quarter ranged from €65.25/MWh on 21 July to €32.68/MWh on 23 August, with the result that monthly average prices have declined steadily (€60.74/MWh in July, €56.86/MWh in August, €52.63/MWh in September). The weighted average price in the first nine months was €51.46/MWh, 32% more than in the same period of 2014 (€39.10/MWh).

As for other commodities, Brent crude prices slipped from an average of \$61.92/bbl in the second quarter of 2015 to \$50.26/bbl (-18.8%) in the third quarter; July marked the highest price in 3Q (\$56.54/bbl), as prices declined to under \$47/bbl in August. API 2, Europe's main coal price indicator, decreased by 0.6%, from an average of \$58.88/tonne in the second quarter of 2015 to \$58.53/tonne in the third quarter, a continuation of the downward trend that began over two years ago following the hiatus in 3Q14. The price of CO₂ emission rights (EUAs on Bluenext) averaged €7.4/tonne (maturing in 2015), up from the average of €7.3/tonne in the previous quarter.

4.4.1.2.- Main aggregates

The main aggregates in Gas Natural Fenosa's electricity business in Spain were as follows:

Power generation capacity:

	30/09/15	30/09/14	%
Installed capacity (MW):	12,145	12,122	0.2
Generation:	11,226	11,220	0.1
Hydroelectric	1,954	1,948	0.3
Nuclear	604	604	-
Coal	2,065	2,065	-
Oil/gas	6,603	6,603	-
Renewables and cogeneration:	919	902	1.9
Wind	752	738	1.9
Small hydroelectric	110	107	2.8
Cogeneration and others	57	57	-

Electricity generated and sold:

3Q15	3Q14	%		9M15	9M14	%
9,028	9,101	-0.8	Electric energy produced (GWh):	23,690	22,815	3.8
8,631	8,736	-1.2	Generation:	22,212	21,243	4.6
317	427	-25.8	Hydroelectric	2,141	3,410	-37.2
1,207	1,082	11.6	Nuclear	3,326	3,169	5.0
2,843	2,677	6.2	Coal	5,814	4,174	39.3
4,264	4,550	-6.3	CCGT	10,931	10,490	4.2
397	365	8.8	Renewables and cogeneration:	1,478	1,572	-6.0
289	272	6.3	Wind	1,107	1,161	-4.7
96	80	20.0	Small hydroelectric	338	335	0.9
12	13	-7.7	Cogeneration and others	33	76	-56.6
9,190	8,904	3.2	Electricity sales (GWh):	26,583	25,788	3.1
7,927	7,624	4.0	Liberalised market	22,491	21,220	6.0
1,263	1,280	-1.3	Small Consumer Voluntary Price System	4,092	4,568	-10.4
-	-	-	Generation market share (%)	18.8	18.6	0.2 p.p.

Gas Natural Fenosa generated 9,028 GWh of electricity in mainland Spain in the third quarter of 2015, i.e. 0.8% less than in the same period of 2014. Of that figure, 8,631 GWh were from traditional sources, a 1.2% decline with respect to the same period of 2014. Output is up 3.8% year-to-date, or 4.6% counting only traditional generation technologies.

The year 2015 commenced as an average water year (61% exceedance probability) but turned dry in the second quarter, and ended the third quarter as very dry, with an exceedance probability of 86% (99% in all three months of 3Q).

Reservoirs in the Gas Natural Fenosa watersheds were at 26.7% of capacity, compared with 28.7% at the end of 3Q14.

Nuclear output increased by 11.6% in 3Q15 with respect to 3Q14, and by 5.0% in 9M15, although these figures were affected by the change in the dates of scheduled shut-downs.

Coal-fired output totalled 2,843 GWh in the quarter, compared with 2,677 GWh in the same period of 2014, i.e. a 6.2% increase. In the first nine months of 2015, coal-fired output increased by 39.3% year-on-year, although the 2014 figure reflects different operating criteria as the Royal Decree on Security of Supply was in force until 31 December 2014. All units except Narcea 1 were operational throughout the quarter, particularly in July, when output topped 1.1 TWh.

CCGT output in the third quarter of 2015 totalled 4,264 GWh, 6.3% less than in the same period of 2014. In the first nine months of 2015, CCGT output increased by 4.2% with respect to the same period of 2014.

The company attained an 18.8% share of the traditional power generation market in the first nine months of 2015, slightly higher than in the same period of 2014.

Wind output increased by 6.3% in the quarter, and other hydroelectric by 20.0%, while cogeneration output fell 7.7%. Apart from hydroelectric, all these technologies experienced a decline in output in the first nine months; in particular, cogeneration output fell 56.6%.

The electricity supply area sold 9,190 GWh in 3Q15 (a 3.2% increase with respect to 3Q14), including supply to the liberalised market and under the last-resort tariff. Electricity supplied in the first nine months of 2015 amounted to 26,583 GWh, a 3.1% increase. The electricity supply portfolio is in line with Gas Natural Fenosa's strategy of maximising margins, optimising market share, and hedging against price variations in the electricity market.

Emissions of CO₂ in the third quarter of 2015 from Gas Natural Fenosa's thermal power plants and CCGTs that are affected by the regulation governing greenhouse gas emission trading totalled 4.4 million tonnes, very similar to the same period of 2014. Emissions of CO₂ in the first nine months totalled 9.9 million tonnes (+1.6 Mt year-on-year, due to greater utilisation of coal-fired thermal plants).

Gas Natural Fenosa applies a comprehensive approach to its portfolio of CO₂ emission rights for the post-Kyoto (2013-2020) period, acquiring the necessary emission rights and credits through active participation in the secondary market as well as through primary projects and carbon funds.

GNF Renewables

At 30 September 2015, Gas Natural Fenosa Renewables (GNF Renewables) had a consolidable total installed capacity of 919 MW (878 MW operational), of which 752 MW are wind, 110 MW are small hydroelectric and 57 MW are cogeneration, although the slurry plant and the Enealco cogeneration plant (42 MW in total) have been shut down definitely.

Output in 3Q15 was 397 GWh, up from 365 GWh in the same period of 2014. However, total output in the first nine months of 2015 was slightly lower than in the same period of 2014 (1,478 GWh vs. 1,572 GWh, a 6.0% decline) due mainly to lower wind output (-54 GWh) and the effect of mothballing the slurry-based cogeneration plants (operational until 8 February 2014), which resulted in a 30 GWh decline in the first nine months.

In April, Spain's Ministry of Industry, Energy and Tourism remitted to the CNMC a draft Royal Decree for a tender to grant a specific remuneration system to biomass-based electricity generating plants in the mainland grid and for wind power facilities, together with a draft Order regulating the procedure for assigning that specific remuneration system and the values for the benchmark installations. Both proposals have completed the public information phase, the CNMC has issued its report, and they are pending final approval and promulgation. Gas Natural Fenosa is considering the possibility of participating in this auction; the final decision will depend on the conditions and mechanisms set out in the resolution establishing the specific features.

On 22 June 2015, Gas Natural Fenosa reached an agreement to acquire 100% of renewable energy company Gecalsa for an enterprise value of €260 million. Gecalsa operates 10 wind farms and a photovoltaic plant in Spain with a combined capacity of 221.7 MW net (237.5 MW gross). Once the

necessary administrative authorisations had been obtained, the deal was completed and the company took control of Gecalsa in October 2015.

Gecalsa was one of Spain's leading independent wind power producers, with a presence in Galicia, Castilla-La Mancha, Castilla & León and Andalucía; in addition to operational wind farms, it has a pipeline of wind projects under development.

4.4.2.- Global Power Generation (GPG)

On 1 October 2014, Gas Natural Fenosa created the company Global Power Generation (GPG) to develop its international power generation business. The new company encompasses Gas Natural Fenosa's power generation assets and businesses outside Europe, and it was created in line with the objectives set out in the company's current strategic plan, which includes international growth through the development of power generation projects, especially in Latin America and Asia.

This item includes all of the Group's international power generation assets and holdings in Mexico, Puerto Rico, the Dominican Republic, Panama, Costa Rica, Kenya and Australia (wind projects), and the assets operated for third parties via O&M Energy.

On 30 March 2015, Gas Natural Fenosa and Kuwait Investment Authority (KIA) signed an agreement for a \$550 million capital increase at Global Power Generation (GPG), to be subscribed entirely by KIA. Following the capital increase, KIA owns 25% of GPG while Gas Natural Fenosa retains control of this company.

Once the corresponding authorisations had been obtained, the deal was completed on 5 October 2015 and represents a partnership with a sound investor to accelerate plans to expand in power generation internationally; there are plans to build an additional 5 GW of generation capacity in the medium term in international markets, mainly in Latin America and Asia.

4.4.2.1.- Results

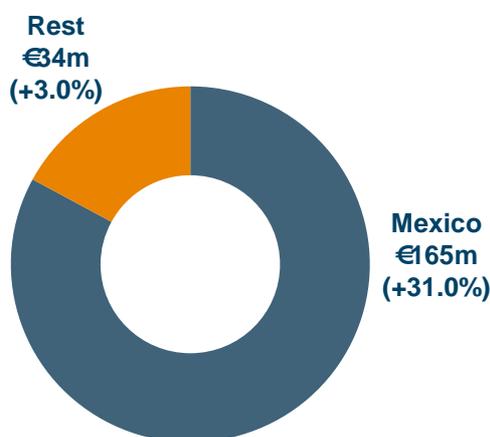
(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
207	225	-8.0	Net sales	616	708	-13.0
-112	-149	-24.8	Purchases	-328	-489	-32.9
-10	-6	66.7	Personnel cost, net	-29	-15	93.3
-19	-13	46.2	Other revenues and expenses	-60	-45	33.3
66	57	15.8	EBITDA	199	159	25.2
-35	-26	34.6	Depreciation & amortisation, and impairment losses	-97	-74	31.1
-	-	-	Change in operating provisions	-	-	-
31	31	-	Operating profit	102	85	20.0

Global Power Generation's EBITDA in the first nine months of 2015 amounted to €199 million, up 25.2% compared with 9M14, due mainly to the currency effect and to the entry into commercial operation of the Bii Hioxo (Mexico) plant in October 2014 and the Torito (Costa Rica) plant in May 2015.

In Mexico, EBITDA increased by 31.0%, mainly due to operating the Bii Hioxo wind farm (operational since October 2014), which provided €22 million in EBITDA, and to the favourable USD/EUR

exchange rate in 2015, which offset the lower income from power generation caused by changes in the maintenance schedule, the effect of the contract benchmark indices, and lower gas prices.

EBITDA, by country



In the Dominican Republic, EBITDA increased by 32.3% (9.1% excluding the currency effect) because of higher output in 2015, coupled with better conditions of supply and demand in the market as a result of less hydroelectric output and fluctuations in fuel prices, which led to sales in the spot market (instead of purchases, as was the case in 2014).

EBITDA in Panama increased by 181.1% (131.8% excluding the currency effect) due to greater hydroelectric output as a result of increased precipitation in the areas where the hydroelectric plants are located. This resulted in a lower cost of energy on procurements in the market and

a lower fuel cost due to lower operation of thermal units to meet contractual capacity commitments.

EBITDA in Costa Rica increased as a result of the entry into operation of Torito in May 2015.

In Kenya, EBITDA increased by 35.8%. The increase is mainly due to lower maintenance costs, caused by lower utilisation of the plants following the entry into operation of facilities with more efficient technology.

4.4.2.2.- Main aggregates

	30/09/15	30/09/14	%
Installed capacity (MW):	2,702	2,429	11.2
Mexico (CCGT)	2,035	2,035	-
Mexico (wind)	234	-	-
Costa Rica (hydroelectric)	101	51	98.0
Panama (hydroelectric)	22	22	-
Panama (oil-fired)	0	11	-
Dominican Republic (oil-fired)	198	198	-
Kenya (oil-fired)	112	112	-

3Q15	3Q14	%		9M15	9M14	%
4,808	4,631	3.8	Electricity generated (GWh):	13,233	13,492	-1.9
4,198	4,187	0.3	Mexico (CCGT)	11,412	12,301	-7.2
150	-	-	Mexico (wind)	604	-	-
129	47	-	Costa Rica (hydroelectric)	266	118	-
13	16	-18.8	Panama (hydroelectric)	45	43	4.7
-	4	-	Panama (oil-fired)	-	28	-
286	275	4.0	Dominican Republic (oil-fired)	812	628	29.3
32	102	-68.6	Kenya (oil-fired)	94	374	-74.9

	9M15	9M14	Chg. p.p.
Availability factor (%):			
Mexico (CCGT and wind)	88.8	98.0	-9.2
Costa Rica (hydroelectric)	94.4	93.1	1.3
Panama (hydroelectric and oil-fired)	95.8	90.9	4.9
Dominican Republic (oil-fired)	93.0	89.5	3.5
Kenya (oil-fired)	94.0	86.9	7.1

Output in Mexico declined with respect to 2014 due to lower output by Tuxpan caused by the major overhaul of Unit III and the lower output by Naco because its major overhaul took place between February and March 2015. These effects offset higher wind output due to Bii Hioxo coming into commercial operation on 1 October 2014 and higher sales of surplus output by Naco and Durango. Major overhauls this year resulted in lower availability than in 2014.

Hydroelectric production in Costa Rica was favoured by greater dispatching by the ICE (Costa Rican Institute of Electricity) due to increased rainfall with respect to the same period last year and the entry of Torito into commercial operation.

Lower output in Panama is attributable to lower thermal production as a result of lower dispatching and to the Capira and Chitré plants dropping out of the system in January and May, 2015, respectively. In contrast, hydroelectric output increased due to higher rainfall with respect to 2014. Higher availability with respect to the same period last year is due to the greater maintenance work on thermal plants in 2014 as a result of increased operation.

Output in the Dominican Republic increased by 29.3% with respect to the same period last year, due to lower hydroelectric output there and to fluctuations in fuel prices, which modified the conditions of supply and demand, improving our facilities' position in the merit order.

Diesel-fired output in Kenya (94 GWh) was 74.9% lower than in the same period of 2014. That decline was due to lower dispatching as a result of the entry into service of facilities with more efficient technology and also to greater dispatching of hydroelectric plants during the rainy season.

4.5.- COMPAÑÍA GENERAL DE ELECTRICIDAD (Chile)

Compañía General de Electricidad, S.A. (CGE) is the parent company of one of Chile's largest energy groups. Almost all of its activity revolves around electricity and gas in Chile (from Arica to Puerto Williams), Argentina (five provinces) and Colombia (26 of the 32 liquefied gas distribution districts).

In the electricity market, the company is responsible for the distribution of 40% of all electricity in Chile, serving 43% of users, with over 2.8 million customers. It is also the leading high-tension grid operator with a market share of 35% and over 3,495 kilometres of power lines.

The company also holds a direct stake in Gasco, one of the top three LPG distributors, with a market share of 27%; in turn, Gasco has a stake in Metrogas, the country's main natural gas distributor, and in other distributors, with 610,432 connection points. Metrogas has a sound position in the liquefied natural gas business through a stake in the Quintero natural gas regasification terminal.

Gas Natural Fenosa and the majority shareholders of Chilean company Compañía General de Electricidad, S.A. (CGE) signed an agreement in October 2014 whereby Gas Natural Fenosa undertook to make a takeover bid for 100% of CGE's capital and the sellers undertook irrevocably to sell their shares as part of that bid.

The bid for 100% of CGE's shares, paid for in cash at a price of 4,700 Chilean pesos per share, concluded successfully on 14 November 2014.

As a result, Gas Natural Fenosa Chile, a wholly-owned subsidiary of Gas Natural Fenosa, is now the majority shareholder of Chile's largest electricity and gas distribution company, with a 96.72% stake, and has fully consolidated it since 30 November 2014. An additional 0.65% stake was acquired in the first quarter of 2015.

On 7 October 2015, Gas Natural Fenosa Chile signed a contract to acquire the 8.33% stake in Metrogas owned by Trigas, S.A. This transaction strengthens the group's control over that company.

Following the integration of CGE into Gas Natural Fenosa, the company reinforced its strategic vectors: customer service, operating efficiency, safety and sustained growth. To address these challenges, new areas were created within the business structure, at both corporate level and within the Electricity Business Units, readapting their functions.

These modifications are not only necessary for the development of new strategic lines, but they will also provide the organisation with an approach which rewards teamwork, agile performance and efficiency.

The Board of Directors of Compañía General de Electricidad S.A. (CGE) resolved unanimously on 4 March to appoint Antonio Gallart as General Manager, effective 1 April 2015. Prior to that he was general manager of Resources at Gas Natural Fenosa.

4.5.1.- Results

(unaudited)						
3Q15	3Q14	%	(€Mn)	9M15	9M14	%
913	-	-	Net sales	2,713	-	-
-636	-	-	Purchases	-1,899	-	-
-51	-	-	Personnel costs, net	-166	-	-
-57	-	-	Other revenues and expenses	-184	-	-
169	-	-	EBITDA	464	-	-
-49	-	-	Depreciation & amortisation, and impairment losses	-146	-	-
1	-	-	Change in operating provisions	-	-	-
121	-	-	Operating profit	318	-	-

Following this company's acquisition, it has been fully consolidated by Gas Natural Fenosa since 30 November 2014, having contributed €464 million to consolidated EBITDA in the period.

4.5.2.- Main aggregates

The main operating magnitudes in 2015 and the changes with respect to 2014 are as follows:

Gas distribution

3Q15	3Q14	%		9M15	9M14	%
13,725	11,012	24.6	Gas activity sales (GWh)	36,715	33,076	11.0
6,142	4,136	48.5	Tariff gas sales	15,083	13,575	11.1
7,583	6,876	10.3	TPA	21,632	19,501	10.9
52	45	15.6	Distribution network (km)	8,209	8,171	0.5
3	2	50.0	Change in connection points ('000)	17	12	41.7
-	-	-	Connection points ('000) (at 30/09)	610	585	4.3

The 11% increase in tariff gas sales is due to a 34.3% increase in sales for power generation (higher spot sales than in 2014) and 2.5% growth in the industrial market, whereas growth was negligible in the residential-commercial segment. The increase in TPA is due to growth in gas shipments by Gasoducto del Pacífico (10.9%).

Electricity distribution

3Q15	3Q14	%		9M15	9M14	%
3,875	3,769	2.8	Electric activity sales (GWh):	11,955	11,589	3.2
3,668	3,570	2.7	Tariff electricity sales:	11,334	10,974	3.3
207	199	4.0	TPA	621	615	1.0
-	-	-	Connection points ('000) (at 30/09)	2,906	2,833	2.6
-	-	-	Chile	2,691	2,624	2.6
-	-	-	Argentina	215	209	2.9

The 3.2% increase in electricity distribution sales is due mainly to an increase of 4.2% in sales to regulated customers, partially offset by a -7.5% decrease in sales to liberalised customers.

Electricity transmission

3Q15	3Q14	%		9M15	9M14	%
3,486	3,428	1.7	Electricity transmitted (GWh)	10,932	10,618	3.0
-	-	-	Transmission network (km)	3,495	3,495	-

The 3.0% increase in power transmission, attributable basically to subsidiary Transnet (Chile), is due to the trend in physical sales by the Chilean electricity distribution companies involved in the Central Interconnected System (SIC), which experienced organic growth in electricity consumption.

LPG

3Q15	3Q14	%		9M15	9M14	%
2,481	3,696	-32.9	LPG supply (GWh)	6,141	8,419	-27.1
1,652	1,658	-0.4	Sales to end customers (GWh):	4,298	4,360	-1.4
1,325	1,317	0.6	Chile	3,323	3,380	-1.7
327	341	-4.1	Colombia	975	980	-0.5
-	-	-	Market share Chile (%)	26.6	26.8	-0.2 p.p.
-	-	-	Market share Colombia (%)	17.5	18.5	-1 p.p.

Wholesale sales of LPG declined by 27.1% due to lower business activity, as one of the distribution companies obtained an independent source of supply in 2015,

Sales to end customers in Chile fell by 1.4% due to the temperature effect.

Summarised below are the regulatory disclosures to the Comisión Nacional del Mercado de Valores (CNMV) since 1 January 2015:

- Gas Natural Fenosa completes a €500 million bond issue (disclosed 13 January 2015, registration number 217217).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 2014 earnings (disclosed 27 January 2015, registration number 217787).
- The Board of Directors of Gas Natural Fenosa signs a plan to spin off the nuclear power generation business in Spain (disclosed 30 January 2015, registration number 218025).
- Gas Natural Fenosa publishes its 2014 results (disclosed 17 February 2015, registration number 218676).
- Gas Natural Fenosa files the presentation of earnings for 2014 (disclosed 17 February 2015, registration number 218681).
- Gas Natural Fenosa discloses information on earnings for the second half of 2014 (disclosed 20 February 2015, registration number 218833).
- Gas Natural Fenosa publishes its Annual Corporate Governance Report for 2014 (disclosed 20 February 2015, registration number 218834).
- Gas Natural Fenosa publishes its Annual report on director remuneration for 2014 (disclosed 20 February 2015, registration number 218835).
- The Board of Directors of Gas Natural Fenosa approves the appointment of Rosa Maria Sanz as general manager of Resources and a member of the Management Committee (disclosed 27 March 2015, registration number 220804).
- The Board of Directors of Gas Natural Fenosa resolves to hold the Ordinary Shareholders' Meeting on 14 May 2015; formal notice will be given in due course (disclosed 27 March 2015, registration number 220806).
- Gas Natural Fenosa discloses an agreement for Kuwait Investment Authority (KIA) to buy into Global Power Generation (GPG) (disclosed 30 March 2015, registration number 220834).
- The Board of Directors of Gas Natural Fenosa calls an Ordinary Shareholders' Meeting for 14 May 2015 (disclosed 9 April 2015, registration number 221171).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 1Q15 earnings (disclosed 20 April 2015, registration number 221547).
- Gas Natural Fenosa discloses completion of a perpetual subordinated bond issue amounting to €500 million (disclosed 21 April 2015, registration number 221605).
- Gas Natural Fenosa (through its subsidiary Unión Fenosa Preferentes, S.A.U.) has resolved to launch a tender offer for the preference shares issued on 30 June 2005 (disclosed 4 May 2015, registration number 222331).
- Gas Natural Fenosa discloses information on earnings for the first quarter of 2015 (disclosed 6 May 2015, registration number 222525).

- Gas Natural Fenosa files the presentation of earnings for the first quarter of 2015 (disclosed 6 May 2015, registration number 222532).
- Gas Natural Fenosa files a copy of the presentation used at the press conference before the Ordinary Shareholders' Meeting (disclosed 14 May 2015, registration number 222997).
- Gas Natural Fenosa discloses that the Ordinary Shareholders' Meeting has approved all proposals contained in the Agenda submitted by the Board of Directors (disclosed 14 May 2015, registration number 223009).
- Gas Natural Fenosa announces the outcome of the tender offer to redeem preference shares issued on 30 June 2005 by Unión Fenosa Preferentes, S.A.U. (disclosed 27 May 2015, registration number 223589).
- Gas Natural Fenosa reaches an agreement to acquire 100% of renewable energy company Gecalsa for €260 million (disclosed 22 June 2015, registration number 224794).
- Gas Natural Fenosa reaches an agreement to sell its 44.94% stake in Barras Eléctricas Galaico Asturianas (BEGASA) for €97.2 million (disclosed 29 June 2015, registration number 225264).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its 1H15 earnings (disclosed 6 July 2015, registration number 225650).
- Gas Natural Fenosa discloses the report on earnings for the first half of 2015 (disclosed 29 July 2015, registration number 226880).
- Gas Natural Fenosa files the presentation of earnings for the first half of 2015 (disclosed 29 July 2015, registration number 226894).
- Gas Natural Fenosa discloses information on earnings for the first half of 2015 (disclosed 31 July 2015, registration number 227191).
- Gas Natural Fenosa reaches an agreement to acquire close to 250,000 piped propane connection points from Repsol Butano (disclosed 30 September 2015, registration number 229128).
- Gas Natural Fenosa acquires 8.33% of Metrogas for €116 million (disclosed 8 October 2015, registration number 229498).
- Gas Natural Fenosa publishes the invitation to the conference call to discuss its earnings in the period January-September 2015 (disclosed 15 October 2015, registration number 229694).
- The European Investment Bank (EIB) approved a loan to Gas Natural Fenosa of up to €900 million to partly finance investments in gas distribution assets in Spain in 2015-2018 (disclosed 3 November 2015, registration number 230508).

- GAS NATURAL FENOSA: CONSOLIDATED PROFIT & LOSS ACCOUNT
- GAS NATURAL FENOSA: ANALYSIS OF RESULTS BY ACTIVITY
- GAS NATURAL FENOSA: CONSOLIDATED BALANCE SHEET
- GAS NATURAL FENOSA: CONSOLIDATED CASH FLOW STATEMENT

(€Mn)	9M15	9M14
Net sales	20,042	18,223
Other operating revenues	206	205
Purchases	-13,905	-12,803
Personnel costs	-775	-617
Other operating costs	-1,570	-1,402
EBITDA	3,998	3,606
Other results	5	253
Depreciation & amortisation, and impairment losses	-1,337	-1,184
Change in operating provisions	-194	-185
OPERATING PROFIT	2,472	2,490
Finance income	-694	-587
Income from disposal of financial instruments	-	-
Income from associates	-5	-75
CONSOLIDATED PRE-TAX PROFIT	1,773	1,828
Income tax expense	-434	-448
Minority interest	-245	-141
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	1,094	1,239

EBITDA

(€ Mn)	1Q15	2Q15	3Q15	4Q15	2015
GAS DISTRIBUTION	385	413	395		
Spain	214	222	229		
Italy	16	17	17		
Latin America	155	174	149		
ELECTRICITY DISTRIBUTION	243	246	261		
Spain	142	147	162		
Moldova	10	8	6		
Latin America	91	91	93		
GAS	322	276	213		
Infrastructure	71	72	73		
Procurement and Supply	251	204	140		
ELECTRICITY	286	204	262		
Spain	213	144	196		
Global Power Generation	73	60	66		
CGE	125	170	169		
OTHERS	8	-4	24		
TOTAL EBITDA	1,369	1,305	1,324		

(€ Mn)	1Q14	2Q14	3Q14	4Q14	2014
GAS DISTRIBUTION	390	395	400	357	1,542
Spain	227	225	224	195	871
Italy	16	18	16	16	66
Latin America	147	152	160	146	605
ELECTRICITY DISTRIBUTION	232	224	259	255	970
Spain	141	146	152	146	585
Moldova	12	6	8	11	37
Latin America	79	72	99	98	348
GAS	322	312	257	299	1,190
Infrastructure	71	69	71	77	288
Procurement and Supply	251	243	186	222	902
ELECTRICITY	255	234	234	280	1,003
Spain	205	182	177	218	782
Global Power Generation	50	52	57	62	221
CGE	-	-	-	36	36
OTHERS	25	32	35	20	112
TOTAL EBITDA	1,224	1,197	1,185	1,247	4,853

Property, plant and equipment and intangible assets

(€Mn)	1Q15	2Q15	3Q15	4Q15	2015
GAS DISTRIBUTION	101	154	179		
Spain	54	82	115		
Italy	2	7	6		
Latin America	45	65	58		
ELECTRICITY DISTRIBUTION	54	83	100		
Spain	28	50	65		
Moldova	1	2	1		
Latin America	25	31	34		
GAS	8	10	12		
Infrastructure	2	1	4		
Procurement and Supply	6	9	8		
ELECTRICITY	47	61	69		
Spain	35	47	56		
Global Power Generation	12	14	13		
CGE	54	65	68		
OTHERS	5	16	30		
TOTAL	269	389	458		

(€Mn)	1Q14	2Q14	3Q14	4Q14	2014
GAS DISTRIBUTION	82	118	142	366	708
Spain	48	68	75	144	335
Italy	3	6	6	10	25
Latin America	31	44	61	212	348
ELECTRICITY DISTRIBUTION	44	70	93	149	356
Spain	20	40	57	101	218
Moldova	2	3	4	6	15
Latin America	22	27	32	42	123
GAS	183	7	13	25	228
Infrastructure	178	2	5	7	192
Procurement and Supply	5	5	8	18	36
ELECTRICITY	39	76	80	113	308
Spain	16	31	40	55	142
Global Power Generation	23	45	40	58	166
CGE	-	-	-	39	39
OTHERS	9	38	21	92	160
TOTAL	357	309	349	784	1,799

(€ Mn)	30/09/15	30/09/14
Non-current assets	38,424	33,081
Intangible assets	10,351	7,888
Tangible assets	23,707	20,218
Investment in associates	1,971	2,322
Non-current financial assets	1,394	1,562
Deferred tax assets	1,001	1,091
Current Assets-	8,462	9,967
Non-current assets available for sale	874	937
Inventories	4,895	4,792
Trade and other accounts receivable	413	333
Other current financial assets	2,280	3,905
TOTAL ASSETS	46,886	43,048

(€ Mn)	30/09/15	30/09/14
Equity-	18,124	15,985
Net equity of Parent Company	14,431	14,420
Minority interest	3,693	1,565
Non-current Liabilities-	22,848	20,054
Deferred revenues	851	830
Non-current provisions	1,509	1,457
Non-current financial liabilities	16,806	14,884
Deferred tax liabilities	2,672	2,014
Other non-current liabilities	1,010	869
Current Liabilities-	5,914	7,009
Current provisions	158	108
Current financial liabilities	1,722	2,866
Trade and other payables	3,686	3,617
Other current liabilities	348	418
TOTAL EQUITY AND LIABILITIES	46,886	43,048

(€ Mn)	9M15	9M14
Operating cash flow	2,537	2,069
Income before taxes	1,773	1,828
Adjustment to result	1,865	1,401
Operating cash flow	3,638	3,229
Changes in current capital	-263	-261
Other operating cash flows	-838	-899
Investing cash flow	-857	-422
Investment payments	-1,370	-1,201
Divestment receipts	465	731
Other investing cash flow	48	48
Financing cash flow	-2,876	-1,914
Collections and (payments) for perpetual subordinated bonds	-51	-
Collections and (payments) for financial liability instruments	-1,740	-816
Dividend payments	-994	-1,047
Other financing cash flow	-91	-51
Effect of exchange rates on cash and cash equivalents	-96	-
Net variation in cash and cash equivalents	-1,292	-267
Beginning cash and cash equivalents	3,572	4,172
Ending cash and cash equivalents	2,280	3,905

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