

GAS NATURAL

First quarter results 2009

6 May 2009



NET PROFIT UP 5.1% TO €353 MILLION IN 1Q09

- Net profit in 1Q09 increased 5.1% with respect to 1Q08, to €353 million, in a context of weakening energy demand and significant volatility in energy prices and in currency and financial markets.
- In March 2009, the company acquired an additional 35.3% of Unión Fenosa, which, together with the 14.7% it owned at 2008 year-end, increased its stake to 50.0%. This holding has been equity-accounted since 1 March 2009.
- EBITDA totalled €732 million, an increase of 0.8% with respect to the same period of 2008. Despite the current economic situation and the sharp decline in electricity prices in Spain, consolidated earnings expanded due to growth in wholesale and retail gas sales.
- EBITDA in the regulated gas distribution business in Spain amounted to €370 million, a 1.4% increase on 1Q08, and accounted for 50.5% of consolidated EBITDA.
- EBITDA in the gas distribution business in Latin America amounted to €109 million, a 0.9% decline, affected by the depreciation of local currencies with respect to the euro. Excluding that effect, EBITDA grew 11.5% in the period.
- The gas distribution network was more than 115,000 km long at 31 March 2009, a 4.5% increase in the last 12 months. The number of gas distribution connections increased by 3.3% to more than 11.5 million.
- On 8 January 2009, GAS NATURAL paid an interim dividend out of 2008 earnings amounting to 48 euro cent per share, 11.6% more than the previous year's interim dividend.
- GAS NATURAL and Gazprom signed a Memorandum of Understanding (MOU), which includes gas supply, with the strategic objective of increasing productivity and flexibility in the natural gas portfolio.
- A consortium of which GAS NATURAL owns 24% made a significant gas discovery in the Tangier-Larache exploration zone on Morocco's Atlantic coast.
- The Board of Directors will propose to the Ordinary Shareholders' Meeting scheduled for June 2009 that it allocate €663 million out of 2008 income to dividends, i.e. a pay-out of 62.7%.
- The Extraordinary Shareholders' Meeting held on 10 March 2009 authorised a €3,502 million capital increase, which was fully subscribed and paid a few weeks later. The new shares have been listed since 3 April 2009.
- Following settlement of the takeover bid and of the financial instruments on Unión Fenosa shares arranged with a number of banks, GAS NATURAL owns 95.2% of Unión Fenosa.
- GAS NATURAL has had 15 proprietary directors on Unión Fenosa's 20-member Board of Directors since 23 April 2009. Rafael Villaseca was appointed CEO of Unión Fenosa that same day.

ACQUISITION OF UNIÓN FENOSA

On 11 February 2009, the National Competition Commission (CNC) authorised the acquisition of Unión Fenosa subject to the commitments presented by GAS NATURAL.

The commitments assumed by GAS NATURAL which include the divestment of 600,000 distribution connections and the portfolio of small clients connected to that grid, 2,000 MW of operational CCGT capacity, and the stake in Enagás. GAS NATURAL also made a number of commitments in connection with corporate governance at Cepsa and Unión Fenosa Gas Comercializadora.

The assets GAS NATURAL has undertaken to sell are of significant value, and they will be divested with the necessary resources to enable buyers to operate them on a standalone basis. Moreover, these divestments are consistent with the planned transaction structure and enable GAS NATURAL to maintain the gas-electricity convergence model it pursued by integrating Unión Fenosa.

According to the terms of the agreement signed on 30 July 2008, GAS NATURAL acquired the rest of ACS's stake on 26 February 2009, thus attaining 50.02% of Unión Fenosa, and launched a mandatory takeover bid for the remaining Unión Fenosa shares, in accordance with Law 24/1998, of 28 July, on the Securities Market, and Royal Decree 1066/2007.

On 16 April 2009, the Comisión Nacional del Mercado de Valores (CNMV) published the outcome of the takeover bid, whose acceptance deadline was 14 April 2009. The bid was accepted by shares representing 34.75% of Unión Fenosa's capital and by 69.54% of voting rights actually addressed by the bid.

Following settlement of the takeover bid and of the financial instruments on Unión Fenosa shares arranged with a number of banks, GAS NATURAL owns 95.22% of Unión Fenosa.

The acquisition of Unión Fenosa is a significant step forward in the development of GAS NATURAL and its goal of becoming a leading integrated gas and electricity company; it will also enable GAS NATURAL to accelerate fulfilment of its 2008-2012 Strategic Plan by putting it on another plane as an integrated gas and electricity operator because of the very good fit between the two companies' businesses throughout their value chains.

Following the acquisition of Unión Fenosa, GAS NATURAL has over 20 million gas and electricity customers worldwide, more than 9 million of them in Spain. The regulated gas and electricity business provides stability and sustained growth.

Financing of the operation

Early in April 2009, GAS NATURAL signed an agreement with a syndicate of 27 banks to underwrite a €18,260 million loan.

With a view to ensuring a solid, flexible financial structure, GAS NATURAL launched a €3,502 million capital increase in March 2009 which was fully subscribed and paid. In April 2009, the net proceeds of the capital increase (€3,410 million) were used to partially repay the loan.

Moreover, the result of the takeover bid reduced financing needs by €788 million.

Net debt will also be reduced by selling assets for an estimated total of €3,000 million.

1.- MAIN AGGREGATES

1.1.- Main financial aggregates

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	3,143	3,326	-5.5
EBITDA	732	726	0.8
Operating income	548	548	-
Net profit	353	336	5.1
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Average number of shares (million)	447.8	447.8	-
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EBITDA per share (€)	1.63	1.62	0.8
Net profit per share (€)	0.79	0.75	5.1
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Investments	6,020	179	-
Net financial debt (at 31/03)	8,463	3,146	-

1.2.- Ratios

	1Q09	1Q08
ROACE ¹	18.5%	17.8%
ROE ²	16.5%	16.2%
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Leverage ³	54.4%	32.3%
EBITDA/Net financial income ⁴	10.5x	14.2x
Net financial debt /EBITDA	3.3x	1.3x
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P/E	4.3x	17.7x
EV/EBITDA	5.1x	8.7x

Share performance and balance sheet data at 31 March.

¹ Operating income/Average operating capital (Net tangible and intangible assets - Deferred revenues linked to fixed assets + Other fixed assets + Goodwill + Non-financial working capital).

² Net profit/ Average equity.

³ Net financial debt/(Net financial debt + Equity).

⁴ Financial result does not include result on disposal of financial instruments.

1.3.- Main physical aggregates

	1Q09	1Q08	%
Distribution (GWh):	110,510	127,007	-13.0
Spain:	66,559	77,238	-13.8
Tariff gas sales	-235	11,551	-
TPA ⁵	66,794	65,687	1.7
Latin America:	42,183	48,422	-12.9
Tariff gas sales	24,625	31,128	-20.9
TPA	17,558	17,294	1.5
Italy:	1,768	1,347	31.3
Tariff gas sales	1,550	1,267	22.3
TPA	218	80	-
Distribution network (km):	115,902	110,882	4.5
Spain	48,982	46,321	5.7
Latin America	61,372	59,714	2.8
Italy	5,548	4,847	14.5
Increase in gas distribution connections, (‘000):	73	85	-14.1
Spain	29	44	-34.1
Latin America	40	36	11.1
Italy	4	5	-20.0
Gas distribution connections, (‘000) (at 31/03):	11,564	11,200	3.3
Spain	5,871	5,725	2.6
Latin America	5,293	5,113	3.5
Italy	400	362	10.5
Gas supply (GWh):	66,364	83,804	-20.8
Spain	53,833	73,005	-26.3
Rest	12,531	10,799	16.0
Gas transportation - EMPL (GWh)	24,254	37,322	-35.0
Contracts per customer in Spain (at 31/03)	1.39	1.37	1.5
Electricity generated (GWh):	5,753	8,398	-31.5
Spain	2,959	5,144	-42.5
Mexico	2,523	2,868	-12.0
Puerto Rico	271	386	-29.8
Installed capacity (MW):	6,495	6,484	0.2
Spain	3,991	3,980	0.3
Mexico	2,233	2,233	-
Puerto Rico	271	271	-
Employees ⁶ (at 31/03)	6,767	6,951	-2.6

⁵ Includes also TPA services in the secondary network.

⁶ Includes the entire workforces of jointly-managed companies (Stream and EcoEléctrica).

2.- ANALYSIS OF CONSOLIDATED RESULTS

2.1.- Changes in group size

The main changes in consolidated group size in 2009 with respect to 2008 are as follows:

- In July 2008, the Company acquired Italian gas distribution company Pita Costruzioni, which has been fully consolidated since 3 July 2008.
- In March 2009, the company acquired an additional 35.3% of Unión Fenosa, which, added to the 14.7% it had at 2008 year-end, increased its stake to 50.02%, which has been equity-accounted since March 2009.

2.2.- Analysis of results

2.2.1.- Net sales

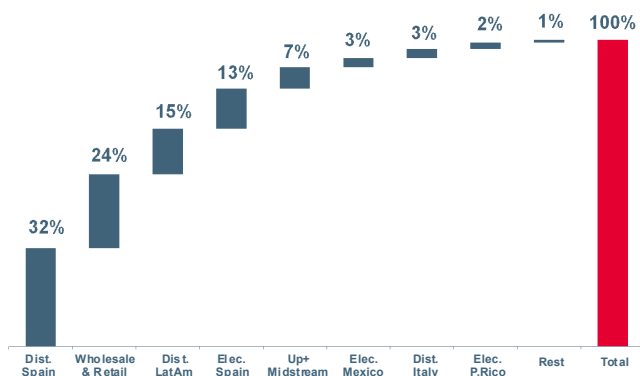
Net sales in 1Q09 amounted to €3,143 million, i.e. 5.5% less than in 1Q08. This reduction is essentially attributable to the decline in electricity prices in Spain compared with the previous year, and to lower electricity production.

2.2.2.- EBITDA and operating income

EBITDA in 1Q09 totalled €732 million, a 0.8% increase on 1Q08. The decline in income in the electricity business in Spain was offset by growth in wholesale and retail gas sales.

Distribution overall (Spain, Latin America and Italy) accounted for 50.5% of GAS NATURAL's EBITDA. Regulated distribution in Spain is the main source of EBITDA (32.5%).

Contribution to EBITDA by business



The electricity business in Mexico accounted for 3.6% of consolidated EBITDA; adding Puerto Rico and Spain, GAS NATURAL's electricity business accounted for 17.8% of the total.

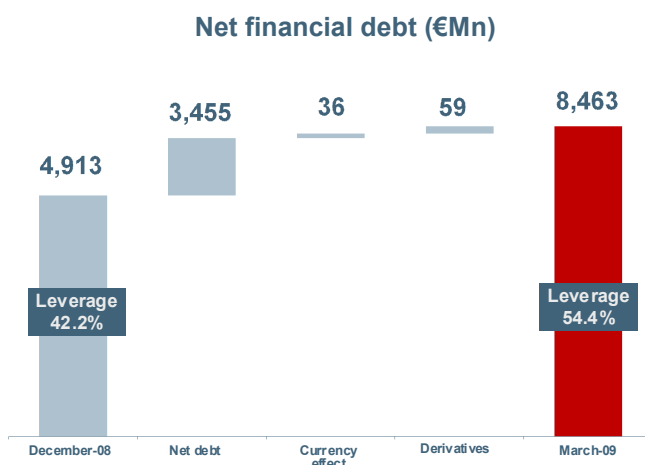
Depreciation charges increased 2.3% while provisions rose from €5 million to €7 million, with the result that operating income amounted to €548 million, the same as in 1Q08.

2.2.3.- Financial results

The breakdown of financial results is as follows:

(unaudited)		
(€ Mn)	1Q09	1Q08
Cost of net financial debt	-90	-60
Exchange differences, net	-3	4
Capitalized interest	6	4
Other financial expenses/revenues	17	1
Financial result	-70	-51

The cost of net financial debt was €90 million, up by €30 million with respect to the previous year as a result of the increase in average gross debt due to the debt arranged for the Unión Fenosa acquisition.



The figure shows GAS NATURAL's consolidated net debt and indebtedness between 31 December 2008 and 31 March 2009.

Net debt increased by less than the amount of debt taken on to acquire the stake in Unión Fenosa due to the early disbursement of €2,393 million under the capital increase as well as significant cash flow in the period. At 31 March 2009, net financial debt amounted to €8,463 million and leverage was 54.4%.

The net debt/EBITDA ratio was 3.3x and interest cover was 10.5x at 31 March 2009.

GAS NATURAL has a Euro Medium Term Note (EMTN) programme amounting to €8,000 million. At 31 March 2008, €725 million issued in previous years were outstanding under that programme.

Financial instruments available exceeded €12,300 million at 31 March 2008 and included €7,275 million under the EMTN programme and €1,000 million under the Euro Commercial Paper (ECP) programme, of which limited use was made in the period.

Also, in the framework of the acquisition of Unión Fenosa, the loan agreement signed by GAS NATURAL in July 2008 was syndicated with 27 banks, which assured the finance needed to buy 100% of that company.

That finance amounts to €18,260 million, including €1,100 million to refinance Unión Fenosa's debt and up to €700 million to refinance GAS NATURAL's debt. It is structured in 10 tranches that mature between February 2010 and August 2013. At 31 March 2009, €7,850 million had been drawn.

At 30 April 2009 and as a result of the capital increase, settlement of the takeover bid and equity swaps, €12,257 million had been drawn against the loan.

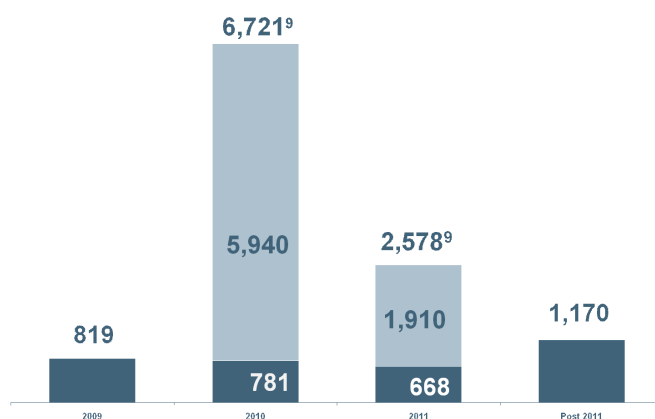
The breakdown of the net financial debt by currency at 31 March 2009, in absolute and relative terms, is as follows:

(unaudited)

(€ Mn)	31/03/09	%
EUR	7,528	89.0
USD	362	4.3
BRL	353	4.1
MXN	155	1.8
ARS	52	0.6
COP	14	0.2
Other currencies	-1	0.0
Total net financial debt	8,463	100.0

Net dollar-denominated financial debt relates mainly to EMPL, the company which manages the Maghreb-Europe gas pipeline, and to EcoEléctrica⁷, and the cash and cash equivalents from the companies acquired in Mexico that use the USD as their functional currency and whose balance sheets and cash flow are in dollars.

Gross debt⁸ maturity (€Mn)



35.9% of gross financial debt⁸ is at fixed interest rates, and the other 64.1% is at floating rates at 31 March 2009.

Of the gross financial debt, 63.3% is short term and 36.7% is long term.

As for interest-bearing debt, 10.4% matures after 2011.

At 31 March 2009, cash and cash equivalents totalled €2,609 million, including €2,393 million corresponding to the partial payment of the capital increase launched in April 2009.

On 1 August 2008, as a result of the agreement with ACS to buy 45.3% of Unión Fenosa, the rating agencies put GAS NATURAL's credit rating on creditwatch negative. In the first quarter of 2009, the agencies maintained GAS NATURAL's rating on creditwatch negative.

The credit ratings of GAS NATURAL's short- and long-term debt are as follows:

Agency	Long term	Short term
Moody's	Baa1	P-2
Standard & Poor's	BBB+	A-2
Fitch	A-	F2

⁷ EcoEléctrica is proportionately consolidated.

⁸ Gross interest-bearing debt totals €11,288 million.

⁹ Includes €5,940 million maturing in 2010 and €1,910 million in 2011 out of the finance for the acquisition of 50.0% of Unión Fenosa.

GAS NATURAL is firmly committed to maintaining a solid, stable financial position. To that end, its minimum target rating post-acquisition is BBB, in line with other utilities worldwide. To this end, GAS NATURAL recently increased equity by €3,502 million to ensure attainment of that rating.

2.2.4.- Equity income

This section includes the €26 million contribution from the Unión Fenosa subgroup since it was equity-accounted on 1 March 2009. Other items include results from minority stakes in gas distribution companies in Spain (Gas Aragón) and wind power companies. Income from holdings in associates amounted to €28 million in the period.

2.2.5.- Corporate income tax

GAS NATURAL is taxed in Spain under the consolidated taxation system, in which the tax group is viewed as the taxpayer and its tax base is determined by aggregating the tax bases of its component companies. The other Spanish-resident companies that are not part of the tax group file individual returns, and those not resident in Spain are taxed in their respective countries; the tax rate on company income (or the equivalent tax) that is in force is applied to income for the period.

The corporate income tax expense totalled €122 million, i.e. an effective tax rate of 24.1%, compared with 27.3% the previous year. The difference with respect to the general tax rate was due to tax credits, different tax systems applied to companies operating outside Spain and the effect of net income from equity-accounted affiliates.

2.2.6.- Minority interest

The main items in this account are the minority shareholders of EMPL, the subgroup of subsidiaries in Colombia, Gas Natural BAN, Gas Natural Mexico, CEG and CEG Rio, as well as other companies in Spain.

Income attributed to minority interests in 1Q09 amounted to €31 million, €4 million more than in 1Q08, basically due to the investees in Brazil and to EMPL.

2.3.- Investments

Investments totalled €6,020 million, including the financial investment to buy the 35.3% stake in Unión Fenosa in the first quarter of 2009.

The breakdown of investments by type is as follows:

(unaudited)

(€ Mn)	1Q09	1Q08	%
Capital expenditure	186	170	9.4
Investments in intangible assets	4	7	-42.9
Financial investments	5,830	2	-
Total investments	6,020	179	-

Capital expenditure amounted to €186 million in 1Q09, a 9.4% increase with respect to 1Q08, due basically to greater investment in power generation in Spain.

Financial investments amounting to €5,830 million are due basically to the aforementioned acquisition of 35.3% of Unión Fenosa in 2009.

The breakdown of capital expenditure by line of business is as follows:

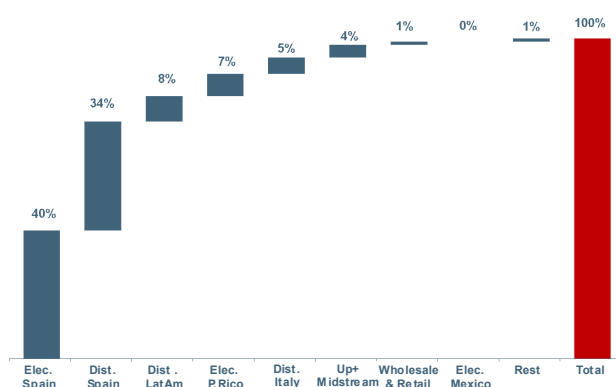
(unaudited)

(€ Mn)	1Q09	1Q08	%
Gas distribution:	88	88	-
Spain	63	60	5.0
Latin America	16	17	-5.9
Italy	9	11	-18.2
Electricity:	87	74	17.6
Spain	75	57	31.6
Mexico	0	14	-
Puerto Rico	12	3	-
Gas:	10	6	66.7
Upstream + Midstream	7	5	40.0
Wholesale & Retail	3	1	-
Rest	1	2	-50.0
Total capital expenditure	186	170	9.4

Investment in gas distribution totalled €88 million, on par with last year. Investment in gas distribution in Spain rose 5.0%, in line with the growth of the distribution network. Investment in gas distribution in Latin America fell by 5.9% due to lower capital expenditure in Brazil.

Investments in power generation both in 1Q09 and in 1Q08 included development of the Malaga 400 MW plant and the Barcelona Port 800 MW plant.

Capital expenditure by activity



GAS NATURAL allocated 40.3% of capital expenditure to the electricity business in Spain, primarily to the development of combined cycle plants.

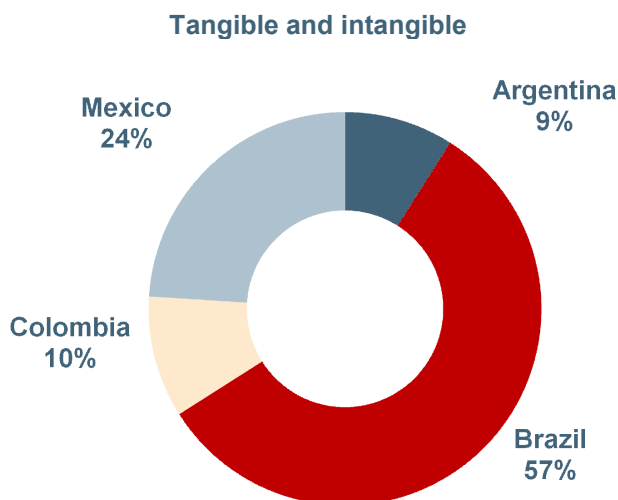
33.9% of capital expenditure in 1Q09 was allocated to gas distribution in Spain, adding 2,661 km of gas grid in the last 12 months, a 5.7% increase, which will sustain the rapid pace of growth in distribution connections despite the slowdown in new building.

Net intangible and tangible fixed assets amounted to €11,177 million at 31 March 2009. The breakdown by business line is as follows:

(unaudited)

(€ Mn)	31/03/09	%
Distribution:	6,070	54.3
Spain	3,957	35.4
Latin America	1,491	13.3
Italy	622	5.6
Electricity:	3,976	35.6
Spain	2,738	24.5
Mexico	1,055	9.5
Puerto Rico	183	1.6
Gas:	958	8.6
Up + Midstream	888	8.0
Wholesale & Retail	70	0.6
Rest	173	1.5
Total net tangible and intangible assets	11,177	100.0

Overall intangible and tangible fixed assets included construction in progress worth €826 million, of which €676 million relate to the electricity business (construction of combined cycle plants and wind farms), €50 million to Up+Midstream and €43 million to Latin America.



Gas distribution still accounts for the bulk (54.3%) of GAS NATURAL's total net intangible and tangible fixed assets.

Intangible and tangible fixed assets in Latin America amounted to €1,491 million, 13.3% of GAS NATURAL's total.

The figure shows the asset breakdown by country: Brazil accounts for 57% of the total, followed by Mexico with 24%.

2.4.- Goodwill

Goodwill in consolidation on the balance sheet as of 31 March 2009 amounted to €560 million.

2.5.- Shareholders' equity

The Board of Directors will ask the General Meeting in June 2009 to approve the allocation of €663 million out of 2008 income to dividends, including an extraordinary dividend of €90 million. The proposed dividend represents a pay-out of 62.7%, i.e. exceeding the 2008 target of 52%-55%.

An interim dividend out of 2008 earnings amounting to 48 euro cent per share was distributed on 8 January 2009; that is an 11.6% increase on last year's interim dividend.

Between 14 and 28 March 2009, GAS NATURAL performed a capital increase (rights issue) in which it issued 447,776,028 new shares of the same class and series and with the same political and economic rights as the shares then outstanding. The new shares were issued at €7.82, i.e. €1 par value each plus an issue premium of €6.82, for a total of €3,502 million.

The capital increase was fully subscribed and paid, and it was registered in the Mercantile Registry on 2 April 2009; the new shares were listed on 3 April 2009.

The €3,502 million capital increase is not reflected in the 1Q09 accounts since it was booked in April 2009.

At 31 March 2009, GAS NATURAL's shareholders' equity totalled €7,095 million, having increased by 7.6% in the previous twelve months. Of that total, €6,762 million is attributable to GAS NATURAL, an 8.1% increase. The return on equity (ROE) was 16.5%.

3.- ANALYSIS OF RESULTS BY ACTIVITY

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

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

3.1.- Distribution in Spain

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

The figures for the first quarter of 2008 included bundled-tariff supply, which was discontinued on 30 June 2008 and, therefore, is not included in the 1Q09 accounts.

3.1.1.- Results

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	345	618	-44.2
Purchases	-12	-269	-95.5
Personnel costs, net	-16	-23	-30.4
Other expenses/income	-79	-88	-10.2
EBITDA	238	238	-
Charge for depreciation and amortisation	-70	-67	4.5
Variation in operating provisions	1	-1	-
Operating income	169	170	-0.6

Net sales in the gas distribution business in Spain totalled €345 million, 44.2% less than in 2008. This was due to the discontinuation of the bundled tariff on 1 July 2008, in accordance with Law 12/2007 and Order ITC/2309/2007.

EBITDA amounted to €238 million, on par with the same period last year, despite the discontinuation of the bundled tariff business. Greater remuneration for regulated distribution in 2009 and containment of costs offset the loss of the EBITDA contribution from the bundled tariff activity.

3.1.2.- Main aggregates

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

	1Q09	1Q08	%
<i>Gas activity sales (GWh):</i>	66,559	77,238	-13.8
Tariff gas sales:	-235	11,551	-
Residential	-235	11,361	-
Industrial	-	190	-
TPA	66,794	65,687	1.7
Distribution network (km)	48,982	46,321	5.7
Change in distribution connections ('000)	29	44	-34.1
Distribution connections (000) (at 31/03)	5,871	5,725	2.6

Regulated gas sales in Spain, which encompassed bundled tariff gas supply until 30 June 2008 as well as third-party access (TPA), for both gas distribution and secondary transportation, amounted to 66,559 GWh in 1Q09, a 13.8% decrease on 2008, and includes regularisations due to discontinuation of the residential business.

Distribution and secondary transportation services for third-party access (TPA) increased by 1.7%, affected by the decline in industrial activity since 4Q08, and amounted to 66,794 GWh, of which 27,401 GWh (-6.3%) are related to services provided to third parties, and the remaining 39,393 GWh (+8.1%) to supply by GAS NATURAL, which is the main operator in the liberalised gas market.

GAS NATURAL continues to expand its distribution network, having added 2,661 km. in the last twelve months and connected another 7 municipalities in 2009. The number of distribution connections increased by 146,000 in the last 12 months, including 29,000 added in the quarter (i.e. 34.1% less than in 1Q08 due to the smaller number of new homes being built).

At 31 March 2009, the distribution grid measured 48,982 km., having increased by 5.7%, and there were a total of 5,871,000 distribution connections, 2.6% more than last year.

On 16 January 2009, the Directorate of Energy Policy and Mines published its Resolution of 31 December 2008 establishing the distribution remuneration, by application of Order ITC/3802/2008. The initial remuneration allocated to GAS NATURAL for 2009 is €1,206 million.

The remuneration for secondary transportation in 2009 amounted to €24 million.

3.2.- Distribution in Latin America

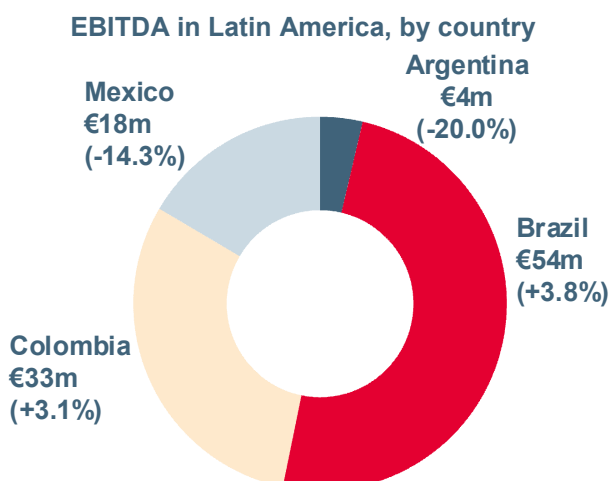
This division involves gas distribution in Argentina, Brazil, Colombia and Mexico.

3.2.1.- Results

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	467	538	-13,2
Purchases	-312	-371	-15,9
Personnel costs, net	-17	-16	6,3
Other expenses/income	-29	-41	-29,3
EBITDA	109	110	-0,9
Charge for depreciation and amortisation	-21	-23	-8,7
Variation in operating provisions	-2	-3	-33,3
Operating income	86	84	2,4

Revenues from distribution in Latin America in 1Q09 were affected by the negative performance of currencies with respect to the euro in the last twelve months. Net sales totalled €467 million, a 13.2% decline, due basically to currency fluctuations.



EBITDA amounted to €109 million, a 0.9% decrease on 1Q08. Excluding the currency effect, EBITDA expanded 11.5% with respect to the same period last year.

The figure shows gas distribution EBITDA in Latin America, by country, and the variation with respect to 1Q08.

Brazil and Colombia's contributions were particularly noteworthy: together they accounted for 80% of EBITDA.

3.2.2.- Main aggregates

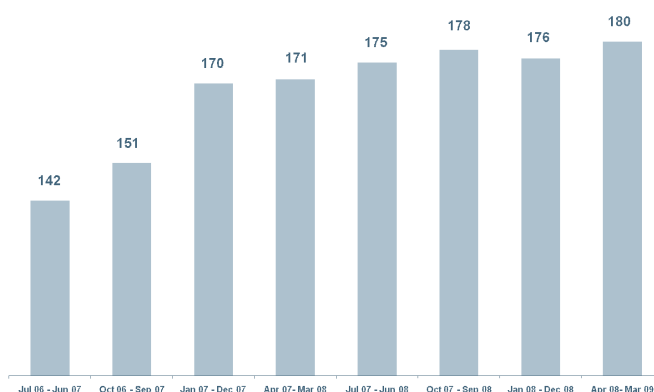
The main physical aggregates in gas distribution in Latin America are as follows:

	1Q09	1Q08	%
Gas activity sales (GWh):	42,183	48,422	-12.9
Tariff gas sales	24,625	31,128	-20.9
TPA	17,558	17,294	1.5
Distribution network (km)	61,372	59,714	2.8
Change in distribution connections ('000)	40	36	11.1
Distribution connections ('000) (at 31/03)	5,293	5,113	3.5

The main physical aggregates by country in 2009 are as follows:

	Argentina	Brazil	Colombia	Mexico	Total
Gas activity sales (GWh)	16,721	11,260	3,880	10,322	42,183
Change vs. 1T08 (%)	3.4	-34.2	-1.4	-7.9	-12.9
Distribution network	22,443	5,892	17,098	15,939	61,372
Change vs. 31/03/2008 (km)	588	211	467	392	1,658
Distribution connections ('000 at 31/03)	1,401	790	1,953	1,149	5,293
Change vs. 31/03/2008 ('000)	39	14	112	15	180

Increase in gas distribution connections, ('000)



Sales in the gas activity in Latin America, which include both gas sales and TPA (third-party access) services, totalled 42,183 GWh, a 12.9% decrease with respect to the previous year.

Excluding Argentina, where sales grew 3.4% with respect to 1Q08, sales in other countries (basically to power plants and industry) declined across the board.

There were a total of 5,293,000 gas distribution connections at 31 March 2009. High year-on-year growth rates were maintained, with an additional 180,000 supply points; Colombia added 112,000 distribution points due to a faster rate of customer acquisition in Bogotá and the

Altiplano Cundiboyacense area.

The distribution grid was extended by 1,658 km (2.8%) in the last twelve months to 61,372 km at 31 March 2009; this is comparable to the 3.5% growth in the number of distribution connections.

Highlights of activities in Latin America:

- Negotiations with the Argentine government for a new tariff framework are ongoing as a continuation of the advance reflected in the memorandum agreement that standardised the country's tariff situation.
- Distribution margins in Rio de Janeiro (Brazil) were increased by 11.9% as a result of inflation indexation. Additionally, CEG Rio's new tariff framework for the period 2008-2012 was approved with an additional increase of 11.8%. CEG's tariff increase of 11.3% is pending final approval in the near future.
- In Colombia, the automotive gas market continues to grow: the number of natural gas service stations rose 22.0%, from 132 in March 2008 to 161 in March 2009. The number of vehicles fitted to run on LNG rose by 14.1%, from 98,764 at 31 March 2008 to 112,687 at 31 March 2009.
- The increase in distribution margins as a result of inflation indexation was approved in several concessions in Mexico and is expected to come into force in 2H09. Negotiations to apply the new tariff frameworks continue.

3.3.- Distribution in Italy

This area refers to gas distribution in Italy.

3.3.1.- Results

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	89	68	30.9
Purchases	-58	-43	34.9
Personnel costs, net	-4	-3	33.3
Other expenses/income	-4	-5	-20.0
EBITDA	23	17	35.3
Charge for depreciation and amortisation	-8	-6	33.3
Variation in operating provisions	-	-	-
Operating income	15	11	36.4

Gas distribution in Italy contributed €23 million in EBITDA, i.e. 35.3% more than in 2008.

The increase in EBITDA with respect to the previous year is due primarily to the higher volume of gas distributed in the quarter as a result of normal weather conditions, the inclusion of Pitta Costruzioni and improved procurement prices.

3.3.2.- Main aggregates

	1Q09	1Q08	%
Gas activity sales (GWh):	1,768	1,347	31.3
Tariff gas sales	1,550	1,267	22.3
TPA	218	80	-
Distribution network (km)	5,548	4,847	14.5
Distribution connections ('000) (at 31/03)	400	362	10.5

On 3 July 2008, GAS NATURAL acquired the gas distribution company Pitta Costruzione, which operates in the Puglia region in southern Italy. The acquired group has a license to supply natural gas to 11 municipalities with a total of 15,000 clients and a distribution grid measuring 393 km.

With this deal, GAS NATURAL expanded its distribution area in Italy to 187 municipalities in 8 regions: Molise, Abruzzo, Puglia, Calabria, Sicily, Basilicata, Campania and Lazio.

After adding 3,500 new distribution points in 1Q09, GAS NATURAL has 400,000 natural gas distribution points in Italy, thus attaining one of its first commercial goals.

A total of 1,768 GWh of gas were distributed in Italy, i.e. 31.3% more than in 2008, due basically to normal weather conditions and the inclusion of Pitta (+105 GWh).

3.4.- Electricity in Spain

This area includes power generation in Spain (combined cycle plants, wind farms and cogeneration), wholesale electricity trading, and the wholesale and retail supply of electricity in the liberalised market in Spain.

3.4.1.- Results

(unaudited)			
(€ Mn)	1Q09	1Q08	%
Net sales	257	536	-52.1
Purchases	-136	-360	-62.2
Personnel costs, net	-2	-2	-
Other expenses/income	-27	-37	-27.0
EBITDA	92	137	-32.8
Charge for depreciation and amortisation	-24	-23	4.3
Variation in operating provisions	-1	-	-
Operating income	67	114	-41.2

Net sales in the electricity business in 1Q09 amounted to €257 million, 52.1% less than in the same period in 2008, primarily as a result of lower electricity prices and output.

The weighted average price in the electricity pool in the first quarter of 2009 was €44.4/MWh, i.e. 34% less than in 1Q08 (€67.3/MWh).

As in November and December 2008, this decline in pool prices in 1Q09 with respect to 1Q08 was due, among other factors, to lower generation costs in a context of falling fuel prices, waning demand and high precipitation and strong winds.

CO₂ emission rights prices continued the downward trend observed at the end of 2008 as a result of the deteriorating economic situation worldwide; prices fell below €8/tonne in mid-February, a record low in Phase II (2008-2012), and then recovered to a quarterly average of €11.19/tonne.

Electricity demand in 1Q09 (65,015 GWh)¹⁰ was 7.5% lower than in 1Q08. Adjusting for the different number of working days and for temperatures, demand fell 8.9%. The current economic situation had a significant effect on electricity consumption.

EBITDA in 1Q09 amounted to €92 million, down 32.8% compared with 1Q08, as a result of the decline in both power production and pool prices. Additionally, GAS NATURAL optimised its participation in Spain's various power generation markets and was involved in trading and supplying electricity in the liberalised market in Spain.

3.4.2.- Main aggregates

The key figures of GAS NATURAL's electricity activities in Spain are as follows:

	1Q09	1Q08	%
Installed capacity (MW):	3,991	3,980	0.3
CCGT	3,600	3,600	-
Wind	363	363	-
Cogeneration	28	17	64.7
Electricity generated (GWh):	2,959	5,144	-42.5
CCGT	2,672	4,904	-45.5
Wind	235	215	9.3
Cogeneration	52	25	-
Contracted electricity (GWh/year) ¹¹	2,437	6,248	-61.0
Electricity sales (GWh):	584	1,599	-63.5
Residential	130	142	-8.5
Industrial	454	1,457	-68.8

The combined cycle plants generated 2,672 GWh in 1Q09. GAS NATURAL had a 5.5% share of the "ordinary regime" power generation market in 1Q09. The plants logged 721 equivalent hours of operation in 1Q09 (2,952 annualised), i.e. a load factor of 33.4%, vs. 62.5% in the same period last year.

In the area of "special regime" power production, GAS NATURAL has 363 MW of attributable wind power capacity. GAS NATURAL's net attributable wind output was 235 GWh in 1Q09, compared with 215 GWh in 1Q08.

¹⁰ Source: REE.

¹¹ Industrial customers portfolio.

GAS NATURAL's cogeneration business (28 MW attributable capacity) generated 52 GWh in 1Q09, a 108.0% increase with respect to 1Q08. The Almazán (Soria) 15 MW slurry plant was started up in April 2009.

GAS NATURAL continued trading actively in 1Q09; transactions maturing in 1Q09 amounted to over 1,700 GWh and the company traded over 2,000 GWh in the period.

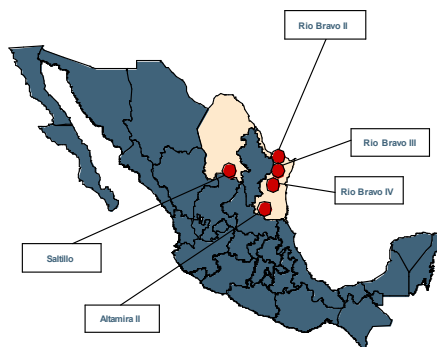
As regards crossborder trading between Spain and France, GAS NATURAL participated in the daily, monthly and annual interconnection capacity auctions, trading over 231 GWh in the quarter and managing power in the various markets in the two countries (daily, intraday, constraints, futures). GAS NATURAL's operations in the French market are a further step towards expanding its energy trading business into other European markets so as to optimise its position in electricity through a more diversified portfolio of countries and products.

GAS NATURAL intensified trading of CO₂ emission permits in 1Q09, buying and selling almost 6.6 Mt through numerous deals involving EUA rights and CER credits, both in organised markets (BLUENEXT, ECX) and with different counterparties, in spot, forward and structured products.

In February 2007, Spain's Industry Ministry established a calendar of electricity auctions to cover the bundled tariff supply, by quarters. On 26 March 2009, GAS NATURAL participated in the eighth such CESUR auction, which involved two products: three-month baseload capacity (April-June 2009) and three-month peak capacity (08.00-20.00 on working days in April-June 2009). A total of 2,400 MW baseload and 450 MW peak capacity were auctioned; twenty-one players participated. Closing prices were €36.6/MWh for the baseload product and €38.2/MWh for the peak product.

This activity enables the company to actively manage its position and optimise margins and risk exposure.

3.5.- Electricity Mexico



The assets acquired in Mexico in December 2007 are the Anáhuac power plant (Río Bravo II: 495 MW), the Lomas del Real power plant (Río Bravo III: 495 MW), Valle Hermoso power plant (Río Bravo IV: 500 MW), and Electricidad Águila de Altamira (Altamira II: 495 MW), all of which are located in the state of Tamaulipas, in north-western Mexico, as well as a 54-kilometre gas pipeline that supplies gas to those four plants; it also acquired the Saltillo 248 MW power plant in Coahuila state, also in north-western Mexico.

3.5.1.- Results

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	108	156	-30.8
Purchases	-67	-126	-46.8
Personnel costs, net	-1	-2	-50.0
Other expenses/income	-14	-9	55.6
EBITDA	26	19	36.8
Charge for depreciation and amortisation	-16	-15	6.7
Variation in operating provisions	-	-	-
Operating income	10	4	-

EBITDA in the period amounted to €26 million, up 36.8% due essentially to greater availability of the plants with respect to the same period last year, and to the good performance of the dollar/euro exchange rate.

3.5.2.- Main aggregates

A total of 2,523 GWh were generated in 1Q09, a 12.0% decline with respect to 1Q08, with a load factor of 52.3%, which was 22% lower as a result of lower demand from Comisión Federal de Electricidad.

Mexico's electricity sector is controlled by the Comisión Reguladora de Energía and supplied by two public companies: Comisión Federal de Electricidad (CFE) and Luz y Fuerza del Centro. Private-sector power generation has grown substantially in the shape of independent power producers (IPP).

3.6.- Electricity in Puerto Rico

GAS NATURAL has been operating in Puerto Rico since October 2003, when it acquired 47.5% of EcoEléctrica and the exclusive right to import additional natural gas to the island, plus an operation, maintenance and fuel management contract.

EcoEléctrica has a regasification plant (capacity: 115,000 m³) and a 542 MW CCGT (271 MW attributable). The CCGT, the first investor-owned natural gas-fired power plant in Puerto Rico, is located in Peñuelas, in the southern part of the island.

3.6.1.- Results

(unaudited)			
(€ Mn)	1Q09	1Q08	%
Net sales	35	32	9.4
Purchases	-19	-16	18.8
Personnel costs, net	-1	-1	-
Other expenses/income	-3	-1	-
EBITDA	12	14	-14.3
Charge for depreciation and amortisation	-5	-5	-
Variation in operating provisions	-	-	-
Operating income	7	9	-22.2

GAS NATURAL's activities in Puerto Rico provided €12 million of EBITDA, a 14.3% decline despite the favourable \$/€ exchange rate, basically as a result of lower power sales in response to lower demand from the Puerto Rico Electric Power Authority (PREPA).

3.6.2.- Main aggregates

Ecoeléctrica sold 541 GWh in the first quarter of 2009 (271 GWh attributable to GAS NATURAL), a 29.8% decline on 1Q08 due to lower demand from PREPA and a longer maintenance shutdown after scheduled inspections in 2009 uncovered unexpected damage.

In May 2007, GAS NATURAL signed a contract with PREPA to provide regasification services amounting to 0.7 bcm per year, starting in 2009; the gas will be used to generate power at the Aguirre power plant, which will be refitted to burn natural gas in the coming months.

The process of obtaining permits to expand the terminal's regasification capacity will conclude in the coming months. All the processes leading to approval were completed on 16 March 2009.

3.7.- Gas

3.7.1.- Up + Midstream

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

3.7.1.1- Results

(unaudited)

(€ Mn)	1Q09	1Q08	%
Net sales	80	70	14.3
Purchases	-15	-15	-
Personnel costs, net	-2	-1	-
Other expenses/income	-12	-10	20.0
EBITDA	51	44	15.9
Charge for depreciation and amortisation	-12	-15	-20.0
Variation in operating provisions	-	-	-
Operating income	39	29	34.5

Net sales in the Upstream+Midstream business totalled €80 million, a 14.3% increase.

EBITDA amounted to €51 million in 2009, 15.9% more than in 2008. These results were due to the fact that utilisation of the gas carrier fleet this year was similar to last year, and also to favourable evolution of the dollar exchange rate.

Gas exploration and production operations are booked using the "successful efforts" method, under which costs prior to drilling are expensed as they are incurred and the costs of the drilling phase are capitalised provisionally as construction in progress until such time as it is determined whether there are proven reserves to justify commercial development.

3.7.1.2.- Main aggregates

The main aggregates in international gas transportation are as follows:

	1Q09	1Q08	%
Gas transportation-EMPL (GWh):	24,254	37,322	-35.0
Portugal-Morocco	5,167	9,014	-42.7
GAS NATURAL	19,087	28,308	-32.6

The gas transportation activity conducted in Morocco through companies EMPL and Metragaz represented a total volume of 24,254 GWh in 1Q09, a 35.0% decline. Of that figure, 19,087 GWh were transported for GAS NATURAL through Sagane and 5,167 GWh for Portugal and Morocco. Lower energy demand in the Iberian Peninsula and optimisation of GAS NATURAL's supply/demand balance led to a lower volume of gas being shipped and, consequently, lower utilisation of the Maghreb-Europe pipeline.

On 27 March 2009, an auction of underground storage capacity was held in Spain for the period 1 April 2009 to 31 March 2010, for a total of 4,257 GWh. The auction, organised by OMEL (the electricity market operator) under the supervision of the CNE (Spain's National Energy Commission), was conducted via an ascending clock auction method, closing at a price of €1,767/GWh. GAS NATURAL was awarded 37% of the capacity auctioned (1,586 GWh), in line with its projections. The final outcome evidences operators' strong interest in acquiring underground storage capacity, given the operational flexibility which it provides to the system.

Development work continues on the Gassi Chergui exploration project in Algeria, where a second well was drilled, and a well was drilled in the Tangier-Larache licence in Morocco, in which GAS NATURAL has a 24% stake, with positive results. Two columns of gas totalling 90 metres were detected in the Anchois-1 well, located about 40 km from Morocco's Atlantic Coast, which has reached a depth of 2,359 metres.

GAS NATURAL is also participating with Repsol YPF in an off-shore well in the Montanazo licence (off Tarragona, on Spain's Mediterranean coast), where drilling began in March 2009. Geological prospection and data acquisition work is also continuing in connection with the hydrocarbon prospection permit in Villaviciosa (Asturias), which GAS NATURAL owns 90%. GAS NATURAL is also participating in the Loquiz-Urederra permit (Álava and Navarra, Spain); the next step is to carry out a first exploratory drilling operation in 2009.

GAS NATURAL and Repsol YPF, in consortium with other companies, signed a partnership agreement in 2008 to develop an integrated gas project in Angola in which they will initially assess available gas reserves and subsequently undertake the necessary investments to develop them as LNG. The company Gas Natural West Africa (60% Repsol YPF, 40% GAS NATURAL) was created to manage the project. The Angola government granted a Concession Decree in March 2009 which provides the legal framework for developing the project. Seismic exploration work is currently under way and will continue throughout 2009; the first well is projected to be drilled before the end of this year.



GAS NATURAL's projects to build two regasification plants in Italy (Trieste-Zaule and Taranto) continue to make progress towards obtaining the required permits and licenses. The Trieste-Zaule project obtained a positive report from the Ministry of Cultural Assets and Activities (MiBAC) in January 2009 and is expected to obtain a Ministerial Environmental Authorisation in the near future. The process of obtaining permits for the Taranto project, as required under Italian legislation, is continuing.

Both projects are on-shore, located in the port areas of the respective cities, and have a planned regasification capacity of

8 bcm/year; investment per terminal will be approximately €500 million.

Snam Rete Gas continues to develop its projects to connect the terminals with Italy's national gas grid. The Trieste terminal connection project is currently in the process of obtaining environmental approvals.

These plants will enable the company to diversify its sources of natural gas supply in Italy and provide continuity in this energy source, which is one of the objectives of the Italian government's energy policy.

GAS NATURAL and Gazprom signed a Memorandum of Understanding (MOU) under which they undertake to reach LNG sale agreements in the coming years and to cooperate in other areas, such as the emissions market and power generation.

Under the MOU, GAS NATURAL and Gazprom will negotiate medium- and long-term LNG sale agreements. Both companies will also explore commercial agreements to develop their gas businesses in north-western Europe.

3.7.2.- Wholesale & Retail

This area includes wholesale and retail gas supply in Spain and other countries, and the supply of other related products and services in Spain.

3.7.2.1.- Results

(unaudited)			
(€ Mn)	1Q09	1Q08	%
Net sales	2,312	2,038	13.4
Purchases	-2,057	-1,854	10.9
Personnel costs, net	-17	-15	13.3
Other expenses/income	-65	-29	-
EBITDA	173	140	23.6
Charge for depreciation and amortisation	-2	-2	-
Variation in operating provisions	-7	-1	-
Operating income	164	137	19.7

Net sales amounted to €2,312 million, 13.4% more than last year. EBITDA in 1Q09 totalled €173 million, a 23.6% increase on 1Q08. This performance was due to the transfer of over 3.4 million retail customers from the bundled tariff to the last-resort tariff on 1 July 2008, and to the increase in efficiency derived from managing the risk of the commodity portfolio and exchange rate risk associated with the commercial portfolio. Diversification of the portfolio of commodities and combined management of the commodity and dollar risks supported EBITDA in a context of significant volatility in the energy and currency markets.

3.7.2.2.- Main aggregates

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

	1Q09	1Q08	%
Gas supply (GWh):	66,364	83,804	-20.8
Spain:	53,833	73,005	-26.3
Regulated market	-	13,487	-
Liberalised market:	58,833	59,518	-9.6
GAS NATURAL ¹²	45,681	51,431	-11.2
Supply to third parties	8,152	8,087	0.8
Other:	12,531	10,799	16.0
Supply	7,801	8,212	-5.0
Supply Europe	4,730	2,587	82.8
Multiutility contracts (at 31/03)	2,112,928	2,023,958	4.4
Contracts per customer (at 31/03)	1.39	1.37	1.5

¹² Does not include exchanges with other energy companies.

Until 1 July 2008, the gas procured for the regulated market was supplied to Enagás which, in addition to inventory management, supplied the gas to distribution companies, both in the GAS NATURAL group and third parties. That activity amounted to 13,487 GWh in the first quarter of 2008.

GAS NATURAL supplied 45,681 GWh in the liberalised market, an 11.2% decline on 1Q08 as a result of lower gas consumption for power generation by combined cycle plants (caused by lower electricity demand and lower pool prices) and the decline in economic activity. GAS NATURAL sold 8,152 GWh of gas for supply to the liberalised market by other supply companies (a 0.8% increase).

Supply in Europe increased notably due to growth in natural gas supply in France.

GAS NATURAL is taking steps to promote the use of natural gas as vehicle fuel in Spain, in both the public and private sectors. GAS NATURAL is an expert in this line of business, which it already conducts in several Latin American countries and Italy, where automotive natural gas is widely used; in Spain, it markets this application of natural gas under the "gn auto" brand.

Under the "gn auto" project, GAS NATURAL undertakes end-to-end management of the process, from construction of the service station (capital cost and subsequent operation and maintenance) to the supply of compressed natural gas, thereby ensuring maximum availability of the facilities.

Also, through the "gnSolar" business line, GAS NATURAL seeks to promote the joint use of solar energy and natural gas in residential and tertiary buildings by providing advice for property developers and builders as well as a maintenance service for such installations.

In the framework of promoting energy efficiency, GAS NATURAL participates in such events as the International Air Conditioning, Heating, Ventilation and Refrigeration Exhibition in Madrid (February 2009) and the International Real Estate Fair in Almería (March 2009).

At such events, GAS NATURAL promotes its products as well as encouraging responsible, efficient energy use and protection of the environment. The products include energy management (an end-to-end solution to all energy needs), microgeneration (providing energy savings and environmental improvement), and the "gnSolar" advisory and technical assistance service aimed at developers and builders which are obliged, under the new Building Code, to install solar panels for hot water on all new buildings.

GAS NATURAL increased the number of multi-utility contracts with its customers to 2,112,928, boosting the number of contracts per customer from 1.37 to 1.39 at 31 March 2009.

Summarised below are the regulatory disclosures to the Comisión Nacional del Mercado de Valores (CNMV) since 1 January 2009:

- GAS NATURAL files the press advertisement announcing the interim dividend payment out of 2008 income (disclosed 2 January 2009, registration number 27907).
- GAS NATURAL files the calendar for publication of its financial results in 2009 (disclosed 9 January 2009, registration number 27925).
- GAS NATURAL publishes the invitation to the conference call to discuss its 4Q08 earnings (disclosed 28 January 2009, registration number 28019).
- GAS NATURAL reports the decisions adopted by the Board of Directors on 30 January 2009 (disclosed 30 January 2009, registration number 28046).
- GAS NATURAL calls a Special Shareholders' Meeting to be held on 10 May 2009 in order to authorise a capital increase with pre-emptive subscription rights (disclosed 3 February 2009, registration number 103340).
- GAS NATURAL publishes its 4Q08 results (disclosed 10 February 2009, registration number 103558).
- GAS NATURAL files the presentation of earnings for the fourth quarter of 2008 (disclosed 10 February 2009, registration number 28107).
- GAS NATURAL files the presentation given at the press conference to present the earnings for the fourth quarter of 2008 (disclosed 10 February 2009, registration number 28108).
- GAS NATURAL files the Advance Report of earnings for the fourth quarter of 2008 (disclosed 12 February 2009, registration number 103666).
- The National Competition Commission (CNC) authorises the acquisition of Unión Fenosa (disclosed 12 February 2009, registration number 103696).
- The National Competition Commission (CNC) issues a press release in connection with the approval of the commitments in the GAS NATURAL/UNIÓN FENOSA concentration transaction (disclosed 12 February 2009, registration number 103697).
- GAS NATURAL publishes its Annual Corporate Governance Report (disclosed 16 February 2009, registration number 103746).
- GAS NATURAL files the Ministry's decision on the concentration transaction consisting of GAS NATURAL acquiring exclusive control of Unión Fenosa (disclosed 17 February 2009, registration number 103843).
- GAS NATURAL discloses that Standard & Poor's has downgraded the company's rating (disclosed 23 February 2009, registration number 104336).
- GAS NATURAL discloses that Fitch Ratings has downgraded the company's rating (disclosed 26 February 2009, registration number 104520).
- GAS NATURAL publishes the announcement of the takeover bid for the shares of Unión Fenosa (disclosed 26 February 2009, registration number 104538).
- GAS NATURAL discloses that Moody's has downgraded the company's rating (disclosed 2 March 2009, registration number 104898).

- GAS NATURAL discloses a cooperation agreement with Gazprom (disclosed 3 March 2009, registration number 104964).
- GAS NATURAL discloses that it has joined the Board of Directors of Unión Fenosa (disclosed 4 March 2009, registration number 28299).
- GAS NATURAL discloses that it has scheduled a special meeting of the Board of Directors immediately before the Shareholders' Meeting (disclosed 9 March 2009, registration number 105302).
- GAS NATURAL discloses the motions laid before the Shareholders' Meeting (disclosed 10 March 2009, registration number 105313).
- GAS NATURAL files the presentation for the press conference prior to the Special Shareholders' Meeting (disclosed 10 March 2009, registration number 28326).
- GAS NATURAL files the press release in connection with the Special Shareholders' Meeting (disclosed 10 March 2009, registration number 28328).
- The Comisión Nacional del Mercado de Valores (CNMV) suspends trading of GAS NATURAL shares on a precautionary basis (disclosed 10 March 2009, registration number 105306).
- The Comisión Nacional del Mercado de Valores (CNMV) lifts the precautionary suspension imposed on that same day (disclosed 10 March 2009, registration number 105316).
- GAS NATURAL files the decisions adopted by the Special Shareholders' Meeting (disclosed 10 March 2009, registration number 105331).
- GAS NATURAL files a presentation updating the transaction with Unión Fenosa (disclosed 16 March 2009, registration number 28353).
- GAS NATURAL announces the appointment of five new directors to the Board of Directors of Unión Fenosa (disclosed 25 March 2009, registration number 28417).
- GAS NATURAL announces the discovery of gas deposits off the Moroccan coast (disclosed 30 March 2009, registration number 28430).
- GAS NATURAL discloses the outcome of the capital increase (disclosed 31 March 2009, registration number 106390).
- GAS NATURAL reports that it has attained 400,000 distribution customers in Italy (disclosed 7 April 2009, registration number 28470).
- GAS NATURAL discloses the approval of its new code of ethics (disclosed 8 April 2009, registration number 28477).
- The Comisión Nacional del Mercado de Valores publishes the outcome of the takeover bid for Unión Fenosa shares by GAS NATURAL whose acceptance deadline was 14 April 2009 (disclosed 16 April 2009, registration number 106948).
- GAS NATURAL reports on the outcome of the takeover bid and its final stake in Unión Fenosa (disclosed 16 April 2009, registration number 106950).
- GAS NATURAL announces that, as provided in the Prospectus for the takeover bid for Unión Fenosa, it will not apply for a squeeze-out of Unión Fenosa shareholders and the latter may not require that GAS NATURAL buy them out (disclosed 16 April 2009, registration number 106952).

- The CNMV announces precautionary suspension of trading in GAS NATURAL shares (disclosed 23 April 2009, registration number 107292).
- GAS NATURAL announces that the Board of Directors of Unión Fenosa has approved the proposal to absorb Unión Fenosa into GAS NATURAL, and the proposed share exchange ratio. Additionally, GAS NATURAL appoints six directors to Unión Fenosa's Board of Directors and Rafael Villaseca is appointed CEO to facilitate integration of the two companies (disclosed 23 April 2009, registration number 28530).
- The CNMV lifts the precautionary suspension of trading imposed that same day (disclosed 23 April 2009, registration number 107300).
- GAS NATURAL comunica que su Consejo de Administración suscribe el Proyecto de Fusión por absorción de las sociedades Unión Fenosa y Unión Fenosa Generación por parte de GAS NATURAL así como la ecuación de canje propuesta (disclosed 24 April, registration number 107418).
- The Board of Directors of GAS NATURAL subscribes the Merger Project with Unión Fenosa and Unión Fenosa Generación as well the proposed share exchange ratio (disclosed 24 April, registration number 107418).
- GAS NATURAL files a press release on the merger (disclosed 24 April 2009, registration number 28543).
- GAS NATURAL files the text of the proposal to merge Unión Fenosa, and Unión Fenosa Generation into GAS NATURAL (disclosed 24 April 2009, registration number 107420).
- GAS NATURAL notifies a change in the date of publication of its 1Q09 earnings (disclosed 24 April 2009, registration number 28544).
- GAS NATURAL publishes the invitation to the conference call to discuss its 1Q09 earnings (disclosed 27 April 2009, registration number 28552).
- GAS NATURAL notifies the modification of the invitation to the conference call to discuss its 1Q09 results (disclosed 27 April 2009, registration number 28553).
- GAS NATURAL communicates information on assets in Mexico (disclosed 29 April 2009, registration number 28597).
- GAS NATURAL notifies the first delivery of LNG to Electricité de France (EDF), at the regasification plant in Montoir de Bretagne, in France (disclosed 4 May 2009, registration number 28628).

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

(unaudited)

(€ Mn)	1Q09	1Q08
Net sales	3,143	3,326
Other operating revenues	24	16
Purchases	-2,150	-2,329
Personnel costs	-91	-93
Other operating costs	-194	-194
EBITDA	732	726
Depreciation and amortisation	-177	-173
Change in operating provisions	-7	-5
OPERATING PROFIT	548	548
Finance income	-70	-51
Gains on disposal of financial instruments	-	1
Income from associates	28	-
CONSOLIDATED PRE-TAX PROFIT	506	498
Income tax expense	-122	-135
Minority interest	-31	-27
PROFIT ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	353	336

EBITDA

(unaudited)

(€ Mn)	1Q09	2Q09	3Q09	4Q09	2009
DISTRIBUTION	370				
Spain	238				
Latin America	109				
Italy	23				
ELECTRICITY	130				
Spain	92				
Mexico	26				
Puerto Rico	12				
GAS	224				
Up + Midstream	51				
Wholesale & Retail	173				
REST	8				
TOTAL	732				

(€ Mn)	1Q08	2Q08	3Q08	4Q08	2008
DISTRIBUTION	365	346	365	313	1,389
Spain	238	219	238	191	886
Latin America	110	122	125	110	467
Italy	17	5	2	12	36
ELECTRICITY	170	127	108	110	515
Spain	137	93	73	63	366
Mexico	19	21	24	32	96
Puerto Rico	14	13	11	15	53
GAS	184	111	141	214	650
Up + Midstream	44	35	41	65	185
Wholesale & Retail	140	76	100	149	465
REST	7	-12	14	1	10
TOTAL	726	572	628	638	2,564

Operating income

(unaudited)

(€ Mn)	1Q09	2Q09	3Q09	4Q09	2009
DISTRIBUTION	270				
Spain	169				
Latin America	86				
Italy	15				
ELECTRICITY	84				
Spain	67				
Mexico	10				
Puerto Rico	7				
GAS	203				
Up + Midstream	39				
Wholesale & Retail	164				
REST	-9				
TOTAL	548				

(€ Mn)	1Q08	2Q08	3Q08	4Q08	2008
DISTRIBUTION	265	233	252	194	944
Spain	170	140	160	103	573
Latin America	84	95	98	86	363
Italy	11	-2	-6	5	8
ELECTRICITY	127	82	63	59	331
Spain	114	68	46	34	262
Mexico	4	4	11	15	34
Puerto Rico	9	10	6	10	35
GAS	166	95	125	188	574
Up + Midstream	29	23	30	54	136
Wholesale & Retail	137	72	95	134	438
REST	-10	-30	3	-18	-55
TOTAL	548	380	443	423	1,794

Tangible investments

(unaudited)

(€ Mn)	1Q09	2Q09	3Q09	4Q09	2009
DISTRIBUTION	88				
Spain	63				
Latin America	16				
Italy	9				
ELECTRICITY	87				
Spain	75				
Mexico	-				
Puerto Rico	12				
GAS	10				
Up + Midstream	7				
Wholesale & Retail	3				
REST	1				
TOTAL	186				

(€ Mn)	1Q08	2Q08	3Q08	4Q08	2008
DISTRIBUTION	88	151	156	267	662
Spain	60	109	104	188	461
Latin America	17	25	37	57	136
Italy	11	17	15	22	65
ELECTRICITY	74	66	59	154	353
Spain	57	59	60	134	310
Mexico	14	6	-1	17	36
Puerto Rico	3	1	0	3	7
GAS	6	5	7	15	33
Up + Midstream	5	4	4	8	21
Wholesale & Retail	1	1	3	7	12
REST	2	4	4	10	20
TOTAL	170	226	226	446	1,068

Main aggregates in Latin America (GWh)

	1Q09	2Q09	3Q09	4Q09	2009
Argentina-					
<i>Gas activity sales:</i>	16,721				
Gas sales:	5,028				
Residential	2,060				
Industrial	1,377				
Automotion	1,591				
TPA	11,693				
Brazil-					
Gas sales:	11,260				
Residential	479				
Industrial	3,793				
Electricity companies	4,339				
Automotion	2,649				
Colombia-					
<i>Gas activity sales:</i>	3,880				
Gas sales:	3,819				
Residential	1,696				
Industrial	1,392				
Automotion	731				
TPA	61				
Mexico-					
<i>Gas activity sales:</i>	10,322				
Gas sales:	4,518				
Residential	2,019				
Industrial	2,478				
Automotion	21				
TPA	5,804				

	1Q08	2Q08	3Q08	4Q08	2008
Argentina-					
<i>Gas activity sales:</i>	16,169	17,289	19,365	19,141	71,964
Gas sales:	5,074	9,337	12,344	6,771	33,526
Residential	1,940	5,794	8,014	3,223	18,971
Industrial	1,717	2,074	2,569	1,881	8,241
Automotion	1,417	1,469	1,761	1,667	6,314
TPA	11,095	7,952	7,021	12,370	38,438
Brazil-					
Gas sales:	17,104	18,750	20,280	19,733	75,867
Residential	513	586	589	578	2,266
Industrial	5,266	5,248	5,110	4,915	20,539
Electricity companies	8,421	10,038	11,655	11,348	41,462
Automotion	2,904	2,878	2,926	2,892	11,600
Colombia-					
<i>Gas activity sales:</i>	3,936	4,251	4,312	4,221	16,720
Gas sales:	3,912	4,228	3,969	4,039	16,148
Residential	1,618	1,732	1,734	1,754	6,838
Industrial	1,622	1,678	1,483	1,488	6,271
Automotion	672	818	752	797	3,039
TPA	24	23	343	182	572
Mexico-					
<i>Gas activity sales:</i>	11,213	10,937	10,551	11,156	43,857
Gas sales:	5,038	4,400	4,355	4,731	18,524
Residential	2,202	1,652	1,522	1,935	7,311
Industrial	2,814	2,724	2,810	2,775	11,123
Automotion	22	24	23	21	90
TPA	6,175	6,537	6,196	6,425	25,333

(unaudited)

(€ Mn)	31/03/09	31/03/08
Non-Current Assets-	20,789	12,149
Tangible assets	10,094	9,575
Goodwil	560	523
Investment in associates	8,332	39
Non-current financial assets	720	986
Deferred income tax assets	1,083	1,026
Current Assets-	6,229	3,398
Inventories	473	380
Trade and other receivables	2,797	2,439
Other current financial assets	349	63
Cash and cash equivalents	2,610	516
TOTAL ASSETS	27,018	15,547

(unaudited)

(€ Mn)	31/03/09	31/03/08
Equity-	7,095	6,591
Net equity of Parent Company	6,762	6,253
Minority interest	333	338
Non-Current Liabilities-	6,676	4,714
Non-current financial liabilities	4,138	2,570
Provisions	678	499
Other non-current liabilities	1,860	1,645
Current Liabilities-	13,247	4,242
Current financial debt	7,149	1,314
Suppliers and other current liabilities	6,098	2,928
TOTAL EQUITY AND LIABILITIES	27,018	15,547

(unaudited)

(€ Mn)	1T09	1T08
Cash flow from ordinary activities	978	973
Income before taxes	506	498
Adjustments	256	278
Changes in working capital	320	278
Other cash flows from operating activities	-104	-81
Investment cash flow	-6,258	-311
Investments	-6,324	-331
Disposals	3	1
Other cash flows from investing activities	63	19
Financing cash flow	7,643	-287
Net proceeds from instruments representing financial liabilities	5,818	-103
Dividends paid	-215	-199
Other cash flows from financing activities	2,040	15
Effect of exchange rate variations	-2	-10
Net increase/(decrease) in cash and cash equivalents	2,360	365
Beginning cash and cash equivalents	249	151
Ending cash and cash equivalents	2,609	516

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