Fourth Quarter 2012 Results (FY 2012)

February 19, 2013

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Agenda

1

Highlights

Achieving targets for 2012

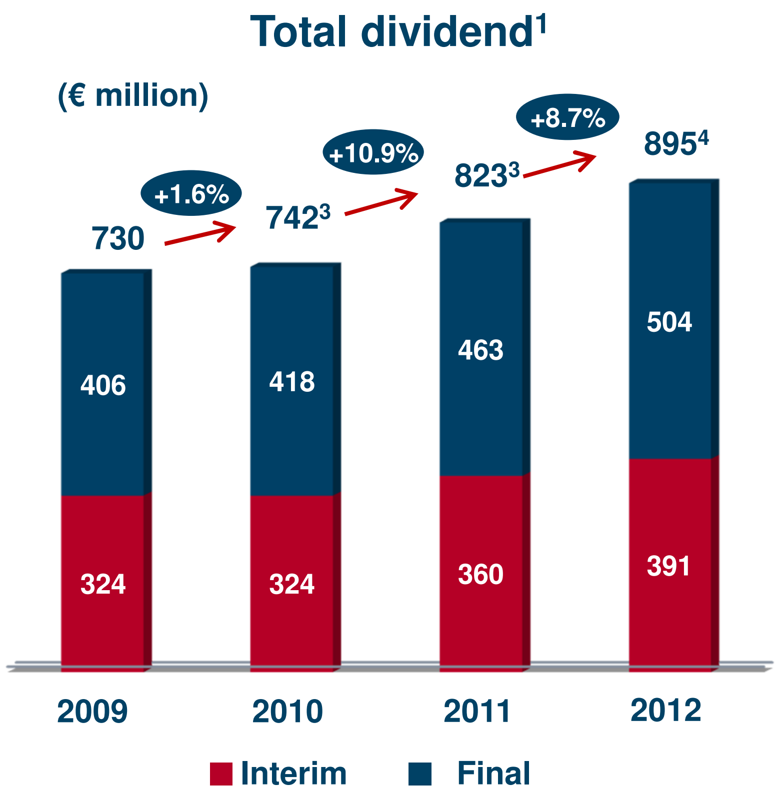
	2012 targets[1]	
EBITDA FY12: €5,080 million (+9.4%)	> €5 billion	✓
Net income: €1,441 million (+8.8%)	~ €1.5 billion	✓
Net debt as of 31/12/12: €16.0 billion[2] (-7.5%)	€15-16 billion	✓
Net debt/EBITDA: 3.1x[2]	~ 3x	✓

Notes:

1 In accordance with the 2010-12 Strategic Plan as released on 27 July 2010

2 Net Debt of €14.9 billion and Net Debt/EBITDA of 2.9x excluding tariff deficit

Shareholder remuneration

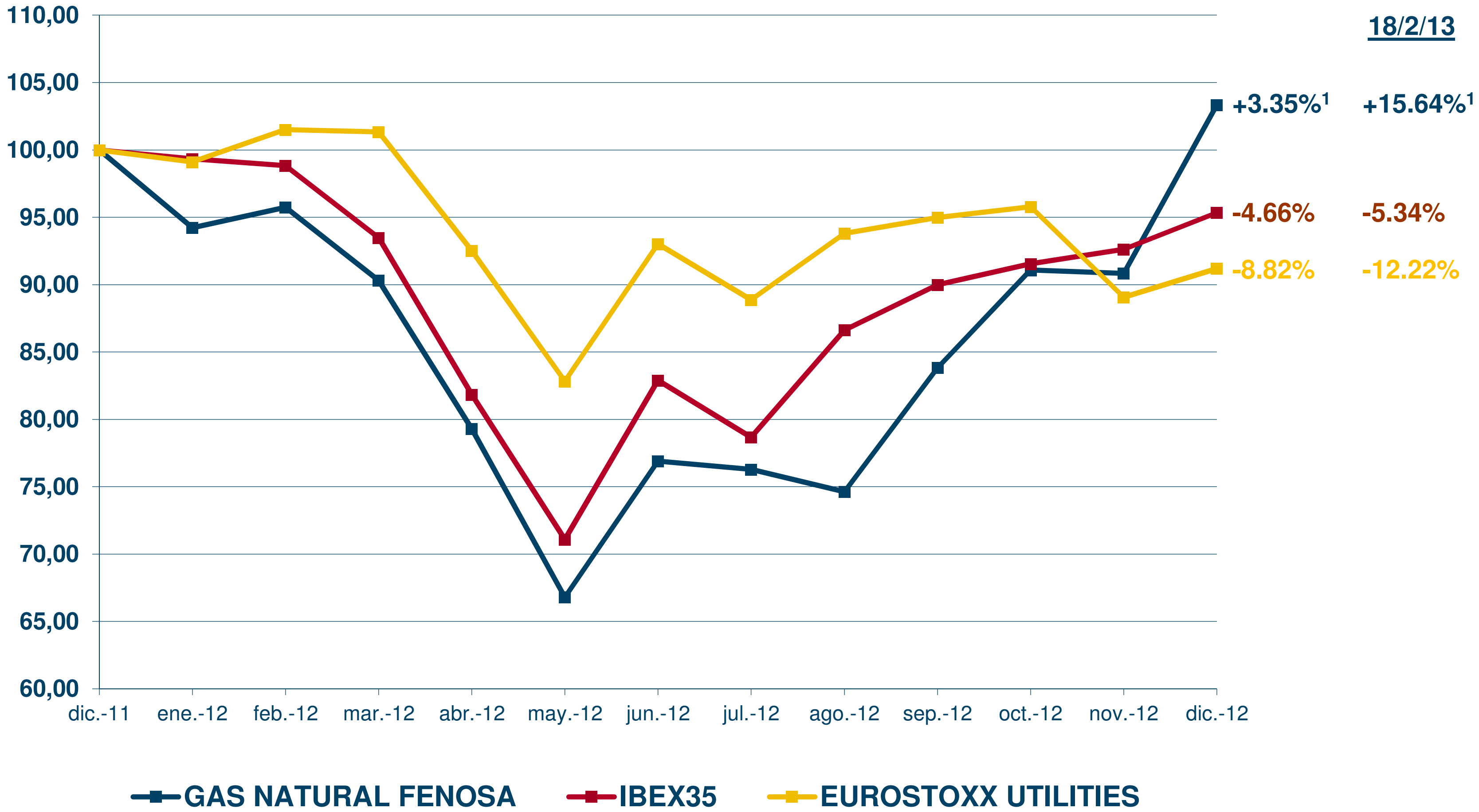


- 2012 dividend resulting in a payout of 62.1% and a yield of 6.6%[2]
- Interim dividend paid on 8 January (€0.391/share in cash)
- Final dividend to be paid in cash (no scrip)

Maintaining an attractive shareholder remuneration policy

Notes:
1 Payable against year's results
2 As per closing market price on 31/12/12 of €13.58/share
3 Includes scrip dividend paid of ~€400 million for 2010 and €82 million for 2011
4 Pending approval from Shareholders' AGM

Share price performance in 2012



Market performance well above peers' average

Note:

1 Share prices adjusted by capital increases after scrip dividends. Base 100: 31/12/11

Latest events (I)

- Successful bond issuances for ~€800 million in January 2013
  - 10- year €600 million and 6-year CHF 250 million
  - Evidence of strong market appetite for GNF's debt
- Securitisation of €140 million of tariff deficit in 1Q13
- Sale of Nicaraguan assets in February for US$58 million with deconsolidation of €3.6 million of net debt
- Purchase of 10% of Medgaz in January
  - Additional 0.8 bcm p.a. contract for 18 years that strengthens and diversifies the portfolio of gas contracts

Strengthening financial structure and enhancing flexibility of gas procurement

Latest events (II)

- Fiscal measures aimed at tackling the electricity tariff deficit finally approved and in force since 1 January 2013

- Royal Decree-Law 2/2013 approved on 1 February
  - remuneration for regulated activities linked to underlying CPI
  - special regime generation to choose between regulated tariff and market price

- Ministerial Order assigning 100% of extrapeninsular costs to the State Budget in 2014

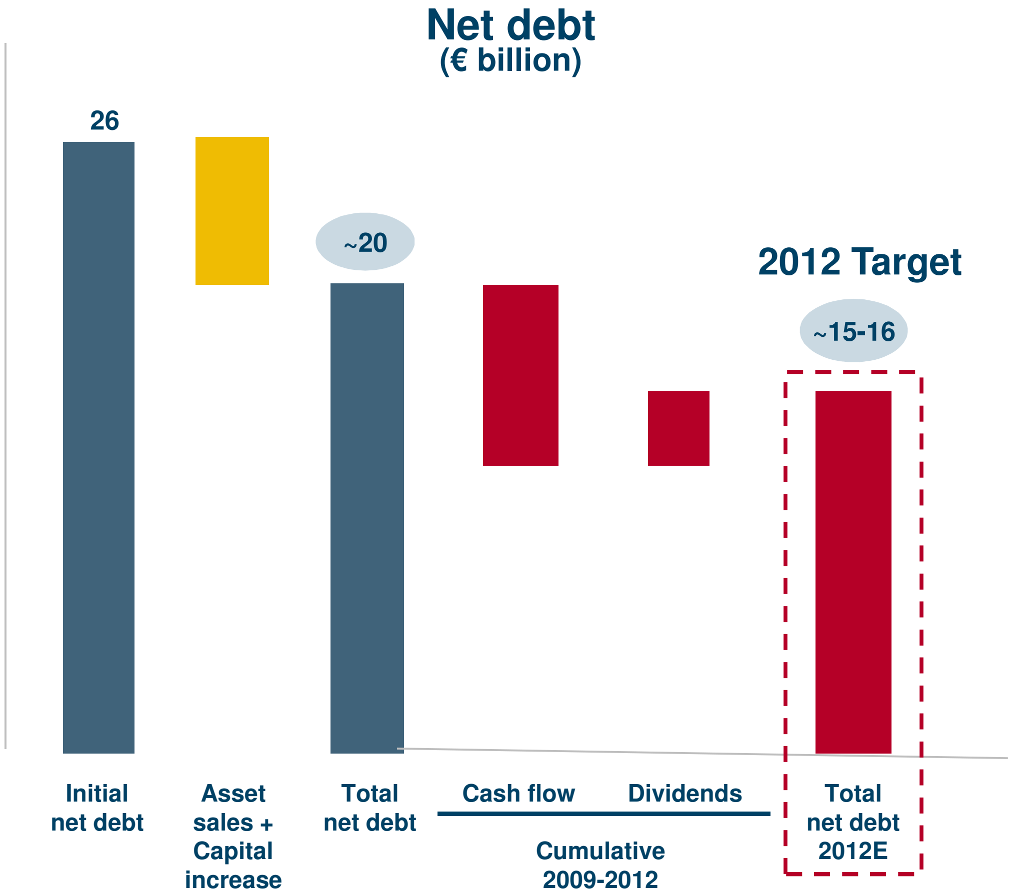
- Government to propose the approval of a €2,200 million line of credit to fund the mainland tariff deficit

In principle a zero tariff deficit for 2013 seems achievable

2 A stronger capital structure

A real deleveraging story (2008-2012)

Net debt since acquisition of Unión Fenosa



- All of the commitments have been fulfilled
- €10 billion debt reduction, as committed in 2008
- €1.3 billion debt reduction in 2012 achieved without extraordinary items
- Net debt/EBITDA ratio of 3.1x (2.9x deducting tariff deficit)

Current net debt of €16.0 billion (€14.9 billion deducting tariff deficit)

Source: Gas Natural Fenosa, presentation of 31 July 2008 on the planned acquisition of Unión Fenosa

Well-positioned vis-à-vis the future

Fulfilling financial commitments 2008 – 2012…

1. Commitments fulfilled under challenging conditions
   - Asset sales
   - Capital increase
   - Debt refinancing (€19 billion UNF acquisition facility refinanced in less than 20 months)

2. Strong presence in capital markets
   - Over €11 billion in new bond issuances in different markets since June 2009

3. Positive structural cash flow should enable further deleveraging
   - no need for other liquidity sources such as asset disposals

… through a solid business model

Successful debt issuances: relevant position in the capital markets

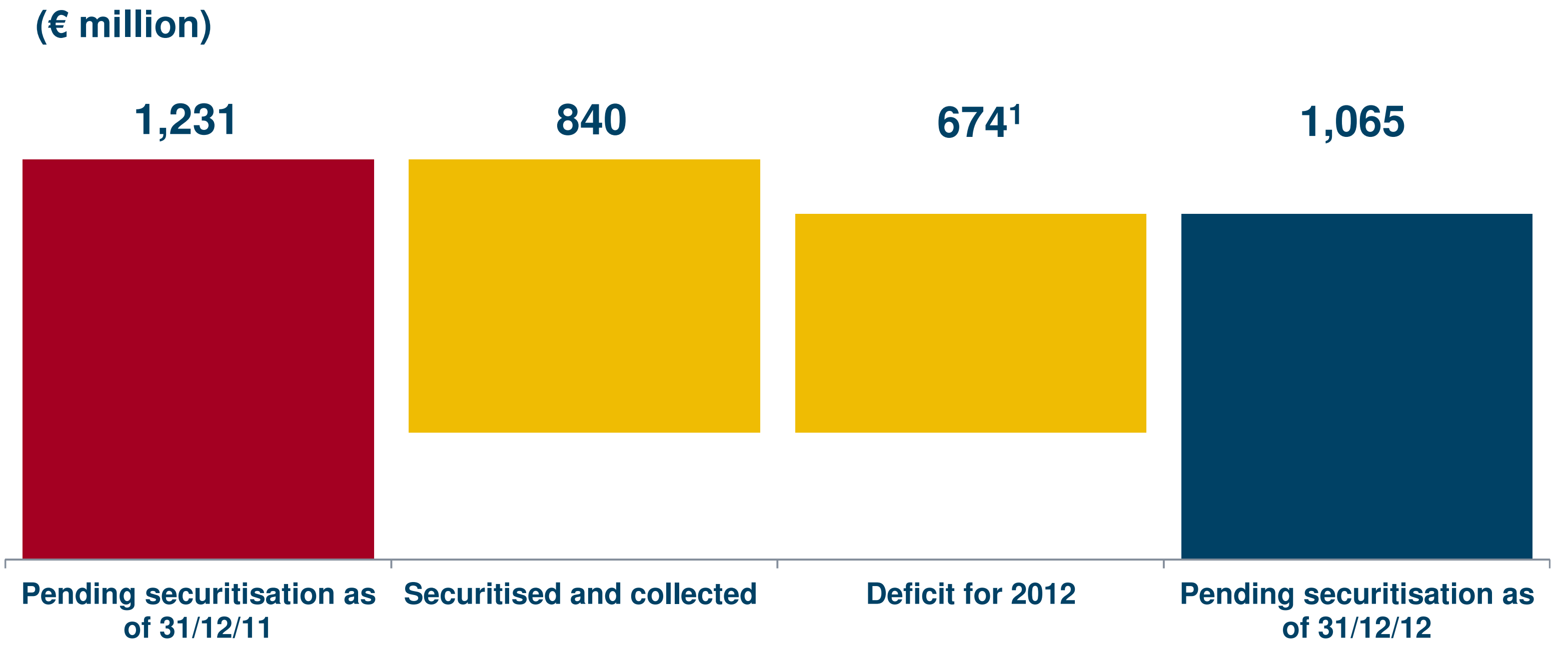
Over €11 billion issued since 2009 in different markets (Euro, CHF, Latin America)…

- **3 issuances in 2012:**
  - **€2 billion in Euros**
  - **€130 million in COP**
- **2 issuances in January 2013:**
  - **€600 million 10-year issue. Coupon: 3.875%**
  - **CHF 250 million 6-year issue. Coupon: 2.125%**

… extending average life of debt under very competitive conditions (total Euro issuances with an average term of over 7 years and average coupon of 4.80%)

Securitisation of tariff deficit

Tariff deficit amounts for GNF



- **€692 million collected by GNF in 2012 through sales carried out by FADE**
- **Additional €140 million collected to date during 1Q13 from recent issuances**

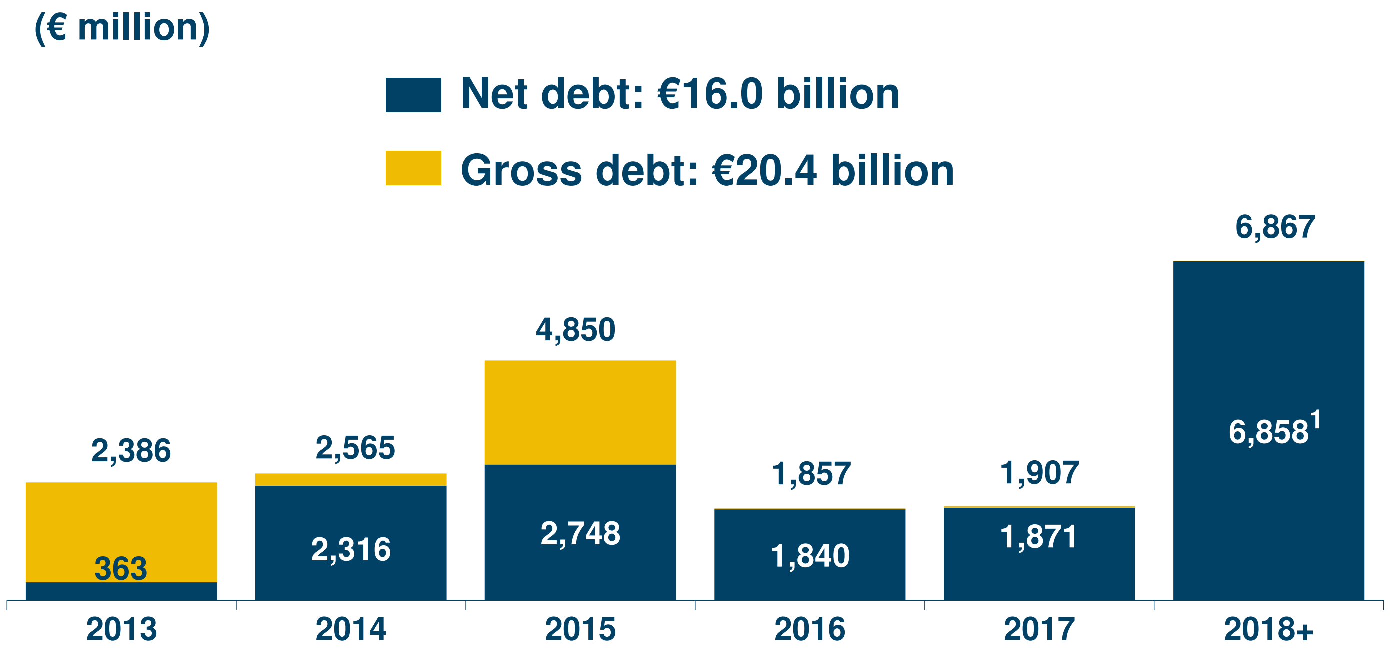
Tariff deficit 2012 in excess of €1,500 million for the industry may be transferred to FADE (RDL 29/2012)

Note:

1 Includes €24 million of interest accrued on tariff deficit for past years

A comfortable debt maturity profile

As of December 31, 2012



- Average life of net debt ~5 years
- 55% of net debt maturing from 2017 onwards

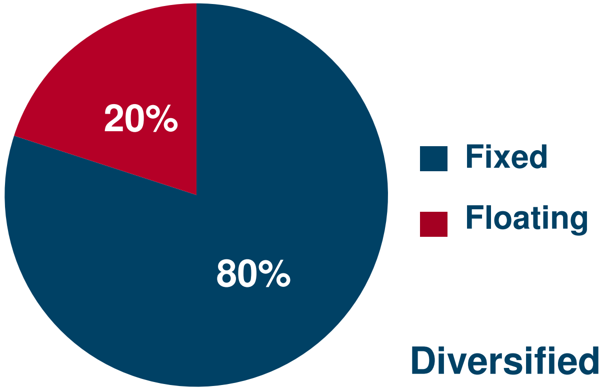
All financial needs from 2013 to 2014 already covered, currently focusing on 2015

Note:

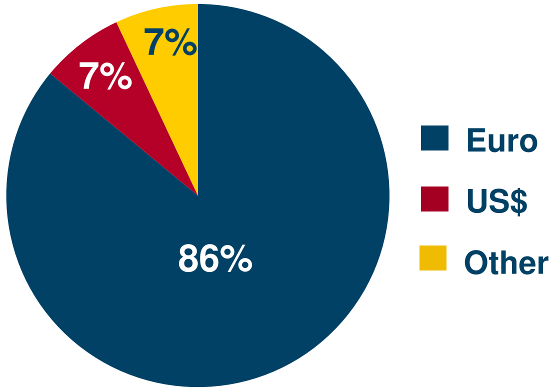
1 Including preference shares in the amount of €609 million but not including new issuances in January 2013 of €600 million and CHF 250 million

An efficient net debt structure

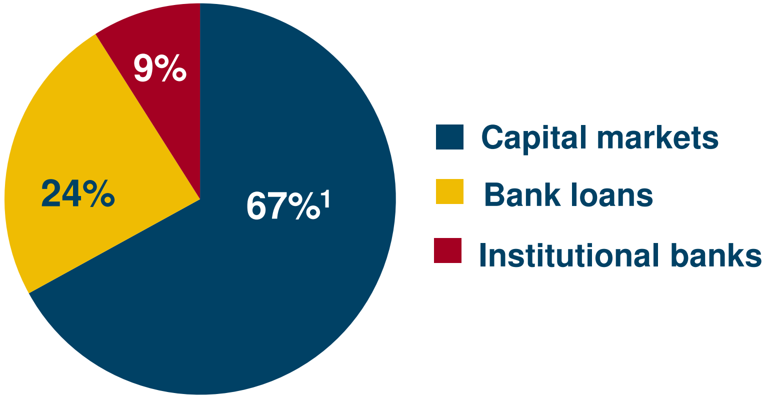
Significant level of fixed rate obtained at very competitive levels



Currency exposure consistent with business risk



Diversified financing sources



Efficiency of debt structure as key pillar for value creation despite a challenging financial environment

Note:

1 Adjusting net debt with pending tariff deficit securitisation, the weighting of capital markets would increase to 72%

Ample liquidity available

As of December 31, 2012

(€ million)	Limit	Drawn	Undrawn
Committed lines of credit	5,358	446	4,912
Uncommitted lines of credit	213	118	95
Undrawn loan	150	-	150
Cash	-	-	4,434
TOTAL	5,721	564	9,591

- Enough liquidity available to cover needs for over 24 months
- Additional capital market capabilities of around €3,700 million in both Euro and LatAm programmes (Mexico, Argentina, Panama), complemented by recent COP 500 billion programme

Liquidity enhanced in 1Q13 by ~€1,000 million after bond issues, tariff deficit securitisations and disposals made to date

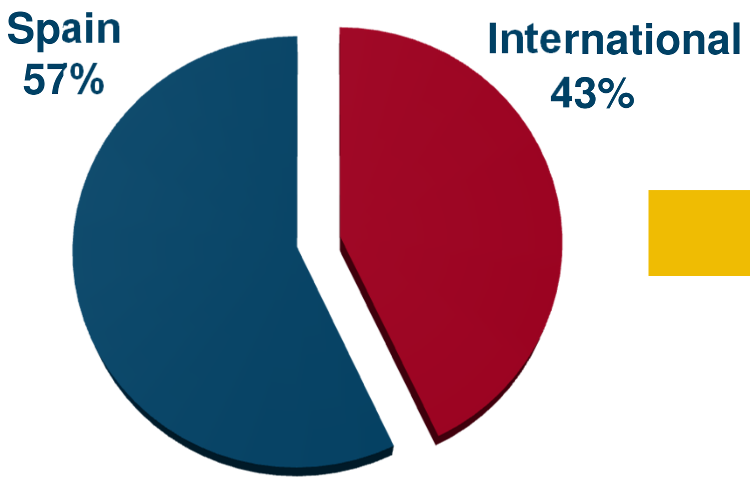
3

Growth of international operations

A higher share from international operations (I)

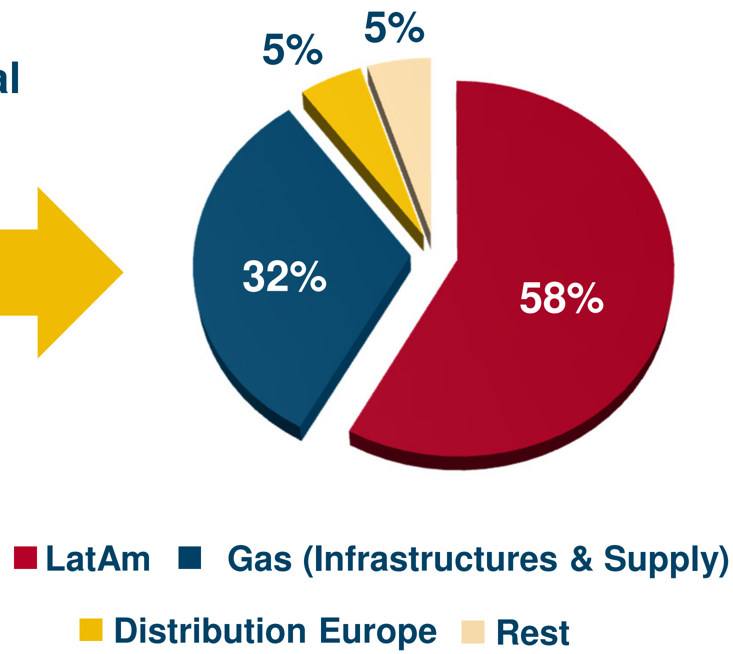
Geographical breakdown of FY12 EBITDA

EBITDA: € 5,080 million



EBITDA from international operations

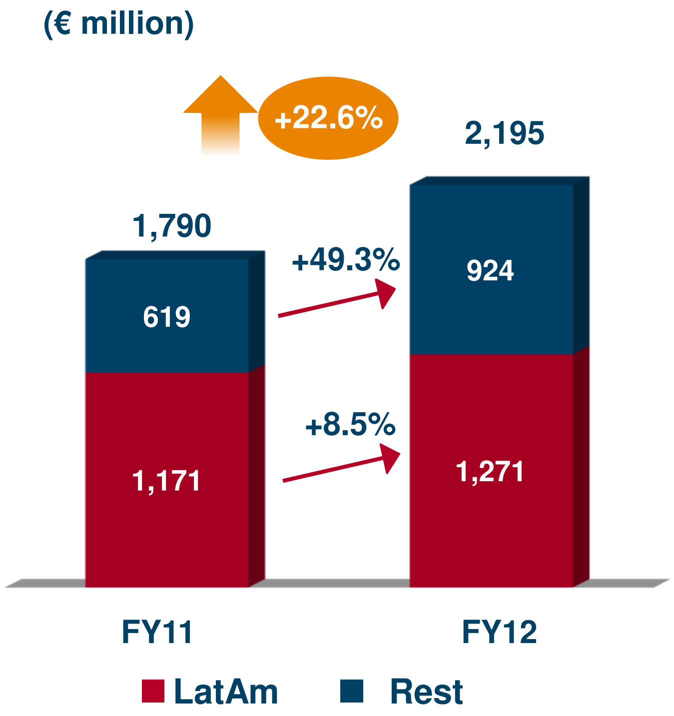
EBITDA: € 2,195 million



International operations continue to play an increasing role, in accordance with our strategic guidelines

A higher share from international operations (II)

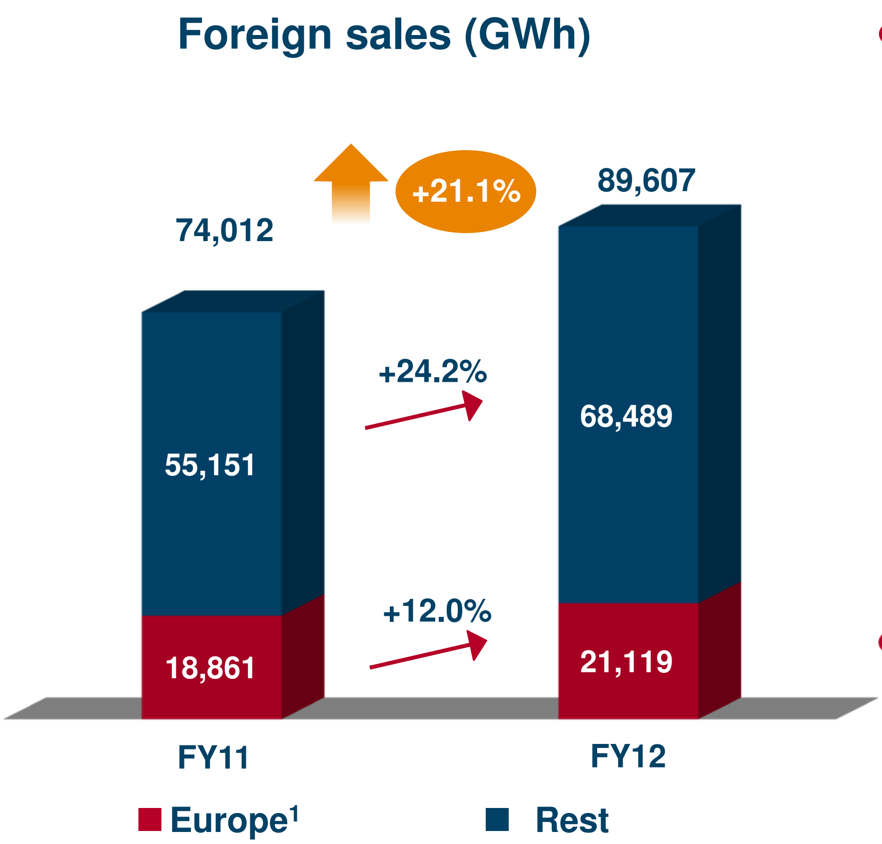
EBITDA from international operations



- Gas wholesale operations in foreign markets enjoy a continuous and healthy expansion
- Latin American activities continue to maintain a robust and sustained growth

The solid performance from international operations proves the soundness of GNF's business model

International gas sales maintain growing trend



- **International gas sales representing ~30% of total**
  - **Continuous increase in non-European LNG sales (Americas, Asia)**
  - **Expansion of commercial operations in Europe (France, BeNeLux, Germany)**
- **Average contract duration of 2 years**

Consolidating GNF's strength in Europe and reinforcing its position as a global LNG player

Note:

1 Sales to end customers, including retail supply in Italy

An integrated gas business model

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Diversity in gas origins and procurement of both NG and LNG…

Algeria
Norway
Qatar
T&T
Nigeria
Egypt
Oman

Piped NG

LNG

EMPL + Medgaz

Fleet of 11 tankers

- LNG provides flexibility of destination given majority of FOB vs. DES
- Diversifying indexation in procurement contracts

…complemented with a diversified array of end markets

Retail Spain

Industrial Spain

CCGT Spain

Foreign markets

Spot

Optionality

- Ability to implement combined gas and electricity strategy on a daily / weekly basis

A unique business model which provides an extremely efficient commodity hedge, allowing optimisation

Recent developments: Medgaz

- **Agreement signed with SONATRACH in January that encompasses:**
  - **the purchase a 10% ownership in Medgaz, providing transportation capacity in the pipeline (8 bcm/year)**
  - **a new 18-year natural gas supply contract for 0.8 bcm/year**

- **Medgaz operates the underwater gas pipeline that links Algeria and Spain**
  - **In commercial operation since April 2011.**
  - **Transportation capacity of 8 bcm/year, extendable to 16 bcm/year**

Strengthening GNF’s portfolio of long term gas supplies

International LNG business

- Enjoying a solid position in the world's LNG markets
  - A balanced presence in both Atlantic and Pacific basins (50/50)
  - Inherent operating flexibility: optimizing exposure to most profitable markets while minimizing risks
- Aiming to consolidate strategy through mid-term sale contracts (2-3 years)
  - Atlantic basin: Puerto Rico and South America
  - Pacific basin: India, Far East
- New contracts will add flexibility, widening scope of end markets
  - Medgaz 0.8 bcm NG strengthens and diversifies portfolio (from 2013)
  - Cheniere 5 bcm LNG, without destination limits (from 2016)

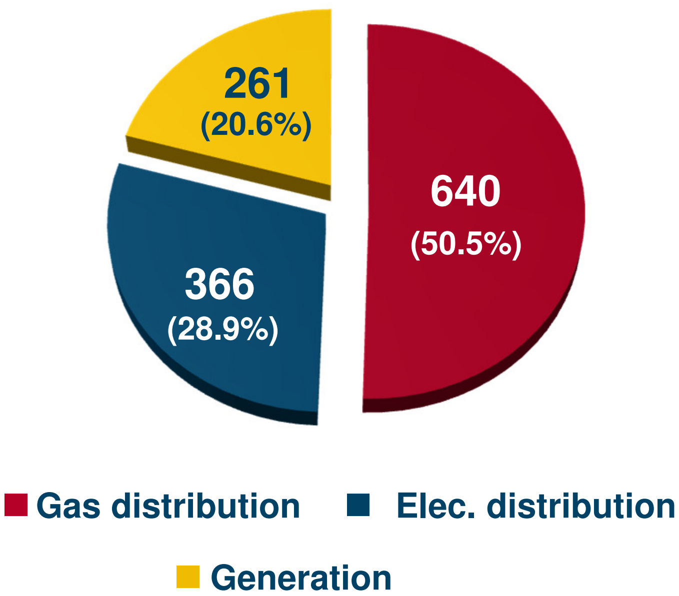
Striving to maintain and strengthen GNF's LNG strategy in the future

Latin America (I)

EBITDA breakdown

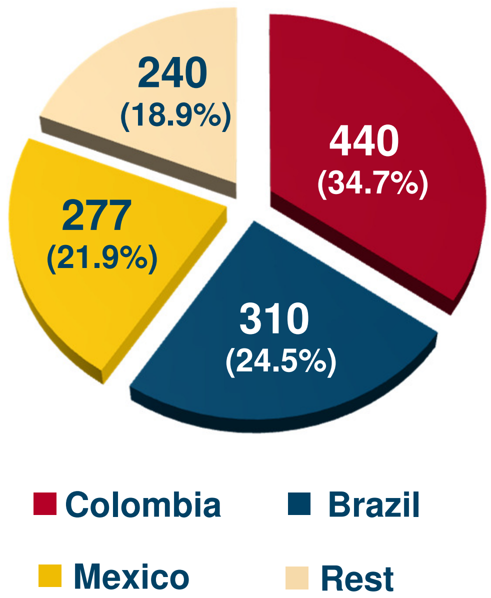
EBITDA by activity

EBITDA: € 1,267 million



EBITDA by country

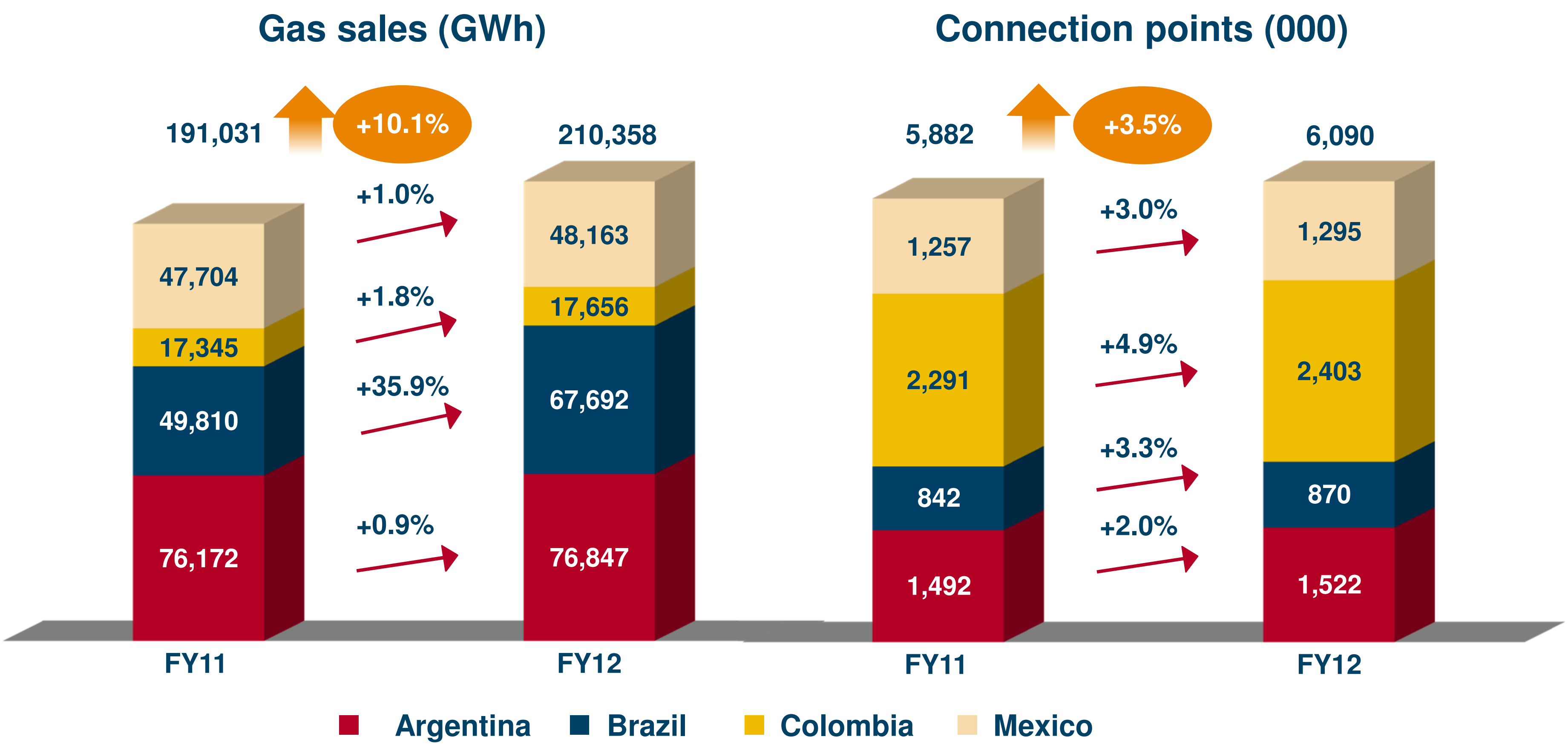
EBITDA: € 1,267 million



Benefiting from business and geographical diversification

Latin America (II)

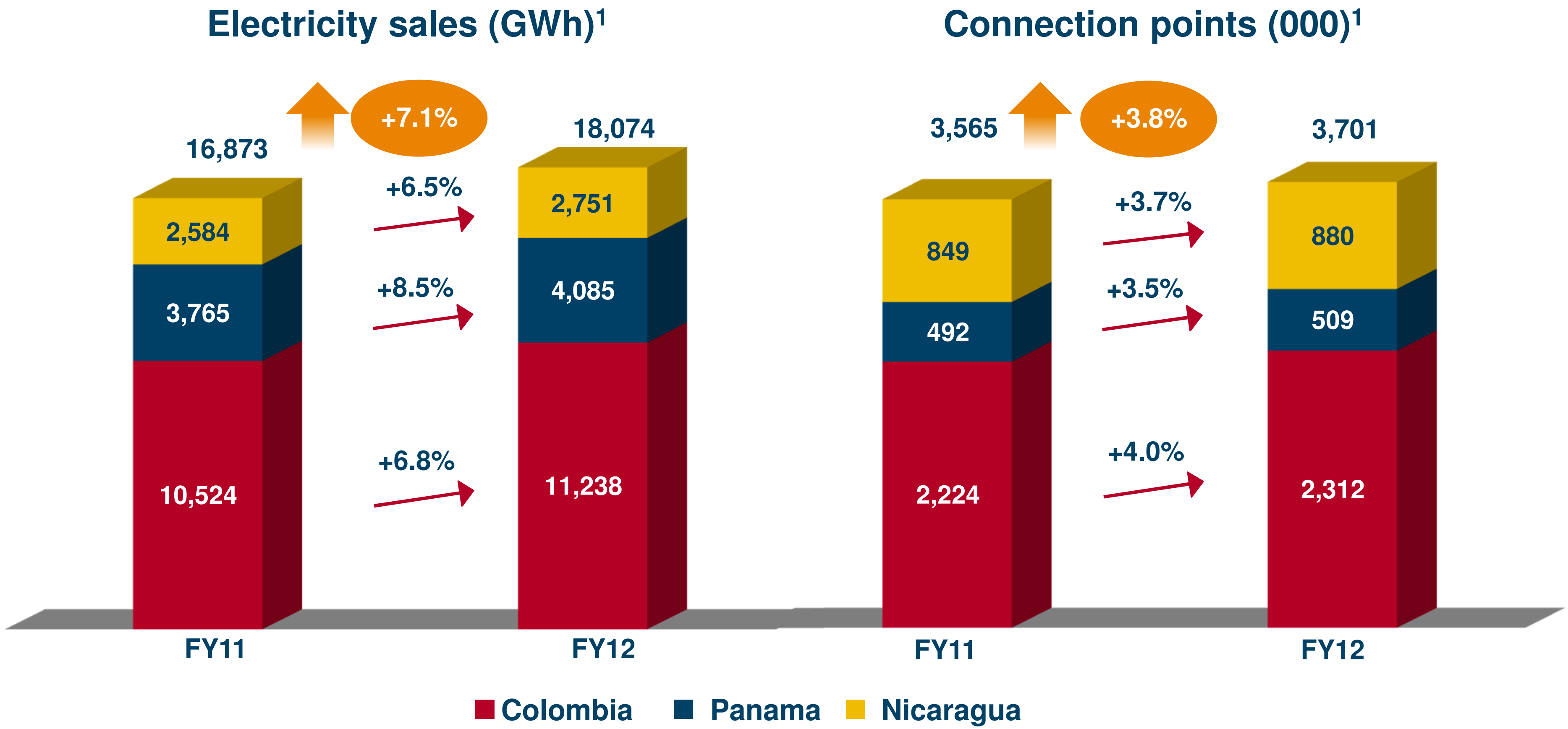
Gas distribution



The region provides a substantial underlying growth potential

Latin America (III)

Electricity distribution



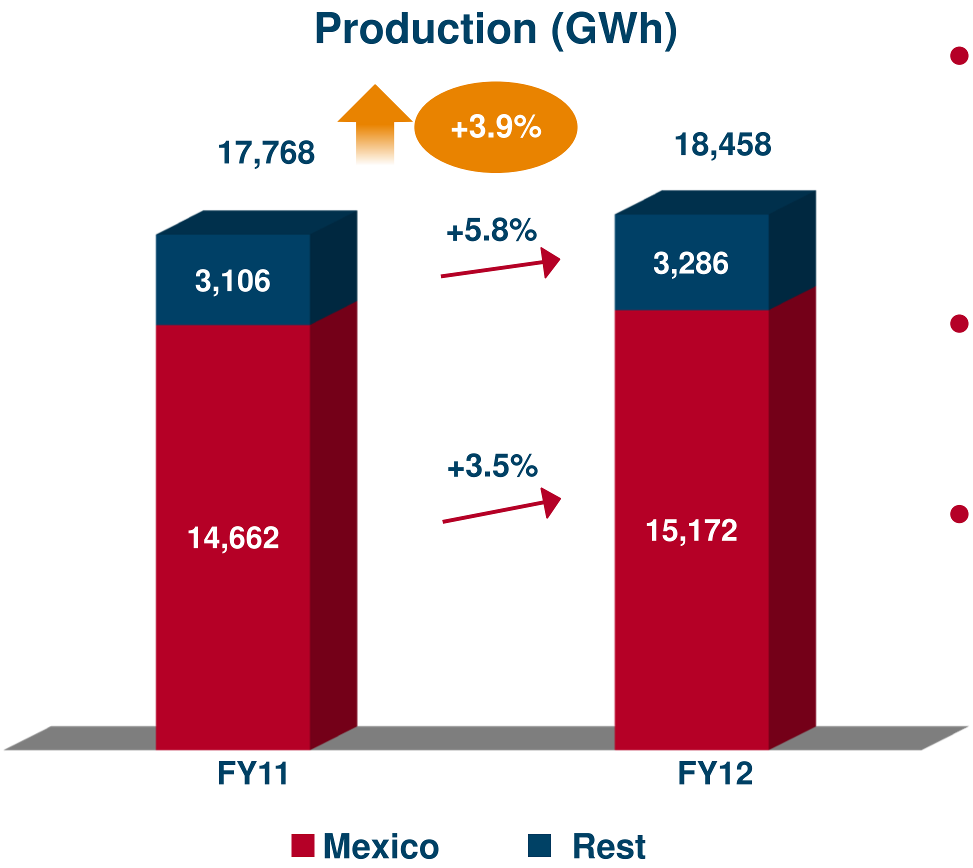
EBITDA grows +19.6% to €366 million

Note:

1 Excluding magnitudes for Guatemala in 2011

Latin America (IV)

Generation



- Production in Mexico resumes growth after one CCGT's outage during 1Q12
- Higher dispatching levels in Puerto Rico and Dominican republic
- New projects in development:
  - Torito: 50 MW hydro in Costa Rica
  - Bii Hioxo: 234 MW wind farm in Mexico

EBITDA grows +6.5% to €261 million

4

Financials

Consolidated income statement

(€ million)	FY12	FY11	Change %
Net sales	24,904	21,076	18.2
Purchases	(17,309)	(14,074)	23.0
Gross Margin	**7,595**	**7,002**	**8.5**
Personnel, Net	(871)	(858)	1.5
Other expenses, Net	(1,644)	(1,499)	9.7
EBITDA	**5,080**	**4,645**	**9.4**
Depreciation	(1,798)	(1,750)	2.7
Provisions	(235)	(216)	8.8
Other	20	268	(92.5)
Operating Income	**3,067**	**2,947**	**4.1**
Financial results, Net	(874)	(932)	(6.2)
Equity income	10	7	42.9
Income Before Tax	**2,203**	**2,022**	**9.0**
Taxes	(546)	(496)	10.1
Minority interest	(216)	(201)	7.5
Net Income	**1,441**	**1,325**	**8.8** [1]

Note:

1 Net income + 28.8% on a like-for-like basis

EBITDA breakdown

(€ million)	FY12	FY11	Change €m	Change %
Distribution Europe:	**1,631**	**1,676**	**(45)**	**(2.7)**
Electricity	648	710	(62)	(8.7)
Gas	983	966	17	1.8
Electricity:	**919**	**823**	**96**	**11.7**
Spain	749	669	80	12.0
Special Regime	155	140	15	10.7
Other	15	14	1	7.1
Gas:	**1,217**	**905**	**312**	**34.5**
Infrastructures	291	256	35	13.7
Supply	926	649	277	42.7
LatAm:	**1,267**	**1,172**	**95**	**8.1**
Electricity Distribution	366	306	60	19.6
Gas Distribution	640	621	19	3.1
Generation	261	245	9	6.5
Other	**46**	**69**	**(23)**	**(33.3)**
Total EBITDA	**5,080**	**4,645**	**435**	**9.4** [1]

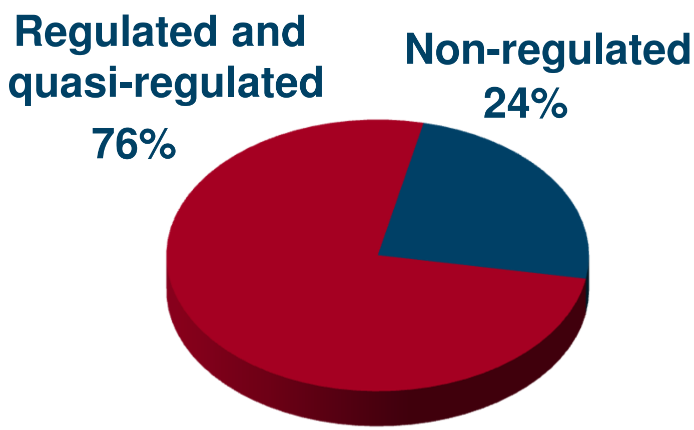
Note:

1 EBITDA +11.0% on a like-for-like basis disregarding disposals made in 2011 and 2012

Consolidated investments

Tangible and intangible

(€ million)	FY12	FY11
Distribution Europe:	**583**	**653**
Electricity	285	357
Gas	298	296
Electricity:	**182**	**211**
Spain	145	181
Special Regime	37	30
Gas:	**63**	**62**
Infrastructures	36	42
Supply	27	20
LatAm:	**372**	**329**
Generation	63	47
Gas Distribution	177	149
Electricity Distribution	132	133
Other	**157**	**151**
Total	**1,357**	**1,406**



- **International investments grow +14.4% to €493 million**

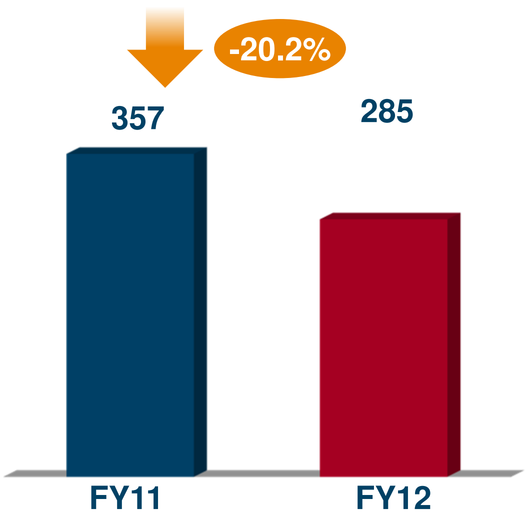
Investments during the period 2010-12 made under realistic approach

5 Analysis of operations

Distribution Europe
Electricity

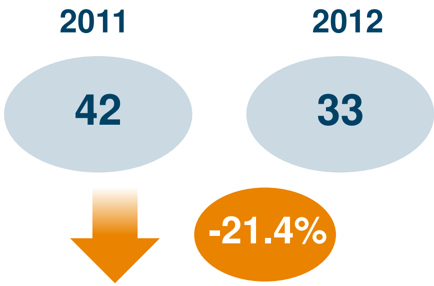
Investments

(€ million)



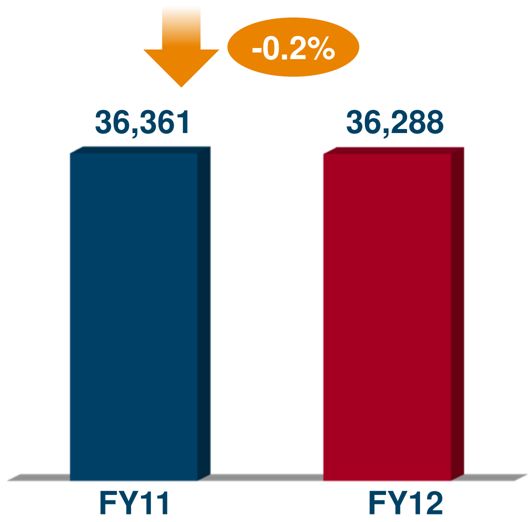
TIEPI[1] (Spain)

(minutes)



Sales

(GWh)

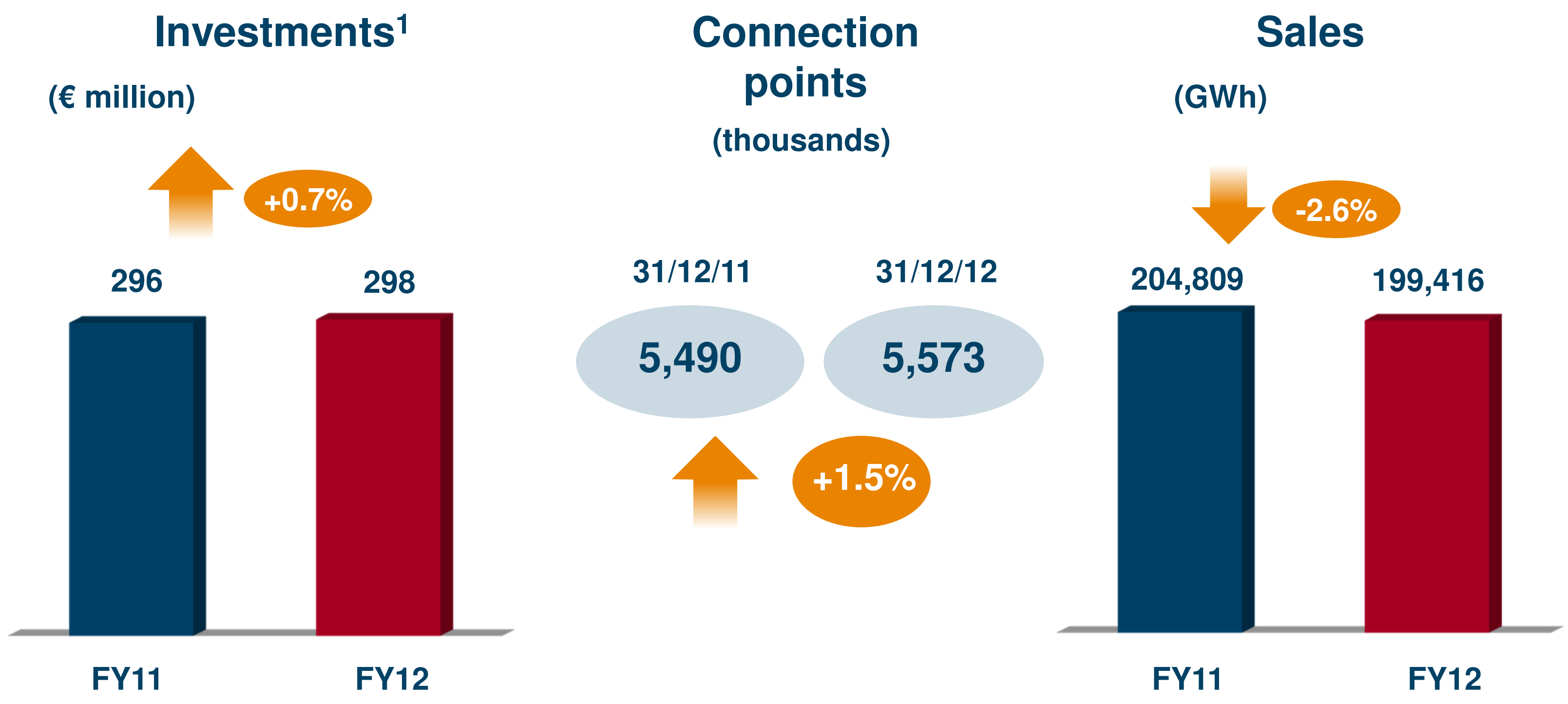


- **Downward adjustment of CAPEX in 2H12 after regulatory measures for electricity distribution made in 2Q12 in Spain**

Higher operating efficiency mitigates effect of recent regulatory measures in Spain with EBITDA falling 9.9%

Note:
1 "Tiempo de interrupción equivalente de la potencia instalada" = Equivalent time of power supply interruption for the installed capacity

Distribution Europe
Gas



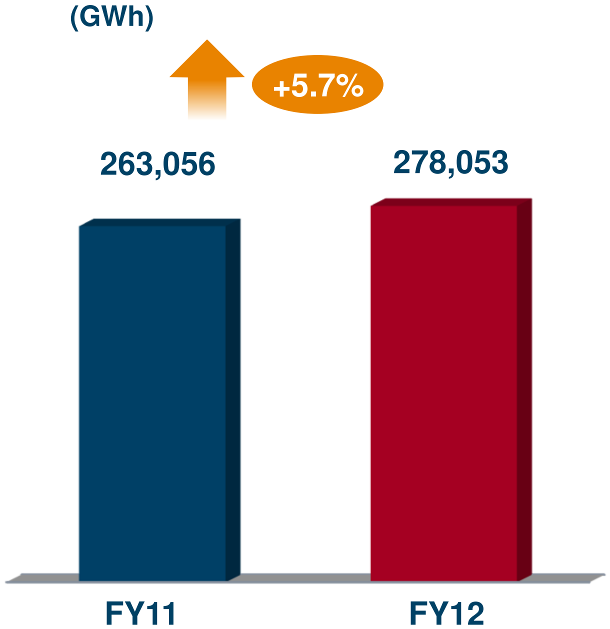
Investment focus on efficient network expansion with still low penetration levels in Spain

Note:
1 Tangible and intangible

Energy

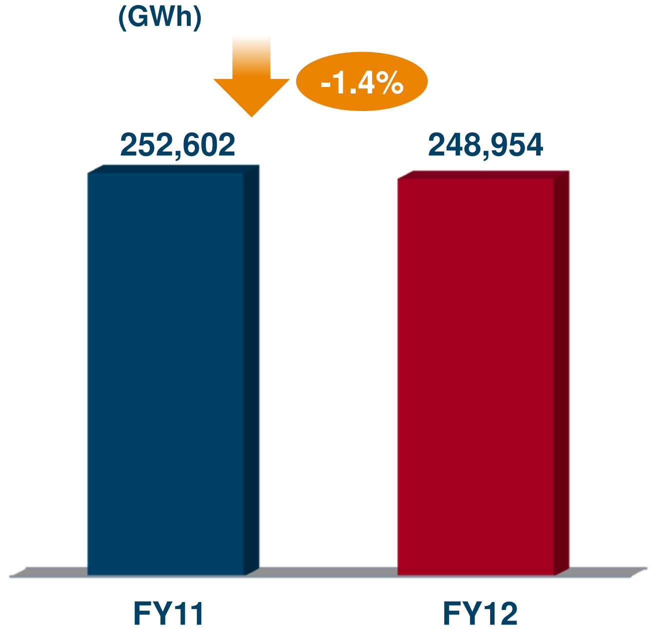
Gas and electricity demand in Spain

Conventional gas demand



Source: Enagas

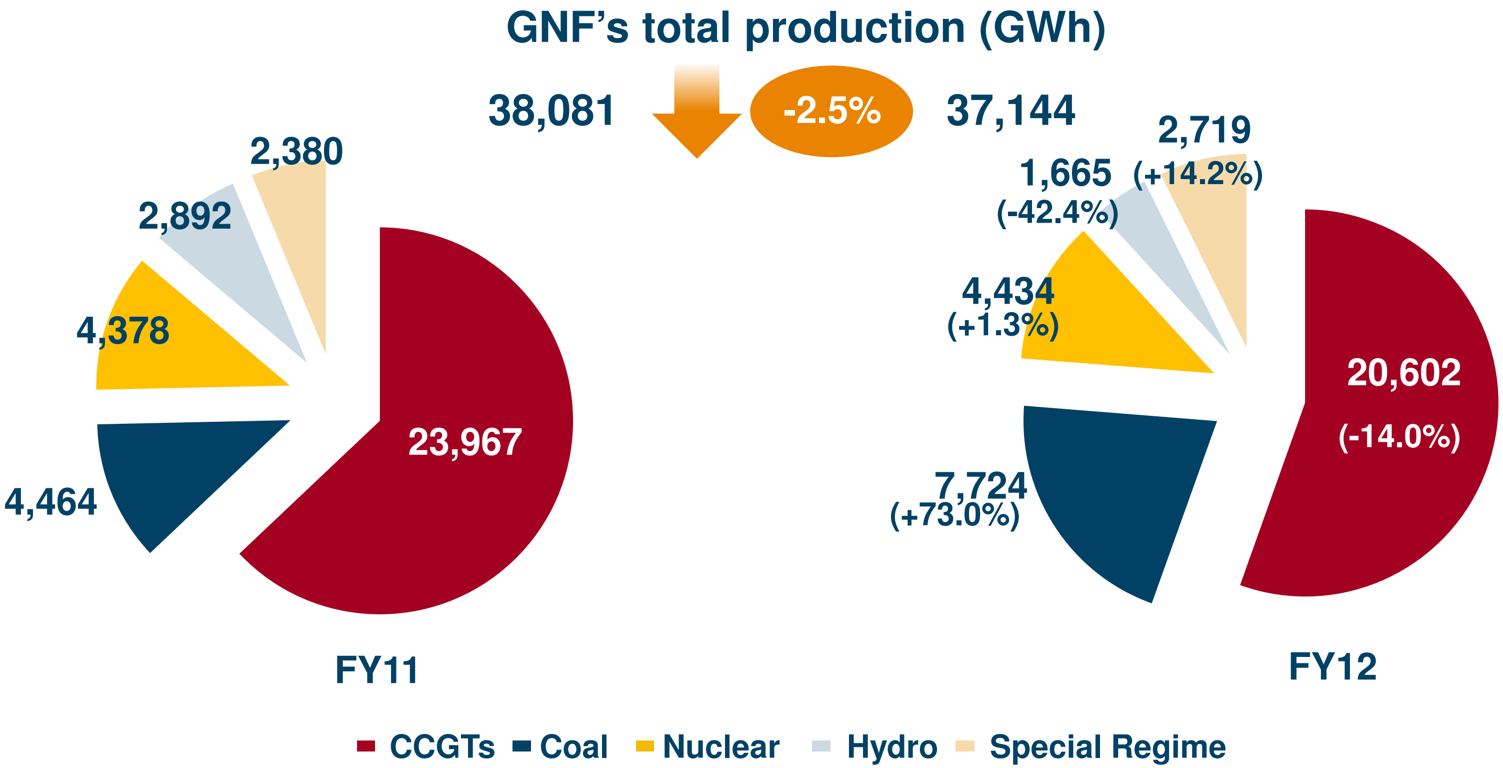
Electricity demand



Source: REE

Growing demand from both industrial and residential segments lead to higher gas sales in 2012

Energy
Electricity in Spain

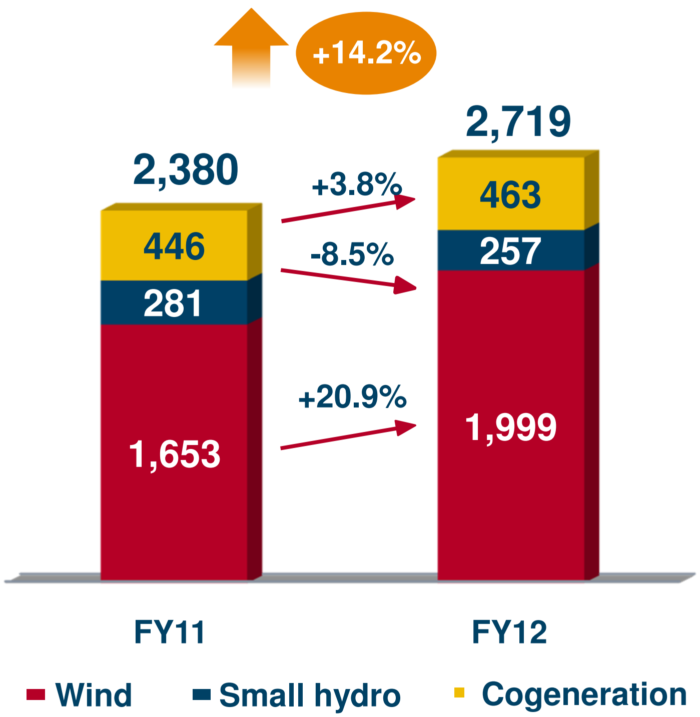


- Higher production from coal offsets lower production from CCGT and hydro as a result of both lower rainfall and asset disposals in 2011

EBITDA +11.7% to €904 million thanks to both lower fuel costs and a selective commercial policy

Energy
Special Regime

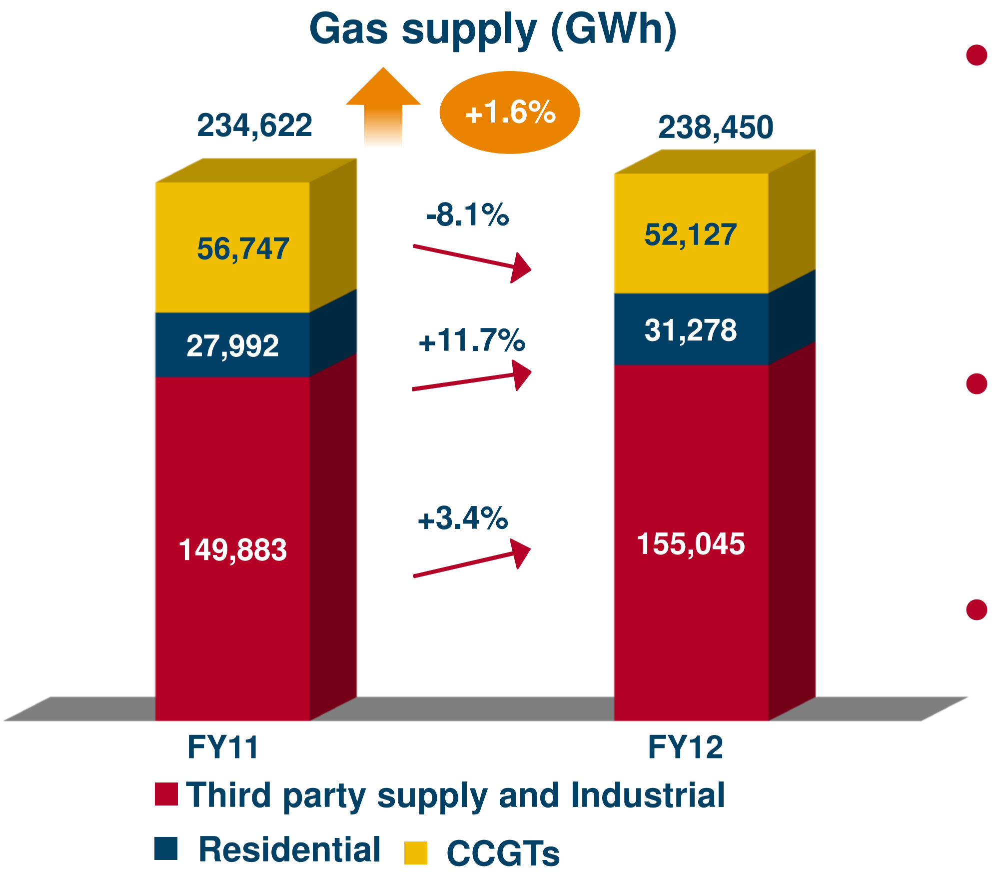
Total production (GWh)



- Higher wind-powered production after recent 30 MW net capacity increase
- Lower rainfall in the year leads to a drop in small hydro production
- Continuing development of wind-powered capacity in Mexico

Focus on developing several new wind power projects abroad (Mexico, Australia)

Energy
Gas supply Spain

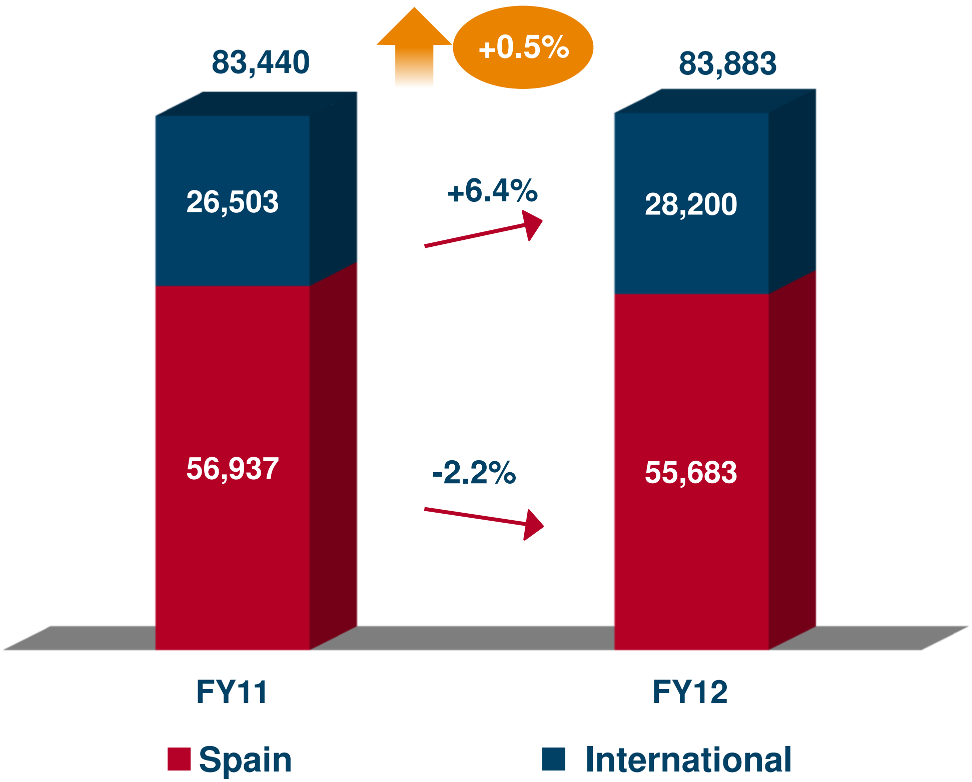


- Higher demand in 2012 underpinned both by residential and industrial segments (+5.7% rise in conventional gas demand)
- Growth in customer portfolio enables leadership in each end market segment
- Average 1.40 contracts per residential customer (+3.7%, with maintenance contracts growing +5.0%)

Benefiting from balanced and well-diversified customer base

Energy
UF Gas

Gas Supply[1] (GWh)



- Developing an intense activity in international LNG sales profiting from trading opportunities arising in foreign markets
- Drop in Spanish sales after lower industrial demand
- Lower gas deliveries from Egypt compensated with purchases from alternative sources

EBITDA[2] (supply and infrastructures) of €256 million (-7.6%)

Notes:
1 100% attributable
2 50% attributable

6 Conclusions

Conclusions

EBITDA +9.4%[1] despite asset disposals and regulatory changes

Net income +8.8%[2]

Net debt decreases to €16.0 billion[3]

Successful bond issuances in 2012 and 2013 for over €3 billion despite challenging market environment

Dividend 2012 +8.7%, fully in cash

Delivering on performance: achieving targets for 2012

Notes:
1 +11.0% on a like-for-like basis disregarding disposals made in 2011 and 2012
2 +28.8% on a like-for-like basis disregarding disposals made in 2011 and 2012
3 €14.9 billion after deducting outstanding tariff deficit

Outlook for 2013 (I)

Implementation of tax measures in Spain: impact depending on depth and speed of their internalisation by the market

Lower gas deliveries expected from Egypt throughout 2013

High growth potential of gas distribution activity, mainly in Latin America

Higher gas demand in a cold winter and maintaining sales in South Cone

Outlook for 2013 (II)

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Working on the implementation of additional efficiencies

Capital structure reinforced by recent debt issuances plus actual and expected tariff deficit securitisations

New investments in growth in international renewable generation (Torito, Bii Hioxo)

Strategic Plan update expected in 2Q13

Thank you

INVESTOR RELATIONS

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170 years together