2017 First Half Results

24 July 2017

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1. Redexis Gas at a glance

Redexis Gas, S.A. ("Redexis Gas" or "the Company" or "the Group") is a leading company in gas distribution and transmission, as well as in piped liquefied petroleum gas ("LPG") distribution and supply, which provides residential and industrial customers in Spain with access to natural gas and piped LPG. The Company is present in a country with a low penetration rate compared to European peers.

The Company operates under a stable, supportive and transparent regulatory framework, which provides long-term visibility, while incentivising growth and operational outperformance. Almost all the Company's revenues are regulated.

The Group's strategy is to continue expanding its network to create additional value in the regions where it operates. Redexis Gas provides its services to 636,127 connection points throughout Spain and manages a gas distribution and transmission network spanning 9,655 km.

The Company has licenses to operate in 574 municipalities across 31 provinces of the Autonomous Communities of Aragon, Andalusia, the Balearic Islands, the Canary Islands, Castile and Leon, Castile-La Mancha, Valencia, Madrid, Murcia, Catalonia and Extremadura.

Redexis Gas is owned by Goldman Sachs Infrastructure Partners and two European pension funds, USS and ATP.

Redexis gas

Key 2017 First Half highlights

- **Delivery of growth plans, with 24 thousand new contracts, 18 thousand gross connection points added**
- **Commissioning certificate of two transmission pipelines: 9 kilometres of "Yeles-Seseña" (May 2017) and 11 kilometres of "Villacarrillo-Villanueva del Arzobispo" (July 2017)**
- **Revenue up by 14.8% to €114.7 million**
- **EBITDA and Net Result for the period increased 7.6% and 10.3%, respectively**
- **Organic investments reached €58.7 million, an increase of 36.9%**
- **Exclusive authorization for gas distribution in 8 municipalities of the Canary Islands**
- **The European pension funds USS and ATP increased their investment in Redexis Gas to own 49.9%**

OPERATING HIGHLIGHTS

Operating highlights	Unit	For the six-months ended 30-Jun-2017	For the full year 2016	For the six-months ended 30-Jun-2016	%change 30-jun-2017 vs. 30-jun-2016
NG (P<4b)	#	555,502	544,348	531,799	4.5%
LPG	#	80,359	81,166	70,900	13.3%
NG (P>4b)	#	266	253	245	8.6%
Distribution Connection Points (CPs)	#	**636,127**	**625,767**	**602,944**	**5.5%**
Provinces served	#	**27**	**27**	**26**	**na**
Municipalities served	#	**484**	**484**	**449**	**7.8%**
Network length	Km	**9,655**	**9,411**	**8,928**	**8.1%**
Distribution network length	Km	8,024	7,789	7,324	9.6%
Transmission network length	Km	1,631	1,622	1,604	1.7%
Energy distributed	GWh	**14,882**	**26,026**	**12,551**	**18.6%**

FINANCIAL HIGHLIGHTS

Financial highlights	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in €million unless otherwise stated			
Revenues and other income	**114.7**	**99.9**	**14.8%**
Distribution - regulated	49.7	48.3	2.8%
Other regulated distribution income	13.5	10.5	28.5%
Transmission - regulated	30.8	30.6	0.7%
LPG regulated business	14.0	3.8	271.8%
Other operating income	1.6	2.0	(18.5%)
Self-constructed non-current assets	5.1	4.7	8.3%
EBITDA	**80.4**	**74.8**	**7.6%**
EBITDA Margin (%)	*70.1%*	*74.8%*	*(4.7 pp)*
Net Result for the period	**21.9**	**19.8**	**10.3%**
Capex	**58.7**	**161.4**	**(63.6%)**

1.1. Key events for the period

- **Continued to deliver on its growth distribution plans**

As of 30 June 2017, Redexis Gas has added c. 11 thousand net connection points from its continued organic growth, representing a 20% increase compared to the previous year.

In addition, during the first half of 2017, the Company has continued to deliver on its growth plans, securing 24 thousand new contracts, a 57% increase compared to the first half of 2016, providing 18 thousand gross connection points. This performance reflects the implementation of a new expansion model based on advanced artificial intelligence tools and more efficient business processes. As part of its commitment to innovation, Redexis Gas is using newly developed computer algorithms to maximise natural gas penetration and efficient network deployment in the municipalities in which it operates.

The Company has increased its presence in municipalities where it was already operating and has expanded its activities to new regions and municipalities in accordance with its long-term investment plan. In this regards, in the first half of 2017, Redexis Gas has expanded its networks to 6 new municipalities in natural gas: Chiclana de la Frontera in Andalusia; Felanitx in the Balearic Islands; Pedreguer in the Community of Valencia; Alloza, Ariño and Magallón in Aragon.

As of 30 June 2017, Redexis Gas operates 636,127 connection points and has added 235 kilometres to its distribution network, reaching 8,024 kilometres throughout 484 municipalities of the Spanish territory.

At the same time, Redexis Gas focused on energy intensive industrial clients by implementing targeted offerings to capture new clients and increase the consumption of existing ones. Among others, the Company has successfully concluded gas supply with Celvi (Andalucía), Fudepor (Murcia), El Limonar de Santomera (Murcia) and Cargill (Zaragoza).

Redexis Gas' commitment to sustainability has also materialised in the development of different projects that support the roll out of natural gas stations, which bring a series of environmental, technical and economic advantages to the Spanish regions in which they are implemented. The Company supplies gas to different stations located in Mallorca, Ibiza, Cadiz and Murcia. At present, the development of a series of gas service station projects in Murcia, Zaragoza and Palma de Mallorca is being analyzed and assessed.

- **Transmission pipeline commissioning**

On 5 May 2017, Redexis Gas obtained the commissioning certificate for the 9 kilometres' transmission pipeline "Yeles-Seseña", located in Castile-La Mancha which will serve natural gas to more than 5,200 citizens and businesses in the area, and will promote the development of new industrial projects.

Additionally, on 7 July 2017, the Company obtained the commissioning certificate for the "Villacarrillo–Villanueva del Arzobispo" gas pipeline, located in Andalusia, covering a distance of 11 kilometres.

- **Canary Islands, exclusive authorization for gas distribution in 8 municipalities of the region after a competitive process**

In the first half of 2017, Redexis Gas has obtained an exclusive authorization for gas distribution in 8 municipalities of the region: Las Palmas de Gran Canaria, Telde, and Agüimes in Gran Canaria; and San Cristóbal de la Laguna, Arona, Granadilla de Abona, Puerto de la Cruz and Santa Cruz de Tenerife in Tenerife.

Thanks to this, the Company will be able to supply gas to more than one million residential and industrial customers in the Canary Islands in the future.

- **The European pension funds USS and ATP have increased their investment in Redexis Gas to own 49.9%**

On 28 May 2017, Redexis Gas announced that the European pension funds USS and ATP had agreed to acquire 18.8% of the share capital in Redexis Gas from GSIP. USS and ATP have both been indirect investors in Redexis Gas as partners of GSIP since its initial investment in 2010 and have been increasing their stake overtime.

As a consequence of the acquisition, the shareholder base of Redexis Gas will be the following: GSIP 50.1%, USS 30.0% and ATP 19.9%.

The closing of the transaction took place in July 2017.

- **Redexis Gas supports corporate responsibility activities**

- Redexis Gas provided an LPG technical training course for its employees, included within the Training Plan defined for the year 2016-2017

From November 2016 to February 2017, Redexis Gas carried out the LPG technical training course for its employees, included within the Training Plan defined for the year 2016-2017. The main objective of the course was to support people's professional growth and contribute to the establishment of their capacities.

This training has been directed to more than 120 employees, in all work centers, performing LPG technique-related work.

- Redexis Gas supports the educational development of university students

To support the educational development of the students of the School of Engineering and Architecture of the University of Zaragoza, Redexis Gas arranged a visit to its facilities in Ateca (a plant and a LPG tank) in May 2017.

The objective of such visit was to explain the operation of the gas sector in Spain, as well as the operation and characteristics of the equipment and the different ways in which Redexis Gas distributes gas.

- **Redexis Gas participated in the gas facility safety campaign in the Community of Madrid**

Redexis Gas participated again this year in the gas facility safety campaign in the Community of Madrid. This initiative aims to provide users with a series of practical tips to use gas facilities and prevent possible accidents.

- **Redexis Gas took part in the Annual Meeting of the Balearic Business Federation of Transport**

For the second year in a row, Redexis Gas took part in the Annual Meeting of the Balearic Business Federation of Transport (FEBT), with the aim to highlight the benefits of Natural Gas for Vehicles (VNG), the key to the future of sustainable transport.

- **Collaboration with the Second National Competition on “Get points with Road Safety Education”**

In May 2017, Redexis Gas collaborated with the Second National Competition "Get points with Road Safety Education", which was attended by over 36 thousand school children from different Spanish educational centers.

The objective of this competition is to prevent traffic accidents through education, implementing road safety habits and positive attitudes.

- **Redexis Gas, new sponsor of the Royal Theatre**

In March 2017, Redexis Gas became a sponsor of the Royal Theater, becoming a member of its Board of Patrons. This sponsorship reflects the company's commitment to support the promotion and development of culture.

As part of the sponsorship program, Redexis Gas co-sponsored the audiovisual broadcasting of the Madama Butterfly Opera organized by the Royal Theater in the Plaza de Oriente in Madrid. It was also broadcasted in streaming and live via satellite to numerous institutions, cultural and artistic centers in more than 200 towns in Spain.

This event was attended by a representation of the Company and selected guests including the Government and industrial customers.

- **Gas System evolution**

In June 2017, the CNMC published the 5th interim report on the settlement of revenues and costs for the system for the year 2017, showing gas demand and economic figures up to May 2017. The main components were:

- As of 31 May 2017, the energy distributed totalled 132.0TWh, an increase of 5.4% versus the 5th interim report of 2016, mainly driven by:
  - A consumption of 40.5TWh in Group 1 (Power generation plants), representing an increase of 10.5% versus the same period of 2016.
  - A consumption of 84.5TWh across Groups 2 and 3 (Industrial and Residential): 84.5TWh, representing an increase of 3.2% versus the same period of 2016.
- The number of consumers reached 7,742,271, an increase of 34,725 in the year.

Additionally, according to the information published by Enagás, the Spanish gas demand in H1 2017 reached 169.1 TWh, up 6.5% year-on-year mainly due to the increase in conventional demand (+4.3%) and in power generation (+19.8%).

2. Key operating highlights

Operating highlights	Unit	For the six-months ended 30-Jun-2017	For the full year 2016	For the six-months ended 30-Jun-2016	%change 30-jun-2017 vs. 30-jun-2016
NG (P<4b)	#	555,502	544,348	531,799	4.5%
LPG	#	80,359	81,166	70,900	13.3%
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Municipalities served	**#**	**484**	**484**	**449**	**7.8%**
Network length	Km	**9,655**	**9,411**	**8,928**	**8.1%**
Distribution network length	Km	8,024	7,789	7,324	9.6%
Transmission network length	Km	1,631	1,622	1,604	1.7%
Energy distributed	GWh	**14,882**	**26,026**	**12,551**	**18.6%**
P<60 bar	GWh	6,436	10,912	5,959	8.0%
P>60 bar	GWh	8,446	15,114	6,592	28.1%

As of 30 June 2017, the Company distributed natural gas and LPG in 484 municipalities (note that distribution of natural gas and LPG may co-exist in the same municipality), operated 8,024 kilometres of distribution network and 1,631 kilometres of transmission network and operated 555,768 connection points of natural gas and 80,359 LPG points in Spain.

In addition, during the first half of 2017, the Company has continued to deliver on its growth plans, securing 24 thousand new contracts, a 57% increase compared to the first half of 2016, providing 18 thousand gross connection points. This performance reflects the implementation of a new expansion model based on advanced artificial intelligence tools and more efficient business processes. As part of its commitment to innovation, Redexis Gas is using newly developed computer algorithms to maximise natural gas penetration and efficient network deployment in the municipalities in which it operates.

In the last six months, the Company added c. 11 thousand net connection points from its continued organic growth, representing a 20% increase compared to the previous year.

Redexis Gas has strong growth prospects given its optimal presence in autonomous communities with gas penetration rates below the Spanish average. The Company aims to pursue organic growth by expanding its network in existing and new municipalities, increasing both technical penetration and commercial saturation. In the first half of 2017, Redexis Gas has expanded its networks to 6 new municipalities in natural gas in the regions where it operates.

At the same time, Redexis Gas focused on energy intensive industrial clients by implementing targeted offerings to capture new clients and increase the consumption of existing ones. Among others, the Company has successfully concluded gas supply with Celvi (Andalucía), Fudepor (Murcia), El Limonar de Santomera (Murcia) and Cargill (Zaragoza).

In those places where there is no natural gas supply yet, Redexis Gas offers an alternative and supplementary solution, by developing facilities for the distribution of piped LPG and the supply of such fuel to the end customer. Just as other companies that develop their activity in the natural gas sector, Redexis Gas has increased its LPG customer portfolio through the adquisition of 75 thousand LPG points from Repsol in 2015 and 2016 and c. 4.7 thousand LPG points from Cepsa in 2016, which are expected to be integrated in late 2017.

In the first half of 2017, c. 1,000 LPG points have been migrated to natural gas from LPG.

At present, the Company provides LPG service in 419 municipalities; it operates a 918 kilometres network and has 80,359 LPG points.

With regard to our transmission network, the Company has continued rolling out the network. During the first half of 2017, Redexis Gas obtained the commissioning certificate for the "Yeles-Seseña" transmission pipeline located in Castile-La Mancha which has added 9 kilometres to its network.

With the completion of this gas pipeline, the length of Redexis Gas' transmission network reached 1,631 kilometres.

On 7 July 2017, the Company obtained the commissioning certificate for the "Villacarrillo–Villanueva del Arzobispo" gas pipeline, located in Andalusia, covering a distance of 11 kilometres.

3. Analysis of Financial Results

3.1. Notes to the Consolidated Income Statement

Consolidated Income Statement

P&L account	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in € million			
Distribution - regulated	49.7	48.3	2.8%
Other regulated distribution income	13.5	10.5	28.5%
Transmission - regulated	30.8	30.6	0.7%
LPG regulated business	14.0	3.8	271.8%
Other Operating Income	1.6	2.0	(18.5%)
Self-constructed non-current assets	5.1	4.7	8.3%
Total Revenues and other income	**114.7**	**99.9**	**14.8%**
Supplies	(9.3)	(3.1)	205.1%
Personnel expenses	(11.5)	(10.5)	9.4%
Other Operating expenses	(13.5)	(11.6)	16.4%
EBITDA	**80.4**	**74.8**	**7.6%**
EBITDA margin (%)	*70.1%*	*74.8%*	*(4.7pp)*
Depreciation and amortisation	(36.5)	(33.3)	9.6%
Impairment losses_gains on non-current assets	(0.1)	(0.2)	(68.5%)
Other non-recurring operating expenses	(1.8)	(1.8)	1.4%
EBIT	**42.0**	**39.4**	**6.6%**
Finance income	0.3	0.1	71.5%
Finance costs	(14.0)	(13.2)	5.8%
Net financial result	**(13.7)**	**(13.0)**	**5.1%**
EBT	**28.3**	**26.4**	**7.3%**
Income tax	(6.4)	(6.5)	(1.7%)
Net result for the period	**21.9**	**19.8**	**10.3%**
Result for the period attributable to owners of the Parent	21.9	19.8	10.3%
Result for the period attributable to non-controlling interests	(0.0)	(0.0)	na

3.1.1. Revenues and other income

Redexis Gas is diversified across regulated business lines, the majority of its revenues coming from natural gas distribution and transmission activities. Other regulated distribution income includes activation and service line rights, meter rents, IRC rents, inspections, and other services such as connection and reconnection services.

The Company operates under a stable, supportive and transparent regulatory framework, which provides long-term visibility, while incentivising growth and operational outperformance.

The most important revenue source consists of regulated remuneration received from the gas system for transmission and distribution activities, acknowledged by the national regulatory authorities (Ministry of Energy, Tourism and the Digital Agenda and the National Commission for Markets and Competition), allowing the Group to recover investments made, obtain a reasonable return and promote efficient management.

The following table illustrates Redexis Gas' revenue split and the variation between the periods indicated:

Revenue Split	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in € million			
Distribution - regulated	49.7	48.3	2.8%
Other regulated distribution income	13.5	10.5	28.5%
Transmission - regulated	30.8	30.6	0.7%
LPG regulated business	14.0	3.8	271.8%
Other operating income	1.6	2.0	(18.5%)
Self-constructed non-current assets	5.1	4.7	8.3%
Total Revenues and other income	**114.7**	**99.9**	**14.8%**

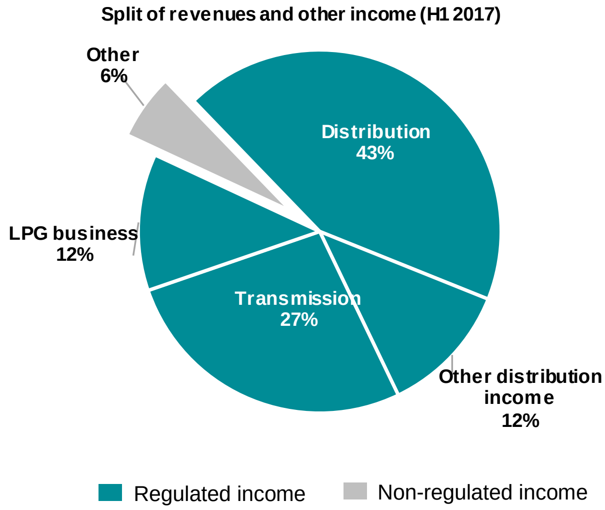
In the first half of 2017, Redexis Gas recorded revenues of €114.7 million, representing an increase of 14.8% versus the same period of 2016, mainly due to the increase in the number of distribution connection points (as a result of organic growth and the acquisition of the LPG points from Repsol).

Distribution revenues increased by 2.8%, reaching €49.7 million, mainly due to the increase in connection points in existing and new municipalities.

Other regulated distribution income increased by 28.5% reaching €13.5 million primarily as a result of the increased number of gross activations, and the Company's focus on increasing these revenues per connection point.

Transmission revenues increased by 0.7% reaching €30.8 million, due to the completion of two transmission pipelines in 2016, "Cas Tresorer-Manacor-Felanitx" in the Balearic Islands and "Villanueva del Arzobispo-Castellar" in Andalusia in 59 kilometres and 17 kilometres respectively. Additionally, in May 2017, Redexis Gas obtained the commissioning certificate for the 9 kilometres transmission pipeline "Yeles-Seseña", located in Castile-La Mancha which will serve natural gas to more than 5,200 citizens and businesses in the area, and will promote the development of new industrial projects.

The LPG points recently acquired from Repsol and Cepsa represent an additional lever of growth, offering a unique opportunity to enhance the Company's competitive position and generate additional regulated revenues. LPG revenues reached €14.0 million, a significant increase versus the previous year due to the acquisition of 72 thousand LPG points which were added in the fourth quarter of 2015 and in 2016. The c.4.7 thousand LPG connection points from Cepsa are expected to be integrated in the second half of 2017.



3.1.2.Operating expenses ("Opex")

The following table sets forth Redexis Gas Opex and the percentage change from period to period for each of the periods indicated:

Opex	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in €million unless otherwise stated			
Revenue and other income	**114.7**	**99.9**	**14.8%**
Supplies	(9.3)	(3.1)	205.1%
Personnel expenses	(11.5)	(10.5)	9.4%
Other operating expenses	(13.5)	(11.6)	16.4%
Opex	**(34.3)**	**(25.2)**	**36.5%**

The addition of LPG points and networks acquired from Repsol is the main reason for the increase in supplies in correlation with the evolution of revenues from the LPG business.

The increase in Personnel expenses is due to the growth in the average number of employees.

The increase in Other operating expenses is the consequence of the increased asset base, including Operations and Maintenance of LPG facilities.

3.1.3.EBITDA

EBITDA for the first half of 2017 amounted to €80.4 million, representing a 7.6% increase as compared to the same period of 2016, and reaching a 70.1% margin, due to the growth in the regulated revenues, the economies of scale and the operational initiatives, which have been partially offset by lower margins in the LPG business.

3.1.4.Net financial result

Net financial result includes the financial expenses from our debt instruments. For the 6-month period ended on 30 June 2017 it reached €13.7 million, an increase of 5.1% as a result of the interest and amortised costs of our existing financing (Please see note 3.3.1).

3.1.5.Income tax expenses

Income tax reached €6.4 million for the six months' period ended 30 June 2017, a decrease of 1.7% versus the same period of 2016. Redexis Gas has recorded a deduction for Research and Development as a result of applying the tax benefit originating from the new expansion model based on advanced artificial intelligence tools.

3.1.6.Net result for the period

The net result for the first half of 2017 amounted to €21.9 million, representing a 10.3% increase versus the same period of 2016 driven by the growth in revenues and operating performance of the Company.

3.2. Notes to the Consolidated Cash Flow Statement

Consolidated Cash Flow Statement

Cash Flow	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in € million			
Earnings before tax (EBT)	**28.3**	**26.4**	**7.3%**
Adjustment for:			
Depreciation and amortisation	36.5	33.3	9.6%
Impairment losses on non-current assets	0.1	0.2	(68.5%)
Change in provisions	0.0	(0.1)	(103.8%)
Government grants taken to income	(0.7)	(1.0)	(26.7%)
Financial income	(0.3)	(0.1)	71.5%
Financial expenses	14.0	13.2	5.8%
Cash flow from operating activities (pre-working capital)	**77.9**	**71.9**	**8.3%**
Net change in working capital	**20.5**	**(1.6)**	**na**
Cash flow from operations	**98.4**	**70.3**	**39.9%**
Interest and commissions paid	(23.3)	(23.6)	(1.6%)
Interest received	0.3	0.1	127.1%
Income tax paid	(1.4)	(0.5)	178.3%
Net cash from operating activities	**74.0**	**46.3**	**59.8%**
Payments for purchases of distribution and LPG assets in service	-	(118.5)	
Current payments for acquisition of property, plant and equipment	(62.0)	(55.6)	11.5%
Investing Cash Flow	**(62.0)**	**(174.1)**	**(64.4%)**
Acquisition of financial assets	(0.1)	(0.0)	
Proceeds / (Repayment) of loans - banks (Capex Facility)	-	190.0	
Dividend paid	(0.4)	(70.3)	(99.4%)
Net cash from financing activities	**(0.5)**	**119.7**	**(100.4%)**
Net increase / decrease in cash and cash equivalents	**11.5**	**(8.1)**	
Cash and cash equivalents BOP	39.0	60.6	(35.6%)
Cash and cash equivalents EOP	50.5	52.5	(3.7%)

3.2.1. Net cash from operating activities

Cash flow from operating activities amounted to €77.9 million, an 8.3% increase compared to the same period of 2016, mainly due to the growth in the cash generated by regulated activities.

The impact of the net change in working capital was positive, due to the reduction of the trade receivable.

Net interest paid decreased by 2.2% versus the same period of 2016, reaching €23.0 million as a consequence of the draw down of additional debt under our existing facilities. This increase in gross debt was partially offset by the lower average cost of debt as a consequence of the first interest payment on the bond issued in 2015 which occurred in April 2016 despite the lower average cost of debt. (Please see note 3.3.1)

Income Tax payments increased versus the same period of 2016, reaching €1.4 million mainly as a consequence of the limitation to offset income tax payments with deferred tax assets which is set at 25% of the taxable income versus 60% in the previous year. Redexis Gas has outstanding deferred tax assets in the balance sheet to be used over the next several years.

Net cash from operating activities increased 59.8% compared to the first half of 2016, reaching €74.0 million for the six months' period ended 30 June 2017.

3.2.2. Investing cash flow

The total Capex of Redexis Gas reached €58.7 million for the six months' period ended 30 June 2017 which have been invested in the distribution and transmission networks for the addition of new connection points, the further roll out of our networks, the commissioning of natural gas in 6 new municipalities, the completion of the "Yeles-Seseña" (Castile-La Mancha) transmission pipelines (which added 9 kilometres to our transmission network) and the continued deployment of our systems.

Capex breakdown	For the six-months ended 30-Jun-2017	For the six-months ended 30-Jun-2016	%change
Data in €million unless otherwise stated			
Distribution	54.2	35.6	52.1%
Transmission	3.3	5.4	(39.4%)
Intangible assets	1.3	1.9	(32.3%)
Other acquisitions (distribution assets and LPG points)	-	118.5	-
Total Capex	**58.7**	**161.4**	**(63.6%)**

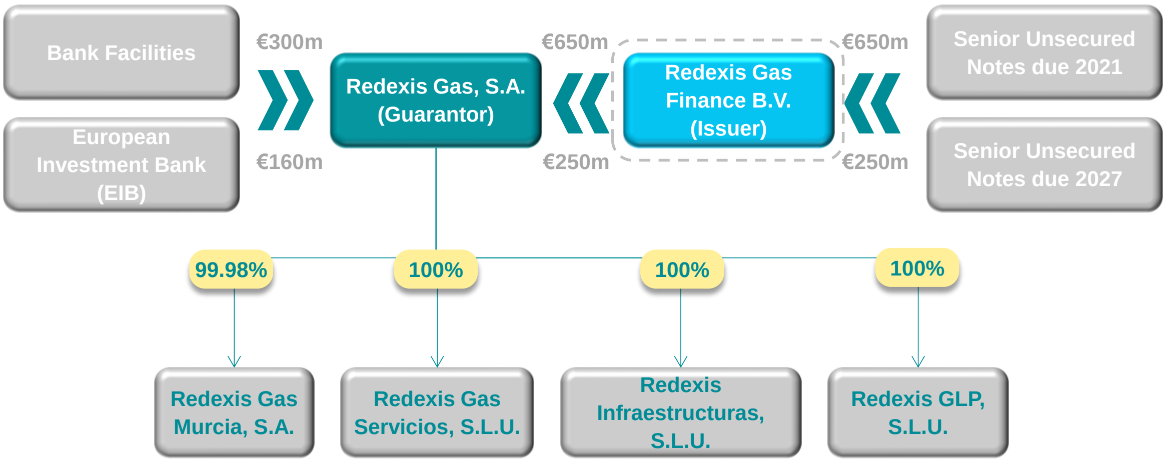
3.3. Notes to the Consolidated Balance Sheet

Consolidated Balance Sheet

Balance Sheet	Notes	For the six-months ended 30-Jun-2017	For the full year 2016	For the six-months ended 30-Jun-2016
Data in € million				
ASSETS				
Property, plant and equipment		**1.168,0**	**1.145,2**	**1.110,8**
Goodwill		**219,2**	**219,2**	**219,2**
Other intangible assets		**555,8**	**556,4**	**556,1**
Licenses		546,3	546,2	546,4
Others		9,4	10,2	9,7
Deferred tax assets		**53,5**	**57,8**	**59,4**
Deficit of the system		**7,7**	**11,5**	**27,5**
Non-current financial assets		**7,3**	**7,3**	**8,0**
TOTAL NON-CURRENT ASSETS		**2.011,5**	**1.997,3**	**1.980,9**
Inventories		**5,6**	**4,8**	**3,5**
Trade and other receivables		**40,6**	**58,3**	**38,7**
Other current financial assets		**43,6**	**45,0**	**2,1**
Other current assets		**4,7**	**4,6**	**16,9**
Cash and cash equivalents		**50,5**	**39,0**	**52,5**
TOTAL CURRENT ASSETS		**145,0**	**151,7**	**113,7**
TOTAL ASSETS		**2.156,4**	**2.149,0**	**2.094,6**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent		**816,8**	**795,3**	**767,0**
Share capital		100,0	100,0	100,0
Share premium		105,4	105,4	105,4
Other reserves		589,5	541,2	541,7
Other comprehensive income - P&L		21,9	48,7	19,8
Non-controlling interest		**0,0**	**0,0**	**0,0**
TOTAL EQUITY		**816,8**	**795,4**	**767,0**
Deferred income (Grants)		**23,3**	**18,8**	**6,1**
Long term liabilities (Notes)	3.3.1	**889,6**	**888,3**	**887,3**
Loans and borrowings - Banks	3.3.1	**189,8**	**189,8**	**189,8**
Other financial liabilities		**4,7**	**4,7**	**4,7**
Deferred tax liabilities		**115,0**	**120,0**	**126,9**
Provisions for employee benefits		**3,4**	**3,4**	**2,9**
Other provisions		**0,7**	**0,6**	**2,6**
TOTAL NON-CURRENT LIABILITIES		**1.226,4**	**1.225,7**	**1.220,2**
Short term liabilities (Accrued interests)		**4,9**	**16,5**	**5,0**
Loans and borrowings- Banks	3.3.1	**2,3**	**1,3**	**0,4**
Fixed asset suppliers		**62,8**	**66,0**	**59,0**
Trade and other payables		**35,8**	**38,2**	**37,8**
Current income tax liabilities		**4,3**	**3,4**	**2,4**
Provisions for employee benefits		**0,1**	**0,1**	**0,1**
Other current liabilities		**2,9**	**2,4**	**2,5**
TOTAL CURRENT LIABILITIES		**113,2**	**128,0**	**107,4**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2.156,4**	**2.149,0**	**2.094,6**

3.3.1. Debt structure

Corporate structure of Redexis Gas Group



Redexis Gas' financial structure is characterised by its flexibility and its long-term maturity, supporting the strategy of creating value for the Company.

Throughout recent years, the Company has demonstrated its ability to access the capital markets through issuances of investment grade notes of €650 million and €250 million, maturing in 2021 and 2027, respectively.

At the same time, the Company has a €250 million revolving capex facility, with €30 million drawn as of 31 December 2016. In addition, the Company has a €50 million fully undrawn revolving credit facility. Both facilities mature in 2019 and are backed by a group of reliable national and international banks.

Redexis Gas is as well using the aid received through the "Juncker Plan" provided by the European Investment Bank (EIB) for the development of gas infrastructures. Specifically, the entity granted the Company, in late 2015, a loan for an amount of EUR 160 million, within the framework of the EFSI (European Fund for Strategic Investments), whose funds were drawn down in July 2016 to roll out transmission and distribution networks throughout the municipalities in which the Company operates. The loan will be payable in 17 equal annual instalments between July 2020 and July 2036.

In addition, the Company is one of the companies eligible under the Corporate Sector Purchase Programme ("CSPP") announced by the European Central Bank. On 18 July 2016, the Bank of Spain published that Redexis Gas was among relevant Spanish companies with bonds purchased under the CSPP. The bonds purchased represented a portion of the bonds maturing in 2021 and in 2027 issued by Redexis Gas Finance BV.

Redexis Gas is rated by S&P and Fitch. The ratings assigned are the following:

Agency	Corporate	Senior Unsecured Bonds	Outlook	Last report date
S&P	BBB	BBB	Stable	09-Nov-16
Fitch	BBB-	BBB	Stable	30-Dec-16

The table below illustrates the debt structure of the Group:

Tranche		Type	Issuance date	Principal (€m)	Drawn @ 30/06/2017 (€m)	Maturity	Coupon
EIB	Loan facility	Fixed / Variable	December 2015	160	160	2036	
Capital market financing	Notes	Fixed	April 2015	250	250	2027	1.875%
		Fixed	April 2014	650	650	2021	2.75%
Bank financing	Revolving Credit Facility	Floating	March 2014	50	-	2019	
	Revolving Capex Facility	Floating	March 2014	250	30	2019	
Total				**1,360**	**1,090**		
Cash and cash equivalents					51		
2014 Deficit					43		
Net debt (incluiding 2014 deficit)					**996**		

Net debt as of 30 June 2017 was €996 million, including the above-mentioned drawn debt, €51 million in cash and cash equivalents and €43 million of collection rights from the 2014 accumulated deficit.

According to the CNMC's 2014 year-end settlement statement, the deficit amounted to €1,025 million. The regulation states that each operator receives an official collection right, which entitles them to recover their share of the accumulated deficit plus a market interest rate over the following 15 years or earlier. The intention is to sell these collection rights to financial institutions. Currently, Redexis Gas owns collection rights amounting to €43 million of the 2014 accumulated deficit.

Redexis Gas has drawn down the €160 million EIB Facility in full on 20 July 2016. The final terms include a fixed interest rate of 1.294% until its maturity in July 2036, payable annually. The repayments on the facility will start on 20 July 2020 in equal instalments until 20 July 2036.

At 30 June 2017, Redexis Gas had an additional €270 million of available undrawn facilities.

Annex 1: Reporting structure

We are reporting the consolidated results of Redexis Gas, S.A. and subsidiaries as of and for the six-months ended 30 June 2017. The consolidated results of Redexis Gas, S.A. include Redexis Gas Finance B.V.

The financial information included in this document has been prepared under IFRS.

Certain numerical figures included in this document have been rounded-off. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding-off. The term "pp" means percentage points when describing the change in a percentage between two periods.

Annex 2: Important legal disclaimer

This document contains forward-looking statements (that is, statements relating to future, not past, events and those made solely with respect to historical facts) based upon management's beliefs and data currently available to them. Because of their nature, these forward-looking statements address matters that are, to different degrees, uncertain, and are based on a variety of assumptions that may not be realised and are subject to significant business, economic, legal and competitive risks and uncertainties, including those set forth below, many of which are beyond Redexis Gas' ("the Company") control. The Company's actual operations, financial condition or position, cash flows or operating results may differ materially from those expressed or implied by any such forward-looking statements contained in this document, and the Company undertakes no obligation to update or revise any such forward-looking statements.

All statements other than statements of historical fact included in this document, including, without limitation, those regarding any party's intentions, beliefs, current expectations, targets and projections about future events, business strategy, management plans and objectives or future financial condition or position, operations and customers are forward-looking statements. These forward-looking statements involve known risks, uncertainties and other factors, which may cause the actual results, performance or achievements, or industry results of a transaction, project or relevant party, to be materially different from those expressed or implied by these forward-looking statements. These forward-looking statements are based on numerous assumptions. Forward-looking statements are not guarantees of future performance and actual results may differ materially from those made in or suggested by the forward-looking statements contained in this document. As there is always uncertainty with respect to any forward-looking statement, potential investors must not rely on the forward-looking statements in making investment decisions in respect of any securities described in this document. Forward-looking statements speak only as of the date of this document and the Company expressly disclaims any obligation or undertaking to release any update of, or revisions to, any forward looking statements in this document, any change in the Company's expectations or any change in events, conditions or circumstances on which these forward-looking statements are based.

Given these and other uncertainties, readers are cautioned not to place undue reliance on the forward-looking statements contained in this release.