



2014 Full Year Results

31 March 2015

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1. Redexis Gas at a glance

Redexis Gas, S.A. (“Redexis Gas” or “the Company” or “the Group”) is owned by Goldman Sachs Infrastructure Partners and co-investors and is one of the leading players in the development and operation of natural gas transmission and distribution in Spain. The Group operates approximately 8,000 kilometres of its owned gas networks in the regions of Aragon, Balearic Islands, Andalusia, Castile and Leon, Castile-La Mancha, Valencia, Madrid and Murcia, through which it provides piped gas to almost five million residential customers and industrial clients, in a total of 215 municipalities and 21 provinces.

The Group’s strategy is to expand and roll out the network, for the purpose of creating value in the regions where it operates, in which it has invested more than €1 billion and where it provides access to this safe, convenient and efficient source of energy.

As of 31 December 2014, the Group generated revenues of €158 million and achieved an EBITDA of €116 million, with a 73.2% margin.



 Areas where Redexis Gas operates

1.1. Key corporate and financial events

- **Acquisition of Gas Energía Distribución Murcia (GEDM) and additional distribution assets**

Redexis Gas entered into a share purchase agreement dated 16 December 2014 with Naturgas Energía Distribución, S.A. (a member of the EDP Group) ("NED") to acquire 99.98% of the shares of Gas Energía Distribución Murcia, S.A. ("GEDM"). The Acquisition Agreement included the acquisition of a credit right arising from the termination of an intra-group cash pooling agreement entered into between NED, as lender, and GEDM, as borrower, on 1 October 2014. The GEDM Acquisition was completed on 30 January 2015, after having received the relevant regulatory approvals.

As of 31 December 2014, GEDM had 88 thousand distribution connection points, distributed gas in 22 municipalities in the Region of Murcia through 2,058 km of gas distribution pipelines as well as owning a 65 km gas transmission pipeline. GEDM's revenue was €24.4 million and its EBITDA was €17.4m, for the year ending 31 December 2014.

As a result of the completion of the GEDM Acquisition, as of 31 December 2014:

- the number of Redexis Gas's connection points serviced in Spain has increased by 22% over its connection points; and
- 31 new employees have joined the Group's workforce, bringing the total number of employees to 266, all located in Spain.

Redexis Gas also agreed in December 2014 to acquire from NED additional natural gas distribution assets in four other Spanish regions (Catalonia, Extremadura, Region of Madrid and Castile-Leon), as well as two additional locations in the Murcia region, being San Pedro del Pinatar and San Javier. The completion of this acquisition is subject to regulatory approvals from local authorities and is expected to close in due course.

- **State-of-the-art fully independent IT systems**

The Group operates a state-of-the-art fully independent IT system following the successful transition from the previous IT systems of Endesa in September 2014, which will lead to significant cost savings.

In addition, a new network control centre has been developed in Zaragoza.

- **2014 refinancing**

The Group improved its capital structure in 2014 by restructuring its €864 million project finance debt into a new capital structure that included (i) a €650 million note issue, (ii) a €300 million bank facility, (iii) the capitalisation of profit participative loans entered into with certain shareholders and (iv) the cancellation of interest rate swaps (in connection with the cancellation of the existing financing agreements). Net debt as of 31 December 2014 was €645.6 million, including the above-mentioned note issue and a drawdown of €75 million from the capital expenditure facility. Redexis Gas had €79.4 million in cash and cash equivalents at the end of 2014.

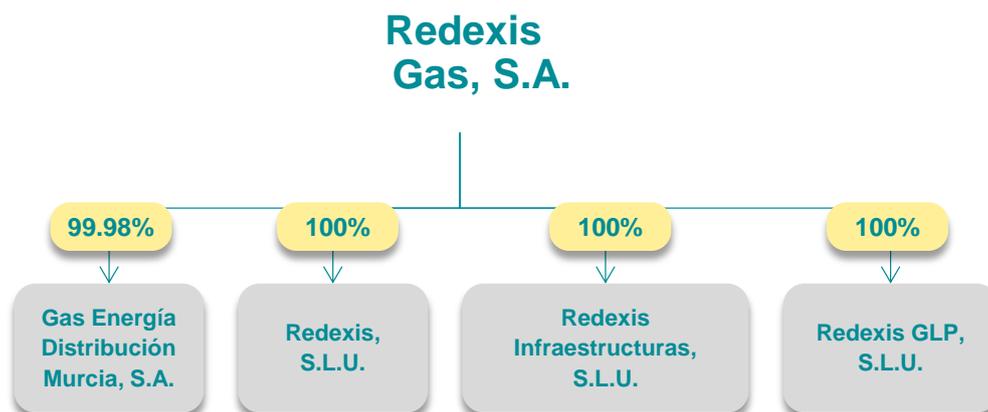
- **Corporate reorganization**

On 27 February 2015, Redexis Gas completed a corporate reorganisation, merging its subsidiary companies into Redexis Gas which now directly carries out the operating business of transmission and distribution of natural gas. The underlying aim of the merger was to simplify the Group's structure with a view to improving management efficiency. The business activities of the merged subsidiaries are deemed to have been assumed by the Guarantor as of 1 January 2014.

The subsidiary companies absorbed into Redexis Gas were:

- Redexis Gas Aragón, S.A.U.
- Redexis Gas Baleares, S.A.U.
- Distribuidora Regional del Gas, S.A.U.
- Redexis Gas Distribución, S.A.U.
- Redexis Gas Transporte, S.L.U.
- Transportista Regional del Gas, S.A.

The simplified new corporate structure of the Group (including GEDM) is as follows:



- **Redexis Gas launched a trainee development program**

In December 2014, Redexis Gas launched a trainee development program, "Encourage talent with energy", thanks to an agreement signed with Universia.

The Company offers an internship program for students of Industrial Engineering, Computer Science, Business Administration, Economics, Marketing, HR and Journalism with the objective to promote the training and employment, enabling young student's access to the labor market. This program allows them to have their first work experience in different parts of Spain.

- **Redexis Gas collaborates with the Balearic Government for the creation of the First Program of Training and Employment of Redexis Gas**

Redexis Gas with the Ministry of Economy and Competitiveness of the Balearic Government has developed the first program of training and employment options to improve employability of professionals in the gas sector. This program will train qualified professionals in four areas: technician, inspector, technical installer or natural gas trader.

On 26 February 2015 the program was inaugurated in Ibiza and 35 students participated in the first courses.

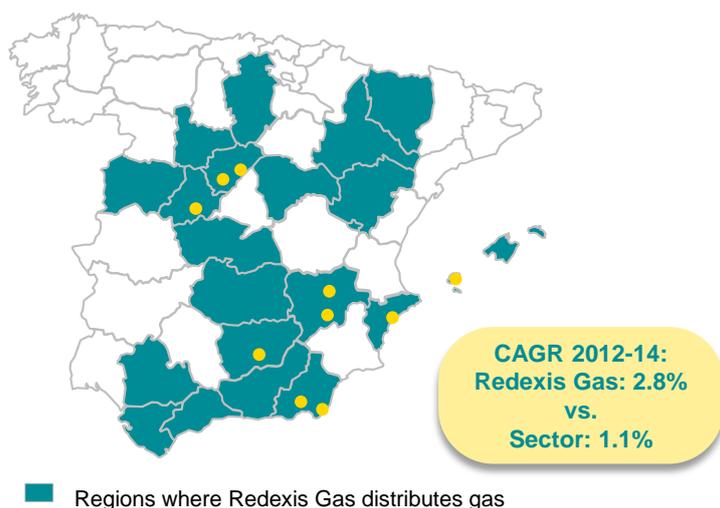
At present this program is in full expansion thanks to the development plans of the Company.

1.2. Key operating events

- **Successful organic growth in distribution**

Redexis Gas provides piped gas to almost 500,000 users in a total of 215 municipalities of 21 provinces (including GEDM) in Spain.

In 2014, distribution investments increased as additional distribution pipelines were built in order to connect new municipalities to the network and the contracting of new connection points increased. As of 31 December 2014, Redexis Gas distributes gas in 10 new municipalities in the regions of Andalusia, Balearic Islands, Castile-La Mancha, Castile and Leon and Eastern Region.



- **Successful organic growth model in transmission**

In 2014, Redexis Gas had more kilometers of pipeline built in the sector. During this period, the Company completed the construction of 152 km of pipelines (vs 17 km for the rest of the sector) in the regions of Andalusia, Balearic Islands and Valencia.

Execution authorizations	Lengths (Km)
Huerca Overa-Baza-Guadix (Phase II)	52
Son Reus-Andratx	41
Elche-Monóvar-Algueña	59
Total	152



At present, Redexis Gas has a number of prospective transmission projects which are expected to continue to grow its network, including a 45 km extension to the "Son Reus-Inca-Alcudia" transmission pipeline for which it has obtained construction authorisations.

- **Safety Convention was signed on Domestic Gas Installations Use in Andalusia**

Redexis Gas signed a Safety Convention of Domestic Gas Installations Use in Andalusia in February 2015. It was an initiative promoted by Redexis Gas and ten other companies and industry associations concerned to inform and educate the population on the proper use of facilities fueled by combustible gases.

To do this, a campaign will be developed with numerous activities aimed at raising awareness and training of users.

- **Update in the regulation of the Spanish gas sector**

In an effort to reduce the electricity and gas tariff deficits, the Spanish Government has introduced over 2012-2014 a range of fiscal and regulatory measures and made changes to the broader energy market framework.

Several measures were specifically directed to adjusting remuneration in the gas transmission and distribution sector.

The objective is to eliminate the gas tariff deficit and ensure an economically sustainable natural gas sector while enhancing growth in the future.

The key elements of the reform are:

- Elimination of the structural deficit, adjustment of the remuneration of regulated activities and alignment of the remuneration of regulated activities with the evolution of gas demand.
- Promotion of gas network extension to areas not currently gasified.
- Creation of financial sustainability mechanisms to prevent the generation of new tariff deficits, including automatic tariff increases.
- Recognition of the gas tariff deficit accumulated until 31st December 2014 and settlement in instalments over up to 15 years, including accrued interest at market rates.

In October 2014, RDL 8/2014 was ratified by the Spanish Parliament under the Law 18/2014 and in consequence this Law is the new applicable regulation. The clarifications of the reform are:

- The efficiency ratio may not be modified for improved productivity during the regulatory time period.
 - In distribution: this ratio will be 1 during the regulatory time period (6 years).
 - In transmission: this ratio will be 0.97 for the entire regulatory period (6 years).
- The RCS (Retribution for continuity of supply) fixed at €233 million (from €225 million in the RDL (Royal Decree)) for 2014.

Redexis Gas estimates that the reform has a broadly neutral impact on the Company versus circa €200 million negative impact for the remainder of the gas distribution and transmission sector. The reform is viewed positively as it incentivizes the continued expansion of natural gas to new regions while maintaining the financial sustainability of the sector.

The impacts of the reform in Distribution

Redexis Gas has benefited from the following two outcomes of the reform in relation to the new distribution remuneration:

- reduction of remuneration for pre-2002 assets, and
- a “Fairness” upward adjustment of remuneration for 2002-2014 assets, bringing them to an equal footing with the pre-2002 remuneration.

This measure provided positively impacted Redexis Gas on day 1 given the age profile of Redexis Gas’ connection points.

Additionally, the promotion of growth in new municipalities is positive providing €20 increase in remuneration per connection point in new municipalities and increased focus on demand.

The impacts of the reform in Transmission

- Alignment of the remuneration of regulated activities to the evolution of gas demand:
 - RAB remuneration for all projects to work like the remuneration for post 2008 projects, plus, in addition a remuneration for demand growth
- The retribution of the transmission activity is now composed mainly of four factors:
 - Investment recovery
 - Financial remuneration
 - O&M remuneration
 - Retribution for continuity of the supply (RCS), derived from the gas demand of the system
- Demand growth remuneration is capped at 410TWh (current demand of around 300TWh)
- Redefinition of regional transmission remuneration (still to be defined)

- **Regulated retribution 2015**

According to the IET 2445-2014 (Ministerial Order):

- the distribution remuneration for Redexis Gas, including GEDM, would be €90 million representing circa 6.5% of the distribution sector, and
- the transmission remuneration for Redexis Gas, including GEDM, would be €54.4 million representing circa 6.9% of the transmission sector.

2. Operating and financial highlights

Operating highlights

Operating highlights	Unit	2013	2014	2014PF	%change (2013-2014)
Distribution Connection Points	#	384,168	396,533	484,734	3.2%
Provinces served	#	19	20	21	
Municipalities served	#	183	193	215	5.5%
Network length	Km	5,581	5,873	7,997	5.2%
Distribution network length	Km	4,299	4,439	6,497	3.2%
Transmission network length	Km	1,281	1,434	1,499	11.9%
Energy distributed	GWh	10,019	8,615	10,293	(14.0%)
P<4bar	GWh	4,694	4,145	4,686	(11.7%)
P>4bar	GWh	5,325	4,470	5,607	(16.0%)

Note: 2014PF includes full year for Redexis Gas and GEDM

Redexis Gas ended December 2014 with 397 thousand connection points and 5,873 kilometres of gas transmission and distribution networks.

During the year, the consumption of energy decreased by 14.0% mainly due to the moderate weather conditions and the lower rate of consumption by cogeneration plants.

At the same time, this year has witnessed the expansion of Redexis Gas to 10 new municipalities, the consolidation and development of municipalities already gasified, and the continued search for new market opportunities and segments.

Financial highlights

Financial highlights	2014	2013	%change
<i>Data in €million unless otherwise stated</i>			
Revenues	158.3	146.9	7.7%
Distribution - regulated	78.3	73.9	5.9%
Other regulated distribution income	15.4	13.4	14.8%
Transmission - regulated	51.2	44.4	15.3%
LPG Sales	2.7	4.3	(37.4%)
Other operating income	4.0	4.7	(15.2%)
Self-constructed non-current assets	6.7	6.2	8.6%
EBITDA	115.9	105.1	10.2%
<i>EBITDA Margin (%)</i>	<i>73.2%</i>	<i>71.6%</i>	<i>1.7 pp</i>
Capex	91.2	68.8	32.5%
Distribution	44.0	28.5	54.4%
Transmission	39.4	39.0	1.0%
Intangible assets	7.8	1.3	na

Note: EBITDA for 2014 excludes one-off related items from the refinancing, the acquisition of GEDM and additional assets.

3. Analysis of Financial Results

3.1. Notes to the Consolidated Income Statement

Consolidated Income Statement

P&L account	2014	2013	%change
<i>Data in € million</i>			
Distribution - regulated	78.3	73.9	5.9%
Other regulated distribution income	15.4	13.4	14.8%
Transmission - regulated	51.2	44.4	15.3%
LPG Sales	2.7	4.3	(37.4%)
Other Operating Income	4.0	4.7	(15.2%)
Self-constructed non-current assets	6.7	6.2	8.6%
Total Revenues	158.3	146.9	7.7%
Supplies	(3.9)	(5.1)	(24.4%)
Personnel expenses	(17.0)	(15.0)	13.5%
Other Operating expenses	(21.5)	(21.6)	(0.7%)
EBITDA	115.9	105.1	10.2%
<i>EBITDA margin (%)</i>	<i>73.2%</i>	<i>71.6%</i>	<i>2.3%</i>
Depreciation and amortisation	(36.6)	(35.1)	4.4%
Impairment losses_gains on non-current assets	(3.0)	0.1	na
Other non-recurrent operating expenses	(1.6)	-	na
EBIT	74.6	70.1	6.4%
Finance income	0.2	0.7	(69.7%)
Finance costs	(88.9)	(76.3)	16.6%
Net financial result	(88.7)	(75.6)	17.4%
EBT	(14.1)	(5.5)	158.1%
Income Tax	121.6	(11.6)	na
Net result for the period	107.5	(17.1)	na
Result for the period attributable to owners of the Parent	107.5	(17.3)	na
Result for the period attributable to non-controlling interests	(0.0)	(0.2)	(80.8%)

Note 1: EBITDA for 2014 excludes one-off related items from the refinancing and the acquisition of GEDM and additional assets included in "Other non-recurrent operating expenses".

Note 2: The net result for the year 2014 is notably impacted by the positive Income Tax, which includes the effect of the accounting of the deferred tax assets from financial expenses and the impact of the corporate reorganization in the deferred tax liabilities (see note 3.1.5).

Note 3: Finance costs include €43.2 million of interest rate swaps settlements and €14.1 million of write-off of unamortised financing costs from 2010 and others (non-recurrent).

3.1.1.Revenues

The revenues of Redexis Gas comprise of the regulated remuneration from the gas system for the distribution and transmission activities. Other regulated distribution income includes mandatory inspections, meter rentals, sign-up connection fees, etc.

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

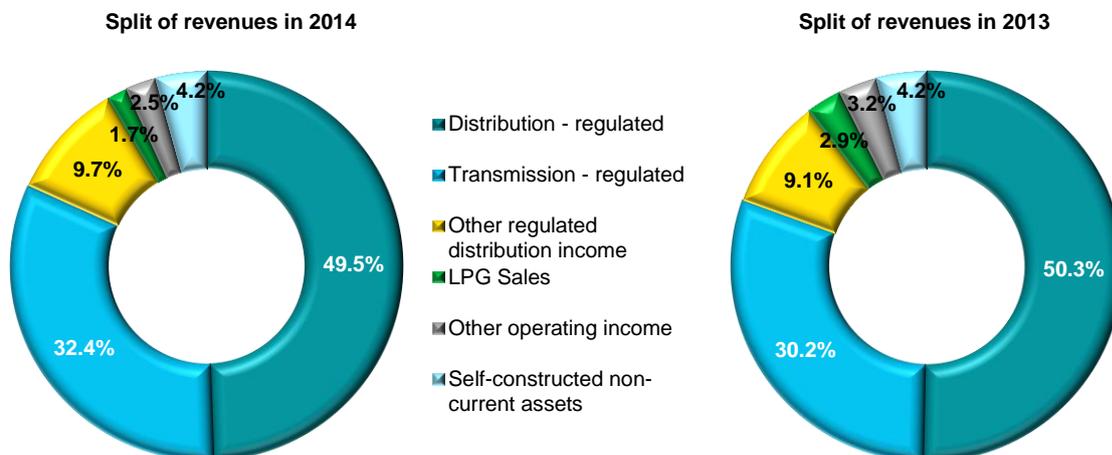
The following table sets forth Redexis Gas's revenue split and the percentage change from period to period for each of the periods indicated:

Revenue split	2014	2013	%change
<i>Data in € million</i>			
Distribution - regulated	78.3	73.9	5.9%
Other regulated distribution income	15.4	13.4	14.8%
Transmission - regulated	51.2	44.4	15.3%
LPG Sales	2.7	4.3	(37.4%)
Other operating income	4.0	4.7	(15.2%)
Self-constructed non-current assets	6.7	6.2	8.6%
Total Revenues	158.3	146.9	7.7%

In 2014, Redexis Gas recorded revenues of €158.3 million, representing an increase of 7.7% versus 2013, mainly as a result of the regulated transmission activity.

Distribution revenues have increased 5.9%, reaching €78.3 million, mainly due to the increase in connection points versus the previous year in existing and new municipalities.

Transmission revenues increased 15.3% reaching €51.2 million, due to the commissioning of the "Huerca Overa - Baza - Guadix (Phase II)" (Andalusia), "Son Reus - Andratx" (Balearic Islands) and "Elche - Monóvar - Algueña" (Community of Valencia) new transmission pipelines, totalling 152 kilometres.



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	2014	2013	%change
<i>Data in €million unless otherwise stated</i>			
Total Revenues	158.3	146.9	7.7%
Supplies	(3.9)	(5.1)	(24.4%)
Personnel expenses	(17.0)	(15.0)	13.5%
Other operating expenses	(21.5)	(21.6)	(0.7%)
Opex	(42.4)	(41.8)	1.5%

3.1.3. EBITDA

The EBITDA for the year ended 31st of December 2014 amounted to €115.9 million, with a 10.2% increase compared to 2013 and a 73.2% EBITDA margin, due to the growth in the regulated revenues and the continued improvement in cost efficiencies.

EBITDA for 2014 excludes one-off related items from the refinancing, the acquisition of GEDM and additional assets.

3.1.4. Net financial result

Net financial result includes the financial expense from our debt instruments. For 2014, Net financial result reached €88.7 million partly driven by our refinancing (see note 3.3.1), Finance costs include €43.2 million of interest rate swaps settlements and €14.1 million of write-off of unamortised financing costs from 2010 and others (non-recurrent).

3.1.5. Income tax expenses

Income tax results in a €121.6 million positive impact due to the following effects:

- The booking of income tax credits from the financial expenses not included in the 2012 and 2013 accounts. This amount corresponds to the excess over 30% of Operating result (pre amortisation) in financial expenses incurred in those years. The lower cost of debt post refinancing assured the recoverability of such excess and therefore the booking of the associated tax credit in the balance sheet.
- The tax credit from the cost of cancelling the IRS hedge instruments and the write-off of unamortised financial expenses from the former financing structure (see note 3.3.1).
- The tax impact of the corporate reorganization. The merger approved by the shareholders at their General Meeting in 2014, was effective for accounting purposes from 1 January 2014. Therefore in 2014 the Group recognised the reversal of the deferred tax liability of €80.7 million in the consolidated income statement.
- The income tax charge on the on-going operating results.

3.2. Notes to the Consolidated Cash Flow

Consolidated Cash Flow

Cash Flow	2014	2013	%change
<i>Data in € million</i>			
Earnings before tax (EBT)	(14.1)	(5.5)	158.1%
Adjustment for:			
Depreciation and amortization	36.6	35.1	12.7%
Impairment losses on non-current assets	(0.0)	(0.0)	(25.0%)
Change in provisions	(2.1)	(2.7)	(22.4%)
Government grants taken to income	(0.4)	(0.4)	0.3%
Financial income	(0.2)	(0.7)	(69.7%)
Financial expenses	88.9	76.3	16.6%
Profit /Loss on sale of property, plant and equipments	2.8	(1.9)	na
Cash flow from operating activities (pre-working capital)	111.7	100.3	11.4%
Net change in working capital	(5.6)	(1.0)	na
Cash flow from operations	106.1	99.3	6.8%
Interest paid ⁽¹⁾	(62.4)	(57.2)	9.2%
Interest received	0.2	0.5	(60.6%)
Income tax paid	(13.1)	(12.2)	6.9%
Net cash from operating activities	30.8	42.6	(28.0%)
Proceeds from sales of property, plant and equipment	-	2.5	na
Adquisition of property, plants and equipments	(73.8)	(73.5)	0.3%
Investing Cash Flow	(73.8)	(71.0)	3.8%
Acquisition of subsidiaries (minorities)	(1.2)	(1.0)	22.1%
Adquisition of financial assets	(2.1)	-	na
Proceeds / (Repayment) of loans - former bank facility, net	(649.7)	44.4	na
Proceeds from new capex facility	75.0	-	na
Proceeds from the issue of Notes	645.9	-	na
Dividend paid	(18.5)	-	na
Net cash from financing activities	49.4	43.4	13.9%
Net increase / decrease in cash and cash equivalents	6.4	2.8	132.8%
Cash and cash equivalents BOP	73.0	70.2	3.9%
Cash and cash equivalents EOP	79.4	73.0	8.8%

⁽¹⁾Include interest, settlement of IRS and refinancing costs for the amount of €48.8 million.

3.2.1. Capital expenditure (“Capex”)

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

Capex breakdown	2014	2013	%change
<i>Data in €million unless otherwise stated</i>			
Distribution	44.0	28.5	54.4%
Transmission	39.4	39.0	1.0%
Intangible assets	7.8	1.3	na
Total Capex	91.2	68.8	32.5%

The Capex of Redexis Gas reached €91.2 million in 2014. Of this amount, 48% related to investments made in the distribution network for the addition of new connection points and commissioning natural gas in 10 new municipalities, while 43% corresponded to the transmission network, mainly for the completion of the “Huerca Overa - Baza – Guadix (Phase II)”, “Son Reus – Andratx” and “Elche – Monóvar – Algueña” pipelines. These transmission pipelines have added to the transmission network 152 km.

The increase in intangible assets relates to the development of systems as part of our separation from Endesa’s systems. We believe that once stabilised, the new systems will provide additional flexibility for Redexis Gas to enhance its expansion activity and operating growth.

3.3. Notes to the Consolidated Balance Sheet

Consolidated Balance Sheet

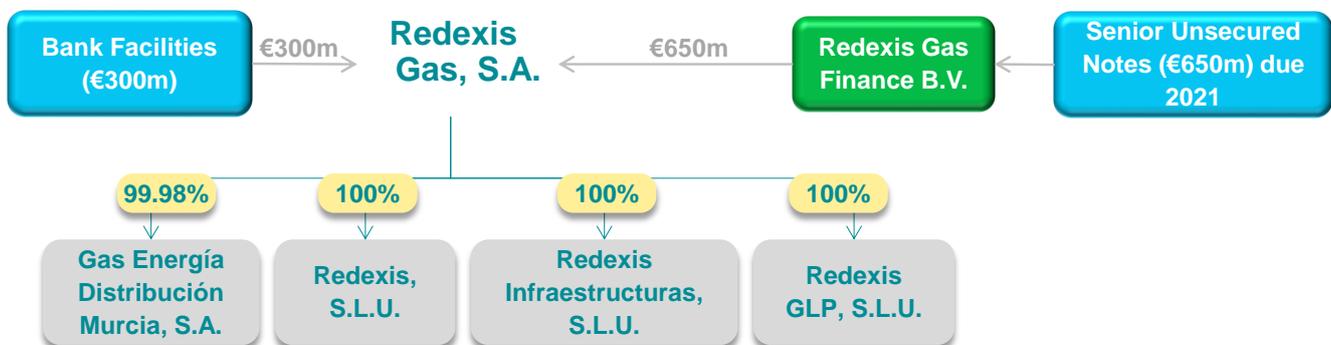
Balance Sheet	Notes	2014	2013
<i>Data in € million</i>			
ASSETS			
Property, plant and equipment		677.9	640.4
Goodwill		213.1	213.1
Other intangible assets		529.5	526.6
Licenses		522.8	521.8
Others		6.7	4.8
Deferred tax assets	Note 3.3.1	67.6	48.6
Trade and other receivables		19.5	-
Non-current financial assets		6.7	4.6
TOTAL NON-CURRENT ASSETS		1,514.2	1,433.3
Inventories		0.4	0.5
Trade and other receivables		52.5	50.2
Clients		22.4	25.1
Tax Authorities		7.1	7.6
Settlements pending collection		22.2	17.0
Other		0.8	0.5
Other current financial assets		0.1	0.1
Other current assets		0.1	-
Cash and cash equivalents		79.4	73.0
TOTAL CURRENT ASSETS		132.6	123.8
TOTAL ASSETS		1,646.8	1,557.1
SHAREHOLDERS' EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent		720.6	145.6
Share capital		100.0	100.0
Share premium		105.4	105.4
Other reserves	Note 3.3.1	407.7	(16.8)
Other comprehensive income - P&L		107.5	(17.3)
Other comprehensive income - Derivatives	Note 3.3.1	-	(25.8)
Non-controlling interest		-	2.8
TOTAL EQUITY		720.6	148.4
Deferred income (Grants)		5.3	4.2
Long term liabilities (Notes)	Note 3.3.1	640.9	-
Loans and borrowings - Banks	Note 3.3.1	72.2	616.0
Loans and borrowings - Group companies and associates	Note 3.3.1	-	361.7
Derivative financial instruments	Note 3.3.1	-	36.8
Other financial liabilities		4.3	4.3
Deferred tax liabilities		113.9	220.1
Provisions for employee benefits		4.1	3.8
Other provisions		2.4	2.2
TOTAL NON-CURRENT LIABILITIES		843.2	1,249.1
Short term liabilities (Accrued interests)		13.1	-
Loans and borrowings - Banks	Note 3.3.1	0.4	20.5
Loans and borrowings - Group companies and associates	Note 3.3.1	-	89.3
Fixed asset suppliers		42.8	29.5
Trade and other payables		22.5	14.3
Suppliers and Creditors		7.5	5.0
Settlements pending collection		10.9	7.1
Other		4.2	2.2
Current income tax liabilities		1.4	1.7
Provisions for employee benefits		0.9	2.5
Other current liabilities		2.0	1.8
TOTAL CURRENT LIABILITIES		83.0	159.5
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		1,646.8	1,557.1

3.3.1. Our refinancing

On the 8th of April 2014, Redexis Gas, S.A. completed the refinancing of its capital structure. The process included: (i) the capitalisation of the PPLs from shareholders; (ii) the issue of €650 million Senior Unsecured Notes due in 2021 by Redexis Gas Finance B.V., and the corresponding On-Loan Agreement to transfer the funds to Redexis Gas, S.A.; (iii) the execution of a €300 million Facilities Agreement with a syndicate of banks for enhancing growth and working capital purposes; (iv) the cancellation of the IRS in place for the fixing of the Euribor rate for the former bank facility until 2017; and (v) the existing bank facilities and its associated guarantees.

The refinancing provides a mature and stable capital structure for Redexis Gas allowing continued growth and value creation.

Corporate structure of Redexis Gas Group



- **Shareholders of Redexis Gas capitalised €459 million profit participative loans**

As part of our refinancing on the 8th of April 2014, the shareholders of Redexis Gas, S.A. waived the PPLs for an amount of €459 million, including €361.7 million of principal amount plus accrued and unpaid interests. In this way, the “Loans and borrowings - Group companies and associates” long and short term captions were cancelled and the result is an equivalent increase in the “Other reserves” caption for an amount of €459 million.

- **Redexis Gas completes an offering of €650 million Senior Unsecured Notes due in 2021**

On the 8th of April 2014, Redexis Gas, S.A. completed an offering of €650 million Senior Unsecured Notes due in 2021. The Notes were issued by Redexis Gas Finance B.V. (“issuer”) at a price of 99.373% and an annual coupon of 2.75% and are guaranteed by Redexis Gas, S.A.

The proceeds of the offering of the Notes were on-leased to Redexis Gas and used to repay its existing financing arrangements.

This transaction shows the investors’ trust in the Group, due to, among other factors, the good operating and financial results obtained, the return to revenue growth and the sound cash-generation profile and also diversifies the Group’s sources of financing.

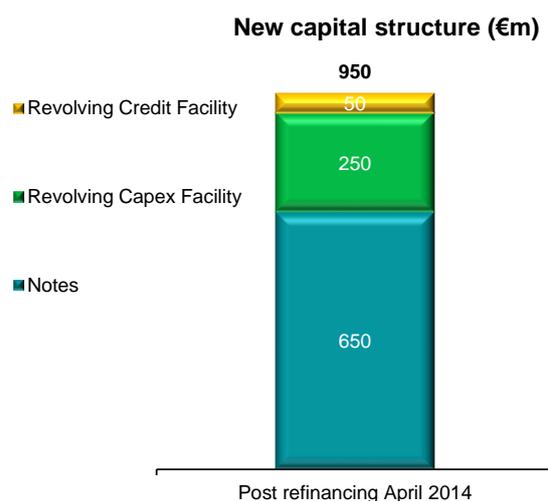
The credit ratings given to Redexis Gas by Moody's and Fitch were Baa3 and BBB- respectively, both of them with a stable outlook.

- **€300 million Facilities Agreement**

Redexis Gas entered a Facilities Agreement with a syndicate of banks for €300 million. The Facilities consist of a €250 million Revolving Capex Facility and a €50 million Revolving Credit Facility. Both tranches are bullet and mature in 2021.

- **Cancellation of Interest Rate Swaps (“IRS”)**

The issuance of new fixed-rate debt to repay the existing floating-rate debt resulted in the Group being significantly overhedged due to the interest rate swaps that it had put in place as part of the financing package set at the time of the inception of the Group in 2010. Redexis Gas cancelled these hedging instruments outstanding with cash in hand for a break cost amount of circa €40 million. The cancellation of the IRS exposure is included under the caption “Derivative financial instruments” and as a related effect, the “Deferred Tax Asset” and “Other comprehensive income – Derivatives” were brought to zero on the balance sheet.



Tranche	Type	Principal amount	Maturity
Senior Unsecured Notes	Fixed	€650 million	2021
Revolving Capex Facility	Floating	€250 million	2019
Revolving Credit Facility	Floating	€50 million	2019

Net debt as of 31 December 2014 was €645.6 million, including the above-mentioned note issue and a drawdown of €75 million from the capital expenditure facility. Redexis Gas had €79.4 million in cash and cash equivalents at the end of 2014.

Annex 1: Reporting structure

We are reporting the consolidated results of Redexis Gas, S.A. and subsidiaries as of and for the year ended 31 December 2014. The consolidated results of Redexis Gas, S.A. includes 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. Therefore, discrepancies in tables between totals and the sums of the amounts listed may occur due to such rounding. 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. These forward-looking statements by their nature 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.

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