2018 First Half Results

3 August 2018

Contents

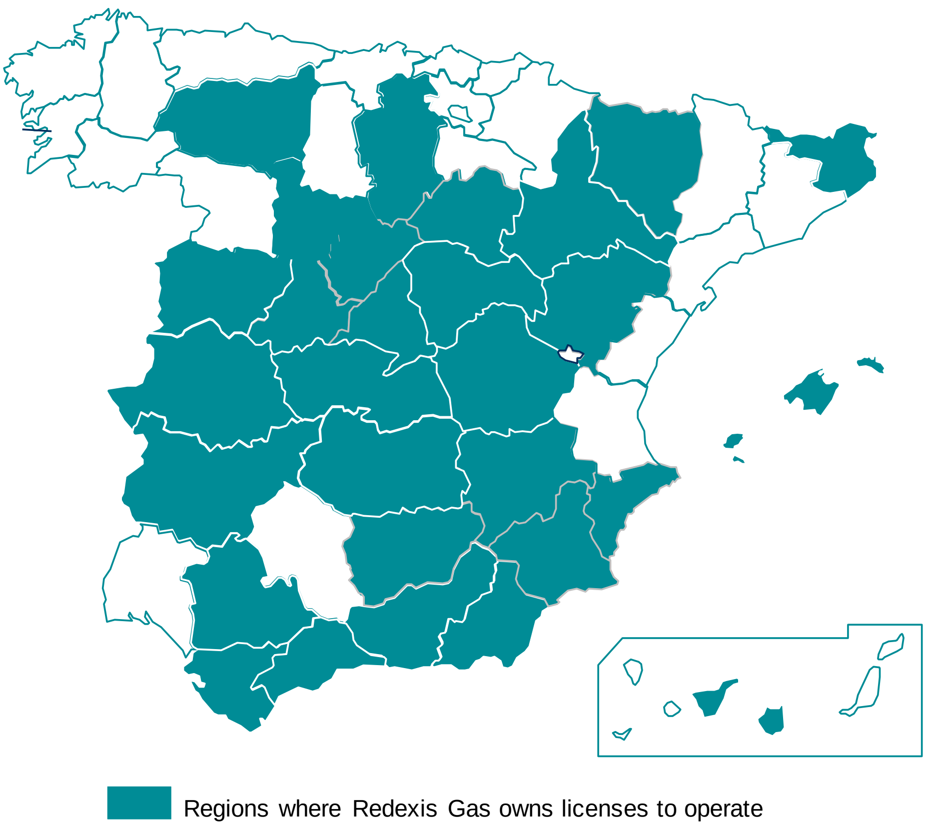
1. Redexis Gas at a glance

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 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 662,067 connection points throughout Spain and manages a gas distribution and transmission network spanning 10,188 km.

The Company has licenses to operate in 582 municipalities across 11 Autonomous Communities in Spain, including: 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 two European pension funds, Universities Superannuation Scheme ("USS") and Arbejdsmarkedets Tillægspension ("ATP"), and Guoxin Guotong Fund LLP ("GT Fund") and CNIC Corporation Limited ("CNIC").



Key highlights

- **Continued growth track with 19 thousand new contracts, resulting in a 4.1% growth in total connection points compared to 2017**
- **Distributed energy increased by 15.6% in the first six months of the year with industrial demand growing 39.2% compared to H1 2017**
- **Revenue up by 9.8% to €126.0 million**
- **EBITDA for the six-month period increased 8.6%, to reach €87.3 million**
- **From 20 June 2018, the shareholding structure of Redexis Gas is as follows: ATP 33.3%, USS 33.3% and GT Fund and CNIC jointly 33.3%. The investment of GT Fund and CNIC is implemented through a Gutong Romeo Holdings Ltd, a SPV GT fund and CNIC respectively owned 51% and 49%**
- **Redexis Gas continued to implement a sound financial policy with investment grade rating on its debt**

OPERATING HIGHLIGHTS

Operating highlights	Unit	For the six-months ended 30-Jun-2018	For the six-months ended 30-Jun-2017	%change
Distribution Connection Points (CPs)	#	**662,067**	**636,127**	**4.1%**
Municipalities served	#	**488**	**484**	**0.8%**
Network length	**Km**	**10,188**	**9,655**	5.5%
Distribution network length	Km	8,546	8,024	6.5%
Transmission network length	Km	1,643	1,631	0.7%
Energy distributed	**GWh**	**17,205**	**14,882**	**15.6%**
P<4b	GWh	3,699	3,193	15.8%
LPG	GWh	284	240	18.4%
4b<P<60b	GWh	4,181	3,003	39.2%
P>60b	GWh	9,041	8,446	7.0%

FINANCIAL HIGHLIGHTS

Financial highlights	For the six-months ended 30-Jun-2018	For the six-months ended 30-Jun-2017	%change
Data in €million unless otherwise stated			
Revenues and other income	**126.0**	**114.7**	**9.8%**
Distribution - regulated	55.7	49.7	12.1%
Other regulated distribution income	12.7	13.5	(5.9%)
Transmission - regulated	31.2	30.8	1.3%
LPG regulated business	16.4	14.0	17.1%
Other operating income	3.6	1.6	124.2%
Self-constructed non-current assets	6.4	5.1	24.9%
EBITDA	**87.3**	**80.4**	**8.6%**
EBITDA Margin (%)	69.3%	70.1%	(0.8 pp)
EBITDA Margin ex LPG dilution (%)	76.9%	75.9%	1.0 pp
Capex	**58.6**	**58.7**	**(0.1%)**

Note: 2017 is the first full year with the LPG acquisitions. The lower margins in the LPG regulated business dilutes the overall EBITDA margin

1.1. Key events for the period

- **Operational excellence, achieving accelerated growth in Distribution**

In the first six months of 2018, Redexis Gas has continued to grow steadily with 19 thousand new contracts, resulting in a 4.1% increase in total connection points compared to the same period of 2017.

This performance reflects the development and segmentation of new channels, the adoption of commercial best practices, the professionalisation of the salesforce focusing on the development of skills and competences and the implementation of an expansion model based on advanced artificial intelligence tools and more efficient business processes.

As of 30 June 2018, the Company operates 662 thousand connection points of natural gas and LPG in 488 municipalities (distribution of natural gas and LPG may co-exist in the same municipality) in Spain, through 10,188 kilometres of distribution and transmission network.

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 regard, in the first six months of the year, Redexis Gas has migrated nine municipalities to natural gas. Moreover, Redexis Gas has commissioned 3 new municipalities from Cepsa.

The effort in the industrial segment resulted in an increase of the P>4bar industrial consumption of 39.2% compared to the first six months of 2017.

- **ATP, USS and GT Fund / CNIC have completed the acquisition of Redexis Gas**

On 4 April 2018, ATP and USS, as well as the financial investors GT Fund and CNIC signed agreements to acquire a 50.1% interest in Redexis Gas, S.A. and Redexis Gas Finance B.V. from the infrastructure funds managed by Goldman Sachs ("GSIP").

The closing of the acquisition took place on 20 June 2018 leaving the shareholding structure of Redexis Gas as follows: ATP 33.3%, USS 33.3% and GT Fund and CNIC jointly 33.3%. The investment of GT Fund and CNIC is implemented through a Gutong Romeo Holdings Ltd, a SPV GT fund and CNIC respectively owned 51% and 49%.

- **Strong, well invested and supportive long term standing shareholders driven by Investment Grade rating policy**

Redexis Gas and its shareholders are committed to maintaining an investment grade debt structure with long term financing and flexibility in dividends and growth strategy.

Within this context and based on maintaining the investment grade rating, in April 2018, Redexis Gas paid a €220 million dividend to shareholders.

- **Redexis Gas signed a new Facility with the European Investment Bank**

In January 2018, Redexis Gas signed with the European Investment Bank (EIB) through the "Juncker Plan", two loans for an aggregate amount of €125 million, within the framework of the EFSI (European Fund for Strategic Investments), whose funds are used for rolling out distribution networks throughout the Redexis Gas authorised regions.

- **IT innovation supporting growth and efficiencies**

Redexis Gas is an organization in constant evolution, adapting to the needs of its customers and society's demands.

In 2018, the company implemented two new models of artificial intelligence: one to optimise the investment in network planning, and the other one to plan field work. Additionally, the implementation of Artificial Intelligence has brought job creation, since an internal unit has been trained in machine learning, incorporating several data scientists into the Company.

At present, Redexis Gas is implementing new developments, such as the optimisation of inspection routes, predictive management of network maintenance or risk prevention.

- **Redexis Gas started a joint venture with Enagas to promote renewable hydrogen production projects**

In March 2018, Redexis Gas has signed an agreement with Enagas to promote renewable energy by creating 'H2Gas'. The purpose of 'H2Gas' will be the technological development and promotion of production and transport of hydrogen generated from renewable energies.

Under the 'H2Gas' framework, Enagas and Redexis Gas are carrying out a first project that will consist on the development of the technology required to produce renewable hydrogen, to be used in the industrial and mobility sectors. Additionally, both companies will work jointly to advance and develop the introduction of renewable energy into the gas transmission and distribution network.

The project contemplates the use of 'Power to Gas' technology, which allows generating hydrogen from water and electricity and injecting it into the gas pipeline network, whether directly or converted into synthetic natural gas or biomethane.

Redexis Gas, through the project 'H2Gas', is making progress in its strategy of committing to, and investing in R&D projects based on sustainable energies, which favour technologic innovation and promote energy within the environmental sustainability framework.

- **Redexis Gas has implemented EHS policies and an EHS Integrated Management System**

The EHS Policy that Redexis Gas has established aims to achieve a balance between economic, environmental and social aspects, in accordance with the principles of sustainable development and firmly committed to safety, health protection, conservation of the environment and the efficient use of resources and to facilitate the frame of reference to establish the objectives that the Company tries to achieve.

In June 2018, Redexis Gas adapted the Integrated Management System to the latest version of the ISO 14001:2015 standard. The process of adapting to the new methodology from an environmental point of view has entailed the modification of the whole system, including the previous policy, for another energy, environment and occupational health and safety management policy, newly defining its objectives and environmental aspects, and elaborating new lists of environmental indicators adapted to the Company.

Finally, in June 2018, the management system was audited, maintaining the certification pursuant to the ISO 14001:2.015 Standard and the OHSAS 18001:2007 Standard.

On the back of the opportunities for improvement found during the adaptation of the new ISO 14001:2015, Redexis Gas decided to make a further effort and implement ISO 50001:2011 on energy management in the Company, to increase the energetic efficiency and reduce the environmental impact. In June, Redexis Gas obtained the ISO 50001 certification on energy management.

In addition, in June 2018, Redexis Gas reported to GRESB Infrastructure as evidence of their ESG (Environmental, Social, Governance) policies, processes and projects.

Note: GRESB Infrastructure provides systematic assessment, objective scoring, and peer benchmarking for environmental, social, and governance (ESG) performance of infrastructure companies and funds. It enables institutional investors to request standardized ESG reporting from investments and provides tools to analyze critical aspects of management, policy, implementation, and performance.

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

For the third 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.

The main points of the meeting were the creation of a transport and logistics centre.

- **Redexis Gas participated in the Seminar on Sustainable Development Goals (SDGs) for corporations**

In June 2018, Redexis Gas, as a member of the Global Compact, participated in the Seminar on Sustainable Development Goals (SDGs) for corporations that took place in Palma de Mallorca (Balearic Islands). The objective of this Seminar was to analyze the way in which the SDGs are changing companies and their activity.

- **Redexis Gas signed an agreement with the Balearic Islands Regional Government to promote natural gas for bus transportation**

In May 2018, Redexis Gas signed an agreement with the Balearic Islands government to promote natural gas for bus transportation in the Islands. The signature of this agreement represents an opportunity to capture distribution revenues coming from new transport-related energy volumes.

Additionally, the construction and operation of these new gas stations represent an opportunity for the Balearic Islands as a national benchmark in sustainable mobility and environmental protection.

- **Simplified direct connection positions in transmission**

Simplified direct connection positions in transmission, which result in a more cost-efficient connection of some industrial clients, are now allowed legaly after Redexis Gas proposal.

Considering post-2015 regulation, the distribution company has to bear the costs of the valve position when connecting to a transmission pipeline. However, the wording of the RD 1434/2002 did not allow developing direct connections (without an isolation valve in the main line) that are less expensive than the standard ones, and which are equally suitable from a technical and security of supply point of view for some connections (small towns, industries, etc.)

Redexis Gas promoted the amendment of RD 1434/2002 that finally took place on 26 May 2018 through such RD 335/2018, considering the text literally proposed by Redexis Gas. Such amendment might be further developed by technical rules and detailed regulation.

- **Gas System evolution**

In July 2018, the CNMC published the 6th interim report on the settlement of revenues and costs for the system for the year 2018. The main components were:

- The number of consumers reached 7,857 thousand an increase of 48 thousand in the year.

- The energy distributed totalled 153.6TWh, an increase of 7.6% versus the 6th interim report of 2017 mainly driven by:
  – A consumption of 48.9TWh in Group 1 (Power generation plants), representing an increase of 7.7% versus the same period of 2017.
  – A consumption of 96.7TWh across Groups 2 and 3 (Industrial and Residential), representing an increase of 8.1% versus the same period of 2017.

2. Key operating highlights

Operating highlights	Unit	For the six-months ended 30-Jun-2018	For the six-months ended 30-Jun-2017	%change
NG (P<4b)	#	580,987	555,502	4.6%
LPG	#	80,802	80,359	0.6%
NG (P>4b)	#	278	266	4.5%
Distribution Connection Points (CPs)	**#**	**662,067**	**636,127**	**4.1%**
Municipalities served	**#**	**488**	**484**	**0.8%**
Network length	Km	**10,188**	**9,655**	**5.5%**
Distribution network length	Km	8,546	8,024	6.5%
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Energy distributed	GWh	**17,205**	**14,882**	**15.6%**
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4b<P<60b	GWh	4,181	3,003	39.2%
P>60b	GWh	9,041	8,446	7.0%

Redexis Gas closed the first six months of 2018 with more than 19 thousand new contracts, adding 12 thousand net connection points to its portfolio, representing a 4.1% increase compared to the previous year.

This performance reflects the development and segmentation of new channels, the adoption of commercial best practices, the professionalisation of the salesforce focusing on the development of skills and competences and the implementation of an expansion model based on advanced artificial intelligence tools and more efficient business processes.

The Company is implementing an artificial intelligence machine learning model, which identifies customers with the highest propensity to contract; maximises market value passed, while minimising network length and maximising fieldwork execution with optimal resources.

As of 30 June 2018, the Company operates 662 thousand connection points of natural gas and LPG in 488 municipalities (distribution of natural gas and LPG may co-exist in the same municipality) in Spain, through 10,188 kilometres of distribution and transmission network.

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 regard, in the first six months of the year, Redexis Gas has migrated to natural gas:

- some municipalities that were previously in LPG (Repsol acquisition): Conil de la Frontera and Cuevas del Almazora in Andalusia; Torrente de Cinca in Aragon; Piedralaves in Castile and Leon; Mazarrón and Abarán in Murcia and Navalmanzano in Castile and Leon;
- the urban centers of Llucmajor and Cala d' en Bou in the municipality of Sant Josep de Sa Talaia in the Balearic Islands;

Moreover, Redexis Gas has commissioned 3 new municipalities in Andalusia and Castile-La Mancha from Cepsa.

Redexis Gas has focused on energy intensive industrial clients by implementing targeted offerings to attract new clients and increase the consumption of existing ones. There has been a noteworthy 39% increase in industrial and commercial demand compared to the first half of 2017. Among others, the Company is connecting new industries to its network for example Goma Camps in Aragón and Jake in

Murcia, and it has signed contracts with some new industrial clients: Pini Meat Processing in Aragón and Moyseafood in Andalusia.

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. At present, the Company provides LPG service in 424 municipalities; it operates a 935 kilometre network and has 81 thousand LPG points.

Moreover, in March 2018, a ruling by the Court of Justice of the Canary Islands caused the delay of Redexis Gas investments in the Canary Islands. Both the Government of the Canary Islands and Redexis Gas have challenged this Ruling before the Supreme Court in Madrid, based on legal grounds.

With regard to the transmission network, on April 2018, Redexis Gas obtained the favourable opinion of the CNMC for the construction of the Puerto Santa María – Chiclana pipeline in Andalusia. Currently, the Company's transmission network reaches 1,643 kilometres.

Regarding mobility, Redexis Gas is strongly committed to the use of Natural Gas for Vehicles (NGV), since the implementation thereof contributes to improve the environmental quality of cities, reduce CO_2 and aim for a future city that is environmentally sustainable.

The Company is already undertaking NGV projects thanks to the large gas infrastructure it has deployed throughout Spain. The following already use NGV in the Balearic Islands: the municipal fleet in charge of waste management and cleaning in Palma de Mallorca -Emaya-, the fleet of Valoriza Servicios Medioambientales in Ibiza or the bus fleet of the Municipal Transport Company of Palma -EMT-, among others.

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-2018	For the six-months ended 30-Jun-2017	%change
Data in € million			
Distribution - regulated	55.7	49.7	12.1%
Other regulated distribution income	12.7	13.5	(5.9%)
Transmission - regulated	31.2	30.8	1.3%
LPG regulated business	16.4	14.0	17.1%
Other Operating Income	3.6	1.6	124.2%
Self-constructed non-current assets	6.4	5.1	24.9%
Total Revenues and other income	**126.0**	**114.7**	**9.8%**
Supplies	(13.4)	(9.3)	43.7%
Personnel expenses	(12.5)	(11.5)	8.7%
Other Operating expenses	(12.9)	(13.5)	(5.0%)
EBITDA	**87.3**	**80.4**	**8.6%**
EBITDA margin (%)	*69.3%*	*70.1%*	*(0.8pp)*
EBITDA Margin ex LPG dilution (%)	*76.9%*	*75.9%*	*1.0pp*
Depreciation and amortisation	(39.5)	(36.5)	8.1%
Impairment on non-current assets	(1.0)	(0.1)	
Other non-recurring operating expenses, net	(9.2)	(1.8)	
EBIT	**37.6**	**42.0**	**(10.4%)**
Finance income	0.1	0.3	(64.7%)
Finance costs	(16.4)	(14.0)	17.5%
Net financial result	**(16.3)**	**(13.7)**	**19.0%**
EBT	**21.3**	**28.3**	**(24.7%)**
Income tax	(5.7)	(6.4)	(10.8%)
Net result for the period	**15.6**	**21,9**	**(28.7%)**
Result for the period attributable to owners of the Parent	15.6	21.9	(28.7%)
Result for the period attributable to non-controlling interests	(0.0)	(0.0)	

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-2018	For the six-months ended 30-Jun-2017	%change
Data in € million			
Distribution - regulated	55.7	49.7	12.1%
Other regulated distribution income	12.7	13.5	(5.9%)
Transmission - regulated	31.2	30.8	1.3%
LPG regulated business	16.4	14.0	17.1%
Other operating income	3.6	1.6	124.2%
Self-constructed non-current assets	6.4	5.1	24.9%
Total Revenues and other income	**126.0**	**114.7**	**9.8%**

In the first half of 2018, Redexis Gas recorded revenues of €126.0 million, representing an increase of 9.8% versus the same period of 2017, mainly due to the increase in the number of distribution connection points and the demand.

Distribution revenues increased by 12.1% reaching €55.7 million primarily as a result of the increased gross number of activations and demand, and the Company's focus on increasing these revenues per connection point.

Other regulated distribution income decreased by 5.9%, reaching €12.7 million, mainly due to the new natural gas meter rental prices from January 2018, despite the organic growth in the other components within this caption.

Transmission revenues increased by 1.3% reaching €31.2 million after the commissioning of transmission pipelines in 2017. In April 2018, Redexis Gas obtained the favourable opinion of the CNMC for the construction of the Puerto Santa María – Chiclana pipeline in Andalusia and is awaiting the approval from the Ministry.

The LPG points acquired 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 €16.4 million, a 17.1% increase versus the previous period of 2017, mainly due to the increase in demand.

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-2018	For the six-months ended 30-Jun-2017	%change
Data in €million unless otherwise stated			
Supplies	(13.4)	(9.3)	43.7%
Personnel expenses	(12.5)	(11.5)	8.7%
Other operating expenses	(12.9)	(13.5)	(5.0%)
Opex	**(38.7)**	**(34.3)**	**12.8%**

The addition of LPG points is the main reason for the increase in supplies in correlation with the evolution of revenues from the LPG business which includes a lower price discount on LPG purchases from Repsol after the first year of operation.

3.1.3.EBITDA

As of 30 June 2018, EBITDA amounted to €87.3 million, representing an 8.6% increase compared to the same period of 2017, and reaching a 69.3% margin (76.9% excluding the LPG margin dilution effect), 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 and the new natural gas metre rental prices from January 2018. The lower margins in the LPG regulated business dilute the overall EBITDA margin.

3.1.4.Other non-recurring operating expenses, net

Other non-recurring operating expenses include non-recurring operating expenses from the shareholders reorganisation (including compensation), cost of redundancies and other one-off costs.

3.1.5.Net financial result

Net financial result includes the financial expenses from our debt instruments. For the 6-month period ended on 30 June 2018 it reached €16.3 million, an increase of 19.0% as a result of the bonds issued in November 2017 (Please see note 3.3.1).

3.1.6.Income tax expenses

Income tax reached €5.7 million for the 6-month period ended 30 June 2018, a decrease of 10.8% versus the same period of 2017.

3.1.7.Net result for the period

The net result for the first half of 2018 amounted to €15.6 million, representing a 28.7% decrease versus the same period of 2017, mainly due to one-off non-recurring expenses.

3.2. Notes to the Consolidated Cash Flow Statement

Consolidated Cash Flow Statement

Cash Flow	For the six-months ended 30-Jun-2018	For the six-months ended 30-Jun-2017	%change
Data in € million			
Earnings before tax (EBT)	**21.3**	**28.3**	**(24.7%)**
Adjustment for:			
Depreciation and amortisation	39.5	36.5	8.1%
Impairment losses on non-current assets	1.0	0.1	
Change in provisions	0.2	0.0	
Government grants taken to income	(0.8)	(0.7)	6.3%
Financial income	(0.1)	(0.3)	
Financial expenses	16.4	14.0	17.5%
Cash flow from operating activities (pre-working capital)	**77.5**	**77.9**	**(0.5%)**
Net change in working capital	**27.9**	**20.5**	**35.9%**
Cash flow from operations	**105.4**	**98.4**	**7.1%**
Interest and commissions paid, net	(24.9)	(23.0)	8.5%
Income tax paid	(1.3)	(1.4)	(6.8%)
Net cash from operating activities	**79.1**	**74.0**	**6.9%**
Payments for purchases of LPG assets in service	(2.9)		
Current payments for acquisition of property, plant and equipment	(68.3)	(62.0)	10.3%
Investing Cash Flow	**(71.2)**	**(62.0)**	**14.9%**
Financial assets	(0.4)	(0.1)	
Bonds payment	(3.5)	-	
Dividend paid	(220.0)	(0.4)	
Net cash from financing activities	**(224.0)**	**(0.5)**	
Net increase / decrease in cash and cash equivalents	**(216.1)**	**11.5**	
Cash and cash equivalents BOP	289.4	39.0	
Cash and cash equivalents EOP	73.3	50.5	45.1%

3.2.1. Net cash from operating activities

Cash flow from operating activities (pre-working capital) amounted to €77.5 million, a 0.5% decrease compared to the same period of 2017, mainly due to the fact that the growth in the business was offset by the new natural gas metre rental prices from January 2018 and the one-off cost of non-recurring operating expenses (Please see note 3.1.4).

Net interest paid increased by 8.5% versus the first six months of 2017, reaching €24.9 million as a consequence of the interest payment on the bond issued in 2017 which occurred in April 2018 and the financing activities carried out in the fourth quarter of 2017 (Please see note 3.3.1).

Income Tax payments decreased versus the same period of 2017, reaching €1.3 million.

Net cash from operating activities increased 6.9% compared to the first half of 2017, reaching €79.1 million.

3.2.2. Investing cash flow

The total Capex of Redexis Gas reached €58.6 million for the six months period ended 30 June 2018 which have been mainly invested in intangible assets and in distribution networks.

Distribution investments reached €55.2 million, a 1.9% increase due to the higher number of connection points added, despite the higher efficiency.

Investments in intangible assets increased by 76% due to the IT investments and roll out of Artificial Intelligence Algorithms to support optimal network deployment and deliver average capex efficiencies.

Capex breakdown	For the six-months ended 30-Jun-2018	For the six-months ended 30-Jun-2017	%change
Data in €million unless otherwise stated			
Distribution	55.2	54.2	1.9%
Transmission	0.1	3.3	(97.0%)
Intangible assets	2.3	1.3	76.0%
Other acquisitions (distribution assets and LPG points)	1.1	-	
Total Capex	**58.6**	**58.7**	**(0.1%)**

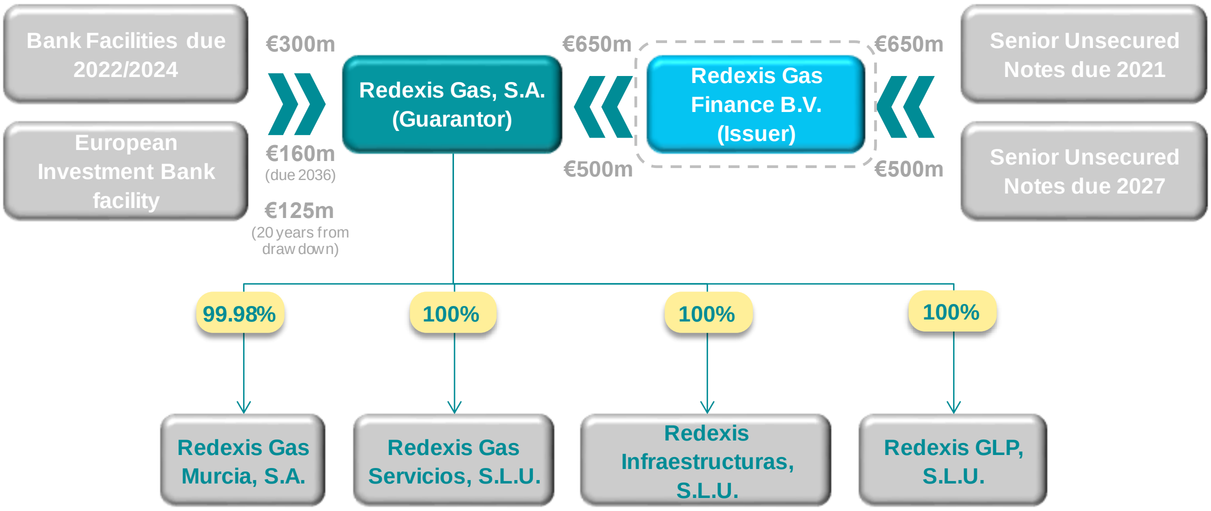
3.3. Notes to the Consolidated Balance Sheet

Consolidated Balance Sheet

Balance Sheet	Notes	For the six-months ended 30-Jun-2018	For the full year 2017	For the six-months ended 30-Jun-2017
Data in € million				
ASSETS				
Property, plant and equipment		**1,209.0**	**1,190.6**	**1,168.0**
Goodwill		**219.2**	**219.2**	**219.2**
Other intangible assets		**557.3**	**557.1**	**555.8**
Licenses		547.3	546.8	546.3
Others		10.0	10.3	9.4
Right of Use Assets		**2.8**	**3.3**	
Deferred tax assets		**48.6**	**52.4**	**53.5**
Deficit of the system		**6.9**	**11.1**	**7.7**
Non-current financial assets		**7.6**	**7.2**	**7.3**
TOTAL NON-CURRENT ASSETS		**2,051.3**	**2,040.9**	**2,011.5**
Inventories		**6.2**	**5.5**	**5.6**
Trade and other receivables		**38.7**	**66.2**	**40.6**
Other current financial assets		**0.1**	**0.6**	**43.6**
Other current assets		**18.1**	**17.8**	**4.7**
Cash and cash equivalents		**73.3**	**289.4**	**50.5**
TOTAL CURRENT ASSETS		**136.5**	**379.5**	**145.0**
TOTAL ASSETS		**2,187.8**	**2,420.5**	**2,156.4**
SHAREHOLDERS' EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent		**639.9**	**844.3**	**816.8**
Share capital		100.0	100.0	100.0
Share premium		105.4	105.4	105.4
Other reserves		418.9	589.2	589.5
Other comprehensive income - P&L		15.6	49.7	21.9
Non-controlling interest		**0.0**	**0.0**	**0.0**
TOTAL EQUITY		**639.9**	**844.3**	**816.8**
Deferred income		**21.5**	**22.9**	**23.3**
Long term liabilities (Bonds)	3.3.1	**1,138.2**	**1,137.0**	**889.6**
Loans and borrowings (Banks)	3.3.1	**158.2**	**158.1**	**189.8**
Other financial liabilities		**8.0**	**8.3**	**4.7**
Deferred tax liabilities		**105.5**	**105.1**	**115.0**
Provisions for employee benefits		**4.0**	**4.0**	**3.4**
Other provisions		**0.7**	**0.7**	**0.7**
TOTAL NON-CURRENT LIABILITIES		**1,436.2**	**1,436.0**	**1,226.4**
Short term liabilities (Bonds) (Accrued interests)		**5.7**	**19.4**	**4.9**
Loans and borrowings (Banks) (Accrued interests)	3.3.1	**2.0**	**1.0**	**2.3**
Fixed asset suppliers		**62.4**	**74.5**	**62.8**
Trade and other payables		**33.0**	**42.2**	**35.8**
Current income tax liabilities		**0.5**	**0.3**	**4.3**
Provisions for employee benefits		**0.0**	**0.1**	**0.1**
Other current liabilities		**8.3**	**2.7**	**2.9**
TOTAL CURRENT LIABILITIES		**111.8**	**140.1**	**113.2**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**2,187.8**	**2,420.5**	**2,156.4**

3.3.1.Debt structure

Corporate structure of Redexis Gas Group



The objects of Redexis Gas' financial strategy are to maintain the investment grade rating, diversify the financing sources, reduce financing costs, increase flexibility and extend the debt maturity profile.

The Company's financial structure is characterised by its flexibility and its long-term maturity, supporting the growth oriented strategy.

In November 2017, Redexis Gas successfully concluded a bank facility agreement for its revolving credit, for an amount of €300 million. The facility has a five-year term, up to 2022, extendable for two further years, significantly improving the maturity profile and average cost of its debt. Such facility replaces the previous syndicated loan, improving its economic and operating conditions.

With this credit facility, the Company strengthens its capital structure and acquires additional financial flexibility to undertake its investment plans.

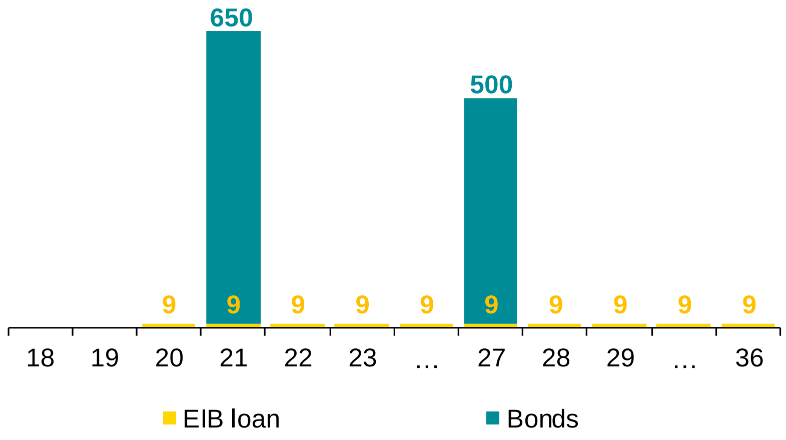
In December 2017, the Company successfully completed a third issue of bonds for an amount of €250 million. The transaction was closed with a 10-year maturity term, with an annual coupon of 1.875% and a 2% yield. Such transaction was structured as an addition to the bonds with maturity in 2027; the aggregate amount stands now at €500 million.

Likewise, in December 2017 - January 2018, the Company signed with the European Investment Bank (EIB) through the "Juncker Plan", two loans for an aggregate amount of €125 million, within the framework of the EFSI (European Fund for Strategic Investments), whose funds are used for rolling out distribution networks throughout the national territory. Both facilities enjoy the same documentation.

The transaction demonstrates the EIB’s confidence in the Company and provides Redexis Gas with further financing at an efficient cost and on attractive terms.

With these financing instruments Redexis Gas has ample capacity to carry-over its investments and does not have any significant maturities until 2021.

Maturity profile on drawn debt facilities (€m)



Redexis Gas is rated by S&P. The rating assigned is the following:

Agency	Corporate	Senior Unsecured Bonds	Outlook
S&P	BBB-	BBB-	Stable

The table below illustrates the debt structure of the Group:

Instrument		Rate	Issue date	Principal (€m)	Drawn @ 30/06/2018 (€m)	Maturity	Coupon
EIB	Loan facility	Fixed	December 2015	160	160	2036	
		Fixed / Variable	December 2017/ January 2018	125	-	20 years from drawdown	
Capital market financing	Bonds	Fixed	April 2014	650	650	2021	2.75%
		Fixed	April 2015/ December 2017	500	500	2027	1.88%
Bank financing	Revolving Capex Facility	Floating	November 2017	300	-	2022	
Total				**1,735**	**1,310**		
Cash and cash equivalents					(73)		
Net debt					**1,237**		

Net debt as of 30 June 2018 was €1,237 million, including the above-mentioned drawn debt and €73 million in cash and cash equivalents. At 30 June 2018, Redexis Gas had an additional €425 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 2018. 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.