

Financial and operating results for the first half of 2017

## Redexis Gas continues to deliver on its growth distribution plans

- In the first six months of 2017, Redexis Gas generated revenues of EUR 115 million and gross operating profit (EBITDA) of EUR 80.4 million, an increase of 14.8% and 7.6% respectively over the same period last year.
- Redexis Gas continues to deliver on its growth plans. In the first half of 2017, 24,000 new contracts were signed with clients, up 56.5% on the same period last year. Of that figure, 18,000 were connected to the Redexis Gas distribution network in the first six months of the year.
- In the first half of 2017, Redexis Gas made organic investments valued at EUR 59 million, a year-on-year rise of 37%.
- Redexis Gas has added 727 kilometres to its distribution and transmission networks to reach a total figure of 9,655 kilometres, an increase of 8.1% versus the same period last year.

**Madrid, 24 July 2017.-** Redexis Gas, one of the main companies dedicated to natural gas transmission and distribution, as well as to liquefied petroleum gas (LPG) distribution and commercialisation in Spain, has announced today its operating and financial results for the first half of 2017.

During the first half of the year, Redexis Gas saw healthy growth of its main financial indicators. Turnover reached EUR 115 million at 30 June 2017, an increase of 14.8% versus the same period in 2016. Gross operating profit (EBITDA) also grew by 7.6% to total EUR 80.4 million. In the first six months of 2017, the company generated net result of EUR 22 million, a 10.3% rise versus the previous year.

Redexis Gas continues to deliver on its growth plans. In the first half of 2017, 24,000 new contracts were signed with clients, up 56% on the same period last year. Of that figure, 18,000 were connected to the Redexis Gas distribution network in the first six months of the year. This

performance stems from 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.

At 30 June 2017, Redexis Gas exceeded 636,100 connection points, 33,200 more connection points than in June 2016, which represents growth of 5.5%. In the LPG (Liquefied Petroleum Gas) business, the company reported growth of 13% in the first half of 2017, reaching more than 80,300 points.

Redexis Gas started to supply natural gas in the first half of the year in six new municipalities: Chiclana de la Frontera in Andalusia, Felanitx in Islas Baleares, Pedreguer in the Autonomous Community of Valencia, and Alloza, Ariño and Magallón in Aragon. The company already provides access to this clean and efficient energy to more than nine million people, businesses and industries in 574 municipalities in ten Autonomous Communities.

In Castilla – La Mancha, the 9 kilometres ‘Yeles-Seseña’ gas pipeline was commissioned in May 2017. It provides natural gas to more than 5,000 citizens and businesses and fosters the development of new industrial projects. Redexis Gas also commissioned the 11 Km gas pipeline between Villacarrillo and Villanueva del Arzobispo in July 2017. This network completes the Villacarrillo – Villanueva del Arzobispo – Castellar transmission gas pipeline, which enables all natural gas distribution networks to expand into the province of Jaen.

In the first half of 2017, Redexis Gas made organic investments valued at EUR 59 million, an increase of 37% versus the first half of 2016. These investments were fully allocated to the roll-out of natural gas transmission and distribution infrastructure.

Redexis Gas has added 727 kilometres to its distribution and transmission networks to reach a total figure of 9,655 kilometres, an increase of 8.1% versus the same period last year. The company’s total network comprises 1,631 kilometres of transmission pipelines and 8,024 kilometres of distribution pipelines.

The energy distributed by Redexis Gas during the first half of 2017 reached a total of 14,882 GWh, a year-on-year rise of 18.6%.

In May 2017, European pension funds USS and ATP reached an agreement to increase their stake in Redexis Gas to 49.9%. USS and ATP have been indirect investors in Redexis Gas since 2010, and, following the agreed changes, the shareholder structure is now as follows: GSIP 50.1%, USS 30.0% and ATP 19.9%. The transaction has been duly authorised by the European Commission and completed by the parties.

## **About Redexis Gas**

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, the Balearic Islands, Andalusia, 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.