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PRESENTATION

Abel Arbat

Good morning, everyone, and welcome to the Gas Natural Fenosa Results Presentation for the First Quarter of 2018. From now on, we'll be presenting in English. The results will be presented by our Executive Chairman, Mr. Francisco Reynes, together with our CFO, Mr. Carlos Alvarez. At the end of the presentation, we will open it up Q&A. (Operator Instructions) And without further addition, I will hand it to our Executive Chairman, Francisco Reynes.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Good morning to everyone and thank you for joining us in this conference call. As you know, it has been just a couple of months since I arrived in the company and my work has been mainly focused in trying to finish the strategic plan for the time that we committed, which is in the first half of this year 2018. But furthermore, I would like just to highlight the most important events during this first quarter and what had been the major achievements in results. First of all, let me apologize, just in case you have any questions around the strategic plan because as I said before, our target is to have it finished by the end of this first half. But we are still in progress. Therefore, I will avoid any of your questions, which I think that may be highly interesting, but we have still some room for improvement and we prefer to postpone all the answers by the time that the strategic plan will be finished.

But having said that, I would like just to highlight how we have been moving forward in the strategic plan and which would be the transformation pillars we try to establish in this program. First of all, I would like to highlight what would to be the center pillar of our strategic plan, which is going to be value creation. That means we will focus this strategic plan in the optimization of the free cash flow and the incorporation of a strong financial discipline for investment.

Of course, adaptation of our governance, incorporation of a new organization, our shareholders' remuneration policy, business optimization and mainly based on efficiency in both OpEx and CapEx and portfolio optimization and focus are going to be the key pillars of this strategic plan. Then, I prefer to avoid, as I said, any questions around. I'm not today joining [you] for such a reason, but I wanted to introduce these key topics because they are going to be the topics that will be presented to you by June this year.

Moving forward on the main figures, on the first half, the first thing I want to tell you is, as you probably have seen already in the net income results, we have introduced impairment provisions for the same amount of our nonrecurrent capital gains coming from Italy. The main reason for that is that although they are noncash effect, we are clearly in the way to deploy selling processes and cash out of noncore activities and we think that the best way to move forward is to have proper book values before the disposals are made. Apologize not to have identify one by one the projects we have incorporated such a provision, but I think that this is a clear prevention to optimize the selling price and not give any type of guidance to the market about the assets that we are pretending to sell.

Important things to remark on this first quarter. Point #1, is growth of EBITDA. In accounting terms, as you have seen 2.7% up; on recurrent basis 7.8% up. This is important to be highlighted because in this first quarter there are some extraordinary effects that are jeopardizing the growth in EBITDA in recurrent terms. In net income, as I said, 7.4%, with EUR 170 million provisions for impairment. But in comparable terms, they would achieve over 30% of growth. Gross investments, we will disclose it later in much more detail important investment in nonrecurrent basis; in recurrent basis, minus almost 10% of CapEx commitments.

Net free cash flow moving up incorporating the cash in -- from Nedgia and Italy -- Nedgia is the sale of 20% of the company to the consortium formed by Allianz and CPPIB. And regarding Italy is the -- not a realization of our sales of the gas distribution company in Italy. And all these cash flow has been fully dedicated to the reduction of net debt and that's the reason why net debt has been dropping more than EUR 2 billion.

EBITDA explanation, you will see in the chart, 2 comparisons; the orange one versus the navy is the 2.7% accounting comparison -- 2.7%. If we go to the light blues in both sides, which are deducting from both years, the nonrecurring effects, as you can see in the first quarter of last year, they were extremely low. In this first quarter, they are linked to 2 important effects, Chile, as you will hear later on from our, CFO; there have been some nonrecurring effects which are affecting the quarter. And second, fines and penalties that will receive and, of course, are not foreseen to continue in the next quarters. Then, moving to the comparison on a recurrent basis, EUR 1,027,000,000 last year versus EUR 1.1 billion this year due to 3 major effects; one is growth in EBITDA on the networks business; second is, growth on the EBITDA produced by gas and power that includes all the liberalized market in both electricity and gas, including the trading on LNG, but reduced by the important effect of the forex impacts, mainly on Brazilian real, U.S. dollar, Chilean peso and Mexican peso, which are the most accounting effects in our P&L.

And the most important thing to highlight here is that in terms of recurrent OpEx of the quarter compared to the gross margin of the consolidated accounts in constant perimeter, we have increased our efficiency by almost 3.3 points, 31.3% in first quarter of last year compared to 28% on first quarter of this year.

On the net income side, first highlight is, the [same one] as I mentioned before; orange versus navy 7.4% up, without the nonrecurring effects, which are mainly linked to these impairment provision 32% up in comparable terms. Last year, they were some other nonrecurring items that accounted during the first quarter EUR 54 million, including an important capital gain on the Nedgia sale. But when we compare recurrent to recurrent, 3 major effects are increasing our results. Activity, as you have seen before in terms of EBITDA; financial results, which are mainly driven by the constant reduction of the cost of debt driven by the renegotiation of our credit lines and issuing new bonds that are issued on a lower interest rate, that the ones that were paid last quarter of last year -- first quarter of last year, sorry; and other effects which are also positive of EUR 21 million. That's the third recurrent comparison with EUR 324 million versus EUR 244 million, that's moves the recurrent profit up 32.8%.

The cash flow statement, 3 important highlights. One is about changes on working capital. Because of financial efficiency-driven decisions in the state of factoring some of our clients during the first quarter of 2017, we have decided to take advantage of the new cost of our corporate debt and not to factor them during the quarter. That is a part of the explanation why the working capital is changing now. On top of that, some restructuring costs that were implemented during the quarter -- during the last quarter and provisioned during the last quarter are implemented during this year, means cash out during the first quarter of this year, which is also reducing the working capital. On the positive side, important [disinvestments] that cash came into the company for over EUR 2.2 billion. And on the growth CapEx, one important nonrecurring item, as you can see in the page on the right side, which is mainly linked to the LNG business, means that the recurring CapEx is moving down almost 10%, although the CapEx -- total CapEx invested during the quarter, which is a level of EUR 533 million. All these free cash flow has been fully dedicated to the reduction of debt, which is the main driver of this debt reduction. I would like to highlight the strong balance sheet of the company, something which is going clearly to be addressed also in the strategic plan. Our financing policy for the future will also be included in the major highlights of the strategic plan. But meanwhile, we are just trying to optimize our cost of debt by reducing the average cost of debt compared to last quarter in 40 basis point, that reduces the cost of debt from 3.4% to 3%.

Finally, in terms of portfolio management, it has been a short quarter, but 2 major impacts are considered. One is about the proceeds already received by the gas distribution and supply business in Italy. Everything is completed. Just one part is pending, which has to do with the contract with the expected cash in of around EUR 30 million, rest are included already in the accounts of 2018. And the rest is about the Nedgia Spanish business which is about networks of gas in Spain. This 20% had no impact on P&L, but just in the reserves. The impact of Italy has also included in the P&L and this is full responsible to be able to accrued provisions for impairments for EUR 170 million. In this regard, other investment or other disposals are on track, but not finished yet and we will disclose its evolution in the next presentation of results on the first half.

Let me then hand over to Mr. Carlos Alvarez, our CFO, to go more in detail on business by business, what has been the main drivers of these results.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

Thank you, Francisco. Let's start with the evolution of our gas networks activity, including both our businesses in the Spain and Latin America. Note that, in line with the previous section, the figure shared and presented exclude nonrecurring items. As a result, recurrent EBITDA, in the first quarter of 2018, reached EUR 333 million, 2% below the first quarter of last year. Nevertheless, excluding the negative currency translation effect in the period, recurring activity will grew by 1%. Activity growth has been mainly driven by the application of the first and second or the 3-stage tariff review in Argentina. In that respect, it's worth highlighting that the third-stage tariff review has been approved already with the effect from 1st April of this year and hence which will experience an additional significant increase in the contribution of Argentina in the coming months. As for Brazil, activity growth has been mainly underpinned by the increased sales to the higher margin commercial segment. On the other hand, as anticipated in Spain, has been affected by the lower gas meters and remuneration according to the new law of meter rental prices. Mexico has [highlighted] underperformance, impacted by [methodology] of changes which have caused temporary gas measurement errors on which only a part has been considered as nonrecurring. Moreover, also commercial activity in the Noroeste and Sinaloa regions is yet to regain. Finally, Chile has been affected by higher expenses to support its expansion plan and commercial efforts, which showed near-term growth. In summary, positive recurring activity growth mainly underpinned by Argentina offset by lower gas meters and remuneration in the Spain.

Let's now move on to electricity networks, including both our activities in the Spain and in Latin America. Recurrent EBITDA in the first quarter of this year reached EUR 258 million or 1.7% below the first quarter of last year. Nevertheless, excluding the negative currency translation effect in the period, recurring activity would grow by more than 2%. In Spain and Chile, growth has been mainly driven by efficiencies, while in Argentina we benefit from the positive impact of a base index tariff partially offset by the inflation on our OpEx. On the other hand, the competition in Panama is affected by a typical income in first Q 2017, on tariff deviation from GS-15 and 16 and also by lower temperatures versus historical average, which has weighted on demand.

In summary, activity growth in electricity networks has been primarily driven by the increased deficiencies, although is still at on the average stage. As we pointed out earlier, not all the OpEx optimization has yet materialized and also the one that has was an effective sign at the beginning of the year, but rather implemented over the course of the quarter. We expect therefore efficiency to continue to positively impact results over the coming months, as we gradually capture the benefits of the OpEx optimization plan and progress on the various efficiency initiatives.

Moving on to gas activities, these have experienced a remarkable improvement in the quarter compared to the same period of last year. EBITDA in gas have reached EUR 332 million in the quarter compared to EUR 242 million last year, representing an increase of 37% in the period or an increase of 42% excluding the negative currency translation effect in the quarter. The infrastructure business has delivered an EBITDA of EUR 73 million in the quarter, which is basically a combination of a 3% growth in tariffs offset by the negative evolution of the dollar-euro pair in the period. The gas supply business has delivered a substantial improvement, reaching EUR 225 million of EBITDA in the quarter versus EUR 138 million last year, which is equivalent to a 63% increase or a 66% increase excluding the impact of currency translation. Likewise, gas supply unitary EBITDA has increased from EUR 1.2 megawatt hour in the first quarter of 2017 to EUR 1.9 megawatt hour this quarter.

Growth in gas supply has been mainly driven by the stress in international sales volumes to capture the higher international prices in the winter season, leveraging on the flexibility of our fleet and our gas contracts. As a result, our international LNG sales have increased by 47% in the period versus last year, while total gas sales has increased by 15%. Despite the stronger results, we'll remain more cautious for second Q and third Q as the end of the winter season in the North hemisphere weighs on demand and prices.

Finally, our energy services solutions unit has delivered an EBITDA of EUR 34 million, representing an increase of [CERCA] 40% mainly due to the efficiencies and the impact of the IFRS 15. We are confident that this activity present significant growth potential and can continue to deliver growth both in Spain and Latin America.

Moving now to the power business, starting with the Spain, EBITDA for the quarter has reached EUR 124 million, almost in line with EBITDA reported last year. Therefore, flat integrated profits versus the first quarter of last year, mainly due to the recovery of hydro production, although offset by lower thermal contribution. Indeed, the high thermal part during January 2017 was particularly [acute] and at significantly higher full price versus January 2018 driven by very low hydro and (inaudible) energy export to France. These factors translated into significant profits in January 2017, which have not been on a pair with January 2018 nor for the rest of the quarter.

Moving on international generation, EBITDA has shown a slight increase to EUR 69 million in the period from EUR 67 million in the first quarter of 2017. Thanks to the positive activity growth and offset by negative currency translation of the dollar-euro pair. In particular, activity growth has been mainly based on a different plant outage schedule in Mexico during the year versus last year and also due to the start of operations in the Brazilian PV plants last September. International generation will continue to deliver secure growth on the back of the new projects currently under development.

In this sense, let me provide you an update on our renewable projects currently under development. Starting with Spain, we are in the process of almost doubling our capacity in the country from the current 1,147 megawatts installed capacity to 2,109 megawatts. The development of our wind projects in the Canary Islands, as well as the product portfolio of wind and PV projects -- our Spanish auctions continues to progress satisfactorily. As of today, we expect that by the end of this year, the 45 megawatts in the Canary Islands will be fully installed. As for the Spanish auctions, we expect to have installed by the end of this year approximately 280 megawatts and 100 megawatts of our wind and PV [power] capacities, respectively. The remained [390] megawatts on wind projects and 150 megawatts on PV, is expected to be finalized during within the first half of next year. It is worth highlighting that we expect some CapEx savings from what was originally envisioned. In particular, we now expect to deploy CapEx clearly below the EUR 700 million mark in the Spanish wind renewal projects, as well as CapEx below EUR 165 million in the PV projects. These CapEx savings will help to enhance (inaudible) on these next projects.

In terms of our international renewals exposure, I would highlight that on 19 of March, Gas Natural Fenosa agreed to acquire 2 PV projects in Brazil, doubling its capacity in the country. This acquisition will represent an all-in investment of approximately EUR 95 million. We expect the new international renewal projects, including the ones in addition and the ones put in operational last September to contribute approximately EUR 70 million EBITDA once in full operation.

With this, we have finished the review of our results by activity and I will hand it over to Francisco for final conclusions.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Thank you, Carlos, and thank you, you for continue and being connected here. Just a summary of our results, I would like to highlight the improvements that these accounts represent in comparable terms. Even as Carlos explained by how the gas supply has been moving and our efficiencies are starting to be in place. I think that is important to highlight that the company has been moving forward in a focus on cash flow generation. Cash flow means value creation, cash flow means more efficiencies and more discipline in CapEx investments.

Of course, these results incorporate cash in coming from the 2 disposals, and again, as for your patient for the next coming weeks until the end of the second quarter to introduce to you the main drivers that our business is going to have for the next coming years. Two important things I would like to highlight as my final remarks; one is that the commitment all the management team is clearly addressed and focused on these value creation direction. And second is that the industry overall is suffering from important changes. We are not going to be out of that changes and we try to [read] what is going on in our environment in order to take the most important advantages for our company and of course for our shareholders.

Thank you very much and I will hand it over to Mr. Abel Arbat in order to monitor the Q&A part of the conference.

QUESTIONS AND ANSWERS

Abel Arbat

So we move on to the Q&A session and the questions which have been received through website. Let me remind you that at this point -- at this moment, the reception of questions have been disabled. So if you still had any remaining question, you can contact the Investor Relations team when the presentation is finished and we will be happy to assist.

Let's just start with the first set of questions. There are a number of questions obviously relating to the strategic plan in terms of dividend policy and [gearing and targets], but I think that I don't know if you want to further comment back --

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

I apologize to reiterate my first comments at the beginning of this conference call. All of it is going to be addressed. We consider and take into consideration all your questions that has been already addressed and we commit with all due that they will properly address in the presentation that we do -- will do physically when we will present the strategic plan to the investors' community.

Abel Arbat

Moving on to other questions. There are a number of questions from Carolina Dores from Morgan Stanley, Antonella and JPMorgan, et cetera, wanted to have more clarity on the nonrecurring items that we've presented this quarter and not only on the nature of those, but also on whether these items are going to be recurring for the rest of the quarters or not?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Of course, we have classified them as a nonrecurrent is because our best estimation is that they will not be recurrent. Then, that's the reason why we address this in part of the presentation. I will hand it over to Carlos Alvarez in order to have more clarity on the details, although, as always, we remain available for you that if you require more details after this conference call about the amounts of the nonrecurring items, the reasons why we consider nonrecurrent and how -- what [prognosis] moves forward, please do not hesitate to get in touch with our IR department, but I'll hand it over to Carlos Alvarez for proper answer.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

The details are included in the Slide 5. It's true that the details are there in footnote with small letters, but let me too summarize the main nonrecurring items. There are EUR 14 million referring to severance expenses; EUR32 million are one-off expenses related to Chile that both in electricity and gas, and electricity are related more or less around EUR 20 million that are related to higher expenses in forest fire prevention mainly and some penalties; and in Metrogas in the gas side, are referring to [trial] expenses, which is summarized in the most important nonrecurring items during this period.

Abel Arbat

Some other analyst also query around our M&A and portfolio management. And some mentioned that we have -- in the past, we've denied any potential combination with EDP and also any potential disposal of our LNG business. So they really ask us whether we can rule out completely these options over the table or what is our latest thinking on this note?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Again sorry for a very recurrent -- in this case, it will be a recurrent answer coming back to the principles of our strategic plan. Any potential disposal, of course, will be forming part of the business portfolio optimization and will be forming part of this chapter in the strategic plan. Regarding any potential merge transaction that we may think or consider in the future, we first and I would like to be clear with all the investment community, we first consider that we need to work internally in trying to achieve the real value of the company through our strategic plan. Therefore, our first objective and I would like to highlight probably, our unique objective today, is to work on the strategic plan, share it with you and make it happen and implemented and we'll see what the reaction of our plan is in terms of the market, which today, of course, is not price in the share price and we are not at the time considering or [studying] for the time being any merger project.

Abel Arbat

A couple of additional questions before we move on to the business section. Regarding the capital gains in Italy, which were originally expected at EUR 190 million, the question is why is the final value lower than that?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Well, keep in mind that part of the sale of the Italian business has not already been priced in and if we could have closed this transaction before the 31st of March, it would have not been EUR 190 million it would have been EUR 200 million. Then, it's on track and I would like to Carlos Alvarez to give more clarity on that.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

The main reason, as Francisco said, of course, that also there is a [minor other effect] is that when we announced the transaction, the amounts are relative in 2017 and that there is some profits that we have incorporated in the profit and loss this quarter and this is the difference between the both amounts considering the remaining capital gain from the last contract that we will materialize next month.

Abel Arbat

And a regional, more numeric question, it's -- please see if we can explain the evolution of our working capital during the first quarter of 2018.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

I think Francisco has explained during the presentation, there are 2 main effects that has this negative impact. The first one is the decision to follow the -- continue on the securitization of the account receivables that we have done during last year and especially at the end of the year. This is the decision that relates that trying to optimize our financial position. And considering the cost of the debt that we have at this moment of 3% we have considered that it is not optimal for this company at this moment continuing -- doing well at the end of this quarter the factoring of this account receivables. This is the main reason. The second one is that last year, in December, we have provided provision for restructuring costs of around EUR 100 million; we have cashed out these in the first quarter for around EUR 80 million. And these are the main 2 reasons of this change in the working capital at this moment.

Abel Arbat

So let's now move on to various questions on business activity. And we are going to start by gas distribution. The first question comes from Carolina Dores, Morgan Stanley, and he's asking about the stage of the tariff review in Argentina and whether we think that the Argentinean Government decision could perhaps ease the base of government proposed increases in [activity] prices or so.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

I commented in the previous [speech], I think is the date the Italian -- the Argentinan Government has approved the third stage in increase in tariffs that was approved last year. That means that from 1st April 2018, the last -- the incremental tariffs in Argentina is done. That means that we will have additional significant increment -- increase in our EBITDA in the next coming months due to this last increase in tariffs.

Abel Arbat

Continuing with gas distribution, now we have a question relating to Spain. It's a question from Manuel Palomo from Exane, and conscious over the impact of the new law on the gas meters and remuneration. He is asking us if we can update him on any appeal that we might be undergoing in terms of gas meters in Spain.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

Yes. But as we have commented in the last conference call last quarter, we appealed to that but is it is true that in the accounting basis, we are providing according to the law and for that the annual estimation of the impact for this year is around EUR 40 million, that means that in this quarter, we have this EUR 10 million more or less that effect in the accounts.

Abel Arbat

We now move on to gas supply where there are significant questions. So let's just start with a basic one, which is -- which comes from (inaudible) and he's just asking us to clarify whether the EBITDA from gas supply Chile reclassification is embedded in the favor of gas supply on both quarters, 2017 and 2018.

And the answer is that it is, indeed. So the figures that you see in the presentation of 138 and 228 for the first quarter of '17 and '18 respectively as indicated in the note include also the reclassification of gas supply in Chile.

Now continuing more on the fundamentals of the business. There are lots of questions on what is sort of the outlook for this business going forward, both in terms of volumes and in terms of prices.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

This -- as we have commented in the presentation, this business has a significant seasonality as you can see, if you see the evolution of quarter-by-quarter of the EBITDA last years, we have more EBITDA in the winter quarters compared with the spring and summer quarters. That means that in terms of volumes, there are significant differences in volumes, especially in the (inaudible) market, but also in the LNG business. That means that in terms of volumes, it's not the same for sure in the second Q and the third Q. That means that these extraordinary volumes that we have had in the first quarter are not -- will be not the same in the next 2 quarters. And similarly in terms of the results; as you can imagine, for both -- for the volume effect, but also for the spread that we are able to catch from the winter season, that is not the repeatable for the second Q and the third Q. For that, we have included in the presentation this be more cautious of the outlook for the second Q and the third Q of this year.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Having said that, I think that it's important to highlight the competitivity of the contracts of supply that we may get in the future quarters, taking into consideration the drop on the Brent price since the contracts of today are incorporated in the P&L and considering that those contracts will fix on the level of Brent around $100 and having dropped it to a level of $70 considering that there is a 3 years visibility on this contracts moving backwards; the future of our contracts moving forward will take the advantage of these dropping in pricing.

Abel Arbat

Harry Wyburd from Bank of America is asking us whether regarding our contact [function here] and in relation to the JKM LNG Futures in Asia, which are now at $8.2, he is asking whether or not our [10-year] contract is finally in the money (inaudible). And the simple answer is that it is -- it is. Moving on --

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

The answer can be yes, but it is true that -- reminder our contracts are not molecularly molecular (inaudible) that means that, in general, we can tell that we've -- of course, as we have mentioned in, we have some gas that (inaudible) the indexation is Henry Hub, but also we have sales index to Henry Hub. That means that -- but comparing the index that you're mentioning, of course, there is a spread that allow us to gain at this time better than in previous years.

Abel Arbat

Still within gas supply, there is a question around the deterioration of our Gas Natural market share in gas supply in Spain, and how do we think this can evolve over the coming quarters.

Carlos Javier Álvarez Fernández - *Gas Natural SDG, S.A. - CFO*

Remember that our -- in this -- in all the businesses, but especially in this business and the liberalized business in gas, our decisions is we want to maintain market share with margins. For that, we -- last year, especially, in the summer months, we have to decide -- to keep margins and losing some market share. Remember, we lose more than 2 points or something like that. That means that in the last quarter, we announced that we are recovering the part of the market share. That means that we are recovering margins because even that is -- keeping margins, not losing margins and this is the situation that is continuing during this first quarter. Situation in the Spanish market is becoming better and allow us to recovery -- the market share that we have lost last year, but it is a matter of timing -- we are not recovering the same volumes that we have lost in the middle of last year.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Sorry, just as a clarification, I think that is important to re-highlight what Carlos Alvarez has said. We are so convinced that we can recover market share because of market conditions in the future months that as a value-driven policy, we prioritize the recovery of margins and the recovery of market share will come little by little. And we are fully convinced that we may get the same market share at the end of the year we had with a better margin.

Abel Arbat

Then, still within gas supply, there are questions around our procurement contracts. As we highlight in earlier quarters, we were indeed expecting an improvement caused by the ordinary review of various procurement contracts there with you in the year. So the question relates to how is this evolving, is there any of this upside already captured in the results and what is the outlook regarding that front?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Not yet included this price reviews. They will come for sure. That's the fact, as I said before, that the point of reference as the Brent is -- has been declined since the contract were fixed and we are working on them and we will give you a visibility on the renewed prices by the second half.

Abel Arbat

There is another question in relation to the procurement contracts which relates particularly to the termination of the concession with the Maghreb pipeline on 2021. Some analyst relate to the news that were seen on the press with regards to trip that our Executive Chairman was supposedly going with the Prime Minister to Algeria to deal with this matter and they are asking us, what's the latest on this topic and whether we think that we can have a view on this topic ahead of the strategic plan or by the strategic plan?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Yes, it's our target give visibility on this contract. We are fully convinced that one of the most important visibilities that the company must incorporate in this strategic plan is removing concerns about this contract where we are working on, is one of my priorities together with the establishment of the key targets of the strategic plan. But Algeria is clearly one of our musts and we will give you feedback on that. Allow me to be more discrete because of course negotiation between both parties should not be disclosed until both reach an agreement and that's what we will try to work.

Abel Arbat

Still within gas supply, one of the questions is coming regarding Union Fenosa Gas and situation of the Damietta arbitration claim in front of the ICSID. What is the expected outcome, what is the timing of the decision and the potential economic impact for Gas Natural in the case and we can provide visibility in that respect?

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

As you mentioned before about the pipeline with Algeria and Morocco, the concession and the supply contract, the other important topic to be incorporated and what we are working on is Union Fenosa Gas. As you know, the arbitrate is coming to resolution within this year, but the intention of Gas Natural Fenosa is try to solve it through negotiation with the other party and we hope to give you more clarity on that whether this is possible or not during the next months.

Abel Arbat

There are questions on Spain electricity around the evolution of the business, which I think have been clearly explained already by Carlos in terms of why our results are relatively flat versus last year. So I'm going to move on to another question relating to the time charters and how is this captured within our total net debt.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

In the net debt accounting, the debt -- is not included. But as you can see in the appendix, we include the adjusted net debt that includes the -- not only these (inaudible) the all other ones that we have I think will be adjusted net debt, as you can see in the appendix.

Abel Arbat

So with that, we've concluded all the Q&A. And I'm going to hand it over -- well before hand it over to Francisco, if we missed any of the questions for any reason, please feel free to reach out to the Investor Relations teams, which is going to be happy and pleased to assist you.

So with that I'll hand it over to Francisco.

Francisco Miguel Reynés Massanet - *Gas Natural SDG, S.A. - CEO & Chairman*

Just a reminder, we hope to meet you in person by the presentation of our strategic plan by the month of June of this year. Company is working hard on that. Management team is fully focused. But again it will be a clear plan focus on value creation for our shareholders and longest visibility the most we can in a business that should remove some of the concerns that is your minds at the day of today. Thank you very much for joining and hope to see you soon.