

2016

ANNUAL REPORT



Madrileña
RED DE GAS

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INTRODUCTION

KEY FIGURES

LETTER FROM THE CHAIRMAN

KEY FIGURES

5,691 km

LENGTH OF NETWORK

With a total of 5,691 km of network and 135,294 tested connections, during the course of this financial year, we have completed the third round of our network tracking.

km/pressure

311 km 16 bar
4,873 km 0.4–4 bar
195 km 0.04–0.4 bar
312 km 0.025 bar

MUNICIPALITIES

Our goal: connecting new customers and reaching new municipalities. To this end we have acquired more than 42,000 LPG supply points for their later conversion to natural gas.

59

853,056

USERS

Out of the 1.73 million users of gas in the Community of Madrid, more than 853,000 rely on us. We have 48.7 % of the total number of supply points in the region.

RMS

More than 77 % of the 206 regulation and metering stations (RMS) of Madrileña Red de Gas, together with other facilities of our network, are remotely controlled from the control centre.

206

149

EMPLOYEES

The low turnover rate indicates the degree of satisfaction within our team, with an efficient, right-sized and extensively experienced in the sector.

INCOME

The net income in this financial year was €165.4 million. 83 % comes from the distribution activity and the remaining 17 % from other services.

165.4

103.1

EBIT

The adjusted gross operating result (EBIT) was €103.1 million, 1.1 % up on the previous year's figure.

102.1

CASH FLOW

The cash flow generated by operations during the financial year was €102.1 million, representing an increase of 5 % on the previous year.

LETTER FROM THE CHAIRMAN

In the financial year which is coming to an end, Madrileña Red de Gas has continued to meet the commitments made to its customers, the network users and society. On the one hand, we are maintaining high quality levels in the service and continuing to improve them. On the other hand, we are continuing to invest in the development of the network, providing access to natural gas for a growing number of families and industries.

Investment in the network is developing in two directions, both significant. The first is organic growth, expanding access to the use of natural gas for users both in areas where we are already established and in new municipalities where we have acquired ownership of new networks through competitive processes. The second is the acquisition of networks of customers supplied with liquefied petroleum gas (LPG), which we have been working to convert to natural gas in the near future, thus integrating them in the national gas distribution network.

The latest milestone in this regard has been the acquisition of around 42,000 connection points from Repsol, which will progressively be converted to natural gas over the next five years. The negotiations for this acquisition began in the fourth quarter of 2015 and were successfully concluded in May 2016. The work of converting and updating the relevant networks now lies ahead.

This acquisition significantly increases the number of connection points provided by Madrileña Red de Gas, which will exceed 900,000 by 2020, as the total of the acquired points and the expected organic growth.

As for the new municipalities, natural gas supply is usually provided from the high-pressure network, although in some cases, for reasons of distance and cost, the installation of liquefied natural gas (LNG) plants is preferred. The case of Valdetorres de Jarama, with its plant commissioned in

February this year, is the latest example in which this solution has been adopted.

All this reflects the commitment to continue investing in the Community of Madrid which Madrileña Red de Gas announced from the very start of its existence, already six years ago.

In addition to the new investment, the company has continued with its policy of internal improvement in all areas. In this spirit, we have maintained the level of results from previous years, despite the impact of the regulatory reform of 2014 on income from regulated activities. And this has been without prejudice to the service quality indicators, as you can see in the pages of the annual report.

As ever, we have focused on the safety of operations. The indicators that reflect our performance in this area have been maintained at the same high levels as previously. Safety has been at all times a top priority with an explicit commitment to everyone: customers, suppliers and society in general.

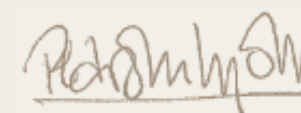
Our activity is conducted within a regulatory framework which, as is well known, requires sufficient long term stability so that the decisions of all kinds that companies need to take and, in particular, strategic and investment decisions, can be implemented in conditions of safety.

After the regulatory reform of the gas sector in 2014, this framework is perceived as stable, which is a basic precondition for companies to perform regulated activities. It is desirable, and, in today's conditions, can be expected, that this long-term stability will be maintained. However, it is also true that regulation in sectors such as energy requires continuous fine adjustment, which must be conducted on the basis of an ongoing dialogue with the stakeholders who know in detail the needs arising from a truly complex situation and who, on the basis of that

knowledge and everyday experience, can contribute significantly to the improvement of the rules governing the operation of the sector.

We hope that the constructive dialogue that has existed in the recent past will continue and thus contribute to the development of a vital sector for the Spanish and Madrid economy, to the benefit of all stakeholders: business, consumers and regulatory authorities. What is at stake is the stability and competitiveness of companies, the household budgets of families and the attractiveness of Spain and this sector as an investment target.

Finally, I would like to express the gratitude of the company to the shareholders who, in this new phase, are continuing to support it in its development with a long-term vision. And also to the management team and all those who are dedicating their careers to Madrileña Red de Gas, as they are the key to the past successes and to those to which we are looking forward in an evolution that is destined to bring many triumphs and satisfactions.



Pedro Mielgo
Chairman

CORPORATE GOVERNANCE

GOVERNANCE

CORPORATE RESPONSIBILITY

CORPORATE RISK MANAGEMENT

PREVENTION OF CRIMINAL OFFENCES

CORPORATE GOVERNANCE

BOARD OF DIRECTORS

Chairman

Pedro Mielgo

Directors

Michael Andrew Bryan
Dennis Van Alphen
Martijn Verwoest
Ruwantha Vidanaarachchi
Samantha Shepherd
Jérôme Sousselier
Guillaume d’Engremont
John Richard Tomlinson

Secretary (no Director)

Intertrust

MANAGEMENT COMMITTEE

Chief Executive Officer



Alejandro Lafarga

Head of Legal Affairs



Rafael Fuentes

Chief Financial Officer



Ignacio Gª de Alvear

Business Development Director



Félix Gómez

Head of Systems and Operations



Glen Lancaster

Head of Human Resources



Ramón Rodríguez

Head of Network Operations



Félix Blasco

GOVERNANCE

Committed as we are to the goal of increasing the value of our company every day, in Madrileña Red de Gas we know the value of our shareholders. They guarantee the existence of an organisation which ensures optimisation of the use of available resources, in order to achieve the highest yield on their investment within a framework of transparency, honesty and corporate ethics.

In this spirit, Madrileña Red de Gas ensures that all activity is performed effectively, according to the principles set out in the code of ethics and the policies and procedures approved by the company.

Madrileña Red de Gas has open and fluid communication channels which promote agile and transparent access to information and allow our shareholders to follow the management of the business, which is conducted on a prudent approach with responsible actions at all organisational levels.

CORPORATE GOVERNANCE

CORPORATE RESPONSIBILITY

To safeguard the rights of users and third parties in respect of the protection of personal data, MRG has increased the training initiatives to ensure compliance with the policy of personal data protection.

To do this, we have provided in-depth training to all employees in line with the management model for personal data protection implemented by Madrileña Red de Gas, whose main characteristics are:

- Information security policy, which sets out the commitment

to the protection of information and the implementation of initiatives aimed at its confidentiality, integrity and availability.

- Personal data protection security document which sets out the responsibilities, obligations and functions, maintenance system, measures and standards and security procedures, as well as the basic data of the various files.
- Procedures focussed on the management of rights of access, rectification, cancellation and objection (ARCO), management of computer storage media, user

management, management of incidents, identification and authentication of users, management of backups, control of physical access to the premises of the information systems and communications networks.

- The role of the information security officer, who is responsible for technical security and the functional file managers.
- Files registered with the Data Protection Agency; five being of high, two of medium and the rest of basic level.
- A total of 85 processing agents.

CORPORATE RISK MANAGEMENT

Madrileña Red de Gas has a chart of corporate risks with seven main categories: strategic, reputational, financial, security, regulation and compliance, information and reporting, operating, structure, and contractors and suppliers.

In the face of possible emerging risks, in Madrileña Red de Gas we have updated the corporate risk chart, identifying 17 new high-level controls which have been added to the 158 existing controls, as well as eight significant improvements to existing controls that enable us to mitigate major risks.

PREVENTION OF CRIMINAL OFFENCES

In compliance with organic law 1/2015, and in relation to the criminal liability of legal persons, in Madrileña Red de Gas we have updated the management model for the prevention of criminal offences in accordance with the following structure:

- Policy for the prevention of criminal offences, anti-corruption policy and code of ethics.
- Protocol for the prevention of criminal offences.
- Chart of criminal risks.
- Criminal compliance officer.
- Channel for complaints through which it is possible to communicate any irregularities or behaviour contrary to the law, the code of ethics or the procedures established by Madrileña Red de Gas.
- Disciplinary system.

In addition, during this financial year, we have communicated the policies for the prevention of offences in Madrileña Red de Gas to all workers, while at the same time developing the training programme for the prevention of offences.

BUSINESS

NEAR FUTURE

EXPANSION

INORGANIC GROWTH

QUALITY

SERVICE

THE NETWORK

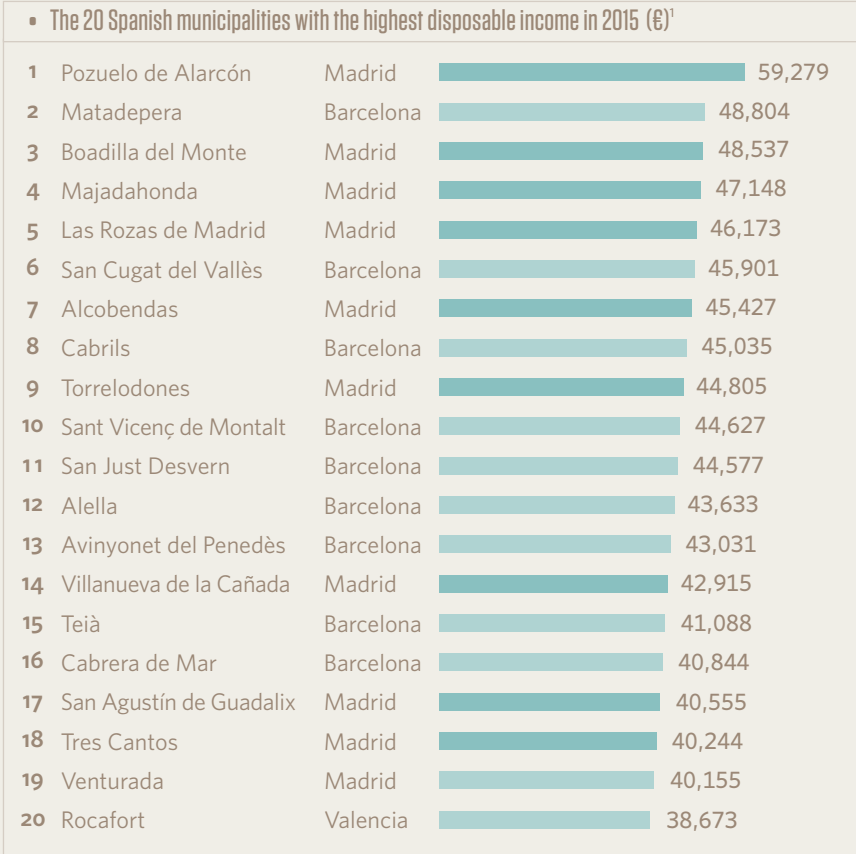
BUSINESS

NEAR FUTURE

An analysis of the Spanish residential market makes it clear that there has been an upturn in new developments. This implies that the potential demand for housing in Spain will reach close to 180,000 units in the period between 2016 and 2025.

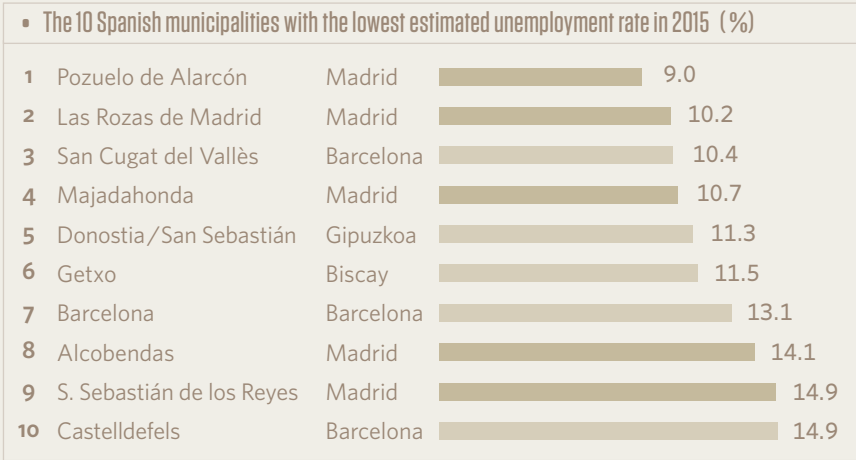
One out of every seven houses will be built in northern and central zones of the Community of Madrid (25,714 homes), where Madrileña Red de Gas operates. The growth forecast for the territory of MRG is 12,000 homes per year in the residential new build market, at a sustained rate until 2025. Currently, in municipalities such as Pozuelo de Alarcón and Alcobendas, there has been a notable increase in feasibility studies prior to the management and urbanisation of new land. In the cases of San Sebastián de los Reyes, Boadilla del Monte and Tres Cantos, there is already land ready to build on.

According to figures from the National Institute of Statistics (INE), if we consider the socio-economic situation of the municipalities in which Madrileña Red de Gas performs its activity, we are the distributor of natural gas in nine of the 20 municipalities with the highest net annual average income in Spain, and in nine of the ten municipalities with the highest income in the Community of Madrid. This fact has a positive impact on the typology of the houses already built, which are large, usually single-family, and occupied by families with a relatively large number of members living at the same address and with relatively high energy and comfort requirements.



¹ Gross income per respondent. Towns with more than 1,000 inhabitants. This does not include the Basque Country and Navarre.

Source: INE (National Statistics Institute)



Source: INE

In addition, they have one of the largest levels of consumption of natural gas in Spain, since the penetration of natural gas in the housing of these municipalities is more than 70 % and the climate is continental (cold winters).

Again according to figures from the National Spanish Institute of Statistics (INE) in relation to unemployment, Madrileña Red de Gas is the distributor of natural gas in five of the ten municipalities with the lowest unemployment rate.

All of above — analysis of the residential market, municipalities with the highest income, lowest unemployment rate, etc. — makes it clear that in the near future, in the territory where Madrileña Red de Gas operates, the reactivation of new housing is already a reality.

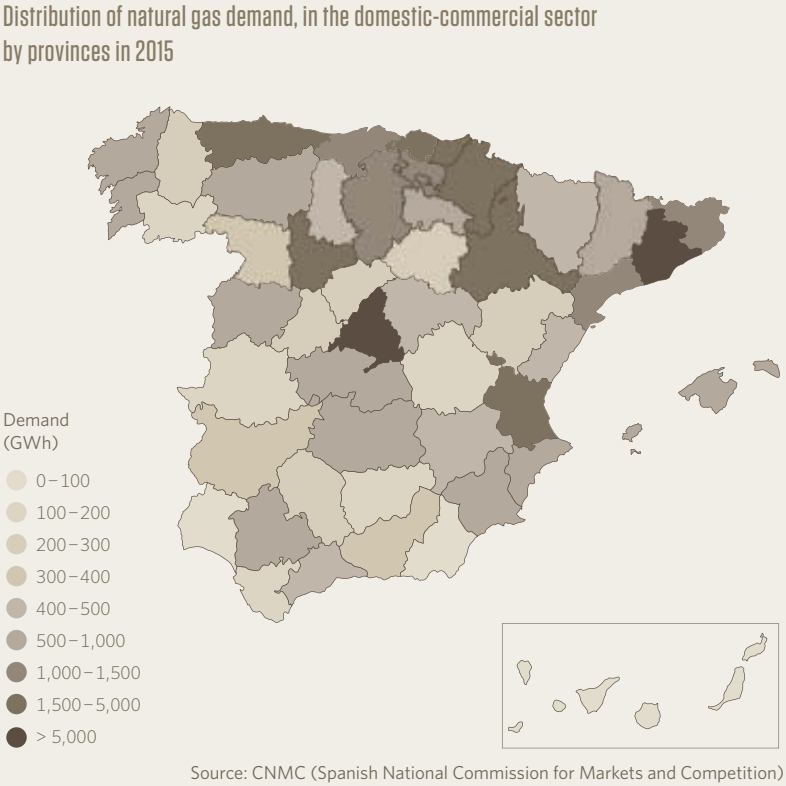
In our area there are a total of 4,350 homes under construction, of which 45 % have already been sold and will be available for occupation within a maximum period of ten months.

It is in these municipalities, with high incomes and a low unemployment rate, that the work of preparation of land for new development by estate agents is accelerating. Currently, there is planning space for a total of 22,628 homes in the above-mentioned municipalities; they will be available for building within a maximum period of 25 months.

EXPANSION

The continuous study of the evolution of the demand for natural gas and the annual growth of the number of users for the domestic-commercial sector carried out by Madrileña Red de Gas guarantees the fulfilment of the investment target for the development of our distribution network, since domestic and commercial consumption accounts for 20 % of the total consumption of gas in Spain. In the case of the Community of Madrid, the scope for action of Madrileña Red de Gas amounts to 77 %.

With more than 1.73 million users and total consumption of 16.4 TWh/year, Madrid is the Spanish autonomous community with the greatest growth in number of consumers. Of the total supply points in



BUSINESS

the region more than 48.7% belong to MRG. Proof of this growth has been the construction and commissioning, during the current financial year, of a range of facilities and LNG plants in several municipalities of the Community of Madrid.

Construction and commissioning:

- Line of Quijorna, with 378 supply points.
- Line of El Vellón, with 67 supply points.

Commissioning:

- Plant 22 of Gomez Ulla Hospital with an estimated consumption of 0.7 GWh/year.
- Hospital in Alcala de Henares with an estimated consumption of 11.2 GWh/year.

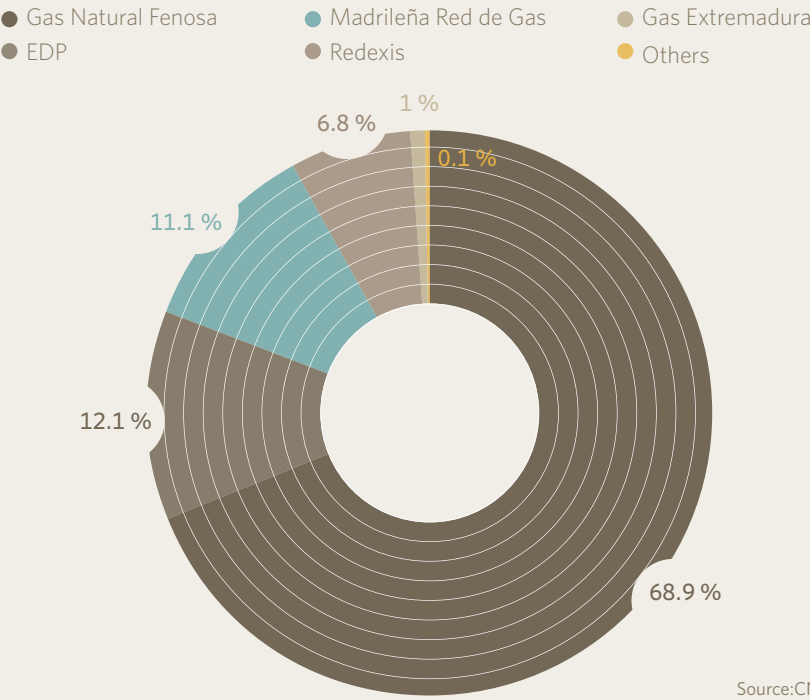
Commissioning of LNG plants:

- Guadalix de la Sierra, with 374 supply points.
- Talamanca de Jarama, with 248 supply points.
- Torrelaguna, with 194 supply points.
- Valdetorres de Jarama, with 125 supply points.
- Zarzalejo, with 13 supply points.

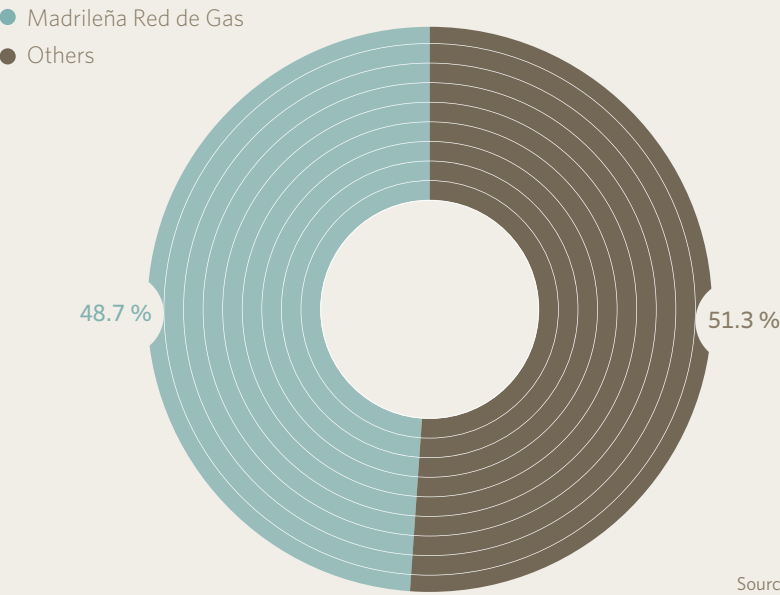
The achievement of our development targets strengthens the position of Madrileña Red de Gas as the third distributor of gas by supply points, as shown by the report of the CNMC (National Commission of Markets and Competition) for the fourth quarter of 2015.

During this financial year, MRG has sustained consumption above 9,150 kWh per year in customers on tariffs 3.1 to 3.4, in 60% of the municipalities in which the company operates.

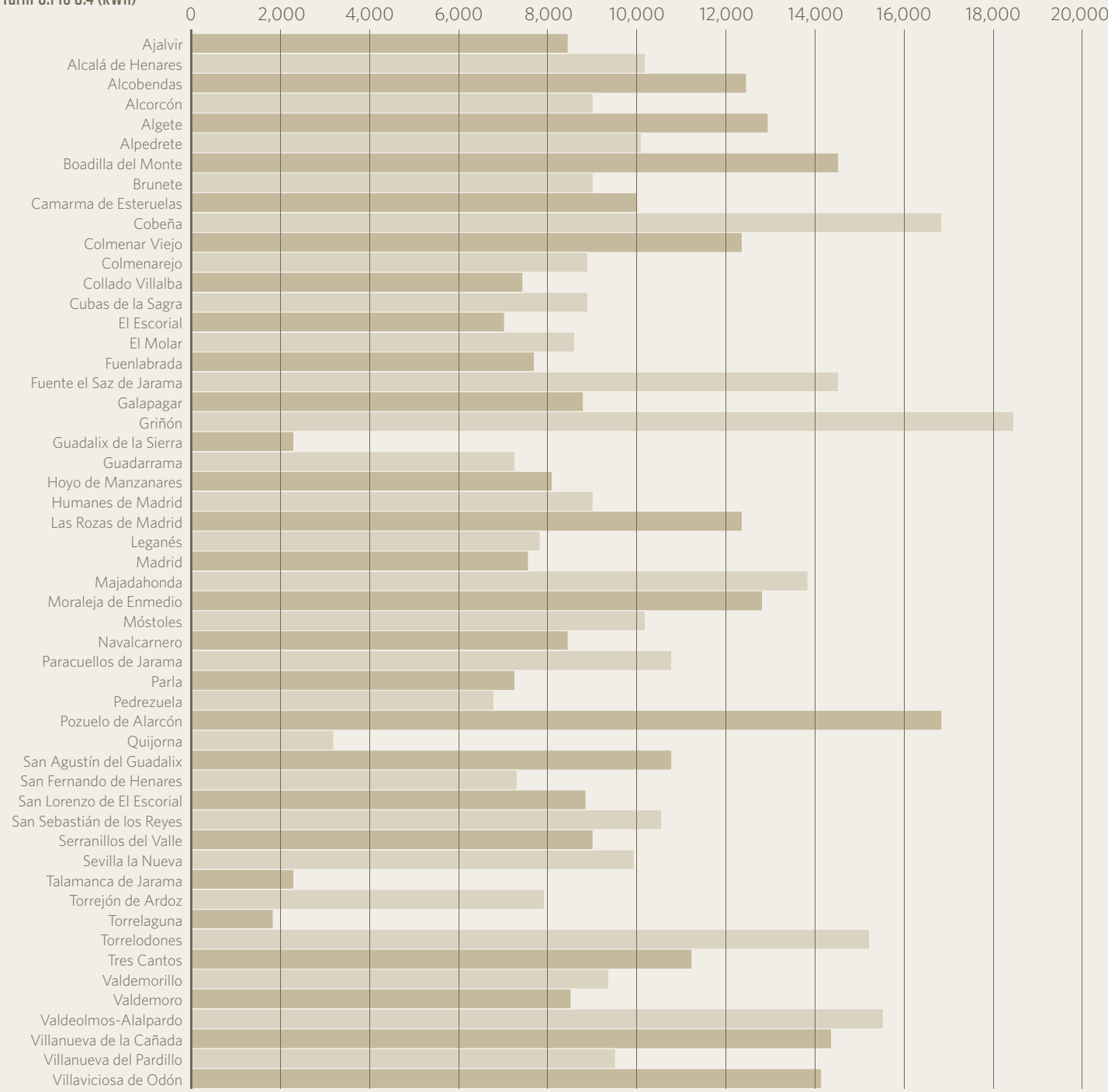
Supply points by network owners, Spain, 2015 (%)



Supply points by network owners, Madrid, 2015 (%)



Average natural gas consumption by municipalities MRG, 2015.
Tariff 3.1 to 3.4 (kWh)



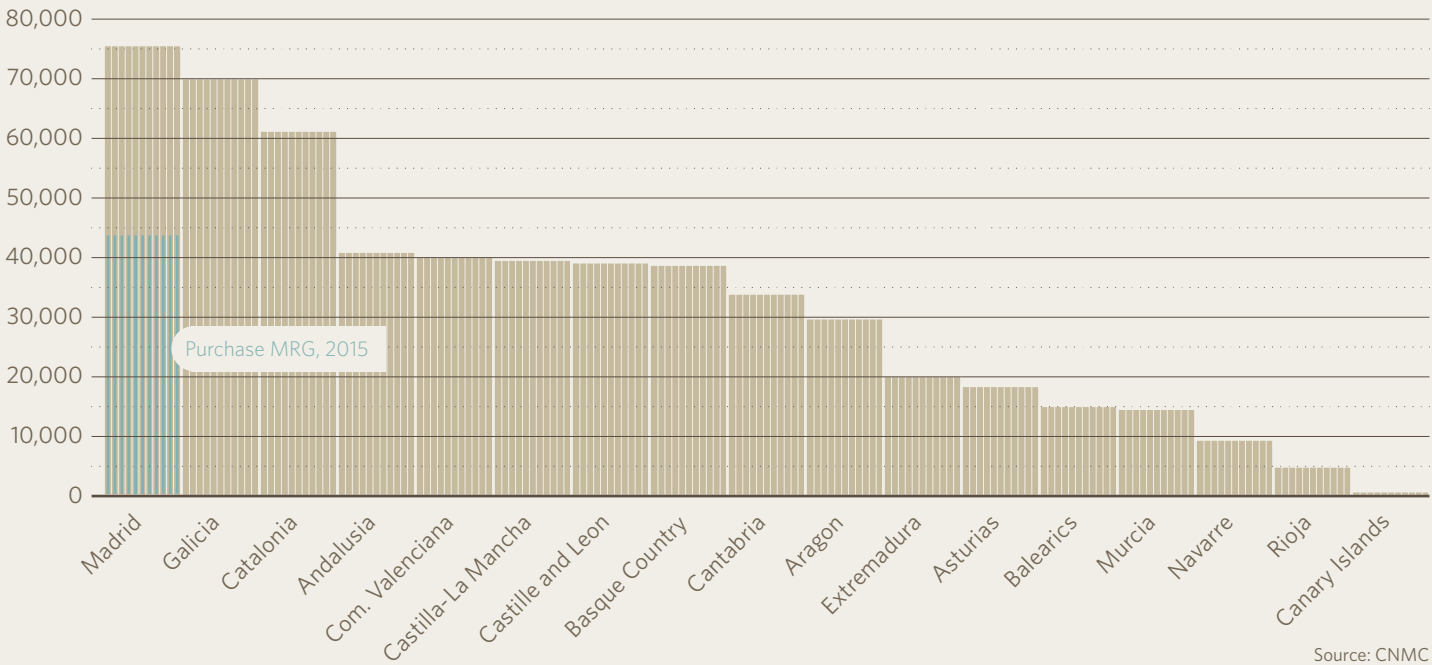
BUSINESS

INORGANIC GROWTH

In keeping with our commitment to maintain sustained inorganic growth within the Community of Madrid, during this year Madrileña Red de Gas has completed the acquisition of 548 LPG plants from various operators (Repsol, Cepsa, Vitogas, Xucrogas...) for conversion to natural gas. This figure represents 43,817 new supply points. The most important single acquisition has been the purchase from Repsol of 516 plants, with 42,534 supply points.

• Most significant consumption of LPG by region in 2015			
Region	LPG Sales (kg)	Customers	kg/client
Andalusia	10.326.341	44.820	230
Aragon	14.667.052	28.164	521
Asturias	6.505.685	18.363	354
Balearic Islands	4.425.688	15.066	294
Cantabria	8.827.527	33.414	264
Castilla-La Mancha	20.997.377	42.835	490
Catalonia	36.272.757	62.659	579
Extremadura	8.025.297	42.503	189
Madrid	53.700.553	82.521	651

Total No. of natural gas customers by region in 2015



CHANGE OF SCENARIO: LPG FOR NATURAL GAS

THE MARKET

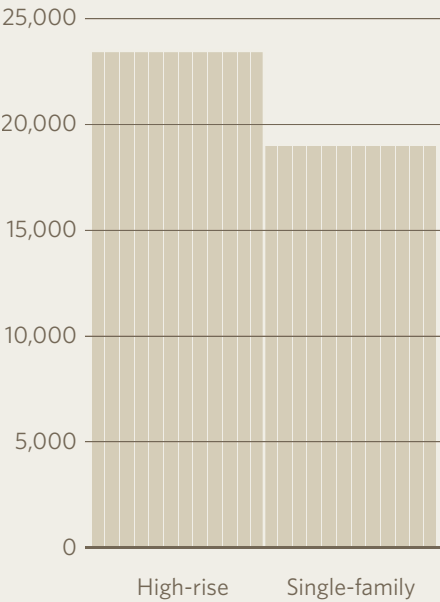
In Spain, the number of customers for the regulated supply of piped LPG was 546,222 at the end of 2015.

The Community of Madrid has 20.62 % of the total demand for piped LPG and is the Spanish autonomous community with the highest consumption per customer, which is around 650.75 kg per year, equivalent to 9.01 MWh/year of natural gas.

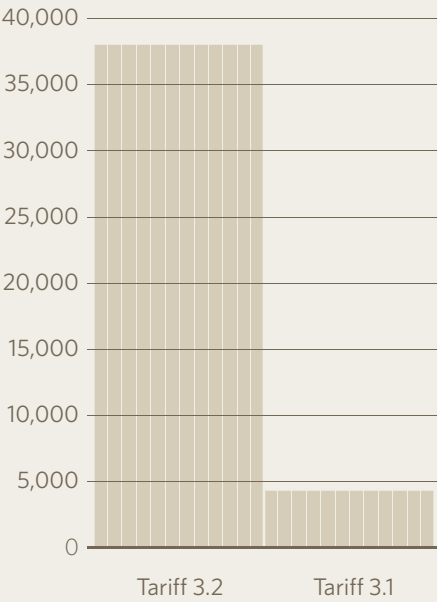
The 516 plants acquired from Repsol are located in 55 municipalities in the distribution area of Madrileña Red de Gas and are concentrated on the Western axis of our territory.

These plants represent 42,534 new supply points for Madrileña Red de Gas. Of them, 55.2 % (23,485) relate are flats, and 44.8 % (19,049) are single-family homes. Sorted by tariffs, they account for 22 per cent (9,357) at tariff 3.1 and the remaining 78 % (33,177) at tariff 3.2, with average consumption by tariff of 3,100 kWh/year for 3.1 and 10,664 kWh/year for 3.2.

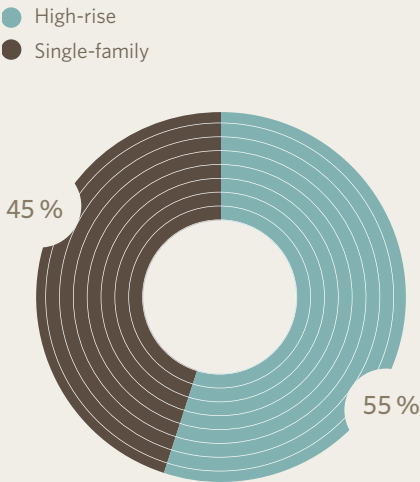
MRG supply points by type of home, 2016 (total)



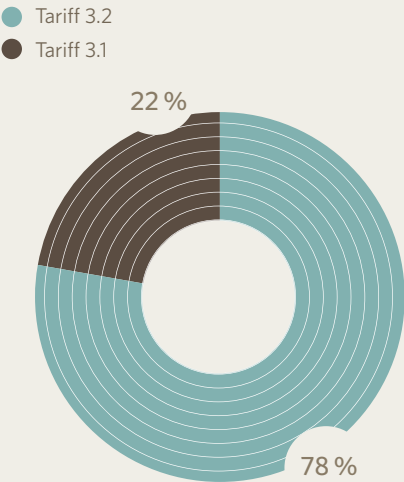
MRG supply points by type of tariff, 2016 (total)



MRG supply points by type of home, 2016 (%)



MRG supply points by type of Tariff, 2016 (%)*



(*) Estimated data

BUSINESS

THE CONVERSION

The conversion of the new supply points creates significant environmental benefits, since they considerably reduce CO₂ emissions. Total emissions for the 42,534 supply points acquired stand at 16,874 tonnes per year, which represents a fall of 17%. This equates to a reduction of CO₂ emissions by 397 kg/year per home.

In addition, the facilitation of the use of natural gas as an alternative energy source to LPG has considerable advantages in relation to costs, distribution, energy efficiency, etc. For this purpose, Madrileña Red de Gas has already launched the conversion process in several of the 548 LPG plants. The process will be completed as the necessary authorisations are obtained.

In general, the process of converting homes which are supplied by LPG from a storage facility is a complex operation which Madrileña Red de Gas has already standardised.

As a prior step to the conversion, MRG will check the changes necessary to adapt the common reception plants to new supply with natural gas and the regulations in force. In addition, it is performing the necessary connection to the natural gas distribution network and inspecting the supply points to be converted, in order to make an inventory of the equipment and check the physical condition of the premises, as well as their adaptation to the regulations in force. Any necessary adaptations will be carried out, for example, to vents.

A few days before completing the conversion, Madrileña Red de Gas will inform users of the date for the execution of the works, as the necessity to access the homes of users and for them to be present at the time of the change of the equipment.

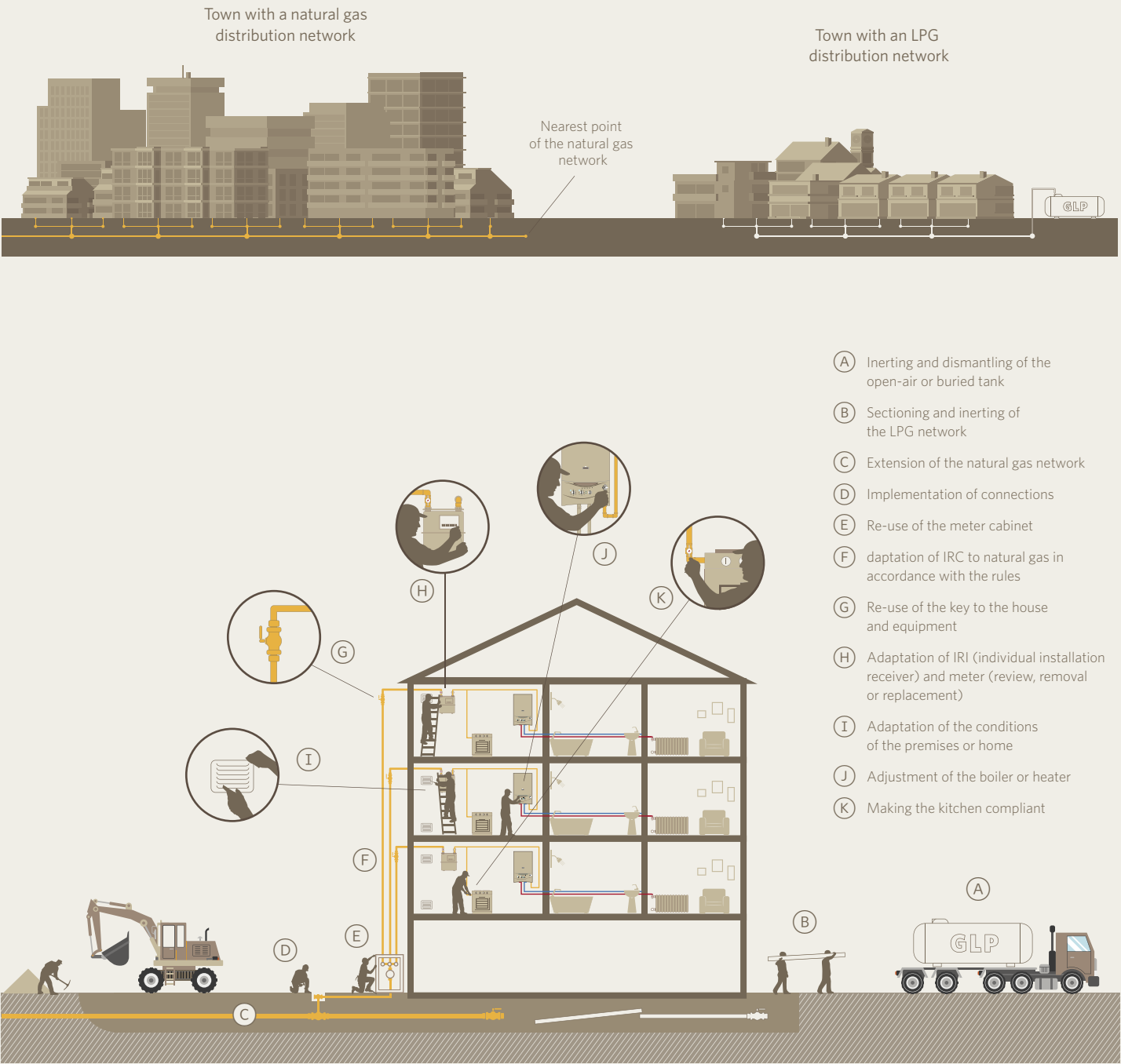
On the day of the conversion, first thing in the morning, MRG operators arrive to cut off the supply of propane and empty the network. The residual propane is

burned off, because, since it is a gas denser than air, it does not disperse into the atmosphere. There is then a pressure test to ensure the sealing of the installation to be converted and, once completed, the connection of the installation to the natural gas network begins.

When natural gas is already flowing through the installation, the operators begin to perform the conversion of the appliances, whether for dwellings or premises. This involves the use of official kits from the manufacturers of the different devices installed, which have already been determined from the survey carried out previously.

The operation depends on the size of the installation and is completed on the same day; its estimated duration is five to eight hours. In the event that the user cannot be at home during the conversion of the appliances, the installation is shut-off and a new appointment is made.

Process for the conversion of an LPG distribution network into a natural gas network



BUSINESS

QUALITY

In Madrileña Red de Gas we believe that mistakes are opportunities that lead to continuous professional improvement for the achievement of our objectives. That is why quality management is a fundamental part of our processes and allows us to anticipate in an agile way the expectations of our users, with coordination of expectations, productivity and profitability. To achieve the right result in terms of quality, MRG requires a daily commitment to our users, which means giving more and better solutions to their needs, by efficiently managing procedures. We are aware of the need to be fiercely competitive in order to obtain the highest degree of satisfaction of our customers.

CERTIFICATES

Madrileña Red de Gas has certified its quality management system according to the standard UNE-EN ISO 9001:2008 from Tüv Rheinland, whose scope covers the critical processes of our activity. This measure has reinforced the intentions of the Board, as set out in the company's quality policy.

For MRG the implementation of a quality system brings numerous advantages, resulting in a medium-term increase of the productivity of the company. This initiative focuses on the following:

- Standardisation of activities developed in the company by internal or external

means through the definition of criteria in internal regulatory documents that contribute to better control of processes.

- Promotion of the satisfaction of the recipients of our services.
- Measuring and monitoring the performance of the processes.
- Increase in the effectiveness and efficiency of the company in the achievement of its objectives.
- Continuous improvement in processes, products, management, etc.
- Minimisation of the impact of the production or provision of services.
- Improvement in the training and qualification of the employees and contractors; in the case of the latter, we carry out processes for the vetting of their personnel.

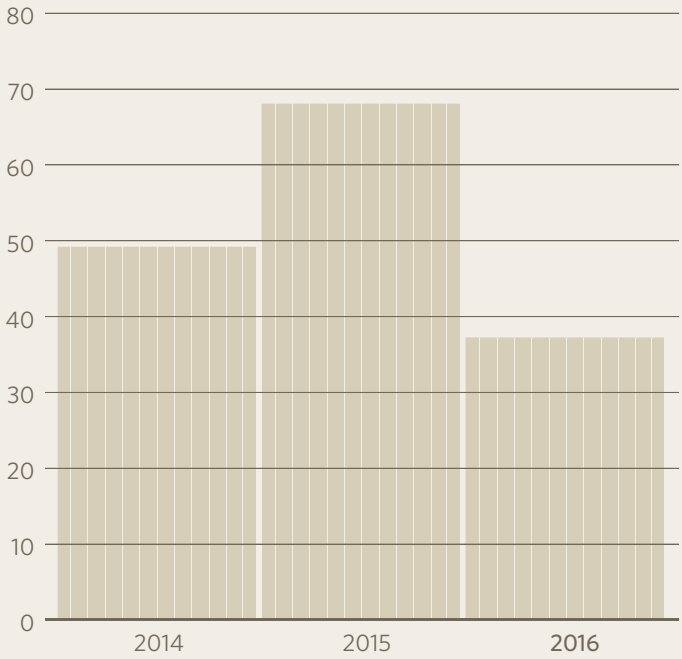
Thus, the basic structure of the quality management criteria is part of the philosophy of making use of the synergies associated with the integrated management system for prevention, the environment and quality at Madrileña Red de Gas. This structure is completed with the specific quality procedures that have been considered necessary, such as the management of claims, customer surveys or the vetting of personnel of providers, in particular.

The quality system of Madrileña Red de Gas sets goals for each financial year.

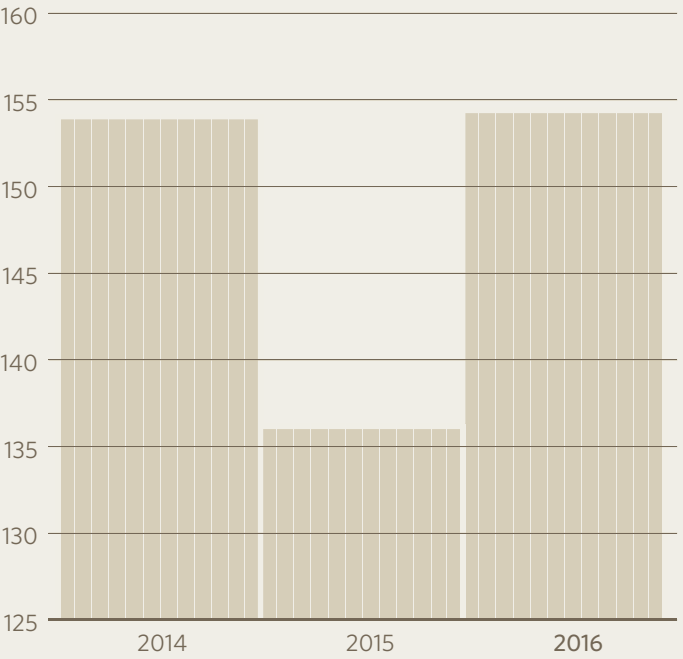
In the current financial year, these goals are focussed on improving the documentation of internal processes, for example those of periodic inspection, household operations, verification and metering, urgent care and maintenance of the network, as well as the identification and implementation of measures affecting the satisfaction levels of users. All of this is subject to the application of the continuous improvement cycle. In addition, we have defined a follow-up table with more than 20 quality indicators associated with the critical processes that allow us to track their performance. In addition, periodic audits help the company to identify opportunities for improvement and any deviations.

Looking ahead, the intention is to develop the existing quality system, in line with the requirements of the new standard UNE-EN ISO 9001:2015, by introducing new concepts such as the "risk management" approach.

Total No. of complaints per 1,000 regular inspections, 2016



Volume of regular inspections conducted by MRG, 2016 (thousands)



ADAPTATION TO REGULATORY CHANGE

We have made all the necessary adjustments to provide a greater degree of information to the salesforce in terms of the prediction of demand and provision of information, as stipulated in memorandum 2/2015 of the CNMC on 22 July and in the resolution of 23 December 2015, which approved PD-17 "Provision of information" as well as the adjustments required in the detailed Protocol PD-02 "Procedure for the distribution of connection points for TDCP and DDCP", featured in the resolution of 4 May 2016 in the same memorandum, and the adjustments required in terms of deliveries, gas balances and demand forecasting.

It should be noted that MRG has successfully complied with all the terms of publication and quality of data required in the third final provision of the EIT/2355/2014 of 12 December, which

entered into force on 1 March 2015 and which provides a system of incentives to comply with the deadlines for publication and quality of information in the process of deliveries and daily balances.

On the other hand, with respect to information to end customers, the entry in force of Royal Decree 1085/2015, of 4 December, on the promotion of biofuels, amends some articles of Royal Decree 1434/2002, of 27 December, on improving the information that distributors and suppliers of natural gas offer to their customers. The detailed invoice will also provide users with better information to regulate their energy consumption.

The entry into force of the new Royal Decree 984/2015, on 30 October, which regulates the process of periodic inspection, has meant a change for users. They are now the ones who have the

BUSINESS

power to choose the company that will provide periodic inspection of their installation. This choice must be made between the gas distribution company, which performed the installation, and any of the authorised installer companies (ICs). Given this new scenario, in Madrileña Red de Gas we have developed new communication channels aimed at users, we have adapted our systems for the management of deadlines and visits and we have created telematic tools for the communication of periodic inspections (PIs) carried out by the installer companies; all this in a minimum period of time. With these advances in processes we are seeking to provide a better customer service, keeping customers informed at every moment of possible incidents and/or rescheduling visits in the shortest possible time.

During this first year of entry into force of Royal Decree 984/2015, adaptation by Madrileña Red de Gas has allowed

us to operate the same volume of PIs as in previous years, with a 90 % success rate against the plan.

Moreover, and thanks to the PI process, Madrileña Red de Gas can detect incidents in receiving facilities or gas meters that are in an irregular situation and can thus locate manipulations of meters (in which the gas that runs through the installation is not recorded correctly and in full) and potentially dangerous incidents and anomalies which could lead to a shortage of supply until the anomaly is corrected, preventing adverse consequences.

Specifically, we have conducted campaigns for the recovery of PIs not achieved in the regulatory period, of these, we have detected 4 % major anomalies preventing these potentially dangerous cases.

HOME SERVICE

The reorganisation of home services operations undertaken by Madrileña Red de Gas in the past has contributed to the improvement in results achieved. Two distinct groups of intervention should be differentiated: those generated at the request of the suppliers and those launched proactively by the company for the verification and control of the facilities; the aim being to ensure the correct operational performance.

In relation to the operations requested by the suppliers or directly by the end consumer, it should be emphasised that the volume of requested disconnections, shut-offs and reconnections fluctuates throughout the year. It therefore requires an efficient, agile and well-structured organisation that can assume this variability in volume without affecting other scheduled jobs, running them successfully in the shortest possible time.

In general terms, the evolution obtained by Madrileña Red de Gas in the last few years has been very positive. Both in the case of disconnections at customer's request, and valve shut-offs, the success rate this year has been the highest for the past three years.

The increase in the success rate of Madrileña Red de Gas has been possible

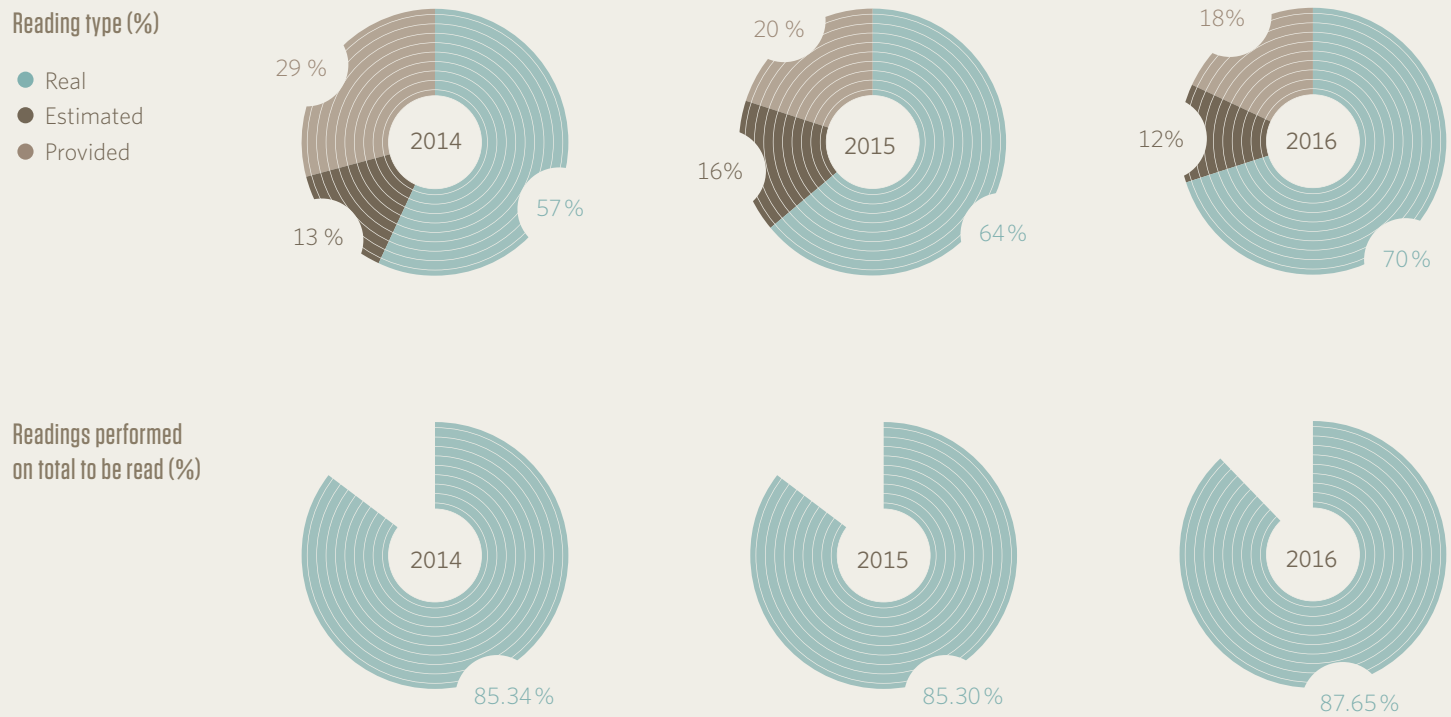
thanks to the incorporation of new procedures and the improvement of existing ones. This has led to greater efficiency and greater dynamism in managing the work.

Achieving these objectives has also been assisted by the incorporation of 'vertical work' in our day-to-day activity in the field. This initiative has enabled us to achieve greater accessibility to gas facilities. Both the continuous evolution of our information systems, enabling rapid adjustment to the needs of day-to-day operations, and permanently design improvement of the valve shut-off locks used to ensure the safety and non-manipulation of gas installations have also improved field work success.

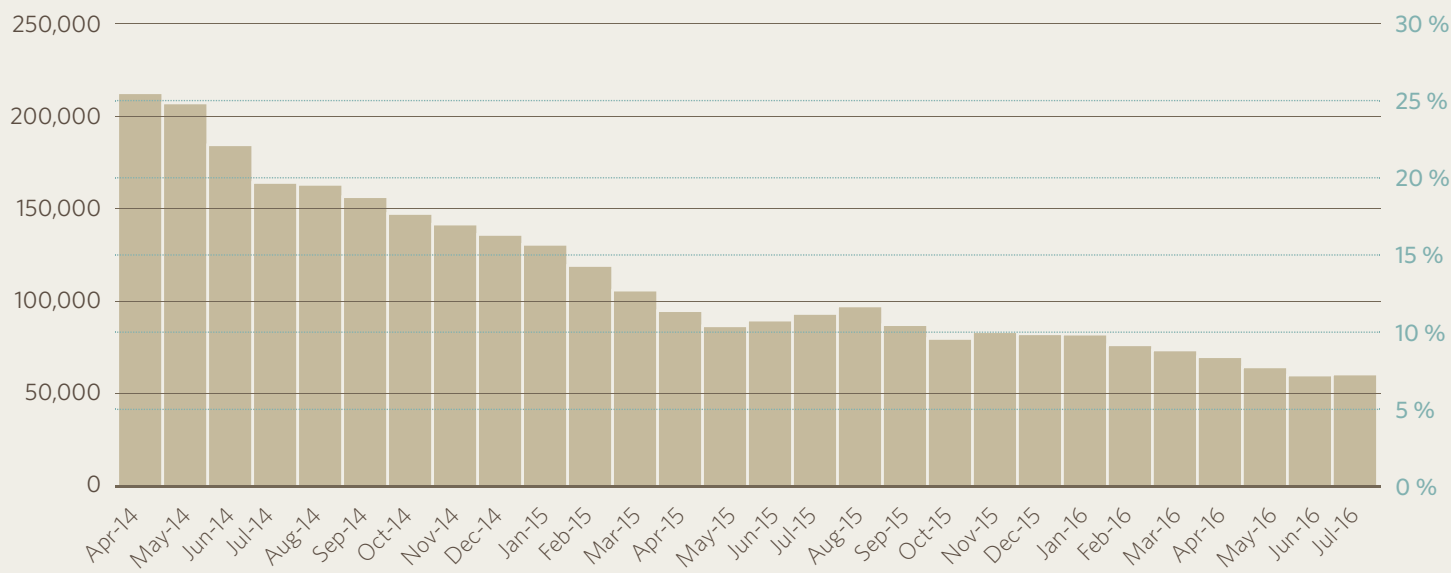
In addition, we should also mention the constant campaigns for verification of meters performed by MRG during this financial year, which have implied a rapid growth in the number of operations performed. With respect to the 17,672 interventions carried out in 2015, 119,740 were performed in 2016, which has led to an increase in the number of meter replacements, with 9,356 in the last year.

Thanks to the activity of the meter verification, we have achieved greater control, in the field and through IT, of all security elements that reduce the chances of manipulation and, therefore, represent greater safety of the user and installation.

BUSINESS



Fall in the number of customers without actual reading (total/%)



READINGS

One of the objectives of Madrileña Red de Gas for 2016 was to have the highest possible number of real consumption calculations for our users, in order that the suppliers have better information to invoice their end customer.

This goal has encouraged several lines of action, such as:

- Nominal pressure in the meter regulator. Over two meter reading cycles, all meter regulators have been checked, verifying that the pressures were the same as the ones used to calculate energy in the system.
- The updating of security tags. The numbers of the security tags seal or, if appropriate, the absence of them have been checked, with the serial number being entered in our database.

On the other hand, this year we have also promoted a new model of territorial distribution of contracts for readings, which has led to an improvement in the quality of the readings performed. Compared to the previous year, we have increased by 7% the number of real readings, leading to a reduction in estimated meter reads, and we have increased the total number of readings per reader by 2.6% as against 2015.

From a situation in which 90,864 supply points had no real reading in the previous 12 months on 30 June 2015, throughout this financial year we have designed special routes for the recovery of real readings. This has allowed us to reduce by 4% the number of customers in this situation. We currently have at least one real reading in the past 12 months in 93% of our supply points.

BUSINESS

INFORMATION SYSTEMS

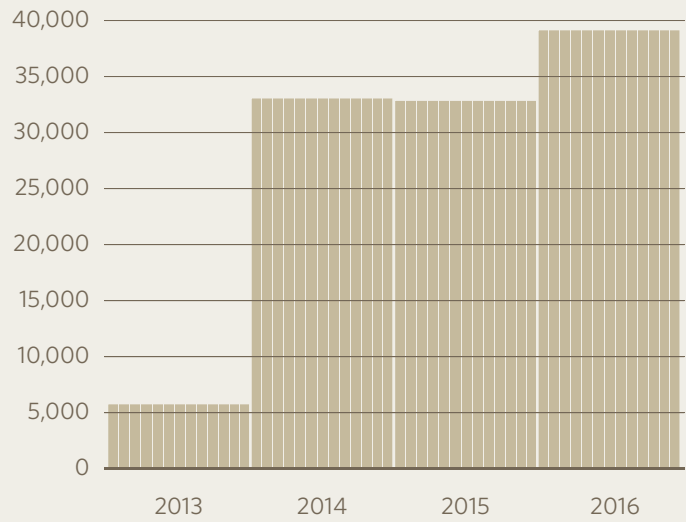
We are firmly convinced that the function of information systems must be to maximise the impact and the benefit of the company. That is why at Madrileña Red de Gas we have integrated this department within the business unit. This integration has meant that the whole area is aligned and agile in responding to the needs of the business.

In Madrileña Red de Gas we identify the portfolio of projects handled during the year on the basis of the information obtained through the demand for systems, mandatory legislative changes, continuous maintenance projects and updating of the environment and existing capacities. On each of the various projects continuous monitoring has been carried out.

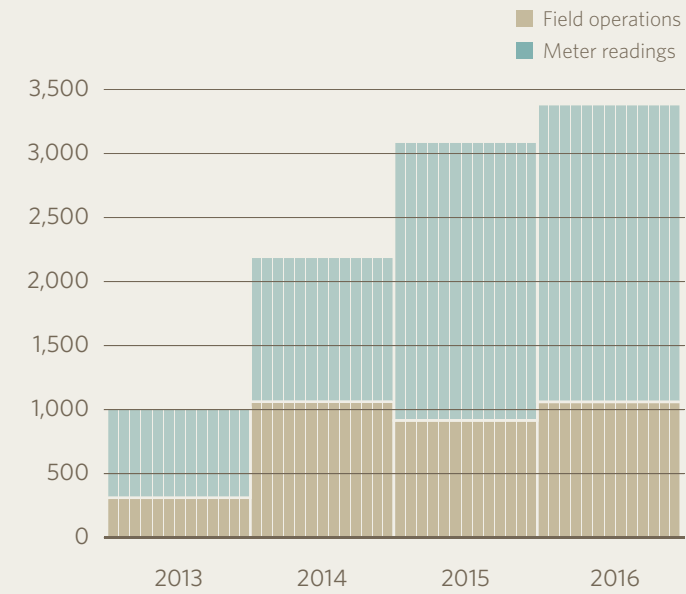
This approach has allowed us to develop our own applications in very short periods of time, such as:

- Development of operational management applications in the field for the activity of meter registrations, household operations and periodic inspections (three months). In addition, applications for readings and field operations management have allowed the dispatch of a total of more than three million documents during the last financial year.
- Development of the application to check the service status of meters in a building and to register anomalies detected (two months).
- Development of the platform for the registration of periodic inspections by the installation companies (1.5 months).
- Document management in the cloud where all the records and photographs taken both in field operations and as readings are conserved. In this financial year, we have transferred to the manager almost 40 Gb of data through mobile devices.

Volume of data transferred in the field operation management application (MB)



Volume of electronic documents managed in the document management system (thousands)



SUSTAINABILITY

Since our inception, Madrileña Red de Gas has seen an increase in the effort on the maintenance and evolution of systems (AMS), especially the work dedicated to new developments.

The proportion of hours that the company has dedicated to evolution on systems has increased from 43 % the previous year to 65 % this year.

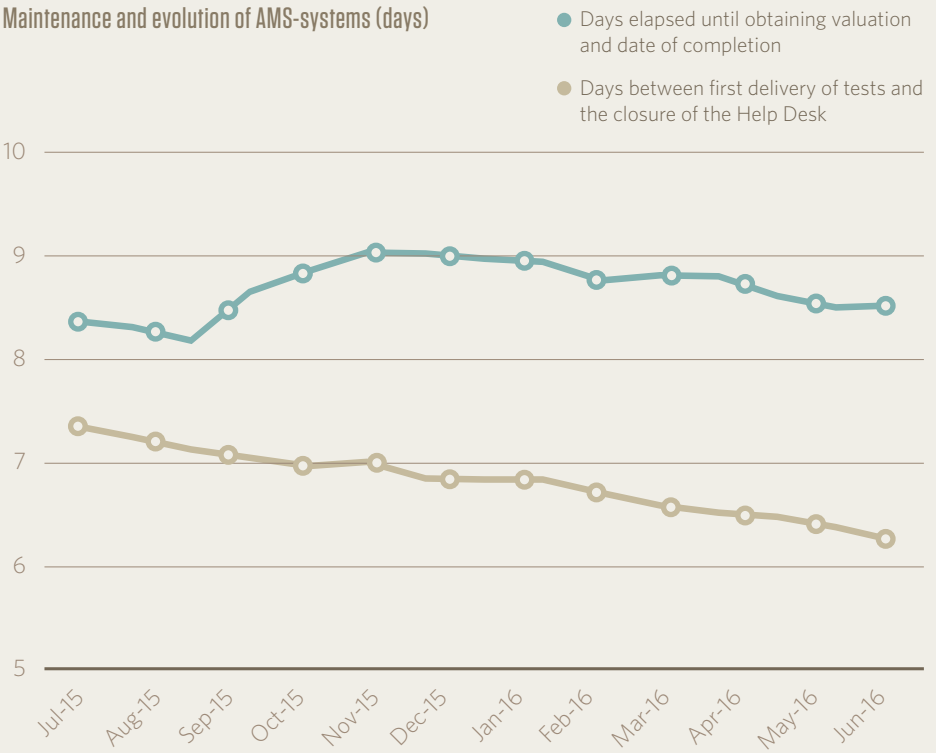
With this increase of focus, MRG has achieved a noticeable improvement in the time taken to carry out work in corporate information systems management; the average time for validation and production has decreased by 16 % from 2015, and stands at 6.2 days.

The optimisation of resources, thanks to good management with our outsourcers, and the renegotiation of excellent and efficient procedures, has helped Madrileña Red de Gas undertake all the above while keeping the OPEX costs down.

On the other hand, and according to benchmarks in the utilities sector, the return on investment (ROI) has been very favourable. MRG offers the same service in all aspects related to information technologies, and with fewer resources than larger distributors.

At Madrileña Red de Gas we operate with a high degree of automation of processes thanks to the intensive application of technology. The proof of

Maintenance and evolution of AMS-systems (days)



this is the volumes of data generated in communications between the various distributors and our business systems to meet all the needs of the customers.

During this year, the volume of requests to distributors has been maintained in each of the processes of management of access of third parties to the networks (ATR); more than 354,000 requests have been processed.

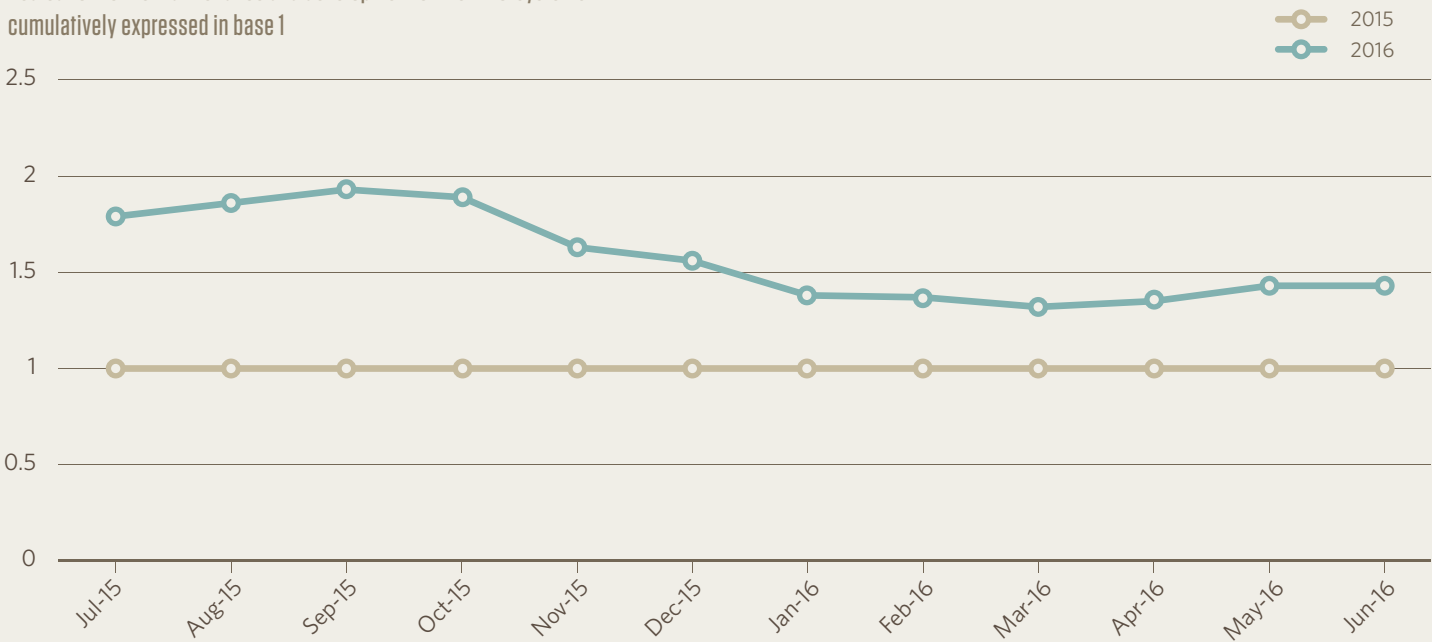
Among these processes, the activity which has most volume is the request for a change of supplier. This year has seen Madrileña Red de Gas handling more than 139,000 requests of

customers. Of these, more than 118,000 have been successfully resolved.

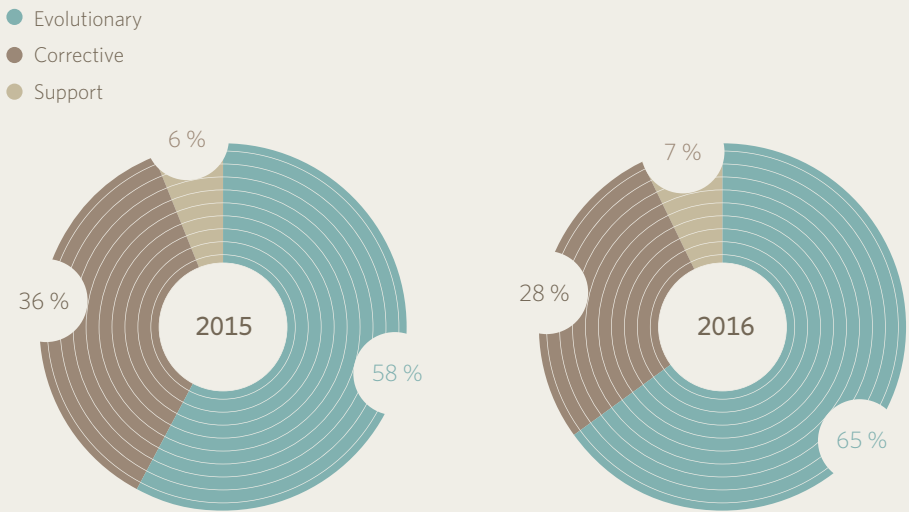
For MRG it is extremely important not only to attend to all requests received from customers through the distributors, but to do so with the highest quality and in adequate time periods. To achieve this, with the aim of reducing these response times, each year we optimise our operational framework.

BUSINESS

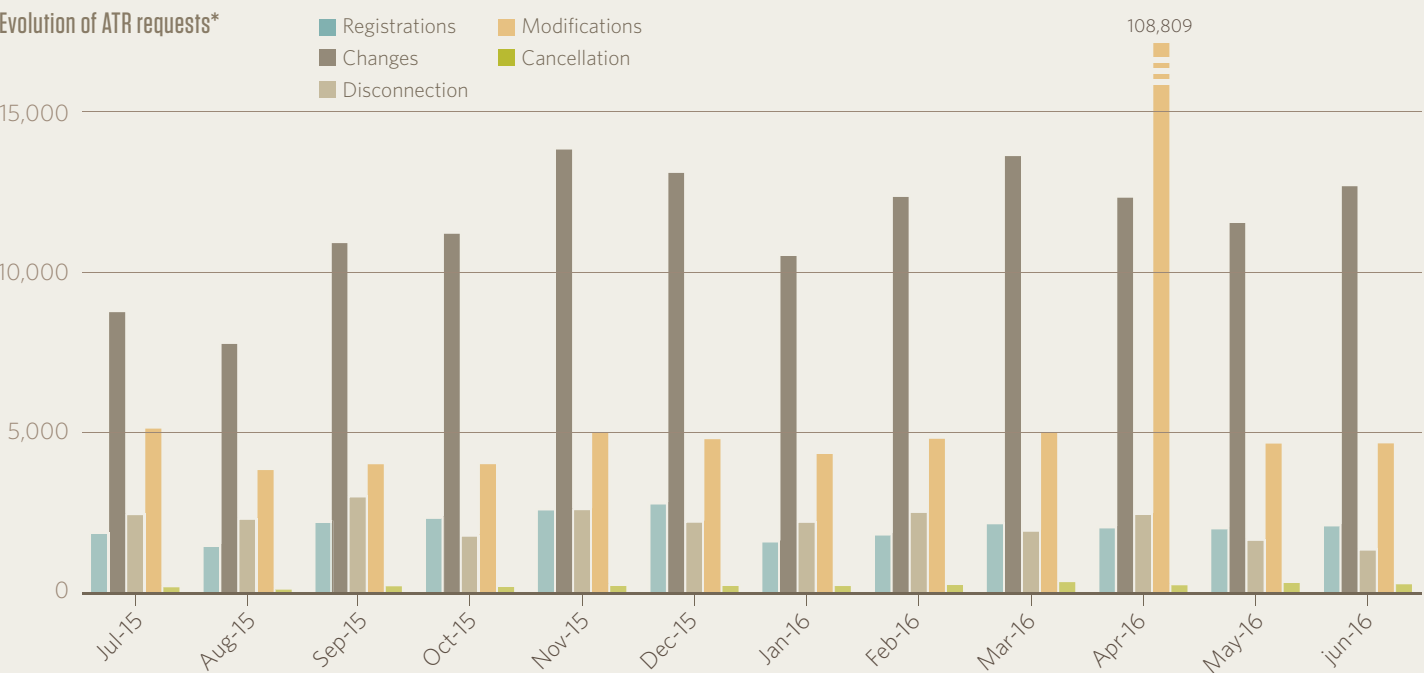
Dedication to the maintenance and development of the AMS-systems
cumulatively expressed in base 1



Evolution effort AMS (%)



Evolution of ATR requests*



(*) Third party access to the network.

BUSINESS

OPINIONS

With the firm intention to increase the satisfaction of our users, for the second consecutive year, in Madrileña Red de Gas we have continued to seek and analyse the opinion of our customers, in order to achieve a better understanding of their needs. This helps us set targets aligned with the expectations of the customers.

This new round of surveys, carried out between January and February 2016, has been performed on eight service segments.

To summarise, the trends in the results of the first and second rounds of surveys are:

- Index of overall satisfaction of 78.8%, which is the global measurement of the ability of MRG to satisfy its customers.
- 44.6% of MRG users surveyed would recommend us to family and friends. Thus, the global average recommendation is 7.54 out of 10.
- The level of fidelity or loyalty among the surveyed users, also known as NPS or Net Promoter Score, is 21.1%.

Results of the satisfaction survey.
Satisfaction rate (assessment %)



Customer Support

Professionalism, qualification and treatment received by the operator.

84%



Response to emergencies

Rapid response and resolution of emergencies by the technical team.

84%



Vertical saturation

Time for the performance and commissioning of the common installation.

81%



Reading

Improvement of the process of meter reading.

78%



Periodic inspection

Assessment of the information received before inspecting the installation and the equipment.

79%



Horizontal saturation

Time for completing and commissioning the individual installation.

76%



New building

Time for commissioning of the installation since the request is made.

82%



Domestic operations

Assessment of the information provided to the user prior to the operation to be performed.

83%

BUSINESS

SERVICE

TO CUSTOMERS

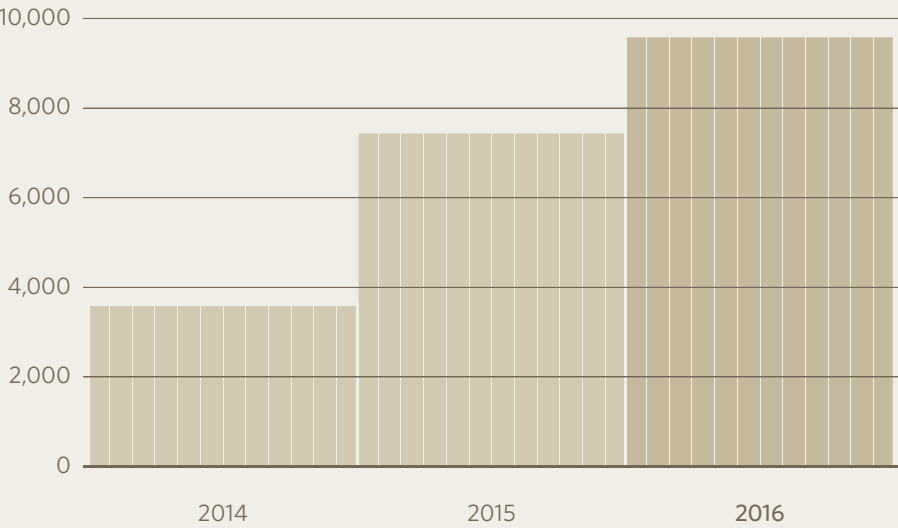
The proposal of the CNMC to publish quarterly data on the processing of claims from customers requires the companies in the sector to show greater transparency in relation to the care provided to their users. This initiative is in line with the best practices of the European utilities, which recommend publishing customer benchmarks.

With this objective, Madrileña Red de Gas has undertaken an internal project which, in the first instance, already includes the publication of results of various requests sent by our customers, such as requests for information, complaints, demands for action, etc.

Together with practices promoting clarity and transparency, this year in Madrileña Red de Gas we have enhanced the capacity for resolution of our customer centre, promoting continuous improvement through daily monitoring with agents and partners of the telephone platforms and the implementation of quality tables with active listening. We have also integrated in the activity of the company the customer service and training models which result from the implementation of new processes in Madrileña Red de Gas.

Continuous improvement in customer service is essential for Madrileña Red de Gas. Our efforts have been devoted to increasing the degree of customisation

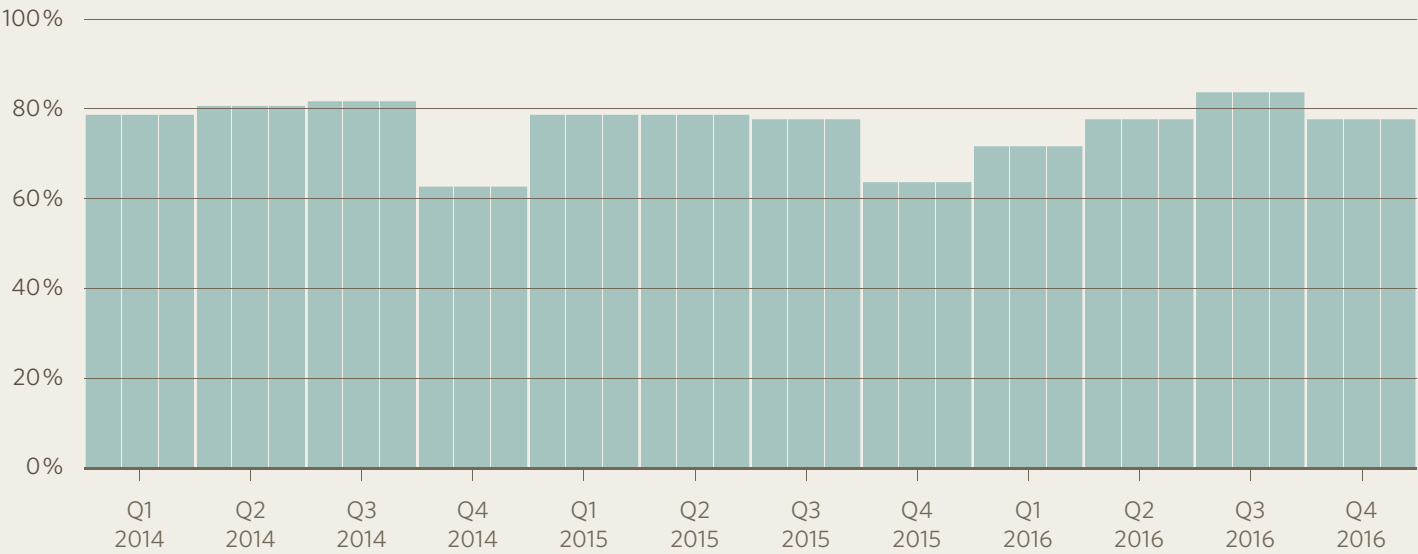
Users registered in the virtual office (cumulative)



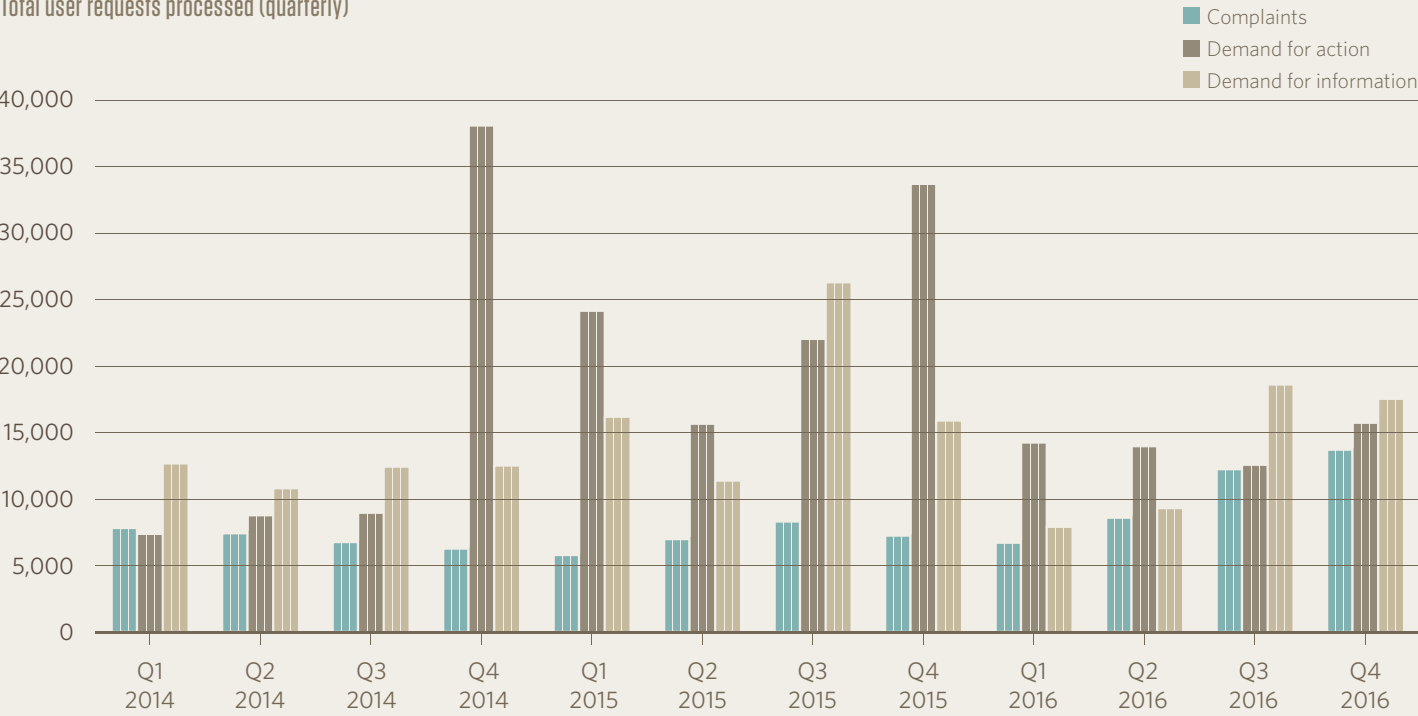
in the resolution of claims. For this purpose, we have made improvements in the systems that keep data from our users constantly updated, so that we can make a rapid, personal and satisfactory response to each customer's need.

In addition, and to facilitate communication with our customers at all times, we have a virtual office through which we can ask for information, facilitate readings, manage and check the status of their requests, etc.

Percentage of complaints resolved on the first call (quarterly)



Total user requests processed (quarterly)



BUSINESS

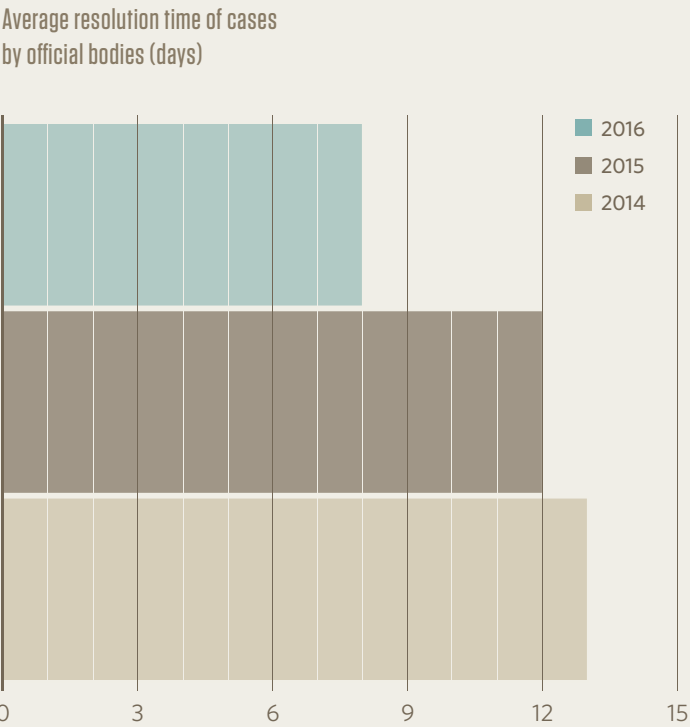
TO SUPPLIERS

To comply with the requirement of the CNMC to harmonise the management and processing of requests related to processes in the distribution of natural gas, or actions by the company in relation to claims of customers of the distribution companies, Madrileña Red de Gas has implemented a new claims module associated with the Transport-Distribution Communication System (SCTD). Through this system, both suppliers and distributors of natural gas can manage and resolve the requests made.

The result of this adaptation translates into much more fluid communication between the partners in the sector, which shortens the response times and increases the quality of management.

TO OFFICIAL BODIES

In line with our policy to maintain a constant dialogue with the various official bodies of the Community of Madrid, MRG is continuing to hold regular meetings in order to respond to and expedite the appropriate resolution of requests from customers which have been channelled through such bodies.



TO THE PARTNER COMPANIES

In Madrileña Red de Gas, we consider that a greater volume of information in the activity means greater involvement, proactivity and effectiveness in the service provided.

This information which we provide to our partner companies is associated with a consolidation of business plans signed in the horizontal saturation market by these companies. Specifically, this financial year has seen an increase of 65 % of companies loyal to Madrileña Red de Gas, and an increase of 25 % of the existing field sales representatives.

Special mention should be made of the large-scale consumption market, where 59 % of the GWh put into service have been managed by partner companies that have subscribed to our business plans, which has led to an increase in consumption of 5 % over the previous year.

In addition, and in order to strengthen the commercial action derived from the public offering, MRG has extended the collaboration agreement with the Energy Business Association ASEFOSAM. This agreement involves the active participation of 500 installation companies. This high participation has resulted in an increase of 4 % of the total of commissionings in the vertical saturation market which have been managed by companies participating in this agreement.

On the other hand, as a company that requires major capacity and quality in the implementation of activities in the field by its partners, Madrileña Red de Gas has focussed part of its objectives on providing maximum real-time information to coordinators of teams, so that they can react quickly to possible changes and adapt not only the necessary teams but also the procedures to be followed.

Accordingly, in Madrileña Red de Gas we are continuing to develop improvements in applications for capturing information in the field on Android devices. In this way we can know with full transparency the full potential of all our supply points in a unit and the uptake of new connections, or query in real time

the operator carrying out visits to the supply point, the number of meters, information on the state of the supply point, etc. Today, more than 200 partners use these applications.

In addition, we have an application that enables us to analyse market potential with a view to its commercial follow-up. This application facilitates the creation of studies and the obtaining of reports from customers captured and commissioned. Thus, commercial operators who are in the field have access to the monitoring of the potential and portfolio management, and they can view all studies of residential and commercial potential, as well as update the situation of units on site.

Currently, the development of these two applications has increased productivity in the marketing and final commissioning of the supply points.

Another example is control by geolocation, through which the operator route is displayed with results by work order (OT) and the universal code of supply (CUPS). This makes it possible to detect any non-compliance situations and obtain information on the schedule of execution and results by operator. These facilitate the location of efficient or inefficient patterns, the location and number of operators in real time, the number of OTs assigned against the timetable/capacity of the operator, etc.

BUSINESS

THE NETWORK

In the second quarter of 2016, the sectorisation of the interconnections between the networks of Madrileña Red de Gas and Gas Natural Fenosa was completed. Currently, the only item pending from Gas Natural Fenosa is the implementation in service of the Getafe-Usera transport pipeline, which will be connected using the supply point to the distribution network of Madrileña Red de Gas, with a supply at 16 bar.

All this has prompted the redefinition of our network model and its immediate adaptation to the various information requirements on balances and sectorization. This model has had to be adapted to an environment which has changed in terms of the levels of information required by the regulators.

The redefinition of the network model gives us better visibility with respect to the differences in all the distribution networks operated by Madrileña Red de Gas. Thus, it is possible to study and to undertake actions to improve the ratio of misbalances in sectorised networks.

In addition, it allows us to make a division of the distribution zone at the level of intermediate RMS within each network, creating smaller sectors that improve our analysis and reinforce diagnosis and decision-taking in the field of losses

THE CONTROL CENTRE (CCD)

From November 2015, the Madrileña Red de Gas control centre has been operating independently all the remote information units of the 159 regulation and metering stations (ERM), with approximately 7,000 signals, in addition to multiple facilities in our network which also have remote control and provide information on pressures, temperatures, flow tariffs, filter clogging, access control, etc., enabling us to maintain high standards of quality and safety for the supply to our users.

On the other hand, the MRG control centre is designed to have a total record of gas emissions that circulate daily through our networks and which are used for the achievement of the gas balance in the system, in order to manage the information from the 11 transport-distribution connection points (TDCP) and the 17 distribution-distribution connection points (DDCP) of Enagas and Gas Natural Fenosa, by checking them each day against the volume received through the SL-ATR system.

This system is able to offer the information on flows of gas at average pressure in 70 isolated areas, allowing us to create internal energy balances on a monthly basis that facilitate the comparison of the consumption obtained through remotely metered or physical readings of the customers, both industrial and domestic, associated with each of them.

The purpose of these balances is to measure various parameters that allow appropriate management of our network, avoiding non-technical losses; this is an indicator of the technical, commercial and administrative efficiency of Madrileña Red de Gas in providing, controlling and continually improving the efficiency of the service demanded by our customers.

In this financial year, due to the addition of new facilities to the SCADA system, such as the satellite LNG plants that we commissioned in 2015, we have made numerous improvements in the design and equipment of telecommunications in MRG with the aim of achieving a high-quality system.

SERVICING CALLS

Once again, the Madrileña Red de Gas emergency service has achieved an extraordinary response to more than 13,000 emergency calls received. Our primary objective has been the improvement of response times for calls treated as priority (smell of gas, fire or explosion). For another year we have reduced our average response time, which was 27 minutes.

The management of gas delivery functions, established by the regulations in force, and the new signal management functions from the control centre, have been taken on and carried out regularly by the emergency coordination team for all periods outside normal hours.

In addition, the activities of urgent care have been combined with the checking of meters for the detection of tampering, which increases the safety of the facilities of our users.

MAINTENANCE

Within the maintenance plan of Madrileña Red de Gas for this year, transport management and LNG unloading have been taken on and performed regularly, as well as preventive maintenance of the five satellite plants in the towns of Torrelaguna, Guadalix de la Sierra, Talamanca de Jarama, Valdetorres de Jarama and Zarzalejo.

We have complied in full with the maintenance program established by the regulations, as well as our parameters for quality control of the network through surveillance, leak tests and maintenance of RMS, cathodic protection and network valves.

With a total of 5,691 km of network and 135,294 tested connections, the third round of network tracking completed this year has ended with very good results. 1,231 leaks, of which 1,048 corresponded to the network and connections, have been detected. This figure translates into a leak ratio of 0.224 leaks/km and all of the leaks have been corrected or repaired.

In addition, 745 meters of network renewal have been performed, 263 of setbacks, two EPC and ten refurbishments of RMS, and we have replaced the single fibre-cement tranche with polyethylene.

All these data support the excellent status of the distribution networks of MRG.

Similarly, Madrileña Red de Gas has strengthened the supervision of the plan for the prevention of occupational risks (PRL) for contractors and its own personnel, with support for activities in the field. This has improved the prevention of the risk of accidents in all the activities associated with the maintenance of our distribution network.

HUMAN CAPITAL

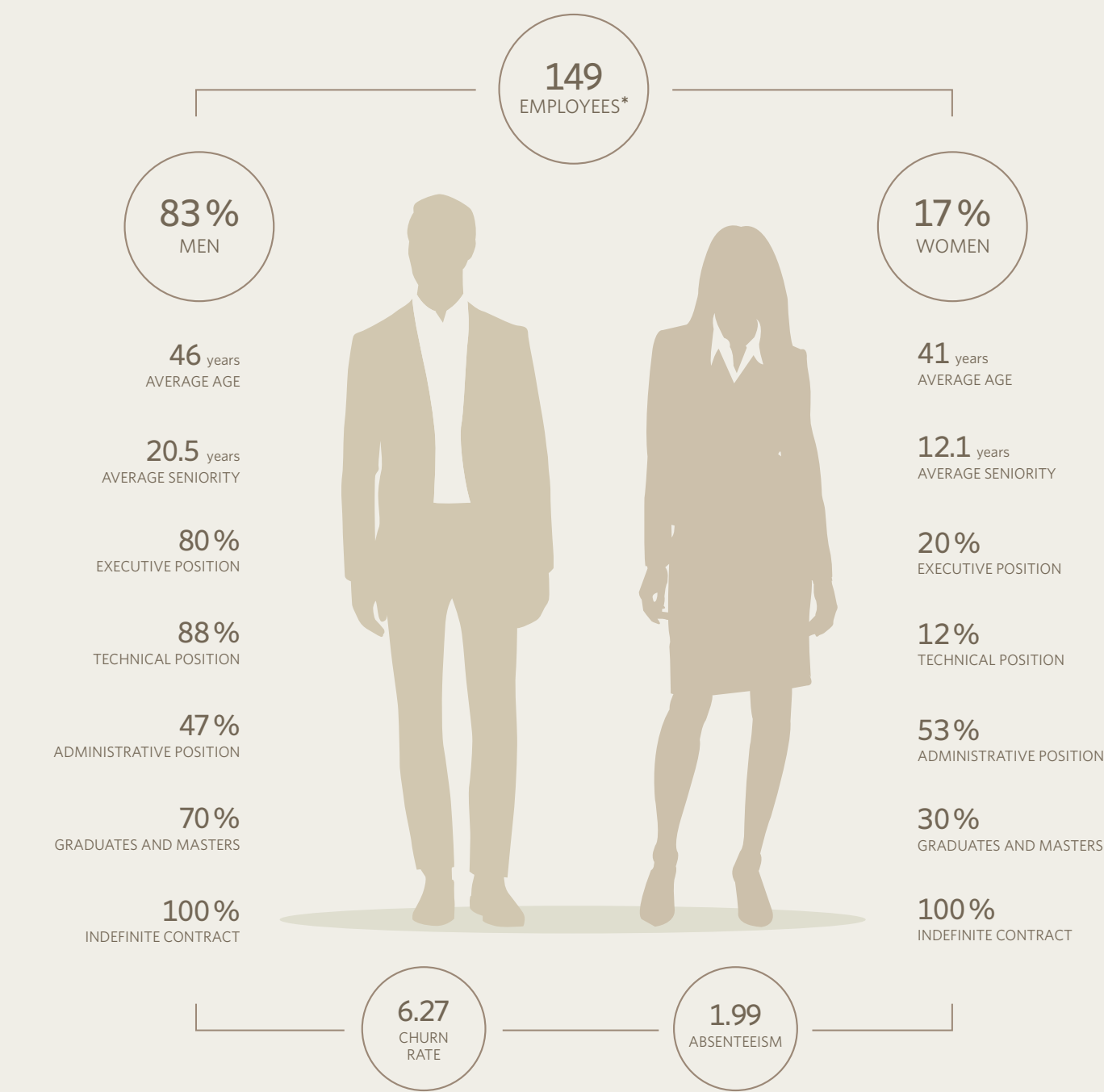
MANAGEMENT AND TALENT

DEVELOPMENT

SAFETY AND PREVENTION

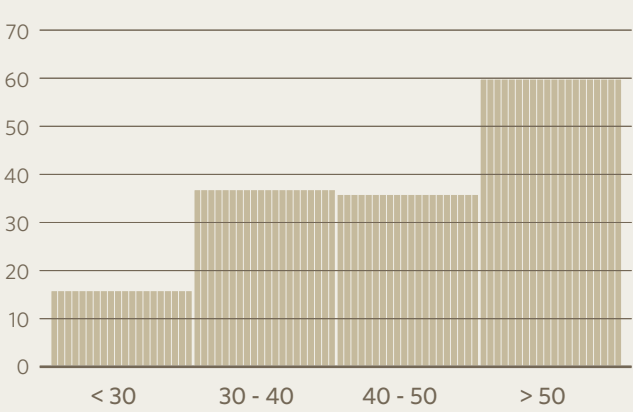
HUMAN CAPITAL

Gender diversity in the workforce of MRG, 2016

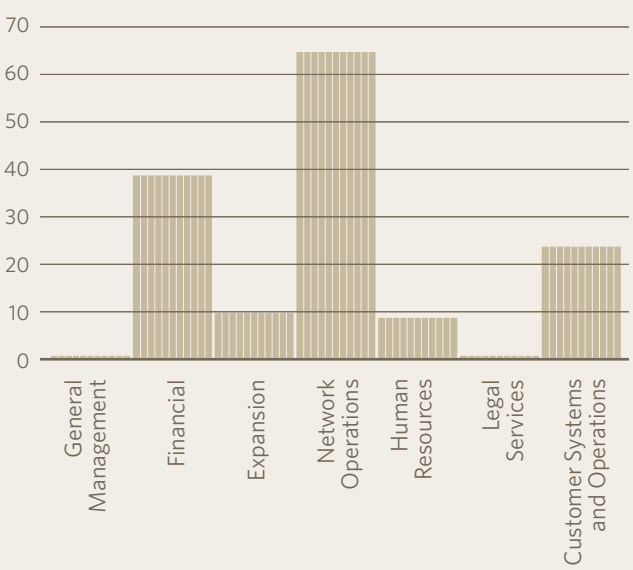


(*) Employees under partial retirement regime are not included.

Staff, total no. of employees by age



Staff, total no. of employees by area



MANAGEMENT AND TALENT

The low turnover rate indicates the degree of satisfaction within our team, with an efficient, right-sized workforce of 149 employees with an average of 19 years in the gas sector.

The policies applied and dynamic knowledge management oriented to develop the potential of the employees have been keys to the proper scaling of the deployment; 88 % of the employees have occupied technical or managerial positions.

The clear commitment of the company to talent has made sure that new additions have increased quantitatively and qualitatively in 5 %, with an increasingly greater portion of graduate employees.

This year, and as a result of the mentoring program conducted previously with senior and middle management, Madrileña Red de Gas has begun the planning of the follow-up programmes. We have already completed the preparatory work to ensure that in the next financial year the first effective successions will take place in different areas of the company.

The commitment acquired by MRG to carry out responsible management will ensure that its team works on the basis of the establishment of trust for the benefit of the welfare of the employee and the success of the company. This commitment has enabled those employees who, by mutual agreement with the company, and having reached the age of 61, want to combine continuation in a part-time job (15 % of working time) with the receipt of a retirement pension, to be eligible for a part-time contract allowing the company to achieve the renewal of the deployment. The incorporation of new employees is performed by replacement contracts, with consequent rejuvenation of the team, an increase in the average level of training of employees, an improvement of the working environment, growth of the production level and a decrease in sick leave.

HUMAN CAPITAL

DEVELOPMENT

In relation to training, Madrileña Red de Gas sees it as a main objective for this year to cover three principal needs: corporate training, business training and training in languages, and all the resources and efforts needed to achieve this have been assigned.

CORPORATE TRAINING

Within our commitment to corporate social responsibility, we have worked very actively on projects for the protection of personal data and the prevention of offences. This is shown by our response to the training needs that arise from both. One third of the total cost incurred in this financial year corresponds to this training.

BUSINESS TRAINING

Due to the evolution of the company, another challenge we have had to face was the coverage of the training needs that have arisen as a result of change management.

In Madrileña Red de Gas, we consider that the people who know the business best are the employees themselves. That is why we have opted to make use of the experience and knowledge of our team, by promoting and facilitating its transmission across the entire deployment.

In order to respond to the needs of 118 employees, we have provided specific courses on LPG and CNG to all those requiring a greater understanding for the new challenges posed by the company. We have also conducted new gas distribution courses.

LANGUAGE TRAINING

This year, we have focussed efforts aimed at training in languages, as the third axis to be pursued within Madrileña Red de Gas. As a company owned by foreign investment funds, with the aim of continuing to improve the communication with our investors, we have earmarked around 1,000 hours to the progressive improvement of the English of all those employees who, according to their working requirements, have a need for it.

SAFETY AND PREVENTION

Safety and health are fundamental values in our corporate culture. We understand that they are a responsibility of each and every one of the employees who are part of the team of Madrileña Red de Gas. For this reason, we integrate them both in the everyday activity of the company, so that each employee can, and must, help improve the safety of his colleagues. As a reaffirmation of the commitment of Madrileña Red de Gas to its employees and other stakeholders, we have renewed with Tüv Rheinland our certification as a company certified with the seal of business excellence in prevention OHSAS 18001.

For us the prevention management system constitutes the firmest expression of our policy on industrial safety and occupational risk prevention. It includes all processes that involve the need to integrate criteria on safety and prevention of occupational risks. Its implementation ensures:

- Promotion and consolidation of a culture of safety and risk prevention and integration of that culture in the various processes.
- Commitment to compliance with the legal requirements.
- Periodic assessment of the risks and planning for safety and the prevention of occupational risks.
- Measurement and monitoring of the performance of prevention processes.

- Increase in the effectiveness and efficiency of the organisation in the achievement of its objectives.
- Continuous improvement of processes, products, efficiency, etc.
- Prevention and minimisation of accidents and incidents.
- Improvement of the safety awareness and training of our own employees and contractors.

The basic structure of criteria for safety and risk prevention management is part of the philosophy of using the synergies associated with the integrated management system for prevention, environment and quality of Madrileña Red de Gas. This structure is complemented by specific prevention procedures that have been considered necessary, such as the evaluation of occupational hazards, risk prevention activities given the potential presence of explosive atmospheres, measures for safety during work in confined premises, work permits or the prevention of risks in connection with propane from third-party networks, etc.

In addition, Madrileña Red de Gas annually updates its occupational risk prevention plan, giving continuity to its culture of change management, with the objective of constantly renewing its commitment to safety and the prevention of emerging risks. The health and safety management system of Madrileña Red de Gas establishes specific prevention targets for each financial year. Today, they are intended

to maintain the validity of the management model, the actions of operational control, the implementation of preventive actions, the promotion of risk information, preventive measures and emergency or training in safety and health surveillance, in application of the cycle of continuous improvement. This generates a framework for the monitoring of more than 30 prevention indicators associated with the processes of prevention management that make it possible to track performance. In addition, the performance of periodic audits facilitates the identification of possible deviations and opportunities for improvement.

Madrileña Red de Gas continues to cooperate with public administrations, maintaining its adherence to the bonus system established by Royal Decree 404/2010 for companies with low work accident rates.

In this financial year, we have completed the review of the risk assessment work of the headquarters and workplaces, according to the methodology of the external prevention service, through the application of quantitative and qualitative techniques.

This assessment is carried out in several stages. The first focuses on informative work of raising awareness about these risks. We have conducted surveys based on the FPSICO 3.0 methodology of the Spanish National Institute of Safety and Hygiene at Work (INSHT) and in the method of analysis of the working conditions of the

HUMAN CAPITAL

French Agency ANACT (Agence Nationale pour l'Amélioration des Conditions de Travail) for the improvement of working conditions. 69% of employees have participated in them, and we have performed surveys modelled on the basic assessment of shift work and night shift defined by the external prevention service. We have also conducted semi-structured interviews on an individual or group basis on working conditions, supervised or semi-supervised, in which 97% of the workforce have taken part.

The results of this assessment have allowed us to take preventive measures aimed to improve working conditions in connection with psychosocial risk factors.

The activities carried out by Madrileña Red de Gas are covered in Annex I of Royal Decree 39/97, the Regulation on Prevention Services. We have established a new external prevention service arrangement with Previlabor for the four preventive specialties of safety at work, industrial hygiene, ergonomics and psychosociology and health surveillance. An agreement with that institution covers the entire range of specific prevention requirements.

In order to facilitate compliance with the specific requirements arising from the implementation of the OHSAS 18001 standard, Madrileña Red de Gas has a service for the identification and assessment of the legal requirements for safety and prevention of occupational risks.

On the other hand, the commissioning of LNG plants has required specific actions in the field of safety, transport of dangerous goods by road (ADR) and prevention of occupational risks. Among these, the most relevant are:

- Documentation of protection against explosions in each of the facilities, with their corresponding verification of explosive atmospheres.
- Self-protection plans of each of the facilities, training for employees and implementation of these plans through emergency drills.
- Extraordinary allocation of personal protective equipment for the prevention of the risk of contact with cryogenic substances.
- Fact sheet on risk, preventive measures and emergency measures in LNG plants, for contractors who perform their maintenance.
- Implementation of the requirement of approval of suppliers of "LNG satellite plant technicians", promoted by the sector.
- Dissemination among the employees of Madrileña Red de Gas of the Guide on "Best practices of safety and environmental protection in satellite LNG plants".
- Hiring of a new service of safety adviser for the transport of dangerous goods by road (ADR). For the first time the statutory annual report for 2015 has been lodged with the Ministry of Transport and

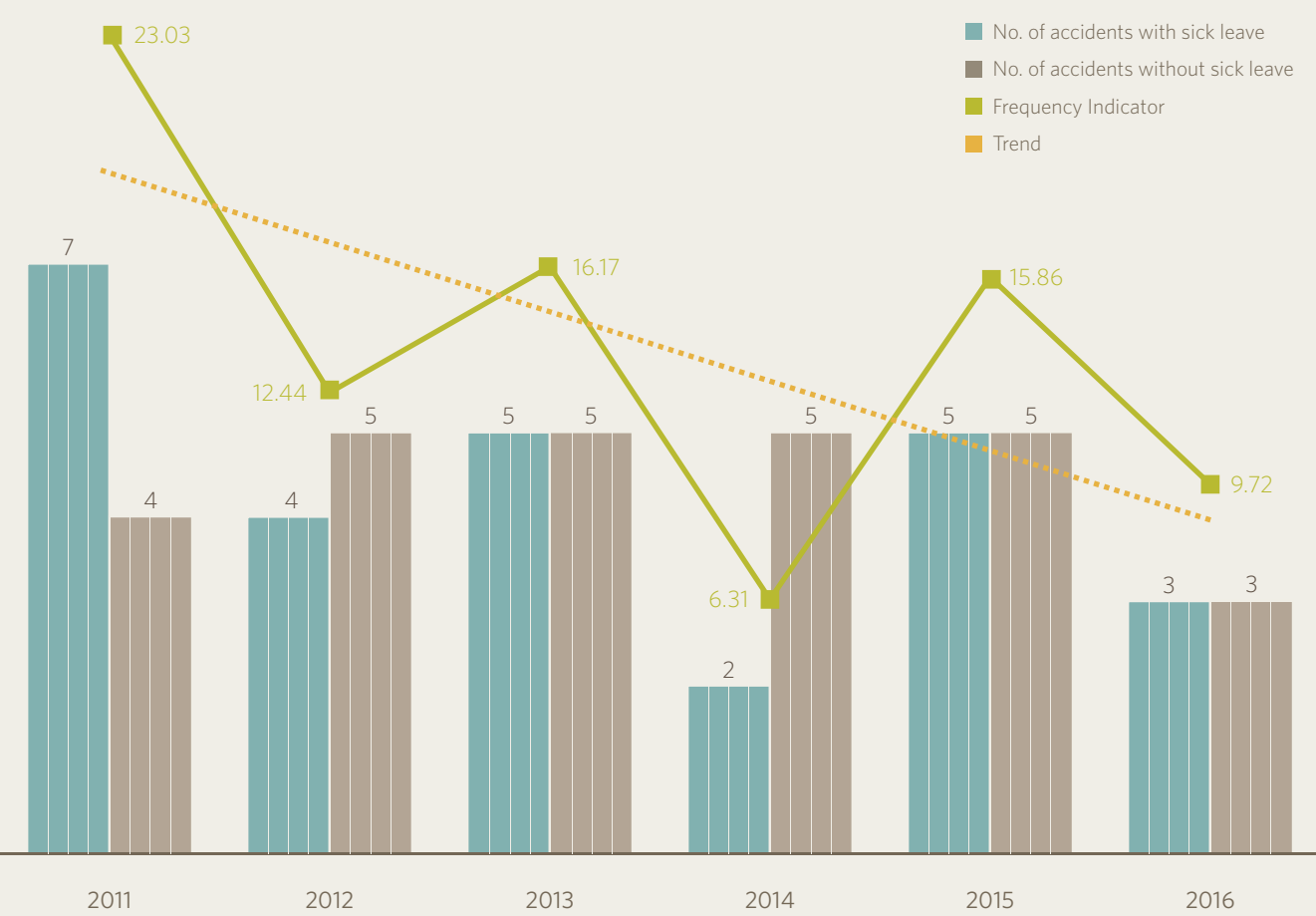
Infrastructure of the Community of Madrid.

- Procedure for the unloading of LNG tankers specific for each installation. Definition of the contents of "harbour letters for total and partial unloading" under the regulations, as well as list of safety checks during unloading.
- Regulatory reports of the Safety Adviser on the first unloading in the plants.
- Drafting and publication of the criteria in the event of accident or incident that may occur during the transport, loading or unloading of dangerous goods.
- Publication of the safety data sheets of chemicals from natural gas in its different phases, including odorised with THT.

In addition, and following the policy of Madrileña Red de Gas to provide periodic information on the prevention of occupational hazards to all stakeholders, we have reviewed the information sheet on risks, preventive measures and emergency measures of the regulation and metering stations (RMS), mainly aimed at our own employees and contractors. We have also published a prevention newsletter which has disseminated the most relevant news in our field.

In relation to the exchange of documentation on prevention, carried out through external documentation

Evolution of workplace accidents in MRG, 2011 -2016



Note: evolution of accidents and frequency indicator of accidents with leave, as well as comparison with the INSHT (National Institute for Safety and Health at Work) benchmark. The Frequency Indicator is defined as the number of accidents with leave during the working day for every million hours worked.

HUMAN CAPITAL

for prevention control, it has been necessary to define new criteria of approval of supplier personnel for foreign employees, self-employed employees and the personnel responsible for performing LPG conversions. We have also expanded the scope of documentary supervision to heavy machinery. Currently, this service is monitoring documentary control of a total of 79 contractors and subcontractors as well as of 799 employees; the monitored volume is more than 7,586 documents.

These documentary checks are completed through direct supervisions in the field, which verify the effective implementation of a wide range of preventive measures and also whether the documentation provided is correct. The results of these checks are communicated to the contractors for their knowledge and the implementation of improvements. At the same time, MRG maintains regular follow-up meetings with supervisors in the field that promote regular dialogue with the prevention technicians of the main contractors, so as to establish ways of effective communication of information. In addition, we continue to enhance the

content available on the information channel for prevention which, even though it was created to facilitate access to the information for personnel, has now been adapted so that the main contractors can access updated editions of information on preventing occupational risks.

It is noteworthy that the objectives of MRG include a decline in the number of accidents at work; to do this, we have renewed our commitments in two directions:

- Firm and constant commitment to training and information on prevention of occupational risks for employees to achieve greater awareness of the employees.
- Investigation of accidents at work and, if they occur, additional preventive measures.

In the field of collective protections, personal protective equipment (PPE) and clothing, Madrileña Red de Gas maintains a direct communication channel with our suppliers of equipment and materials. This helps us to keep up to date with regards to new materials and equipment that are put on the

market, as also on the courses for training the suppliers themselves on new equipment and its proper use.

In Madrileña Red de Gas we have concluded a model, which has been negotiated with the representation of employees on the management of preventive resources. This includes the carrying out of those functions by an external prevention service to cover specific situations in which it was not possible to do so with our own personnel.

On the other hand, we have defined a system of prevention work designed for particularly hazardous work, and it has also been disseminated among our contractors.

In addition, and in relation to the activities for expanding the distribution networks of natural gas, in Madrileña Red de Gas we have defined the criteria for the prevention of occupational risks which must be taken into account while working with propane from third-party networks.

In relation to the policy of prevention of risks in activities with the potential presence of explosive atmospheres (ATEX), the implementation of these

policies has been achieved in all of the facilities. The scope of this project has been extended to remotely controlled valves, and to all the regulation and metering stations (RMS) of the semi-ring, recently transferred to MRG.

On the other hand, and in connection with the new legislation, we have reviewed the criteria on meters with explosive atmosphere marking intended for commercial and industrial applications, and we have begun the process of adaptation of our internal rules, manuals, etc.

Finally, Madrileña Red de Gas continues to participate in the sectoral committee, where it has established a collaboration with INSHT. The first fruit of this cooperation has been the publication of the "Technical prevention note NTP 1058 Sector gas: occupational hazards in installations for the storage, transport and distribution of gas". We have also attended business forums, such as the safety congress of SEDIGAS where information on best practices related to the prevention of occupational risks is shared.

GAS AND SOCIETY

FRAUD IN GAS CONSUMPTION

ENVIRONMENT

ENVIRONMENTAL MANAGEMENT

SUSTAINABLE DEVELOPMENT

GAS AND SOCIETY

FRAUD IN GAS CONSUMPTION

Fraud has a major impact on the revenue of the sector. Accordingly, Madrileña Red de Gas is continuing with its active struggle in the detection of fraud, with the collaboration of the Administration. We are at the forefront of combatting fraud in Spain, having investigated 12 % of the supply points.

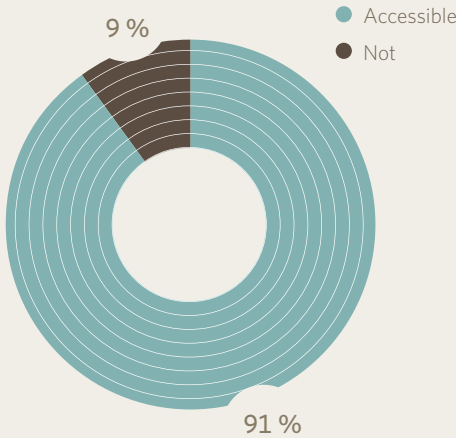
But what is meant by fraud? Fraud is the manipulation of gas facilities, measurement units, security tags, use of direct connections, perforations, etc., which puts at risk the safety of users and other citizens and precludes the accounting of gas actually consumed.

For this reason, Madrileña Red de Gas has intensified this year its campaign of fraud detection to ensure the safety of users and better performance of our network, minimising the impact on the industry and consumers.

The results of this campaign have led to an increase of one hundred per cent of household operations, which have made it possible to detect 1,766 anomalies in installations and 5,126 frauds linked to 4,912 settlements for consumption of natural gas (122.7 GWh).

These results have been possible thanks to the rapid growth of the Madrileña Red de Gas fraud unit; also to the introduction of computer tools that combine the concept of GIS (Google Earth) with SAP for the location of affected customers in an intuitive manner through KMZ; mobility tools that allow the flow of information in real time from the operations carried out in the field; innovation and automation of processes; development of algorithms for prediction of cases of fraud (which quadruple detection efficiency) and also applications that make it possible to obtain instant information on the incidents detected for immediate resolution; and to the use of the latest technologies in materials for location in the field, such as the Wöhler VE200 (camera with flexible telescopic lens), etc.

Accessibility for operations of anomaly detection and fraud



List of according to type of fraud *

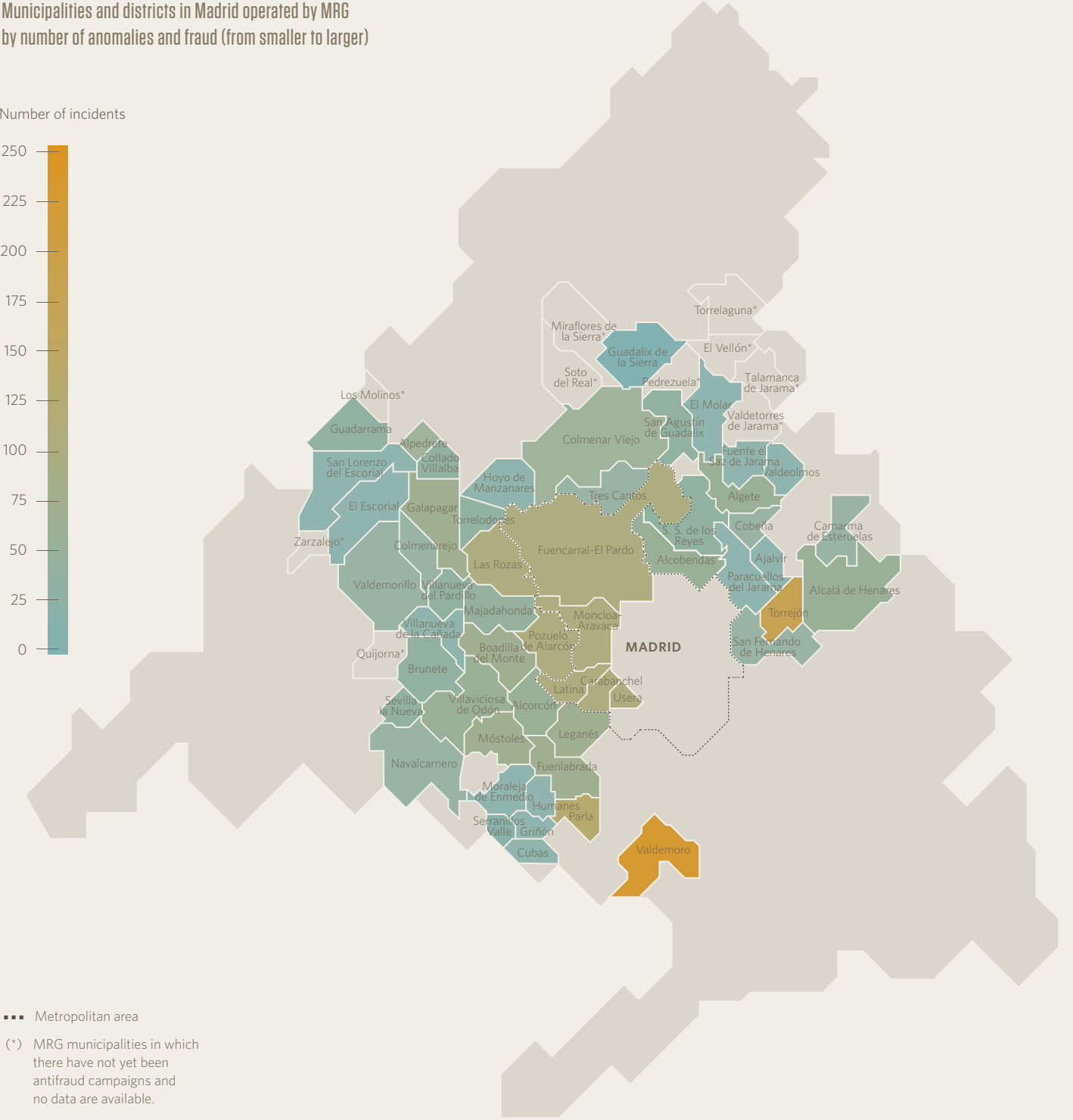
1. Perforated meter
2. Visible manipulation
3. Invisible manipulation of the external meter
4. Ripped totalizer
5. Unconfirmed fraud
6. Metrological seal manipulated
7. Totalizer glass broken
8. Others

(*) List of the various types of fraud recognised by the Directorate General of Industry of the Community of Madrid.

In this spirit, MRG will continue its fight against the impunity of actions that could be constitutive of a crime and have a major impact on society and the sector, both in terms of the levels of safety of users and networks and on the facilities of the distribution companies in relation to economic aspects: losses in the case of distributors, impact on the household budget of the user, etc.

Municipalities and districts in Madrid operated by MRG by number of anomalies and fraud (from smaller to larger)

Number of incidents



GAS AND SOCIETY

ENVIRONMENT

The care of the environment is essential to ensure a better life for present and future generations. Accordingly, it is a fundamental target within the policies of Madrileña Red de Gas. In MRG, we seek excellence and quality in all processes involved in those services that enhance the lives of our users. That is why we plan all our actions rigorously and responsibly, in a way that will allow us to reduce any impact on the environment around us without affecting the growth of the company. We seek to strike a balance between the protection of the environment and the need to remain sustainable and competitive in the long term.

This objective leads not only to the exercise of comprehensive control of the type of materials or elements necessary for our work, but also to encouragement for the use of cleaner alternatives such as natural gas for vehicles (NGV), which improves the impact of the carbon footprint.

WHY NGV?

In 2014, and on the occasion of renovation plans for Madrid's fleet of natural gas/compressed natural gas vehicles (CNG), we realised that one of the main problems of the Community of Madrid, in the area of activity of our company, was the environmental issue, as was shown last winter, when the highest ever episodes of contamination by NO_x were recorded.

As distributors of natural gas, we have been working for years on the replacement of polluting energy by other cleaner forms, but in transport, which represents 50 % of the energy consumed in Madrid, the same technological leap has not been achieved as in the industrial, commercial and domestic sectors. In Madrileña Red de Gas we knew that, as the most polluting energies (coal, fuel and diesel) were already in the process of replacement in these sectors, it was also possible to undertake such a conversion in the transport sector.

NGV/CNG is the alternative energy that covers all the needs of transport, from tourism to heavy trucks. This energy contributes not only environmental benefits but also economic ones, with 30 % savings in the cost of ownership of vehicles as against solutions such as diesel, and at an equivalent purchase price.

With the complete switch of our fleet to NGV/CNG — 50 vehicles including passenger cars, vans and trucks — Madrileña Red de Gas is contributing to the improvement of air quality: our fleet emits around 20 % less CO₂ and, what is more important, with respect to local pollution (which we directly breathe) 80 % less NO_x, 95 % less particles (two of the contaminants with highest emissions from diesel vehicles) and 0 % SO₂.

On the other hand, our vehicles have no restrictions on access to the city, even

during the feared episodes of high pollution by NO_x in Madrid, something which for MRG, given its activity, is an essential added value.

NGV AND MADRID

The fleet of CNG-powered vehicles is experiencing a significant growth in the Community of Madrid. It should be noted that 100 percent of MSW (municipal solid waste) vehicles in the municipality of Madrid work with CNG, and already there are many municipalities that have opted for this solution: Pozuelo de Alarcón, Boadilla del Monte, Alcobendas, Alcorcón and Leganés, among others.

At Madrileña Red de Gas we have held meetings with various municipalities in our area of implementation to publicise the advantages of the use of natural gas as fuel in transport. As a result of these meetings, more and more municipalities are studying the implementation of this solution, which is environmentally cleaner for citizens.

EMT, which pioneered the use of CNG buses, with 800 vehicles powered with this fuel in Madrid, has recently announced the addition of a further 80 buses, as well as its decision that all standard buses that it will continue to include in its fleet will be powered with natural gas. As against diesel engines they are switching to CNG as the alternative energy most competitive in terms of cost and environmental protection.

Emissions by type of vehicle and fuel



Light vehicles

Fuel	GHG (g/km)*	Emissions of pollutants (g/km)				
	CO ₂	CO	NO _x	NMHC	Particles	SO ₂
Natural gas	148	0.602	0.248	0.031	0.010	0.000
Diesel	157	0.799	0.770	0.560	0.107	0.230
Gasoline	217	1.939	0.240	0.580	0.013	0.140



Heavy vehicles

Fuel	GHG (g/km)*	Emissions of pollutants (g/km)				
	CO ₂	CO	NO _x	NMHC	Particles	SO ₂
Natural gas	1,074	2.105	3.459	0.353	0.053	0.000
Diesel	1,291	2.819	12.874	0.950	0.536	1.457

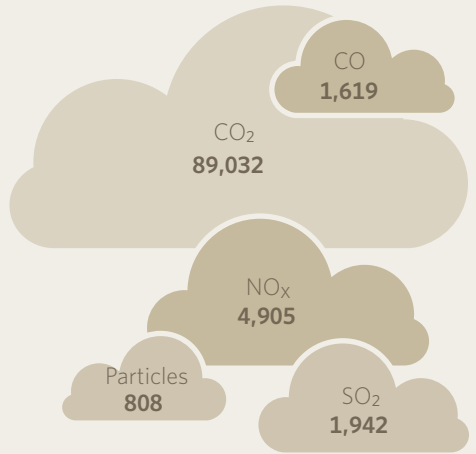
(*) Greenhouse effect gases

Source: Energy Foundation of the Community of Madrid

At the present time, EMT has its own CNG refuelling station, located in Carabanchel, supplied from the network of MRG. Madrileña Red de Gas is continuing actively to collaborate with municipalities, such as Madrid and Pozuelo de Alarcón, in the promotion of the use of natural gas as an alternative fuel in transport. We have already ensured the introduction of various measures to promote its growth which are in force in the Municipality of Madrid.

- Reduction of mechanical traction vehicles tax, with a current bonus of 75%.
- Bonus rate (20 %) for parking in the ORA areas (on-street pay and display car parking) for CNG-powered vehicles.
- Extension of time of access to the areas of priority for residents (APR) by two additional hours.
- Access to the central area of the city, without parking, during episodes of high pollution in NO_x.

Estimated annual emissions savings in Madrid with the use of NGV (tonnes)



Note: Calculations from total emissions released into the atmosphere in the city of Madrid by the more than 3,830,200 vehicles (cars, vans and buses) that make up its fleet, as well as the annual average of km. The savings estimate have been calculated on the assumption that 10 % of the fleet will use natural gas.

Proof of this are the ten public CNG service stations of the Community of Madrid, or the awarding by the Municipality de Madrid of six further sites for implementation of an equal number of further public CNG stations, four in the area of Madrileña Red de Gas. The first, located in Avenida de los Poblados, is already under construction.

In the different municipalities in which Madrileña Red de Gas operates there are also ten CNG stations, three of

GAS AND SOCIETY

ENVIRONMENTAL MANAGEMENT

One of the landmarks of this year is the renewal by Tüv Rheinland of our certification as a company certified with the seal of business excellence in environmental management with UNE-EN ISO 14001:2004.

Our commitment to compliance with environmental legal requirements, arising from the implementation of the standard UNE-EN ISO 14001, are the focus of the environmental politics of Madrileña Red de Gas with a system of environmental management that achieves all those processes that involve the need to integrate criteria of identification and assessment in order to increase the effectiveness of the organisation in the achievement of our objectives. These include the prevention of the risk of environmental accidents, raising the awareness of our employees and the contractors, the efficient control and management of resources, in order to reduce the amount of waste generated in the headquarters, or environmental controls in construction, from spills, noise, consumption of resources, atmospheric emissions or emissions of methane from the distribution network.

It must also be noted that the environmental management philosophy of Madrileña Red de Gas is shared by our contractors, who have the corresponding certification of their environmental management systems.

On the other hand, in MRG we have defined environmental emergency procedures for leaks of LNG and THT, floods, poor combustion of boilers, losses of refrigerant gas, gas loss from the fire-fighting system, etc.

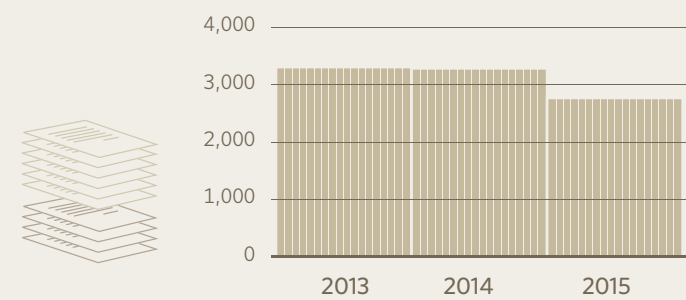
The actions carried out this year by Madrileña Red de Gas that have contributed to mitigating the environmental impact of our activities include the renewal of our fleet of vehicles by others powered by CNG, which is much more environmentally friendly, as well as the implementation of policies for reducing the consumption of resources

such as ink and paper, the implementation of double-sided black and white printing criteria or the extension of the use of mobility applications that are replacing the self-carbon copy forms in paper format by capturing information digitized from the source.

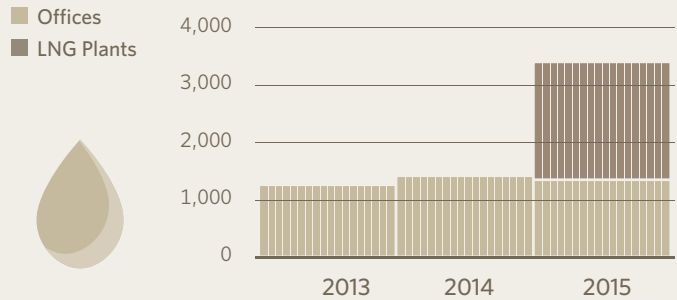
As a result of the monitoring of environmental aspects related to the activities of Madrileña Red de Gas, we can present the following information:

Energy consumption: installations and vehicles				
	2013	2014	2015	
Electricity in offices (kwh)	367,402	334,472	363,000	
Elec. network and LNG plants (kwh)	–	–	95,987	
Gas natural en oficinas (kwh)	5,805	14,429	–	
Diesel (l)	23,142	18,944	11,855	
Gasoline (l)	51,272	34,093	9,253	
Natural gas vehicles (kg)	–	5,619	18,730	

Paper consumption (kg)

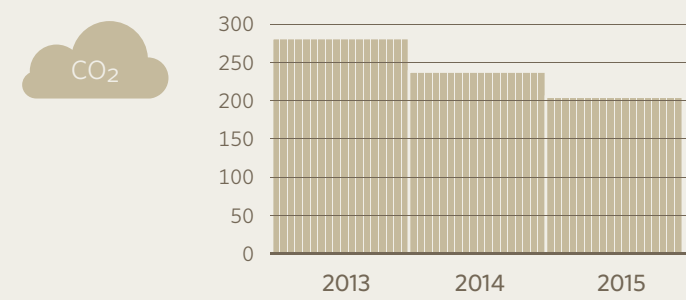


Water consumption (m³)*



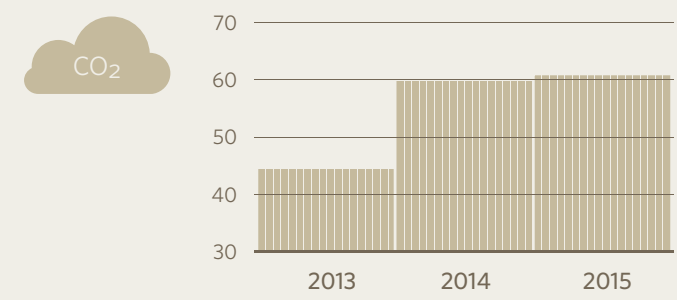
(*) We have begun to monitor data on water consumption by the LNG plants since their launch in 2015.

Atmospheric emissions of facilities and vehicles (thousands/kg CO₂)*



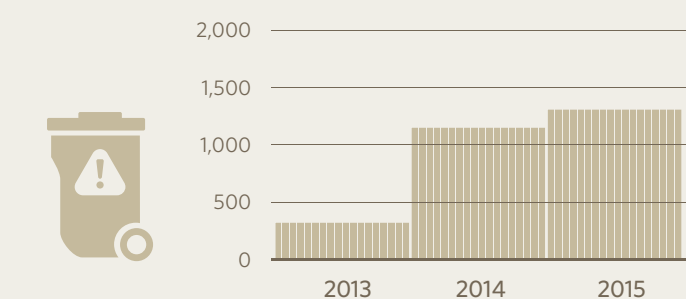
(*) These data include direct and indirect emissions of the building, as well as the fleet vehicles. Emissions of vehicles of sales staff or private cars of employees are not included.

Fugitive emissions of methane in the distribution network (thousands/t CO₂)*



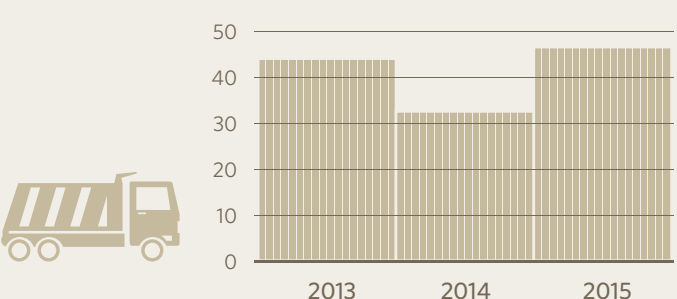
(*) The estimated fugitive emissions depends on the materials of the network, its length and conversion factors, which changed in 2014.

Hazardous waste management (thousand kg)*



(*) Categories of hazardous waste managed: contaminated plastic and metal containers, contaminated rags, aerosols, filters, batteries, computer and electronic equipment, button and alkaline batteries.

Management of construction and demolition waste (thousands t)



GAS AND SOCIETY

SUSTAINABLE DEVELOPMENT

Our approach endorses the commitment of Madrileña Red de Gas to the global objectives of sustainable development in connection with our interest groups and activities, which are health and welfare, affordable and non-polluting energy, fair employment and economic growth, industry, innovation and infrastructure, sustainable cities and communities, responsible production and consumption and action for the climate and the life of land ecosystems.

Similarly, in Madrileña Red de Gas we are committed to the momentum of the recycling economy within our scope, as a measure to support the attainment of goal no. 12 "Responsible production and consumption", included in the sustainable development goals of the UN and, very specifically, through the efficient use of raw materials and minimisation and responsible management of the waste generated by reuse and recycling. In this way, we are contributing to the transition to a recycling economy, a strategy that is key to the sustainability of the planet, as well as for the economy, as it will progressively reduce the destruction of valuable and scarce raw materials present in the current linear economy.

On the other hand, as a natural gas distribution company, Madrileña Red de Gas is taking on the challenge of contributing to the objectives of the COP21 by 2030, through the implementation of environmental policies for the

improvement of the quality of local and global air, the implementation of the directive on alternative fuels and support for greater penetration of the natural gas network and the renewal of certain heating equipment. This action focuses on:

- The residential and tertiary sectors, with the substitution of biomass and other fuels by natural gas for heating and domestic hot water (DHW). This reduces the emissions of NO_x, SO₂ and PM, and the local and global air quality is improved.
- The transport sector, with the replacement of the vehicle fleet by natural gas vehicles that emit 20 % less CO₂ and achieve a drastic reduction of NO_x, SO₂ and PM, related to respiratory problems, without any additional cost.

Furthermore, we have joined the GRESB infrastructure initiative, participating for the first time in the survey for the assessment of its situation with regard to the critical aspects of performance in environmental management and social and corporate governance (ESG, Environment, Social and Governance).

For Madrileña Red de Gas, this participation brings great advantages, such as the review and annual assessment of its performance, the identification of strengths and opportunities, access to information and a leadership position.



RESULTS

SUMMARY OF RESULTS

OPERATING RESULTS

REVENUE

FINANCIAL POSITION AND BALANCE SHEET

CASH FLOW FROM OPERATIONS

INVESTMENTS

RESULTS

SUMMARY OF RESULTS

Profit and Losses (€ million)	2015	2016
Remuneration	140.0	137.3
Other revenues	26.1	28.0
EBITDA ¹	135.7	134.2
EBIT	102.0	103.1
Net profit	47.6	49.3

¹ Excluding non-recurrent expenses.

The energy scenario in which Madrileña Red de Gas operates requires the inclusion of the largest number of users possible with natural gas supply connected to their distribution networks. During this financial year, in Madrileña Red de Gas we have passed 850,000 supply points, increasing our position as the reference energy supplier.

Last June, Madrileña Red de Gas entered into a framework agreement with Repsol Butano for the acquisition of approximately 42,000 LPG supply points, which will make it possible, once converted to natural gas, to accelerate the expansion of the company and our distribution network, the basic strategic pillar of the company. In addition, in order to provide services to new municipalities of the Community of Madrid, MRG has expanded the gas distribution network to the municipality of Vellón and has launched two satellite liquefied natural gas plants to supply the municipalities

of Valdetorres and Zarzalejo. We are currently providing a service to a total of 853,056 supply points.

One of the objectives of MRG is to continue to develop a sustainable business model, focused on the growth of the regulated distribution business; the increase in operational efficiency; the financial strength to take advantage of the growth opportunities in the market; long-term shareholder value and a strong social commitment that pursues the creation of value for all our stakeholders. During this financial year the regulatory measures applicable to the activity of natural gas distribution have already been implemented, and the fund for sustainability and control over the tariff deficit of the system is being maintained. Regulation is a key element in the sustainability of the activities of MRG, so as to attract the investments needed to secure and expand the distribution of natural gas in an efficient manner.

In this sense, this financial year, through the entry into the shareholder structure of Lancashire County Pension Fund, has seen the establishment, together with Gingko Tree Investment Ltd, PGGM and EDF Invest, of the consortium of shareholders which share the vision, the business profile of the company, the advantages that the penetration of gas in the national energy mix represents and its commitment to the long-term stability of the current regulatory framework. MRG represents for its shareholders an industrial project for value creation in the long term, and their confidence in the company allows us to have the necessary resources to further develop our project.

OPERATING RESULTS

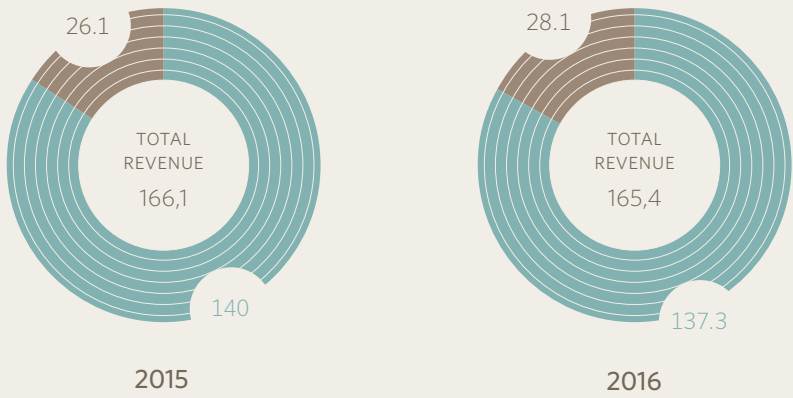
In the financial year 2016, the results have been higher than initially expected, due to the good performance of the regulated businesses and the improvement of operational efficiency.

Compared to the previous year, the gross operating result (EBITDA) reached €134.2 million (- 1.1%) and the gross operating result (EBIT), adjusted for amortisation and non-recurring charges, reached €103.1 million (+ 1.1%). With respect to EBITDA, there is still an impact of the adjustment to the remuneration of the company as a result of the measures contained in the Royal Decree 8/2014. This negative effect has been partially offset by an increase in the volume of operations in regular inspections and by the increase in household operations aimed at improving the efficiency of the distribution network and reducing operating costs, through continuous improvement in processes and automation. All this, despite the impact of lower earnings, has made it possible to maintain a level of EBITDA similar to the previous year.

On the other hand, the EBIT operating results have increased to €103.1 million, which represents + 1.1% compared to the figure for the previous year, mainly due to the reduction of non-recurring expenses and amortisation.

Revenue (€ million)

● Remuneration ● Other revenues



REVENUE

The net turnover in the financial year 2016 was €165.4 million. Out of total revenue, 83 % comes from the fees for distribution activity, which are fixed under the Orders of the Ministry of Industry, Tourism and Commerce 2445/2014, published in Official Gazette No. 312 of 26 December 2014,

389/2015 published in Official Gazette No. 58 of March 9, 2015 and 2736/2015 published in Official Gazette No. 302 of 18 December 2015. The remaining 17 % corresponds to other services related to the activity of natural gas distribution. The most important of these is revenue from the rental of meters, revenue from regular inspections and revenue from the provision of other services to users.

RESULTS

FINANCIAL POSITION AND BALANCE SHEET

Madrileña Red de Gas regards its financial strength as an essential pillar that allows us to maintain strong levels of solvency and liquidity ratios consistent with an investment grade rating, so as to balance the rise in debt with the generation of additional cash from new investments. The debt structure is compliant with the mandatory business profile.

In this context, during the third quarter of the financial year, a bond issue has been made for an amount of €75 million with maturities in March 2031. This issue was carried out by Madrileña Red de Gas Finance BV, a company domiciled in the Netherlands and owned 100 percent by the sole shareholder of MRG; it has received the rating of investment grade from the international rating agencies Standard & Poor's and Fitch.

Balance (€ million)	2015	2016
Gas distribution licences	713.4	713.4
Net tangible fixed assets	367.3	355.8
Total Network Fixed Assets	1,080.6	1,069.1
Goodwill	57.4	57.4
Deferred tax asset	29.1	27.3
Other non-current assets	29.6	29.9
Other current assets	19.0	47.3
Cash	56.1	111.4
Total Assets	1,271.9	1,342.3
Equity	422.1	383.4
Long term debt	771.2	846.7
Deferred tax liability	26.9	30.4
Other non-current liabilities	1.2	1.3
Current liabilities	50.5	80.6
Total Liabilities & Shareholders equity	1,271.9	1,342.3

Free cash flow (€ million)	2015	2016
EBITDA	135.7	134.2
Income tax paid	(18.3)	(12.0)
Working capital	0.8	(4.4)
Capex	(21.0)	(15.7)
Free cash flow	97.1	102.1

CASH FLOW FROM OPERATIONS

The temporary increase in investment and changes in the regulatory framework for natural gas have the largest impacts on the generation of cash in this financial year.

The cash flow generated by operations during the financial year 2015 was €102.1 million, an increase of 5% on the previous financial year.

The main factors that have contributed to the increase in cash flow are the improvement in the operating margin of the company, as a result of operational efficiency, through improvements and automation processes; the increase in other regulated revenues and the temporary decline of investment as a result of the agreement with Repsol to purchase approximately 42,000 LPG supply points; they will be converted to natural gas over the next few years.

RESULTS

CAPITAL EXPENDITURE

MRG has continued to roll out its investment plan, with the aim of expanding the distribution of natural gas to the maximum of consumers. Investment in fixed assets during the period reached a figure of €17.4 million. In terms of their essential characteristics, investments or investment commitments in 2016 can be grouped in three major areas:

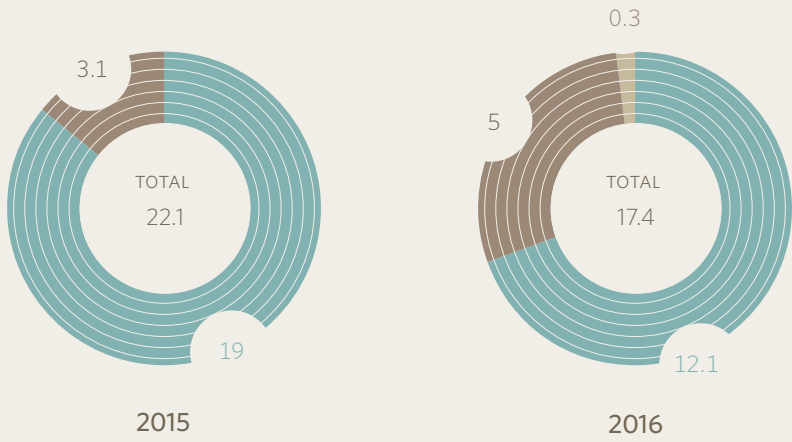
EXPANSION

Madrileña Red de Gas has invested a total of €12.1 million in the expansion of its distribution networks. The strategy of the company remains focused in the expansion of our distribution network, both through the connection of new customers within our territory and through its enlargement to new adjacent municipalities.

Also, and to provide a service to new users, the company has expanded the gas distribution network to the municipality of El Vellón and has since launched two satellite liquefied natural gas plants to supply the municipalities of Valdetorres and Zarzalejo.

Capital Expenditure (€ million)

● Expansion ● Other ● One-off



OTHER PROJECTS

Investment in projects for the development of information systems and technical improvements in other areas of the company continue to be a focus within the investments of Madrileña Red de Gas.

Through these investments, MRG will continue to improve operational efficiency through advances in automation and digitalisation in all processes.

ACQUISITION OF LPG PLANTS

The conclusion with Repsol Butane of a framework agreement on June 9, 2016, for the acquisition of a total of approximately 42,000 LPG supply points, for conversion to natural gas, the efficient functioning of the operating assets and investment plan described above will lead to sustainable growth of the cash flow and results of the company in the coming years.

ANNEX

I. AUDIT REPORT

II. CERTIFICATES

I. AUDIT REPORT



This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretation of information, views or opinions, the original language version of our report takes precedence over this translation.

INDEPENDENT AUDIT REPORT ON THE ANNUAL ACCOUNTS

To the Sole Shareholder of Madrileña Red de Gas, S.A. (Sociedad Unipersonal):

Report on the Annual Accounts

We have audited the accompanying annual accounts of Madrileña Red de Gas, S.A. (Sociedad Unipersonal) company, which comprise the balance sheet at 30 June 2016, the income statement, the statement of changes in equity, the statement of cash flows and related notes for the year then ended.

Directors' Responsibility for the Annual Accounts

The Directors are responsible for the preparation of the accompanying annual accounts such that they present fairly the equity, the financial position of Madrileña Red de Gas, S.A. (Sociedad Unipersonal), and the results of its operations in accordance with the financial reporting framework applicable to the entity in Spain, which is identified in note 3 to the accompanying annual accounts and the internal control considered necessary to permit the preparation of annual accounts which are free from material misstatement, due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on the accompanying annual accounts based on our audit. We conducted our audit in accordance with legislation governing the audit practice in Spain, which requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the annual accounts are free from material misstatement.

An audit requires the application of procedures to obtain audit evidence about the amounts and disclosures in the annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the annual accounts, whether due to fraud or error. When carrying out those risk assessments, the auditor considers the internal control relevant to the entity's preparation of the annual accounts in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the presentation of the annual accounts taken as a whole.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

PricewaterhouseCoopers Auditores, S.L., Torre PwC, Pº de la Castellana 259 B, 28046 Madrid, España
Tel.: +34 915 684 400 / +34 902 021 111, Fax: +34 915 685 400, www.pwc.es



Opinion

In our opinion, the accompanying annual accounts present fairly, in all material respects, the financial position of Madrileña Red de Gas, S.A. (Sociedad Unipersonal) company as at 30 June 2016 and its financial performance and its cash flows for the year then ended in accordance with the applicable financial reporting framework, and in particular, with the accounting principles and criteria included therein.

Report on Other Legal and Regulatory Requirements

The accompanying Directors' Report for the year ended on 30 June 2016 contains the information that the Company's Directors consider relevant to the position of Madrileña Red de Gas, S.A. (Sociedad Unipersonal), the development of its business and other matters and does not form an integral part of the annual accounts. We have verified that the accounting information contained in the directors' report is in agreement with that of the annual accounts for the year ended on 30 June 2016. Our work as auditors is limited to checking the directors' report in accordance with the scope mentioned in this paragraph and does not include a review of information other than that obtained from the company's accounting records.

PricewaterhouseCoopers Auditores, S.L.

PricewaterhouseCoopers Auditores, S.L.
Torre PwC, Paseo de la Castellana 259 B,
28046 Madrid

Juan Manuel Anguita Amate

Original signed on 30 august 2016

II. CERTIFICATES

Certificado

Normativa de aplicación **ISO 9001:2008**

Nº registro certificado 01 100 1516945

Titular del certificado:



MADRILEÑA RED DE GAS, S.A.U.
C/ Virgilio 2 bis Centro empresarial ARCO Edif. 1 y 2
E - 28223 Pozuelo de Alarcón (Madrid)

Ámbito de aplicación:

Captación de nuevos puntos de suministro de gas natural para usos domésticos, comerciales o industriales.
Diseño, gestión de construcción, puesta en servicio, operación y mantenimiento de redes de distribución de gas natural.
La atención de avisos de urgencias en las redes de distribución y en los puntos de suministro de gas natural.
Gestión de: acceso de terceros a las redes de distribución de gas natural, operaciones domiciliarias, inspección y revisión periódica de las instalaciones receptoras, sistemas de medición de consumos y determinación de la energía consumida.
Servicio de atención al cliente.
Centro de Control Distribución, (Dispatching).

Mediante una auditoría se verificó el cumplimiento de los requisitos recogidos en la norma ISO 9001:2008.

Validez:

Este certificado es válido desde 2015-12-23 hasta 2018-09-14.
Primera auditoría de certificación 2015

2016-02-23

TUV Rheinland Cert GmbH
Am Grauen Stein - 51105 Köln

www.tuv.com



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Certificado

Normativa de aplicación **ISO 14001:2004**

Nº registro certificado 01 104 125206

Titular del certificado:



MADRILEÑA RED DE GAS, S.A.
C/ Virgilio 2 bis Centro empresarial ARCO Edif. 1 y 2
E - 28223 Pozuelo de Alarcón (Madrid)

Ámbito de aplicación:

Captación de nuevos puntos de suministro de gas natural para usos domésticos, comerciales o industriales.
Diseño, gestión de construcción, puesta en servicio, operación y mantenimiento de redes de distribución de gas natural.
La atención de avisos de urgencias en las redes de distribución y en los puntos de suministro de gas natural.
Gestión de: acceso de terceros a las redes de distribución de gas natural, operaciones domiciliarias, inspección y revisión periódica de las instalaciones receptoras, sistemas de medición de consumos y determinación de la energía consumida.
Servicio de atención al cliente.
Centro de Control Distribución, (Dispatching).

Mediante una auditoría se verificó el cumplimiento de los requisitos recogidos en la norma ISO 14001:2004.

Validez:

Este certificado es válido desde 2016-04-05 hasta 2018-09-14.
Primera auditoría de certificación 2013

2016-04-18

TUV Rheinland Cert GmbH
Am Grauen Stein - 51105 Köln

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II. CERTIFICATES

Certificado

Norma de aplicación **BS OHSAS 18001:2007**

Nº registro certificado 77 113 120013

TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
certifica:

Titular del certificado:



Madrileña Red de Gas, S.A.
C/ Virgilio 2 bis Centro empresarial ARCO Edif. 1 y 2
E - 28223 Pozuelo de Alarcón (Madrid)

Ámbito de aplicación: Captación de nuevos puntos de suministro de gas natural para usos domésticos, comerciales o industriales.
Diseño, gestión de construcción, puesta en servicio, operación y mantenimiento de redes de distribución de gas natural.
La atención de avisos de urgencias en las redes de distribución y en los puntos de suministro de gas natural.
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Servicio de atención al cliente.
Centro de Control Distribución. (Dispatching).

Mediante auditoría realizada, según consta en el informe nº 120013 se verificó el cumplimiento de los requisitos recogidos en la norma BS OHSAS 18001:2007.

Validez: La fecha límite para la auditoría de seguimiento es 31-10 (dd.mm).
Este certificado es válido desde 2016-01-27 hasta 2019-01-31.
Fecha de primera certificación 2013

2016-02-23 TÜV Rheinland Ibérica Inspection, Certification & Testing S.A.
García, 10-12 - E-08820 El Prat de Llobregat

www.tuv.com



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