

OPERATIONAL INFORMATION DOCUMENT

This Operational Information Document relates to the Final Terms dated 22 January 2018 (the “Final Terms”) in respect of the issue by Gas Natural Fenosa Finance B.V. of Euro 850,000,000 1.500% Guaranteed Notes due 2028 (the “Notes”) under the Euro 15,000,000,000 Euro Medium Term Note Programme.

This Operational Information Document has not been reviewed or approved by any competent authority for the purposes of the Prospectus Directive or otherwise and does not form part of the Final Terms for the purposes of the Prospectus Directive. However, for all other purposes this Operational Information Document must be read in conjunction with the Final Terms. Words and expressions which have a defined meaning in the Final Terms or the Base Prospectus dated 30 November 2017 have the same meanings in this Operational Information Document.

MiFID II product governance / Professional investors and ECPs only target market Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only, each as defined in Directive 2014/65/EU (as amended, “**MiFID II**”); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a “**distributor**”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

FINAL TERMS

PROHIBITION OF SALES TO EEA RETAIL INVESTORS

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (*EEA*). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (*MiFID II*); (ii) a customer within the meaning of Directive 2002/92/EC (*IMD*), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the *Prospectus Directive*). Consequently no key information document required by Regulation (EU) No 1286/2014 (the *PRIIPs Regulation*) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Capitalised words and expressions used in a Final Terms shall, save to the extent otherwise defined therein, have the meanings given thereto in the relevant Terms and Conditions and in the Agency Agreement.

22 January 2017

Gas Natural Fenosa Finance B.V.

(Incorporated with limited liability in The Netherlands and having its statutory domicile in Amsterdam)

Euro 850,000,000 1.500% Guaranteed Notes due 2028 (the Notes)

Guaranteed by

Gas Natural SDG, S.A.

issued pursuant to the Euro 15,000,000,000 Euro Medium Term Note Programme

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions of Notes issued by Gas Natural Fenosa Finance B.V. set forth in the base prospectus dated 30 November 2017 (the *Base Prospectus*) which constitutes a base prospectus for the purposes of the Prospectus Directive (*Directive 2003/71/EC*) as amended (which includes amendments made by Directive 2010/73/EU to the extent that such amendments have been implemented in a relevant Member State) (the *Prospectus Directive*). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with such Base Prospectus. Full information on the Issuer, the Guarantor and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Base Prospectus. The Base Prospectus has been published on the website of the Luxembourg Stock Exchange at www.bourse.lu.

1. (i) Series Number: 31
(ii) Tranche Number: 1
2. Specified Currency or Currencies: Euro
3. Aggregate Nominal Amount of Notes:
 - (i) Series: Euro 850,000,000
 - (ii) Tranche: Euro 850,000,000

	(iii) Date on which the Notes will become fungible:	N/A
4.	Issue Price:	98.937% of the Aggregate Nominal Amount
5.	(a) Specified Denominations:	Euro 100,000
	(b) Calculation Amount:	Euro 100,000
6.	(i) Issue Date:	29 January 2018
	(ii) Interest Commencement Date:	Issue Date
7.	Maturity Date:	29 January 2028
8.	Interest Basis:	1.500% Fixed Rate
	<i>(see Condition 5)</i>	
9.	Redemption/Payment Basis:	Subject to any purchase and cancellation or early redemption, the Notes will be redeemed on the Maturity Date at 100% of their nominal amount
	<i>(see Condition 6)</i>	
10.	Change of Interest Basis:	N/A
	<i>(see Condition 5)</i>	
11.	Put/Call Options:	Residual Maturity Call Option
	<i>(see Condition 6)</i>	Substantial Purchase Event
		Make-Whole Redemption
		Change of Control Put Option
12.	Date Board approval for issuance of Notes obtained:	9 January 2018

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

13.	Fixed Rate Note Provisions	Applicable
	<i>(see Condition 5)</i>	
	(i) Interest Period(s):	The 12 month period ending on and excluding 29 January in each year, the last such period ending on and excluding the Maturity Date
	(ii) Rate of Interest:	1.500% per annum payable annually in arrear
	(iii) Interest Payment Date(s):	29 January in each year, commencing on 29 January 2019 up to and including the Maturity Date
	(iv) First Interest Payment Date:	29 January 2019
	(v) Fixed Coupon Amount(s):	Euro 1,500 per Calculation Amount
	(vi) Broken Amount(s):	N/A

(vii)	Day Count Fraction:	Actual/Actual (ICMA)
(viii)	Determination Dates:	N/A
14.	Floating Rate Note Provisions	N/A

(see Condition 5)

15.	Zero Coupon Note Provisions	N/A
-----	------------------------------------	-----

(see Condition 5)

PROVISIONS RELATING TO REDEMPTION

16.	Call Option	N/A
-----	--------------------	-----

(see Condition 6)

17.	Put Option	N/A
-----	-------------------	-----

(see Condition 6)

18.	Residual Maturity Call Option	Applicable
-----	--------------------------------------	------------

(see Condition 6)

(i)	Residual Maturity Call Option Redemption Date:	As per Conditions
-----	--	-------------------

19.	Substantial Purchase Event	Applicable
-----	-----------------------------------	------------

(see Condition 6)

20.	Make-Whole Redemption	Applicable
-----	------------------------------	------------

(see Condition 6)

(i)	Make-Whole Redemption Rate:	The yield to maturity on the third Business Day preceding the Make-Whole Redemption Date of the 0.500% <i>Bundesobligationen</i> of the <i>Bundesrepublik Deutschland (Bund)</i> due August 2027 (ISIN: DE0001102424)
-----	-----------------------------	---

(ii)	Make-Whole Redemption Margin:	0.20 per cent.
------	-------------------------------	----------------

21.	Change of Control Put Option	Applicable
-----	-------------------------------------	------------

(see Condition 6)

22. **Final Redemption Amount of each Note:** Euro 100,000 per Calculation Amount

23. **Early Redemption Amount**

Early Redemption Amount(s) payable on redemption for taxation reasons or on event of default or other early redemption: As per Conditions

(see Condition 6)

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes: Bearer Notes
Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for definitive Notes in the limited circumstances specified in the Permanent Global Note

25. New Global Note Yes

26. Financial Centre(s) N/A

27. Talons for future Coupons or Receipts to be attached to definitive Notes (and dates on which such Talons mature): No

28. Details relating to Instalment Notes: N/A

(see Condition 6)

29. Consolidation provisions: The provisions in Condition 16 (Further Issues) apply

DISTRIBUTION

30. If syndicated, names of Managers: Banca IMI, S.P.A.
BNP Paribas
CaixaBank, S.A.
Citigroup Global Markets Limited
ING Bank N.V.
Mizuho International PLC
MUFG Securities EMEA plc
Natixis
SMBC Nikko Capital Markets Limited
The Royal Bank of Scotland plc (trading as NatWest Markets)

31. If non-syndicated, name of relevant Dealer: N/A

32. U.S. Selling Restrictions: Reg. S Compliance Category 2, TEFRA D
(see page 166)



By:

Signed on behalf of Gas Natural Fenosa Finance B.V.

Duly authorised


By:

Signed on behalf of the Guarantor

Duly authorised

OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be listed on the **Official List of the Luxembourg Stock Exchange** with effect from the Issue Date.
(see cover page)
- (ii) Admission to Trading: Application is expected to be made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the **Regulated Market of the Luxembourg Stock Exchange** with effect from the Issue Date.
- (iii) Estimate of total expenses related to admission to trading: Euro 6,600

2. RATINGS

- Ratings: The Notes to be issued are expected to be rated:
Fitch Ratings Limited (“**Fitch**”): BBB+ (negative)
Moody’s Investor Service Limited (“**Moody’s**”): Baa2 (stable)
S&P Global Ratings (“**S&P**”): BBB (stable)

Each of Fitch, Moody’s and S&P is established in the European Union and is registered under Regulation (EU) No 1060/2009 (the “**CRA Regulation**”). A list of rating agencies registered under the CRA Regulation can be found at <http://www.esma.europa.eu/page/List-registered-and-certified-CRAs>.

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE/OFFER

Save for any fees payable to the Managers and so far as the Issuer is aware, no person involved in the issue/offer of the Notes has an interest material to the offer. The Managers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer, the Guarantor and any of their affiliates in the ordinary course of business for which they may receive fees.

4. REASONS FOR THE OFFER

- Reasons for the offer: See “Use of Proceeds” wording in the Base Prospectus

5. Fixed Rate Notes only — YIELD

- Indication of yield: 1.616% per annum

6. OPERATIONAL INFORMATION

- (i) ISIN Code: XS1755428502
- (ii) Common Code: 175542850
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking, société anonyme and the relevant identification number(s): N/A
- (iv) Intended to be held in a manner which would allow Eurosystem eligibility: Yes
Yes. Note that the designation “yes” simply means that the Notes are intended upon issue to be deposited with one of the ICSDs as common safekeeper and does not necessarily mean that the Notes will be recognised as eligible collateral for Eurosystem monetary policy and intra day credit operations by the Eurosystem either upon issue or at any or all times during their life. Such recognition will depend upon the ECB being satisfied that Eurosystem eligibility criteria have been met.
- (v) Names and addresses of initial Paying Agent(s): Citibank, N.A., London Branch
- (vi) Names and addresses of additional Paying Agent(s): N/A