



## **Sempra Energy Earnings per Share Rise 6.5 Percent in 2008**

### **Company Reaffirms 2009 Earnings-per-share Outlook of \$4.35 per Share to \$4.60 per Share**

SAN DIEGO, Feb. 24, 2009 - Sempra Energy (NYSE: SRE) today reported net income of \$1.11 billion, or \$4.43 per diluted share, up 6.5 percent per share from 2007 net income of \$1.10 billion, or \$4.16 per diluted share.

Fourth-quarter 2008 net income rose to \$319 million, or \$1.30 per diluted share, from \$289 million, or \$1.10 per diluted share in 2007.

"Despite the challenging economic environment, our businesses have excelled and we've achieved major milestones in our long-term strategy," said Donald E. Felsing, chairman and chief executive officer of Sempra Energy. "We launched operations at our Mexican liquefied natural gas terminal, completed our commodities joint venture and added new Gulf Coast natural gas assets with the acquisition of EnergySouth. We also received state regulatory approval on San Diego Gas & Electric's Sunrise Powerlink transmission line and both of our utilities' rate cases. Additionally, we completed a \$1 billion share-repurchase program, increased our dividend and maintained a strong balance sheet."

### **SUBSIDIARY OPERATING RESULTS**

#### **San Diego Gas & Electric**

San Diego Gas & Electric (SDG&E) recorded net income of \$339 million in 2008, up from \$283 million in 2007. SDG&E's fourth-quarter 2008 net income was \$81 million, compared with \$47 million in the year-ago quarter, due primarily to higher operating margin and a lower tax rate.

In December 2008, the California Public Utilities Commission approved SDG&E's application to build the \$1.9 billion, 500-kilovolt Sunrise Powerlink transmission-line project. Pre-construction activities on the project have begun, with completion of the power line expected in 2012.

"After three years of thorough regulatory review, we are pleased that the Sunrise Powerlink project is moving forward," said Felsing. "California policymakers have set aggressive environmental goals for the state's utilities, mandating a significant increase in renewable energy and reduction in greenhouse-gas emissions over the next decade. The Sunrise Powerlink will help SDG&E meet these environmental mandates, while increasing system reliability."

#### **Southern California Gas Co.**

In 2008, Southern California Gas Co. (SoCalGas) net income increased to \$244 million from \$230 million. Fourth-quarter net income for SoCalGas was \$54 million in 2008, compared with \$58 million in 2007.

#### **RBS Sempra Commodities**

Sempra Energy generated net income of \$345 million from its commodity operations in the full-year 2008, including nine months of net income from its equity share of the RBS Sempra Commodities joint venture, and \$164 million in the fourth quarter 2008. In 2007, Sempra Commodities earned \$499 million in net income and \$186 million in fourth-quarter net income. Results for 2007 represented 100 percent of the earnings from the commodities-marketing business prior to the formation of RBS Sempra Commodities. In the fourth quarter 2008, RBS Sempra Commodities performed well in all of its major product segments, led by crude oil and petroleum products.

#### **Sempra Generation**

Sempra Generation's net income rose to \$222 million in 2008 from \$162 million in 2007. In the fourth quarter 2008, Sempra Generation's net income increased to \$60 million from \$40 million in the same quarter of 2007, due primarily to lower income-tax expense.

In December 2008, Sempra Generation completed its first solar-power project. The 10-megawatt facility, located outside of Las Vegas, is the largest thin-film solar generating plant in North America.

#### **Sempra Pipelines & Storage**

Sempra Pipelines & Storage earned \$106 million in 2008 net income, up from \$64 million in 2007. In the fourth quarter 2008, Sempra Pipelines & Storage had net income of \$22 million, compared with \$14 million in the prior year's quarter, due primarily to the operation of the western portion of the Rockies Express Pipeline and the company's Mexico pipelines.

## **Sempra LNG**

In 2008, Sempra LNG recorded a net loss of \$46 million, unchanged from 2007. For the fourth quarter 2008, Sempra LNG had a net loss of \$13 million, compared with a net loss of \$19 million in the same period of 2007, due primarily to a tax benefit related to currency and inflation adjustments.

## **2009 Outlook**

Sempra Energy today reaffirmed its previous earnings-per-share outlook for 2009 of a range of \$4.35 per share to \$4.60 per share.

## **Internet Broadcast**

Sempra Energy will broadcast a live discussion of its earnings results over the Internet today at 1 p.m. EST with senior management of the company. Access is available by logging onto the Web site at [www.sempra.com](http://www.sempra.com). For those unable to log onto the live webcast, the teleconference will be available on replay a few hours after its conclusion by dialing (888) 203-1112 and entering passcode 2137643.

Sempra Energy, based in San Diego, is a Fortune 500 energy services holding company with 2008 revenues of nearly \$11 billion. The Sempra Energy companies' 13,600 employees serve about 24 million consumers worldwide.

Complete financial tables, including income-statement information by business unit, are available on Sempra Energy's Web site at <http://www.sempra.com/downloads/4Q2008.pdf>.

*This press release contains statements that are not historical fact and constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These statements can be identified by words like "believes," "expects," "anticipates," "intends," "plans," "estimates," "may," "would," "could," "should," or similar expressions, or discussions of strategies, plans or intentions. Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. Future results may differ materially from those expressed in the forward-looking statements. Forward-looking statements are necessarily based upon various assumptions involving judgments with respect to the future and other risks, including, among others: local, regional, national and international economic, competitive, political, legislative and regulatory conditions and developments; actions by the California Public Utilities Commission, California State Legislature, California Department of Water Resources, Federal Energy Regulatory Commission, Federal Reserve Board, and other regulatory and governmental bodies in the United States, the United Kingdom and other countries; capital market conditions and inflation, interest and exchange rates; energy and trading markets, including the timing and extent of changes and volatility in commodity prices; the availability of electric power, natural gas and liquefied natural gas; weather conditions and conservation efforts; war and terrorist attacks; business, regulatory, environmental and legal decisions and requirements; the status of deregulation of retail natural gas and electricity delivery; the timing and success of business development efforts; the resolution of litigation; and other uncertainties, all of which are difficult to predict and many of which are beyond the control of the company. These risks and uncertainties are further discussed in the reports that Sempra Energy has filed with the Securities and Exchange Commission. These reports are available through the EDGAR system without charge at the SEC's Web site, [www.sec.gov](http://www.sec.gov) and on the company's Web site, at [www.sempra.com](http://www.sempra.com).*

*Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Commodities are not the same companies as the utility, San Diego Gas & Electric (SDG&E) or Southern California Gas Company (SoCalGas), and Sempra Pipelines & Storage, Sempra Generation, Sempra LNG and Sempra Commodities are not regulated by the California Public Utilities Commission.*

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