



**REPSOL YPF S.A. and investees composing the
REPSOL YPF GROUP**

**INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
AND INTERIM MANAGEMENT REPORT FOR THE SIX-
MONTH
PERIOD ENDED JUNE 30, 2011**

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Repsol YPF, S.A. and investees composing the Repsol YPF Group
Consolidated Balance Sheets at June 30, 2011 and December 31, 2010

ASSETS	Note	Millions of euros	
		06/30/2011	12/31/2010
Intangible assets:		7,417	7,453
a) Goodwill	3	4,414	4,617
b) Other intangible assets	3	3,003	2,836
Property, plant and equipment	3	32,620	33,585
Investment properties		25	26
Investments accounted for using the equity method		584	585
Non-current financial assets	5	2,123	1,789
Deferred tax assets		1,939	1,993
Other non-current assets	5	309	322
NON-CURRENT ASSETS		45,017	45,753
Non-current assets held for sale	3	225	340
Inventories		6,283	5,837
Trade and other receivables		8,878	8,569
a) Trade receivables		6,235	5,795
b) Other receivables		2,225	2,405
c) Income tax assets		418	369
Other current financial assets	5	690	684
Cash and cash equivalents	5	5,736	6,448
CURRENT ASSETS		21,812	21,878
TOTAL ASSETS		66,829	67,631

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Balance Sheet at June 30, 2011.

Repsol YPF, S.A. and investees composing the Repsol YPF Group
Consolidated Balance Sheets at June 30, 2011 and December 31,2010

		Millions of euros	
EQUITY AND LIABILITIES	Note	06/30/2011	12/31/2010
EQUITY			
Share Capital		1,221	1,221
Share premium		6,428	6,428
Reserves		247	247
Retained earnings and other reserves		17,241	13,309
Net income attributable to the shareholders of the parent		1,344	4,693
Interim dividend		-	(641)
EQUITY		26,481	25,257
Financial assets available for sale		6	6
Hedge transactions		(89)	(131)
Translation differences		(2,091)	(992)
ADJUSTMENTS FOR CHANGE IN VALUE		(2,174)	(1,117)
EQUITY ATTRIBUTABLE TO THE SHAREHOLDERS OF THE PARENT		24,307	24,140
MINORITY INTEREST		3,144	1,846
TOTAL EQUITY		27,451	25,986
Grants		116	110
Non-current provisions		3,237	3,772
Non-current financial liabilities	5	14,268	14,940
a) Bank borrowings, bonds and other securities		14,177	14,805
b) Other financial liabilities		91	135
Deferred tax liabilities		3,212	3,387
Other non-current liabilities		3,530	3,663
NON-CURRENT LIABILITIES		24,363	25,872
Liabilities related to non-current assets held for sale		49	153
Current provisions		285	404
Current financial liabilities:	5	3,914	4,362
a) Bank borrowings, bonds and other securities		3,854	4,224
b) Other financial liabilities		60	138
Trade and other accounts payable:		10,767	10,854
a) Trade payables		4,690	4,539
b) Other payables		5,409	5,550
c) Income tax liabilities		668	765
CURRENT LIABILITIES		15,015	15,773
TOTAL EQUITY AND LIABILITIES		66,829	67,631

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Balance Sheet at June 30, 2011.

Repsol YPF, S.A. and investees composing the Repsol YPF Group
Consolidated Income Statements for the interim periods ended June 30, 2011 and 2010

	Note	Millions of euros	
		06/30/2011	06/30/2010
		Amount	Amount
Sales	4	29,442	26,034
Services rendered and other income	4	793	829
Change in inventories of finished goods and work in progress inventories		512	425
Income from reversal of impairment losses and gain on disposal of non-current assets		95	286
Allocation of grants on non financial assets and other grants		6	9
Other operating income		637	734
OPERATING REVENUE	4	31,485	28,317
Supplies		(20,864)	(17,219)
Personnel expenses		(1,275)	(1,152)
Other operating expenses		(4,845)	(4,909)
Depreciation and amortization of non-current assets		(1,749)	(1,914)
Impairment losses recognized and losses on disposal of non-current assets		(30)	(119)
OPERATING EXPENSES		(28,763)	(25,313)
OPERATING INCOME	4	2,722	3,004
Finance income		122	145
Finance expense		(508)	(622)
Change in the fair value of financial instruments		(234)	(165)
Net exchange gains/ (losses)		268	174
Impairment losses and gain/(losses) on disposals of financial instruments		-	1
FINANCIAL RESULT		(352)	(467)
NET INCOME BEFORE TAX AND SHARE OF RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD		2,370	2,537
Income tax		(912)	(1,104)
Share of results of companies accounted for using the equity method		36	42
CONSOLIDATED NET INCOME FOR THE INTERIM PERIOD		1,494	1,475
Net income attributable to minority interests		(150)	(137)
NET INCOME ATTRIBUTABLE TO THE PARENT		1,344	1,338
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT ⁽¹⁾		Amount	Amount
		(euros)	(euros)
Basic		1.10	1.10
Diluted		1.10	1.10

(1) Earnings per share was calculated based on the number of shares outstanding, which totalled 1,220,863,463 at June 30, 2011 and June 30, 2010.

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Income Statement for the six-month period ended June 30, 2011.

Repsol YPF, S.A. and investees composing the Repsol YPF Group
Consolidated Statements of Recognized Income and Expenses corresponding to the interim
periods ended June 30, 2011 and 2010

	Millions of euros	
	<u>06/30/2011</u>	<u>06/30/2010</u>
CONSOLIDATED NET INCOME FOR THE INTERIM PERIOD (from the Income Statement)	1,494	1,475
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY:		
From measurement of financial assets available for sale	1	(8)
From cash flows hedges	(22)	(81)
Translation differences	(1,520)	1,955
From actuarial gains and losses and other adjustments	(1)	4
Entities accounted for using the equity method	17	(3)
Tax effect	12	(95)
TOTAL	(1,513)	1,772
AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT:		
From measurement of financial assets available for sale	-	(1)
From cash flow hedges	44	45
Translation differences	3	1
Tax effect	(13)	(8)
TOTAL	34	37
TOTAL RECOGNIZED INCOME/ (EXPENSES)	15	3,284
a) Attributable to the parent company	17	2,966
b) Attributable to minority interests	(2)	318

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Statement of Recognized Income and Expenses corresponding to the six-month period ended June 30, 2011.

Repsol YPF, S.A. and investees composing the Repsol YPF Group

Consolidated Statements of Changes in Equity corresponding to the interim periods ended June 30, 2011 and 2010

Millions of euros

	Equity attributable to Shareholders of the Parent							Total Equity
	Capital and reserves			Net income attributable to the shareholders of the parent	Adjustments for changes in value	Total Equity attributable to the shareholders of the parent	Minority interest	
	Share Capital	Share premium and reserves	Treasury shares					
Closing balance at 12/31/2009	1,221	18,775	-	1,559	(1,604)	19,951	1,440	21,391
Adjustments	-	-	-	-	-	-	-	-
Initial adjusted balance	1,221	18,775	-	1,559	(1,604)	19,951	1,440	21,391
Total recognized income/ (expenses)	-	4	-	1,338	1,624	2,966	318	3,284
Transactions with shareholders or owners								
Dividend payments	-	(519)	-	-	-	(519)	(118)	(637)
Transactions with treasury shares or own equity instruments (net)	-	-	-	-	-	-	-	-
Changes in the scope of consolidation	-	-	-	-	-	-	-	-
Other changes in net equity								
Transfers between equity accounts	-	1,559	-	(1,559)	-	-	-	-
Other changes	-	-	-	-	-	-	-	-
Closing balance at 06/30/2010	1,221	19,819	-	1,338	20	22,398	1,640	24,038
Total recognized income/ (expenses)	-	(12)	-	3,355	(1,181)	2,162	4	2,166
Transactions with shareholders or owners								
Dividend payments	-	(641)	-	-	-	(641)	(107)	(748)
Transactions with treasury shares or own equity instruments (net)	-	-	-	-	-	-	-	-
Changes in the scope of consolidation	-	180	-	-	44	224	312	536
Other changes in net equity								
Transfers between equity accounts	-	-	-	-	-	-	-	-
Other changes	-	(3)	-	-	-	(3)	(3)	(6)
Closing balance at 12/31/2010	1,221	19,343	-	4,693	(1,117)	24,140	1,846	25,986
Adjustments	-	-	-	-	-	-	-	-
Initial adjusted balance	1,221	19,343	-	4,693	(1,117)	24,140	1,846	25,986
Total recognized income/ (expenses)	-	(1)	-	1,344	(1,326)	17	(2)	15
Transactions with shareholders or owners								
Dividend payments	-	(641)	-	-	-	(641)	(177)	(818)
Transactions with treasury shares or own equity instruments (net)	-	-	-	-	-	-	-	-
Changes in the scope of consolidation	-	488	-	-	305	793	1,476	2,269
Other changes in net equity								
Transfers between equity accounts	-	4,729	-	(4,693)	(36)	-	-	-
Other changes	-	(2)	-	-	-	(2)	1	(1)
Closing balance at 06/30/2011	1,221	23,916	-	1,344	(2,174)	24,307	3,144	27,451

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Statement of Changes in Equity for the interim period ended June 30, 2011.

Repsol YPF, S.A. and investees composing the Repsol YPF Group
Consolidated Statement of Cash Flows corresponding to the interim periods ended June 30, 2011 and 2010

Millions of euros

	06/30/2011	06/30/2010
Net income before taxes and share of results of companies accounted for using the equity method	2,370	2,537
Adjustments to net income	2,103	2,332
Depreciation and amortization of non-current assets	1,749	1,914
Other adjustments to the result (net)	354	418
Changes in working capital	(1,313)	(1,010)
Other cash flows from operating activities:	(1,124)	(941)
Dividends received	19	27
Income tax received /(paid)	(961)	(782)
Other proceeds from/ (payments for) form operating activities	(182)	(186)
Cash Flows from Operating Activities	2,036	2,918
Payments for investments activities:	(2,661)	(2,038)
Group companies, associates and business units	(90)	(13)
Property, plant and equipment, intangible assets and investment properties	(2,278)	(1,912)
Other financial assets	(293)	(113)
Proceeds form divestments:	2,426	824
Group companies, associates and business units	1,903	682
Property, plant and equipment, intangible assets and investment properties	225	33
Other financial assets	298	109
Other cash flows	(6)	-
Cash Flows used in Investment Activities	(241)	(1,214)
Proceeds from/ (payments for) equity instruments	-	-
Acquisition	-	-
Disposal	-	-
Proceeds from/(payments for) financial liabilities	(789)	(101)
Issues	4,441	5,251
Return and redemption	(5,230)	(5,352)
Payments for dividends and payments on other equity instruments	(818)	(181)
Other cash flows from financing activities	(762)	(539)
Interest payments	(448)	(472)
Other proceeds form/ (payments for) financing activities	(314)	(67)
Cash Flows used in/ (from) Financing Activities	(2,369)	(821)
Effect of changes in exchange rates	(138)	153
Net Increase / (Decrease) in cash and cash equivalents	(712)	1,036
Cash and cash equivalents at the beginning of the period	6,448	2,308
Cash and cash equivalents at the end of the period	5,736	3,344
COMPONENTS OF CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	06/30/2011	06/30/2010
(+) Cash and banks	3,986	2,094
(+) Other financial assets	1,750	1,250
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,736	3,344

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Statement of Cash Flows for the interim period ended June 30, 2011.

REPSOL YPF, S.A. AND INVESTEEES COMPOSING THE REPSOL YPF GROUP

Explanatory notes to the interim condensed consolidated financial statements for the six-month period ended June 30, 2011.

CONTENTS

(1)	GENERAL INFORMATION	9
(2)	BASIS OF PRESENTATION.....	10
(3)	DESCRIPTION OF TRANSACTIONS DURING THE PERIOD	15
(4)	SEGMENT REPORTING.....	17
(5)	DISCLOSURE OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY.....	19
(6)	DIVIDENS PAID.....	24
(7)	TAX SITUATION	25
(8)	RELATED PARTIES TRANSACTIONS	25
(9)	CONTINGENT LIABILITIES	29
(10)	AVERAGE HEADCOUNT	30
(11)	COMPENSATIONS	30
(12)	OTHER INFORMATION.....	32
(13)	SUBSEQUENT EVENTS.....	32
(14)	EXPLANATION ADDED FOR TRANSLATION TO ENGLISH	33
	APPENDIX I: CHANGES IN THE SCOPE OF CONSOLIDATION	34

(1) GENERAL INFORMATION

Repsol YPF, S.A. and investees composing the Repsol YPF Group (hereinafter “Repsol YPF”, “the Repsol YPF Group” or “the Group”) constitute an integrated group of oil and gas companies which commenced operations in 1987.

The Repsol YPF Group is engaged in all the activities relating to the oil and gas industry, including exploration, development and production of crude oil and natural gas, transportation of oil products, liquid petroleum gas (LPG) and natural gas, refining, the production of a wide range of oil products and the retailing of oil products, oil derivatives, petrochemicals, LPG and natural gas, as well as the generation, transportation, distribution and supply of electricity. The Group conducts its activities in a number of countries, primarily Spain and Argentina.

The corporate name of the parent of the Group of companies that prepares and files these interim condensed consolidated financial statements is Repsol YPF, S.A.

Repsol YPF, S.A. is registered at the Madrid Mercantile Registry in volume 3893, folio 175, sheet no. M-65289, entry 63^a. Its Employer Identification Number is A-78/374725 and its National Classification of Economic Activities Number is 742.

Its registered office is in Madrid, at Paseo de la Castellana, 278, where the Shareholder Service Office is located, the telephone number of which is 900.100.100

Repsol YPF is a private-law entity incorporated in accordance with Spanish legislation, and is subject to the Revised Text of the Spanish Corporations Law approved by Legislative Royal Decree 1/2010 dated July 2, 2010 and to the legislation governing listed corporations.

Repsol YPF, S.A.’s shares are represented by book entries and are all admitted to trading on the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao, and Valencia) and the Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires).

On February 22, 2011, the Company officially applied for the delisting of its American Depositary Shares (ADSs) from the New York Stock Exchange (NYSE) and on March 4, 2011 Repsol’s ADSs ceased to be listed on this market. Subsequently, ninety days from filing on March 7, 2011 of Form 15F with the Securities and Exchange Commission (SEC), Repsol’s deregistration with SEC became effective. However, the Company maintains an ADS program which began to trade on the OTCQX market on March 9, 2011.

The capital stock of Repsol YPF comprises 1,220,863,463 shares with a par value of 1 euro each. At June 30, 2011 and December 31, 2010 neither Repsol YPF, S.A. nor any of its subsidiaries held any treasury shares.

These interim condensed financial statements for the six-month period ended June 30, 2011 were prepared by the Board of Directors of Repsol YPF, S.A. at their meeting on July 27, 2011.

(2) BASIS OF PRESENTATION

The interim condensed consolidated financial statements are presented in millions of euros (except where otherwise specified), and were prepared based on the accounting records of Repsol YPF, S.A. and its investees and they are presented in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union at June 30, 2011, pursuant to the requirements established in IAS 34 *Interim Financial Reporting* and in conformity with Art. 12 of RD 1362/2007 and the disclosures of information required in Circular 1/2008, of January 30, from the Spanish “*Comisión Nacional del Mercado de Valores*” (CNMV). In this regard, the interim condensed consolidated financial statements present fairly the Group’s consolidated equity and the financial position at June 30, 2011, as well as the results of operations, the changes in consolidated equity and consolidated cash flows that have occurred in the six-month period ended on that date.

Pursuant to the provisions of IAS 34, interim financial information is prepared only with the intention of updating the content of the last annual consolidated financial statements prepared by the Group, emphasizing new activities, events and circumstances that occur during the half-year and not duplicating the information published previously in the consolidated financial statements for 2010. Therefore, for an adequate understanding of the information that is included in these interim condensed financial statements, they must be read in conjunction with the consolidated financial statements of the Repsol YPF Group for 2010, which were approved by the General Shareholders’ Meeting of Repsol YPF, S.A., held on April 15, 2011.

Accounting Policies

When preparing these interim condensed consolidated financial statements, Repsol YPF followed the same accounting policies and the same presentation criteria as in the consolidated financial statements for 2010, except for the following standards and interpretations and amendments thereof issued by the IASB and endorsed by the European Union, which are being applied for the first time in 2011:

- Revised of IAS 24 *Related Party Disclosures*
- Amendment to IAS 32 *Classification of Rights Issues*
- Amendment to IFRS 1 *Limited Exemption from Comparative IFRS 7 Disclosures, applicable for First-time Adopters*
- Improvements to IFRSs 2008-2010
- Amendment to IFRIC 14 *Prepayments of a Minimum Funding Requirement*
- IFRIC 19 *Extinguishing Financial Liabilities with Equity Instruments*

The coming into effect of the aforementioned standards did not have a significant impact on the Group’s interim condensed consolidated financial statements.

There follows a list of the standards and amendments thereto issued by the IASB at June 30, 2011, mandatorily applicable for the first time in reporting periods after 2011 and pending to be endorsed by the European Union:

- IFRS 9 *Financial Instruments* ⁽¹⁾
- IFRS 10 *Consolidated Financial Statements*
- IFRS 11 *Joint Arrangements*
- IFRS 12 *Disclosure of Interests in Other Entities*
- IFRS 13 *Fair Value Measurement*
- Amendments to IAS 27 *Separate Financial Statements*
- Amendments to IAS 28 *Investments in Associates and Joint Ventures*
- Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters*
- Amendments to IFRS 7 *Disclosures: Transfers of Financial Assets*
- Amendments to IAS 1 *Presentation of Other Items of Other Comprehensive Income*
- Amendments to IAS 12 *Deferred Tax: Recovery of Underlying Assets*
- Amendments to IAS 19 *Employee Benefits*

(1) This constitutes the first phase of the three-phase project for the replacement of the prevailing IAS 39: “*Financial instruments - Recognition and measurement*”.

None of the above-listed standards or amendments has been early applied in 2011. The Group is assessing the impact of the application of these standards, amendments and interpretations that their application may have on the interim condensed consolidated financial statements.

The principal accounting policies and valuation criteria are detailed in note 3 of the Notes to the Consolidated Financial Statements for 2010.

Changes in estimates

Management estimates have been used to quantify certain assets, liabilities, income, and expenses that are recorded in the interim condensed consolidated financial statements. These estimates are made based on the best available information and they refer to:

- 1) The expense for income tax, which, pursuant to IAS 34, is recognized in interim periods based on the best estimate of the average weighted tax rate that the Group expects for the annual period;
- 2) The evaluation of possible impairment losses on certain assets (see note 3);
- 3) The market value of certain financial instruments;
- 4) The provision for litigation and other contingencies; and
- 5) Crude oil and gas reserves.

Despite the fact that the estimates described above are made based on the best available information on the date on which the facts are analyzed, possible future events might require their revision (upward or downward) at the end of 2011 or in subsequent years.

During the six-month period ended June 30, 2011, no material changes occurred in the methodology for calculating the estimates made at the end of 2010.

Relative importance

When determining the information to be included in these interim condensed financial statements under the different items in the financial statements or other matters, the Repsol YPF Group, pursuant to IAS 34, has taken into account their relative importance in relation to the interim condensed consolidated financial statements for the six-month period.

Seasonality

Among the activities of the Group, the LPG and natural gas businesses are the ones most affected by seasonality due to their connection to weather conditions, with more activity in the winter and less in the summer in the northern hemisphere. However, Repsol YPF's operations in Latin America partially offset this effect, given that the winters in the northern hemisphere coincide with summers in the southern hemisphere, significantly reducing the effect of seasonality on the natural gas business.

Changes in the structure of the Group

Repsol YPF prepares its consolidated financial statements including its investments in all its subsidiaries, associates and joint ventures. Appendix I of the consolidated financial statements at December 31, 2010 details the main subsidiaries, associates and joint ventures, held directly or indirectly by Repsol YPF, S.A., which were included in the scope of consolidation at that date.

Appendix I to the accompanying interim condensed consolidated financial statements details the changes in the structure of the Group that have taken place during the first half of 2011.

The principal changes in the scope of consolidation that have taken place during the interim period ended at June 30, 2011 and their impact on the accompanying interim condensed consolidated financial statements are detailed below.

a) Business combinations, other acquisitions or increases in interest in subsidiaries, joint ventures and/or associates

In April 2011, Repsol Sinopec Brasil, S.A., through its subsidiary, Repsol Sinopec Brasil, B.V. (Repsol Sinopec Brasil), acquired to Petrobrás its 10% shareholding in Agri Development, B.V. (Agri), a company whose core business is the lease of oil and gas operating assets. Repsol Sinopec Brasil also acquired 10% of the debt that Agri maintains with Braspetro Oil Services Company (Brasoil) to finance its business operations. This transaction implied a total outlay of USD44 million (€31 million). The breakdown of the net assets acquired in this business combination, taking into account the Group's 60% interest in Repsol Sinopec Brasil, is shown below:

	<u>Millions of euros</u>	
	<u>Fair value</u>	<u>Carrying amount of the acquired company</u>
Current assets	3	3
Non-current assets (1)	54	29
TOTAL ASSETS	57	32
Current liabilities	-	-
Non-current liabilities	5	-
TOTAL LIABILITIES	5	-
NET ASSETS	52	32
Cash delivered in the business combination	31	
Gain net of tax effect	21	

(1) The acquiree's most significant non-current assets are a floating production, storage and offloading unit (FPSO) and drilling towers (X-mas trees).

This business combination gave rise to a gain net of the corresponding tax effect of USD29 million (€21 million).

In June 2011, Repsol acquired 100% of British company Sea Energy Renewables, later renamed Repsol Nuevas Energías U.K., a company that promotes and develops offshore wind farms in Scotland, through this acquisition, Repsol obtained the rights to develop three offshore wind farms in the Scottish coast. In addition, Repsol reached an agreement with EDP Renováveis to jointly develop two of these facilities, specifically, the 1,500 MW Moray Firth wind farm and the 905 MW Inch Cape wind farm. Following this transaction the Group's ownership interests in these facilities are 33% and 51%, respectively. Repsol will also own 25% of the Beatrice wind farm, in which the company Scottish and Southern Renewables holds the remaining 75%. These projects give Repsol the right to develop, build and operate a total of 1,190 MW offshore wind power projects in the UK market. The agreements provide to Gas Natural Fenosa the opportunity to join the project. This transaction implied an investment of €46 million (£41 million). The breakdown of the net assets acquired and the corresponding goodwill is the following:

	Millions of euros	
	Fair value	Carrying amount of the acquired company
Current assets	2	2
Non-current assets	46	5
TOTAL ASSETS	48	7
Current liabilities	2	2
Non-current liabilities	10	-
TOTAL LIABILITIES	12	2
NET ASSETS	36	5
Cost of the business combination	46	
Goodwill	10	

As of the date of the accompanying interim condensed consolidated financial statements, this business combination has been accounted for on a provisional basis. As a consequence of the purchase price allocation process and in relation with the carrying amounts of the net assets acquired at the acquisition-date, the main assets and liabilities recognized at fair value correspond to the rights to operate the wind farms, which are registered as intangible assets, and to the deferred tax liabilities corresponding to the fair value revaluation which are estimated that will not be deductible.

Additionally, in May 2011, was consummated the asset and liabilities swap pursuant to the agreement reached in August 2010 between Gas Natural Fenosa and Enel Green Power in order to terminate the renewable energy joint venture held by both parties through Enel Unión Fenosa Renovables, S.A. (EUFER), in which each held a 50% interest. As a result of this transaction, Gas Natural Fenosa acquired approximately one-half of the assets and liabilities corresponding to the former renewable energy business, and therefore, this transaction has been accounted for as a business combination and not as an asset acquisition. The breakdown of the net assets acquired in this business combination, showing their carrying amounts in EUFER's books and their fair values (stated on the basis of Repsol YPF's interest in Gas Natural Fenosa), is shown below:

	Millions of euros	
	Fair value	Carrying amount of the acquired company
Current assets	18	18
Non-current assets	263	211
TOTAL ASSETS	281	229
Non-controlling interests	2	2
Current liabilities	27	24
Non-current liabilities	167	167
TOTAL LIABILITIES	196	193
NET ASSETS	85	36
Cost of the business combination	86	
Goodwill	1	

This business combination has been accounted for on a provisional basis. The impact on net income for the six-month period ended June 30, 2011 was not material. The main outcome of the purchase price allocation process was the revaluation to fair value of intangible assets, mainly the rights to operate the assets received, fundamentally wind farms.

b) Reduction in interests in subsidiaries, joint ventures and/or associates and similar transactions

On March 14, 2011 Repsol agreed to sell 3.83% of YPF's share capital to Lazard Asset Management and other investment funds for a net amount of USD632 million (€446 million), Lazard Asset Management acquired 2.9% of shareholding in YPF, while other investors purchased a 0.93% stake. Repsol YPF granted Lazard Asset Management a put option on the proportional shares acquired by Lazard which exceed 20% of YPF's free float. The put option can be exercised at any time before October 10, 2011.

Also on March 14, 2011, Repsol announced a public offering to sale 24.27 million YPF shares in the form of American Depositary Shares (ADSs), representing 6.17% of YPF's share capital. On March 23, 2011, the Company announced the offering price and the final size was set at 26.21 million ADSs, which was higher than initially announced. Subsequently, on March 25, the underwriters fully exercised their option to purchase from Repsol YPF another 3.93 million ADSs (the greenshoe). As a result, the share offering closed on March 28 totalled 30.15 million ADSs (7.67% of the total outstanding), raising total net proceeds of USD1,209 million (€62 million).

Later, in May, the Petersen Group exercised its option to purchase a 10% stake in YPF, ahead of the exercise deadline of February 2012. The net amount of the transaction was USD1,302 million (€13 million). Part of the transaction was funded through a USD626 million (€39 million) loan extended by Repsol to the Petersen Group. Following the closing of the transaction, the Petersen Group owns 25.46% of the Argentine oil company.

Additionally, during the first six months of the year, Repsol YPF sold through the market minor interests in its subsidiary YPF.

Taking into account all shares in the Argentine oil company sold, the Group sold during the first half of 2011 a total of 86,025,262 shares of YPF, which represents a 21.87% stake in the company, for a total net amount of USD3,212 million (€2,270 million). At June 30, 2011, Repsol's ownership interest in YPF was 57.94%.

Lastly, on May 20, 2011, Gas Natural Fenosa agreed the sale of its investments in power distributors in Guatemala, Distribuidora de Electricidad de Oriente, S.A. and Distribuidora de Electricidad de Occidente, S.A., and in other companies involved in energy activities in Guatemala for a total of €239 million (€72 million, stated on the basis of Repsol YPF's interest in Gas Natural Fenosa). This disposal generated a before-tax loss of €3 million (stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

(3) DESCRIPTION OF TRANSACTIONS DURING THE PERIOD

Libya is currently experiencing a situation of military conflict. As a consequence, production has been suspended since March 5, 2011, a situation that is having an adverse impact on the Repsol YPF Group's results performance. At June 30, 2011, 0.8% of Repsol YPF's total consolidated assets were located in Libya, mostly corresponding to hydrocarbons exploration and production activities. In 2010, 4.5% of the Group's total annual hydrocarbons production was generated in Libya.

The following sections provides a description of the most significant changes in the accompanying consolidated balance sheet headings for the six month periods ending June 30, 2011 and 2010.

Generally speaking, it is important to note that the exchange rates of the functional currencies of the Group companies fluctuated significantly in the first half of 2011, the most significant of which, due to its impact on the accompanying interim condensed consolidated financial statements, is the dollar/Euro exchange rate, with the dollar depreciating from USD1.34/€ at year-end 2010 to USD1.45/€ at June 30, 2011. Since the Group's presentation currency is the Euro, the aforementioned exchange rate fluctuations drove to a reduction in certain balance sheet items. The most significant variations were in the following headings: goodwill (€175 million), property, plant and equipment (€1,360 million), equity (€1,529 million) and current and non-current financial liabilities (€280 million).

a) Other intangible assets

During the first quarter of 2011, Repsol YPF S.A., through its subsidiary Repsol E&P USA Inc., closed an agreement with the companies "70 & 148, LLC" and GMT Exploration, LLC to jointly explore the blocks held by these two companies in the "North Slope in Alaska". Repsol's shareholding interest in these blocks will be 70%. The agreement implied an investment of USD300 million (€114 million) in the first half of the year. The blocks are located close to large producing fields and cover an area of 2,000 square kilometers. Repsol has agreed to carry out the investment necessary to explore and evaluate the economic viability of the resources contained in these blocks.

b) Property, plant and equipment

The main investments made in the first half of 2011 corresponded to exploration and production assets in Argentina (€82 million), United States (€107 million), Brazil (€105 million), Venezuela (€5 million), Trinidad y Tobago (€37 million), Bolivia (€68 million), Peru (€51 million) and Spain (€26 million). In addition, during this period, significant investments were made in refining assets in Spain (€481 million) corresponding to the increase-capacity at the Cartagena Refinery, which will be brought on stream in 2011, and to the coker unit at the Petronor Refinery in Bilbao, which is also slated for start-up in 2011.

The main investments made in the first half of 2010 corresponded to exploration and production assets in Argentina (€484 million), Brazil (€143 million), Trinidad & Tobago (€47 million), Libya (€24 million), Peru (€24 million), Bolivia (€22 million) and Spain (€15 million). In addition, significant investments were made in refining assets in Spain (€583 million) and in LNG assets in Canada (€40 million).

Additionally, during the six-month period ended June 30, 2010, the Group recognized property, plant and equipment additions amounting to €448 million, corresponding to two LNG carriers acquired by financial leasing for the transportation of LNG.

c) Equity

The sale of 21.87% of YPF's share capital in the first half of 2011, as outlined in the section headed *Changes in the structure of the Group* in note 2 above, entailed an increase in "Minority interest" of €1,477 million. The resulting pre-tax gain, which is recognized within "Other reserves", amounted to €488 million, taking into account the effect of the accumulated translation differences.

d) Non-current assets held for sale

Assets classified as held for sale during the six-month period ended June 30, 2011 and associated liabilities

On February 7, 2011, Gas Natural Fenosa agreed to sell approximately 300,000 additional gas supply points in the Madrid region to a company of the Group Madrileña Red de Gas for €450 million (€36 million adjusted for Repsol YPF's interest in Gas Natural Fenosa). From the date this agreement was reached, these assets were classified as non-current assets held for sale. Upon receipt of the corresponding permits, the sale was closed on June 30, 2011, generating a gain of €280 million (€84 million adjusted for Repsol YPF's interest in Gas Natural Fenosa).

The assets of Plana del Vent combined cycle plant were derecognized on April 1, 2011 following their sale by Gas Natural Fenosa once all the required closing conditions were met, as agreed on July, 2010. This sale did not give rise to any gain/loss for the Group.

In addition, on April 14, 2011, Gas Natural Fenosa agreed the sale of its 800 MW installed capacity combined cycle plant in Arrúbal (La Rioja). Once it has obtained all the required permits, Gas Natural Fenosa will transfer ownership of the plant for a total of €13 million euros (€4 million Repsol YPF's interest in Gas Natural Fenosa). The agreement additionally contemplates gas supply and power *offtake* agreements for the plant. These assets have been classified as non-current assets held for sale since the date the agreement was reached.

Gas Natural Fenosa and Enel Green Power agreed to terminate the renewable energy venture held by both parties until that time through Enel Unión Fenosa Renovables, S.A. (EUFER) on August 2, 2010. This transaction closed in June 2011, as outlined in note 2, Basis of presentation – *Changes in Group structure*.

Lastly, on June 30, 2011, Gas Natural Fenosa agreed to sell approximately 245,000 additional gas supply customers and associated contracts in the Madrid region for €38 million (€1 million stated on the basis of Repsol YPF's ownership interest in Gas Natural Fenosa). This transaction is subject to obtaining the pertinent authorizations. Since the date of agreement, these assets, carried at €23 million (€7 million stated on the basis of Repsol YPF's interest in Gas Natural Fenosa) have been classified as non-current assets held for sale.

Assets classified as held for sale during the six-month period ended June 30, 2010 and associated liabilities

During the first half of 2010, commercialization & distribution assets in Madrid and combined cycle electrical power assets in Mexico amounting to €126 and €305 million, respectively, were derecognized.

In February 2010, a €32 million disposal corresponding to the 100% stake in Termobarrancas and to the concession related to the Barrancas exploration and development area was derecognized due to their sale to PDVSA.

On April 8, 2010, Repsol YPF and Enagás signed an agreement by virtue of which Repsol sold to Enagás its 82% stake in Gaviota, a subterranean natural gas storage facility, for €87 million. €6 million of this amount was hinged on the approval from the Ministry of Industry, Tourism, and Commerce to the expansion project. This transaction will be formalized when the necessary administrative and competency authorizations are received. Some of those authorizations were obtained in 2011. However, while certain requirements needed to transfer the property are still pending at June 30, 2011 this asset was classified as non-current asset held for sale.

e) Impairment of assets

Repsol YPF performs an impairment test of its intangible assets, its property, plant and equipment, and other fixed assets, as well as its goodwill, at least annually, or whenever any indicator of impairment exists, in order to determine whether there is an impairment of assets.

During the interim period ended June 30, 2011, no significant impairment provisions have been registered.

During the interim period ended June 30, 2010, the Group impaired the assets that were registered in its natural gas liquefaction project in Iran (Persian LNG) amounting to €87 million, (of which €53 million corresponded to assets allocated to the Upstream segment, and €34 million to assets belonging to the LNG segment), due the fact that in May 2010 Repsol YPF formally notified the National Iranian Oil Company (NIOC) and Shell its decision to discontinue its participation in the project.

The total amount corresponding to net impairment losses, recognized on the accompanying consolidated income statement for the first half of 2010 amounted to €84 million.

(4) SEGMENT REPORTING

The Group's organizational structure is oriented at achieving the Group company's growth plans as well as setting the base for future developments. The principal aspects of this structure are:

- Three integrated strategic businesses:
 - Upstream, corresponding to the exploration and development operations of crude oil and natural gas reserves, except for YPF's operations;
 - LNG, corresponding to the Liquid Natural Gas business, except for YPF's operations; and

- Downstream, corresponding to Refining & Marketing for oil products, Chemicals and LPG, except for YPF's operations.
- Two participations in strategic companies:
 - YPF, which includes the operations of YPF, S.A. and its group companies in the same businesses outlined above for the rest of the Group; and
 - Gas Natural SDG, corresponding to the marketing of natural gas and the generation, distribution and marketing of electricity power.

The principal figures of the Group's income statement attending to this organization are shown below:

Operating revenues by segment

SEGMENTS	Operating revenues from customers		Operating revenues among segments		Total operating revenues	
	06/30/2011	06/30/2010	06/30/2011	06/30/2010	06/30/2011	06/30/2010
Upstream	1,486	1,514	395	497	1,881	2,011
LNG	1,273	519	103	75	1,376	594
Downstream	20,474	17,908	79	40	20,553	17,948
YPF	5,112	5,318	72	51	5,184	5,369
Gas Natural SDG	3,139	2,923	85	69	3,224	2,992
Corporate	1	135	184	149	185	284
(-) Adjustments and eliminations of operating revenue among segments						
(1)	-	-	(918)	(881)	(918)	(881)
TOTAL	31,485	28,317	-	-	31,485	28,317

(1) These correspond primarily to the elimination of commercial transactions between segments.

Operating income by segment

Operating income by segments		
SEGMENTS	06/30/2011	06/30/2010
Upstream	806	731
LNG	168	11
Downstream	756	928
YPF	601	831
Gas Natural SDG	512	551
Corporate	(121)	(48)
Total Operating income related to the reported segments	2,722	3,004
No assigned results (Financial result)	(352)	(467)
Other results (Results of companies accounted for using the equity method)	36	42
NET INCOME BEFORE TAX AND AFTER SHARE OF RESULTS OF COMPANIES ACCOUNTED FOR USING THE EQUITY METHOD	2,406	2,579
Income tax	(912)	(1,104)
CONSOLIDATED NET INCOME FOR THE YEAR	1,494	1,475

The following table details total assets by segment:

Segments	06/30/2011	06/30/2010
Upstream	9,161	9,351
LNG	3,977	4,238
Downstream	18,213	17,524
YPF	11,918	12,446
Gas Natural SDG	12,809	13,344
Corporación (1)	10,751	10,728
Total Assets by segment (2)	66,829	67,631

(1) At June 30, 2011 and December 31, 2010, financial assets amounting to €8,007 million and €8,246 million were included, respectively.

(2) Each segment includes its correspondent investments accounted for using the equity method.

In addition, the distribution of the net amount of turnover (comprising “Sales” and “Services rendered and other income” headings on the accompanying interim consolidated income statement), by geographic area depending on the markets to which they correspond, is as follows:

Geographic area	06/30/2011	06/30/2010
Spain	14,227	12,125
Other in the European Union	3,497	2,594
Others in the O.E.C.D. countries	2,605	2,061
Other countries	9,906	10,083
TOTAL	30,235	26,863

(5) DISCLOSURE OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY

a) Financial assets

This note discloses the following concepts included on the balance sheet headlines, as follows:

	Millions of euros	
	06/30/2011	12/31/2010
Non-current financial assets	2,123	1,789
Derivatives on non-current commercial transactions (1)	2	2
Other current financial assets	690	684
Derivatives on current commercial transactions (2)	90	40
Cash and cash equivalents	5,736	6,448
	8,641	8,963

(1) Recognized under “Other non-current assets” on the balance sheet.

(2) Recognized under the “Other receivables” on the balance sheet.

The detail of the Group's financial assets by categories at June 30, 2011 and December 31, 2010, is as follows:

June 30, 2011

Nature/Category	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets available for sale	Loans and receivables	Held to maturity investments	Hedging derivatives	Total
Equity instruments	-	-	146	-	-	-	146
Derivatives	2	-	-	-	-	-	2
Other financial assets (1)	-	65	-	1,857	55	-	1,977
Long Term/Non current (2)	2	65	146	1,857	55	-	2,125
Derivatives	137	-	-	-	-	14	151
Other financial assets (3)	-	98	-	457	5,810	-	6,365
Short term / Current (4)	137	98	-	457	5,810	14	6,516
TOTAL	139	163	146	2,314	5,865	14	8,641

December 31, 2010

Nature/Category	Financial assets held for trading	Other financial assets at fair value through profit or loss	Financial assets available for sale	Loans and receivables	Held to maturity investments	Hedging derivatives	Total
Equity instruments	-	-	150	-	-	-	150
Derivatives	2	-	-	-	-	-	2
Other financial assets (1)	-	64	-	1,509	66	-	1,639
Long Term/Non current (2)	2	64	150	1,509	66	-	1,791
Derivatives	37	-	-	-	-	71	108
Other financial assets (3)	-	346	-	601	6,117	-	7,064
Short term / Current (4)	37	346	-	601	6,117	71	7,172
TOTAL	39	410	150	2,110	6,183	71	8,963

- (1) The main change relates to the concession to the Petersen Group of a loan amounting to USD626 million (€439 million) related to the sale to this entity of 10% of Repsol YPF's interest in YPF (note 2).
- (2) This heading does not include €307 million and €320 million at June 30, 2011 and December 31, 2010, respectively, of non-current accounts receivable recognized within "Other non-current assets".
- (3) The "Loans and receivables" column include €96 million and €26 million at June 30, 2011 and December 31, 2010, respectively, of funding for the tariff deficit in the regulated electricity business. This asset accrues interest at market rates. During the first half of 2011, were completed four issues to securitize the electricity system tariff deficit, with Gas Natural Fenosa collecting an aggregate €236 million of the amounts owed to it. The figures stated on the basis of Repsol YPF's interest in Gas Natural Fenosa.
- (4) The balance sheet headings "Trade receivables" and "Other receivables" include €3,370 million and € 8,160 million at June 30, 2011 and December 31, 2010, respectively, of accounts receivables not included in the breakdown of the financial assets in the above table.

b) Financial Liabilities

This note discloses the categories of financial liabilities, included in the consolidated balance sheet and that corresponds to:

	Millions of euros	
	06/30/2011	12/31/2010
Non-current financial liabilities	14,268	14,940
Derivatives on non-current commercial transactions (1)	3	1
Current financial liabilities	3,914	4,362
Derivatives on current commercial transactions (2)	61	115
	18,246	19,418

(1) Recognized under the heading "Other non-current liabilities" on the balance sheet.

(2) Recognized under the heading "Other payables" on the balance sheet.

The detail of the acquired financial liabilities as of June 30, 2011 and December 31, 2010 is as follows:

June 30, 2011

	Financial liabilities held for trading	Debts and payable items	Hedging derivatives	Total
Bank borrowings	-	4,430	-	4,430
Bonds and other securities (1)	-	9,747	-	9,747
Derivates	3	-	91	94
Long term debts/Non-current financial liabilities	3	14,177	91	14,271
Bank borrowings	-	1,953	-	1,953
Bonds and other securities (2)	-	1,901	-	1,901
Derivates	86	-	35	121
Short term debts/Current financial liabilities	86	3,854	35	3,975
TOTAL	89	18,031	126	18,246

December 31, 2010

	Financial liabilities held for trading	Debts and payable items	Hedging derivatives	Total
Bank borrowings	-	4,716	-	4,716
Bonds and other securities (1)	-	10,089	-	10,089
Derivatives	6	-	130	136
Long term debts/Non-current financial liabilities	6	14,805	130	14,941
Bank borrowings	-	1,872	-	1,872
Bonds and other securities (2)	-	2,352	-	2,352
Derivatives	219	-	34	253
Short term debts/Current financial liabilities	219	4,224	34	4,477
TOTAL	225	19,029	164	19,418

- (1) Includes preference shares amounting to €3,185 million and €3,205 million at June 30, 2011 and December 31, 2010, respectively.
- (2) Included preference shares amounting to €543 million at December 31, 2010. On February 8, 2011, the Group redeemed 100% of the NYSE-listed preference shares issued by Repsol International Capital (note 19 of 2010 consolidated financial statements).

Note: At June 30, 2011 and December 31, 2010, the preceding table did not include €2,646 million and €2,852 million, respectively, recognized under "Other non-current liabilities," as well as €209 million and €223 million, respectively, registered under "Other payables," corresponding to finance leases recognized using the amortized cost method.

Below is a disclosure of issues, repurchases, and redemptions of debt securities (recognized under current and non-current "Bonds and other securities") which have taken place during the six-month periods ended June 30, 2011 and 2010:

	Balance at 12/31/2010	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	Balance 06/30/2011
Bonds an other debt securities issued in the European Union with Prospectus	11,453	2,493	(2,846)	41	11,141
Bonds an other debt securities issued in the European Union without Prospectus	-	-	-	-	-
Bonds and other debt securities issued outside of European Union	988	128	(578)	(31)	507
TOTAL	12,441	2,621	(3,424)	10	11,648

	Balance at 12/31/2009	(+) Issues	(-) Repurchases or redemptions	(+/-) Exchange rate and other adjustments	Balance 06/30/2010
Bonds an other debt securities issued in the European Union with Prospectus	10,697	2,099	(1,478)	(12)	11,306
Bonds an other debt securities issued in the European Union without Prospectus	2	-	(2)	-	-
Bonds and other debt securities issued outside of European Union	852	87	(11)	116	1,044
TOTAL	11,551	2,186	(1,491)	104	12,350

On February 8, 2011, the USD725 million of Series A preference shares issued by Repsol International Capital Ltd. and guaranteed by Repsol YPF S.A. were redeemed.

Additionally, on June 21, 2011, YPF issued 300 million Argentine pesos (€1 million) of 18-month bonds in the Argentine bond market.

On January 25 and May 10, 2011, Gas Natural Fenosa issued €181 million and €151 million of bonds in the euromarket under its *Euro Medium Term Notes* (EMTN) program which were due 6 and 8 years, respectively. The total drawn down under this EMTN program at June 30, 2011 was €2,428 million (stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

In May 2011, Gas Natural Fenosa, through its subsidiary Gas Natural México, S.A. de C.V., registered a 3,017 million Mexican peso (€181 million) security issuance program (*certificados bursátiles*) with the Mexican Stock Exchange. A total of 1,207 million Mexican pesos (€72 million) of four and seven year debt, secured by Gas Natural SDG, S.A., have been issued under this program (amounts stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

On March 26, 2010, the Group, through its subsidiary Repsol International Finance, B.V. (RIF), signed a €1,500 million euro commercial paper program (ECP) which is guaranteed by Repsol YPF S.A. The ECP Program was increased to €2,000 million on November 12, 2010. During the first half of 2011, RIF issued €1,748 million and USD25 million under this Program. The balance outstanding under this issuance program amounts to €765 and €1,022 million in 2011 and 2010, respectively.

Lastly, during the first half, Gas Natural Fenosa issued an additional €397 million under its ECP and promissory notes programs. The amount drawn down under its ECP program at June 30, 2011 totals €159 million, while the amount issued under the promissory notes program is €16 million (amounts stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

On January 14, 2010 Gas Natural Fenosa closed three bond issues under the EMTN program in the euromarket, consisting of three tranches with maturities of 5, 8, and 10 years, and amounting to €195 million, €210 million, and €255 million, respectively (amounts stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

In addition, on March 23, 2010, Gas Natural Fenosa established a €301 million ECP Program (stated on the basis of Repsol YPF's interest in Gas Natural Fenosa). The issuer in this program was Unión Fenosa Finance B.V.

On March 24, 2010, Gas Natural SDG signed a €1,205 million loan agreement with 18 banks under the "Club Deal" scheme. The loan is divided into two tranches: €301 million maturing in 3 years and €904 million maturing in 5 years (amounts stated on the basis of Repsol YPF's interest in Gas Natural Fenosa).

As a result of the aforementioned financial transactions corresponding to Gas Natural Fenosa, together with the proceeds from the sale of assets related to gas generation in Mexico and gas distribution in Madrid, the financing contracted by said company for the acquisition of Unión Fenosa was canceled on June 2, 2010.

On May 5, 2010 matured a bond issued by Repsol International Finance B.V. and guaranteed by Repsol YPF S.A. amounting to €43 million.

The amounts guaranteed by Group companies in the interim periods ending June 30, 2011 and 2010 for issues, repurchases, or redemptions made by associates, jointly controlled entities (for the percentage not included in the consolidation process) or non-Group companies, are detailed below:

GUARANTEED DEBT

	Balance at 12/31/2010	(+) Granted	(-) Cancelled	(+/-) Exchange rate and other	Balance at 06/30/2011
Debt security issues guaranteed by the Group (amount guaranteed)	30	-	-	(2)	28

	Balance at 12/31/2009	(+) Granted	(-) Cancelled	(+/-) Exchange rates and other	Balance at 06/30/2010
Debt security issues guaranteed by the Group (amount guaranteed)	28	-	-	-	28

(6) DIVIDENS PAID

Dividends paid by Repsol YPF, S.A. in the six-month period ended June 30, 2011 and 2010 were as follows:

	06/30/2011			06/30/2010 (2)		
	% on nominal amount	Euros per share	Amount (1)	% on nominal amount	Euros per share	Amount
Ordinary shares	52.5%	0.525	641	-	-	-
Remaining shares (without vote, redeemable, etc)	-	-	-	-	-	-
Total dividends paid						
a) Dividends charged to profits	52.5%	0.525	641	-	-	-
b) Dividends charged to reserves or share premium issues	-	-	-	-	-	-
c) Dividends in kind	-	-	-	-	-	-

(1) This amount relates to the 2010 interim dividend that has been paid out in January 13, 2011.

(2) The interim dividend against 2009 profit was paid out in December 2009.

Note: the final dividend from 2010 profits, amounting to €0.525 per share, was paid to shareholders on July 7, 2011.

(7) TAX SITUATION

For the calculation of this period's corporate income tax, the effective tax rate that would be applicable to the total profits expected for the yearly period was used, so that the tax expense for the interim period is the result of applying the estimated average effective tax rate for the year to the result before taxes in the interim period. However, the tax effects derived from occasional events or unique transactions undertaken during the period are fully taken into account in the period.

The tax expense recorded on the income statement at June 30, 2011 was calculated by applying an effective tax rate of 38.5%, which is lower than the effective tax rate estimated for the first half of 2010 (43.5%), due mainly to the drop in taxable profit generated in Libya where profits are taxed at high average rates.

(8) RELATED PARTIES TRANSACTIONS

Repsol YPF undertakes transactions with related parties under general market conditions. For purposes of presenting this information, related parties are considered to be the following:

- a. Major shareholders: according to the latest information available, the major shareholders in the company that are considered related parties of Repsol YPF are:
 - Sacyr Vallehermoso, S.A. which has a total interest of 20.01% in Repsol YPF.
 - Caixa Bank. S.A. (belonging to the Caixa Group) has a total direct and indirect interest in Repsol YPF of 12.83%
 - Petróleos Mexicanos (Pemex) has a total interest of 4.81% through its subsidiary Pemex Internacional España, S.A. and through various equity swaps with a series of financial entities which entitle Pemex to exercise dividend and voting rights on as much as 4.81% of the Company's shares.
- b. Directors and Executives: includes members of the Board of Directors and of the Executive Committee.

- c. Group companies for the part not owned by the Group: includes transactions with Group companies or entities for the part not eliminated in the consolidation process (corresponding to the part not owned in the proportionately consolidated companies and the transactions undertaken with companies accounted for using the equity method).

Income and expenses, as well as other transactions, recorded during the first half of 2011 in respect of transactions with related parties have been as follows:

June 30, 2011

EXPENSES AND INCOME:

Thousands of euros	June 30, 2011			Total
	Major shareholders	Directors and executives (1)	Persons, companies or entities within the perimeter	
Finance costs	7,148	-	281	7,429
Management or cooperation agreements	-	-	1,258	1,258
Transfer of R&D and license agreement	-	-	47	47
Operating leases	271	-	16,639	16,910
Receipts from services	1,298	-	181,326	182,624
Purchase of goods (finished or in progress) (2)	1,251,341	-	2,755,374	4,006,715
Loss from the removal or sale of assets	-	-	202	202
Other expenses	7,398	-	7,389	14,787
EXPENSES:	1,267,456	-	2,962,516	4,229,972
Finance income	21,783	3	9,328	31,114
Management or cooperation agreements	-	-	2,135	2,135
Transfer of R&D and license agreement	-	-	522	522
Dividends received	-	-	-	-
Operating leases	2	-	-	2
Services rendered	17,124	-	12,691	29,815
Sale of goods (finished or in progress)	62,190	-	576,704	638,894
Profit from the removal or sale of assets	-	-	-	-
Other income	17,134	-	39,908	57,042
INCOME	118,233	3	641,288	759,524

June 30, 2011

OTHER TRANSACTIONS

Thousands of euros	June 30, 2011			Total
	Major shareholders	Directors and executives (1)	Persons, companies or entities within the perimeter	
Purchases of tangible, intangible or other assets	47,216	-	117	47,333
Finance agreements: credits and capital contribution (lender)	621	203	277,191	278,015
Amortization or cancellation of credits and lease agreements (lessor)	-	-	-	-
Sale of tangible, intangible or other assets	76,609	-	106	76,715
Finance agreements: credits and capital contributions (borrower) (3)	662,772	-	5,774	668,546
Amortization or cancellation of loans and lease agreements (lessee)	-	-	-	-
Guaranteed given	114,744	-	605,688	720,432
Guarantees received	60,549	-	150	60,699
Commitments acquired (4)	558,193	-	19,415,211	19,973,404
Commitments/ guaranties cancelled	14,393	-	666,562	680,955
Dividends and other profit distributed	278,086	237	-	278,323
Other transactions (5)	2,632,113	-	-	2,632,113

- (1) Includes those transactions with Directors and Executives not included in note 11 on Compensations received by Directors and Executives, which correspond to the present outstanding balance of the loans granted to senior management and the corresponding interest accrued, as well as dividends received from Group companies.
- (2) These purchases include those related to long-standing agreement with Pemex . The supply level fixed for 2011 under the framework of this agreement was approximately 85,000 barrels per day.
- (3) Includes credit policies with a limit of 462 million.
- (4) Corresponds to purchase commitments currently outstanding, net of sales commitments
- (5) Corresponds mainly to:
 - (a) Temporary financial investments: €1,337 million.
 - (b) Exchange-rate hedging transactions: €312 million.
 - (c) Interest-rate hedging transactions: €705 million.

Income and expenses, as well as other transactions, recorded during the first half of 2010 in respect of transactions with related parties were as follows:

June 30, 2010				
EXPENSES AND INCOME:				
Thousands of euros				
	Major shareholders	Directors and executives (1)	Persons, companies or entities within the perimeter	Total
Finance costs	3,392	-	-	3,392
Management or cooperation agreements	-	-	627	627
Transfers of R&D and licence agreements	-	-	278	278
Operating leases	959	-	5,124	6,083
Receipts from services	2,283	-	185,398	187,681
Purchase of goods (finished or in progress)	1,051,000	-	2,362,198	3,413,198
Losses on the derecognition or sale of assets	-	-	38	38
Other expenses	9,328	-	5,379	14,707
EXPENSES:	1,066,962	-	2,559,042	3,626,004
Finance income	11,921	4	10,698	22,623
Management or cooperation agreements	-	-	2,698	2,698
Transfers of R&D and licence agreements	-	-	1,010	1,010
Operating leases	-	-	-	-
Services rendered	19,745	-	22,687	42,432
Sales of goods (finished or in progress)	120,249	-	598,279	718,528
Gain on the derecognition or sale of assets	-	-	3	3
Other income	527	-	31,898	32,425
INCOME	152,442	4	667,273	819,719

June 30, 2010				
OTHER TRANSACTIONS				
Thousands of euros				
	Major shareholders	Directors and executives (1)	Persons, companies or entities within the perimeter	Total
Purchase of tangible, intangible or other assets	25,691	-	118	25,809
Finance agreements: credits and capital contributions (lender)	93,754	249	385,022	479,025
Repayment or cancellation of credit and lease agreements (lessor)	556	-	-	556
Sale of tangible, intangible or other assets	-	-	11	11
Finance agreements: credits and capital contributions (borrower) (2)	775,689	-	5,359	781,048
Repayment or cancellation of loans and lease agreements (lessee)	191	-	-	191
Guarantees given	147,929	-	455,709	603,638
Guarantees received	33,877	-	5	33,882
Commitments acquired (3)	176,527	-	42,137,589	42,314,116
Commitments/guaranties cancelled	478	-	-	478
Dividends and other profit distributed	35,083	-	-	35,083
Other transactions (4)	2,644,417	-	-	2,644,417

- (1) Included those transactions with Directors and Executives not included in note 11 A) on Compensations received by Directors and Executives, which corresponded to the present outstanding balance of the loans granted to senior management and the corresponding interest accrued.
- (2) Included credit policies with a limit of €528 million.
- (3) Corresponds to purchase commitments outstanding, net of sales commitments
- (4) Corresponds mainly to:
 - (a) Temporary financial investments: €655 million
 - (b) Exchange-rate hedging transactions: €1,081 million.
 - (c) Interest-rate hedging transactions: €716 million.

(9) CONTINGENT LIABILITIES

Litigation

The principal changes in the six-month period ended June 30, 2011 with respect to the litigation matters described in the 2010 consolidated financial statements are as follows:

Argentina

Claims by ex-employees of YPF: A former employee of the Company before its privatization (1992) who was excluded from the National YPF employee share ownership plan (PPP) set up by the Argentine Government has filed a claim in Bell Ville (Province of Cordoba, Argentina) against YPF Repsol to seek recognition of his status as a shareholder of YPF. In addition, the “Federation of Former Employees of YPF” has joined the proceedings acting on behalf of other former employees excluded from the PPP. Repsol acquired its ownership interest in the capital of YPF in 1999.

Pursuant to the plaintiff’s request, the Bell Ville Federal Court of First Instance initially granted a preliminary injunction (the *Preliminary Injunction*), ordering that any sale of shares of YPF, or any other transaction involving the sale, assignment or transfer of shares of YPF, carried out either by Repsol or by YPF be suspended, unless the plaintiff and other beneficiaries of the PPP (organised in the Federation of Former Employees of YPF) are involved or participate in such transactions.

YPF and Repsol filed an appeal against this decision in the Cordoba Federal Court, requesting that the Preliminary Injunction be revoked. The Federal Court of First Instance allowed the appeal and suspended the effects of the Preliminary Injunction. In addition, in March 2011, the Federal Judge responsible for the Buenos Aires Administrative Disputes Court reduced the Preliminary Measures to only 10% of the ownership interest held by Repsol in the capital of YPF. Accordingly, Repsol may freely dispose of its shares in YPF, provided that Repsol continues directly or indirectly to own at least 10% of the latter’s share capital.

Under the jurisprudence of the Federal Supreme Court of Argentina (upholding numerous decisions of the relevant Courts of Appeals), YPF and Repsol consider that neither company is likely to be held liable for claims of this nature related with the PPP. In accordance with Law 25,471, the National Government of Argentina assumed sole responsibility for the matter and for any compensation that may be payable to former employees of the Company who were excluded from the PPP under the procedure established in the said plan.

Litigation between YPF and AES Uruguaiana Empreendimentos, S.A. (“AESU”): On April 6, 2011, the Arbitration Tribunal hearing the litigation between YPF and AES Uruguaiana Empreendimentos, S.A. (“AESU”) upheld the legal question raised by YPF, ordering the joinder of all claims brought in all of the arbitration proceedings (“AESU vs. YPF”, “TGM vs. YPF” and “YPF vs. AESU”) in a single case, being the “YPF vs. AESU” arbitration proceedings, in which all parties and claims concerned in the arbitration proceedings so joined will be heard.

Spain

Gas Natural versus Sonatrach – gas supply contract: On June 14, 2011, Sonatrach and Gas Natural Fenosa signed an agreement to resolve all disputes over the prices applicable to the gas supply contracts held by Sagane, S.A. (a Gas Natural Fenosa subsidiary) on which an arbitration decision has been handed down in August 2010, reaching an agreement on the price applicable for 2007-2009 and as from January 1, 2010 to May 31, 2011. Both parties undertook to withdraw from all current legal proceedings.

The amount payable by Gas Natural Fenosa under this settlement is USD1,897 million. The amount corresponding to Repsol as a function of its ownership interest in Gas Natural Fenosa is USD572 million. This settlement did not have any impact on the consolidated income statement for the first six months of 2011 as the liability deriving from the lawsuit was already provisioned under the heading "Provisions" and, therefore, this balance was accordingly transferred to "Trade and other accounts payable".

Guarantees

On April 29, 2011, Repsol YPF S.A. issued a USD790 million guarantee to Guar, B.V. (Guar) securing performance of the lease agreement on the FPSO unit (*floating production storage and offloading oil unit*) used for development work in this region of Brazil. Guar is owned by the shareholders in the block consortium, Repsol Sinopec Brasil (25%), BG (30%) and Petrobras (45%) and the amount of the guarantee corresponds in full to Repsol Sinopec Brasil's (a company jointly controlled by Repsol and Sinopec, in which Repsol owns 60%) ownership interest in Guar.

(10) AVERAGE HEADCOUNT

The average employee headcount at June 30, 2011 and 2010 was:

	<u>06/30/2011</u>	<u>06/30/2010</u>
AVERAGE HEADCOUNT		
Men	33,717	29,991
Women	12,354	11,136
	<u>46,071</u>	<u>41,127</u>

(11) COMPENSATIONS

A) Directors' and executives' compensation

As of June 30, 2011 the Board of Directors consists of sixteen directors, of whom two are Executive Directors, six are External Directors representing Major Shareholders (Institutional External Directors), and eight are Independent External Directors.

For reporting purposes, in this section Repsol YPF deems "executive personnel" to be the members of the Repsol YPF Group's Executive Committee. This consideration, made purely for reporting purposes herein, neither substitutes nor comprises a benchmark for interpreting other senior management pay concepts applicable to the Company under prevailing legislation (such as Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

Compensation received by the members of the Board of Directors and the Executive Committee during the six-month period ended June 30, 2011 and 2010 was as follows:

DIRECTORS:

Compensation:	Thousands of euros	
	06/30/2011	06/30/2010 *
Fixed compensation	1,982	1,916
Variable compensation (a)	5,941	1,349
Bylaw-stipulated compensation	2,509	2,455
Others	28	26
TOTAL	10,460	5,746

Other benefits:

Pension funds and plans: contributions (b)	1,227	1,150
Life insurance premiums (b)	159	149

EXECUTIVES:

	Thousands of euros	
	06/30/2011	06/30/2010 *
Total compensation received by executives (a) (c)	11,635	5,386

* The 2010 figures have been adapted to make them comparable with the remuneration accrued in the first half of 2011 on the basis of the best estimate available.

- (a) The variable compensation includes a one-off bonus associated with 2010 earnings which was accrued and paid in full in the first half of 2011.
- (b) In-kind benefits and contributions to life insurance and pension plans include the corresponding tax payments on account.
- (c) The composition and number of members of the Executive Committee varied between 2010 and 2011.

B) Share-based payments plans

The General Meeting of the Shareholders held on April 15, 2011 approved two proposed remuneration schemes based on shares of Repsol YPF, S.A.:

i.) The first of the aforementioned plans (the “*Plan for the Grant of Shares to Beneficiaries of Pluri-Annual Remuneration Schemes*”) envisages a payment in shares to beneficiaries linked to certain requirements referring to investment and continued employment in the Group.

The Plan, which is split into five cycles (2011-2014, 2012-2015, 2013-2016, 2014-2017 and 2015- 2018), is aimed at Executive Directors, other Executives and employees of the Group who are the beneficiaries of certain pluri-annual cash remuneration schemes, and it will allow those beneficiaries who so desire (the “Participants”) to invest up to 50% of the gross pluri-annual incentive payable in the first year of each cycle in shares of Repsol YPF, S.A. This investment must be made before May 31st of each calendar year after payment of the relevant pluri-annual incentive.

The Participants in each of the Plan Cycles will be entitled to receive one share in Repsol YPF, S.A., for every three shares acquired in the Initial Investment for each Cycle, providing all of the shares acquired in the Initial Investment are held by the beneficiary for a period of three years (Vesting Period).

Three hundred and fifty beneficiaries took part in the first cycle of the Plan (2011-2014) which ended on May 31, 2011, acquiring a total of 227,498 shares at an average price of €23.5357 per share, which implies that the Group is committed to delivering 75,710 shares to those employees who comply with the Plan requirements after the three-year vesting period ends. In keeping with *IFRS 2* regarding equity-settled share-based payments, the related ‘Personnel expenses’ have been recognized with a charge to ‘Retained earnings and other reserves’ within equity, and in the period ended as of June 30, 2011 it amounted to €0.05.

It is estimated that there will be 1,096 potencial beneficiaries in the second cycle, 896 in the third, 888 in the fourth and 928 in the fifth cycle.

ii.) The second plan is the “*2011-2012 Share Acquisition Plan*”, which is aimed at executives and employees of the Repsol YPF Group in Spain. Its purpose is to allow qualifying employees to receive up to €12,000 of their annual compensation in shares of the Company in 2011 and 2012. These shares will be valued at the closing price of Repsol YPF stock on the Spanish stock markets interconnection system (continuous market) on the date of delivery to the beneficiary. As of the date of these interim condensed consolidated financial statements, this Plan was in the implementation phase.

The shares to be delivered under both schemes may consist of directly or indirectly held treasury shares of Repsol YPF, new shares or shares acquired from third parties under agreements entered into to cover the obligations assumed.

(12) OTHER INFORMATION

The end of the price conflict between Gas Natural Fenosa and Sonatrach (note 9 *Contingent Liabilities*) enables both companies to study cooperation opportunities in several areas including the acquisition by Sonatrach of a minority shareholding in Gas Natural SDG, S.A. On June 17, 2011, the Board of Directors of Gas Natural Fenosa approved an equity issue (waiving preemptive subscription rights) to be subscribed in full by Sonatrach, which will give the latter a 3.85% ownership interest in the former. The equity issue and attendant investment by Sonatrach in Gas Natural Fenosa will be executed once the Algerian authorities give their consent.

On June 30, 2011, Gas Natural Fenosa agreed to acquire the ACS Group’s direct and indirect interests in five wind farms located in several regions of Spain with aggregate capacity of 95.5 MW, along with certain specific credit rights, for a combined €72 million (€22 million stated on the basis of Repsol YPF’s interest in Gas Natural Fenosa). This transaction is subject to obtaining the pertinent authorizations from the authorities.

(13) SUBSEQUENT EVENTS

On July 2011, Repsol sold an additional 1,985,823 ordinary class D shares of YPF representing a 0.5% interest in the company for a total of USD85 million (€1 million). Following the sale, the Group’s ownership interest in YPF stands at 57.4%.

(14) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These interim condensed consolidated financial statements are prepared on the basis of IFRSs, as endorsed by the European Union, and Article 12 of Royal Decree 1362/2007. Consequently, certain accounting practices applied by the Group may not conform to other generally accepted accounting principles.

APPENDIX I: CHANGES IN THE SCOPE OF CONSOLIDATION

a) *Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates.*

Cost of the business combination (net) (millions of euros)							
Name of the entity (or business activity) acquired/absorbed	Type of transaction	Transaction close date	Consideration (net) paid + other costs directly attributable to the business combination	Fair value of the equity instruments issued to acquire the acquiree	% of voting rights acquired (5)	% of total voting rights in the entity post-acquisition	
Repsol E&P Eurasia LLC	Incorporation	Jan 11	0.0	-	99.99%	99.99%	
	Additional						
Energías Especiales de Andalucía, S.L.(1)	investment	Jan 11	0.1	-	2.26%	15.08%	
Civeny, S.A. (2)	Acquisition	Feb 11	0.0	-	23.18%	23.18%	
Bizoy, S.A. (2)	Acquisition	Feb 11	0.0	-	23.18%	23.18%	
J.G.C. Cogeneración Daimiel, S.L.(1)	Incorporation	Feb 11	0.4	-	29.44%	29.44%	
CSJC Eurotek-Yugra	Acquisition	Mar 11	1.8	-	74.90%	74.90%	
Holding Gasinmex S.A de C.V. (1)	Incorporation	Mar 11	0.0	-	24.95%	24.95%	
Agri Development BV (3)	Acquisition	Apr 11	30.8	-	6.00%	6.00%	
	Additional						
Red Unión Fenosa S.A (1)	investment	Apr 11	1.5	-	1.83%	30.17%	
Kuosol S.A.P. de C.V.	Acquisition	May 11	6.1	-	50.00%	50.00%	
GEM Suministro de Gas, 3, S.L (1)	Incorporation	May 11	0.0	-	30.17%	30.17%	
GEM Suministro de Gas SUR 3, S.L (1)	Incorporation	May 11	0.0	-	30.17%	30.17%	
	Additional						
Unión Fenosa Wind Australia PTY, Ltd (1)	investment	May 11	0.6	-	0.30%	27.88%	
	Additional						
Eufer Renovables Ibéricas 2004, S.A.(1)	investment	May 11	*	*	15.08%	30.17%	
	Additional						
Eólica del Cordal de Montouto, S.L. (1)	investment	May 11	*	*	15.08%	30.17%	
	Additional						
Energías Especiales Espina, S.L.U. (1)	investment	May 11	*	*	15.08%	30.17%	
	Additional						
Eólica Galaicoasturiana, S.A. (1)	investment	May 11	*	*	15.08%	30.17%	
Andaluz de Energía Solar Cuarta, S.L. (1)	Additional investment	May 11	*	*	13.76%	22.93%	
Energías Especiales Alcohólicas, S.A. (1)	Additional investment	May 11	*	*	12.43%	24.74%	
	Additional						
Vientos del Noroeste, S.A. (1)	investment	May 11	*	*	15.05%	30.17%	
Energía Termosolar de los Monegros, S.L. (1)	Additional investment	May 11	*	*	13.57%	27.15%	
Energías Especiales de Extremadura, S.L. (1)	Additional investment	May 11	*	*	11.83%	23.53%	
	Additional						
Parque Eólico Cabo Vilano S.L. (1)	investment	May 11	*	*	15.08%	30.17%	
Parque Eólico Sierra del Merengue, S.A. (1)	Additional investment	May 11	*	*	7.54%	15.08%	
Energías Ambientales de Somozas, S.A. (1)	Additional investment	May 11	*	*	6.82%	13.88%	

Cost of the business combination (net)
(millions of euros)

Name of the entity (or business activity) acquired/absorbed	Type of transaction	Transaction close date	Consideration (net) paid + other costs directly attributable to the business combination	Fair value of the equity instruments issued to acquire the acquiree	% of voting rights acquired (5)	% of total voting rights in the entity post-acquisition
Cogeneración del Noroeste, S.L. (1)	Additional investment	May 11	*	*	6.03%	12.07%
Energías Ambientales, S.A. (1)	Additional investment	May 11	*	*	5.04%	9.95%
Energías Ambientales de Vimianzo, S.A. (1)	Additional investment	May 11	*	*	5.04%	9.95%
Energías Ambientales de Novo S.A. (1)	Additional investment	May 11	*	*	5.04%	9.95%
Societat Eòlica de l'ENDERROCADA, S.A. (1)	Additional investment	May 11	*	*	4.01%	8.14%
Punta de Lens Eólica Marina, S.L. (1)	Additional investment	May 11	*	*	15.08%	30.17%
Punta de las Olas Eólica Marina, S.L. (1)	Additional investment	May 11	*	*	15.08%	30.17%
Eufer Energías Especiais de Portugal, Unipessoal Lda (1)	Additional investment	May 11	*	*	15.08%	30.17%
Prius Eneòlica, S.L.U. (1)	Additional investment	May 11	*	*	15.08%	30.17%
Eufer-Caetano Energías Renovaveis, Lda (1)	Additional investment	May 11	*	*	7.69%	15.38%
Operations & Maintenance Energy Uganda, Ltd. (1)	Incorporation	Jun 11	0.0	-	30.17%	30.17%
Unión Fenosa Energías Renovables Chile, S.A.. (1)	Additional investment	Jun 11	0.1	-	3.38%	27.51%
3 G Holdings Limited (1)	Additional investment	Jun 11	0.2	-	2.26%	3.02%
Repsol Exploración Irlanda, S.A.	Incorporation	Jun 11	0.1	-	100.00%	100.00%
Repsol Nuevas Energías U.K.	Acquisition	Jun 11	46.0	-	100.00%	100.00%
Gas Natural SDG, S.A. (4)	Additional investment	Jun 11	0.0	-	0.04%	30.17%

(1) Investments held through Gas Natural.

(2) Investments held through YPF, S.A.

(3) Investment held through Repsol Sinopec Brasil B.V.

(4) Corresponds to the additional investment by Repsol YPF in Gas Natural Fenosa by virtue of execution of the appropriation of 2010 profits approved at the General Shareholders' Meeting of April 14, 2011.

(5) Corresponds to the ownership interest in the acquiree.

*Companies affected by the EUFER business combination detailed in *Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates* in note 2.

b) *Reduction in interests in subsidiaries, joint ventures and/or associates and similar transactions*

Name of the entity (or business activity) sold, spun off or derecognized	Type of transaction	Transaction close date	% of voting rights sold/ derecognized	% of total voting rights held post disposal	Gain / (loss) on disposal (millions of euros)(1)
YPF, S.A. (2)	Reduction in interest	Several	21.87%	57.94%	488
Gas Natural Finance, B.V (Holanda) (3)	Liquidation	Mar 11	30.17%	0.00%	-
Chilco Distribuidora de Gas y Energía	Reduction in interest	Apr 11	13.37%	31.50%	-
Chilco Metalmecánica	Reduction in interest	Apr 11	13.37%	31.50%	-
Distribuidora de Electricidad de Oriente S.A. (3)	Reduction in interest	May 11	27.99%	0.00%	(3)
Distribuidora de Electricidad de Occidente S.A. (3)	Reduction in interest	May 11	27.39%	0.00%	-
Generación Limpia Guatemala S.A. (3)	Disposal	May 11	30.17%	0.00%	-
Comercializadora Guatemalteca Mayorista de Electricidad, S.A. (3)	Disposal	May 11	30.17%	0.00%	-
Redes Eléctricas de Centroamérica, S.A (3)	Disposal	May 11	30.17%	0.00%	-
ENEL Union Fenosa Renovables, S.A. (3)	Disposal	May 11	15.08%	0.00%	*
Andaluza de Energía Solar Primera, S.L.(3)	Disposal	May 11	9.05%	0.00%	*
Andaluza de Energía Solar Quinta, S.L.(3)	Disposal	May 11	9.05%	0.00%	*
Andaluza de Energía Solar Tercera, S.L. (3)	Disposal	May 11	9.05%	0.00%	*
Aprovechamientos Eléctricos, S.A. (3)	Disposal	May 11	15.08%	0.00%	*
Áridos Energías Especiales S.L. (3)	Disposal	May 11	6.33%	0.00%	*
Azucarera Energías, S.A. (3)	Disposal	May 11	6.03%	0.00%	*
Barbao, S.A. (3)	Disposal	May 11	15.08%	0.00%	*
Boiro Energía S.A. (3)	Disposal	May 11	6.03%	0.00%	*
Depuración, destilación y reciclaje S.L. (3)	Disposal	May 11	6.03%	0.00%	*
Energías Especiales Alto Ulla, S.A. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales de Andalucía, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales de Careón S.A. (3)	Disposal	May 11	11.76%	0.00%	*
Energías Especiales de Gata, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales de Padul, S.L.U (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales del Bierzo, S.A. (3)	Disposal	May 11	7.54%	0.00%	*
Energías Especiales Montes Castellanos, S.A.U. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales Montes de Andalucía, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales Noroeste, S.A.U.(3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales Peña Armada, S.A. (3)	Disposal	May 11	12.07%	0.00%	*
Energías Especiales Santa Bárbara, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales Valencianas, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Energías Especiales Montes de San Sebastián, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Eufer Operación S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Parque Eólico Belmonte S.A. (3)	Disposal	May 11	7.54%	0.00%	*
Parque Eólico de Capelada A.I.E. (3)	Disposal	May 11	7.54%	0.00%	*
Parque Eólico de Corullón S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Parque Eólico de San Andrés S.A. (3)	Disposal	May 11	12.37%	0.00%	*
Parque Eólico Malpica S.A. (3)	Disposal	May 11	5.43%	0.00%	*

Name of the entity (or business activity) sold, spun off or derecognized	Type of transaction	Transaction close date	% of voting rights sold/ derecognized	% of total voting rights held post disposal	Gain / (loss) on disposal (millions of euros)(1)
Parque Eólico Montes de las Navas, S.A. (3)	Disposal	May 11	3.02%	0.00%	*
Promociones Energéticas del Bierzo, S.L. (3)	Disposal	May 11	15.08%	0.00%	*
Proyectos Universitarios Energías Renovables, S.L. (3)	Disposal	May 11	5.13%	0.00%	*
Sistemas Energéticos Mañón Ortigueira, S.A. (3)	Disposal	May 11	14.48%	0.00%	*
Ufefys, S.L. (3)	Disposal	May 11	6.03%	0.00%	*
Energías de Villarubia, S.L. (3)	Disposal	May 11	3.02%	0.00%	*
Enerlasa, S.A. (3)	Disposal	May 11	6.64%	0.00%	*
Sotavento Galicia, S.A. (3)	Disposal	May 11	2.71%	0.00%	*
Tirmadrid, S.A. (3)	Disposal	May 11	2.71%	0.00%	*
Bis Distribución de Gas, S.A (3)	Disposal	Jun 11	30.17%	0.00%	84.3

(1) Pre-tax gain or loss.

(2) The gain generated by these sales was recognized within 'Other reserves' in equity.

(3) Investments held through Gas Natural.

* Companies affected by the EUFER business combination detailed in *Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates* in note 2.