

28%

**28% growth**

Thanks to the best result of the **Downstream business**, the capital gain generated by the **sale of LNG** and the successful management in the **recovery of the value of YPF**. The adjusted net income was 1,337 million Euros, with a growth of 10%.

**9 new exploration discoveries**

From the beginning of 2014


**Discovery of Leon, Gulf de Mexico, USA**

A high quality oil net pay of over **150 metres thick** has been discovered.

Repsol continues to strengthen its position in the United States which already represents around **10% of the group's total production**.

**Downstream**

The **excellent quality of the assets** of the company has allowed increasing the refining margin indicator up to **\$3.6/barrel** on average.

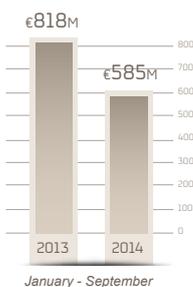
In an environment of downward prices, Repsol continues generating solid results.

**Our main businesses<sup>1</sup>****Upstream**

(Exploration and Production)

**Downstream**

(Refining, Chemical, Marketing, Liquefied Petroleum Gas and Gas &amp; Power)



■ **Temporary suspension of activity in Libya** in the first half of the year, which was **resumed on July 7** and continued without interruption during the third quarter.

■ From January to September 2014, **new production barrels** from **Bolivia, Brazil, Peru, Russia and USA** - have been incorporated.



Production in the 3rdQ14 of **366 thousand of barrels** equivalent of oil per day



■ Increase of the **refining margins** due to the efficiency of our system.

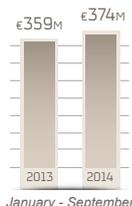
■ Higher sales and improvements in the efficiency of the **Chemistry** business.

■ Better results in **Commercial Business**, with higher sales in the **products marketing and LPG**.

➤ **Start of production of the new lubricant plant:** Repsol and the Korean company SK have started the production of a last generation new base oil plant. It is located next to the refinery of Repsol in Cartagena and it's the largest facility of this kind in Europe.

**Gas Natural Fenosa<sup>2</sup>**

(30% stake)



■ Better marketing results in wholesale market of natural gas.

■ Capital gain for the sale of the telecommunications business.

➤ They have compensated the worst result of the internal market of electricity generation and distribution and gas distribution.

**Solida posición financiera****Net debt**at record levels: **€1,998M**

**Reduction of €3,360M** compared to the end of 2013.

**63%****Liquidity**

Repsol maintains a liquidity of

**€10,448M**

enough to cover 3.6 times its short term debt maturities.

**Dividend**

An attractive remuneration to shareholders is maintained, exceeding a **profitability of 10%** per dividend.

**Repsol's Flexible Dividend scheme****63%** Acceptance

January 2014

**76%** Acceptance

July 2014

<sup>1</sup> The company carries out a good part of its activities through joint ventures. This means that, when it comes to making decisions on fund allocation or performance assessment, the operating and financial figures of joint ventures are analysed from the same perspective and as thoroughly as those of companies consolidated by global integration. This is the reason why all sector figures include, according to percentage shares, those of joint ventures or companies managed as such.

In fiscal year 2014, Repsol decided to take into account the current business environment and use an accounting method for better comparison with the results of other companies in the same industry. Now, Repsol reports its recurring net income based on restocking costs of continued operations (adjusted net income), excluding both discontinued operations and inventory effects.

<sup>2</sup> From 1 January 2014, Gas Natural results are no longer reported in Repsol statements using a consolidated method. The equity accounting method is used instead.

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