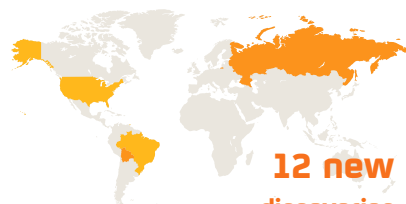


**Significant growth compared to 2013**

Thanks to our **integrated model**, that allows us to obtain solid results in **Downstream business**, and to the successful management in the **value recovery of YPF**.  
Net profit was 1,612 million Euros.



**12 new discoveries**

from the beginning of 2014

in US, Brazil, Bolivia, Trinidad and Tobago, Alaska and Russia

**Downstream**

The **excellent quality of the assets** of the company has allowed the indicator refining margin to increase up to \$4.1/barrel in the year and up to **\$5.5/barrel** in the quarter.

An annual increase in refining margin of **24%**

Continues a very good performance of this indicator at the beginning of 2015.

**Acquisition of Talisman Energy**

For the amount of **8,300 million US dollars** (6,640 million euros), plus the debt.

Financed with **own funds**.

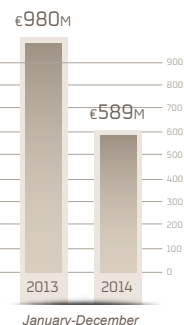
**Improvement of the assets portfolio** with the incorporation of quality assets in geopolitically stable countries.

Talisman **will be profitable** for Repsol **from the first whole fiscal year** after the integration.

Repsol continues generating **solid results** in an environment of downward oil prices.

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

[Exploration and Production]



■ Production of the year, excluding Libya, **increased by 8%** thanks to the developments in Brazil, United States, Bolivia, Peru and Russia.

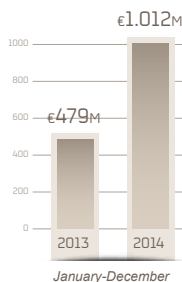
■ Due to the lower production caused by the disruptions for security reasons in Libya and the fall of oil prices in the second half of the year.

The **triannual replacement rate of proven reserves** stands at **198%**, being the annual rate at **118%**

**5<sup>th</sup>** consecutive **fiscal year** in which more hydrocarbon reserves than those produced were incorporated.

**Downstream**

[Refining, Chemical, Marketing, Liquefied Petroleum Gas and Gas & Power]



Significant improvement in the results, thanks to:

- **Refining System Efficiency**: lower energy costs, higher utilization rates and obtaining higher margins thanks to the investment projects undertaken.
- Better result in **Chemistry** due to higher sales, efficiency improvements and differentiation with higher value added products.
- **Marketing sales in Spain** increased 4% in the fourth quarter over the previous year. **4%**
- Improvement in **Gas&Power Business**, by the improved margins in the first part of the year and higher value of the contractual commitments.

**Gas Natural Fenosa<sup>2</sup>** [30% stake]

441 million Euros in 2014: A result slightly lower compared to the previous year

- Better result of wholesale marketing of gas and gain on sale of assets.
- Offset by minor business results of power generation and distribution and of gas distribution in Spain and provision for impairment of the Union Fenosa Gas plant in Egypt.

**Solid financial position****Net debt**

at historically low levels: **€1,935M**

**Reduction of €3,423M** compared to the end of 2013, thanks to the successful exit of Argentina **64%**

Maintaining a strong financial position and an attractive remuneration to the shareholder.

**Liquidity**

Repsol maintains a liquidity of

**€9,844M**

enough to cover **7.6 times** its short term debt maturities.

**Dividend**

An attractive remuneration to our shareholders is maintained, reaching in 2014 a dividend of **€1.96 per share**.

The profitability per dividend in 2014 was the highest among the large companies in the sector in Europe.

<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.

This is, by no means, a recommendation or offer to buy shares in Repsol, as established in Law 24/1988, of 28 July, on the Stock Exchange, and the associated development regulations. Furthermore, this is not a purchasing or trading offer, nor an equity purchasing, selling or trading order elsewhere.

This report contains information and statements that are actually estimates or forecasts about Repsol. Such estimates or forecasts may contain statements about plans, goals and expectations, including statements on trends affecting Repsol's finances, financial ratios, operating income, business, strategies, geographical concentration, production and reserves, capital expenditure, cost savings, investments and dividend policy. Such estimates or forecasts may contain assumptions on future economic or financial situations such as future crude oil prices or other prices, refining or marketing margins and currency exchange rates. Estimates or future prospects are generally identified with the verbs 'hope', 'expect', 'think', 'believe', 'estimate', or the like. Said statements or claims do not guarantee future compliance, prices, margins, currency exchange rates, and so forth, and are subject to significant risks, uncertainties, changes or other factors beyond Repsol's control or difficult to predict. Among these risks and uncertainties there are factors and situations on which information is provided in statements or documents filed by Repsol and its affiliates with the Spanish Stock Exchange, the Argentine Stock Exchange, the U.S. Securities and Exchange Commission, and other market supervising agencies in the markets where Repsol or its affiliates trade their shares.

Repsol undertakes to fulfil its obligations only as established in the laws in force, even if new data are published or new situations arise, as far as public announcements of updated or revised facts are concerned.

The information contained here has not been verified or reviewed by Repsol's external auditors.