Q1 2015 RESULTS

7 May, 2015

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BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

Group activities are carried out in three operating segments:

- **Upstream**, corresponding to exploration and development of crude oil and natural gas reserves;

- **Downstream**, corresponding to (i) refining, trading and transportation of crude oil and oil products, as well as the commercialization of oil products, petrochemical products and LPG, (ii) the commercialization, transport and regasification of natural gas and liquefied natural gas (LNG), and (iii) renewable energy power projects;

- **Gas Natural Fenosa**, corresponding to its shareholding in Gas Natural SDG, S.A., whose main activities are the distribution and commercialization of natural gas, and the generation, distribution and commercialization of electricity.

Lastly, the **Corporate and others** includes activities not attributable to the aforementioned businesses, and specifically, corporate expenses and financial result, as well as intersegment adjustments of consolidation.

The results for each segment include those from joint ventures, or other managed companies operated as such, in accordance with the percentage of interest held by the Group, considering its operational and economic metrics in the same manner and with the same detail as for fully consolidated companies. Thus, the Group considers that the nature of its businesses and the way in which results are analyzed for decision-making purposes is adequately reflected.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, utilizes as a measure of segment profit the so-called (Adjusted Net Income), corresponding to the recurring net operating profit of continuing operations at current cost of supply ("Current Cost of Supply" or CCS) after taxes.

The Adjusted Net Income is prepared by using the inventory valuation method widely used in the industry, current cost of supply (CCS), which differs from that accepted under prevailing European accounting standards ("Middle In First Out" or MIFO). The use of CCS methodology facilitates users of financial information comparisons with other companies in the sector. Under CCS methodology, the purchase price of volumes of inventories sold during the period is based on current prices of purchases during the period. Consequently, Adjusted Net Income does not include the so-called "Inventory Effect", which is the difference between the net income using CCS and the net income using MIFO. The Inventory Effect is presented separately net of the tax effect and excluding non-controlling interests.

Adjusted Net Income excludes the so-called non-recurring income, that is, those originating from isolated events or transactions of an exceptional nature, or which are not ordinary or usual transactions of the Group. Non-Recurring Income is presented separately, net of the tax effect and excluding non-controlling interests.

All of the information presented in this Earnings Release has been prepared in accordance with the abovementioned criteria, with the exception of the information provided in the Appendix II headed “Consolidated Financial Statements” which has been prepared according to International Financial Reporting Standards (IFRS).

Appendix III provides a reconciliation of the segment reported metrics and those presented in the consolidated financial statements (IFRS).

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
Upstream	255	4	(190)	-
Downstream	290	370	534	84.1
Gas Natural Fenosa	123	67	122	(0.8)
Corporate and others	(136)	(71)	462	-
ADJUSTED NET INCOME	**532**	**370**	**928**	**74.4**
Inventory effect	(59)	(489)	(140)	(137.3)
Non-recurring income	35	(245)	(27)	-
Income from discontinued operations	299	330	0	-
NET INCOME	**807**	**(34)**	**761**	**(5.7)**

Economic data (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
EBITDA	1,177	551	962	(18.3)
EBITDA CCS	1,265	1,314	1,174	(7.2)
NET CAPITAL EXPENDITURE	615	1,065	933	51.7
NET DEBT	4,722	1,935	126	(97.3)
EBITDA / NET DEBT (x)	1.0	1.1	30.5	-

Operational data	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
LIQUIDS PRODUCTION (Thousand bbl/d)	131	143	132	1.1
GAS PRODUCTION (*) (Million scf/d)	1,185	1,283	1,249	5.4
TOTAL PRODUCTION (Thousand boe/d)	**342**	**371**	**355**	**3.7**
CRUDE OIL REALIZATION PRICE ($/Bbl)	85.8	61.3	44.6	(48.0)
GAS REALIZATION PRICE ($/Thousand scf)	4.2	3.6	2.8	(33.2)
DISTILLATION UTILIZATION Spanish Refining (%)	74.5	80.1	82.6	8.1
CONVERSION UTILIZATION Spanish Refining (%)	96.9	105.5	98.8	1.9
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	3.9	5.5	8.7	123.1

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

KEY MILESTONES FOR THE FIRST QUARTER OF 2015

- **Adjusted net income** in the first quarter was €928 million, 74% higher year-on-year. **Net income** amounted to €761 million, 6% lower compared to the same period of last year, mainly as a result of the capital gain on the LNG assets sold in the first quarter of 2014. Excluding the income from discontinued operations, net income was 50% higher year-on-year.

- Quarterly results of the business units, marked by the low crude oil price environment, are explained as follows:

- Adjusted net income in **Upstream** was €445 million lower than that in the same period of 2014, mainly due to the impact of lower realization prices, the absence of production in Libya, where output was halted throughout the whole quarter due to security reasons, the fiscal impact of the depreciation of local currency in Brazil and adjustments coming from the operator in Venezuela, carried from 2014, as well as higher exploration expenses. These impacts were partially offset by higher production volumes as a result of the start-up and ramp-up of our strategic projects, essentially in Brazil, Peru and the US.

- In **Downstream**, adjusted net income was 84% higher year-on-year as a result of the improved refining margins, and enhanced performance in Chemicals and in the Commercial Businesses.

- The adjusted net income of **Gas Natural Fenosa** stood at €122 million, in line with the same period of last year.

- In **Corporate and others**, adjusted net income stood at €462 million, a €598 million increase year-on-year, marked by the improvement of the financial result as a consequence of the appreciation of the dollar against the euro, as well as the lower debt interest charges.

- **Upstream** production reached an average of 355 Kboe/d in the first quarter of 2015, 4% higher year-on-year. The increase in production came mainly from the contribution of our strategic projects: Sapinhoá in Brazil, Kinteroni in Peru, which came on stream in March 2014, as well as the continuous ramp-up of the Midcontinent project in the US. This increase in production has compensated the absence of production in Libya, due to security reasons, and lower production in Spain and Ecuador. Excluding Libya's contribution, production in Q1 15 grew by 10% year-on-year.

- During this first quarter of 2015, six wells - five exploratory and one appraisal - were concluded. The appraisal well, drilled in Bolivia's Margarita-Huacaya block, had a positive outcome. Out of the five exploratory wells, one registered a positive result (K-4 in Russia) and the remaining four wells had a negative outcome. Additionally, in April, four more wells – two of them exploratory and two appraisals - were concluded. The two exploratory wells were concluded with positive results, one in Algeria and one in Alaska. The two appraisal wells, both of them located in Alaska, were positive also.

- The Group's **net debt** at the end of the first quarter of 2015 stood at €126 million, down €1.809 billion from the end of 2014. As a relevant event, it is worth mentioning that in March 2015, two subordinated bond issuances, for a total amount of €2 billion, were carried out. One tranche of €1 billion perpetual subordinated bond accounted for as equity, which has implied a €1 billion net debt reduction. A second tranche of €1 billion of 60-years subordinated bond accounted for as gross debt, thus without any impact on net debt. Additionally, it is worth pointing out the positive effect on the net debt evolution of the appreciation of the dollar against the euro during the quarter.

- On 30 April 2015, it was announced that all requirements agreed to by Repsol and Talisman Energy for the acquisition of the Canadian company have been met and that no further regulatory approvals nor third parties' consents are required for completion of the transaction. Both parties have agreed that the transaction, subject of the satisfaction of customary closing deliverables, shall be completed on 8 May, 2015.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

UPSTREAM

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
ADJUSTED NET INCOME	**255**	**4**	**(190)**	**-**
Operating income	441	68	(136)	-
Income tax	(194)	(70)	(56)	71.1
Income from equity affiliates and non-controlling interests	8	6	2	(75.0)
EBITDA	716	580	281	(60.8)
NET CAPITAL EXPENDITURE	473	775	753	59.2
EXPLORATION COSTS	104	226	218	109.6
EFFECTIVE TAX RATE (%)	44	103	40	(4.0)

International prices	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
Brent ($/Bbl)	108.2	76.6	53.9	(50.2)
WTI ($/Bbl)	98.6	73.2	48.6	(50.7)
Henry Hub ($/MBtu)	4.9	4.0	3.0	(38.8)
Average exchange rate ($/€)	1.37	1.25	1.13	(17.5)

Production	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
LIQUIDS (Thousand bbl/d)	131	143	132	1.1
GAS (*) (Million scf/d)	1,185	1,283	1,249	5.4
TOTAL (Thousand boe/d)	**342**	**371**	**355**	**3.7**

Realization prices	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
CRUDE OIL ($/Bbl)	85.8	61.3	44.6	(48.0)
GAS ($/Thousand scf)	4.2	3.6	2.8	(33.2)

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Adjusted net income in the first quarter of 2015 was €-190 million, a €445 million decrease compared to the same period of 2014, mainly as a consequence of the drop in crude oil realization prices the absence of production in Libya, which had an impact of €-148 million on the operating income and €-51 million on the net income, and the increase in exploration costs. Likewise, net income was affected by atypical factors such as the negative fiscal impact of local currency depreciation in Brazil and the negative effect the adjustments coming from the operator in Venezuela carried from 2014, which produced a €69 million and €50 million decrease respectively. The aforementioned effects were partially compensated by the growth of production.

Excluding the impact of exploration costs, and even though there was no contribution from Libya in the quarter, operating income of the Upstream division would have been positive.

Eliminating the effect of the interruption of the operations in Libya, the factors which explain the year-on-year performance in the Upstream division are the following:

- **Higher production** mainly in Brazil, Peru, the US and Bolivia has contributed to an increase in the operating income of €76 million.

- Lower **crude oil and gas realization prices**, net of royalties, had a negative impact on the operating income of €349 million.

- **Exploration costs** impacted the operating income negatively by €75 million, mainly as a result of higher amortization of dry wells.

- Higher **depreciation and amortization** charges as a consequence of the increase in production, mainly in Brazil, reduced the operating income by €22 million.

- **Income tax expense** has impacted the operating income positively by €42 million, largely as a result of lower operating income, partially compensated by the tax effects related to the depreciation of local currency against the dollar in Brazil.

- **Income of equity affiliates and non-controlling interests, exchange rate effect and others** explain the remaining differences.

Net capital expenditure

Net capital expenditure in Upstream in the first quarter of 2015 amounted to €753 million, a 59% increase year-on-year, mainly due to the appreciation of the dollar against the euro and the divestments, which reached € 111 million in the first quarter of 2014 and were practically zero in the same period of 2015. Without taking into account the divestments, the increase in capital expenditure denominated in dollars amounts to only 7%. Development capital expenditure accounted for 60% of the total investment and was concentrated in Venezuela (38%), the U.S. (22%), Trinidad and Tobago (15%) and Brazil (13%). Exploration capital expenditure represented 40% of the total and was allocated primarily in the U.S. (27%), Europe (24%) and Angola (22%).

DOWNSTREAM

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
ADJUSTED NET INCOME	**290**	**370**	**534**	**84.1**
Operating income	426	581	751	76.3
Income tax	(133)	(210)	(202)	(51.9)
Income from equity affiliates and non-controlling interests	(3)	(1)	(15)	-
MIFO RECURRENT NET INCOME	**231**	**(119)**	**394**	**70.6**
Inventory effect	(59)	(489)	(140)	(137.3)
EBITDA	506	(25)	724	43.1
EBITDA CCS	594	738	936	57.6
NET CAPITAL EXPENDITURE	133	242	133	0.0
EFFECTIVE TAX RATE (%)	31	36	27	(4.0)

International prices ($/Mbtu)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
Henry Hub	4.9	4.0	3.0	(38.8)
Algonquin	20.3	5.0	11.5	(43.3)

Operational data	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	3.9	5.5	8.7	123.1
DISTILLATION UTILIZATION Spanish Refining (%)	74.5	80.1	82.6	8.1
CONVERSION UTILIZATION Spanish Refining (%)	96.9	105.5	98.8	1.9
OIL PRODUCT SALES (Thousand tons)	9,845	11,056	10,731	9.0
PETROCHEMICAL PRODUCT SALES (Thousand tons)	653	647	741	13.3
LPG SALES (Thousand tons)	670	688	704	5.0
NORTH AMERICA NATURAL GAS SALES (TBtu)	89.9	63.0	106.9	18.9

Adjusted net income in the first quarter of 2015 amounted to €534 million, significantly higher compared to the first quarter of 2014 in which net income was €290 million.

The main factors which explain the year-on-year earnings performance are:

- In **Refining**, higher utilization rates and improved refining margins, due to the stronger product spreads in both products indexed to the price of crude and those not indexed to oil prices, coupled with lower energy costs, produced a positive impact on the operating income of €295 million. It is worth noting that €23 million of the increase in operating income corresponds to improvement of the refining activity in Peru.

- In **Chemicals**, the increased efficiency as a result of operational improvements in our sites, higher sales volumes and improved margins, influenced by a better international price environment, generated a positive effect on the operating income of €97 million.

- In the commercial businesses, **Marketing and LPG,** operating income was €74 million higher year-on-year. Notably, sales of gasoline and diesel in Spain in the first quarter of 2015 grew by 7% year-on-year.

- In **Gas & Power**, results the first quarter of 2015 were positive; however, there was an €210 million year-on-year decrease in the operating income, due to lower reference prices, the effect of marking-to-market the contractual commitments for the natural gas commercialization in North America carried out in previous quarters and the significantly high results obtained in the first quarter of 2014.

- Higher **income tax** expenses, driven mainly by the improved results, had a negative impact of €70 million.

- **Results in trading and other activities** explain the remaining difference.

Net capital expenditure

Net capital expenditure in the Downstream segment in the first quarter of 2015 amounted to €133 million.

GAS NATURAL FENOSA

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
ADJUSTED NET INCOME	123	67	122	(0.8)

Adjusted net income in the first quarter of 2015 amounted to €122 million, in line with the same quarter of 2014, largely due to the fact that contribution to results of CGE-Chile compensates the impact of the new gas sector regulation in Spain which came into force in July 2014, lack of contribution from the telecommunication business divested in 2014, and higher financial expenses incurred in the acquisition of CGE-Chile.

CORPORATE AND OTHERS

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
ADJUSTED NET INCOME	**(136)**	**(71)**	**462**	**-**
Corporate and others operating income	(70)	(23)	(28)	60.0
Financial result	(130)	(85)	655	-
Income tax	64	37	(165)	-
EBITDA	(45)	(4)	(43)	4.4
NET CAPITAL EXPENDITURE	9	48	47	-
EFFECTIVE TAX RATE (%)	(32)	(34)	26	-

CORPORATE AND OTHERS

Corporate and others accounted for a net expense of €28 million in the first quarter of 2015, compared to a net expense of €70 million in the same quarter of last year.

FINANCIAL RESULTS

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
NET INTERESTS	(99)	(62)	(68)	31.3
OTHER CAPTIONS	(31)	(23)	723	-
TOTAL	**(130)**	**(85)**	**655**	**-**

Net financial result in the first quarter 2015 reached €655 million, as compared to a net financial expense of €130 million in the same period of last year, mainly due to the positive effect of the appreciation of the dollar against the euro. It is also worth mentioning the positive impact of lower interests on debt as a result of lower gross debt volumes and lower average interest rates in the first quarter of 2015.

NET INCOME ANALYSIS: NON-RECURRING ITEMS AND DISCONTINUED OPERATIONS

NON-RECURRING INCOME

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
NON-RECURRING INCOME / (LOSSES)	35	(245)	(27)	-

The **non-recurring items** in the first quarter of 2015 resulted in a net loss of €27 million, compared to a net gain of €35 million in the same quarter of last year.

DISCONTINUED OPERATIONS

(Unaudited figures)

Results (€ Million)	Q1 2014	Q4 2014	Q1 2015	% Change Q1 15/Q1 14
INCOME FROM DISCONTINUED OPERATIONS	299	330	0	-

Net income from discontinued operations in the first quarter of 2014 included mainly the net contribution of the LNG businesses sold.

NET DEBT EVOLUTION

This section presents the changes in the Group's adjusted net debt:

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q1 2015
NET DEBT AT THE START OF THE PERIOD	**1,935**
EBITDA	(962)
CHANGE IN WORKING CAPITAL	(63)
INCOME TAX RECEIVED /PAID	(111)
NET CAPITAL EXPENDITURE (1)	933
DIVIDENDS PAID AND OTHER PAYOUTS	245
FOREIGN EXCHANGE RATE EFFECT	(921)
INTEREST AND OTHER MOVEMENTS (2)	65
OWN CAPITAL INSTRUMENTS (3)	(995)
NET DEBT AT THE END OF THE PERIOD	**126**

	2015
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	31,806
NET DEBT / CAPITAL EMPLOYED (%)	0.4
ROACE (%) (4)	4.2
EBITDA /NET DEBT (x)	30.5

(1) As of March 31, 2015, there were financial investments amounting to €8 million.

(2) Mainly includes interest expense on borrowings, dividends received, and provisions used.

(3) Includes the issuance of the perpetual subordinated bond (EURO 6-Year NC) accounted for as equity.

(4) ROACE at CCS is 6.1%

The Group's **net debt** at the end of the first quarter of 2015 stood at €126 million, down €1,809 million from the end of 2014. As a relevant event, it is worth mentioning that in March 2015, two subordinated bond issuances, for a total amount of €2 billion, were carried out. One tranche of €1 billion euro perpetual subordinated bond accounted for as equity, which has implied a €1 billion net debt reduction. A second tranche of €1 billion of 60-years subordinated bond accounted for as gross debt, thus without any impact in net debt figure. Additionally, it is worth pointing out the positive effect on the net debt evolution of the appreciation of the dollar against the euro during the quarter.

RELEVANT EVENTS

The most significant company-related events since the fourth-quarter 2014 earnings release were as follows:

In **Upstream**, on 20 April 2015, Repsol announced its third gas discovery in the Illizi basin, in the southeast of Algeria. The discovery in Tan Emellel Sud-Ouest-2 (TESO-2) exploration well in the Sud-Est Illizi block is the continuation of an already very successful exploration campaign in the high-potential area. Repsol is the operator of the consortium with a 52.5% stake in partnership with Enel (27.5%) and GDF-SUEZ (20%). Sonatrach will hold a 51% stake in the development and production phases, with the existing members maintaining their existing proportions in the remaining 49%. The gas discovery was made at a depth of 1,307 meters (4,288 feet) and well testing delivered a gas flow rate of 175,000 cubic meters per day (m^3/day) and 90 barrels per day (bbl/d) of condensate. Repsol aims to drill at least four more additional wells in order to appraise the previous discoveries within the Sud-Est Illizi block.

On 2 May 2015, Repsol announced a new gas discovery in Bolivia in the Margarita-Huacaya block. The discovery increases reserves in the Caipipendi area and bolsters Repsol's gas production in Bolivia.

In **Downstream**, on 27 April 2015, Repsol and Mexico's Grupo Kuo announced that have reached an agreement to expand their current joint venture, Dynasol, which will become one of the leaders in the global synthetic rubber market. Dynasol will focus on developing products for the high-performance tire sector, a market with high demand and added value that uses synthetic rubber as a raw material.

In **Corporation**, on 18 March 2015, Repsol International Finance, B.V., a wholly-owned subsidiary of Repsol, S.A., finalized the pricing and the terms and conditions of two subordinated bond issuances for a total amount of 22 billion euro, with the subordinated guarantee of Repsol, S.A.:

- A 1 billion euro perpetual subordinated bond (EURO 6-Year Non-Call Perpetual Securities) at 100 per cent of its face value, which bears interest on the principal amount from (and including) the issue date to 25 March 2021 at a rate of 3.875 per cent per annum, payable annually in arrears commencing on 25 March 2016; and from (and including) 25 March 2021, at the applicable 6 year Swap Rate plus: 3.56 per cent per year up to 25 March 2025; 3.81 per cent per year as from (and including) 25 March 2025 up to 25 March 2041; 4.56 per cent per year as from (and including) 25 March 2041.

- A 1 billion euro 60-years subordinated bond (EURO 10-Year Non-Call Securities Due 2075) at 100 per cent of its face value, which bears interest on their principal amount from (and including) the issue date to 25 March 2025 at a rate of 4.5 per cent per annum, payable annually in arrears commencing on 25 March 2016; and from (and including) 25 March 2025, at the applicable 10 year Swap Rate plus: 4.20 per cent per year up to 25 March 2045; 4.95 per cent per year as from (and including) 25 March 2045 until maturity (25 march 2075).

The issuer may defer payment of the interest accrued on the securities at its sole discretion without triggering an event of default. Any interest so deferred shall be cumulative and arrears of interest shall be payable in certain events set forth in the terms and conditions of the securities. Likewise, the issuer may redeem the securities on certain specific dates or upon the occurrence of certain events described in the terms and conditions of the securities.

On 29 April 2015, Repsol, S.A. announced that Mr. Juan María Nin Génova has tendered his resignation as Director of the Company, effective as of the same day.

On 30 April 2015, was announced that all requirements agreed to by Repsol and Talisman Energy for the completion of the transaction have been met and that no further regulatory approvals nor third-party consents are required in order for the acquisition of Talisman Energy Inc. to close. Both parties have agreed that the transaction, subject of the satisfaction of customary closing deliverables, shall be completed on May 8, 2015.

Also on the 30 April 2015, The Ordinary General Shareholders' Meeting of Repsol, S.A., approved all the proposals of resolutions submitted by the Board of Directors concerning the points of the Agenda. Likewise, the Ordinary General Shareholders' Meeting approved the re-election as Directors of Mr. Antonio Brufau, Mr. Luis Carlos Croissier, Mr. Ángel Durández, Mr. Mario Fernández, Mr. José Manuel Loureda, the ratification an re-election of Mr. Josu Jon Imaz and Mr. J. Robinson West, all of them for the statutory term of 4 years. Also the Boad as approved, at the proposal of Caixabank, S.A., the appointment of Mr. Gonzalo Gortázar as Director and member of the Nomination and Compensation Committee, to fill the vacancy resulting from the resignation of Mr. Juan María Nin.

Additionally, on 30 April 2015, Repsol announced the expected timetable for the execution of the paid-up capital increase, approved under the framework of the "Repsol Flexible Dividend" program by the Shareholders´ Meeting, under point fifth of the Agenda, to be implemented in June and July 2015, around the dates when the traditional final dividend of each year was usually paid to shareholders.

Madrid, May 7th, 2015

A conference call has been scheduled for research analysts and institutional investors for today, 7 May 2015 at 13.00 (CET) to report on the Repsol Group's first-quarter 2015 results. Shareholders and anyone else interested can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast.

APPENDIX I – FINANCIAL METRICS AND OPERATING INDICATORS BY SEGMENT

FIRST QUARTER 2015

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	Q1 2014 Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
Upstream	441	-	(194)	8	255	-	30	285
Downstream	426	-	(133)	(3)	290	(59)	(1)	230
Gas Natural Fenosa	-	-	-	123	123	-	(2)	121
Corporation & Others	(70)	(130)	64	-	(136)	-	8	(128)
TOTAL	**797**	**(130)**	**(263)**	**128**	**532**	**(59)**	**35**	**508**
Income from discontinued operations							299	299
NET INCOME							**334**	**807**

€ Million	Q4 2014 Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
Upstream	68	-	(70)	6	4	-	(418)	(414)
Downstream	581	-	(210)	(1)	370	(489)	44	(75)
Gas Natural Fenosa	-	-	-	67	67	-	-	67
Corporation & Others	(23)	(85)	37	-	(71)	-	129	58
TOTAL	**626**	**(85)**	**(243)**	**72**	**370**	**(489)**	**(245)**	**(364)**
Income from discontinued operations							330	330
NET INCOME							**85**	**(34)**

€ Million	Q1 2015 Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
Upstream	(136)	-	(56)	2	(190)	-	(28)	(218)
Downstream	751	-	(202)	(15)	534	(140)	(5)	389
Gas Natural Fenosa	-	-	-	122	122	-	-	122
Corporation & Others	(28)	655	(165)	-	462	-	6	468
TOTAL	**587**	**655**	**(423)**	**109**	**928**	**(140)**	**(27)**	**761**
Income from discontinued operations							-	0
NET INCOME							**(27)**	**761**

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA Q1 14	Q4 14	Q1 15
UPSTREAM	**441**	**68**	**(136)**
USA and Brazil	94	(86)	(103)
North Africa	139	67	(9)
Rest of the World	208	87	(24)
DOWNSTREAM	**426**	**581**	**751**
Europe	178	409	678
Rest of the World	248	172	73
CORPORATE AND OTHERS	**(70)**	**(23)**	**(28)**
TOTAL	**797**	**626**	**587**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 14**	**Q4 14**	**Q1 15**
UPSTREAM	**255**	**4**	**(190)**
USA and Brazil	74	(78)	(134)
North Africa	40	16	(8)
Rest of the World	141	66	(48)
DOWNSTREAM	**290**	**370**	**534**
Europe	134	272	490
Rest of the World	156	98	44
GAS NATURAL FENOSA	**123**	**67**	**122**
CORPORATE AND OTHERS	**(136)**	**(71)**	**462**
TOTAL	**532**	**370**	**928**

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	Q1 14	Q4 14	Q1 15
UPSTREAM	**716**	**580**	**281**
USA and Brazil	213	237	129
North Africa	149	77	(2)
Rest of the World	354	266	154
DOWNSTREAM (1)	**506**	**(25)**	**724**
Europe	242	(115)	653
Rest of the World	264	90	71
CORPORATE AND OTHERS	**(45)**	**(4)**	**(43)**
TOTAL (1)	**1,177**	**551**	**962**

(1) EBITDA CCS M€			
DOWNSTREAM	**594**	**738**	**936**
TOTAL	**1,265**	**1,314**	**1,174**

NET CAPITAL EXPENDITURES BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA		
€ Million	**Q1 14**	**Q4 14**	**Q1 15**
UPSTREAM	**473**	**775**	**753**
USA and Brazil	316	306	261
North Africa	25	31	21
Rest of the World	132	438	471
DOWNSTREAM	**133**	**242**	**133**
Europe	112	196	110
Rest of the World	21	46	23
CORPORATE AND OTHERS	**9**	**48**	**47**
TOTAL	**615**	**1,065**	**933**

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	CUMULATIVE DATA Q4 14	Q1 15
Upstream	11,167	12,847
Downstream	11,492	11,378
Gas Natural Fenosa	4,567	4,842
Corporate and others	2,863	2,739
TOTAL	**30,089**	**31,806**

OPERATING INDICATORS

FIRST QUARTER 2015

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2014	Jan - Mar 2014	Q1 2015	Jan - Mar 2015	% Variation Q1 15/Q1 14
HYDROCARBON PRODUCTION	**Kboe/d**	**341.8**	**341.8**	**354.6**	**354.6**	**3.7**
Liquids production	**Kboe/d**	**130.7**	**130.7**	**132.2**	**132.2**	**1.1**
USA and Brazil	Kboe/d	36.8	36.8	52.5	52.5	42.8
North of Africa	Kboe/d	21.1	21.1	3.2	3.2	(84.8)
Rest of the World	Kboe/d	72.9	72.9	76.5	76.5	5.0
Natural gas production	**Kboe/d**	**211.1**	**211.1**	**222.4**	**222.4**	**5.4**
USA and Brazil	Kboe/d	5.4	5.4	10.5	10.5	94.1
North of Africa	Kboe/d	5.7	5.7	8.0	8.0	39.3
Rest of the World	Kboe/d	199.9	199.9	203.9	203.9	2.0

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2014	Jan - Mar 2014	Q1 2015	Jan - Mar 2015	% Variation Q1 15/Q1 14
PROCESSED CRUDE OIL	**Mtoe**	**9.1**	**9.1**	**9.9**	**9.9**	**9.7**
Europe	Mtoe	8.2	8.2	9.1	9.1	10.9
Rest of the world	Mtoe	0.8	0.8	0.8	0.8	-2.1
SALES OF OIL PRODUCTS	**Kt**	**9,845**	**9,845**	**10,731**	**10,731**	**9.0**
Europe Sales	Kt	**8,803**	**8,803**	**9,667**	**9,667**	**9.8**
Own network	Kt	**4,574**	**4,574**	**5,079**	**5,079**	**11.0**
Light products	Kt	3,985	3,985	4,176	4,176	4.8
Other Products	Kt	589	589	903	903	53.3
Other Sales to Domestic Market	Kt	**1,706**	**1,706**	**1,924**	**1,924**	**12.8**
Light products	Kt	1,629	1,629	1,852	1,852	13.7
Other Products	Kt	77	77	72	72	(6.5)
Exports	Kt	**2,523**	**2,523**	**2,664**	**2,664**	**5.6**
Light products	Kt	632	632	1,219	1,219	92.9
Other Products	Kt	1,891	1,891	1,445	1,445	(23.6)
Rest of the world sales	Kt	**1,042**	**1,042**	**1,064**	**1,064**	**2.1**
Own network	Kt	**490**	**490**	**469**	**469**	**(4.3)**
Light products	Kt	450	450	446	446	(0.9)
Other Products	Kt	40	40	23	23	(42.5)
Other Sales to Domestic Market	Kt	**333**	**333**	**276**	**276**	**(17.1)**
Light products	Kt	274	274	241	241	(12.0)
Other Products	Kt	59	59	35	35	(40.7)
Exports	Kt	**219**	**219**	**319**	**319**	**45.7**
Light products	Kt	80	80	165	165	106.3
Other Products	Kt	139	139	154	154	10.8
CHEMICALS						
Sales of petrochemical products	Kt	**653**	**653**	**741**	**741**	**13.3**
Europe	Kt	**558**	**558**	**615**	**615**	10.3
Base	Kt	205	205	196	196	(4.1)
Derivative	Kt	353	353	419	419	18.7
Rest of the world	Kt	**96**	**96**	**125**	**125**	30.9
Base	Kt	12	12	34	34	177.6
Derivative	Kt	84	84	92	92	9.6
LPG						
LPG sales	Kt	**670**	**670**	**704**	**704**	**5.0**
Europe	Kt	420	420	453	453	7.8
Rest of the world	Kt	250	250	251	251	0.3

Other sales to the domestic market: includes sales to operators and bunker

Exports: expressed form the country of origin

APPENDIX II – CONSOLIDATED FINANCIAL STATEMENTS

FIRST QUARTER 2015

STATEMENT OF FINANCIAL POSITION

(€ millions)
(Unaudited figures)
Prepared according to International Financial Reporting Standards (IFRS)

	DECEMBER 2014	MARCH 2015
NON-CURRENT ASSETS		
Goodwill	498	509
Other intangible assets	1,361	1,523
Property, plant and equipment	17,141	18,143
Investment property	23	24
Investments accounted for using the equity method	11,110	12,245
Non-current financial assets :		
Non-current financial instruments	532	666
Others	61	50
Deferred tax assets	3,967	4,047
Other non-current assets	155	152
CURRENT ASSETS		
Non-current assets held for sale	98	171
Inventories	3,931	3,943
Trade an other receivables	5,685	5,293
Other current assets	176	243
Other current financial assets	2,513	2,466
Cash and cash equivalents	4,638	8,597
TOTAL ASSETS	**51,889**	**58,072**
TOTAL EQUITY		
Attributable to equity holders of the parent	27,937	31,444
Attributable to minority interests	217	236
NON-CURRENT LIABILITIES		
Grants	9	7
Non-current provisions	2,386	2,634
Non-current financial debt	7,612	7,839
Deferred tax liabilities	1,684	1,875
Other non-current liabilities		
Non-current debt for finance leases	1,414	1,573
Other	387	451
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	14
Current provisions	240	209
Current financial liabilities	4,086	6,059
Trade payables and other payables:		
Current debt for finance leases	176	197
Other payables	5,741	5,534
TOTAL LIABILITIES	**51,889**	**58,072**

INCOME STATEMENT

(€ millions)
(Unaudited figures)
Prepared according to International Financial Reporting Standards (IFRS)

	QUARTERLY DATA		
	Q1 2014	Q4 2014	Q1 2015
Operating income	**462**	**(658)**	**295**
Financial result	(143)	(70)	634
Income from equity affiliates	356	55	73
Net income before tax	**675**	**(673)**	**1,002**
Income tax	(163)	264	(236)
Net income from continuing operations	**512**	**(409)**	**766**
Net income from non-controlling interest	(4)	45	(5)
NET INCOME FROM CONTINUING OPERATIONS	**508**	**(364)**	**761**
Net income for the year from discontinuing operations	299	330	0
NET INCOME	**807**	**(34)**	**761**
Earning per share attributible to the parent company (*)			
Euros/share	0.59	(0.02)	0.56
USD/ADR	0.81	(0.03)	0.60
Average number of shares	1,373,421,500	1,372,459,498	1,370,319,387
Exchange rates USD/EUR at the end of each quarter	1.38	1.21	1.08

(*) A capital increase for the shareholder’s remuneration scheme known as “Repsol dividendo flexible” was carried out in January 2013, July 2013, January 2014, July 2014 and January 2015 accordingly, share capital is currently represented by 1,374,694,217 shares. The average weighted number of outstanding shares for the presented periods was recalculated in comparison with the previous periods to include the impact of this capital increase in accordance with IAS 33 “Earnings per share”. The average number of shares held by the company during each period was also taken into account.

CASH FLOW STATEMENT

(€ millions)
(Unaudited figures)
Prepared according to International Financial Reporting Standards (IFRS)

	JANUARY - MARCH	
	2014	2015
I. CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Net income before taxes	675	1,002
Adjustments to net income	0	0
Depreciation and amortisation of non current assets	383	676
Other adjustments to results (net)	(195)	(849)
EBITDA	**863**	**829**
Changes in working capital	**143**	**27**
Dividends received	129	124
Income taxes received/ (paid)	(32)	145
Other proceeds from/ (payments for) operating activities	(27)	(31)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**70**	**238**
	1,076	**1,094**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (*)		
Payments for investment activities	**(1,454)**	**(782)**
Proceeds from divestments	**114**	**408**
Other cashflow	**0**	**0**
	(1,340)	**(374)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES (*)		
Issuance of own capital instruments	0	995
Proceeds from/(payments for) equity instruments	(3)	85
Proceeds from issue of financial liabilities	1,263	3,151
Payments for financial liabilities	(2,092)	(1,281)
Payments for dividends and payments on other equity instruments	(232)	(245)
Interest payments	(321)	(253)
Other proceeds from/(payments for) financing activities	(109)	694
	(1,494)	**3,146**
Effect of changes in exchange rates from continued operations	**21**	**93**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(1,737)**	**3,959**
Cash flows from operating activities from discontinued operations	(53)	**0**
Cash flows from investment activities from discontinued operations	513	**0**
Cash flows from financing activities from discontinued operations	(1)	**0**
Effect of changes in exchange rates from discontinued operations	0	**0**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**459**	**0**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5,716**	**4,638**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,438**	**8,597**

(*) Cash flows from continued operations

APPENDIX III – RECONCILIATION OF NON-IFRS METRICS TO IFRS DISCLOSURES

FIRST QUARTER 2015

RECONCILIATION OF ADJUSTED NET INCOME AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

	Q1 2014					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	797	(232)	(15)	(88)	(335)	462
Financial result	(130)	(17)	4	-	(13)	(143)
Income from equity affiliates	135	172	49	-	221	356
Net income before tax	**802**	**(77)**	**38**	**(88)**	**(127)**	**675**
Income tax	(263)	77	(3)	26	100	(163)
Net income from continued operations	**539**	**-**	**35**	**(62)**	**(27)**	**512**
Income attributed to minority interests	(7)	-	-	3	3	(4)
NET INCOME FROM CONTINUED OPERATIONS	**532**	**-**	**35**	**(59)**	**(24)**	**508**
Income from discontinued operations	-	-	-	-	-	299
ADJUSTED NET INCOME	**532**	**-**	**35**	**(59)**	**(24)**	**807**

	Q4 2014					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	626	(81)	(440)	(763)	(1,284)	(658)
Financial result	(85)	(16)	31	-	15	(70)
Income from equity affiliates	76	(21)	-	-	(21)	55
Net income before tax	**617**	**(118)**	**(409)**	**(763)**	**(1,290)**	**(673)**
Income tax	(243)	118	163	226	507	264
Net income from continued operations	**374**	**-**	**(246)**	**(537)**	**(783)**	**(409)**
Income attributed to minority interests	(4)	-	1	48	49	45
NET INCOME FROM CONTINUED OPERATIONS	**370**	**-**	**(245)**	**(489)**	**(734)**	**(364)**
Income from discontinued operations	-	-	-	-	-	330
ADJUSTED NET INCOME	**370**	**-**	**(245)**	**(489)**	**(734)**	**(34)**

	Q1 2015					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	587	(3)	(77)	(212)	(292)	295
Financial result	655	(44)	23	-	(21)	634
Income from equity affiliates	126	(53)	-	-	(53)	73
Net income before tax	**1,368**	**(100)**	**(54)**	**(212)**	**(366)**	**1,002**
Income tax	(423)	100	27	60	187	(236)
Net income from continued operations	**945**	**-**	**(27)**	**(152)**	**(179)**	**766**
Income attributed to minority interests	(17)	-	-	12	12	(5)
NET INCOME FROM CONTINUED OPERATIONS	**928**	**-**	**(27)**	**(140)**	**(167)**	**761**
Income from discontinued operations	-	-	-	-	-	0
ADJUSTED NET INCOME	**928**	**-**	**(27)**	**(140)**	**(167)**	**761**

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

NET DEBT: December 2014 (€ Million)	Net debt	Reclasification of joint ventures (1)	Net debt excluding joint ventures
Non-current financial instruments	284	248	532
Other current financial assets	1,708	805	2,513
Cash and cash equivalents	5,027	(389)	4,638
Non-current financial liabilities	(7,613)	1	(7,612)
Current financial liabilities	(1,532)	(2,554)	(4,086)
Net mark-to-market valuation of financial derivaties (excluding exchange rate) (2)	191	-	191
Total	**(1,935)**	**(1,889)**	**(3,824)**

(1) Mainly corresponding to the finantiation contributed by Repsol Sinopec Brazil which is detailed in the following captions: "Cash and cash equivalents" amounting to €15 million and "Current financial liabilities" for intragroup loans amounting to €2,535 million, reduced in €37 million due to loans with third parties.

(2) This caption does not consider net market value of financial derivatives other than exchange rate ones

NET DEBT: March 2015 (€ Million)	Net debt	Reclasification of joint ventures (1)	Net debt excluding joint ventures
Non-current financial instruments	315	351	666
Other current financial assets	1,504	962	2,466
Cash and cash equivalents	8,993	(396)	8,597
Non-current financial liabilities	(7,839)	-	(7,839)
Current financial liabilities	(3,205)	(2,854)	(6,059)
Net mark-to-market valuation of financial derivaties (excluding exchange rate) (2)	106	-	106
Total	**(126)**	**(1,937)**	**(2,063)**

(1) Mainly corresponding to the finantiation contributed by Repsol Sinopec Brazil which is detailed in the following captions: "Cash and cash equivalents" amounting to €12 million; "Current financial liabilities" for intragroup loans amounting to €2,854 million; and €153 million in loans with third parties.

(2) This caption does not consider net market value of financial derivatives other than exchange rate ones

OTHER ECONOMIC DATA as of March 2015 (€ Million)	According to net debt evolution	Joint arragement adjustments	Financial investments/ divestments	Free cash flow according to CFS IASB-UE
EBITDA	962	(133)	-	829
CHANGE IN TRADING WORKING CAPITAL	63	(36)	-	27
DIVIDENDS RECEIVED (*)	119	5	-	124
INCOME TAX RECEIVED /PAID	111	34	-	145
OTHER CASH FLOWS FROM OPERATING ACTIVITIES (*)	(31)	-	-	(31)
NET CAPITAL EXPENDITURE	(933)	265	294	(374)

(*) These concepts are included in the Net Debt evolution chart within the caption "Interests and other movements"

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