QUARTERLY CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

For the three-month period ended March 31, 2015

(UNAUDITED)

REPSOL, S.A. and Investees comprising the Repsol Group

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

REPSOL, S.A. and investees comprising the Repsol Group
Consolidated balance sheet at March 31, 2015 and December 31, 2014

		Millions of euros	
ASSETS	Note	**3/31/2015**	**12/31/2014**
Intangible Assets:		2,032	1,859
a) Goodwill		509	498
b) Other intangible assets		1,523	1,361
Property, plant and equipment	5.1	18,143	17,141
Investment property		24	23
Investment accounted for using the equity method	5.2	12,245	11,110
Non-current financial assets	5.4	716	593
Deferred tax assets		4,047	3,967
Other non-current assets		152	155
NON-CURRENT ASSETS		**37,359**	**34,848**
Non current assets held for sale		171	98
Inventories		3,943	3,931
Trade and other receivables:		5,293	5,685
a) Trade receivables		3,072	3,083
b) Other receivables		1,696	1,970
c) Income tax assets		525	632
Other current assets		243	176
Other current financial assets	5.4	2,466	2,513
Cash and cash equivalents	5.4	8,597	4,638
CURRENT ASSETS		**20,713**	**17,041**
TOTAL ASSETS		**58,072**	**51,889**

Notes 1 to 8 are an integral part of this consolidated balance sheet at March 31, 2015.

Repsol, S.A. and investees comprising the Repsol Group
Consolidated balance sheet at March 31, 2015 and December 31, 2014

		Millions of euros	
LIABILITIES AND EQUITY	Note	**3/31/2015**	**12/31/2014**
NET EQUITY			
Issued share capital		1,375	1,375
Share premium		6,428	6,428
Reserves		259	259
Treasury shares and own equity instruments		(31)	(127)
Retained earnings and other reserves		21,131	19,524
Profit attributable to the equity holders of the parent	4.3	761	1,612
Dividends and remunerations		(1,569)	(1,569)
Other equity instruments		995	-
EQUITY		**29,349**	**27,502**
Financial assets available for sale		1	(5)
Hedge transactions		(375)	(163)
Translation differences		2,469	603
ADJUSTMENTS FOR CHANGES IN VALUE		**2,095**	**435**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT AND OTHER HOLDERS OF EQUITY INSTRUMENTS		**31,444**	**27,937**
MINORITY INTERESTS		**236**	**217**
TOTAL EQUITY	**5.3**	**31,680**	**28,154**
Grants		7	9
Non-current provisions		2,634	2,386
Non-current financial liabilities:	5.4	7,839	7,612
a) Bank borrowings, bonds and other securities		7,731	7,524
b) Other financial liabilities		108	88
Deferred tax liabilities		1,875	1,684
Other non-current liabilities		2,024	1,801
NON-CURRENT LIABILITIES		**14,379**	**13,492**
Liabilities related to non-current assets held for sale		14	-
Current provisions		209	240
Current financial liabilities:	5.4	6,059	4,086
a) Bank borrowings, bonds and other securities		5,996	3,952
b) Other financial liabilities		63	134
Trade payables and other payables:		5,731	5,917
a) Trade payables		2,322	2,350
b) Other payables		3,016	3,402
c) Current income tax liabilities		393	165
CURRENT LIABILITIES		**12,013**	**10,243**
TOTAL EQUITY AND LIABILITIES		**58,072**	**51,889**

Notes 1 to 8 are an integral part of this consolidated balance sheet at March 31, 2015.

Repsol, S.A. and investees comprising the Respsol Group
Consolidated income statement for the periods ended March 31, 2015 and 2014

	Note	3/31/2015	3/31/2014
		Millions of euros	
Sales	4.4	9,294	11,817
Services rendered and other income	4.4	36	143
Changes in inventories of finished goods and work in progress inventories		(29)	201
Income from reversals of impairment losses and gains on disposal of non-current assets		148	2
Allocation of grants on non-financial assets and other grants			
Other operating income		626	173
OPERATING REVENUE		**10,075**	**12,336**
Supplies		(6,989)	(10,004)
Personnel expenses		(455)	(412)
Other operating expenses		(1,647)	(1,072)
Depreciation and amortization of non-current assets		(676)	(383)
Impairment losses recognised and losses on disposal of non-current assets		(13)	(3)
OPERATING EXPENSES		**(9,780)**	**(11,874)**
OPERATING INCOME		**295**	**462**
Finance income		32	24
Finance expenses		(134)	(165)
Changes in the fair value of financial instruments		1,102	(37)
Net exchange gains/ (losses)		(360)	33
Impairment and gains/ (losses) on disposal of financial instruments		(6)	2
FINANCIAL RESULT		**634**	**(143)**
Share of results of companies accounted for using the equity method after taxes	5.2	73	356
NET INCOME BEFORE TAX		**1,002**	**675**
Income tax	5.5	(236)	(163)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS		**766**	**512**
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS AFTER TAXES		**-**	**299**
NET INCOME FOR THE PERIOD		**766**	**811**
Net income for the period attributable to minority interests		(5)	(4)
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT		**761**	**807**

EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT	5.3	**Euros**	**Euros**
Basic		0.56	0.59
Diluted		0.56	0.59

Notes 1 to 8 are an integral part of this consolidated income statement corresponding to the three-month period ended March 31, 2015.

Repsol, S.A. and investees comprising the Repsol Group
Consolidated statement of recognized income and expenses for the periods ended March 31, 2015 and 2014

	Millions of euros	
	3/31/2015	**3/31/2014**
CONSOLIDATED NET INCOME FOR THE YEAR [(1)] **(from the Consolidated Income Statement)**	**766**	**811**
INCOME AND EXPENSES RECOGNIZED DIRECTLY IN EQUITY:		
From actuarial gains and losses and other adjustments	(1)	-
Total items not reclassified to the income statement	**(1)**	**-**
From measurement of financial assets available for sale	3	(66)
From measurement of other financial instruments	-	1
From cash flow hedges	(200)	(12)
Translation differences	1,709	(27)
Entities accounted for using the equity method	160	(4)
Tax effect	8	17
Total items reclassified to the income statement	**1,680**	**(91)**
TOTAL	**1,679**	**(91)**
AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT:		
From measurement of financial assets available for sale	6	-
From measurement of other financial instruments	-	(1)
From cash flow hedges	(21)	4
Translation differences	1	(5)
Entities accounted for using the equity method	-	7
Tax effect	7	2
TOTAL	**(7)**	**7**
TOTAL RECOGNIZED INCOME / (EXPENSES)	**2,438**	**727**
a) Attributable to the parent company	2,420	723
b) Attributable to minority interests	18	4

[(1)] Corresponds to the addition of the following consolidated income statement headings: "*Net income for the period from continuing operations*" and "*Net income for the period from discontinued operations after taxes*".

Notes 1 to 8 are an integral part of this consolidated statement of recognized income and expenses corresponding to the three-month period ended March 31, 2015.

Repsol, S.A. and investees comprising the Repsol Group
Consolidated statement of changes in equity for the periods ended March 31, 2015 and 2014

	Equity attributable to equity holders of the parent								
	Capital and reserves								
Millions of euros	Issued share capital	Share premiun and reserves	Treasury shares and own equity instruments	Net income for the year attributable to equity holders of the parent	Other equity instruments	Adjustments for changes in value	Total equity attributable to equity holders of the parent	Minority interests	Total Equity
Closing balance at 12/31/2013	**1,324**	**26,240**	**(26)**	**195**	**-**	**(526)**	**27,207**	**243**	**27,450**
Adjustments	-	-	-	-	-	-	-	-	-
Initial adjusted balance	**1,324**	**26,240**	**(26)**	**195**	**-**	**(526)**	**27,207**	**243**	**27,450**
Total recognized income/ (expense)	-	-	-	807	-	(84)	723	4	727
Transactions with shareholders or owners									
Increase/ (decrease) of share capital	-	-	-	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-	-
Transactions with treasury shares or own equity instruments (net)	-	-	1	-	-	-	1	-	1
Other transactions with partners and owners	-	-	-	-	-	-	-	-	-
Other changes in equity									
Transfers between equity accounts	-	195	-	(195)	-	-	-	-	-
Other changes	-	-	-	-	-	-	-	-	-
Closing balance at 3/31/2014	**1,324**	**26,435**	**(25)**	**807**	**-**	**(610)**	**27,931**	**247**	**28,178**
Total recognised income/ (expense)	-	(5)	-	805	-	1,035	1,835	(29)	1,806
Transactions with shareholders or owners									
Increase / (Decrease) of share capital	51	(51)	-	-	-	-	-	-	-
Dividend payments	-	(1,324)	-	-	-	-	(1,324)	(1)	(1,325)
Transactions with treasury shares or own equity instruments (net)	-	2	(102)	-	-	-	(100)	-	(100)
Other transactions with partners and owners	-	(400)	-	-	-	-	(400)	-	(400)
Other changes in equity									
Transfers between equity accounts	-	-	-	-	-	-	-	-	-
Other changes	-	(15)	-	-	-	10	(5)	-	(5)
Closing balance at 12/31/2014	**1,375**	**24,642**	**(127)**	**1,612**	**-**	**435**	**27,937**	**217**	**28,154**
Total recognized income/ (expense)	-	(1)	-	761		1,660	2,420	18	2,438
Transactions with shareholders or owners									
Increase / (Decrease) of share capital	-	-	-	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-	-
Transactions with treasury shares or own equity instruments (net)	-	1	96	-	-	-	97	-	97
Other transactions with partners and owners	-	-	-	-	-	-	-	-	-
Other changes in equity									
Transfers between equity accounts	-	1,612	-	(1,612)	-	-	-	-	-
Issues of perpetual and subordinated obligations	-	(1)	-	-	995	-	994	-	994
Other changes	-	(4)	-	-	-	-	(4)	1	(3)
Closing balance at 3/31/2015	**1,375**	**26,249**	**(31)**	**761**	**995**	**2,095**	**31,444**	**236**	**31,680**

Notes 1 to 8 are an integral part of this consolidated statement of changes in equity corresponding to the three-month period ended March 31, 2015.

Repsol, S.A. and investees comprising the Repsol Group
Consolidated cash flow statement for the periods ended March 31, 2015 and 2014

	Millions of euros	
	3/31/2015	**3/31/2014**
Net income before tax	**1,002**	**675**
Adjustments to net income:	**(173)**	**188**
Depreciation and amortization of non-current assets	676	383
Other adjustments to results (net)	(849)	(195)
Changes in working capital	**27**	143
Other cash flows from operating activities:	**238**	**70**
Dividends received	124	129
Income tax received / (paid)	145	(32)
Other proceeds from / (payments for) operating activities	(31)	(27)
Cash flows from operating activities [(1)]	**1,094**	**1,076**
Payments for investing activities:	**(782)**	**(1,454)**
Group companies, associates	(140)	(16)
Property, plant and equipment, intangible assets and investment properties	(565)	(526)
Other financial assets	(77)	(912)
Proceeds from divestments:	**408**	**114**
Group companies, associates	101	109
Property, plant and equipment, intangible assets and investment properties	4	2
Other financial assets	303	3
Cash flows used in investing activities [(1)]	**(374)**	**(1,340)**
Proceeds from/ (payments for) equity instruments:	**1,080**	**(3)**
Issues	995	-
Acquisition	(75)	(25)
Disposal	160	22
Proceeds from / (payments for) financial liabilities:	**1,870**	**(829)**
Issues	3,151	1,263
Return and depreciation	(1,281)	(2,092)
Payments for dividends and payments on other equity instruments:	**(245)**	**(232)**
Other cash flows from financing activities:	**441**	**(430)**
Interest payments	(253)	(321)
Other proceeds from/ (payments for) financing activities	694	(109)
Cash flows used in financing activities [(1)]	**3,146**	**(1,494)**
Effect of changes in exchange rates	**93**	**21**
Net increase / (decrease) in cash and cash equivalents	**3,959**	**(1,737)**
Cash flows from operating activities from discontinued operations	-	(53)
Cash flows from investment activities from discontinued operations	-	513
Cash flows from financing activities from discontinued operations	-	(1)
Net increase / (decrease) in cash and cash equivalents in discontinued operations	**-**	**459**
Cash and cash equivalents at the beginning of the year	4,638	5,716
Cash and cash equivalents at the end of the year	8,597	4,438

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**3/31/2015**	**3/31/2014**
Cash and banks	5,250	3,412
Other financial assets	3,347	1,026
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**8,597**	**4,438**

[(1)] Includes cash flows from continuing operations.

Notes 1 to 8 are an integral part of this consolidated cash flow statement corresponding to the three-month period ended March 31, 2015.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP

Notes to the quarterly condensed consolidated financial statements for the three-month period ended March 31, 2015.

APPENDIX

(1) GENERAL INFORMATION

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

The Repsol 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, liquefied 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 and distribution of electricity.

These quarterly condensed consolidated financial statements for the three-month period ended March 31, 2015, were approved by the Board of Directors of Repsol, S.A. at their meeting on April 30, 2015.

(2) BASIS OF PRESENTATION

2.1 General principles

The accompanying quarterly condensed consolidated financial statements are presented in millions of euros (except where otherwise indicated), were prepared based on the accounting records of Repsol, S.A. and its investees in accordance with the International Financial Reporting Standards (IFRS) as adopted by the European Union at March 31, 2015, and specifically in accordance with the requirements established in the International Accounting Standard (IAS) 34 - *Interim Financial Reporting*.

In this regard, the quarterly condensed consolidated financial statements present fairly the Group´s consolidated equity and financial position at March 31, 2015, as well as the results of its operations, the changes in equity and the consolidated cash flows for the three-month period then ended.

In accordance with IAS 34, the interim quarterly financial report is only intended to provide an update on the Company’s latest Consolidated financial statements, focusing on new activities, events, and circumstances occurred during the quarter, and do not duplicate information previously reported in the Consolidated financial statements for the prior year. Therefore, for an appropriate understanding of the information provided in these quarterly condensed consolidated financial statements, they should be read in conjunction with the Repsol Group's Consolidated financial statements for the financial year 2014, which were approved by the Repsol S.A. Board of Directors at a meeting held on February 25, 2015.

2.2 Accounting policies and new standards issued

For the preparation of the accompanying quarterly condensed consolidated financial statements, Repsol used the same accounting policies as those applied in 2014, which are described in Appendix IV of the Consolidated financial statements for the financial year 2014.

Below is a list of developments on accounting standards issued by the IASB and endorsed by the European Union, which have been mandatorily applicable in 2015:

- IFRIC 21 Levies [(1)].
- Improvements to IFRSs 2011-2013.

[(1)] Interpretation of IFRIC 21 Levies was issued by the IASB with effect in annual periods beginning on or after January 1, 2014. This document was endorsed by means of Regulation (EU) 2014/634, effective in the EU for annual periods beginning on or after June 17, 2014, which, in the case of the Group, implies first-time application from January 1, 2015.

The newly issued accounting standards applicable from January 1, 2015, have not had a significant impact on the accompanying quarterly condensed consolidated financial statements.

2.3 Changes in accounting estimates and judgments

Estimates made by management were used in the quarterly condensed consolidated financial statements to measure certain assets, liabilities, revenue, and expenses reported herein. These estimates were made based on the best information available, as described in Note 3 *"Accounting estimates and judgments"* of the Consolidated financial statements for the financial year 2014.

Nevertheless, it is possible that future developments may require modifying these estimates (upwards or downwards) for 2015 year end or subsequent years.

During the three-month period ended March 31, 2015, there were no significant changes in the methodology used to calculate the estimates made at 2014 year end.

2.4 Seasonality

Amongst the activities of the Group, the liquefied petroleum gas (LPG) and natural gas businesses are those that involve the greatest seasonality due to their dependence on climatological conditions, with increased activity during winter and decreased activity during summer in the northern hemisphere.

(3) CHANGES IN THE GROUP’S COMPOSITION

Repsol prepares its consolidated financial statements including the investments in all of its subsidiaries, associates and joint arrangements. Appendix I of the Consolidated financial statements for the financial year 2014 details the main companies comprising the Repsol Group and which were included in the consolidation scope at said date.

During the three-month period ended March 31, 2015, there were no significant changes in the Group´s composition.

(4) SEGMENT REPORTING

4.1 Definition of segments

The definition of the Repsol Group´s business segments is based on delimitation of the different activities performed and from which the Group earns revenue or incurs expenses, as well as on the organizational structure approved by the Board of Directors for management of the businesses. Using these segments as a reference point, the Group’s management team (Repsol

Executive Committee) analyzes the main operating and financial indicators in order to make decisions about segment resource allocation and to assess how the Company is performing. Repsol did not group segments for the presentation of information.

At March 31, 2015, the operating segments of the Group are:

- *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.

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

4.2 Segment results

The results for each segment include those from joint ventures[1], or other managed companies operated as such[2], 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.

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[1] See Appendix I of the Consolidated financial statements for the financial year 2014, which identifies the Group's main joint ventures.

[2] Corresponds to Petrocarabobo, S.A., (Venezuela), an associated entity of the Group.

However, Adjusted Net Income of Gas Natural Fenosa segment includes the company's net income in accordance with the equity method[3].

At any rate, for each of the metrics identified by segments in this Note (adjusted net income, inventory effect, non-recurring income…), the corresponding items and figures are indicated to facilitate reconciliation with the corresponding metrics prepared in accordance with IFRS-EU.

4.3 Income for the period by segment

The table below details the Repsol Group's net income by segment for the three months period ended March 31, 2015 and 2014:

Millions of euros	2015	2014	Variation
Upstream	(190)	255	(445)
Downstream	534	290	244
Gas Natural Fenosa	122	123	(1)
Corporation and adjustments	462	(136)	598
Ajusted net income	**928**	**532**	**396**
Inventory effect	(140)	(59)	(81)
Non-recurring income	(27)	35	(62)
Results from discontinued operations	-	299	(299)
Net income	**761**	**807**	**(46)**

Results for the first quarter of 2015, compared to the same period in 2014, were obtained in an environment characterized by a strong drop in crude oil and gas prices, revaluation of US dollar against the euro, and improved margins in industrial businesses.

Adjusted Net Income increased to € 928 million, 74% greater than the same period in the previous year. This noteworthy increase in *Downstream* results, influenced by improvements to efficiency and a better international context, and in Corporation, by the effect of US dollar appreciation on positions held in this currency, have offset the poorer *Upstream* results arising from the fall in crude oil and gas prices and interruptions to production in Libya.

Regarding *Upstream*, production increased 4%, reaching 355 kboe/d, mainly due to greater production in Sapinhoá (Brazil), Kinteroni (Peru) and Mid-continent (United States), which offset interruptions in production in Libya as a consequence of the conflicts and security issues. In spite of this increase in production, the pronounced drop in crude oil and gas prices, as well as greater exploration costs, caused by amortization of dry wells and the negative impact of a depreciated Brazilian real, gave rise to a negative result for the quarter.

Adjusted net income of *Downstream* in the first quarter of 2015 amounted to € 534 million, which represents an 84% increase with respect to the same period in 2014. This increase is mainly due to (i) improved Refining margins due to strengthening of product spreads, lower energy costs and improved efficiency, (ii) improved margins and sales volumes in the Chemical business and (iii) increase of volumes sold in Marketing and LPG business. In contrast, and in spite of increased sales volumes, results obtained from the *Gas&Power* businesses in North America decreased as they were affected by lower margins during the period.

[3] The remaining figures (revenue, capital employed, exploration investments...) only include cash flows generated in the Repsol Group as a shareholder of Gas Natural SDG, S.A. (dividends…).

With respect to *Gas Natural Fenosa*, in the first quarter of 2015 adjusted net income amounted to € 122 million, in line with previous year. The contribution of the Chilean company Compañía General de Electricidad S.A. ("CGE"), acquired in the last quarter of 2014, offsets both the impact of the new gas sector regulations in Spain, in effect from July 5, 2014, as well as the contribution of the telecommunications business disposed of in June 2014.

Corporation and adjustments disclose an adjusted net income of € 462 million, mainly explained by improved financial results derived from US dollar revaluation against euro, as well as the reduction in net debt and lower associated interests.

The negative **Inventory Effect** amounting to (€ -140 million) is explained by the decrease in crude oil and product prices during the period.

Finally, **Net Income** amounted to € 761 million. Excluding results from discontinued operations recognized in 2014 due to the disinvestment in LNG businesses and YPF (€ 299 million), the 2015 result is 49.8% higher than the 2014.

4.4 Other information by segments

The table below breaks down operating revenue and capital employed by the Repsol Group according to segments:

	Millions of euros							
	Operating revenue from customers		Operating revenue inter segments		Total operating revenue		Capital employed	
Segments	**3/31/2015**	**3/31/2014**	**3/31/2015**	**3/31/2014**	**3/31/2015**	**3/31/2014**	**3/31/2015**	**12/31/2014**
Upstream	516	668	247	435	763	1,103	12,847	11,167
Downstream	9,187	11,743	3	2	9,190	11,745	11,378	11,492
Gas Natural Fenosa	-	-	-	-	-	-	4,842	4,567
Corporation	1	1	-	-	1	1	2,739	2,863
(-) Inter-segment adjustments and eliminations of operating income	(1)	-	(250)	(437)	(251)	(437)	-	-
TOTAL [1]	**9,703**	**12,412**	**-**	**-**	**9,703**	**12,412**	**31,806**	**30,089**

[1] The net revenue for year ended March 31, 2015 and 2014 includes metrics corresponding to joint ventures and other managed companies operated as such in the amount of € 373 million (*Upstream*, *Downstream* and Corporation, € 351, € 21 and € 1 million, respectively) and € 452 million (€ 434 and € 18 million, *Upstream* and *Downstream* respectively).

The geographical distribution of the main metrics in each of the periods presented is as follows:

	Millions of euros					
	Operating revenue		Adjusted Net Income		Operating Investments [1]	
	2015	**2014**	**2015**	**2014**	**2015**	**2014**
Upstream	**763**	**1,103**	**(190)**	**255**	**755**	**584**
North America and Brazil	235	260	(134)	74	262	316
North Africa	2	180	(8)	40	21	25
Rest of the world	526	663	(48)	141	472	243
Adjustments	-	-	-	-	-	-
Downstream	**9,190**	**11,745**	**534**	**290**	**136**	**135**
Europe	8,253	10,281	445	134	113	114
Rest of the world	1,426	2,181	89	156	23	21
Adjustments	(489)	(717)	-	-	-	-
Gas Natural Fenosa	-	-	**122**	**123**	-	-
Corporation and other adjustments	**(250)**	**(436)**	**462**	**(136)**	**148**	**9**
TOTAL	**9,703**	**12,412**	**928**	**532**	**1,039**	**728**

[1] Includes operating investments during the period but not investments in "*Other Financial Assets*". The adjusted operating investments at March 31, 2015 and 2014 include metrics corresponding to the joint ventures and other managed companies operated as such in the amount of € 336 million (*Upstream* and *Downstream*, € 331 and € 5 million, respectively) and € 198 million (*Upstream* and *Downstream*, € 193 and € 5 million, respectively).

4.5 Reconciliation between IFRS-EU Group results and results by segment

Reconciliation between total operating income and IFRS-EU results at March 31, 2015 and 2014 is as follows:

	First quarter results 2015 and 2014											
			ADJUSTMENTS									
	Adjusted Net Income		Joint Ventures Reclass.		Non-recurring Income		Inventory Effect		Total adjustments		IFRS-EU Results	
Millions of euros	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Operating income	587	797	(3)	(232)	(77)	(15)	(212)	(88)	(292)	(335)	295	462
Financial result	655	(130)	(44)	(17)	23	4	-	-	(21)	(13)	634	(143)
Net share of results of companies accounted for using equity method after taxes	126	135	(53)	172	-	49	-	-	(53)	221	73	356
Net income before tax	**1,368**	**802**	**(100)**	**(77)**	**(54)**	**38**	**(212)**	**(88)**	**(366)**	**(127)**	**1,002**	**675**
Income tax	(423)	(263)	100	77	27	(3)	60	26	187	100	(236)	(163)
Net income for the period from continuing operations	**945**	**539**	**-**	**-**	**(27)**	**35**	**(152)**	**(62)**	**(179)**	**(27)**	**766**	**512**
Net income from the period from continuing operations attributable to minority interests	(17)	(7)	-	-	-	-	12	3	12	3	(5)	(4)
Net income for the period from continuing operations attributable to the parent	**928**	**532**	**-**	**-**	**(27)**	**35**	**(140)**	**(59)**	**(167)**	**(24)**	**761**	**508**
Net income for the period from discontinued operations	-	-	-	-	-	-	-	-	-	-	-	299
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**928**	**532**	**-**	**-**	**(27)**	**35**	**(140)**	**(59)**	**(167)**	**(24)**	**761**	**807**

(5) OTHER RELEVANT INFORMATION FOR THE PERIOD

5.1 Property Plant and Equipment

The main investments made by the Group in the first quarter of 2015 correspond to exploration and production assets in the United States (€ 178 million), Angola (€ 67 million), Spain (€ 55 million) and Norway (€ 22 million). In addition, investments in *Downstream* assets were made in Spain and Peru, € 93 and € 23 million, respectively.

The main investments made by the Group in the first quarter of 2014 corresponded to exploration and production assets in the United States (€ 233 million), Angola (€ 32 million), Bolivia (€ 23 million) and Trinidad & Tobago (€ 22 million). In addition, investments in *Downstream* assets were made in Spain and Peru, € 94 and € 20 million, respectively.

5.2 Investments accounted for using the equity method

The breakdown of the main investments accounted for using the equity method and the Group's share of their results using this method in each corresponding period, is provided in the table below:

	Millions of euros			
	Carrying amount of the investment		Share of their results	
	3/31/2015	12/31/2014	3/31/2015	3/31/2014
Joint ventures	11,972	10,857	79	61
Associates	273	253	(6)	295
TOTAL	**12,245**	**11,110**	**73**	**356**

Movement in this consolidated balance sheet heading during 2015 and 2014 is as follows:

Millions of euros	2015	2014
Balance at December 31	**11,110**	**10,340**
Additions	140	16
Disposals	(71)	-
Changes in the scope of the consolidation	-	-
Share of results of companies accounted for using the equity method after taxes	73	299
Dividends distributed	(5)	(54)
Translation differences	966	(33)
Reclassifications and other changes	32	7
Balance at March 31	**12,245**	**10,575**

5.3 Equity

5.3.1 Issued Share Capital and Retained Earnings

At March 31, 2015, Repsol issued share capital amounts to €1,374,694,217, fully subscribed and paid up and represented by 1,374,694,217 shares with a nominal value of 1 euro each, in accordance with the last capital increase carried out in January 2015 and filed at the Mercantile Registry prior to approval of the Consolidated financial statements.

According to the latest information available at the date of approval of the accompanying quarterly condensed consolidated financial statements, the significant shareholders are:

Significant shareholders *(Latest available information)*	% of share capital
Fundación Bancaria Caixa d'Estalvis y Pensions de Barcelona [(1)]	11.71
Sacyr, S.A.[(2)]	8.89
Temasek Holdings (Private) Limited [(3)]	6.03
Blackrock, Inc. [(4)]	3.09

(1) "Fundación Bancaria Caixa d'Estalvis i Pensions de Barcelona" holds its stake through CaixaBank, S.A., and Vidacaixa, S.A.
(2) Sacyr, S.A. holds its stake through Sacyr Participaciones Mobiliarias, S.L.
(3) Temasek holds its stake through its subsidiary, Chembra Investment PTE, Ltd.
(4) Blackrock holds its stake through several controlled subsidiaries, all of which subject to a vote syndication arrangement. The information with respect to Blackrock is based on the declaration relating to its share capital said entity presented to the Spanish Securities Exchange Regulator (CNMV) on June 25, 2014.

5.3.2 *Treasury shares and own equity investments*

The main transactions undertaken by the Repsol Group involving treasury shares were as follows:

	No. of shares	Cost [(1)]	% of capital
Balance at December 31, 2014	**7,689,371**		**0.56%**
Open-market purchases	3,948,919	(63)	0.29%
Open-market sales [(2)]	(9,785,445)	160	0.71%
Balance at March 31, 2015	**1,852,845**		**0.14%**

(1) In millions of euros.
(2) Includes disposal of options on treasury shares (400,000 shares), amounting to € 6 million.

5.3.3 *Other equity instruments*

On March 25, 2015, Repsol International Finance, B.V. issued € 1,000 million of subordinated debt in the Euromarket, guaranteed by Repsol, S.A. and of a perpetual nature or without maturity (amortizable upon request of the issuer starting from the sixth year or when certain special circumstances arise). This obligation has:

- a fixed annual coupon of 3.875% from the date of issue to March 25, 2021, payable annually from March 25, 2016.
- from March 25, 2021 the fixed annual coupon will be equal to the applicable 6-year swap rate plus a margin of: i) 3.56% annually until March 25, 2025; ii) 3.81% annually from March 25, 2025 until March 25, 2041; and iii) 4.56% annually from March 25, 2041.

This bond was recognized under "Other equity instruments", included under equity in the consolidated balance sheet, considering that they do not meet the accounting conditions required to be treated as a Group´s financial liability.

5.3.4 Earnings per share

Earnings per share at March 31, 2015 and 2014 are detailed below:

EARNINGS PER SHARE (EPS) ATTRIBUTABLE TO THE PARENT	3/31/2015	3/31/2014
Net income attributable to the parent [(1)] (millions of euros)	761	807
Weighted average number of shares outstanding at March 31 [(2)]	1,370,319,387	1,373,421,500
EPS basic [(3)] (€ / share)	0.56	0.59

[(1)] In 2014 this includes the results corresponding to discontinued operations, amounting to € 299 million.
[(2)] Share capital issued and in circulation at March 31, 2014, amounted to 1,324,516,020 shares, though the weighted average number of shares in circulation for purposes of calculating earnings per share at said date, includes the effect of share capital increases carried out as part of the remuneration system for shareholders *("Repsol Flexible Dividend")*, in accordance with the applicable accounting standard.
[(3)] Includes EPS corresponding to the results of discontinued operations, amounting to € 0.22 for 2014.

5.3.5 Shareholder remuneration

The following table breaks down the dividend payments received by Repsol shareholders during the three-month period ended March 31, 2015, carried out under the "*Repsol Flexible Dividend*" program:

	No. Of free-of-charge allocation rights sold to Repsol	Committed purchase price (€/right)	Cash disbursement (millions of euros)	New shares issued	Remuneration in shares (millions of euros)
December 2014/January 2015	519,930,192	0.472	245	24,421,828	392

5.4 Financial instruments

The breakdown of the different items corresponding to the consolidated assets and liabilities of a financial nature included in the balance sheet, is as follows:

	Millions of euros	
	3/31/2015	**12/31/2014**
Non-current financial assets	716	593
Other current financial assets	2,466	2,513
Current derivatives on trading transactions [(1)]	164	503
Cash and cash equivalents	8,597	4,638
Total financial assets	**11,943**	**8,247**
Non- current financial liabilities	7,839	7,612
Current financial liabilities	6,059	4,086
Current derivatives on trading transactions [(2)]	64	144
Total financial liabilities	**13,962**	**11,842**

[(1)] Recognized under the heading "Other receivables" of the consolidated balance sheet.
[(2)] Recognized in heading "Other payables" of the consolidated balance sheet.

5.4.1 Financial assets

The detail, by type of assets, of the Group's financial assets at March 31, 2015 and December 31, 2014, is as follows:

	March 31, 2015 and December 31, 2014													
	Financial assets held for trading		Other financial assets at fair value trought profit or loss		Financial assets available for sale		Loans and receivables (2)		Held to maturity investments		Hedging derivatives		Total	
Millions of euros	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Equity instruments	-	-	-	-	50	60	-	-	-	-	-	-	50	60
Other financial assets	-	-	90	90	-	-	574	441	2	2	-	-	666	533
Long term/Non-current	**-**	**-**	**90**	**90**	**50**	**60**	**574**	**441**	**2**	**2**	**-**	**-**	**716**	**593**
Derivatives	242	618	-	-	-	-	-	-	-	-	142	25	384	643
Other financial assets	-	-	28	12	-	-	2,230	2,373	8,585	4,626	-	-	10,843	7,011
Short term/Current	**242**	**618**	**28**	**12**	**-**	**-**	**2,230**	**2,373**	**8,585**	**4,626**	**142**	**25**	**11,227**	**7,654**
TOTAL (1)	**242**	**618**	**118**	**102**	**50**	**60**	**2,804**	**2,814**	**8,587**	**4,628**	**142**	**25**	**11,943**	**8,247**

(1) In the heading "Other non-current assets," and in the headings "Trade receivables" and "Other receivables" of the balance sheet include an amount at March 31, 2015, of € 152 million classified under long term and € 4,602 million classified under short-term and, at December 31, 2014, € 155 million classified under long term and € 4,550 million classified under short term, arising out of commercial receivables not included in the breakdown of the financial assets in the previous table.

(2) The fair value of loans and receivables agrees with the carrying amount.

5.4.2 Financial liabilities

The detail, by type of liabilities, of the Group's financial liabilities at March 31, 2015 and December 31, 2014, is as follows:

	March 31, 2015 and December 31, 2014									
	Financial liabilities held for trading		Financial liabilities and other payables		Hedging derivatives		Total		Fair value	
Millions of euros	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Bank borrowings	-	-	1,421	1,359	-	-	1,421	1,359	1,421	1,359
Bonds and other securities	-	-	6,310	6,165	-	-	6,310	6,165	6,890	6,734
Derivatives	-	-	-	-	108	88	108	88	108	88
Long-term / Non-current	**-**	**-**	**7,731**	**7,524**	**108**	**88**	**7,839**	**7,612**	**8,419**	**8,181**
Bank borrowings	-	-	1,245	645	-	-	1,245	645	1,245	645
Bonds and other securities	-	-	1,699	671	-	-	1,699	671	1,729	671
Derivatives	124	190	-	-	3	88	127	278	126	278
Other financial liabilities	-	-	3,052	2,636	-	-	3,052	2,636	3,052	2,636
Short-term / Current	**124**	**190**	**5,996**	**3,952**	**3**	**88**	**6,123**	**4,230**	**6,152**	**4,230**
TOTAL (1)	**124**	**190**	**13,727**	**11,476**	**111**	**176**	**13,962**	**11,842**	**14,571**	**12,411**

(1) At March 31, 2015 and December 31, 2014 this heading includes € 1,573 and € 1,414 million, respectively, corresponding to "*Other non-current liabilities*"; and € 197 and € 176 million, respectively, corresponding to "*Other payables*", related to finance leases carried at amortized cost that are not included in the table above.

Bonds and other securities

The main bond and other marketable securities issues during the period are as follows:

- On March 25, 2015, Repsol International Finance B.V. (RIF), issued subordinated debt in the Euromarket, guaranteed by Repsol, S.A. The bond of a nominal amount of € 1,000 million and maturing in 2075 (amortizable upon request of the issuer starting from the tenth year or when certain special circumstances arise) was issued at a price of 100% of its nominal value, and accrues the following interest:

  a) a fixed annual coupon of 4.5% from the date of issue until March 25, 2025, payable annually from March 25, 2016.

  b) from March 25, 2025, a fixed annual coupon equal to the applicable 10-year swap rate plus a margin of: 4.20% annually until March 25, 2045; and 4.95% annually from March 25, 2045 until maturity at March 25, 2075.

  In anticipation of this bond issue, interest rate swaps designated as cash flow hedges were contracted during 2014 for a nominal amount of € 1,000 million. The accumulated effect in equity as a result of fair value measurement of these financial instruments amounts to € -116 million before taxes, which will be transferred to the income statement over the next 10 years as the corresponding coupon payments accrue.

- Repsol International Finance, B.V. (RIF), holds a Euro Commercial Paper (ECP) Programme, arranged on May 5, 2013 and guaranteed by Repsol S.A., with a limit up to € 2,000 million. The following issues were carried out under this program in the first quarter of 2015:

CONCEPT	ISSUER	CURRENCY	FACE VALUE (millions)	AVERAGE RATE %	EQUIVALENT AMOUNT IN EUROS
ECP	Repsol International Finance B.V.	Euros	967	0.134%	967
ECP	Repsol International Finance B.V.	Dollars	230	0.464%	204
ECP	Repsol International Finance B.V.	Pounds Sterling	10	0.930%	14
ECP	Repsol International Finance B.V.	Swiss francs	5	-0.795%	5

The balance of the issues of bonds and other securities at March 31, 2015 is as follows:

SECURITY	ISSUER	DATE	CURRENCY	FACE VALUE (millions)	AVERAGE RATE %	MATURITY	Market
Bond EMTN (1)	Repsol International Finance, B.V.	Dec-11	Euro	850	4.250%	Feb-16	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	Feb-07	Euro	886	4.750%	Feb-17	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	Sep-12	Euro	750	4.375%	Feb-18	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	Jan-12	Euro	1,000	4.875%	Feb-19	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	May-13	Euro	1,200	2.625%	May-20	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	Oct-13	Euro	1,000	3.625%	Oct-21	LSE (3)
Bond EMTN (1)	Repsol International Finance, B.V.	Dec-14	Euro	500	2.250%	Dec-26	LSE (3)
Subordinated Bonds	Repsol International Finance, B.V.	Mar-15	Euro	1,000	4,5% (2)	Mar-75	LSE (3)

(1) Issues under the "€ 10,000,000,000 Guaranteed Euro Medium Term Note Programme" (EMTNs).
(2) Reviewed interest on March 25, 2025 and on March 25, 2045.
(3) "Luxembourg Stock Exchange".

The outstanding balances of the issues made under the ECP Program at March 31, 2015 amount to € 618 million, US$ 157 million, £ 10 million and CHF 5 million.

Derivatives

Short term forward currency contracts and currency swap contracts (EUR/USD) were contracted during the period for various amounts. Settlement of these contracts generated a positive result in the income statement in the amount of € 699 million before taxes.

In addition, during the month of March, the Group purchased a nominal amount of US$ 8,289 million and CAD 200 million under an installment plan and via currency forward and swap contracts, which were designated as accounting hedges associated with the acquisition of Talisman Energy Inc. (see Note 7). From its designation as an accounting hedge and until March 31, 2015, the accumulated effect of marking these financial instruments to market was recognized under "Adjustments for changes in value" in equity at a negative amount of € 156 million before taxes.

Other financial liabilities

The loan granted by Repsol Sinopec Brasil B.V. is noteworthy, the related balance at March 31, 2015 and December 31, 2014, amounting to € 2,855 million and € 2,535 million, respectively.

5.4.3 Fair value of financial instruments

The classification of financial instruments recognized in the financial statements at fair value on March 31, 2015 and December 31, 2014, is as follows:

Millions of euros	**March 31, 2015 and December 31, 2014**							
	Level 1		Level 2		Level 3		Total	
Financial assets	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Financial assets held for trading	170	356	72	262	-	-	242	618
Other financial assets at fair value through profit and loss	118	102	-	-	-	-	118	102
Financial assets available for sale (1)	1	1	-	-	-	-	1	1
Hedging derivatives	-	2	142	23	-	-	142	25
Total	**289**	**461**	**214**	**285**	**-**	**-**	**503**	**746**

	Level 1		Level 2		Level 3		Total	
Financial liabilities	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**	**2015**	**2014**
Financial liabilities held for trading	3	28	121	162	-	-	124	190
Hedging derivatives	-	-	111	176	-	-	111	176
Total	**3**	**28**	**232**	**338**	**-**	**-**	**235**	**366**

Financial instruments recognized at fair value are classified at different levels, as described below:
Level 1: Valuations based on a quoted price in an active market for an identical instrument.
Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.
Level 3: Valuations based on inputs that are not directly observable in the market.

(1) Does not include € 49 and € 59 million at March 31, 2015 and December 31, 2014, corresponding to equity investments in companies that are measured at acquisition cost under IAS 39.

In accordance with accounting regulations, the techniques used to value instruments classified as level 2 for fair value hierarchy purposes are based on an income approach, which consists of discounting known or estimated future cash flows to present value using discount curves built from benchmark market interest rates (estimated using implied forward curves provided by the market in the case of derivatives), adjusted for credit risk based on the duration of the instruments. In the case of options, price-setting models based on the Black& Scholes formula are used.

The main inputs used to value financial instruments vary by instrument, but due mainly exchange rates (spot and forward), interest rate curves, counterparty risk curves, equity prices and the volatility metrics for all of the listed inputs. In all instances, the market data is obtained from reputed information providers or correspond to the prices published by official bodies.

5.5 Tax Situation

For the calculation of this period's corporate income tax, the estimated effective annual tax rate 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, tax effects arising from specific events or specific transactions carried out during the period are fully taken into account.

The effective tax rate for the first quarter of 2015 applicable to continuing operations before taxes and income from entities accounted for using the equity method was estimated at 25.4%, which is less than the estimate for the same period in the previous year (51.0%). This is mainly due to decreased results in businesses with higher tax burdens, such as *Upstream*.

5.6 Regulatory Framework

The information relating to this section updates the Regulatory Framework of the Consolidated financial statements for the financial year 2014, described in its Appendix III *"Regulatory Framework."*

Spain

Liquid Hydrocarbons, Oil and Petroleum Derivatives

With respect to prices and tariffs for liquefied petroleum gas (LPG), Order ITC/389/2015 of March 5, 2015, updates the system for automatically determining maximum sales prices for the public in connection with bottled LPG and the sales tariff for LPG supplied by pipeline, adjusting the cost of the raw material to the aforementioned formulae to, in accordance with the given reasons, adapt to the "reality of domestic market supplies in recent years." Said adaptation of the formulae regarding the cost of the raw material does not, however, extend to distribution costs, resulting in a reduction of maximum bottled LPG prices and sale tariffs for LPG supplied by pipeline

Venezuela

On March 15, 2015, a Law went into effect that empowers the President of the Republic in the Council of Ministers, to legislate by decree with status, effect, and force of law in matters delegated for the reformed guarantee of sovereign rights and the protection of the Venezuelan people and the constitutional order of the Republic. The Head of State may legislate matters relating to security and national defense, as well as commercial, socioeconomic, financial, energy and industrial issues, as well as punitive matters regarding administrative, civil, and even criminal law. Said delegation of powers shall be valid from its date of publication in the Official State Gazette until December 31, 2015.

(6) CONTINGENCIES

The information herein updates the content of Note 29 "Contingencies, commitments, and guarantees", with relevant events subsequent to the approval of the Consolidated financial statements for the financial year 2014.

Litigation

United States of America

Rio Passaic / Bahía de Newark Litigation

The events underlying this lawsuit relate to the sale by Maxus Energy Corporation ("Maxus") of its former chemicals subsidiary Diamond Shamrock Chemical Company ("Chemicals") to Occidental Chemical Corporation ("OCC"). Maxus agreed to indemnify Occidental for certain contingencies relating to the business and activities of Chemicals prior to September 4, 1986 (the date of the Chemicals share purchase agreement), including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals prior to the Closing Date. In 1995, YPF S.A. ("YPF") acquired Maxus and in 1999, Repsol S.A. acquired YPF.

On September 26, 2012 OCC lodged a *"Second Amended Cross Claim"* (the "Cross Claim") against Repsol, YPF, Maxus, Tierra and CLHH.

On February 2015, Repsol, YPF, and Maxus responded to the Cross Claim lodged by OCC in 2012 (see Note 4 to the Consolidated financial statements for the financial year 2014 for more details on this matter).

In addition, the counterclaims filed by Repsol and Maxus against the Cross Claim were answered on March 2, 2015 by OCC.

On March 9, 2015, the judge issued a new schedule for the proceedings, setting the date for the hearing on January 11, 2016, amongst other things.

(7) SUBSEQUENT EVENTS

Acquisition of Talisman Energy, Inc.

On December 15, 2014, and subsequent to unanimous approval by their respective Boards of Directors, Repsol, S.A. and Talisman Energy Inc. ("Talisman") signed an *Arrangement Agreement* for acquisition by Repsol of 100% of the Canadian petroleum company's ordinary shares at $ 8 each, as well as acquisition of 100% of Talisman's preferential shares at CAD 25 each plus accrued payable dividends at the closing date.

The total for the operation amounted to $ 8,300 million plus the assumption of Talisman's debt, which amounted to $ 4,800 million, at December 31, 2014 ($ 5,000 million, including preference shares).

The transaction is structured as a *Plan of Arrangement* regulated under the *Canada Business Corporations Act* and is subject to approval by the Canadian courts and Talisman shareholders. The *Arrangement Agreement* contains a series of terms and conditions that are standard in transactions of this nature, including the requirement to obtain regulatory approval and consent from third party Talisman shareholders in certain assets.

Following provisional approval in the form of an *Interim Order* from the competent court (the Court of Queen's Bench of Alberta), Talisman held a special general meeting on February 18, 2015 at which its shareholders approved the acquisition by Repsol. The votes cast in favor represented holders of over 99% of ordinary shares and preferential shares present or duly represented at the meeting. On February 20, the same court definitively approved the *Plan of Arrangement*, issuing the corresponding *Final Order*.

On 30 April 2015, the Company has announced that all requirements agreed to by the parties for the completion of the transaction have been met. Subject to the satisfaction of customary closing deliverables, the parties expect to complete the transaction on 8 May 2015.

Agreement between Repsol and the KUO Group

On April 27, 2015, Repsol and the Mexican KUO Group reached an agreement to expand the *joint venture,* Dynasol, which they have been operating since 1999. As a consequence of this new agreement, Repsol will contribute its business relating to chemical accelerators for rubber vulcanization, located in Spain, and the KUO Group will contribute its synthetic rubber (produced by emulsion) and nitrile rubber businesses, located in Mexico and China. The operation is subject to governmental and anti-trust approval.

Resolutions of the Board of Directors of April 30, 2015

Following the Annual General Meeting, the Board of Directors has agreed to assign all executive functions to the Chief Executive Officer. Mr. Brufau will continue as non-executive Chairman of the Company, exercising certain corporate functions, with an important role in setting and supervising medium and long-term strategy, in institutional relations with the Public Administration, shareholders and other stakeholders, and in supervising management duties.

The Board of Directors, at the proposal of Caixabank, S.A. also approved the appointment of Mr. Gonzalo Gortázar as institutional Director of the Company and member of the Nomination and Compensation Committee, to fill the vacancy resulting from the resignation of Mr. Juan María Nin.

Annual General Meeting held on April 30, 2015

On April 30, 2015, the Repsol, S.A. Annual General Meeting, approved all the proposals presented by the Board of Directors with respect to matters included in the agenda.

Specifically, in agenda items five and six, the Annual General Meeting approved continuing the "*Repsol Flexible Dividend*" shareholder remuneration scheme via two bonus share issues under the condition that the Company acquires the free bonus share rights at a guaranteed fixed price. In addition, and included in agenda item twenty one, the Annual General Meeting approved the revocation of the share capital reduction agreement via treasury share buybacks approved by the Annual General Meeting held on March 28, 2014.

Execution of the first bonus share issue under the "Repsol Flexible Dividend" remuneration program

On April 30, 2015, the Board of Directors approved the execution estimated schedule for the bonus share issue, approved by the Annual General Meeting, under item five of the agenda.

(8) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These quarterly 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 with other generally accepted accounting principles in other countries.