

# WEBCAST – CONFERENCE CALL

## First Quarter 2015 Results



May 7th, 2015

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1. Acquisition of Talisman Energy
2. Market environment and Operational activity
3. Quarterly results
4. Conclusions

# Update on the acquisition of Talisman Energy

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## Smooth integration

**May 8th:**

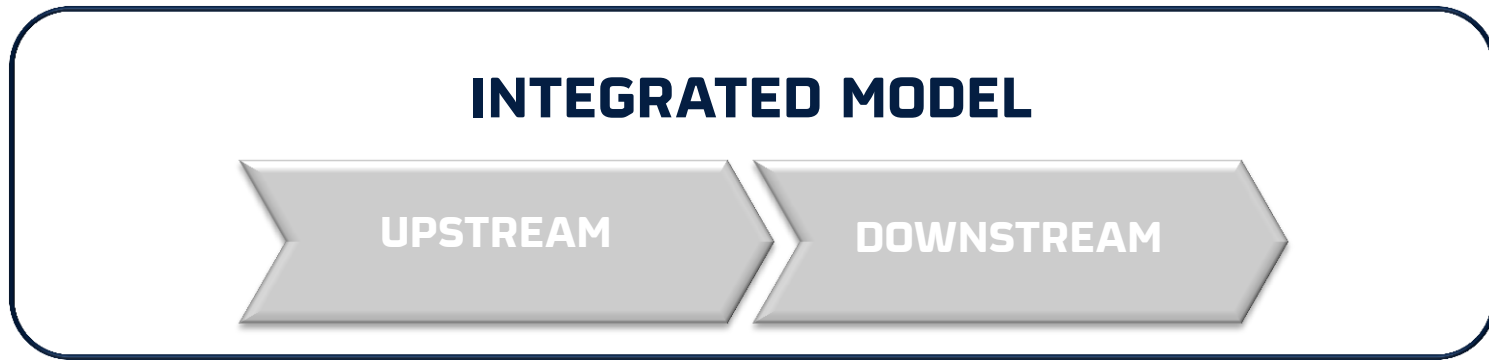
**Closing of the transaction**

- Net debt to capital employed ratio of 27%
- Strong liquidity at more than 8 billion dollars, representing 2.7 times the short term debt
- Information and data on the 2015 combined figures during the 2Q15 results presentation
- New strategic plan before the end of the year: focus on value creation

# Market environment and Operational activity

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# Integrated model provides resilience



60% of the production is gas

Negative correlation USD vs. Brent

Gas Natural results and dividends



**Stability of our results**

# Operational activity

## Exploration



6 wells have been concluded in 1Q15, **2 of them were positive**: 1 exploration well (**Russia**) and 1 appraisal well (**Bolivia**).

In April, 4 additional wells have been concluded with **positive** result: **2** exploration wells (**Algeria** and **Alaska**) and **2** appraisal wells (**Alaska**)

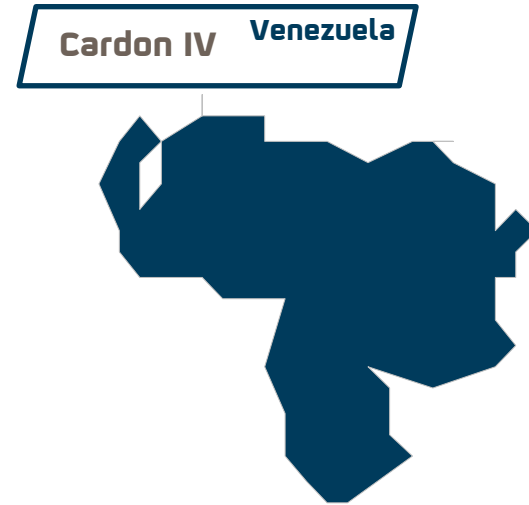


# Operational activity

## Development projects



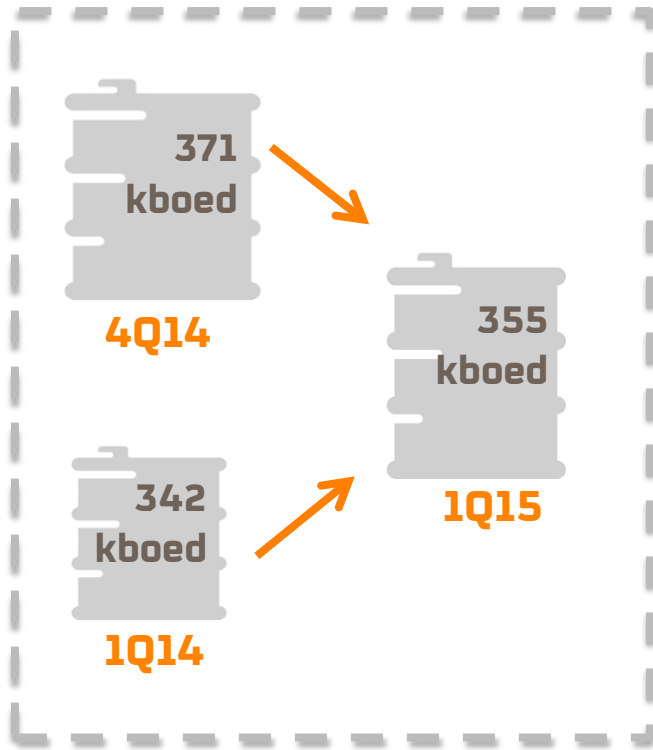
- The first well was connected to our 2<sup>nd</sup> FPSO in place in November 2014
- In November 2014 a second well was connected, producing 40 kboed gross
- At the end of 2015, peak production is expected to be reached in the 2<sup>nd</sup> FPSO
- The field will reach a plateau of 270 kboed gross



- First gas is planned to take place in mid-2015
- First phase of the development will produce 150Mscf per day
- Next phase will come on stream in November and will produce 450Mscf per day

# Operational activity

## Production



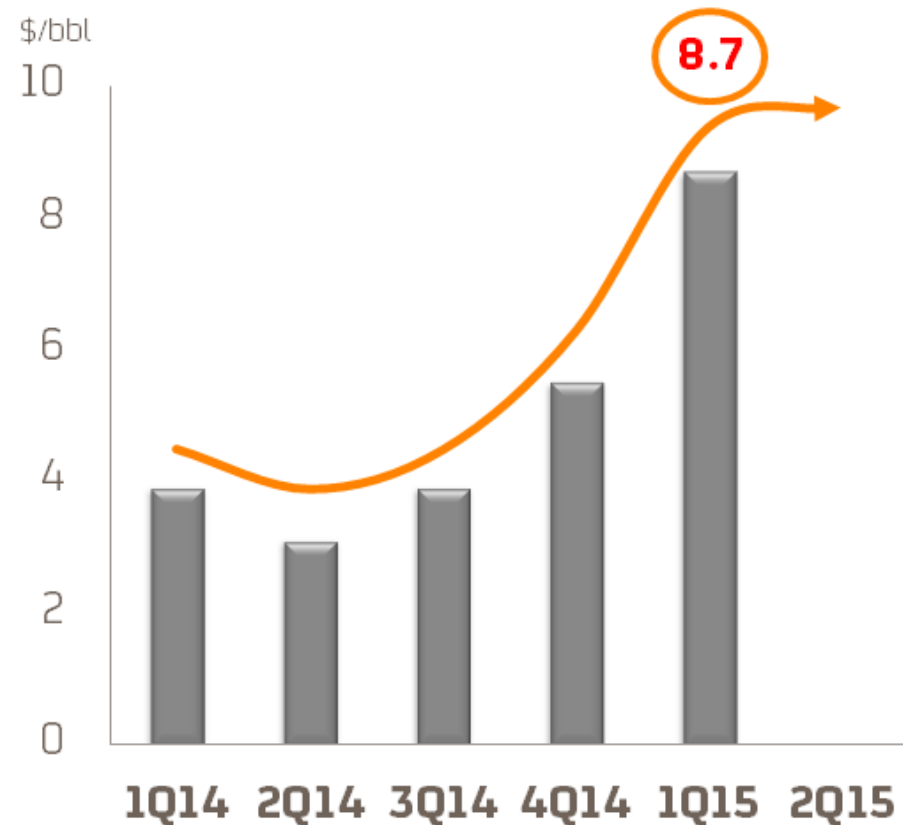
Compared to **1Q14**, **10%** increase in production if Libya is stripped out from both years

# Operational activity

Downstream



## REFINING MARGIN EVOLUTION



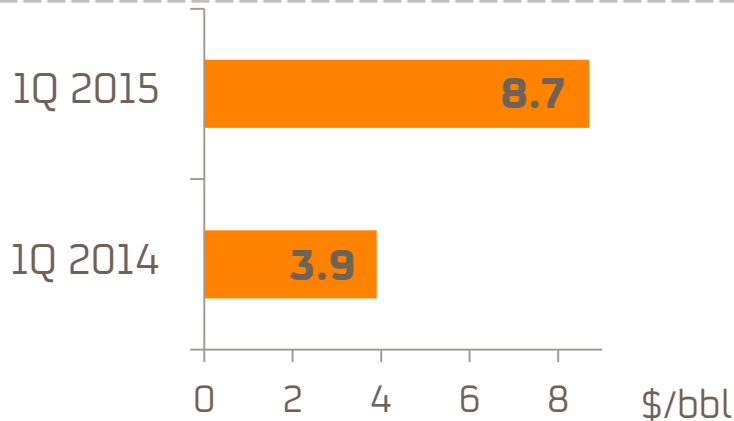
- Strength of the spreads
- High complexity and flexibility of our refining system
- Self-consumption efficiency program (CO2 emissions reduction program)

# Operational activity

Downstream



## Refining Margin Indicator

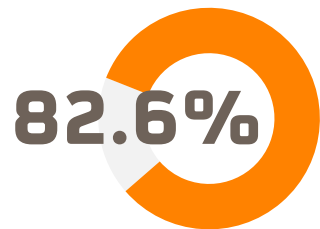


## Petrochemicals businesses

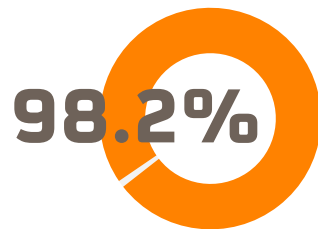
- Operational improvements
- Higher sales and margins

## Utilization rates

1Q 2015



Distillation utilization



Conversion units

## Commercial businesses

- Higher volumes in the Marketing and LPG Businesses

Quarterly results

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# Quarterly results



1Q 2015

	1Q 2014	1Q 2015	% Variation
<b>CCS Adjusted Net Income</b>	532	928	+74%

Million €

- ✓ Higher results in the **Downstream business**
- ✓ Gains coming from **exchange rate positions**

# Upstream Results

## Adjusted Net Income

1Q 2014

1Q 2015

**Adjusted Net Income**

255

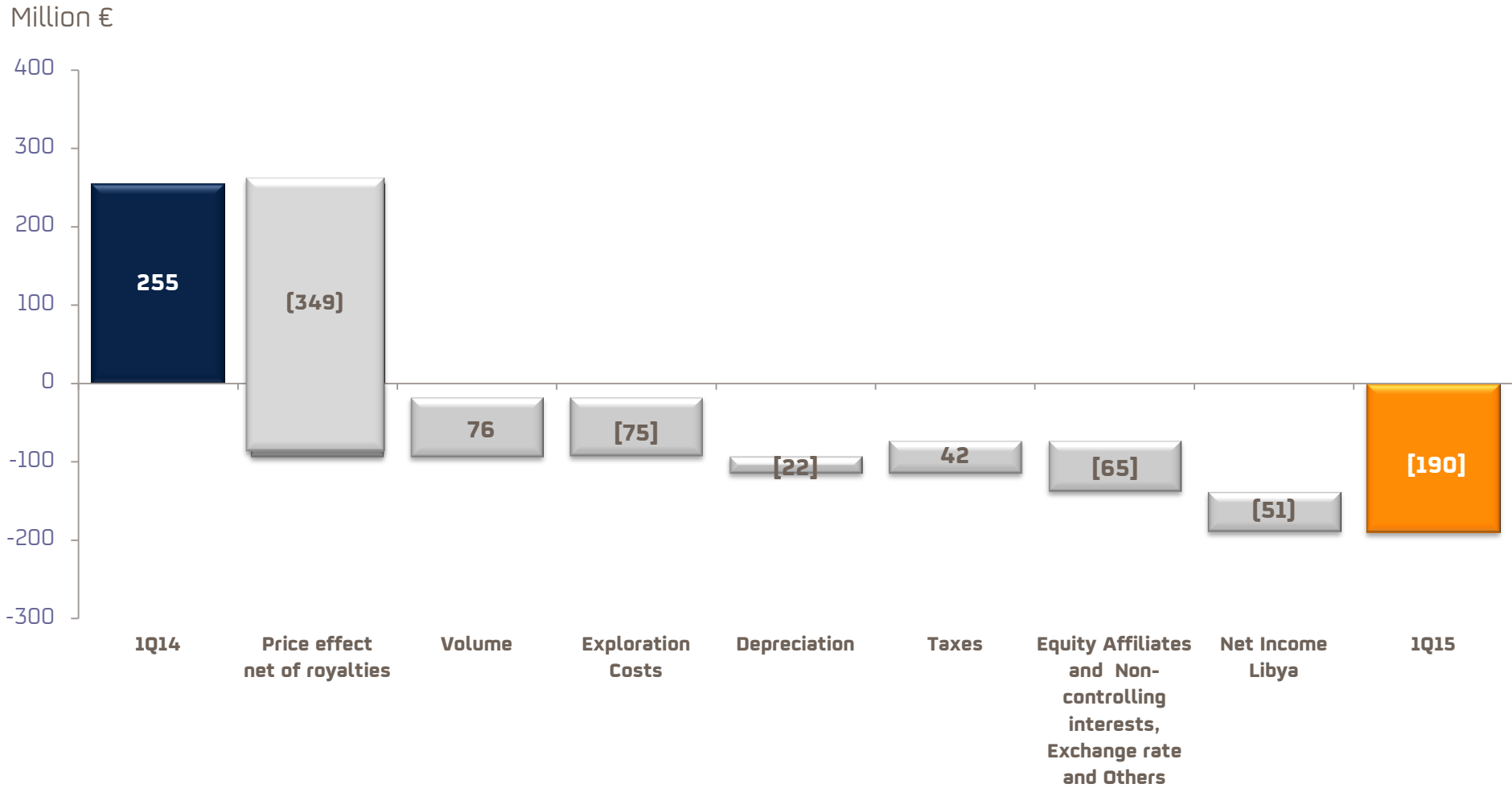
-190

Million €

- Tax effects in **Brazil** because of depreciation of the real against the dollar
- Adjustments in **Venezuela** carried from 2014

# Upstream Results

## Adjusted Net Income





# Downstream Results

## CCS Adjusted Net Income

### Refining

- ✓ **Higher** margins
- ✓ **Higher** utilization rate

### Petrochemicals

- Wider margins and **higher** volumes thanks to:
- ✓ Competitiveness programs implemented
  - ✓ Better market environment

€290M

1Q14

€534M

1Q15

### Commercial businesses

- ✓ **Higher** results in LPG division

### Gas & Power

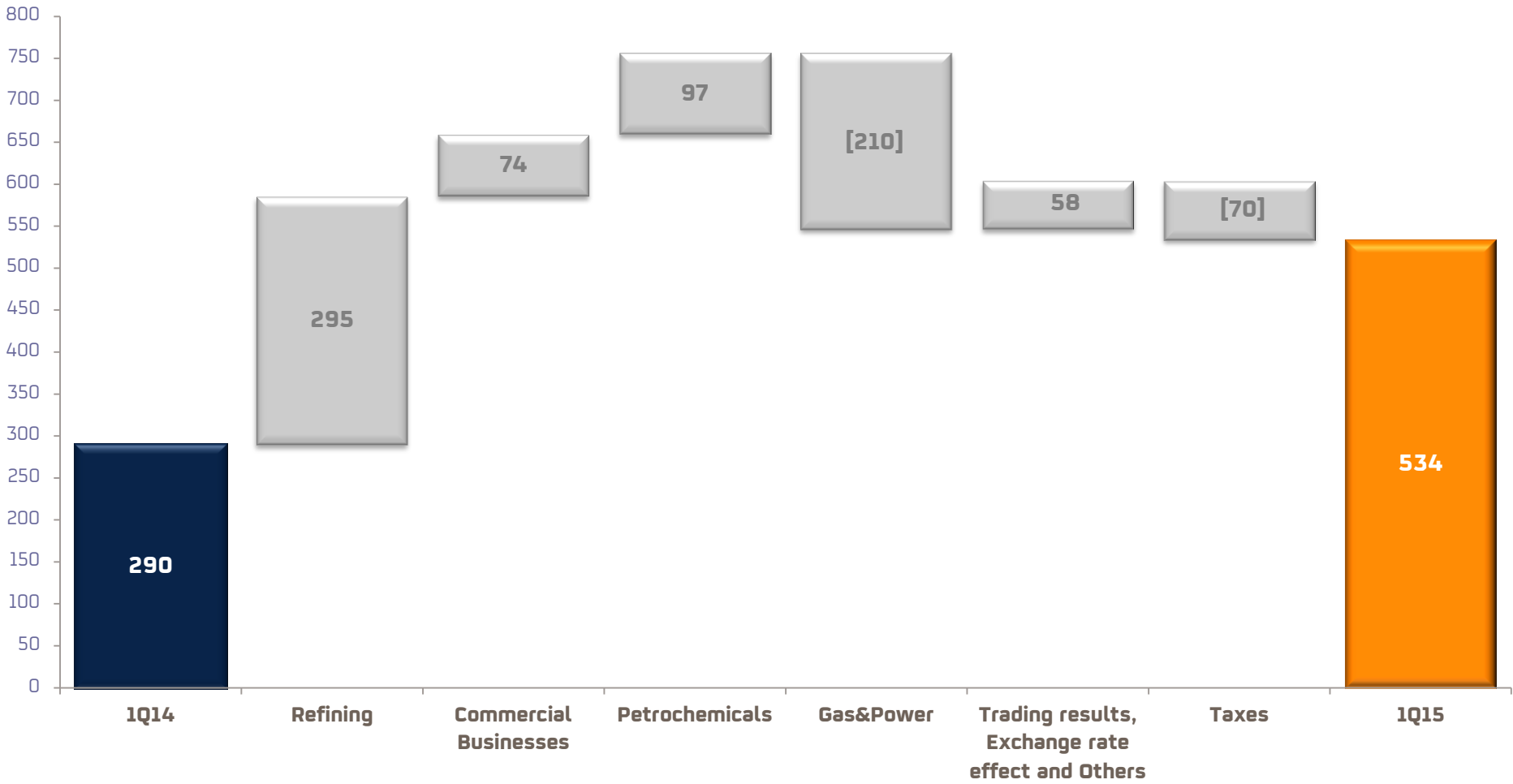
- Lower** results due to:
- ✓ Outstanding results 1Q14
  - ✓ Lower commercialization prices in North America

# Downstream Results

## Adjusted Net Income



Million €



# Gas Natural Fenosa Results

## Adjusted Net Income



€ 123M



1Q14

€ 122M



1Q15

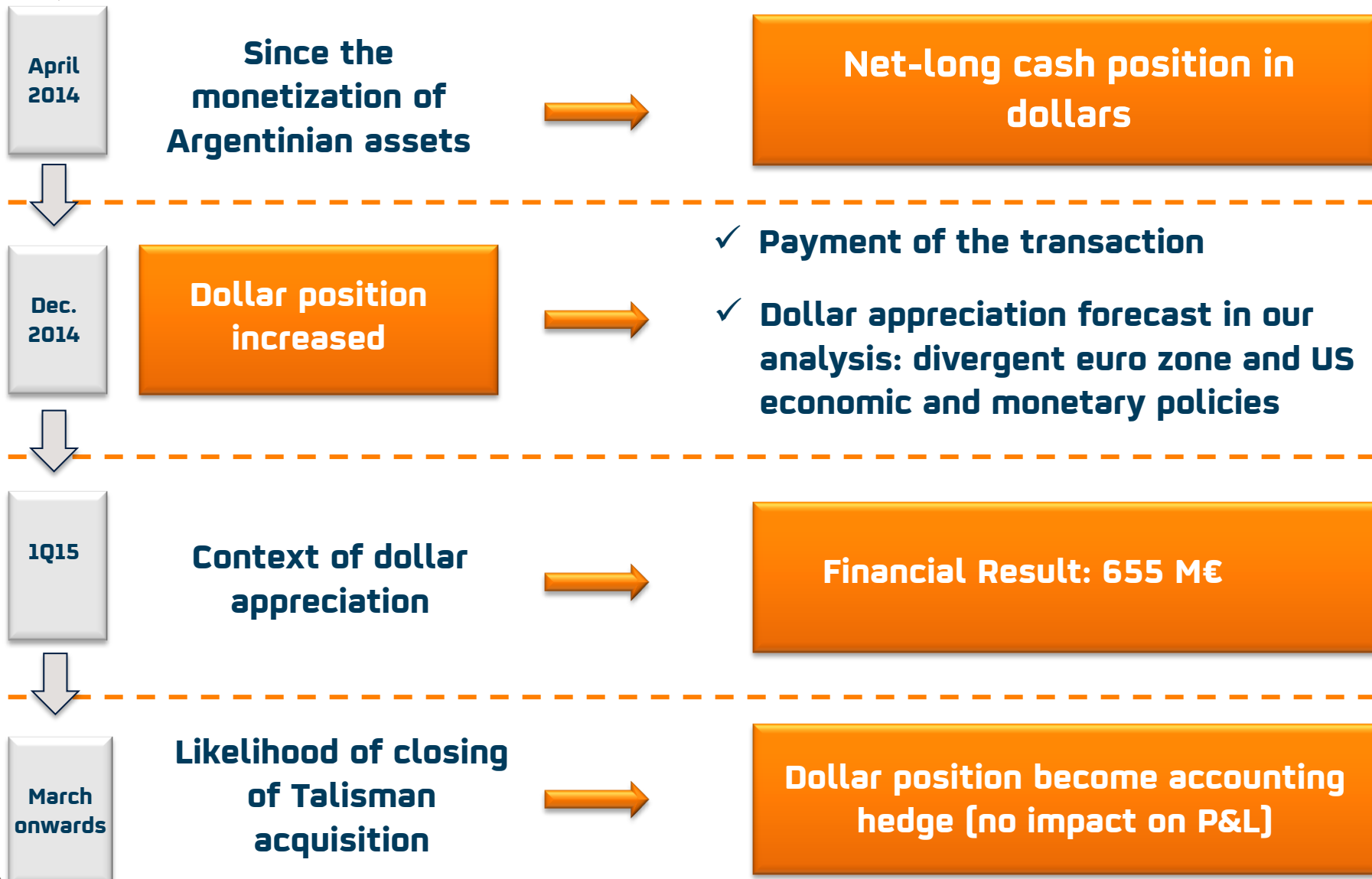


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Contribution from Chilean affiliate offset by higher financial expenses

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# Financial Results



# Conclusions

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# Q&A Session

First Quarter 2015 Results



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