Q3 2015 RESULTS

12 November, 2015

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BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

Group activities are carried out in three operating segments:

- **Upstream,** corresponding to the exploration and development of crude oil and natural gas reserves.
- **Downstream,** corresponding, mainly, to (i) the 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 results, as well as intersegment consolidation adjustments.

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, uses as a measure of segment results the so-called Adjusted Net Income, corresponding to the recurring net operating income of continuing operations at current cost of supply ("Current Cost of Supply" or CCS) after taxes.

Inventory valuation method widely used in the industry, current cost of supply (CCS), 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 industry. 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. This Inventory Effect is presented separately net of the tax effect and excluding non-controlling interests and it is the difference between the net income using CCS and the net income using MIFO.

Likewise, 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.

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

All of the information presented in this Q3 15 Results 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 adopted by the European Union (IFRS-EU).

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

In addition, the Group is consolidating the results of the acquired company Talisman Energy Inc. (“Talisman”), since the date of closing of the transaction, 8 May.

Talisman´s purchase price has been provisionally allocated between identifiable Talisman´s assets and liabilities according to the estimation of their fair value as of the acquisition date.

Repsol will today publish interim condensed consolidated financial statements at 30 September, 2015 and they will be available on Repsol’s and the CNMV’s (Comisión Nacional del Mercado de Valores) websites.

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
Upstream	185	(48)	(395)	-	585	(633)	-
Downstream	190	439	682	258.9	642	1,655	157.8
Gas Natural Fenosa	92	105	103	12.0	374	330	(11.8)
Corporate and others	(52)	(184)	(231)	-	(264)	47	-
ADJUSTED NET INCOME	**415**	**312**	**159**	**(61.7)**	**1,337**	**1,399**	**4.6**
Inventory effect	(63)	83	(272)	-	(117)	(329)	(181.2)
Non-recurring income	(32)	(103)	(108)	(237.5)	159	(238)	-
Income from discontinued operations	(1)	-	-	-	267	-	-
NET INCOME	**319**	**292**	**(221)**	**-**	**1,646**	**832**	**(49.5)**

Economic data (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
EBITDA	1,047	1,421	1,011	(3.4)	3,249	3,394	4.5
EBITDA CCS	1,150	1,297	1,417	23.2	3,433	3,888	13.3
NET CAPITAL EXPENDITURE	909	9,069	695	(23.5)	2,360	10,696	-
NET DEBT	1,998	13,264	13,123	-	1,998	13,123	-
NET DEBT (x) / EBITDA CCS	-	-	2.32	-	0.44	2.47	-

Operational data	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
LIQUIDS PRODUCTION (Thousand bbl/d)	141	203	244	72.6	131	193	47.3
GAS PRODUCTION (*) (Million scf/d)	1,261	1,811	2,298	82.3	1,222	1,790	46.5
TOTAL PRODUCTION (Thousand boe/d)	**366**	**525**	**653**	**78.6**	**349**	**512**	**46.8**
CRUDE OIL REALIZATION PRICE ($/Bbl)	84.3	55.7	44.4	(47.3)	85.9	48.3	(43.8)
GAS REALIZATION PRICE ($/Thousand scf)	3.6	3.2	2.8	(22.2)	3.9	2.9	(25.6)
DISTILLATION UTILIZATION Spanish Refining (%)	84.8	89.1	94.5	11.4	81.0	88.8	9.6
CONVERSION UTILIZATION Spanish Refining (%)	106.6	105.1	106.4	(0.2)	101.4	103.5	2.1
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	3.9	9.1	8.8	125.6	3.6	8.9	147.2

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

KEY MILESTONES FOR THE THIRD QUARTER OF 2015

- **Adjusted net income** in the third quarter was €159 million, 62% lower year-on-year. **Net income** amounted to a loss of €221 million mainly due to non-recurring items like the impairments, amounting €443 million after taxes, booked in the Gas & Power division together with the unconventional assets in the Mississippian Lime, both in North America, and the inventory effect of €-272 million after taxes. These effects were partially compensated with capital gains, amounting to €338 million after taxes, from the sales of CLH and the exploratory licenses in Canada.

- **Adjusted net income** in the first nine months of the year was €1.399 billion, 5% higher year-on-year. **Net income** amounted to €832 million, 50% lower compared to the same period of last year, mainly due to non-recurring items and the negative inventory effect.

- Quarterly results of the business units, which include, for the first time, the consolidation of the assets of Talisman for the full quarter, were strongly influenced again by the low crude oil and gas price environment together with high refining margins and are explained as follows:

- Adjusted net income in **Upstream** was €580 million lower than that in the same period of 2014, mainly due to the impact of lower realization prices, higher exploration expenses, the absence of production in Libya and the impact in tax charges of the devaluation of local currencies. These effects were partially compensated by higher production volumes mainly as a result of the contribution of Talisman's assets and the ramp-up of the strategic projects in Brazil and Venezuela. The contribution of **Talisman's assets** to the operating income in the quarter has been €-57 million while at the adjusted net income level they amounted to €-90 million.

- In **Downstream**, adjusted net income was 259% higher year-on-year as a result of the improved refining margins and utilization, enhanced performance in Chemicals, Marketing, Trading and Gas & Power.

- The adjusted net income of **Gas Natural Fenosa** stood at €103 million, 12% higher year-on-year mainly due to the contribution of CGE-Chile.

- In **Corporate and others**, an adjusted net income resulted in a net loss of €231 million, €179 million lower year-on-year, was due to the lower results associated to the exchange rate positions, that were positive in €106 million in the third quarter of 2014 and €-17 million in the third quarter of 2015, together with higher net interests, mainly because of the acquisition of Talisman and the consolidation of its debt interest charges.

- **Upstream** production reached an average of 653 kboe/d in the third quarter of 2015, 79% higher year-on-year. The contribution of Talisman's assets in the quarter has been, on average, 307 kboe/d. Production in October reached an average of 685 kboe/d.

- During this third quarter of 2015, four wells – one exploratory and three appraisals - were concluded. The three appraisal wells registered positive results and the exploratory well remains under evaluation. Also during the third quarter, three wells were booked as negative: two in Angola and one in Norway. As of today, eight wells are on-going: five exploratory and three appraisals.

- The Group's **net debt** at the end of the third quarter of 2015 stood at €13.1 billion, lower in €141 million compared to the end of the second quarter. Net Debt to Capital Employed ratio stood at 29.9% at the end of the quarter.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

UPSTREAM

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
ADJUSTED NET INCOME	**185**	**(48)**	**(395)**	**-**	**585**	**(633)**	**-**
Operating income	424	(46)	(395)	-	1,081	(577)	-
Income tax	(239)	-	5	-	(502)	(51)	89.8
Income from equity affiliates and non-controlling interests	-	(2)	(5)	-	6	(5)	-
EBITDA	728	622	334	(54.1)	2,087	1,237	(40.7)
NET CAPITAL EXPENDITURE	746	8,896	803	7.6	1,900	10,452	450.1
EXPLORATION EXPENSES (*)	129	204	266	106.2	508	688	35.4
EFFECTIVE TAX RATE (%)	56	2	(1)	(57.0)	46	9	(37.0)

International prices	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
Brent ($/Bbl)	101.9	61.9	50.5	(50.4)	106.4	55.3	(48.0)
WTI ($/Bbl)	97.2	58.0	46.5	(52.2)	99.6	51.0	(48.8)
Henry Hub ($/MBtu)	4.1	2.6	2.8	(31.7)	4.6	2.8	(39.1)
Average exchange rate ($/€)	1.33	1.11	1.11	(16.5)	1.35	1.11	(17.8)

Production	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
LIQUIDS (Thousand bbl/d)	141	203	244	72.6	131	193	47.3
GAS (**) (Million scf/d)	1,261	1,811	2,298	82.3	1,222	1,790	46.5
TOTAL (Thousand boe/d)	**366**	**525**	**653**	**78.6**	**349**	**512**	**46.8**

Realization prices	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
CRUDE OIL ($/Bbl)	84.3	55.7	44.4	(47.3)	85.9	48.3	(43.8)
GAS ($/Thousand scf)	3.6	3.2	2.8	(22.2)	3.9	2.9	(25.6)

(*) Exploration expenses include G&G and G&A, bonus and dry wells. (**) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Adjusted net income in the quarter was €-395 million, a €580 million decrease compared to the same period of 2014, mainly due to the impact of lower realization prices, higher exploration expenses, the absence of production in Libya and the impact in taxes of the devaluation of local currencies, partially compensated with higher production volumes.

The factors which explain the year-on-year performance in the Upstream division, excluding the impacts in results of Libya's and Talisman's assets, are the following:

- Lower **crude oil and gas realization prices**, net of royalties, had a negative impact on the operating income of €464 million.

- **Income tax expense** has impacted the operating income positively by €185 million, due to the lower results, partially offset by the impact of the devaluation of local currencies mainly in Brazil. This impact,

together with the same effect in legacy Talisman assets, provoked the adjusted net income to equal the adjusted operating income in the third quarter.

- **Exploration expenses** impacted the operating income negatively by €70 million, mainly as a result of higher amortization of dry wells. During the third quarter, three wells were booked as negative: two in Angola and one in Norway.

- **Higher production** contributed to an increase in the operating income of €36 million thanks to the ramp-up of the Sapinhoá project in Brazil and the Cardón IV project in Venezuela.

- Lower **depreciation and amortization** charges increased the operating income by €17 million as a consequence of a lower amortization rate in the U.S. and Spain, partially compensated by the increase in production in Brazil and Venezuela.

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

The impact of disruptions in Libya was €-131 million and €-42 million on the operating income and in the adjusted net income, respectively.

Operating income of **Talisman's assets** has been €-57 million. The positive results in Indonesia, Malaysia, Vietnam and Colombia were offset by exploration expenses and the negative results in Norway, Australia and North America. However, the contribution to the adjusted net income has been €-90 million, due to the mix of results with different effective tax rates and the impact in taxes of the devaluation of local currencies, mainly in Malaysia and Colombia.

January – September 2015 results

The **adjusted net income** for the first nine months of 2015 was €-633 million, mainly as a consequence of the drop in crude oil and gas realization prices (€-1.2 billion) and no contribution from Libya in 2015 (€-0.3 billion), partially compensated by the positive effect in taxes (€0.5 billion) and the growth in production (€0.1 billion, excluding the contribution of legacy Talisman assets). It is worth noting that, excluding the impact of exploration expenses, operating income of the Upstream division would have been positive in the first nine months of 2015.

Average production in the first nine months of 2015 (512 kboe/d) was 47% higher than in the same period in 2014 (349 kboe/d), essentially as a result of the consolidation of the Talisman's assets since 8 May 2015. The contribution of these assets to the average production in the first nine months of 2015 has been 164 kboe/d.

Net capital expenditure

Net capital expenditure in Upstream in the third quarter of 2015 amounted to €803 million, 8% increase year-on-year due to the appreciation of the dollar against the euro and the consolidation of legacy Talisman assets.

Excluding divestments of €70 million in the quarter: **Development** capital expenditure accounted for 79% of the total investment and was concentrated mainly in the U.S. (26%), Trinidad and Tobago (15%), Canada (12%), Venezuela (12%), UK (9%) and Brazil (8%); and **Exploration** capital expenditure represented 16% of the total and was allocated primarily in the U.S. (48%), Europe (18%), Brazil (17%), Russia (9%) and Peru (4%).

Net capital expenditure in Upstream in the first nine months of 2015 totaled €10,452 million mainly due to the acquisition of Talisman. Excluding this impact, net capital expenditure amounted to €2,447 million, 29% increase year-on-year mainly due to the consolidation of legacy Talisman assets, the appreciation of the dollar against the euro and the lower divestments, which reached €166 million in the first nine months of 2014 and were €80 million in the same period of 2015. This increase in capital expenditure, excluding divestments and denominated in dollars, amounts only to 1%. It is worth noting that, excluding the payment and the capital expenditure from legacy Talisman assets, total capital expenditure denominated in dollars decreases 21%.

Excluding divestments: **Development** capital expenditure accounted for 68% of the total investment and was concentrated mainly in the U.S. (25%), Venezuela (21%), Trinidad and Tobago (15%), Brazil (9%), Canada (7%) and UK (6%); and **Exploration** capital expenditure represented 29% of the total and was earmarked primarily for the U.S. (36%), Angola (23%), Europe (16%), Brazil (7%) and Russia (5%).

DOWNSTREAM

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
ADJUSTED NET INCOME	**190**	**439**	**682**	**258.9**	**642**	**1,655**	**157.8**
Operating income	276	622	963	248.9	907	2,336	157.6
Income tax	(85)	(170)	(260)	(205.9)	(258)	(632)	(145.0)
Income from equity affiliates and non-controlling interests	(1)	(13)	(21)	-	(7)	(49)	-
MIFO RECURRENT NET INCOME	**127**	**522**	**410**	**222.8**	**525**	**1,326**	**152.6**
Inventory effect	(63)	83	(272)	-	(117)	(329)	(181.2)
EBITDA	361	931	748	107.2	1,309	2,403	83.6
EBITDA CCS	464	807	1,154	148.7	1,493	2,897	94.0
NET CAPITAL EXPENDITURE	155	149	(122)	-	422	161	(61.8)
EFFECTIVE TAX RATE (%)	31	27	27	(4.0)	28	27	(1.0)

International prices ($/Mbtu)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
Henry Hub	4.1	2.6	2.8	(31.7)	4.6	2.8	(39.1)
Algonquin	3.0	2.2	2.4	(20.0)	9.2	5.4	(41.3)

Operational data	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	3.9	9.1	8.8	125.6	3.6	8.9	147.2
DISTILLATION UTILIZATION Spanish Refining (%)	84.8	89.1	94.5	11.4	81.0	88.8	9.6
CONVERSION UTILIZATION Spanish Refining (%)	106.6	105.1	106.4	(0.2)	101.4	103.5	2.1
OIL PRODUCT SALES (Thousand tons)	11,387	11,990	12,571	10.4	32,530	35,292	8.5
PETROCHEMICAL PRODUCT SALES (Thousand tons)	681	683	701	2.9	2,015	2,125	5.5
LPG SALES (Thousand tons)	599	526	459	(23.4)	1,819	1,689	(7.1)
NORTH AMERICA NATURAL GAS SALES (TBtu)	61.1	57.3	62.1	1.6	210.7	226.3	7.4

Adjusted net income in the third quarter of 2015 amounted to €682 million, significantly higher compared to the third quarter of 2014 in which the net income was €190 million. **Adjusted net income** in the first nine months of 2015 amounted to €1,655 million, 158% higher compared to the first nine months of 2014.

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

- In **Refining**, higher utilization rates and specially the improved refining margins, due to stronger products' and wider light-heavy crudes' spreads together with lower energy costs, produced a positive impact on the operating income of €273 million. It is worth noting that the Spanish refining margin indicator in October has been around $7/bbl while in November is averaging $8.5/bbl.

- 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 environment, generated a positive effect on the operating income of €186 million.

- In the commercial businesses, **Marketing and LPG**, operating income was €24 million higher year-on-year.

- In **Gas & Power and Trading**, the operating income was €65 million higher year-on-year.

- Higher **income tax expenses**, driven mainly by the improved results, had a negative impact of €177 million.

- **Results in other activities, equity affiliates and non-controlling interests** together with **the exchange rate effect,** explain the remaining difference.

January – September 2015 results

Adjusted net income for the first nine months of 2015 was €1,655 million, 158% higher year-on-year. The improvement in results is mainly driven by better refining and petrochemical margins and enhanced performance in the commercial and Trading businesses, partially offset by lower results in Gas & Power.

Net capital expenditure

Capital expenditure in the Downstream segment in the third quarter of 2015 amounted to €198 million. **Net capital expenditure** amounted to €-122 million, including €320 million of divestments.

Capital expenditure in the first nine months of the year stood at €540 million. **Net capital expenditure** amounted to €161 million, including €379 million of divestments in CLH and a small part of the Piped LPG business. The rest of the Piped LPG business' disposal will be cashed-in in 2016.

GAS NATURAL FENOSA

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
ADJUSTED NET INCOME	92	105	103	12.0	374	330	(11.8)

Adjusted net income in the third quarter of 2015 amounted to €103 million, 12% higher than in the same quarter of 2014, largely due to the contribution of CGE-Chile, which could offset the lower results of gas commercialization and lower contribution from gas and power distribution businesses in Latin America.

January – September 2015 results

Adjusted net income for the first nine months of 2015 was €330 million, 12% lower year-on-year, largely due to the capital gain generated from the sale of the telecommunication business in 2014.

CORPORATE AND OTHERS

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
ADJUSTED NET INCOME	**(52)**	**(184)**	**(231)**	**-**	**(264)**	**47**	**-**
Corporate and others operating income	(63)	(54)	(57)	9.5	(193)	(139)	28.0
Financial result	(12)	(199)	(223)	-	(188)	233	-
Income tax	23	69	49	113.0	117	(47)	-
EBITDA	(42)	(132)	(71)	(69.0)	(147)	(246)	(67.3)
NET CAPITAL EXPENDITURE	8	24	14	75.0	38	83	118.4
EFFECTIVE TAX RATE (%)	(32)	(27)	(18)	14.0	(31)	50	81.0

CORPORATE AND OTHERS

Corporate and others accounted for a net expense of €57 million in the third quarter of 2015, compared to a net expense of €63 million in the same quarter of last year. In the first nine months of 2015, **Corporate and others** accounted for a net expense of €139 million which compares to a net expense of €193 million in the same period of last year. The Talisman Corporation costs have been included in this caption since 8 May, 2015.

FINANCIAL RESULTS

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
NET INTERESTS (includes preferred shares)	(71)	(113)	(136)	(187.3)	(247)	(317)	(28.3)
OTHER CAPTIONS	59	(86)	(87)	-	59	550	-
TOTAL	**(12)**	**(199)**	**(223)**	**-**	**(188)**	**233**	**-**

Net financial result in the third quarter of 2015 has been €223 million of net expense, as compared to a net expense of €12 million in the same period of last year, mainly due to the lower results associated to the exchange rate positions, that were positive in €106 million in the third quarter of 2014 and €-17 million in the third quarter of 2015, together with the effect of higher net interests of €-65 million, mainly because of the acquisition of Talisman and the consolidation of its debt interest charges for the full quarter.

Net financial result in the first nine months of 2015 has been positive in €233 million, €421 million higher than in the same period of last year, mainly due to the positive effect of the exchange rate positions.

NET INCOME ANALYSIS: NON-RECURRING ITEMS AND DISCONTINUED OPERATIONS

NON-RECURRING INCOME

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
NON-RECURRING INCOME / (LOSSES)	(32)	(103)	(108)	(237.5)	159	(238)	-

Non-recurring items in the third quarter of 2015 resulted in a net loss of €108 million, mainly due to the impairments booked in the unconventional assets in the Mississippian Lime, €172 million after taxes, and in Gas & Power, €271 million after taxes, both in North America, partially compensated with the net gains from the sale of CLH, €293 million, and the exploratory licenses in Canada.

Non-recurring items in the first nine months of 2015 resulted in a net loss of €238 million, compared to a net gain of €159 million in the same period of last year, mainly as a result of the aforementioned impacts and the events occurred in 2014: the capital gain on the sale of the non-expropriated YPF shares, the sale of TGP and cancellation of Naturgas contract.

DISCONTINUED OPERATIONS

(Unaudited figures)

Results (€ Million)	Q3 2014	Q2 2015	Q3 2015	% Change Q3 15/Q3 14	January - September 2014	January - September 2015	% Change 2015/2014
INCOME FROM DISCONTINUED OPERATIONS	(1)	-	-	-	267	-	-

Net income from discontinued operations in the first nine months of 2014 includes mainly the net contribution of the LNG businesses sold in 2014.

NET DEBT EVOLUTION

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

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q3 2015	January - September 2015
NET DEBT AT THE START OF THE PERIOD	**13,264**	**1,935**
EBITDA	(1,011)	(3,394)
CHANGE IN WORKING CAPITAL	(710)	(146)
INCOME TAX RECEIVED /PAID	179	401
NET CAPITAL EXPENDITURE (1)	1,010	11,116
DIVIDENDS PAID AND OTHER PAYOUTS	243	488
OWN SHARES TRANSACTIONS	164	135
FOREIGN EXCHANGE RATE EFFECT	(121)	(1,049)
COMPANIES' ACQUISITION / SALE EFFECT (2)	(28)	3,966
INTEREST AND OTHER MOVEMENTS (3)	133	666
EQUITY INSTRUMENTS (4)	-	(995)
NET DEBT AT THE END OF THE PERIOD	**13,123**	**13,123**

	2015
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	43,869
NET DEBT / CAPITAL EMPLOYED (%)	29.9
NET DEBT (x) / EBITDA CCS	2.5

(1) As of September 30, 2015, there were net financial investments amounting to €13 million. This caption contains €8,005 million of the cost of the acquisition of Talisman (including effects from hedging derivatives)
(2) This caption mainly includes the consolidation of Talisman's net debt ($4.5 billion) at the closing date, 8 May, 2015.
(3) Mainly includes interest expense on borrowings, dividends received, and provisions used.
(4) Includes the issuance of the perpetual subordinated bond (EURO 6-Year NC) accounted for as equity.

The Group's **net debt** at the end of the third quarter of 2015 stood at €13,123 million, lower in €141 million compared to the end of the second quarter of 2015 and higher in €11,188 million compared to the end of the year 2014, mainly due to the acquisition of Talisman and the consolidation of its debt.

RELEVANT EVENTS

The most significant company-related events since the second quarter 2015 earnings release were as follows:

In **Corporation**, on 25 September 2015, the company sold its 10% stake in CLH to Ardian for €325 million, generating a capital gain of approximately €300 million.

On 30 September 2015, Repsol agreed with Gas Natural Distribución and Redexis Gas the sale of part of its piped gas business. The various operations amount to a total of €651.5 million and will generate an estimated after-tax capital gain of €367 million. The agreements are subject to regulatory approvals.

On 14 October 2015, Repsol's "Trading Statement" was published; it provides provisional information for the third quarter of 2015, including data on the economic environment as well as company performance during the period.

On 15 October 2015, Repsol published the Company's new Strategic Plan for the 2016-2020 period:

- Value and Resilience were the basic lines that defined the Strategic Plan, with which the company enters a new phase to extract value from the growth achieved after its previous Strategic Plan.
- To meet its value-creation objective under any price scenario, the company will focus on efficiency and asset portfolio management.
- The flexibility, strength, and adaptability of its asset portfolio will allow Repsol to undertake divestments of €6.2 billion in non-strategic assets and cut spending without altering its company profile.

Additionally, on 29 October 2015, Repsol announced the expected timetable for the execution of the paid up capital increase, approved under the framework of the "Repsol's Flexible Dividend" program by the Shareholder's Meeting held on 30 April 2015, under item sixth on the Agenda, in order that it can be implemented during the next months to January 2016, near to those dates when the traditional interim dividend of each year was usually paid to shareholders.

In **Upstream**, on 13 October 2015, Repsol reached an agreement with its partner Armstrong Oil & Gas to strategically re-align their interests in their Alaska North Slope venture. Per the restructured agreement, Armstrong acquires a 15% working interest (to add to its 30%) in the Colville River Delta development area. Repsol retains a 55% working interest in this area. In addition, Armstrong has the option to acquire an additional 6% and to assume operatorship in the development area. Armstrong also acquired a 45% (to add to its 30%) and operatorship in the jointly owned exploratory acreage. Repsol retains 25% working interest in this exploratory area. The total economic consideration obtained by Repsol is around USD 0.75 billion.

Madrid, 12 November, 2015

A conference call has been scheduled for research analysts and institutional investors for today, 12 November, 2015 at 13.00 (CET) to report on the Repsol Group's third 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

THIRD QUARTER 2015

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	Q3 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	424	-	(239)	-	185	-	(35)	150
Downstream	276	-	(85)	(1)	190	(63)	2	129
Gas Natural Fenosa	-	-	-	92	92	-	-	92
Corporation & Others	(63)	(12)	23	-	(52)	-	1	(51)
TOTAL	**637**	**(12)**	**(301)**	**91**	**415**	**(63)**	**(32)**	**320**
Income from discontinued operations							(1)	(1)
NET INCOME							**(33)**	**319**

€ Million	Q2 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	(46)	-	-	(2)	(48)	-	(77)	(125)
Downstream	622	-	(170)	(13)	439	83	34	556
Gas Natural Fenosa	-	-	-	105	105	-	-	105
Corporation & Others	(54)	(199)	69	-	(184)	-	(60)	(244)
TOTAL	**522**	**(199)**	**(101)**	**90**	**312**	**83**	**(103)**	**292**
Income from discontinued operations							-	-
NET INCOME							**(103)**	**292**

€ Million	Q3 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	(395)	-	5	(5)	(395)	-	(116)	(511)
Downstream	963	-	(260)	(21)	682	(272)	18	428
Gas Natural Fenosa	-	-	-	103	103	-	-	103
Corporation & Others	(57)	(223)	49	-	(231)	-	(10)	(241)
TOTAL	**511**	**(223)**	**(206)**	**77**	**159**	**(272)**	**(108)**	**(221)**
Income from discontinued operations							-	-
NET INCOME							**(108)**	**(221)**

€ Million	JANUARY-SEPTEMBER 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	1,081	-	(502)	6	585	-	(151)	434
Downstream	907	-	(258)	(7)	642	(117)	48	573
Gas Natural Fenosa	-	-	-	374	374	-	(2)	372
Corporation & Others	(193)	(188)	117	-	(264)	-	264	-
TOTAL	**1,795**	**(188)**	**(643)**	**373**	**1,337**	**(117)**	**159**	**1,379**
Income from discontinued operations							267	267
NET INCOME							**426**	**1,646**

€ Million	JANUARY-SEPTEMBER 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	(577)	-	(51)	(5)	(633)	-	(221)	(854)
Downstream	2,336	-	(632)	(49)	1,655	(329)	47	1,373
Gas Natural Fenosa	-	-	-	330	330	-	-	330
Corporation & Others	(139)	233	(47)	-	47	-	(64)	(17)
TOTAL	**1,620**	**233**	**(730)**	**276**	**1,399**	**(329)**	**(238)**	**832**
Income from discontinued operations							-	-
NET INCOME							**(238)**	**832**

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 14	Q2 15	Q3 15	2014	2015
UPSTREAM	**424**	**(46)**	**(395)**	**1,081**	**(577)**
Europe, Africa & Brazil	204	(14)	(5)	466	(19)
South America	234	118	(35)	799	170
North America	88	(9)	(70)	263	(100)
Asia & Russia	10	51	38	27	93
Exploration & Others	(112)	(192)	(323)	(474)	(721)
DOWNSTREAM	**276**	**622**	**963**	**907**	**2,336**
Europe	300	641	887	697	2,206
Rest of the World	(24)	(19)	76	210	130
CORPORATE AND OTHERS	**(63)**	**(54)**	**(57)**	**(193)**	**(139)**
TOTAL	**637**	**522**	**511**	**1,795**	**1,620**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 14	Q2 15	Q3 15	2014	2015
UPSTREAM	**185**	**(48)**	**(395)**	**585**	**(633)**
Europe, Africa & Brazil	56	14	(45)	207	(100)
South America	139	60	(62)	504	25
North America	56	(6)	(54)	167	(73)
Asia & Russia	7	25	5	21	34
Exploration & Others	(73)	(141)	(239)	(314)	(519)
DOWNSTREAM	**190**	**439**	**682**	**642**	**1,655**
Europe	213	461	643	512	1,594
Rest of the World	(23)	(22)	39	130	61
GAS NATURAL FENOSA	**92**	**105**	**103**	**374**	**330**
CORPORATE AND OTHERS	**(52)**	**(184)**	**(231)**	**(264)**	**47**
TOTAL	**415**	**312**	**159**	**1,337**	**1,399**

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 14	Q2 15	Q3 15	2014	2015
UPSTREAM (1)	**728**	**622**	**334**	**2,087**	**1,237**
Europe, Africa & Brazil	242	107	109	577	275
South America	358	274	101	1,108	549
North America	170	190	174	534	462
Asia & Russia	20	121	130	59	264
Exploration & Others	(62)	(70)	(180)	(191)	(313)
DOWNSTREAM (2)	**361**	**931**	**748**	**1,309**	**2,403**
Europe	385	914	685	1,063	2,252
Rest of the World	(24)	17	63	246	151
CORPORATE AND OTHERS	**(42)**	**(132)**	**(71)**	**(147)**	**(246)**
TOTAL (2)	**1,047**	**1,421**	**1,011**	**3,249**	**3,394**

(1) Contribution of Talisman's assets was €233 million in Q2 2015 and €466 million in the first 9 months of 2015.

(2) EBITDA CCS M€					
DOWNSTREAM	**464**	**807**	**1,154**	**1,493**	**2,897**
TOTAL	**1,150**	**1,297**	**1,417**	**3,433**	**3,888**

NET CAPITAL EXPENDITURES BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	Q3 14	Q2 15	Q3 15	2014	2015
UPSTREAM	**746**	**8,896**	**803**	**1,900**	**10,452**
Europe, Africa & Brazil	97	117	166	264	359
South America	232	267	262	486	812
North America	160	149	184	433	437
Asia & Russia	4	33	46	19	82
Exploration and Others (*)	253	8,330	145	698	8,762
DOWNSTREAM	**155**	**149**	**(122)**	**422**	**161**
Europe	129	94	(188)	343	17
Rest of the World	26	55	66	79	144
CORPORATE AND OTHERS	**8**	**24**	**14**	**38**	**83**
TOTAL	**909**	**9,069**	**695**	**2,360**	**10,696**

(*) Includes €8,005 million of the cost of the acquisition of Talisman in Q2 2015

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

	CUMULATIVE DATA	
€ Million	Q4 14	Q3 15
Upstream	11,167	25,284
Downstream	11,492	10,810
Gas Natural Fenosa	4,567	4,647
Corporate and others	2,863	3,128
TOTAL	**30,089**	**43,869**

	2015
ROACE (%)	**3.0**
ROACE at CCS (%)	**4.0**

OPERATING INDICATORS

THIRD QUARTER 2015

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2014	Q2 2014	Q3 2014	January - September 2014	Q1 2015	Q2 2015	3Q 2015	January - September 2015	% Change 2015/2014
HYDROCARBON PRODUCTION	**kboe/d**	**341.8**	**338.1**	**365.9**	**349.0**	**354.6**	**525.4**	**653.4**	**512.2**	**46.8**
Liquids production	**kboe/d**	**130.7**	**121.5**	**141.4**	**131.4**	**132.2**	**202.9**	**244.0**	**193.5**	**47.3**
Europe, Africa & Brazil	kboe/d	36.9	25.2	44.1	35.4	33.0	61.2	80.6	58.4	64.9
South America	kboe/d	56.1	57.4	58.5	57.5	61.0	66.4	67.4	65.0	13.0
North America	kboe/d	26.9	28.0	27.9	27.6	27.4	48.6	62.4	46.3	67.5
Asia & Russia	kboe/d	10.8	10.9	10.8	10.8	10.8	26.8	33.7	23.8	120.1
Natural gas production	**kboe/d**	**211.1**	**216.6**	**224.5**	**217.6**	**222.4**	**322.4**	**409.3**	**318.7**	**46.5**
Europe, Africa & Brazil	kboe/d	6.5	6.7	6.4	6.5	9.9	12.1	14.8	12.3	87.9
South America	kboe/d	192.6	197.4	204.1	198.2	196.3	186.3	198.4	193.7	-2.3
North America	kboe/d	5.3	6.1	7.0	6.1	8.8	79.6	129.9	73.2	1091.7
Asia & Russia	kboe/d	6.7	6.4	6.9	6.7	7.4	44.5	66.2	39.6	493.1
Natural gas production	**(Million scf/d)**	**1,185.3**	**1,216.4**	**1,260.5**	**1,221.6**	**1,248.6**	**1,810.5**	**2,298.5**	**1,789.7**	**46.5**

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2014	Q2 2014	3Q 2014	Jan - Sep 2014	Q1 2015	Q2 2015	Q3 2015	Jan - Sep2015	% Variation 2015/2014
PROCESSED CRUDE OIL	**Mtoe**	**9.1**	**10.1**	**10.4**	**29.6**	**9.9**	**10.9**	**11.5**	**32.4**	**9.4**
Europe	Mtoe	8.2	9.3	9.6	27.1	9.1	9.9	10.7	29.7	9.5
Rest of the world	Mtoe	0.8	0.8	0.8	2.5	0.8	1.0	0.9	2.6	7.1
SALES OF OIL PRODUCTS	**kt**	**9,845**	**11,298**	**11,387**	**32,530**	**10,731**	**11,990**	**12,571**	**35,292**	**8.5**
Europe Sales	kt	**8,803**	**10,243**	**10,278**	**29,324**	**9,667**	**10,821**	**11,354**	**31,842**	**8.6**
Own network	kt	**4,574**	**4,772**	**5,080**	**14,426**	**5,079**	**5,235**	**5,529**	**15,843**	**9.8**
Light products	kt	3,985	4,062	4,390	12,437	4,176	4,280	4,480	12,936	4.0
Other Products	kt	589	710	690	1,989	903	955	1,049	2,907	46.2
Other Sales to Domestic Market	kt	**1,706**	**1,924**	**1,812**	**5,442**	**1,924**	**1,874**	**2,014**	**5,812**	**6.8**
Light products	kt	1,629	1,878	1,755	5,262	1,852	1,814	1,946	5,612	6.7
Other Products	kt	77	46	57	180	72	60	68	200	11.1
Exports	kt	**2,523**	**3,547**	**3,386**	**9,456**	**2,664**	**3,712**	**3,811**	**10,187**	**7.7**
Light products	kt	632	1,286	1,301	3,219	1,219	1,512	1,721	4,452	38.3
Other Products	kt	1,891	2,261	2,085	6,237	1,445	2,200	2,090	5,735	(8.0)
Rest of the world sales	kt	**1,042**	**1,055**	**1,109**	**3,206**	**1,064**	**1,169**	**1,217**	**3,450**	**7.6**
Own network	kt	**490**	**542**	**525**	**1,557**	**469**	**535**	**520**	**1,524**	**(2.1)**
Light products	kt	450	489	490	1,429	446	477	482	1,405	(1.7)
Other Products	kt	40	53	35	128	23	58	38	119	(7.0)
Other Sales to Domestic Market	kt	**333**	**319**	**330**	**982**	**276**	**305**	**312**	**893**	**(9.1)**
Light products	kt	274	274	295	843	241	265	269	775	(8.1)
Other Products	kt	59	45	35	139	35	40	43	118	(15.1)
Exports	kt	**219**	**194**	**254**	**667**	**319**	**329**	**385**	**1,033**	**54.9**
Light products	kt	80	124	97	301	165	108	132	405	34.6
Other Products	kt	139	70	157	366	154	221	253	628	71.6
CHEMICALS										
Sales of petrochemical products	kt	**653**	**680**	**681**	**2,015**	**741**	**683**	**701**	**2,125**	**5.5**
Europe	kt	**558**	**547**	**566**	**1,671**	**615**	**599**	**600**	**1,814**	8.6
Base	kt	205	188	203	595	196	219	225	640	7.5
Derivative	kt	353	360	363	1,076	419	381	375	1,174	9.2
Rest of the world	kt	**96**	**133**	**115**	**344**	**125**	**84**	**102**	**311**	(9.5)
Base	kt	12	39	32	83	34	23	21	78	(6.7)
Derivative	kt	84	94	83	261	92	61	81	234	(10.4)
LPG										
LPG sales	kt	**670**	**549**	**599**	**1,819**	**704**	**526**	**459**	**1,689**	**(7.1)**
Europe	kt	420	301	332	1,053	453	273	217	943	(10.5)
Rest of the world	kt	250	248	267	765	251	254	242	747	(2.5)

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

Exports: expressed form the country of origin

APPENDIX II – CONSOLIDATED FINANCIAL STATEMENTS

THIRD QUARTER 2015

STATEMENT OF FINANCIAL POSITION

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

	DECEMBER 2014	SEPTEMBER 2015
NON-CURRENT ASSETS		
Goodwill	498	3,254
Other intangible assets	1,361	1,613
Property, plant and equipment	17,141	31,046
Investment property	23	23
Investments accounted for using the equity method	11,110	12,122
Non-current financial assets :		
Non-current financial instruments	532	805
Others	61	84
Deferred tax assets	3,967	4,100
Other non-current assets	155	239
CURRENT ASSETS		
Non-current assets held for sale	98	215
Inventories	3,931	3,718
Trade an other receivables	5,685	6,484
Other current assets	176	315
Other current financial assets	2,513	1,563
Cash and cash equivalents	4,638	2,019
TOTAL ASSETS	**51,889**	**67,600**
TOTAL EQUITY		
Attributable to equity holders of the parent	27,937	30,460
Attributable to minority interests	217	286
NON-CURRENT LIABILITIES		
Grants	9	8
Non-current provisions	2,386	6,663
Non-current financial debt	7,612	11,461
Deferred tax liabilities	1,684	2,410
Other non-current liabilities		
Non-current debt for finance leases	1,414	1,508
Other	387	506
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	-	13
Current provisions	240	629
Current financial liabilities	4,086	7,732
Trade payables and other payables:		
Current debt for finance leases	176	199
Other payables	5,741	5,725
TOTAL LIABILITIES	**51,889**	**67,600**

INCOME STATEMENT

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

	QUARTERLY DATA			JANUARY - SEPTEMBER	
	Q3 14	Q2 15	Q3 15	2014	2015
Operating income	**306**	**388**	**(185)**	**736**	**498**
Financial result	12	(193)	(199)	222	242
Income from equity affiliates	158	185	(23)	837	235
Net income before tax	**476**	**380**	**(407)**	**1,795**	**975**
Income tax	(160)	(63)	195	(410)	(104)
Net income from continuing operations	**316**	**317**	**(212)**	**1,385**	**871**
Net income from non-controlling interest	4	(25)	(9)	(6)	(39)
NET INCOME FROM CONTINUING OPERATIONS	**320**	**292**	**(221)**	**1,379**	**832**
Net income for the year from discontinuing operations	(1)	-	-	267	-
NET INCOME	**319**	**292**	**(221)**	**1,646**	**832**
Earning per share attributible to the parent company (*)					
Euros/share	0.23	0.20	(0.16)	1.18	0.59
USD/ADR	0.29	0.23	(0.18)	1.48	0.66
Average number of shares	1,399,990,134	1,397,489,438	1,390,240,256	1,399,485,766	1,394,506,138
Exchange rates USD/EUR at the end of each quarter	1.26	1.12	1.12	1.26	1.12

(*) 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, January 2015 and July 2015 accordingly, share capital is currently represented by 1,400,361,059 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.

To calculate EPS the interest expense from the perpetual obligations (€15 million after taxes as of September 2015) has been adjusted .

CASH FLOW STATEMENT

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

	JANUARY - SEPTEMBER	
	2014	2015
I. CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Net income before taxes	1,795	975
Adjustments to net income		
Depreciation and amortisation of non current assets	1,348	2,193
Other adjustments to results (net)	(847)	(302)
EBITDA	**2,296**	**2,866**
Changes in working capital	**93**	**85**
Dividends received	481	407
Income taxes received/ (paid)	(565)	(296)
Other proceeds from/ (payments for) operating activities	(177)	(333)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(261)**	**(222)**
	2,128	**2,729**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (*)		
Payments for investment activities		
Group companies, associates and business units	(18)	(8,648)
Property, plant and equipment, intangible assets and investment properties	(1,843)	(2,026)
Other financial assets	(916)	(246)
Payments for investment activities	**(2,777)**	**(10,920)**
Proceeds from divestments	**4,777**	**1,585**
Other cashflow	-	**494**
	2,000	**(8,841)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES (*)		
Issuance of own capital instruments	-	995
Proceeds from/(payments for) equity instruments	27	(135)
Proceeds from issue of financial liabilities	3,739	8,970
Payments for financial liabilities	(5,653)	(6,426)
Payments for dividends and payments on other equity instruments	(1,711)	(488)
Interest payments	(475)	(498)
Other proceeds from/(payments for) financing activities	(11)	1,017
	(4,084)	**3,435**
Effect of changes in exchange rates from continued operations	**108**	**58**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**152**	**(2,619)**
Cash flows from operating activities from discontinued operations	(86)	-
Cash flows from investment activities from discontinued operations	535	-
Cash flows from financing activities from discontinued operations	(1)	-
Effect of changes in exchange rates from discontinued operations	-	-
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**448**	-
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5,716**	**4,638**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**6,316**	**2,019**

(*) Cash flows from continued operations

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

THIRD QUARTER 2015

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

(Unaudited figures)

	Q3 2014					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	637	(188)	(40)	(103)	(331)	306
Financial result	(12)	23	1	-	24	12
Income from equity affiliates	96	62	-	-	62	158
Net income before tax	**721**	**(103)**	**(39)**	**(103)**	**(245)**	**476**
Income tax	(301)	103	7	31	141	(160)
Net income from continued operations	**420**	**-**	**(32)**	**(72)**	**(104)**	**316**
Income attributed to minority interests	(5)	-	-	9	9	4
NET INCOME FROM CONTINUED OPERATIONS	**415**	**-**	**(32)**	**(63)**	**(95)**	**320**
Income from discontinued operations						(1)
ADJUSTED NET INCOME	**415**	**-**	**(32)**	**(63)**	**(95)**	**319**

	Q2 2015					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	522	(99)	(159)	124	(134)	388
Financial result	(199)	7	(1)	-	6	(193)
Income from equity affiliates	109	76	-	-	76	185
Net income before tax	**432**	**(16)**	**(160)**	**124**	**(52)**	**380**
Income tax	(101)	16	57	(35)	38	(63)
Net income from continued operations	**331**	**-**	**(103)**	**89**	**(14)**	**317**
Income attributed to minority interests	(19)	-	-	(6)	(6)	(25)
NET INCOME FROM CONTINUED OPERATIONS	**312**	**-**	**(103)**	**83**	**(20)**	**292**
Income from discontinued operations						-
ADJUSTED NET INCOME	**312**	**-**	**(103)**	**83**	**(20)**	**292**

	Q3 2015					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	511	13	(303)	(406)	(696)	(185)
Financial result	(223)	24	-	-	24	(199)
Income from equity affiliates	105	(128)	-	-	(128)	(23)
Net income before tax	**393**	**(91)**	**(303)**	**(406)**	**(800)**	**(407)**
Income tax	(206)	91	195	115	401	195
Net income from continued operations	**187**	**-**	**(108)**	**(291)**	**(399)**	**(212)**
Income attributed to minority interests	(28)	-	-	19	19	(9)
NET INCOME FROM CONTINUED OPERATIONS	**159**	**-**	**(108)**	**(272)**	**(380)**	**(221)**
Income from discontinued operations	-	-	-	-		-
ADJUSTED NET INCOME	**159**	**-**	**(108)**	**(272)**	**(380)**	**(221)**

€ Million	JANUARY - SEPTEMBER 2014					
		ADJUSTMENTS				
	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	1,795	(652)	(223)	(184)	(1,059)	736
Financial result	(188)	(34)	444	-	410	222
Income from equity affiliates	391	397	49	-	446	837
Net income before tax	**1,998**	**(289)**	**270**	**(184)**	**(203)**	**1,795**
Income tax	(643)	289	(111)	55	233	(410)
Net income from continued operations	**1,355**	**-**	**159**	**(129)**	**30**	**1,385**
Income attributed to minority interests	(18)	-	-	12	12	(6)
NET INCOME FROM CONTINUED OPERATIONS	**1,337**	**-**	**159**	**(117)**	**42**	**1,379**
Income from discontinued operations	-	-	-	-	-	267
ADJUSTED NET INCOME	**1,337**	**-**	**159**	**(117)**	**42**	**1,646**

€ Million	JANUARY - SEPTEMBER 2015					
		ADJUSTMENTS				
	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	1,620	(89)	(539)	(494)	(1,122)	498
Financial result	233	(13)	22	-	9	242
Income from equity affiliates	340	(105)	-	-	(105)	235
Net income before tax	**2,193**	**(207)**	**(517)**	**(494)**	**(1,218)**	**975**
Income tax	(730)	207	279	140	626	(104)
Net income from continued operations	**1,463**	**-**	**(238)**	**(354)**	**(592)**	**871**
Income attributed to minority interests	(64)	-	-	25	25	(39)
NET INCOME FROM CONTINUED OPERATIONS	**1,399**	**-**	**(238)**	**(329)**	**(567)**	**832**
Income from discontinued operations	-	-	-	-	-	-
ADJUSTED NET INCOME	**1,399**	**-**	**(238)**	**(329)**	**(567)**	**832**

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

	DECEMBER 2014			SEPTEMBER 2015		
	Proforma	Reclasification of JV (1)	IFRS-EU	Proforma	Reclasification of JV (1)	IFRS-EU
NON-CURRENT ASSETS						
Non-current financial instruments	284	248	532	310	495	805
CURRENT ASSETS						
Other current financial assets	1,708	805	2,513	559	1,004	1,563
Cash and cash equivalents	5,027	(389)	4,638	2,365	(346)	2,019
NON-CURRENT LIABILITIES						
Non-current financial debt	(7,613)	1	(7,612)	(11,591)	130	(11,461)
CURRENT LIABILITIES						
Current financial liabilities	(1,532)	(2,554)	(4,086)	(4,864)	(2,868)	(7,732)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET						
Net mark-to-market valuation of financial derivaties (excluding exchange rate) (2)	191	-	191	98	-	98
NET DEBT	**(1,935)**		**(3,824)**	**(13,123)**		**(14,708)**

(1) Mainly corresponding to the financial contribution by Repsol Sinopec Brazil which is detailed in the following captions:
2014: "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.
2015: "Cash and cash equivalents" amounting to €11 million; "Current financial liabilities" for intragroup loans amounting to €2,745 million; and €245 million in loans with third parties.

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

	JANUARY - SEPTEMBER							
	2014				2015			
	Proforma	Reclasification of JV	Financial investments/ divestments	IFRS-EU	Proforma	Reclasification of JV	Financial investments/ divestments	IFRS-EU
I. CASH FLOWS FROM OPERATING ACTIVITIES (1)								
EBITDA	**3,249**	**(953)**		**2,296**	**3,394**	**(528)**		**2,866**
Changes in working capital	24	69		93	**146**	**(61)**		**85**
Dividends received (2)	285	196		481	279	128		407
Income taxes received/ (paid)	(829)	264		(565)	(401)	105		(296)
Other proceeds from/ (payments for) operating activities (2)	(177)	-		(177)	(358)	25		(333)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**2,552**	**(424)**		**2,128**	**3,060**	**(331)**		**2,729**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (1)								
	2,160	**744**	**(904)**	**2,000**	**(11,116)**	**973**	**1,302**	**(8,841)**

(1) Cash flows from continued operations
(2) These concepts are included in the Net Debt evolution chart within the caption "Interests and other movements"

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