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FIRST QUARTER 2012 RESULTS

PRESS RELEASE
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9 pages

REPSOL NET PROFIT, EXCLUDING YPF, RISES 12.4% TO 643 MILLION EUROS

- **Total net profit, including YPF and Repsol YPF Gas, was 792 million euros, an improvement of 3.5%.**
- **In the interests of transparency and to facilitate the analysis of the company's earnings, in addition to the accounts presented according to IFRS, Repsol has decided to also present its earnings excluding YPF and Repsol YPF Gas's contribution during the period following the Argentine Government's unlawful expropriation of a 51% stake in YPF, decreed on 16 April.**
- **Repsol's EBITDA, ex-YPF, increased 10.5%, to 1.926 billion euros.**
- **Repsol continued to accumulate exploratory success, including the Pão de Açucar find in Brazil, one of the world's three largest discoveries in 2012. Upstream earnings rose 33.5% due to higher production from the Gulf of Mexico, the return to normality of activity in Libya and the favourable evolution of the company's crude realization prices.**
- **Repsol's operating income, ex-YPF, grew 8.7% in the first quarter of the year to 1.33 billion euros.**
- **Repsol maintains a strong financial position and sufficient liquidity to cover its short-term debt maturity 3.5 times. The Repsol Group's net debt, excluding Gas Natural Fenosa, YPF and Repsol YPF Gas, fell by 662 million euros from end-2011.**
- **On May 29 Repsol will present its 2012-2016 strategic plan, centred around the organic growth of the Upstream unit, the consolidation of conversion rates at the expanded Cartagena and Bilbao refineries, a more balanced asset portfolio, the preservation of its financial solidity and an adequate shareholder return.**

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*On **16 April**, the Argentine government announced, decreed and executed its decision to expropriate 51% of YPF's class D shares, all belonging to Repsol. It also ordered the intervention of YPF, S.A. and appointed Minister of Planning, Julio de Vido, as administrator of the company, granting him all the powers of the Board of Directors.*

*On **18 April** 2012, the Argentine government carried out the exact same measure with Repsol YPF Gas S.A., a company in which Repsol owned approximately 85%.*

*In order to facilitate the analysis of the Repsol Group's results and financial situation, the information contained in this press release refers to the adjusted financial statements of the Group that isolate and identify **the part corresponding to YPF and Repsol YPF Gas**. The intermediate declaration registered at the CNMV today contains the consolidated financial statements as of 31 March 2012, in accordance with IFRS.*

Repsol in the first quarter of the year posted net income of 643 million euros, 12.4% higher than the 572 million euros reported in the year-earlier period. Including YPF, quarterly net profit rose to 792 million euros, an improvement of 3.5% from 765 million euros the previous year.

The improved results are mainly due to the improvement of Repsol's crude oil and gas realization prices, which increased 15.5% and 12.1% respectively, as well as the return to normality of activity in Libya and the excellent results achieved by the LNG division.

Repsol's operating income rose 8.7% to 1.33 billion euros in the first three months of the year compared with 1.223 billion euros reported in the year-earlier period.

Business management led to a 33.5% growth in the Upstream unit's operating income and a 37.4% improvement in the LNG division's results. The Downstream unit's operating income declined 24.6%, directly affected by the financial crisis that had an impact on Chemicals, LPG and Marketing. The increase in refining margins in Spain and the greater optimization of production partially offset this impact.

The Repsol Group's net financial debt, excluding Gas Natural Fenosa and YPF, was 4.174 billion euros at the end of the quarter--a reduction of 662 million euros compared with the net debt at the close of 2011. Especially significant is the high EBITDA generated in the period, reaching 1.926 billion euros, 10.5% higher than the 1.743 billion in the year-earlier period.

In addition, shares held by Repsol as treasury stock representing 5% of were placed among professional and qualified investors in January 2012, for 1.364 billion euros. In the first quarter, the interim dividend for 2011 paid was paid for a total amount of 635 million euros.

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Repsol retains a strong financial position with sufficient liquidity to cover 3.5 times its short-term debt maturities. The net debt to capital employed ratio, excluding Gas Natural Fenosa, YPF and Repsol YPF Gas was 12.8% at the end of the period, 22.1% when taking preference shares into account.

UPSTREAM: GROWTH VECTOR

The Upstream unit's operating income at the end of the first quarter of 2012 was 654 million euros, 33.5% higher than the previous-year period. The increase is mainly due to higher crude oil and gas realization prices, and greater liquids production in Libya and the Shenzi field (United States).

Especially significant was the increase in Repol's gas realization price, which rose 12.1%, despite the significant decline of Henry Hub prices, which fell 33.4% over the period. Similarly, Repsol's crude oil realization prices increased 15.5%, more that international benchmark crude oil prices, 12.5% for Brent and 8.9% for WTI. This growth in Repsol's realization prices had a positive impact on the income of 106 million euros net of royalties.

Production for the quarter was 323,297 barrels of oil equivalent per day, similar to the same period in 2011. In Libya, production increased 33% to reach 90% of pre-war levels.

Production also increased at Shenzi (United States) following the lifting of the drilling moratorium, with Repsol achieving a net production for the quarter of 30,426 barrels of oil equivalent per day. Trinidad and Tobago produced 9% less, primarily due to maintenance work and a scheduled shutdown for improvements to facilities.

In February Repsol announced a significant oil discovery at the Pão de Açúcar well in the deep water Campos Basin (Brazil), listed as one of the three largest finds made worldwide in 2012. Two columns of hydrocarbons were found with a total thickness of 500 metres, one of the thickest found until now in Brazil. First appraisals indicate that the discovery has significant potential for high-quality resources with excellent flow rates.

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In Alaska, Repsol completed its campaign with the drilling of the Kachemach and Qugruk wells and is evaluating initial data. The company intends to continue with the definition of the fields in the area during next winter's drilling campaign.

Also in February, Repsol began to incorporate production and reserves from non-conventional hydrocarbons from the Mississippian Lime formation in the United States as planned.

Repsol is currently drilling four exploration wells in Brazil's Santos 44 block (Itaborai), in Bolivia (Sararenda), in Guyana (Jaguar) and in Cuba (Jagüey).

Operating investments in the Upstream unit were 610 million euros, 39.9% more than in the first three months of 2011. Investments in development went primarily to the United States, Trinidad and Tobago, Venezuela, Brazil and Bolivia. Exploration investments were mainly set aside for the United States, Brazil, Cuba and Sierra Leone.

During this period, Phase 1 of the Margarita Huacaya project in Bolivia was completed and put into operation, increasing processing capacity to 9 million cubic metres a day. The project includes a second phase which will allow processing capacity to increase to 15 million cubic metres a day at the start of 2014. Repsol, with a 37.5% share. operates this project in a consortium that includes BG Bolivia Corporation (37.5%) and PAE E&P Bolivia Limited (25%).

Operating income at the LNG business in the first quarter was 158 million euros, compared to 115 million euros for the same period the previous year. The 37.4% improvement was mainly due to better LNG margins.

DOWNSTREAM: EUROPE'S SECOND-HIGHEST INTEGRATED REFINING MARGIN

The start-up of the expanded Cartagena refinery, already at full capacity, and Bilbao allowed for a significant increase in distilled volumes in Spain, but did not fully compensate the negative effect of the economic crisis on the Chemicals business, lower sales at the Marketing division's petrol stations and narrower LPG margins. This explains the 24.6% decrease in the operating income of the Downstream unit (Refining, Marketing, LPG, Trading and Chemicals) in the first quarter of 2012 to 332 million euros at the close of the period.

The refining business had a positive impact of 9 million euros on the earnings of this area, due to the abovementioned rise in the refining volume in Spain, and the optimization of production which resulted in an improved margin. Repsol's integrated refining margin is the second-highest in Europe.

Operating investment in the Downstream unit was 138 million euros for the quarter, less than the same period in 2011 as a result of the completion of the expansion and conversion projects for Cartagena and the fuel oil reduction unit in Bilbao.

GAS NATURAL FENOSA

The operating income of Gas Natural Fenosa for the first quarter of this year was 246 million euros, in line with the 247 million euros in the same period in 2011.

Gas Natural Fenosa's operating investments in the first three months of 2012 totalled 67 million euros, spent mainly on electricity and gas distribution in Spain and Latin America.

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REPSOL ADJUSTED RESULTS ex YPF (*)
(Million Euro)
(Unaudited figures)

	January – March		Change
	2011	2012	%
Net income	572	643	12.4
Operating income	1,223	1,330	8.7
Recurrent net income	593	645	8.8
Recurrent operating income	1,228	1,332	8.5

(*) Does not include YPF, Repsol YPF Gas nor societies in which the companies participate for either period.

REPSOL SUMMARISED INCOME STATEMENT
(Million Euro)
(Unaudited figures)
YPF and Repsol YPF Gas contribution reported on a separate line

	January – March		Change
	2011	2012	%
EBITDA	1,743	1,926	10.5
Operating income	1,223	1,330	8.7
Financial expenses	(231)	(260)	12.5
Share in income from companies carried by the equity method	20	27	35.0
Income before income tax	1,012	1,097	8.4
Income tax	(400)	(433)	8.2
Income for the period	612	664	8.5
Income attributable to minority interests ex YPF	(40)	(21)	(47.5)
EX YPF NET INCOME	**572**	**643**	**12.4**
YPF Net income (*)	193	149	(22.8)
NET INCOME	**765**	**792**	3.5

(*) Includes net result of tax and associates underwritten by YPF S.A., Repsol YPF Gas S.A. and the subsidiaries of the two companies in each period

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BREAKDOWN OF REPSOL OPERATING PROFIT, BY BUSINESSES ex YPF (*)

(Million Euro)

(Unaudited figures)

(ex YPF & ex Repsol YPF Gas)

	January - March		Change
	2011	2012	%
Upstream	490	654	33.5
LNG	115	158	37.4
Downstream	440	332	(24.6)
Gas Natural Fenosa	247	246	(0.4)
Corporate & adjustments	(69)	(60)	(13.0)
TOTAL	**1,223**	**1,330**	**8.7**

(*) Does not include YPF, Repsol YPF Gas nor societies in which the companies participate for either period.

"CORE BUSINESS" OPERATING HIGHLIGHTS ex YPF (*)

	January – March		Change
	2011	2012	%
Oil and gas production (Thousand boepd)	324	323	(0.3)
Crude processed (million tons)	7.3	8.2	12.4
Sales of oil products (Thousand tons)	9,251	10,138	9.6
Sales of petrochemical products (Thousand tons)	710	593	(16.5)
LPG sales (Thousand tons)	784	782	(0.2)

(*) Does not include YPF, Repsol YPF Gas nor societies in which the companies participate for either period.

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REPSOL YPF COMPARATIVE BALANCE SHEET

(Million Euros)

(Unaudited figures)

YPF and Repsol YPF Gas contribution reported on a separate line (*)

	DECEMBER 2011	MARCH 2012
NON-CURRENT ASSETS		
Goodwill	2,779	2,770
Other intangible assets	2,894	3,173
Property, plant & equipment	27,616	27,351
Real-Estate Investments	24	24
Equity-accounted financial investments	669	674
Non-current financial assets	2,461	2,374
Deferred tax assets	2,355	2,391
Other non-current financial assets	242	250
YPF consolidated net value (*)	4,166	4,180
CURRENT ASSETS		
Non-current assets classified as held for sale (*)	258	269
Inventories	6,004	6,203
Trade and other receivables	7,931	8,037
Other current assets	138	132
Other current financial assets	665	437
Cash and cash equivalents	2,403	4,396
TOTAL ASSETS	**60,605**	**62,661**
TOTAL EQUITY		
Attributable to equity holders of the parent	23,538	25,156
Attributable to minority interests	791	795
NON-CURRENT LIABILITIES		
Subsidies	71	69
Non-current provisions	2,144	2,111
Non-current financial debt	14,603	15,526
Deferred tax liabilities	2,730	2,660
Other non-current liabilities	3,648	3,634
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale	32	35
Current provisions	271	258
Current financial debt	3,517	3,557
Trade and other payables	9,260	8,860
TOTAL LIABILITIES	**60,605**	**62,661**

(*) consolidated net assets and liabilities and minority interests associated to YPF S.A., Repsol YPF Gas S.A. and the subsidiaries of both companies are included

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