4Q 2012
Earnings Preview

REPSOL

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As a result of the expropriation process of YPF S.A. and YPF Gas, S.A. shares (formerly known as Repsol YPF Gas, S.A.) held by the Repsol Group, the financial information for the January-December 2011 period and for the fourth quarter of that year, unless stated otherwise, has been restated for comparison purposes in accordance with applicable accounting standards. The accounting standards applied for recording the effects of the expropriation process are described in Note 3 (Changes in the Group's structure) in the interim consolidated financial statements at 30 June 2012, filed with the Spanish Securities Exchange Commission (Comisión Nacional del Mercado de Valores) on 26 July 2012.

In addition, the average number of outstanding shares used for calculating earnings per share at 31 December 2011 and in the fourth quarter of that year has been modified in accordance with applicable accounting standards to include the effect of the capital increases carried out for implementing the shareholders' remuneration scheme known as "*Repsol dividendo flexible*" (Repsol flexible dividend). The definitive figures of the foregoing were published in the corresponding relevant events of 6 July 2012 (Registration Number 169180) and on 11 January 2013 (registration number 180966).

1. INCOME FROM CONTINUED OPERATIONS (M€)

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	FOURTH QUARTER 2012 RESULTS	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
493	1,455	**858**	74.0	**CCS OPERATING INCOME**	3,118	**4,285**	37.4
209	671	**313**	49.8	**CCS NET INCOME**	1,407	**1,878**	33.5
504	1,251	**1,053**	108.9	**CCS ADJUSTED OPERATING INCOME**	2,966	**4,321**	45.7
241	496	**517**	114.5	**CCS ADJUSTED NET INCOME**	1,329	**1,954**	47.0
477	1,577	**743**	55.8	**OPERATING INCOME**	3,549	**4,286**	20.8
198	752	**235**	18.7	**NET INCOME**	1,657	**1,890**	14.1
488	1,373	**938**	92.2	**ADJUSTED OPERATING INCOME**	3,397	**4,322**	27.2
230	577	**439**	90.9	**ADJUSTED NET INCOME**	1,579	**1,966**	24.5

2. NET INCOME (*) (M€)

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	FOURTH QUARTER 2012 RESULTS	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
303	679	**342**	12.9	**CCS NET INCOME**	1,943	**2,048**	5.4
292	760	**264**	-9.6	**NET INCOME**	2,193	**2,060**	-6.1

(*) This figure includes both continued and discontinued operations (mainly YPF and YPF Gas – formerly Repsol YPF Gas)

FOURTH QUARTER 2012 MAIN HIGHLIGHTS AND KEY FINANCIAL FIGURES

All the details provided below refer to income from continued operations.

- **CCS adjusted net income** in fourth quarter 2012 was 517 M€ and **CCS adjusted operating income** amounted to 1,053 M€, both figures higher than in the same year-ago quarter (115% and 109%, respectively).

- The key factors contributing to this growth were the resumption of operations in Libya (suspended from March to November 2011), earnings growth in Bolivia (thanks to the start of production of Phase I of the Margarita-Huacaya project), and increased income in Refining in Spain due to wider margins, offset by reduced sales and margins at pump stations in Spain.

- **Average Upstream production in fourth quarter 2012 reached 347 Kboepd**, 19% higher year-on-year. Production growth was mainly the result of the recovered production in Libya and the start-up of four of the Company's ten key projects contemplated in the strategic plan. Also worth mentioning is the Sapinhoa (formerly Guará) field in Brazil which came on stream on 5 January 2013 and is currently producing 17 Kboepd thereby marking the start-up of the fifth key project envisioned in the strategic plan.

January – December 2012 results

- **CCS adjusted net income in 2012** amounted to 1,954 M€, 47% higher than in 2011. The main factors behind this growth were the resumption of operations in Libya, earnings growth in Bolivia and enhanced earnings performance in the Refining area on the back of wider margins, although this was offset by the weaker performance of the Chemical business and decreased sales at pump stations in Spain.

- At year-end 2012, the **proven reserve replacement rate stood at 204%.** This is the third consecutive year in which Repsol's replacement rate at the end of the year was above 120%.

- The **Group's net financial debt, excluding Gas Natural Fenosa**, at the end of fourth quarter 2012 totalled 4,432 M€, which is 486 M€ and 404 M€ less in comparison with the figures at the end of the third quarter 2012 and full year 2011, respectively. The debt net/capital employed ratio, excluding Gas Natural Fenosa, at 31 December 2012 stood at 12.9% which, taking preference shares into account, would be 21.6%. Without considering capital employed in discontinued operations, the ratios would be 15.5% and 26.0%, respectively.

- The Repsol Group, excluding Gas Natural Fenosa, enjoys a sound financial position, maintaining at 31 December liquidity of 9.0 Bn€ (including committed and undrawn credit lines) sufficient to cover 3x its current debt maturities.

As a relevant event it is worth mentioning that as of 26 February 2013, Repsol has reached an agreement with Shell for the sale of its LNG assets for 6.7 Bn$ which includes the minority stakes in Atlantic LNG (Trinidad & Tobago,) Peru LNG and Bahia de Bizkaia Electricidad (BBE) as well as the LNG sale contracts and time charters with their associated loans and debt. The deal strengthens the company's balance sheet and financial position.

1. - BREAKDOWN OF RESULTS BY BUSINESS AREA

1.1.- UPSTREAM

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11		Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
207	657	**407**	96.6	**OPERATING INCOME** (M€)	1,413	**2,208**	56.3
196	634	**492**	151.0	**ADJUSTED OPERATING INCOME** (M€)	1,301	**2,303**	77.0
112	145	**145**	29.5	**LIQUIDS PRODUCTION** (Thousand boepd)	110	**142**	29.2
1,012	1,091	**1,137**	12.4	**GAS PRODUCTION (*)** (Million scf/d)	1,059	**1,068**	0.8
292	339	**347**	18.8	**TOTAL PRODUCTION** (Thousand boepd)	299	**332**	11.3
668	513	**801**	19.9	**OPERATING INVESTMENTS** (M€)	1,813	**2,423**	33.6
183	180	**145**	-20.8	**EXPLORATION EXPENSE** (M€)	382	**611**	59.9

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	INTERNATIONAL PRICES	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
109.4	109.5	**110.1**	0.6	**Brent** ($/Bbl)	111.3	**111.7**	0.4
94.1	92.2	**88.2**	-6.3	**WTI** ($/Bbl)	95.1	**94.1**	-1.1
3.5	2.8	**3.4**	-2.9	**Henry Hub** ($/MBtu)	4.0	**2.8**	-30.0
1.35	1.25	**1.30**	-3.7	**Average exchange rate** ($/€)	1.39	**1.28**	-7.9

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	REALISATION PRICES	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
86.6	85.5	**89.8**	3.7	**OIL** ($/Bbl)	84.2	**89.0**	5.7
3.7	3.7	**3.9**	5.4	**GAS** ($/Thousands scf)	3.5	**3.7**	5.7

(*) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboed

Adjusted operating income in fourth quarter 2012 was 492 M€, 151% higher than in fourth quarter 2011. This growth was mainly driven by the resumed operations in Libya and the resulting higher volume of liquids, the start-up of Phase I of Margarita-Huacaya, and lower exploration costs due to reduced amortization of bonds and wells, all of which was partially offset by higher technical depreciation.

- Increased production volumes, particularly of liquids in Libya and gas in Bolivia, increased income by 339 M€.
- Exploration costs were down by 48M€ in comparison with the last quarter in 2011 due to lower amortization of bonds and wells.
- Oil and gas realisation prices (outperforming international benchmarks) net of royalties, had a positive impact of 18M€.
- The appreciation of the dollar versus the Euro increased income by 12€.
- Greater amortization expenses, mainly in Libya, Trinidad and Tobago, and due to the start-up of Lubina-Montanazo, diminished income by 63M€.
- Other costs and inventory variations explain the remaining difference.

Average production in Upstream reached 347 Kboepd in fourth quarter 2012, up 19% year-on-year. This increase was mainly driven by the recovery of production in Libya, the start up of various key development projects (Phase I of Margarita-Huacaya in Bolivia, the incorporation of the Saneco and TNO assets in Russia, the start of production of Lubina and Montanazo in Spain, and the MidContinent project in the United States), all of which was partially offset by the disposal of Amodaimi (Ecuador) in September. Also worth mentioning is the *Sapinhoa* (formerly Guará) field in Brazil which **came on stream on 5 January 2013** and is currently producing **17 Kboepd**, thereby marking the **start up of the fifth key project envisioned in the strategic plan**.

January – December 2012 results

Adjusted operating income in 2012 totalled 2,303 M€, 77% more than in 2011, mainly as the result of resumed operations in Libya, enhanced earnings performance in Bolivia (basically because of the start up of Phase I in Margarita-Huacaya), and the appreciation of the dollar versus the Euro, all of which was partially offset by higher exploration costs and lower earnings in Trinidad and Tobago.

Average **production** in the 2012 (332 Kboepd) was 11% higher than in 2011 (299 Kboepd). This was due basically to the same factors behind production growth in the fourth quarter.

Operating investments

Operating investments in **fourth quarter 2012** in Upstream totalled 801 M€, 20% more than in 2011. Investments in development accounted for 61% of the total and were mainly earmarked for the U.S. (25%), Brazil (17%), Trinidad and Tobago (14%), Venezuela (12%), and Bolivia (8%). Net exploration investments, representing 12% of total investments, were basically in Peru and in the United States. The remaining investments correspond mainly to the incorporation of TNO in the AROG Joint Venture.

In the **2012**, investments in the Upstream division amounted to 2,423 M€, 34% more than in 2011. Development investments represented 60% of the total and were mainly in the United States (31%), Brazil (14%), Trinidad and Tobago (13%), Venezuela (11%), Bolivia (9%) and Peru (8%). Net exploration investments, representing 18% of total investments were basically in the United States (34%), Peru (21%) and Brazil (12%). The remaining amounts relate to the incorporation of the assets in Russia (Saneco and TNO) and MidContinent in the United States.

1.2.- LNG

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11		Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
110	188	**110**	0.0	**OPERATING INCOME** (M€)	386	535	38.6
112	189	**110**	-1.8	**ADJUSTED OPERATING INCOME** (M€)	388	535	37.9
52.0	49.1	**43.2**	-16.9	**ELECTRICITY PRICES IN THE SPANISH ELECTRICITY POOL** (€/MWh)	49.9	47.3	-5.2
102.8	103.8	**99.1**	-3.6	**LNG SALES** (TBtu)	435.6	404.6	-7.1
7	9	**9**	28.6	**OPERATING INVESTMENTS**(M€)	18	35	94.4

1 TBtu= 1,000,000 MBtu
1 bcm= 1,000 Mm^3= 39.683 TBtu

Adjusted operating income in fourth quarter 2012 was 110M€, in line with the figure posted in the same year-ago period.

January – December 2012 results

At 535 M€, **adjusted operating income** in 2012 was up 38% year-on-year mainly thanks to wider LNG marketing margins.

Operating investments

Operating investments in the fourth quarter and in full-year 2012 in the LNG area totalled 9 M€ and 35 M€, respectively. These investments are mainly due to expenditures in maintenance activities and investments in development projects.

As a relevant event it is worth mentioning that as of 26 February 2013, Repsol has reached an agreement with Shell for the sale of its LNG assets for 6.7 Bn$ which includes the minority stakes in Atlantic LNG (Trinidad & Tobago,) Peru LNG and Bahia de Bizkaia Electricidad (BBE) as well as the LNG sale contracts and time charters with their associated loans and debt. The deal strengthens the company's balance sheet and financial position. For more information, please refer to "Highlights" caption on page 14 of this earnings preview.

1.3.- DOWNSTREAM

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11		Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
123	494	**235**	91.1	**CCS OPERATING INCOME**(M€)	751	**1,012**	34.8
130	307	**326**	150.8	**CCS ADJUSTED OPERATING INCOME** (M€)	767	**920**	19.9

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11		Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
107	616	**120**	12.1	**OPERATING INCOME** (M€)	1,182	**1,013**	-14.3
114	429	**211**	85.1	**ADJUSTED OPERATING INCOME** (M€)	1,198	**921**	-23.1
9,262	11,119	**11,648**	25.8	**OIL PRODUCT SALES** (Thousand tons)	37,805	**42,744**	13.1
613	538	**636**	3.8	**PETROCHEMICAL PRODUCT SALES** (Thousand tons)	2,659	**2,308**	-13.2
706	507	**641**	-9.2	**LPG SALES** (Thousand tons)	2,698	**2,537**	-6.0
645	155	**216**	-66.5	**OPERATING INVESTMENTS**(M€)	1,704	**666**	-60.9

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	**REFINING MARGIN INDICATOR** ($/Bbl)	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
0.8	6.4	**6.3**	687.5	**Spain**	1.6	**5.3**	231.3

CCS adjusted operating income in Downstream in fourth quarter 2012, at 326 M€, was 151% higher year-on-year

The rise in CCS adjusted operating income in this quarter in comparison with the same quarter a year earlier is due to the following:

- In **Refining,** wider margins and greater volumes of distillates (mainly after the start-up of the Cartagena enlargement project) had a positive impact of 258 M€.
- In the **Marketing and LPG** commercial activities, lower sales volumes and narrower margins had a negative impact of 42 M€ in operating income.
- In **Chemicals,** the improved international scenario has offset the negative impact on operating income of a worse sales mix.
- The results of Trading and other activities explain the year-on-year variation.

January – December 2012 results

CCS adjusted operating income in 2012 totalled 920 M€, 20% higher year-on-year thanks to improved international refining margins, the contribution of the upgrades in the Cartagena and Bilbao facilities, and higher production volumes which were, nevertheless, offset by the sales drop at pump stations in Spain and the diminished earnings performance of the Chemical business.

Operating investments

Operating investments in the Downstream division in fourth quarter 2012 amounted to **216 M€** and **666 M€** during the entire year, being those mainly maintenance investments. In both cases, the amount is less than in the same year-ago period as a consequence of the completion of the enlargement and conversion projects at the Cartagena refinery and at the Bilbao heavy fuel reducer unit.

1.4.- GAS NATURAL FENOSA

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11		Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
175	226	**219**	25.1	**OPERATING INCOME** (M€)	887	**920**	3.7
185	231	**226**	22.2	**ADJUSTED OPERATING INCOME** (M€)	821	**930**	13.3
170	90	**157**	-7.6	**OPERATING INVESTMENTS** (M€)	582	**432**	-25.8

Adjusted operating income in fourth quarter 2012 in Gas Natural Fenosa amounted to 226 M€, 22% higher than the 185 M€ reported a year earlier.

This increase was mainly driven by wider marketing margins for wholesale gas sales and earnings growth in power marketing activities, partially offset by the drop in operating income in Unión Fenosa Gas.

January – December 2012 results

Adjusted operating income in Gas Natural Fenosa in 2012 was 930 M€, up 13% year-on-year, mainly driven by wider margins in wholesale gas sales and improved performance in Latin America, partially offset by the impact of the enactment of Royal Decree-Act 13/2012 on the power business and by the effect of divestments during the course of 2011 (mainly gas clients in Madrid and power distribution in Guatemala).

Operating investments

Operating investments at Gas Natural Fenosa in the fourth quarter and in full-year 2012 totalled **157 M€** and **432 M€**, respectively. Material investments were mainly earmarked for Gas and Power Distribution activities in Spain and in Latin America.

1.5.- CORPORATE AND OTHER

This caption reflects operating income/expenses of the Corporation and activities not attributable to operating areas as well as inter-segment consolidation adjustments.

An adjusted expense of 101 M€ was recorded in fourth quarter 2012.

2.- FINANCIAL INCOME/CHARGES AND DEBT

(*) This caption reflects data on the Group's financial income/charges and financial situation excluding Gas Natural Fenosa. Consolidated Group data are included in the tables detailing fourth quarter 2012 results (page 25 of this earnings preview).

Unaudited figures

BREAKDOWN OF NET DEBT (M€) – GROUP, EX GAS NATURAL FENOSA	3Q2012	4Q2012	% variation 4Q12/3Q12	2012
NET DEBT EX GAS NATURAL FENOSA AT THE BEGINNING OF THE PERIOD	**5,170**	**4,918**	**-4.9**	**6,775**
ELIMINATION OF YPF AND YPF Gas DEBT AT 31 DECEMBER 2011	-	-	-	-1,939
GROUP NET DEBT EX GAS NATURAL FENOSA AND YPF AT THE BEGINNING OF THE PERIOD	**5,170**	**4,918**	**-4.9**	**4,836**
EBITDA	-1,696	-1,159	-31.7	-5,419
VARIATION IN TRADE WORKING CAPITAL	67	-896	-	-758
INCOME TAX COLLECTIONS / PAYMENTS	472	344	-27.1	1,365
INVESTMENTS **(1)**	766	940	22.7	3,279
DIVESTMENTS **(1)**	-556	-57	-89.7	-637
DIVIDENDS AND OTHER PAYOUTS	242	0	-100.0	885
OWN SHARES TRANSACTIONS	1	-76	-	-1,388
TRANSLATION DIFFERENCES	114	68	-40.4	43
INTEREST EXPENSE AND OTHER MOVEMENTS **(2)**	348	119	-65.8	639
ASSOCIATED EFFECTS TO PETERSEN'S LOANS	-10	231	-	1,587
NET DEBT AT THE CLOSE OF THE PERIOD	**4,918**	**4,432**	**-9.9**	**4,432**
NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD	**7,949**	**7,432**	**-6.5**	**7,432**
Debt ratio (3)				
CAPITAL EMPLOYED (M€)	29,396	28,550	-2.9	28,550
NET DEBT / CAPITAL EMPLOYED (%)	**16.7**	**15.5**	**-7.2**	**15.5**
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	27.0	26.0	-3.7	26.0
ROACE before non-adjusted items (%)	9.6	7.2	-25.0	8.5

(1) At 31 December 2012, there were financial investments totalling 29 M€ and financial divestments for the amount of 186 M€ which are not included in this table.

(2) Mainly includes interest, dividends received, provisions, and the impact of changes in the scope of consolidation.

(3) Capital employed does not include discontinued operations. If these operations had been included, the net debt/capital employed ratio at 31 December 2012 would have been 12.9% and 21.6% taken preference shares into account. In addition, the ROACE reflected in the table does not include operating income or capital employed of discontinued operations.

The Group's net financial debt, excluding Gas Natural Fenosa, at the end of fourth quarter stood at 4,432 M€, which is 486 M€ and 404 M€ less in comparison with the figures at the end of the third quarter 2012 and full year 2011, respectively. EBITDA generated during the period coupled with the significant reduction in working capital, made it possible to totally cover tax obligations, investments and interest payments.

At 31 December 2012, the Repsol Group, excluding Gas Natural Fenosa, had a liquidity position of 9.0 Bn€ (including committed and undrawn credit lines), sufficient to cover 3x its current debt maturities. The net debt/capital employed ratio, excluding Gas Natural Fenosa, at the end of fourth quarter 2012, stood at 12.9% or 21.6% if preference shares are taken into account. Without considering capital employed in discontinued operations, these ratios would have been 15.5% and 26.0%, respectively.

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	FINANCIAL INCOME/EXPENSES OF THE GROUP EX GNF (M€)	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
-80	-114	-112	40.0	NET INTEREST EXPENSE (incl. preference shares)	-284	-434	52.8
13	18	10	-23.1	HEDGING POSITIONS INCOME/EXPENSE	-159	34	-121.4
-19	-13	-24	26.3	UPDATE OF PROVISIONS	-49	-63	28.6
24	17	80	233.3	CAPITALISED INTEREST	128	131	2.3
-66	-64	-89	34.8	OTHER FINANCIAL INCOME/EXPENSES	-218	-263	20.6
-128	**-156**	**-135**	**5.5**	**TOTAL**	**-582**	**-595**	**2.2**

The Group's **net financial expenses** at 31 December 2012 **ex Gas Natural Fenosa,** amounted to 595 M€, in line with the figure recorded a year earlier. The following factors are worth mentioning:

- Interest expense was higher (150 M€) due to larger average net debt balances and the "step up" of preference shares.
- Positive hedging positions in 2012 mainly as a result of the appreciation of the dollar versus the Euro.

3.- OTHER CAPTIONS IN THE PROFIT AND LOSS ACCOUNT

3.1.- TAXES

The effective tax rate in 2012 was 46.1%, excluding the earnings of unconsolidated affiliates, and the accrued tax expense totalled 1,581 M€. The difference in relation to the tax rate in the prior year (36.9%) is mainly due to the significant rise in operating income in Libya which is taxed at a very high rate.

3.2.- EQUITY ON EARNINGS OF UNCONSOLIDATED AFFILIATES

Unaudited figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	BREAKDOWN OF UNCONSOLIDATED AFFILIATES (M€)	Jan- Dec 2011	Jan- Dec 2012	% Variation 12/11
0.4	6.0	9.5	-	UPSTREAM	3.6	26.8	-
16.4	13.3	12.3	-25.0	LNG	45.0	69.6	54.7
3.3	6.6	1.7	-48.5	DOWNSTREAM	21.0	17.3	-17.6
0.6	1.0	0.0	-100.0	Gas Natural Fenosa	2.2	3.1	40.9
20.7	**26.9**	**23.5**	**13.5**	**TOTAL**	**71.8**	**116.8**	**62.7**

Income from minority interests in fourth quarter 2012 totalled 24 M€, 14% higher than in the same year-ago quarter. The most significant variation is in the Upstream division due to the enhanced earnings performance of Zhambay.

In 2012, income from minority interests amounted to 117 M€, 63% higher year-on-year mainly as a result of earnings growth of Zhambay, in the Upstream division, and of Peru LNG, in the LNG division.

3.3.- MINORITY INTERESTS

Recurrent income attributable to minority interests in fourth quarter 2012 amounted to 19M€ versus 14 M€ recorded in fourth quarter 2011.

Having excluded minority interests in YPF's results, this caption now mainly reflects the minority interests in the La Pampilla (Peru) and Petronor (Bilbao) refineries, and those recorded through the stake in the Gas Natural Fenosa Group.

4.- HIGHLIGHTS

The most significant Company-related events that have taken place since the publication of third quarter 2012 results are as follow:

In **Upstream**, on 8 December 2012, Repsol made a gas discovery in the Illizi basin in south east Algeria. The finding in the Tihalatine South-1 (TIHS-1) well is the first one made in the Sud-Est Illizi block under the current exploration agreement. The discovery was made at a depth of 1,073 metres and the first tests indicate an estimated gas volume of 105,000 m3/d (3.7 million cubic metres/day). The consortium plans to drill another four wells as part of the oil and gas exploration activities in this region. Repsol (25.725%) is the operator of the consortium which made the discovery, partnered by Enel SpA (13.475%) and GDF Suez (9.8%). Sonatrach, the Algerian State company holds the remaining 51% stake.

On 27 December 2012, the Company announced the start of production of the first well contemplated in the development plan for the Carabobo field in the Orinoco Oil Belt, one of the largest undeveloped oil and gas reserves in the world. The Carabobo project aims to reach up to 400,000 barrels of extra heavy crude oil per day. It also contemplates the construction of heavy crude oil upgrader capable of transforming output from 8º API to a crude oil mix of 16º API. The start up of production is the first step of an accelerated plan which is being carried out according to the planned timetable. The objective is to reach 30,000 barrels/day oil production in a first phase which would be increased to 90,000 barrels/day in the second phase.

In December 2012 the Russian company Alliance, as part of a major agreement with Repsol, included in the AROG joint venture the assets of its subsidiary Tatnefteodatcha (TNO) situated in the Tatarstan (the Volga-Urals basin) which contain two oil fields, plus their respective exploration and production licenses. On its part, at the end of January 2013, Repsol included the assets of Eurotek in AROG. These include two major gas fields: Syskonsyninskoye (SK), expected to start production in the first half of 2013 and Yuzhno-Khadyryakhinskoye (YK) currently in the last appraisal phase prior to its development. Accordingly the end of January 2013, the formation of the Alliance Oil (51%) and Repsol (49%) joint venture, AROG, was completed.

On 5 January 2013, commercial production began at the Sapinhoá megafield located in Block BM-S-9 of the Brazilian pre-salt region. The first producing well (Guará-1) with more than 25,000 barrels/day potential, has been connected to the Cidade de São Paulo platform, ahead of its scheduled start-up date. Further wells will be connected to the platform over the coming months to reach a production of 120,000 barrels of crude oil per day in the first half of 2014. In a second development phase of the Sapinhoá field, the Ilhabela Cidade platform, with a daily production capacity of 150,000 barrels of oil and 6 million cubic metres of gas, will be installed. It is expected to start operations in the second half of 2014.

Exploration Day 2013 was held in London and in New York on 25 and 29 January, 2013, respectively. This year, Marcos Mozetic, Exploration Managing Director, hosted the event accompanied by six regional Exploration managers.

In **Downstream**, On 27 November 2012, Repsol and the Korean company SKL laid the first stone of SKSOL's next generation lubricants plant, an SKL (70%) and Repsol (30%) joint venture. The plant, located in Cartagena, will entail investment of over 250 million euros and will be operational in 2014. These facilities will contribute to reducing Europe’s dependence on Group 3 Lubricant Base Oils. It will have the capacity to meet 20% of worldwide demand and 40% of European demand. During the construction phase, an average of 350 people will be employed with up to 900 during peak work periods. Once in operations, the plant will generate a combined total of 160 direct and indirect jobs.

In the **Corporation**, on 30 November 2012, Antonio Brufau was named CEO of the Year at Platts Global Energy Awards by the panel of judges who valued Antonio Brufau’s strategic vision and leadership in successfully managing the difficulties arising following the illegal expropriation of YPF in April 2012 and the transformation process that he has spearheaded at the Company.

On 3 December 2012, once the six months period had elapsed after the notification to the Republic of Argentina of the existence of a dispute regarding the expropriation of the Repsol Group’s control stake in YPF, S.A. and YPF Gas, S.A. and other related acts, Repsol, S.A. and Repsol Butano, S.A. filed before the International Centre for Settlement of Investment Disputes (“ICSID”) an arbitration request against Argentina for an infringement of the Agreement for the Promotion and Reciprocal Protection of Investments between the Kingdom of Spain and Argentina, signed on October 3, 1991. The arbitration request contains a brief description of the facts and legal issues to be considered. Once the arbitration tribunal has been constituted, the parties must file their complete written allegations concerning the dispute. Repsol, S.A. and Repsol Butano, S.A. will specify in such allegations the reparations and compensations to be claimed from Argentina, notwithstanding the possibility that the parties discontinue the proceeding at any moment by mutual agreement.

On 11 January 2013, following the official notices sent to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV) on November 28, 2012 (registration number 177949) and on December 19, 2012 (registration number 178980), Repsol, S.A. ("Repsol") reports the end, on January 10, 2013, of the trading period of the free-of-charge allocation rights corresponding to the paid up capital increase implementing the “Repsol Flexible Dividend” shareholders' remuneration program. Holders of 69.01% of free-of-charge allocation rights (a total of 866,900,145 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase was 26,269,701, representing an increase of approximately 2.09% of the share capital of Repsol before the capital increase. Moreover, during the period established for that purpose, the holders of 30.99% of free-of-charge allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 389,278,581 rights for a total amount of 184,128,768.81 euro. Repsol waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of the mentioned commitment.

On 14 January, the Company launched the Share Acquisition Plan 2013-2015, approved by the Annual General Shareholders' Meeting held on 31 May 2012 under point 9th of the Agenda, addressed to Repsol Group's employees in Spain with indefinite duration contract that meet the requirements of its general conditions and who voluntary decide to opt for the same.

On 22 January 2013, Repsol was rated a Leader in its sector for the second consecutive year and named a “Gold Class” company for the sixth consecutive year in “The Sustainability Yearbook 2013” published by RobecoSAM, the investment specialist focused exclusively on Sustainability Investing, in collaboration with KPMG. Repsol has been acknowledged for its ability to sustain long-term value creation and access to responsible and sustainable next generation energy resources. The Company has been awarded top marks for transparency, risk and crisis management, cleaner fuels, climate strategy, environmental management policy system, human capital development and its social impact on communities.

On 23 January 2013, Repsol's Chairman and CEO presented its White Paper on Telework in an event chaired by Fátima Báñez, Spain's Minister for Employment and Social Security. The initiative is in keeping with the Company's balance and diversity policy and is based on the experiences and opinions of all parties involved. With this publication, the Company seeks to share its experience with all organizations. In 2008, Repsol launched its Telework Program, which is now fully integrated into its organization with more than 1,000 teleworkers throughout the world, 900 of them in Spain.

On 31 January 2013, His Royal Highness, the Prince of Asturias, inaugurated the new Repsol Campus the Company's new headquarters and the place of work of almost 4,000 people. Antonio Brufau, the Company's Chairman and CEO accompanied Don Felipe de Borbón in a ceremony attended by the Minister of Industry, Tourism and Trade, José Manuel Soria, the President of the Madrid Region, Ignacio González, the mayor of Madrid Ana Botella, among other authorities. After unveiling a commemorative plaque, the Prince of Asturias toured the Repsol Campus, during which he talked to several of the company's employees sharing opinions on their new work environment.

On 31 January 2013, the credit rating agency Fitch announced it had changed its outlook for Repsol (BBB-/F3) from negative to stable.

On 26 February 2013, Repsol has reached an agreement with Shell for the sale of its LNG assets for 6.7 Bn$ which includes the minority stakes in Atlantic LNG (Trinidad & Tobago,) Peru LNG and Bahia de Bizkaia Electricidad (BBE) as well as the LNG sale contracts and time charters with their associated loans and debt. The deal strengthens the company's balance sheet and financial position.

Excluding the financial leases and financial gross debt, the equity value of the assets included in the sale is 4.4 Bn$, generating a pre-tax capital gain of 3.5 Bn$ for Repsol.

The North American Canaport facility is not included in the sale process as the low gas prices currently seen in the US market do not allow the asset's medium and long term potential to be adequately valued. Repsol will analyse all available operational, financial and strategic options for this asset.

In line with the company's policy of financial prudence Repsol will adjust the book value of North American assets with a net provision of 1.3 Bn$, which will be recognised at the time of the transaction's closing.

On 27 February 2013, the Board of Directors of Repsol approved to submit to its shareholders for approval at the next General Shareholders Meeting the continuation of “Repsol Flexible Dividend” Program and the payment to the shareholders of a final dividend for fiscal year 2012 equivalent to 0.50 euro gross per share, comprising a dividend in cash of 0.04 euro gross per share with dividend rights and the implementation, within the framework of such Program, of the third scrip dividend of the Company.

Madrid, 28 February 2013

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A teleconference for analysts and institutional investors is scheduled today, 28 February, at 13:00 (CET) to report on Repsol’s fourth quarter and full year 2012 results. The teleconference can be followed live at Repsol’s website (www.repsol.com). A recording of the entire event will be available for at least one month at the company’s website www.repsol.com for investors and any interested party.

TABLES

4th Quarter 2012 results

REPSOL ADJUSTED OPERATING INCOME BASED ON ITS MAIN COMPONENTS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q11	**3Q12**	**4Q12**	**2011**	**2012**
EBITDA	**994**	**2,074**	**1,551**	**5,494**	**6,956**
Operating revenue	13,194	15,609	14,906	52,637	59,593
Operating income	477	1,577	743	3,549	4,286
Financial expenses	(197)	(222)	(202)	(862)	(857)
Share in income of companies carried by the equity method - net of taxes	21	27	24	72	117
Income before income tax	**301**	**1,382**	**565**	**2,759**	**3,546**
Income tax	(89)	(596)	(311)	(991)	(1,581)
Income from continued operations	**212**	**786**	**254**	**1,768**	**1,965**
Income attributed to minority interests for continued operations	(14)	(34)	(19)	(111)	(75)
NET INCOME FROM CONTINUED OPERATIONS	**198**	**752**	**235**	**1,657**	**1,890**
Income from discontinued operations (*)	94	8	29	536	170
Net Income	**292**	**760**	**264**	**2,193**	**2,060**

	4Q11	3Q12	4Q12	2011	2012
Earnings per share accrued by parent company (**)					
* Euro/share	0.23	0.63	0.22	1.72	1.70
* $/ADR	0.30	0.81	0.29	2.23	2.24

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(*) It includes net income/(losses) net of taxes and minority interests contributed by YPF, S.A. and YPF Gas, S.A. and the affiliates of each company for each period and for the loans extended to the Petersen Group as well as the effects recorded as a result of the expropriation of YPF, S.A. and YPF Gas, S.A. shares.

(**) A capital increase for the shareholder's remuneration scheme known as "Repsol Dividendo Flexible" was carried out in July 2012 and in January 2013 and accordingly, share capital is currently represented by 1,282,448,428 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. The average number of outstanding shares was 1,272,794,050 in 2011 and 1,212,681,500 in 2012.

Dollar/euro exchange rate at date of closure of each quarter:
1.294 dollars per euro in 4Q11
1.293 dollars per euro in 3Q12
1.319 dollars per euro in 4Q12

REPSOL ADJUSTED OPERATING INCOME BY RECURRENT AND NON RECURRENT ITEMS

(Million euros)

(Unaudited figures)

	4Q11			JANUARY - DECEMBER 2011		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses.............	**477**	**(11)**	**488**	**3,549**	**152**	**3,397**
Upstream..	207	11	196	1,413	112	1,301
LNG...	110	(2)	112	386	(2)	388
Downstream..	107	(7)	114	1,182	(16)	1,198
Gas Natural Fenosa..	175	(10)	185	887	66	821
Corporate and others...	(122)	(3)	(119)	(319)	(8)	(311)
Financial expenses..	(197)	(10)	(187)	(862)	1	(863)
Share in income of companies carried by the equity method - net of taxes..	21	(8)	29	72	(8)	80
Income before income tax..	**301**	**(29)**	**330**	**2,759**	**145**	**2,614**
Income tax..	(89)	(3)	(86)	(991)	(67)	(924)
Income from continued operations..	**212**	**(32)**	**244**	**1,768**	**78**	**1,690**
Income attributed to minority interests for continued operations.....................	(14)	-	(14)	(111)	-	(111)
NET INCOME FROM CONTINUED OPERATIONS....................................	**198**	**(32)**	**230**	**1,657**	**78**	**1,579**
Income from discontinued operations (*)..	94	94	-	536	536	-
Net Income...	**292**	**62**	**230**	**2,193**	**614**	**1,579**

	3Q12			JANUARY - SEPTEMBER 2012		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses.............	**1,577**	**204**	**1,373**	**3,543**	**159**	**3,384**
Upstream..	657	23	634	1,801	(10)	1,811
LNG...	188	(1)	189	425	-	425
Downstream..	616	187	429	893	183	710
Gas Natural Fenosa..	226	(5)	231	701	(3)	704
Corporate and others...	(110)	-	(110)	(277)	(11)	(266)
Financial expenses..	(222)	-	(222)	(655)	(12)	(643)
Share in income of companies carried by the equity method - net of taxes..	27	-	27	93	-	93
Income before income tax..	**1,382**	**204**	**1,178**	**2,981**	**147**	**2,834**
Income tax..	(596)	(29)	(567)	(1,270)	(19)	(1,251)
Income from continued operations..	**786**	**175**	**611**	**1,711**	**128**	**1,583**
Income attributed to minority interests for continued operations.....................	(34)	-	(34)	(56)	-	(56)
NET INCOME FROM CONTINUED OPERATIONS....................................	**752**	**175**	**577**	**1,655**	**128**	**1,527**
Income from discontinued operations (*)..	8	8	-	141	141	-
Net Income...	**760**	**183**	**577**	**1,796**	**269**	**1,527**

	4Q12			JANUARY - DECEMBER 2012		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses.............	**743**	**(195)**	**938**	**4,286**	**(36)**	**4,322**
Upstream..	407	(85)	492	2,208	(95)	2,303
LNG...	110	-	110	535	-	535
Downstream..	120	(91)	211	1,013	92	921
Gas Natural Fenosa..	219	(7)	226	920	(10)	930
Corporate and others...	(113)	(12)	(101)	(390)	(23)	(367)
Financial expenses..	(202)	(38)	(164)	(857)	(50)	(807)
Share in income of companies carried by the equity method - net of taxes..	24	-	24	117	-	117
Income before income tax..	**565**	**(233)**	**798**	**3,546**	**(86)**	**3,632**
Income tax..	(311)	29	(340)	(1,581)	10	(1,591)
Income from continued operations..	**254**	**(204)**	**458**	**1,965**	**(76)**	**2,041**
Income attributed to minority interests for continued operations.....................	(19)	-	(19)	(75)	-	(75)
NET INCOME FROM CONTINUED OPERATIONS....................................	**235**	**(204)**	**439**	**1,890**	**(76)**	**1,966**
Income from discontinued operations (*)..	29	29	-	170	170	-
Net Income...	**264**	**(175)**	**439**	**2,060**	**94**	**1,966**

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(*) It includes net income/(losses) net of taxes and minority interests contributed by YPF, S.A. and YPF Gas, S.A. and the affiliates of each company for each period and for the loans extended to the Petersen Group as well as the effects recorded as a result of the expropriation of YPF, S.A. and YPF Gas, S.A. shares.

BREAKDOWN OF REPSOL ADJUSTED OPERATING INCOME
BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q11	3Q12	4Q12	2011	2012
Upstream	**207**	**657**	**407**	**1,413**	**2,208**
USA and Brazil	114	76	112	419	380
North of Africa	(23)	356	258	99	1,298
Rest of the World	116	225	37	895	530
LNG	**110**	**188**	**110**	**386**	**535**
Downstream	**107**	**616**	**120**	**1,182**	**1,013**
Europe	104	385	89	1,012	723
Rest of the World	3	231	31	170	290
Gas Natural Fenosa	**175**	**226**	**219**	**887**	**920**
Corporate and others	**(122)**	**(110)**	**(113)**	**(319)**	**(390)**
TOTAL	**477**	**1,577**	**743**	**3,549**	**4,286**

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

BREAKDOWN OF REPSOL ADJUSTED EBITDA
BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million of euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q11	**3Q12**	**4Q12**	**2011**	**2012**
Upstream	**443**	**943**	**770**	**2,072**	**3,438**
USA and Brazil	227	216	209	712	845
North of Africa	(12)	378	282	172	1,380
Rest of the World	228	349	279	1,188	1,213
LNG	**154**	**240**	**149**	**556**	**720**
Downstream	**160**	**589**	**322**	**1,698**	**1,533**
Europe	144	541	281	1,481	1,393
Rest of the World	16	48	41	217	140
Gas Natural Fenosa	**349**	**378**	**391**	**1,426**	**1,537**
Corporate and others	**(112)**	**(76)**	**(81)**	**(258)**	**(272)**
TOTAL	**994**	**2,074**	**1,551**	**5,494**	**6,956**

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

BREAKDOWN OF REPSOL ADJUSTED OPERATING INVESTMENTS BY ACTIVITIES AND GEOGRAPHICAL AREAS (*)

(Million of euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q11	3Q12	4Q12	2011	2012
Upstream	**668**	**513**	**801**	**1,813**	**2,423**
USA and Brazil	138	214	264	745	1,144
North of Africa	6	11	21	57	44
Rest of the World	524	288	516	1,011	1,235
LNG	**7**	**9**	**9**	**18**	**35**
Downstream	**645**	**155**	**216**	**1,704**	**666**
Europe	624	145	194	1,637	612
Rest of the World	21	10	22	67	54
Gas Natural Fenosa	**170**	**90**	**157**	**582**	**432**
Corporate and others	**93**	**82**	**34**	**165**	**165**
TOTAL	**1,583**	**849**	**1,217**	**4,282**	**3,721**

(*) Includes investments accrued during the period regardless of having been paid or not. Does not include investments in "other financial assets".

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

REPSOL BALANCE SHEET

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	DECEMBER 2011	DECEMBER 2012
NON-CURRENT ASSETS		
Goodwill	4,645	2,678
Other intangible assets	3,138	2,836
Property, Plant and Equipmment	36,759	28,227
Investment property	24	25
Equity-accounted financial investments	699	737
Non-current assets classified as held for sale subject to expropriation	-	5,392
Non-current financial assets		
Non-current financial instruments	2,322	672
Others	128	641
Deferred tax assets	2,569	3,310
Other non-current assets	344	242
CURRENT ASSETS		
Non-current assets classified as held for sale	258	340
Inventories	7,278	5,501
Trade and other receivables	9,222	7,781
Other current assets	220	221
Other current financial assets	674	415
Cash and cash equivalents	2,677	5,903
TOTAL ASSETS	**70,957**	**64,921**
TOTAL EQUITY		
Attributable to equity holders of the parent	23,538	26,702
Attributable to minority interests	3,505	770
NON-CURRENT LIABILITIES		
Subsidies	118	61
Non-current provisions	3,826	2,258
Non-current financial debt	15,345	15,300
Deferred tax liabilities	3,839	3,063
Other non-current liabilities		
Non-current debt for finance leases	2,864	2,745
Others	818	712
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale	32	27
Current provisions	452	291
Current financial liabilities	4,985	3,790
Trade debtors and other payables:		
Current debt for finance leases	223	224
Other trade debtors and payables	11,412	8,978
TOTAL LIABILITIES	**70,957**	**64,921**

STATEMENT OF CASH FLOW

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	JANUARY - DECEMBER 2011	JANUARY - DECEMBER 2012
I. CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Income before taxes and associates	2,759	3,546
Adjustments:		
Depreciation of Property, Plant and Equipment	2,069	2,587
Other adjustments (net)	666	823
EBITDA	**5,494**	**6,956**
Variation in working capital	(2,275)	696
Dividends received	62	75
Income taxes received/(paid)	(1,009)	(1,534)
Other proceeds/(payments) from operating activities	(172)	(282)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES	**(1,119)**	**(1,741)**
	2,100	**5,911**
II. CASH FLOWS FROM INVESTING ACTIVITIES (*)		
Investment payments		
Group companies, associates, and business units	(275)	(255)
Property, plant and equipment, intangible assets and property investments	(3,552)	(3,424)
Other financial assets	(278)	(228)
Other assets	(182)	-
Total Investments	**(4,287)**	**(3,907)**
Proceeds on divestments	932	1,144
Other cash flows	2	(122)
	(3,353)	**(2,885)**
III. CASH FLOWS FROM FINANCING ACTIVITIES (*)		
Receipts/(payments) from equity instruments	(2,557)	1,388
Proceeds on issue of financial liabilities	7,626	7,988
Payments for return and amortization of financial obligations	(7,492)	(7,229)
Dividends paid	(1,333)	(947)
Interest paid	(879)	(900)
Other proceeds/(payments) from financing activities	(11)	336
	(4,646)	**636**
Impact of translation differences from continued operations.	(81)	**(78)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(5,980)**	**3,584**
Cash flows from operating activities from discontinued operations	2,020	867
Cash flows from investment activities from discontinued operations	(1,951)	(872)
Cash flows from finance activities from discontinued operations	2,143	(346)
Impact from translation differences from discontinued operations	(3)	(7)
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**2,209**	**(358)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**6,448**	**2,677**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**2,677**	**5,903**

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(*) Relates to cash flows from continued operations.

FINANCIAL INCOME/CHARGES AND DEBT CONSOLIDATED GROUP

Unaudited figures

BREAKDOWN OF NET DEBT (M€) – GROUP	3Q2012	4Q2012	% variation 4Q12/3Q12	2012
NET DEBT EX GAS NATURAL FENOSA AT THE BEGINNING OF THE PERIOD	**9,960**	**9,703**	**-2.6**	**11,663**
ELIMINATION OF YPF AND YPF Gas DEBT AT 31 DECEMBER 2011	-	-	-	-1,939
GROUP NET DEBT EX GAS NATURAL FENOSA AND YPF AT THE BEGINNING OF THE PERIOD	**9,960**	**9,703**	**-2.6**	**9,724**
EBITDA	-2,074	-1,551	-25.2	-6,956
VARIATION IN TRADE WORKING CAPITAL	198	-1,033	-	-696
INCOME TAX COLLECTIONS / PAYMENTS	498	399	-19.9	1,534
INVESTMENTS **(1)**	908	1,116	22.9	3,878
DIVESTMENTS **(1)**	-566	-175	-69.1	-941
DIVIDENDS AND OTHER PAYOUTS	243	19	-92.2	947
OWN SHARES TRANSACTIONS	1	-76	-	-1,388
TRANSLATION DIFFERENCES	98	57	-41.8	46
INTEREST EXPENSE AND OTHER MOVEMENTS **(2)**	447	248	-44.5	1,203
ASSOCIATED EFFECTS TO PETERSEN'S LOANS	-10	231	-	1,587
NET DEBT AT THE CLOSE OF THE PERIOD	**9,703**	**8,938**	**-7.9**	**8,938**
NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD	**12,916**	**12,120**	**-6.2**	**12,120**
Debt ratio (3)				
CAPITAL EMPLOYED (M€)	34,852	33,716	-3.3	33,716
NET DEBT / CAPITAL EMPLOYED (%)	**27.8**	**26.5**	**-4.8**	**26.5**
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	37.1	35.9	-3	35.9
ROACE before non-adjusted items (%)	8.8	6.9	-21.6	7.9

(1) At 31 December 2012, there were financial investments totalling 29 M€ and financial divestments for the amount of 203 M€ which are not included in this table.

(2) Mainly includes interest, dividends received, provisions, and the impact of changes in the scope of consolidation.

(3) Capital employed does not include discontinued operations. If these operations had been included, the net debt/capital employed ratio at 31 December 2012 would have been 22.6 % and 30.6 % taken preference shares into account. In addition, the ROACE reflected in the table does not include operating income or capital employed of discontinued operations.

Unaudited Figures

4Q 2011	3Q 2012	4Q 2012	% Variation 4Q12/4Q11	FINANCIAL INCOME/EXPENSES OF THE GROUP CONSOLIDATED GROUP	Jan-Dec 2011	Jan-Dec 2012	% Variation 12/11
-140	-172	-171	22.1	NET INTEREST EXPENSE (incl. preference shares)	-538	-668	24.2
11	18	11	-9.1	HEDGING POSITIONS INCOME/EXPENSE	-158	36	-122.8
-24	-18	-35	45.8	UPDATE OF PROVISIONS	-63	-83	31.7
26	17	82	215.4	CAPITALISED INTEREST	133	135	1.5
-70	-67	-88	25.7	OTHER FINANCIAL INCOME/EXPENSES	-236	-277	17.4
-197	**-222**	**-202**	**2.5**	**TOTAL**	**-862**	**-857**	**-0.6**

TABLES

OPERATING HIGHLIGHTS 4Q 2012

OPERATING HIGHLIGHTS UPSTREAM

		2011					2012					% Variation
	Unit	1Q	2Q	3Q	4Q	Acum	1Q	2Q	3Q	4Q	Acum	12 / 11
HYDROCARBON PRODUCTION	**K Boed**	**324**	**296**	**283**	**292**	**299**	**323**	**320**	**339**	**347**	**332**	**11.3%**
Crude and Liquids production	**K Boed**	**130**	**100**	**99**	**112**	**110**	**136**	**144**	**145**	**145**	**142**	**29.2%**
USA and Brazil	K Boed	30	30	30	35	31	33	30	30	33	32	1.4%
North Africa	K Boed	30	3	2	13	12	39	49	47	45	45	276.2%
Rest of the world	K Boed	70	68	66	64	67	64	65	68	67	66	-2.0%
Natural gas production	**K Boed**	**195**	**196**	**184**	**180**	**189**	**188**	**176**	**194**	**203**	**190**	**0.8%**
USA and Brazil	K Boed	1	2	2	2	2	2	2	3	3	3	54.8%
North Africa	K Boed	6	6	5	6	6	6	6	6	6	6	-2.0%
Rest of the world	K Boed	187	188	177	172	181	180	167	186	194	182	0.4%

OPERATING HIGHLIGHTS DOWNSTREAM

	Unit	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2011 Acum	2012 1Q	2012 2Q	2012 3Q	2012 4Q	2012 Acum	% Variation 12 / 11
CRUDE PROCESSED	**Mtoe**	**7.3**	**7.7**	**8.3**	**8.2**	**31.5**	**8.2**	**8.5**	**10.0**	**10.2**	**36.9**	**17.2%**
Europe	Mtoe	6.4	6.8	7.3	7.4	27.9	7.3	7.6	9.1	9.3	33.3	19.3%
Rest of the world	Mtoe	0.9	0.9	1.0	0.9	3.6	0.9	0.9	0.9	0.9	3.6	0.8%
SALES OF OIL PRODUCTS	**Kt**	**9,251**	**9,458**	**9,834**	**9,262**	**37,805**	**10,138**	**9,839**	**11,119**	**11,648**	**42,744**	**13.1%**
Europe	**Kt**	**8,215**	**8,465**	**8,640**	**8,228**	**33,548**	**9,029**	**8,737**	**9,973**	**10,538**	**38,277**	**14.1%**
Own network	**Kt**	**5,009**	**5,274**	**5,291**	**4,984**	**20,558**	**4,961**	**4,796**	**4,891**	**4,769**	**19,417**	**-5.6%**
Light products	Kt	4,273	4,409	4,535	4,363	17,580	4,170	4,100	4,206	4,142	16,618	-5.5%
Other Products	Kt	736	865	756	621	2,978	791	696	685	627	2,799	-6.0%
Other Sales to Domestic Market	**Kt**	**1,607**	**1,534**	**1,602**	**1,657**	**6,400**	**1,660**	**1,878**	**1,882**	**1,711**	**7,131**	**11.4%**
Light products	Kt	1,202	1,110	1,164	1,338	4,814	1,446	1,685	1,808	1,628	6,567	36.4%
Other Products	Kt	405	424	438	319	1,586	214	193	74	83	564	-64.4%
Exports	**Kt**	**1,599**	**1,657**	**1,747**	**1,587**	**6,590**	**2,408**	**2,063**	**3,200**	**4,058**	**11,729**	**78.0%**
Light products	Kt	474	425	430	425	1,754	797	657	1,263	1,837	4,554	159.6%
Other Products	Kt	1,125	1,232	1,317	1,162	4,836	1,611	1,406	1,937	2,221	7,175	48.4%
Rest of the world	**Kt**	**1,036**	**993**	**1,194**	**1,034**	**4,257**	**1,109**	**1,102**	**1,146**	**1,110**	**4,467**	**4.9%**
Own network	**Kt**	**406**	**467**	**480**	**509**	**1,862**	**480**	**518**	**503**	**498**	**1,999**	**7.4%**
Light products	Kt	345	377	427	430	1,579	424	450	454	460	1,788	13.2%
Other Products	Kt	61	90	53	79	283	56	68	49	38	211	-25.4%
Other Sales to Domestic Market	**Kt**	**398**	**413**	**360**	**377**	**1,548**	**387**	**403**	**382**	**411**	**1,583**	**2.3%**
Light products	Kt	304	321	309	297	1,231	295	304	311	304	1,214	-1.4%
Other Products	Kt	94	92	51	80	317	92	99	71	107	369	16.4%
Exports	**Kt**	**232**	**113**	**354**	**148**	**847**	**242**	**181**	**261**	**201**	**885**	**4.5%**
Light products	Kt	31	68	102	63	264	78	73	99	94	344	30.3%
Other Products	Kt	201	45	252	85	583	164	108	162	107	541	-7.2%
CHEMICALS												
Sales of petrochemicals products	**Kt**	**710**	**666**	**671**	**613**	**2,659**	**593**	**541**	**538**	**636**	**2,308**	**-13.2%**
Europe	**Kt**	**624**	**590**	**582**	**516**	**2,312**	**518**	**456**	**463**	**561**	**1,998**	**-13.6%**
Base petrochemical	Kt	236	214	199	162	811	161	137	151	221	669	-17.4%
Derivative petrochemicals	Kt	388	376	384	354	1,501	357	319	312	341	1,329	-11.5%
Rest of the world	**Kt**	**86**	**77**	**88**	**97**	**348**	**75**	**86**	**75**	**75**	**311**	**-10.7%**
Base petrochemical	Kt	16	19	20	23	78	22	17	8	14	62	-21.6%
Derivative petrochemicals	Kt	69	57	69	74	269	53	68	67	61	249	-7.5%
LPG												
LPG sales	**Kt**	**784**	**596**	**612**	**706**	**2,698**	**782**	**607**	**507**	**641**	**2,537**	**-6.0%**
Europe	Kt	507	292	285	402	1,486	496	304	229	386	1,415	-4.8%
Rest of the world	Kt	276	304	327	304	1,211	286	303	278	255	1,122	-7.4%

Other sales to the domestic market: includes sales to operators and bunker.
Exports: expressed from the country of origin.
LPG sales do not include those for YPF Gas

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