

WEBCAST – CONFERENCE CALL

First Quarter 2015 Results



May 7th, 2015

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

Update on the acquisition of Talisman Energy

1

Smooth integration

May 8th:

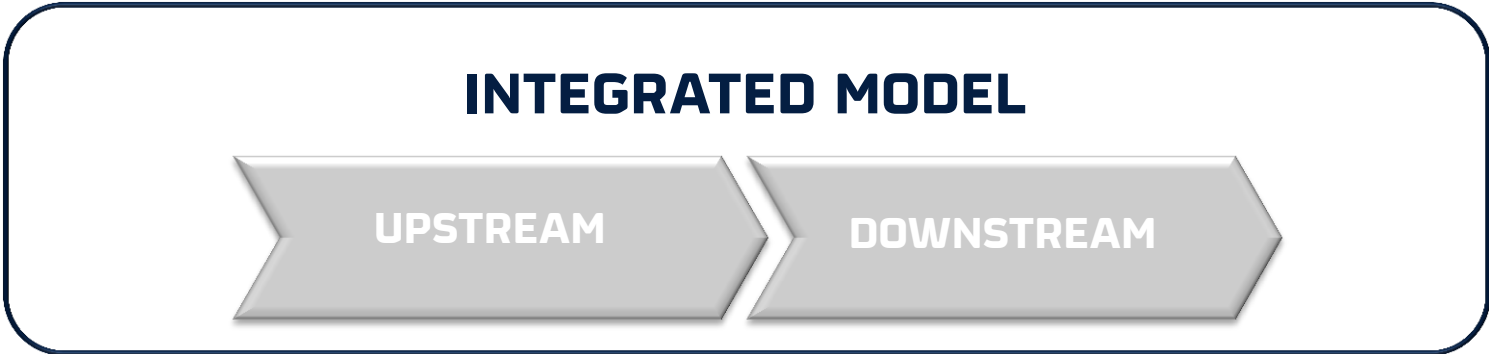
Closing of the transaction

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

Market environment and Operational activity

2

Integrated model provides resilience



60% of the production is gas

Negative correlation USD vs. Brent

Gas Natural results and dividends



Stability of our results

Operational activity

Exploration



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

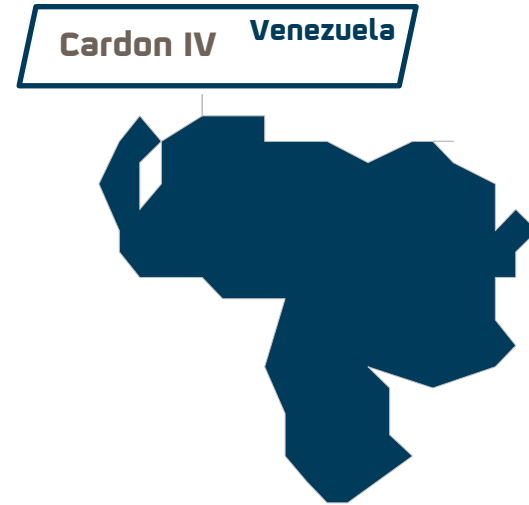
In April, 4 additional wells have been concluded with **positive** result: **2** exploration wells (**Algeria** and **Alaska**) and **2** appraisal wells (**Alaska**)

Operational activity

Development projects



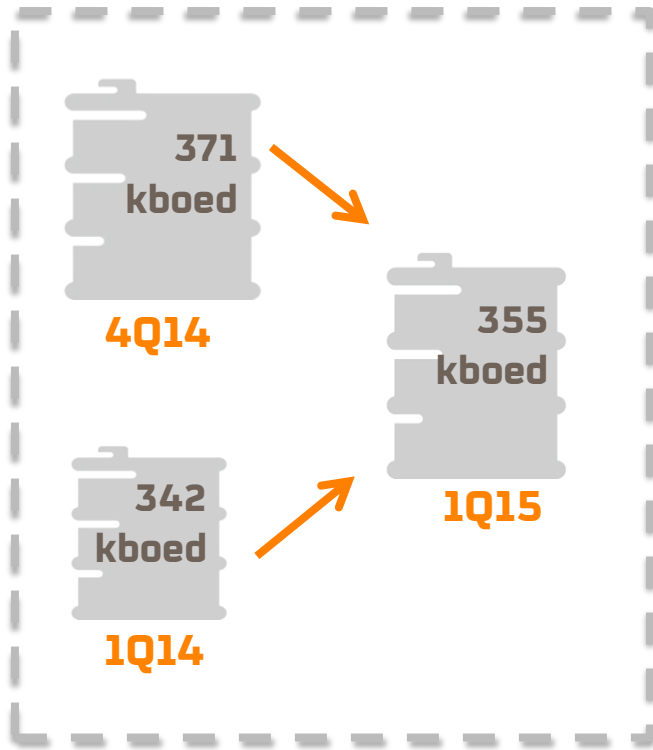
- The first well was connected to our 2nd FPSO in place in November 2014
- In November 2014 a second well was connected, producing 40 kboed gross
- At the end of 2015, peak production is expected to be reached in the 2nd FPSO
- The field will reach a plateau of 270 kboed gross



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

Operational activity

Production



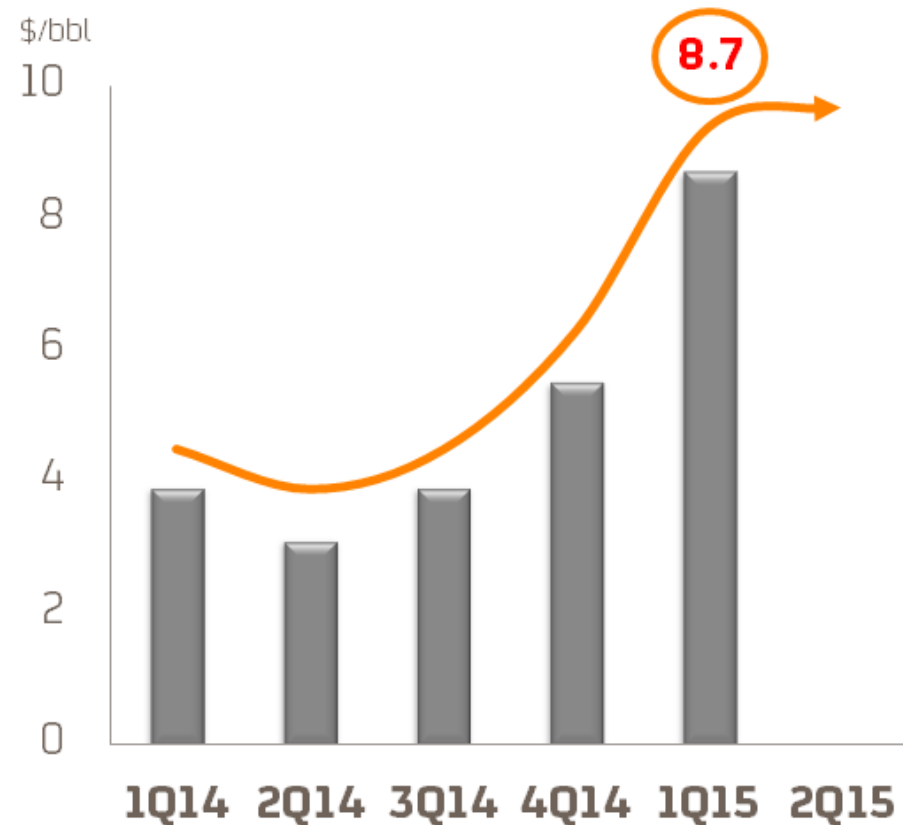
Compared to **1Q14**, **10%** increase in production if Libya is stripped out from both years

Operational activity

Downstream



REFINING MARGIN EVOLUTION



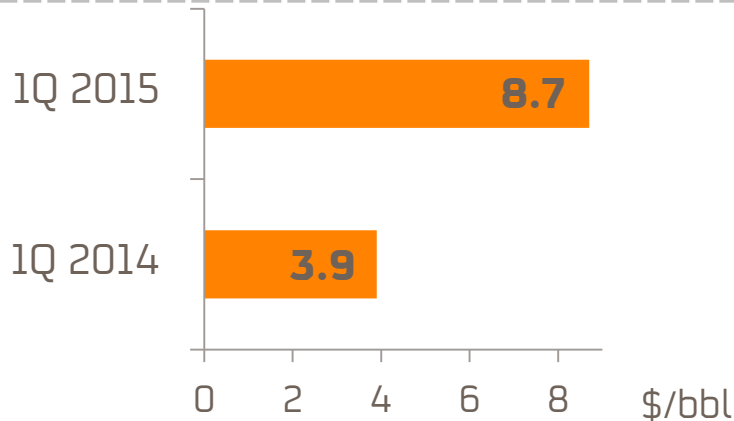
- Strength of the spreads
- High complexity and flexibility of our refining system
- Self-consumption efficiency program (CO2 emissions reduction program)

Operational activity

Downstream



Refining Margin Indicator

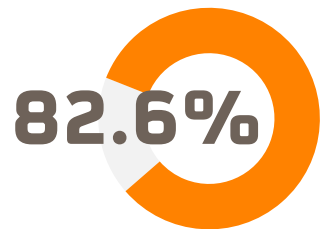


Petrochemicals businesses

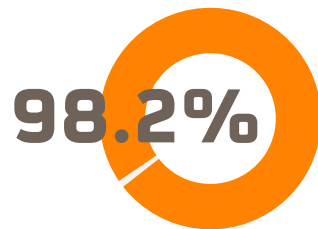
- Operational improvements
- Higher sales and margins

Utilization rates

1Q 2015



Distillation utilization



Conversion units

Commercial businesses

- Higher volumes in the Marketing and LPG Businesses

Quarterly results

3

Quarterly results



1Q 2015

	1Q 2014	1Q 2015	% Variation
CCS Adjusted Net Income	532	928	+74%

Million €

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

Upstream Results

Adjusted Net Income

1Q 2014

1Q 2015

Adjusted Net Income

255

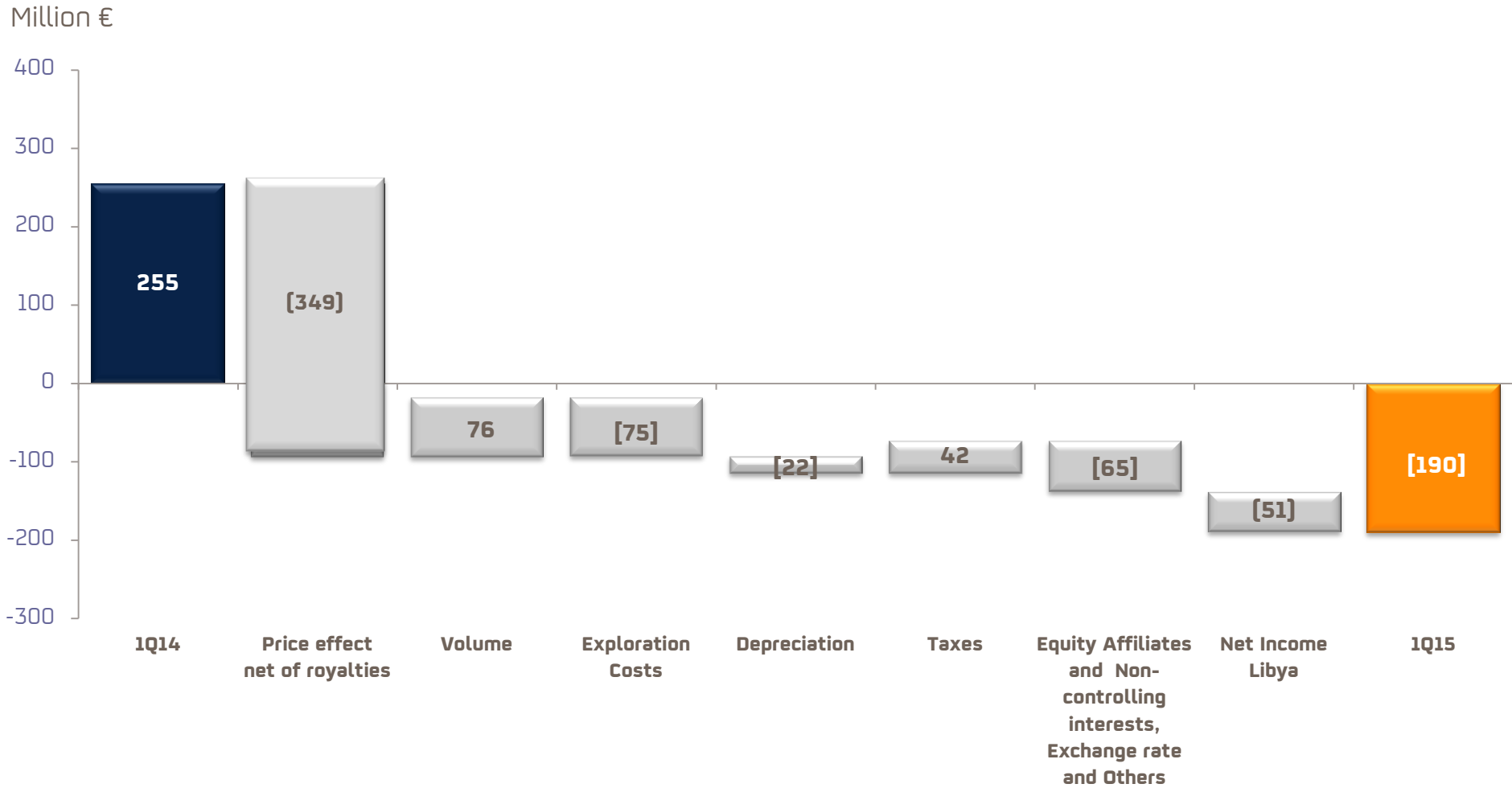
-190

Million €

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

Upstream Results

Adjusted Net Income



Downstream Results

CCS Adjusted Net Income

Refining

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

Petrochemicals

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

€290M

1Q14

€534M

1Q15

Commercial businesses

- ✓ **Higher** results in LPG division

Gas & Power

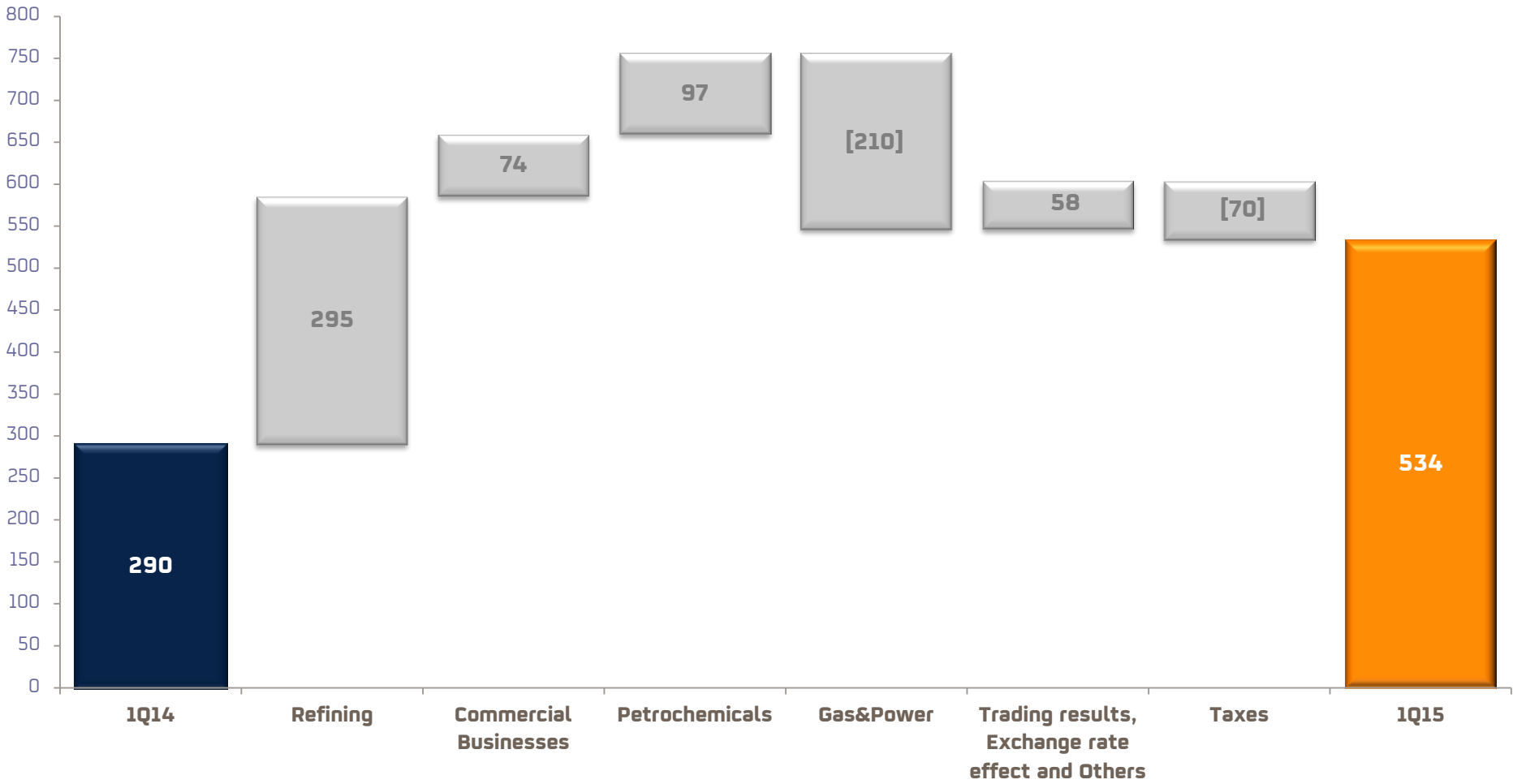
- Lower** results due to:
- ✓ Outstanding results 1Q14
 - ✓ Lower commercialization prices in North America

Downstream Results

Adjusted Net Income



Million €



Gas Natural Fenosa Results

Adjusted Net Income

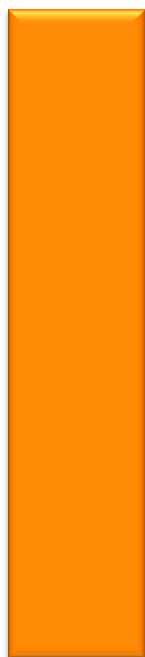


€ 123M



1Q14

€ 122M

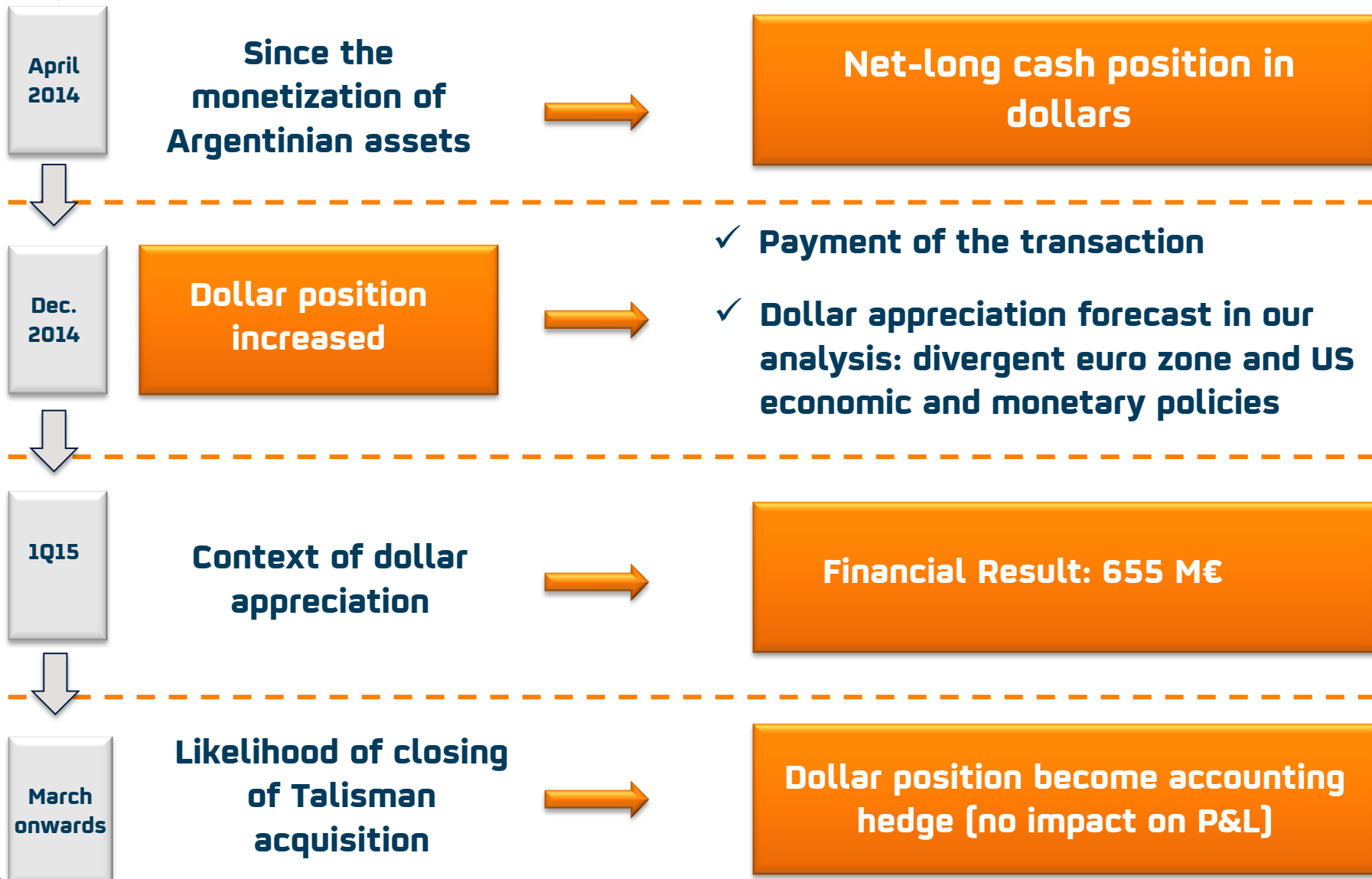


1Q15



Contribution from Chilean affiliate offset by higher financial expenses

Financial Results



Conclusions

4

Q&A Session

First Quarter 2015 Results



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