

# WEBCAST – CONFERENCE CALL

## Second Quarter 2014 Results



July 24<sup>th</sup>, 2014



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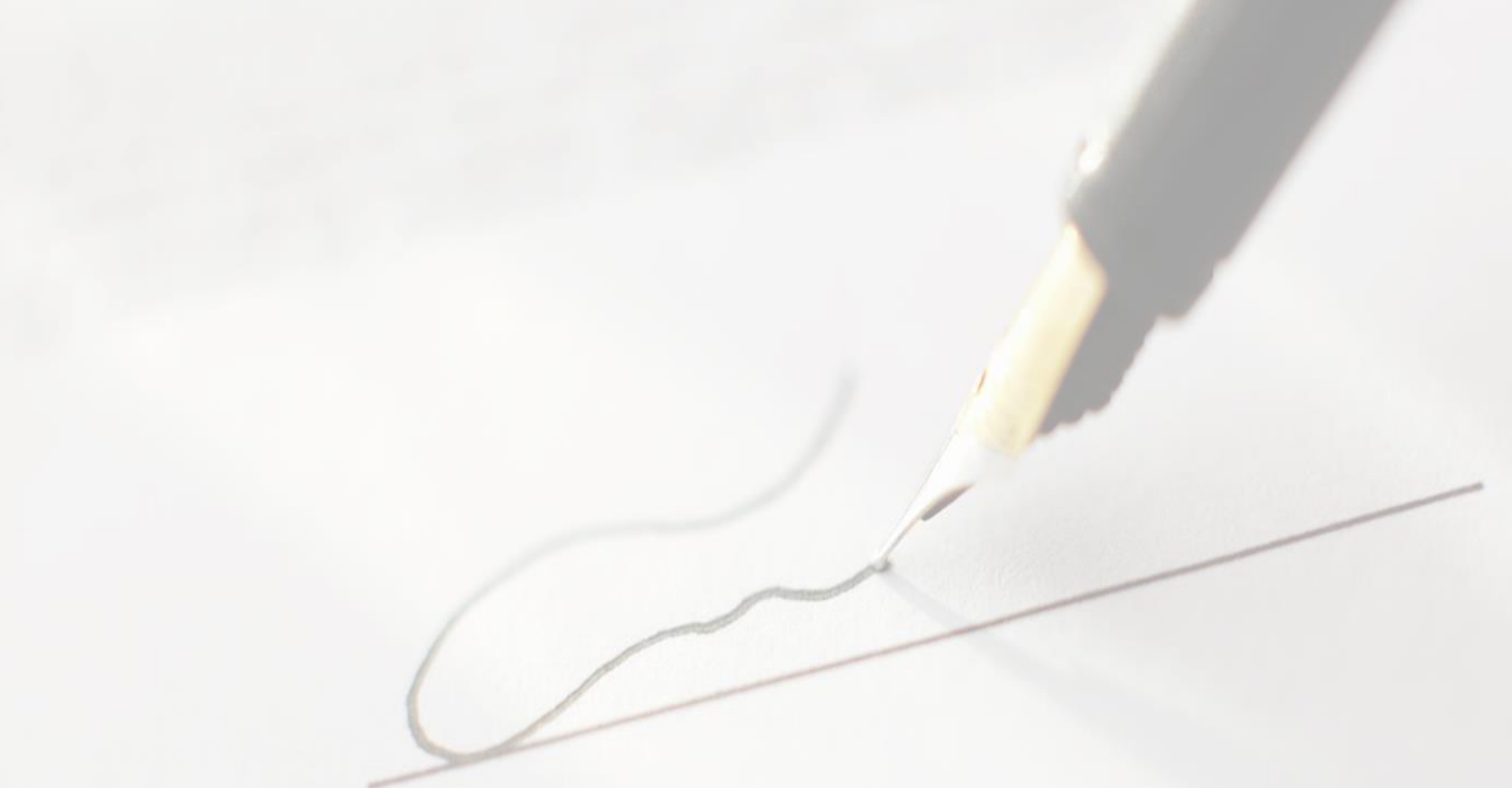
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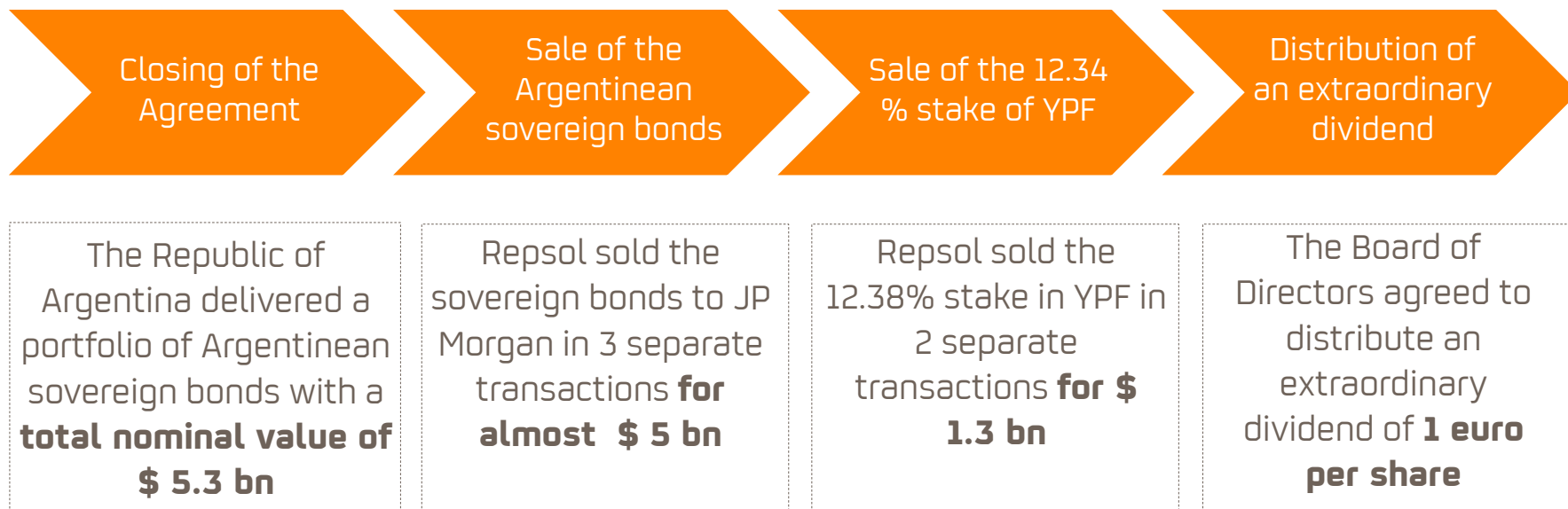
1. Closing of the Agreement with the Republic of Argentina
2. Operational Activity and Main highlights
3. Quarterly Results
4. Conclusions



# Closing of the Agreement with the Republic of Argentina

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# Closing of the Agreement with the Republic of Argentina



**As of today Repsol has no exposure to Argentina**

## Credit Rating Agencies

Upgrades of Repsol's rating.



Moody's

Moody's **upgraded Repsol's** long-term rating to **Baa2 from Baa3** with **stable outlook**.



Fitch ratings

Fitch **upgraded Repsol's** long-term rating from **BBB- to BBB** with **positive outlook**.



Standards  
& Poors

Standard & Poor's revised its outlook on Repsol **to positive from stable**.

**The credit rating agencies recognized the improvement in Repsol's financial position**



# Operational Activity and Main Highlights

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**REPSOL**

# Operational Activity 2Q 2014: Upstream Exploration

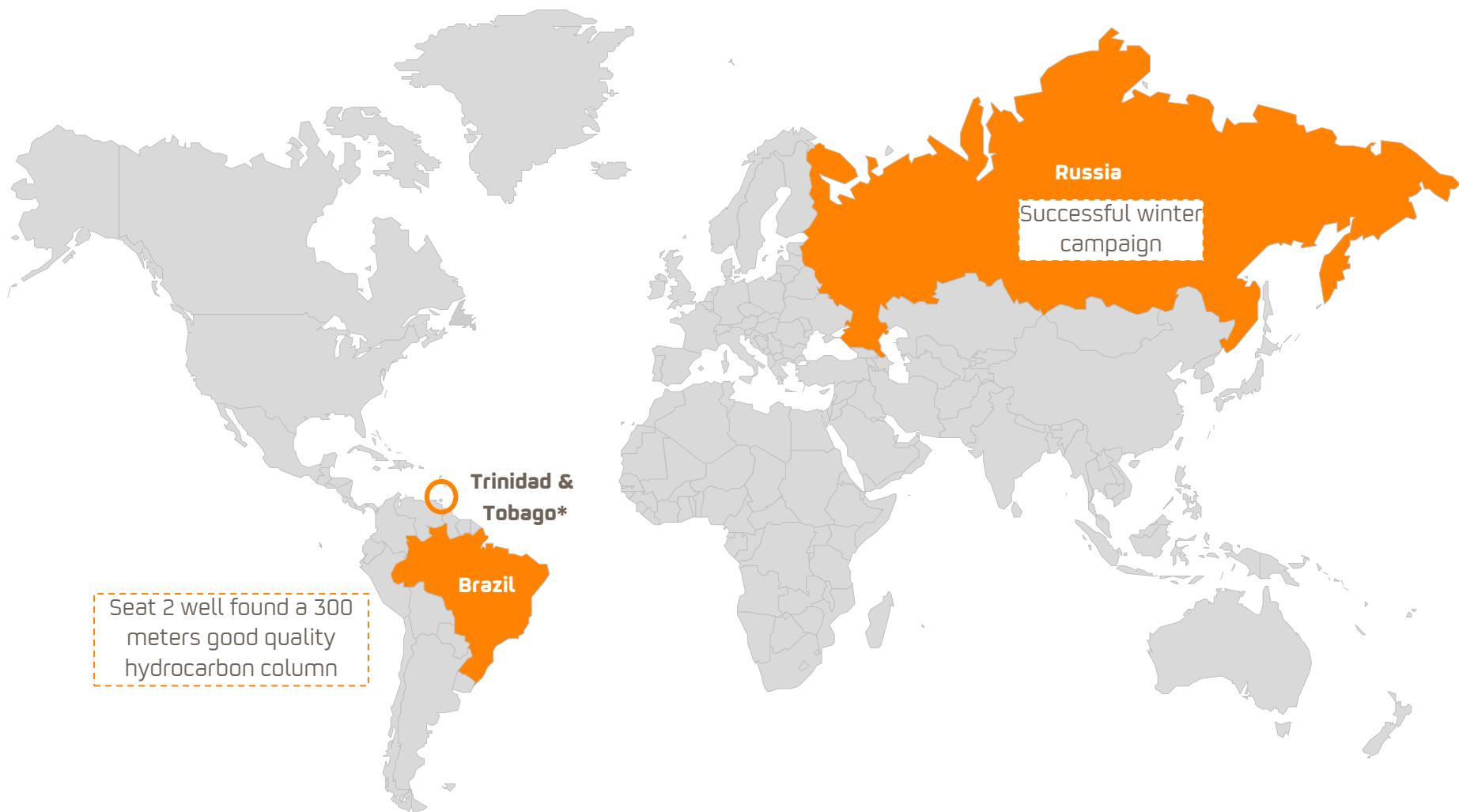


**Six wells have been concluded in 2Q 2014 of which two were positive in Alaska**



# Operational Activity: Upstream

Latest news from Exploration



## Positive news from our Exploration and Appraisal activities

\* New discovery in TB14 well in the TSP block



**REPSOL**

# Operational Activity: Upstream

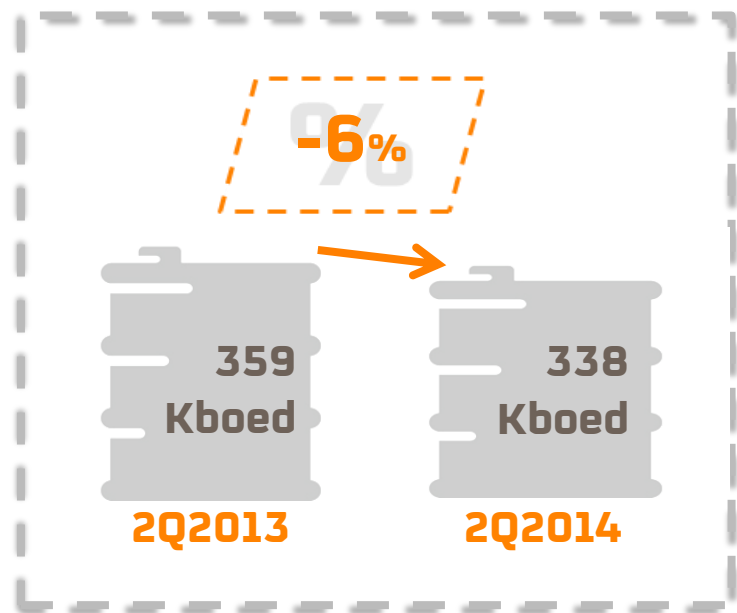
Currently drilling



**We continue with an intensive drilling activity**

# Main Highlights of 2Q 2014

## Production

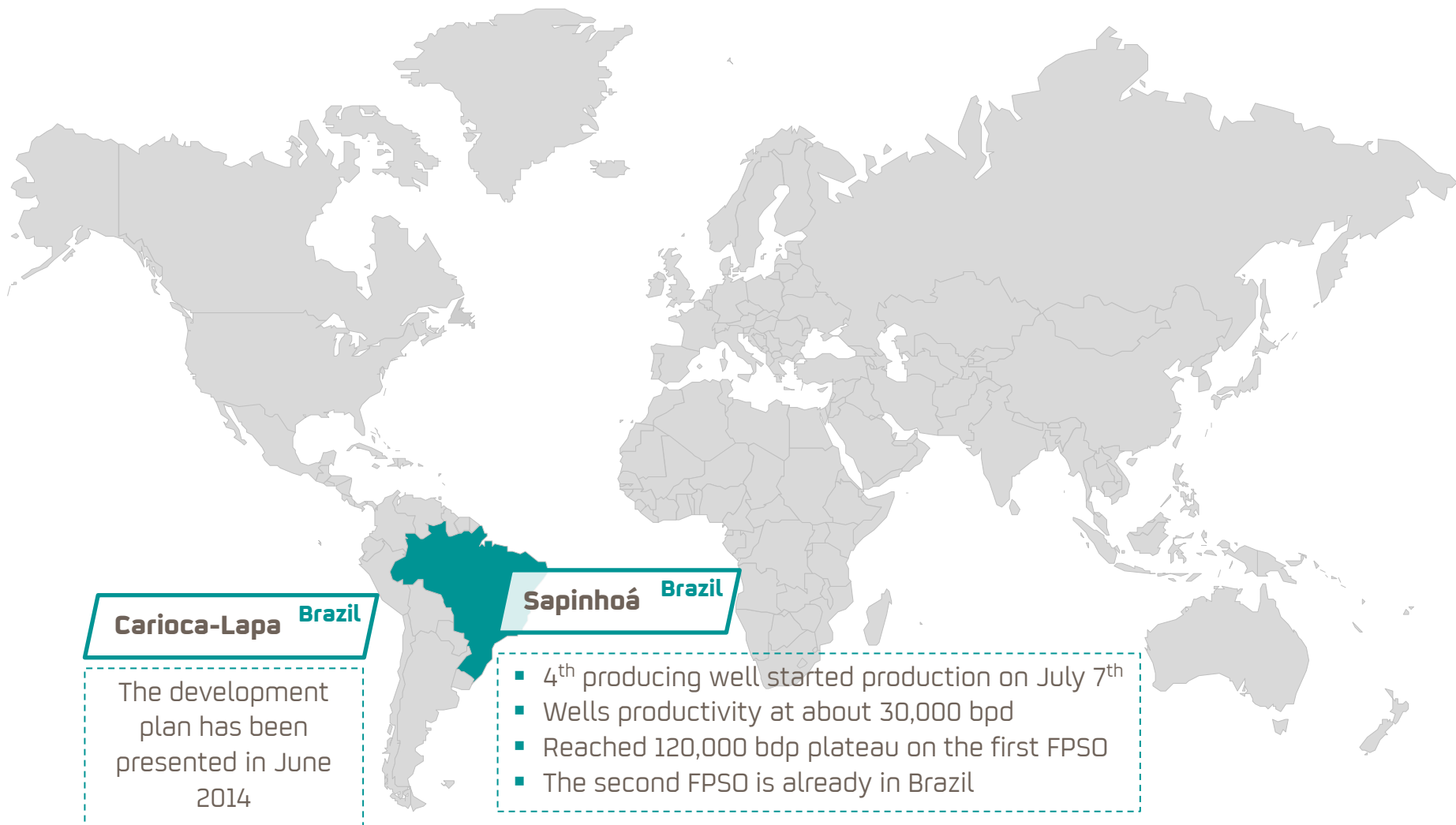


- Increased our production year-on-year in Brazil, the United States, Russia, Bolivia and Peru
- Stoppage in Libya
- Maintenance work in Trinidad & Tobago

**Production was 17 Kboed higher year-on-year excluding Libya**

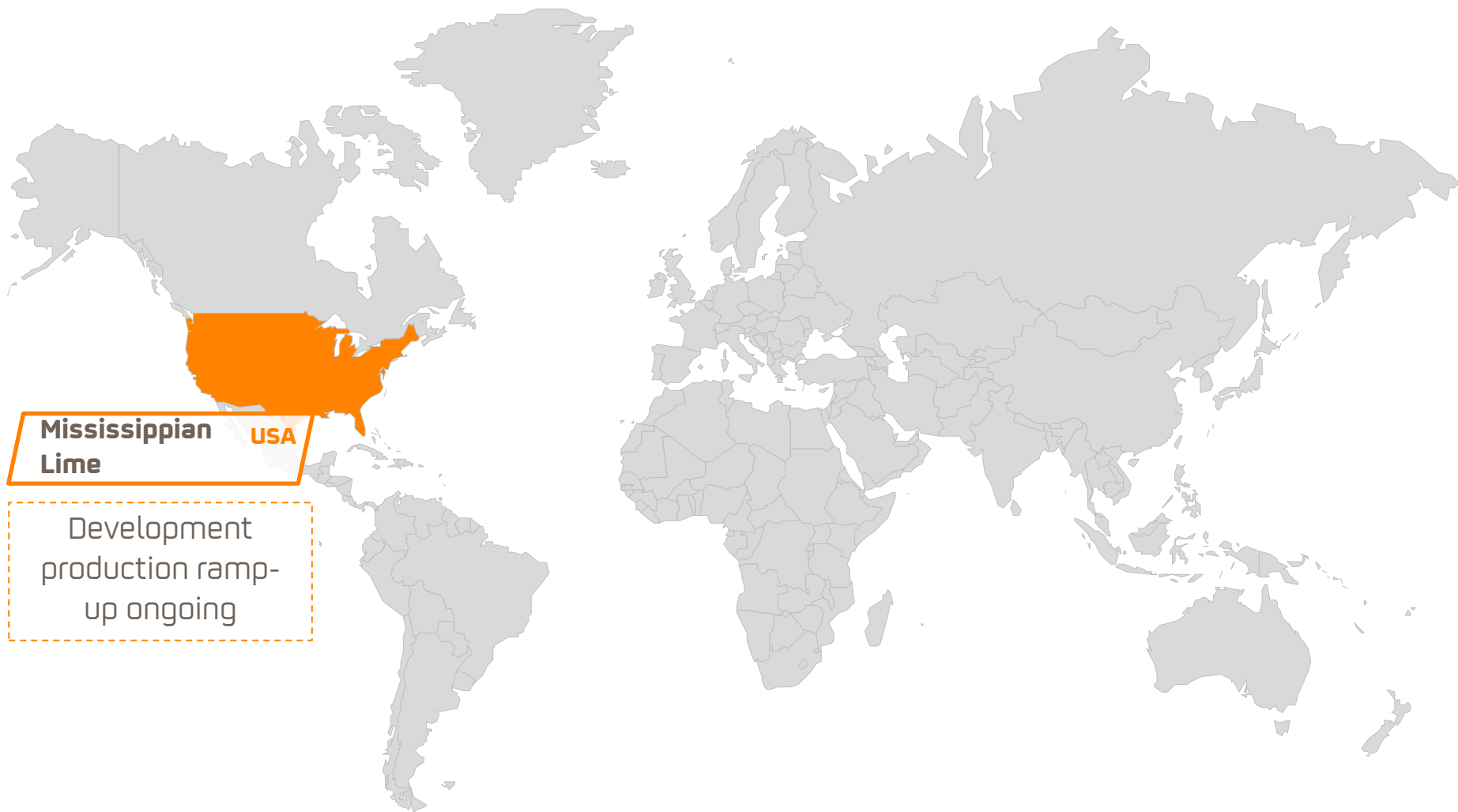
# Main Highlights of 2Q 2014

## Key Growth Projects: Brazil



# Main Highlights of 2Q 2014

## Key Growth Projects: USA

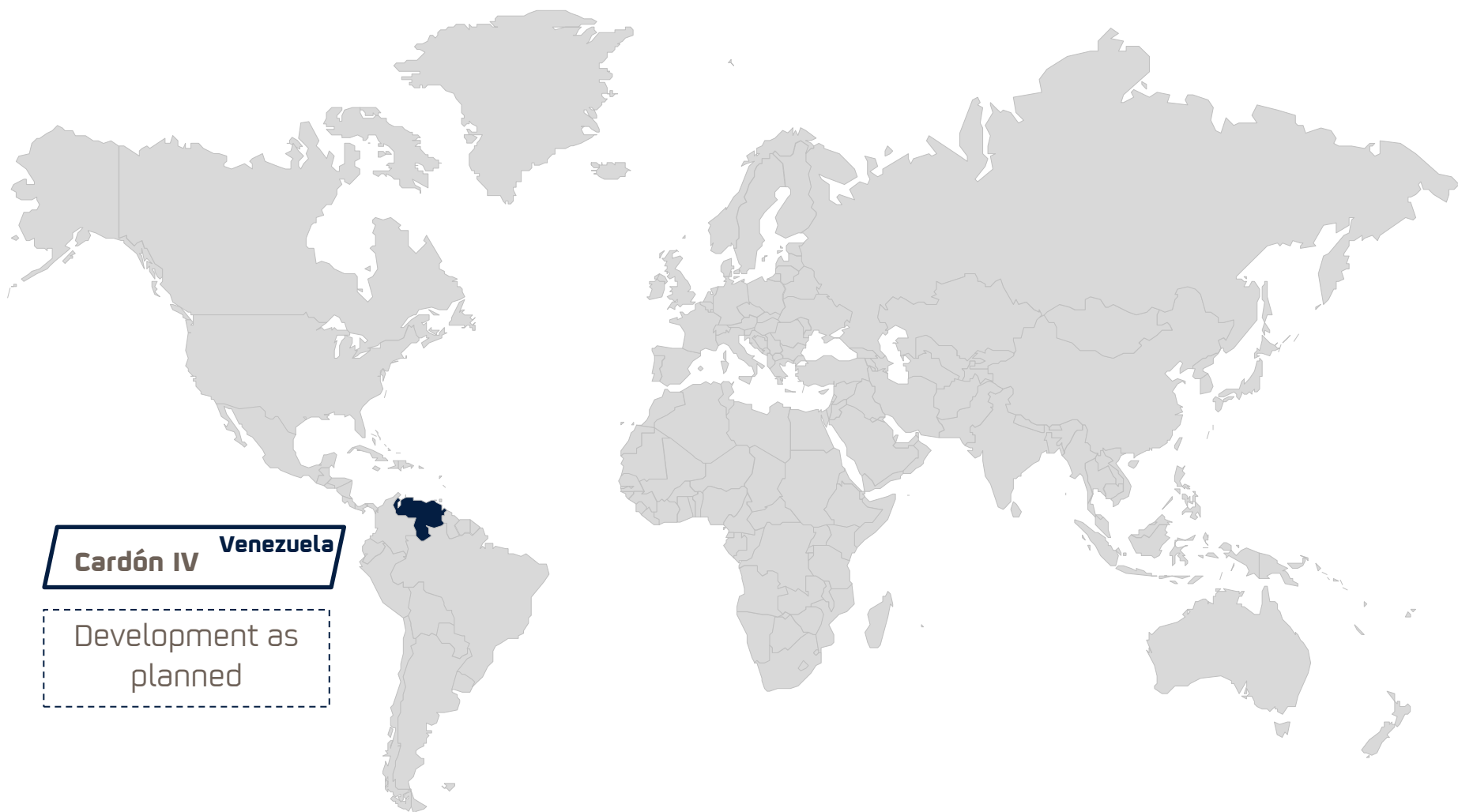


**Mississippian  
Lime** USA

Development  
production ramp-  
up ongoing

# Main Highlights of 2Q 2014

## Key Growth Projects : Venezuela

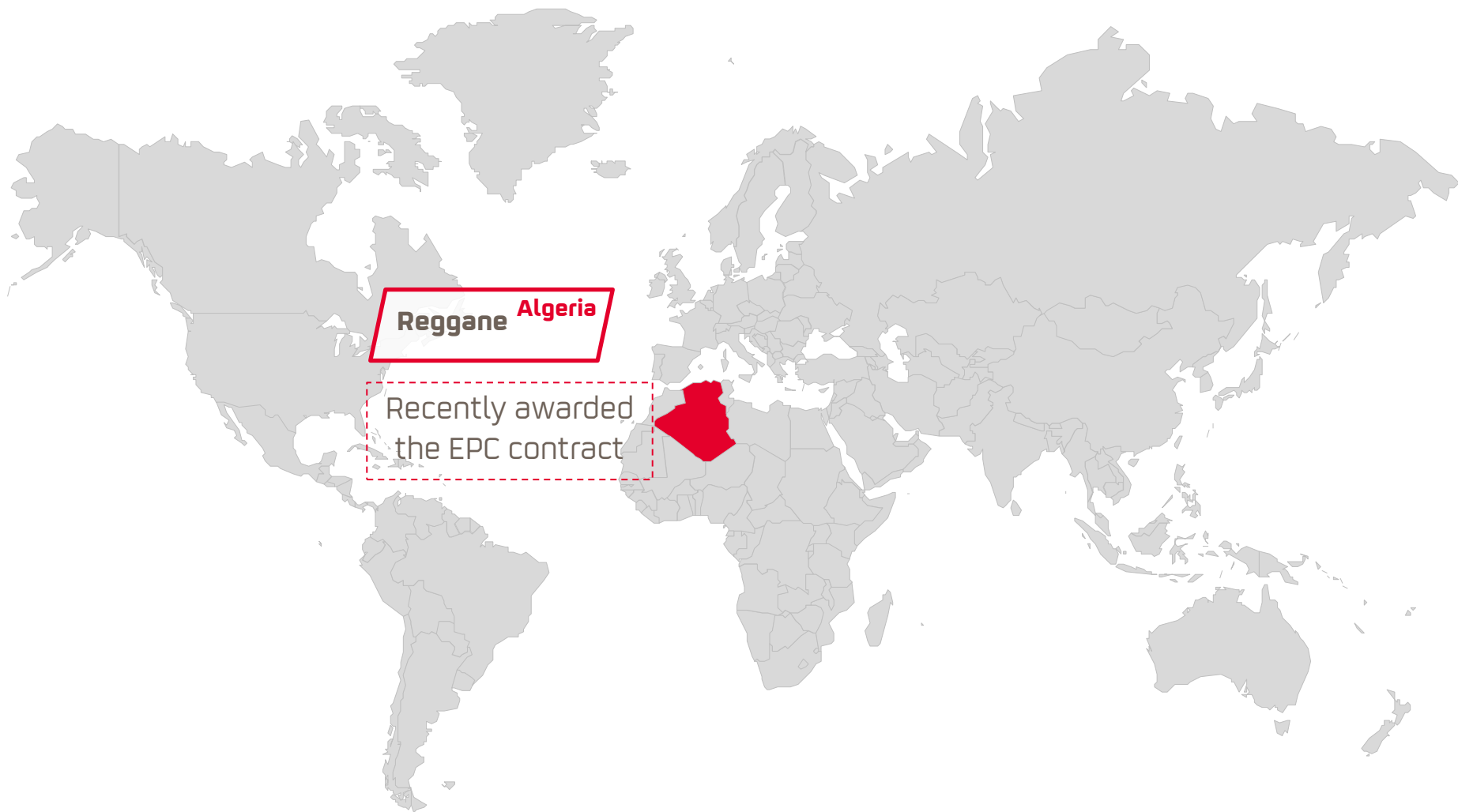


**Cardón IV** Venezuela

Development as planned

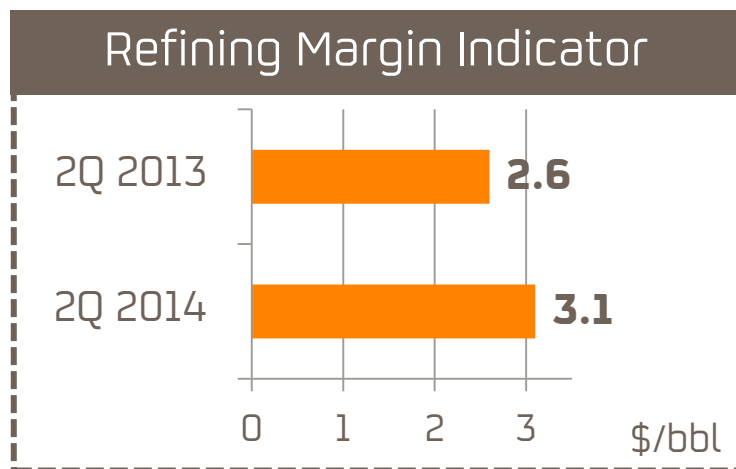
# Main Highlights of 2Q 2014

## Key Growth Projects : Algeria



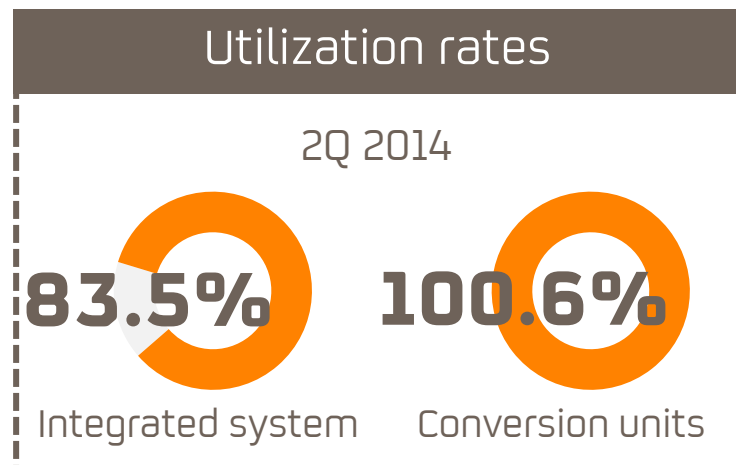
# Main Highlights of 2Q 2014

## Downstream



### Petrochemicals businesses

- Efficiency and product enhancement programs helped to deliver positive results



### Commercial businesses

- Maintained a healthy level of profitability quarter-on-quarter and year-on-year





## Quarterly Results

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# Results Summary



## 2Q 2014

	2Q 2013	2Q 2014	% Variation
<b>Adjusted Net Income</b>	401	390	-2.7%
<b>Net Income</b>	267	520	+95%

Million €

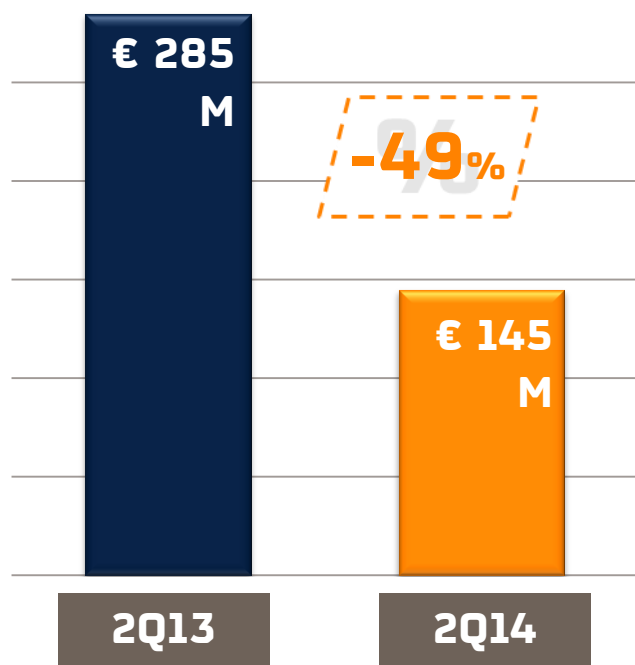
## 1S 2014

	1S 2013	1S 2014	% Variation
<b>Adjusted Net Income</b>	925	922	-0.3%
<b>Net Income</b>	901	1,327	+47%

Million €

# 2Q 2014 Upstream Results

## Adjusted Net Income



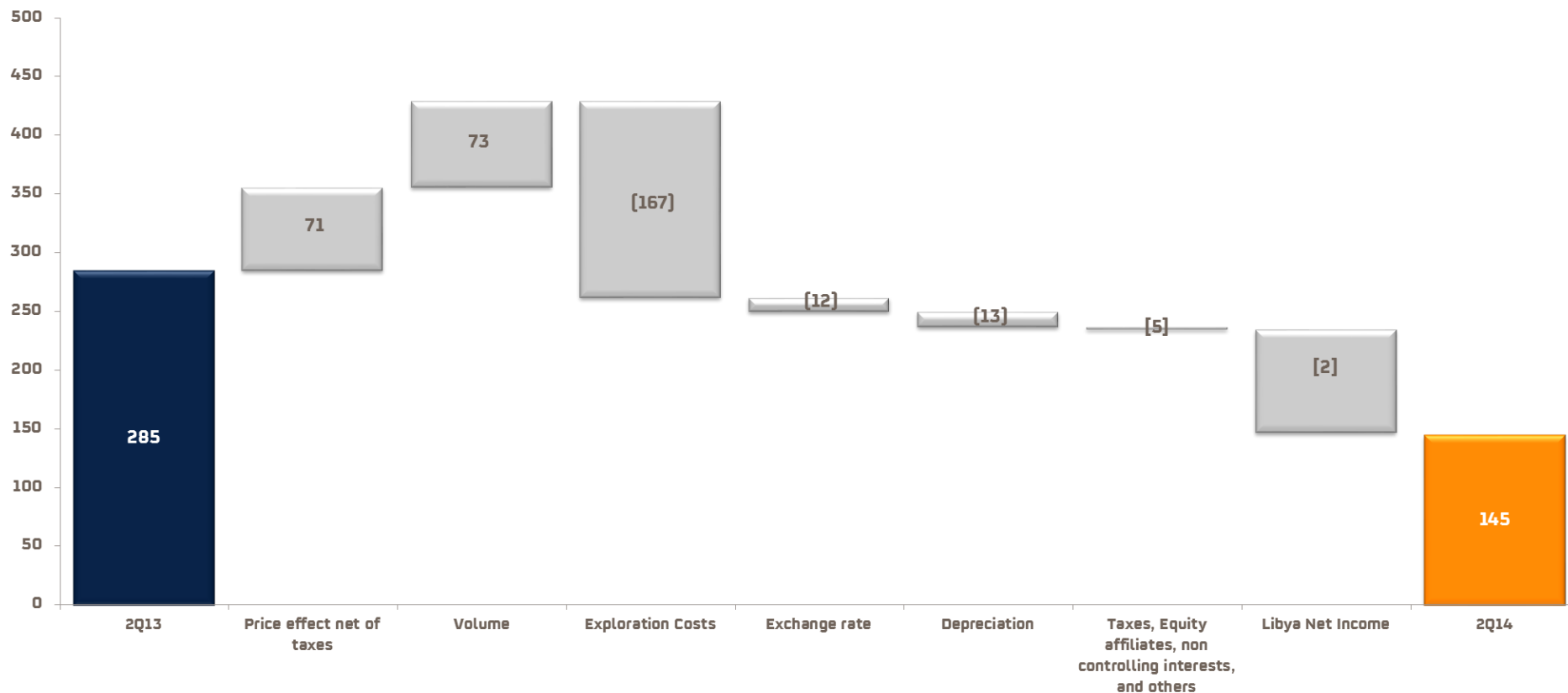
- Absence of production in Libya
- Increased production ex Libya
- Higher crude and gas prices
- Higher exploration costs

# 2Q 2014 Upstream Results

## Adjusted Net Income

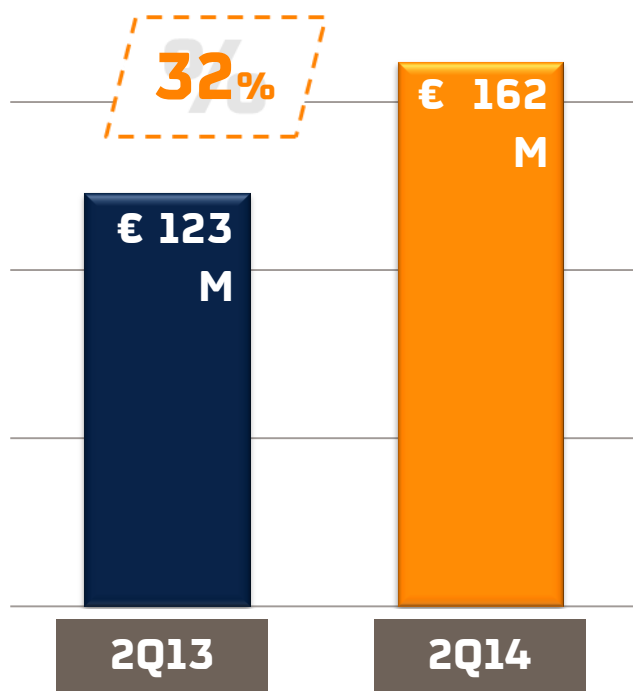
	2Q 2013	2Q 2014	% Variation
<b>Adjusted Net Income</b>	<b>285</b>	<b>145</b>	<b>-49%</b>

Million €



## 2Q 2014 Downstream Results

Adjusted Net Income



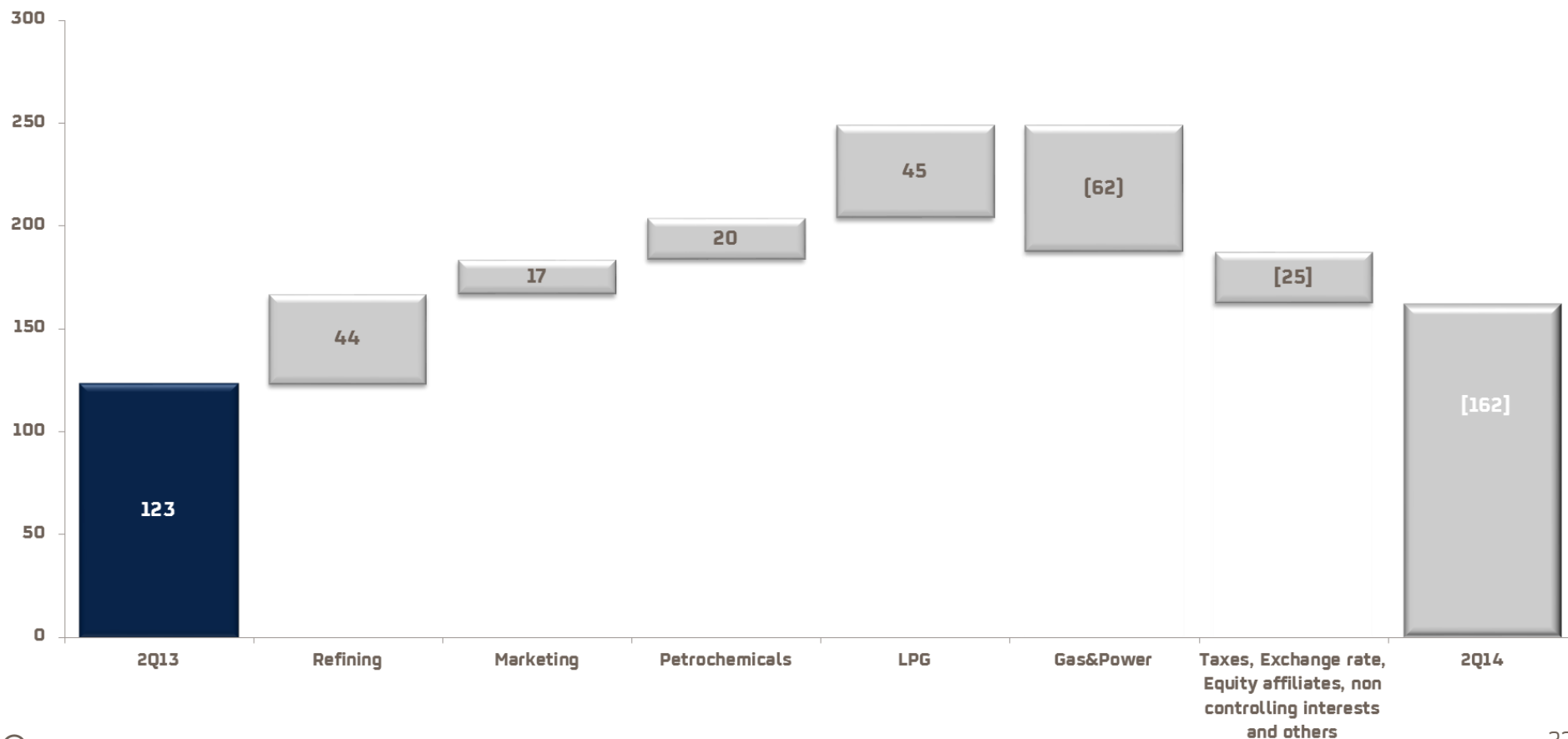
- Refining: Resilient margins despite tough environment
- 2.2 dollars per barrel of premium margin
- Petrochemicals: Efficiency programs implemented
- Commercial businesses: good set of results

# 2Q 2014 Downstream Results

## Adjusted Net Income

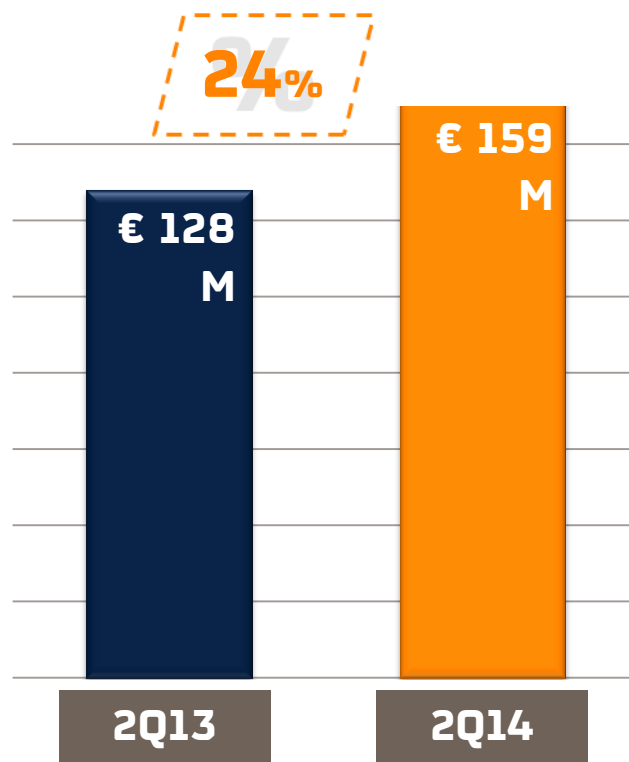
	2Q 2013	2Q 2014	% Variation
<b>Adjusted Net Income</b>	<b>123</b>	<b>162</b>	<b>32 %</b>

Million €



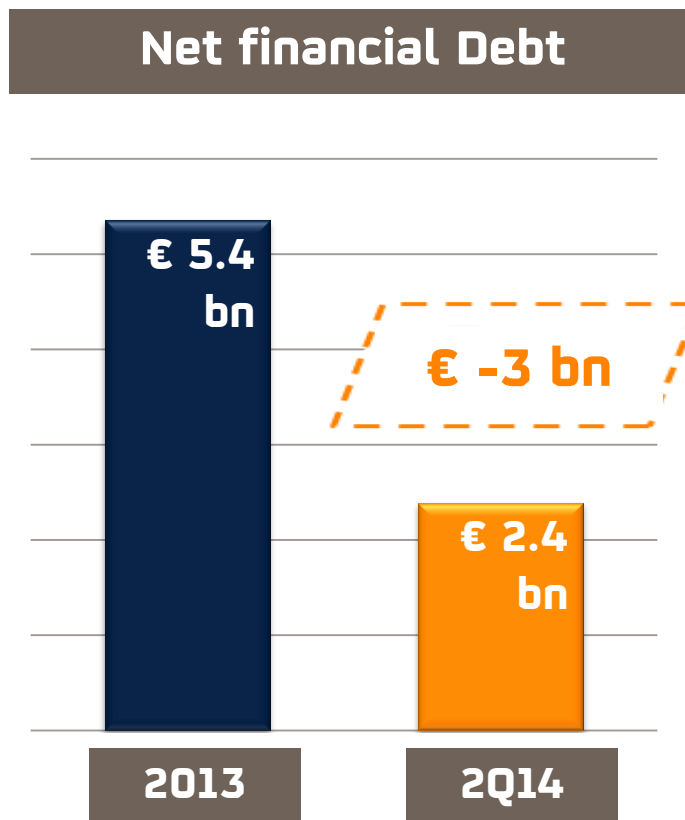
# 2Q 2014 Gas Natural Fenosa Results

## Adjusted Net Income



# Quarterly Results

## Financial Situation (Figures Ex Gas Natural)



**Liquidity remains healthy at more than 11 billion euros**



# Conclusions



## UPSTREAM

- **More than 30 Kboed** added from our key growth projects year-on-year.
- **Sapinhoa** first phase completed successfully.

## DOWNSTREAM

- Our business showed again its capacity to weather the current adverse situation.

## CORPORATE

- We have **completed the Agreement for the Amicable Settlement and Compromise of Expropriation** in relation to the expropriation of the controlling stake of Repsol Group in YPF S.A. and YPF Gas S.A. and the **monetization** of the bonds received as compensation together with the rest of our assets in Argentina.

# Q&A Session

Second Quarter 2014 Results



# WEBCAST – CONFERENCE CALL

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