SUPPLEMENT DATED 12 NOVEMBER 2014 TO THE BASE PROSPECTUS DATED 30 MAY 2014 (AS PREVIOUSLY SUPPLEMENTED ON 4 AUGUST 2014)

REPSOL INTERNATIONAL FINANCE B.V.

(A private company with limited liability incorporated under the laws of The Netherlands and having its statutory seat (statutaire zetel) in The Hague)

EURO 10,000,000,000

Guaranteed Euro Medium Term Note Programme

Guaranteed by

REPSOL, S.A.

(A sociedad anónima organised under the laws of the Kingdom of Spain)

This supplement (the ***Supplement***) to the base prospectus dated 30 May 2014 (as previously supplemented on 4 August 2014, the ***Base Prospectus***), constitutes a supplement, for the purposes of Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter 1 of Part II of the and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 (the ***Luxembourg Act***), to the Base Prospectus and is prepared in connection with the EURO 10,000,000,000 Guaranteed Euro Medium Term Note Programme established by Repsol International Finance B.V. (the ***Issuer***) and guaranteed by Repsol, S.A. (the ***Guarantor***). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus issued by the Issuer and the Guarantor.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The information incorporated by reference to the Base Prospectus by virtue of this Supplement has been translated from the original Spanish.

The Dealers, the Trustee and the Arranger have not separately verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealers or the Arranger or the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement.

Legal and Arbitration Proceedings

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "LEGAL AND ARBITRATION PROCEEDINGS - Other legal and arbitration proceedings**" (pages 71 to 75 of the Base Prospectus, just before the Section "LEGAL AND ARBITRATION PROCEEDINGS – Administrative and legal proceeding of a tax nature"), to replace the information contained therein with the following information:

"Other legal and arbitration proceedings

At 31 December 2013, Repsol's consolidated balance sheet included litigation provisions for a total amount of €88 million (excluding tax risk provisions described in Note 23 "Tax Situation" under "Other tax related disclosures" of the audited consolidated Financial Statements of the Group for the financial year 2013, incorporated by reference into this Base Prospectus).

From time to time the Group may be involved in lawsuits, disputes, or criminal, civil, administrative or arbitration proceedings in the ordinary course of its business. The following is an overview of certain of these proceedings affecting the Group as at the date of this Base Prospectus.

As a result of the YPF group expropriation, the proceedings described below in the United States of America and Argentina no longer include the legal proceedings in which only YPF or YPF subsidiaries were named as defendants.

Argentina

Claims brought by former YPF employees (Share Ownership Plan) -"Karcz, Miguel Ángel and another against Repsol S.A., YPF S.A.- Argentinian State/Declaratory judgement action

*A former employee of YPF before its privatisation (1992) who was excluded from the national YPF employee share ownership plan (**PPP**) set up by the Argentinian government has filed a claim in Bell Ville (Province of Cordoba, Argentina) against YPF and Repsol to seek recognition of his status as a shareholder of YPF S.A. In addition, the "Federation of Former Employees of YPF" has joined the proceedings acting on behalf of other former employees excluded from the PPP. Repsol acquired its ownership interest in the capital of YPF S.A. in 1999.*

On the basis of Argentinian Supreme Court jurisprudence (confirming numerous rulings by the appeal courts), neither of the defendant companies can be held liable for suits of this nature relating to the PPP. By virtue of Law No. 25,471, the Argentinian government assumed exclusive liability for the matter, bearing the cost of any damages paid to former employees of YPF excluded from the PPP in accordance with the procedure stipulated therein.

*Pursuant to the plaintiff's request, the Bell Ville Federal Court of First Instance initially granted a preliminary injunction (the **Preliminary Injunction**), ordering that any sale of shares of YPF S.A., or any other transaction involving the sale, assignment or transfer of shares of YPF S.A. carried out either by Repsol or by YPF, be suspended, unless the plaintiff and other beneficiaries of the PPP (organised in the Federation of Former Employees of YPF) are involved or participate in such transactions. YPF and Repsol filed an appeal against this decision in the Cordoba Federal Court, requesting that the Preliminary Injunction be revoked. The Federal Court of First Instance allowed the appeal and suspended the effects of the Preliminary Injunction. In addition, in March 2011, the Federal Judge responsible for the Buenos Aires Administrative Disputes Court reduced the Preliminary Injunction to only 10% of the ownership interest held by Repsol in the capital of YPF S.A. Accordingly, Repsol may freely dispose of its shares in YPF provided that Repsol continues directly or indirectly to own at least 10% of the share capital of YPF S.A. On 21 July 2011, the judge of the First Instance upheld the claim of lack of jurisdiction made by YPF and Repsol, S.A. and ordered to transfer the case to the Federal Courts in the autonomous city of Buenos Aires. This decision was confirmed by the Appeals Chamber on 15 December 2011. The aforementioned Chamber overruled the decision handed down by the judge in the Court of First Instance of Bell Ville, limiting it to only 10% of the shares controlled by Repsol, S.A. claimed by the plaintiffs. The ruling is final.*

In the wake of several procedural incidents affecting the establishment of jurisdiction, Federal Civil and Commercial Court No. 9 was ruled the competent Court. The case was submitted to the Federal Civil and Commercial Chamber on 8 October 2013, where it has been under study since then. On the other hand, on 23 August 2012, a writ was filed in this dossier requesting the inhibition of the Judge presiding over the Labour Court of First Instance of Rio Grande in the suit filed by Lopez, Osvaldo Federico et al. against Repsol, S.A. in respect of the terms of the preliminary injunction defined below (Dossier No. 4444). The National Court for Federal Contentious Administrative matters decided not to resolve these matters until the jurisdiction matters were finalised.

On 10 April 2014, the dossier went back to the National Court in Civil and Commercial matters No 9, Court Office 17. On 8 April 2014, in the case "YPF S.A. vs. Karcz on preliminary injunction", the Argentine Government filed a document requesting that the preliminary injunctions that had been provided for previously were released; whereby a court order was issued on 16 April 2014, lifting both preliminary injunctions. The plaintiff has filed an appeal regarding such court order. However, the appeal of that decision does not suspend the effects of the lifting of the injunction.

This procedure is included in the indemnity granted by the Republic of Argentina in the Agreement. For an overview of the Agreement see Section "7. Material Contracts – Agreement with Argentina").

Preliminary injunction filed by López, Osvaldo Federico and others against Repsol, S.A. (Dossier # 4444)

Through a relevant event notification published by YPF on 26 April 2012, Repsol became aware of the existence of a preliminary injunction of "no innovation" ("medida cautelar de no innovar" in Argentinian legal terminology) issued on 20 April 2012 and notified to YPF, as filed before the Employment Court of First Instance of Rio Grande, Tierra de Fuego Province; such injunction ordering a suspension of the exercise of the voting and economic rights envisaged in YPF's by-laws with respect to the 45,215,888 ADSs (each representing one common Class D share of YPF S.A.) sold by Repsol in March 2011, this until such time as the nullity being sought in the relevant legal proceedings is decided upon. On 30 May 2012, Repsol appeared before the court to file a motion to reverse the injunction with supplementary appeal included.

Subsequently, through a relevant event notification published by YPF on 1 June 2012, Repsol became aware of a ruling handed down on 14 May 2012, which modified such injunction and replacing it with another, according to which Repsol may not dispose of any funds it may receive as payment for the expropriation of its shares in YPF, which payment will be determined for these purposes by the National Appraisal Tribunal. The ruling indicates that the previous injunction has ceased to be effective, which means that the holders of those shares can freely exercise their intrinsic rights.

Repsol has appealed the amendment of the injunction and, although the appeal to have the ruling overturned was initially ruled out, on 6 November 2013 the Río Grande Chamber of Appeals ruled to admit the extraordinary unconstitutionality appeal filed. The Provincial Supreme Court, insofar as it does not rule against the admission of the appeal, must now address the matters presented in the appeal lodged by Repsol on 14 June 2013 outlining the grounds for overturning the injunction granted on 20 May 2012 with the effect of restricting access to any proceeds that Repsol may receive as compensation for the expropriation of its shares in YPF S.A.

By means of resolution issued on 18 March 2014 in the case "López Osvaldo Federico and other vs. Repsol S.A." an action for the enforcement of constitutional rights and the preliminary injunction was released. Therefore, at present the Higher Court of Justice has to solve an abstract issue, and the Guarantor estimates that the court will uphold it as such.

Repsol was also notified of the lawsuit filed in relation to Lopez, Osvaldo Federico et al. against Repsol, S.A. (Dossier 4440) on 25 June 2012, and replied to it on 28 August 2012. On 20 September 2012, the judge overruled, among others, Repsol's arguments of lack of jurisdiction and incapacity to act, a ruling that was since upheld by the Chamber of Appeals on 30 October 2013.

On 18 March 2014, the judge issued a decision rejecting the application for appeal and lifting the injunction. The plaintiff has filed an appeal against such decision. The appeal of that decision does not suspend the effects of the lifting of the injunction.

This procedure is included in the indemnity granted by the Republic of Argentina in the Agreement. For an overview of the Agreement see Section "7. Material Contracts – Agreement with Argentina").

Claim filed against Repsol and YPF by the Union of Consumers and Users

The plaintiff claims the reimbursement of all the amounts the consumers of bottled LPG were allegedly charged in excess from 1993-2001, corresponding to a surcharge for such product. With respect to the period from 1993 to 1997, the claim is based on the fine imposed on YPF by the Secretariat of Industry and Commerce through its resolution of 19 March 1999. It should be noted that Repsol has never participated in the LPG market in Argentina and that the fine for abusing a dominant position was imposed on YPF. In addition, YPF has alleged that charges are barred by the applicable statute of limitations. Hearings have commenced and are in process. The claim amounts to Argentinian Ps.91 million (€17 million) for the 1993-1997 period, amount which updated at 18 August 2012 by an expert appraiser, this amount would total Argentinian Ps.387 million (€43 million) plus interest and expenses.

Currently, the case is set for judicial decision since 10 February 2014, including a motion to render judgment thereon.

This procedure is included in the indemnity granted by YPF in the Convenio de Finiquito. For an overview of this agreement see Section "7. Material Contracts – Agreement with Argentina").

United States of America

The Passaic River and Newark Bay clean-up lawsuit

*This section discusses certain environmental contingencies as well as the sale by Maxus Energy Corporation (**Maxus**) of its former chemicals subsidiary, Diamond Shamrock Chemical Company (**Chemicals**) to a subsidiary of Occidental Petroleum Corporation (**Occidental**). Maxus agreed to indemnify Chemicals and Occidental for certain liabilities relating to the business and activities of Chemicals prior to 4 September 1986 (the **Closing Date**), including certain environmental liabilities relating to certain chemical plants and waste disposal sites used by Chemicals prior to the Closing Date. In 1995, YPF acquired Maxus and in 1999, Repsol acquired YPF.*

*In December 2005, the Department of Environmental Protection (the **DEP**) and the New Jersey Spill Compensation Fund sued Repsol YPF (now denominated Repsol, S.A.), YPF, YPF Holdings Inc., CLH*

*Holdings Inc., Tierra Solutions Inc., Maxus Energy Corporation, as well as Occidental Chemical Corporation. In August 2010, the lawsuit was extended to YPF International S.A. and Maxus International Energy Company. This is a claim for damages in connection with the contamination allegedly emanating from the former facility of Chemicals and allegedly contaminating the Passaic River, Newark Bay, and other nearby water bodies and properties (the **Passaic River/Newark Bay litigation**).*

In February 2009, Maxus and Tierra included another 300 companies in the suit (including certain municipalities) as third parties since they are potentially liable.

In May 2011, the court issued Case Management Order XVII (CMO XVII), which set forth the trial plans (the Trial Plans), dividing them in different trial tracks.

In accordance with the expected Trial Plan, the State of New Jersey and Occidental filed the corresponding motions. The Court ruled as follows on these motions: (i) Occidental is the legal successor of the liabilities incurred by the corporation formerly previously known as Diamond Alkali Corporation, Diamond Shamrock Corporation, and Chemicals; (ii) the Court denied the State's motion, without prejudice insofar as the State of New Jersey sought a declaration that the facts in the "Aetna" litigation should apply to the Occidental and Maxus case based on the doctrine of collateral estoppel; (iii) the Court ruled that Tierra is responsible to the State of New Jersey pursuant to the New Jersey "Spill Act" simply based on its ownership of the land where the Lister Avenue plant was located; (iv) the Court ruled that Maxus has an obligation *under the "1986 Stock Purchase Agreement" to indemnify Occidental harmless for any liability of the "Spill Act" arising from pollutants discharged from Lister Avenue plant.*

Subsequently, and in accordance with the Trial Plan, the State of New Jersey and Occidental presented new motions against Maxus. On 23 May 2012, the Court ruled on those motions that: (i) Maxus was not, as a matter of law, a successor to "Diamond Shamrock". However, the court left open the possibility of finding Maxus a "successor" for purposes of punitive damages, if punitive damages were available; (ii) the State of New Jersey was not an intended third-party beneficiary of the "Stock Purchase Agreement" of 1986; and (iii) Tierra is the alter ego of Maxus as a matter of law and, therefore, Maxus is "in any way responsible under the Spill Act" for discharges at the Lister Avenue plant. The court determined Maxus as "strictly, jointly and severally liable under" the Spill Act.

*On 6 June 2013, the Original Defendants (with the exception of Occidental Chemical Corporation) signed, without admitting responsibility, a Settlement Agreement with the DEP, its Commissioner, and the Administrator of the New Jersey Spill Compensation Fund to obtain a dismissal of the State of New Jersey's claims against Repsol, YPF, YPFI, YPFH, CLHH, MIEC, Maxus, and Tierra in exchange for the payment of U.S.$130 million (U.S.$65 million payable by Repsol and the other U.S.$65 million payable by YPF/Maxus). Based on the terms of this Settlement Agreement, the State of New Jersey reserves the right to continue its actions against Occidental Chemical Corporation, which is not a party to the Settlement Agreement. Additionally, Occidental Chemical Corporation, not being part of the agreement, maintains its right to continue its claims against Repsol and the rest of the Original Defendants (**Cross Claims**), who maintain their defences against Occidental Chemical Corporation. The Settlement Agreement provides that the claims will not go to trial until December 2015. Also, by virtue of the Settlement Agreement, the Original Defendants (except Occidental) obtained certain additional protections against future potential litigation. The Settlement Agreement is pending court approval. The Settlement Agreement has been approved by the New Jersey Courts. Occidental lodged an appeal against the court ruling approving the Settlement Agreement in January 2014 that has been discharged. Occidental has lodged a 3rd Amended Cross-Claim, against which the Original Defendants (except Occidental) have filed a Motion to Strike. On October 28, 2014 the Court granted the Motion to Strike and consequently dismissed the 3rd Amended Cross-Claim instructing the parties to focus pending motion practice on the 2nd Amended Cross-Claim.*

Ecuador

Lawsuit regarding payments in respect of LPG surpluses to the State of Ecuador by Duragas, S.A.

*Ecuador's hydrocarbon regulator (La Agencia de Regulación y Control Hidrocarburífero) (**ARCH**) is authorised to audit the revenue, costs, and expenses of LPG operators. The regulator's audit of Duragas, S.A. from 2002 to 2013 revealed a difference between the amount of LPG acquired from EP PETROECUADOR (formerly Petrocomercial, a public company and Ecuador's sole authorised supplier of LPG) for domestic consumption and the amount actually sold to the sector by Duragas, S.A., company of the Group. The ARCH determined that the difference between the LPG tariffs established for domestic and industrial consumption must be recalculated to benefit EP PETROECUADOR. According to EP PETROECUADOR, the results of this reassessment for such years would total U.S.$60 million, plus the interest and costs pending its appraisal.*

Duragas, S.A. appealed in due time and form all of the ARCH's reports and subsequent settlement, demands and payment notices and requests received from EP PETROECUADOR, submitting both formal and material arguments (the absence of the ARCH's express legal authority for identifying surplus charges in its annual report) and material arguments (the existence of technically unavoidable shortages in containers, failure to make the distinction between the remaining LPG in containers and the amounts sold to the industrial market). To date, the courts have not rendered any judgment on the merits of the case.

While these appeals were being substantiated, EP PETROECUADOR took coercive action to collect the amounts it is claiming for the years 2004-2011, amounting to U.S.$50 million. Although these coercive procedures were unorthodox and overlooked the established legal channels, which could be recognised in one of the appeals filed by Duragas, S.A., all of them tend to adopt what is known as the "solve et repete" rule (i.e. the requirement to pay or set aside the amount dispute if a party wants to challenge the claim arising from coercive action), and thus, while the validity of the ARCH's report was being determined for each year, Duragas, S.A. was anticipating and bearing the economic damages derived from these coercive measures, becoming more the actual claimant (in terms of returning the amount claimed) rather than respondent (for the amount assessed in the ARCH's report).

On 22 October 2014 and after several discussions initiated in July, the Ministerio de Recursos Naturales No Renovables, the ARCH, EP PETROECUADOR and Duragas, S.A. signed a Settlement Agreement (Acuerdo Transaccional) putting an end to the disputes among the parties. Pursuant to the Settlement Agreement, all the parties are currently dealing with the dismissal of judicial proceedings related to the issue.

Spain

Sentences of the National High Court ("Audiencia Nacional") and of the Madrid High Court ("Tribunal Superior de Justicia de Madrid") in relation to regulated bottled LPG

On May 9 and July 25, 2014, Repsol Butano, S.A. was notified of three sentences issued by the Contentious Administrative Court of the National High Court ("Audiencia Nacional") and one sentence issued by the Contentious Administrative Court of the Madrid High Court ("Tribunal Superior de Justicia de Madrid") awarding Repsol Butano, *S.A. the right of being compensated for the damages caused by the quarterly resolutions issued by the Directorate-General of Energy and Mining Policy determining the maximum retail prices for regulated LPG containers for the second, third and fourth quarters of 2011 and the first and third quarter of 2012 totalling €83.3 million of principal plus the corresponding late payment interest legally due.*

In those sentences, the Courts declares the existence in these cases of the elements that determine the public administration pecuniary liability and also confirms the quantification of the damages caused by the quarterly resolutions appealed by Repsol Butano, S.A. as stated by the independent experts designated by Repsol Butano, S.A. and the Court.

Even though the above sentences are being appealed in cassation, the fact is that the government did not contend the public administration pecuniary liability but rather questioned the assessment and quantification of the damages with arguments that have been individually dismissed on substantiated grounds by the above mentioned sentences upholding our claims. Such reasoning of the Courts, along with the arguments raised by Repsol Butano to defend its claim, makes it highly probable that the abovementioned sentences will be upheld by the Supreme Court."

2014 third quarter reports and regulatory announcements

On 6 November 2014, the Guarantor filed its unaudited consolidated preview of income statement for the period ended 30 September 2014 (the **Guarantor´s Preview of Income Statement 3Q2014**) with the Spanish National Securities Market Commission (*Comisión Nacional del Mercado de Valores*) – CNMV). An English-language translation of the Guarantor´s Preview of Income Statement 3Q2014 has been filed with the Luxembourg Financial Sector Surveillance Commission (*Commission de Surveillance du Secteur Financier* or ***CSSF***) and, by virtue of this Supplement, is incorporated by reference in, and form part of, the Base Prospectus.

This Supplement also incorporates by reference certain regulatory announcement released by the Guarantor since the date of the Base Prospectus.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by virtue of this Supplement, and (b) any other statement, pre-dating this Supplement, in, or incorporated by reference into, the Base Prospectus, the statements in (a) above shall prevail.

Documents incorporated by reference

Both the Issuer and the Guarantor consider advisable to incorporate by reference into the Base Prospectus via this Supplement (i) the Guarantor´s Preview of Income Statement 3Q2014; and (ii) certain regulatory announcements of the Guarantor; and therefore, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to amend the **Section "DOCUMENTS INCORPORATED BY REFERENCE"** (pages 19-23 of the Base Prospectus) by the inclusion of the following documents to the list "**Information incorporated by reference**" (page 19 of the Base Prospectus). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Information Incorporated by Reference	**Page References**
(N) Guarantor`s Preview of Income Statement 3Q2014	*1-38*
- Basis of preparation of the financial information	3-4
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As long as any of the Notes are outstanding, this Supplement and each document incorporated by reference into the Base Prospectus via this Supplement will be available for inspection, free of charge, at the offices of the Issuer at Koninginnegracht 19, 2514 AB The Hague, The Netherlands during normal business hours and on the website of the Luxembourg Stock Exchange at www.bourse.lu. In addition, copies of the documents incorporated by reference referred to above can be obtained from the website of the Issuer at http://www.repsol.com/es_en/corporacion/accionistas-inversores/informacion-financiera/financiacion/repsol-international-finance/programa-emision-continua.aspx

The paragraph 2 in the "General Information" section on page 126 of the Base Prospectus shall be deleted and replaced with the following text to take into account of the publication and incorporation by reference into the Base Prospectus of the Guarantor's Preview of Income Statement 3Q2014:

"To the best of the knowledge of the Issuer, there has been no material adverse change in its prospects since 31 December 2013 (being the date of the last published audited financial statements) nor has there been, save as disclosed on page 34 and under headings "Agreement with Argentina" in section "Business Description—7. Material Contracts" and "Sale of Argentinian sovereign bonds" in Section "Business Description—8. Recent Developments", any significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 December 2013.

To the best of the knowledge of the Guarantor, there has been no material adverse change in its prospects since 31 December 2013 (being the date of the last published audited financial statements) nor has there been any significant change in the financial or trading position of the Group since 30 September 2014."

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has been noted or, to the best of the knowledge of the Issuer and the Guarantor, has arisen, as the case may be, since the publication of the Base Prospectus.

3Q14 RESULTS

November 6th, 2014

25 YEARS OF REPSOL ON THE STOCK MARKET 1989-2014

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BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

BASIS OF PREPARATION

Group activities are carried out in three operating segments:

- **Upstream**, the segment corresponding to hydrocarbon exploration and production activities;

- **Downstream**, the segment corresponding to (i) refining and commercialization of oil products, petrochemical products, and liquefied petroleum gas, (ii) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG) and (iii) renewable energy power projects;

- **Gas Natural Fenosa**, the segment corresponding to Repsol investment in Gas Natural Fenosa, whose main activities are the distribution and commercialization of natural gas, and the generation, distribution and commercialization of electricity.

Lastly, the **Corporate and others** segment reflects the Corporation's overhead expenses incurred in activities that cannot be allocated to the first three business segments, intra-segment consolidation adjustments and the financial result.

The company carries out a significant portion of its activities through participations in joint ventures. Accordingly, for the purpose of management decision-making with respect to resource allocation and performance assessment, the operating and financial metrics of joint ventures are considered from the same perspective and in the same level of detail as in businesses consolidated via global integration. To this end, all the operating segment disclosures include, in proportion to the Group's respective ownership interest, the figures corresponding to its joint ventures or other companies managed as such.

Repsol Group made the decision in 2014, prompted by the business reality and in order to make its disclosures more comparable with those in the sector, to disclose the recurring net operating profit of continuing operations at current cost of supply (CCS) after tax as a measure of the result of each segment ("Adjusted Net Income"), which excludes both non-recurring net income[1] and the inventory effect[2].

On the other hand, Gas Natural Fenosa's performance is assessed on the basis of its net income contribution and the cash flow obtained through the dividends received. Accordingly, the net income of this segment is presented as the company's net income in accordance with the equity method; the other metrics presented only include the cash flows generated by the Repsol Group as a shareholder of Gas Natural SDG, S.A.

All of the information presented in this Earnings Release, with the exception of that provided in the tables headed "Consolidated Financial Statements" has been prepared in accordance with the abovementioned criteria.

[1] Non-recurring items are those originated from events or transactions falling outside the Group's ordinary or usual activities are exceptional in nature or arise from isolated events.
[2] The net income is prepared by using the inventory measurement method widely used in the industry – current cost of supply (CCS), which differs from that accepted under prevailing European accounting standards (MIFO). The use of CCS methodology facilitates users of financial information comparisons with other companies in the sector. Under CCS methodology, the purchase price of volumes of inventories sold during the period is based on the current prices of purchases during the period. The inventory effect is the difference between the net income using CCS and the net income using MIFO. In this note, the inventory effect is presented net of the tax and excluding non-controlling interests.

CONSOLIDATED FINANCIAL STATEMENTS

Appendix II presents the Group's consolidated financial statements prepared under International Financial Reporting Standards (IFRS). It is therefore relevant to mention the following:

a) The IFRS 11 "*Joint Agreements*" came into force on January 1, 2014, implying the use of the equity method to account for the Group's investments in joint ventures in its consolidated financial statements. Although its application has not had a significant impact on the Group's equity, it has entailed significant reclassifications among the various balance sheet and income statement headings, as the Group had been using the proportionate method of consolidation to account for its investments in entities under joint control until December 31, 2013.

b) In addition, in October and December 2013 and January 2014, Repsol closed the sale of some of its LNG assets and businesses. In accordance with IFRS, the results generated by these assets and businesses were classified and accounted for as discontinued operations.

As a result of the foregoing, and in accordance with prevailing accounting rules and standards, the consolidated balance sheet as of 31 December 2013, the consolidated income statements for the third quarter and the period January - September 2013 and the consolidated cash flows statement for the period January – September 2013 have been restated for comparative purposes.

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

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
Upstream	184	145	185	0.5	818	585	(28.5)
Downstream	108	162	190	76.6	458	642	40.2
Gas Natural Fenosa	106	159	92	(13.2)	359	374	4.2
Corporate and others	(103)	(76)	(52)	49.5	(415)	(264)	36.4
ADJUSTED NET INCOME	**295**	**390**	**415**	**40.9**	**1,220**	**1,337**	**9.6**
Inventory effect	30	5	(63)	-	(123)	(117)	4.9
Non-recurring income	(34)	156	(32)	5.9	(121)	159	-
Income from discontinued operations	95	(31)	(1)	-	311	267	(14.1)
NET INCOME	**386**	**520**	**319**	**(17.3)**	**1,287**	**1,646**	**27.9**

Economic data (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
EBITDA	1,026	1,025	1,047	2.0	3,241	3,249	0.2
CAPITAL EXPENDITURES	716	860	961	34.2	2,112	2,549	20.7
NET DEBT	7,117	2,392	1,998	(71.9)	7,117	1,998	(71.9)
EBITDA / NET DEBT (x)	-	-	2.10	-	-	2.17	-

Operational data	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
LIQUIDS PRODUCTION (Thousands of bbl/d)	135	122	141	4.7	145	131	(9.3)
GAS PRODUCTION (*) (Millions of scf/d)	1,172	1,216	1,261	7.6	1,176	1,221	3.8
TOTAL PRODUCTION (Thousands of boe/d)	**344**	**338**	**366**	**6.4**	**354**	**349**	**(1.5)**
CRUDE OIL REALIZATION PRICE ($/Bbl)	89.0	87.8	84.3	(5.3)	89.7	85.9	(4.2)
GAS REALIZATION PRICE ($/Thousands scf)	3.8	4.0	3.6	(5.3)	4.0	3.9	(1.1)
DISTILLATION UTILIZATION Spanish Refining (%)	80.9	83.5	84.8	4.8	80.3	81.0	0.9
CONVERSION UTILIZATION Spanish Refining (%)	101.1	100.6	106.6	5.4	100.1	101.4	1.3
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	2.6	3.1	3.9	50.0	3.0	3.6	20.0

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

KEY MILESTONES FOR THE THIRD QUARTER OF 2014

- **Adjusted net income** in the third quarter was €415 million, 41% higher year-on-year, and **net income** stood at €319 million, a 17% decrease compared to the same period of last year.

  In terms of the accumulated results, **adjusted net income** in the period January - September 2014 was €1,337 million, a 10% increase year-on-year, and **net income stood** at €1,646 million, 28% higher year-on-year.

- Quarterly results by business unit are detailed as follows:
    - Adjusted net income in **Upstream** was in line year-on-year, mainly due to lower exploration costs and higher volumes offset by lower realization prices and lower contribution from Libya.
    - In **Downstream**, adjusted net income was 77% higher year-on-year:
        - Refining, chemicals and the commercial businesses performed significantly better than in 3Q13 as a consequence of an improved business environment.
        - Gas & Power, however, had a lower contribution year-on-year as a result of the mark-to-market of the contractual commitments for natural gas commercialization in North America and the effect of the compensation associated to the LNG supply contracts in 3Q13.
    - The adjusted net income of **Gas Natural Fenosa** was 13% lower year-on-year.
    - In **Corporate and others**, adjusted net income increased 50% year-on-year, due to the improvement of the financial result mainly as a consequence of a better result of exchange rate positions and the reduction of the average cost of debt.

- **Upstream** production averaged 366 kboe/d in the third quarter of 2014, 6% higher year-on-year. The increase in production is a result of the connection of the second, third and fourth productive wells in Sapinhoá in February, April and July 2014 respectively, the start-up of production in the Kinteroni field in Peru at the end of March 2014, Phase II of Margarita in October 2013 and the development of SK, as well as the continuous ramp-up of production in the Midcontinent project in USA, partially offset by the lower production in Libya due to security issues. Stripping out Libya, production in the third quarter of 2014 would have been 8% higher year-on-year.

- During the third quarter of 2014, six exploration and appraisal wells were concluded: three wells with a positive result (the three of them in Russia: 31-P and 32-P in Karabashsky-2, both of them appraisal wells, and K-3 in Karabashsky-3) and three wells with a negative outcome (two in Liberia: Iroko-1 and Timbo-1 and the Agrub well in Libya).

- The Group's **net debt** at the end of the third quarter of 2014 stood at €1,998 million, down €394 million from the end of the second quarter of 2014. Operating cash flow in the quarter covered the disbursement of capital expenditures, dividends and interests on debt.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

UPSTREAM

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
ADJUSTED NET INCOME	**184**	**145**	**185**	**0.5**	**818**	**585**	**(28.5)**
Operating income	400	216	424	6.0	1,582	1,081	(31.7)
Income tax	(224)	(69)	(239)	(6.7)	(787)	(502)	36.2
Income from equity affiliates and non-controlling interests	8	(2)	0	-	23	6	(73.9)
EBITDA	699	643	728	4.1	2,424	2,087	(13.9)
CAPITAL EXPENDITURES	558	691	791	41.8	1,709	2,066	20.9
EXPLORATION COSTS	166	276	129	(22.3)	361	508	40.7
EFFECTIVE TAX RATE (%)	56	31	56	0.0	50	46	(4.0)

International prices	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
Brent ($/Bbl)	110.3	109.7	101.9	(7.6)	108.5	106.5	(1.8)
WTI ($/Bbl)	105.8	103.0	97.2	(8.1)	98.2	99.6	1.4
Henry Hub ($/MBtu)	3.6	4.7	4.1	13.9	3.7	4.6	24.3
Average exchange rate ($/€)	1.32	1.37	1.33	0.8	1.32	1.35	2.3

Production	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
LIQUIDS (Thousands of bbl/d)	135	122	141	4.7	145	131	(9.3)
GAS (*) (Millions of scf/d)	1,172	1,216	1,261	7.6	1,176	1,221	3.8
TOTAL (Thousands of boe/d)	**344**	**338**	**366**	6.4	**354**	**349**	**(1.5)**

Realization prices	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
CRUDE OIL ($/Bbl)	89.0	87.8	84.3	(5.3)	89.7	85.9	(4.2)
GAS ($/Thousands of scf)	3.8	4.0	3.6	(5.3)	4.0	3.9	(1.1)

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

Adjusted net income in the third quarter of 2014 stood at €185 million, in line year-on-year.

The factors which explain the year-on-year performance are the following:

- Higher **production** in Brazil, USA, Russia, Bolivia, Peru and Trinidad and Tobago, could offset lower contribution to production mainly in Libya, Algeria and Ecuador, and improved the operating income by €63 million.

- Lower **crude oil and gas realization prices**, net of royalties, had a negative impact on the operating income of €56 million.

- Lower **exploration costs** impacted the operating income positively by €38 million, mainly as a result of a drop in bond costs and lower amortization of wells. In 3Q14 three explorations wells were concluded with a negative outcome: two wells in Liberia, Iroko-1 and Timbo-1, and one in Libya, Agrub. Additionally, two more wells have been considered as negative and written off during this quarter: Jupiter-1 in Sierra Leone (2012) and Magadí in Brazil (2012).

- Higher **depreciation and amortization** charges as a consequence of the increase in production, mainly in Trinidad and Tobago, Bolivia, USA and Brazil, reduced operating income by €42 million.

- **Higher income tax expense** had a negative impact of €17 million.

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

January – September 2014 results

The **adjusted net income** for the period January - September of 2014 amounted to €585 million, 29% lower year-on-year.

Average **production** for the period January - September 2014 (349 Kboe/d) was 2% lower than the same period of 2013 (354 Kboe/d), essentially as a result of the disruptions in Libya and the stoppages in Trinidad and Tobago due to drilling activity and maintenance, partially offset by the increase in production in Brazil, USA, Bolivia, Peru and Russia, as a result of the start-up and ramp-up of the key growth projects. Excluding Libya from both exercises, production would have grown by 5%.

Capital expenditures

Capital expenditure in Upstream in the third quarter of 2014 amounted to €791 million, which represents a year-on-year growth of 42%; development capital expenditure accounted for 60% of the total investment and was concentrated in USA (31%), Venezuela (23%), Trinidad and Tobago (17%), Brazil (15%), and Bolivia (7%). Exploration capital expenditure represented 33% of the total and was earmarked primarily for the Angola (32%), USA (24%), Colombia (12%), Gabon (8%), Brazil (6%), and Rumania (5%).

Capital expenditure in Upstream in the first nine months of 2014 totaled €2,066 million, which means a year-on-year growth of 21%. Development capital expenditure accounted for 59% of the total investment and was concentrated in USA (31%), Venezuela (21%), Trinidad and Tobago (16%), Brazil (15%) and Bolivia (8%). Exploration capital expenditure represented 34% of the total and was earmarked primarily for USA (36%), Angola (18%), Brazil (8%), Russia (6%), Namibia (5%), Colombia (5%), and Iraq (4%).

DOWNSTREAM

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
ADJUSTED NET INCOME	**108**	**162**	**190**	**76.6**	**458**	**642**	**40.2**
Operating income	137	205	276	101.5	624	907	45.4
Income tax	(36)	(40)	(85)	(136.1)	(193)	(258)	(33.7)
Income from equity affiliates and non-controlling interests	7	(3)	(1)	-	27	(7)	-
MIFO RECURRENT NET INCOME	**138**	**167**	**127**	**(7.7)**	**335**	**525**	**56.7**
Inventory effect	30	5	(63)	-	(123)	(117)	4.9
EBITDA	365	442	361	(1.1)	1,000	1,309	30.9
CAPITAL EXPENDITURES	141	148	161	14.2	367	444	21.0
EFFECTIVE TAX RATE (%)	26	20	31	5.0	31	28	(3.0)

International prices ($/Mbtu)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
Henry Hub	3.6	4.7	4.1	13.9	3.7	4.6	24.3
Algonquin	4.0	4.2	3.0	(25.0)	6.8	9.2	35.3

Operational data	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
REFINING MARGIN INDICATOR IN SPAIN ($/Bbl)	2.6	3.1	3.9	50.0	3.0	3.6	20.0
DISTILLATION UTILIZATION Spanish Refining (%)	80.9	83.5	84.8	4.8	80.3	81.0	0.9
CONVERSION UTILIZATION Spanish Refining (%)	101.1	100.6	106.6	5.4	100.1	101.4	1.3
OIL PRODUCT SALES (Thousands of tons)	11,140	11,298	11,387	2.2	32,430	32,530	0.3
PETROCHEMICAL PRODUCT SALES (Thousands of tons)	613	680	681	11.1	1,810	2,015	11.3
LPG SALES (Thousands of tons)	525	549	599	14.3	1,797	1,819	1.2
NORTH AMERICA NATURAL GAS SALES (TBtu)	37.2	59.8	61.1	64.2	123.4	210.7	70.7

Adjusted net income in the third quarter of 2014 stood at €190 million, 77% higher year-on-year.

The main factors driving the year-on-year earnings performance are as follows:

- In **Refining**, improved performance of the refining margins, as a result of the generalized strengthening of the products spreads, except for middle distillates, partially offset by the narrower spread between heavy crude oils and Brent, and together with a higher utilization rate, produced a positive impact on the operating result of €137 million.

- In **Chemicals**, the increased efficiency as a result of operational improvements in our sites, higher sales volumes and improved margins due to better international price environment, impacted positively the operating result by €38 million.

- In the commercial businesses, **Marketing and LPG,** operating income was €9 million higher year-on-year. Notably, in 3Q14, sales volumes in the Marketing business in Spain remained stable year-on-year.

- In **Gas & Power**, a negative result of the North American operations due to seasonality, could not be compensated by lower regasification costs and depreciation and amortization charges as a result of the provisions booked in 2013. Mark-to-market of the contractual commitments for the natural gas commercialization in North America in combination with the compensation associated to the LNG supply contracts received in 3Q13, negatively impacted operating income by €47 million.

- Higher **income tax** expenses, driven mainly by the improved results, produced a negative impact of €48 million.

- **Results in trading and other activities** explain the remaining difference.

January – September 2014 results

Adjusted net income for the period January - September 2014 was €642 million, 40% higher year-on-year. The improvement in results is mainly driven by a better performance in refining and the commercial businesses. It is also worth mentioning the improvement of the results of the petrochemicals unit as a result of higher volumes and lower maintenance costs.

Capital expenditure

Capital expenditure in the Downstream segment in the third quarter of 2014 totaled €161 million. Meanwhile, capital expenditures in the first nine months of the year stood at €444 million.

GAS NATURAL FENOSA

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
ADJUSTED NET INCOME	106	159	92	(13.2)	359	374	4.2

Adjusted net income in the third quarter 2014 amounted to €92 million, 13% lower than the same quarter of last year, largely due to the impairment booked on the combined cycle of Nueva Generadora del Sur, lower results from gas distribution activities in Spain, due to the new regulation approved this year, and the absence of contribution to results of the telecommunication business sold in June 2014.

January – September 2014 results

The adjusted net income in the period January - September of 2014 stood at €374 million, 4% higher year-on-year, mainly as a consequence of the capital gain generated from the sale of the telecommunications business, partially compensated by lower results from the segments of power generation and distribution and gas distribution in Spain, affected by new regulation. On the other hand, results of Latin American businesses have been lower as a consequence of the impact of depreciation of the dollar and the local currencies against the Euro.

CORPORATE AND OTHERS

CORPORATE AND OTHERS

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
ADJUSTED NET INCOME	**(103)**	**(76)**	**(52)**	**49.5**	**(415)**	**(264)**	**36.4**
Corporate and others operating income	(54)	(60)	(63)	(16.7)	(247)	(193)	21.9
Financial result	(105)	(46)	(12)	88.6	(353)	(188)	46.7
Income tax	56	30	23	(58.9)	185	117	(36.8)
EBITDA	(38)	(60)	(42)	(10.5)	(183)	(147)	19.7
CAPITAL EXPENDITURES	17	21	9	(47.1)	36	39	8.3
EFFECTIVE TAX RATE (%)	(36)	(28)	(32)	4.0	(31)	(31)	0.0

Corporate and others accounted for a net expense of €63 million in the third quarter of 2014, compared to a net expense of €54 million in the same quarter of last year. The year-on-year variation is largely attributable to the result associated to the trading of CO_2 emissions rights.

January – September 2014 results

The **operating income** in the first nine months of 2014 was a net loss of €193 million compared to a net loss of €247 million in the period January - September of 2013, mainly as a consequence of the result associated to the trading of CO_2 emissions rights.

FINANCIAL RESULTS

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
NET INTERESTS	(99)	(78)	(71)	28.3	(335)	(247)	26.3
OTHER CAPTIONS	(6)	32	59	-	(18)	59	-
TOTAL	**(105)**	**(46)**	**(12)**	**88.6**	**(353)**	**(188)**	**46.7**

Net financial expense in third quarter 2014 totaled €12 million, improving 89% year-on-year, mainly due to the positive effect of the dollar's appreciation against the euro and lower debt interest expenses.

January – September 2014 results

Net financial result in the period January - September of 2014 amounted to an expense of €188 million, improving by €165 million year-on-year, mainly due to the positive effect of the dollar's appreciation against the euro and the reduction of average cost of debt.

NET INCOME ANALYSIS: NON-RECURRING ITEMS AND DISCONTINUED OPERATIONS

NON-RECURRING INCOME

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
NON-RECURRING INCOME / (LOSSES)	(34)	156	(32)	5.9	(121)	159	-

The **non-recurring items** in the third quarter of 2014 resulted in a net loss of €32 million, compared to a net loss of €34 million in the same period of last year.

January – September 2014 results

Accumulated result of **non-recurring items** for the first nine months of 2014 was a net gain of €159 million in contrast with the net loss of €121 million in the same period of 2013. In 2014 this caption largely includes the capital gains registered from the sale of the non-expropriated YPF shares, the sale of TGP and the cancelation of the LNG transportation contract with Naturgas, partially compensated by the impairment corresponding to the Upstream assets in North America and Peru.

DISCONTINUED OPERATIONS

(Unaudited figures)

Results (€ Million)	3Q 2013	2Q 2014	3Q 2014	% Change 3Q14/3Q13	January - September 2013	January - September 2014	% Change 2014/2013
INCOME FROM DISCONTINUED OPERATIONS	95	(31)	(1)	-	311	267	(14.1)

Net income from discontinued operations in the third quarter of 2014 stood at €-1 million. In the third quarter of 2013 it included the net contribution of sold LNG businesses**.**

January – September 2014 results

The accumulated **net income from discontinued operations** essentially incorporates the net gain from the sale of the LNG assets and the exchange rate effect associated to the write-off of the investment in YPF and YPF Gas after the agreement reached with the Republic of Argentina. Over the same period of 2013 it mainly included the net income contribution of the LNG businesses sold.

NET DEBT EVOLUTION AND LIQUIDITY

This section presents the movement in the Group's adjusted net debt and liquidity during the quarter:

NET DEBT EVOLUTION

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	3Q 2014	January - September 2014
NET DEBT AT THE START OF THE PERIOD	**2,392**	**5,358**
EBITDA	(1,047)	(3,249)
CHANGE IN WORKING CAPITAL	(571)	(24)
INCOME TAX RECEIVED /PAID (1)	287	829
INVESTMENTS (2)	974	2,632
DIVESTMENTS	(61)	(200)
DIVIDENDS PAID AND OTHER PAYOUTS	361	1,711
OWN SHARES TRANSACTIONS	(5)	(27)
FOREIGN EXCHANGE RATE EFFECT	(348)	(403)
INTEREST AND OTHER MOVEMENTS (3)	23	412
EFFECTS ASSOCIATED WITH THE SALE OF LNG	(11)	(517)
EFFECTS ASSOCIATED WITH THE EXPROPIATION OF YPF (4)	4	(4,524)
NET DEBT AT THE END OF THE PERIOD	**1,998**	**1,998**

	2014
CAPITAL EMPLOYED (€ Million)	30,296
NET DEBT / CAPITAL EMPLOYED (%)	6.6
ROACE (%)	6.2
EBITDA /NET DEBT (x)	2.2

(1) In the period January – September 2014, it includes €308 million related to the gains on the assets divested.

(2) As of September 30, 2014, the Group had financial investments of €904 million. €900 million correspond to deposits in financial institutions classified as financial investments on account of their term structure; however, from a management perspective such deposits are considered as cash equivalent given their high liquidity.

(3) Mainly includes interest expense on borrowings, dividends received, and provisions used.

(4) Mainly includes €4,592 million corresponding to the monetization of the bonds of the Republic of Argentina and the sale of the non-expropriated stake in YPF.

The Group's **net debt** stood at €1,998 million, down €394 million from the end of the second quarter of 2014. It is worth mentioning that operating cash flow in the quarter covered the disbursement of capital expenditures, dividends and interests on debt. The net debt to capital employed ratio was reduced to 6.6% at the end of the third quarter 2014.

LIQUIDITY

The Repsol Group has a **liquidity position** of €10,448 million (including committed and unused credit lines, and deposits at financial institutions with immediate liquidity), sufficient to cover short-term debt maturities 3.6 times.

RELEVANT EVENTS

The most significant company-related events since the second-quarter 2014 earnings release were as follows:

In **Upstream**, on 27 October 2014, Repsol announced a new discovery of high quality oil in the United States' Gulf of Mexico. The find was made 352 kilometers from the Louisiana coast in an ultra-deep water well named León, located in the Keathley Canyon 642 block. Repsol, with a 60% participation, is the operator of the discovering consortium. The well found more than 150 meters of net oil pay within a column of over 400 meters. The well was drilled in water 1,865 meters deep, and reached a total depth of 9,684 meters, making it one of the deepest wells operated by the company.

In **Downstream**, on 13 October 2014, Repsol and the Korean company SK announced the startup of their new base oil plant in Cartagena. The new plant, located next to the Repsol refinery in Cartagena, will operate under the name of ILBOC, is the largest facility of its kind in Europe. It has a production capacity of 630,000 tons of Group II and III base lubricants. These high quality base lubricants are the raw material for next generation lubricating oils.

In **Corporation**, on 15 October 2014, Repsol's "Trading Statement" was published; it provides provisional information for the third quarter of 2014, including data on the economic environment as well as company performance during the period.

On 3 November 2014, Repsol International Capital Limited announced the early redemption of the total number of Preference Shares of the Series B and Series C that remain outstanding at the date hereof. The redemption will take effect on 16 December 2014 and will be made in cash, at par value and will be carried out in accordance with all legal obligations and the terms and conditions provided for in the Prospectus (Folletos Informativos) of each issue.

Madrid, November 6th, 2014

A conference call has been scheduled for research analysts and institutional investors for today, November 6th, 2014 at 13.00 (CET) to report on the Repsol Group's third-quarter 2014 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 2014

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	3Q 2013							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
Upstream	400	-	(224)	8	184	-	(15)	169
Downstream	137	-	(36)	7	108	30	(13)	125
Gas Natural Fenosa	-	-	-	106	106	-	(4)	102
Corporation & Others	(54)	(105)	56	-	(103)	-	(2)	(105)
TOTAL	**483**	**(105)**	**(204)**	**121**	**295**	**30**	**(34)**	**291**
Income from discontinued operations							95	95
NET INCOME							**61**	**386**

€ Million	2Q 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	216	-	(69)	(2)	145	-	(146)	(1)
Downstream	205	-	(40)	(3)	162	5	47	214
Gas Natural Fenosa	-	-	-	159	159	-	-	159
Corporation & Others	(60)	(46)	30	-	(76)	-	255	179
TOTAL	**361**	**(46)**	**(79)**	**154**	**390**	**5**	**156**	**551**
Income from discontinued operations							(31)	(31)
NET INCOME							**125**	**520**

€ Million	3Q 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)	0	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	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
	JANUARY-SEPTEMBER 2013							
Upstream	1,582	-	(787)	23	818	-	(165)	653
Downstream	624	-	(193)	27	458	(123)	59	394
Gas Natural Fenosa	-	-	-	359	359	-	(23)	336
Corporation & Others	(247)	(353)	185	-	(415)	-	8	(407)
TOTAL	**1,959**	**(353)**	**(795)**	**409**	**1,220**	**(123)**	**(121)**	**976**
Income from discontinued operations							311	311
NET INCOME							**190**	**1,287**

€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Non Recurrent	Net Income
	JANUARY-SEPTEMBER 2014							
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	0
TOTAL	**1,795**	**(188)**	**(643)**	**373**	**1,337**	**(117)**	**159**	**1,379**
Income from discontinued operations							267	267
NET INCOME							**426**	**1,646**

NET SALES BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA 3Q13	2Q14	3Q14	JANUARY - SEPTEMBER 2013	2014
UPSTREAM	**1,147**	**1,016**	**1,186**	**3,718**	**3,305**
USA and Brazil	244	296	322	751	878
North Africa	202	19	170	817	369
Rest of the World	701	701	694	2,150	2,058
Adjustments	0	0	0	0	0
DOWNSTREAM	**11,601**	**11,454**	**11,921**	**34,206**	**35,120**
Europe	11,145	10,407	11,043	32,504	31,731
Rest of the World	1,207	1,669	1,688	3,915	5,538
Adjustments	(751)	(622)	(810)	(2,213)	(2,149)
CORPORATE AND OTHERS	**(359)**	**(253)**	**(371)**	**(1,210)**	**(1,060)**
TOTAL	**12,389**	**12,217**	**12,736**	**36,714**	**37,365**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	3Q13	2Q14	3Q14	2013	2014
UPSTREAM	**184**	**145**	**185**	**818**	**585**
USA and Brazil	44	80	69	138	223
North Africa	43	(63)	32	200	9
Rest of the World	97	128	84	480	353
DOWNSTREAM	**108**	**162**	**190**	**458**	**642**
Europe	105	165	213	345	512
Rest of the World	3	(3)	(23)	113	130
GAS NATURAL FENOSA	**106**	**159**	**92**	**359**	**374**
CORPORATE AND OTHERS	**(103)**	**(76)**	**(52)**	**(415)**	**(264)**
TOTAL	**295**	**390**	**415**	**1,220**	**1,337**

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	3Q13	2Q14	3Q14	2013	2014
UPSTREAM	**699**	**643**	**728**	**2,424**	**2,087**
USA and Brazil	173	273	264	574	750
North Africa	168	(14)	133	730	268
Rest of the World	358	384	331	1,120	1,069
DOWNSTREAM	**365**	**442**	**361**	**1,000**	**1,309**
Europe	323	436	385	736	1,063
Rest of the World	42	6	(24)	264	246
CORPORATE AND OTHERS	**(38)**	**(60)**	**(42)**	**(183)**	**(147)**
TOTAL	**1,026**	**1,025**	**1,047**	**3,241**	**3,249**

CAPEX BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - SEPTEMBER	
€ Million	3Q13	2Q14	3Q14	2013	2014
UPSTREAM	**558**	**691**	**791**	**1,709**	**2,066**
USA and Brazil	246	337	338	899	991
North Africa	10	14	9	48	48
Rest of the World	302	340	444	762	1,027
DOWNSTREAM	**141**	**148**	**161**	**367**	**444**
Europe	118	116	135	313	365
Rest of the World	23	32	26	54	79
CORPORATE AND OTHERS	**17**	**21**	**9**	**36**	**39**
TOTAL	**716**	**860**	**961**	**2,112**	**2,549**

OPERATING INDICATORS

THIRD QUARTER 2014

UPSTREAM OPERATING INDICATORS

	Unit	1Q 2013	2Q 2013	3Q 2013	January - September 2013	1Q 2014	2Q 2014	3Q 2014	January - September 2013	% Variation 3Q14/3Q13	% Variation 2014/2013
HYDROCARBON PRODUCTION	**Kboe/d**	**360.3**	**359.1**	**343.8**	**354.3**	**341.8**	**338.1**	**365.9**	**348.9**	**6.4**	**(1.5)**
Liquid production	Kboe/d	**150.8**	**149.0**	**135.1**	**144.9**	**130.7**	**121.5**	**141.4**	**131.4**	**4.7**	**(9.3)**
USA and Brazil	Kboe/d	33.2	34.9	33.7	33.9	36.8	44.9	43.8	41.8	30.0	23.3
North of Africa	Kboe/d	43.1	40.7	26.9	36.8	21.1	2.1	23.3	15.5	(13.4)	(58.0)
Rest of the World	Kboe/d	74.5	73.4	74.5	74.1	72.9	74.5	74.3	74.1	(0.3)	(0.0)
Natural gas production	**Kboe/d**	**209.5**	**210.1**	**208.7**	**209.4**	**211.1**	**216.6**	**224.5**	**217.5**	**7.6**	**3.8**
USA and Brazil	Kboe/d	3.6	4.1	4.7	4.1	5.4	7.7	8.4	7.2	78.7	73.4
North of Africa	Kboe/d	5.3	5.8	5.3	5.5	5.7	4.8	4.8	5.1	(9.4)	(6.4)
Rest of the World	Kboe/d	200.6	200.2	198.7	199.8	199.9	204.1	211.3	205.2	6.3	2.7

DOWNSTREAM OPERATING INDICATORS

	Unit	1Q 2013	2Q 2013	3Q 2013	January - September 2013	1Q 2014	2Q 2014	3Q 2014	January - September 2014	% Variation 3Q14/3Q13	% Variation 2014/2013
PROCESSED CRUDE OIL	**Mtoe**	**9.5**	**9.8**	**10.0**	**29.3**	**9.1**	**10.1**	**10.4**	**29.6**	**4.3**	**1.0**
Europe	Mtoe	8.8	8.9	9.2	26.9	8.2	9.3	9.6	27.1	4.2	0.9
Rest of the world	Mtoe	0.7	0.9	0.8	2.4	0.8	0.8	0.8	2.5	5.8	2.6
SALES OF OIL PRODUCTS	**Kt**	**10,136**	**11,154**	**11,140**	**32,430**	**9,845**	**11,298**	**11,387**	**32,530**	**2.2**	**0.3**
Europe Sales	Kt	**9,105**	**10,043**	**10,124**	**29,272**	**8,803**	**10,243**	**10,278**	**29,324**	**1.5**	**0.2**
Own network	Kt	**4,493**	**4,747**	**5,061**	**14,301**	**4,574**	**4,772**	**5,080**	**14,426**	**0.4**	**0.9**
Light products	Kt	3,893	4,098	4,333	12,324	3,985	4,062	4,390	12,437	1.3	0.9
Other Products	Kt	600	649	728	1,977	589	710	690	1,989	(5.2)	0.6
Other Sales to Domestic Market	Kt	**1,584**	**1,583**	**1,722**	**4,889**	**1,706**	**1,924**	**1,812**	**5,442**	**5.2**	**11.3**
Light products	Kt	1,532	1,525	1,684	4,741	1,629	1,878	1,755	5,262	4.2	11.0
Other Products	Kt	52	58	38	148	77	46	57	180	50.0	21.6
Exports	Kt	**3,028**	**3,713**	**3,341**	**10,082**	**2,523**	**3,547**	**3,386**	**9,456**	**1.3**	**(6.2)**
Light products	Kt	1,055	1,459	1,164	3,678	632	1,286	1,301	3,219	11.8	(12.5)
Other Products	Kt	1,973	2,254	2,177	6,404	1,891	2,261	2,085	6,237	(4.2)	(2.6)
Rest of the world sales	Kt	**1,031**	**1,111**	**1,016**	**3,158**	**1,042**	**1,055**	**1,109**	**3,206**	**9.2**	**1.5**
Own network	Kt	**495**	**567**	**555**	**1,617**	**490**	**542**	**525**	**1,557**	**(5.4)**	**(3.7)**
Light products	Kt	460	500	506	1,466	450	489	490	1,429	(3.2)	(2.5)
Other Products	Kt	35	67	49	151	40	53	35	128	(28.6)	(15.2)
Other Sales to Domestic Market	Kt	**377**	**357**	**259**	**993**	**333**	**319**	**330**	**982**	**27.4**	**(1.1)**
Light products	Kt	280	280	205	765	274	274	295	843	43.9	10.2
Other Products	Kt	97	77	54	228	59	45	35	139	(35.2)	(39.0)
Exports	Kt	**159**	**187**	**202**	**548**	**219**	**194**	**254**	**667**	**25.7**	**21.7**
Light products	Kt	66	70	61	197	80	124	97	301	59.0	52.8
Other Products	Kt	93	117	141	351	139	70	157	366	11.3	4.3
CHEMICALS											
Sales of petrochemical products	Kt	**513**	**684**	**613**	**1,810**	**653**	**680**	**681**	**2,015**	**11.1**	**11.3**
Europe	Kt	**439**	**594**	**522**	**1,555**	**558**	**547**	**566**	**1,671**	8.4	7.5
Base	Kt	121	210	173	503	205	188	203	595	17.4	18.3
Derivate	Kt	318	384	349	1,052	353	360	363	1,076	3.9	2.3
Rest of the world	Kt	**74**	**91**	**91**	**255**	**96**	**133**	**115**	**344**	27.0	34.7
Base	Kt	12	16	19	47	12	39	32	83	67.3	75.4
Derivate	Kt	62	75	72	208	84	94	83	261	16.1	25.4
LPG sales	Kt	**683**	**590**	**525**	**1,797**	**670**	**549**	**599**	**1,819**	**14.3**	**1.2**
Europe	Kt	446	332	247	1,025	420	301	332	1,053	34.5	2.7
Rest of the world	Kt	237	258	278	772	250	248	267	765	(3.7)	(0.9)

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 2014

STATEMENT OF FINANCIAL POSITION

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

	DECEMBER 2013	SEPTEMBER 2014
NON-CURRENT ASSETS		
Goodwill	490	494
Other intangible assets	1,239	1,299
Property, plant and equipment	16,026	16,689
Investment property	24	38
Investments accounted for using the equity method	10,340	11,288
Non- current assets held for sale subject to expropiation	3,625	0
Non-current financial assets :		
Non-current financial instruments	665	494
Others	1,223	60
Deferred tax assets	4,079	3,777
Other non-current assets	60	136
CURRENT ASSETS		
Non-current assets held for sale	1,692	76
Inventories	4,938	5,188
Trade an other receivables	4,935	6,135
Other current assets	141	208
Other current financial assets	354	1,967
Cash and cash equivalents	5,716	6,316
TOTAL ASSETS	**55,547**	**54,165**
TOTAL EQUITY		
Attributable to equity holders of the parent	27,207	28,037
Attributable to minority interests	243	260
NON-CURRENT LIABILITIES		
Grants	10	9
Non-current provisions	2,700	2,829
Non-current financial debt	8,469	7,156
Deferred tax liabilities	1,866	1,838
Other non-current liabilities		
Non-current debt for finance leases	1,263	1,361
Other	413	439
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	1,457	0
Current provisions	249	168
Current financial liabilities	5,833	5,711
Trade payables and other payables:		
Current debt for finance leases	154	167
Other payables	5,683	6,190
TOTAL LIABILITIES	**55,547**	**54,165**

INCOME STATEMENT

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

	QUARTERLY DATA			JANUARY - SEPTEMBER	
	3Q 2013	2Q 2014	3Q 2014	2013	2014
Sales	**11,911**	**11,749**	**12,260**	**35,305**	**35,969**
Operating income	**286**	**(32)**	**306**	**1,081**	**736**
Financial result	(109)	353	12	(354)	222
Income from equity affiliates	215	323	158	619	837
Net income before tax	**392**	**644**	**476**	**1,346**	**1,795**
Income tax	(100)	(87)	(160)	(385)	(410)
Net income from continuing operations	**292**	**557**	**316**	**961**	**1,385**
Net income from non-controlling interest	(1)	(6)	4	15	(6)
NET INCOME FROM CONTINUING OPERATIONS	**291**	**551**	**320**	**976**	**1,379**
Net income for the year from discontinuing operations	95	(31)	(1)	311	267
NET INCOME	**386**	**520**	**319**	**1,287**	**1,646**
Earning per share attributible to the parent company (*)					
Euros/share	0.29	0.39	0.24	0.96	1.22
USD/ADR	0.39	0.53	0.30	1.30	1.53
Average number of shares	1,349,654,613	1,349,727,306	1,350,214,104	1,335,028,818	1,349,709,774
Exchange rates USD/EUR at the end of each quarter	1.35	1.37	1.26	1.35	1.26

(*) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in July 2012, January 2013, July 2013 and January 2014, accordingly, share capital is currently represented by 1,350,272,389 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.

CASH FLOW STATEMENT

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

	JANUARY - SEPTEMBER	
	2013	2014
I. CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Net income before taxes	1,346	1,795
Adjustments to net income		
Depreciation and amortisation of non current assets	1,140	1,348
Other adjustments to results (net)	(145)	(847)
EBITDA	**2,341**	**2,296**
Changes in working capital	**(669)**	**93**
Dividends received	472	481
Income taxes received/ (paid)	(651)	(565)
Other proceeds from/ (payments for) operating activities	(80)	(177)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(259)**	**(261)**
	1,413	**2,128**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (*)		
Payments for investment activities		
Group companies, associates and business units	(143)	(18)
Property, plant and equipment, intangible assets and investment properties	(1,379)	(1,843)
Other financial assets	(152)	(916)
Total investments	**(1,674)**	**(2,777)**
Proceeds from divestments	**152**	**4,777**
Other cashflow	**0**	**0**
	(1,522)	**2,000**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES (*)		
Proceeds from/ (paynments for) equity instruments	1,031	27
Proceeds from issue of financial liabilities	5,144	3,739
Payments for financial liabilities	(6,838)	(5,653)
Payments for dividends and payments on other equity instruments	(470)	(1,711)
Interest payments	(488)	(475)
Other proceeds from/(payments for) financing activities	(173)	(11)
	(1,794)	**(4,084)**
Effect of changes in exchange rates from continued operations	**(27)**	**108**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(1,930)**	**152**
Cash flows from operating activities from discontinued operations	610	**(86)**
Cash flows from investment activities from discontinued operations	33	**535**
Cash flows from financing activities from discontinued operations	(190)	**(1)**
Effect of changes in exchange rates from discontinued operations	(1)	**0**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**452**	**448**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,108**	**5,716**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**2,630**	**6,316**

(*) Cash flows from continued operations

2013 RESTATED STATEMENT OF FINANCIAL POSITION

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

	DECEMBER 2013 Publsihed	ADJUSTMENTS 2013	DECEMBER 2013 Restated (*)
NON-CURRENT ASSETS			
Goodwill	2,648	(2,158)	490
Other intangible assets	2,677	(1,438)	1,239
Property, plant and equipment	26,244	(10,218)	16,026
Investment property	24	0	24
Investments accounted for using the equity method	412	9,928	10,340
Non- current assets held for sale subject to expropiation	3,625	0	3,625
Non-current financial assets:			
Non-current financial instruments	398	267	665
Others	1,404	(181)	1,223
Deferred tax assets	4,897	(818)	4,079
Other non-current assets	253	(193)	60
CURRENT ASSETS			
Non-current assets held for sale	1,851	(159)	1,692
Inventories	5,256	(318)	4,938
Trade an other receivables	7,726	(2,791)	4,935
Other current assets	144	(3)	141
Other current financial assets	93	261	354
Cash and cash equivalents	7,434	(1,718)	5,716
TOTAL ASSETS	**65,086**	**(9,539)**	**55,547**
TOTAL EQUITY			
Attributable to equity holders of the parent	27,207	0	27,207
Attributable to minority interests	713	(470)	243
NON-CURRENT LIABILITIES			
Grants	66	(56)	10
Non-current provisions	3,625	(925)	2,700
Non-current financial debt	13,125	(4,656)	8,469
Deferred tax liabilities	3,352	(1,486)	1,866
Other non-current liabilities			
Non-current debt for finance leases	1,427	(164)	1,263
Other	752	(339)	413
CURRENT LIABILITIES			
Liabilities related to non-current assets held for sale	1,533	(76)	1,457
Current provisions	303	(54)	249
Current financial liabilities	4,519	1,314	5,833
Trade payables and other payables:			
Current debt for finance leases	170	(16)	154
Other payables	8,294	(2,611)	5,683
TOTAL LIABILITIES	**65,086**	**(9,539)**	**55,547**

(*) The balance sheet as of December 2013 has been restated for comparative purposes due to the aplication NIIF 11"Joint Arrangements" since 01/01/2014.

3Q 2013 RESTATED INCOME STATEMENT

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

	January - September 2013 Published	Adjustments	January - Semtember 2013 Restated (*)
Operating income	**2,835**	**(1,754)**	**1,081**
Financial result	(577)	223	(354)
Share of result of companies accounted for using the equity method	102	517	619
Net income before tax	**2,360**	**(1,014)**	**1,346**
Income tax	(994)	609	(385)
Net income for the year from continuing operations	**1,366**	**(405)**	**961**
Net income from non-controlling interest	(37)	52	15
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	**1,329**	**(353)**	**976**
Net income for the year from discontinuing operations	(42)	353	311
NET INCOME FOR THE YEAR	**1,287**	**0**	**1,287**

	3Q 2013 Published	Adjustments	3Q 2013 Restated (*)
Operating income	**844**	**(558)**	**286**
Financial result	(192)	83	(109)
Share of result of companies accounted for using the equity method	28	187	215
Net income before tax	**680**	**(288)**	**392**
Income tax	(277)	177	(100)
Net income for the year from continuing operations	**403**	**(111)**	**292**
Net income from non-controlling interest	(19)	18	(1)
NET INCOME FOR THE YEAR FROM CONTINUING OPERATIONS	**384**	**(93)**	**291**
Net income for the year from discontinuing operations	2	93	95
NET INCOME FOR THE YEAR	**386**	**0**	**386**

(*)The Income Statement as of 2013 has been restated for comparative purposes due to the aplication NIIF 11"Joint Arrengements" at 01/01/2014, as well as the presentation as discontinued operation of the cash flows from the LNG business sold to Shell in December

JANUARY - SEPTEMBER 2013 RESTATED CASH FLOW STATEMENT

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

	September 2013 Published	Adjustments	September 2013 Restated (*)
I. CASH FLOWS FROM OPERATING ACTIVITIES (**)			
Net income before taxes	2,360	(1,014)	1,346
Adjustments to net income			
Depreciation and amortisation of non current assets	1,895	(755)	1,140
Other adjustments to results (net)	674	(819)	(145)
EBITDA	**4,929**	**(2,588)**	**2,341**
Changes in working capital	**(814)**	**145**	**(669)**
Dividends received	73	399	472
Income taxes received/ (paid)	(946)	295	(651)
Other proceeds from/ (payments for) operating activities	(94)	14	(80)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(967)**	**708**	**(259)**
	3,148	**(1,735)**	**1,413**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES (**)			
Payments for investment activities			
Group companies, associates and business units	(174)	31	(143)
Property, plant and equipment, intangible assets and investment properties	(2,353)	974	(1,379)
Other financial assets	(304)	152	(152)
Total investments	**(2,831)**	**1,157**	**(1,674)**
Proceeds from divestments	**415**	**(263)**	**152**
Other Cash Flows	**(1)**	**1**	**0**
	(2,417)	**895**	**(1,522)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES (**)			
Proceeds from/ (paynments for) equity instruments	1,031	0	1,031
Proceeds from issue of financial liabilities	6,525	(1,381)	5,144
Payments for financial liabilities	(8,021)	1,183	(6,838)
Payments for dividends and payments on other equity instruments	(513)	43	(470)
Interest payments	(725)	237	(488)
Other proceeds from/(payments for) financing activities	(93)	(80)	(173)
	(1,796)	**2**	**(1,794)**
Effect of changes in exchange rates from continued operations	**(53)**	**26**	**(27)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(1,118)**	**(812)**	**(1,930)**
Cash flows from operating activities from discontinued operations	(17)	(627)	**610**
Cash flows from investment activities from discontinued operations	0	(33)	**33**
Cash flows from financing activities from discontinued operations	(3)	187	**(190)**
Effect of changes in exchange rates from discontinued operations	0	1	**(1)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**(20)**	**(472)**	**452**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**5,903**	**(1,795)**	**4,108**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,765**	**(2,135)**	**2,630**

(**) Cash flows from continued operations

(*) The Cash Flow Statement as of 2013 has been restated for comparative purposes due to the aplication NIIF 11"Joint Arrangements" since 01/01/2014, as well as the presentation as discontinued operation of the cash flows from the LNG business sold to Shell in December 2013.

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

THIRD QUARTER 2014

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

(Unaudited figures)

€ Million	THIRD QUARTER 2013					
		ADJUSTMENTS				
	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	483	(207)	(36)	46	(197)	286
Financial result	(105)	(3)	(1)	-	(4)	(109)
Income from equity affiliates	119	99	(3)	-	96	215
Net income before tax	**497**	**(111)**	**(40)**	**46**	**(105)**	**392**
Income tax	(204)	111	6	(13)	104	(100)
Net income from continued operations	**293**	**-**	**(34)**	**33**	**(1)**	**292**
Income attributed to minority interests	2	-	-	(3)	(3)	(1)
NET INCOME FROM CONTINUED OPERATIONS	**295**	**-**	**(34)**	**30**	**(4)**	**291**
Income from discontinued operations						95
ADJUSTED NET INCOME	**295**	**-**	**(34)**	**30**	**(4)**	**386**

€ Million	SECOND QUARTER 2014					
		ADJUSTMENTS				
	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
Operating income	361	(232)	(168)	7	(393)	(32)
Financial result	(46)	(40)	439	-	399	353
Income from equity affiliates	160	163	-	-	163	323
Net income before tax	**475**	**(109)**	**271**	**7**	**169**	**644**
Income tax	(79)	109	(115)	(2)	(8)	(87)
Net income from continued operations	**396**	**-**	**156**	**5**	**161**	**557**
Income attributed to minority interests	(6)	-	-	-	-	(6)
NET INCOME FROM CONTINUED OPERATIONS	**390**	**-**	**156**	**5**	**161**	**551**
Income from discontinued operations						(31)
ADJUSTED NET INCOME	**390**	**-**	**156**	**5**	**161**	**520**

€ Million	THIRD QUARTER 2014					
		ADJUSTMENTS				
	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**

€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
	JANUARY - SEPTEMBER 2013					
		ADJUSTMENTS				
Operating income	1,959	(614)	(78)	(186)	(878)	1,081
Financial result	(353)	(3)	2	-	(1)	(354)
Income from equity affiliates	401	242	(24)	-	218	619
Net income before tax	**2,007**	**(375)**	**(100)**	**(186)**	**(661)**	**1,346**
Income tax	(795)	375	(21)	56	410	(385)
Net income from continued operations	**1,212**	**-**	**(121)**	**(130)**	**(251)**	**961**
Income attributed to minority interests	8	-	-	7	7	15
NET INCOME FROM CONTINUED OPERATIONS	**1,220**	**-**	**(121)**	**(123)**	**(244)**	**976**
Income from discontinued operations						311
ADJUSTED NET INCOME	**1,220**	**-**	**(121)**	**(123)**	**(244)**	**1,287**

€ Million	Adjusted result	Joint arragements reclassification	Non-recurring items	Inventory Effect	Total adjustments	Total consolidated
	JANUARY - SEPTEMBER 2014					
		ADJUSTMENTS				
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**

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

(€ Million)	QUARTERLY DATA 3Q13	2Q14	3Q14	JANUARY - SEPTEMBER 2013	2014
Net sales by business segment	**12,389**	**12,217**	**12,736**	**36,714**	**37,365**
Reclasification of joint ventures	(478)	(468)	(476)	(1,409)	(1,396)
Net sales as fo the consolidates financial statements	**11,911**	**11,749**	**12,260**	**35,305**	**35,969**

NET DEBT: Dicember 2013 (€ Million)	Net debt	Reclasification of joint ventures (1)	Net debt excluding joint ventures
Non-current financial instruments	321	344	665
Other current financial assets	71	283	354
Cash and cash equivalents	6,159	(443)	5,716
Non-current financial liabilities	(8,473)	4	(8,469)
Current financial liabilities	(3,498)	(2,335)	(5,833)
Net mark-to-market valuation of financial derivaties (excluding exchange rate)	62	-	62
Total	**(5,358)**	**(2,147)**	**(7,505)**

(1) Mainly corresponding to the finantiation of Repsol Sinopec Brazil.

NET DEBT: September 2014 (€ Million)	Net debt	Reclasification of joint ventures (1)	Net debt excluding joint ventures
Non-current financial instruments	297	197	494
Other current financial assets	1,137	830	1,967
Cash and cash equivalents	6,715	(399)	6,316
Non-current financial liabilities	(7,160)	4	(7,156)
Current financial liabilities	(3,152)	(2,559)	(5,711)
Net mark-to-market valuation of financial derivaties (excluding exchange rate)	165	-	165
Total	**(1,998)**	**(1,927)**	**(3,925)**

(1) Mainly corresponding to the finantiation of Repsol Sinopec Brazil.

OTHER ECONOMIC DATA as of Sempember 2014 (€ Million)	According to net debt evolution	Joint arragement adjustments	Financial investments/ divestments	Free cash flow according to CFS IASB-UE
EBITDA	3,249	(953)	-	2,296
CHANGE IN TRADING WORKING CAPITAL	24	69	-	93
DIVIDENDS RECEIVED (*)	285	196	-	481
INCOME TAX RECEIVED /PAID	(829)	264	-	(565)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES (*)	(177)	-	-	(177)
INVESTMENTS	(2,632)	759	(904)	(2,777)
DIVESTMENTS (**)	4,792	(15)	-	4,777

(*) These concepts are included in the Net Debt evolution chart within the caption "Interests and other movements"
(***) Includes €200 million corresponding to divestments and €4,592 million corresponding to the effects associated to the monetization of the bonds related to the agreement over the expropriation of YPF and the sale of the non expropriated YPF shares, included in the caption "Effects associated with the expropriation of YPF" in the net debt evolution table.

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Some of the above mentioned resources do not constitute proved reserves and will be recognized as such when they comply with the formal conditions required by the U. S. Securities and Exchange Commission.

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Official Notice

Madrid, 28 October 2014

The discovery reflects the company's deep water technical capacity

REPSOL MAKES A SIGNIFICANT OIL DISCOVERY IN THE UNITED STATES´ GULF OF MEXICO

- **A high quality oil net pay of over 150 metres thick has been discovered.**
- **The well, named León, is located 352 kilometres offshore the Louisiana coast in ultra-deep waters in the United States' Gulf of Mexico.**
- **With a total depth of 9,684 metres, it is one of the deepest wells operated by Repsol, which has a 60% stake in this license.**
- **The Gulf of Mexico is amongst the world's most profitable and promising deep water plays. Repsol holds 119 blocks in the area.**
- **The United States already represents around 10% of the group's total production.**
- **In 2009 Repsol made one the most important discoveries in this region, Buckskin, 50 km from León, which is in the final stages of evaluation prior to its development.**
- **With the León discovery Repsol continues to strengthen its position in the United States, which is one of the company's key strategic areas.**
- **The results of the León discovery are being evaluated and additional works are required to determine the size of the hydrocarbon deposit.**

Repsol has made a new discovery of high quality oil in the United States' Gulf of Mexico. The find was made 352 kilometres from the Louisiana coast in an ultra-deep water well named León, located in the Keathley Canyon 642 block.

Repsol is the operator of the discovering consortium. The well found more than 150 metres of net oil pay within a column of over 400 metres. The well was drilled in water 1,865 metres deep, and reached a total depth of 9,684 metres, making it one of the deepest wells operated by the company.

The company has a long experience in deep-water well drilling and is internationally recognised for its technological capacity with cutting-edge projects in hydrocarbon exploration and production such as the Kaleidoscope and Sherlock projects.

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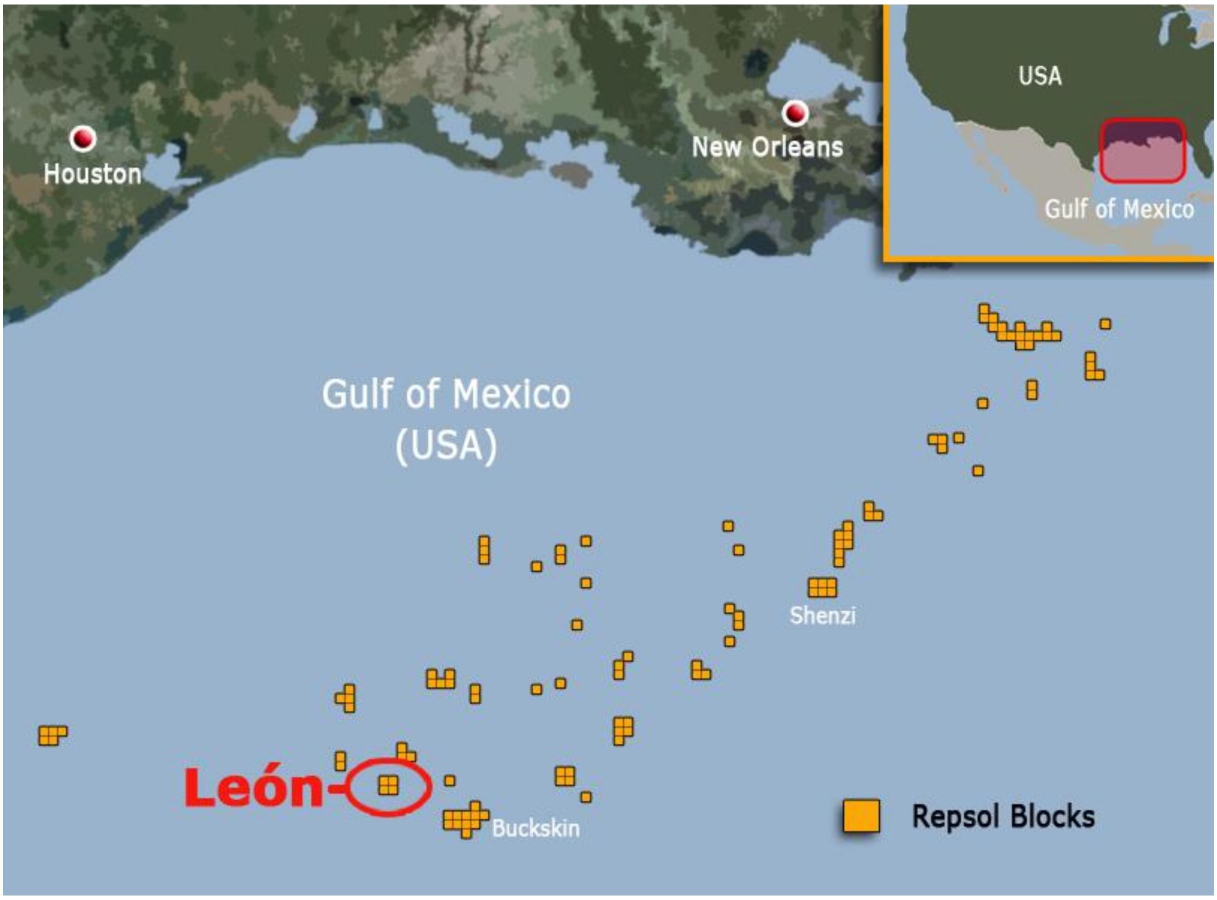
Repsol has a 60% participation in the license, with Colombia's Ecopetrol holding the remaining 40%.

The US Gulf of Mexico is amongst the world's most profitable and promising deep water plays. Repsol holds 119 blocks in this prolific area together with a share in the Shenzi field, which boasts 16 wells in production connected to two platforms.

In 2009, Repsol had already made one of its most important discoveries in this region. The Buckskin well, 50 kilometres from León, was, like the León discovery, one of the deepest wells operated by the company. The resource potential being carried out by the current operator will lead to a development plan for the field in the near future.

LOCATION MAP



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RESULTS FOR JANUARY-SEPTEMBER 2014

PRESS RELEASE
Madrid, 6 November 2014
5 pages

The company's debt falls to a historical low at the same time as the company generates a significant amount cash

REPSOL NET INCOME RISES 28% TO 1.646 BILLION EUROS

- **Repsol's net profit during the first nine months of the year reached 1.646 billion euros, a 28% gain over the previous year's figure.**
- **Repsol has continued its intensive exploration activity with new discoveries in Brazil, Russia and United States. The company also started up new production in those countries as well as in Peru and Bolivia.**
- **In the Downstream business, the company's highly efficient assets led to a 20% gain in the refining margin over the year-earlier period to $3.6 a barrel.**
- **Repsol has generated a significant amount of cash, enabling it to maintain its level of investments while reducing debt by 72% from the third quarter of last year.**
- **Repsol's liquidity, 10.448 billion euros, and its low debt, 1.998 billion euros, place it in an optimal position for a new wave of growth.**
- **The performance and management of the company recently received awards from the Petroleum Economist Magazine, which named Repsol as best energy company of the year and Antonio Brufau as best chief executive.**

In the first nine months of 2014, Repsol posted net income of 1.646 billion, a 27.9% rise from the same period of the previous year. These results reflect Repsol's financial strength and the good progress of its businesses.

Adjusted net income, calculated at current cost of supplies (CCS), rose to 1.337 billion, a 9.6% increase over the first nine months of 2013.

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These results are especially significant because they have been achieved in a context of falling crude oil prices during the last quarter, a slowdown in global demand and lower production in Libya.

In refining, the last quarter was marked by a recovery in international margins, which was more significant for Repsol due to the modernisations it has carried out at its facilities in recent years.

In the Upstream business, the company posted a result of 585 million euros over a period in which it continued its successful exploratory campaign. The average daily production during the year increased to 349,000 barrels of oil equivalent per day, which includes 27,900 boepd of new production.

Between January and September Repsol brought on line new production in Bolivia, Brazil, Peru, Russia and the United States. This new production includes key projects such as Kinteroni in Peru and the first phase of the Sapìnhoá field development in Brazil.

Repsol's year-over-year investment in the Upstream unit increased 21% to 2.066 billion euros. This allowed it to intensify up its exploration and production activity worldwide with operations in the United States, Brazil, Russia, Colombia, Angola, Trinidad & Tobago, Algeria, Romania and Norway, among other countries.

Repsol has made significant oil discoveries this year in Brazil, Russia and the United States, enabling it to continue building its resource base. Specially significant are the two discoveries made this year in Russia. According to the Ministry of Natural Resources and Environment of the Russian Federation, these discoveries will add 240 million barrels of recoverable resources to Repsol

After the end of the quarter, Repsol made a major discovery in the ultra-deep waters of the U.S. Gulf Coast. The well, in the León field, found over 150 metres of high-quality net oil pay.

Another discovery had already been made in the area with the Buckskin appraisal well, located 50 kilometres from León.

In the Downstream business (Refining, Chemicals, LPG, Marketing and Gas & Power), the company's high-quality assets and strategic positioning made possible a 40% gain in adjusted net income, to 642 million euros compared to the same period of 2013. The efficiency of Repsol's refineries together with the current price of oil has resulted in a greater refining margin, which jumped 20% in the first nine months of the year to reach 3.60 dollars per barrel.

The petrochemicals business has also continued to see volumes and margins recover. Sales of petrochemical products rose 11.3% over the same period of last year.

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FINANCIAL STRENGTH AND DEBT AT A RECORD LOW

The company's ability to generate revenue has allowed it to make the necessary investments to develop its business while drastically reducing debt.

The campaigns carried out in the exploration and production area, in addition to other exploitation activities, have accounted for investments reaching 2.549 billion euros in the first nine months of the year, a 20.7% rise from the year-earlier period.

At the same time, the group reduced its debt by 72% to 1.998 billion euros.

All this has enabled Repsol to close September with available liquidity of 10.448 billion euros, enough to cover its short-term debt maturities 3.6 times.

In terms of the Gas Natural Fenosa Group, the adjusted net income for the first nine months of the year rose to 374 million, a 4.2% gain over the same period of e previous year, mainly due to the capital gain on the sale of the telecommunications business and improved wholesale gas sales.

The upwards trend in all of the company's businesses, paired with its strategic positioning and implementation of its growth projects were rewarded by the prestigious magazine Petroleum Economist, which named Repsol energy company of the year and Antonio Brufau chief executive of the year for his leadership.

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REPSOL RESULTS BY SEGMENT (*)

(Unaudited figures)

Million euros	JANUARY-SEPTEMBER 2013	JANUARY-SEPTEMBER 2014	Variation (%)
Upstream	818	585	(28.5)
Downstream	458	642	40.2
Gas Natural Fenosa	359	374	4.2
Corporate and others	(415)	(264)	36.4
ADJUSTED NET INCOME	**1,220**	**1,337**	**9.6**
Inventory effect	(123)	(117)	4.9
Non-recurring income	(121)	159	-
Income from discontinued operations	311	267	(14.1)
NET INCOME	**1,287**	**1,646**	**27.9**

(*) The Company carries out a significant portion of its activities through participations in joint ventures. Accordingly, for the purpose of management decision-making with respect to resource allocation and performance assessment, the operating and financial metrics of its joint ventures are considered from the same perspective and in the same level of detail as in its businesses consolidated via global integration. To this end, all the operating segment disclosures include, in proportion to the Group's respective ownership interests, the figures corresponding to its joint ventures or other companies managed as such.

OPERATING HIGHLIGHTS

(Unaudited figures)

	JANUARY-SEPTEMBER 2013	JANUARY-SEPTEMBER 2014	Variation (%)
Oil and gas production (Thousand boepd)	354	349	(1.5)
Crude processed (million tons)	29.3	29.6	1.0
Sales of oil products (Thousand tons)	32,430	32,530	0.3
Sales of petrochemical products (Thousand tons)	1,810	2,015	11.3
LPG sales (Thousand tons)	1,797	1,819	1.2

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WEBCAST – CONFERENCE CALL
Third Quarter 2014 Results

November 6th, 2014

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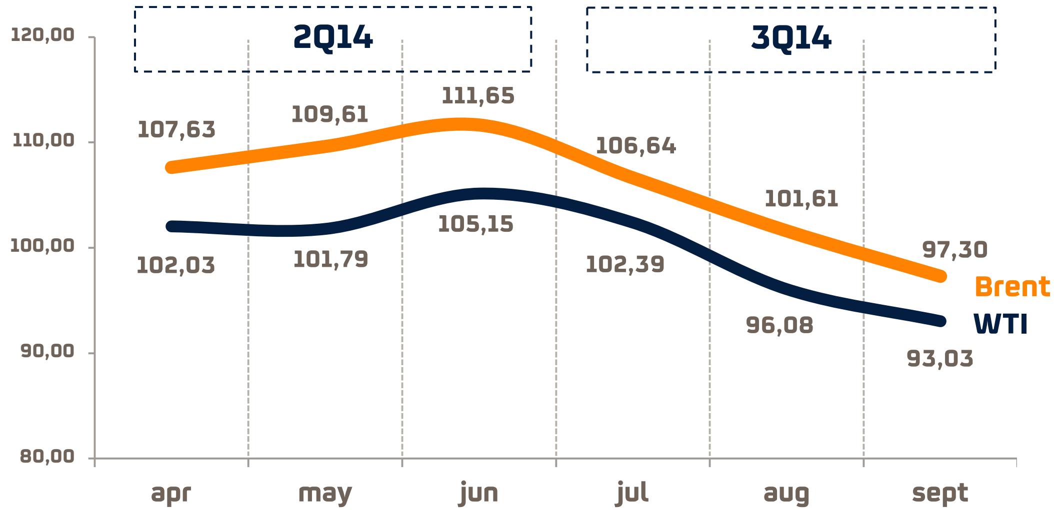
AGENDA

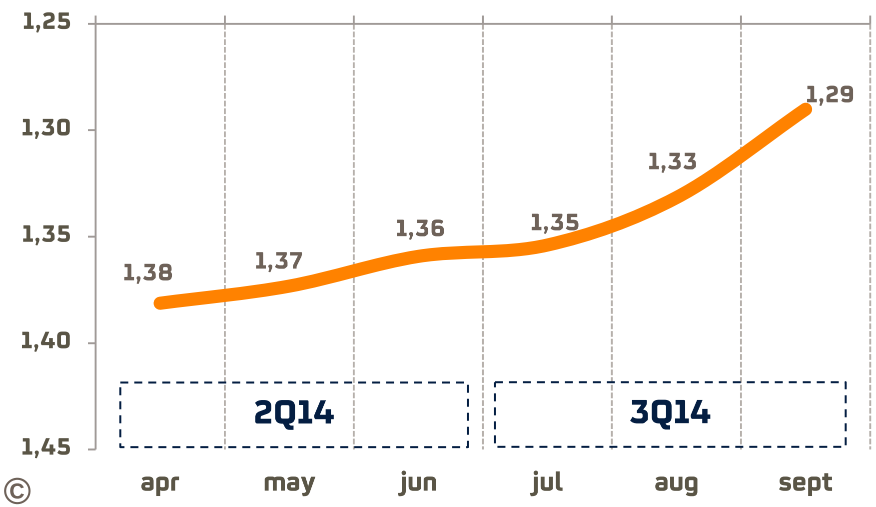
1. Market environment
2. Operational Activity and Main highlights
3. Quarterly Results
4. Conclusions

Current Market environment

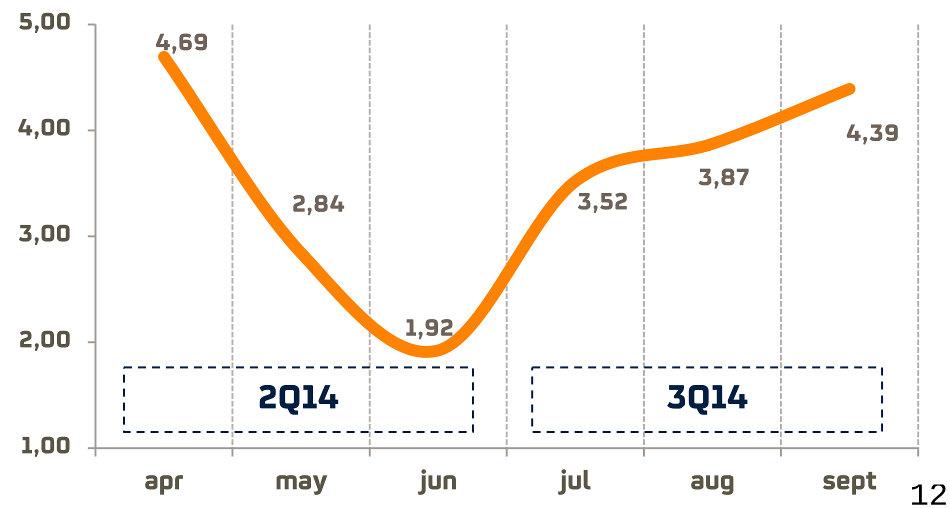
Brent and WTI evolution - $/boe



Exchange Rate - $/€



Spain Refining Margin - $/boe

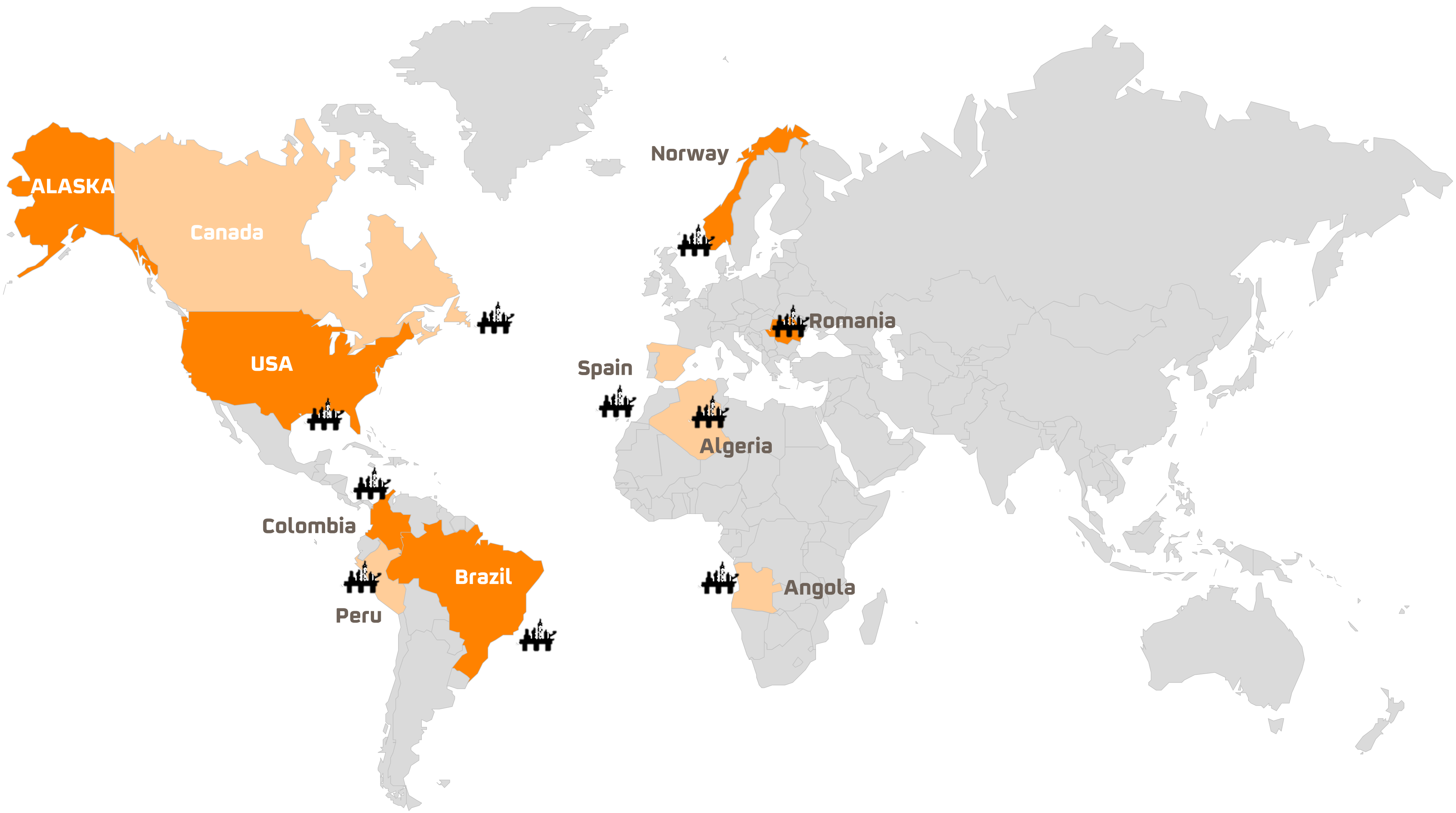


Operational Activity 3Q 2014: Upstream
Exploration

8 wells have been concluded since the presentation of 2Q14 results, 5 wells with a positive result in: USA and Russia.

Operational Activity: Upstream

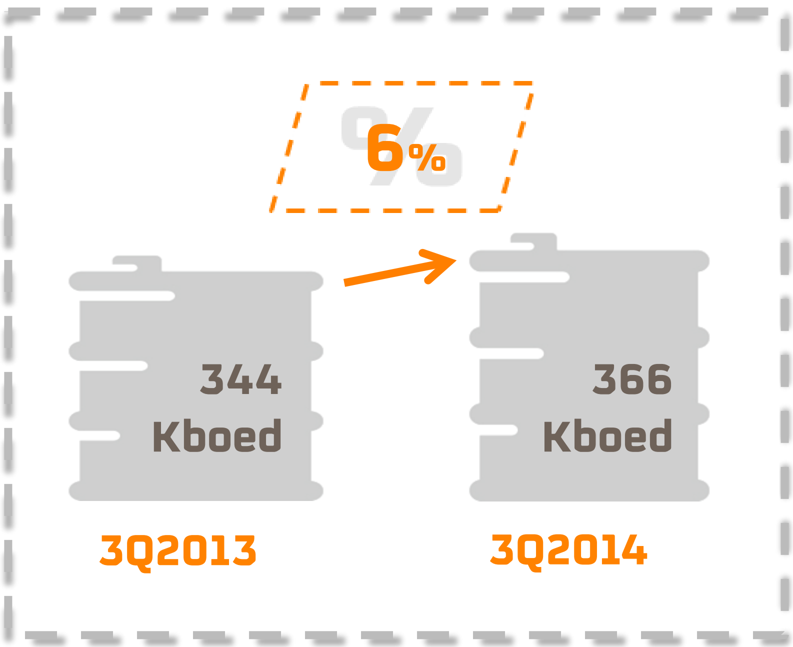
Currently drilling activity and plan until the end of 2014



Current drilling activity

Expected before year end

Main Highlights of 3Q 2014
Production



Production increased 8% excluding the effect of Libya in both years.

- Resumed production in Libya (7th of July)

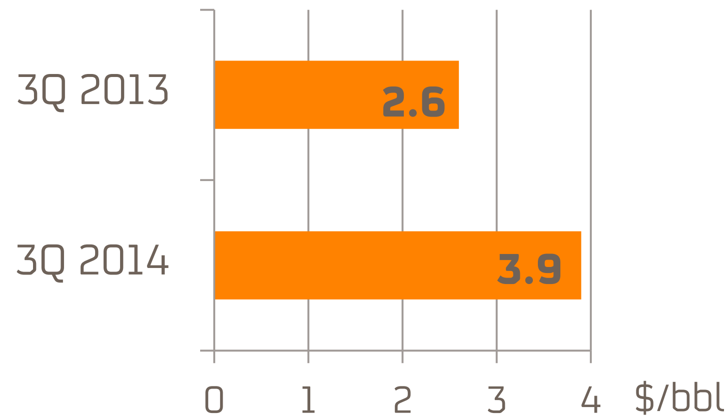
* Libya – current production 300 thousand barrels of oil equivalent gross per day

Main Highlights of 3Q 2014
Key Growth Projects: Brazil

- Reached 120,000 bpd plateau on the first FPSO.
- Expecting to have first-oil from the second FPSO in November.
- Plateau for the second FPSO is expected to be reached in the second half of 2015.

Main Highlights of 3Q 2014
Downstream

Refining Margin Indicator



Utilization rates

3Q 2014

Integrated system

Conversion units

Petrochemicals businesses

- Improvement of market environment and adjustments undertaken in 2013 allowed to continue with positive results.

Commercial businesses

- Volumes in Marketing business remained stable.

Gas Natural Fenosa
Acquisition of the Chilean company CGE

- Reinforces the leadership of GNF in gas distribution in Latin-America.
- Transaction consistent with GNF's strategic priority of international diversification.
- Current pay-out policy will be mantained.

Results Summary

3Q 2014

	3Q 2013	3Q 2014	% Variation
Adjusted Net Income	295	415	+40.9%
Net Income	386	319	-17.3%

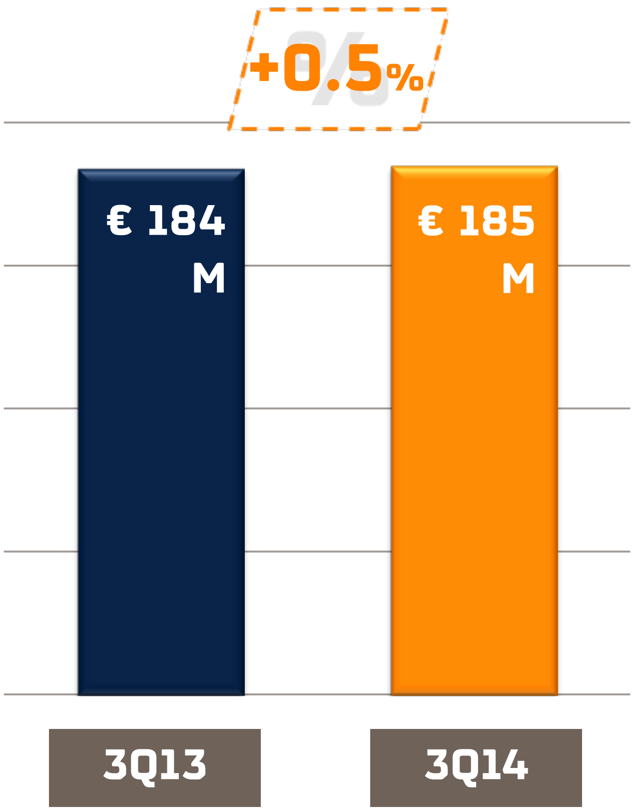
Million €

9M 2014

	9M 2013	9M 2014	% Variation
Adjusted Net Income	1,220	1,337	+9.6%
Net Income	1,287	1,646	+27.9%

Million €

3Q 2014 Upstream Results
Adjusted Net Income

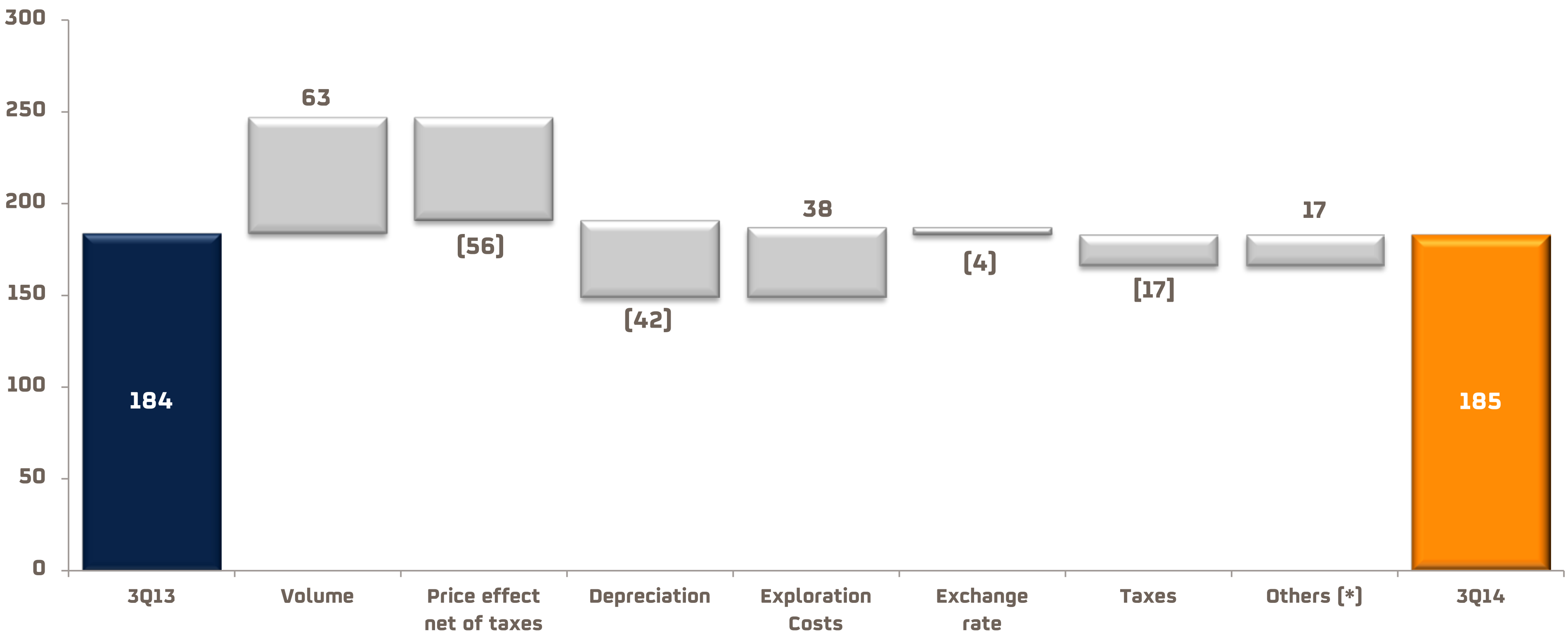


- Increased production year-on-year in Brazil, USA, Peru, Bolivia and Russia partially offset from lower volumes from Libya.
- Lower crude and gas realization prices.
- Higher depreciation charges.
- Lower exploration costs.

3Q 2014 Upstream Results
Adjusted Net Income

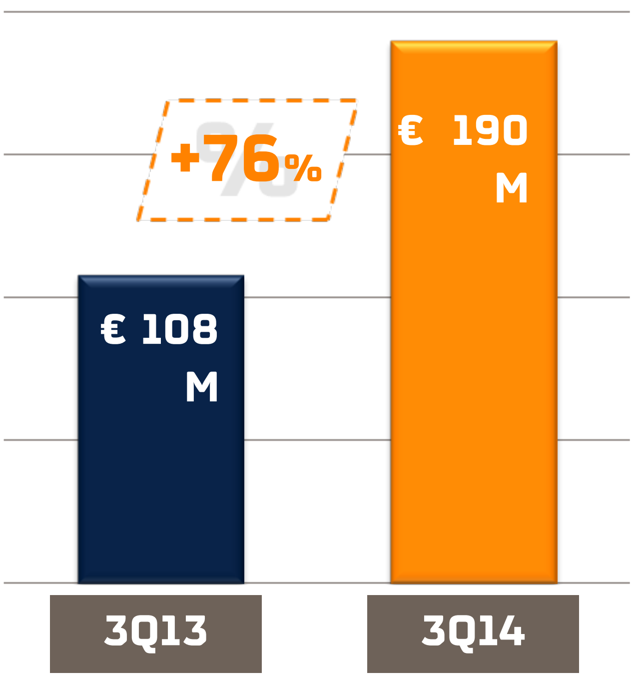
	3Q 2013	3Q 2014	% Variation
Adjusted Net Income	184	185	+0.5%

Million €



(*) Equity affiliates, non controlling interests and other costs.

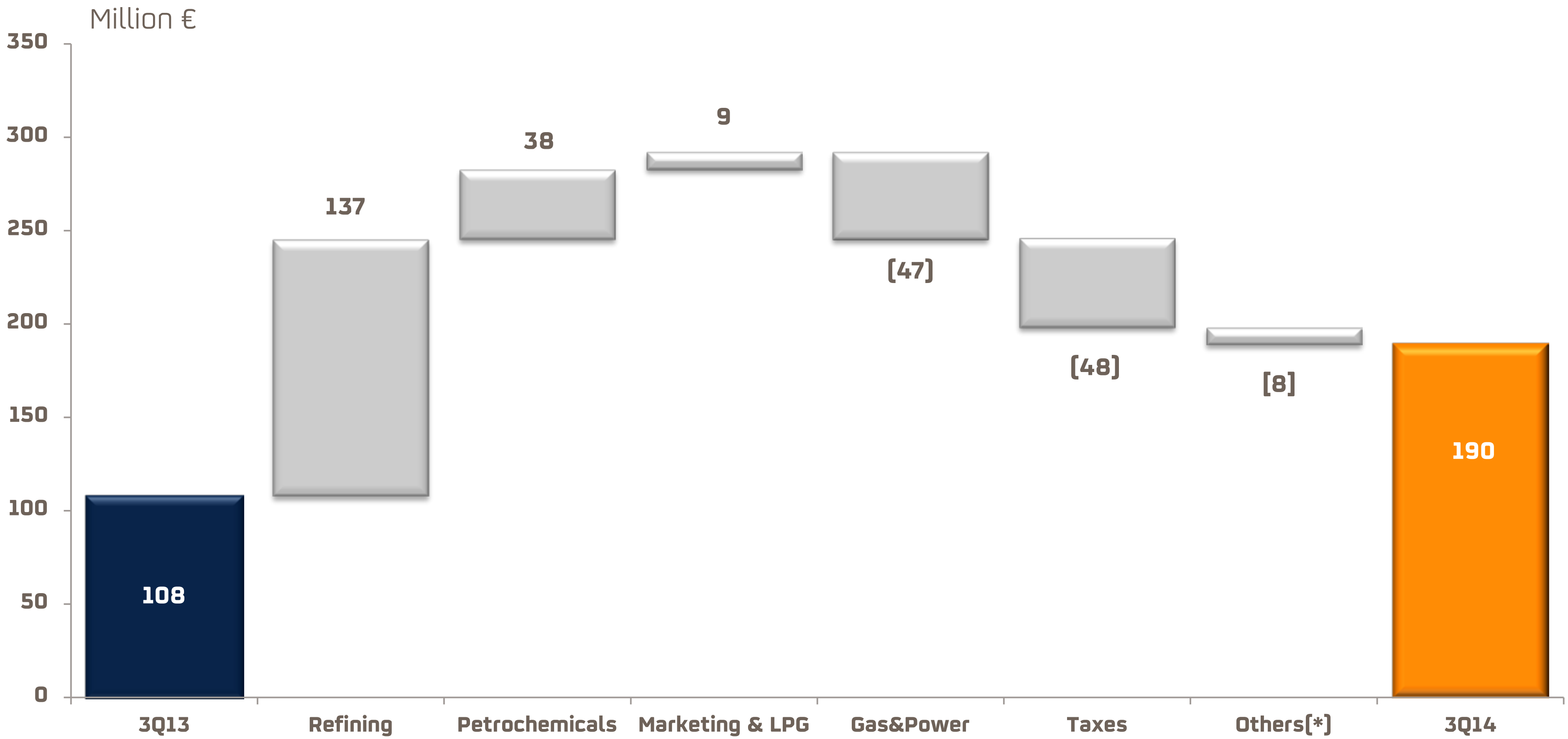
3Q 2014 Downstream Results
Adjusted Net Income



- Refining: Our margin indicator was 3.9 dollars per barrel.
- Petrochemicals: Better prices and better volumes.
- Commercial businesses: results in line with same year-ago period.
- Lower operating income in Gas & Power due to:
  - Warm season.
  - Hedging positions.

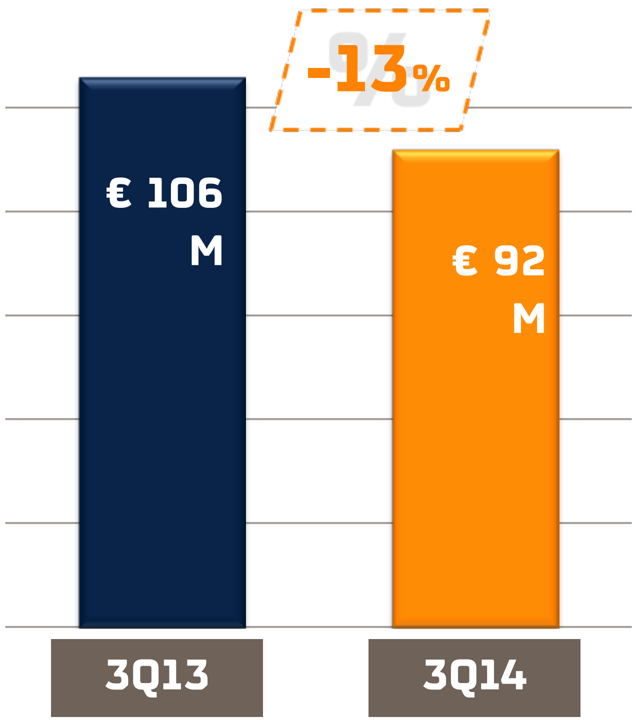
3Q 2014 Downstream Results
Adjusted Net Income

	3Q 2013	3Q 2014	% Variation
Adjusted Net Income	108	190	+76 %

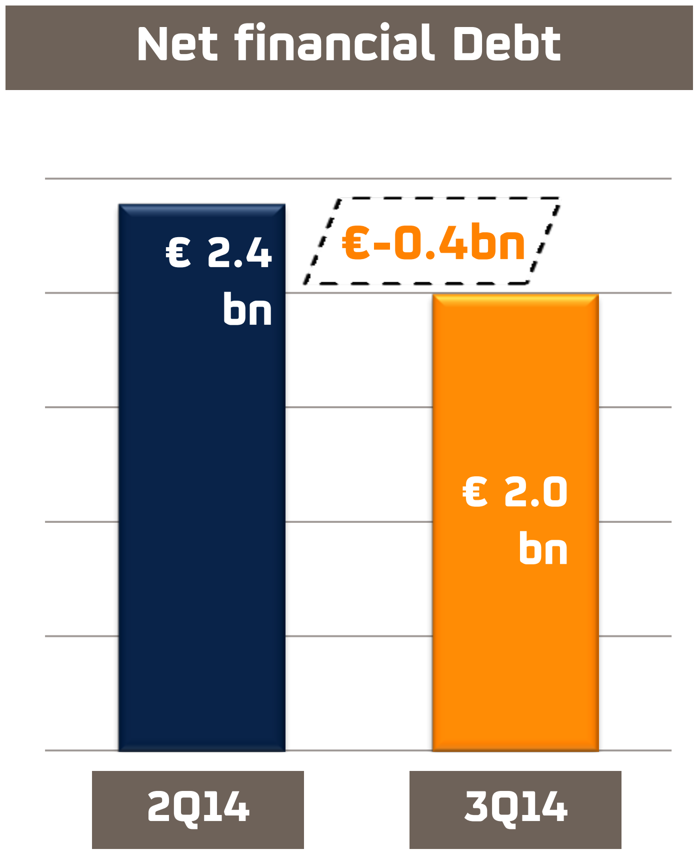


(*) Exchange rate, equity affiliates, non controlling interests and other costs.

3Q 2014 Gas Natural Fenosa Results
Adjusted Net Income



Quarterly Results
Financial Situation



Liquidity remains healthy at more than 10 billion euros

Conclusions

UPSTREAM

- Delivering production growth target established in the Strategic Plan.
- Resumption of production in **Libya**.
- Good news from our **exploratory activity**.

DOWNSTREAM

- Benefit from the improved market momentum.

CORPORATE

Earnings resilence due to:

- 60% production of gas.
- Quality and size of Downstream assets.
- Negative correlation between oil prices and $/€.
- Solid and stable results from GNF.

Q&A Session

Third Quarter 2014 Results

REPSOL

WEBCAST – CONFERENCE CALL
Third Quarter 2014 Results

REPSOL

November 6th, 2014