

# WEBCAST – CONFERENCE CALL

## First Quarter 2014 Results

May 8<sup>th</sup>, 2014



# Disclaimer



ALL RIGHTS ARE RESERVED

© REPSOL, S.A. 2014

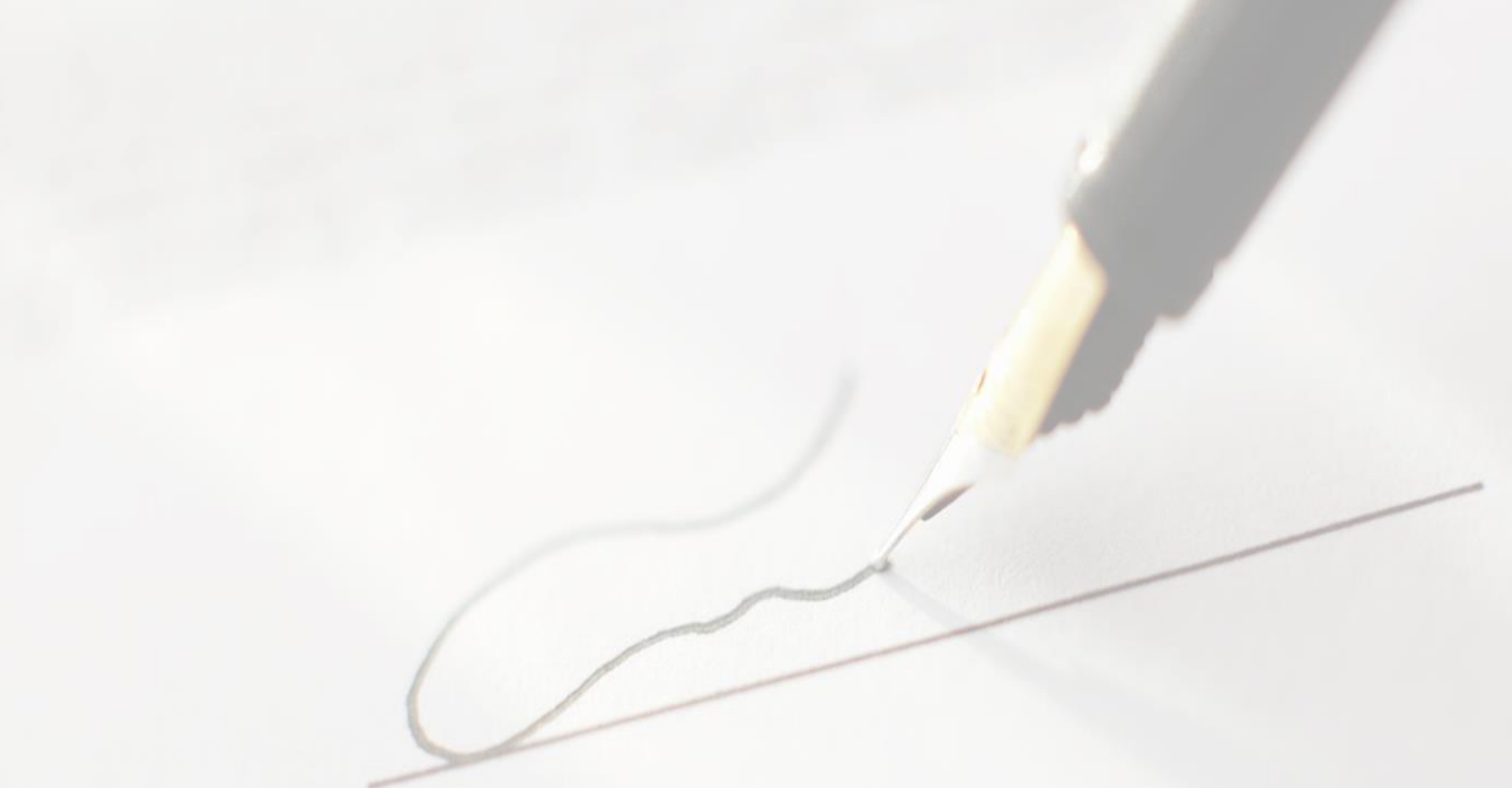
*Repsol, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol, S.A.*

*This document does not constitute an offer or invitation to purchase or subscribe shares, in accordance with the provisions of the Spanish Securities Market Law (Law 24/1988, of July 28, as amended and restated) and its implementing regulations. In addition, this document does not constitute an offer of purchase, sale or exchange, nor a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.*

*This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain, the Comisión Nacional de Valores in Argentina, the Securities and Exchange Commission in the United States and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.*

*Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.*

1. YPF Compensation Process
2. Main Events of 1Q 2014
3. Quarterly Results
4. Conclusions



# YPF Compensation Process

1

## Update on the YPF compensation process

- Repsol sold **11.86%** of YPF shares for **1.26 billion dollars**.
- Repsol is expecting to receive Argentinian **bonds** with a nominal value of **5,317 million dollars**.

<b>Bonds</b>	<b>Nominal</b>
Bonar X	US\$ 500 million
Discount 33	US\$ 1,250 million
Bonar 2024	US\$ 3,250 million
Boden 2015	US\$ 317 million

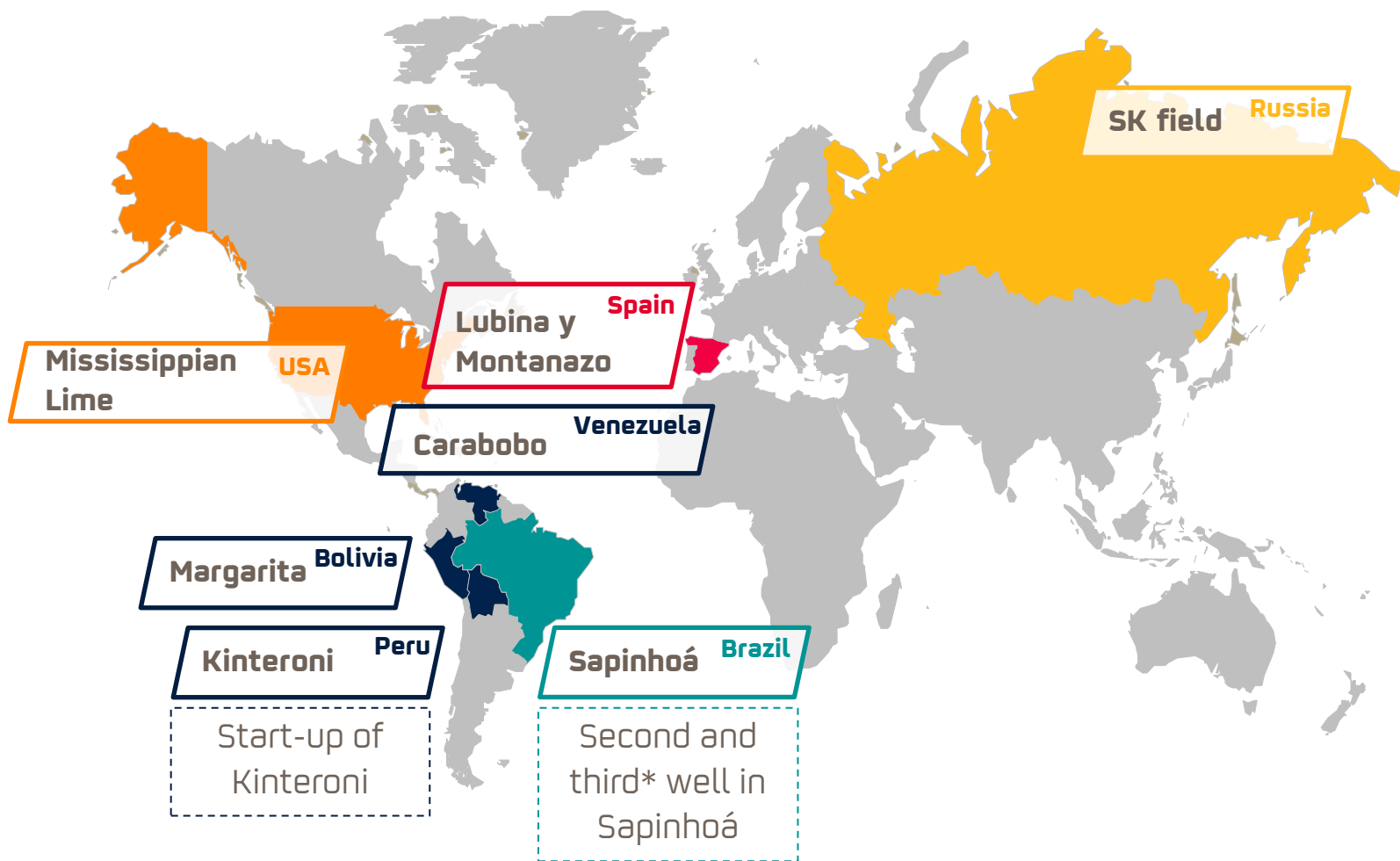


# Main Events of 1Q 2014

2

# Main Events of 1Q 2014

## Key Projects



\*Connected in April

**7 out of 10 key growth projects are already onstream**

# Main Events of 1Q 2014

Exploration – Encouraging results



**31 wells spudded during this year**





**REPSOL**

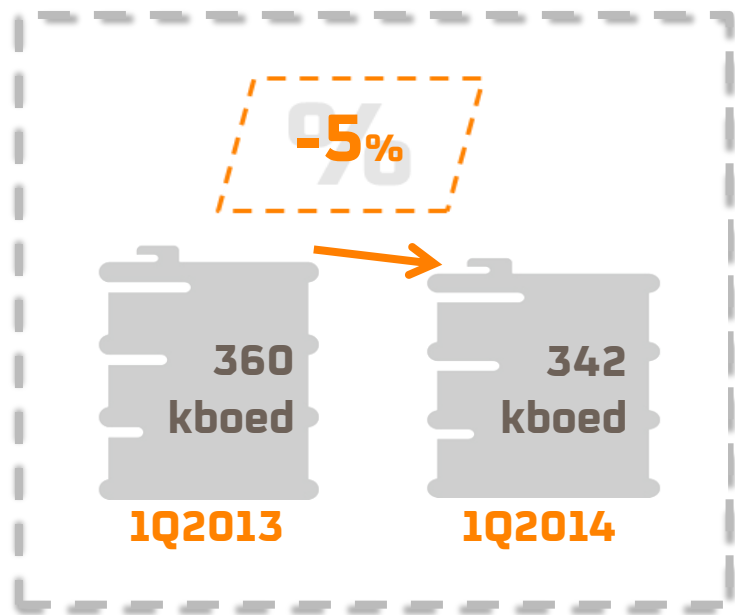
# Main Events of 1Q 2014

Exploration – On going



## Main Events of 1Q 2014

### Production



- Increased our production year-on-year in Brazil, the United States, Russia, Bolivia and Peru
- Disruptions in Libya
- Drilling work in Trinidad & Tobago
- Kinteroni started producing at the end of the quarter

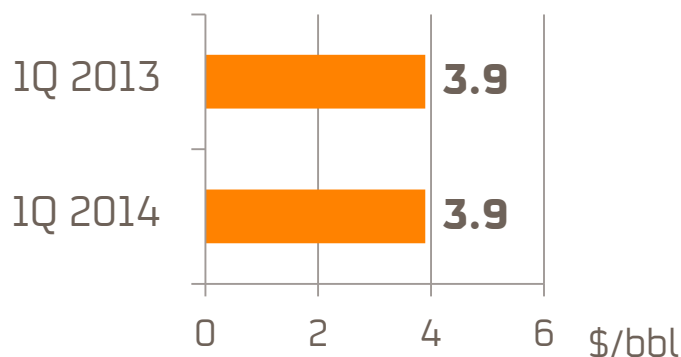
**Expecting production growth in 2014 of around 7%<sup>[\*]</sup> excluding Libya**

<sup>[\*]</sup> Excluding the contribution of Libya in both years [2013 & 2014]

# Main Events of 1Q 2014

## Downstream

### Refining Margin Indicator



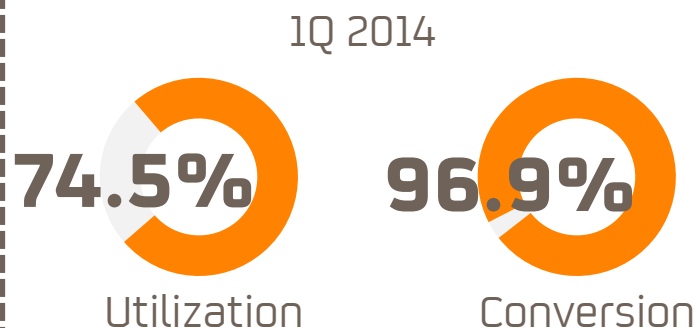
### Chemical businesses

- Break-even point

### Commercial businesses

- Market with stable volumes

### Utilization & Conversion rates



### Gas & Power

- Enhanced flexibility of Canaport facilities
- Increasing our trading activity



# Quarterly Results

# 3

## New reporting criteria

- **Operating and net operating income per business segment**, reporting corporate taxes and results from associate companies and minority interests in every business segment.
- **Gas & Power business included in the Downstream** business segment.
- **Gas Natural Fenosa** reported as **an equity investment**.
- **Financial result** reported within **Corporation**.

# Results Summary



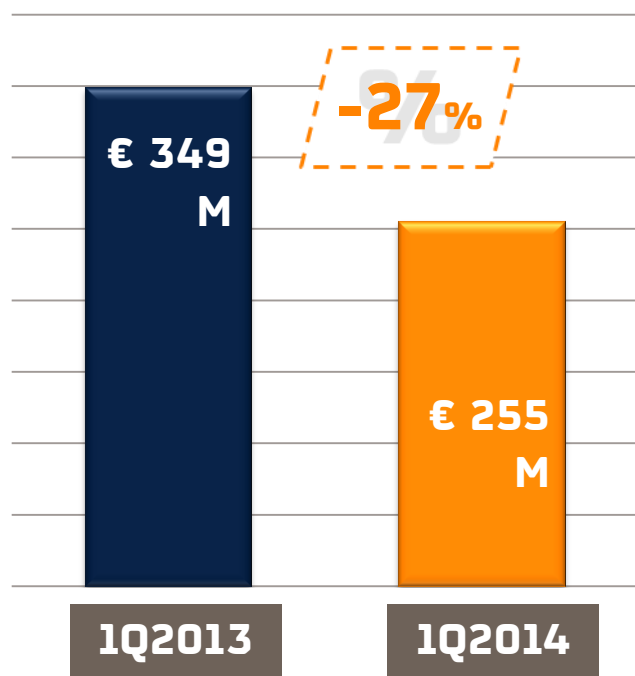
## 1Q 2014

	1Q 2013	1Q 2014	% Variation
<b>Adjusted Net Income</b>	524	532	1.5 %
<b>Net Income</b>	634	807	27%

Million €

# 1Q 2014 Upstream Results

## Adjusted Net Income



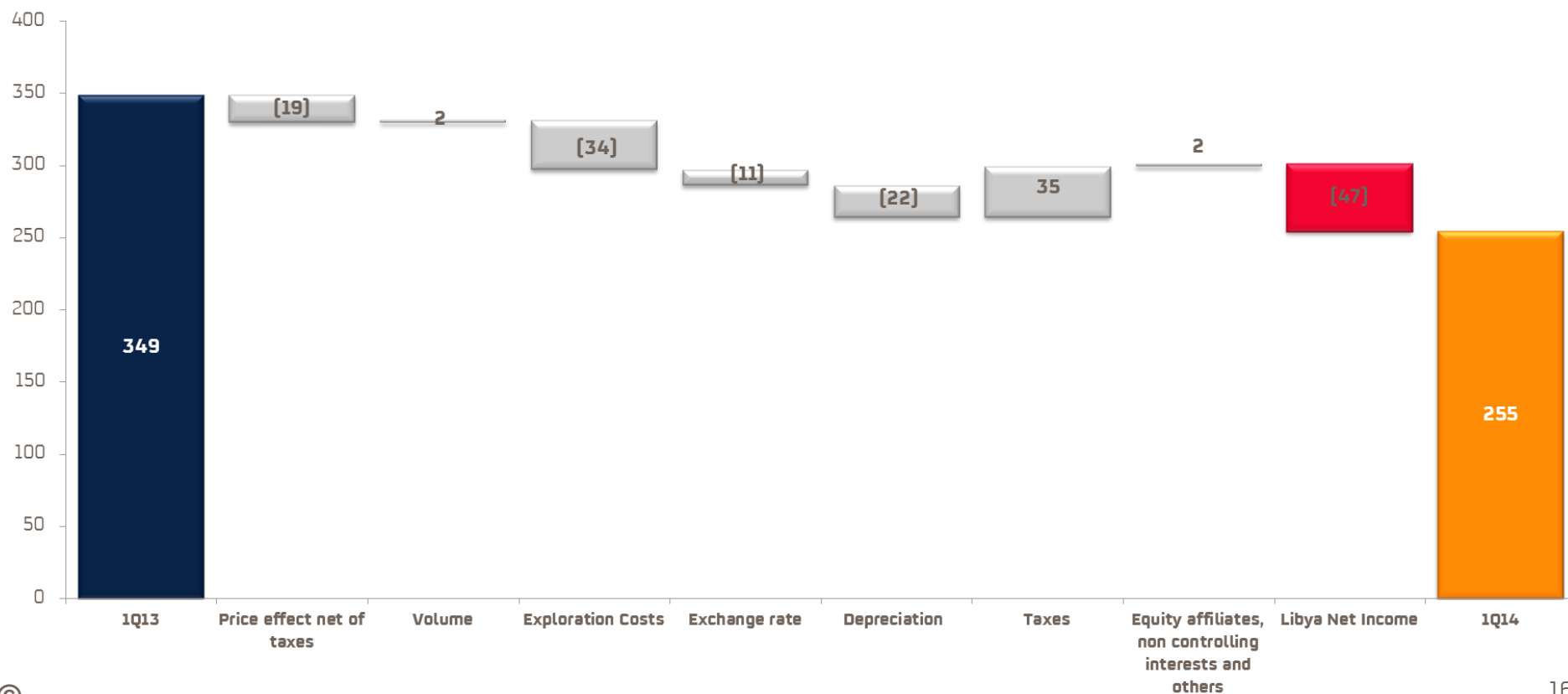
- Disruptions in Libya
- Increased production ex Libya
- Lower crude and gas prices
- Lower taxes

# 1Q 2014 Upstream Results

## Adjusted Net Income

	1Q 2013	1Q 2014	% Variation
<b>Adjusted Operating Income</b>	<b>349</b>	<b>255</b>	<b>-27%</b>

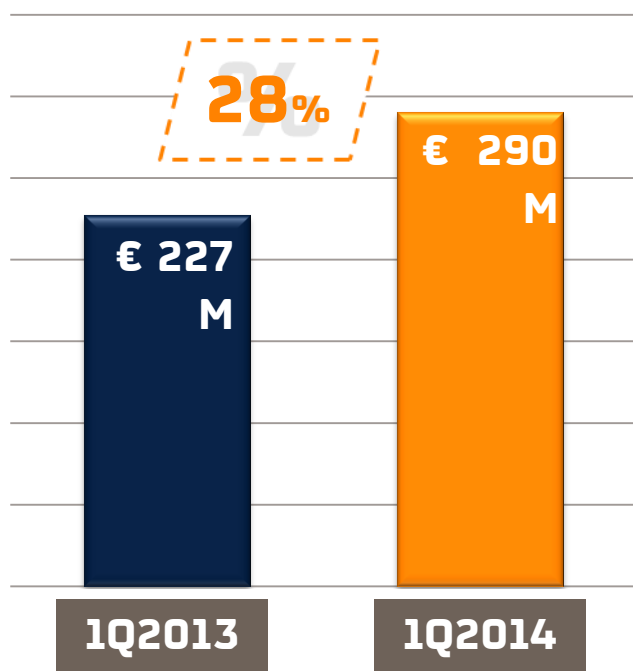
Million €





# 1Q 2014 Downstream Results

## Adjusted Net Income



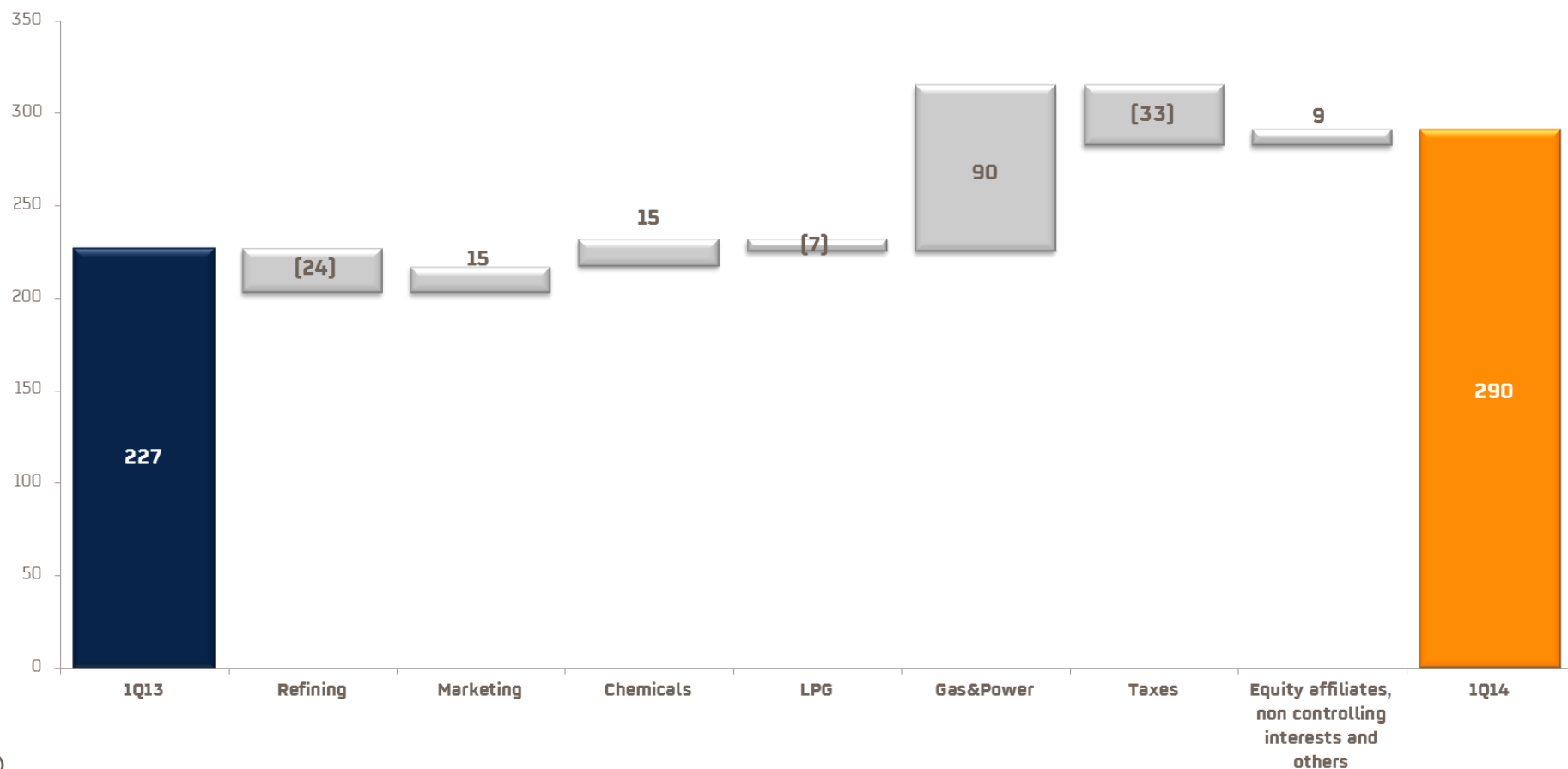
- Refining: Resilient margins despite tough environment
- 2.6 dollars per barrel of premium margin
- Chemicals: Higher volumes
- LPG: lower volumes with higher margins
- Marketing: Increase margins in Service Stations
- G&P: Low temperatures in NA & Increasing trading activity

# 1Q 2014 Downstream Results

## Adjusted Net Income

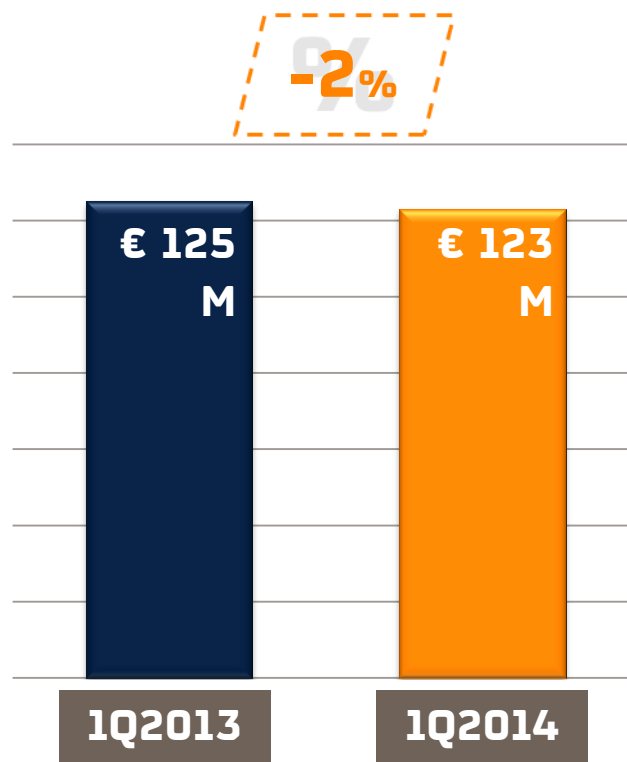
	1Q 2013	1Q 2014	% Variation
<b>CCS Adjusted Operating Income</b>	<b>227</b>	<b>290</b>	<b>28 %</b>

Million €



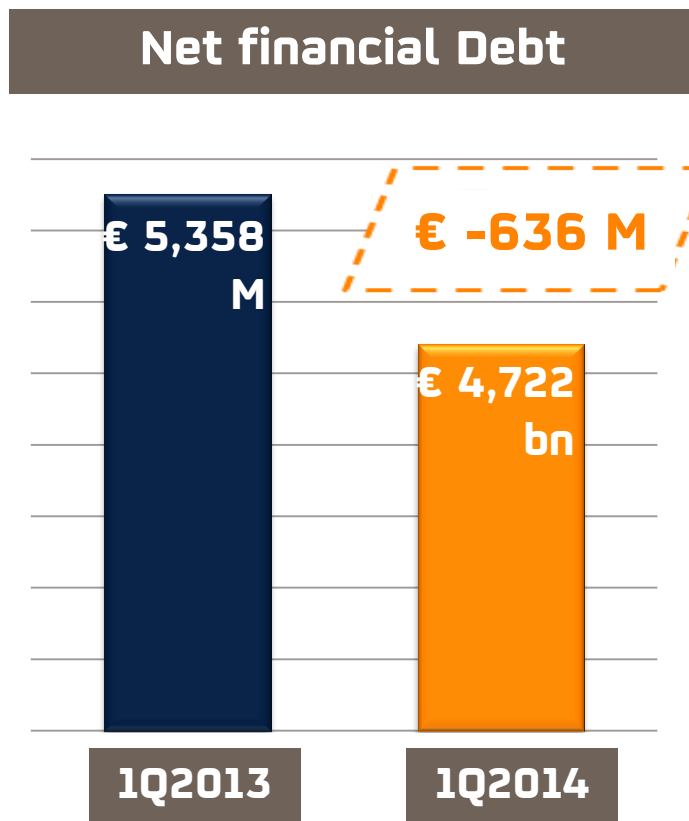
# 1Q 2014 Gas Natural Fenosa Results

## Adjusted Net Income



# Quarterly Results

## Financial Situation (Figures Ex Gas Natural)



Liquidity covers **3.7 times** short term debt

# Conclusions



- Agreement between Argentina and Repsol & Sale 11.86% of YPF
- P&L performance improved

# Q&A Session

First Quarter 2014 Results



# WEBCAST – CONFERENCE CALL

## First Quarter 2014 Results

May 8<sup>th</sup>, 2014

