

Significant growth compared to 2013

Thanks to our **integrated model**, that allows us to obtain solid results in **Downstream business**, and to the successful management in the **value recovery of YPF**.
Net profit was 1,612 million Euros.



12 new discoveries

from the beginning of 2014

in US, Brazil, Bolivia, Trinidad and Tobago, Alaska and Russia

Downstream

The **excellent quality of the assets** of the company has allowed the indicator refining margin to increase up to \$4.1/barrel in the year and up to **\$5.5/barrel** in the quarter.

An annual increase in refining margin of **24%**

Continues a very good performance of this indicator at the beginning of 2015.

Acquisition of Talisman Energy

For the amount of **8,300 million US dollars** (6,640 million euros), plus the debt.

Financed with **own funds**.

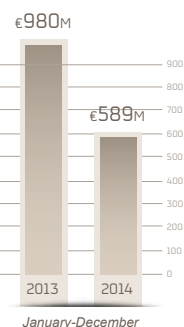
Improvement of the assets portfolio with the incorporation of quality assets in geopolitically stable countries.

Talisman **will be profitable** for Repsol **from the first whole fiscal year** after the integration.

Repsol continues generating **solid results** in an environment of downward oil prices.

Our main businesses¹**Upstream**

[Exploration and Production]



■ Production of the year, excluding Libya, **increased by 8%** thanks to the developments in Brazil, United States, Bolivia, Peru and Russia.

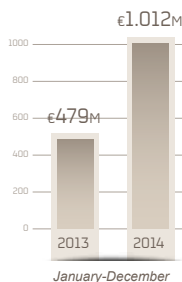
■ Due to the lower production caused by the disruptions for security reasons in Libya and the fall of oil prices in the second half of the year.

The **triannual replacement rate of proven reserves** stands at **198%**, being the annual rate at **118%**

5th consecutive **fiscal year** in which more hydrocarbon reserves than those produced were incorporated.

**Downstream**

[Refining, Chemical, Marketing, Liquefied Petroleum Gas and Gas & Power]



Significant improvement in the results, thanks to:

- **Refining System Efficiency**: lower energy costs, higher utilization rates and obtaining higher margins thanks to the investment projects undertaken.
- Better result in **Chemistry** due to higher sales, efficiency improvements and differentiation with higher value added products.
- **Marketing sales in Spain** increased 4% in the fourth quarter over the previous year. **4%**
- Improvement in **Gas&Power Business**, by the improved margins in the first part of the year and higher value of the contractual commitments.

Gas Natural Fenosa² [30% stake]

441 million Euros in 2014: A result slightly lower compared to the previous year

- Better result of wholesale marketing of gas and gain on sale of assets.
- Offset by minor business results of power generation and distribution and of gas distribution in Spain and provision for impairment of the Union Fenosa Gas plant in Egypt.

Solid financial position**Net debt**

at historically low levels: **€1,935M**

Reduction of €3,423M compared to the end of 2013, thanks to the successful exit of Argentina **64%**

Maintaining a strong financial position and an attractive remuneration to the shareholder.

**Liquidity**

Repsol maintains a liquidity of

€9,844M

enough to cover **7.6 times** its short term debt maturities.

**Dividend**

An attractive remuneration to our shareholders is maintained, reaching in 2014 a dividend of **€1.96 per share**.

The profitability per dividend in 2014 was the highest among the large companies in the sector in Europe.

¹ The company carries out a good part of its activities through joint ventures. This means that, when it comes to making decisions on fund allocation or performance assessment, the operating and financial figures of joint ventures are analysed from the same perspective and as thoroughly as those of companies consolidated by global integration. This is the reason why all sector figures include, according to percentage shares, those of joint ventures or companies managed as such.

In fiscal year 2014, Repsol decided to take into account the current business environment and use an accounting method for better comparison with the results of other companies in the same industry. Now, Repsol reports its recurring net income based on restocking costs of continued operations (adjusted net income), excluding both discontinued operations and inventory effects.

² From 1 January 2014, Gas Natural results are no longer reported in Repsol statements using a consolidated method. The equity accounting method is used instead.

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