

# WEBCAST – CONFERENCE CALL

## Fourth Quarter 2014 Results



February 26th, 2015

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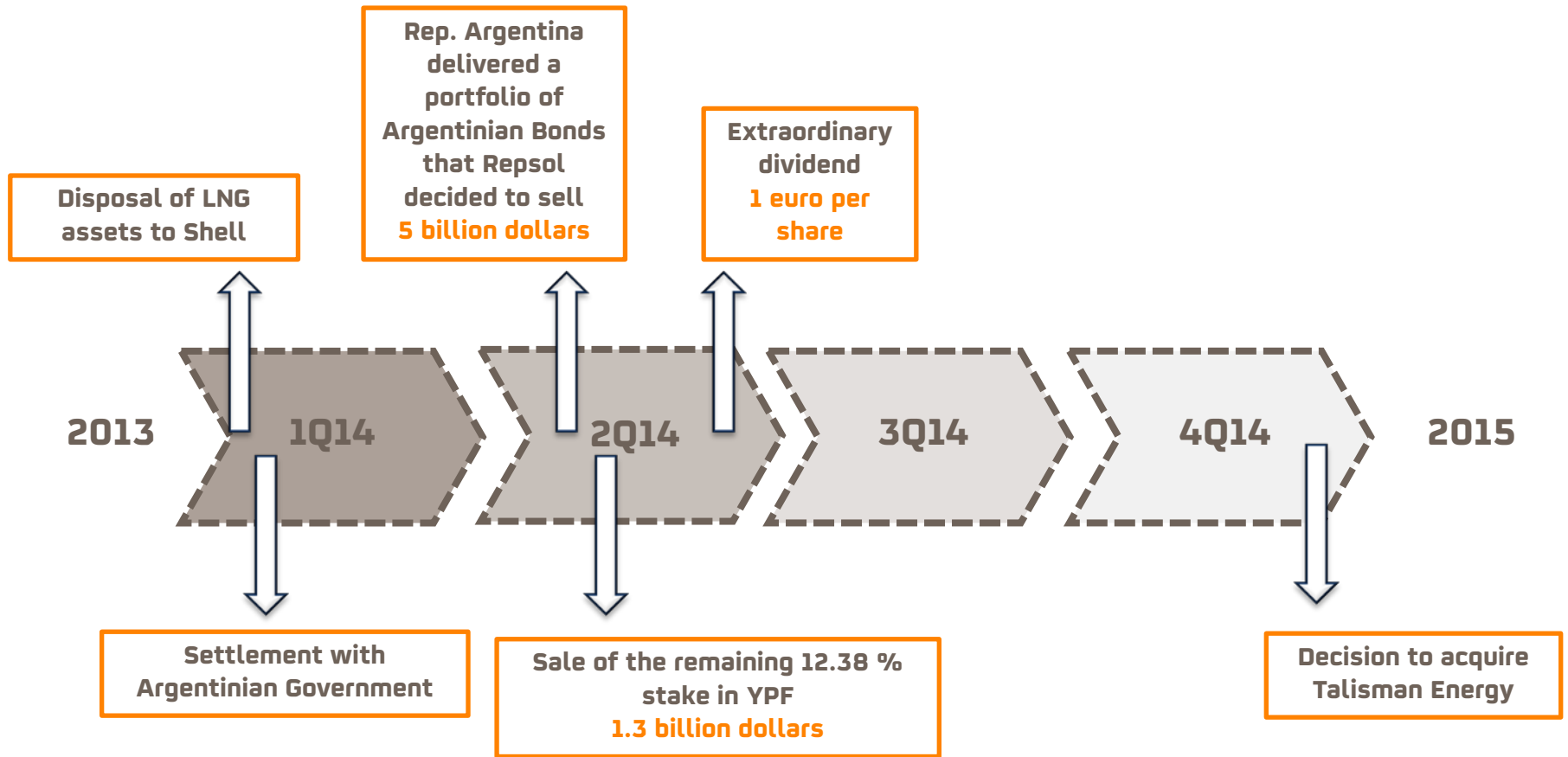
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1. Main events of 2014
2. Quarterly and full year results
3. Outlook for 2015
4. Conclusions

Main events of 2014

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# Main events of 2014



# Main events of 2014



*The acquisition of Talisman fits all the requirements we were looking for:*

- ✓ OECD or OECD alike countries
- ✓ Growth platforms to value creation and sustainability
- ✓ Create value for our shareholders

# Quarterly and full year results

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# Quarterly and full year results



## 4Q 2014

	4Q 2013	4Q 2014	% Variation
<b>CCS Adjusted Net Income</b>	123	370	+201%
<b>CCS Adjusted Operating Income</b>	211	626	+197%

Million €

## FY 2014

	2013	2014	% Variation
<b>CCS Adjusted Net Income</b>	1,343	1,707	+27 %
<b>CCS Adjusted Operating Income</b>	2,170	2,421	+12 %

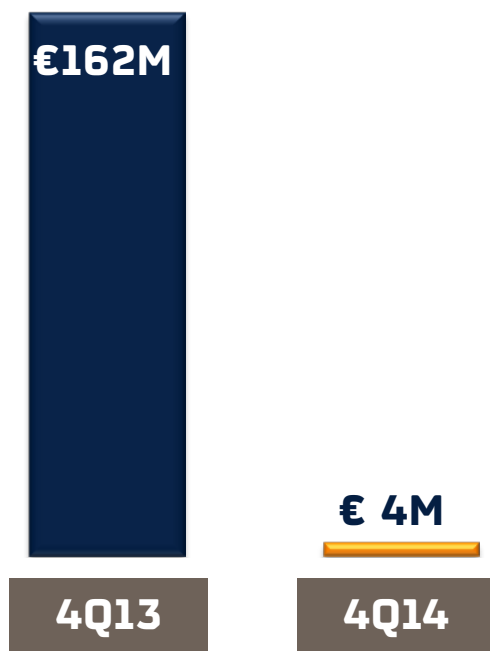
Million €



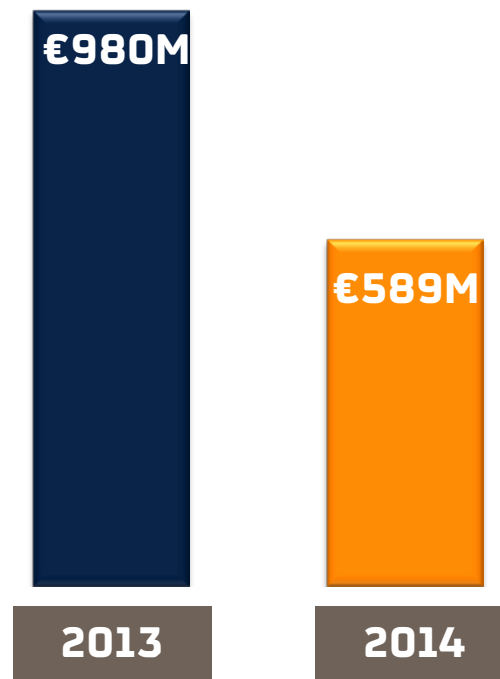
# Upstream Results

Adjusted Net Income

## QUARTERLY RESULTS

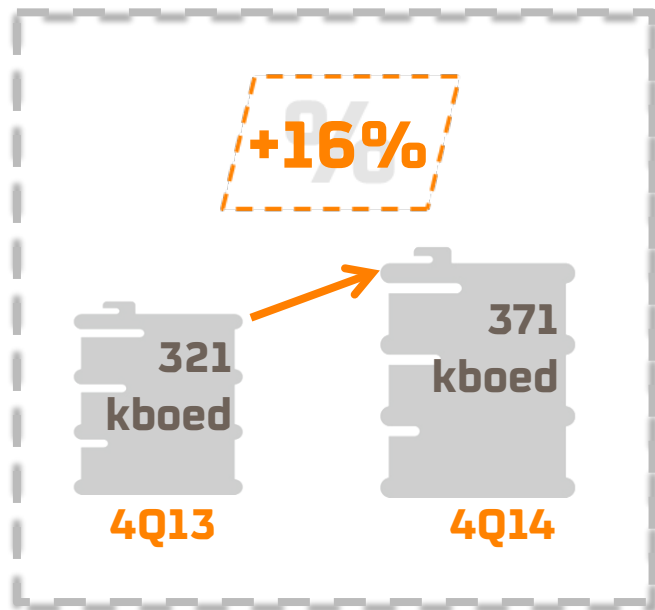


## FULL YEAR RESULTS



# Upstream Results

## Production



In 2014 average production growth of **2.5%**.  
With Libya at normal levels, **8%** increase in production

# Upstream Results

## Adjusted Net Income



4Q 2013

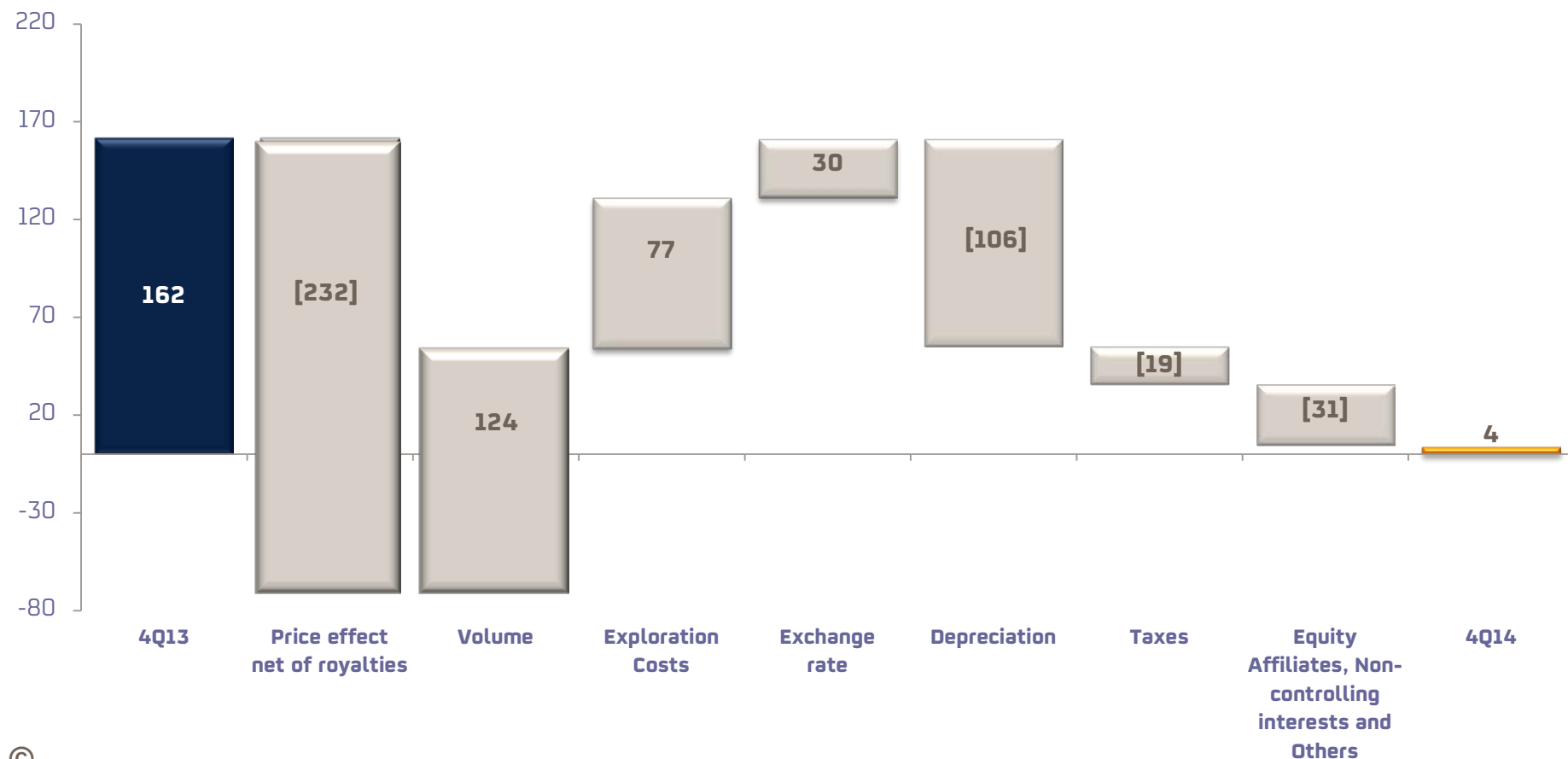
4Q 2014

### Adjusted Net Income

162

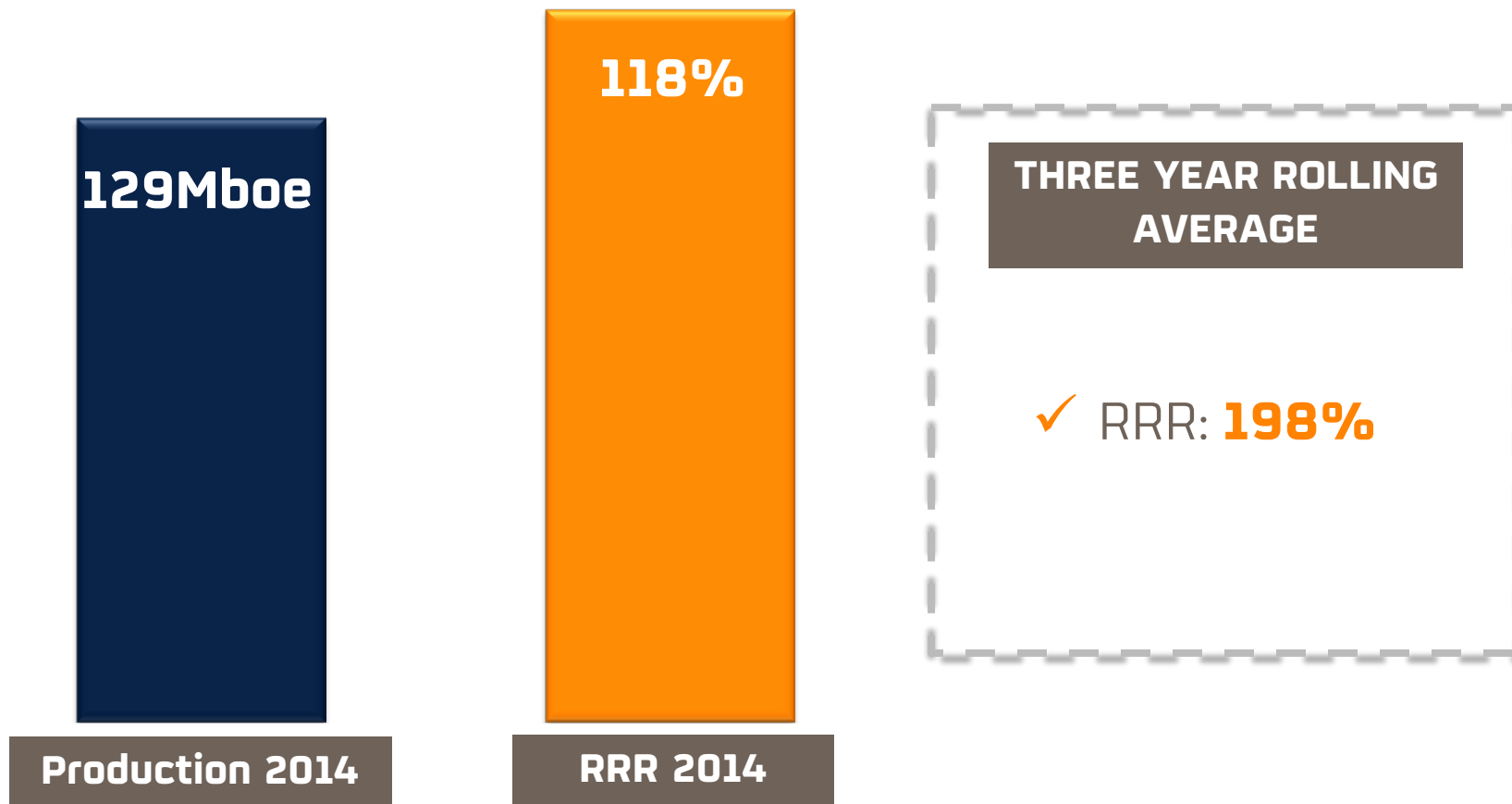
4

Million €



# Upstream Results

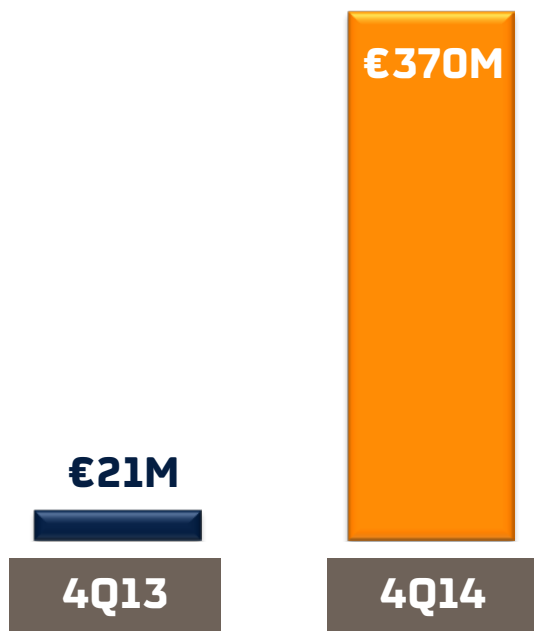
## Reserve Replacement Ratio



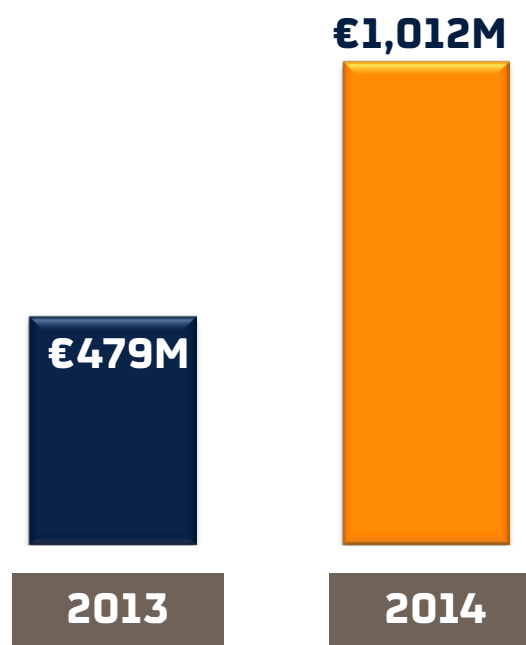
# Downstream Results

Adjusted Net Income

## QUARTERLY RESULTS



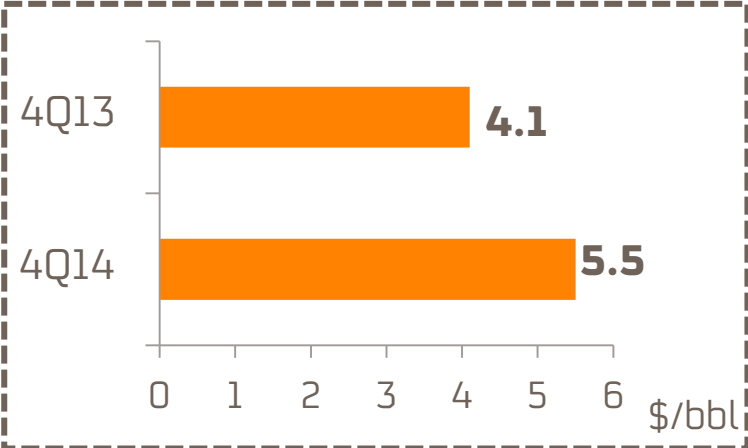
## FULL YEAR RESULTS



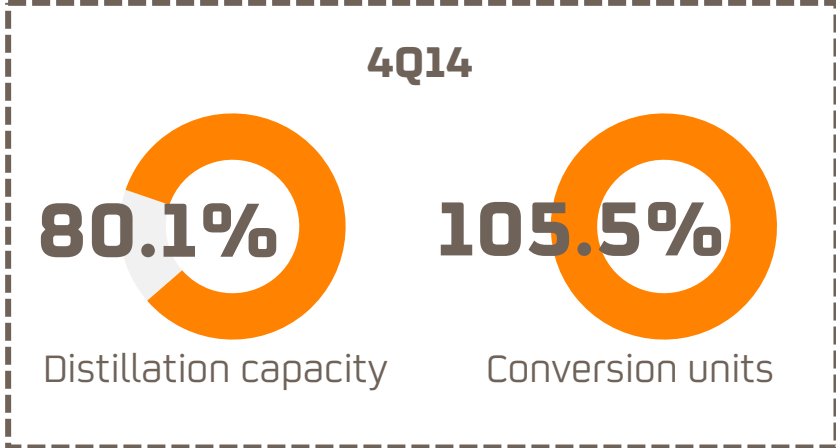
# Downstream Results - Refining



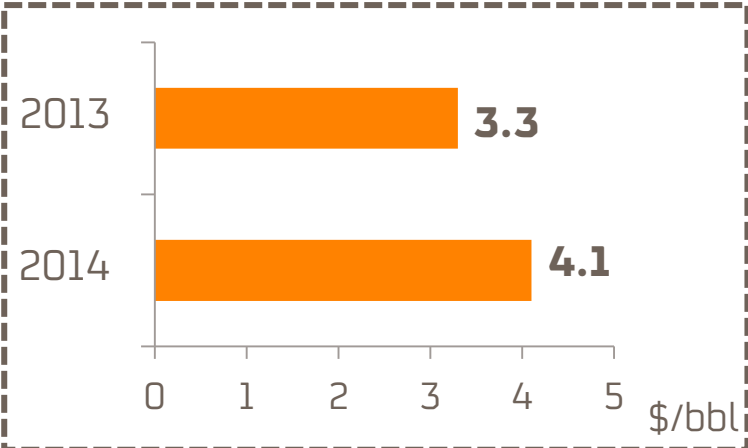
Refining Margin Indicator



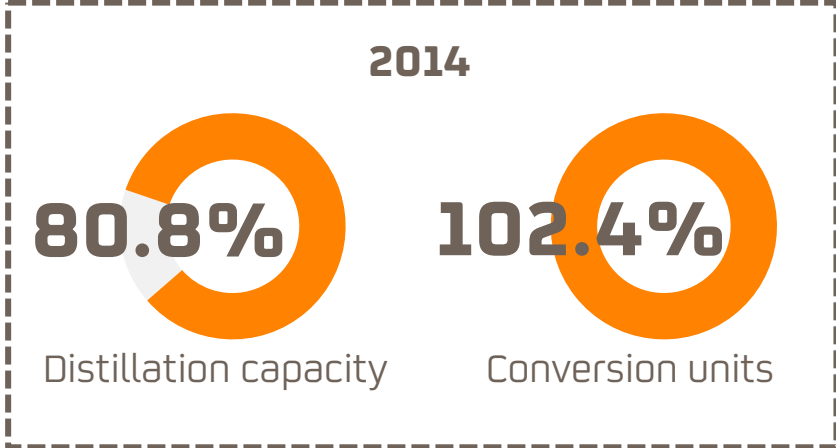
Utilization rates



Refining Margin Indicator



Utilization rates



# Downstream Results

## Petrochemicals business

- Higher results thanks to:
  - ✓ Competitiveness programs implemented
  - ✓ Better market environment

## Commercial businesses

- Higher results in LPG division.
- Growth in sales in the Marketing business

## Gas & Power

- Higher volumes and prices in North America.
- Positive impact of contractual commitments MtM.

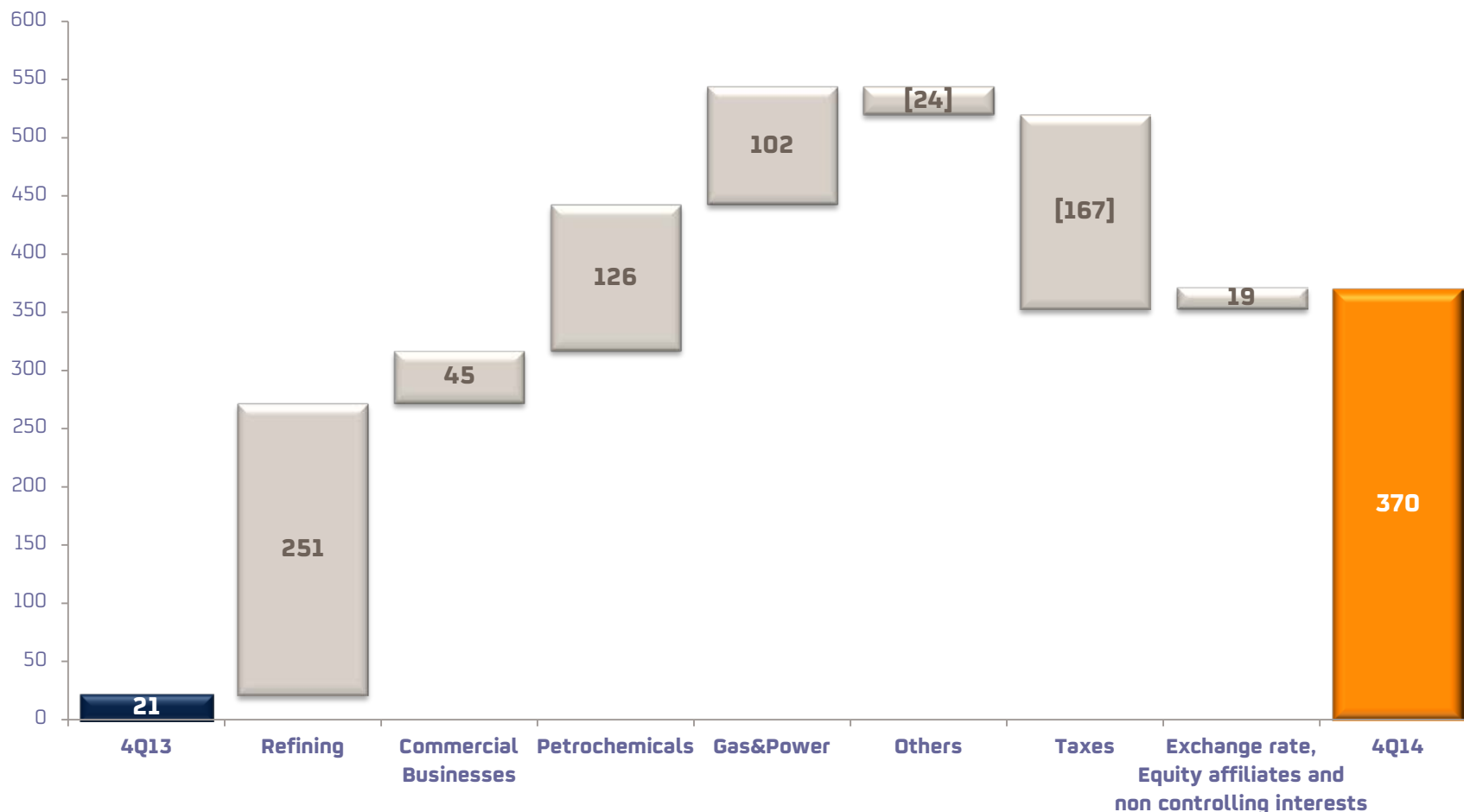
# Downstream Results

## Adjusted Net Income

**4Q 2013**      **4Q 2014**

**Adjusted Net Income**      **21**      **370**

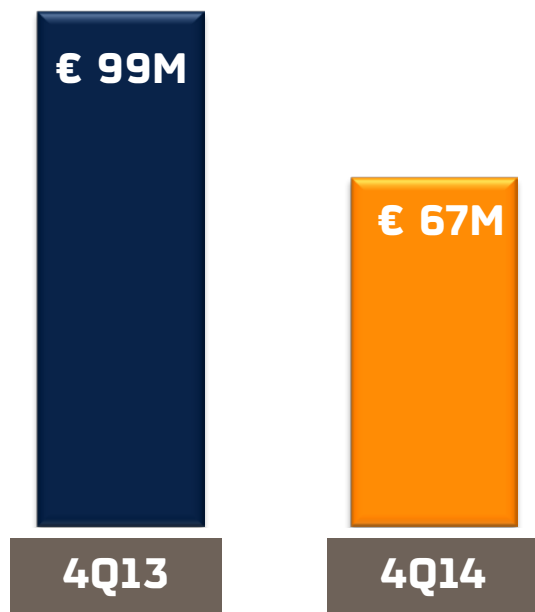
Million €





# Gas Natural Fenosa Results

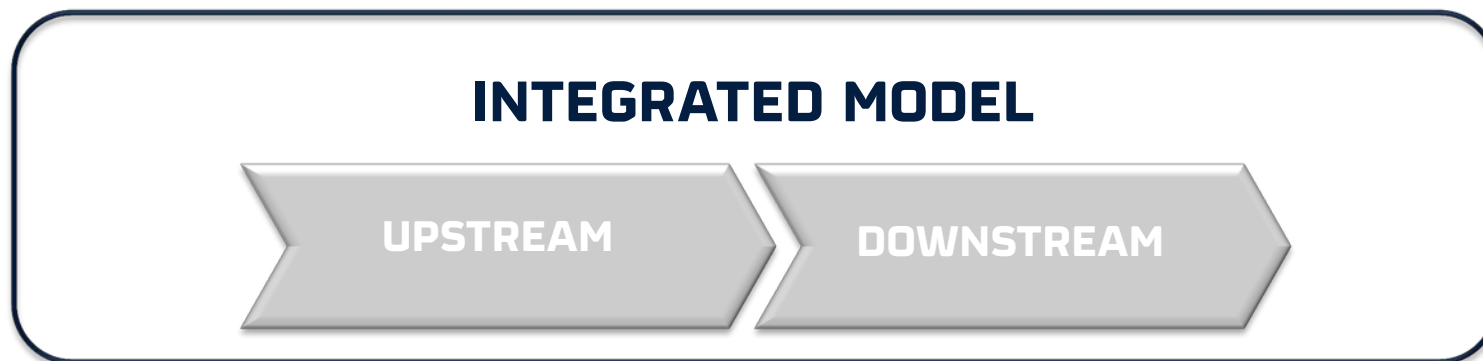
Adjusted Net Income



Impairment in the Egyptian  
LNG plant of Dammietta

# Benefits of integration

Stability of our results



60% of the  
production  
is gas

Negative  
correlation  
USD vs. Brent

Gas Natural  
results and  
dividends



**Stability of our results**

Outlook for 2015

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# Acquisition of Talisman Energy

## Update



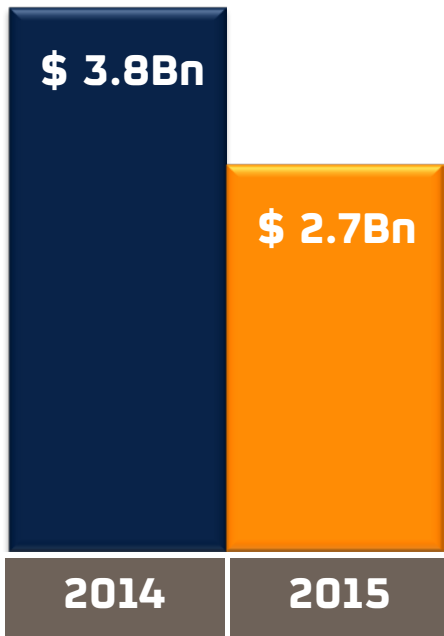
- On 18<sup>th</sup> February, the **shareholders of Talisman approved the transaction**
- Currently working with Talisman on a smooth integration
- Expecting closing date before the end of the **2Q15**

# The outlook for 2015



↓ 35% Exploration capex reduction

## UPSTREAM



Investment



## DOWNSTREAM



Reducing the energy costs of our industrial plants

# Looking forward



- Maintain **competitive shareholder remuneration** at current levels
- **Strategic lines** of the current and future Repsol:
  - ✓ **Balance** between **Upstream** and **Downstream** divisions
  - ✓ After Talisman acquisition Upstream will focus on efficiency and **value creation**. No longer the mandate to grow
  - ✓ Strong and efficient **Downstream** → **Free Cash Flow generator**
  - ✓ **Optimize** Capex and costs
  - ✓ Fully committed with our **financial discipline**
  - ✓ Portfolio management → Strong driver of **value creation**
  - ✓ Highest standards of **sustainability, safety, governance** and **environmental management**

# Conclusions

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# Q&A Session

Fourth Quarter 2014 Results





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