4Q11
Income statement

Madrid, 29 February 2012

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Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10	FOURTH QUARTER 2011 RESULTS	Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
CCS REPORTED EARNINGS (M€)							
3,385	1,255	**719**	-78.8	**CCS OPERATING INCOME**	7,123	**4,374**	-38.6
2,797	486	**303**	-89.2	**CCS NET INCOME**	4,365	**1,943**	-55.5
CCS PROFORMA INDICATORS (M€)							
1,056	1,202	**781**	-26.0	**CCS ADJUSTED OPERATING INCOME**	4,715	**4,343**	-7.9
499	429	**355**	-28.9	**CCS ADJUSTED NET INCOME**	2,032	**1,923**	-5.4
REPORTED EARNINGS (M€)							
3,561	1,380	**703**	-80.3	**OPERATING INCOME**	7,621	**4,805**	-37.0
2,907	557	**292**	-90.0	**NET INCOME**	4,693	**2,193**	-53.3
PROFORMA INDICATORS (M€)							
1,232	1,327	**765**	-37.9	**ADJUSTED OPERATING INCOME**	5,213	**4,774**	-8.4
609	500	**344**	-43.5	**ADJUSTED NET INCOME**	2,360	**2,173**	-7.9
EARNINGS PER SHARE							
2.38	0.46	**0.24**	-89.9	**Euros per share**	3.84	**1.80**	-53.1
3.18	0.62	**0.31**	-90.2	**Dollars per share**	5.14	**2.33**	-54.7

FOURTH QUARTER 2011 MAIN HIGHLIGHTS AND KEY FINANCIAL FIGURES

- **CCS adjusted operating income** in the quarter reached 781 M€, 26.0% lower than in the same year-ago quarter mainly because of decreased production in Upstream (principally in Libya) and weaker earnings performance in Downstream and YPF, all of which was partially offset by wider margins and larger LNG marketing volumes.

- **CCS adjusted net income** in this period amounted to 355 M€, dropping 28.9% basically because of the above-mentioned effects and the increase in minority interests due to the divestments made in YPF over the course of 2011.

- **Upstream** production in the quarter was 292 Kboepd, 14.4% less than in the same period in 2010. This reduction is mainly the result of suspended operations in Libya and the maintenance turnarounds at the bpTT fields in Trinidad and Tobago. Production in Libya resumed and is currently at around 300 Kboepd gross. Despite these reductions due to specific events, the increased production targets foreseen in our Strategic Plan remain unchanged.

- The reserve replacement rate in Upstream during 2011 reached 162% versus 131% in 2010.

- Production at **YPF**, at 511 Kboepd, was at the same levels as in the same quarter a year ago.

- The reserve replacement rate at YPF in 2011 was 112% in comparison with 84% in 2010. The oil replacement rate stood at 169% compared to 100% in 2010.

- **Excluding Gas Natural, the Group's net financial debt** at the end of 2011 amounted to 6,775 M€, 3,866 M€ higher than at the end of third quarter 2011. The acquisition of own shares, representing 10% of share capital, for 2,572 M€ is worth mentioning. In January 2012, the placement of 61,043,173 shares of treasury stock among professional and qualified investors for the sum of 1,364 M€, representing 5% of share capital, was concluded, replenishing the company's liquidity. At the end of the year, the net debt/employed capital ratio, excluding Gas Natural, was 18.6% or 26.9% if preference shares are taken into account. These ratios would be 7 points less if we exclude the extraordinary share buyback transaction.

1.- BREAKDOWN OF RESULTS BY BUSINESS AREA

1.1.- UPSTREAM

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
3,071	400	**207**	-93.3	**OPERATING INCOME** (M€)	4,113	**1,413**	-65.6
361	322	**196**	-45.7	**ADJUSTED OPERATING INCOME** (M€)	1,473	**1,301**	-11.7
140	99	**112**	-20.0	**LIQUIDS PRODUCTION** (Thousand boepd)	146	**110**	-24.3
1,131	1,033	**1,012**	-10.5	**GAS PRODUCTION (*)** (Million scf/d)	1,116	**1,059**	-5.1
341	283	**292**	-14.4	**TOTAL PRODUCTION** (Thousand boepd)	344	**299**	-13.2
399	356	**668**	67.4	**INVESTMENTS** (M€)	1,119	**1,813**	62.0
154	43	**183**	18.8	**EXPLORATION EXPENSE** (M€)	500	**382**	-23.6
4Q 2010	**3Q 2011**	**4Q 2011**	**% Variation 3Q11/3Q10**	**INTERNATIONAL PRICES**	**Jan-Dec 2010**	**Jan-Dec 2011**	**% Variation 11/10**
86.5	113.4	**109.4**	26.5	Brent ($/Bbl)	79.5	**111.3**	40.0
85.2	89.5	**94.1**	10.4	WTI ($/Bbl)	79.6	**95.1**	19.5
3.8	4.2	**3.5**	-7.9	Henry Hub ($/MBtu)	4.4	**4.0**	-9.1
4Q 2010	**3Q 2011**	**4Q 2011**	**% Variation 3Q11/3Q10**	**REALISATION PRICES**	**Jan-Dec 2010**	**Jan-Dec 2011**	**% Variation 11/10**
80.2	83.2	**86.7**	8.1	OIL ($/Bbl)	73.6	**84.2**	14.4
2.9	3.8	**3.7**	27.6	GAS ($/Thousand scf)	2.7	**3.5**	29.6

(*) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboed

Adjusted operating income in fourth quarter 2011 was 196 M€, 45.7% lower year-on-year.

Decreased production volume, particularly liquids, due to the situation in Libya was the reason behind this drop which, however, was partially offset by higher realisation prices. The suspension of operations in Libya diminished income by 220 M€ in 4Q11 as compared to 4Q10. The following factors were responsible for the year-on-year variation:

- Oil and gas realisation prices were higher in the quarter. The increase in oil and gas realisation prices, net of the effect of royalties, had a positive impact of 137 M€.
- Decreased production volumes, particularly of liquids, had an adverse impact of 288 M€, net of depreciation.
- Higher exploration costs had a negative effect of 32 M€.
- The appreciation of the dollar against the Euro increased income by 10 M€.
- Other minor variations explain the remaining differences.

Production in this quarter totalled 292 Kboepd, 14.4% less than in fourth quarter 2010. This reduction, mainly affecting liquids production, was principally the result of the limited impact in this quarter of the resumed operations in Libya and the dilution of the stake in Brazil, and, in relation to gas, increased maintenance activity in Trinidad & Tobago. These negative effects were partially compensated by higher production in Peru as a result of gas deliveries to Peru LNG and increased local demand as well as the new contract in Ecuador which came into force on January 2011.

The medium and long-term production growth targets, however, remain intact. Worth mentioning is the start-up of Repsol's production in Libya during the month of October, as well as the recovery of the production plateau in Shenzi (United States), with the situation returning back to normal after the lifting of the drilling moratorium in the Gulf of Mexico.

January - December 2011 results

Adjusted operating income in 2011 totalled 1,301 M€, falling 11.7% year-on-year. Higher international oil and gas prices, coupled with lower exploration expenses, cushioned the impact of lower production in this period and the depreciation of the dollar versus the Euro.

At 31 December, production (299 Kboepd) was 13.2% below the figure in 2010 (344 Kboepd) principally as a result of decreased liquids production in Libya and more intensive maintenance activity in Trinidad and Tobago.

The replacement rate in 2011 was 162% versus 131% in 2010.

Operating investments

Operating investments in fourth quarter 2011 in Upstream amounted to 668 M€. Investments in development accounted for 35% of the total amount and were mainly spent in Trinidad and Tobago (23%), Peru (16%), Bolivia (15%), Venezuela (14%), the United States (12%), and Brazil (9%). Investments in exploration represented 34% of the total and were mainly earmarked for Angola (47%), Brazil (17%), and the United States (14%). The reminder was mainly spent in the Eurotek acquisition in Russia.

In full-year 2011, operating investments in Upstream amounted to 1,813 M€, 62% higher than in 2010. Of the total sum 43% were spent in development, 40% in exploration, and the remainder in the Eurotek acquisition in Russia. Investments in development were mainly in the United States (19%), Bolivia (17%), Trinidad and Tobago (15%), Venezuela (13%), Peru (12%), and Brazil (12%). Investments in exploration were mainly spent in the United States (38%) and Brazil (20%) and Angola (14%).

1.2.- LNG

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
46	108	**110**	139.1	**OPERATING INCOME** (M€)	105	**386**	267.6
33	108	**112**	239.4	**ADJUSTED OPERATING INCOME** (M€)	127	**388**	205.6
43.3	54.3	**52.0**	20.1	**ELECTRICITY PRICES IN THE SPANISH ELECTRICITY POOL** (€/MWh)	37.0	**49.9**	34.9
93.2	102.3	**102.8**	10.3	**LNG SALES** (TBtu)	267.6	**435.6**	62.8
28	4	**7**	-75.0	**INVESTMENTS**(M€)	82	**18**	-78.0

1 TBtu= 1,000,000 MBtu
1 bcm= 1,000 Mm^3= 39.683 TBtu

Adjusted operating income in fourth quarter 2011 was 112 M€ versus 33 M€ posted in the same year-ago period.

Earnings growth in fourth quarter 2011 was mainly the result of larger LNG volumes and wider margins.

January – December 2011 results

Recurrent operating income at 31 December 2011 was 388 M€, three times more than in the same period a year earlier. This increase is mainly because of larger volumes (since the Peru LNG plant has been in operations since June 2010) and wider LNG marketing margins.

Investments

Operating investments in 2011 at the LNG division were significantly lower than in the same period last year since investments in the third tank at Canaport were completed in 2010 and only maintenance expenditures are currently required.

1.3.- DOWNSTREAM

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
-5	216	**126**	-	**CCS OPERATING INCOME**(M€)	806	**776**	-3.7
164	219	**133**	-18.9	**CCS ADJUSTED OPERATING INCOME** (M€)	977	**792**	-18.9

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
171	341	**110**	-35.7	**OPERATING INCOME** (M€)	1,304	**1,207**	-7.4
340	344	**117**	-65.6	**ADJUSTED OPERATING INCOME** (M€)	1,475	**1,223**	-17.1
9,873	9,834	**9,262**	-6.2	**OIL PRODUCT SALES** (Thousand tons)	38,613	**37,805**	-2.1
701	671	**613**	-12.6	**PETROCHEMICAL PRODUCT SALES** (Thousand tons)	2,618	**2,659**	1.6
853	723	**772**	-9.5	**LPG SALES** (Thousand tons)	3,108	**3,033**	-2.4
466	415	**647**	38.8	**INVESTMENTS**(M€)	1,612	**1,712**	6.2

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10	**REFINING MARGIN INDICATOR** ($/Bbl)	Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
2.9	1.6	**0.8**	-72.4	**Spain**	2.5	**1.6**	-36.0

At 133 M€, **CCS adjusted operating income** was 18.9% down year-on-year.

The drop in CCS adjusted operating income in fourth quarter 2011 versus the same quarter in 2010 was mainly due to:

- The narrower refining margin, partially offset by the start-up of the Cartagena refinery and, to a lower extent, the start-up of Petronor, diminished income in the Refining business by 116 M€.
- In the chemical business, operating income was down by 35 M€ because of reduced margins and activity.
- Operating income in the LPG and Marketing businesses was 18 M€ higher.
- The useful lives of industrial assets of Spain and Portugal have been revised. This and other effects explain the remaining differences.

January – December 2011 results

CCS recurrent operating income at 31 December 2011 was 792 M€, 18.9% below the 977 M€ posted a year earlier mainly as a result of the weaker performance of the Refining business (narrower margin and lack of Refap income in 2011 following the sale of the stake in this company at the end of 2010). The results of the Marketing, LPG, and Chemical activities were similar to those of the previous year.

Operating investments

Operating investments in Downstream in fourth quarter of 2011 and for the entire year amounted to 647 M€ and 1,712 M€, respectively, and were mainly allocated to enlargement and conversion projects at the Cartagena and Petronor refineries which are already in operations.

1.4.- YPF

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
248	407	**223**	-10,1	**OPERATING INCOME** (M€)	1,453	**1,231**	-15.3
371	430	**274**	-26,1	**ADJUSTED OPERATING INCOME** (M€)	1,625	**1,352**	-16.8
279	273	**298**	6,8	**LIQUIDS PRODUCTION** (Thousand boepd)	294	**274**	-6.7
1,307	1,266	**1,200**	-8,2	**GAS PRODUCTION (*)** (Million scf/d)	1,387	**1,241**	-10.5
511	499	**511**	0,0	**TOTAL PRODUCTION** (Thousand boepd)	541	**495**	-8.5
3,641	3,756	**3,481**	-4,4	**OIL PRODUCT SALES** (Thousand tons)	14,146	**14,144**	0.0
492	474	**421**	-14,4	**PETROCHEMICAL PRODUCT SALES** (Thousand tons)	1,563	**1,639**	4.9
112	115	**116**	3,6	**LPG SALES** (Thousand tons)	422	**456**	8.3
561	475	**969**	72,7	**INVESTMENTS** (M€)	1,537	**2,182**	42.0

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10	INDICATORS	Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
53.6	60.9	**66.0**	23.1	**OIL REALISATION PRICES** ($/Bbl)	49.7	**59.5**	19.7
2.5	1.9	**2.8**	12.0	**GAS REALISATION PRICES (**)** ($/Thousand scf)	2.1	**2.3**	11.8

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboepd
(**) Net of withholdings and excludes sales to Downstream.

Adjusted operating income in fourth quarter 2011 was 274 M versus 371 M€ reported in fourth quarter 2010.

The main reasons for the drop in operating income are as follows:

- The positive 280 M€ impact of fuel prices in dollars in the domestic market which were closer to the import parity values.
- Higher export revenues and from products sold domestically, the price of which is linked to international prices, had a positive impact of 149 M€.
- Oil production gradually recovered after the labour strikes came to an end. Nevertheless, in order to satisfy growing demand in the local market, it was necessary to continue purchasing increasingly larger volumes from third parties, which reduced operating income by 158 M€.
- The 20% year-on-year increase in operating costs in dollars due to higher inflation, which affected the price of services and salaries, reduced income by 155 M€.
- Other items, such as the provision due to the temporary suspension of the Petroleo Plus subsidy and the impact of translation differences, explain the remaining variations.

Production in this quarter, at 511 Kboepd, was at the same level as in the equivalent year-ago period, returning to normal levels following the strikes in April, May, and June. The 6.8% rise in liquids production was diminished by the 8.2% drop in gas production.

Adjusted operating income at 31 December was 1,352 M€, 16.8% below the figure reported in the same period last year mainly because of the effect of the strikes on oil production, the inflationary impact of costs and the temporary suspension of Petroleo Plus. Higher revenues resulting from fuel prices at the service stations aligned to import parities and the sale of products linked to international benchmarks in the domestic market were not able to offset the above-mentioned negative impacts.

Production in 2011 reached 495 Kboepd, 8.5% down year-on-year, with gas production falling 10.5% and liquids production 6.7%. The labour strikes caused a drop of 20.2 Kboepd in liquids output and 6.0 Kboepd in gas production. Disregarding the impact of the labour strikes in 2010 and in 2011, production declined 2.6%.

The reserve replacement rate at YPF in 2011 was 112% in comparison with 84% in 2010. The oil replacement rate stood at 169% compared to 100% in 2010.

Operating investments

Operating investments in fourth quarter 2011 at YPF totalled 969 M€, of which 588 M€ were spent in Exploration and Production. Out of this amount, 66% was devoted to development and 7% to exploration projects.

In 2011, operating investments amounted to 2,182 M€, of which 1,499 M€ were earmarked for Exploration and Production. Of this amount, 72% was spent in development and 18% in exploration projects, including in the latter, 128 M€ in Vaca Muerta.

1.5.- GAS NATURAL FENOSA

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10		Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
132	200	**175**	32.6	**OPERATING INCOME** (M€)	881	**887**	0.7
214	199	**185**	-13.6	**ADJUSTED OPERATING INCOME** (M€)	849	**821**	-3.3
189	256	**170**	-10.1	**INVESTMENTS** (M€)	463	**582**	25.7

Adjusted operating income in fourth quarter 2011 in Gas Natural Fenosa amounted to 185 M€, 13.6% less than the 214 M€ reported a year earlier due to the restatement of distribution and power revenues made in the same quarter in the previous year and the lack of income from divestments made in 2010 and 2011

January - December 2011 results

Adjusted operating income in 2011 is slightly below the figure reported a year earlier, falling 3.3% due to lower income from the power marketing business in Spain, power distribution in Latin America, and the lack of income from divestments made in 2010 and 2011, which are not offset by improved earnings performance from power distribution in Spain and wider margins in wholesale gas marketing activities.

Investments

Investments by Gas Natural Fenosa in the fourth quarter and in 2011 amounted to 170 M€ and 582 M€, respectively. Material investments were mainly allocated to Gas and Power Distribution activities in Spain and in Latin America. This figure also includes the sums which Repsol spent in purchasing Gas Natural Fenosa shares to maintain its 30% stake following the rights issue subscribed by Sonatrach.

1.6.- CORPORATE AND OTHER

This caption reflects operating income/expenses of the Corporation and activities not attributable to operating areas as well as inter-segment consolidation adjustments.

An adjusted expense of 119 M€ was recorded in fourth quarter 2011.

2.- FINANCIAL INCOME/CHARGES AND DEBT

(*) This caption reflects data on the Group's (excluding Gas Natural Fenosa) financial income/charges and financial situation. Consolidated Group data are included in the tables detailing fourth quarter 2011 results (page 26 of this earnings preview).

Unaudited figures (IFRS)

BREAKDOWN OF NET DEBT (M€) – GROUP EX GAS NATURAL FENOSA	3Q11	4Q11	% Variation 4Q11/3Q11	Jan-Dec 11
NET DEBT AT THE START OF THE PERIOD	**1,999**	**2,909**	**45.5**	**1,697**
EBITDA	-1,864	-1,408	-24.5	-7,014
VARIATION IN TRADE WORKING CAPITAL	252	201	-20.2	1,708
INVESTMENTS **(1)**	1,442	1,886	30.8	5,547
DIVESTMENTS **(1)**	-12	-47	291.7	-91
DISPOSAL OF STAKES IN COMPANIES WITHOUT RELINQUISHING CONTROL **(2)**	-57	0	-100.0	-2,327
DIVIDENDS (including affiliates)	642	206	-67.9	1,649
OWN SHARES TRANSACTIONS **(3)**	63	2,494	-	2,557
TRANSLATION DIFFERENCES	-133	-132	-0.8	11
INCOME TAX COLLECTIONS / PAYMENTS	351	425	21.1	1,690
REDEMPTION OF AMERICAN PREFERENCE SHARES	0	0	0.0	535
INTEREST EXPENSE AND OTHER MOVEMENTS	226	241	6.6	813
NET DEBT AT THE CLOSE OF THE PERIOD	**2,909**	**6,775**	**132.9**	**6,775**
NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD	**5,911**	**9,775**	**65.4**	**9,775**
Debt ratio				
CAPITAL EMPLOYED (M€)	34,697	36,329	**4.7**	36,329
NET DEBT / CAPITAL EMPLOYED (%)	**8.4**	**18.6**	**122.4**	**18.6**
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	17.0	26.9	57.9	26.9
ROACE before non-adjusted items (%)	8.8	6.3	-28.4	8.6

(1) In fourth quarter 2011, there were financial investments totalling 9 M€ and financial divestments for the amount of 14 M€ which are not reflected in this table.

(2) Relates to the sale of YPF shares in the period. In second quarter 2011, a financial loan was extended to Grupo Petersen (626 M€) which corresponds to 48% of the sum payable for exercising the call option for a 10% stake in YPF.

(3) The figure for the fourth quarter (2,494 M€) includes the purchase made in December of own shares representing 10% of share capital for the sum of 2,572 M€ which was partially offset by the sale in that quarter of own shares held in treasury stock at the end of September 2011 (78 M€).

The Group's net financial debt, excluding Gas Natural Fenosa, amounted to 6,775 M€ at 31 December 2011, 3,866 M€ higher than at the end of third quarter. Among the highlights in fourth quarter was the extraordinary transaction involving the acquisition of own shares representing 10% of share capital for 2,572 M€ and the sharp increase in the volume of investments.

As a subsequent event, in January 2012 the Company concluded the placement among professional and qualified investors of 61,043,173 own shares representing 5% of share capital for the sum of 1,364 M€, thereby replenishing the Group's liquidity.

The net debt/capital employed ratio of the Repsol Group, excluding Gas Natural Fenosa, stood at 18.6% at the end of the year. Taking preference shares into account, the ratio is 26.9%. Disregarding the impact of the extraordinary transaction involving the acquisition of own shares, these ratios would be 7 points less.

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10	FINANCIAL INCOME/EXPENSES OF THE GROUP EX GAS NATURAL FENOSA (M€)	Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
-95	-73	-79	-16.8	NET INTEREST EXPENSE (incl. preference shares)	-376	-280	-25.5
-113	-118	37	-	HEDGING POSITIONS INCOME/EXPENSE	-79	-50	-36.7
-51	-13	-40	-21.6	UPDATE OF PROVISIONS	-165	-134	-18.8
35	43	32	-8.6	CAPITALISED INTEREST	129	150	16.3
-45	-54	-73	62.2	OTHER FINANCIAL INCOME/EXPENSES	-200	-228	14.0
-269	**-215**	**-123**	**-54.3**	**TOTAL**	**-691**	**-542**	**-21.6**

The Group's **net financial expenses** at 31 December 2011 (ex Gas Natural Fenosa) amounted to 542 M€, 149 M€ less than in the previous year. The following aspects are worth mentioning:

- **Net interest expense:** 96 M€ less, with the most salient aspects being the average balances in floating rate investments, much larger and with higher remuneration than in 2010, and the early redemption of U.S. preference shares on 8 February 2011 (725 MUSD at a 7.45% interest rate, higher than the Company's average cost of debt).
- **Hedging positions income (expense):** the expense was 29 M€ lower mainly due to the positive impact of the depreciation of the ARS vs. the USD which affected the liabilities in this currency. This was partially offset by the depreciation of the BRL versus the USD which had a negative impact on active positions in this currency.
- **Capitalised interests**: income increased by 21 M€ mainly as a result of the capitalisation of the interest expense associated with the financing of the upgrading projects for the Cartagena and Bilbao refineries.

3.- OTHER CAPTIONS IN THE PROFIT AND LOSS ACCOUNT

3.1.- TAXES

The effective tax rate in 2011 was 38% and the accrued tax expense totalled 1,514 M€.

3.2.- EQUITY ON EARNINGS OF UNCONSOLIDATED AFFILIATES

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4Q 2011	% Variation 4Q11/4Q10	BREAKDOWN OF UNCONSOLIDATED AFFILIATES (M€)	Jan-Dec 2010	Jan-Dec 2011	% Variation 11/10
0.8	4.0	**0.4**	-50.0	UPSTREAM	10.6	**3.6**	-66.0
14.6	10.8	**16.4**	12.3	LNG	30.6	**45.0**	47.1
4.0	3.4	**3.3**	-17.5	DOWNSTREAM	28.3	**21.0**	-25.8
1.0	0.8	**-0.7**	-	YPF	4.9	**3.2**	-34.7
0.0	0.0	**0.6**	-	Gas Natural Fenosa	1.6	**2.2**	37.5
20.4	**19.0**	**20.0**	**-2.0**	**TOTAL**	**76.0**	**75.0**	**-1.3**

Income from minority interests in fourth quarter 2011 was similar to the figure reported in the same year-ago quarter (20 M€) and, for the entire year, was at the same levels as in the previous year.

3.3.- MINORITY INTERESTS

Recurrent income attributable to minority interests in fourth quarter 2011 was 86 M€ versus 83 M€ in fourth quarter 2010.

This caption mainly includes the share of minority interests in YPF's results. Repsol's average share in YPF was 79.81% in 4Q10, 57.43% in 3Q11, and the same percentage in 4Q11, decreasing as a result of the successive disposals by Repsol in YPF.

4.- HIGHLIGHTS

Since the publication of third quarter 2011 results, the most relevant items on the Company were as follows:

In **Upstream**, on 15 November 2011, Repsol Sinopec Brazil and its partners Petrobras and BG Group announced a new oil discovery in the Carioca area in Block MB-S-9, confirming the potential of the prolific Brazilian pre-salt Santos Basin. The discovery was made in the Abaré well, 35 km south of the Carioca discovery well and 293 km off the coast of the State of São Paulo. Tests have shown the existence of good quality oil of 28º API in carbonate reservoirs at a depth of 4,830 meters. The productivity of the reservoir will be defined once the currently ongoing final evaluation of the results has been completed.

On 20 December 2011, Repsol and Alliance Oil entered into an agreement to define the management principles of a company for the future joint development of exploration and production activities in Russia. Pursuant to the agreement, Alliance would transfer its Saneco and Tatnefteodatcha upstream subsidiaries, with assets producing 20,500 bopd, and the exploration and production licenses which, at 31 December 2010, represented 171.5 million barrels of 2P reserves (proved and probable). The valuation of these assets is 570 million USD. Repsol, in turn, would contribute capital and would acquire the remainder from Alliance until reaching a 49% stake in the joint venture. The objective of this agreement is to exploit these assets and to pursue and develop new oil and gas exploration opportunities in Russia, the world's leading oil and gas producer.

On 22 December 2011, Repsol announced the acquisition from Sandridge 1,500 km2 of the vast Mississippian Lime field which spans the states of Oklahoma and Kansas. The field is situated in a region rich in light oil and gas resources and with large production volumes and proven reserves. The widespread infrastructure in this area will make it possible to speed up lead time for oil and gas production and marketing. Repsol will invest 1 billion USD, including an up-front payment of 250 million USD upon the execution of the agreement and the remaining sum payable in approximately 3 years. Repsol will start to incorporate production and reserves as of 2012. The plans contemplate drilling 200 horizontal wells in 2012 and up to a total of 1,000 wells by 2014. Repsol's production is expected to peak at 90,000 boepd in 2019.

On 26 December 2011, Repsol announced the execution of an agreement for the supply of natural gas from the Perla field that will allow the development of this vast field in the Cardon IV block in Venezuela. In the first phase, gas production at Perla is expected to reach 300 million cubic feet/day, increasing fourfold to 1,200 million cubic feet/day when the two subsequent phases are completed. Once the development phase begins, PDVSA will have a 35% interest in the consortium and Repsol and Eni will each hold a 32.5% stake. The foreseen investment for the first phase of the project is 1.5 billion USD. The Supply Contract, expiring in 2036, contemplates a reciprocal commitment for the delivery and purchase of more than 8.7 TCF of natural gas and will be one of the supply sources for the domestic gas demand in Venezuela, expected to increase along with industrial, petrochemical, and power generation consumption over the coming years

On 29 December 2011, Repsol acquired the Russian exploration and production company Eurotek, debt-free, for approximately 230 million USD. The acquired assets include the gas fields Yuzhno-Khadyryakhinskoye (YK), currently in the appraisal stage, and Syskonsyninskoye (SK), where production is set to come on stream in 2012. In 2012, Repsol will incorporate these assets at their acquisition cost in AROG, the joint venture with Alliance Oil as part of its contractual commitment, pending approval by the competent authorities, to contribute capital and assets to this joint enterprise. The YK and SK fields will increase AROG's 2P (proved and probable) reserves to 115 Mboe; this in addition to the reserves incorporated by Alliance to the joint venture through its upstream subsidiaries Saneco and Tatnefteodatcha.

On 14 February 2012, Repsol announced that the Algerian government has authorised the development plan for the six fields of the North Reggane project in the Algerian Sahara desert. Repsol holds a 29.25% stake in the consortium, in partnership and jointly operated with Sonatrach (40%), RWE Dea (19.5%) and Edison (11.25%). Total investment for the development of the project is estimated at 2.225 billion euros (USD 3 billion), including the construction of operational and support infrastructure. The consortium expects to start production in mid-2016, and reach stable production of 8 million cubic metres/day of gas during the first 12 years.

On 27 February 2012, Repsol announced an oil discovery in the Campos Basin, in Brazil. The well known as Pão de Açúcar, drilled into a hydrocarbons column of 500 metres, one of the thickest discovered in Brazil to date. Pão de Açúcar is the third discovery to be made in block BM-C-33, which includes the Seat and Gávea, the latter being listed as one of the world's 10 largest discoveries in 2011. Repsol Sinopec Brasil is the operator, holding 35% of the discovering consortium, and is partnered by Statoil (35%) and Petrobras (30%).

In **YPF**, on 8 February 2012, the resources and reserves at the oil and gas discovery in the Vaca Muerta formation were revised upwards to 22,807 Mboe. Conducted by Ryder Scott, the international auditor of oil and gas reserves and resources, the study covered a total area of 8,071 km2 (1.994.378 acres), where YPF has a net interest of 5,016 km2 (1,239,407 acres) in the Neuquen basin. Gross prospective resources total 21,167 Mboe in this area. The studies confirmed the presence of an estimated 1,115 Mbbl of oil and 410 Mboe of gas, that is, a total of 1,525 Mboe of associated contingent resources in a 1,100 km2 area. Considering YPF's stake, these contingent resources would be 883 Mbbl of oil and 330 Mboe of gas, resulting in a total of 1,213 Mboe.

Also on 8 February 2012, YPF reported that investments in 2011 amounted to more than 13.3 billion pesos, over 50% higher year-on-year. The oil reserve replacement rate in 2011 increased to more than 160% thanks to intensive and successful exploration activities. The company also mentioned the strong momentum of multi-year refining and chemical projects where total investments reached more than 8 billion pesos. YPF reported that it had added 137 million barrels of oil to its reserve portfolio, which means that for the second consecutive year, its oil reserve replacement rate will be higher than 100%. It also informed that the Secretary of Energy of Argentina had published the official YPF figures for 2010 which indicated that the oil and gas reserves replacement rates were 144% and 100%, respectively.

In the **Corporation**, on 30 November 2011, the Board of Directors approved a resolution on the distribution of a gross interim dividend of 0.5775 Euros per share to be charged against 2011 earnings. This dividend, 10% higher than the interim dividend paid a year ago, reflects the Company's positive performance in 2011 and is in keeping with its policy of financial discipline and adequate shareholder returns, as outlined in the Strategic Plan. The dividend was paid on 10 January of this year.

On 5 December 2011, Repsol International Finance, B.V., with the guarantee of Repsol YPF, S.A., concluded a bond issue at 4 years and 2 months totaling 850 million Euros, with a 4.25% coupon and an issue price of 99.642%, equivalent to a mid swap + 250 b.p. These bonds are currently listed in the Luxembourg Stock Exchange.

On 20 December 2011, Repsol acquired own shares representing 10% of share capital pursuant to the agreement adopted unanimously by the Board of Directors on 18 December. The purchase of Repsol shares was at a price of 21.066 Euros per share, which implies a 5% discount over the closing price on the previous day (22.175 Euros). The total investment by Repsol amounted to 2,572 million Euros. Also on that day, Mr. Luis Fernando del Rivero Asensio submitted his resignation as a member of the Repsol Board of Directors.

Between 10 and 11 January 2012, Repsol YPF completed the placement among professional and qualified investors of 61,043,173 shares, representing 5% of the Company's share capital, through an "Accelerated Bookbuilding" transaction. The placement price was 22.35 Euros per share, that is, a total of 1,364 million Euros. This transaction, which increased Repsol YPF's equity by a gross sum of 78.4 million Euros, does not have any impact on the Profit and Loss Account. The shares were part of the treasury stock acquired on 20 December 2011.

Pursuant to the agreement with the underwriters, there would be a 90-day lock-up period for the remaining own shares held by the Company, with some exceptions, such as the sale to investors subject to the same transfer restrictions, shares for employees according to already approved plans, or scrip dividend proposals.

On 12 January 2012, Repsol International Finance, B.V., with the guarantee of Repsol YPF, S.A., closed a 7-year one-month bond issue for 750 million Euros, 4.875% coupon, and an issue price of 99.937%, equivalent to a mid swap + 292 b.p. These bonds are currently listed in the Luxembourg Stock Exchange.

On 16 January 2012, and pursuant to the resolutions approved by the Annual General Meeting on 15 April 2011, point 15 in the day's agenda Repsol YPF, S.A. launched the Share Acquisition Program 2012 aimed at Repsol YPF Group employees in Spain with permanent work contracts who fulfill the criteria foreseen in the general terms and conditions and who voluntarily decide to take advantage of this Program whereby beneficiaries would receive part of their remuneration for 2012 in the form of Repsol YPF, S.A. shares for a maximum annual limit of 12,000 Euros. The Program has been in place since 1 January of this year and ends on 31 December 2012. Shares will be delivered to beneficiaries on a monthly basis.

On 25 January 2012 and in accordance with the agreement adopted by the Board of Directors on 28 September 2011, the Board of Directors unanimously agreed following the proposal of the Nominations and Compensation

Committee and in line with international best practices and recommendations on Corporate Governance, to amend the Bylaws of the Board and to submit the amendment of the Bylaws to the Annual General Meeting.

The key aspects of the reform are as follows:

- The reinforcement of the guarantees applicable to particularly relevant related party transactions between the Company and its major shareholders;

- The amendment of the regulations on the non-competition obligation applying to Directors, permitting the waiver under specific conditions. Certain cases are also contemplated that would be excluded from the non-competition prohibition, including, most particularly, those involving companies with which Repsol YPF maintains a strategic alliance;

- The elimination of the limitation foreseen in the Bylaws on the maximum number of votes that could be cast by the same shareholder.

On 25 January 2012, Repsol YPF, S.A. and Petróleos Mexicanos ("Pemex") executed memorandum of understanding pursuant to which they agreed to negotiate an industrial alliance to contribute to the enhanced development of their respective corporate plans and to establish channels for mutual collaboration over the long-term. The development and execution of the negotiation process subject matter of the memorandum of understanding are subject to compliance with the processes and procedures contemplated in the respective in-house regulations for the approval of a strategic alliance and, specifically, would depend on the approval by the competent corporate bodies.

On 7 February 2012, Repsol International Finance, B.V., with the guarantee of Repsol YPF, S.A., concluded a new Eurobond issue for the sum of 250 million Euros, 4.875% coupon, and an issue price of 103.166%, equivalent to a mid swap + 241.5 b.p. The issue will be consolidated a form a single series with the 750 million euro Eurobond issue with a coupon of 4.875% due on 19 February 2019, which was issued on 19 January 2012 and is currently listed in the Luxembourg Stock Exchange. This new issue increases the total nominal amount to 1 billion Euros.

On 28 February 2012, based on the memorandum of understanding executed on January the 25th, Repsol YPF, S.A. communicated that the Board of Directors of Pemex and Repsol resolved the subscription of an industrial strategic alliance that will enable the generation of benefits in the short and mid-term and obtain positive synergies for both companies. The initial duration of the Alliance is ten years and it is based on the principles of reciprocity, mutual benefit, long-term basis and non-exclusivity. The scope of the Alliance covers the Upstream and LNG business in America and the Downstream business in America, Spain and Portugal as well as collaboration in education and training programmes. Repsol and Pemex will evaluate, respectively, the different business opportunities and types of collaboration offered to each other on the basis of the Alliance, and which shall be accepted by both parties by entering into the correspondent specific agreement, always on an arm-length basis.

Madrid, 29 February 2012

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A teleconference for analysts and institutional investors is scheduled today, 29 February, at 13:00 p.m. (CET) to report on Repsol's fourth quarter 2011 results.
The teleconference can be followed live at Repsol's website (www.repsol.com). A recording of the entire event will be available for at least one month at the company's website www.repsol.com for investors and any interested party.

TABLES

4Q 2011 RESULTS

REPSOL YPF SUMMARISED INCOME STATEMENT

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q10	3Q11	4Q11	2010	2011
EBITDA	**2,129**	**2,210**	**1,757**	**9,196**	**8,440**
Income from continuous operations before financial expenses	3,561	1,380	703	7,621	4,805
Financial expenses	(349)	(278)	(192)	(1,008)	(822)
Share in income of companies carried by the equity method - net of taxes	20	19	20	76	75
Income before income tax	**3,232**	**1,121**	**531**	**6,689**	**4,058**
Income tax	(262)	(433)	(169)	(1,742)	(1,514)
Income for the period	**2,970**	**688**	**362**	**4,947**	**2,544**
ATTRIBUTABLE TO:					
Minority interests	63	131	70	254	351
EQUITY HOLDERS OF THE PARENT	**2,907**	**557**	**292**	**4,693**	**2,193**
Earnings per share accrued by parent company (*)					
* Euro/share	2.38	0.46	0.24	3.84	1.80
* $/ADR	3.18	0.62	0.31	5.14	2.33

(*) The issued share capital of Repsol YPF, S.A. consists of 1,220,863,463 shares. Earnings per share is calculated considering the average number of outstanding shares and including own shares held by the Company. The average number of outstanding shares was 1,220,863,463 in 2010 and 1,216,050,800 in 2011.

Dollar/euro exchange rate at date of closure of each quarter
1.336 dollars per euro in 4Q10
1.350 dollars per euro in 3Q11
1.294 dollars per euro in 4Q11

BREAKDOWN OF REPSOL YPF RESULTS ADJUSTED TO NON RECURRING ITEMS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	4Q10			JANUARY-DECEMBER 2010		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses	**3,561**	**(2,329)**	**1,232**	**7,621**	**(2,408)**	**5,213**
Upstream	3,071	(2,710)	361	4,113	(2,640)	1,473
LNG	46	(13)	33	105	22	127
Downstream	171	169	340	1,304	171	1,475
YPF	248	123	371	1,453	172	1,625
Gas Natural Fenosa	132	82	214	881	(32)	849
Corporate and others	(107)	20	(87)	(235)	(101)	(336)
Financial expenses	(349)	135	(214)	(1,008)	150	(858)
Share in income of companies carried by the equity method - net of taxes	20	-	20	76	-	76
Income before income tax	**3,232**	**(2,194)**	**1,038**	**6,689**	**(2,258)**	**4,431**
Income tax	(262)	(84)	(346)	(1,742)	(65)	(1,807)
Income for the period	**2,970**	**(2,278)**	**692**	**4,947**	**(2,323)**	**2,624**
ATTRIBUTABLE TO:						
Minority interests	63	20	83	254	10	264
EQUITY HOLDERS OF THE PARENT	**2,907**	**(2,298)**	**609**	**4,693**	**(2,333)**	**2,360**

	3Q11			JANUARY-SEPTEMBER 2011		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses	**1,380**	**(53)**	**1,327**	**4,102**	**(93)**	**4,009**
Upstream	400	(78)	322	1,206	(101)	1,105
LNG	108	-	108	276	-	276
Downstream	341	3	344	1,097	9	1,106
YPF	407	23	430	1,008	70	1,078
Gas Natural Fenosa	200	(1)	199	712	(76)	636
Corporate and others	(76)	-	(76)	(197)	5	(192)
Financial expenses	(278)	(27)	(305)	(630)	(11)	(641)
Share in income of companies carried by the equity method - net of taxes	19	-	19	55	-	55
Income before income tax	**1,121**	**(80)**	**1,041**	**3,527**	**(104)**	**3,423**
Income tax	(433)	30	(403)	(1,345)	56	(1,289)
Income for the period	**688**	**(50)**	**638**	**2,182**	**(48)**	**2,134**
ATTRIBUTABLE TO:						
Minority interests	131	7	138	281	24	305
EQUITY HOLDERS OF THE PARENT	**557**	**(57)**	**500**	**1,901**	**(72)**	**1,829**

	4Q11			JANUARY-DECEMBER 2011		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses	**703**	**62**	**765**	**4,805**	**(31)**	**4,774**
Upstream	207	(11)	196	1,413	(112)	1,301
LNG	110	2	112	386	2	388
Downstream	110	7	117	1,207	16	1,223
YPF	223	51	274	1,231	121	1,352
Gas Natural Fenosa	175	10	185	887	(66)	821
Corporate and others	(122)	3	(119)	(319)	8	(311)
Financial expenses	(192)	10	(182)	(822)	(1)	(823)
Share in income of companies carried by the equity method - net of taxes	20	8	28	75	8	83
Income before income tax	**531**	**80**	**611**	**4,058**	**(24)**	**4,034**
Income tax	(169)	(12)	(181)	(1,514)	44	(1,470)
Income for the period	**362**	**68**	**430**	**2,544**	**20**	**2,564**
ATTRIBUTABLE TO:						
Minority interests	70	16	86	351	40	391
EQUITY HOLDERS OF THE PARENT	**292**	**52**	**344**	**2,193**	**(20)**	**2,173**

BREAKDOWN OF REPSOL YPF REVENUES FROM CONTINUOUS OPERATIONS

BEFORE FINANCIAL EXPENSES BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q10	3Q11	4Q11	2010	2011
Upstream	**3,916**	**849**	**981**	**6,913**	**3,711**
USA and Brazil	3,084	227	310	3,747	983
North of Africa	270	27	23	1,019	303
Rest of the world	583	612	681	2,209	2,510
Adjustments	(21)	(17)	(33)	(62)	(85)
LNG	**441**	**587**	**695**	**1,332**	**2,658**
Downstream	**8,938**	**10,468**	**10,164**	**36,363**	**41,185**
Europe	8,336	10,150	9,846	33,624	39,889
Rest of the world	1,070	1,090	1,062	4,735	4,111
Adjustments	(468)	(772)	(744)	(1,996)	(2,815)
YPF	**2,884**	**2,914**	**3,007**	**11,102**	**11,105**
Gas Natural Fenosa	**1,667**	**1,566**	**1,774**	**6,161**	**6,564**
Corporate & others	**(411)**	**(345)**	**(413)**	**(1,441)**	**(1,491)**
TOTAL	**17,435**	**16,039**	**16,208**	**60,430**	**63,732**

BREAKDOWN OF REPSOL YPF INCOME FROM CONTINUOUS OPERATIONS BEFORE FINANCIAL EXPENSES BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q10	3Q11	4Q11	2010	2011
Upstream	**3,071**	**400**	**207**	**4,113**	**1,413**
USA and Brazil	2,877	104	114	2,911	419
North of Africa	85	(6)	(23)	642	99
Rest of the world	109	302	116	560	895
LNG	**46**	**108**	**110**	**105**	**386**
Downstream	**171**	**341**	**110**	**1,304**	**1,207**
Europe	196	274	104	1,182	1,012
Rest of the world	(25)	67	6	122	195
YPF	**248**	**407**	**223**	**1,453**	**1,231**
Gas Natural Fenosa	**132**	**200**	**175**	**881**	**887**
Corporate & others	**(107)**	**(76)**	**(122)**	**(235)**	**(319)**
TOTAL	**3,561**	**1,380**	**703**	**7,621**	**4,805**

BREAKDOWN OF REPSOL YPF EBITDA
BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q10	3Q11	4Q11	2010	2011
Upstream	**584**	**478**	**443**	**2,478**	**2,072**
USA and Brazil	133	173	227	596	712
North of Africa	212	1	(12)	824	172
Rest of the world	239	304	228	1,058	1,188
LNG	**76**	**151**	**154**	**277**	**556**
Downstream	**468**	**505**	**165**	**2,019**	**1,728**
Europe	408	424	144	1,763	1,481
Rest of the world	60	81	21	256	247
YPF	**684**	**789**	**758**	**3,202**	**2,916**
Gas Natural Fenosa	**421**	**346**	**349**	**1,507**	**1,426**
Corporate & others	**(104)**	**(59)**	**(112)**	**(287)**	**(258)**
TOTAL	**2,129**	**2,210**	**1,757**	**9,196**	**8,440**

BREAKDOWN OF REPSOL YPF OPERATING INVESTMENTS (*)
BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited Figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-DECEMBER	
	4Q10	3Q11	4Q11	2010	2011
Upstream	**399**	**356**	**668**	**1,119**	**1,813**
USA and Brazil	182	141	138	515	745
North of Africa	16	4	6	97	57
Rest of the world	201	211	524	507	1,011
LNG	**28**	**4**	**7**	**82**	**18**
Downstream	**466**	**415**	**647**	**1,612**	**1,712**
Europe	412	395	624	1,473	1,637
Rest of the world	54	20	23	139	75
YPF	**561**	**475**	**969**	**1,537**	**2,182**
Gas Natural Fenosa	**189**	**256**	**170**	**463**	**582**
Corporate & others	**53**	**43**	**93**	**86**	**165**
TOTAL	**1,696**	**1,549**	**2,554**	**4,899**	**6,472**

(*) Includes investments accrued in the period regardless of whether these were paid or not. It does not include investments in "other financial assets".

REPSOL YPF COMPARATIVE BALANCE SHEET

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	DECEMBER 2010	DECEMBER 2011
NON-CURRENT ASSETS		
Goodwill	4.617	4.645
Other intangible assets	2.836	3.138
Property, Plant and Equipmment	33.585	36.759
Investment property	26	24
Equity-accounted financial investments	585	699
Non-current financial assets		
Non-current financial instruments	1.639	2.322
Others	150	128
Deferred tax assets	1.993	2.569
Other non-current assets	322	344
CURRENT ASSETS		
Non-current assets classified as held for sale (*)	340	258
Inventories	5.837	7.278
Trade and other receivables	8.398	9.222
Other current assets	171	220
Other current financial assets	684	674
Cash and cash equivalents	6.448	2.677
TOTAL ASSETS	**67.631**	**70.957**
TOTAL EQUITY		
Attributable to equity holders of the parent	24.140	23.538
Attributable to minority interests	1.846	3.505
NON-CURRENT LIABILITIES		
Subsidies	110	118
Non-current provisions	3.772	3.826
Non-current financial debt	14.940	15.345
Deferred tax liabilities	3.387	3.839
Other non-current liabilities		
Non-current debt for finance leases	2.852	2.864
Others	811	818
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale (*)	153	32
Current provisions	404	452
Current financial liabilities	4.362	4.985
Trade debtors and other payables:		
Current debt for finance leases	223	223
Other trade debtors and payables	10.631	11.412
TOTAL LIABILITIES	**67.631**	**70.957**

(*) Assets and liabilities associated with non-current assets held for sale are included in these lines.

STATEMENT OF CASH FLOW

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	JANUARY-DECEMBER	
	2010	**2011**
I.CASH FLOWS FROM OPERATING ACTIVITIES		
Income before taxes and associates	6,689	4,058
Adjustments:		
Depreciation of Property, Plant and Equipment	3,947	3,519
Other adjustments (net)	(1,440)	863
EBITDA	**9,196**	**8,440**
Variation in working capital	(1,693)	(2,239)
Dividends received	72	64
Income taxes received/(paid)	(1,627)	(1,784)
Other proceeds/(payments) from operating activities	(306)	(361)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES	**(1,861)**	**(2,081)**
	5,642	**4,120**
II. CASH FLOWS FROM INVESTING ACTIVITIES		
Investment payments		
Group companies, associates, and business units	(41)	(275)
Property, plant and equipment, intangible assets and property investments	(4,858)	(5,516)
Other financial assets	(207)	(282)
Other assets	-	(182)
Total Investments	**(5,106)**	**(6,255)**
Proceeds on divestments (*)	4,571	949
Other cash flows	(27)	2
	(562)	**(5,304)**
III. CASH FLOWS FROM FINANCING ACTIVITIES		
Receipts/Payments from equity instruments	-	(2,557)
Disposal of stakes in companies without relinquishing control (*)	489	1,888
Proceeds on issue of financial liabilities	11,200	11,337
Payments for return and amortization of financial obligations	(10,712)	(10,480)
Dividends paid	(806)	(1,686)
Interest paid	(962)	(948)
Other proceeds/(payments) from financing activities	(179)	(57)
	(970)	**(2,503)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**2,308**	**6,448**
Net cash flows (I, II y III)	**4,110**	**(3,687)**
Translation differences	**30**	**(84)**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**6,448**	**2,677**

(*) The divestment figure does not include cash from the disposal of YPF shares during the period which is detailed in the "Disposal of stakes in companies without relinquishing control" caption.

FINANCIAL INCOME/CHARGES AND DEBT FOR THE CONSOLIDATED GROUP

Unaudited figures (IFRS)

BREAKDOWN OF NET DEBT – CONSOLIDATED GROUP (M€)	3Q 11	4Q 11	% Variation 4Q11/3Q11	Jan-Dec 11
NET DEBT AT THE START OF THE PERIOD	**6,900**	**7,859**	**13.9**	**7,224**
EBITDA	-2,210	-1,757	-20.5	-8,440
VARIATION IN TRADE WORKING CAPITAL	676	250	-63.0	2,239
INVESTMENTS **(1)**	1,610	2,094	30.1	6,207
DIVESTMENTS **(1)**	-286	-138	-51.7	-1,004
DISPOSAL OF STAKES IN COMPANIES WITHOUT RELINQUISHING CONTROL **(2)**	-57	0	-100.0	-2,327
DIVIDENDS (including affiliates)	645	223	-65.4	1,686
OWN SHARES TRANSACTIONS **(3)**	63	2,494	-	2,557
TRANSLATION DIFFERENCES	-119	-102	-14.3	13
INCOME TAX COLLECTIONS / PAYMENTS	366	457	24.9	1,784
REDEMPTION OF U.S. PREFERENCE SHARES	0	0	0.0	535
INTEREST EXPENSE AND OTHER MOVEMENTS	271	283	4.4	1,189
NET DEBT AT THE CLOSE OF THE PERIOD	**7,859**	**11,663**	**48.4**	**11,663**
NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD	**11,041**	**14,842**	**34.4**	**14,842**
Debt ratio				
CAPITAL EMPLOYED (M€)	40,304	41,885	3.9	41,885
NET DEBT /CAPITAL EMPLOYED (%)	**19.5**	**27.8**	**42.8**	**27.8**
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	27.4	35.4	29.4	35.4
ROACE before non - recurrent items (%)	8.1	6.1	-24.7	8.0

(1) In 2011, there were financial investments totalling 48 M€ and financial divestments for the amount of 39 M€ which are not reflected in this table. The divestment by GNF of its Arrubal combined cycle plant in the third quarter included a financing transaction to the buyer.

(2) Relates to the sale of YPF shares in the period. For second quarter 2011, this figure includes the financial loan extended to Grupo Petersen (626 M€) which corresponds to 48% of the sum payable for exercising the call option for a 10% stake in YPF.

(3) The figure for the fourth quarter (2,494 M€) includes the purchase made in December of own shares representing 10% of share capital for the sum of 2,572 M€ which was partially offset by the sale in that quarter of own shares held in treasury stock at the end of September 2011 (78 M€).

Unaudited figures (IFRS)

4Q 2010	3Q 2011	4T 2011	% Var. 4Q11/ 4Q10	FINANCIAL INCOME / EXPENSES CONSOLIDATED GROUP	Jan-Dec 2010	Jan-Dec 2011	% Var. 11/10
-161	-137	-138	-14.3	NET INTEREST EXPENSE (incl. preferred shares)	-651	-533	-18.1
-119	-118	34	-	HEDGING POSITIONS INCOME/EXPENSE	-82	-50	-39.0
-65	-17	-43	-33.8	UPDATE OF PROVISIONS	-191	-147	-23.0
37	44	34	-8.1	CAPITALISED INTEREST	143	155	8.4
-41	-50	-79	92.7	OTHER FINANCIAL INCOME / EXPENSES	-227	-247	8.8
-349	**-278**	**-192**	**-45.0**	**TOTAL** (M€)	**-1,008**	**-822**	**-18.5**

TABLES

OPERATING HIGHLIGHTS 4Q 2011

OPERATING HIGHLIGHTS UPSTREAM

	Unit	2010 1Q	2010 2Q	2010 3Q	2010 4Q	2010 Accum	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2011 Accum	% Variation 11 / 10
HYDROCARBON PRODUCTION	**K Boed**	**350**	**340**	**346**	**341**	**344**	**324**	**296**	**283**	**292**	**299**	**-13.2%**
Crude and Liquids production	**K Boed**	**151**	**149**	**143**	**140**	**146**	**130**	**100**	**99**	**112**	**110**	**-24.3%**
USA and Brazil	K Boed	41	40	36	35	38	30	30	30	35	31	-17.9%
North Africa	K Boed	46	44	41	42	43	30	3	2	13	12	-72.4%
Rest of the world	K Boed	64	65	66	62	64	70	68	66	64	67	4.2%
Natural gas production	**K Boed**	**199**	**191**	**203**	**201**	**199**	**195**	**196**	**184**	**180**	**189**	**-5.1%**
USA and Brazil	K Boed	2	2	2	2	2	1	2	2	2	2	-23.8%
North Africa	K Boed	6	6	6	6	6	6	6	5	6	6	-2.1%
Rest of the world	K Boed	191	182	195	193	190	187	188	177	172	181	-4.9%

OPERATING HIGHLIGHTS DOWNSTREAM

	Unit	2010 1Q	2010 2Q	2010 3Q	2010 4Q	2010 Accum	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2011 Accum	% Variation 11 / 10
CRUDE PROCESSED	**Mtoe**	**7.7**	**8.6**	**9.5**	**8.7**	**34.4**	**7.3**	**7.7**	**8.3**	**8.2**	**31.5**	**-8.4%**
Europe	Mtoe	6.2	7.1	8.0	7.4	28.7	6.4	6.8	7.3	7.4	27.9	-2.6%
Rest of the world	Mtoe	1.6	1.5	1.4	1.2	5.7	0.9	0.9	1.0	0.9	3.6	-37.5%
SALES OF OIL PRODUCTS	**Kt**	**8,878**	**9,645**	**10,217**	**9,873**	**38,613**	**9,251**	**9,458**	**9,834**	**9,262**	**37,805**	**-2.1%**
Europe	**Kt**	**7,244**	**8,077**	**8,600**	**8,508**	**32,429**	**8,215**	**8,465**	**8,640**	**8,228**	**33,548**	**3.5%**
–Own network	**Kt**	**4,963**	**5,222**	**5,466**	**5,312**	**20,963**	**5,009**	**5,274**	**5,291**	**4,984**	**20,558**	**-1.9%**
- Light products	Kt	4,311	4,381	4,585	4,573	17,850	4,273	4,409	4,535	4,363	17,580	-1.5%
- Other Products	Kt	652	841	881	739	3,113	736	865	756	621	2,978	-4.3%
–Other Sales to Domestic Market	**Kt**	**1,328**	**1,401**	**1,419**	**1,443**	**5,591**	**1,607**	**1,534**	**1,602**	**1,657**	**6,400**	**14.5%**
- Light products	Kt	908	1,006	992	983	3,889	1,202	1,110	1,164	1,338	4,814	23.8%
- Other Products	Kt	420	395	427	460	1,702	405	424	438	319	1,586	-6.8%
–Exports	**Kt**	**953**	**1,454**	**1,715**	**1,753**	**5,875**	**1,599**	**1,657**	**1,747**	**1,587**	**6,590**	**12.2%**
- Light products	Kt	278	370	444	596	1,688	474	425	430	425	1,754	3.9%
- Other Products	Kt	675	1,084	1,271	1,157	4,187	1,125	1,232	1,317	1,162	4,836	15.5%
Rest of the world	**Kt**	**1,634**	**1,568**	**1,617**	**1,365**	**6,184**	**1,036**	**993**	**1,194**	**1,034**	**4,257**	**-31.2%**
–Own network	**Kt**	**440**	**476**	**441**	**465**	**1,822**	**406**	**467**	**480**	**509**	**1,862**	**2.2%**
- Light products	Kt	375	367	368	359	1,469	345	377	427	430	1,579	7.5%
- Other Products	Kt	65	109	73	106	353	61	90	53	79	283	-19.8%
–Other Sales to Domestic Market	**Kt**	**862**	**903**	**876**	**742**	**3,383**	**398**	**413**	**360**	**377**	**1,548**	**-54.2%**
- Light products	Kt	639	660	660	558	2,517	304	321	309	297	1,231	-51.1%
- Other Products	Kt	223	243	216	184	866	94	92	51	80	317	-63.4%
–Exports	**Kt**	**332**	**189**	**300**	**158**	**979**	**232**	**113**	**354**	**148**	**847**	**-13.5%**
- Light products	Kt	113	76	103	65	357	31	68	102	63	264	-26.1%
- Other Products	Kt	219	113	197	93	622	201	45	252	85	583	-6.3%
CHEMICALS												
Sales of petrochemicals products	**Kt**	**641**	**607**	**669**	**701**	**2,618**	**710**	**666**	**671**	**613**	**2,659**	**1.6%**
Europe	**Kt**	**540**	**545**	**584**	**594**	**2,263**	**624**	**590**	**582**	**516**	**2,312**	**2.1%**
Base petrochemical	Kt	178	207	208	193	786	236	214	199	162	811	3.2%
Derivative petrochemicals	Kt	363	337	376	401	1,477	388	376	384	354	1,501	1.6%
Rest of the world	**Kt**	**101**	**62**	**85**	**107**	**355**	**86**	**77**	**88**	**97**	**348**	**-1.9%**
Base petrochemical	Kt	25	22	15	26	88	16	19	20	23	78	-11.2%
Derivative petrochemicals	Kt	76	40	70	80	266	69	57	69	74	269	1.1%
LPG												
LPG sales	**Kt**	**877**	**712**	**666**	**853**	**3,108**	**849**	**690**	**723**	**772**	**3,033**	**-2.4%**
Europe	Kt	581	349	259	491	1,680	507	292	285	402	1,486	-11.5%
Rest of the world	Kt	296	363	407	362	1,428	342	398	438	370	1,547	8.4%

Other sales to the domestic market: includes sales to operators and bunker.
Exports: expressed from the country of origin.

OPERATING HIGHLIGHTS YPF

	Unit	2010 1Q	2010 2Q	2010 3Q	2010 4Q	2010 Accum	2011 1Q	2011 2Q	2011 3Q	2011 4Q	2011 Accum	% Variation 11 / 10
UPSTREAM												
HYDROCARBON PRODUCTION	**K Boed**	**550**	**556**	**551**	**511**	**541**	**524**	**446**	**499**	**511**	**495**	**-8.5%**
Crude and Liquids production	**K Boed**	**308**	**298**	**292**	**279**	**294**	**297**	**229**	**273**	**298**	**274**	**-6.7%**
Argentina	K Boed	306	297	291	277	292	295	228	272	296	273	-6.7%
Rest of the world	K Boed	2	2	2	2	2	2	1	1	1	1	-11.6%
Natural gas production	**K Boed**	**242**	**258**	**259**	**233**	**247**	**227**	**217**	**225**	**214**	**221**	**-10.5%**
Argentina	K Boed	242	258	259	232	247	227	217	225	213	220	-10.6%
Rest of the world	K Boed	0	0	1	0	0	1	0	1	0	1	6.1%
DOWNSTREAM												
CRUDE PROCESSED	**M toe**	**4.0**	**3.7**	**3.9**	**3.7**	**15.4**	**3.7**	**3.5**	**4.0**	**3.5**	**14.7**	**-4.6%**
SALES OF OIL PRODUCTS (*)	**Kt**	**3,483**	**3,387**	**3,634**	**3,641**	**14,146**	**3,504**	**3,403**	**3,756**	**3,481**	**14,144**	**0.0%**
Own network	**Kt**	**2,687**	**2,754**	**3,068**	**3,107**	**11,615**	**2,936**	**2,869**	**3,134**	**2,986**	**11,925**	**2.7%**
Light products	Kt	2,285	2,267	2,323	2,541	9,416	2,482	2,438	2,498	2,585	10,003	6.2%
Other Products	Kt	402	487	745	565	2,200	454	431	636	402	1,922	-12.6%
Other Sales to Domestic Market	**Kt**	**325**	**261**	**271**	**273**	**1,129**	**277**	**272**	**384**	**290**	**1,222**	**8.3%**
Light products	Kt	175	123	114	131	544	122	138	214	120	594	9.2%
Other Products	Kt	149	137	158	142	586	155	134	170	170	629	7.3%
Exports	**Kt**	**472**	**373**	**294**	**262**	**1,401**	**291**	**263**	**238**	**205**	**996**	**-28.9%**
Light products	Kt	104	106	100	105	415	115	102	101	123	442	6.4%
Other Products	Kt	368	266	194	157	986	176	161	137	81	554	-43.8%
PETROCHEMICALS												
SALES OF PETROCHEMICALS PRODUCT:	**Kt**	**309**	**325**	**437**	**492**	**1,563**	**325**	**420**	**474**	**421**	**1,639**	**4.9%**
Base petrochemical	Kt	50	42	47	55	195	53	53	54	55	216	10.7%
Derivative petrochemicals	Kt	258	283	390	437	1,368	272	367	420	365	1,423	4.0%
LPG												
LPG sales (**)	**Kt**	**124**	**103**	**82**	**112**	**422**	**109**	**117**	**115**	**116**	**456**	**8.3%**

Other sales to domestic market: includes sales to operators and bunker.
Exports: expressed from the country of origin.
(*) Includes YPF S.A. + 50% Refinor + Lubricants Chile
(**) Includes 50% Refinor

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