

**3Q 2012  
Earnings Preview**



***REPSOL***

**Madrid, 8 November 2012**

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As a result of the process involving the expropriation of YPF, S.A. and YPF Gas, S.A. (formerly known as Repsol YPF Gas, S.A.) shares held by the Repsol Group, financial information for the period January-September 2011 and for the third quarter 2011, save as otherwise indicated, has been restated for comparison purposes in accordance with applicable accounting regulations. The accounting policies applied for the recording of the effects of the expropriation process are described in Note 3 (Changes in the Group's structure) in the interim consolidated financial statements at 30 June 2012, filed with the Spanish Securities Exchange Commission (Comisión Nacional del Mercado de Valores) on 26 July 2012.

Furthermore, the average number of outstanding shares used for calculating earnings per share at 30 September 2011 and in the third quarter 2011 was changed in accordance with applicable accounting regulations to include the effect of the capital increase carried out in 2012 as part of the shareholders remuneration scheme known as "Repsol dividendo flexible" (Repsol flexible dividend) described in the official notice published in 6 July 2012.

**1. INCOME FROM CONTINUED OPERATIONS (M€)**
Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	THIRD QUARTER 2012 RESULTS	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
838	893	1,455	73.6	CCS OPERATING INCOME	2,625	3,427	30.6
331	436	671	102.7	CCS NET INCOME	1,198	1,565	30.6
762	936	1,251	64.2	CCS ADJUSTED OPERATING INCOME	2,462	3,268	32.7
262	481	496	89.3	CCS ADJUSTED NET INCOME	1,088	1,437	32.1
963	636	1,577	63.8	OPERATING INCOME	3,072	3,543	15.3
402	274	752	87.1	NET INCOME	1,459	1,655	13.4
887	679	1,373	54.8	ADJUSTED OPERATING INCOME	2,909	3,384	16.3
333	319	577	73.3	ADJUSTED NET INCOME	1,349	1,527	13.2

**2. NET INCOME (\*) (M€)**
Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	THIRD QUARTER 2012 RESULTS	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
486	406	679	39.7	CCS NET INCOME	1,640	1,706	4.0
557	244	760	36.4	NET INCOME	1,901	1,796	-5.5

(\*) This figure includes both continued and discontinued operations (mainly YPF and YPF Gas – formerly Repsol YPF Gas)

**THIRD QUARTER 2012 MAIN HIGHLIGHTS AND KEY FINANCIAL FIGURES**

All the details provided below refer to income from continued operations.

- **CCS Adjusted Net income** in the quarter was 496 M€ and **CCS Adjusted Operating Income** amounted to 1,251 M€, both figures higher than in the same year-ago quarter (89% and 64%, respectively).
- The key factors contributing to this growth were the resumption of operations in Libya (since the last quarter of 2011), earnings growth in Bolivia (thanks to the start of production in May 2012 of Phase I of the Margarita expansion project), increased income in Refining in Spain due to wider margins and enhanced earnings performance of the LNG division, also due to wider margins, all of which was partially offset by the negative results of the Chemical business.
- Upstream production in the quarter reached 339 Kboepd, 20% higher year-on-year. Production growth was recorded in Libya and in some of the Company's key development projects (Phase I of Margarita-Huacaya in Bolivia, the Mid-Continent project in the United States, and the Joint Venture with Alliance Oil in Russia).
- The **Group's net financial debt, excluding Gas Natural Fenosa**, at the end of third quarter 2012 totalled 4,918 M€, which implies a reduction of 252 M€ in comparison with the net debt figure at the end of second quarter 2012. EBITDA generated in this period (1,696 M€) was up 65%, significantly higher than in the previous quarter. EBITDA, plus the proceeds from divestments made in this quarter, were sufficient to cover investments, taxes and interest payments and Repsol S.A. shareholders' remuneration under the scrip dividend formula. This remuneration, amounting to 242 M€, was paid in July following the success of the "Repsol Dividendo Flexible" program whereby those who held 63.64% of the bonus issue rights opted for receiving new shares in the Company.

- The Repsol Group, excluding Gas Natural Fenosa, enjoys a sound financial position, maintaining at 30 September liquidity (including committed but undrawn credit facilities) sufficient to cover 2.8 times its current debt maturities. The net debt/capital employed ratio, excluding Gas Natural Fenosa, at the end of third quarter 2012 stood at 14.0% and 22.6% taking preference shares into account. Excluding capital employed from discontinued operations, these ratios would be 16.7% and 27.0% respectively.

## 1.- BREAKDOWN OF RESULTS BY BUSINESS AREA

### 1.1.- UPSTREAM

#### Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11		Jan- Sept 2011	Jan-Sept 2012	% Variation 12/11
400	490	657	64.3	<b>OPERATING INCOME (M€)</b>	1,206	1,801	49.3
322	518	634	96.9	<b>ADJUSTED OPERATING INCOME (M€)</b>	1,105	1,811	63.9
99	144	145	46.5	<b>LIQUIDS PRODUCTION</b> (Thousand boepd)	110	142	29.2
1,033	986	1,091	5.6	<b>GAS PRODUCTION (*)</b> (Million scf/d)	1,075	1,044	-2.9
283	320	339	19.8	<b>TOTAL PRODUCTION</b> (Thousand boepd)	301	327	8.8
356	499	513	44.1	<b>OPERATING INVESTMENTS (M€)</b>	1,145	1,622	41.7
43	206	180	318.6	<b>EXPLORATION EXPENSE (M€)</b>	199	466	134.2
3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	<b>INTERNATIONAL PRICES</b>	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
113.4	108.3	109.5	-3.4	<b>Brent (\$/Bbl)</b>	111.9	112.2	0.3
89.5	93.4	92.2	3.0	<b>WTI (\$/Bbl)</b>	95.5	96.2	0.7
4.2	2.2	2.8	-33.3	<b>Henry Hub (\$/MBtu)</b>	4.2	2.6	-38.1
3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	<b>REALISATION PRICES</b>	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
83.2	86.9	85.5	2.8	<b>OIL (\$/Bbl)</b>	83.5	88.7	6.2
3.8	3.9	3.7	-2.6	<b>GAS (\$/Thousands scf)</b>	3.5	3.7	5.7

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

**Adjusted operating income** in third quarter 2012 was 634 M€, 97% higher than in third quarter 2011.

This growth was mainly driven by greater liquids production volume in Libya, higher prices and volumes of Bolivian gas exports (Phase I Margarita) and the positive currency exchange impact, which was partially offset by higher exploration costs.

- Increased production volumes, particularly of liquids, increased income by 357 M€
- Higher exploration costs had a negative impact of 114 M€. Seismic activity in the third quarter was more intensive and the amortization of wells increased, particularly Itaborai in Brazil which accounted for the most significant amount.
- Greater amortizations, mainly as a result of the start of operations in Libya, diminished income by 24 M€
- The appreciation of the dollar versus the Euro increased income by 73 M€
- Higher oil and gas realisation prices (which increased more than international benchmarks) net of royalties had a positive effect of 2 M€

**Production** in this quarter totalled 339 Kboepd, 20% more than in the same period in 2011. The main variations were in Libya, Bolivia, and Russia. In Libya, production was 44 Kboepd, stabilising for the second consecutive quarter at pre-conflict levels. In Bolivia, production totalled 30 Kboepd, 33% more than in third quarter 2011 thanks to the start of production of Phase I in Margarita. In Russia, Repsol started to record production during the quarter following the incorporation of Saneco assets since 16 August, reaching an average of 2.8 Kboepd over the entire quarter. Average production between 16 August and 30 September amounted to an average of 5.6 Kboepd. It

should also be mentioned that the Mid Continent project in the United States, contributed an average of 1.6 Kboepd during the quarter.

Three exploration wells are currently being drilled: one in the Espiritu Santo 21 block in Brazil (BM-S-50 Sagitario), one in the Sud Est Illizi block in Algeria (TESO-1) and another one in Block 57 in Peru (Mapi).

### **January – September 2012 results**

**Adjusted operating income** in the first nine months of 2012 totalled 1,811 M€, 64% more than in the same year-ago quarter. The main growth drivers were the increase in liquids production volumes, higher oil and gas realisation prices in the period (better performance than the international Brent and HH benchmarks), and the appreciation of the Dollar against the Euro.

**Production** in the first nine months of 2012 (327 Kboepd) was up 9% versus the same period in 2011 (301 Kboepd) mainly as the result of the resumption of production in Libya, which was ongoing throughout the entire period, higher output in Bolivia following the start-up of Phase I of Margarita in May 2012, and increased production in the United States as a result of the development wells drilled after the drilling moratorium was lifted and the start of production of the Mid-Continent project in February 2012.

### **Operating investments**

**Operating investments in third quarter 2012** in Upstream totalled 513 M€, 44% more than in the same period in 2011. Investments in development accounted for 69% of the total and were mainly earmarked for the U.S. (33%), Brazil (14%), Trinidad and Tobago (10%), Venezuela (10%), Peru (9%) and Bolivia (9%). Exploration investments, representing 14% of total investments, were basically in Norway (24%), Peru (23%), Brazil (15%), Algeria (11%), and in the U.S. (10%).

In the **first nine months of the year**, investments in the Upstream division amounted to 1,622 M€, 42% more than in the same period in 2011. Investments in development represented 59% of the total and were mainly allotted to the U.S. (35%), Trinidad and Tobago (13%), Brazil (13%), Venezuela (10%), Bolivia (9%) and Peru (9%). Investments in exploration represented 21% of the total and were mainly made in the U.S. (37%), Cuba (15%), Brazil (14%), and Peru (11%).

**1.2.- LNG**
Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11		Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
108	79	188	74.1	<b>OPERATING INCOME (M€)</b>	276	425	54.0
108	78	189	75.0	<b>ADJUSTED OPERATING INCOME (M€)</b>	276	425	54.0
54.3	46.1	49.1	-9.6	<b>ELECTRICITY PRICES IN THE SPANISH ELECTRICITY POOL (€/MWh)</b>	49.2	48.6	-1.2
102.3	95.4	103.8	1.5	<b>LNG SALES (Tbtu)</b>	332.8	305.5	-8.2
4	6	9	125.0	<b>OPERATING INVESTMENTS (M€)</b>	11	26	136.4

1 Tbtu= 1,000,000 MBtu  
 1 bcm= 1,000 Mm<sup>3</sup>= 39.683 Tbtu

**Adjusted operating income** in third quarter 2012 was 189 M€, 75% higher than the 108 M€ posted a year earlier.

Earnings in third quarter 2012 increased mainly as a result of wider LNG marketing margins.

**January – September 2012 results**

At 425 M€, **adjusted operating income** in the first nine months of the year was up 54% year-on-year mainly thanks to wider LNG marketing margins.

**Operating investments**

**Operating investments** in the third quarter and in the first nine months totalled 9 M€ and 26 M€, respectively. These investments were higher than in 2011 mainly due to expenditures in maintenance activities and in development projects.



**1.3.- DOWNSTREAM**
Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11		Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
206	202	494	139.8	<b>CCS OPERATING INCOME</b> (M€)	628	777	23.7
209	205	307	46.9	<b>CCS ADJUSTED OPERATING INCOME</b> (M€)	637	594	-6.8
3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11		Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
331	-55	616	86.1	<b>OPERATING INCOME</b> (M€)	1,075	893	-16.9
334	-52	429	28.4	<b>ADJUSTED OPERATING INCOME</b> (M€)	1,084	710	-34.5
9,834	9,839	11,119	13.1	<b>OIL PRODUCT SALES</b> (Thousand tons)	28,543	31,096	8.9
671	541	538	-19.8	<b>PETROCHEMICAL PRODUCT SALES</b> (Thousand tons)	2,047	1,672	-18.3
612	607	507	-17.2	<b>LPG SALES</b> (Thousand tons)	1,992	1,896	-4.8
413	157	155	-62.5	<b>OPERATING INVESTMENTS</b> (M€)	1,059	450	-57.5
3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	<b>REFINING MARGIN INDICATOR</b> (\$/Bbl)	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
1.6	4.7	6.4	300.0	<b>Spain</b>	1.9	4.8	152.6

**CCS adjusted operating income**, at 307 M€, was 47% higher year-on-year

The rise in CCS adjusted operating income in this third quarter in comparison with the same quarter a year earlier is due to the following:

- In **Refining**, wider margins and greater volumes of distillates (mainly after the start-up of the Cartagena enlargement project) had a positive impact of 185 M€
- In **Chemicals**, the worse international scenario, which is affecting margins and sales, diminished income by 45 M€ and as a result, CCS operating income is in negative territory.
- The performance of the **LPG and Marketing** activities was similar to that of third quarter 2011.
  - In the case of Marketing, volumes and margins were down at pump stations in Spain.
  - Nevertheless, in LPG, wider average margins thanks to the sales mix and the drop in raw material prices were able to compensate weaker sales volumes.
- The results of Trading and other activities explain the year-on-year variation.

**January – September 2012 results**

**CCS adjusted operating income** in the first nine months of 2012 totalled 594 M€, 7% down year-on-year despite wider refining margins mainly because of weaker earnings performance in the Chemical business and, to a lesser extent, lower Marketing sales volumes.

### Operating investments

**Operating investments** in the Downstream division in third quarter 2012 amounted to 155 M€ and 450 M€ during the first nine months of the year, lower than in the equivalent year-ago periods due to the completion of the enlargement and conversion projects at the Cartagena refinery and the fuel oil reduction unit in Bilbao

**1.4.- GAS NATURAL FENOSA**

Unaudited figures							
3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11		Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
200	229	226	13.0	<b>OPERATING INCOME (M€)</b>	712	701	-1.5
199	232	231	16.1	<b>ADJUSTED OPERATING INCOME (M€)</b>	636	704	10.7
256	118	90	-64.8	<b>OPERATING INVESTMENTS (M€)</b>	412	275	-33.3

**Adjusted operating income** in third quarter 2012 in Gas Natural Fenosa amounted to 231 M€, 16% higher than the 199 M€ reported a year earlier.

This increase was mainly driven by wider marketing margins for wholesale gas sales and earnings growth in Latin America, which partially offsets the impact of the enactment of Royal Decree-Law 13/2012 on the earnings performance of the power business in Spain.

**January – September 2012 results**

**Adjusted operating income** in the first nine months of 2012 was 704 M€, 11% higher year-on-year due to the same factors affecting third quarter earnings performance.

**Operating investments**

**Operating investments** at Gas Natural Fenosa in the third quarter and during the first nine months of 2012 totalled 90 M€ and 275 M€, respectively. Material investments were mainly earmarked for Gas and Power Distribution activities in Spain and in Latin America.

**1.5.- 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 110 M€ was recorded in third quarter 2012.

## 2.- FINANCIAL INCOME/CHARGES AND DEBT

(\*) This caption reflects data on the Group's financial income/charges and financial situation excluding Grupo Gas Natural Fenosa. Consolidated Group data are included in the tables detailing third quarter 2012 results (page 25 of this earnings preview).

### Unaudited figures (IFRS)

BREAKDOWN OF NET DEBT (M€) – GROUP, EX GAS NATURAL FENOSA	2Q2012	3Q2012	% variation	Jan-Sept 2012
			3Q12/2Q12	
<b>NET DEBT EX GAS NATURAL FENOSA AT THE START OF THE PERIOD</b>	<b>4,174</b>	<b>5,170</b>	<b>23.9</b>	<b>6,775</b>
ELIMINATION OF YPF AND YPF Gas DEBT AT 31 DECEMBER 2011	0	0	-	-1,939
<b>GROUP NET DEBT EX GAS NATURAL FENOSA AND YPF AT THE START OF THE PERIOD</b>	<b>4,174</b>	<b>5,170</b>	<b>23.9</b>	<b>4,836</b>
EBITDA	-1,030	-1,696	64.7	-4,260
VARIATION IN TRADE WORKING CAPITAL	-402	67	-	138
INCOME TAX COLLECTIONS / PAYMENTS	446	472	5.8	1,021
INVESTMENTS (1)	735	766	4.2	2,339
DIVESTMENTS (1)	-16	-556	-	-580
DIVIDENDS PAID (including affiliates)	0	242	-	885
OWN SHARES TRANSACTIONS	51	1	-98.0	-1,312
TRANSLATION DIFFERENCES	-262	114	-	-25
INTEREST EXPENSE AND OTHER MOVEMENTS (2)	85	348	-	520
ASSOCIATED EFFECTS TO PETERSEN'S LOANS (3)	1,389	-10	-	1,356
<b>NET DEBT AT THE CLOSE OF THE PERIOD</b>	<b>5,170</b>	<b>4,918</b>	<b>-4.9</b>	<b>4,918</b>
<b>NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD</b>	<b>8,202</b>	<b>7,949</b>	<b>-3.1</b>	<b>7,949</b>

### **Debt ratio**

CAPITAL EMPLOYED (M€) (4)	29,346	29,396	0.2	29,396
<b>NET DEBT / CAPITAL EMPLOYED (%) (4)</b>	<b>17.6</b>	<b>16.7</b>	<b>-5.1</b>	<b>16.7</b>
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	27.9	27.0	-3.2	27.0
ROACE before non-adjusted items (%) (4)	4.9	9.6	95.9	8.7

(1) In third quarter 2012, financial investments totalling 10 M€ and financial divestments for the amount of 179 M€ were made which are not included in this table.

(2) Mainly includes interest, dividends collected, provisions, and the impact of changes in the scope of consolidation.

(3) It mainly includes the amount associated to the provision registered in relation with the Petersen Group loans.

(4) Capital employed does not include discontinued operations. If these operations been included, the net debt/capital employed ratio at 30 September 2012 would have been 14.0% and 22.6% taken preference shares into account. ROACE does not include operating income or capital employed in discontinued operations.

**The Group's net financial debt, excluding Gas Natural Fenosa, at the end of third quarter stood at 4,918 M€, 252 M€ less than at the end of second quarter 2012. The following are worth mentioning:**

- The significant rise in EBITDA during this period (65% higher than in the previous quarter), coupled with the proceeds from divestments made during this period, were able to cover investments, taxes, variation in working capital and interest payments as well as remuneration for Repsol, S.A. shareholders under a scrip dividend formula.
- Cash payment of 242 M€ to Repsol, S.A.'s shareholders in July 2012 following the success of the "Repsol Dividendo Flexible" program whereby those who held 63.64% of the bonus issue rights opted for receiving new shares in the Company.

The Repsol Group, excluding Gas Natural Fenosa, enjoys a sound financial position, with sufficient liquidity at 30 September 2012 (including committed but undrawn credit facilities) to cover 2.8 its current debt maturities. At the end of the third quarter, the net debt/employed capital ratio, excluding Gas Natural Fenosa, stood at 14.0% or 22.6% if preference shares are taken into account. Excluding capital employed from discontinued operations, these ratios would be 16.7% and 27.0% respectively.

Unaudited figures (IFRS)

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	FINANCIAL INCOME/EXPENSES OF THE GROUP EX GNF (M€)	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
-74	-104	-114	54.1	NET INTEREST EXPENSE (incl. preference shares)	-204	-322	57.8
-146	67	18	-	HEDGING POSITIONS INCOME/EXPENSE	-172	24	-
10	-13	-13	-	UPDATE OF PROVISIONS	-30	-39	30.0
39	17	17	-56.4	CAPITALISED INTEREST	104	51	-51.0
-57	-55	-64	12.3	OTHER FINANCIAL INCOME/EXPENSES	-152	-174	14.5
<b>-228</b>	<b>-88</b>	<b>-156</b>	<b>-31.6</b>	<b>TOTAL</b>	<b>-454</b>	<b>-460</b>	<b>1.3</b>

The Group's **net financial expenses** at 30 September 2012 **ex Gas Natural Fenosa**, amounted to 460 M€, in line with the figure recorded a year earlier. The following factors are worth mentioning:

- Interest expense was higher (118 M€) due to larger average net debt balances and the "step up" of preference shares.
- Positive hedging positions in 2012 mainly as a result of the slight appreciation of the USD versus the € plus long positions in that currency.
- Lower capitalised interest (53 M€) as a result of the start up of major refining projects.

### 3.- OTHER CAPTIONS IN THE PROFIT AND LOSS ACCOUNT

#### 3.1.- TAXES

The effective tax rate in the first nine months of 2012, excluding income from unconsolidated affiliates, was 44% and the accrued tax expense totalled 1,270 M€. The new estimated tax rate for fiscal year 2012 is approximately 44%.

#### 3.2.- EQUITY ON EARNINGS OF UNCONSOLIDATED AFFILIATES

Unaudited figures

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	BREAKDOWN OF UNCONSOLIDATED AFFILIATES (M€)	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
4.0	10.2	6.0	50.0	UPSTREAM	3.1	17.3	-
10.8	27.6	13.3	23.1	LNG	28.6	57.3	100.3
3.4	1.1	6.6	94.1	DOWNSTREAM	17.6	15.6	-11.4
0.0	0.5	1.0	-	Gas Natural Fenosa	1.7	3.1	82.4
<b>18.2</b>	<b>39.4</b>	<b>26.9</b>	<b>47.8</b>	<b>TOTAL</b>	<b>51.0</b>	<b>93.3</b>	<b>82.9</b>

Income from minority interests in third quarter 2012 totalled 27 M€, 48% higher than in the same year-ago quarter.

The most significant variation is in the Downstream division due to the enhanced earnings performance of Dynasol.

#### 3.3.- MINORITY INTERESTS

Recurrent income attributable to minority interests in third quarter 2012 amounted to 34M€ versus 31 M€ recorded in third quarter 2011.

Having excluded minority interests in YPF's results, this caption now mainly reflects the minority interests in the La Pampilla (Peru) and Petronor (Bilbao) refineries, and those recorded through the stake in the Gas Natural Fenosa Group.

#### **4.- HIGHLIGHTS**

Since the publication of second quarter 2012 results, the most relevant items on the Company are as follow:

In **Upstream**, the Government of Ecuador in early August approved the sale of Repsol's wholly-owned subsidiary in this country, Amodaimi Oil Company, to Tiptop Energy Ltd, a subsidiary of China's Sinopec. Amodaimi holds a 20% stake in Block 16 and Tivacuno service contracts in Ecuador, both of which are producing assets. Following this transaction, Repsol which holds a 35% stake, remains the operator of these blocks.

On 20 August, the Government of Australia awarded Repsol Exploración, S.A. an exploration license for block WA-480-P following the tender process held in April 2012. The new block, covering a 12,585 km<sup>2</sup> area, is at a depth of 1,000 to 4,500 metres, 280 km offshore the Hedland harbour in the Pilbara region in West Australia, NE of Exmouth Heights in the southern Carnarvon Basin, the most prolific in Australia.

In August, Repsol announced that it had completed the first phase of its joint oil and gas production project with Alliance Oil with the incorporation of Alliance Oil asset's in the joint venture and the acquisition of shares by Repsol. This project was approved under an agreement executed on 20 December 2011. The AROG JV will serve as a platform for both companies in the Russian Federation, the world's leading oil and gas producer. The agreement combines Alliance Oil's expertise and privileged access to exploration and production opportunities in Russia and Repsol's technical and financial capabilities, creating a long-term exploration and production partnership.

In August, the Bulgarian authorities awarded a consortium formed by Repsol, Total (Operator) and OMV, the Han Asparuth exploration block in the Black sea, which spans over a 14,220 km<sup>2</sup> area in the Western Sub-Basin of the Black Sea, 200 to 2,000m<sup>2</sup> under water.

Also in August, the *Ministerio del Poder Popular de Petróleo y Minería de la República Bolivariana de Venezuela* (the Ministry of Oil and Mining of Venezuela) announced in the Official Gazette the approval of the Marketing Declaration for the Perla Field situated in the Cardon IV Block in the Gulf of Venezuela. The Development Plan outlined for this key project contemplates three phases in accordance with the volumes of non-associated natural gas to be produced: Phase I 300 Mcf/d (million cubic feet per day); Phase II 800 Mcf/d; and, Phase III 1,200 Mcf/d.

On 6 September, Repsol reported a new gas discovery in Block 57 in Peru. The well, known as Sagari, was successful in two different formations known as Nia Superior and Nia Inferior. Preliminary estimates indicate that the field could contain between 1 and 2 trillion cubic feet (TCF) of gas resources. With a 53.84% interest, Repsol is the operator of the block and Petrobras holds the remaining 46.16%. The Sagari find reinforces the potential of this area in Peru home of the Kinteroni field, discovered by Repsol and one of the five major discoveries made worldwide in 2008. It is currently in an accelerated development phase and production is expected to come on stream at the end of 2012.

In the third quarter, Repsol contracted two deep-water drilling vessels: Mylos Ocean and Rowan Renaissance. The first one will be used in the drilling campaign in the Brazilian BM-C-33 block to appraise the three discoveries made by Repsol and the second one will be used preferably for drilling in West Africa (Angola and Namibia), the Canary Islands, and in the U.S. Gulf of Mexico.

In October, the Lubina and Montanazo fields in the Spanish Mediterranean coast started production. The Casablanca platform will be used for operations at these two fields which were discovered by Repsol in 2009. Repsol, which holds a 75.06% stake in Montanazo and 100% in Lubina, is the operator of both fields.

In **Downstream**, Repsol announced on 19 July that it had reached an agreement with a consortium of Chilean investors, led by LarrainVial, for the sale of its 100% holding in Repsol Butano Chile for an approximate sum of 540 million USD.

In the **Corporation**, on 13 September, Repsol International Finance, B.V. closed a 750 million euro 5 years and 5 months bond at 99.654 per cent, with a coupon of 4.375 per cent equivalent to mid swap + 335 b.p., to be listed on the regulated market of the Luxembourg Stock Exchange. This bond, guaranteed by Repsol, S.A., is issued under the Repsol International Finance, B.V. Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme, approved by the Luxembourg Commission de Surveillance du Secteur Financier (CSSF).

On 13 September and for the second consecutive year, Repsol leads the oil and gas industry ranking in the Dow Jones Sustainability Index World (DJSI World) as well as the Dow Jones Sustainability Index Europe (DJSI Europe). Of the 125 international oil and gas companies examined, only 15 have been included in the global index (Dow Jones Sustainability Index World), led by Repsol with the maximum rating for its financial, social, and environmental performance in 2012.

**Madrid, 8 November 2012**

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A teleconference for analysts and institutional investors is scheduled today, 8 November, at 1:00 p.m. (CET) to report on Repsol's third quarter 2012 results.

The teleconference can be followed live at Repsol's website ([www.repsol.com](http://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](http://www.repsol.com) for investors and any interested party.



**TABLES**



3<sup>rd</sup> QUARTER 2012 RESULTS

**REPSOL ADJUSTED OPERATING INCOME BASED ON ITS MAIN COMPONENTS**

(Million euros)

(Unaudited figures)

*Compiled in accordance with International Financial Reporting Standards*

	QUARTERLY FIGURES			JANUARY-SEPTEMBER	
	3Q11	2Q12	3Q12	2011	2012
<b>EBITDA</b> .....	1,411	1,405	2,074	4,500	5,405
Operating revenue.....	13,113	14,018	15,609	39,443	44,687
Operating income.....	963	636	1,577	3,072	3,543
Financial expenses.....	(291)	(151)	(222)	(665)	(655)
Share in income of companies carried by the equity method - net of taxes.....	18	39	27	51	93
<b>Income before income tax</b> .....	<b>690</b>	<b>524</b>	<b>1,382</b>	<b>2,458</b>	<b>2,981</b>
Income tax.....	(257)	(249)	(596)	(902)	(1,270)
<b>Income from continued operations</b> .....	<b>433</b>	<b>275</b>	<b>786</b>	<b>1,556</b>	<b>1,711</b>
Income attributed to minority interests for continued operations.....	(31)	(1)	(34)	(97)	(56)
<b>NET INCOME FROM CONTINUED OPERATIONS</b> .....	<b>402</b>	<b>274</b>	<b>752</b>	<b>1,459</b>	<b>1,655</b>
Income from discontinued operations (*).....	155	(30)	8	442	141
<b>Net Income</b> .....	<b>557</b>	<b>244</b>	<b>760</b>	<b>1,901</b>	<b>1,796</b>
Earnings per share accrued by parent company (**)					
* Euro/share .....	0.44	0.20	0.64	1.51	1.51
* \$/ADR .....	0.60	0.26	0.82	2.04	1.95

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(\*) It includes net income/(losses) net of taxes and minority interests contributed by YPF, S.A. and YPF Gas, S.A. and the affiliates of each company for each period and for the loans extended to the Petersen Group as well as the effects recorded as a result of the expropriation of YPF, S.A. and YPF Gas, S.A. shares.

(\*\*) A capital increase for the shareholder's remuneration scheme known as "Repsol Dividendo Flexible" was carried out in July 2012 and, accordingly, share capital is currently represented by 1,256,178,727 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. The average number of outstanding shares was 1,255,277,310 in 2011 and 1,190,834,036 in 2012.

Dollar/euro exchange rate at date of closure of each quarter:

1.350 dollars per euro in 3Q11

1.259 dollars per euro in 2Q12

1.293 dollars per euro in 3Q12

**REPSOL ADJUSTED OPERATING INCOME BY RECURRENT AND NON RECURRENT ITEMS**

(Million euros)  
(Unaudited figures)

	3Q11			JANUARY - SEPTEMBER 2011		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
<b>Income from continuous operations before financial expenses</b> .....	<b>963</b>	<b>76</b>	<b>887</b>	<b>3.072</b>	<b>163</b>	<b>2.909</b>
Upstream.....	400	78	322	1.206	101	1.105
LNG.....	108	-	108	276	-	276
Downstream.....	331	(3)	334	1.075	(9)	1.084
Gas Natural Fenosa.....	200	1	199	712	76	636
Corporate and others.....	(76)	-	(76)	(197)	(5)	(192)
Financial expenses.....	(291)	27	(318)	(665)	11	(676)
Share in income of companies carried by the equity method - net of taxes.....	18	-	18	51	-	51
<b>Income before income tax</b> .....	<b>690</b>	<b>103</b>	<b>587</b>	<b>2.458</b>	<b>174</b>	<b>2.284</b>
Income tax.....	(257)	(34)	(223)	(902)	(64)	(838)
<b>Income from continued operations</b> .....	<b>433</b>	<b>69</b>	<b>364</b>	<b>1.556</b>	<b>110</b>	<b>1.446</b>
Income attributed to minority interests for continued operations.....	(31)	-	(31)	(97)	-	(97)
<b>NET INCOME FROM CONTINUED OPERATIONS</b> .....	<b>402</b>	<b>69</b>	<b>333</b>	<b>1.459</b>	<b>110</b>	<b>1.349</b>
Income from discontinued operations (*).....	155	155	-	442	442	-
<b>Net Income</b> .....	<b>557</b>	<b>224</b>	<b>333</b>	<b>1.901</b>	<b>552</b>	<b>1.349</b>

  

	2Q12			JANUARY - JUNE 2012		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
<b>Income from continuous operations before financial expenses</b> .....	<b>636</b>	<b>(43)</b>	<b>679</b>	<b>1.966</b>	<b>(45)</b>	<b>2.011</b>
Upstream.....	490	(28)	518	1.144	(33)	1.177
LNG.....	79	1	78	237	1	236
Downstream.....	(55)	(3)	(52)	277	(4)	281
Gas Natural Fenosa.....	229	(3)	232	475	2	473
Corporate and others.....	(107)	(10)	(97)	(167)	(11)	(156)
Financial expenses.....	(151)	(11)	(140)	(433)	(12)	(421)
Share in income of companies carried by the equity method - net of taxes.....	39	-	39	66	-	66
<b>Income before income tax</b> .....	<b>524</b>	<b>(54)</b>	<b>578</b>	<b>1.599</b>	<b>(57)</b>	<b>1.656</b>
Income tax.....	(249)	9	(258)	(674)	10	(684)
<b>Income from continued operations</b> .....	<b>275</b>	<b>(45)</b>	<b>320</b>	<b>925</b>	<b>(47)</b>	<b>972</b>
Income attributed to minority interests for continued operations.....	(1)	-	(1)	(22)	-	(22)
<b>NET INCOME FROM CONTINUED OPERATIONS</b> .....	<b>274</b>	<b>(45)</b>	<b>319</b>	<b>903</b>	<b>(47)</b>	<b>950</b>
Income from discontinued operations (*).....	(30)	(30)	-	133	133	-
<b>Net Income</b> .....	<b>244</b>	<b>(75)</b>	<b>319</b>	<b>1.036</b>	<b>86</b>	<b>950</b>

  

	3Q12			JANUARY - SEPTEMBER 2012		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
<b>Income from continuous operations before financial expenses</b> .....	<b>1.577</b>	<b>204</b>	<b>1.373</b>	<b>3.543</b>	<b>159</b>	<b>3.384</b>
Upstream.....	657	23	634	1.801	(10)	1.811
LNG.....	188	(1)	189	425	-	425
Downstream.....	616	187	429	893	183	710
Gas Natural Fenosa.....	226	(5)	231	701	(3)	704
Corporate and others.....	(110)	-	(110)	(277)	(11)	(266)
Financial expenses.....	(222)	-	(222)	(655)	(12)	(643)
Share in income of companies carried by the equity method - net of taxes.....	27	-	27	93	-	93
<b>Income before income tax</b> .....	<b>1.382</b>	<b>204</b>	<b>1.178</b>	<b>2.981</b>	<b>147</b>	<b>2.834</b>
Income tax.....	(596)	(29)	(567)	(1,270)	(19)	(1,251)
<b>Income from continued operations</b> .....	<b>786</b>	<b>175</b>	<b>611</b>	<b>1.711</b>	<b>128</b>	<b>1.583</b>
Income attributed to minority interests for continued operations.....	(34)	-	(34)	(56)	-	(56)
<b>NET INCOME FROM CONTINUED OPERATIONS</b> .....	<b>752</b>	<b>175</b>	<b>577</b>	<b>1.655</b>	<b>128</b>	<b>1.527</b>
Income from discontinued operations (*).....	8	8	-	141	141	-
<b>Net Income</b> .....	<b>760</b>	<b>183</b>	<b>577</b>	<b>1.796</b>	<b>269</b>	<b>1.527</b>

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(\*) It includes net income/(losses) net of taxes and minority interests contributed by YPF, S.A. and YPF Gas, S.A. and the affiliates of each company for each period and for the loans extended to the Petersen Group as well as the effects recorded as a result of the expropriation of YPF, S.A. and YPF Gas, S.A. shares.

**BREAKDOWN OF REPSOL ADJUSTED OPERATING INCOME**  
**BY ACTIVITIES AND GEOGRAPHICAL AREAS**

(Million euros)

(Unaudited figures)

*Compiled in accordance with International Financial Reporting Standards*

	QUARTERLY FIGURES			JANUARY-SEPTEMBER	
	3Q11	2Q12	3Q12	2011	2012
<b>Upstream</b> .....	<b>400</b>	<b>490</b>	<b>657</b>	<b>1,206</b>	<b>1,801</b>
USA and Brazil.....	104	75	76	305	268
North of Africa .....	(6)	347	356	122	1,040
Rest of the World.....	302	68	225	779	493
 <b>LNG</b> .....	 <b>108</b>	 <b>79</b>	 <b>188</b>	 <b>276</b>	 <b>425</b>
 <b>Downstream</b> .....	 <b>331</b>	 <b>(55)</b>	 <b>616</b>	 <b>1,075</b>	 <b>893</b>
Europe .....	274	(43)	385	908	634
Rest of the World.....	57	(12)	231	167	259
 <b>Gas Natural Fenosa</b> .....	 <b>200</b>	 <b>229</b>	 <b>226</b>	 <b>712</b>	 <b>701</b>
 <b>Corporate and others</b> .....	 <b>(76)</b>	 <b>(107)</b>	 <b>(110)</b>	 <b>(197)</b>	 <b>(277)</b>
 <b>TOTAL</b> .....	 <b>963</b>	 <b>636</b>	 <b>1,577</b>	 <b>3,072</b>	 <b>3,543</b>

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

**BREAKDOWN OF REPSOL ADJUSTED EBITDA**  
**BY ACTIVITIES AND GEOGRAPHICAL AREAS**

(Million of euros)

(Unaudited figures)

*Compiled in accordance with International Financial Reporting Standards*

	QUARTERLY FIGURES			JANUARY-SEPTEMBER	
	3Q11	2Q12	3Q12	2011	2012
<b>Upstream</b> .....	<b>478</b>	<b>857</b>	<b>943</b>	<b>1,629</b>	<b>2,668</b>
USA and Brazil.....	173	204	216	485	636
North of Africa .....	1	368	378	184	1,098
Rest of the World.....	304	285	349	960	934
 <b>LNG</b> .....	 <b>151</b>	 <b>129</b>	 <b>240</b>	 <b>402</b>	 <b>571</b>
 <b>Downstream</b> .....	 <b>495</b>	 <b>120</b>	 <b>589</b>	 <b>1,538</b>	 <b>1,211</b>
Europe.....	424	120	541	1,337	1,112
Rest of the World.....	71	-	48	201	99
 <b>Gas Natural Fenosa</b> .....	 <b>346</b>	 <b>377</b>	 <b>378</b>	 <b>1,077</b>	 <b>1,146</b>
 <b>Corporate and others</b> .....	 <b>(59)</b>	 <b>(78)</b>	 <b>(76)</b>	 <b>(146)</b>	 <b>(191)</b>
 <b>TOTAL</b> .....	 <b>1,411</b>	 <b>1,405</b>	 <b>2,074</b>	 <b>4,500</b>	 <b>5,405</b>

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

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

(Million of euros)

(Unaudited figures)

*Compiled in accordance with International Financial Reporting Standards*

	QUARTERLY FIGURES			JANUARY-SEPTEMBER	
	3Q11	2Q12	3Q12	2011	2012
<b>Upstream .....</b>	<b>356</b>	<b>499</b>	<b>513</b>	<b>1,145</b>	<b>1,622</b>
USA and Brazil.....	141	260	214	607	880
North of Africa .....	4	7	11	51	23
Rest of the World.....	211	232	288	487	719
 <b>LNG .....</b>	 <b>4</b>	 <b>6</b>	 <b>9</b>	 <b>11</b>	 <b>26</b>
 <b>Downstream .....</b>	 <b>413</b>	 <b>157</b>	 <b>155</b>	 <b>1,059</b>	 <b>450</b>
Europe.....	395	146	145	1,013	418
Rest of the World.....	18	11	10	46	32
 <b>Gas Natural Fenosa .....</b>	 <b>256</b>	 <b>118</b>	 <b>90</b>	 <b>412</b>	 <b>275</b>
 <b>Corporate and others.....</b>	 <b>43</b>	 <b>17</b>	 <b>82</b>	 <b>72</b>	 <b>131</b>
 <b>TOTAL .....</b>	 <b>1,072</b>	 <b>797</b>	 <b>849</b>	 <b>2,699</b>	 <b>2,504</b>

(\*) Includes investments accrued during the period regardless of having been paid or not. Does not include investments in "other financial assets".

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

**REPSOL BALANCE SHEET**

(Million euros)  
(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	DECEMBER	SEPTEMBER
	2011	2012
<b>NON-CURRENT ASSETS</b>		
Goodwill.....	4.645	2.678
Other intangible assets .....	3.138	3.041
Property, Plant and Equipment .....	36.759	27.759
Investment property .....	24	24
Equity-accounted financial investments.....	699	765
Non-current assets classified as held for sale subject to expropriation.....	-	5.503
Non-current financial assets		
Non-current financial instruments .....	2.322	879
Others .....	128	379
Deferred tax assets.....	2.569	3.259
Other non-current assets .....	344	251
<b>CURRENT ASSETS</b>		
Non-current assets classified as held for sale .....	258	253
Inventories.....	7.278	6.315
Trade and other receivables.....	9.222	8.066
Other current assets.....	220	137
Other current financial assets .....	674	532
Cash and cash equivalents .....	2.677	5.224
<b>TOTAL ASSETS</b>	<b>70.957</b>	<b>65.065</b>
<b>TOTAL EQUITY</b>		
Attributable to equity holders of the parent .....	23.538	26.878
Attributable to minority interests .....	3.505	778
<b>NON-CURRENT LIABILITIES</b>		
Subsidies.....	118	73
Non-current provisions.....	3.826	2.152
Non-current financial debt.....	15.345	15.175
Deferred tax liabilities .....	3.839	3.012
Other non-current liabilities		
Non-current debt for finance leases .....	2.864	2.809
Others .....	818	760
<b>CURRENT LIABILITIES</b>		
Liabilities associated with non-current assets held for sale .....	32	22
Current provisions.....	452	213
Current financial liabilities .....	4.985	4.186
Trade debtors and other payables:		
Current debt for finance leases .....	223	227
Other trade debtors and payables .....	11.412	8.780
<b>TOTAL LIABILITIES</b>	<b>70.957</b>	<b>65.065</b>

**STATEMENT OF CASH FLOW**

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	JANUARY - SEPTEMBER	
	2011	2012
<b>I. CASH FLOWS FROM OPERATING ACTIVITIES (*)</b>		
Income before taxes and associates	2,458	2,981
Adjustments:		
Depreciation of Property, Plant and Equipment	1,546	1,966
Other adjustments (net)	496	458
<b>EBITDA</b>	<b>4,500</b>	<b>5,405</b>
Variation in working capital	(1,860)	(337)
Dividends received	28	46
Income taxes received/(paid)	(708)	(1,135)
Other proceeds/(payments) from operating activities	(131)	(163)
<b>OTHER CASH FLOWS FROM OPERATING ACTIVITIES</b>	<b>(811)</b>	<b>(1,252)</b>
	<b>1,829</b>	<b>3,816</b>
<b>II. CASH FLOWS FROM INVESTING ACTIVITIES (*)</b>		
Investment payments		
Group companies, associates, and business units	(261)	(160)
Property, plant and equipment, intangible assets and property investments	(2,438)	(2,426)
Other financial assets	(351)	(186)
<b>Total Investments</b>	<b>(3,050)</b>	<b>(2,772)</b>
Proceeds on divestments	783	962
Other cash flows	(8)	(141)
	<b>(2,275)</b>	<b>(1,951)</b>
<b>III. CASH FLOWS FROM FINANCING ACTIVITIES (*)</b>		
Receipts/(payments) from equity instruments	(63)	1,312
Proceeds on issue of financial liabilities	4,710	6,944
Payments for return and amortization of financial obligations	(5,890)	(5,875)
Dividends paid	(1,316)	(928)
Interest paid	(656)	(641)
Other proceeds/(payments) from financing activities	(229)	268
	<b>(3,444)</b>	<b>1,080</b>
Impact of translation differences from continued operations.	(107)	(48)
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS</b>	<b>(3,997)</b>	<b>2,897</b>
Cash flows from operating activities from discontinued operations	1,312	874
Cash flows from investment activities from discontinued operations	(1,209)	(872)
Cash flows from finance activities from discontinued operations	2,074	(345)
Impact from translation differences from discontinued operations	(11)	(7)
<b>NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS</b>	<b>2,166</b>	<b>(350)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>	<b>6,448</b>	<b>2,677</b>
<b>CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD</b>	<b>4,617</b>	<b>5,224</b>

NOTE: Information for 2011 includes the necessary changes in relation to the profit and loss account published in each period on the expropriation process affecting YPF, S.A. and YPF Gas, S.A. shares.

(\*) Relates to cash flows from continued operations.



## FINANCIAL INCOME/CHARGES AND DEBT FOR THE CONSOLIDATED GROUP

Unaudited figures (IFRS)

NET DEBT (M€) – CONSOLIDATED GROUP	2Q2012	3Q2012	% variation	Jan-Sept 2012
			3Q12/2Q12	
<b>NET DEBT OF THE CONSOLIDATED GROUP AT THE START OF THE PERIOD</b>	<b>8,911</b>	<b>9,960</b>	<b>11.8</b>	<b>11,663</b>
ELIMINATION OF YPF AND YPF Gas DEBT AT 31 DECEMBER 2011	0	0	-	-1,939
<b>NET DEBT OF THE CONSOLIDATED GROUP EX YPF AT THE START OF THE PERIOD</b>	<b>8,911</b>	<b>9,960</b>	<b>11.8</b>	<b>9,724</b>
EBITDA	-1,405	-2,074	47.6	-5,405
VARIATION IN TRADE WORKING CAPITAL	-389	198	-	337
INCOME TAX COLLECTIONS / PAYMENTS	511	498	-2.5	1,135
INVESTMENTS (1)	930	908	-2.4	2,762
DIVESTMENTS (1)	-60	-566	-	-766
DIVIDENDS PAID (including affiliates)	39	243	-	928
OWN SHARES TRANSACTIONS	51	1	-98.0	-1,312
TRANSLATION DIFFERENCES	-276	98	-	-11
INTEREST EXPENSE AND OTHER MOVEMENTS (2)	259	447	72.6	955
ASSOCIATED EFFECTS TO PETERSEN'S LOANS (3)	1,389	-10	-	1,356
<b>NET DEBT AT THE CLOSE OF THE PERIOD</b>	<b>9,960</b>	<b>9,703</b>	<b>-2.6</b>	<b>9,703</b>
<b>NET DEBT + PREFERENCE SHARES AT THE CLOSE OF THE PERIOD</b>	<b>13,171</b>	<b>12,916</b>	<b>-1.9</b>	<b>12,916</b>

### Debt ratio

CAPITAL EMPLOYED (M€) (4)	34,797	34,852	0.2	34,852
<b>NET DEBT / CAPITAL EMPLOYED (%) (4)</b>	<b>28.6</b>	<b>27.8</b>	<b>-2.8</b>	<b>27.8</b>
NET DEBT + PREFERENCE SHARES / CAPITAL EMPLOYED (%)	37.9	37.1	-2.1	37.1
ROACE before non-recurrent items (%) (4)	4.8	8.8	83.3	8.0

(1) In third quarter 2012, financial investments totalling 10 M€ and financial divestments for the amount of 196 M€ were made which are not included in this table.

(2) Mainly includes interest, dividends collected, provisions, and the impact of changes in the scope of consolidation.

(3) It mainly includes the amount associated to the provision registered in relation with the Petersen Group loans.

(4) Capital employed does not include discontinued operations. If these operations been included, the net debt/capital employed ratio at 30 September 2012 would have been 23.9% and 31.8% taken preference shares into account. ROACE does not include operating income or capital employed in discontinued operations.

Unaudited figures (IFRS)

3Q 2011	2Q 2012	3Q 2012	% Variation 3Q12/3Q11	FINANCIAL INCOME / EXPENSES CONSOLIDATED GROUP (M€)	Jan-Sept 2011	Jan-Sept 2012	% Variation 12/11
-138	-162	-172	24.6	NET INTEREST EXPENSE (incl. preference shares)	-398	-497	24.9
-145	67	18	-	HEDGING POSITION INCOME / EXPENSE	-169	26	-
6	-15	-18	-	UPDATE OF PROVISIONS	-39	-48	23.1
40	18	17	-57.5	CAPITALISED INTEREST	107	53	-50.5
-54	-59	-67	24.1	OTHER FINANCIAL INCOME / EXPENSES	-166	-189	13.9
<b>-291</b>	<b>-151</b>	<b>-222</b>	<b>-23.7</b>	<b>TOTAL</b>	<b>-665</b>	<b>-655</b>	<b>-1.5</b>

**TABLES**



OPERATING HIGHLIGHTS 3Q 2012

**OPERATING HIGHLIGHTS UPSTREAM**

	Unit	2011				2012				% Variation 12 / 11
		1Q	2Q	3Q	Acum	1Q	2Q	3Q	Acum	
<b>HYDROCARBON PRODUCTION</b>	<b>K Boed</b>	<b>324</b>	<b>296</b>	<b>283</b>	<b>301</b>	<b>323</b>	<b>320</b>	<b>339</b>	<b>327</b>	<b>8.8%</b>
<b>Crude and Liquids production</b>	<b>K Boed</b>	<b>130</b>	<b>100</b>	<b>99</b>	<b>110</b>	<b>136</b>	<b>144</b>	<b>145</b>	<b>142</b>	<b>29.2%</b>
USA and Brazil	K Boed	30	30	30	30	33	30	30	31	4.2%
North Africa	K Boed	30	3	2	12	39	49	47	45	290.2%
Rest of the world	K Boed	70	68	66	68	64	65	68	65	-4.0%
<b>Natural gas production</b>	<b>K Boed</b>	<b>195</b>	<b>196</b>	<b>184</b>	<b>191</b>	<b>188</b>	<b>176</b>	<b>194</b>	<b>186</b>	<b>-2.9%</b>
USA and Brazil	K Boed	1	2	2	2	2	2	3	2	42.5%
North Africa	K Boed	6	6	5	6	6	6	6	6	1.8%
Rest of the world	K Boed	187	188	177	184	180	167	186	178	-3.4%

**OPERATING HIGHLIGHTS DOWNSTREAM**

	Unit	2011				2012				% Variation 12 / 11
		1Q	2Q	3Q	Acum	1Q	2Q	3Q	Acum	
<b>CRUDE PROCESSED</b>	<b>Mtoe</b>	<b>7.3</b>	<b>7.7</b>	<b>8.3</b>	<b>23.3</b>	<b>8.2</b>	<b>8.5</b>	<b>10.0</b>	<b>26.8</b>	<b>15.0%</b>
Europe	Mtoe	6.4	6.8	7.3	20.6	7.3	7.6	9.1	24.0	16.8%
Rest of the world	Mtoe	0.9	0.9	1.0	2.7	0.9	0.9	0.9	2.7	1.0%
<b>SALES OF OIL PRODUCTS</b>	<b>Kt</b>	<b>9,251</b>	<b>9,458</b>	<b>9,834</b>	<b>28,543</b>	<b>10,138</b>	<b>9,839</b>	<b>11,119</b>	<b>31,096</b>	<b>8.9%</b>
Europe	Kt	8,215	8,465	8,640	25,320	9,029	8,737	9,973	27,739	9.6%
<b>Own network</b>	<b>Kt</b>	<b>5,009</b>	<b>5,274</b>	<b>5,291</b>	<b>15,574</b>	<b>4,961</b>	<b>4,796</b>	<b>4,891</b>	<b>14,648</b>	<b>-5.9%</b>
Light products	Kt	4,273	4,409	4,535	13,217	4,170	4,100	4,206	12,476	-5.6%
Other Products	Kt	736	865	756	2,357	791	696	685	2,172	-7.8%
<b>Other Sales to Domestic Market</b>	<b>Kt</b>	<b>1,607</b>	<b>1,534</b>	<b>1,602</b>	<b>4,743</b>	<b>1,660</b>	<b>1,878</b>	<b>1,882</b>	<b>5,420</b>	<b>14.3%</b>
Light products	Kt	1,202	1,110	1,164	3,476	1,446	1,685	1,808	4,939	42.1%
Other Products	Kt	405	424	438	1,267	214	193	74	481	-62.0%
<b>Exports</b>	<b>Kt</b>	<b>1,599</b>	<b>1,657</b>	<b>1,747</b>	<b>5,003</b>	<b>2,408</b>	<b>2,063</b>	<b>3,200</b>	<b>7,671</b>	<b>53.3%</b>
Light products	Kt	474	425	430	1,329	797	657	1,263	2,717	104.4%
Other Products	Kt	1,125	1,232	1,317	3,674	1,611	1,406	1,937	4,954	34.8%
Rest of the world	Kt	1,036	993	1,194	3,223	1,109	1,102	1,146	3,357	4.2%
<b>Own network</b>	<b>Kt</b>	<b>406</b>	<b>467</b>	<b>480</b>	<b>1,353</b>	<b>480</b>	<b>518</b>	<b>503</b>	<b>1,501</b>	<b>10.9%</b>
Light products	Kt	345	377	427	1,149	424	450	454	1,328	15.6%
Other Products	Kt	61	90	53	204	56	68	49	173	-15.2%
<b>Other Sales to Domestic Market</b>	<b>Kt</b>	<b>398</b>	<b>413</b>	<b>360</b>	<b>1,171</b>	<b>387</b>	<b>403</b>	<b>382</b>	<b>1,172</b>	<b>0.1%</b>
Light products	Kt	304	321	309	934	295	304	311	910	-2.6%
Other Products	Kt	94	92	51	237	92	99	71	262	10.5%
<b>Exports</b>	<b>Kt</b>	<b>232</b>	<b>113</b>	<b>354</b>	<b>699</b>	<b>242</b>	<b>181</b>	<b>261</b>	<b>684</b>	<b>-2.1%</b>
Light products	Kt	31	68	102	201	78	73	99	250	24.4%
Other Products	Kt	201	45	252	498	164	108	162	434	-12.9%
<b>CHEMICALS</b>										
<b>Sales of petrochemicals products</b>	<b>Kt</b>	<b>710</b>	<b>666</b>	<b>671</b>	<b>2,047</b>	<b>593</b>	<b>541</b>	<b>538</b>	<b>1,672</b>	<b>-18.3%</b>
<b>Europe</b>	<b>Kt</b>	<b>624</b>	<b>590</b>	<b>582</b>	<b>1,796</b>	<b>518</b>	<b>456</b>	<b>463</b>	<b>1,437</b>	<b>-20.0%</b>
Base petrochemical	Kt	236	214	199	648	161	137	151	449	-30.8%
Derivative petrochemicals	Kt	388	376	384	1,147	357	319	312	988	-13.9%
<b>Rest of the world</b>	<b>Kt</b>	<b>86</b>	<b>77</b>	<b>88</b>	<b>251</b>	<b>75</b>	<b>86</b>	<b>75</b>	<b>236</b>	<b>-5.9%</b>
Base petrochemical	Kt	16	19	20	55	22	17	8	48	-13.9%
Derivative petrochemicals	Kt	69	57	69	195	53	68	67	188	-3.6%
<b>LPG</b>										
<b>LPG sales</b>	<b>Kt</b>	<b>784</b>	<b>596</b>	<b>612</b>	<b>1,992</b>	<b>782</b>	<b>607</b>	<b>507</b>	<b>1,896</b>	<b>-4.8%</b>
Europe	Kt	507	292	285	1,084	496	304	229	1,029	-5.1%
Rest of the world	Kt	276	304	327	908	286	303	278	867	-4.5%

**Other sales to the domestic market:** includes sales to operators and bunker.

**Exports:** expressed from the country of origin.

LPG sales do not include those for YPF Gas that were 65 Kt in 1Q11, 94 Kt in 2Q11, 110 Kt in 3Q11 and 64 Kt in 1Q12

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