

# WEBCAST – CONFERENCE CALL

## First Quarter 2015 Results



May 7th, 2015

# Disclaimer



ALL RIGHTS ARE RESERVED

@ REPSOL, S.A. 2015

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

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

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

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

*The information contained in the document has not been verified or revised by the Auditors of Repsol.*

1. Acquisition of Talisman Energy
2. Market environment and Operational activity
3. Quarterly results
4. Conclusions

# Update on the acquisition of Talisman Energy

1

## Smooth integration

**May 8th:**

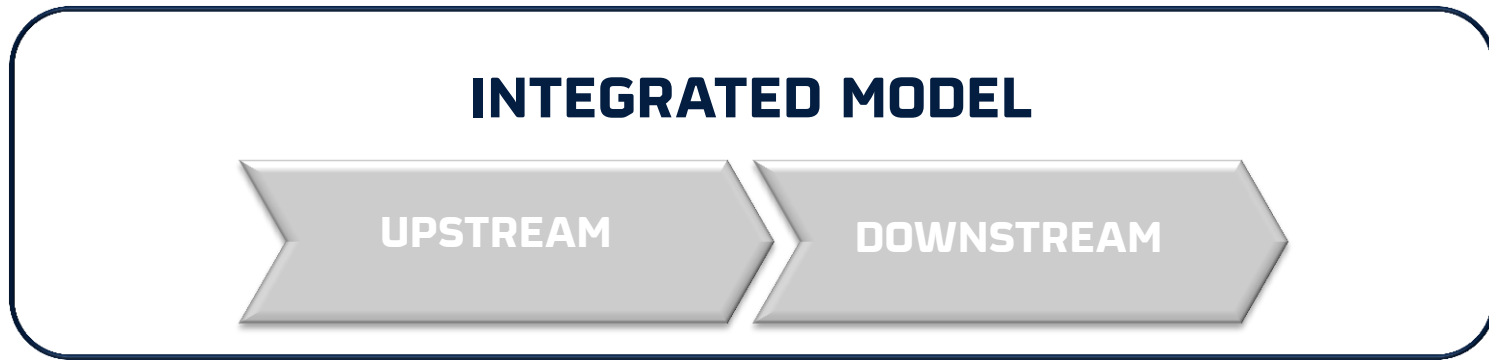
**Closing of the transaction**

- **Net debt to capital employed ratio of 27%**
- **Strong liquidity at more than 8 billion dollars, representing 2.7 times the short term debt**
- **Information and data on the 2015 combined figures during the 2Q15 results presentation**
- **New strategic plan before the end of the year: focus on value creation**

# Market environment and Operational activity

2

# Integrated model provides resilience



60% of the production is gas

Negative correlation USD vs. Brent

Gas Natural results and dividends



**Stability of our results**

# Operational activity

## Exploration



6 wells have been concluded in 1Q15, **2 of them were positive**: 1 exploration well (**Russia**) and 1 appraisal well (**Bolivia**).

In April, 4 additional wells have been concluded with **positive** result: **2** exploration wells (**Algeria** and **Alaska**) and **2** appraisal wells (**Alaska**)

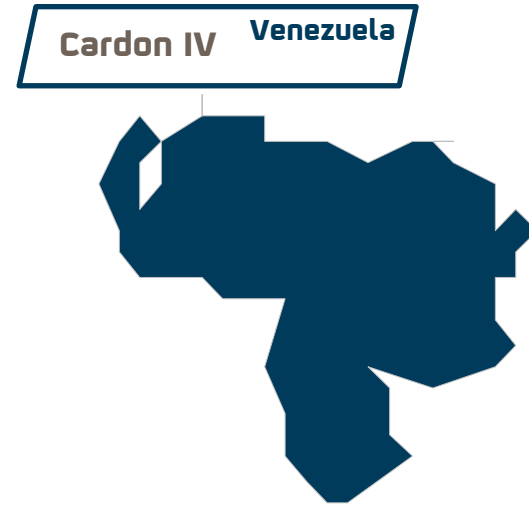


# Operational activity

## Development projects



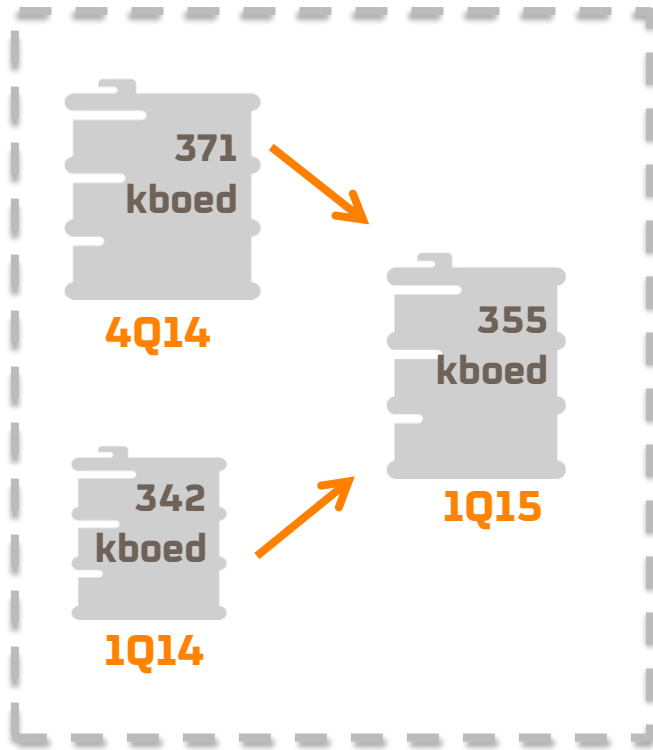
- The first well was connected to our 2<sup>nd</sup> FPSO in place in November 2014
- In November 2014 a second well was connected, producing 40 kboed gross
- At the end of 2015, peak production is expected to be reached in the 2<sup>nd</sup> FPSO
- The field will reach a plateau of 270 kboed gross



- First gas is planned to take place in mid-2015
- First phase of the development will produce 150Mscf per day
- Next phase will come on stream in November and will produce 450Mscf per day

# Operational activity

## Production



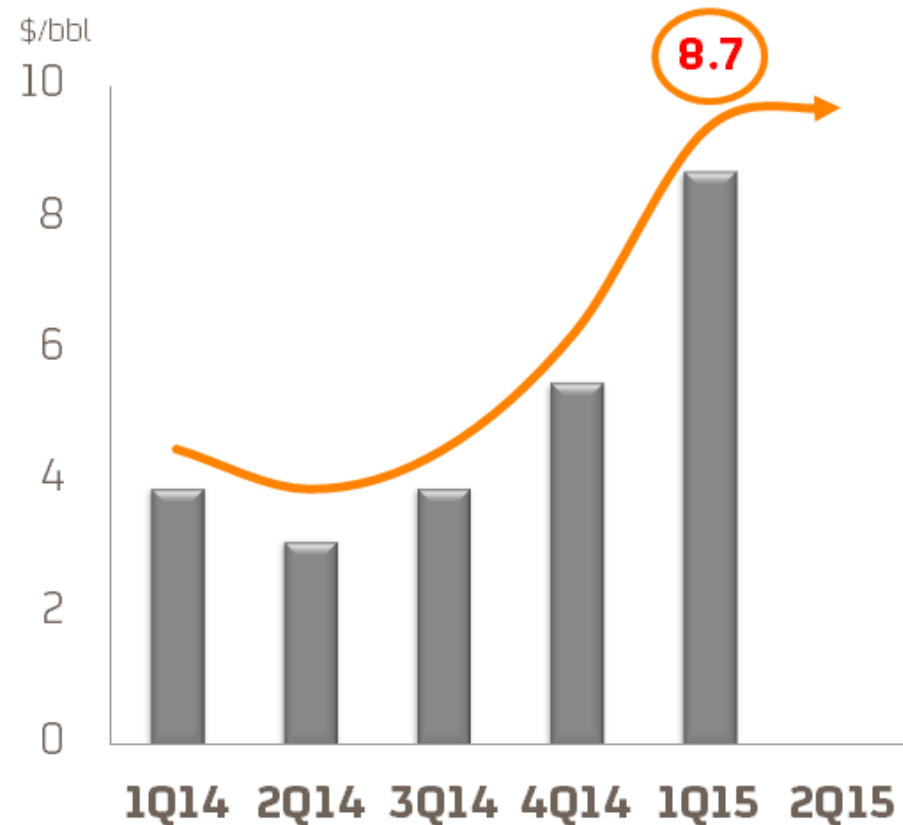
Compared to **1Q14**, **10%** increase in production if Libya is stripped out from both years

# Operational activity

Downstream



## REFINING MARGIN EVOLUTION



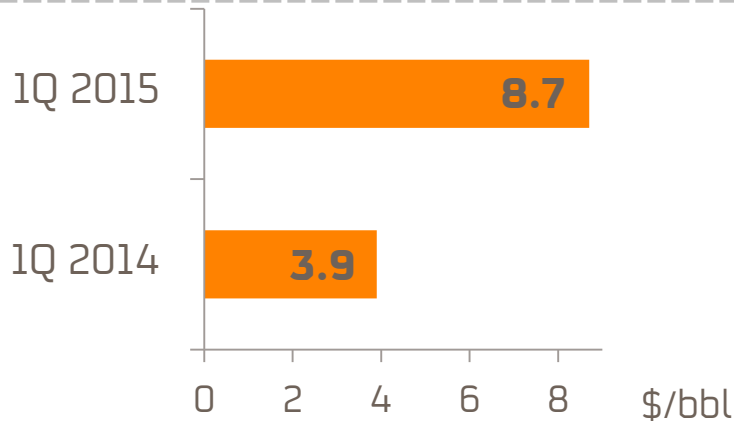
- Strength of the spreads
- High complexity and flexibility of our refining system
- Self-consumption efficiency program (CO2 emissions reduction program)

# Operational activity

Downstream



## Refining Margin Indicator

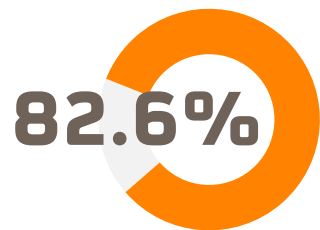


## Petrochemicals businesses

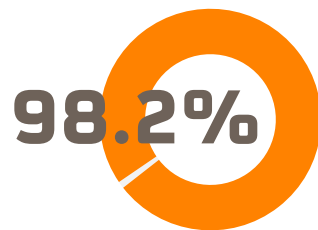
- Operational improvements
- Higher sales and margins

## Utilization rates

1Q 2015



Distillation utilization



Conversion units

## Commercial businesses

- Higher volumes in the Marketing and LPG Businesses

Quarterly results

3

# Quarterly results



1Q 2015

	1Q 2014	1Q 2015	% Variation
<b>CCS Adjusted Net Income</b>	532	928	+74%

Million €

- ✓ Higher results in the **Downstream business**
- ✓ Gains coming from **exchange rate positions**

# Upstream Results

## Adjusted Net Income

1Q 2014

1Q 2015

**Adjusted Net Income**

255

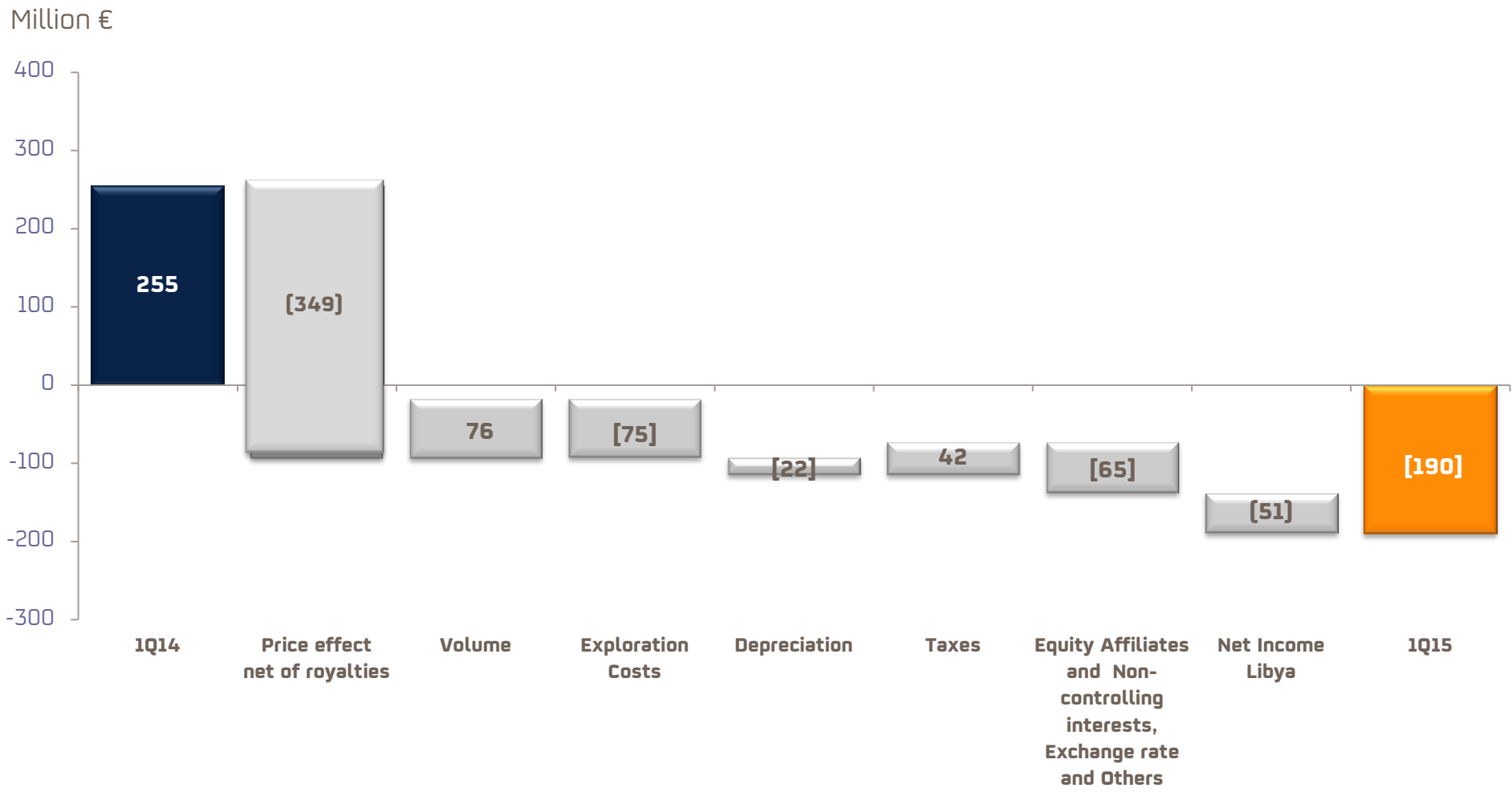
-190

Million €

- Tax effects in **Brazil** because of depreciation of the real against the dollar
- Adjustments in **Venezuela** carried from 2014

# Upstream Results

## Adjusted Net Income





# Downstream Results

## CCS Adjusted Net Income

### Refining

- ✓ **Higher** margins
- ✓ **Higher** utilization rate

### Petrochemicals

- Wider margins and **higher** volumes thanks to:
- ✓ Competitiveness programs implemented
  - ✓ Better market environment

€290M

1Q14

€534M

1Q15

### Commercial businesses

- ✓ **Higher** results in LPG division

### Gas & Power

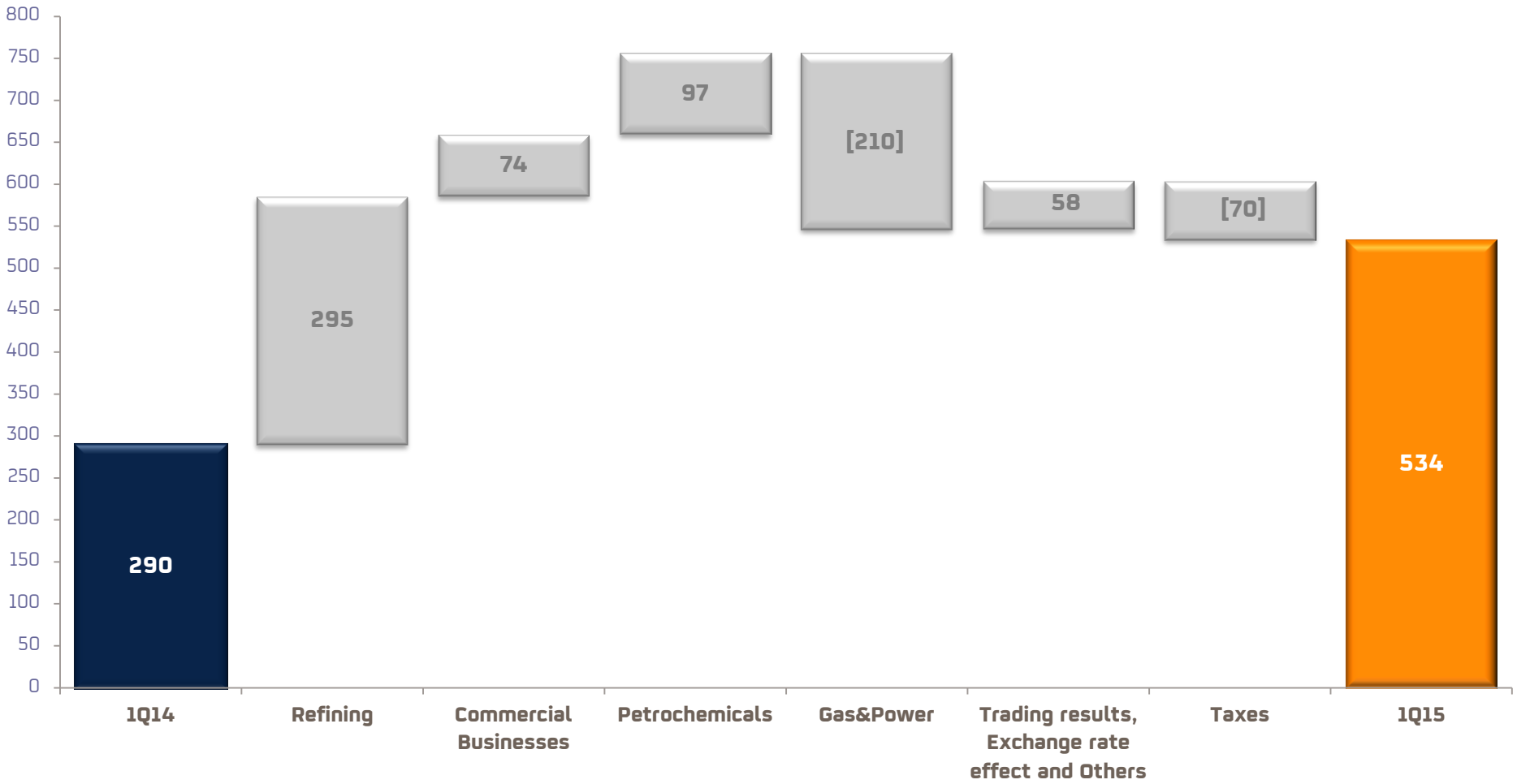
- Lower** results due to:
- ✓ Outstanding results 1Q14
  - ✓ Lower commercialization prices in North America

# Downstream Results

## Adjusted Net Income



Million €



# Gas Natural Fenosa Results

## Adjusted Net Income

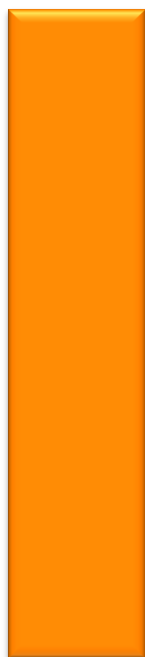


€ 123M



1Q14

€ 122M



1Q15

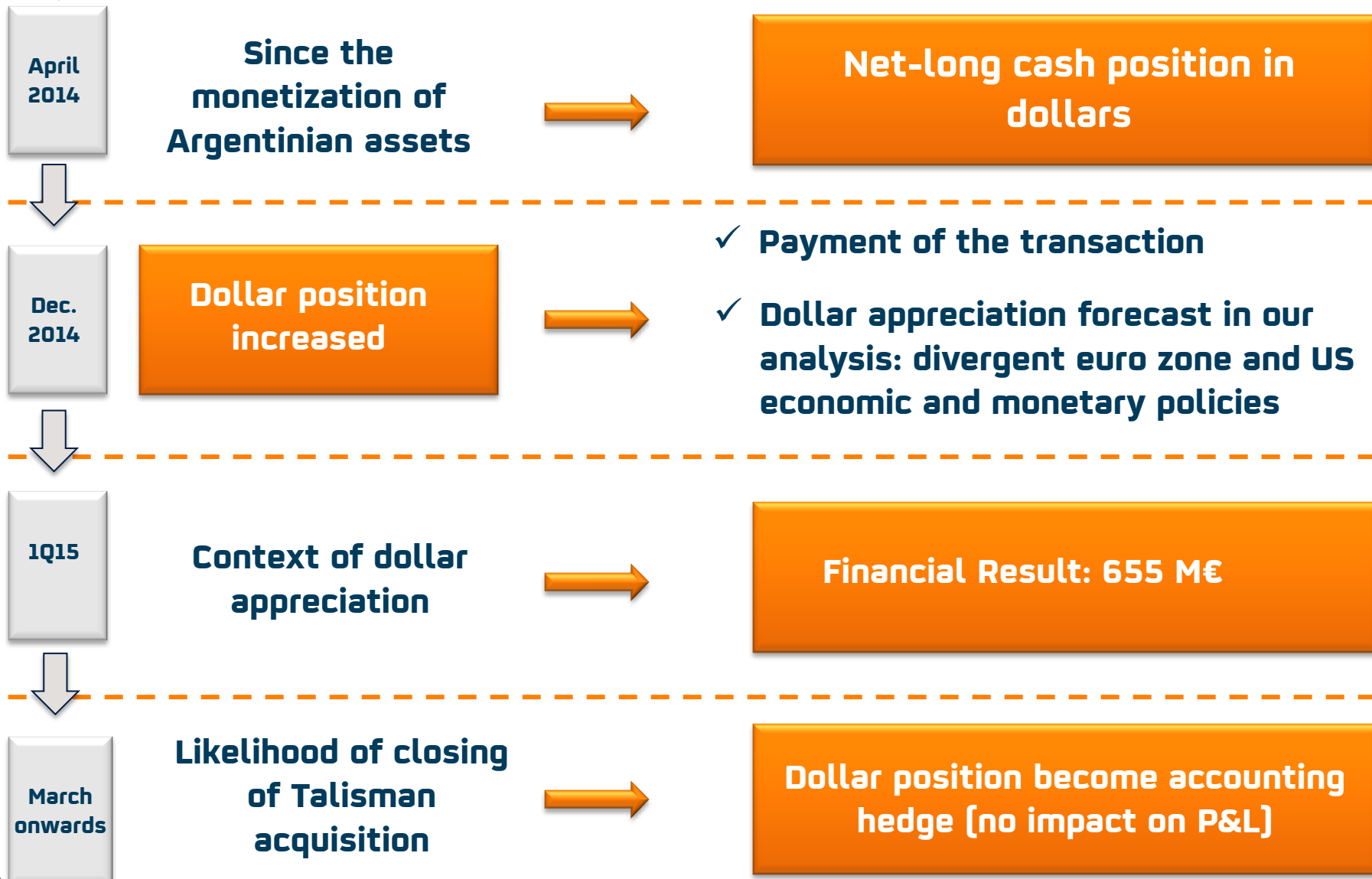


---

Contribution from Chilean affiliate offset by higher financial expenses

---

# Financial Results



# Conclusions

4

# Q&A Session

First Quarter 2015 Results



# WEBCAST – CONFERENCE CALL

## First Quarter 2015 Results



May 7th, 2015