SUPPLEMENT DATED 5 AUGUST 2013 TO THE BASE PROSPECTUS DATED 25 OCTOBER 2012 (AS PREVIOUSLY SUPPLEMENTED ON 15 NOVEMBER 2012 AND 15 APRIL AND 13 MAY 2013)

REPSOL INTERNATIONAL FINANCE B.V.

(A private company with limited liability incorporated under the laws of The Netherlands and having its statutory seat (statutaire zetel) in The Hague)

EURO 10,000,000,000

Guaranteed Euro Medium Term Note Programme

Guaranteed by

REPSOL, S.A.

(A sociedad anónima organised under the laws of the Kingdom of Spain)

This supplement (the ***Supplement***) to the base prospectus dated 25 October 2012 (as previously supplemented on 15 November 2012 and 15 April and 13 May 2013, the ***Base Prospectus***), constitutes a supplement, for the purposes of Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter 1 of Part II of the and *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 (the ***Luxembourg Act***), to the Base Prospectus and is prepared in connection with the EURO 10,000,000,000 Guaranteed Euro Medium Term Note Programme established by Repsol International Finance B.V. (the ***Issuer***) and guaranteed by Repsol, S.A. (the ***Guarantor***). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus issued by the Issuer and the Guarantor.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The information incorporated by reference to the Base Prospectus by virtue of this Supplement has been translated from the original Spanish.

The Dealers, the Trustee and the Arranger have not separately verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealers or the Arranger or the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement.

Risk Factors

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "RISK FACTORS"** to replace the information contained under "**Uncertainty in the economic context**" in pages 16 and 17 of the Base Prospectus with the following information in order to provide with the information obtained from the latest published financial statements:

"Uncertainty in the current economic context

Despite the European Central Bank's (ECB) extremely accommodative monetary policy, the financial conditions in the Eurozone are far from relaxed or stable. While the ECB has proven to be key in stabilising the financial system, its ability to reorganise and restructure European banks is limited in the absence of a genuine European Banking Union. The banking system's NPL ratios remain high and could worsen owing to the length of *the recession, making it difficult to restore overall confidence in the financial system. Financial institutions are restricting the availability of credit, except for customers with higher credit ratings, forced by regulators and the markets to raise their capital ratios and liquidity. Furthermore, persistent pressure on the sustainability of government finances in advanced economies has led to pronounced tensions in credit markets, and could prompt fiscal reforms or changes in the regulatory framework of the oil and gas industry. Finally, the economic-financial situation could have a negative impact on third parties with whom Repsol does or could do business. Any of the factors described above, whether in isolation or in combination with each other, could have an adverse effect on the financial position, businesses, or results of Repsol's operations."*

Legal and Arbitration Proceedings

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace the information contained in **Section "LEGAL AND ARBITRATION PROCEEDINGS – Other legal and arbitration proceedings – United States of America – The Passaic River and Newark Bay clean up lawsuit"** (page 71 to 72 of the Base Prospectus) with the following information:

"The Passaic River and Newark Bay clean up lawsuit

The facts to which reference is made in this section are related to some environmental contingencies, as well as the sale by a predecessor of Maxus Energy Corporation ("Maxus") of its former petrochemical subsidiary, Diamond Shamrock Chemicals Company ("Chemicals"), to a subsidiary of Occidental Petroleum Corporation ("Occidental"). Maxus' predecessor agreed to indemnify Chemicals and Occidental against certain liabilities relating to the business and activities of Chemicals prior to September 4, 1986, the closing date of the transaction, including certain environmental liabilities relating to chemical plants and waste disposal used by Chemicals prior to that date. Subsequently (in 1995), Maxus was acquired by YPF, S.A. ("YPF") and later (in 1999) Repsol acquired YPF.

In December 2005, the New Jersey Department of Environmental Protection ("DEP") and the Spill Compensation Fund of New Jersey (all together "the State of New Jersey") sued Repsol YPF, S.A. (now called Repsol, S.A., and referred hereafter as "Repsol"); YPF,; YPF Holdings, Inc. ("YPFH"); CLH Holdings ("CLHH"); Tierra Solutions, Inc. ("Tierra"); Maxus; and Occidental Chemical Corporation. In August 2010, the demand was extended to YPF International, S.A. ("YPFI"), and Maxus International Energy Company ("MIEC") (together, "Original Defendants"). This lawsuit claims damages in connection with alleged pollution from an old plant of Chemicals located in Lister Avenue in Newark which supposedly polluted the Passaic River, Newark Bay, and other waters and nearby properties (the litigation regarding the Passaic River and Newark Bay).

In February 2009, Maxus and Tierra brought into the process, as third parties, another 300 companies (including certain municipalities) that could be responsible.

In May 2011, the Court approved "Case Management Order XVII" (CMO XVII), which set the procedural schedule (Trial Plan) by dividing the proceedings based on their separate issues (tracks).

In accordance with the procedure provided for in the schedule, the State of New Jersey and Occidental each submitted motions. The Court ruled as follows on these motions: (i) Occidental is the legal successor of the liabilities incurred by the corporation formerly known as Diamond Alkali Corporation, Diamond Shamrock Corporation, and Chemicals; (ii) the Court denied the State's motion, in so far as the State of New Jersey sought a declaration that the facts in the "Aetna" case should apply to the Occidental and Maxus case on the basis of the doctrine of "collateral estoppel"; (iii) the Court ruled that Tierra is responsible to the State of New Jersey pursuant to the New Jersey "Spill Act" simply based on its ownership of the land where the Lister Avenue plant was located; (iv) the Court ruled that Maxus has an obligation under the "Stock Purchase Agreement" of 1986 to indemnify and hold Occidental harmless for any liability of the "Spill Act" derived from pollutants discharged from Lister Avenue plant.

Subsequently, and in accordance with the procedural schedule, the State of New Jersey and Occidental filed new motions against Maxus. On May 23, 2012, the Court ruled on those motions that: (i) Maxus was not, as a matter of law, a successor to "Diamond Shamrock". However, the court left open the possibility of finding Maxus a "successor" for purposes of punitive damages, if punitive damages were available; (ii) the State of New Jersey was not intended third-party beneficiaries of the "Stock Purchase Agreement" of 1986; and (iii) Tierra is the alter ego of Maxus as a matter of law and, therefore, Maxus is "in any way responsible under the Spill Act" for discharges at the Lister Avenue plant. The court declared that Maxus is "strictly, jointly and severally liable under" the Spill Act.

On June 6, 2013, the Original Defendants (with the exception of Occidental Chemical Corporation) signed, without admitting responsibility, a Settlement Agreement with the DEP, its Commissioner, and the Administrator of the New Jersey Spill Compensation Fund to obtain a dismissal of the State of New Jersey's claims against Repsol, YPF, YPFI, YPFH, CLHH, MIEC, Maxus, and Tierra in exchange for the payment of $130 million ($65 million payable by Repsol and the other $65 million payable by YPF / Maxus). Based on the terms of this Settlement Agreement, the State of New Jersey reserves the right to continue its actions against Occidental Chemical Corporation, which is not a party to the Settlement Agreement. Importantly, Occidental Chemical Corporation, not being part of the agreement, maintains its right to continue its claims against Repsol and the rest of the Original Defendants ("Cross Claims"), who maintain their defenses against Occidental Chemical Corporation. The Settlement Agreement provides that the claims will not go to trial until December 2015. Also, by virtue of the Settlement Agreement, the Original Defendants (except Occidental) obtained certain additional protections against future potential litigation. The Settlement Agreement is pending court approval.

Based on information available at the date of the financial statements and also considering the estimated time it would take for the completion of the trial, the results of investigations, and / or tests, you cannot reasonably estimate the damages that will eventually result from this lawsuit."

Board of Directors of Repsol, S.A.

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "BUSINESS DESCRIPTION – 5. Directors, senior management and employees – Directors and officers of Repsol – Board of Directors"** in pages 52-56 of the Base Prospectus, to replace the table of members of the Board of Directors of Repsol in order to reflect the ratification and re-election of Mr. Manuel Manrique Cecilia as Board member, the re-election of Mr. Luis Suárez de Lezo Mantilla and Mrs. Isabel Gabarró Miquel as Board members and the appointment of Mr. Rene Dahan as new Board member, as approved by resolutions of the Annual General Shareholders Meeting of Repsol held on 31 May 2013, and other resolutions of the Board of Directors meeting held also on the same date:

"As of the date of this Base Prospectus, the members of the Board of Directors of Repsol were as follows:

	Position	***Year first appointed***	***Current term expires***
Antonio Brufau Niubó (1) (2)	*Chairman and Director*	*1996*	*2015*
Isidro Fainé Casas (1) (5)	*Vice-Chairman and Director*	*2007*	*2016*
Manuel Manrique Cecilia (1) (6)	*Vice-Chairman and Director*	*2013*	*2017*
Paulina Beato Blanco (3) (8)	*Director*	*2005*	*2014*
Artur Carulla Font (1) (3) (10) (14)	*Director*	*2006*	*2014*
Luís Carlos Croissier Batista (3) (9) (13)	*Director*	*2007*	*2015*
Rene Dahan (1) (7)	*Director*	*2013*	*2017*
Ángel Durández Adeva (3) (8)	*Director*	*2007*	*2015*
Javier Echenique Landiríbar (1) (3) (9)	*Director*	*2006*	*2014*
Mario Fernández Pelaz (3) (11)	*Director*	*2011*	*2015*
María Isabel Gabarró Miquel (3) (11) (13)	*Director*	*2009*	*2017*
Jose Manuel Loureda Mantiñán (6) (11) (13)	*Director*	*2007*	*2015*
Juan María Nin Génova (5) (11) (12)	*Director*	*2007*	*2016*
PEMEX Internacional España, S.A. (1) (4) (13)	*Director*	*2004*	*2014*
Henri Philippe Reichstul (1) (3)	*Director*	*2005*	*2014*
Luís Suárez de Lezo Mantilla (1) (2)	*Director and Secretary*	*2005*	*2017*

(1) Member of the Delegate Committee (Comisión Delegada).

(2) Executive Director.

(3) Independent outside director as determined in accordance with the Bylaws and the Regulations of the Board of Directors.

(4) *Arturo Francisco Henriquez Autrey serves as representative of PEMEX Internacional España, S.A. (a related company of PEMEX) on the Board of Directors of Repsol Spanish law permits joint stock companies to serve as members of the Board of Directors. A company serving in such a capacity must appoint a natural person to represent it at the meetings of the Board of Directors.*

(5) *Nominated for membership by Caixabank, S.A. (previously named Criteria CaixaCorp, S.A.), member of la Caixa group.*

(6) *Nominated for membership by Sacyr Vallehermoso, S.A.*

(7) *Nominated for membership by Temasek*

(8) *Chairman of the Audit and Control Committee.*

(9) *Member of the Audit and Control Committee.*

(10) *Chairman of the Nomination and Compensation Committee.*

(11) *Member of the Nomination and Compensation Committee.*

(12) *Chairman of the Strategy, Investment and Corporate Social Responsibility Committee.*

(13) *Member of the Strategy, Investment and Corporate Social Responsibility Committee.*

(14) *By resolution of the Board of Directors, Mr. Artur Carulla has been appointed Lead Independent Director with the following functions: (i) to request the Chairman of the Board of Directors to convene that body where deemed appropriate; (ii) to request the inclusion of items in the agenda for the meetings of the Board of Directors; (iii) to coordinate and voice the opinions of the external Directors; (iv) to direct the Board's evaluation of its Chairman's performance; and (v) to call and chair meetings of the independent Directors where deemed necessary or appropriate."*

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "BUSINESS DESCRIPTION – 5. Directors, senior management and employees – Directors and officers of Repsol – Board of Directors"** in pages 52-56 of the Base Prospectus, to include the overview description of the experience and principal business activities of Mr. Rene Dahan:

"Rene Dahan. Former Director and Executive Vice President of ExxonMobil corporation. He started his career with Exxon at its Rotterdam refinery in 1964. After several operating, engineering and staff assignments he was oppointed manager of the 325 kbd Rotterdam Refinery in 1974. He transferred to the European Exxon headquarters in 1976 where he was responsible for Exxon natural gas interests in Europe. After a short assignment in the corporation New York headquarters he was appointed CEO of Esso B.V., the company's affiliate responsible for all upstream and downstream interests in the Benelux countries. In 1990 he transferred to New Jersey, USA and was appointed in 1992 President of Exxon Company International responsible for all Exxon businesses outside North America. In 1998 he joined the Management Committee and was appointed as Director of Exxon corporation in Dallas with responsibility for the worldwide downstream and chemical business. In 1999 he led the implementation of the merger between Exxon and Mobil and was subsequently named Executive Vice President of ExxonMobil corporation. He retired in 2002. In the period between 2002 and 2009 he served as a director in the Supervisory Boards of VNU N.V., TNT N.V. and Aegon N.V. and the Advisory Boards of CVC (private equity) and the Guggenheim group in New York. He currently serves as Chairman of the Supervisory Board of Royal Ahold N.V."

In addition, both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "BUSINESS DESCRIPTION – 5. Directors, senior management and employees – Directors and officers of Repsol – Delegate Committee (Comisión Delegada)"** in page 57 of the Base Prospectus, to replace the second paragraph of such Section with the following, in order to reflect the current regulations regarding the composition of the Delegate Committee:

"Whenever the issue is of sufficient importance, in the opinion of the Chairman or three members of the Delegate Committee, the resolutions adopted by the Delegate Committee shall be submitted to the full Board for ratification. The same shall be applicable in any business referred by the Board to be studied by the Delegate Committee, while reserving the ultimate decision to the Board. In all other cases, the resolutions adopted by the Delegate Committee shall be valid and binding with no need for subsequent ratification by the Board. The Delegate Committee is composed by no more than nine (9) Directors. The Chairman of the Board will be in any case member of said Committee and will head it. The Secretary of the Board shall be secretary of this Committee. The favourable vote of at least two-thirds of the members of the Board of Directors currently in office shall be required to appoint members of the Delegate Committee. The Regulations that govern the Delegate Committee are set out in Repsol's By-laws and the Regulations of the Board of Directors."

Board of Directors of the Issuer

By special resolution dated 27 May 2013, the sole shareholder of the Issuer accepted the resignation of Mr. Fernando Bonastre as Managing Director and appointed Mrs. Lourdes González-Poveda González as new

Managing Director. Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with **Section "INFORMATION ON REPSOL INTERNATIONAL FINANCE, B.V. – Administrative, management and supervisory bodies"** in pages 29 of the Base Prospectus, to replace the table of members of the Board of Directors of the Issuer with the following information:

Name	***Function***	***Principal activities outside Repsol***
Godfried Arthur Leonard Rupert Diepenhorst	*Director*	*On the management board of two holding and finance companies in The Netherlands, DCC International Holdings B.V. and MKS Holding B.V. as well as on the Board of Directors of seven subsidiaries of DCC Group.* *Honorary Consul of the Republic of Mauritius in The Netherlands.*
Francisco Javier Sanz Cedrón	*Director*	*N/A*
Lourdes González – Poveda González	*Director*	*N/A*
José María Pérez Garrido	*Director*	*N/A*

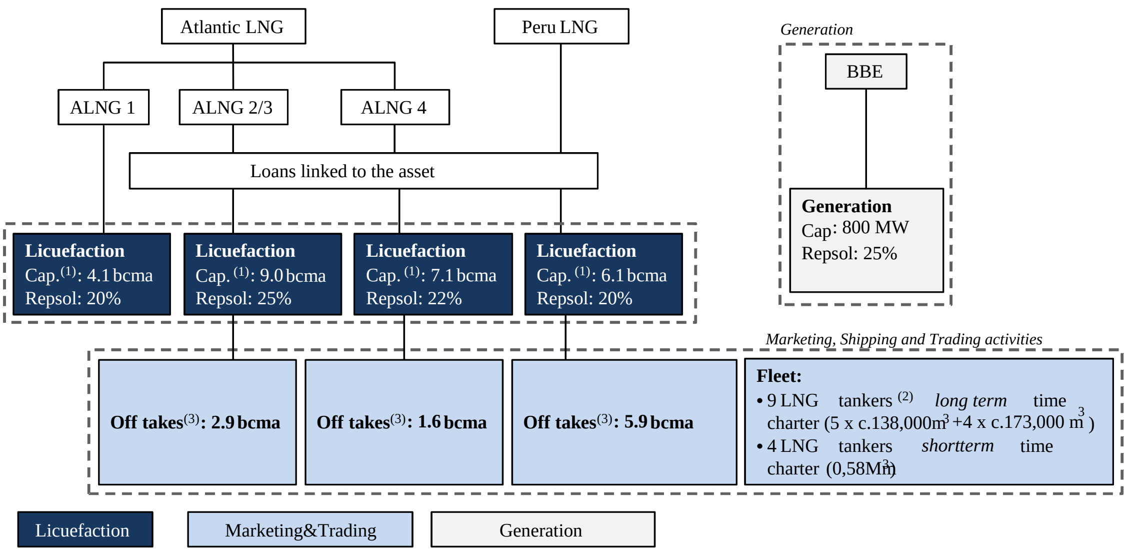
<u>Business description – Recent Development</u>

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to replace the information contained in **Section** "**BUSINESS DESCRIPTION – 8. Recent developments**" in page 65 of the Base Prospectus with the following information:

"- On 26 February 2013, Repsol has signed an agreement with Shell to sell its liquid natural gas (LNG) assets and businesses.

The LNG´s Repsol business includes (i) minority holdings in the liquefaction plants in Trinidad and Tobago (Atlantic LNG) and Peru (Peru LNG) and in the Bahía de Bizkaia Electricidad (BBE) Combined Cycle power plant in Spain; (ii) the commercialisation, transport and trading activities; (iii) the regasification, marketing and trading businesses in North America; and (iv) the integrated LNG project in Angola.

The transaction with Shell includes the businesses indicated in points (i) and (ii) of the previous paragraph, as shown below:



Note: Transport and Upstream assets not included in the transaction. 1 MMtpa = 1.37 bcm.
(1) Nameplate capacity of the Plant.

(2) 7 chartered by Repsol and 2 chartered 50% to Repsol and 50% to GNF. Repsol's percentages of the latter two are transferred.
(3) Gas supply contract.

The transaction does not include either regasification marketing and trading businesses in North America (Canaport regasification plant and the gas pipelines in the region) or the LNG project in Angola.

Together with the sale of assets, Repsol and Shell signed an agreement under which the latter will supply liquefied natural gas to Repsol's regasification plant at Canaport (Canada) over the next 10 years, at a total volume of approximately 1 million tonnes

Transfer of the assets ("closing") is conditional on obtaining the necessary authorisations, both from governments and third parties, and the fulfilment of the agreed conditions. Until closing, Repsol will retain ownership and continue managing the businesses included in the scope of the transaction, as well as maintain the dependency relationship between the cash flows for these assets and those of the rest of the LNG business.

In the period of time between the signing of the agreement and its final closing, Repsol will continue to keep the assets and liabilities for the businesses to be transferred on its balance sheet and, furthermore, will register these businesses results in its income statement.

The following tables show a detail of the consolidated assets and liabilities and a summarised consolidated income statement for the period ended 30 June 2013, reflecting the contribution the companies included in the scope of the transaction had on the consolidated financial statements in said period:

	06/30/2013	***06/30/2013***	
	Consolidated Repsol Group as formulated	***Assets of LNG's businesses(1)***	
	(in million €)	***(in million €)***	***Contribution (%)***
CONSOLIDATED ASSETS AND LIABILITIES (In accordance with IFRS)			
ASSETS			
Non-current assets	*45,418*	*2,211*	*4.87*
Current assets	*21,859*	*801*	*3.67*
Total Assets	***67,277***	***3,012***	***4.47***
LIABILITIES			
Non-current liabilities	*23,364*	*1,328*	*5.68*
Current liabilities	*14,649*	*681*	*4.65*
Total Liabilities	***38,013***	***2,009***	***5.29***

(1) LNG businesses included in the scope of the selling transaction to Shell.

	06/30/2013	***06/30/2013***	
	Consolidated Repsol Group as originally stated	***LNG business results*** [(2)]	
	(in million €)	***(in million €)***	***Contribution (%)***
CONSOLIDATED INCOME STATEMENT ***(According to IFRS)***			
EBITDA[(1)]	*3,376*	*368*	*10.90*
Operating revenue	*29,244*	*1,459*	*5.30*
Operating expenses	*(27,253)*	*(1,135)*	*4.16*
Operating income	***1.991***	***324***	***16.27***
Financial result	*(385)*	*(19)*	*4.94*
Net income before tax	*1,680*	*351*	*20.90*
Total net income attributable to the parent	***901***	***260***	***28.86***

(1) EBITDA represents operating profit adjusted for items that do not result in cash inflows or outflows from operations (depreciation and amortisation, allowances and provisions released, gains / (losses) on asset sales and other items). EBITDA can also be calculated via the Cash Flow Statement as the sum of "Profit before tax" and "Adjustments to results".

(2) LNG businesses included in the scope of the selling transaction to Shell.

The sale agreement valued the assets at 6,653 million US Dollars. It is estimated that the income before tax, which will be generated when all the suspensory conditions of the sale agreement have been met and, therefore, when the assets are transferred, it will total 3,500 million US Dollars, including the results of the business obtained by Repsol until the effective sale date.

As a consequence of the transfer of the LNG businesses to Shell, a break will occur in the integrated management of the assets and businesses in North America, with part of the assets included in the scope of the transaction. In this regard, Repsol will need to adjust the valuation of the assets and businesses in North America to the new cash flows associated with them by means of the recording of a provision, the amount of which would total approximately 1,800 million US Dollars before tax, according to Repsol's best estimate at June 30, 2013.

- *On 13 May 2013 Repsol International Finance, B.V. closed a 1,200 million euro 7-year bond at 99.414 per cent, with a coupon of 2.625 per cent equivalent to mid swap + 155 b.p., listed on the regulated market of the Luxembourg Stock Exchange.*

- *On 26 June 2013, The Board of Directors of Repsol in a meeting held the same day unanimously rejected the compensation offer it had received for the expropriation of YPF and which had been analysed. Following an exhaustive technical and economic internal analysis, supported by external specialist reports, the Board of Directors considered unsatisfactory for the interests of the company the offer formulated at a nominal value of $5 billion, as it does not satisfy the losses suffered by Repsol, is constructed on overvalued assets far from market values seen in recent transactions in Argentina and the United States and has a structure which is far from the declared interests of Repsol for an agreement (lacks a realizable or disposable monetary compensation, does not have the minimum necessary legal nor economic guarantees and requires significant and compulsory investment). The analysed offer involved giving Repsol a stake in a joint venture made up of assets representing only 6.4% of the total held by YPF in Vaca Muerta. In the joint venture controlled by YPF (51%), Repsol would have a 47% stake and Pemex 2%. The Argentinean Government valued its offer at $5 billion distributed in stakes of assets in Vaca Muerta worth $3.5 billion and $1.5 billion in capital to be necessarily invested in the development of the venture.*

- *On 28 June 2013 and following previous official notices, Repsol informed about the result of the voluntary repurchase offer in cash of the Preference Shares Series B and C issued by Repsol International Capital, Limited (RIC), and simultaneous tender offer for the subscription of Bonds Series I/2013 of Repsol, S.A., subject of the securities note registered with the official registry of the Comisión Nacional del Mercado de Valores on June 4, 2013. During the acceptance period, RIC received acceptances for: (i) 970,178 Preference Shares Series B, representing a 97.02% of the initial nominal value of the issue (therefore, the outstanding amount of this issue will be 29,822 Preference Shares Series B – 2.98% of the initial nominal value); (ii) 1,946,204 Preference Shares Series C, representing a 97.31% of the initial nominal value of the issue (therefore, the outstanding amount of this issue will be 53,796 Preference Shares Series C– 2.69% of the initial nominal value).*

The repurchase price of the Preference Shares was 97.5% of its nominal value (975 euros per each Preference Share). Therefore, given the abovementioned acceptance results (97.21% as a whole for the two Series), RIC paid to those accepting the offer a total amount of 2,843,472,450 euros in cash, out of which 1,458,191,000 euros was applied, necessarily, simultaneously, unconditionally and irrevocably to the subscription of Repsol Bonds. The total amount of the Bonds issue was fixed on 1,458,191,000 euros (a total of 2,916,382 Bonds, with a nominal value of 500 euros each). On 1 July 2013, the repurchase by RIC of the Preference Shares and the subscription of Repsol Bonds by those accepting the Repurchase Offer were materialized. The Bonds were admitted for trading at the Fixed Income AIAF Market through the SEND platform on 2 July 2013, and were effectively traded through such platform during the same day.

- On 5 July 2013, following the official notices sent to the Spanish Securities Market Commission, Repsol reported the end, on July 4, 2013, of the trading period of the free-of-charge allocation rights corresponding to the paid up capital increase implementing the "Repsol Flexible Dividend" shareholders' remuneration program. Holders of 59.33% of free-of-charge allocation rights (a total of 760,892,202 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase is 20,023,479, where the nominal amount of the increase is 20,023,479 euro, representing an increase of approximately 1.56% of the share capital of Repsol before the capital increase. On 12 July the new shares started trading on the Spanish stock exchange. Moreover, holders of 40.67% of free-of-charge allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 521,556,172 rights for a total amount of 232,092,496.54 euro. Repsol waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of the mentioned commitment. The cash payment to those shareholders who chose this option was made on 9 July.

- On July 12, 2013, the Council of Ministers approved a package of measures relating to the energy sector reform established in Royal Decree Law 9/2013, by virtue of which urgent measures to guarantee the financial stability of the electricity system are adopted. In addition, a preliminary draft of the Electricity Sector Law and various Royal Decree proposals were likewise approved. Said Royal Decree Law 9/2013 modifies the compensation regime for installations operating under the special regime, which directly affects the compensation for cogeneration facilities. Specifically, it establishes a new regime based on compensation per sale of energy generated and valued at market prices, further establishing additional compensation to that of the market, should it be necessary, to recover the investment and operating expenses until achieving acceptable profitability, calculated before tax and referenced to the average profitability in the secondary market for 10-year government bonds applying a suitable spread (300 basis points for installations that are already operating). This new economic regime will be reviewed every six years. The impact that said measures could have on the Repsol Group, in addition to those described for cogeneration facilities, is a consequence of the Group's interest in the Gas Natural Fenosa group which has been estimated at €27 million before taxes for the second half of 2013 and €54 million before taxes for 2014 (amounts stated at the Group´s proportionate interest in Gas Natural Fenosa)."

<u>2013 Half year reports and regulatory announcements</u>

On 25 July 2012, the Guarantor filed its unaudited condensed consolidated interim financial statements, prepared in accordance with the International Financial Reporting Standards, as adopted by the European Union (**IFRS-EU**), as of and for the six-month period ended 30 June 2013 (the **Interim Financial Statements**) ,its interim management report for the six-month period ended 30 June 2013 (the **Interim Management Report**) and the Limited Review Report with the CNMV. On the same date, the Guarantor also filed an unaudited preview of its income statement for the six-month period ended 30 June 2013, prepared in accordance with the IFRS-EU (the **Income Statement Preview**) with the CNMV. An English-language translation of the Interim Financial Statements, the Interim Management Report and the Income Statement Preview have been filed with the Luxembourg Financial Sector Surveillance Commission (*Commission de Surveillance du Secteur Financier* or ***CSSF***) and, by virtue of this Supplement, are incorporated by reference in, and form part of, the Base Prospectus. This Supplement also incorporates by reference certain regulatory announcement released by the Guarantor since the date of the Base Prospectus.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by virtue of this Supplement, and (b) any other statement, pre-dating this Supplement, in, or incorporated by reference into, the Base Prospectus, the statements in (a) above shall prevail.

<u>Documents incorporated by reference</u>

Both the Issuer and the Guarantor consider advisable to incorporate by reference into the Base Prospectus via this Supplement (i) the Limited Review Report of the Interim Financial Statements and the Interim Management Report; (ii) the Guarantor's Interim Financial Statements, (iii) the Guarantor's Interim Management Report; (iv) the Preview of Income Statement 2Q2013, and (ii) certain regulatory announcements of the Guarantor; and therefore, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to amend the **Section "DOCUMENTS INCORPORATED BY REFERENCE"** (pages 3-7 of the Base Prospectus) by the inclusion of the following documents to the list "**Information incorporated by reference**" (page 3 of the Base Prospectus). The information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of the Prospectus Regulation.

Information Incorporated by Reference	Page References
(Q) Limited Review Report of the Interim Financial Statements and the Interim Management Report	*1-2*
(R) Repsol, S.A. and investees composing the Repsol Group Interim Condensed Consolidated Financial Statements for the Six-Month Period ended 30 June 2013	*1-47*
- Consolidated balance sheets at June 30, 2013 and 31 December 2012	2-3
- Consolidated income statements corresponding to the interim periods ended June 30, 2013 and 2012	4
- Consolidated statements of recognised income and expenses corresponding to the interim periods ended June 30, 2013 and 2012	5
- Consolidated statements of changes in equity corresponding to the interim periods ended June 30, 2013 and 2012	6
- Consolidated statement of cash flow corresponding to the interim periods ended June 30, 2013 and 2012	7
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As long as any of the Notes are outstanding, this Supplement and each document incorporated by reference into the Base Prospectus via this Supplement will be available for inspection, free of charge, at the offices of the Issuer at Koningskade 30, 2596 AA The Hague, The Netherlands during normal business hours and on the website of the Luxembourg Stock Exchange at www.bourse.lu. In addition, copies of the documents incorporated by reference referred to above can be obtained from the website of the Issuer at http://www.repsol.com/es_en/corporacion/accionistas-inversores/informacion-financiera/financiacion/repsol-international-finance/programa-emision-continua.aspx

The paragraph 2 in the "General Information" section on page 124 of the Base Prospectus shall be deleted and replaced with the following text to take into account of the publication and incorporation by reference into the Base Prospectus of the Guarantor's 2013 Half year reports:

"To the best of the knowledge of the Issuer, there has been no material adverse change in its prospects since 31 December 2012 (being the date of the last published audited financial statements) nor has there been any significant change in the financial or trading position of the Issuer and its consolidated subsidiaries since 31 December 2012.

To the best of the knowledge of the Guarantor, there has been no material adverse change in its prospects since 31 December 2012 (being the date of the last published audited financial statements) nor has there been any significant change in the financial or trading position of the Group since 30 June 2013."

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus has been noted or, to the best of the knowledge of the Issuer and the Guarantor, has arisen, as the case may be, since the publication of the Base Prospectus.

Repsol, S.A. and Subsidiaries

Report on Limited Review

Interim condensed consolidated financial statements and interim management´s report for the six-month period ended June 30, 2013

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

Deloitte.

Deloitte, S.L.
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Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish-language version prevails.

REPORT ON LIMITED REVIEW OF INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Repsol, S.A.:

1. We have performed a limited review of the accompanying interim condensed consolidated financial statements ("the interim financial statements") of Repsol, S.A. ("the Parent") and Subsidiaries ("the Group"), which comprise the condensed consolidated balance sheet at June 30, 2013 and the related condensed consolidated income statement, condensed consolidated statement of recognised income and expenses, condensed consolidated statement of changes in equity, condensed consolidated statement of cash flows and explanatory notes thereto for the six-month period then ended. The Parent's directors are responsible for the preparation of these interim financial statements in accordance with International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, for the preparation of interim condensed financial information, in conformity with Article 12 of Royal Decree 1362/2007. Our responsibility is to express a conclusion on these interim financial statements based on our limited review.

2. Our review was performed in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A limited review of interim financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying certain analytical and other review procedures. A limited review is substantially less in scope than an audit and, consequently, it does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the accompanying interim financial statements.

3. As a result of our limited review, which under no circumstances may be considered to be an audit of financial statements, nothing came to our attention that might cause us to believe that the accompanying interim financial statements for the six-month period ended June 30, 2013 have not been prepared, in all material respects, in accordance with the requirements of International Accounting Standard (IAS) 34, Interim Financial Reporting, as adopted by the European Union, pursuant to Article 12 of Royal Decree 1362/2007, for the preparation of interim condensed financial statements.

4. Without affecting our conclusion, we draw attention to Notes 2 and 3-b) to the accompanying interim financial statements, which indicate that the carrying amount at which the Group has recognised its 51% ownership interest in YPF S.A. was calculated on the basis of the best estimates of the Parent's directors, taking into account the uncertainties concerning the outcome of the various lawsuits in progress or that might be initiated in the future.

5. Also, we draw attention to Note 2 to the accompanying interim condensed consolidated financial statements, which indicates that the aforementioned interim financial statements do not include all the information that would be required for a complete set of consolidated financial statements prepared in accordance with International Financial Reporting Standards as adopted by the European Union and, therefore, the accompanying interim financial statements should be read in conjunction with the consolidated financial statements of the Repsol Group for the year ended December 31, 2012.

Deloitte, S.L. Inscrita en el Registro Mercantil de Madrid, tomo 13.650, sección 8ª, folio 188, hoja M-54414, inscripción 96ª. C.I.F.: B-79104469.
Domicilio social: Plaza Pablo Ruiz Picasso, 1, Torre Picasso, 28020, Madrid.

6. The accompanying interim consolidated management´s report for the six-month period ended June 30, 2013 contains the explanations which the Parent's directors consider appropriate about the significant events that took place in that period and their effect on the interim financial statements presented, of which it does not form part, and about the information required under Article 15 of Royal Decree 1362/2007. We have checked that the accounting information in the aforementioned interim consolidated management´s report is consistent with that contained in the interim financial statements for the six-month period ended June 30, 2013. Our work was confined to checking the interim consolidated management´s report with the aforementioned scope, and did not include a review of any information other than that drawn from the accounting records of the consolidated companies.

7. This report was prepared at the request of the Parent's directors in relation to the publication of the half-yearly financial report required by Article 35 of Securities Market Law 24/1988, of July 28, implemented by Royal Decree 1362/2007, of October 19.

DELOITTE, S.L.

Javier Ares San Miguel

July 24, 2013

REPSOL, S.A. and investees comprising the REPSOL GROUP

INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS
FOR THE SIX-MONTH
PERIOD ENDED JUNE 30, 2013

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP
Consolidated balance sheet at June 30, 2013 and December 31, 2012

		Millions of euros	
ASSETS	Note	**06/30/2013**	**12/31/2012**
Intangible Assets:		5,420	5,514
a) Goodwill		2,673	2,678
b) Other intangible assets		2,747	2,836
Property, plant and equipment	3	28,614	28,227
Investment property		24	25
Investment accounted for using the equity method		813	737
Non-current assets held for sale subject to expropriation	3	5,436	5,392
Non-current financial assets	5	1,330	1,313
Deferred tax assets		3,546	3,310
Other non-current assets		235	242
NON-CURRENT ASSETS		**45,418**	**44,760**
Non current assets held for sale	3	173	340
Inventories		5,268	5,501
Trade and other receivables		8,080	7,781
a) Trade receivables		6,128	6,081
b) Other receivables		1,664	1,284
c) Income tax assets		288	416
Other current assets		257	221
Other current financial assets	5	388	415
Cash and cash equivalents	5	7,693	5,903
CURRENT ASSETS		**21,859**	**20,161**
TOTAL ASSETS		**67,277**	**64,921**

Notes 1 to 14 are an integral part of the consolidated balance sheet at June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP
Consolidated balance sheet at June 30, 2013 and December 31, 2012

		Millions of euros	
LIABILITIES AND EQUITY	Note	**06/30/2013**	**12/31/2012**
Issued share capital	3	1,302	1,282
Share premium		6,428	6,428
Reserves		259	247
Treasury shares and own equity instruments	3	(22)	(1,245)
Retained earnings and other reserves	3	19,814	18,465
Profit attributable to the equity holders of the parent		901	2,060
Dividens and remunerations		-	(184)
EQUITY		**28,682**	**27,053**
Financial assets available for sale		30	42
Other financial instruments		59	15
Hedge transactions		(80)	(210)
Translation differences		(163)	(198)
ADJUSTMENTS FOR CHANGES IN VALUE		**(154)**	**(351)**
EQUITY ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**28,528**	**26,702**
MINORITY INTERESTS		**736**	**770**
TOTAL EQUITY		**29,264**	**27,472**
Grants		60	61
Non-current provisions		2,369	2,258
Non-current financial liabilities:	5	14,309	15,300
a) Bank borrowings, bonds and other securities		14,191	15,073
b) Other financial liabilities		118	227
Deferred tax liabilities		3,137	3,063
Other non-current liabilities		3,489	3,457
NON-CURRENT LIABILITIES		**23,364**	**24,139**
Liabilities related to non-current assets held for sale	3	37	27
Current provisions		242	291
Current financial liabilities:	5	5,070	3,790
a) Bank borrowings, bonds and other securities		4,930	3,721
b) Other financial liabilities		140	69
Trade payables and other payables:		9,300	9,202
a) Trade payables		4,274	4,376
b) Other payables		4,600	4,507
c) Current income tax liabilities		426	319
CURRENT LIABILITIES		**14,649**	**13,310**
TOTAL EQUITY AND LIABILITIES		**67,277**	**64,921**

Notes 1 to 14 are an integral part of the consolidated balance sheet at June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP
Consolidated income statement corresponding to the interim periods ended June 30, 2013 and 2012

		Millions of euros	
	Note	**06/30/2013**	**06/30/2012**
Sales	4	28,362	27,836
Services rendered and other income	4	782	869
Changes in inventories of finished goods and work in progress inventories		(343)	(42)
Income from reversal of impariment losses and gains on disposal of non-current assets		10	14
Allocation of grants on non-financial assets and other grants		7	2
Other operating income		426	399
OPERATING REVENUE	4	**29,244**	**29,078**
Supplies		(21,904)	(21,878)
Personnel expenses		(1,018)	(971)
Other operating expenses		(3,029)	(2,943)
Depreciation and amortization of non-current assets		(1,236)	(1,287)
Impairment losses recognised and losses on disposal of non-current assets		(66)	(33)
OPERATING EXPENSES		**(27,253)**	**(27,112)**
OPERATING INCOME	4	**1,991**	**1,966**
Finance income		145	68
Finance expenses		(509)	(510)
Changes in the fair value of financial instruments		48	139
Net exchange gains/ (losses)		(69)	(130)
FINANCIAL RESULT		**(385)**	**(433)**
Share of results of companies accounted for using the equity method-net of tax		74	66
NET INCOME BEFORE TAX		**1,680**	**1,599**
Income tax		(717)	(674)
Net income for the period from continuing operations		**963**	**925**
Net income for the period from continuing operations attributable to minority interests		(18)	(22)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT		**945**	**903**
Net income for the period from discontinued operations after taxes		**(44)**	**242**
Net income for the period from discontinued operations attributable to minority interests		-	(109)
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS ATRIBUTTABLE TO THE PARENT		**(44)**	**133**
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT		**901**	**1,036**
EARNINGS PER SHARE ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT		**Euros / share**	**Euros / share** (1)
Basic	3	0.70	0.84
Diluted	3	0.70	0.84

(1) Includes the necessary modifications with respect to the interim condensed consolidated financial statements for the first six months of 2012 in conection with the capital increase carried out as part of the shareholder compensation scheme known as the "Flexible Repsol dividend" described in section d) Equity of Note 3.

Notes 1 to 14 are an integral part of the Consolidated Income Statement for the six-month period ended June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP
Consolidated statement of recognised income and expenses corresponding to the interim periods ended June 30, 2013 and 2012

	Millions of euros	
	06/30/2013	**06/30/2012**
CONSOLIDATED NET INCOME FOR THE INTERIM PERIOD (1) (from the Consolidated Income Statement)	**919**	**1,167**
INCOME AND EXPENSES RECOGNISED DIRECTLY IN EQUITY:		
From actuarial gains and losses and other adjustments	-	-
Tax effect	-	-
Total items not reclassifiable to the income statement	-	-
From measurement of financial assets available for sale	(1)	(45)
From other financial instruments	44	280
From cash flow hedges	48	(39)
Translation differences	13	198
Entities accounted for using the equity method	4	1
Tax effect	(10)	13
Total items reclassifiable to the income statement	**98**	**408**
TOTAL	**98**	**408**
AMOUNTS TRANSFERRED TO THE CONSOLIDATED INCOME STATEMENT:		
From measurement of financial assets available for sale	-	(2)
From cash flow hedges	88	15
Transaltion differences	1	605
Tax effect	-	-
TOTAL	**89**	**618**
TOTAL RECOGNISED INCOME/ (EXPENSES)	**1,106**	**2,193**
a) Attributable to the parent company	1,096	2,140
b) Attributable to minority interests	10	53

(1) Corresponds to the addition of the following consolidated income statement headings: "*Net income for the period from continuing operations*" and "*Net income for the period from discontinued operations after taxes*".

The accompanying explanatory notes 1 to 14 are an integral part of the Consolidated Statement of Recognized Income and Expenses corresponding to the six-month period ended June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPOSING THE REPSOL GROUP

Consolidated statement of changes in equity corresponding to the interim periods ended June 30, 2013 and 2012

Millions of euros

	Equity attributable to equity holders of the parent							
	Capital and reserves							
	Issued share capital	Share premium and reserves	Treasury shares and own equity instruments	Net income for the year attributable to equity holders of the parent	Adjustments for changes in value	Total equity attributable to equity holders of the parent	Minority interests	Total equity
Closing balance at 12/31/2011	**1,221**	**23,226**	**(2,572)**	**2,193**	**(530)**	**23,538**	**3,505**	**27,043**
Adjustments	-	-	-	-	-	-	-	-
Initial adjusted balance	**1,221**	**23,226**	**(2,572)**	**2,193**	**(530)**	**23,538**	**3,505**	**27,043**
Total recognized income/ (expense)	-	-	-	1,036	1,104	2,140	53	2,193
Transactions with shareholders or owners								
Increase/ (decrease) of share capital	35	(35)	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	-	-
Transactions with treasury shares or own equity instruments (net)	-	65	1,234	-	-	1,299	-	1,299
Changes in the scope of consolidation	-	-	-	-	-	-	-	-
Other transactions with partners and owners	-	(242)				(242)	(50)	(292)
Other changes in equity								
Transfers between equity accounts	-	2,193	-	(2,193)	-	-	-	-
Other changes	-	(3)	-	-	-	(3)	(2,746)	(2,749)
Closing balance at 06/30/2012	**1,256**	**25,204**	**(1,338)**	**1,036**	**574**	**26,732**	**762**	**27,494**
Total recognized income/ (expense)	-	(17)	-	1,024	(925)	82	32	114
Transactions with shareholders or owners						-		
Increase/ (decrease) of share capital	26	(26)	-	-	-	-	-	-
Dividend payments	-	-	-	-	-	-	(70)	(70)
Transactions with treasury shares or own equity instruments (net)	-	(20)	93	-	-	73	-	73
Changes in the scope of consolidation	-	-	-	-	-	-	(8)	(8)
Other transactions with partners and owners	-	(184)	-	-	-	(184)	50	(134)
Other changes in equity						-		
Share based payments	-	-	-	-	-	-	-	-
Transfers between equity accounts	-	-	-	-	-	-	-	-
Other changes	-	(1)	-	-	-	(1)	4	3
Closing balance at 12/31/2012	**1,282**	**24,956**	**(1,245)**	**2,060**	**(351)**	**26,702**	**770**	**27,472**
Adjustments	-	-	-	-	-	-	-	-
Initial adjusted balance	**1,282**	**24,956**	**(1,245)**	**2,060**	**(351)**	**26,702**	**770**	**27,472**
Total recognized income/ (expense)	-	-	-	901	195	1,096	10	1,106
Transactions with shareholders or owners						-		-
Increase/ (decrease) of share capital	20	(20)	-	-	-	-	-	-
Dividend payments	-	(51)	-	-	-	(51)	(46)	(97)
Transactions with treasury shares or own equity instruments (net)	-	(206)	1,223	-	-	1,017	-	1,017
Changes in the scope of consolidation	-	-	-	-	-	-	-	-
Other transactions with partners and owners	-	(232)	-	-	-	(232)	-	(232)
Other changes in equity								
Share based payments	-	-	-	-	-	-	-	-
Transfers between equity accounts	-	2,060	-	(2,060)	-	-	-	-
Other changes	-	(6)	-	-	2	(4)	2	(2)
Closing balance at 06/30/2013	**1,302**	**26,501**	**(22)**	**901**	**(154)**	**28,528**	**736**	**29,264**

Notes 1 to 14 are an integral part of the consolidated statement of changes in equity corresponding to the six-month period ended June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP
Consolidated statement of cash flows corresponding to the interim periods ended June 30, 2013 and 2012

	Millions of euros	
	06/30/2013	**06/30/2012**
Net income before tax	**1,680**	**1,599**
Adjustments to net income:	**1,696**	**1,732**
Depreciation and amortization of non-current assets	1,236	1,287
Other adjustments to results (net)	460	445
Changes in working capital	**(158)**	**(139)**
Other cash flows from operating activities:	**(628)**	**(747)**
Dividends received	51	37
Income tax received / (paid)	(616)	(637)
Other proceeds from / (payments for) operating activities	(63)	(147)
Cash flows from operating activities (1)	**2,590**	**2,445**
Payments for investing activities:	**(1,911)**	**(1,863)**
Group companies, associates and business units	(157)	(57)
Property, plant and equipment, intangible assets and investment properties	(1,553)	(1,674)
Other financial assets	(201)	(132)
Proceeds from desinvestments:	**377**	**395**
Group companies, associates and business units	137	43
Property, plant and equipment, intangible assets and investment properties	23	19
Other financial assets	217	333
Other cash flows	**-**	**2**
Cash flows used in investing activities (1)	**(1,534)**	**(1,466)**
Proceeds from/ (payments for) equity instruments:	**1,025**	**1,313**
Acquisition	(37)	(56)
Disposal	1,062	1,369
Disposals of ownership interests in subsidiaries without loss of control	**-**	**-**
Proceeds from / (payments for) financial liabilities:	**617**	**108**
Issues	3,950	5,443
Return and depreciation	(3,333)	(5,335)
Payments for dividends and payments on other equity instruments	**(281)**	**(685)**
Other cash flows from financing activities:	**(592)**	**(110)**
Interest payments	(512)	(413)
Other proceeds from/ (payments for) financing activities	(80)	303
Cash flows used in financing activities (1)	**769**	**626**
Effect of changes in exchange rates	(21)	15
Net increase / (decrease) in cash and cash equivalents	**1,804**	**1,620**
Cash Flows from operating activities from discontinued operations	(11)	874
Cash Flows from investment activities from discontinued operations	-	(872)
Cash Flows from financing activities from discontinued operations	(3)	(339)
Effect of changes in exchange rates from discontinued operations	-	(7)
Net increase / (decrease) in cash and discontinued operations	**(14)**	**(344)**
Cash and cash equivalents at the beginning of the year	5,903	2,677
Cash and cash equivalents at the end of the year	7,693	3,953

COMPONENTS OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**06/30/2013**	**06/30/2012**
(+) Cash and banks	6,041	1,271
(+) Other financial assets	1,652	2,682
TOTAL CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	**7,693**	**3,953**

(1) Includes the cash flows from continuing operations.

Notes 1 to 14 are an integral part of the consolidated statement of cash flows for the interim period ended June 30, 2013.

REPSOL, S.A. AND INVESTEES COMPOSING THE REPSOL GROUP

Explanatory notes to the interim condensed consolidated financial statements for the six-month period ended June 30, 2013.

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(1) GENERAL INFORMATION

Repsol, S.A. and the investees comprising the Repsol Group (hereinafter "Repsol" the "Repsol Group" or the "Group") constitute an integrated group of oil and gas companies which commenced operations in 1987.

The Repsol Group is engaged in all the activities relating to the oil and gas industry, including exploration, development and production of crude oil and natural gas, transportation of oil products, liquified petroleum gas (LPG) and natural gas, refining, the production of a wide range of oil products and the retailing of oil products, oil derivatives, petrochemicals, LPG and natural gas, as well as the generation, transportation, distribution and supply of electricity. The Group operates in more than 40 countries and its Head Office is in Spain. From 1999 until the first quarter of 2012 the Group also operated in Argentina through YPF and YPF Gas. A significant part of the Group's investment in these companies is subject to an expropriation process by the Argentinean Government (see Note 3, section b) *Assets and liabilities related to the expropriation of the Repsol Group Shares in YPF S.A. and YPF Gas S.A.)*.

Repsol S.A. is a private-law entity incorporated in accordance with Spanish legislation, which is subject to the Companies Act (Ley de Sociedades de Capital) approved by Legislative Royal Decree 1/2010 of July 2, and all other legislation related to listed companies.

The corporate name of the parent of the Group of companies that prepares and files these financial statements is Repsol, S.A., which is registered at the Madrid Commercial Registry in sheet no. M-65289. Its Tax Identification Number (C.I.F) is A-78/374725 and its National Classification of Economic Activities Number (C.N.A.E) is 742.

Its registered office is in Madrid, calle Méndez Álvaro, 44, where the Shareholder Service Office is also located, the telephone number of which is 900.100.100.

Repsol, S.A.'s shares are represented by book entries and are all admitted to trading on the Spanish Stock Exchanges (Madrid, Barcelona, Bilbao, and Valencia) and the Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires).

At June 30, 2013, the share capital of Repsol amounted to €1,282,448,428 fully subscribed and paid in, consisting of 1,282,448,428 shares with a nominal value of 1 euro each. The free-of-charge capital increase approved by the Annual Shareholders' Meeting held on May 31, 2013 under item 6 of the Agenda was closed last July 5 as part of the compensation scheme to shareholders know as the "Repsol Flexible Dividend," described in Note 3 section d) *Equity - 1. Share capital and Reserves*. In accordance with applicable accounting regulations, this capital increase was recognized in the financial statements at June 30, 2013.

These interim condensed consolidated financial statements for the six-month period ended June 30, 2013 were prepared by the Board of Directors of Repsol, S.A. at their meeting on July 24, 2013.

(2) BASIS OF PRESENTATION

The accompanying interim condensed consolidated financial statements are presented in millions of euros (except for any other information in which another currency or parameter is specified), and were prepared based on the accounting records of Repsol, S.A. and its investees. They are presented i) in accordance with International Financial Reporting Standards (IFRSs) as endorsed by the European Union at June 30, 2013, and particularly, pursuant to the requirements established in IAS 34 *Interim Financial Reporting* which establishes the accounting principles in relation with interim financial statements, and ii) in conformity with Art. 12 of RD 1362/2007 and iii) the disclosures of information required in Circular 1/2008, of January 30, issued by Spanish securities market regulator (the CNMV for its acronym in Spanish).

In this regard, the interim condensed consolidated financial statements present fairly the Group’s consolidated equity and the financial position at June 30, 2013, as well as the results of operations, the changes in consolidated equity and consolidated cash flows that have occurred during the six-month period ended on that date.

Pursuant to the provisions of IAS 34, interim financial information is prepared only with the intention of updating the content of the last annual consolidated financial statements prepared by the Group, emphasizing new activities, events and circumstances that occur during the half-year and not duplicating the information previously published in the consolidated financial statements for the financial year 2012. Therefore, for an adequate understanding of the information that is included in these interim condensed financial statements, they must be read in conjunction with the consolidated financial statements of the Repsol Group for the financial year 2012, which were approved by the General Shareholders’ Meeting of Repsol, S.A., held on May 31, 2013.

Regulatory framework

The information herein updates relevant changes regarding the regulatory framework applicable to the Group, since the preparation consolidated financial statements for the financial year 2012, in which this information was included under Note 2 "*Regulatory framework*" and Note 38 “*Subsequent events*”.

<u>*Spain*</u>

On June 5, 2013 the Official State Gazette (BOE - Boletin Oficial del Estado in Spanish) published Law 3/2013 of June 4, on creation of the National Markets and Competition Commission (CNMC - Comisión Nacional de los Mercados y la Competencia in Spanish) as a "macro body" assuming the specific duties and tasks relating to supervision and control of regulated markets previously supervised by various National Commissions, amongst them the National Energy Commission and the National Competition Commission.

The CNMC is constituted as a public body under the Ministry of Economy and Competition, organically and functionally autonomous as well as fully independent, and is tasked with guaranteeing, maintaining, and promoting the correct functioning of the market, as well as transparency and the existence of effective competition in all markets and productive sectors to the benefit of consumers and users.

It is composed of four ruling bodies (amongst them those responsible for Competition and Energy), a collegiate conciliatory body, the CNMC Board (which will function in chamber and full court), and a management and representative body, the President of the CNMC.

One of the fundamental questions dealt with by this law is the devolution of competencies, functions, and duties that were previously handled by regulatory bodies to different ministries. Especially noteworthy amongst the changes is the attribution of competencies to the Ministry for Industry, Energy, and Tourism (Minetur) with respect to liquid hydrocarbons that prevailing legislation had attributed to the National Energy Commission (–"Comisión Nacional de Energía"or "CNE" for its acronym in Spanish).

In addition, Law 3/2012 substantially modifies the control regime with respect to corporate transactions in the energy sector, which is now under the purview of Minetur. Previously, the control regime was handled under public function number 14 of the CNE (Function 14).

Law 3/2013 establishes an *ex post* control regime via two mechanisms for the performance of certain transactions: (i) The obligation for the acquirer to communicate said transactions to Minetur (this notification must be verified after it has been presented) (ii) The authority of Minetur to impose conditions upon the activities of acquired companies, as well as specific obligations for the acquirer to guarantee compliance with the aforementioned conditions, should the energy supply in Spain be threatened.

A novelty of this new control regime is the assimilation of the liquid hydrocarbons sector to the sectors that previously already fell under a control regime (electricity and gas). The new control thus includes in its scope companies that pursue activities related to refining, pipeline transportation, and storage of petroleum products (related activities), or companies that hold title to said assets - assets that also acquire the condition of strategic assets.

Relevant transactions in which the acquirer is a regulated or similar company in the aforementioned energy sectors and those transactions that involve regulated or similar energy companies or regulated or similar assets, shall all be subject to control, provided that said transactions result in "significant influence" with respect to management of the company.

Minetur can impose conditions with respect to the pursuit of regulated or related activities in connection with the aforementioned transactions. Further, Minetur can also impose specific obligations on the acquirer to guarantee compliance with the aforementioned obligations provided that a real and sufficiently grave threat is detected with respect to the supply of energy.

A resolution in this sense must be adopted for good reason and must be communicated within a maximum period of 30 days from the initial notification of the transaction, and subsequent to a non-binding report issued by the CNMC.

In addition, the CNMC shall be responsible for publishing the list of main operators and dominant operators for each market or sector, a task that Royal Decree Law 5/2005 had previously assigned to the CNE.

Liquid hydrocarbons, oil, and petroleum derivatives

On February 23, 2013, was published Legislative-Royal Decree 4/2013 on measures to support entrepreneurs and stimulate growth and job creation which gathers a series of measures affecting the oil and gas retail and wholesale markets in an attempt to increase effective competition in the sector. The following measures stand out: (i) stepping-up of the logistics and storage facility oversight regime; (ii) establishment of measures designed to foster and simplify the installation of new petrol stations in commercial and industrial centres and areas; (iii) a ban on restrictive clauses that establish, recommend or affect, directly or indirectly, retail fuel prices; (iv) a reduction in the terms of the contracts referred to in the legislation as exclusive supply agreements to one year, extendable to three years at the behest of the distributor; (v) establishment of a term of one year for adapting the affected contracts to reflect the foregoing modifications; (vi) imposition of a transitory limit on growth in the number of oil product retail outlets with respect to the main operators in each province (those with a market share in a given province of over 30% in terms of the number of outlets); and (vii) the downward revision of the biofuel mix targets.

The definitive text put forward for parliamentary consideration was approved by parliament last July 17, and its publication by the B.O.E (Official State Gazette) is imminent. The parliamentary consideration of the text only resulted in the introduction of two new and relevant amendments, which affect the scope of the new article 43 bis of the Hydrocarbons Law (HL) and the fourth additional provision. Thus, the new scope of article 43 bis of the HL excludes those exclusive supply agreements in which the wholesale operator also owns both the land and the service station. In addition, supply agreements in which the operator is party to a leasing agreement for the premises or land, or holds a real and limited right thereto, are also exempt from the obligation to adapt, provided that the duration of the exclusive supply agreements does not exceed the duration of the other aforementioned agreements.

On March 21, 2013 was published the Order IET/463/2013 updating the system for automatic determination of maximum sale prices, before tax, for bottled liquefied petroleum gases. This new Order thus ensures compliance with the stipulations of Royal Decree Law 29/2012, of December 28, temporarily froze the price established by the September 24, 2012 resolution for the final quarter of 2012 until March 1, 2013, to subsequently carry out a new price revision of bottled liquid petroleum gas enacting Ministerial Order ITC/1858/2008 of June 26.

Therefore, it is this Order IET/463/2013, of March 21, which is used to update the system for automatic determination of maximum sale prices before tax for bottled liquefied petroleum gases, introducing the following changes with respect to the regulations in force:

(i) bimonthly updating is established, limiting variations to 5 per cent, for both rises and falls, and including a term for recovery of imbalances occurring in previous price updates in the formula to determine the maximum sale price;

(ii) the “C term”, which covers the commercialisation costs, is increased progressively. A new formula is also established for annual review of these costs and,

(iii) finally, authorisation is expanded to the competent authority for the Canary Islands Autonomous Region, to the competent authority for the cities of Ceuta and Melilla, to adjust the commercialisation costs according to specific factors, given their geographical locations, up to a maximum amount equivalent to the difference between the taxes payable by the consumer under the tax regime in those territories and those applicable in general in the rest of Spanish territory.

Accounting policies: New standards, interpretations and amendments

A) In relation with the accounting policies framework applicable at December 31, 2012, following is a breakdown of standars and its interpretations or amendments, which have been issued by the IASB and adopted by the European Union, mandatory applicable to the annual periods beginning on January 1, 2013:

- IFRS 13 *Fair Value Measurement.*
- IFRIC 20 *Stripping Costs in the Production Phase of a Surface Mine.*
- Amendments to IFRS 7 *Disclosures – Offsetting Financial Assets and Financial Liabilities.*
- Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income.*
- Amendments to IAS 19 *Employee Benefits.*
- Amendments to IFRS 1 *Severe Hyperinflation and Removal of Fixed Dates for First-Time Adopters* (1).
- Amendments to IAS 12 *Deferred Tax: Recovery of Underlying Assets* (1).
- Amendment to IFRS 1 *Government Loans.*
- Improvements to IFRSs 2009-2011.

(1) These standards were issued by the IASB applicable prospectively to annual periods starting on or after January 1, 2012. These standards were adopted by the European Union applicable prospectively to annual periods starting on or after January 1, 2013, with the possibility of early adoption.

IFRS 13 *Fair Value Measurement* establishes a framework for all fair value measurements and requires specific additional disclosures of information. As a general rule, the Group applies this standard in the measurement of certain financial instruments (Note 5) and to inventories of "commodities" used for "trading". It´s application has not have a significant impact on the Group's interim condensed consolidated financial statements with the exception of certain additional disclosures included in the explanatory notes.

Amendments to IAS 1 *Presentation of Items of Other Comprehensive Income*, represented a change in the presentation of the items in the consolidated statements of recognized income of these interim condensed consolidated financial statements with respect to the consolidated financial statements at December 31, 2012 and, specifically, the distinction between reclassified and non-reclassified headings in the consolidated income statement.

With regard to the other standards, interpretations and amendments to standards identified in the current section A), have not had a significant impact on the Group's interim condensed consolidated financial statements.

B) Below there is a list of the standards, interpretations and amendments issued by the IASB and endorsed by the European Union at June 30, 2013, whose mandatory first time application will be in the periods subsequent to 2013:

Mandatory application in 2014:

- IFRS 10 *Consolidated Financial Statements* (2).
- IFRS 11 *Joint Arrangements* (2).
- IFRS 12 *Disclosure of Interests in Other Entities* (2).
- IAS 27 revised *Separate Financial Statements* (2).
- IAS 28 revised *Investments in Associates and Joint Ventures* (2).
- *Amendments* to IFRS 10, IFRS 11, and IFRS 12 *Transition guide*. *(2)*.
- *Amendments* to IAS 32 *Presentation - Offsetting Financial Assets and Financial Liabilities.*

(2) These standards were issued by the IASB with entry into force for to annual periods starting on or after January 1, 2013. These standards were adopted by the European Union with entry into force for annual periods starting on or after January 1, 2014 with the possibility of early adoption.

Starting 2014, the application of the new IFRS 11 *Joint Arrangements*, could have significant impact on the Group consolidated financial statements, as the Group currently applies the proportionate consolidation method under the criteria of IAS 31 *Participation in Joint Arrangements.* The Group is in the process of analyzing all its joint arrangements in order to determine their proper classification as either *joint operations* or *joint ventures*, and determine the necessary reclassifications between items of the balance sheet and income statement of the amounts currently integrated proportionately related to the participation in joint arrangements, which under IFRS 11 criteria will be classified as *joint ventures*, to the headings corresponding to the equity method of accounting. In this sense, in Note 26 of the consolidated financial statements for the financial year 2012 it is provided a breakdown of the aggregated amounts contributed by the Group´s interests in jointly controlled entities at that date. In addition, Appendix I "*Changes in the scope of consolidation*" details the changes in the scope of consolidation of the Group that have taken place with respect to the mentioned Note 26.

With regard to the other standards, interpretations and amendments to standards identified in the current section B), the Group does not expect a significant impact on the Group's consolidated financial statements, with the exception of certain additional disclosures.

C) Below there is a list of the standards, interpretations and amendments issued by the IASB but pending to be adopted by the European Union at June 30, 2013:

Mandatory application in 2014:

- *Amendments* to IFRS 10, IFRS 12, and IAS 27: *Investment Entities*.
- *Amendments* to IAS 36*: Recoverable Amount Disclosures for Non- Financial Assets*.
- *Amendments* to IAS 39*: Novation of Derivatives and Continuation of Hedge Accounting.*
- IFRIC 21 *Levies.*

Mandatory application in 2015:

- IFRS 9 - *Financial Instruments* [3].

(3) Correspond to the first phase of the three-phase project for the replacement of the prevailing IAS 39: *"Financial Instruments - Recognition and Measurement"* and include the recent amendment issued by the IASB, in which the mandatory effective date for IFRS 9 has been deferred from January 1, 2013 (initially established) to January 1, 2015.

With regard to the other standards, and amendments identified in the current section C), the Group is currently analyzing the impact their application may have on the consolidated financial statements.

Accounting Policies

As described in Note 3 of the notes to the consolidated financial statements for the year 2012, in the preparation of these interim condensed consolidated financial statements, Repsol has applied the same accounting policies applied in 2012.

Comparison of information

The profit per share at June 30, 2012 has being modify compared with that stated in the interim condensed consolidated financial statements at June 30, 2012, in accordance with the accounting standards, as the average number of outstanding shares considered in the calculation should be based on the new number of shares issued after the capital increase carried out as part of the compensation scheme to shareholders known as the " Flexible Repsol Dividend" described in section *d) 1. Share Capital and Reserves* of Note 3, that has been recognized with accounting effects June 30, 2013.

Changes in estimates

Management estimates have been used to quantify certain assets, liabilities, income, and expenses that are recorded in the interim condensed consolidated financial statements. These estimates are made based on the best available information and they refer to:

1) The expense for income tax, which, pursuant to IAS 34, is recognized in interim periods based on the best estimate of the average weighted tax rate that the Group expects for the annual period;
2) The evaluation of possible impairment losses on certain assets (see Note 3, section f));
3) The market value of certain financial instruments, among which is worth mentioning the financial instruments arising as a consequence of the expropriation process of YPF and YPF Gas (see Note 3, section b);
4) The provision for legal and arbitration proceedings and other contingencies; and
5) Crude oil and gas reserves.

Despite the fact that the estimates described above are made based on the best available information on the date on which the facts are analyzed, possible future events might require their revision (upward or downward) at year end 2013 or in subsequent years.

During the six-month period ended June 30, 2013, not significant changes have being taken in the methodology for calculating the estimates made at year end 2012.

Relative importance

When determining the information to be included in these interim condensed consolidated financial statements under the different items in the financial statements or other matters, the Repsol Group, pursuant to IAS 34, has taken into account their relative importance in relation to the interim condensed consolidated financial statements for the six-month period.

Seasonality

Among the activities of the Group, the LPG and natural gas businesses are the ones most affected by seasonality due to their connection to weather conditions, with more activity in the winter and less in the summer in the northern hemisphere.

Changes in the structure of the group

Repsol prepares its consolidated financial statements including its investments in all its subsidiaries, associates and joint ventures. Appendix I of the consolidated financial statements at December 31, 2012 details the main subsidiaries, associates and joint ventures, held directly or indirectly by Repsol, S.A., which were included in the scope of consolidation at that date.

Appendix I to these interim condensed consolidated financial statements details the changes in the scope of consolidation of the Group that have taken place during the first half of 2013.

The principal changes in the scope of consolidation that have taken place during the interim period ended at June 30, 2013 and their impact on the accompanying interim condensed consolidated financial statements are detailed below.

On January 24, 2013, Repsol Exploración Karabashky B.V. contributed the company Eurotek to AR Oil & Gas B.V. (AROG), thus complying with the last step in the agreement signed in December 2011 by Repsol and Alliance Oil, by virtue of which AROG was incorporated and in which Repsol held 49% interest. In 2012, Alliance Oil contributed Saneco and TNO (Tafnefteotdacha) to AROG, in which its interest stands at 51%. The transaction was carried out via the sale of Eurotek to AROG for 315 million US dollars. Eurotek had, since its acquisition, been classified under non-current assets held for sale in the balance sheet as it had been acquired for the purpose of contributing it to AROG. Thus, the derecognition of 51% of Eurotek's net assets is reflected in the balance sheet under non-current assets held for sale and associated liabilities, in accordance with the following breakdown:

	Millions of euros
Current assets	134
Non- current assets	-
TOTAL ASSETS	**134**
Current liabilities	14
Non- current liabilities	-
TOTAL LIABILITES	**14**
NET ASSETS	**120**

Further, the percentage of assets retained, corresponding to 49% of Eurotek and amounting to €116 million, was reclassified from non-current assets held for sale and associated liabilities to the corresponding balance sheet headings according to their nature:

	Millions of euros
Current assets	8
Non- current assets	121
TOTAL ASSETS	**129**
Current liabilities	9
Non- current liabilities	4
TOTAL LIABILITES	**13**
NET ASSETS	**116**

The contribution and subsequent reclassification have not had an impact on the consolidated income statement.

With respect to the sale of assets and natural gas businesses and the sales agreement signed with Shell, see Note 12 "*Other information*".

(3) DESCRIPTION OF TRANSACTIONS DURING THE PERIOD

The most significant changes recognized in the first six months of 2013 and 2012 under headings in the consolidated balance sheet and the income statement are described below.

a) Property, plant and equipment

The main additions made in the first half of 2013 corresponded to exploration and production assets in United States (€409 million), Brazil (€209 million), Venezuela (€129 million), Trinidad & Tobago (€106 million), Bolivia (€75 million), and Perú (€66 million). In addition, during this period, significant additions were made in refining assets in Spain (€89 million).

The main additions made in the first half of 2012 corresponded to exploration and production assets in United States (€327 million), Brazil (€120 million), Trinidad & Tobago (€88 million), Venezuela (€74 million), Perú (€67 million), and Bolivia (€65 million). In addition, during this period, significant investments were made in refining assets in Spain (€296 million). Moreover, in 2012 the investments made by YPF and Repsol YPF Gas and its investees prior to the loss of control amounted to €328 million.

Also in the first half of 2012, €802 million were reclassified from property, plant, and equipment under construction, principally to the heading machinery and facilities, due to the start up of the expansion and upgrade work performed at the Petronor refinery.

b) Assets and liabilities related to the expropriation of the Repsol Group Shares in YPF S.A. and YPF Gas S.A.

Repsol Group's ownership interest in YPF S.A. and YPF Gas S.A. from the shares subject to expropriation, which still belong to the Group and the remaining shares, as a result of the loss of control, are recognized by its nature, that is, as financial instruments. Specifically, the shares subject to expropriation are recognized under "*Non-current assets held for sale subject to expropriation*" and the remaining shares, which were not included in the expropriation, are recognized as "*Available-for-sale financial assets*".

Nothwithstanding of the rights and claims made Repsol in the appropriate bodies due to the illicit expropriation and the valuations that will be performed in that said process, shares valuation regarding recognition purposes was carried out in accordance with IAS 39. The accounting standard reference to fair value or realizable value makes it necessary to distinguish between the shares subject to expropriation and the remaining shares held by Repsol.

For the former, recognized under "*Non-current assets held for sale subject to expropriation*", fair value calculation must take as reference the expected recoverable value as a consequence of the expropriation process, that is, the price or compensation that the Argentinean government would finally pay to Repsol. Since this price or indemnity has yet to be set and may have to be decided through legal proceedings in which circumstances beyond the control of the Group will influence the outcome, it should be borne in mind that the estimated recoverable value is uncertain in terms of both quantity and the date and manner in which it will be effective. Any modifications to the hypotheses considered reasonable in the jurisdictional proceedings and in the valuation of rights subject to expropriation could generate positive and negative changes in the amount recognized for the interest in YPF S.A. and YPF Gas S.A. and hence in its impact on the Group's financial statements. (See section 5.3 of the 2012 consolidated financial statements for further detail in relation to the valuation).

Regarding YPF S.A. shares, recorded under "*Available-for-sale financial assets*" (included in the heading "*Non-current financial assets*", see Note 5), they were valuated at their market value, which corresponds to their quoted price given that the shares are susceptible to be traded in the relevant exchange market.

The principal changes in the information included in Note 5 "*Expropriation of Repsol Group shares in YPF, S.A. and Repsol YPF Gas, S.A.*" of the 2012 consolidated financial statements, that have taken place during the interim period ended at June 30, 2013 are detailed below.

Due to the exchange rate fluctuation, the changes in value since December 31, 2012 until June 30, 2013 of the shares classified as "*Non- current assets held for sale subject to expropriation*" are recognized in equity under "*Adjustments for changes in value*" in the positive amount, before tax, of €44 million. At June 30, 2013 the amount registered in this heading, "*Non- current assets held for sale subject to expropriation*", corresponding to shares subject to expropriation of the Repsol Group Shares in YPF S.A. and YPF Gas S.A., amounted to €5,436 million.

In relation to the loan that Banco Santander granted to the Petersen Group, guaranteed by Repsol, and for which in turn the Petersen Group pledged in favour of Repsol, S.A. 2,210,192 Class D shares in YPF S.A: represented by ADSs as a counter guarantee for Repsol, S.A.'s obligations. In April 2013, Repsol partially enforced this pledge on 322,830 ADSs in YPF S.A., representing 0.08% of its share capital, classifying the shares as "*Available-for-sale financial assets*" at their market value at the moment of the acquisition.

The changes in value since December 31, 2012 until June 30, 2013 of shares classified as "*Available-for-sale financial assets*", including those recognized in relation with the exercise of the counter- guarantee, are recognized in equity under "*Adjustments for changes in value*", in the positive amount, before tax, of €11 million. These fluctuations were primarily due to the changes in its listed price and in exchange rates. At June 30, 2013 the amount registered for the shares not subject to expropriation, amounts to €545 million.

During the first half of 2013 the provision for risks and expenses covering the maximum amount of the liabilities assumed by Repsol regarding the Banco de Santander loan granted to Petersen, has suffered a variation in the amount of €3.5 million due to the partial enforcement of the counter-guarantee over 322,830 ADSs of YPF S.A. indicated above, the change in the realizable market value of the shares pledged as counter-guarantee and the payments made during the period. The balance of the provision at June 30, 2013, amounts to €48 million.

No relevant events affecting the regulatory framework of the expropriation process of Repsol Group shares in YPF S.A. and YPF Gas S.A. occurred. Repsol considers the expropriation is manifestly illicit and gravely discriminatory (the expropriation only affects YPF S.A. and YPF Gas S.A. and no other oil companies in Argentina; additionally its expropriated solely the interest of a shareholder of YPF S.A. and YPF Gas S.A., namely Repsol and not to the whole shareholders); the national public interest is unjustified and is an explicit violation of the obligations assumed by the Argentinean government at the privatization process of YPF.

Repsol also considers that the expropriation violates the most fundamental principles of legal certainty and confidence of the international investment community. Accordingly, Repsol expressly and fully reserves the right to take all available corresponding actions at its disposal to preserve its rights, the value of all its assets and its shareholders´ interests under prevailing Argentinean law, standard rules of the securities markets in which YPF

S.A. is listed, and international law, including the "Agreement between the Republic of Argentina and the Kingdom of Spain on the Reciprocal Promotion and Protection of Investments" signed between Spain and Argentina in 1991.

Via the filing of a relevant event dated June 26, 2013, notification was provided of the resolution approved on that date by the Repsol Board of Directors to reject an offer presented by the Argentinean government for compensation in connection with the expropriation of YPF. The Board considered that the amount offered did not cover the losses incurred by Repsol and the structure of the offer was far from representing the declared interest of Repsol in an agreement.

The Argentinean government's offer amounted to 5 billion US dollars, divided into 3.5 billion US dollars' worth of Vaca Muerta assets and 1.5 billion US dollars to be mandatorily reinvested in the development of that assets.

Described in Note 35.1.1 to the consolidated financial statements for 2012 are the proceedings initiated as a consequence of the expropriation of the Group's shares in YPF. Specifically, among others, Repsol has begun legal proceedings based on (i) the violation of the *"Agreement between the Republic of Argentina and the Kingdom of Spain on the reciprocal Promotion and Protection of Investments"*, before the ICSID arbitration tribunal, which in accordance with the Washington Convention acquires exclusive competence, once the procedure has been initiated, with regard to ruling on the legality of the expropriation, and before which Repsol has, amongst other matters, requested restitution of the expropriated shares, or alternatively, that the Argentine government be sentenced to providing an adequate compensation, in addition to an indemnity for all the additional damages caused, valuation of which will remain under the purview of the tribunal; (ii) the unconstitutional nature of the intervention of YPF and YPF Gas and the temporary seizure by the Argentine Government of the rights over 51% of YPF S.A. and YPF Gas S.A. shares held directly or indirectly by Repsol, S.A. and Repsol Butano, S.A., respectively, in the Argentine courts; (iii) the Argentine government´s failure to comply with its obligation to launch a tender offer for all outstanding YPF S.A. shares prior to taking control of the company, in the courts of the state of New York; and (iv) other legal proceedings filed in various jurisdictions (Spanish courts and courts of the state of New York) to preserve the assets of the seized company and to avoid competing oil companies (until now Chevron and Bridas) from taking advantage of the legal infractions which have occurred to gain advantage from certain assets belonging to YPF by signing agreements the validity of which is questioned in these processes for that reason.

c) Non-current assets and liabilities held for sale

<u>Assets classified as held for sale and associated liabilities during the six-month period ended June 30, 2013</u>

With respect to the derecognition and reclassification of assets and liabilities corresponding to Eurotek as a consequence of its contribution to AR Oil and Gaz, B.V. ("AROG"), see Note 2 "*Changes in the structure of the Group*".

<u>Assets classified as held for sale and associated liabilities during the six-month period ended June 30, 2012</u>

During the first half of 2012, Repsol reached an agreement to sale its Liquified Petroleum Gas (LPG) business in Chile, through its subsidiary Repsol Butano Chile, S.A. As a consecuence of this transaction, at June 30, 2012, the Group classified these assets and liabilities as assets and liabilities held for sale, amounting to €140 million (net) in accordance with the following detail:

	Millions of euros
	2012
Goodwill	92
Tangible assets and other intangible assets	90
Other non-current assets	9
Current assets	32
TOTAL ASSETS	**223**
Minority interests	4
Non- current liabilities	44
Current liabilities	35
TOTAL LIABILITIES AND MINORITY INTERESTS	**83**
NET VALUE	**140**

Once the pertinent authorizations had been obtained, the sale took place in July 2012 for a consideration of 540 million US dollars, generating a €195 million gain that were recognized under "*Income from reversal of impairment losses and gains on disposal of non-current assets*" (this amount includes the differences in historic exchange rates recognized under "*Net unrealized gains losses reserve*" in equity, which amounted to €62 million).

On June 30, 2011, Gas Natural Fenosa agreed to sell approximately 245,000 gas supply customers and associated contracts in the Madrid region for €11 million. Since the date of agreement, these assets have been classified as non-current assets held for sale. Having secured all the required permits, the sale to Endesa was closed on February 29, 2012. The transaction generated a €6 million pre-tax gain. The amounts in millions of euros are stated at the Group's proportionate interest in Gas Natural Fenosa.

d) Equity

1. Share Capital and reserves

On May 31, 2013, The Annual Shareholders´ Meeting approved, under points 6 and 7 of the agenda, two paid up capital increases for the instrumentation of the shareholders remuneration scheme called "Repsol Flexible Dividend" programme which allows the shareholders to decide whether they will receive their compensation, in cash (by selling free-of-charge allocation rights either in the market or to the Company) or in Repsol shares. Subsequent to the general meeting held on May 31, the Board of Directors resolved on the same date to delegate in to the Delegate Committe (Comisión Delegada in Spanish) the power that the Annual Shareholders´ Meeting granted to the Board of Directors in relation with the two capital increases, in particular, the faculty of executing them.

In the exercise of the above mentioned powers, the Delegate Committe of Repsol, in its meeting held on June 17, 2013, authorized the execution of the first of these capital increases. The free-of-charge allocation rights were traded on the Spanish stock exchanges between June 21 and July 4, 2013, and the deadline granted to the shareholders to sell their rights to Repsol at a guaranteed price ended on June 28. Holders of 59.33% of the free-of-charge allocation rights (a total of 760,892,202 rights) chose to receive new-issue shares of Repsol in the proportion of 1 new share for every 38 rights held.

Moreover, during the period established for that purpose, the holders of 40.67% of the free-of-charge allocation rights (521,556,172 rights), accepted the irrevocable commitment assumed by Repsol to purchase rights at a fixed price of 0.445 euros (gross) per right. Accordingly, Repsol acquired the abovementioned rights for a total amount of €232 million and waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of the mentioned commitment. As a consecuence of the previous, it was recognized a decrease in equity under *"Prior year results and other reserves"* and, the payment obligation with the shareholders who had accepted this irrevocable purchase commitment for this amount.

Finally, since the amount of the acquisition of free-of-charge allocation rights deriving from the commitment to purchase was higher than that allocated to this acquisition on the allocation 2012 year-end results (€208 million) approved under point 5 of the agenda of the Annual Shareholders´ Meeting of May 31, 2013, and according to the terms established in the aforementioned resolution, the difference (€24 million) has reduced the amount allocated to increase the Company's voluntary reserves.

The final number of shares of 1 euro per value issued in the capital increase was 20,023,479, representing an increase of 1.56% of the share capital of Repsol before the capital increase.

This capital increase was registered with the Commercial Registry of Madrid on July 8, 2013 and the new shares began to trade on the continuous market of the Madrid, Barcelona, Bilbao and Valencia stock exchanges through the Spanish Automated Quotation System (*Mercado continuo*, by its name in Spanish) on July 12, 2013. Repsol had also applied for the listing of the new shares in the Buenos Aires stock exchange.

Subsequent to the capital increase, Repsol, S.A.'s share capital amounted to €1,302,471,907 fully subscribed and paid up, consisting of 1,302,471,907 shares with nominal value of 1 euro each.

This capital increase was registered with the Commercial Registry of Madrid prior to the approval of these interim condensed consolidated financial statements, and, accordingly, was recognized in the Group financial statements with accounting effects June 30, 2013, in compliance with prevailing accounting criteria.

2. Treasury shares and own equity investments

On March 4, 2013, the investment company Singapur Temasek acquired 64.7 million Repsol shares held as treasury shares, and representing 5.045% of its share capital at that date. The shares were acquired at a price of 16.01 euros each, which resulted in a payment of €1,036 million and a negative effect on equity in the first half of 2013 amounting to €208 million.

Under the framework of the 2013 Share Acquisition Plan approved at the Annual Shareholders' Meeting held on May 31, 2012, during the first six months of 2013, the Group acquired a total of 205,785 shares, at a cost of €3.5 million. These shares have been delivered to the employees of the Repsol Group signed up to the scheme. In the same period of the previous year, under the framework of the 2012 Share Acquisition Plan, the Company acquired a total of 264,398 shares, at a cost of €4.4 million. These shares were delivered to the Repsol Group employees signed up to the scheme.

In addition, during the first six months of 2013, the Group acquired 2,579,733 treasury shares amounting to €43 million. During the same period, the Group sold 969,036 treasury shares amounting to €16.7 million. Lastly, 377,500 treasury shares were disposed of as a consequence of options on treasury shares.

During the first half of 2012, the Group paid €52 million to acquire 3,566,237 treasury shares, which had not been disposed of at June 30, 2012.

In July 2013, due to the capital increase described in section 1. *"Share capital and reserves*," the Group received a total of 19,358 new shares corresponding to the shares held as treasury stock.

At June 30, 2013, the treasury shares held by Repsol and/or other companies within the Group, represented 0.101% of its share capital recognized on that same date.

3. Earnings per share

At June 30, 2013 and 2012 earnings per share were the following:

	2013	**2012**
Net income attributable to the parent company (millions of euros)	901	1,036
Net income attributable to the parent company from discontinued operations (millions of euros)	(44)	133
Weighted average number of outstanding shares at June, 30 (shares)	1,279,836,379	1,231,898,464

EARNINGS PER SHARE ATTRIBUTED TO THE PARENT COMPANY
(Euros)

	2013	**2012**
Basic		
EPS attributed to the parent company	0.70	0.84
EPS attributed to the parent company from discountinued operations	-	0.11
Diluted		
EPS attributed to the parent company	0.70	0.84
EPS attributed to the parent company from discountinued operations	-	0.11

Outstanding issued shares at June 30, 2012 amounted to 1,256,178,727 shares. However, the weighted average number of shares outstanding at that date had been modified compared to that used to calculate the profit per share in the interim condensed consolidated financial statements at June 30, 2012 to include the effect of the capital increase of July 2013(see section d).1), in accordance with the applicable accounting regulations.

e) Current and non- current provisions

In June 2013 an agreement was signed ("settlement agreement") with the State of New Jersey in connection with the environmental contingencies in relating to the Passaic river and the Bay of Newark (see Note 9 "*Contingencies and guarantees*") by virtue of which Repsol will pay 65 million US dollars, and have required a provision of €50 million.

f) Impairment of assets

Repsol performs a valuation of its intangible assets, its property, plant and equipment, and other non-current assets, as well as its goodwill, at least annually, or whenever there are indicators that the assets made have become impaired, to determine whether there is an impairment loss.

In the first half of 2013, Gas Natural Fenosa recognized €21 million in net impairment losses (amounts stated at the Group's proportionate interest in Gas Natural Fenosa) on "*Other intangible assets*", corresponding to the loss in value assigned to the gas processing rights in the Unión Fenosa business combinations, which Gas Natural Fenosa holds via its investee Unión Fenosa Gas in the Damietta liquefaction plant (Egypt), as a result of a temporary halt in activities at the plant due to the suspension of deliveries by the natural gas supplier. In the first half of 2013, Unión Fenosa Gas initiated legal proceedings in defense of its contractual rights.

In addition, the Group recognized net impairment losses in the amount of €15 million in the chemicals business as a consequence of the Group rationalizing its productive capacity in Spain and current market conditions.

g) Balance sheet revaluation law

On December 27, 2012 Law 16/2012 was passed, enacting several fiscal measures designed to further the consolidation of public finances and to shore up economic activity. One of the measures passed provides the Group's Spanish companies with the choice of revaluating their balance sheets. The Spanish Audit and Accounting Institute (ICAC), in a resolution issued on January 31, 2013, has ruled that the balance sheet revaluation, if made, must be recognized in the Group's Spanish companies' individual financial statements for the financial year 2013. The tax impact would also be recognized in 2013. Repsol has calculated the revaluation of items recognized by the Spanish Group companies under property, plant, and equipment that have not been depreciated in accounting or tax terms.

Said revaluation was eliminated for the preparation of the condensed interim consolidated financial statements under IFRS, which involved the recognition of a 155 million euro deferred tax asset and a 26 million euro increase in "*current income tax liabilities*", corresponding to 5% of the tax to be settled as a result of the revaluation of assets.

h) Devaluation of the Bolivar in Venezuela

With effect from February 9, 2013, Venezuela set new rates of exchange for the bolivar against the US dollar. The exchange rate prevailing until that date, of 4.30 bolivars per US dollar, has been modified to 6.30 bolivars per U.S. dollar.

The impact on the Group's net income from continuing operations as of June 30, 2013 has amounted to $172 million.

i) Preference shares

With respect to the repurchase of preference shares that the Group issued via its subsidiary Repsol International Capital in May and December 2001, and those issued by the Gas Natural Fenosa group via Unión Fenosa Financial Services USA, see the heading on "*preference shares*" section b.2) *"Bonds and other securities"* of Note 5.

(4) SEGMENT REPORTING

The organizational structure of the Group and its various operating segments is based on the activities from which the Group may earn revenue or incur in expenses. On the basis of this Board-approved structure, the Group's management team (Repsol Executive Committee) analyzes the main operating and financial indicators in order to make decisions about segment resource allocation and to assess how the Company is performing. The Group has not aggregated any operating segments for presentation purposes.

The organizational structure is oriented to support the company's growth projects, as well as to establish the basis for future developments.

At June 30, 2013, the operating segments of the Group are:

- Upstream, corresponding to oil and gas exploration and development of crude oil and natural gas reserves;
- Downstream, corresponding to refining, sales activities for oil products, chemicals and LPG;
- LNG, corresponding to the Liquid Natural Gas business. Part of the assets and businesses corresponding to this operating segment are involved in a sales negotiation process with Shell (Note 12 "*Other information*"); and
- Gas Natural Fenosa, (though its shareholding in Gas Natural SDG, S.A. strategic company for the Group) corresponding to the sales activities for natural gas and power generation, distribution and sale of electricity.

The table below details the Repsol Group's main income statement headings broken down into the operating segments defined above:

Operating revenues from continuing operations by segment

Millions of euros	Operating revenue from customers		Operating revenue inter segments		Total operating revenue	
SEGMENTS	**06/30/2013**	**06/30/2012**	**06/30/2013**	**06/30/2012**	**06/30/2013**	**06/30/2012**
Upstream	1,849	1,837	848	709	2,697	2,546
LNG	1,513	1,308	332	178	1,845	1,486
Downstream	22,161	22,305	40	55	22,201	22,360
Gas Natural Fenosa	3,712	3,620	197	165	3,909	3,785
Corporate	9	8	216	153	225	161
(-) Adjustments and eliminations of operating revenue among segments (1)	-	-	(1,633)	(1,260)	(1,633)	(1,260)
TOTAL	**29,244**	**29,078**	**-**	**-**	**29,244**	**29,078**

(1) These correspond primarily to the elimination of commercial transactions between segments.

Operating income by segment

	Millions of euros	
SEGMENTS	**06/30/2013**	**06/30/2012**
Upstream	1,161	1,144
LNG	481	237
Downstream	79	277
Gas Natural Fenosa	464	475
Corporation	(194)	(167)
Total operating income pertaining to the reported segments	**1,991**	**1,966**
Results not assigned (Financial results)	(385)	(433)
Other results (Share of results of companies accounted for using the equity method)	74	66
CONSOLIDATED NET INCOME FOR THE YEAR	**1,680**	**1,599**
Income Tax	(717)	(674)
Net income for the period attributable to the parent from continuing operations	**963**	**925**
Net income for the period from continuing operations attributable to minority interests	(18)	(22)
NET INCOME FOR THE PERIOD FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT	**945**	**903**
Net income for the period from discountinued operations after taxes	**(44)**	**242**
Net income for the period from discontinued operations attributable to minority interests	-	(109)
NET INCOME FOR THE PERIOD FROM DISCONTINUED OPERATIONS ATTRIBUTABLE TO THE PARENT	**(44)**	**133**
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**901**	**1,036**

The breakdown of assets by operating segment:

	Millions of euros	
Segments	**06/30/2013**	**12/31/2012**
Upstream	13,511	12,638
LNG	4,133	4,176
Downstream	18,902	18,993
Gas Natural Fenosa	12,289	12,658
Corporate (1)	12,461	10,534
Total Assets by segment (2)	**61,296**	**58,999**
Assets from discontinued operations (3)	5,981	5,922
Total Assets	**67,277**	**64,921**

(1) Includes financial assets in the amount of €8,484 million and €6,670 million, respectively, in June 30, 2013 and December 31, 2012.
(2) Includes in every segment the amount of the investments accounted for using the equity method.
(3) Includes the assets affected by the expropriation of YPF and YPF Gas (see Note 3 section b).

In addition, the distribution of the net amount of turnover (comprising "*Sales*" and "*Services rendered and other income*" headings on the accompanying interim consolidated income statement), by geographic area based on the destination market, is as follows:

	Millions of euros	
Geographic area	**06/30/2013**	**06/30/2012**
Spain	14,321	15,230
Other in the European Union	4,147	4,254
Others in the O.E.C.D. countries	3,619	2,713
Other countries	7,057	6,508
TOTAL	**29,144**	**28,705**

(5) DISCLOSURE OF FINANCIAL INSTRUMENTS BY NATURE AND CATEGORY

a) Financial Assets

The breakdown of the different conceps that are included on the balance sheet is as follows:

	Millions of euros	
	06/30/2013	**12/31/2012**
Non-current financial assets	1,330	1,313
Other current financial assets	388	415
Current derivatives on trading transactions (1)	122	45
Cash and cash equivalents	7,693	5,903
	9,533	**7,676**

(1) Recognized under the "*Other receivables*" on the balance sheet.

The detail by type of assets of the Group's financial assets by categories at June 30, 2013 and December 31, 2012, is as follows:

Millions of euros	June 30, 2013						
Nature/Category	**Financial assets held for trading**	**Other financial assets at fair value through profit or loss**	**Financial assets available for sale**	**Loans and receivables**	**Held to maturity investments**	**Hedging derivatives**	**Total**
Equity instruments	-	-	654	-	-	-	654
Derivatives	-	-	-	-	-	-	-
Other financial assets	-	84	-	568	24	-	676
Long Term / Non-current	**-**	**84**	**654**	**568**	**24**	**-**	**1,330**
Derivatives	141	-	-	-	-	2	143
Other financial assets	-	11	-	366	7,683	-	8,060
Short term / Current	**141**	**11**	**-**	**366**	**7,683**	**2**	**8,203**
TOTAL (1)	**141**	**95**	**654**	**934**	**7,707**	**2**	**9,533**

Millions of euros	December 31, 2012						
Nature/Category	**Financial assets held for trading**	**Other financial assets at fair value through profit or loss**	**Financial assets available for sale**	**Loans and receivables**	**Held to maturity investments**	**Hedging derivatives**	**Total**
Equity instruments	-	-	641	-	-	-	641
Derivatives	-	-	-	-	-	-	-
Other financial assets	-	84	-	578	10	-	672
Long Term / Non-current	**-**	**84**	**641**	**578**	**10**	**-**	**1,313**
Derivatives	51	-	-	-	-	7	58
Other financial assets	-	11	-	401	5,893	-	6,305
Short term / Current	**51**	**11**	**-**	**401**	**5,893**	**7**	**6,363**
TOTAL (1)	**51**	**95**	**641**	**979**	**5,903**	**7**	**7,676**

(1) These amounts do not include trade receivables that are recognized under "*Other non-current assets*" and under the headings "*Trade receivables*" and "*Other receivables*" in the balance sheet, totaling €235 million in the long term and €7,665 million in the short term. At December 31, 2012 the aforementioned long term and short term trade receivables amounted to €242 million and €7,320 million, respectively. In addition, the assets presented under "*Non-current assets held for sale subject to expropriation*" in the balance sheet have not been included in the breakdown of financial assets in the table above.

The column "Financial assets Available-for-sale " under caption "Equity instruments" at June 30, 2013, includes €545 million corresponding to 6.43% of YPF S.A. shares and 33.997% of YPF Gas S.A. shares held by Repsol and that are not subject to expropriation by the Argentinean government, as well as 5.47% of YPF S.A. shares acquired via the execution of the loan pledges granted by the Group and other financial entities to the Petersen Group (included in the execution of the counter-guarantee in April 2013, described in section b) of Note 3). This item also includes 10% of the interest held in Medgaz which Gas Natural Fenosa acquired from Sonatrac on January 8.

The column "*Current loans and receivables*" includes €275 million and €320 million at June 30, 2013 and December 31, 2012 respectively, corresponding to the Group´s share of the funding of the electricity tariff deficit through its ownership interest in Gas Natural Fenosa. During the first six months of 2013, in addition to the payments received from the liquidations, Spain's electricity tariff deficit securitization fund completed ten issuances, with Gas Natural Fenosa collecting €162 million as a result (amounts stated at the Group's proportionate interest in Gas Natural Fenosa).

The fair value of the loans and receivables of the Group is detailed in the following table:

	Millions of euros			
	Carrying amount		Fair value	
	06/30/2013	12/31/2012	06/30/2013	12/31/2012
Non- current	568	578	737	793
Current	366	401	366	401
	934	979	1,103	1,194

The fair value of the financial held-to-maturity investments is the same as fair value.

b) Financial Liabilities

This note discloses the categories of financial liabilities, included in the balance sheet line-items outlined below:

	Millions of euros	
	06/30/2013	**12/31/2012**
Non-current financial liabilities	14,309	15,300
Non-current derivatives on trading transactions (1)	1	-
Current financial liabilities	5,070	3,790
Current derivatives on trading transactions (2)	119	41
	19,499	**19,131**

(1) Recognized under the heading "*Other non-current liabilities*" on the balance sheet.
(2) Recognized under the heading "*Other payables*" on the balance sheet.

Following is a breakdown of the financial liabilities as of June 30, 2013 and December 31, 2012:

Millions of euros	June 30, 2013				
Nature/Category	**Financial liabilities held for trading**	**Debts and payable items**	**Hedging derivatives**	**Total**	**Fair value**
Bank borrowings	-	3,527	-	3,527	3,541
Bonds and other securities	-	10,664	-	10,664	11,086
Derivatives	30	-	88	118	118
Long term debts / non-current financial liabilities	**30**	**14,191**	**88**	**14,309**	**14,745**
Bank borrowings	-	656	-	656	656
Bonds and other securities	-	4,274	-	4,274	4,411
Derivatives	236	-	24	260	260
Short term debts / current financial liabilites	**236**	**4,930**	**24**	**5,190**	**5,327**
TOTAL (1)	**266**	**19,121**	**112**	**19,499**	**20,072**

	December 31, 2012				
Millions of euros	**Financial liabilities held for trading**	**Debts and payable items**	**Hedging derivatives**	**Total**	**Fair value**
Bank borrowings	-	3,457	-	3,457	3,467
Bonds and other securities	-	11,616	-	11,616	12,228
Derivatives	28	-	199	227	227
Long term debts / Non-current financial liabilities	**28**	**15,073**	**199**	**15,300**	**15,922**
Bank borrowings	-	2,164	-	2,164	2,164
Bonds and other securities	-	1,556	-	1,556	1,578
Derivatives	105		6	111	111
Short term debts / Current financial liabilites	**105**	**3,720**	**6**	**3,831**	**3,853**
TOTAL (1)	**133**	**18,793**	**205**	**19,131**	**19,775**

(1) At June 30, 2013 and December 31, 2012, €2,750 million and €2,745 million were shown in the balance sheet under "*Other non-current liabilities*", and €230 million and €224 million, respectively under "*Other payables*" corresponding to finance leases recorded under the amortized cost method and not included in the above table.

b.1) Bank borrowings

In May 2013, the Group signed a 200 million euro financing agreement with the European Investment Bank for Repsol's 2013-2016 research and development program (R&D). The duration of said loan is fixed at ten years, the first three of which constitute a grace period. The loan bears an interest at 3-month Euribor plus a 1.402% spread.

In June 2012 the Group closed two financing transactions for a total €750 million, both independent of each other, via the contracting of certain derivative instruments maturing in 12 months. Additionally, in July 2012 the Group closed a financing transaction amounting €250 million, via the contracting derivative instruments maturing in 12 months. These transactions were recognized under "*Bank borrowings, bonds, and other securities*" on the Group's balance sheet. At June 30, 2013 both transactions with their respective associated guaranties have been totally cancelled.

b.2) Bonds and other securities

The chart below discloses issues, buybacks and repayments of debt securities (recognized under current and non-current "*Bonds and other securities*") which took place during the interim periods ended June 30, 2013 and 2012:

Millions of euros	Balance at 12/31/2012	(+) Issuances	(-) Repurchases or reimbursement	(+/-) Exchange rate and other adjustment	Balance at 06/30/2013
Bonds and other debt securities issued in the European Union with prospectus [1]	12,858	2,917	(877)	(175)	14,723
Bonds and other debt securities issued in the European Union without prospectus	-	-	-	-	-
Bonds and other debt securities issued outside European Union	315	61	(162)	1	215
TOTAL	**13,173**	**2,978**	**(1,039)**	**(174)**	**14,938**

[1] In the case of preference shares issued by the Group via Repsol International Capital Ltd. whose holders accepted the repurchase and subscription offers, the valuation was adjusted in accordance with the conditions of said offers (see *Preference Shares* below in this note).

Millions of euros	Balance at 12/31/2011	(+) Issuances	(-) Repurchases or reimbursement	(+/-) Exchange rate and other adjustment	(-) YPF y R. YPF Gas derecognition	Balance at 06/30/2012
Bonds and other debt securities issued in the European Union with prospectus	11,836	3,916	(3,856)	52	-	11,948
Bonds and other debt securities issued in the European Union without prospectus	-	-	-	-	-	
Bonds and other debt securities issued outside European Union	501	-	-	5	(180)	326
TOTAL	**12,337**	**3,916**	**(3,856)**	**57**	**(180)**	**12,274**

Preference shares

At December 31, 2012, non-current "*Bonds and other securities*" included preference shares amounting to €3,182 million corresponding to those issued by Repsol International Capital Ltd. and by Gas Natural Fenosa through Union Fenosa Financial Services Ltd.

On May 31, 2013, the respective boards of Repsol International Capital Ltd. and Repsol, S.A agreed to launch the following offer consisting of: (i) a voluntary Repurchase Offer in cash of the Series B and C preference shares issued by Repsol International Capital Ltd., in May and December 2001, respectively (see Note 20 of the consolidated financial statements for financial year 2012, under section *Preference shares*), and simultaneously, and linked to the Repurchase Offer (ii) a public Subscription Offer of Series I/2013 Bonds of Repsol, S.A. for those accepting the Repurchase Offer.

The Offers for the Repurchase of preference shares and for the Subscription of bonds were made under the the "Securities Note" and "Summary" registered with the official registry of the CNMV on June 4, 2013, complemented with the Repsol "Registration Document" registered at the same registry on May 14, 2013. The holders of the Series B and C preference shares, the nominal value of which is 1,000 euros, would receive a cash payment of 975 euros per each preference share, including the commitment to apply 500 euros to the subscription of Repsol bonds at a nominal value of 500 euros, with a 3.5% yearly nominal interest rate to be paid on a quarterly basis, maturing in 10 years.

The acceptance period for the Repurchase Offer began on June 5 and ended June 25, 2013. The transactions concluded with the repurchase of the preference shares and the bonds disbursement on July 1, 2013.

The acceptance of the Repurchase Offer of the preference shares, for both series reached 97.21% of their nominal amount (Series B 97.02% and Series C 97.31%) and the other shares remain outstanding. The total amount paid by Repsol International Capital Ltd. to those accepting the Repurchase Offer was €2,843 million in cash, €1,458 million were applied to subscribing Repsol's bonds, which were admitted to trading on the AIAF fixed-income market, to be quoted on the Electronic System for Debt Trading (SEND by its acronym in spanish) on July 2, 2013.

At June 30, 2013, the preference shares whose holders had accepted the Repurchase Offer were recognized at fair value in accordance with the conditions established in the Offers at the amount of €2,766 million, of which €1,385 million,corresponding to the repurchase price not pertaining to the subscription of the bond (475 euros per share) which were reclassified in the short term under current "*Bonds and other securities*". As a consequence of this transaction, the effect in the income statement represented a profit net of taxes of €53 million, including the effects related to the hedge transactions.

On July 1, 2013, with the cash disbursement made from those accepting the repurchase price, the repurchased preference shares were derecognized from the balance sheet. Simultaneously, the bonds subscribed by the acceptors of the repurchase were recognized under non current "*Bonds and other securities*"

On April 16, 2013, the Gas Natural Board of Directors approved a Purchase Offer of preference shares issued by Unión Fenosa Financial Services USA, LLC on May 20, 2003 for €609 million (€183 million considering Repsol's stake in the group). A cash purchase was offered for said shares at 93% of their nominal value and on May 16, 2013, once the acceptance deadline had expired; the aggregate nominal amount of the corresponding acceptances was €539 million (€162 million considering the Group´s proporcionate interest in Gas Natural Fenosa), representing 88.56% of the total nominal amount of the issue, with the remainder still outstanding.

Other debt issues and cancellations in the first six months of 2013.

On May 28, Repsol International Finance, B.V., with the guarantee of Repsol, S.A. closed a 1,200 million euro 7-year bond at 99.414% issue price, with a coupon of 2.625%, listed on the Luxembourg Stock Exchange. This Bond issue was made under the 10,000,000,000 euro Guaranteed Euro Medium Term Note Program, registered in Luxembourg.

On January 9, 2013, Gas Natural Fenosa closed a bonds issue on the Euromarket for an amount of €600 million (€180 million considering the Group´s proporcionate interest in Gas Natural Fenosa). This 10-year issue was established with an annual coupon of 3.875% and a new bond issue price of 99.139% of par value. On January 14, 2013, Gas Natural Fenosa closed a 250 million Swiss franc (Fr.75 million considering the Group´s proporcionate interest in Gas Natural Fenosa) 6-year bond with a fixed coupon of 2.125% on the Swiss market, which matures in February 2019. Additionally, in April 2013 two other bond issues closed, in the amounts of €750 and €300 million (€225 and €90 million respectively, considering the Group´s proporcionate interest in Gas Natural Fenosa), which mature in April of 2022 and 2017, respectively. These issues have fixed yearly coupons of 3.875% and 2.310%, respectively. These issues were made under the Euro Medio Terms Notes (EMTN) program which was renewed by Gas Natural Fenosa in November 2012.

Repsol International Finance B.V. kept its Euro Commercial Paper program (ECP) guaranteed by Repsol, S.A. in the amount of €2,000 million. During the first six months of 2013, Repsol International Finance, B.V. issued nominal amounts of €760 million and €131 million under the ECP program. The effective balance outstanding under this program amounted to €430 million at June 30, 2013.

In the first six months of 2013, Gas Natural Fenosa continued issuing debt under its Euro Commercial Paper program (ECP), amounting to €1,207 million (€362 million considering the Group´s proporcionate interest in Gas Natural Fenosa).

Main debt issues and cancellations in the first six months of 2012.

On January 19, 2012, the Group through Repsol International Finance, B.V issued a €750 million at a fixed interest rate of 4.875% in the Eurobond market. The bond mature is seven years and one month after the issue date. This issue, was increased on February 14, 2012 with the placement of another bond issue amounting to €250 million, at the same interest rate and maturity. Both bond issues, guaranteed by Repsol, S.A., are part of the same series of bonds, amounting to €1,000 million and listed on the Luxemburg Stock Exchange under the program "Euro 10,000,000,000 *Guaranteed Euro Medium Term Program*" (EMTN) registered at Luxemburg.

In January 2012, Gas Natural Fenosa issued €225 million (amounts stated at the Group's proportionate interest in Gas Natural Fenosa) of bonds in the Eurobond market under its *Euro Medium Term Notes*, a medium-term debt issuance program (EMTN). The limit of this program at June 30, 2012 amounted to €12,000 million.

In addition, in the first six months of 2012 Gas Natural Fenosa continued issuing debt under its *Euro Commercial Paper* program (ECP) and its promissory note program, amounting to an aggregate total of €389 million (amount stated at the Group's proportionate interest in Gas Natural Fenosa).

Since 2010, Repsol International Finance, B.V. held an *Euro Commercial Paper* program (ECP), guaranteed by Repsol, S.A. amounting to €2,000 million. During the first six months of 2012, Repsol International Finance, B.V. issued nominal amounts of €1,843 million and $5 million under the ECP program. The effective balance outstanding under this program stood at €235 million at June 30, 2012.

On June 7, 2011 Repsol, S.A. signed a promissory note issue program for an amount of €500 million. During the first six months of 2012, Repsol issued promissory notes for a nominal amount of €455 million under this program. The nominal balance outstanding under this program amounted to €50 million at June 30, 2012.

The table below the amounts guaranteed by Group companies in the interim periods ending June 30, 2013 and 2012 for issues, repurchases, or redemptions undertaken by associates, jointly controlled entities (for the percentage not included in the consolidation process) or non-Group companies:

GUARANTEED ISSUES
Millions of euros

	Balance at 12/31/2012	(+) Granted	(-) Cancelled	(+/-) Exchange rate and other	Balance at 06/30/2013
Debt security issues guaranteed by the Group (guaranteed amount)	29	-	(1)	(1)	27

	Balance at 12/31/2011	(+) Granted	(-) Cancelled	(+/-) Exchange rate and other	Balance at 06/30/2012
Debt security issues guaranteed by the Group (guaranteed amount)	31	-	(2)	1	30

c) Fair Value of financial instruments

The classification of the financial instruments recognized in the financial statements at fair value, at June 30, 2013 and December 31, 2012, is as follows:

Millions of euros

	Level 1		Level 2		Level 3		Total	
Financial assets [(1)]	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**
Financial assets held for trading	17	8	124	43	-	-	141	51
Other financial assets at fair value through profit and loss	11	11	84	84	-	-	95	95
Financial assets available for sale [(2)]	553	567	-	-	-	-	553	567
Hedging derivatives	-	-	2	7	-	-	2	7
Total	**581**	**586**	**210**	**134**	**-**	**-**	**791**	**720**

	Level 1		Level 2		Level 3		Total	
Financial liabilities	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**	**Jun 2013**	**Dec 2012**
Financial liabilities held for trading	-	15	266	118	-	-	266	133
Hedging derivatives	-	-	112	205	-	-	112	205
Total	**-**	**15**	**378**	**323**	**-**	**-**	**378**	**338**

Financial instruments recognized at fair value were classified at different levels, as described below:

Level 1: Valuations based on a quoted price in an active market for an identical instrument.
Level 2: Valuations based on a quoted price in an active market for similar financial assets or based on other valuation techniques that rely on observable market inputs.
Level 3: Valuations based on inputs that are not directly observable in the market.

(1) Regarding the shares of YPF and YPF Gas subject to expropriation, which are presented within "*Non-current assets held for sale subject to expropriation*" at their fair value in accordance with IFRS 5, see Note 5, "*Expropriation of Repsol Group´s shares in YPF S.A. and YPF Gas S.A.*" and Note 3, section b),"*Assets and liabilities related to the expropriation of the YPF S.A. and YPF Gas S.A. shares held by the Repsol Group*" to the accompanying interim condensed consolidated financial statements.
(2) Not includes €101 million and €74 million at June 30, 2013 and December 31, 2012, corresponding to equity investments in companies that are measured at acquisition cost under IAS 39 or the YPF Gas S.A. shares not subject to expropriation (Note 5 "Expropriation of Repsol Group´s shares in YPF S.A. and YPF Gas S.A." and Note 3, section b), "*Assets and liabilities related to the expropriation of the YPF S.A. and YPF Gas S.A. shares held by the Repsol Group*" to the accompanying interim condensed consolidated financial statements).

The valuation techniques used for the instruments classified under level 2, which mainly correspond to derivative financial instruments, are based on the income approach, in accordance with accounting regulations, which consist in the discount of future cash flows associated with said instruments, including adjustments due to credit risk based on the duration of the instruments. Implied forward curves offered in the market are used to estimate said cash flows. In the case of options, price-setting models based on the Black & Scholes formula are used.

The most significant variables for valuing financial instruments vary depending on the type of instrument, but fundamentally include: exchange rates (spot and forward), interest rate curves, counterparty risk curves, prices of equity securities, and volatility of all aforementioned factors. In all cases, market data is obtained from reputed information agencies or correspond to quotes issued by official bodies.

(6) SHAREHOLDER REMUNERATION

The following table details the dividends paid by Repsol, S.A. to its shareholders in the six-month period ended June 30, 2013 and 2012:

	06/30/2013			06/30/2012		
	% on nominal amount	**Euros per share**	**Amount**	**% on nominal amount**	**Euros per share**	**Amount**
Ordinary shares	4.00%	0.04	51	57.75%	0.5775	635
Remaining shares (without vote, redeemable, etc)	-	-	-	-	-	-
Total dividens paid				-	-	-
a) Dividends charged to profits	4.00%	0.04	51	57.75%	0.5775	635
b) Dividends charged to reserves or share premium issues	-	-	-	-	-	-
c) Dividends in kind	-	-	-	-	-	-

The remuneration received by shareholders in the six-month period ended June 30, 2012 corresponds to the interim dividend from 2011 profits, which amounted to €635 million (€0.5775 gross per each outstanding share carrying dividend rights) and was paid on January 10, 2012.

During the months of June and July, 2012 shareholders also was remunerated through a scrip dividend scheme under the “Repsol Flexible Dividend” program which replaced the traditional final dividend against 2011 profits. Under this program, the Company’s shareholders could choose to receive their remuneration in cash or paid-up shares. This program materializes in paid capital increases along with an irrevocable commitment on the part of Repsol, S.A. to purchase the free-of-charge allocation rights deriving from the capital increase at a guaranteed fixed price.

Under the scrip dividend program, holders of 443,927,625 rights accepted the irrevocable commitment assumed by Repsol, S.A. to purchase their rights at a guaranteed pre-tax price of €0.545 per right. As a result, Repsol, S.A. acquired the above-mentioned rights for a pre-tax sum of €242 million, renouncing the shares corresponding to the free-of-charge allocation rights acquired by virtue of its purchase commitment. In addition to the above €242 million cash payment, shareholder remuneration included a further €423 million share-based payment, corresponding to the 35,315,264 new shares issued as a result of the execution of the capital increase, which increased share capital by approximately 2.89% as compared to the previous amount of share capital.

In December 2012 and January 2013, a further capital increase was completed, as approved under point 11 of the agenda of the Annual Shareholders´ Meeting of May 31, 2012. The holders of 389,278,581 rights accepted the irrevocable commitment assumed by Repsol, S.A. to purchase the rights at a guaranteed pre-tax price of €0.473 per right. As a result, Repsol, S.A. acquired the above-mentioned rights for a pre-tax sum of €184 million, renouncing the shares corresponding to the bonus share rights acquired by virtue of its purchase commitment. In addition to the above €184 million cash payment, shareholder remuneration included a further €410 million share-based payment, corresponding to the 26,269,701 new shares issued as a result of the bonus share issue, which increased share capital by approximately 2.09% as compared to the previous amount of share capital.

The remuneration received by the shareholders during the period ended June 30, 2013 corresponds to the payment of a cash dividend on June 20, 2013, amounting to €51 million (gross amount of 0.04 euros per outstanding share of the Company with remuneration rights).

In addition, during the months of June and July 2013, dates on which the final dividend corresponding to the previous year was traditionally paid out in cash, the Company carried out the first of its paid-up capital increases authorized by the Annual Shareholders' Meeting held on May 31, 2013 in the framework of the "Repsol Flexible Dividend" program.

Under said program, the holders of 521,556,172 free-of-charge allocation rights accepted the irrevocable commitment assumed by Repsol, S.A. to purchase the rights at a guaranteed fixed pre-tax price of 0.445 euros per right. Consequently, Repsol, S.A. acquired said rights for a pre-tax sum of €232 million, paid out in July, and renounced the shares corresponding to the free-of-charge allocation rights acquired by virtue of said purchase commitment. In addition to the aforementioned €232 million, another €339 million worth of shares were distributed to the shareholders, corresponding to the 20,023,479 new shares issued for the capital increase, which represented an approximate increase of 1.56% of the share capital prior to the capital increase.

(7) TAX SITUATION

For the calculation of this period's corporate income tax, the effective tax rate that would be applicable to the total profits expected for the yearly period was used, so that the tax expense for the interim period is the result of applying the estimated average effective tax rate for the year to the result before taxes in the interim period. However, the tax effects derived from occasional events or unique transactions undertaken during the period are fully taken into account in the period.

The effective tax rate for the first half of 2013 applicable to continuing operations was estimated at 45%, which is over the estimate for the same period of the previous year (44%); this is mainly due to increased profits in areas with higher tax burdens, such as Upstream businesses, and to decreased profits in areas with lower tax burdens, such as Downstream businesses.

(8) RELATED PARTY TRANSACTIONS

Repsol undertakes transactions with related parties under general market conditions. For the purposes of presenting this information, the following are considered to be related parties:

a. Significant Shareholders: according to the latest information available, the significant shareholders of the Company, deemed related parties of Repsol are:

Significant shareholders	% total over share capital June 30, 2013
CaixaBank, S.A	12.02
Sacyr Vallehermoso, S.A. (1)	9.38
Petróleos Mexicanos (2)	9.34
Temasek Holdings (Private) Limited (3)	6.32

(1) Sacyr Vallehermoso, S.A. holds its stake through Sacyr Vallehermoso Participaciones Mobiliarias, S.L.

(2) Petróleos Mexicanos (Pemex) holds its stake through Pemex Internacional España, S.A., PMI Holdings, B.V. and through several swap instruments (equity swaps) with certain financial entities that enable Pemex to exercise the economic and political rights.

(3) Temasek holds its stake through Chembra Investment PTE, Ltd.

Since Repsol S.A.'s shares are represented by the book-entry method, it is not possible to ascertain the Company's precise updated shareholder structure at June 30, 2013. The figures provided below reflect the latest information available to Repsol, S.A. and are based on information furnished by Spain's central counterparty clearing house (IBERCLEAR, Sociedad de Gestión de los Sistemas de Registro, Compensación y Liquidación de Valores, S.A.U. for its acronym in Spanish) and information submitted by the shareholders to the Company and the Spanish securities market regulator(the CNMV for its acronym in Spanish) in compliance with its transparency requirements.

b. Executives and Directors: includes members of the Board of Directors and of the Executive Committee.

c. People or Group companies: includes transactions with Group companies or entities for the part not eliminated in the consolidation process (corresponding to the non-owned portion in the proportionately consolidated companies and transactions undertaken with companies accounted for using the equity method).

Income, expenses and other transactions recorded in six-month period ended June 30, 2013 with related parties were as follows:

EXPENSE AND INCOME: Thousands of euros	June 30, 2013			
	Major shareholders	Executive and Directors (1)	Group companies or entities	Total
Financial expenses	21,123	-	-	21,123
Management or cooperation agreements	-		-	-
Transfer of R&D and license agreements	-		30	30
Operating leases	764	-	21,893	22,657
Receipts from services	5,793	-	205,613	211,406
Purchase of goods (finished or in progress) (2)	2,047,321	-	3,476,056	5,523,377
Loses from derecognition or disposal of assets	-		-	-
Other expenses	10,735	-	7,261	17,996
EXPENSES	**2,085,736**		**3,710,853**	**5,796,589**
Financial income	16,921	1	6,377	23,299
Management or cooperation agreements	-	-	1,263	1,263
Leases	670	-	-	670
Provision of services	13,964	-	15,728	29,692
Sale of goods (finished or in progress)	40,192	-	480,608	520,800
Gains from derecognition or disposal of assets	-	-	115	115
Other income	2,306	-	45,117	47,423
INCOME	**74,053**	**1**	**549,208**	**623,262**

OTHER TRANSACTIONS Thousands of euros	June 30, 2013			
	Major shareholders	Executive and Directors (1)	Group companies or entities	Total
Purchase of property, plant and equipment, intangible and other assets	3,151	-	-	3,151
Finance agreements: credits and capital contributions (lender)	-	46	200,903	200,949
Disposal of property, plant and equipment, intangible or other assets	109,415	-	-	109,415
Finance agreements: credits and capital contributions (lessor) (3)	564,035	-	5,384	569,419
Amortisation or cancellation of loans and leases (lessor)	-	-	16,513	16,513
Guarantees given	128,072	-	1,130,571	1,258,643
Guarantees received	56,843	-	46	56,889
Commitments acquired (4)	980,968	-	19,429,767	20,410,735
Cancelled commitments/guarantees	47,418	-	17,005	64,423
Dividends and other profit distributed (5)	192,130	30	-	192,160
Other transactions (6)	1,910,771	-	15,240	1,926,011

(1) Includes those transactions carried out with directors and executives not included in Note 11 on Compensation received by directors and executives and which correspond to the effective balance at June 30, 2013 of the loans granted to senior management and the corresponding accrued interest as well as the dividends received in connection with holding shares of the Group.

(2) These purchases included those made under the provisions of a crude oil purchase contract signed for an indeterminate period with the Pemex Group, which in 2013 were fixed at 100,000 barrels per day.

(3) Includes credit lines for the maximum amount granted, amounting to €478 million.

(4) Corresponds to purchase commitments outstanding at the reporting date, net of sales commitments.

(5) Amounts recognized as dividends and other profits distributed to the significant Shareholders and directors, and executives include the dividend paid out in cash at a pre-tax amount of 0.04 euros per outstanding share with remuneration rights, paid out on June 20, 2013, and the corresponding amounts from the sale to Repsol, at the guaranteed fixed price, the free allotment rights arising from scrip closed in January 2013, under the compensation program "Repsol Flexible Dividend". Conversely, do not include amounts for sale to Repsol, at the guaranteed fixed price, the free allotment rights arising from scrip closed in July 2013, which in the case of significant shareholders amounted to €187 million. These rights were recognized as payables at June 30, 2013. Repsol shares subscribed in such capital increases are not either included.

(6) Corresponds mainly to:
    (a) Remunerated accounts and deposits: €411 million.
    (b) Exchange rate hedges: €528 million.
    (c) Interest rate hedges: €173 million.

Income and expenses, as well as other transactions, recorded during the first half of 2012 in respect of transactions with related parties have been as follows:

EXPENSES AND INCOME: Thousands of euros	June 30, 2012 Major shareholders	 Directors and executives (1)	 Persons, companies or entities within the Group (2)	 Total
Finance expenses	8,497	-	-	8,497
Management or cooperation agreements	-	-	283	283
Transfer of R&D and licenses agreements	-	-	51	51
Operating leases	971	-	12,190	13,161
Receipts from services	1,317	-	195,569	196,886
Purchase of goods (finished or in progress) (3)	1,852,000	-	2,909,374	4,761,374
Loss from the removal or sale of assets	-	-	275	275
Other expenses	7,724	-	9,022	16,746
EXPENSES	**1,870,509**	**-**	**3,126,764**	**4,997,273**
Finance income	13,875	2	8,979	22,856
Management or cooperation agreements	-	-	1,148	1,148
Transfer of R&D and licenses agreements	-	-	949	949
Dividends received	-	-	-	-
Operating leases	392	-	-	392
Services rendered	20,200	-	23,044	43,244
Sale of goods (finished or in progress)	129,677	-	682,640	812,317
Profit from the removal or sale of assets	-	-	1,424	1,424
Other income	2,567	-	34,845	37,412
INCOME	**166,711**	**2**	**753,029**	**919,742**

OTHER TRANSACTIONS Thousands of euros	June 30, 2012 Major shareholders	 Directors and executives (1)	 Persons, companies or entities within the Group (2)	 Total
Purchases of tangible, intangible or other assets	60,600	-	30	60,630
Finance agreements: credits and capital contribution (lender)	-	156	264,065	264,221
Amortization or cancellation of credits and lease agreements (lessor)	-	-	-	-
Sale of tangible, intangible or other assets	104,732	-	828	105,560
Finance agreements: credits and capital contributions (borrower) (4)	801,818	-	6,192	808,010
Amortization or cancellation of loans and lease agreements (lessee)	-	-	-	-
Guaranteed given	162,420	-	201,239	363,659
Guarantees received	57,927	-	268	58,195
Commitments acquired (5)	698,378	-	14,302,142	15,000,520
Commitments/ guaranties cancelled	3,020	-	26,764	29,784
Dividends and other profit distributed (6)	315,117	319	-	315,436
Other transactions (7)	1,621,428	-	-	1,621,428

(1) Includes those transactions with Directors and Executives not included in note 11 on Compensations received by Directors and Executives, which corresponded to the present outstanding balance of the loans granted to senior management and the corresponding interest accrued, as well as dividends received from group companies, as well as dividends received from holding shares in the Group.
(2) The Income and Expenses table includes transactions carried out by Group companies with YPF, Repsol YPF Gas, and their respective group companies until control was lost (see Note 3). On the contrary Other transactions table does not include any balances with those companies.
(3) These purchases include those made under the provisions of a crude oil purchase contract signed for an indeterminate period with the Pemex Group, wich in 2012 amounts of 100,000 barrels per day.
(4) This includes credit facilities for the maximum amount granted, totaling €563 million.
(5) Correspond to firm purchase commitments outstanding at the reporting date, net of firm sales commitments.

(6) Amounts recognized as dividends and other profits distributed to significant shareholders, executives and directors include payment of a 2011 interim dividend on January 10, 2012. The amount collected in July 2012 by significant shareholders related to free bonus share rights from the capital increase authorized by the Company's Board of Directors on May 31, 2012 under "Flexible Dividend Programme" shareholder compensation scheme, in cases which such rights were sold to Repsol at a guaranteed fixed price in accordance with the conditions of the abovementioned capital increase (see Note 4 section d), amounted to €152 million are not included. These rights were recognized under "*Other payables*" on June 30, 2012. Repsol shares subscribed in such capital increases are not either included.

(7) Corresponds mainly to:

(a) Temporary financial investments: €1,084 million.
(b) Exchange-rate hedging transactions: €141 million.
(c) Interest-rate hedging transactions: €184 million.

(9) CONTINGENCIES AND GUARANTEES

Litigation

The information herein updates the status of certain legal and arbitration proceedings having undergone relevant changes since the preparation of the 2012 consolidated financial statements, in which this information is included under Note 35 "*Contingent liabilities and commitments*".

Litigation Passaic River / Bay of Newark

This section discusses certain environmental contingencies, as well as the sale by a predecessor of Maxus Energy Corporation ("Maxus") of its former petrochemical subsidiary, Diamond Shamrock Chemicals Company ("Chemicals"), to a subsidiary of Occidental Petroleum Corporation ("Occidental"). Maxus' predecessor agreed to indemnify Chemicals and Occidental against for certain liabilities relating to the business and activities of Chemicals prior to September 4, 1986, the Closing Date of the transaction, including certain environmental liabilities relating to chemical plants and waste disposal used by Chemicals prior to the closing date. Subsequently (in 1995), Maxus was acquired by YPF S.A. ("YPF") and later (in 1999) Repsol acquired YPF S.A.

In December 2005, the New Jersey Department of Environmental Protection ("DEP") and the Spill Compensation Fund of New Jersey (all together "the State of New Jersey") sued Repsol YPF, S.A. (now named Repsol, S.A., and referred hereafter as "Repsol"); YPF,; YPF Holdings, Inc. ("YPFH"); CLH Holdings ("CLHH"); Tierra Solutions, Inc. ("Tierra"); Maxus; and Occidental Chemical Corporation. In August 2010, the lawsuit was extended to YPF International, S.A. ("YPFI"), and Maxus International Energy Company ("MIEC") (together, "Original Defendants"). This is a claim for damages in connection with the contamination from an old plant of Chemicals located in Lister Avenue in Newark which supposedly polluted the Passaic River, Newark Bay, and other waters bodies and nearby properties (the litigation regarding the Passaic River and Newark Bay).

In February 2009, Maxus and Tierra brought into the process, as third parties, another 300 companies (including certain municipalities) that could be potentially liable.

In May 2011, the court issued Case Management Order XVII (CMO XVII), which set forth the trial plans (the Trial Plans), dividing them in different trial tracks.

In accordance with the expected Trial Plan, the State of New Jersey and Occidental filed the corresponding motions. The Court ruled as follows on these motions: (i) Occidental is the legal successor of the liabilities incurred by the corporation formerly previously known as Diamond Alkali Corporation, Diamond Shamrock Corporation, and Chemicals;

(ii) the Court denied the State's motion, without prejudice insofar as the State of New Jersey sought a declaration that the facts in the "Aetna" litigation should apply to the Occidental and Maxus case based on the doctrine of collateral estoppel; (iii) the Court ruled that Tierra is responsible to the State of New Jersey pursuant to the New Jersey "Spill Act" simply based on its ownership of the land where the Lister Avenue plant was located; (iv) the Court ruled that Maxus has an obligation under the "1986 Stock Purchase Agreement" to indemnify Occidental harmless for any liability of the "Spill Act" arising from pollutants discharged from Lister Avenue plant.

Subsequently, and in accordance with the Trial Plan, the State of New Jersey and Occidental presented new motions against Maxus. On May 23, 2012, the Court ruled on those motions that: (i) Maxus was not, as a matter of law, a successor to "Diamond Shamrock". However, the court left open the possibility of finding Maxus a "successor" for purposes of punitive damages, if punitive damages were available; (ii) the State of New Jersey was not intended third-party beneficiaries of the "Stock Purchase Agreement" of 1986; and (iii) Tierra is the alter ego of Maxus as a matter of law and, therefore, Maxus is "in any way responsible under the Spill Act" for discharges at the Lister Avenue plant. The court determined Maxus as "strictly, jointly and severally liable under" the Spill Act.

On June 6, 2013, the Original Defendants (with the exception of Occidental Chemical Corporation) signed, without admitting responsibility, a Settlement Agreement with the DEP, its Commissioner, and the Administrator of the New Jersey Spill Compensation Fund to obtain a dismissal of the State of New Jersey's claims against Repsol, YPF, YPFI, YPFH, CLHH, MIEC, Maxus, and Tierra in exchange for the payment of $130 million ($65 million payable by Repsol and the other $65 million payable by YPF / Maxus). Based on the terms of this Settlement Agreement, the State of New Jersey reserves the right to continue its actions against Occidental Chemical Corporation, which is not a party to the Settlement Agreement. Importantly, Occidental Chemical Corporation, not being part of the agreement, maintains its right to continue its claims against Repsol and the rest of the Original Defendants ("Cross Claims"), who maintain their defenses against Occidental Chemical Corporation. The Settlement Agreement provides that the claims will not go to trial until December 2015. Also, by virtue of the Settlement Agreement, the Original Defendants (except Occidental) obtained certain additional protections against future potential litigation. The Settlement Agreement is pending court approval.

Based on information available at the date of the financial statements and also considering the estimated time it would take for the completion of the trial, the results of investigations, and / or tests, you cannot reasonably estimate the damages that will eventually result from this lawsuit.

Guarantees

With respect to the loan granted to Petersen by the Banco Santander in 2008, guaranteed by Repsol by virtue of the guarantee contract signed on June 6, 2008, refer to section b) "*Assets and liabilities related to the expropriation of the YPF S.A. and YPF Gas S.A. shares held by the Repsol Group*" in Notes 3 and 5 to the interim condensed consolidated financial statements.

(10) AVERAGE HEADCOUNT

The average employee headcount at June 30, 2013 and 2012 was:

	06/30/2013	06/30/2012
AVERAGE HEADCOUNT		
Men	20,825	20,925
Women	9,376	9,196
	30,201	**30,121**

(11) COMPENSATIONS

A) Directors' and executives' compensation

During the first half of 2013 a total of seventeen members (16 natural persons and one corporate person) have been, at some point, part of the Board of Directors (two Executive Directors, seven Institutional External Directors and eight Independent External Directors). A total of nine people were members of the Group's Executive Committee during the same period. For reporting purposes, in this section Repsol deems "executive personnel" to be the members of the Executive Committee. This consideration, made purely for reporting purposes, herein, neither substitutes nor comprises a benchmark for interpreting other senior management pay concepts applicable to the Company under prevailing legislation (such as Royal Decree 1382/1985), nor does it have the effect of creating, recognizing, amending or extinguishing any existing legal or contractual rights or obligations.

The following is a breakdown of compensation paid during the first six months of 2013 to Directors and members of the Executive Committee who at some point of the mention period and during the time they held said position. For comparative purposes 2012 data is included, with similar criteria.

DIRECTORS:

	Thousands of euros	
Compensation:	**06/30/2013**	**06/30/2012**
Fixed compensation	1,896	1,936
Variable compensation	1,511	1,538
Bylaw stipulated remunerations	2,436	2,406
Others (a)	59	29
TOTAL	**5,902**	**5,909**

EXECUTIVES: (b)

	Thousands of euros	
	06/30/2013	**06/30/2012**
Total compensation received by executives (a)	**6,076**	**5,669**

(a) In-kind benefits and contributions to life insurance and pension plans include the corresponding tax payments on account.
(b) The composition and number of members of the Executive Committee varied between 2012 and 2013.

In the first half of 2013 the accrued cost of the retirement, disability, and death insurance policies for Board members, including the corresponding tax payments on account, amounts to €195 thousand (€184 thousand in the first half of the previous year); and the contributions to pension plans and long-service bonuses amounts to €598 thousand (€1,347 thousand for the same period in the previous year).

The contributions made by the Group in the first half of 2013 to the executives' pension plans, the contributions to executives' prevision plans, and insurance policy premiums covering disability and death (in this case including the corresponding tax payments on account) totaled €1,110 thousand (€977 thousand in the first half of the previous year).

B) Share-based payments plans

The following is an update during the first six months of 2013 of Repsol, S.A.'s share-based payment scheme approved at the Ordinary General Meeting, and included in the 2012 consolidated financial statements:

i.) "*Plan for Delivery of Shares to Beneficiaries of the Pluri-Annual Remuneration Programs*"

Repsol has a "*Plan for Delivery of Shares to Beneficiaries of the Pluri-Annual Remuneration Program*." On May 31, 2013, 187 employees and executives took part in the Third Cycle of the Plan (2013-2016), having acquired a total of 168,788 shares with an average price of €18.22 per share. The Group is committed to delivering 56,198 shares to those employees who fulfill the Plan requirements after the three-year vesting period ends.

During this Third Cycle, the current Board members had acquired a total of 77,155 shares. Considering the total number of shares acquired during the First Cycle (amounted to 79,611 shares) and during the Second Cycle (amounted to 131,395 shares), Repsol would be committed to delivering 26,534 shares once the First Cycle's vesting period ends, 43,795 shares when the second would be finished and 25,716 shares when the third would be finished. This commitment is subject to the compliance with the remaining Plan requirements.

At June 30, 2013 has been recognized expenses totaling €0.6 million under "*Personnel expenses*" with a counterbalancing entry under "*Retained earnings and other reserves*" in equity related to the First, Second and Third Cycles.

ii.) *"Share AcquisitionPlan"*

During the first half of 2013 and 2012, and in accordance with in the information included in Note 3, section *d) "Equity - 2. Treasury shares and own equity investments* " the Group has purchased 205,785 and 264,398 treasury shares for €3.5 million and €4.4 million respectively, to be delivered to Group employees.

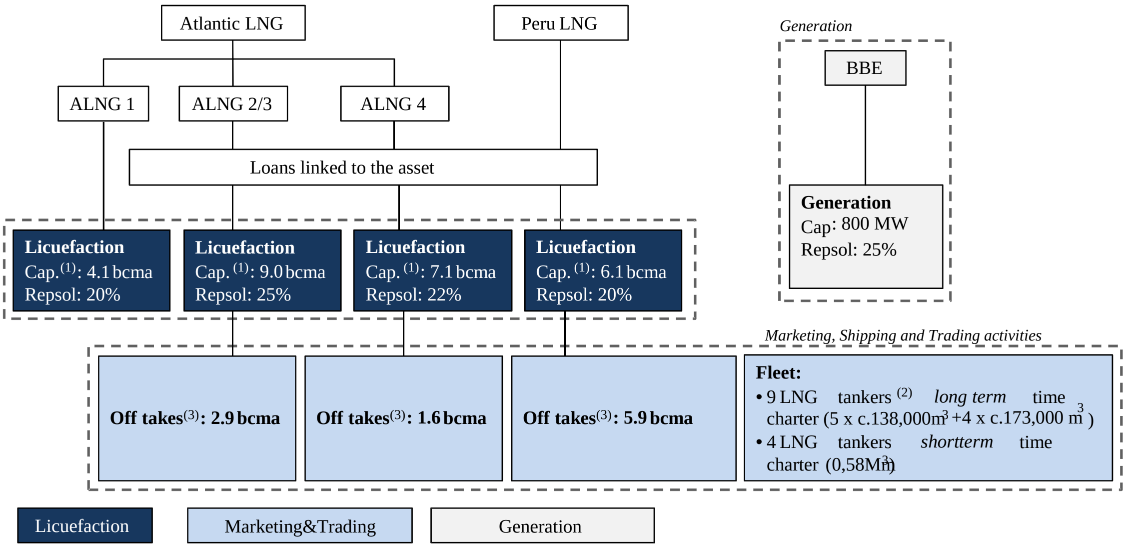
The shares to be delivered under both schemes, i) and ii), may consist of directly or indirectly held treasury shares of Repsol, new issuance shares or shares acquired from third parties under agreements entered into to cover the delivery commitments assumed.

(12) OTHER INFORMATION

On February 26, 2013 Repsol signed an agreement with Shell for its liquid natural gas (LNG) assets and businesses.

The LNG´s Repsol business includes (i) minority holdings in the liquefaction plants in Trinidad and Tobago (Atlantic LNG) and Peru (Peru LNG) and in the Bahía de Bizkaia Electricidad (BBE) Combined Cycle power plant in Spain; (ii) the commercialisation, transport and trading activities; (iii) the regasification, marketing and trading businesses in North America; and (iv) the integrated LNG project in Angola.

The transaction with Shell includes the businesses indicated in points (i) and (ii) of the previous paragraph, as shown below:



Note: Transport and Upstream assets not included in the transaction. 1 MMtpa = 1.37 bcm.

(1) Nameplate capacity of the Plant.

(2) 7 chartered by Repsol and 2 chartered 50% to Repsol and 50% to GNF. Repsol's percentages of the latter two are transferred.

(3) Gas supply contract.

The transaction does not include either regasification marketing and trading businesses in North America (Canaport regasification plant and the gas pipelines in the region) or the LNG project in Angola.

Together with the sale of assets, Repsol and Shell signed an agreement under which the latter will supply liquefied natural gas to Repsol's regasification plant at Canaport (Canada) over the next 10 years, at a total volume of approximately 1 million tonnes

Transfer of the assets ("*closing*") is conditional on obtaining the necessary authorisations, both from governments and third parties, and the fulfilment of the agreed conditions. Until closing, Repsol will retain ownership and continue managing the businesses included in the scope of the transaction, as well as maintain the dependency relationship between the cash flows for these assets and those of the rest of the LNG business.

In the period of time between the signing of the agreement and its final closing, Repsol will continue to keep the assets and liabilities for the businesses to be transferred on its balance sheet and, furthermore, will register these businesses results in its income statement.

The following tables show a detail of the consolidated assets and liabilities and a summarised consolidated income statement for the period ended 30 June 2013, reflecting the contribution the companies included in the scope of the transaction had on the consolidated financial statements in said period:

	06/30/2013	06/30/2013	
	Consolidated Repsol Group as formulated	***Assets of LNG's businesses*** [1]	
CONSOLIDATED ASSETS AND LIABILITIES (*In accordance with IFRS*)	**(in million €)**	**(in million €)**	**Contribution (%)**
ASSETS			
Non-current assets	45,418	2,211	4.87
Current assets	21,859	801	3.67
Total Assets	**67,277**	**3,012**	**4.47**
LIABILITIES			
Non-current liabilities	23,364	1,328	5.68
Current liabilities	14,649	681	4.65
Total Liabilities	**38,013**	**2,009**	**5.29**

(1) LNG businesses included in the scope of the selling transaction to Shell.

	06/30/2013	06/30/2013	
	Consolidated Repsol Group as originally stated	**LNG business results** [2]	
CONSOLIDATED INCOME STATEMENT *(According to IFRS)*	**(in million €)**	**(in million €)**	**Contribution (%)**
EBITDA[1]	3,376	368	10.90
Operating revenue	29,244	1,459	5.30
Operating expenses	(27,253)	(1,135)	4.16
Operating income	**1.991**	**324**	**16.27**
Financial result	(385)	(19)	4.94
Net income before tax	1,680	351	20.90
Total net income attributable to the parent	**901**	**260**	**28.86**

(1) EBITDA represents operating profit adjusted for items that do not result in cash inflows or outflows from operations (depreciation and amortisation, allowances and provisions released, gains / (losses) on asset sales and other items). EBITDA can also be calculated via the Cash Flow Statement as the sum of "Profit before tax" and "Adjustments to results".
(2) LNG businesses included in the scope of the selling transaction to Shell.

The sale agreement valued the assets at 6,653 million US Dollars. It is estimated that the income before tax, which will be generated when all the suspensory conditions of the sale agreement have been met and, therefore, when the assets are transferred, it will total 3,500 million US Dollars, including the results of the business obtained by Repsol until the effective sale date.

As a consequence of the transfer of the LNG businesses to Shell, a break will occur in the integrated management of the assets and businesses in North America, with part of the assets included in the scope of the transaction. In this regard, Repsol will need to adjust the valuation of the assets and businesses in North America to the new cash flows associated with them by means of the recording of a provision, the amount of which would total approximately 1,800 million US Dollars before tax, according to Repsol's best estimate at June 30, 2013.

(13) SUBSEQUENT EVENTS

- On July 12, 2013, the Council of Ministers approved a package of measures relating to the energy sector reform established in Royal Decree Law 9/2013, by virtue of which urgent measures to guarantee the financial stability of the electricity system are adopted. In addition, a preliminary draft of the Electricity Sector Law and various Royal Decree proposals were likewise approved.

  Said Royal Decree Law 9/2013 modifies the compensation regime for installations operating under the special regime, which directly affects the compensation for cogeneration facilities. Specifically, it establishes a new regime based on compensation per sale of energy generated and valued at market prices, further establishing additional compensation to that of the market, should it be necessary, to recover the investment and operating expenses until achieving acceptable profitability, calculated before tax and referenced to the average profitability in the secondary market for 10-year government bonds applying a suitable spread (300 basis points for installations that are already operating). This new economic regime will be reviewed every six years.

  The impact that said measures could have on the Repsol Group, in addition to those described for cogeneration facilities, is a consequence of the Group's interest in the Gas Natural Fenosa group which has been estimated at €27 million before taxes for the second half of 2013 and €54 million before taxes for 2014 (amounts stated at the Group´s proporcionate interest in Gas Natural Fenosa).

(14) EXPLANATION ADDED FOR TRANSLATION TO ENGLISH

These interim condensed consolidated financial statements are prepared on the basis of IFRSs, as endorsed by the European Union, and Article 12 of Royal Decree 1362/2007 (see Note 2). Consequently, certain accounting practices applied by the Group may not conform with other generally accepted accounting principles in other countries.

ANNEX I: CHANGES IN THE SCOPE OF CONSOLIDATION

a) Business combinations, other acquisitions and acquisitions of interest in subsidiaries, joint ventures and/or associates

Name of the entity (or business activity) acquired/absorbed	Type of transaction	Transaction close date	Cost of the business combination (net) (millions of euros): Consideration (net) paid + other costs directly atributable to the business combination	Cost of the business combination (net) (millions of euros): Fair value of the equity instruments issued to acquire the acquiree	% of voting rights acquired (1)	% of total voting rights acquired in the entity post - acquisition
Tocardo International, B.V.	Acquisition	jan- 13	2	-	18.0%	18.0%
Mc Alrep, Llc.	Acquisition	feb-13	-	-	49.0%	49.0%
SC Repsol Targu Jiu, S.R.L.	Constitution	feb-13	-	-	100.0%	100.0%
SC Repsol Baicoi, S.R.L.	Constitution	feb-13	-	-	100.0%	100.0%
SC Repsol Targoviste, S.R.L.	Constitution	feb-13	-	-	100.0%	100.0%
SC Repsol Pitesti, S.R.L.	Constitution	feb-13	-	-	100.0%	100.0%
Repsol Exploración Gharb, S.A.	Constitution	mar-13	-	-	100.0%	100.0%
Principal Power, Inc.	Acquisition	mar-13	1	-	33.6%	33.6%
Principal Power Portugal Unipessoal, Lda.	Acquisition	mar-13	-	-	33.6%	33.6%
Principal Power (Europe), Ltd.	Acquisition	mar-13	-	-	33.6%	33.6%
Operación & Manteminiento La Caridad, S.A de C.V (2)	Constitution	mar-13	-	-	30.0%	30.0%
Gas Natural Servicios Económicos, S.A.S (2)	Constitution	mar-13	-	-	30.0%	30.0%
San Andrés Park, S.L	Acquisition	apr- 13	5	-	96.7%	96.7%
Repsol Exploración Cendrawasih I B.V.	Constitution	apr- 13	-	-	100.0%	100.0%
Repsol Exploración Gorontalo B.V.	Constitution	apr- 13	-	-	100.0%	100.0%
Repsol Exploración Numfor B.V.	Constitution	apr- 13	-	-	100.0%	100.0%
Unión Fenosa Wind Australia PTY (2)	Acquisition	apr- 13	1	-	0.2%	28.6%
Ryan Corner development Pty. Ltd. (2)	Acquisition	apr- 13	1	-	0.2%	28.6%
Crookwell development Pty. Ltd. (2)	Acquisition	apr- 13	-	-	0.2%	28.6%
Berrybank development Pty. Ltd. (2)	Acquisition	apr- 13	-	-	0.2%	28.6%
Gas Natural Finance 1, S.A. (2)	Constitution	apr- 13	-	-	30.0%	30.0%
Gas Natural Madrid SDG, S.A. (2)	Constitution	apr- 13	-	-	30.0%	30.0%
Repsol Angostura, Ltd.	Constitution	may-13	-	-	100.0%	100.0%
Repsol Exploración Liberia LB- 10, B.V.	Constitution	may-13	-	-	100.0%	100.0%
Repsol Exploración Liberia LB- 16, B.V.	Constitution	may-13	-	-	100.0%	100.0%
Repsol Exploración Liberia LB- 17, B.V.	Constitution	may-13	-	-	100.0%	100.0%
Repsol Exploración Guyana S.A.	Constitution	jun-13	-	-	100.0%	100.0%
Air Miles España, S.A.	Increase shareholding	jun-13	-	-	3.9%	25.7%
Gas Navarra, S.A. (2)	Acquisition	jun-13	3	-	3.0%	30.0%
Energía del Río San Juan Corp. (2)	Acquisition	jun-13	1	-	30.0%	30.0%
Hidroeléctrica Río San Juan, S.A.S. (2)	Acquisition	jun-13	-	-	30.0%	30.0%
Cer's Commercial Corp. (2)	Acquisition	jun-13	-	-	7.5%	7.5%

(1) Corresponds to the equity shareholding in the acquired company.
(2) Investments held through Gas Natural Fenosa.

b) Reduction in interests in subsidiaries, joint ventures and/or associates and other similar transactions

Name of the entity (or business activity) sold, splitted or retired	Type of transaction	Effective date of the operation	% of voting rights sold or retired	% of voting rights acquired in the entity post-acquisition	Income / Loss generated (Millions of euros) (3)
Eurotek (1)	Reduction in interest	jan- 13	51.0%	49.0%	-
Kuosol Servicios, S.A. de C.V (2)	Merge by absortium	feb-13	50.0%	-	-
Pacific LNG Bolivia, SRL	Liquidation	feb-13	37.5%	-	-
Windplus, S.A.	Reduction in interest	mar-13	7.2%	23.7%	-
Distribuidora de Electricidad del Norte, S.A. (4)	Sale	feb-13	25.1%	-	1
Distribuidora de Electricidad del Sur, S.A. (4)	Sale	feb-13	25.1%	-	1

(1) See Note 2, section “Changes in group composition”.
(2) No longer included in the consolidation scope as of February 2013 as a result of it being absorbed by the Repsol Group company, Kuosol Agrícola, S.A.P.I of C.V.
(3) Corresponds to the result recognized before taxes.
(4) Investments held through Gas Natural Fenosa.

REPSOL, S.A.
and investees comprising the
REPSOL Group

INTERIM MANAGEMENT REPORT
FOR THE SIX MONTH
PERIOD ENDED JUNE 30, 2013

Translation of a report originally issued in Spanish. In the event of a discrepancy, the Spanish language version prevails.

REPSOL, S.A. AND INVESTEES COMPRISING THE REPSOL GROUP

INDEX

I. GENERAL OVERVIEW AND ECONOMIC-FINANCIAL INFORMATION

1.1) MACROECONOMIC ENVIRONMENT

On the whole, the global economy is advancing at a modest rate of 3% in an environment of gradual recovery of confidence and greater financial stability. Reflecting this, the Morgan Stanley Capital International (MSCI) index for global stock markets rose by 7% between January and June 2013. Furthermore, the absence of significant inflationary pressures has allowed the central banks of the major international currencies to implement lax monetary policies that act as incentives to consumption and investment.

The fiscal policy decisions taken in the United States tax at the end of 2012 have contributed to removing uncertainties and have favoured the upturn in activity, thus offsetting the reduction in public spending. A recovery in the real estate and employment sectors allows us to be optimistic about the prospects of the U.S. economy. IMF estimates show that the world's largest economy will grow 1.7% in 2013 and 2.7% in 2014.

In contrast with the tensions experienced recently at key moments, in the first half of 2013 the risks as regards global financial stability have been reduced considerably. Moreover, systemic risks -that could entail graver consequences- seem to have been balanced out, thus benefitting financial markets and lowering short-term rates to historic lows. Only the debate within the US Federal Reserve on the timing for the normalisation of its monetary policy has provoked an upturn in long-term interest rates in several countries since the end of May.

In the Eurozone, mandatory fiscal adjustment policies under Community rules on excessive deficits have weighed negatively on domestic demand, causing the sharpest contraction of the current recession cycle: representing 1.1% of real GDP year-on-year. For 2014 the relaxing of fiscal targets in certain countries will lead to improvement in growth perspectives. Furthermore, the number of reforms adopted at national and European level is remarkable and has allowed us to observe significant cost competitiveness improvements in the Eurozone. A good example is the evolution of the Spanish current account balance, which the IMF estimates will go from 1% below GDP in 2012 to 1.1% above GDP at the end of 2013.

The IMF expects the Eurozone GDP to shrink by 0.6% in 2013, the same figure as 2012, to subsequently come out of the recession with growth of 0.9% in the following year. Excessive indebtedness, the under-capitalisation of the financial system and structural unemployment represent the most significant factors holding back European growth.

The weak growth of the more advanced economies has also led to moderate growth rates in the majority of developing countries. In addition, growth in China continues to be lower than expected, standing at 7.5% in the second quarter of 2013, thus casting doubts on the second largest economy in the world and its ability to act as an engine of global growth. Brazil and Argentina have moderated Latin America's growth to 3% in 2012 and 2013, and Africa, as one of the fastest growing regions in the world, will keep growing at slightly over 3.1% in 2013.

Inflationary pressures have moderated, particularly in advanced economies along with the majority of developing economies. Inflation is still a persistent factor in emerging economies with strong growth in countries such as Brazil, India, South Africa or Indonesia, where rising prices represent an obstacle to their development. Although this allows central banks to implement accommodative policies to support economic recovery it also introduces added volatility as markets try to anticipate the end of such policies.

With regard to the energy markets, the fluctuations in oil prices registered this year have been closely linked to the evolution of the health of global economy. The evolution oil prices was bullish during the first two months of the year followed by a downturn; a trend that was followed to a greater or lesser extent by the remaining commodities. The average price of Brent crude during the first half of 2013 stood at $107.5 per barrel, while WTI averaged $94.2 per barrel in the same period. During the first half of the year, the average spread between both international benchmarks stood at $13.3, and there has been a downward trend since then. This year the spread has dropped from more than $20 in late January to less than $5 at the end of June, a figure that had not been recorded since December 2010. This significant decrease in the spread has been caused by improvements in the oil refining and transport infrastructure that have helped to decongest the oil hub located in Cushing, Oklahoma, in the central region of the United States.

1.2) RESULTS AND MILESTONES DURING THE PERIOD

Amounts in millions of euros

	June 2013	June 2012	Variation %
Upstream	1,161	1,144	1.5
Downstream	79	277	(71.5)
LNG	481	237	103.0
Gas Natural Fenosa	464	475	(2.3)
Corporate	(194)	(167)	(16.2)
Total operating income pertaining to the reported segments	**1,991**	**1,966**	**1.3**
Results not assigned (Financial results)	(385)	(433)	11.1
Other results (Share of results of companies accounted for using the equity method)	74	66	12.1
CONSOLIDATED NET INCOME FOR THE YEAR	**1,680**	**1,599**	**5.1**
Income tax	(717)	(674)	(6.4)
Net income for the period attributable to the parent from continuing operations	**963**	**925**	**4.1**
Net income for the period from continuing operations attributable to minority interests	(18)	(22)	18.2
Net income for the period from continuing operations attributable to the parent	**945**	**903**	**4.6**
Net income for the period from discontinued operations after tax	**(44)**	**242**	**(118.2)**
Net income for the period from discontinued operations attributable to minority interests	0	(109)	100.0
Net income for the period from discontinued operations attributable to the parent	**(44)**	**133**	**(133.1)**
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT	**901**	**1,036**	**(13.0)**

Operating income in the first half of 2013 stood at €1,991 million, which represents an increase of 1.3% on same period in 2012 (€1,996 million). This improvement is largely explained by the positive evolution of results in the Upstream and LNG businesses. In Upstream, emphasis is placed on increased production volumes as a result of the implementation of five of the ten key projects in the Strategic Plan and owing to lower exploration costs. Meanwhile, for LNG the improvement in results is explained by the higher profit margins in the retail LNG business in North America. These good results have been partially offset by the behaviour of the Downstream business, particularly in Spain, where results have been negatively affected by domestic difficulties: the prices of crude oil and petroleum products have had a negative impact on the value of inventories and the economic crisis has reduced sales volumes and margins at service stations business in Spain.

Nevertheless, there has been a notable improvement in EBITDA for continuing operations, reaching €3,376 million in the first half of 2013, compared to €3,331 million for the first half of 2012.

Repsol's net income from continued operations attributable to the parent company in the first half of 2013 ascended to €945 million, 4.6% higher than the amount for the same period in 2012.

The total result attributed to the parent company in the first half of 2013 amounted to €901 million, compared to €1,036 million in the first half of 2012, including reported results up to the time of loss of control arising from the consolidation of YPF and YPF Gas operations and associated group companies.

The main variations in results during the first half of 2013, compared with the same period of the previous year, are set out below:

Operating results by business area

Upstream

The operating result in the first half of 2013 amounted to €1,161 million, which represents an increase of 1.5% compared to the first half of 2012, due to a higher volume of production with the commissioning of five out of ten key projects of the Strategic Plan, improved gas realisation prices and lower exploration costs. These results have been able to offset lower sales volumes in Libya as well as the higher costs associated with the new projects.

The main operating figures are detailed below:

INTERNATIONAL PRICES	Jan-Jun 2013	Jan-Jun 2012	% Variation 13/12
Brent ($/Bbl)	107.5	113.6	-5.4
WTI ($/Bbl)	94.3	98.2	-4.0
Henry Hub ($/MBtu)	3.7	2.5	48.0
Average exchange rate ($/€)	1.31	1.30	0.8

REALISATION PRICES	Jan-Jun 2013	Jan-Jun 2012	% Variation 13/12
CRUDE ($/Bbl)	90.0	90.3	-0.3
GAS ($/Thousand scf)	4.0	3.7	8.1

PRODUCTION	Jan-Jun 2013	Jan-Jun 2012	% Variation 13/12
PRODUCTION OF LIQUIDS (Thousand BOE/d)	150	140	7.1
PRODUCTION GAS (*) (Million scf/d)	1,178	1,021	15.4
TOTAL PRODUCTION (Thousand BOE/d)	360	322	11.8

Bbl: Barrels
Btu: British thermal unit
Scf: Standard cubic feet
Scf/d: Cubic feet per day
Boe: Barrels of oil equivalent
Boe/d: Barrels of oil equivalent per day

Production in the first half of 2013 (360 thousand barrels of oil equivalent per day, "Kboe/d") has been 12% higher than the same period in 2012 (322 Kboe/d), mainly due to the entry into production of new assets in Russia and Spain, the start-up of Margarita-Huacaya gas development project in May 2012, the increase in volumes in Trinidad and Tobago owing to fewer maintenance stoppages than in 2012 and the start of production in Sapinhoa, all partially offset by lower production resulting from the sale of 20% of block 16 in Ecuador.

Operating investments in this business segment for the first six months of 2013 amounted to €1,151 million. Investment in development accounted for 72% of the total and took place primarily in the United States (36%), Brazil (18%), Venezuela (13%) and Trinidad and Tobago (12%). Investment in exploration represented 20% of total investment and focused chiefly on the United States (42%), Brazil (15%), Norway (9%) and Russia (6%).

Significant events in the period

On January 5, 2013, commercial exploitation began at the Sapinhoá mega field, located in block BM-S-9 of the Brazilian pre-salt fields. The first producing well (Guará-1), with a production potential of over 25,000 barrels/day, was connected to the platform *Cidade de São Paulo* ahead of the scheduled commissioning date. Over the next few months new wells will be connected to the platform, with an anticipated production of 120,000 barrels of oil per day in the first half of 2014. In the second development phase of the Sapinhoá field the *Cidade de Ilhabela* platform will be installed, with a daily production capacity of 150,000 barrels of oil and 6 million cubic metres of gas and a commissioning date scheduled for the second half of 2014.

On March 6, 2013 the company announced the signing of an agreement with the Romanian firm OMV Petrom for the joint exploration of four deep level blocks in Romania. The blocks are located in the frontal part of the folded belts of the Carpathians. Repsol holds a 49% stake in these blocks.

On March 7, 2013, the start of production was announced at the Syskonsyninskoye (SK) field in Russia with an initial daily production of 855,000 cubic metres of gas (5,350 BOE per day) operating at 100%. The current daily production at 100% is approximately 1,450,000 cubic metres of gas (9,100 BOE per day). The on-going development of the field contemplates a total of 11 producing wells by early 2014. The launch of this field is the first production project conducted jointly by Repsol and Alliance Oil since the creation of their joint venture for oil exploration and production in Russia.

On April 23, 2013, Repsol announced three oil discoveries at different depths in the three wells drilled in the 2012-2013 exploration campaign in Alaska. The wells Qugruk 1 (Q-1) and Qugruk 6 (Q-6) showed hydrocarbons at two levels with encouraging results in production testing, while at the well Qugruk 3 (Q-3) hydrocarbons were found at several levels. The evaluation and exploration work will continue during the winter of 2013-2014 since exploration activities in this area can only be performed during four months of the year when the ground is frozen. With a 70% stake, Repsol is the operating company of the consortium.

On May 14, 2013 Repsol signed a PSC (Production Sharing Contract) with the Government of Guyana for the exploration of the Kanuku offshore block. This block covers an area of 6,525 km² and is located off the coast of Guyana, about 160 kilometres from the mouth of the Berbice River.

On June 12, 2013 the Norwegian Ministry of Oil and Energy announced the award to Repsol of four exploration licenses in Round 22. Two of them are located in the Barents Sea and two in the Norwegian Sea. Repsol will be the operating company for two of these licenses.

In June the Sagitario exploratory drilling campaign was completed in block BM-S-50 in the deep waters of the Santos Basin in Brazil. The company IHS included it on the list of the ten largest global discoveries for the first half of 2013. Repsol Sinopec Brazil has a 20% stake in this block operated by Petrobras.

Downstream

Operating income in the first half of 2013 was €79 million, representing a reduction of 71% from €277 million for the same period in 2012. The most influential factors on these results are the negative impact of price fluctuations for crude oil and petroleum products on inventories along with lower margins and volumes at Spanish service stations as a result of the economic crisis. This decrease was partially offset by the increase in distillate volumes and improved refining margins, following the commissioning of the expansion of the Cartagena and Bilbao refineries, leading to increased optimisation of the production. Furthermore, improved LPG margins have contributed positively.

The main operating figures are detailed below:

	Jan-Jun 2013	Jan-Jun 2012	% Variation 13/12
Crude Processed (millions of tons)	19.3	16.7	15.6
Oil product sales (thousands of tons)	21,290	19,977	6.6
Petrochemical product sales (thousands of tons)	1,197	1,134	5.6
Sales of LGP (thousands of tons)	1,273	1,388	-8.3

Operating investment in the Downstream area for the first half of 2013 amounted to €220 million compared to €295 million in the same period last year.

Significant events in the period

On April 3, 2013, the new Fuel Oil Reduction Unit was launched at the Petronor refinery, whose commissioning, including environmental programs, involved an investment of €1,006 million. With this expansion Petronor now has a processing capacity of 11 million tons of oil per year, one of the largest in Spain. The refinery eliminates the production of fuel oil and increases the output of the products with most market demand.
On June 5, 2013 the Official State Gazette 3/2013 published the decision to create the National Commission on Markets and Competition, which assumes the functions of monitoring and controlling regulated markets. Among other matters, the new regulations add the liquid hydrocarbons sector to sectors already subject to a control system, including in its scope those companies involved in the refining, pipeline transportation and storage of oil products or companies that are the owners of these assets, which furthermore acquire the status of strategic assets.

Similarly, during this period Royal Decree Law 4/2013 of 23 February was published on measures to support entrepreneurs and stimulate job creation, which includes a series of measures in the wholesale and retail markets of oil products in order to increase effective competition in the sector, and Order IET/463/2013 dated 21 March, updating the system to automatically determine maximum sale prices, before tax, of bottled liquefied petroleum gases (see Note 2 "Basis of Presentation - Regulatory Framework" of the condensed consolidated interim financial statements for the six months ending 30 June 2013).

LNG

Operating income in the first half of 2013 amounted to €481 million, 103% higher than the same period for 2012. This increase is primarily due to higher marketing margins in North America -an activity that after the sale of the assets of Shell LNG will remain in the Repsol Group- and to higher LNG marketing margins and volumes.

The volume of LNG traded in the first half of 2013 amounted to 230 TBTU (Trillion British thermal unit), representing an increase of 14% of the volume traded in the same period of 2012.

Operating investment in the first half in the LNG area amounted to €11 million. In 2012 investments reached €17 million.

Significant events in the period

On February 26, 2013 Repsol signed an agreement with Shell for the sale of its LNG assets and business. For more information on this agreement (see Note 12 "*Other Information*" of the condensed consolidated interim financial statements for the six month period ended June 30, 2013).

Gas Natural Fenosa

Operating income for the first half of 2013 was €464 million, compared with €475 million for the same period the previous year. This decrease is mainly due to a reduced contribution from Union Fenosa Gas and worse results in the electricity business in Spain, which was partially offset by higher margins on wholesale gas sales.

Accumulated operating investments during the semester amounted to €178 million, intended primarily for gas and electricity distribution activities, both in Spain and Latin America.

Corporate

This section includes corporate operating costs and activities not attributable to operating areas, as well as inter-segment consolidation adjustments. A loss of €194 million was posted in 2013, against the €167 million in net expenses incurred in 2012.

Financial result

Financial results for the first half of 2013 amounted to €385 million in spending, which represents a decrease in net expenditure of 11% against the same period last year, highlighting the capital gain from the Offer to Repurchase preference shares, partially offset by exchange differences, mainly in the euro/dollar position.

Income tax

The effective tax rate for the first half of 2013 applicable to continuing operations was estimated at 45%, which is over the estimate for the same period of the previous year (44%); this is mainly due to increased profits in areas with higher tax burdens, such as Upstream businesses and the decrease of results in the Downstream business, taxed at lower rates.

Results from discontinued operations

Results from discontinued operations amounted to €-44 million in the first half of 2013 compared to €133 million in the first half of 2012.

This result includes the formerly controlled businesses of YPF and YPF Gas and the expenses related to the expropriation process. Expenses for 2013 are mainly related to the aforementioned assets, including a provision of $65 million reflecting the agreement for the withdrawal of the claim by the State of New Jersey against Repsol, among others (see Note 9 *Contingencies and Guarantees* of the condensed consolidated interim financial statements for the six months ending June 30, 2013). In 2012, this heading featured the impact on income derived from the loss of control as a result of the expropriation of YPF, YPF Gas and subsidiary companies as well as the results arising from the consolidation of these operations up to the loss of control.

Expropriation of Repsol Group shares in YPF S.A. and YPF Gas S.A.

The major updates regarding the expropriation process and its accounting consequences which have taken place in the first half of 2013 are described in detail in the condensed consolidated interim financial statements for the six months ending June 30, 2013. However, this information should be read in conjunction with the section "*Expropriation of Repsol Group shares in YPF S.A. and YPF Gas S.A.*" included in the Consolidated Management Report for the year 2012, and likewise, Note 5 of the financial statements for said financial year.

According to Repsol, the expropriation is manifestly unlawful and highly discriminatory (it only affects YPF S.A. and YPF Gas S.A. and no other oil and gas companies in Argentina; furthermore, it is expropriating only the participating interest of one shareholder of YPF S.A. and YPF Gas S.A., namely Repsol, and not the other shareholders), the public interest it pursues is not justified in any way and it is a clear breach of the obligations assumed by the Argentinian government when the privatisation of YPF took place.

During the first half of 2013, Repsol has continued to pursue proceedings before the ICSID arbitration tribunal and the courts of Argentina, Spain and New York State. With regards to the legal action before the ICSID, the tribunal that will analyse the claim filed by Repsol has already been constituted, with the appointment of the chairman and arbitrators nominated by each of the parties. In addition, Mercantile Court No. 1 of Madrid has dismissed the appeal filed by YPF and declared itself competent to hear the claim filed by Repsol.

Repsol is confident that such a flagrant violation of the most fundamental principles of legal certainty and respect for business done in good faith will not be ignored by the international investment community, and will receive the appropriate response from the courts and bodies for the settlement of international disputes.

1.3) FINANCIAL OVERVIEW

The Consolidated Group's net financial debt at the end of first half 2013 was €7,856 million compared to €8,938 million at the end of 2012. Taking into account preference shares, net financial debt at June 30, 2013 stood at €10,754 million, compared to €12,120 for the previous period.

The Group's net financial debt excluding Gas Natural Fenosa, i.e. excluding the financial debt relating to this company, was €3,442 million, compared to €4,432 million for the previous period.

The ratio of net debt to capital employed at the end of first half 2013 for the Consolidated Group stood at 19.6%. Taking into account preference shares, this ratio stands at 26.9%. Excluding capital employed from discontinued operations, these ratios would have been 23% and 31.6%, respectively.

The ratio of net debt to capital employed on June 30 for the Consolidated Group excluding Gas Natural stands at 9.8%. Excluding the capital employed from discontinued operations, this ratios would have been 11.8%.

The EBITDA generated in the period, amounting to €3,376 million, has allowed the Group to cover payments on investments, the slight increase in working capital, taxes paid and interest for the period.

Preference shares

At December 31, 2012, the Group held preference shares amounting to €3,182 million, corresponding to those shares issued in May and December 2001 by Repsol International Capital Ltd., and issued in May 2003 by the group Gas Natural Fenosa through Union Fenosa Financial Services Ltd.

On May 31, 2013 the Boards of Directors of Repsol International Capital Ltd. and Repsol, S.A. agreed, in their respective jurisdictions, to carry out the following transaction: (i) a voluntary cash Repurchase Offer for Series B and Series C Preference Shares issued by Repsol International Capital Ltd., and, simultaneously and linked to the

Repurchase Offer, (ii) a public offering of Series I/2013 straight bonds belonging to Repsol, S.A. aimed at those accepting the Repurchase Offer.

The acceptance period for the Repurchase Offer ended on June 25, 2013 with 97.21% overall acceptance (Series B 97.02% and Series C 97.31%). The total sum that Repsol International Capital, Ltd. paid on July 1 to those accepting the Repurchase Offer amounted to €2,843 million in cash, of which €1,458 million was applied to the Repsol bond subscription which were admitted to trading on the AIAF Fixed Income market on July 2, 2013.

In addition, on April 16, 2013 the Board of Directors of Gas Natural authorised a purchase offer for preference shares issued on May 20, 2003 by the group company Unión Fenosa Financial Services USA, LLC, and that on May 20 amounted to a single payment of €162 million (for Repsol's stake in that group) to those accepting the offer (88.56% of the total nominal amount of the issue).

For more information (see the section *Preference Shares* in Note 5 of the consolidated interim financial statements for the six months ending June 30, 2013).

Treasury shares and own equity investments

Among the treasury transactions performed during the period it is worth highlighting the purchase on March 4, 2013 by the Singapore investment company Temasek of 64.7 million Repsol shares held in treasury stock, representing 5.045% of the share capital, at a price of €16.01 per share, signifying a payment to Repsol of €1,036 million.

Other financing transactions

The main financing activities undertaken by Repsol in the year were as follows:

- On May 28, 2013 Repsol International Finance, B.V. (RIF), issued bonds amounting to €1,200 million at seven years, with an annual coupon of 2.625% admitted to trading on the Luxembourg Stock Exchange. Additionally, during the first half-year, RIF released issues of Euro Commercial Paper (ECP) amounting to €760 million and $131 million.

- In May 2013 the European Investment Bank (EIB) funded Repsol's research and development program with €200 million. The duration of the loan is 10 years, with a grace period of 3 years and accruing interest at 3-month Euribor plus a spread of 1.402%.

- Also during the first semester, Gas Natural Fenosa closed three capital market issues, one in January for €180 million at ten years and an annual coupon of 3.875%, another also in January for 75 million Swiss francs with maturity in February 2019 and annual coupon of 2.125%, and two more issues in April for €225 million and €90 million with maturities in April 2022 and 2017 and annual coupons of 3.875% and 2.310%, respectively. In addition, Gas Natural Fenosa has released ECP issues amounting to €362 million. The amounts shown reflect the percentage stake of Repsol in that group.

Credit Ratings

At present, the credit ratings assigned to Repsol, S.A. by ratings agencies are as follows:

TERM	STANDARD & POOR'S	MOODY'S	FITCH RATINGS
Long	BBB-	Baa3	BBB-
Short	A-3	P-3	F-3
Outlook..................................	Stable	Stable	Stable
Date of last review......................	June 22, 2012	March 01, 2013	January 31, 2013

1.4) SHAREHOLDER REMUNERATION

In 2012 Repsol launched the "Repsol Flexible Dividend" shareholder remuneration program for the first time. The system is implemented through two capital increases against voluntary reserves derived from retained earnings, with the irrevocable commitment of Repsol S.A. to purchase free-of-charge allocation rights at a guaranteed fixed price under this program, Repsol offers its shareholders the opportunity to receive their remuneration, in whole or in part, in new paid-up shares issued by the company or in cash by selling the free-of-charge allocation rights received, either on the market at the share trading price or to the company.

In the capital increase by issue of bonus shares in January 2013, Repsol, S.A. acquired 389,278,581 free-of-charge allocation rights from shareholders who accepted the irrevocable commitment to purchase at a gross price of €0.473 guaranteed by law, representing a disbursement of €184 million. Furthermore, an additional €410 million in shares were used to remunerate shareholders corresponding to 26,269,701 new shares issued with the capital increase.

In June 2013, Repsol paid a cash dividend of €0.04 per outstanding share with dividend rights, amounting to €51 million.

Additionally and under the "Repsol Flexible Dividend" program, in the share capital increase issued in July 2013, Repsol, S.A. acquired 521,556,172 free-of-charge allocation rights from shareholders who accepted the irrevocable commitment to purchase at guaranteed gross price of €0.445, representing a disbursement of €232 million in July. Furthermore, an additional €339 million in shares were used to remunerate shareholders, corresponding to 20,023,479 new shares issued with the capital increase.

1.5) RISK FACTORS

Repsol's operations and earnings are subject to risks as a result of changes in competitive, economic, political, legal, regulatory, social, industrial, business and financial conditions. Investors should carefully consider these risks. Any of these risks could have a negative impact on the Repsol's business, the results or financial position.

Furthermore, future risk factors, either unknown or not considered relevant by Repsol at present, could also affect the company's business, results, and financial situation.

The risks faced by the Group in the second half of 2013 are the same as those detailed in the management report accompanying the financial statements for 2012. This information should therefore be read in conjunction with the description of the risk factors included in the Consolidated Management Report 2012, as well as with Note 21 "*Financial risk and capital management*" of the Consolidated Financial Statements for the same year.

Existing risks in December 31, 2012 that remain as risks for the remaining part of 2013 in summary form are shown below.

OPERATIONAL RISKS

Uncertainty in the current economic context

Despite the European Central Bank's (ECB) extremely accommodative monetary policy, the financial conditions in the Eurozone are far from relaxed or stable. While the ECB has proven to be key in stabilising the financial system, its ability to reorganise and restructure European banks is limited in the absence of a genuine European Banking Union.

The banking system's NPL ratios remain high and could worsen owing to the length of the recession, making it difficult to restore overall confidence in the financial system. Financial institutions are restricting the availability of credit, except for customers with higher credit ratings, forced by regulators and the markets to raise their capital ratios and liquidity.

Furthermore, persistent pressure on the sustainability of government finances in advanced economies has led to pronounced tensions in credit markets, and could prompt fiscal reforms or changes in the regulatory framework of the oil and gas industry.

Finally, the economic-financial situation could have a negative impact on third parties with whom Repsol does or could do business.

Any of the factors described above, whether in isolation or in combination with each other, could have an adverse effect on the financial position, businesses, or results of Repsol's operations.

Potential fluctuations in international prices of crude and reference products and in demand owing to factors beyond Repsol's control

World oil prices have fluctuated widely over the last ten years and are driven by international supply and demand factors over which Repsol has no control.

Reductions in oil prices negatively affect Repsol’s profitability, the value of its assets and its plans for investment. Similarly, a significant drop in capital investment could negatively affect Repsol’s ability of replace its crude oil reserves.

International product prices are influenced by the price of oil and the demand for products, therefore, the international prices of crude and products affect the refining margin.

Regulation and tax framework of Repsol's operations

The oil industry is subject to extensive regulation and intervention by governments throughout the world in such matters as the award of exploration and production interests, the imposition of specific drilling and exploration obligations, restrictions on production, price controls, required divestments of assets, foreign currency controls, and the development and nationalization, expropriation or cancellation of contractual rights.

Hydrocarbons production's license holders are generally required to make certain tax or royalty payments and pay income tax on their production, which can be high when compared with the taxes paid by other businesses.

Likewise, oil refining and petrochemical industry activities, in general, are subject to extensive government regulation and intervention in such matters as safety and environmental controls.

Repsol is subject to extensive environmental and safety legislations and risks

Repsol is subject to an extensive environmental and safety legislations and regulations in practically all the countries where it operates, which regulate, among other matters affecting the Group's operations, environmental quality standards for products, air emissions and climate change, energy efficiency, water discharges, remediation of soil and groundwater, and the generation, storage, transportation, treatment and final disposal of waste materials and safety.

In particular, and due to concerns over the risk of climate change, a number of countries have adopted, or are looking into adopting, new regulatory requirements to reduce greenhouse gas emissions, such as carbon taxes, increasing efficiency standards, or adopting emissions trading schemes. Repsol continues working on improving energy efficiency and the reduction of greenhouse gases at its facilities. These requirements could make Repsol's products more expensive as well as shift hydrocarbon demand toward relatively lower-carbon sources, such as renewable energies. In addition, compliance with greenhouse gas regulations may also require Repsol to upgrade its facilities, monitor or sequester emissions or take other actions that may increase the cost of compliance.

Operating risks related to exploration and exploitation of oil and gas, and reliance on the cost-effective acquisition or discovery of, and, thereafter, development of new oil and gas reserves.

Oil and gas exploration and production activities are subject to particular risks, some of which are beyond the control of Repsol. These activities are exposed to production, equipment and transportation risks, natural hazards and other uncertainties relating to the physical characteristics of oil and natural gas fields. Repsol's operations may be curtailed, delayed or cancelled as a result of weather conditions, technical difficulties, delays in the delivery of equipment or compliance with administrative requirements.

Moreover, Repsol must replace depleted oil and gas reserves with new proven reserves in a cost-effective manner that enables subsequent production to be economically viable.

Location of reserves

Part of Repsol's oil and gas reserves are located in countries that are or could be economically or politically unstable.

Oil and gas reserves estimation

In calculating proven oil and gas reserves, Repsol relies on the guidelines and the conceptual framework of the Securities and Exchange Commission's (SEC) definition of proven reserves and on the criteria established by the Petroleum Reserves Management System of the Society of Petroleum Engineers (PRMS-SPE). Under these rules, proven oil and gas reserves are those reserves of crude oil, natural gas or natural gas liquids for which, after analyzing geological, geophysical and engineering data, have a reasonable certainty of being produced -from a given date, from known reservoirs and under existing economic conditions, existing technology and existing government regulation- prior to the termination of the contracts whereby the corresponding operational rights were awarded, and regardless of whether probabilistic or deterministic approaches were used to arrive at the estimate.

The accuracy of these estimates depends on a number of different factors, assumptions and variables, some of which are beyond Repsol's control.

Projects and operations developed through joint ventures and partnerships

Many of the Repsol Group's projects and operations are conducted through joint ventures and partnerships. In those cases where Repsol does not act as the operator, its ability to control and influence the performance and management of the operations, and to identify and manage risks is limited. Additionally, there is a possibility that one of Repsol's partners or another member in a joint venture or associated company fails to comply with its financial obligations or incurs in another breach that could affect the viability of a project.

Repsol’s current insurance coverage may not be sufficient for all the operational risks.

Repsol holds insurance covering against certain risks inherent in the oil and gas industry in line with industry practice. The insurance coverage is subject to deductibles and limits that in certain cases may be materially exceeded by its liabilities. Repsol’s insurance policies contain exclusions that could leave the Group with limited coverage in certain events. On the other hand, Repsol may not be able to maintain adequate insurance at rates or on terms considered reasonable or acceptable, or be able to obtain insurance against certain risks that could materialize in the future. If the company experiences an incident against which it is not insured, or the costs of which materially exceed its coverage, it could have a material adverse effect on its business, financial situation and results of operations.

Repsol’s natural gas operations are subject to particular operational and market risks

Natural gas prices tend to vary between the different regions in which Repsol operates, and can also be lower than prevailing prices in other regions of the world.

In addition, Repsol has entered into long-term contracts to purchase and supply natural gas in various parts of the world, which present different risks (i) of the agreed prices being higher than the price at which such gas could be sold in other markets, (ii) of counterparties failing to fulfill their contractual obligations, thus, it might be necessary to look for other sources of natural gas at higher prices than those called for under such contracts, and (iii) of there being insufficient reserves in the countries in which proven reserves are linked to certain contracts, meaning that Repsol might not be able to satisfy its obligations under these contracts, several of which include penalty clauses for non-fulfillment.

Cyclical nature of petrochemical activity

The petrochemicals industry is subject to wide fluctuations in supply and demand, reflecting the cyclical nature of the chemicals market on a regional and global scale.

The Repsol Group is subject to the effects of administrative, judicial and arbitration proceedings.

The Repsol Group is subject to the effects of administrative, judicial and arbitration proceedings arising from the performance of its activities. Likewise, Repsol could be involved in other potential future litigation the scope, content or outcome of which Repsol cannot predict. All present or future litigation involves a high degree of uncertainty and, therefore, the resolution of these disputes could affect the business, results or financial position of the Repsol Group.

Expropriation of Repsol Group shares in YPF S.A. and YPF Gas S.A.

The main risk for Repsol deriving from the expropriation of the Repsol Group’s shares in YPF S.A. and YPF Gas S.A. and other unlawful measures by the Argentine Government related to the expropriation lie in the uncertainty associated with the results of all judicial or arbitration proceedings related to the restoration of the shares in YPF S.A. and YPF Gas S.A. belonging to Repsol subject to expropriation and/or the final amount of compensation the Argentine State is obliged to pay Repsol for appropriation of control of the two companies and other damages and losses caused to Repsol, as well as the time and form in which such payment would take place. Repsol has been obliged to claim its rights against the Argentine State in the Courts in Argentina and other jurisdictions, among them under the jurisdiction of the International Centre for Settlement of Investment Disputes (ICSID) by means of initiation of an arbitration proceeding. Any amendment to the hypotheses considered reasonable, both in jurisdictional processes and the valuation of the rights expropriated and other affected rights, could result in positive or negative changes in the amount for which the shares in YPF S.A. and YPF Gas S.A. have been recognised and, therefore, could have an impact on the Group’s financial statements. However, one must remember the risks and uncertainties inherent in carrying out any valuation, which are inevitable as a consequence of the need to formulate, for accounting purposes, opinions of future events that, to a large extent, are beyond the control of Repsol. The lower the price or compensation received per share in YPF S.A. and YPF Gas S.A., the more negative the impact will be on Repsol’s results or financial position. Nevertheless, Repsol cannot foresee all consequences, uncertainties and risks; nor can it quantify the total future impact the expropriation and related measures could have on the business, financial position and results of the Repsol Group.

FINANCIAL RISKS

Group business is exposed to different kinds of financial risk, including:

Liquidity risk

Liquidity risk is associated with the Group's ability to finance its obligations at reasonable market prices, as well as being able to carry out its business plans with stable financing sources.

Credit risk

Credit risk is defined as the possibility of a third party breaching its contractual obligations, giving rise to losses for the Group.

The Group’s credit risk exposure mainly relates to trade accounts payable, which are measured and controlled by individual client or third party. In addition, the Group also has exposure to counterparty risk arising from non-commercial contractual operations that may lead to defaults. In these cases, the Group analyses the counterparties solvency with which it maintains or could maintain non-commercial contractual relations.

Market Risk

***Exchange rate fluctuation risk*:** Repsol is exposed to exchange rate risk because the revenues and cash flows originating from the sale of crude oil, natural gas and refined products are generally in dollars or are influenced by the dollar exchange rate. Likewise, the results of operations are exposed to exchange rate variations in the currencies of countries in which Repsol has operations. Repsol is also exposed to exchange rate risk in relation to the value of its assets and financial investments.

***Commodity price risk*:** In the normal course of operations and trading activities, the Repsol Group earnings are exposed to volatility in the price of oil, natural gas, and related derivative products.

***Interest rate risk*:** The market value of the Group's net financing and net interest expenses could be affected by interest rates fluctuations.

Credit rating risk: Credit ratings affect the cost and other conditions under which the Repsol Group is able to obtain finance. Any downgrade in Repsol S.A.’s credit rating could restrict or limit the access of the Group to financial markets, increase the cost of any new finance, and have a negative effect on its liquidity.

II. CORPORATE AREAS

2.1) PEOPLE MANAGEMENT

In late June 2013, Repsol's total workforce stood at 30,656 employees, distributed in over 30 countries, concentrated mainly in Spain, accounting for 74% of the total. From the employment point of view it is worth highlighting the company's presence in countries such as Peru, Portugal, Ecuador, United States, Trinidad and Tobago, Venezuela, Bolivia, Brazil and Libya among others.

By business area, 13% of employees are concentrated in Upstream, 1% in LNG, 63% in Downstream, 15% in Gas Natural Fenosa and 8% in the Corporate Centre.

2.2) SUSTAINABLE ENERGY AND CLIMATE CHANGE

Repsol has achieved its strategic target of reducing emissions of greenhouse gases (GHG). Having verified a reduction of 442,843 t/CO2 thanks to its actions in 2012, in the first half of 2013 the company has confirmed it has already achieved its target reduction of 2,500,000 t/CO2 in the period 2006-2013, one year in advance. This achievement is the result of organisation-wide commitment to improving energy efficiency and reducing GHG emissions. However, and despite the success achieved, Repsol continues to advance its commitment to reducing GHG emissions.

Repsol continues to meet the objectives set out under the heading of energy saving and efficiency. Following certification of the Coruña and Puertollano refinery and continuing with our plan to implement energy management systems according to international standard ISO 50001, in the first half-year the company obtained certification of the Tarragona refinery and the Química Puertollano plants for producing Low Density Polyethylene (LDPE) and Ethylene Vinyl Acetate (EVA) respectively. These Energy Management Systems (EMS) allow energy consumption to be reduced thanks to the incorporation of all energy-related management activities in a continuous improvement cycle.

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Madrid, May 13th, 2013

REPSOL INTERNATIONAL FINANCE, B.V.
CLOSES € 1,200 MILLION EUROBONDS OFFERING

Repsol International Finance, B.V. closed a 1,200 million euro 7 years bond at 99.414 per cent, with a coupon of 2.625 per cent equivalent to mid swap + 155 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.

This announcement is neither an offer to sell nor a solicitation of any offer to buy any of the securities referred to herein. The distribution of the Base Prospectus of the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme of Repsol International Finance, B.V. (the "Base Prospectus") and the offering or sale of the Notes in certain jurisdictions may be restricted by Law. Persons into whose possession the Base Prospectus or any Final Terms comes are required by the Repsol International Finance, B.V. and Repsol, S.A. to inform themselves about and to observe any such restrictions.

The securities referred to herein have not been and will not be registered under the United States Securities Act of 1933, as amended (the "Securities Act"), or any state securities laws, and may not be offered or sold in the United States absent registration or pursuant to an exemption from the registration requirements of the Securities Act and in accordance with applicable state securities laws.

GENERAL SHAREHOLDERS MEETING 2013

31 May 2013

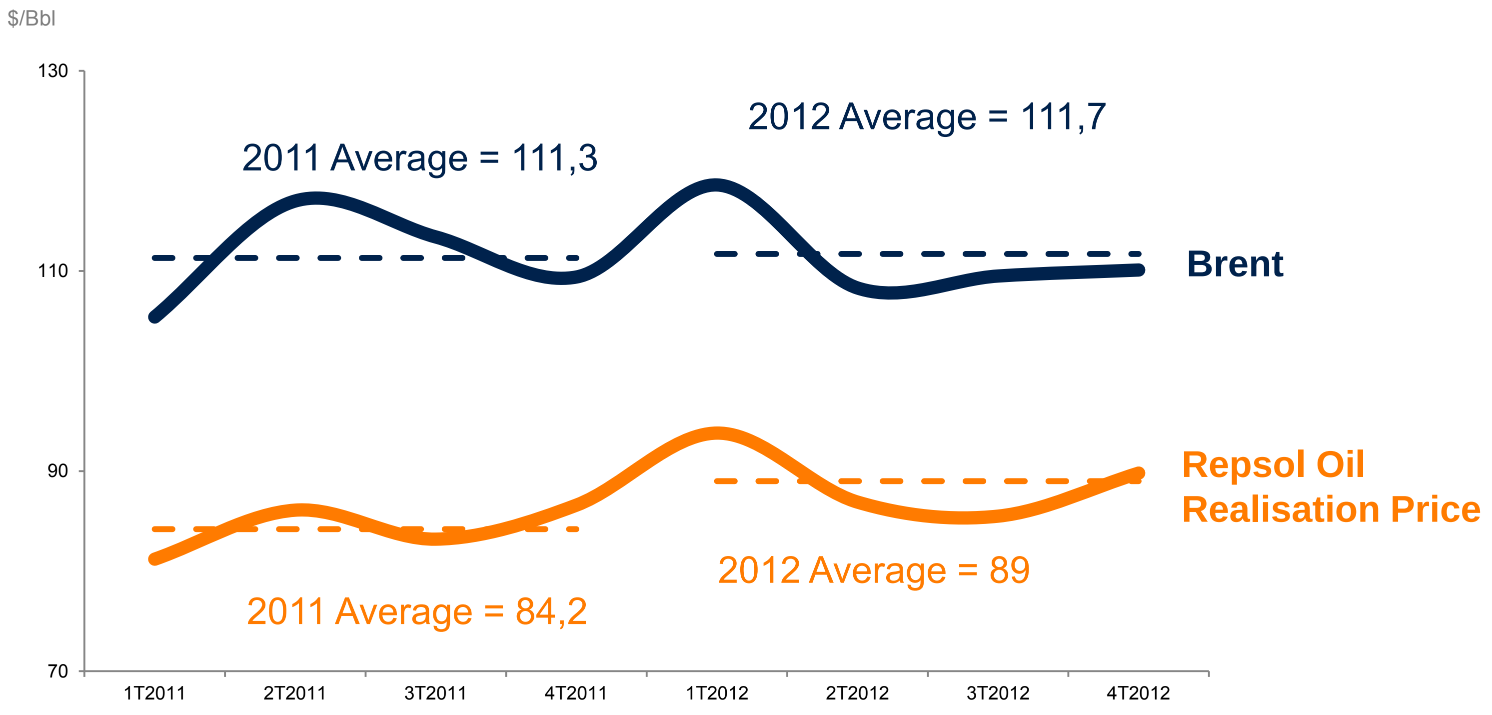
Contents

- Scenario
- Progress achieved in Strategic Plan 2012-2016
- Results
- Shareholders' remuneration
- How we are perceived
- Our future

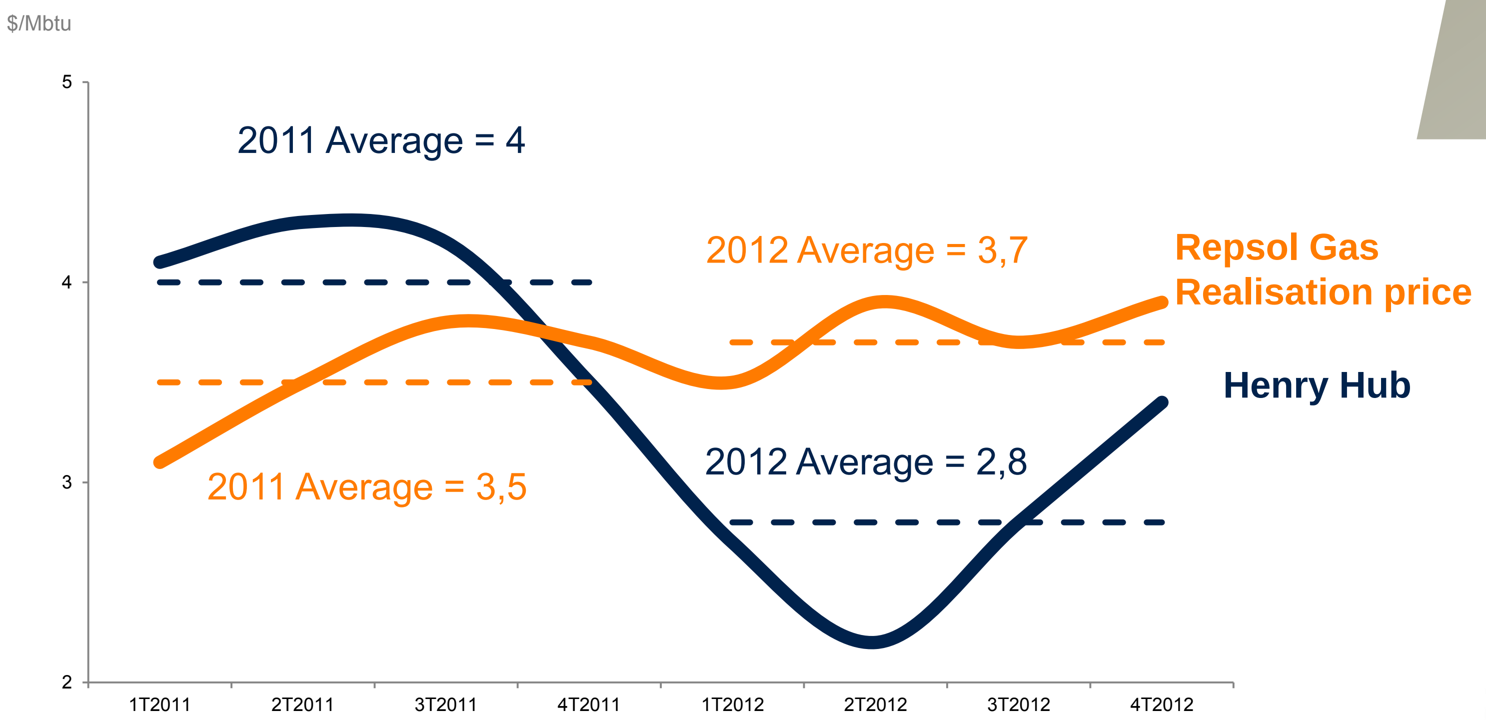
Scenario

Scenario

Repsol Oil Realisation prices vs. Brent



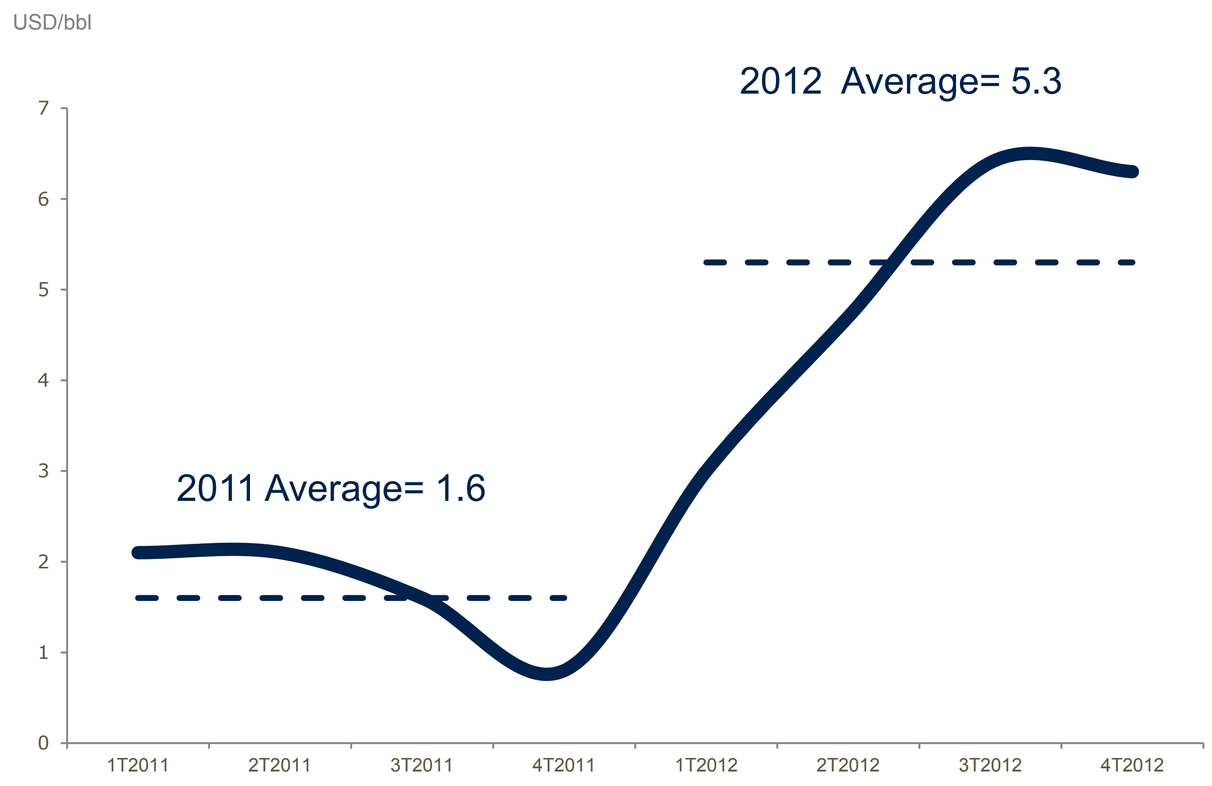
Repsol Gas Realisation prices vs. Henry Hub



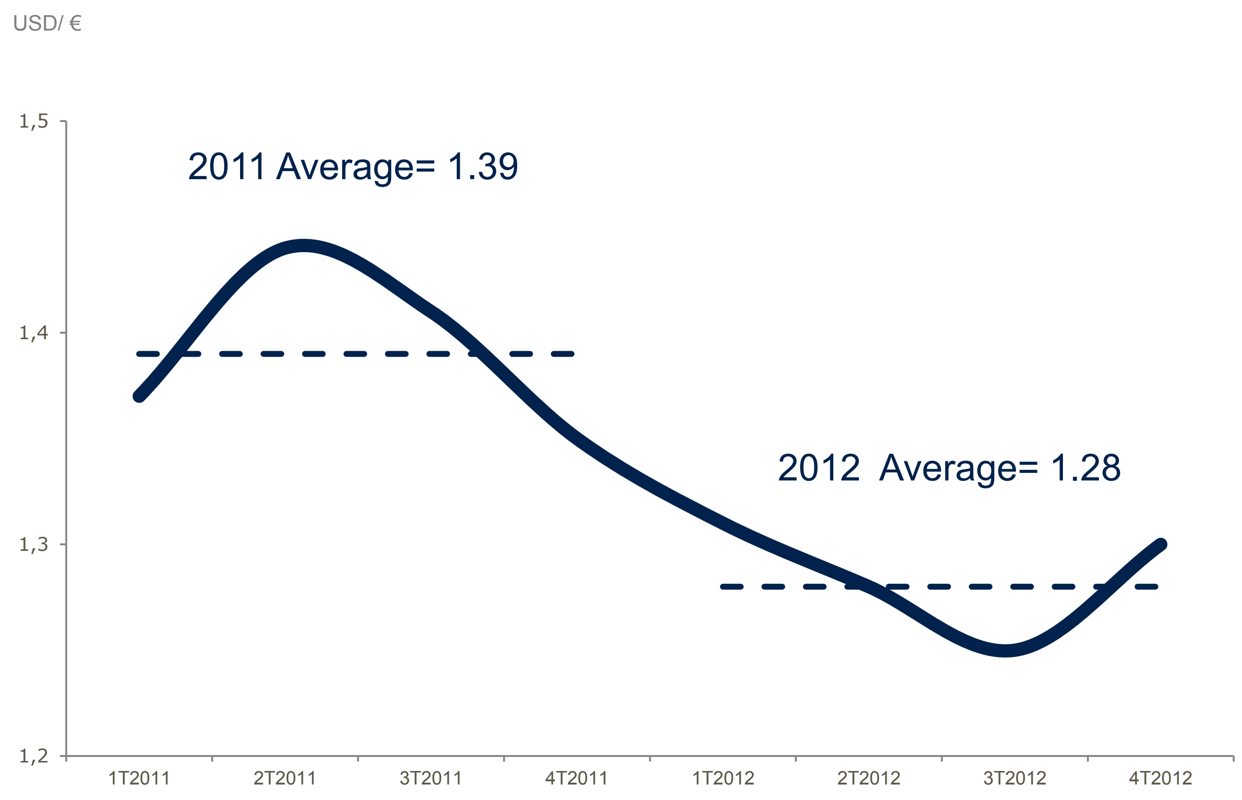
Repsol outperforms benchmark indexes

Scenario

Repsol refining margin indicator



Dollar/Euro exchange rate



Improved refining margins due to Cartagena and Petronor investments

Progress achieved in the 2012-2016 Strategic Plan

Commitments contemplated in the 2012-2016 Strategic Plan

Progress achieved in Strategic Plan 2012-2016

Strong growth in Upstream

- Production Growth 2011-2016[1]:
- **growth rate[2] higher than 7%**
- Production in 2016: **≈500,000 boepd**
- Reserve replacement ratio in 2011-2016: **>120%**
- Average investments in Upstream: **2.950 Mill. €/year[3]** (+120% in comparison with the average in 2008-2011)

Maximise capital returns in Downstream

- Average free cash flow: **1.2 Bn. €/year**
- Average capex: **750 Mill. €/year** (50% in comparison with average in 2008-2011)

Strong financial position

- **Self-financed plan, 8,100/8,600 Mill. € cash flow generation** for dividends and for reducing debt reduction
- **Credit rating maintenance**
- Divestments and sale of treasury stock: **up to 4.0/4.5 Bn. €** in 2012-2016

Competitive shareholders' remuneration

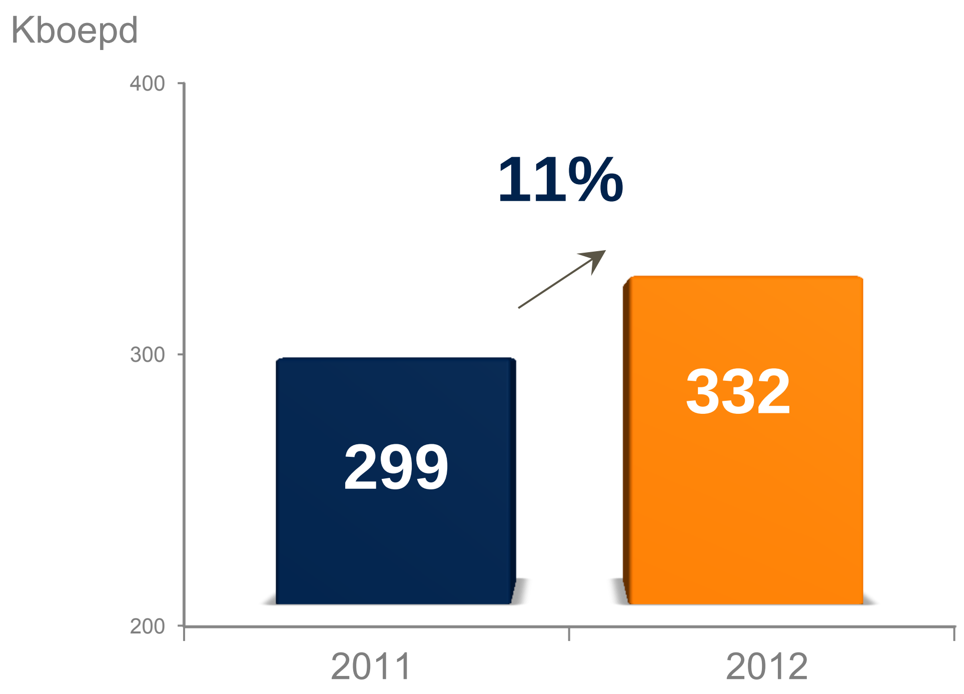
- **Scrip dividend option**
- 2012 onwards 40-55% **pay-out**

1. 2011 production adjusted for the conflict in Libya. Takes into account Libyan production in 2010 (14,7 Mill. boe) instead of Libyan production in 2011 (3.4 Mill. boe) 2. CAGR: Compounded average growth rate 3. Net investment excluding G&G and G&A

Upstream: Growth driver

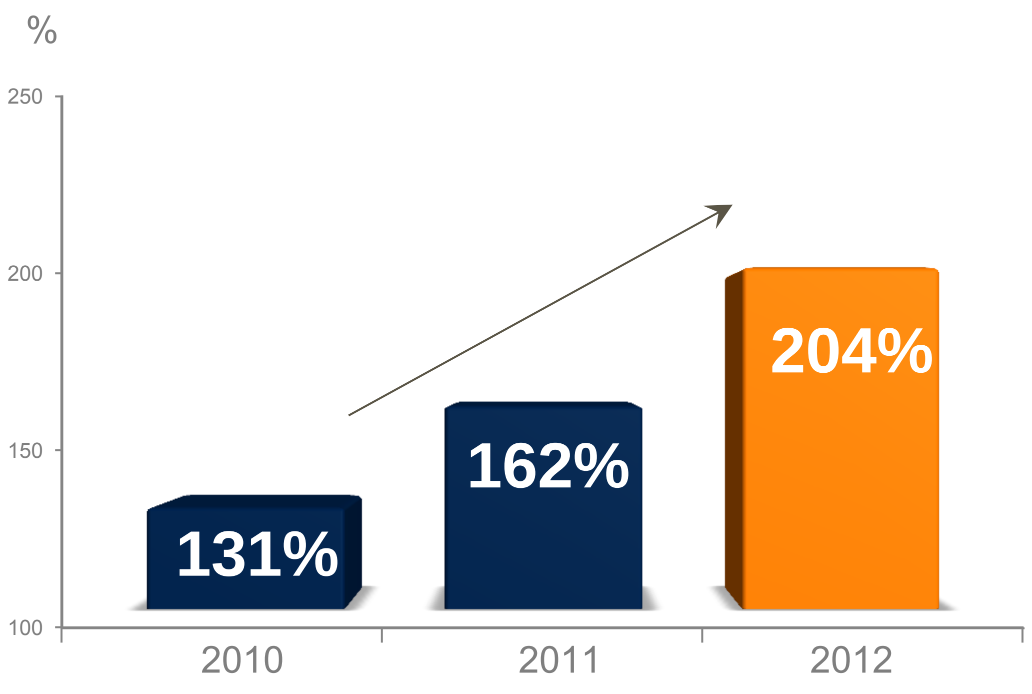
Progress achieved in Strategic Plan 2012-2016

Production



11% Production growth

Reserve replacement ratio



All time record in the reserve replacement ratio: 204%

Upstream: Growth driver

Progress achieved in the 2012-2016 Strategic Plan

High Potential and Value Assets Portfolio

Upstream: 10 key growth projects

Progress achieved in Strategic Plan 2012-2016

5 key projects already in production

✓ Ongoing projects

Upstream: 10 key growth projects- Brazil

Progress achieved in Strategic Plan 2012-2016

Brazil

1 **Sapinhoá-(Guará):** Mega-field already on stream.

- One of Brazil's largest oil field, with a recoverable volume estimated of up to 2.1 billion barrels of oil equivalent
- Will reach production of 120,000 barrels/day in 2014

2 **Carioca**: to start production in 2016

- Making progress in the technical work for its start-up

Excellent positioning in one of the best basins in the world

Upstream: 10 key growth projects – U.S.

Progress achieved in Strategic Plan 2012-2016

U.S.

3 Midcontinent

- **SandRidge**: Already started production
  - Great growth potential
  - Intense drilling campaign, set to continue in 2013
  - It complements the asset portfolio in a stable scenario

Players in one of the areas with the greatest development of non-conventional oil and gas

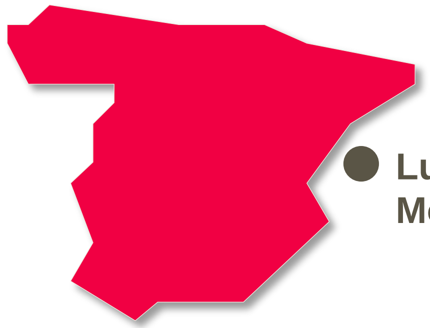
Upstream: 10 key growth projects – Africa and Europe

Progress achieved in Strategic Plan 2012-2016

Africa and Europe

4 Algeria

- **Reggane**: Performed preliminary engineering work before drilling the first development wells
  - Production expected to come on stream in 2016



5 Spain

- **Lubina and Montanazo:** Both fields started production in October.
  - Start-up extends the useful life of the Casablanca platform and increases production four times

Production in Spain increases by three times: contributing to energy supply

Upstream: 10 key growth projects– Russia

Progress achieved in the 2012-2016 Strategic Plan

Russia

6 • **Arog**: Creation of the Repsol and Alliance Oil joint venture

- Saneko: Incorporation of assets with proved and probable reserves in 11 already producing oil fields.
- TNO: Two oil fields and their respective exploration and production licenses incorporated.
- Syskonsyninskoye (SK): Commercial gas production came on stream in February 2013.
    - Drilling of six additional wells to reach production in 2014 equivalent to 3% of Spain’s annual gas consumption.

Reserves addition and production in one of the countries with the highest oil and gas production worldwide

Upstream: 10 key growth projects– Latin America

Progress achieved in the 2012-2016 Strategic Plan

Latin America

7 **Bolivia**

- **Margarita and Huacaya:** Start-up of Phase I
  - 9 Million m^3/day gas processing capacity
  - Phase II expected to start production in the last quarter of 2013
    - To increase processing capacity to 15 million m^3/day

8 **Peru**

- **Kinteroni:** Coming on stream shortly

9 **Venezuela**

- **Carabobo:** Start of oil production ("first oil")
  - Heavy crude for Spanish refineries

10
- **Cardón IV:** The largest gas discovery in Repsol's history

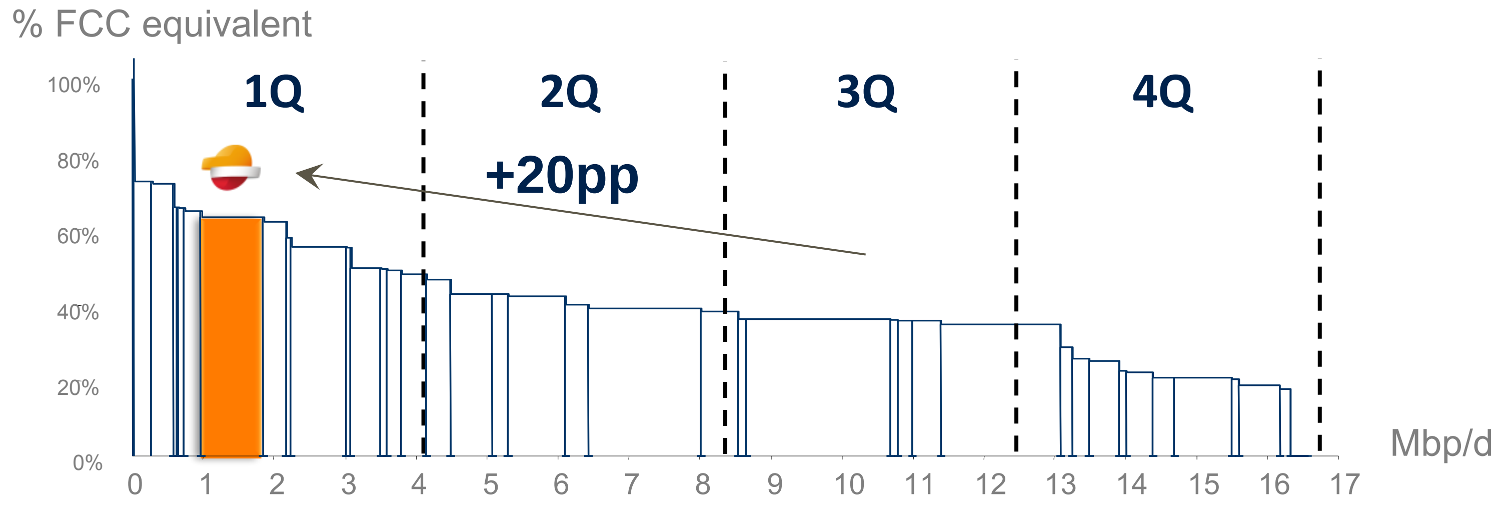
Development of the most successful explorations wells in recent years

Downstream: Start up of the Cartagena and Petronor projects enhances the competitiveness of our assets

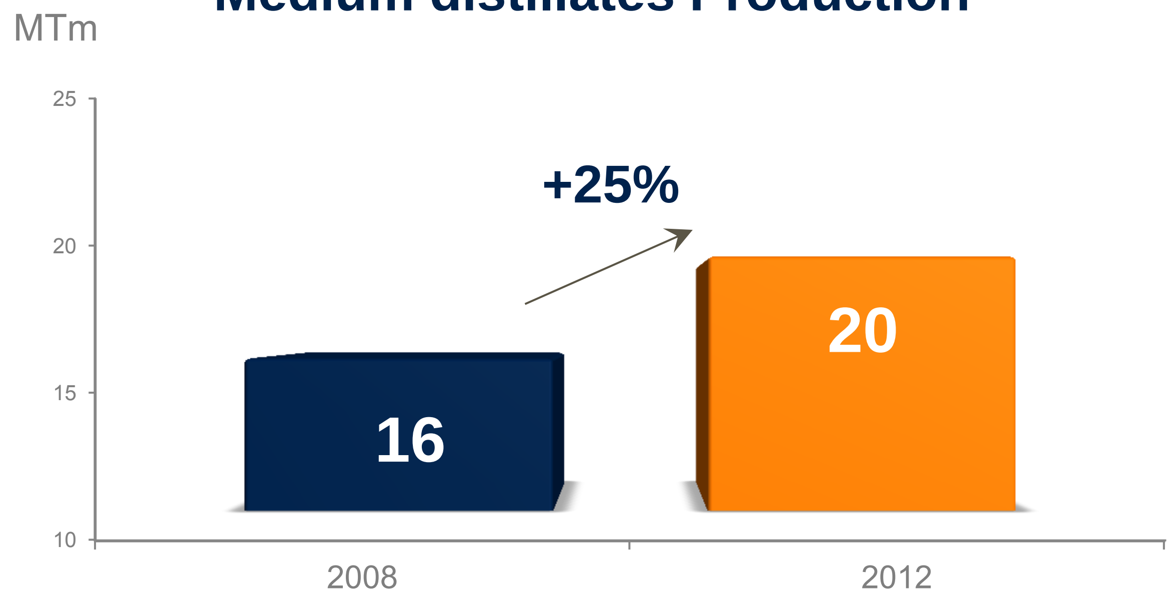
Progress achieved in the 2012-2016 Strategic Plan

- The Cartagena and Petronor projects increase refining margins and production capacity.
- Repsol: The highest integrated margin in the European industry throughout the macro cycle

Conversion capacity (Europe)



Medium distillates Production

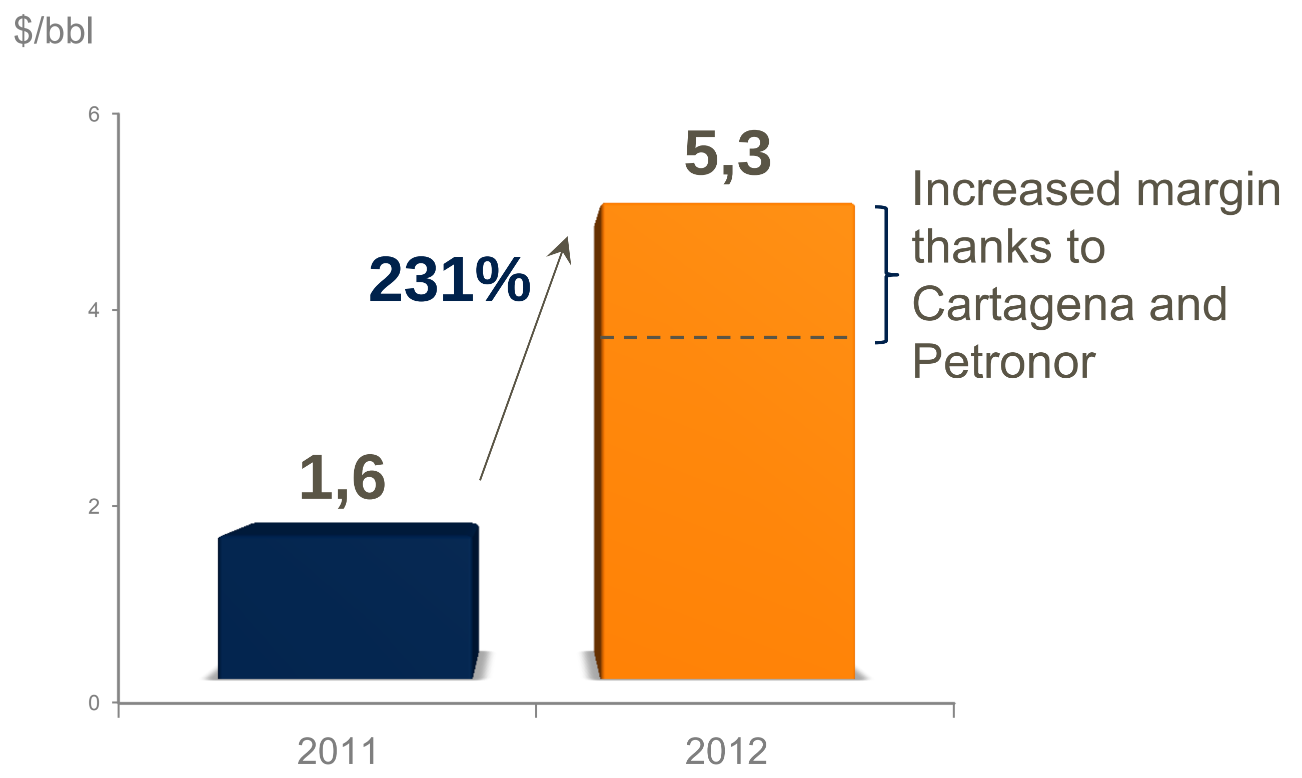


Among the best refining facilities in Europe due to the Cartagena and Petronor projects

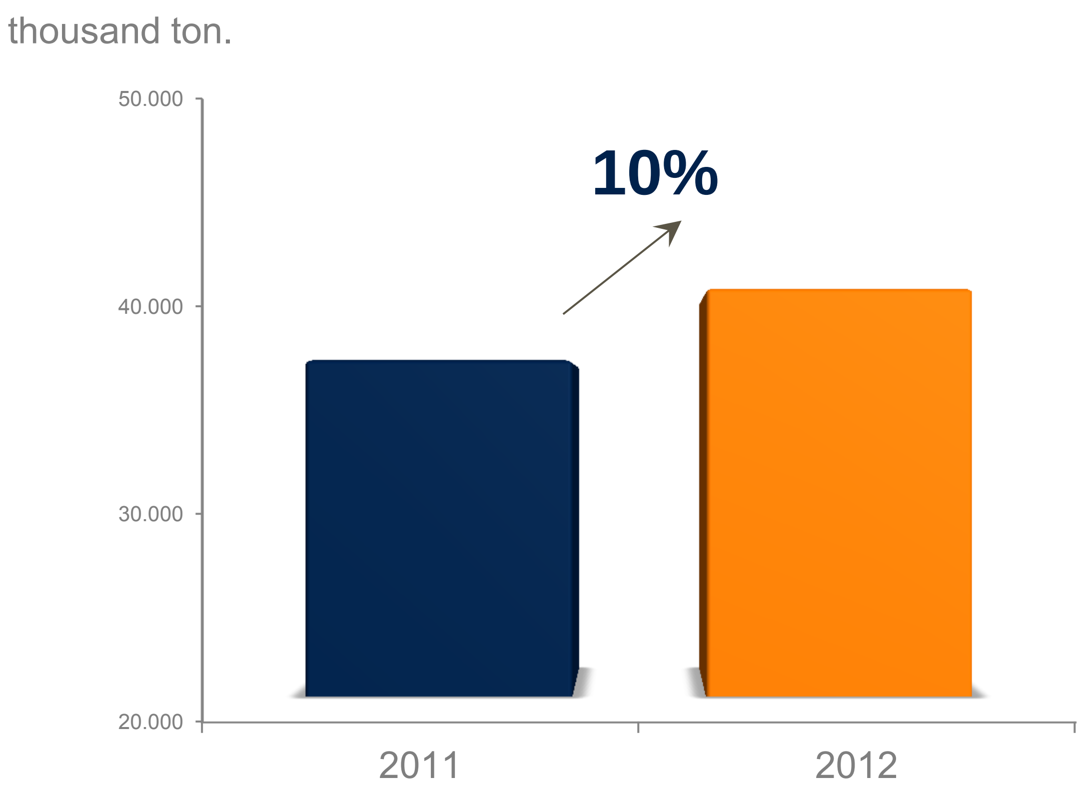
Downstream: Start up of the Cartagena and Petronor projects enhances the competitiveness of our assets

Progress achieved in the 2012-2016 Strategic Plan

Refining margin indicator



Refining production



Extracting value from the Cartagena and Petronor projects

Downstream

Progress achieved in the 2012-2016 Strategic Plan

Other industial divisions

- Chemicals
  - Focus on most competitive assets
  - Capitalizing our own technology
  - New Dynasol plant in China
- SKSOL plant in Cartagena
  - Manufacturing 3rd generation base lubricants

Commercial divisions

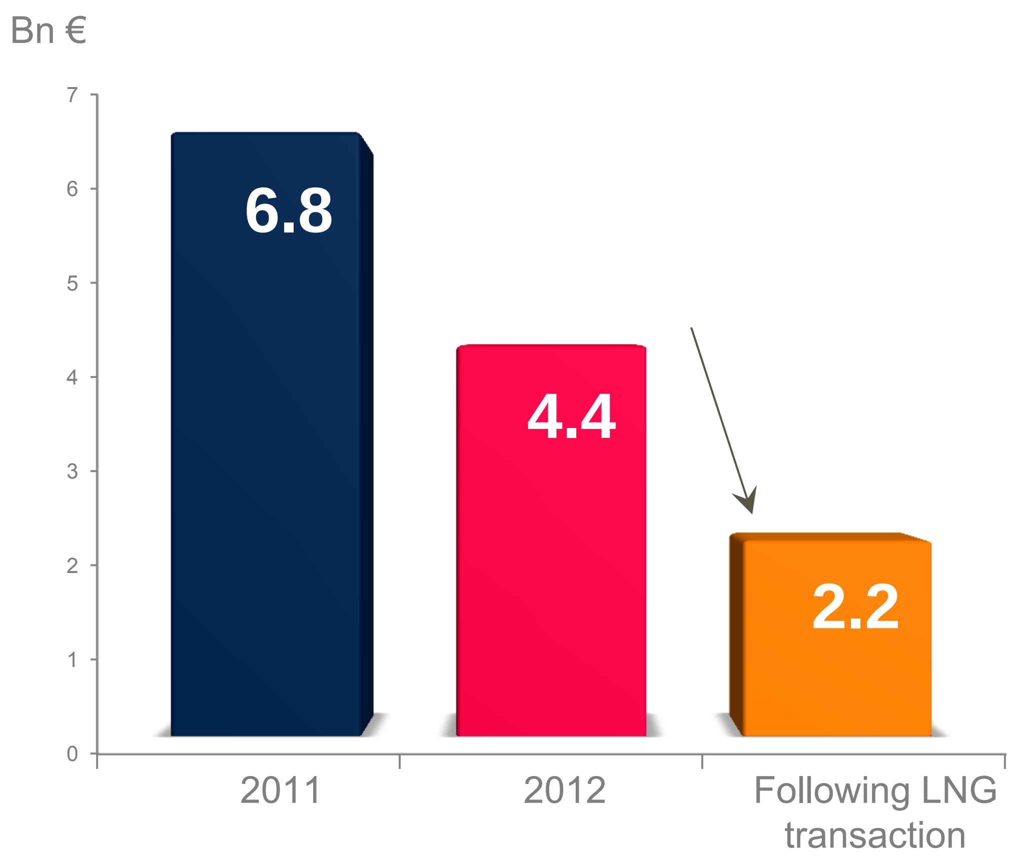
- Adapting to a difficult scenario
- Developing new opportunities
  - Agreements with service stations: El Corte Inglés, Burger King, Disney, ONCE, Spanish Red Cross…
- Expanding supply of AutoGas
- Cutting edge of new payment technologies

Seizing new opportunities in a complicated scenario

Financial situation

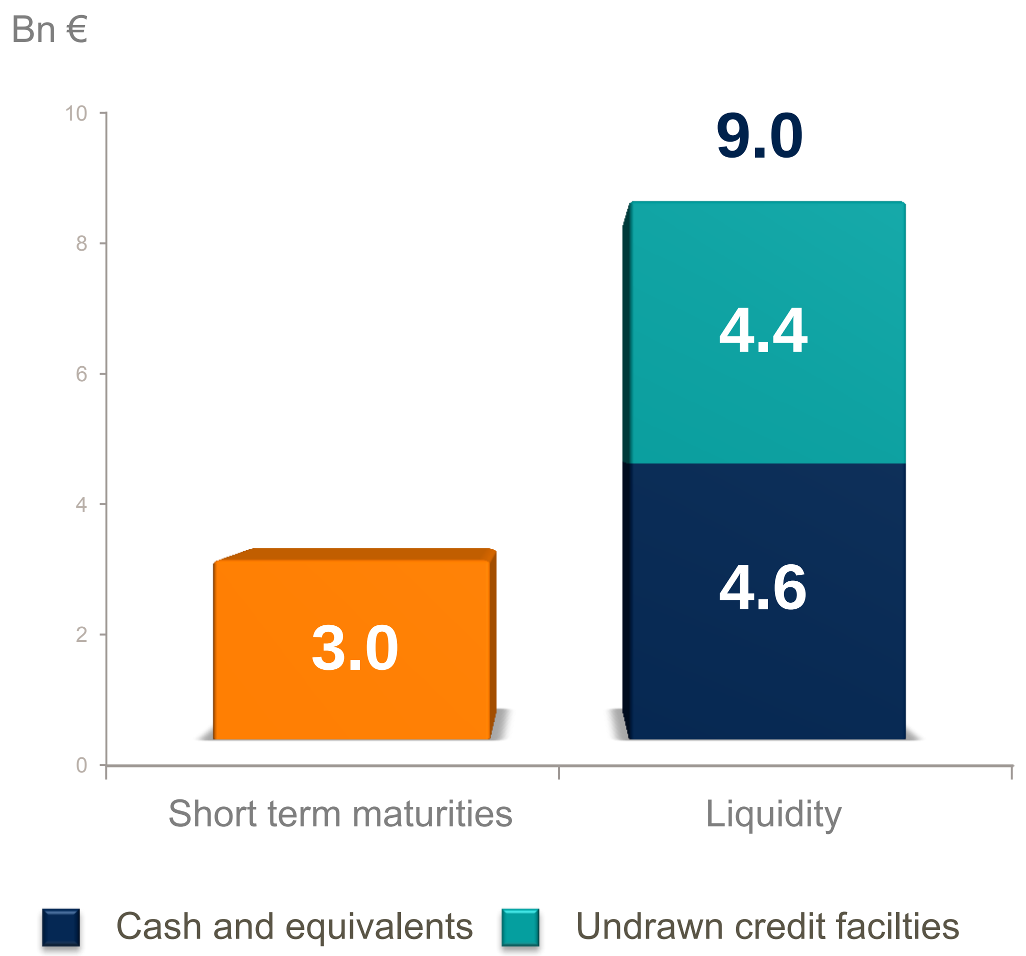
Progress achieved in the 2012-2016 Strategic Plan

Net Debt (Ex GNF)



Significant debt reduction

Liquidity (Ex GNF)



Liquidity 3x maturities

Financial situation: milestones

Progress achieved in the 2012-2016 Strategic Plan

Bonds

- Issuance of a 7-year bond for 1.2 billion € at an interest rate of 2.71% (the lowest since Spain adopted the Euro)

Placement of 2.4 billion € of treasury stock among qualified investors and in the market

Repurchase of preference shares

Maximum solvency position

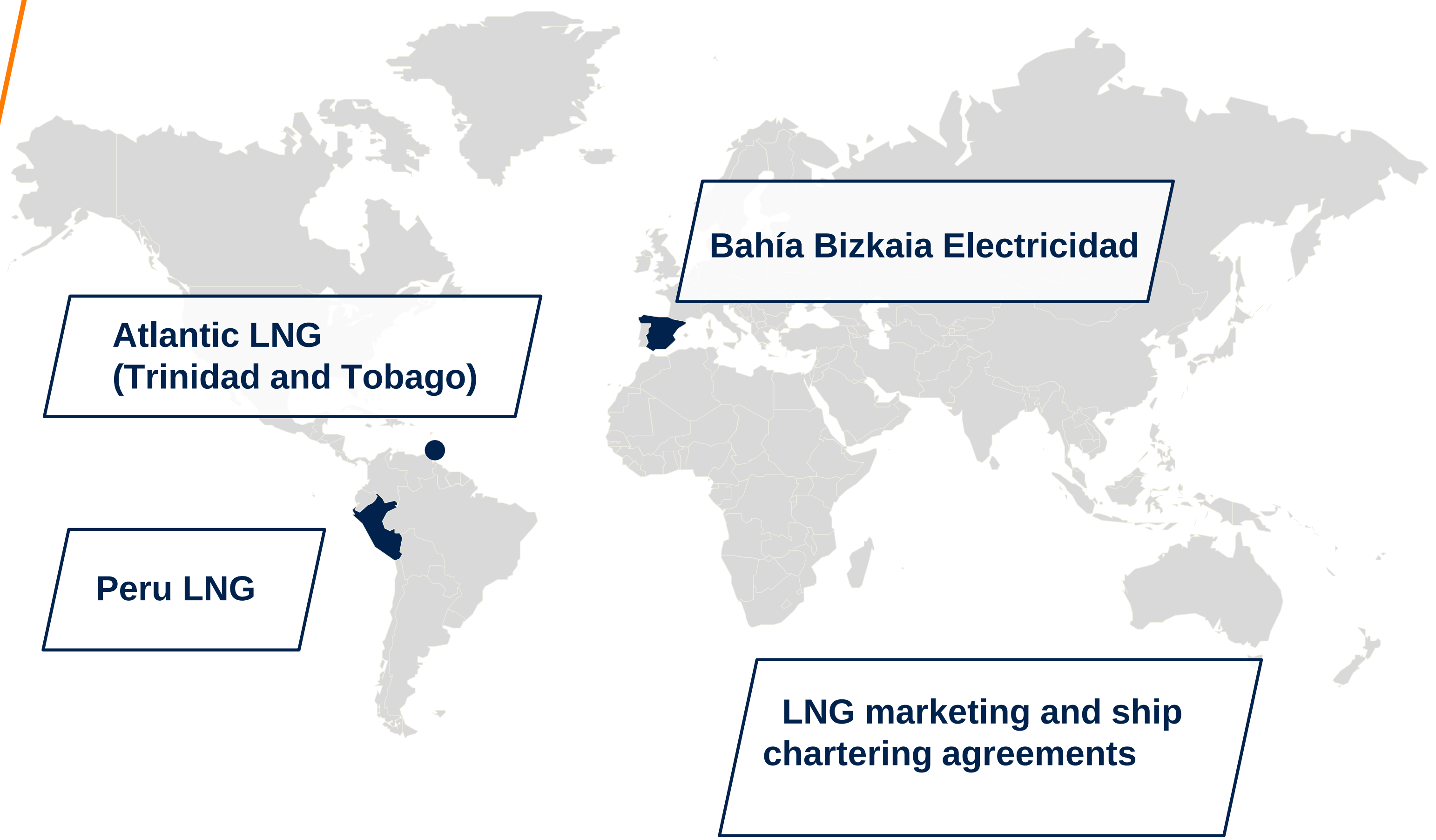
Financial situation: divestments

Progress achieved in the 2012-2016 Strategic Plan

Divestments

- Repsol Butano Chile
- Ecuador (20% of Block 16)
- Disposal of LNG assets
  - Sold to Shell for 6,653 million dollars
  - 4.4 billion dollars in cash and 2,253 in financial commitments and debt
  - 3.5 billion dollars pre-tax capital gains

Assets included in the LNG transaction



Fulfilled divestment commitments included in the Strategic Plan

Commitments fulfilled in 2012

Progress achieved in the 2012-2016 Strategic Plan

Strong growth in Upstream

- Production growth in 2012: **11%**
- Reserves replacement ratio in 2012: **204%**
- Upstream investments: **2,423 Mill. €**
- **Five new discoveries**
- **68 new exploration blocks**

✓

Maximising capital returns in Downstream

- Obtaining profit from our investments: **Cartagena and Petronor** operating at full capacity
- Refining margin improved by **231%**, to **5.3 dollars/barrel**
- Increased production volume

✓

Sound financials

- Placement of treasury stock
- LNG sales agreement
- Repsol 's available liquidity (ex Gas Natural Fenosa) is **9 billion €**, 3x the amount of short term debt maturities

✓

Competitive shareholders' payout

- 2012 dividend: **1 €/share**(1)
- "Repsol Dividendo Flexible" Program (scrip)

✓

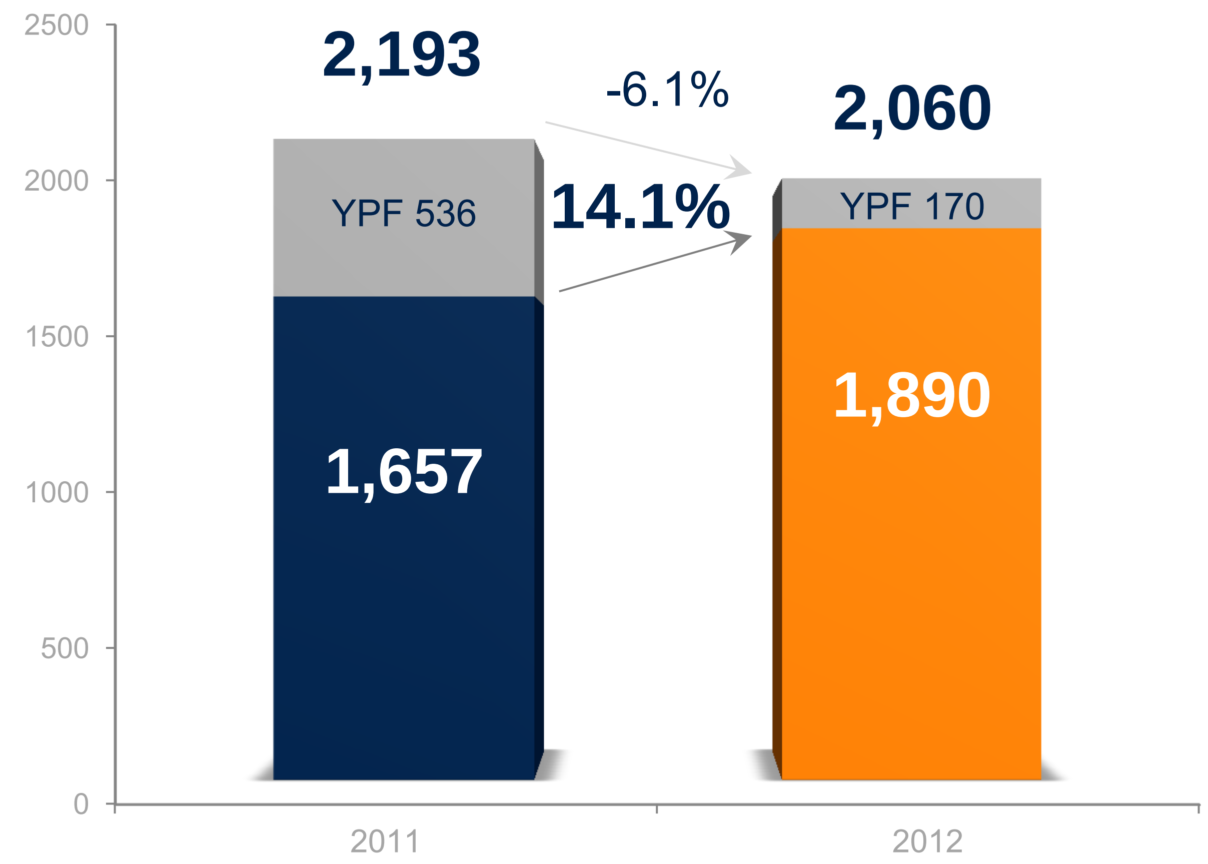
Achieved all objectives

23

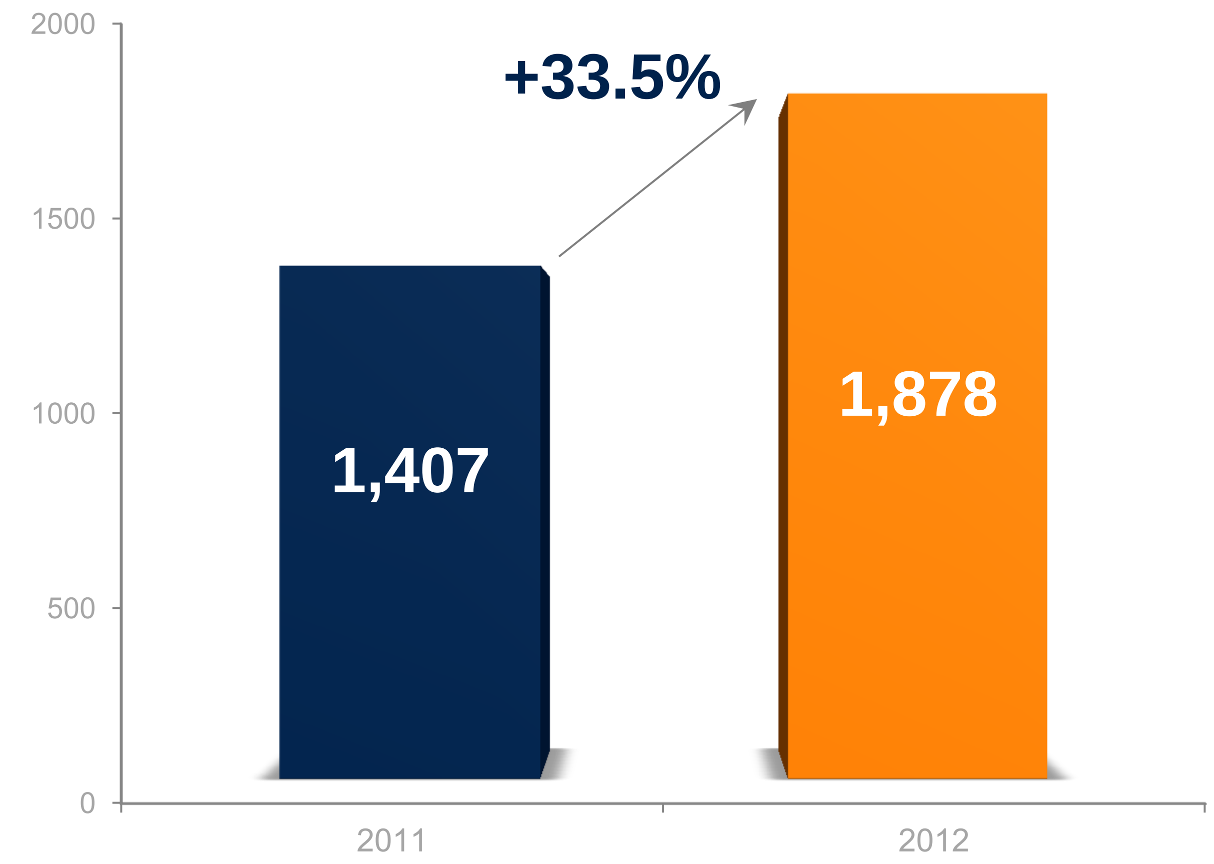
1. Includes the market value sum of the paid up capital increase of December 2012-January 2013 (628,089,364€); the gross 0,04 € cash dividend payable as of 20 June 2013, and market value sum of the proposed paid up capital increase submitted for the approval of this AGM, item 6 of the agenda.(589,926,276.88€)

Results

Net Income



CCS Net Income without YPF



CCS: Does not include inventory effects

14.1% increase in Net Income excluding YPF

2012 Results

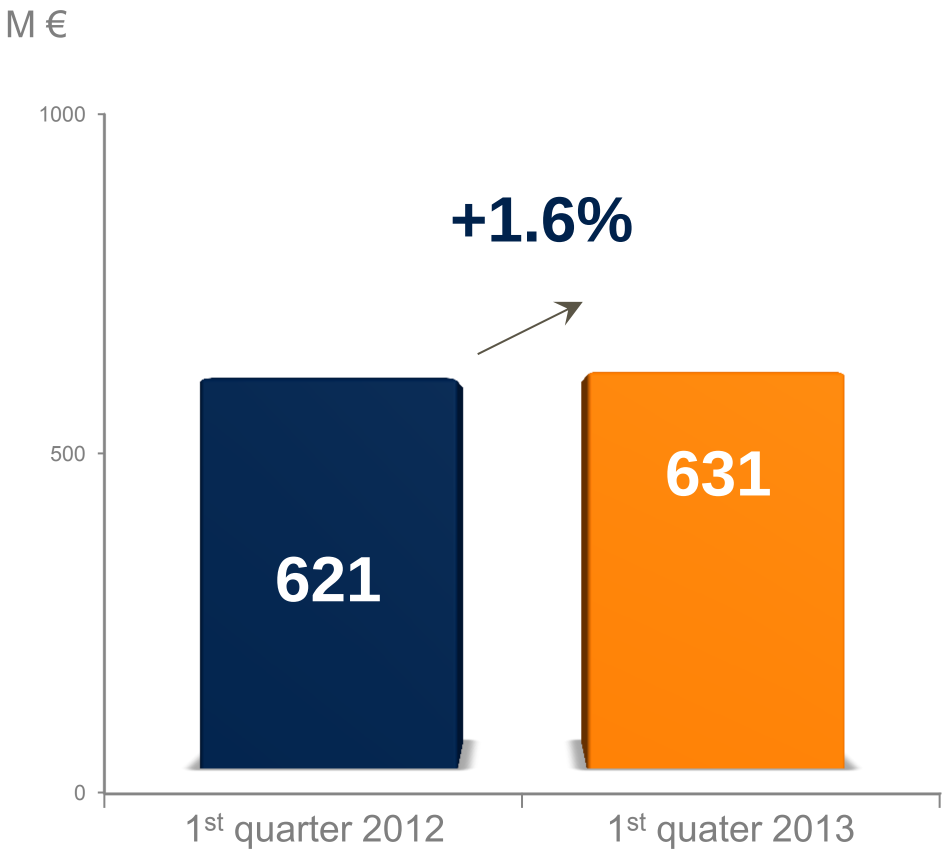
	2011	2012
Upstream	1,413	2,208
LNG	386	535
Downstream CCS	751	1,012
Gas Natural Fenosa	887	920
Corporate and others	(319)	(390)
CCS Operating Income from continued operations[(1)]	**3,118**	**4,285**
Operating Income from continued operations[(1)]	**3,549**	**4,286**
Operating Income from continued operations before tax[(1)]	**2,759**	**3,546**
Net Income from continued operations[(1)]	**1,657**	**1,890**
Net Income[(2)]	**2,193**	**2,060**

Higher results across all businesses.

1. Continued operations do not include YPF. 2. It includes discontinued operations (YPF)

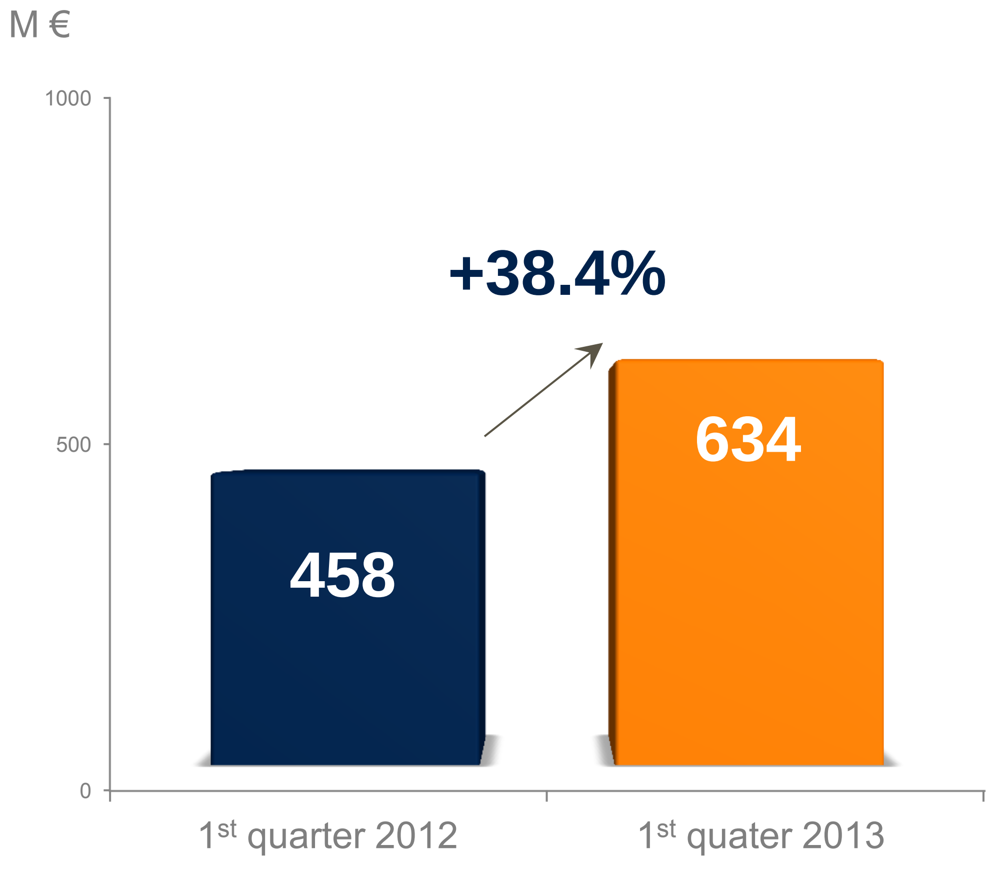
CCS: Does not include inventory effects

CCS Net Income



CCS: Does not include inventory effects

CCS Net Income without YPF



Higher results in the first quarter 2013 vs. first quarter 2012, which included YPF

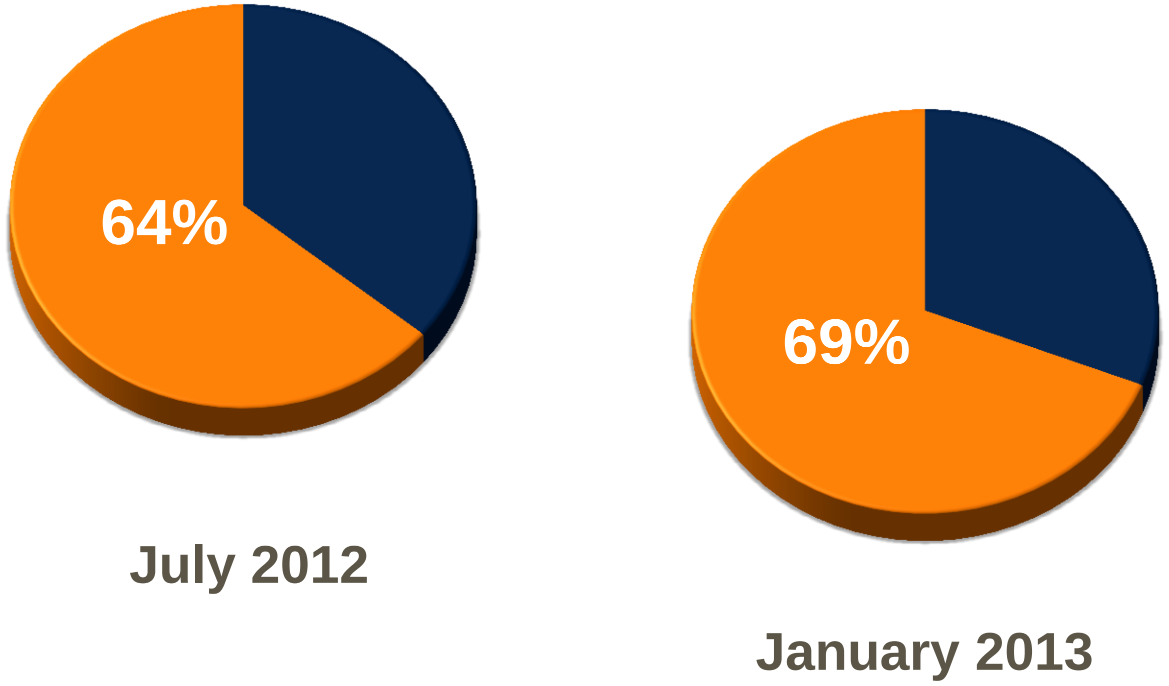
Shareholder Remuneration

Dividend

% scrip dividend acceptance

2012 dividend:

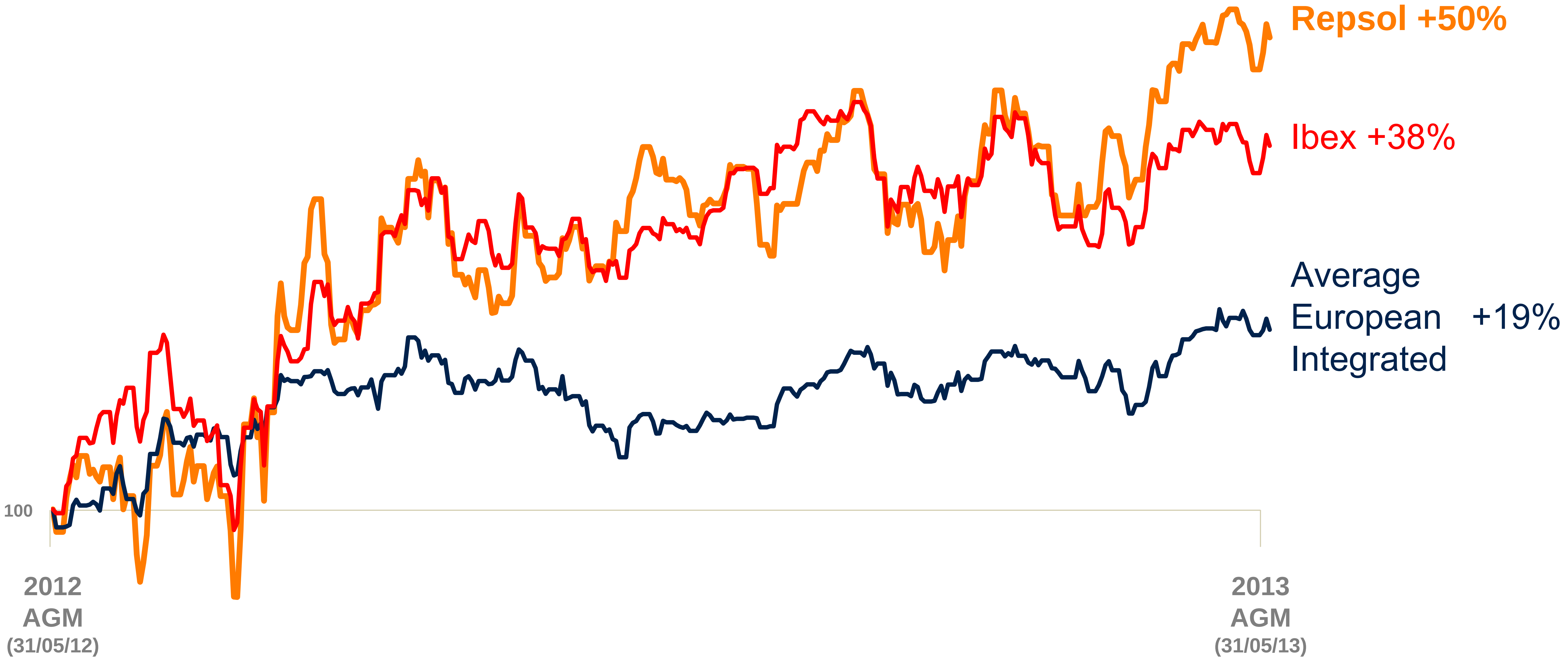
1 euro/share*



Successful scrip dividend acceptance rate

* Includes the market value sum of the paid up capital increase of December 2012-January 2013 (628,089,364€); the gross 0,04 € cash dividend payable as of 20 June 2013, and market value sum of the proposed paid up capital increase submitted for the approval of this AGM, item 6 of the agenda.(589,926,276.88€)

Stock evolution



Average European Integrated: Total, Eni, BP, Galp, BG, Shell, StatOil and OMV

YPF Confiscation

Defense before Courts and arbitral forums to ensure law compliance and to receive a fair compensation

- Firm defence and protection of our rights
- Necessary complaint of legality in the courts

- The Argentinian Government must compensate Repsol
- Unanimous international condemnation and from broad sectors of the Argentinan society

An agreed, fair and balanced solution that meets mutual interests is desirable

Shareholder Remuneration

How we are perceived

How we are perceived

Management

platts
2012 GLOBAL ENERGY AWARDS

Ipsos

Best Valued Energy company

Sustainability

Dow Jones Sustainability Indexes

sam gold class

CARBON DISCLOSURE PROJECT

Newsweek GREEN RANKINGS

Capital Markets

Institutional Investor

97% of the analysts recommend Repsol

Retail Shareholders

REPSOL en Acción
nuestra Comunidad de Accionistas

Corporate Responsibility

FONDO EMPRENDEDORES

Fundación REPSOL

Real Patronato sobre Discapacidad

How we are perceived

Our Future

Our future: Downstream

Our future

Industrial divisions

- Operating excellence
- Reduced energy costs
- 15% reduction of CO_2 emissions (2016)
- High value added petrochemical products

Commercial divisions

- Maximize competitiveness
- Enlargement of the non-oil businesses
- International expansion of lubricants and specialities
- Optimize the assets portfolio

Strong cash generation capacity for the growth businesses

Our future: Upstream

Our future

Discoveries to come on stream as of 2016

- Alaska
- Presal Albacora
- Buckskin
- C-33 (Seat, Gavea, Pao de açucar)
- Karabavshky
- Sagari
- Sagitario
- S-9
- S-48 (Panoramix, Vampira)
- SE-Illizi

Other areas offering high potential

- Gulf of Mexico
- Beaufort Sea
- Eastern Canada
- Colombia (RC11, RC12 and Taryona)
- Guyana
- Australia
- Angola and Namibia
- Mauritania and Liberia
- Spain and Portugal
- Norway's offshore
- Ireland (Dunquin)
- Bulgaria and Romanía
- Kurdistan

New wave of growth beyond 2016

Our future: Talent, Innovation, Technology, and Sustainability

Talent

- **Attracting and developing talent**
  - 80 nationalities
  - 3,500 new jobs in the last 5 years
  - 1,600 scholarships in the last 5 years

Innovation

- **Innovation networks**
- **Repsol Campus: our culture**

Tecnology

- **Cutting-edge technologies in Upstream and Downstream**
- **Technology frontier projects**
- **Over 400 researchers at our recognized technology center: CTR**

Repsol Foundation

- **Fund for entrepreneurs**
- **More than 700 social projects**

Committed to the future and to creating new jobs

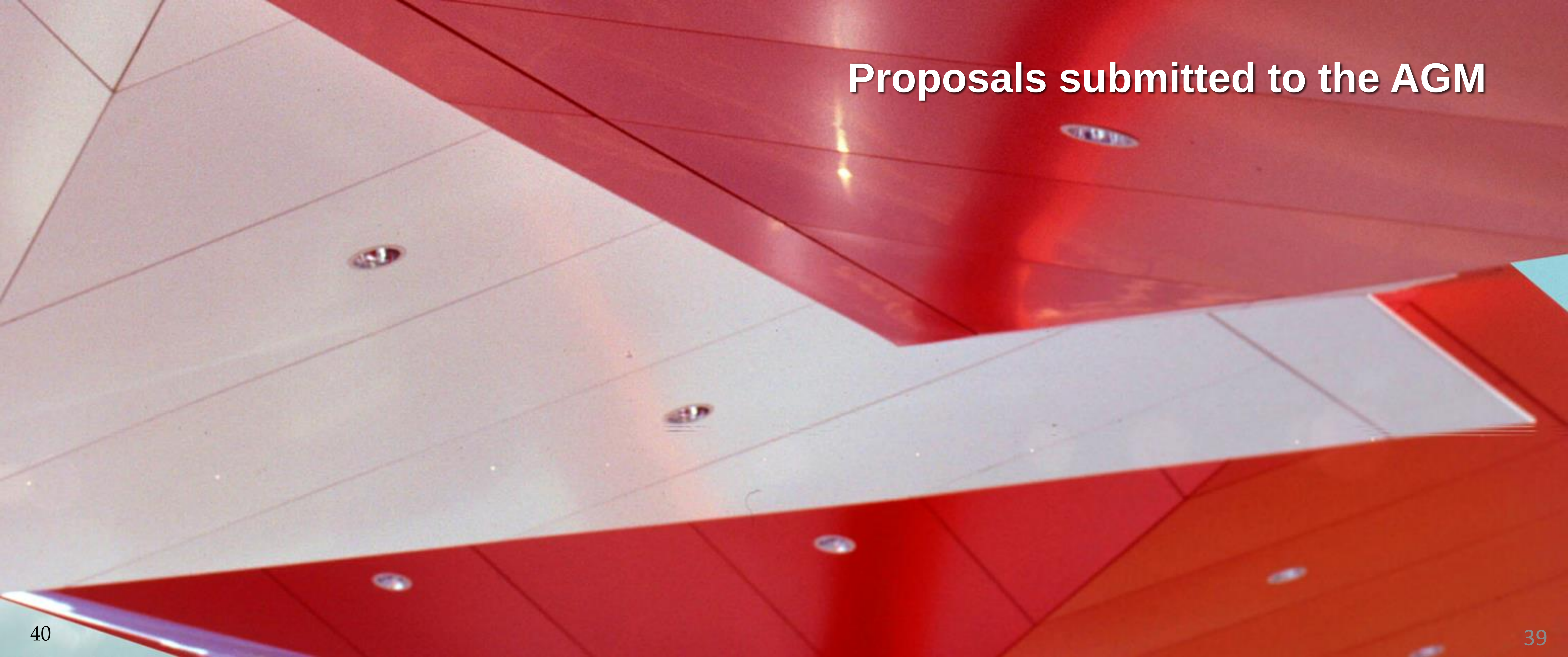
Our future

Repsol, an exciting shared project

REPSOL

Inventemos el futuro

Proposals submitted to the AGM



AGM Proposals

- **ITEMS REGARDING THE ANNUAL ACCOUNTS, MANAGEMENT BY THE BOARD, THE REELECTION OF THE ACCOUNTS AUDITOR AND UPDATING OF BALANCE SHEET**

- **First.** Review and approval, if appropriate, of the Annual Financial Statements and Management Report of Repsol, S.A., the Consolidated Annual Financial Statements and Consolidated Management Report, for fiscal year ended 31 December 2012.

- **Second**. Review and approval, if appropriate, of the management of the Board of Directors of Repsol, S.A. during 2012.

- **Third.** Appointment of the Accounts Auditor of Repsol, S.A. and its Consolidated Group for fiscal year 2013.

- **Fourth.** Examination and approval, as the case may be, effective as of January 1, 2013, of the Updated Balance Sheet of Repsol, S.A., in accordance with Law 16/2012, of 27 December.

AGM Proposals

- **ITEMS REGARDING SHAREHOLDER'S COMPENSATION**

- **Fifth.** Approval of the proposal for the allocation of profits/losses and the distribution of dividends for financial year 2012.

- **Sixth.** Increase of share capital in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the scrip dividend rights to the Company itself or on the market. Delegation of authority to the Board of Directors or, by delegation, to the Executive Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through the Spain's Continuous Market and on the Buenos Aires stock exchange.

- **Seventh.** Second capital increase in an amount determinable pursuant to the terms of the resolution, by issuing new common shares having a par value of one (1) euro each, of the same class and series as those currently in circulation, charged to voluntary reserves, offering the shareholders the possibility of selling the scrip dividend rights to the Company itself or on the market. Delegation of authority to the Board of Directors or, by delegation, to the Executive Committee, to fix the date the increase is to be implemented and the terms of the increase in all respects not provided for by the General Meeting, all in accordance with article 297.1.(a) of the Companies Act. Application for official listing of the newly issued shares on the Barcelona, Bilbao, Madrid and Valencia stock exchanges through Spain's stock exchange Market and on the Buenos Aires stock exchange.

AGM Proposals

Items relating to the composition of the Board of Directors

- **Eighth**. Re-election of Mr. Luis Suárez de Lezo Mantilla as Director.
- **Ninth.** Re-election of Ms. Mª Isabel Gabarró Miquel as Director.
- **Tenth.** Ratification of the interim appointment and re-election of Mr. Manuel Manrique Cecilia as Director of the Company.
- **Eleventh**. Appointment of Mr. Rene Dahan as Director.

Items regarding remuneration of the Company Directors

- **Twelfth**. Directors' Remuneration system: amendment of Article 45 ("Remuneration of Directors") of the Bylaws.
- **Thirteenth.** Remuneration of Board members.
- **Fourteenth.** Advisory vote on the Report on the Remuneration Policy for Directors of Repsol, S.A. for 2012.

AGM Proposals

- **POINT REGARDING THE AUTHORISATION AND EXPRESS DELEGATION REQUIRED FOR THE BOARD OF DIRECTORS**

- **Fifteenth.** Delegation to the Board of Directors of the power to issue debentures, bonds and any other fixed rate securities or debt instruments of analogous nature, simples or exchangeables by issued shares or other pre-existing securities of other entities, as well as promissory notes and preference shares, and to guarantee the issue of securities by companies within the Group, leaving without effect, in the portion not used, the eighth resolution of the General Shareholders' Meeting held on May 14, 2009.

- **POINT REGARDING THE COMPOSITION OF THE DELEGATE COMMITTEE**

- **Sixteenth.** Composition of the Delegate Committee: amendment of Article 38 ("Delegate Committee") of the Bylaws.

- **ITEM REGARDING GENERAL MATTERS**

- **Seventeenth.** Delegation of powers to interpret, supplement, develop, execute, rectify and formalize the resolutions adopted by the General Shareholders' Meeting.

GENERAL SHAREHOLDERS MEETING 2013

31 May 2013

c/ Méndez Álvaro 44
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España

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Madrid, May 31st, 2013

VOLUNTARY TENDER OFFER FOR THE REPURCHASE OF THE PREFERENCE SHARES OF REPSOL INTERNATIONAL CAPITAL LTD. AND TENDER OFFER FOR THE SUBSCRIPTION OF BONDS SERIES I/2013 OF REPSOL, S.A.

Repsol, S.A. ("Repsol" or the "Company") announces that the Board of Directors of the Company approved today a tender offer for the repurchase in cash of the Preference Shares Series B and C (the "Preference Shares") issued by its subsidiary Repsol International Capital, Ltd. ("RIC") in May and December 2001, respectively, and guaranteed by Repsol (the "Repurchase Offer"); and simultaneously and linked to the Repurchase Offer, a tender offer for the subscription of Bonds Series I/2013 (the "Bonds") to be issued and offered by Repsol to the holders of Preference Shares who accept the Repurchase Offer, in accordance with the following terms and conditions:

Characteristics of the Repurchase Offer

(i) Preference Shares will be repurchased by RIC, in cash, for 97.5% of its nominal value (EUR 975) (the "Repurchase Price").

(ii) The acceptance of the Repurchase Offer will imply the simultaneous, unconditional and irrevocable subscription application of Bonds with a nominal value of EUR 500. Holders of Preference Shares accepting the Repurchase Offer will retain the difference between the Repurchase Price and the subscription price of the Bonds (EUR 475 for each Preference Share), for its discretional use.

(iii) Holders of Preference Shares may only accept the Repurchase Offer with respect to all of the Preference Shares that they hold. A partial acceptance in relation to a Series of Preference Shares or an acceptance of the Repurchase Offer regarding only one of the Preference Shares but not the other (in the event that the relevant holder holds Preference Shares of both Series) will not be permitted.

(iv) The Repurchase Offer will not modify any right or obligation of those holders who do not accept the Repurchase Offer.

Main characteristics of the event Repsol Bonds Series I/2013

(i) Individual nominal value of EUR 500; one only series and class.

(ii) Annual nominal coupon of 3.5%, payable every quarter.

(iii) 10-year Bonds, reimbursed at their nominal value and for the whole issue. Notwithstanding the foregoing, Repsol will have the option to early redeem the issue, in whole or in part, in each coupon payment date.

Terms and conditions of the Repurchase Offer and the Bonds will be disclosed in detail in a securities note (the "Securities Note") which will be submitted for approval before the *Comisión Nacional del Mercado de Valores* ("CNMV"), complemented with the Repsol Share Registration Document approved and registered by the CNMV on May 14, 2013 (the "Registration Document"). Once approved and published, the Securities Note will be available, together with the Registration Document, at Repsol corporate web page (www.repsol.com) and at the CNMV web page (www.cnmv.es).

Disclaimer

This announcement is not a prospectus and investors should not accept the Repurchase Offer nor subscribe for Bonds except on the basis of the information contained in the prospectus comprised by a securities note (the “Securities Note”) pending to be approved by the Spanish National Securities Market Commission (Comisión Nacional del Mercado de Valores –CNMV–) and the Registration Document of Repsol approved and registered by the CNMV on 14 May 2013 (jointly with the Securities Note, the “Prospectus”).

The publication of this information and/or the Prospectus (once approved by the CNMV) in jurisdictions other than Spain may be restricted by applicable law. People who have access to this communication should enquire about restrictions and comply with them. Any breach of these restrictions can constitute an infringement on securities markets legislation in any such jurisdictions.

In particular, this announcement does not constitute an offer in the United States of America. The information contained herein should not be published, distributed or transmitted to residents in the United States of America or any other country in which the distribution of this information is restricted by law. Neither the Repurchase Offer, nor the offer to subscribe for Bonds are subject to registration in any other jurisdiction different than Spain, and therefore, they are not intended to investors resident in jurisdictions which securities law requires an authorization or registration of a prospectus or any other document, therefore these holders of Preference Shares cannot accept these offers. Neither the Repurchase Offer, nor the offer to subscribe for Bonds are being made and will not be made, directly or indirectly, in or though the United States of America, or by using e-mail or any other means of interstate or foreign commerce, nor to the benefit of U.S. persons, as such term is defined in Regulation S under the U.S. Securities Act of 1933 (the "Securities Act").

The information contained herein does not constitute an offer to sell in the United States of America. The Bonds have not been and will not be registered under the Securities Act or under any other securities laws of any State of the United States of America and cannot be offered, sold or delivered, directly or indirectly, in the United States of America or to U.S. persons without previous registration, or under an exemption for registration under the Securities Act. The Bonds will only be offered and sold outside the United States of America, under Regulation S of the Securities Act.

Under this document, no money, securities or other compensation is being solicited and, if sent in response to the information contained herein, they will not be accepted.

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PRESS RELEASE
Madrid, May 31, 2013
5 pages

2013 Annual General Meeting

Repsol shares gained 50% in the last year

ANTONIO BRUFAU FORSEES POSITIVE RESULTS FOR REPSOL AND THE SPANISH ECONOMY

- **The Annual General Meeting approved Repsol's results for 2012, during which it posted profits of 2.06 billion euros and increased its hydrocarbons output by 11%.**
- **The company's shares gained 50% in the last twelve months, beating the oil industry average (19%) and the Ibex index (38%.)**
- **The company's positive progress was reflected in the successful placement of 5% of its stock in the market, while also welcoming a major new relevant investor (Temasek), along with the recent Repsol bond issue for 1.2 billion euros, for which the company paid the lowest coupon seen in corporate bonds since Spain joined the euro.**
- **Repsol announced it will maintain its commitment to create jobs and nurture talent, which over the last five years led to the creation of 3,500 new jobs and 1,600 training grants.**
- **Repsol's Chairman said the company's future development will occur in a more positive Spanish economic environment. He praised the government's intensive reform agenda and said there are structural factors that will allow sustainable and robust growth for the country.**
- **Repsol approved an offer to repurchase preference shares at 97.5% of their par value, offering more attractive conditions than those currently available in the market.**
- **Shareholders at the Annual General Meeting agreed to appoint Rene Dahan as the director representing Temasek, which recently acquired 6.3% of Repsol's stock. Dahan took up his position at the meeting of the Board of Directors held after the AGM.**

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- **The Annual General Meeting also ratified the appointment by co-option of Manuel Manrique Cecilia as the director representing Sacyr and approved the re-election of Luis Suárez de Lezo Mantilla and María Isabel Gabarró Miquel as company directors.**
- **Repsol's Executive Chairman informed shareholders of progress on the 2012-2016 Strategic Plan. During the first year, five of the 10 key projects were begun, competitiveness of refining assets was improved and the financial targets for the plan as a whole were surpassed.**
- **Repsol made five major hydrocarbon discoveries in 2012, one of them, Pão de Açucar in Brazil, among the world's largest.**
- **Brufau emphasised that Repsol's strategy will allow it to embark on a new phase of growth in 2016, thanks to operations in new areas with considerable potential and the start of production from recent discoveries.**
- **Regarding the expropriation of YPF, the Repsol Chairman outlined the progress of the judicial and arbitration processes, thanked the Spanish government and international bodies for their support and reiterated the company's willingness to reach a negotiated solution for a fair compensation for the expropriation of YPF.**
- **The Annual General Meeting approved two proposals of paid up capital increase to maintain the "Repsol Flexible Dividend" programme as a means of shareholder remuneration, an initiative that has been well received.**

Repsol's Executive Chairman, Antonio Brufau, today informed the company's shareholders attending the Annual General Meeting of progress on the 2012-2016 Strategic Plan, which has transformed Repsol into one of the energy companies with best growth prospects thanks to its intense and successful exploration and production activity.

Brufau pledged to continue with the commitment to create jobs and nurture talent, which over the last five years has led to the creation of 3,500 new jobs and 1,600 training grants.

Brufau announced that the Board of Directors' Meeting held prior to the Annual General Meeting approved the offer to repurchase preference shares at 97.5% of its par value. Those accepting the offer will, for every preference share (1,000 euros of par value), receive a 10-year bond with a par value of 500 euros with a coupon of 3.5%, and 475 euros in cash. The offer is more attractive than conditions currently available in the market.

The Annual General Meeting approved the results for the past financial year, during which the company posted a net profit of 2.06 billion euros. At current cost of supply,

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Repsol's net result increased by 5.4% compared with the previous year to 2.048 billion euros. The results are particularly significant in that the 2011's earnings had included the stake in YPF.

Repsol's Executive Chairman began his presentation to shareholders by going over the fulfilment of the 2012-2016 Strategic Plan, with significant and encouraging progress during the first year of operation of the plan, as five of the 10 key projects have already started, the competitiveness of the refining system has been improved thanks to expansions of the Cartagena and Petronor refineries, while the financial objectives set for the plan as a whole have been surpassed.

The success of Repsol's exploration operations allowed hydrocarbon output to increase in 2012 by 11% above the goals set out in the strategic plan, while also achieving a record reserve replacement rate of 204%, amongst the highest in the industry.

During the year, the company made one of the largest discoveries worldwide, Pão de Açucar in Brazil, along with other very significant finds in Peru, Colombia and Algeria. Following these exploratory results, Brufau announced, a new growth phase from 2016 thanks to activity in new areas with considerable potential and the start of production at the recent discoveries.

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In the Downstream unit, the expansion projects at the Cartagena and Petronor refineries have given Repsol one of the most competitive refining systems in Europe. The improved competitiveness of these assets has helped place refining margins at the forefront of the European industry.

Antonio Brufau also commented on the company's financial solidity, which with the sale of LNG assets will cut debt by 2.2 billion euros with liquidity three times greater than its short-term debt maturities. In this regard the past financial year was marked by major financial milestones: Repsol sold its treasury stock to qualified investors and the market for 2.4 billion euros; it undertook divestments in Chile and Ecuador and agreed the sale of LNG assets; it issued seven-year bonds for 1.2 billion euros (the lowest coupon since Spain joined the Euro); and today announced the repurchase of the preference shares.

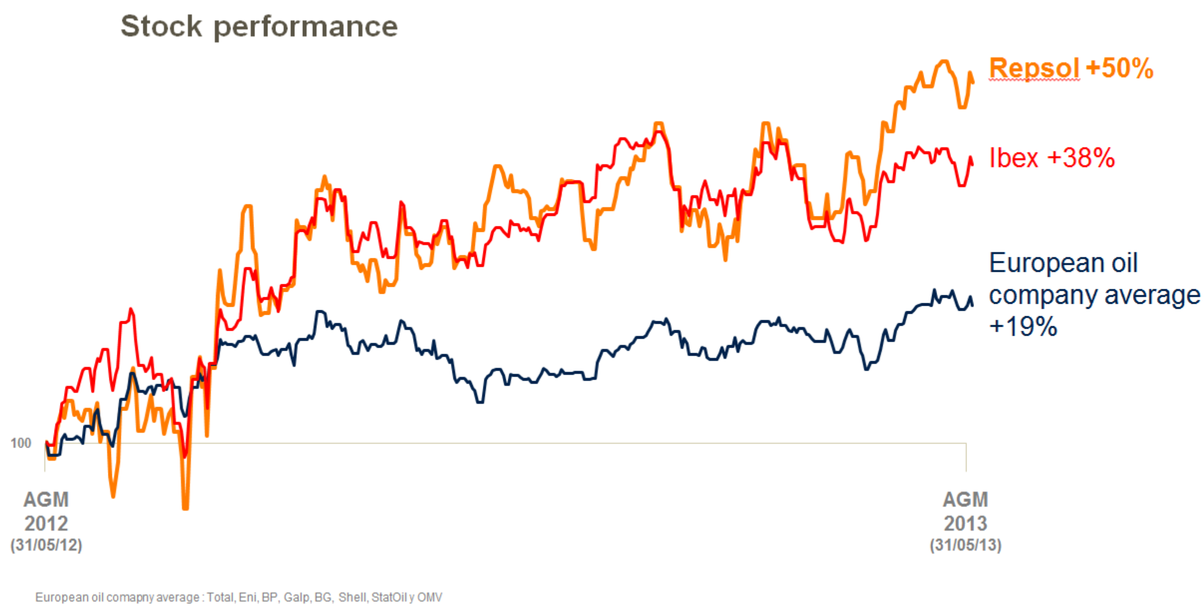
Particularly relevant was the inclusion within the company's shareholding of Singapore's Temsaek, which acquired 6.3% of Repsol's stock. The Annual General Meeting appointed Rene Dahan as the shareholder representing Temasek, and he took up his position on the Board of Directors upon conclusion of the general meeting.

Shareholder remuneration

Repsol's executive Chairman reviewed the company's shareholder remuneration policy, with a payout from earnings of between 40% and 55%. From 2012 earnings, the company has established a dividend equivalent to 1 euro per share.

Repsol will continue with the "Repsol Flexible Dividend" for which the AGM approved the two proposed paid up capital increases necessary to maintain the programme. In the paid up capital increase, replacing the traditional interim dividend for the 2012 financial year almost 70% of shareholders opted to receive their remuneration in shares.

Repsol's share price rose by 50% over the past year, considerably outstripping the average for the oil sector (19%), and the Ibex index, which rose by 38%.



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Economic environment

Repsol's Executive Chairman expressed his confidence that the company's performance in the near future will benefit from a more positive Spanish economic environment as the government is taking all the necessary measures to ensure the return to economic growth.

He described the economic reforms being carried out by the government as "one of the most intense in the Eurozone" and praised the efforts made by Spain to make public finances more sustainable, to clean up the financial system and to reform labour markets.

Brufau shared the Spanish government's concern with the urgent need for the Eurozone countries to advance with the banking union and the implementation of a raft of economic and fiscal measures to reinforce the long-term credibility of the euro.

Brufau highlighted the improvement of the export sector as an early sign of the economic improvement and underlined that Spain "is now one of the most attractive countries for foreign investment" following the reforms implemented by the government.

Antonio Brufau expressed his confidence that the labour reform will begin to bear fruit this year, resulting in lower unemployment, society's biggest problem according to Brufau.

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Madrid, May 31, 2013

The Ordinary General Shareholders' Meeting of **Repsol, S.A.**, held today, on second call, has approved all the proposals of resolutions submitted by the Board of Directors concerning the points of the Agenda.

Likewise, the Ordinary General Shareholders' Meeting approved the re-election as Directors of Mr. Luis Suárez de Lezo Mantilla and Ms. María Isabel Gabarró Miquel, the ratification and reelection of Mr. Manuel Manrique Cecilia and the appointment of Mr. Rene Dahan, all of them for the statutory term of 4 years. With these agreements and with the ones adopted in the meeting of the Board of Directors held after the Ordinary General Shareholders' Meeting, the composition of the Board of Directors of Repsol and of its Committees is as follows:

Board of Directors:

Chairman:	Mr. Antonio Brufau Niubó	(Executive Director)
1st Vice-Chairman:	Mr. Isidro Fainé Casas	(External Proprietary Director)
2nd Vice-Chairman:	Mr. Manuel Manrique Cecilia	(External Proprietary Director)
Directors:	Mrs. Paulina Beato Blanco	(Independent External Director)
	Mr. Artur Carulla Font	(Independent External Director)
	Mr. Luis Carlos Croissier Batista	(Independent External Director)
	Mr. Rene Dahan	(External Proprietary Director)
	Mr. Ángel Durández Adeva	(Independent External Director)
	Mr. Javier Echenique Landiríbar	(Independent External Director)
	Mr. Mario Fernández Pelaz	(Independent External Director)
	Mrs. María Isabel Gabarró Miquel	(Independent External Director)
	Mr. José Manuel Loureda Mantiñán	(External Proprietary Director)
	Mr. Juan María Nin Génova	(External Proprietary Director)
	Pemex Internacional España, S.A.	(External Proprietary Director)
	Mr. Henri Philippe Reichstul	(Independent External Director)
	Mr. Luis Suárez de Lezo Mantilla (*)	(Executive Director)

(*) Director and Secretary

Delegated Committee:

Mr. Antonio Brufau Niubó (Chairman)
Mr. Isidro Fainé Casas
Mr. Manuel Manrique Cecilia
Mr. Artur Carulla Font
Mr. Rene Dahan
Mr. Javier Echenique Landiríbar
Pemex Internacional España, S.A.
Mr. Henri Philippe Reichstul
Mr. Luis Suárez de Lezo Mantilla

Audit and Control Committee:

Mr. Ángel Durández Adeva (Chairman)
Mrs. Paulina Beato Blanco
Mr. Luis Carlos Croissier Batista
Mr. Javier Echenique Landiríbar

Nomination and Compensation Committee:

Mr. Artur Carulla Font (Chairman)
Mr. Mario Fernández Pelaz
Mrs. María Isabel Gabarró Miquel
Mr. José Manuel Loureda Mantiñán
Mr. Juan María Nin Génova

Strategy, Investment and Corporate Social Responsibility Committee:

Mr. Juan María Nin Génova (Chairman)
Mr. Luis Carlos Croissier Batista
Mrs. María Isabel Gabarró Miquel
Mr. José Manuel Loureda Mantiñán
Pemex Internacional España, S.A.

* * *

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Madrid, 20 June 2013

Following the official notice dated 4 June 2013 (registration number 188718), Repsol, S.A. ("Repsol" or the "Company") reports that it today signed with CaixaBank, S.A. and Banco Bilbao Vizcaya Argentaria, S.A. (jointly, the "Liquidity Entities", and each of them, individually, the "Liquidity Entity"[1]) two liquidity agreements regarding the ordinary bonds which the Company is to issue within the context of the offer to repurchase the Series B and C Preference Shares of Repsol International Capital, Ltd ("RIC") and the simultaneous issue of the I/2013 Repsol Bonds (the "Bonds"), currently in progress.

In accordance with the conditions laid down in the agreements, each Liquidity Entity undertakes to provide liquidity for the Bonds on the AIAF Fixed Income Market via the SEND ("Electronic Debt Negotiation System") multilateral electronic platform, informing the AIAF Market Supervisory Body of this circumstance for registration in the Register of entities providing this service.

The Liquidity Entities will provide liquidity for the Bonds through the placement of binding purchase and sale orders from 09:00 hours until 16:30 hours of each trading session, in accordance with the following basic rules, which are identical for both liquidity agreements:

a) The minimum volume of each purchase and sale order placed by each Liquidity Entity shall be 15,000 euros. Notwithstanding the above, each Liquidity Entity shall each day purchase Bonds for a net nominal value (following deduction of the nominal sold from the nominal purchased) of a maximum of 500,000 euros.

b) The difference between the offer and demand prices quoted by each Liquidity Entity, in IRR terms, may be no greater than 10% of the IRR corresponding to the demand, with a maximum of 50 basis points under the same terms, and in no case greater than 3% in price terms. The IRR shall be calculated in accordance with the market standards at the time in question.

c) In the event of any extraordinary alteration of market circumstances, the Liquidity Entities may quote supply and demand prices the difference between which does not correspond to the terms set out in the above paragraph if, among others, the following circumstances should arise: significant variations in the quoted price of the assets issued by the Company or similar issuers, or other circumstances making compliance with the corresponding liquidity agreements unreasonable or impossible.

[1]It is here placed on record that CaixaBank, S.A. is a significant shareholder of Repsol, holding 12.23% of the capital stock thereof. It acted as the placement entity for the Series B and C RIC Preference Shares, and is in turn an entity providing liquidity for said Preference Shares. Repsol is not aware of the existence of other interests of CaixaBank, S.A., or of Banco Bilbao Vizcaya Argentaria, S.A., in the aforementioned offer to repurchase the RIC Preference Shares and the simultaneous public offer for the subscription of the Repsol Series I/2013 ordinary bonds.

d) If the Liquidity Entity does not have access to Bonds allowing it to quote sale prices, the quoted purchase price shall at least reflect the fair value, and may be based on the closing price of the security in the most recent session in which it was traded.

e) In performance of their respective undertakings to provide liquidity, each Liquidity Entity shall act at its own risk and venture, with Repsol undertaking no obligations before either of the Liquidity Entities beyond those expressly set out in each agreement.

The Liquidity Entities may release themselves from their undertakings to provide liquidity for the Bonds in the following circumstances:

1. If the nominal value of the Bonds held by each Liquidity Entity in its own account and acquired directly on the market in performance of its respective undertakings is greater than 5% of the outstanding nominal amount of the Bond issue.

2. In the event of changes to the current legal, statutory, regulatory, fiscal or economic circumstances which would affect the Bond issue or the Company, or the sale and purchase of said Bonds by each Liquidity Entity.

3. If there is decisive evidence of a significant reduction in the solvency of Repsol or its capacity to meet its payment obligations. For these purposes, the solvency of Repsol shall not be deemed to have been diminished provided that it should maintain, for 2 of the 3 following ratings agencies, a rating level equal to or greater than Ba2 with Moody's, and BB with S&P and Fitch.

4. If, beyond the daily activity of the Liquidity Entities in performance of the terms of their respective agreements, the liquidity conditions of the Bonds in SEND should continuously reflect a minimum volume of purchase and sale orders of 25,000 euros, and the difference between the purchase and sale prices is no greater than 3%, or 10% in IRR terms, with a maximum of 50 basis points.

5. In the event of circumstances of force majeure making performance of the corresponding liquidity agreements exceptionally unreasonable, this being understood as a substantial alteration of the national or international political, economic or financial situation, or the outbreak of hostilities, war, or any circumstance of conflict of a similar nature, to the extent that such circumstances would substantially affect the function of the Liquidity Entities, and likewise the market price indices, or in the event of a general situation on the fixed income or credit markets in general which would make performance of the corresponding liquidity agreement unreasonable.

6. If the Company is in breach of its obligations regarding each Liquidity Entity.

Each Liquidity Entity undertakes to resume performance of its obligations to provide liquidity for the Bonds once the circumstances giving rise to its release therefrom have ceased.

Each Liquidity Entity shall serve notice on the AIAF Market Supervisory Body and on the Company of the grounds giving rise to its temporary release, indicating the date and time when this is to take effect.

Each Liquidity Entity shall likewise serve notice of the date and time from which it is to resume performance of the undertakings to provide liquidity as entered into by virtue of the corresponding agreement, which shall be mandatory if the cause giving rise to the release has ceased.

Each Liquidity Entity shall inform the Company immediately of any incidents or news of which it may learn which would affect trading in the Bonds.

The liquidity agreements shall take effect from the start date of the effective trading of the Bonds on the AIAF Fixed Income Market via the SEND platform, and notwithstanding any grounds for premature termination as set out below, shall remain in force up until amortisation in full of the Bond issue.

The Company and each Liquidity Entity may terminate the corresponding liquidity agreement in the event of a breach by either of the parties of the obligations laid down therein. Any such termination should be understood as notwithstanding any liability which may been incurred by the party in breach as a result of any damages which may have resulted from the breach of the agreement.

The Company may terminate each liquidity agreement prior to expiry thereof should it deem so appropriate, provided that it serves a minimum of 30 days' prior notice on the corresponding Liquidity Entity. The Company may, however, not make use of this entitlement unless it has first reached an agreement with another liquidity entity.

Each Liquidity Entity may terminate its liquidity undertaking with the Company prior to the expiry thereof should it deem so appropriate, provided that it serves a minimum of 30 days' prior notice on the Company. The above notwithstanding, the Liquidity Entity shall not be relieved of the obligations given in the liquidity undertaking until such time as the Company has appointed another replacement liquidity entity. Upon expiry of the period of 30 days, should the Company have failed to make such an appointment, the Liquidity Entity may present to the Company another party to act as its replacement on terms identical to the liquidity undertaking set out in the corresponding liquidity agreement, with the Company not being entitled to reject this except on duly justified grounds.

This notwithstanding, the corresponding liquidity agreement shall remain fully in force until such time as a new agreement of similar characteristics arranged by the Company with another or other liquidity entity or entities should take effect.

The Company shall notify the National Securities Market Commission by means of a significant event notice of the termination of the liquidity agreement and the replacement, as applicable, of the corresponding Liquidity Entity.

The Liquidity Entity shall serve prior notice on the AIAF Market Supervisory Body of termination of the corresponding liquidity agreement, and shall dispatch a copy of this notification to the National Securities Market Commission and to Iberclear.

*   *   *

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Madrid, June 26th, 2013

The Board of Directors of Repsol in a meeting held today unanimously rejected the compensation offer it had received for the expropriation of YPF and which had been analyzed.

Following an exhaustive technical and economic internal analysis, supported by external specialist reports, the Board of Directors considered unsatisfactory for the interests of the company the offer formulated at a nominal value of $5 billion, as it does not satisfy the losses suffered by Repsol, is constructed on overvalued assets far from market values seen in recent transactions in Argentina and the United States and has a structure which is far from the declared interests of Repsol for an agreement (lacks a realizable or disposable monetary compensation, does not have the minimum necessary legal nor economic guarantees and requires significant and compulsory investment).

The analyzed offer involved giving Repsol a stake in a joint venture made up of assets representing only 6.4% of the total held by YPF in Vaca Muerta. In the joint venture controlled by YPF (51%), Repsol would have a 47% stake and Pemex 2%. The Argentinean Government valued its offer at $5 billion distributed in stakes of assets in Vaca Muerta worth $3.5 billion and $1.5 billion in capital to be necessarily invested in the development of the venture.

The Board of Directors of Repsol and its executive team are pleased to note the interest of the Argentinean Government in a negotiated solution and hopes that said government maintains, as Repsol does, an open attitude to dialogue to attempt to reach an agreement, negotiated through the appropriate corporate channels, with the necessary serenity and balance and which represents a fair compensation and the end of the claims surrounding the expropriation.

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Madrid, June 28th, 2013

RESULT OF THE VOLUNTARY TENDER OFFER FOR THE REPURCHASE OF THE PREFERENCE SHARES OF REPSOL INTERNATIONAL CAPITAL LTD. AND TENDER OFFER FOR THE SUBSCRIPTION OF BONDS SERIES I/2013 OF REPSOL, S.A.

Repsol, S.A. ("**Repsol**" or the "**Company**") informs that the acceptance period (starting on June 5th, 2013) of the tender offer for the repurchase in cash of the Preference Shares Series B and C (the "**Preference Shares**") issued by Repsol International Capital, Ltd. ("**RIC**"), and simultaneous tender offer for the subscription of Bonds Series I/2013 (the "**Bonds**"), subject of the securities note (the "**Securities Note**") registered with the official registry of *the Comisión Nacional del Mercado de Valores* on June 4, 2013 (the "**Repurchase Offer**"), finished in June 25th, 2013.

During such period, RIC received acceptances to the Repurchase Offer for:

(i) 970,178 Preference Shares Series B, representing a 97.02% of the initial nominal value of the issue (therefore, the outstanding amount of this issue after liquidation of the Repurchase Offer will be 29,822 Preference Shares Series B – 2.98% of the initial nominal value).

(ii) 1,946,204 Preference Shares Series C, representing a 97.31% of the initial nominal value of the issue (therefore, the outstanding amount of this issue after liquidation of the Repurchase Offer will be 53,796 Preference Shares Series C– 2.69% of the initial nominal value).

As indicated in the Securities Note, the repurchase price of the Preference Shares is 97.5% of its nominal value (975 euros per each Preference Share).

Therefore, given the abovementioned acceptance results (97.21% as a whole for the two Series), RIC will pay to those accepting the Repurchase Offer a total amount of 2,843,472,450 euros in cash, out of which 1,458,191,000 euros will be applied, necessarily, simultaneously, unconditionally and irrevocably to the subscription of Repsol Bonds.

The total amount of the Bonds issue has been fixed on 1,458,191,000 euros (a total of 2,916,382 Bonds, with a nominal value of 500 euros each).

According to the timetable contained in the Securities Note, it is expected that on July 1st 2013 the repurchase by RIC of the Preference Shares and the subscription of Repsol Bonds by those accepting the Repurchase Offer will be materialized. From there onwards, Repsol will apply for the admission to trading of the Bonds at the Fixed Income AIAF Market through the SEND platform.

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Madrid, July 5, 2013

Following the official notices sent to the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores* - CNMV) on May 31, 2013 (registration number 188566) and on June 17, 2013 (registration number 189188), Repsol, S.A. ("Repsol") reports the end, on July 4, 2013, of the trading period of the free-of-charge allocation rights corresponding to the paid up capital increase implementing the "Repsol Flexible Dividend" shareholders' remuneration program.

Holders of 59.33% of free-of-charge allocation rights (a total of 760,892,202 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase is 20,023,479, where the nominal amount of the increase is 20,023,479 euro, representing an increase of approximately 1.56% of the share capital of Repsol before the capital increase.

Moreover, during the period established for that purpose, the holders of 40.67% of free-of-charge allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 521,556,172 rights for a total amount of 232,092,496.54 euro. Repsol waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of the mentioned commitment.

The capital increase was closed on July 5, 2013.

According to timetable of the execution of the capital increase, the cash payment to shareholders who sold the free-of-charge rights to Repsol will be made on July 9, 2013. (*)

It is expected, subject to compliance with all legal requirements (and, in particular, the verification by the Spanish Securities Market Commission), that the new shares will be listed on the Madrid, Barcelona, Bilbao and Valencia Stock Exchanges through the Spanish Automated Quotation System (Mercado Continuo), on July 11, 2013, being the next day the initiation of their ordinary trading. The Company will also apply for the listing of the new shares on the Buenos Aires Stock Exchange.

(*) Holders of (i) American Depositary Shares/American Depositary Receipts and (ii) ordinary shares listed on the Buenos Aires Stock Exchange (Bolsa de Comercio de Buenos Aires) may have certain specialties with respect to the cash payment date.

2Q 2013
Results

REPSOL

Madrid, 25 July 2013

INDEX:

TABLES:

1. INCOME FROM CONTINUED OPERATIONS (M€)

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	SECOND QUARTER 2013 RESULTS	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
893	1,287	936	4.8	CCS OPERATING INCOME	1,972	2,223	12.7
436	634	464	6.4	CCS NET INCOME	894	1,098	22.8
936	1,314	979	4.6	CCS ADJUSTED OPERATING INCOME	2,017	2,293	13.7
481	676	509	5.8	CCS ADJUSTED NET INCOME	941	1,185	25.9
636	1,292	699	9.9	OPERATING INCOME (MIFO)	1,966	1,991	1.3
274	637	308	12.4	NET INCOME (MIFO)	903	945	4.7
679	1,319	742	9.3	ADJUSTED OPERATING INCOME (MIFO)	2,011	2,061	2.5
319	679	353	10.7	ADJUSTED NET INCOME (MIFO)	950	1,032	8.6

2. NET INCOME (*) (M€)

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	SECOND QUARTER 2013 RESULTS	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
406	631	423	4.2	CCS NET INCOME	1,027	1,054	2.6
244	634	267	9.4	NET INCOME (MIFO)	1,036	901	-13.0

(*) This result includes both continued and discontinued operations (essentially YPF and YPF Gas)

SECOND QUARTER 2013 MAIN HIGHLIGHTS AND KEY FINANCIAL FIGURES

All explanations set out below refer to the income from continued operations.

- **CCS adjusted net income** for the second quarter 2013 stood at 509 M€**, while CCS adjusted operating income** amounted to 979 M€. These figures are respectively 5.8% and 4.6% higher than those for the same year-ago quarter.
- The key factors explaining the results for the quarter are:
  - In **Upstream**, adjusted operating income amounted to 514 M€, in line with the same period of 2012. Against a backdrop of lower Brent prices, oil realisation price remained stable thanks to the sale of 20% of Block 16 in Ecuador and incremental production of oil at a better realisation price in Brazil and the USA, while gas realisation price was lower. Production was 12% higher year-on-year (359 Kboe/d). This increase is essentially explained by the start-up of the key projects and the reduced maintenance shutdowns in T&T, offsetting the sale of 20% of Block 16 in Ecuador in September 2012, as referred to above. Other factors of impact during the quarter were: lower exploration costs, higher amortisations and the depreciation of the dollar against the euro.

- In **LNG**, adjusted operating income was 170 M€, a 118% higher year-on-year. Improved volumes and margins of commercialization of LNG and better result from the businesses in North America explain this upturn.

- In **Downstream**, CCS adjusted operating income amounted to 147 M€, 28% lower than the same quarter in 2012. Refining suffered a negative impact as a result of worse performance of differentials between light and heavy crudes, the differential between Ural and Brent crude, and lower product margins, mainly gasoline and diesel, resulting in a worse refinery margin for the quarter (2.6 USD/Bbl) as compared with the second quarter 2012 (4.7 USD/Bbl). In Chemicals, the downturn in naphtha price and the increased volume of sales of petrochemical products were unable to offset the drop in final product prices, leading to a decline in margins. The commercial businesses, LPG and Marketing, obtained a result similar to the second quarter of 2012.

- In **Gas Natural Fenosa,** adjusted operating income for the period reached 239 M€, slightly ahead year-on-year. Improved result is essentially a consequence of better gas wholesale commercial margins, partially offset by a reduced contribution from Unión Fenosa Gas.

- The **net financial debt of the Group including preference shares and excluding Gas Natural Fenosa** stood at 6,320 M€, which implies a reduction of 575 M€ compared with the net debt at the end of the first quarter of 2013. It is worth mentioning the high level of operating cash flow generated during the period, including a significant reduction in working capital, mainly as a result of reduction of inventories.

1. - BREAKDOWN OF RESULTS BY BUSINESS AREA

1.1.- UPSTREAM

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12		Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
490	655	506	3.3	**OPERATING INCOME** (M€)	1,144	1,161	1.5
518	668	514	-0.8	**ADJUSTED OPERATING INCOME** (M€)	1,177	1,182	0.4
144	151	149	3.5	**LIQUIDS PRODUCTION** (Thousand boepd)	140	150	7.1
987	1,177	1,179	19.5	**GAS PRODUCTION (*)** (Million scf/d)	1,021	1,178	15.4
320	360	359	12.2	**TOTAL PRODUCTION** (Thousand boepd)	322	360	11.9
499	545	606	21.4	**OPERATING INVESTMENTS** (M€)	1,109	1,151	3.8
206	73	122	-40.8	**EXPLORATION EXPENSE** (M€)	286	196	-31.5

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	INTERNATIONAL PRICES	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
108.3	112.6	102.4	-5.4	**Brent** ($/Bbl)	113.6	107.5	-5.4
93.4	94.4	94.2	0.9	**WTI** ($/Bbl)	98.2	94.3	-4.0
2.2	3.3	4.1	86.4	**Henry Hub** ($/MBtu)	2.5	3.7	48.0
1.28	1.32	1.31	2.3	**Average exchange rate** ($/€)	1.30	1.31	0.8

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	REALISATION PRICES	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
86.9	93.7	86.5	-0.5	**OIL** ($/Bbl)	90.3	90.0	-0.3
3.9	4.4	3.7	-5.1	**GAS** ($/Thousands scf)	3.7	4.0	8.1

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

Adjusted operating income for the second quarter of 2013 amounted to 514 M€, in line with the same period last year.

Adjusted operating income is essentially explained by the increase in output thanks to the start-up of five of the ten key growth projects of the strategic plan, offset by the increased costs associated with the start-up of these projects, lower gas realisation prices and reduced shipments in Libya:

- The increased production volume, in particular gas, enhanced income by 51 M€.
- Reduced exploration costs had a positive impact of 86 M€, essentially as a result of the lower amortization of wells during the quarter.
- The depreciation of the dollar against the euro reduced results by 10 M€.
- Increased amortization diminished income by 33 M€.
- Crude and gas realization prices, net of the effect of royalties, had a negative impact of 71 M€.
- Other costs explain the difference.

Average production in Upstream reached 359Kboe/d during the second quarter of 2013, 12% higher than the same period in 2012. This increase was essentially the result of the start-up of five of the ten key growth projects contemplated in the strategic plan and the reduction in maintenance shutdowns in Trinidad and Tobago. This increase was moderated by the interruption of production in Libya between 9 and 11 June and from 25 June onwards (with operations resumed on 12 July, since when they have proceeded entirely as normal), and the sale of 20% of Block 16 in Ecuador in September 2012.

During the first half of 2013, 12 exploration wells and one appraisal were completed. Nine of these wells have had positive results: USA, Brazil, Colombia, Algeria and Russia. At the end of the first half of the year, seven exploration wells and one appraisal are being drilled or in completion stage.

First-half 2013 results

Adjusted operating income for the first half of 2013 amounted to 1,182 M€, in line with the result for the same period of 2012. The increase in production as a result of the incorporation of five of the 10 key growth projects of the strategic plan, higher gas realisation prices and lower exploration costs as a result of the reduced amortization of bonds and wells, served to offset the increase in costs and amortisations as a result of the start-up of the new projects, poorer results in Libya due to reduced shipments, and the sale of 20% of Block 16 in Ecuador.

Average production in the first half of 2013 (360 Kboe/d) was 12% higher than the same period in 2012 (322 Kboe/d), essentially as a result of the start-up of five of the ten key growth projects of the strategic plan and the reduction in maintenance shutdowns in Trinidad and Tobago, partially offset by the sale of 20% of Block 16 in Ecuador.

Operating Investments

Operating investments in the second quarter of 2013 in Upstream totaled 606 M€, 21% higher year-on-year. Investments in development accounted for 69% of the total and were mainly earmarked for the United States (37%), Brazil (18%), Venezuela (12%), Trinidad and Tobago (11%), Bolivia (9%) and Peru (5%). Exploration investments, representing 23% of total investments, were principally in the United States (43%), Brazil (24%), Canada (8%), Ireland (7%) and Norway (4%).

In the first half of 2013, investments in the Upstream division amounted to 1,151 M€, 4% more than in first half of 2012. Development investments represented 72% of the total and were mainly in the United States (36%), Brazil (18%), Venezuela (13%), Trinidad and Tobago (12%), Bolivia (8%) and Peru (4%). Exploration investments, representing 20% of total investments, were basically in the United States (42%), Brazil (15%), Norway (9%), Russia (6%), Bulgaria (5%), Canada (5%), Namibia (5%) and Ireland (4%).

1.2.- LNG

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12		Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
79	311	170	115.2	**OPERATING INCOME** (M€)	237	481	103.0
78	311	170	117.9	**ADJUSTED OPERATING INCOME** (M€)	236	481	103.8
46.1	40.5	34.2	-25.8	**ELECTRICITY PRICES IN THE SPANISH ELECTRICITY POOL** (€/MWh)	48.4	37.3	-22.9
95.4	117.0	113.0	18.4	**LNG SALES** (TBtu)	201.7	229.9	14.0
6	3	8	33.3	**OPERATING INVESTMENTS**(M€)	17	11	-35.3

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

Adjusted operating income in the second quarter of 2013 stood at 170 M€, 118% higher than same quarter previous year 78 M€ income.

Results in the second quarter of 2013 were essentially boosted by the greater margins and volumes in LNG commercial operations and the improved result in North America (25 M€ of profit as compared with a loss of 48 M€ in 2012, although, this is a hardly recurrent) thanks to reduced transportation costs and better business environment in the LNG.

First-half 2013 results

Adjusted operating income for the first half of 2013 was 481 M€, marking an increase of 104% as compared with the same period of 2012. This improvement is essentially explained by the higher margins and greater volumes in the commercialisation of LNG and the higher margins in the North American activities. The result of the businesses maintained by Repsol amounted to 156 M€ in the first half of 2013, essentially as an outcome of positive business performance in North America (153 M€, compared with losses of 42 M€ in the first half of 2012), driven by the low temperatures recorded during the winter, which led to an increase in price differentials in the region, although, considering this result hardly recurrent.

Operating Investments

Operating investments in the second quarter and first half of 2013 in the LNG area amounted to 8 M€ and 11 M€, respectively. These investments essentially focused on maintenance investments and development projects.

1.3.- DOWNSTREAM

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12		Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
202	173	138	-31.7	CCS OPERATING INCOME(M€)	283	311	9.9
205	183	147	-28.3	CCS ADJUSTED OPERATING INCOME (M€)	287	330	15.0

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12		Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
-55	178	-99	-80.0	OPERATING INCOME (M€)	277	79	-71.5
-52	188	-90	-73.1	ADJUSTED OPERATING INCOME (M€)	281	98	-65.1
68.0	79.8	80.1	17.8	DISTILLATION UTILISATION (%)	66.8	79.9	19.6
82.2	97.8	101.4	23.4	CONVERSION CAPACITY UTILISATION (%)	82.6	99.6	20.6
9,839	10,136	11,154	13.4	OIL PRODUCT SALES (Thousand tons)	19,977	21,290	6.6
541	513	684	26.4	PETROCHEMICAL PRODUCT SALES (Thousand tons)	1,134	1,197	5.6
607	683	590	-2.8	LPG SALES (Thousand tons)	1,388	1,273	-8.3
157	92	128	-18.5	OPERATING INVESTMENTS(M€)	295	220	-25.4

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	REFINING MARGIN INDICATOR ($/Bbl)	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
4.7	3.9	2.6	-44.7	Spain	3.9	3.2	-17.9

CCS adjusted operating income in the second quarter of 2013 stood at 147 M€, 28% lower year-on-year.

The downturn in CCS adjusted operating income for second quarter 2013 as compared with the same period in 2012 is explained by the following effects:

- In **Refining**, the increase in volumes of distillates was unable to offset worse performance of differentials between light and heavy crudes and lower product margins, which has had a negative impact of 11 M€.
- In **Chemicals,** the downturn in naphtha prices and increased sale volumes of petrochemical products have been unable to offset the drop in prices of final products, leading to a decline in margins, with a negative impact of 23 M€.
- In the commercial businesses, **LPG** and **Marketing,** have obtained an overall result similar to that for the second quarter of 2012. Better performance of the LPG business offset lower margins and sales volumes at petrol stations in Spain.
- Trading and other activities explain the remaining difference.

First-half 2013 results

CCS adjusted operating income for the first half of 2013 was 330 M€, 15% higher than the 287 M€ obtained the previous year, essentially due to the improved industrial business results.

Operating Investments

Operating investments in the Downstream business amounted to 128 M€ during the second quarter of 2013. Investments in the first half of 2013 stood at 220 M€.

1.4.- GAS NATURAL FENOSA

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12		Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
229	250	214	-6.6	OPERATING INCOME (M€)	475	464	-2.3
232	253	239	3.0	ADJUSTED OPERATING INCOME (M€)	473	492	4.0
118	65	113	-4.2	OPERATING INVESTMENTS (M€)	185	178	-3.8

Adjusted operating income of Gas Natural Fenosa for the second quarter of 2013 amounted to 239 M€, compared with 232 M€ in the same period the previous year, representing an increase of 3%.

The improved result is essentially a consequence of better gas wholesale commercial margins, partially offset by a reduced contribution of Unión Fenosa Gas.

First-half 2013 results

Adjusted operating income in the first half of 2013 was 492 M€, which was 4% higher than the 473 M€ in the same period the previous year, mainly as a result of better gas wholesale commercial margins and improved results in Latin America, partially offset by reduced contribution of Unión Fenosa Gas and lower contribution from the electrical business in Spain, affected by the new tax regulations.

Operating Investments

Operating investments for Gas Natural Fenosa during the second quarter and first half of 2013 amounted to 113 M€ and 178 M€ respectively. Tangible investments essentially focused on Gas and Power Distribution activities in Spain and in Latin America.

1.5.- CORPORATE AND OTHER

This caption includes the operating income/expenses of the Corporation and activities not imputed to the businesses, along with inter-segment consolidation adjustments.

An adjusted expense of 91 M€ was recorded in the second quarter of 2013.

2.- FINANCIAL INCOME/CHARGES AND DEBT

(*) This section sets out the data on the Group's financial income and financial situation, excluding Gas Natural Fenosa. Data corresponding to the Consolidated Group is provided in the tables detailing second quarter 2013 results (page 23 of this earnings release).

Unaudited figures

BREAKDOWN OF NET DEBT (M€) – **GROUP, EX GAS NATURAL FENOSA**	**1Q2013**	**2Q2013**	**% variation 2Q13/1Q13**	**Jan-Jun 13**
NET DEBT EX GAS NATURAL FENOSA AT THE BEGINNING OF THE PERIOD	**4,432**	**3,867**	**-12.7**	**4,432**
EBITDA	-1,545	-1,037	-32.9	-2,582
VARIATION IN TRADE WORKING CAPITAL	898	-801	-	97
INCOME TAX COLLECTIONS / PAYMENTS	205	343	67.3	548
INVESTMENTS **(1)**	781	753	-3.6	1,534
DIVESTMENTS **(1)**	-122	-13	-89.3	-135
DIVIDENDS AND OTHER PAYOUTS	187	51	-72.7	238
OWN SHARES TRANSACTIONS	-1,036	11	-	-1,025
TRANSLATION DIFFERENCES	-80	71	-	-9
INTEREST EXPENSE AND OTHER MOVEMENTS **(2)**	142	188	32.4	330
ASSOCIATED EFFECTS TO PETERSEN'S LOANS	5	9	**80.0**	14
NET DEBT AT THE END OF THE PERIOD	**3,867**	**3,442**	**-11.0**	**3,442**
NET DEBT + PREFERENCE SHARES AT THE END OF THE PERIOD	**6,895**	**6,320**	**-8.3**	**6,320**
Debt ratio (3)				
CAPITAL EMPLOYED (M€)	**30,077**	**29,172**	**-3.0**	**29,172**
NET DEBT / CAPITAL EMPLOYED (%)	12.9	11.8	-8.5	11.8
NET DEBT + PREFERENCE SHARES/ CAPITAL EMPLOYED (%)	22.9	21.7	-5.2	21.7
ROACE before non-adjusted items (%)	10.8	5.6	-48.1	8.4
EBITDA / NET DEBT (x)	1.6	1.2	-24.6	1.5
EBITDA / NET DEBT + PREFERENCE SHARES (x)	**0.9**	**0.7**	-26.8	**0.8**

(1) At 30 June 2013 there are financial investments amounting to 18 M€ and financial divestments amounting to 26 M€ not reflected in this table.

(2) This essentially includes dividends collected, provisions applied and interest.

(3) The capital employed excludes that corresponding to discontinued operations. If this were included, the net debt ratio over capital employed at 30 June 2013 would stand at 9.8%, and 18% taking into consideration the preference shares. Likewise, the ROACE presented does not include the result or capital employed in discontinued operations.

Net financial debt including preference shares and ex Gas Natural Fenosa at the end of second quarter of 2013 stood at 6,320 M€, 575 M€ lower than the figures at the end of first quarter 2013. Emphasising the high level of operating cash flow generated during the period, including a significant reduction in working capital, essentially as a result of the reduction of inventories, sufficient to fully cover payment of taxes, disbursement of investments and interests.

The net debt/capital employed ratio, excluding Gas Natural Fenosa, stands at the close of the second quarter of 2013 at 9.8%, and 18% taking into consideration the preference shares. Without taking into consideration the capital employed corresponding to discontinued operations, these ratios would be 11.8 % and 21.7 %, respectively.

At 30 June, the Repsol Group, excluding Gas Natural Fenosa, had a liquidity position of 10.1 Bn€ (including committed and undrawn credit lines), sufficient to cover 2.3 times short-term debt maturities. These levels of liquidity and coverage ratio were affected during the month of July by the cash disbursement as a result of the repurchase of the preference shares and maturity of the 22 July bond amounting to 1,000 M€. Taking into account these effects, this ratio would stand at more than 3 times short-term debt maturities.

Unaudited figures

LIQUIDITY POSITION (M€) - GROUP, EX GAS NATURAL FENOSA	1Q 2013	2Q 2013
CASH AND CASH EQUIVALENTS	4,863	5,966
COMMITED AND UNUSED CREDIT LINES	4,048	4,174
TOTAL LIQUIDITY	**8,911**	**10,140**

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	FINANCIAL INCOME/EXPENSES OF THE GROUP EX GNF (M€)	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
-104	-107	-113	8.7	NET INTEREST EXPENSE (incl. preference shares)	-208	-220	5.8
67	-14	-6	-	HEDGING POSITIONS INCOME/EXPENSE	6	-20	-
-13	-24	-29	123.1	UPDATE OF PROVISIONS	-26	-53	103.8
17	31	35	105.9	CAPITALISED INTEREST	34	66	94.1
-55	-57	20	-	OTHER FINANCIAL INCOME/EXPENSES	-110	-37	-66.4
-88	**-171**	**-93**	**5.7**	**TOTAL**	**-304**	**-264**	**-13.2**

The Group's net financial expenses at the end of second quarter 2013 ex Gas Natural Fenosa, amounted to 264 M€, 40 M€ lower than the result for the same period the previous financial year, including the following noteworthy features:

- The increased appreciation of the USD against the EUR in the first half of 2012, together with the long positions held in USD, led to a greater positive result from positions in 2012 compared with the same period in 2013.
- Recognition of the net surplus regarding the preference share repurchase (+ 76 M€).

It is worth mentioning the following events that took place during the quarter:

- Within the context of "Repsol Flexible Dividend" programme, the execution of the first capital increase approved by the Annual Shareholders' Meeting of Repsol S.A. held on May 31, 2013, was approved, substituting the traditional payment of the 2012 final dividend (in addition to the 0.04 euros gross per share paid in cash), being the guaranteed price of Repsol's purchase commitment of 0.445 euro gross per right. Holders of 59.33% of free-of-charge allocation rights opted to receive new shares of Repsol.
- A 7-year bond issue was concluded for 1.2 billion euros, with a 2.625% coupon and an issue price of 99.414%, equivalent to mid swap + 155 bp, the most competitive issue by a Spanish corporate since the euro was introduced.
- The acceptance results of the voluntary repurchase offer of preference shares, as a whole for the two series, stood at 97.21% out of the total nominal amount. The repurchase of the preference shares was materialized on 1 July 2013.

3.- OTHER CAPTIONS IN THE PROFIT AND LOSS ACCOUNT

3.1.- TAXES

The effective tax rate in the first half of 2013 before the earnings of unconsolidated affiliates, was 45% and the accrued tax expense totalled 717 M€. The new estimated tax rate for fiscal year 2013 is approximately 44%.

3.2.- EQUITY ON EARNINGS OF UNCONSOLIDATED AFFILIATES

Unaudited figures

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	BREAKDOWN OF UNCONSOLIDATED AFFILIATES (M€)	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
10.2	9.6	6.1	-39.8	UPSTREAM	11.4	15.7	37.7
27.6	24.6	20.8	-24.6	LNG	44.1	45.4	2.9
1.1	10.2	1.5	36.4	DOWNSTREAM	9.0	11.7	30.7
0.5	0.5	0.9	80.0	Gas Natural Fenosa	1.7	1.4	-15.2
39.4	**44.9**	**29.3**	**-25.5**	**TOTAL**	**66.1**	**74.2**	**12.3**

Income from minority interests in second quarter 2013 totalled 29 M€, 26% lower than the same year-ago quarter, mainly due to lower contribution from Peru LNG.

3.3.- MINORITY INTERESTS

Recurrent income attributable to minority interests in second quarter 2013 amounted to 4 M€ versus 1 M€ recorded in second quarter 2012.

4.- HIGHLIGHTS

The most significant Company-related events that have taken place since the publication of first quarter 2013 results are as follow:

In the **Corporation,** on 13 May 2013 Repsol International Finance, B.V. closed a 1,200 million euro 7-year bond at 99.414 per cent, with a coupon of 2.625 per cent equivalent to mid swap + 155 b.p., to be listed on the regulated market of the Luxembourg Stock Exchange.

On 31 May 2013, The Ordinary General Shareholders' Meeting of Repsol, S.A., held the same day, on second call, approved all the proposals of resolutions submitted by the Board of Directors concerning the points of the Agenda. Likewise, the Ordinary General Shareholders' Meeting approved the re-election as Directors of Mr. Luis Suárez de Lezo Mantilla and Ms. María Isabel Gabarró Miquel, the ratification and reelection of Mr. Manuel Manrique Cecilia and the appointment of Mr. Rene Dahan, all of them for the statutory term of 4 years.

On 4 June 2013, Repsol started up the Third Cycle of the Delivery Shares Plan addressed to the beneficiaries of multiannual remuneration programs and approved by the Annual General Shareholders' Meeting held on April 15th, 2011 under point 14th of the Agenda.

On 12 June 2013, Repsol was presented with the ASTER award for Business Career, awarded every year by the renowned ESIC Business & Marketing School. The prize recognises the achievements made by companies over the course of their history and their contribution to the Spanish economy. Repsol Chairman Antonio Brufau accepted the award and welcomed the recognition, the third of its kind for the company after that received in 1985 by Campsa and 1993 by Repsol.

On 20 June 2013 the Company paid its shareholders a cash dividend against results for the 2012 financial year of 0.04 euros gross per share in circulation on the date of payment with remuneration rights, representing a gross payout of 51 million of euros.

On 26 June 2013, The Board of Directors of Repsol in a meeting held the same day unanimously rejected the compensation offer it had received for the expropriation of YPF and which had been analysed. Following an exhaustive technical and economic internal analysis, supported by external specialist reports, the Board of Directors considered unsatisfactory for the interests of the company the offer formulated at a nominal value of $5 billion, as it does not satisfy the losses suffered by Repsol, is constructed on overvalued assets far from market values seen in recent transactions in Argentina and the United States and has a structure which is far from the declared interests of Repsol for an agreement (lacks a realizable or disposable monetary compensation, does not have the minimum necessary legal nor economic guarantees and requires significant and compulsory investment). The analysed offer involved giving Repsol a stake in a joint venture made up of assets representing only 6.4% of the total held by YPF in Vaca Muerta. In the joint venture controlled by YPF (51%), Repsol would have a 47% stake and Pemex 2%. The Argentinean Government valued its offer at $5 billion distributed in stakes of assets in Vaca Muerta worth $3.5 billion and $1.5 billion in capital to be necessarily invested in the development of the venture.

On 28 June 2013 and following previous official notices, Repsol informd about the result of the voluntary repurchase offer in cash of the Preference Shares Series B and C issued by Repsol International Capital, Limited (RIC), and simultaneous tender offer for the subscription of Bonds Series I/2013 of Repsol, S.A., subject of the securities note registered with the official registry of the Comisión Nacional del Mercado de Valores on June 4, 2013. During the acceptance period, RIC received acceptances for:

(i) 970,178 Preference Shares Series B, representing a 97.02% of the initial nominal value of the issue (therefore, the outstanding amount of this issue will be 29,822 Preference Shares Series B – 2.98% of the initial nominal value).

(ii) 1,946,204 Preference Shares Series C, representing a 97.31% of the initial nominal value of the issue (therefore, the outstanding amount of this issue will be 53,796 Preference Shares Series C– 2.69% of the initial nominal value).

The repurchase price of the Preference Shares was 97.5% of its nominal value (975 euros per each Preference Share). Therefore, given the abovementioned acceptance results (97.21% as a whole for the two Series), RIC paid to those accepting the offer a total amount of 2,843,472,450 euros in cash, out of which 1,458,191,000 euros was applied, necessarily, simultaneously, unconditionally and irrevocably to the subscription of Repsol

Bonds. The total amount of the Bonds issue was fixed on 1,458,191,000 euros (a total of 2,916,382 Bonds, with a nominal value of 500 euros each).

On 1 July 2013, the repurchase by RIC of the Preference Shares and the subscription of Repsol Bonds by those accepting the Repurchase Offer were materialized. The Bonds were admitted for trading at the Fixed Income AIAF Market through the SEND platform on 2 July 2013, and were effectively traded through such platform during the same day.

On 5 July 2013, following the official notices sent to the Spanish Securities Market Commission (Comisión Nacional del Mercado de Valores - CNMV) on May 31, 2013 (registration number 188566) and on June 17, 2013 (registration number 189188), Repsol, S.A. ("Repsol") reported the end, on July 4, 2013, of the trading period of the free-of-charge allocation rights corresponding to the paid up capital increase implementing the “Repsol Flexible Dividend” shareholders’ remuneration program.

Holders of 59.33% of free-of-charge allocation rights (a total of 760,892,202 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase is 20,023,479, where the nominal amount of the increase is 20,023,479 euro, representing an increase of approximately 1.56% of the share capital of Repsol before the capital increase. On 12 July the new shares started trading on the Spanish stock exchange.

Moreover, holders of 40.67% of free-of-charge allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 521,556,172 rights for a total amount of 232,092,496.54 euro. Repsol waived the shares corresponding to the free-of-charge allocation rights acquired by virtue of the mentioned commitment. The cash payment to those shareholders who chose this option was made on 9 July.

Madrid, 25 July 2013

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A teleconference for analysts and institutional investors is scheduled today, 25 July, at 13:00 (CET) to report on Repsol’s second quarter 2013 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

RESULTS 2Q 2013

REPSOL OPERATING INCOME BASED ON ITS MAIN COMPONENTS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-JUNE	
	2Q12	1Q13	2Q13	2012	2013
EBITDA	**1,405**	**1,942**	**1,434**	**3,331**	**3,376**
Operating revenue	14,018	15,508	13,736	**29,078**	29,244
Operating income	636	1,292	699	1,966	1,991
Financial expenses	(151)	(235)	(150)	(433)	(385)
Share in income of companies carried by the equity method - net of taxes	39	45	29	66	74
Income before income tax	**524**	**1,102**	**578**	**1,599**	**1,680**
Income tax	(249)	(451)	(266)	(674)	(717)
Income from continued operations	**275**	**651**	**312**	**925**	**963**
Income attributed to minority interests for continued operations	(1)	(14)	(4)	(22)	(18)
NET INCOME FROM CONTINUED OPERATIONS	**274**	**637**	**308**	**903**	**945**
Income from discontinued operations	(30)	(3)	(41)	133	(44)
Net Income	**244**	**634**	**267**	**1,036**	**901**

	2Q12	1Q13	2Q13	2012	2013
Earnings per share accrued by parent company (*)					
* Euro/share	0.20	0.50	0.21	0.84	0.70
* $/ADR	0.25	0.65	0.27	1.06	0.92

(*) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in July 2012, January 2013 and July 2013 and, accordingly, share capital is currently represented by 1,302,471,907 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 1,231,898,464 in the period January-June 2012 and 1,279,836,379 in the period January-June 2013.

Dollar/euro exchange rate at date of closure of each quarter:
1.259 dollars per euro in 2Q12
1.281 dollars per euro in 1Q13
1.308 dollars per euro in 2Q13

REPSOL OPERATING INCOME BY RECURRENT AND NON RECURRENT ITEMS

(Million euros)

(Unaudited figures)

	2Q12			JANUARY - JUNE 2012		
	Total	Non recurrent	Adjusted	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses	**636**	**(43)**	**679**	**1,966**	**(45)**	**2,011**
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
Income before income tax	**524**	**(54)**	**578**	**1,599**	**(57)**	**1,656**
Income tax	(249)	9	(258)	(674)	10	(684)
Income from continued operations	**275**	**(45)**	**320**	**925**	**(47)**	**972**
Income attributed to minority interests for continued operations	(1)	-	(1)	(22)	-	(22)
NET INCOME FROM CONTINUED OPERATIONS	**274**	**(45)**	**319**	**903**	**(47)**	**950**
Income from discontinued operations	(30)	(30)	-	133	133	-
Net Income	**244**	**(75)**	**319**	**1,036**	**86**	**950**

	1Q13		
	Total	Non recurrent	Adjusted
Income from continuous operations before financial expenses	**1,292**	**(27)**	**1,319**
Upstream	655	(13)	668
LNG	311	-	311
Downstream	178	(10)	188
Gas Natural Fenosa	250	(3)	253
Corporate and others	(102)	(1)	(101)
Financial expenses	(235)	(8)	(227)
Share in income of companies carried by the equity method - net of taxes	45	-	45
Income before income tax	**1,102**	**(35)**	**1,137**
Income tax	(451)	(7)	(444)
Income from continued operations	**651**	**(42)**	**693**
Income attributed to minority interests for continued operations	(14)	-	(14)
NET INCOME FROM CONTINUED OPERATIONS	**637**	**(42)**	**679**
Income from discontinued operations	(3)	(3)	-
Net Income	**634**	**(45)**	**679**

	2Q13			JANUARY - JUNE 2013		
	Total	Non recurrent	Adjusted	Total	No recurrentes	Ajustado
Income from continuous operations before financial expenses	**699**	**(43)**	**742**	**1,991**	**(70)**	**2,061**
Upstream	506	(8)	514	1,161	(21)	1,182
LNG	170	-	170	481	-	481
Downstream	(99)	(9)	(90)	79	(19)	98
Gas Natural Fenosa	214	(25)	239	464	(28)	492
Corporate and others	(92)	(1)	(91)	(194)	(2)	(192)
Financial expenses	(150)	11	(161)	(385)	3	(388)
Share in income of companies carried by the equity method - net of taxes	29	(2)	31	74	(2)	76
Income before income tax	**578**	**(34)**	**612**	**1,680**	**(69)**	**1,749**
Income tax	(266)	(11)	(255)	(717)	(18)	(699)
Income from continued operations	**312**	**(45)**	**357**	**963**	**(87)**	**1,050**
Income attributed to minority interests for continued operations	(4)	-	(4)	(18)	-	(18)
NET INCOME FROM CONTINUED OPERATIONS	**308**	**(45)**	**353**	**945**	**(87)**	**1,032**
Income from discontinued operations	(41)	(41)	-	(44)	(44)	-
Net Income	**267**	**(86)**	**353**	**901**	**(131)**	**1,032**

BREAKDOWN OF REPSOL OPERATING INCOME BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-JUNE	
	2Q12	1Q13	2Q13	2012	2013
Upstream	**490**	**655**	**506**	**1,144**	**1,161**
USA and Brazil	75	121	62	192	183
North of Africa	347	279	234	684	513
Rest of the World	68	255	210	268	465
LNG	**79**	**311**	**170**	**237**	**481**
Downstream	**(55)**	**178**	**(99)**	**277**	**79**
Europe	(43)	161	(91)	249	70
Rest of the World	(12)	17	(8)	28	9
Gas Natural Fenosa	**229**	**250**	**214**	**475**	**464**
Corporate and others	**(107)**	**(102)**	**(92)**	**(167)**	**(194)**
TOTAL	**636**	**1,292**	**699**	**1,966**	**1,991**

BREAKDOWN OF REPSOL EBITDA
BY ACTIVITIES AND GEOGRAPHICAL AREAS

(Million of euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-JUNE	
	2Q12	1Q13	2Q13	2012	2013
Upstream	**857**	**922**	**803**	**1,725**	**1,725**
USA and Brazil	204	205	196	420	401
North of Africa	368	304	258	720	562
Rest of the World	285	413	349	585	762
LNG	**129**	**355**	**213**	**331**	**568**
Downstream	**120**	**351**	**84**	**622**	**435**
Europe	120	324	84	571	408
Rest of the World	-	27	-	51	27
Gas Natural Fenosa	**377**	**397**	**396**	**768**	**793**
Corporate and others	**(78)**	**(83)**	**(62)**	**(115)**	**(145)**
TOTAL	**1,405**	**1,942**	**1,434**	**3,331**	**3,376**

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

(Million of euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	QUARTERLY FIGURES			JANUARY-JUNE	
	2Q12	1Q13	2Q13	2012	2013
Upstream	**499**	**545**	**606**	**1,109**	**1,151**
USA and Brazil	260	288	365	666	653
North of Africa	7	19	19	12	38
Rest of the World	232	238	222	431	460
LNG	**6**	**3**	**8**	**17**	**11**
Downstream	**157**	**92**	**128**	**295**	**220**
Europe	146	84	111	273	195
Rest of the World	11	8	17	22	25
Gas Natural Fenosa	**118**	**65**	**113**	**185**	**178**
Corporate and others	**17**	**12**	**7**	**49**	**19**
TOTAL	**797**	**717**	**862**	**1,655**	**1,579**

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

REPSOL BALANCE SHEET

(Million euros)

(Unaudited figures)
Compiled in accordance with International Financial Reporting Standards

	DECEMBER 2012	JUNE 2013
NON-CURRENT ASSETS		
Goodwill	2,678	2,673
Other intangible assets	2,836	2,747
Property, Plant and Equipmment	28,227	28,614
Investment property	25	24
Equity-accounted financial investments	737	813
Non-current assets classified as held for sale subject to expropriation	5,392	5,436
Non-current financial assets		
Non-current financial instruments	672	676
Others	641	654
Deferred tax assets	3,310	3,546
Other non-current assets	242	235
CURRENT ASSETS		
Non-current assets classified as held for sale	340	173
Inventories	5,501	5,268
Trade and other receivables	7,781	8,080
Other current assets	221	257
Other current financial assets	415	388
Cash and cash equivalents	5,903	7,693
TOTAL ASSETS	**64,921**	**67,277**
TOTAL EQUITY		
Attributable to equity holders of the parent	26,702	28,528
Attributable to minority interests	770	736
NON-CURRENT LIABILITIES		
Subsidies	61	60
Non-current provisions	2,258	2,369
Non-current financial debt	15,300	14,309
Deferred tax liabilities	3,063	3,137
Other non-current liabilities		
Non-current debt for finance leases	2,745	2,750
Others	712	739
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale	27	37
Current provisions	291	242
Current financial liabilities	3,790	5,070
Trade debtors and other payables:		
Current debt for finance leases	224	230
Other trade debtors and payables	8,978	9,070
TOTAL LIABILITIES	**64,921**	**67,277**

STATEMENT OF CASH FLOW

(Million euros)

(Unaudited figures)

Compiled in accordance with International Financial Reporting Standards

	JANUARY - JUNE 2012	JANUARY - JUNE 2013
I.CASH FLOWS FROM OPERATING ACTIVITIES (*)		
Income before taxes and associates	1,599	1,680
Adjustments:		
Depreciation of Property, Plant and Equipment	1,287	1,236
Other adjustments (net)	445	460
EBITDA	**3,331**	**3,376**
Variation in working capital	(139)	(158)
Dividends received	37	51
Income taxes received/(paid)	(637)	(616)
Other proceeds/(payments) from operating activities	(147)	(63)
OTHER CASH FLOWS FROM OPERATING ACTIVITIES	**(747)**	**(628)**
	2,445	**2,590**
II. CASH FLOWS FROM INVESTING ACTIVITIES (*)		
Investment payments		
Group companies, associates, and business units	(57)	(157)
Property, plant and equipment, intangible assets and property investments	(1,674)	(1,553)
Other financial assets	(132)	(201)
Total Investments	**(1,863)**	**(1,911)**
Proceeds on divestments	395	377
Other cash flows	2	-
	(1,466)	**(1,534)**
III. CASH FLOWS FROM FINANCING ACTIVITIES (*)		
Receipts/Payments from equity instruments	1,313	1,025
Proceeds on issue of financial liabilities	5,443	3,950
Payments for return and amortization of financial obligations	(5,335)	(3,333)
Dividends paid and other payouts	(685)	(281)
Interest paid	(413)	(512)
Other proceeds/(payments) from financing activities	303	(80)
	626	**769**
Impact of translation differences from continued operations.	**15**	**(21)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**1,620**	**1,804**
Cash flows from operating activities from discontinued operations	874	(11)
Cash flows from investment activities from discontinued operations	(872)	-
Cash flows from finance activities from discontinued operations	(339)	(3)
Impact from translation differences from discontinued operations	(7)	-
NET INCREASE /(DECREASE) IN CASH AND CASH EQUIVALENTS FROM DISCONTINUED OPERATIONS	**(344)**	**(14)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**2,677**	**5,903**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**3,953**	**7,693**

(*) Relates to cash flows from continued operations.

FINANCIAL INCOME/CHARGES AND DEBT FOR THE CONSOLIDATED GROUP

Unaudited figures (IFRS)

NET DEBT (M€) – Consolidated Group	1Q2013	2Q2013	% variation 2Q13/1Q13	Jan-Jun 13
NET DEBT OF THE CONSOLIDATED GROUP AT THE BEGINNING OF THE PERIOD	**8,938**	**8,354**	**-6.5**	**8,938**
EBITDA	-1,942	-1,434	-26.2	-3,376
VARIATION IN TRADE WORKING CAPITAL	1,018	-860	-	158
INCOME TAX COLLECTIONS / PAYMENTS	226	390	72.6	616
INVESTMENTS **(1)**	938	953	1.6	1,891
DIVESTMENTS **(1)**	-266	-81	-69.5	-347
DIVIDENDS AND OTHER PAYOUTS	204	77	-62.3	281
OWN SHARES TRANSACTIONS	-1,036	11	-	-1,025
TRANSLATION DIFFERENCES	-63	47	-	-16
INTEREST EXPENSE AND OTHER MOVEMENTS	332	228	-31.3	560
CANCELATION OF THE PREFERENCE SHARES OF GAS NATURAL		162		162
EFFECTS ASSOCIATED WITH PETERSEN'S LOANS	5	9	80.0	14
NET DEBT AT THE END OF THE PERIOD	**8,354**	**7,856**	**-6.0**	**7,856**
NET DEBT + PREFERENCE SHARES AT THE END OF THE PERIOD	**11,564**	**10,754**	**-7.0**	**10,754**
Debt Ratio (2)				
CAPITAL EMPLOYED (M€)	**35,228**	**34,085**	**-3.2**	**34,085**
NET DEBT / CAPITAL EMPLOYED (%)	**23.7**	**23.0**	**-3.0**	**23.0**
NET DEBT + PREFERENCE SHARES / CAPITAL EMPLOYED (%)	32.8	31.6	-3.7	31.6
ROACE before non-recurrent items (%)	9.9	5.5	-44.4	7.8
EBITDA / NET DEBT (x)	0.9	0.7	-21.5	0.9
EBITDA / NET DEBT + PREFERENCE SHARES (x)	**0.7**	**0.5**	**-20.6**	**0.6**

(1) At 30 June 2013 there are financial investments amounting to 20 M€ and financial divestments amounting to 30 M€ not reflected in this table.

(2) The capital employed excludes that corresponding to discontinued operations. If this were included, the net debt ratio over capital employed at 30 June 2013 would stand at 19.6%, and at 26.9% taking into consideration the preference shares. Likewise, the ROACE presented does not include the result or capital employed in discontinued operations.

Unaudited figures (IFRS)

2Q 2012	1Q 2013	2Q 2013	% Variation 2Q13/2Q12	FINANCIAL INCOME/EXPENSES OF THE CONSOLIDATED GROUP (M€)	Jan-Jun 2012	Jan-Jun 2013	% Variation 13/12
-162	-166	-172	6.2	NET INTEREST EXPENSE (incl. preference shares)	-325	-338	4.0
67	-15	-6	-	HEDGING POSITIONS INCOME/EXPENSE	8	-21	-
-15	-28	-33	120.0	UPDATE OF PROVISIONS	-30	-61	103.3
18	32	36	100.0	CAPITALISED INTEREST	36	68	88.9
-59	-58	25	-	OTHER FINANCIAL INCOME/EXPENSES	-122	-33	-73.0
-151	**-235**	**-150**	**-0.7**	**TOTAL**	**-433**	**-385**	**-11.1**

TABLES

OPERATING HIGHLIGHTS 2Q 2013

OPERATING HIGHLIGHTS UPSTREAM

		2012			2013			% Variation
	Unit	1Q	2Q	Acum	1Q	2Q	Acum	13 / 12
HYDROCARBON PRODUCTION	**K Boed**	**323**	**320**	**322**	**360**	**359**	**360**	**11.9%**
Crude and Liquids production	**K Boed**	**136**	**144**	**140**	**151**	**149**	**150**	**7.2%**
USA and Brazil	K Boed	33	30	32	33	35	34	7.4%
North Africa	K Boed	39	49	44	43	41	42	-4.8%
Rest of the world	K Boed	64	65	64	75	73	74	15.3%
Natural gas production	**K Boed**	**188**	**176**	**182**	**210**	**210**	**210**	**15.5%**
USA and Brazil	K Boed	2	2	2	4	4	4	89.1%
North Africa	K Boed	6	6	6	5	6	6	-6.8%
Rest of the world	K Boed	180	167	174	201	200	200	15.4%

OPERATING HIGHLIGHTS DOWNSTREAM

	Unit	2012 1Q	2012 2Q	2012 Acum	2013 1Q	2013 2Q	2013 Acum	% Variation 13 / 12
CRUDE PROCESSED	**Mtoe**	**8,2**	**8,5**	**16,7**	**9,5**	**9,8**	**19,3**	**15,5%**
Europe	Mtoe	7,3	7,6	14,9	8,8	8,9	17,7	18,8%
Rest of the world	Mtoe	0,9	0,9	1,8	0,7	0,9	1,6	-11,2%
SALES OF OIL PRODUCTS	**Kt**	**10.138**	**9.839**	**19.977**	**10.136**	**11.154**	**21.290**	**6,6%**
Europe	**Kt**	**9.029**	**8.737**	**17.766**	**9.105**	**10.043**	**19.148**	**7,8%**
–Own network	**Kt**	**4.961**	**4.796**	**9.757**	**4.493**	**4.747**	**9.240**	**-5,3%**
- Light products	Kt	4.170	4.100	8.270	3.893	4.098	7.991	-3,4%
- Other Products	Kt	791	696	1.487	600	649	1.249	-16,0%
–Other Sales to Domestic Market	**Kt**	**1.660**	**1.878**	**3.538**	**1.584**	**1.583**	**3.167**	**-10,5%**
- Light products	Kt	1.446	1.685	3.131	1.532	1.525	3.057	-2,4%
- Other Products	Kt	214	193	407	52	58	110	-73,0%
–Exports	**Kt**	**2.408**	**2.063**	**4.471**	**3.028**	**3.713**	**6.741**	**50,8%**
- Light products	Kt	797	657	1.454	1.055	1.459	2.514	72,9%
- Other Products	Kt	1.611	1.406	3.017	1.973	2.254	4.227	40,1%
Rest of the world	**Kt**	**1.109**	**1.102**	**2.211**	**1.031**	**1.111**	**2.142**	**-3,1%**
–Own network	**Kt**	**480**	**518**	**998**	**495**	**567**	**1.062**	**6,4%**
- Light products	Kt	424	450	874	460	500	960	9,8%
- Other Products	Kt	56	68	124	35	67	102	-17,7%
–Other Sales to Domestic Market	**Kt**	**387**	**403**	**790**	**377**	**357**	**734**	**-7,1%**
- Light products	Kt	295	304	599	280	280	560	-6,5%
- Other Products	Kt	92	99	191	97	77	174	-8,9%
–Exports	**Kt**	**242**	**181**	**423**	**159**	**187**	**346**	**-18,2%**
- Light products	Kt	78	73	151	66	70	136	-9,9%
- Other Products	Kt	164	108	272	93	117	210	-22,8%
CHEMICALS								
Sales of petrochemicals products	**Kt**	**593**	**541**	**1.134**	**513**	**684**	**1.197**	**5,6%**
Europe	**Kt**	**518**	**456**	**973**	**439**	**594**	**1.033**	**6,1%**
Base petrochemical	Kt	161	137	298	121	210	330	10,9%
Derivative petrochemicals	Kt	357	319	676	318	384	702	4,0%
Rest of the world	**Kt**	**75**	**86**	**161**	**74**	**91**	**164**	**2,3%**
Base petrochemical	Kt	22	17	40	12	16	28	-29,4%
Derivative petrochemicals	Kt	53	68	121	62	75	136	12,7%
LPG								
LPG sales	**Kt**	**782**	**607**	**1.388**	**683**	**590**	**1.273**	**-8,3%**
Europe	Kt	496	304	800	446	332	779	-2,6%
Rest of the world	Kt	286	303	589	237	258	494	-16,1%

Other sales to the domestic market: includes sales to operators and bunker. (*) Since June 2012, bunker sales are included as exports of other products
Exports: expressed from the country of origin.
LPG sales do not include those for YPF Gas

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Unless required by applicable law, Repsol does not assume any obligation – even when new data are published or new events occur – of publicly disclosing the update or review of these forward-looking statements.

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REPSOL

FIRST-HALF 2013 EARNINGS

PRESS RELEASE
Madrid, July 25, 2013
Pages 9

Repsol's oil and gas production continues to rise, gaining 12% in the first half of the year

REPSOL POSTS NET INCOME OF 1.054 BILLION EUROS

- **Net income during the first half of 2013 rose 2.6% to 1.054 billion euros. The increase is especially significant as the year-earlier period included earnings from YPF.**
- **Hydrocarbons output increased 12% during the quarter as the first half to 359,700 barrels of oil equivalent per day. In 2013, Repsol has started up production from important projects in Russia and Brazil.**
- **In the first half of the year Repsol has made new discoveries in Alaska Brazil, Russia and Algeria which have allowed the company to meet the resources incorporation target for the whole of 2013 in only six months. Repsol is also carrying out an intense exploration campaign in Brazil, Canada, the Unites States, Libya, Colombia and Indonesia.**
- **The Upstream unit consolidates the trend of earlier quarters, posting operating profit of 1.161 billion euros due to increased output.**
- **The Downstream unit's operating income increased 9.9% to 311 million euros at current cost of supply.**
- **The fall in sales volumes and sales margins at forecourts has been compensated by greater distillation volumes and efficiency at refineries.**
- **Financial discipline has allowed Repsol (ex Gas Natural Fenosa) to end the period with significant financial liquidity. Debt stood at 6.320 billion euros, 1.112 billion euros less than at the end of 2012.**

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- **Repsol maintained its "Repsol Flexible Dividend" shareholder remuneration policy which has been widely taken up by shareholders. The company also launched a preference shares buyback which had an acceptance rate of more than 97% of holders.**

- **During the first half of the year, Repsol agreed to sell LNG assets to Shell and sold treasury shares to Temasek of Singapore.**

Repsol posted net income of 1.054 billion euros in the first half of 2013, a rise of 2.6% from the year-earlier period calculated at current cost of supply. Calculated based on MIFO criteria, net income was 901 million euros. These earnings are especially significant as the first quarter of 2012 included earnings from YPF.

The improved results are based on a strong performance from all of the company's business units. Net income from continued operations rose 4.7% to 945 million euros.

The Upstream unit (exploration and production) continued its growth trend and, despite the weak worldwide economic environment, improved earnings by 1.5% following the start-up of new projects that are the result of the exploratory success of previous years.

During the first half, the company started up important projects in Russia and Brazil, meeting the timing and costs targets laid out in the 2012-2016 Strategic Plan.

Additionally, Repsol made relevant discoveries in Alaska, Algeria, Russia and Brazil in the first six months that allowed the company to meet its resources incorporation gaols for the whole year.

The downstream unit (refining, marketing, trading, chemicals and LPG) continued to be affected by the weakness in the Spanish local market which caused a fall in sales volumes and margins at forecourts, which were compensated by increased distillation at refineries.

In the first half of the year the company reinforced its financial strength with the sale of 1.2 billion euros of bonds at what was then the lowest coupon seen amongst Spanish corporates since the start of the Euro.

Additionally, the company surpassed its 2012-2016 divestment goals at the end of February following the agreement to sell to Shell LNG (liquefied natural gas) assets for $6.653 billion. The transaction is expected be complete in the fourth quarter of the year.

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In March, Repsol sold treasury shares amounting to five percent of the company's stock to Temasek of Singapore for 1.036 billion euros. At the Annual General Shareholders' meeting on May 31, Rene Duhan was appointed board member of Repsol nominated by Temasek, which now owns 6.4% of Repsol's shares.

At the end of the quarter, the Repsol Group (excluding Gas Natural Fenosa) had significant liquidity and the company's net financial debt fell 1.112 billion euros from the end of 2012 to 6.320 million euros at the end of the first half of 2013.

On May 31, the AGM voted to continue with the "Repsol Flexible Dividend" formula. This remuneration system allows shareholders to choose between paid up new shares or a payment in cash through the sale to the company of free allocation rights at a guaranteed price. Almost 60% of shareholders chose to receive their dividend in shares from the new share issue carried out to replace the traditional final dividend from 2012 earnings.

In the first half the company made an offer to repurchase its preference shares for 97.5% of their face value in conditions more favorable than those offered in the market. The repurchase offer had an acceptance rate of more than 97%.

UPSTREAM: NEW PROJECTS, MORE OUTPUT AND RESOURCES

In the first half of 2013, the Upstream unit's operating income was 1.161 billion euros, 1.5% more than the same period of 2012.

Repsol's ongoing exploratory success and the development of associated projects have allowed production to rise 12% from the previous year to 359,700 barrels of oil equivalent per day. The rise is due to the contribution of five of the key projects from the 2012-2016 strategic plan already producing: Lubina and Montanazo (Spain), Sapinhoá (Brazil), Mid-Continent (United States), AROG in Russia and Margarita (Bolivia).

At the start of 2013, Repsol began commercial production at the giant Sapinhoá field in Brazil, which will reach an output of 120,000 barrels of oil equivalent in the first development phase. This project will contribute decisively to the company's growth goals in coming years.

Also significant is the start of commercial production at the Syskonsyninskoye (SK) field in Russia.

During the first half of the year, Repsol announced new and significant finds, including the three good quality discoveries in the North Slope of Alaska and the second gas find in Algeria's Illilzi basin. These finds, together with positive well results in Russia and Brazil, allowed the company to meet in only six months its 2013 resources addition goals of 300 million barrels of oil equivalent. Repsol is carrying out

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exploration activity in Brazil Libya, Indonesia, Canada, Colombia and the United States. The company has also acquired new acreage in Norway, Guyana and Indonesia.

Repsol's crude realization prices behaved better than Brent crude due to the new production mix, weighted toward Brazil and the United States. Gas realization prices were penalized by the sales mix.

Investment in the area during the first half of 2013 was 1.151 billion euros, 4% more than the previous year. Project development accounted for 72% of total spending, mainly in United States (36%), Brazil (18%), Venezuela (13%) and Trinidad and Tobago (12%.) Exploration investment represented 20% of the total, spent mainly in the US (42%), Brazil (15%), Norway (9%) and Russia (6%.)

The quarterly earnings are especially positive as they were obtained amidst falling international prices, with a 5.1% fall in Brent and an 8.3% decline in WTI. Conversely, the company's gas realization prices improved 25.7% compared with a 22.2% rise in the Henry Hub price.

The LNG business posted operating income of 481 million euros in the first half of 2013, a rise of 103% from the year-earlier period.

DOWNSTREAM: EFFICIENCY IN AN ENVIRONMENT OF NARROWER MARGINS

The Downstream unit's operating income was 311 million euros in the first half at current cost of supply, an improvement of 9.9% from the first half of 2012.

Taking into account the value of the stocks, which generated a negative effect of 232 million euros in the first half of last year, the unit's earnings calculated under MIFO criteria fell 71.5% to 79 million euros.

International refining margins fell significantly in the second quarter so that the average for the first half was $3.2 per barrel, 17.9% narrower than in 2012.

Despite the unfavourable environment, once the investments in the group's refineries in Spain have been completed, the units increased utilization rates to 80% compared with 67% in the previous year. The utilization of conversion units (with the ability to produce high value fuels) rose to 100% from 83% in 2012.

The volume of processed crude grew 15.5% to 19.3 million tons of oil equivalent. Sales at forecourts in Spain fell 9% and margins narrowed.

Investments in the downstream totalled 220 million euros in the first half of 2013.

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GAS NATURAL FENOSA

The operating income of Gas Natural Fenosa was 464 million euros in the first half of 2013, a fall of 2.3% as higher wholesale gas sales margins were unable to make up for the lower contribution from Union Fenosa Gas and lower earnings of the electricity business in Spain due to the new tax regime.

Investment in Gas Natural during the first half was 178 million euros, spent mainly on electricity and gas distribution in Spain and Latin America.

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REPSOL SUMMARISED INCOME STATEMENT
(Million Euros)
(Unaudited figures)

	January – June		Change
	2012	**2013**	**2012**
EBITDA	**3,331**	**3,376**	1.4
Operating revenue	29,078	29,244	0.6
Operating income	1,966	1,991	1.3
Financial expenses	(433)	(385)	(11.1)
Share in income from companies carried by the equity method-Net of tax	66	74	12.1
Income before income tax	1,599	1,680	5.1
Income tax	(674)	(717)	(6.4)
Income for the period from continued operations	925	963	4.1
Income attributable to minority interests from continued operations	(22)	(18)	(18.2)
NET INCOME FROM CONTINUED OPERATIONS	**903**	**945**	**4.7**
Net income from interrupted operations (*)	133	(44)	-
NET INCOME (MIFO)**	**1,036**	**901**	**(13)**
Inventory effect net of taxes	(9)	153	-
NET INCOME (CCS*)**	**1,027**	**1,054**	**2.6**

(*) Includes income net of tax and from external partners contributed by YPF S.A., YPF Gas S.A. and their participated companies in each period and the loans made to Petersen as well as the effects of the expropriation of the shares in YPF S.A. and YPF Gas S.A.

(**) Middle In, First Out

(***) Current Cost of Supply

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BREAKDOWN OF REPSOL OPERATING PROFIT, BY BUSINESSES
(Million Euros)
(Unaudited figures)

	January - June		Change
	2012	2013	2012
Upstream	1,144	1,161	1.5
LNG	237	481	103.0
Downstream	283	311	9.9
Gas Natural Fenosa	475	464	(2.3)
Corporate & adjustments	(167)	(194)	16.2
Operating income CCS	1,972	2,223	12.7
Inventory effect	(6)	(232)	-
Operating income MIFO	1,966	1,991	1.3

OPERATING HIGHLIGHTS
(Unaudited figures)

	January – June		Change
	2012	2013	%
Oil and gas production (Thousand boepd)	322	360	11.9
Crude processed (million tons)	16.7	19.3	15.5
Sales of oil products (Thousand tons)	19,977	21,290	6.6
Sales of petrochemical products (Thousand tons)	1,134	1,197	5.6
LPG sales (ex YPF Gas) (Thousand tons)	1,388	1,273	(8.3)

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REPSOL COMPARATIVE BALANCE SHEET

(Million Euros)

(Unaudited figures) (IFRS)

	DECEMBER 2012	JUNE 2013
NON-CURRENT ASSETS		
Goodwill	2.678	2.673
Other intangible assets	2.836	2.747
Property, plant & equipment	28.227	28.614
Investment property	25	24
Equity-accounted financial investments	737	813
Non-current assets classified as held for sale subject to expropriation	5.392	5.436
Non-current financial assets		
Non-current financial assets	672	676
Others	641	654
Deferred tax assets	3,310	3,546
Other non-current financial assets	242	235
CURRENT ASSETS		
Non-current assets classified as held for sale	340	173
Inventories	5,501	5,268
Trade and other receivables	7,781	8,080
Other current assets	221	257
Other current financial assets	415	388
Cash and cash equivalents	5,903	7,693
TOTAL ASSETS	**64,921**	**67,277**
TOTAL EQUITY		
Attributable to equity holders of the parent	26,702	28,528
Attributable to minority interests	770	736
NON-CURRENT LIABILITIES		
Subsidies	61	60
Non-current provisions	2,258	2,369
Non-current financial debt	15,300	14,309
Deferred tax liabilities	3,063	3,137
Other non-current liabilities		
Non-current debt for finance leases	2,745	2,750
Others	712	739
CURRENT LIABILITIES		
Liabilities associated with non-current assets held for sale	27	37
Current provisions	291	242
Current financial liabilities	3,790	5,070
Trade debtors and other payables		
Current debt for finance leases	224	230
Other trade debtors and payables	8,978	9,070
TOTAL LIABILITIES	**64,921**	**67,277**

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Second Quarter of 2013 Results

WEBCAST – CONFERENCE CALL

July 25th, 2013

REPSOL

Miguel Martínez - CFO


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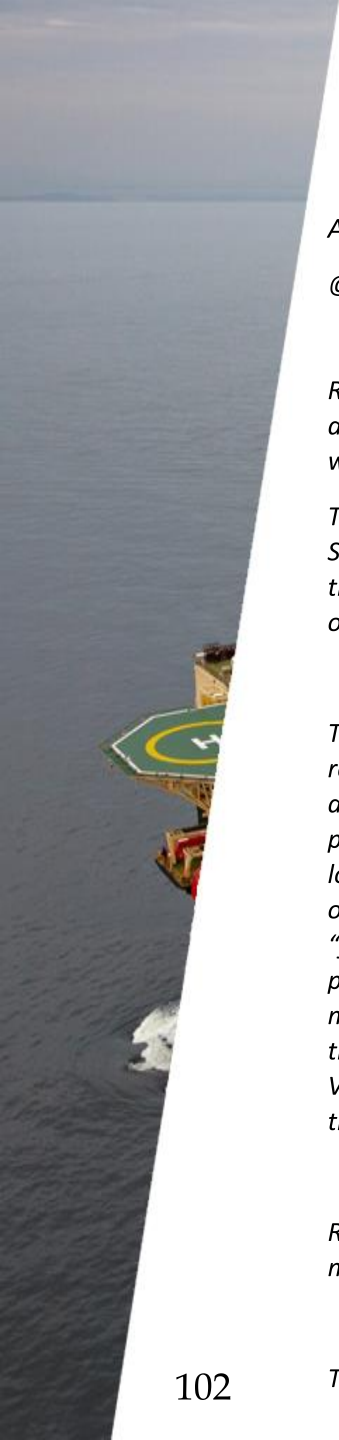
SCARABEO 9



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Agenda

1. Operational Activity and Main Events

- **Update on YPF**

2. Second Quarter of 2013 Results

3. Q&A Session

Agenda

1. Operational Activity and Main Events

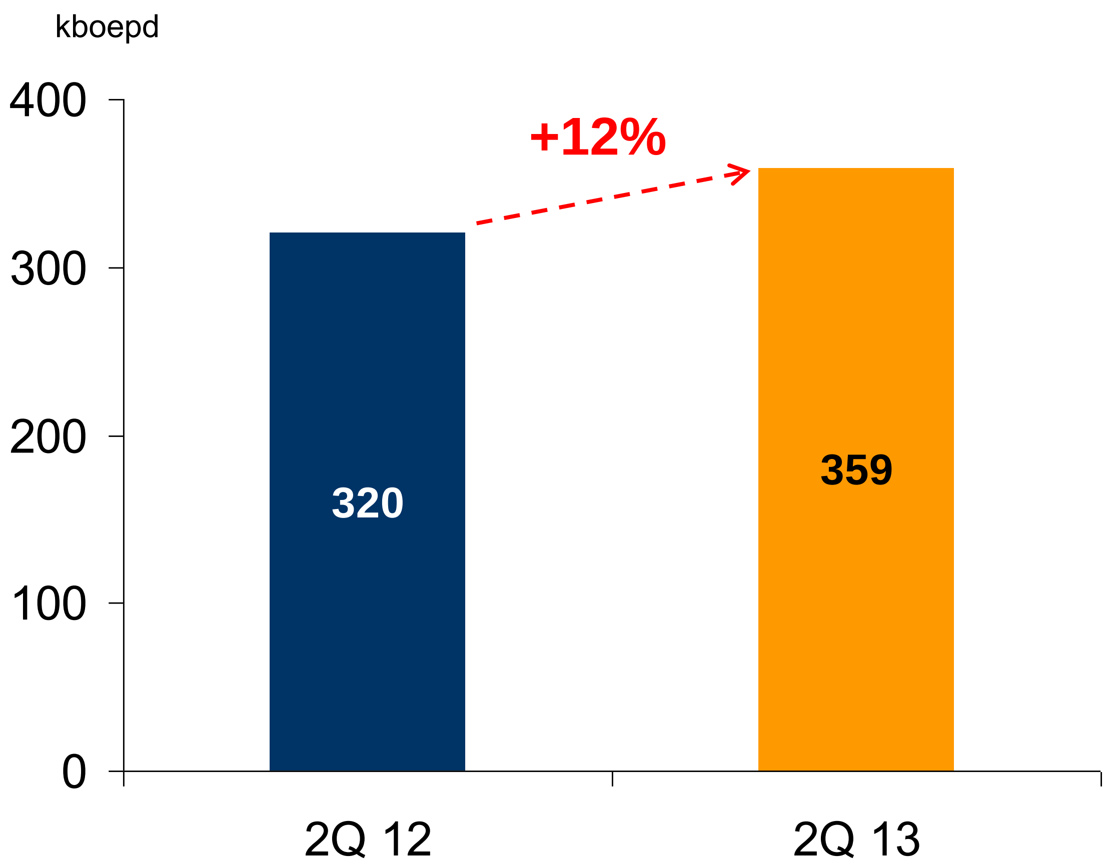
- **Update on YPF**

2. Second Quarter of 2013 Results

3. Q&A Session

Operational Activity and Main Events

Production



10% Production Growth Target

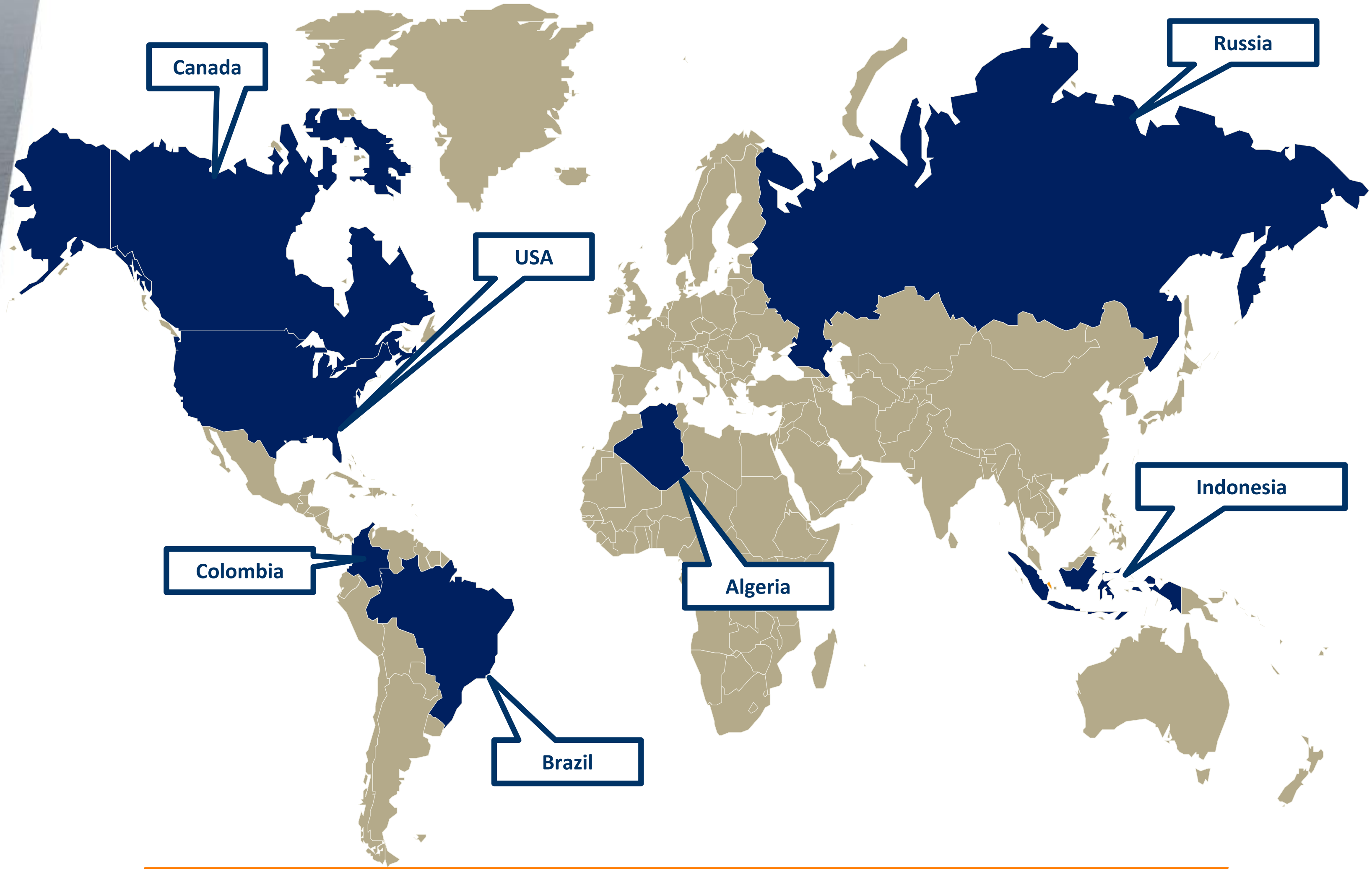
Operational Activity and Main Events

Key Projects Update

Kinteroni	→ Ready to start production → Making progress on commercial arrangements
Mississippian Lime	→ 7 kboepd average production in 2013 → Stronger focus on value creation
Sapinhoa	→ Two more wells to be connected in 2H13
Margarita-Huacaya	→ Phase II expansion to produce in 2H13

Operational Activity and Main Events

Exploration activity during First Half of 2013

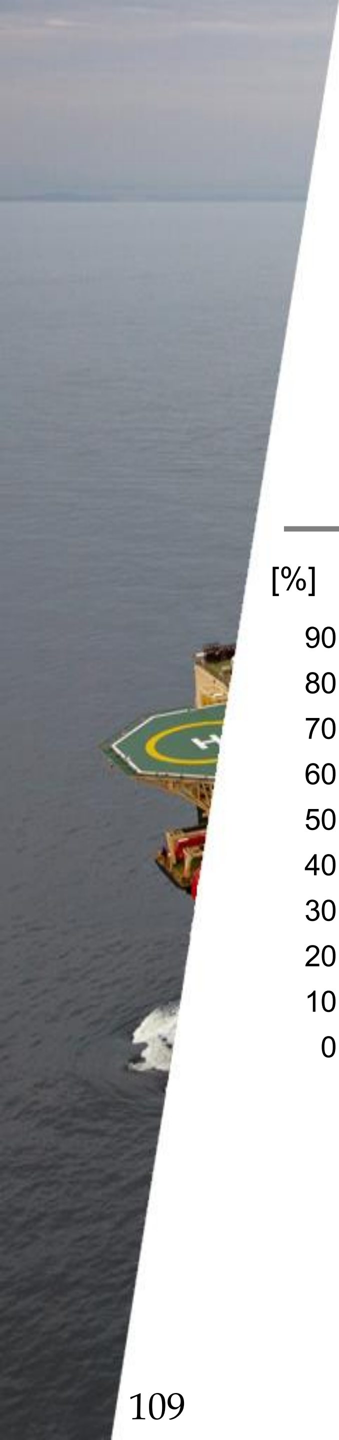


- 12 wells +1 appraisal completed, 9 positive
- 300 MBOE Addition Target

Operational Activity and Main Events

Drilling Plan during Second Half of 2013

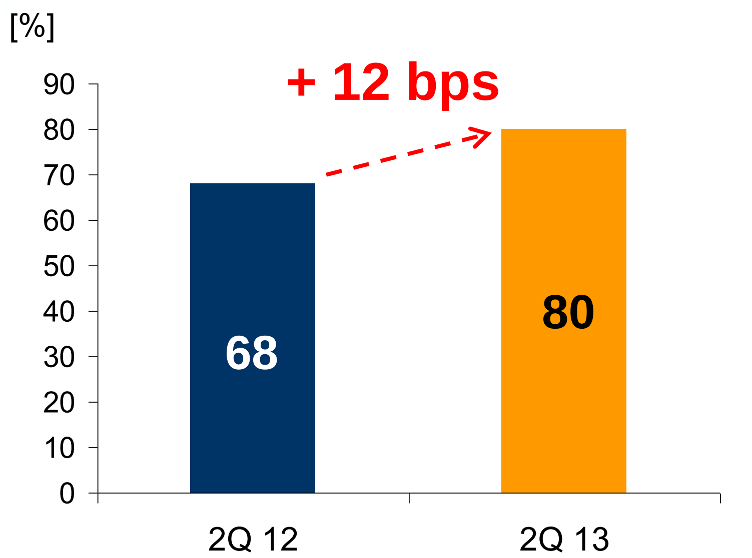
Target of 32 wells in 2013



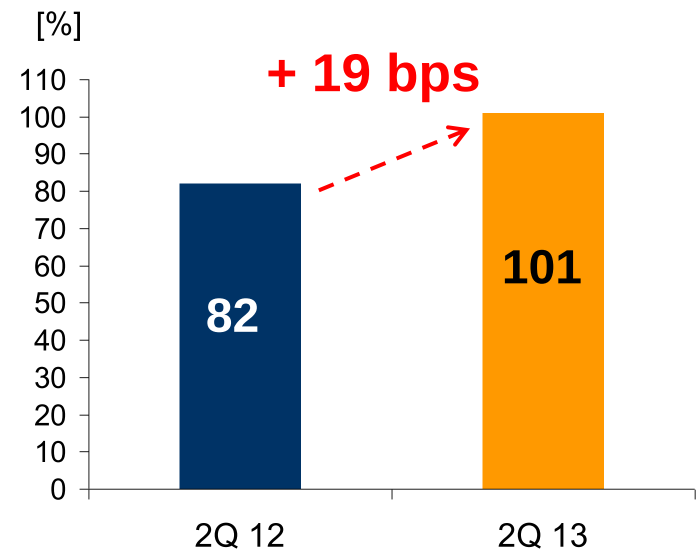
Operational Activity and Main Events

Downstream

Utilization Rate
Distillation Capacity



Utilization Rate
Conversion Units



Agenda

1. Operational Activity and Main Events

- **Update on YPF**

2. Second Quarter of 2013 Results

3. Q&A Session

Agenda

1. Operational Activity and Main Events

   ➢ Update on YPF

2. **Second Quarter of 2013 Results**

3. Q&A Session

Second Quarter of 2013 Results

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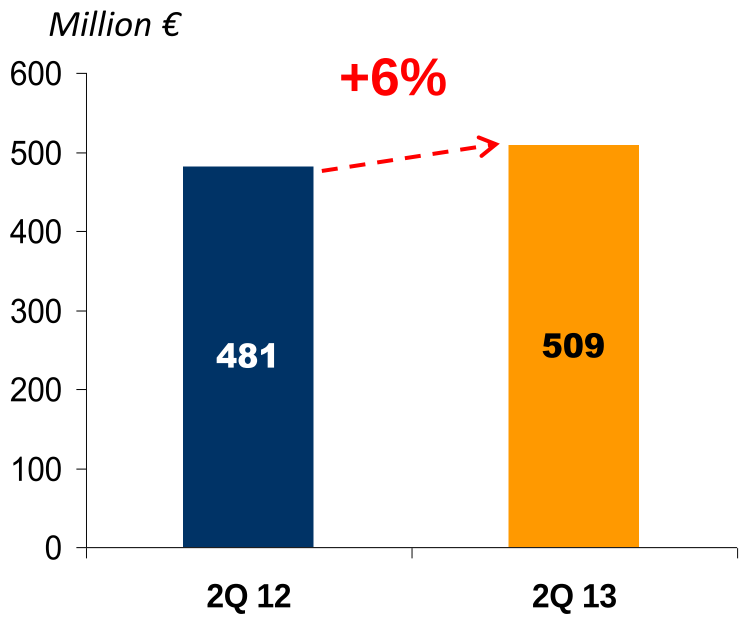
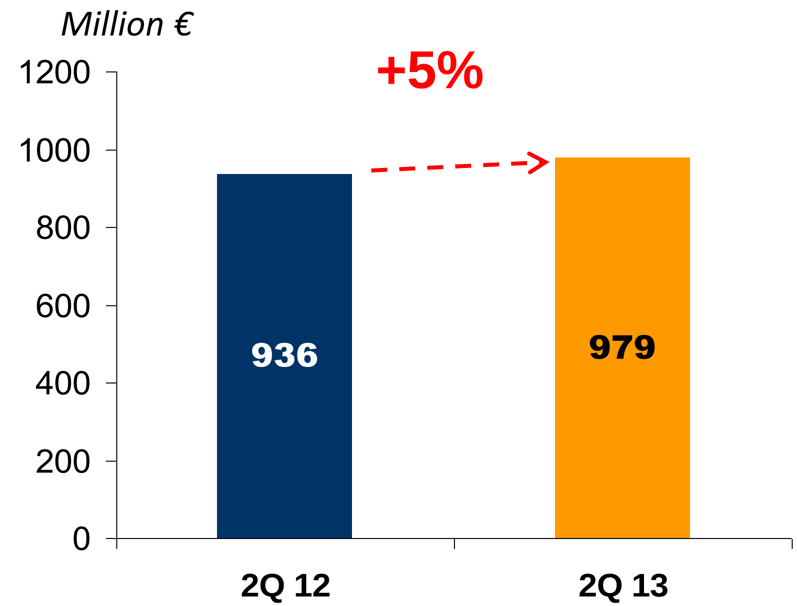
CCS Adjusted Net Income (*)



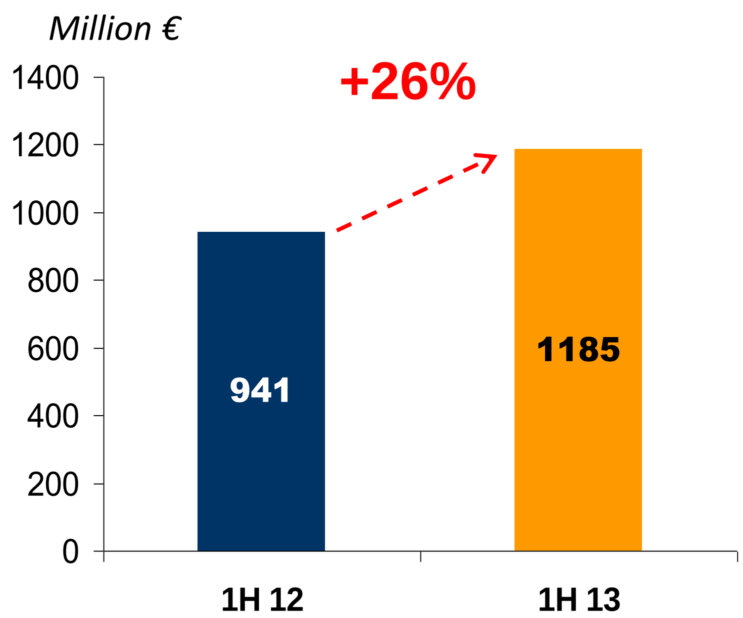
CCS Adjusted Operating Income (*)



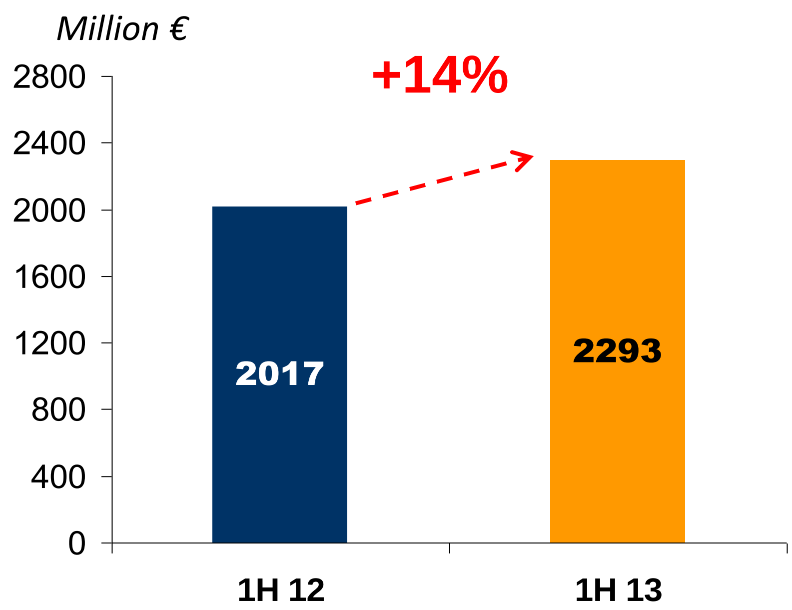
(*) ex YPF and ex YPF Gas

First Half of 2013 Results

CCS Adjusted Net Income (*)

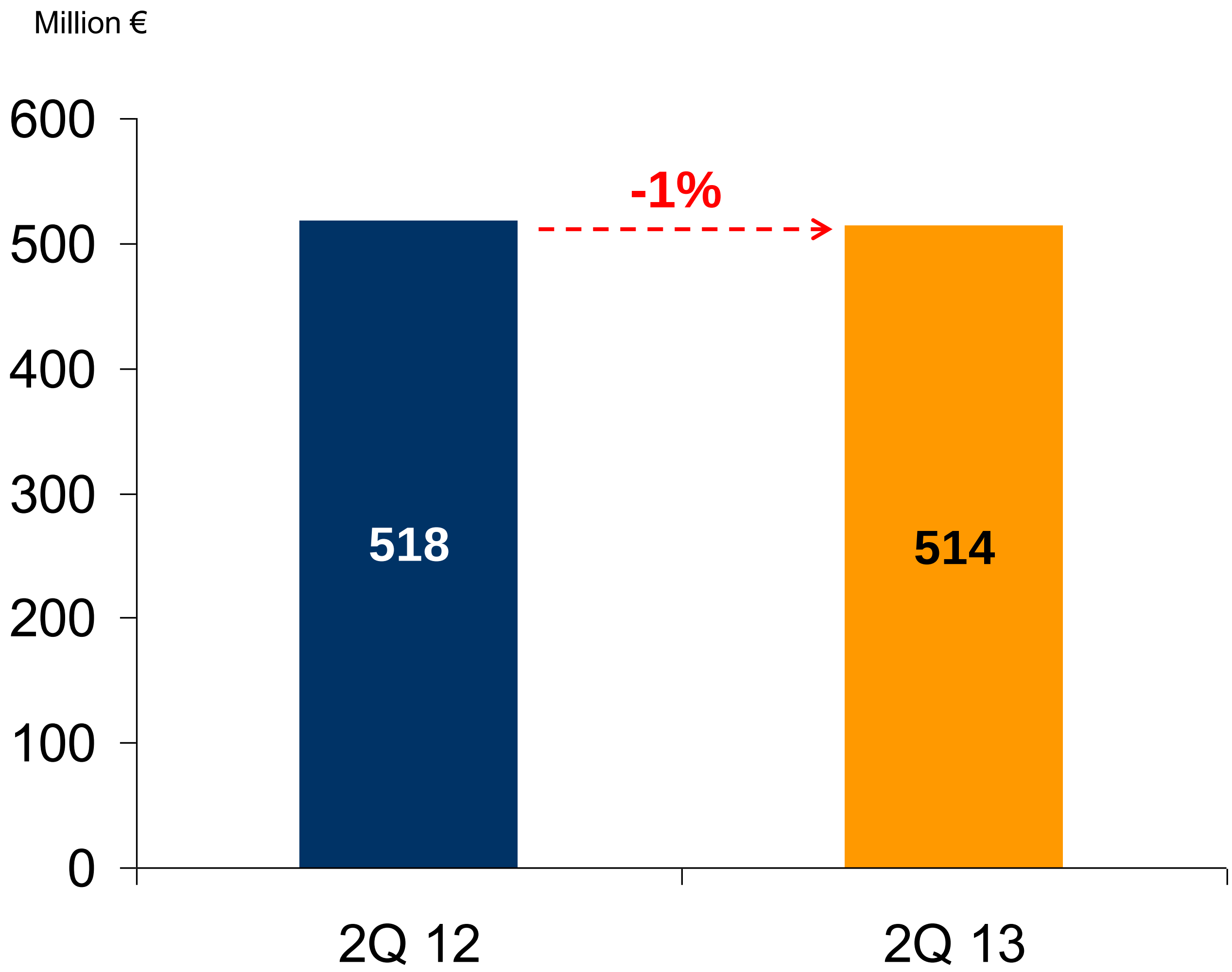


CCS Adjusted Operating Income (*)



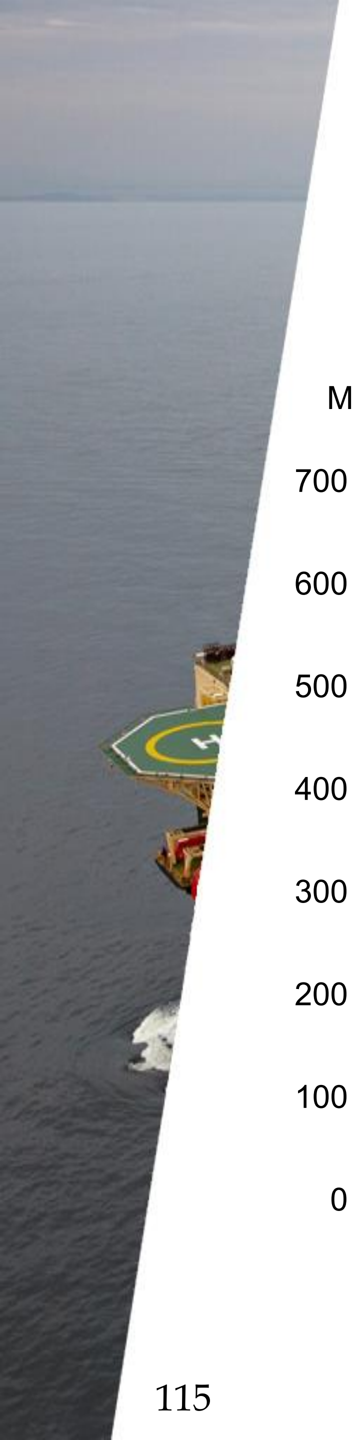
(*) ex YPF and ex YPF Gas

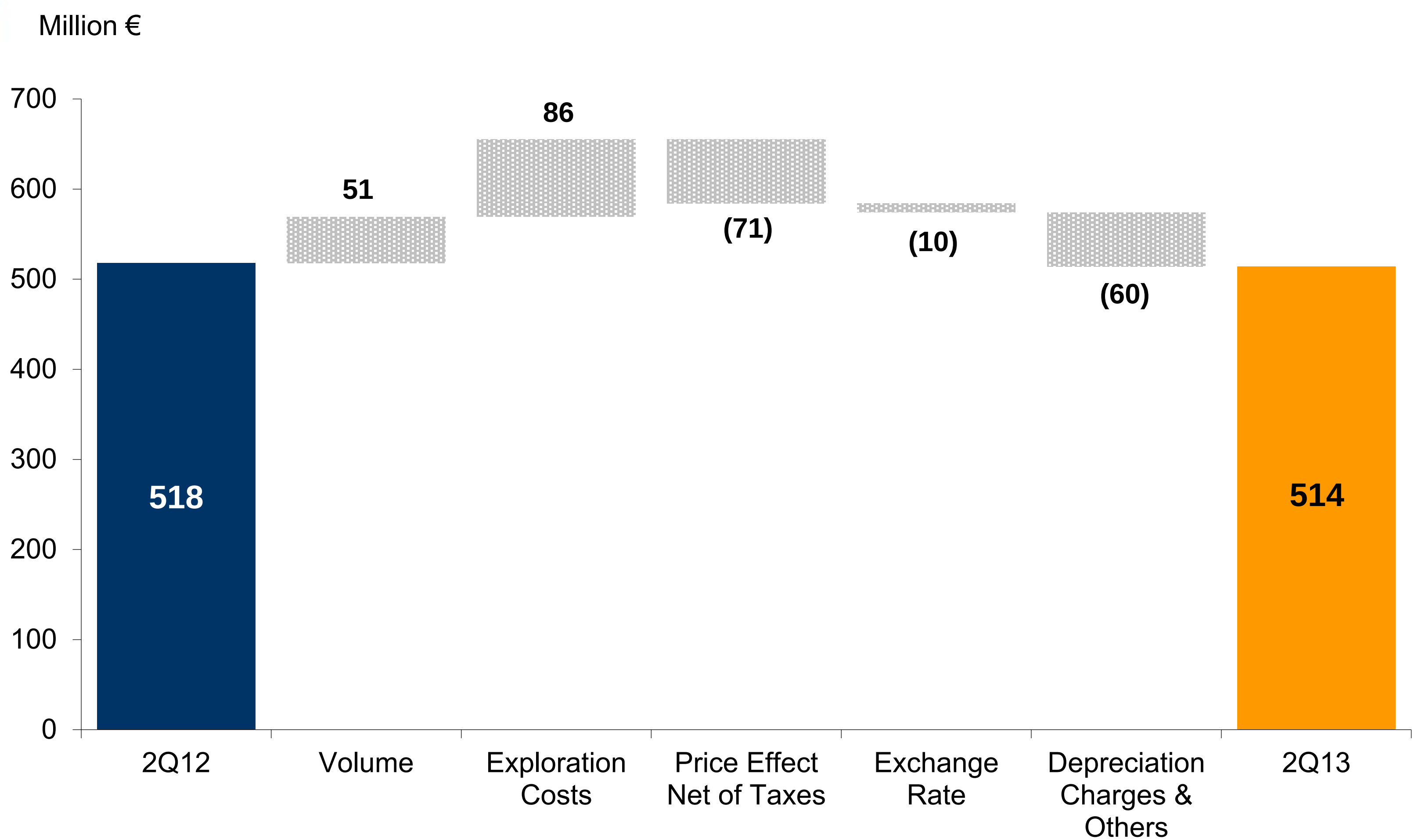
2Q 2013 Upstream
Adjusted Operating Income



2Q 2013 Upstream

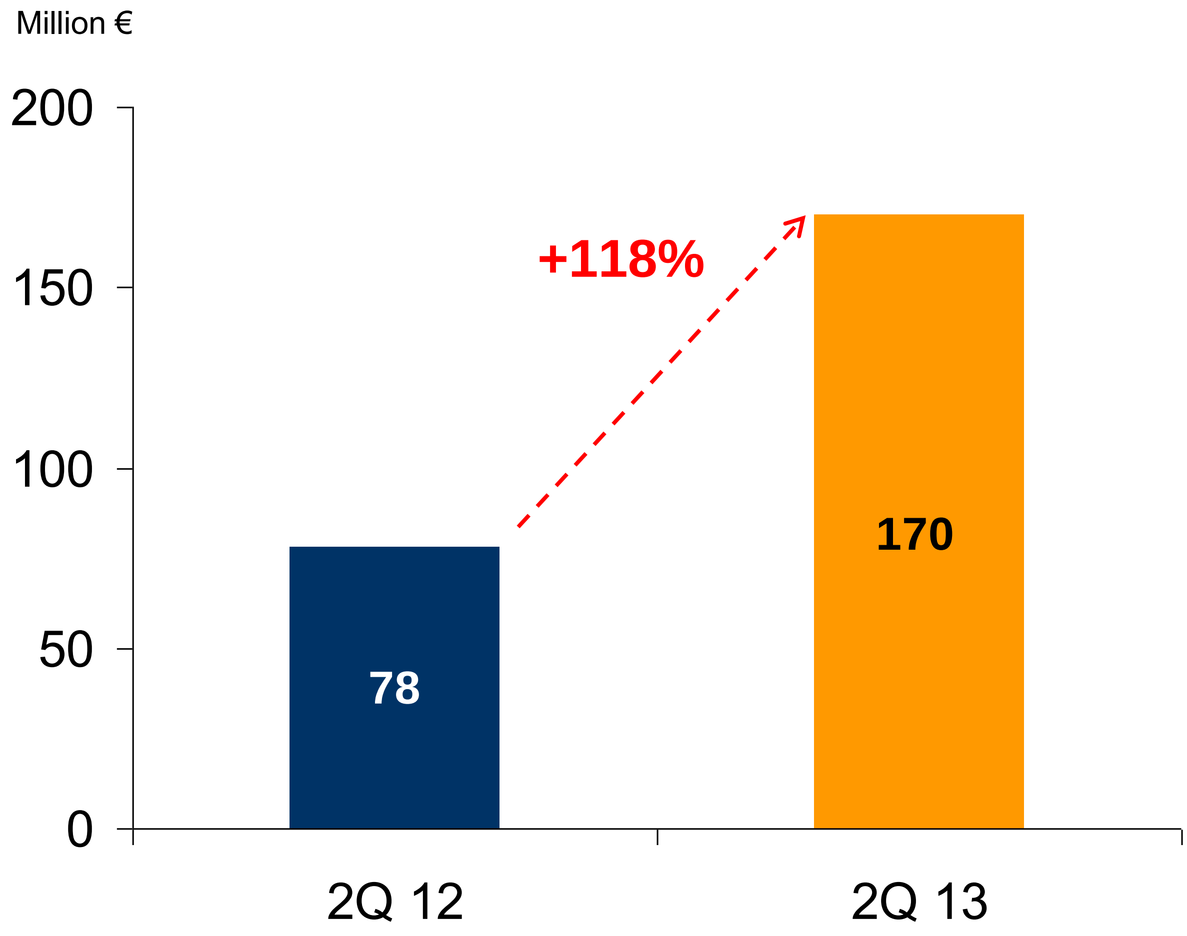
Adjusted Operating Income





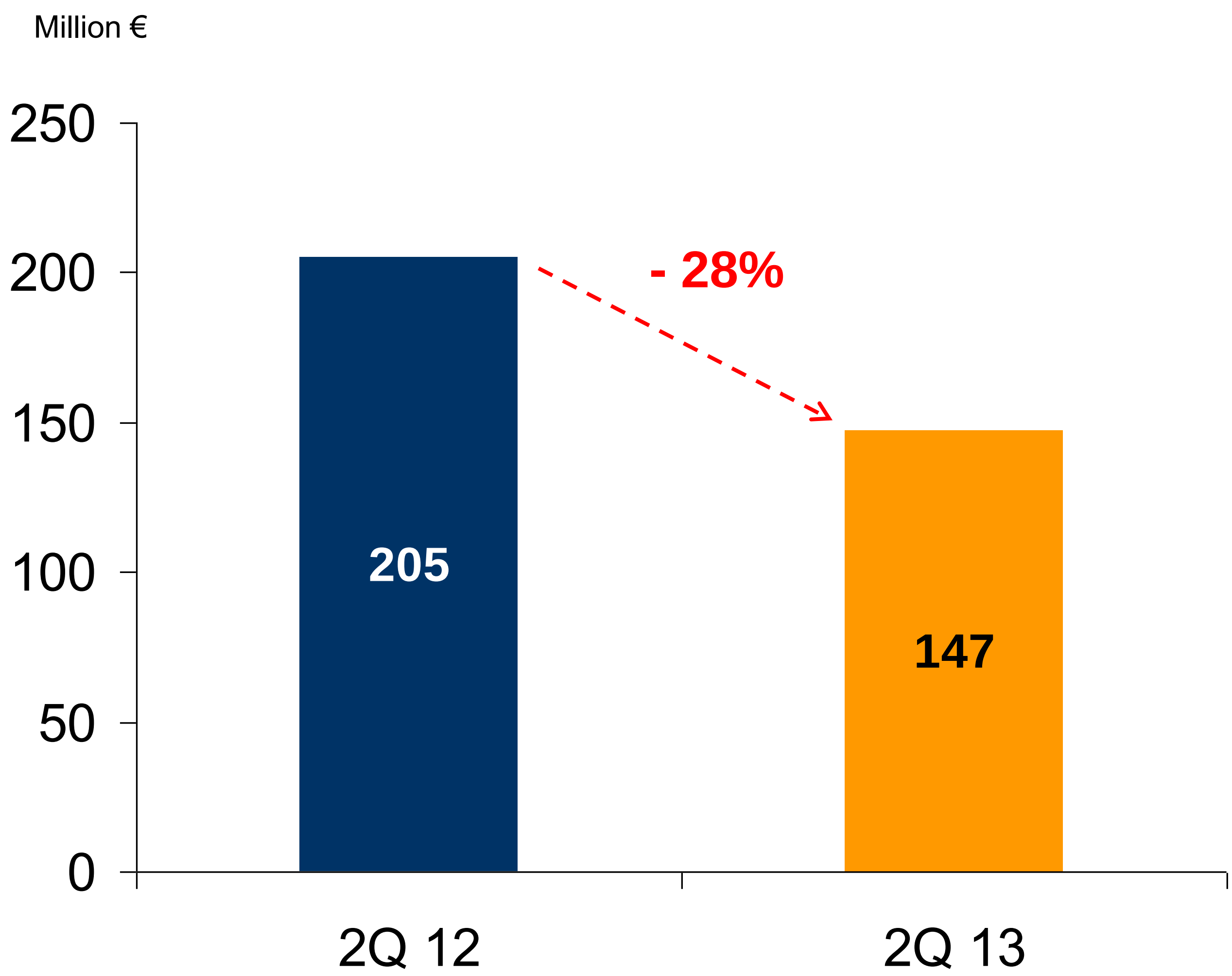
2Q 2013 LNG

Adjusted Operating Income



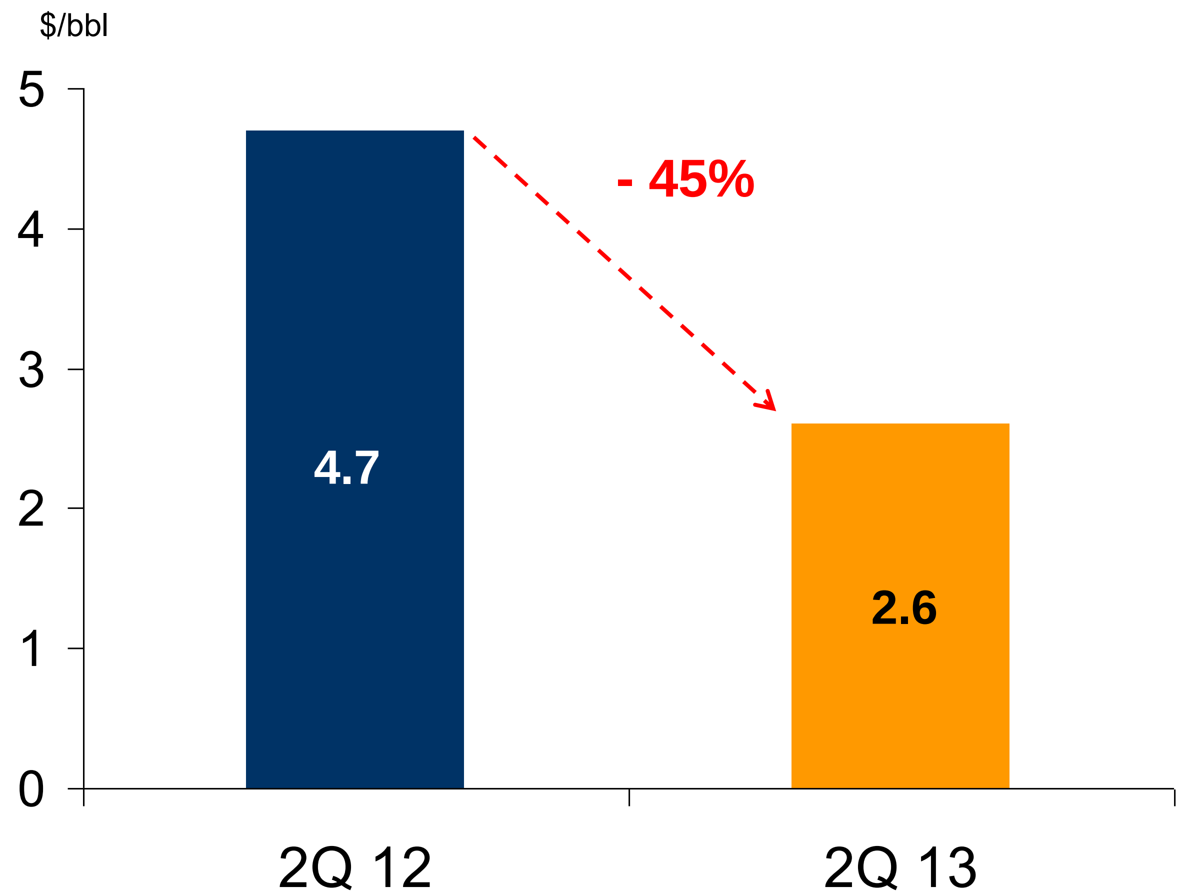
2Q 2013 Downstream

CCS Adjusted Operating Income



2Q 2013 Downstream

Refining Margin Indicator

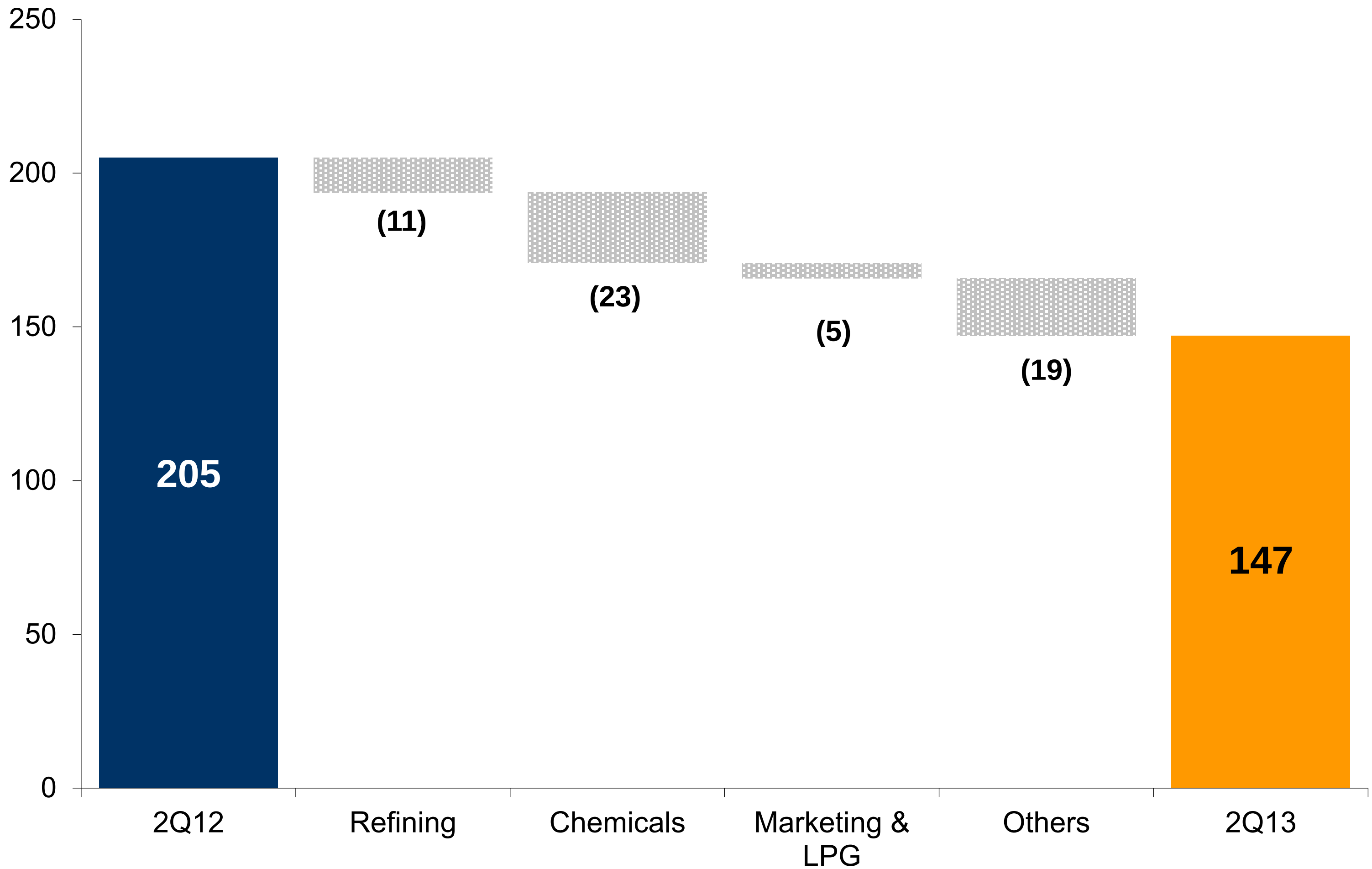


Premium margin of the upgrades 1.2 $/bbl in 2Q13

2Q 2013 Downstream

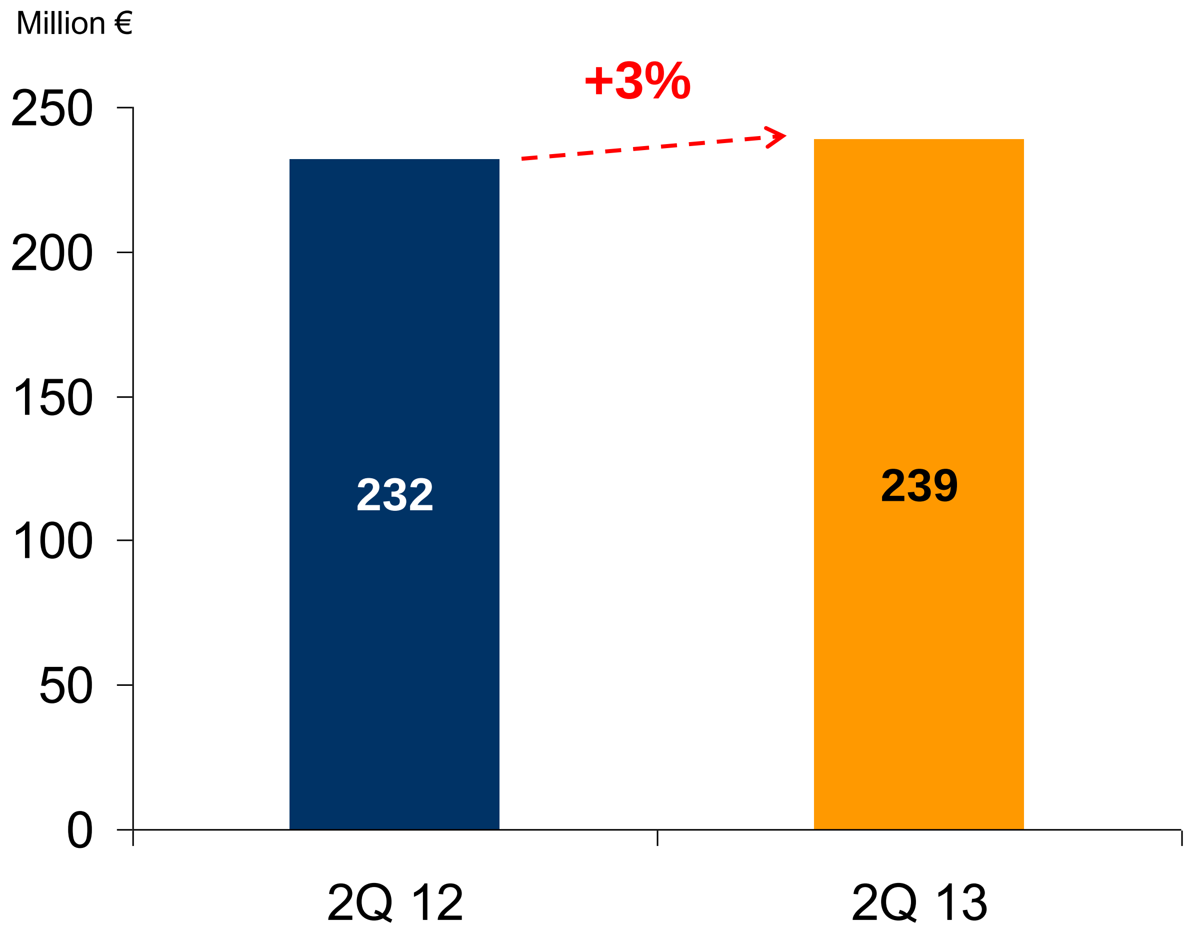
CCS Adjusted Operating Income

Million €



2Q 2013 Gas Natural

Adjusted Operating Income



Agenda

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Q&A Session

Second Quarter of 2013 Results

WEBCAST – CONFERENCE CALL

July 25th, 2013

REPSOL

Miguel Martínez - CFO