CEPSA

Annual Report & Corporate Responsibility Report 2012

Global Energy

Key Figures

Results	2012	2011	2010
Millions of euros			
Sales turnover*	26,808	24,681	19,744
Adjusted operating income	1,000	818.6	680
Adjusted net attributable profit	555	425	418
Net attributable profit (IFRS)	576	640	634

* Not including the excise tax on oil & gas.

Financial Data	2012	2011	2010
Millions of euros			
Share capital	268	268	268
Net equity attributable to the parent company	6,243	6,026	5,689
Net financial debt	1,528	1,431	1,561
Investments during the year	734	745	621
Investment in Corporate Responsibility initiatives	4.4	4.1	3.6

Operating Data	2012	2011	2010
Millions of euros			
Crude oil output (*working interest*) (BOPD)	104,277	120,809	122,923
Crude oil sales (BOPD)	26,213	24,920	28,699
Distilled crude oil (BOPD)	483,988	444,680	427,458
Product sales (millions of tons)	29.3	29.3	28.7
Electric power production (GWh)	3,575	3,424	3,613
Natural gas sales (GWh)	29,047	25,250	25,624

Market and Business Data	2012	2011	2010
Brent crude oil price ($/barrel)	111.58	111.27	79.47
Cracking refining margin ($/barrel)	6.3	2.1	1.34
Hydroskimming refining margin ($/barrel)	-1.4	-4.4	-4.18
Electricity pool price (€/MWh)	47.23	49.93	37.01
Natural gas price (Henry Hub Spot €/MWh)	6.74	9.80	11.24
Exchange rate $/€	1.285	1.392	1.327
Three-month Euribor rate (%)	0.57	1.39	0.81
CPI (%)	2.9	2.4	3.0

Staff	2012	2011	2010
Number of employees	11,743	12,006	12,046
Training hours	394,036	427,368	450,000
Lost-time accident frequency rate*	2.64	3.07	3.76
Economic value distributed to employees (millions of euros)	596	587	572

* Number of lost-time injuries and accidents per million hours worked (Company personnel)

Environment	2012	2011	2010
Millions of euros			
Environmental expenses (millions of euros)	83.89	72.71	70.70
Environmental investment (millions of euros)	19.24	19.34	66.08
Direct energy consumption (thousands of gigajoules)	104,840	105,670	105,669
Water consumption (thousands of m^3)	37,671	43,409	39,413
Total emissions (kt CO_2 eq)	6,082	6,244	5,944

Key indicators

Millions of euros

	2012	2011	2010
TURNOVER*	26,808	24,681	19,744
ADJUSTED OPERATING INCOME	1,000	818.6	680
ADJUSTED NET ATTRIBUTABLE PROFIT	555	425	418
NET ATTRIBUTABLE PROFIT (IFRS)	576	640	634
INVESTMENT IN CORPORATE RESPONSIBILITY INITIATIVES	4.4	4.1	3.6
INVESTMENTS DURING THE YEAR	734	745	621

* Not including excise taxes

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CEPSA

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Letter from the Chairman

It is my pleasure to present the CEPSA Group Annual Report and Corporate Responsibility Report for 2012. The Report outlines CEPSA's economic, social and environmental activities over the 2012 financial year.

Despite a tremendously difficult operating environment, CEPSA continues to demonstrate an impressive capacity to respond to challenges. Over the period, CEPSA advanced its goal of becoming a leading international hydrocarbon company. It did this by consolidating its expertise in the petrochemical sector, and increasing its E&P activities. At the same time, CEPSA remains focused on its domestic operations to ensure it appropriately addresses the challenges presented by the rapidly evolving economic and social environment within Spain. CEPSA is driving these efforts as global energy markets continue to adapt to changing technologies and consumption patterns. The rise of a new middle class in emerging markets will result in increasing demand for resources. CEPSA's ability to innovate and adapt to these new conditions and market dynamics will determine its future success.

In the upstream sector, CEPSA will continue to seek attractive E&P opportunities and to diversify its project portfolio. We will also carry on optimising production, through new technology and direct investment. Additionally, we will expand our activities in growing markets, including in Latin America and Africa.

Our priority in relation to our downstream portfolio remains optimisation of the Group's international petrochemical activities. Improvements in diversification, derivative production, services, and non-oil product offerings will increase efficiency and competitiveness.

CEPSA's business approach reflects two of the key challenges facing the world: an ever increasing demand for energy, and the protection of our environment. These challenges are two sides of the same coin. For over 80 years, CEPSA has progressed efficiencies and productivity through technological innovation: these commitments help satisfy the demands for energy, but with an ever reducing impact on the environment.

Furthermore, CEPSA has consistently endeavored over the years to serve the best interests and welfare of the communities where it operates by helping to create stable and long-term employment, developing industry-leading proprietary technologies that promote progress and development and driving sustainable growth and prosperity in Spain and local economies through our commercial activities and industrial operations. Dedicating our capabilities, resources and people to improving the quality of life and creating a better future for these communities, while conducting our businesses in a socially responsible and ethical manner and observing the highest standards and best practices in health, quality, safety and environmental performance, are core values that remain firmly embedded in our culture and genetic makeup.

CEPSA has maintained its priority of improving the safety and security of people, facilities and our environment, during 2012. The results of this effort are a further decline in the accident frequency rate for the CEPSA Group's employees and contractors.

Despite a challenging domestic economy, CEPSA Group's results evidence our strong foundations and ability to adapt to achieve our goals. I have always believed that with challenge comes opportunity. CEPSA's long-term success depends on improving operations, becoming more efficient and competitive, and remaining steadfast in our commitment to the community, our customers, and the environment. The daily commitment of our employees is a testament to that success.

H.E. Khadem Al Qubaisi
Chairman

Letter from the Co-Chairman

It has been more than a year now since the Company set off on the road towards a new CEPSA, marked by numerous challenges and exciting projects and opportunities, under the guidance of IPIC as its sole shareholder. It has been a year brimming with changes and adaptation to the new Company model that we are all building together.

In 2012, the global economic situation was affected by sharp volatility in the financial markets. Spain's economy in particular had to cope with very difficult conditions, including a 1.37% drop in GDP, due primarily to the decline in domestic consumption.

On the one hand, the positive trade balance contributed 2.8 percentage points to GDP in the last quarter of 2012 whereas weak domestic demand continued to hamper growth, subtracting 4.7 points from the year-on-year variation in GDP. The favourable contribution from net trade was mainly due to the strong performance of Spanish exports, which increased 3.2% overall from the previous year (goods rose by 3% and services by 3.6%). Imports fell by 5.4%, with a sharper fall in demand for goods (6.1%) than services (3.1%). Likewise, the trend in domestic demand reflected the year-on-year drop of 3% in household spending (versus 2.1% in the previous period).

All of these developments were the result of subdued demand in the public and private sectors in a context in which household spending and business investment evidenced the adverse effects of a deteriorating job market, growing economic uncertainty and increasingly tighter credit conditions.

In spite of this challenging situation, particularly in some areas of our sector, CEPSA is successfully moving forward. The transformation of our business model to create a more streamlined, dynamic and competitive organisation, the selective pursuit of business opportunities in the Upstream and Petrochemicals areas and the optimization of resources and improvement of our processes to build a more efficient CEPSA in each of our business units, are already delivering results.

In this context, the CEPSA Group posted very satisfactory earnings figures in 2012, with a turnover of 26,808 million euros, 8.6% higher than in 2011. Gross adjusted operating profits (EBITDA) at 1,000 million euros, and adjusted attributable profit after tax, at 555 million euros, also rose year-on-year. Net financial debt amounted to 1,528 million euros, while the Company's capital and exploration expenditures came to 734 million euros in the year.

I would like to take this opportunity to thank our shareholder, IPIC, for its support and confidence, the management team for their untiring efforts and dedication to accomplish our goals, and all the rest of our employees for their steadfast commitment and loyalty to CEPSA.

Allow me to also underscore that we at CEPSA are convinced that our competitiveness and capacity to generate value are inextricably tied to our commitment to meet our stakeholders' expectations. This responsible approach to conducting business took further shape in 2012 through the approval of our Corporate Responsibility Master Plan 2013-2015. This plan coordinates the challenges taken on voluntarily by CEPSA's new executive management team and its mission is to drive and raise awareness of the efforts made in the different business areas to ensure that we effectively address and respond to our stakeholders' needs and concerns. The Master Plan is broken down into courses of action that will be set and prioritised each year, taking into account the Company's objectives and an analysis of stakeholders' expectations.

At CEPSA, we are determined to keep growing through a focus on excellence in our products and services, global expansion of our businesses and continuous upgrading of our systems and processes. The current operating environment makes it clear that we need to have faith in our new Company model. The experience, commitment and know-how of our workforce are the keys that have always enabled us to achieve our targets and will continue to do so in the coming years.

Santiago Bergareche Busquet
Co-Chairman

Letter from the COO

Firstly, I would like to acknowledge the work and dedication of CEPSA's employees, because it is as a result of their efforts, commitment and engagement that we are a financially strong, well-positioned and flexible Group, that can readily adapt to change and reinvent ourselves in response to the complex situation facing our economy and our sector.

In 2012, CEPSA posted better earnings than the previous year due to the strong performance of its international activities that offset poor results at home.

Operating profits from the Exploration & Production area were up 10.7% in comparison with 2011, reaching 533 million euros. Throughout the year, our activity was focused on four countries: Algeria, Colombia, Peru and Spain and we have also made efforts to increase our geographical presence, mainly in Latin America and Africa, while continuing to grow where we already operate.

In the Refining & Marketing area, we improved on our results for 2011, although this was very seasonal in nature. In Refining, 2012 was a year of marked volatility: during the first half, margins stood at dismal levels, dragging down earnings. However, between July and September, a combination of exceptional circumstances, including the closure of refineries in Europe, maintenance downtime in numerous facilities and the replacement, by many operators, of low stock levels sustained since 2011 due to reduced capacity utilization all led to tighter supplies, which triggered a substantial improvement in refining margins in the third quarter, offsetting a poor first half of 2012.

With regard to the Marketing of petroleum products, CEPSA continued to be impacted by weak demand in local markets on account of the ongoing recession, hindering the area's margins. One important milestone last year however was the purchase of 100% of the shares of Chevron España, S.A. and as a result of this transaction, CEPSA added Chevron's fuel business in the Canary Islands, its lubricants business in Spain, Portugal and Gibraltar and its aviation business in Mainland Spain and the Balearic Islands to the Company's marketing assets.

Petrochemicals achieved operating profits of 160 million euros in 2012, 9% lower than in 2011, partly caused by falling sales, particularly during the second half of the year, with an overall drop of 16.5% compared to the previous year. Nonetheless, this business segment in general performed satisfactorily. Although 2012 was not as favourable as the previous year in terms of results, we should recall that 2011 was a record year for the petrochemicals area. Among our main milestones for the year, and as a further step towards our goal of gaining a foothold in the Asian market and thus providing flexibility to our phenol-acetone production, a project was launched to build a production plant in Shanghai which is expected to come on-stream in the second half of 2014.

Lastly, in the Gas & Power area, electricity sales remained in line with 2011's levels, and natural gas sales were up 15%. The high "pool" price and increased electricity and gas activity, together with growth in MEDGAZ (Algeria-Europe gas pipeline via Spain) activity since its start-up, helped to maintain solid earnings in this area, with adjusted operating profits amounting to 42 million euros, up 20% from the previous year.

Investments made in 2012 totalled 734 million euros and the debt-to-equity ratio was 24.2%, in line with the figure recorded in 2011, which will allow us to continue to enjoy a robust financial position to carry out our targeted expansion and sustainable growth plans.

In 2012, as always, all of our initiatives continued to reflect our priority focus on, caring for the safety of people, facilities and our environment, which is well-embedded in our culture. The result of strengthening this corporate safety culture has been a decline in the accident frequency rate for the CEPSA Group's employees and contractors.

CEPSA will continue working on its transformation process as the only viable route to progress, both in Spain and beyond, and on the consolidation and growth projects envisaged in our strategic plan. This reinvention process, which we need to address in a flexible and dynamic manner, requires the generosity, motivation and participation of the Company's different business units as well as the individual commitment of our employees, to whom I wish to express my gratitude and support for their tireless efforts during this time of change.

Pedro Miró Roig
Chief Operating Officer

Board of Directors

H.E. KHADEM AL QUBAISI
CHAIRMAN

Date of appointment: 1 October 2009 (through co-option, with his appointment ratified by the Annual General Meeting on 28 May 2010).

Qualification: A degree in Economics from United Arab Emirates University.

His Excellency Khadem Al Qubaisi holds the position of Chairman of the Board of Directors and of the Executive Committee of CEPSA. He is also a member of the Nomination and Compensation Committee.

Mr. Al Qubaisi has a vast amount of experience in leading corporations, serving as a key figure on many management teams throughout the financial industry. He began his professional career as Senior Financial Analyst at the Abu Dhabi Investment Authority, and subsequently headed the Investment Management Division at International Petroleum Investment Company (IPIC), where he is currently Managing Director.

He is Chairman of various international companies involved in the oil, gas and petrochemical industries including Aabar Investments, Aabar Properties, NOVA Chemicals, Borealis, Arabtec Holding, First Energy Bank, Abu Dhabi National Takaful Co. and I-Media Newspaper. He is also a member of the Boards of Abu Dhabi National Chemicals Co. (ChemaWEyaat) and the Emirates Investment Authority.

Mr. Al Qubaisi has been Chairman of the CEPSA Group since 27 September 2011.

SANTIAGO BERGARECHE
CO-CHAIRMAN

Date of appointment: 27 June 2008 (through co-option, with his appointment ratified by the Annual General Meeting on 26 June 2009).

Qualification: A degree in Economics and Law from the University of Deusto (Bilbao, Spain).

Mr. Bergareche is Co-Chairman of the Board of Directors of CEPSA, Chairman of the Nomination and Compensation Committee and also a member of both the Executive Committee and Audit Committee.

He has a long and distinguished track record in the management of leading Spanish companies, serving as General Manager and a member of the Management Board of BBVA, Chairman of Metrovacesa, and CEO of the Ferrovial Group.

He currently sits on the Boards of Directors of various corporations, as Director of Vocento, Maxam and Deusto Business School, Non-Executive Chairman of Dinamia Private Equity, and Vice-Chairman of the Ferrovial Group.

H.R.H. CARLOS DE BORBÓN-DOS SICILIAS, INFANTE OF SPAIN
DIRECTOR

Date of appointment: 29 April 1987, last re-elected on 25 June 2012.

Qualification: a Law degree from the Complutense University of Madrid.

His Royal Highness Carlos de Borbón-Dos Sicilias is a member of the Board of Directors of CEPSA.

He has a long-standing professional association with companies in the oil industry, and was a legal advisor for Spain at Petróleos Mexicanos (PEMEX) until 1984.

He sits on the Boards of Directors of Thyssenkrupp and Telvent. He is also Chairman of the Royal Trustees of the Naval Museum (RPMN) and of Dehesa de la Higuera, S.A. and a member of the Board of Trustees of the Banesto Cultural Foundation.

MURTADHA AL HASHMI
DIRECTOR

Date of appointment: 23 September 2005, last re-elected on 27 April 2011.

Qualification: Bachelor of Science in Accounting and Information Systems from United Arab Emirates University, Al Ain.

Mr. Al Hashmi is a member of CEPSA's Board of Directors and Executive Committee and Chairman of the Audit Committee.

He has extensive professional experience in the world of finance, starting his career at the National Bank of Abu Dhabi in 1989. He joined International Petroleum Investment Company (IPIC) in 1993, serving as Finance Manager, and was subsequently promoted to his current position as Chief Financial Officer (CFO). He is also Chairman of the Board of Falcon Private Bank, Deputy Chairman of the Supervisory Board of the Austrian oil company OMV and a Board member of Aabar Investments.

MOHAMMED AL-HUSSEINY
DIRECTOR

Date of appointment: 2 August 2011 (by co-option, with his appointment ratified by the Annual General Meeting on 27 September 2011).

Qualification: Bachelor of Science in Accounting from Louisiana State University (USA) and licensed as a Certified Public Accountant for the State of Texas.

Mr. Al-Husseiny is a member of CEPSA's Board of Directors, Audit Committee and Nomination and Compensation Committee.

Throughout his career, he has held a number of leadership roles and advisory positions in the world of finance and global investments, serving as Chief Financial Officer of major energy and industrial companies in Oman, Saudi Arabia and the United Arab Emirates.

Since 2009 he has been Chief Executive Officer of Aabar Investments PJSC. He is also a member of the Boards of Directors of NOVA Chemicals, First Energy Bank, Mercedes GP, Aabar Europe Holdings GmbH and Virgin Galactic.

PEDRO MIRÓ
DIRECTOR

Date of appointment: 31 January 2012.

Qualification: A degree in Chemistry from the University of Barcelona.

Mr. Miró is a member of the Board of Directors and Executive Committee of CEPSA, where he is currently Chief Operating Officer.

He has spent his entire professional career at CEPSA, since joining the Company in 1976, and has been Director of its Research Centre, Vice President of Technology, and Vice President of Exploration & Production.

In 2009, he became Senior Vice President of Technical Operations, overseeing the Group's refining and power activities as well as various corporate divisions, including HSE (Health, Safety and Environment) and Technology. Since that time, he has been a member of the Executive Management Committee of the Company. He was also Chairman of MEDGAZ from 2000 until its commissioning in March 2011.

Mr. Miró has actively served in a number of Spanish and international industry associations. He is Deputy Chairman of the European Petroleum Industry Association (EUROPIA), First Deputy Chairman of the Spanish Association of Petroleum Operators (AOP) and a Board member of CLH and CONCAWE (oil companies' European association for environment, health and safety).

IGNACIO PINILLA
NON-DIRECTOR SECRETARY

Date of appointment: 31 January 2012.

Qualification: A Law degree from the Complutense University of Madrid.

Mr. Pinilla is Non-Director Secretary of CEPSA's Board of Directors, Executive Committee and Audit Committee. He has worked as a State Attorney for the Spanish Government Ministries of Health and Finance. Following his years of public service, he moved on to work as a legal counsel for private companies. He has been Corporate Secretary at the cement company Portland Iberia S.A. and at Iberia Líneas Aéreas de España, S.A., and has held the position of Board Secretary and Director of Legal Affairs at Construcciones Aeronáuticas, S.A.

He joined CEPSA as Vice President of Legal Affairs and General Counsel in 2001, and following IPIC's acquisition of 100% of CEPSA's shares, he was appointed Senior Vice President of Corporate Legal Affairs and General Counsel.

CARMEN CAGIGA
NON-DIRECTOR VICE SECRETARY

Date of appointment: 31 January 2012.

Qualification: A Law degree from the Complutense University of Madrid.

Ms. Cagiga is Vice-Secretary of CEPSA's Board of Directors, Executive Committee and Audit Committee.

Her professional career at CEPSA dates back to 1973, in the sphere of Legal Consultancy working in the areas of corporate, European Union and environmental law. Since 1990, she has been in charge of the Corporate Legal Affairs Department, where she provides, inter alia, legal advice to the Company's Secretary and Board of Directors.

CEPSA Worldwide

Exploration & Production

Colombia

Exploration and production in the Llanos Basin and the Upper Magdalena River Valley (Caracara, CPR Espinal and La Cañada Norte).

Shareholding in the OCENSA oil pipeline (5%).

Algeria

Production in the Berkine basin (1 contract) and exploration in Timimoun and Rhourde er Rouni (2 contracts).

Oil exploration and production in the RKF, Ourhoud and Rhourde er Rouni II fields.

Gas exploration in Timimoun.

Peru

Exploration in the Marañon basin (3 contracts).

Spain

Offshore production in the Mediterranean (Casablanca area).

Refining

Spain

3 refineries, with a distillation capacity of 26 million tons/year.

1 asphalt refinery (50%), with a capacity of 1.5 million tons/year.

Distribution & Marketing

Spain

1,516 service stations and 935 convenience stores.

4 marine fuel supply facilities.

7 aviation fuel supply stations.

More than 70 bonded warehouses and 1 bonded reservoir.

Portugal, Andorra and Gibraltar

272 service stations in Portugal, 15 in Andorra and 6 in Gibraltar.

44 convenience stores in Portugal.

Morocco

Marine fuel supply.

Panama

Marine fuel supply.

Petrochemicals

Spain

3 petrochemical plants.

Canada

2 petrochemical plants (51%).

Brazil

1 petrochemical plant (72%).

China

Construction of a phenol plant..

Portugal

Sales office and storage of petrochemical products.

Italy

Storage of petrochemical products.

Great Britain

Sales office and storage of petrochemical products.

Belgium

Sales office and storage of petrochemical products.

The Netherlands

Storage of petrochemical products.

Gas & Power

Spain

7 cogeneration plants and 1 combined cycle plant (50%).

Sales and distribution of gas and electricity.

Algeria

MEDGAZ pipeline (20%).

United Arab Emirates

Commercial representative office.

CEPSA in 2012

The Year's Milestones
The Year in Review
Strategic Targets 2012-2016
Corporate Governance
Commitment to Sustainability
Our Employees
Innovation and Technology
Activities
- *Exploration & Production*
- *Refining, Distribution & Marketing*
- *Petrochemicals*
- *Gas & Power*

Customers
Suppliers

The Year's Milestones

CEPSA ACQUIRES 100% OF THE SHARE CAPITAL OF CHEVRON ESPAÑA S.A.

Following this transaction in February 2012, the Company owns Chevron's fuel businesses in the Canary Islands, its lubricant businesses in Spain, Portugal and Gibraltar, and its aviation businesses on the Iberian Peninsula and in the Balearic Islands.

The assets acquired include 64 service stations, some of them operating under the Texaco brand on the Canary Islands; a petroleum products storage terminal in the port of Las Palmas in Gran Canaria; the aviation supply business on the Iberian Peninsula and the Balearic Islands; the lubricants business in Spain, Portugal and Gibraltar, and a lubricants blending and bottling plant in the Valencian Community.

INTR@CEPSA2012, AUTELSI 2012 AWARD

Last March, the corporate intranet project '*IntraCEPSA2012 Project*' received the AUTELSI 2012 prize, awarded by the Spanish Association of Users of Telecommunications and the Information Society (AUTELSI) for the best technological innovation aimed at improving productivity.

What was once an intranet that was largely a one-way communication channel between the Company and its employees, with exclusively internal access and a low level of process automation, has evolved towards a collaborative working environment that is efficient and can be accessed anywhere.

This has allowed us to improve efficiency and productivity, with the inclusion of additional services for employees, increasing their possibilities of participation and teamwork.

CEPSA, SUPPORTING AUTOGAS

Autogas, also known as liquefied petroleum gas (LPG), is a blend of a propane and butane used as a motor vehicle fuel and is a cheaper and cleaner alternative to traditional fuels.

Last October, at the Alternative Fuel Trade Fair in Valladolid, we presented vehicles that use the Dual-LPG system for this kind of fuel. This new system injects gas individually through each cylinder, instead of directly in the intake.

CEPSA currently has 33 autogas supply points at the project stage in its service stations, and plans to complete 10 supply points in 2013.

PROJECTS TO OPTIMISE REFINING MARGINS

To maximize the competitiveness, operational efficiency and reliability of our refineries, an Optimisation Plan was drawn up and its results have been recorded since January 2012. The aim of this Plan is to identify and implement operational actions or projects to achieve an improvement in the margin of $1.5/bbl.

176 opportunities were identified in 2012, and 120 of these were completed while 56 are still in progress. The overall investment will total €142 million. The actions carried out are intended to reduce operational costs and improve the profitability of production units.

185,000 EUROS FOR 'SOCIAL VALUE'

In 2012 CEPSA contributed 185,000 euros to 27 non-profit and civic organizations in recognition of their social and charitable work.

Through the CEPSA Social Value Awards, the company received 380 projects for consideration, backed by over 1,400 employees who acted as "sponsors of social projects", submitting and supporting the proposals.

Under the motto "a solidarity idea is worthwhile when it becomes a reality", we continue to promote these awards which, in 2012, took place at our centres in Huelva, Portugal, Madrid, Campo de Gibraltar, Canary Islands and Colombia.

A NEW VESSEL FOR ENVIRONMENTAL PROTECTION

In 2012, CEPSA added a new vessel equipped with the latest in anti-pollution technology to protect the waters and coastline of Algeciras Bay.

The vessel '*José y Carmen*', with a length of 18.5 m and a breadth of 4 m, belonging to the service company Aguaservi, has anti-pollution systems, a radar to detect spills and suction skimmers for hydrocarbon waste that can be stored in on-board tanks.

Thanks to the equipment and systems deployed, in addition to helping ship mooring manoeuvres, they also enable the transfer of diving equipment and help tackle the problem of accidental marine pollution.

The Year in Review

Yearly consumption of petroleum products was down 7.5% in 2012 compared to 2011, due to the lower volume of road transportation and the decrease in industrial production over this period.

However, worldwide consumption totaled 89.8 million barrels a day, a 1% increase year-on-year, mainly due to the growth in Asia, particularly in China.

ECONOMIC AND SECTOR CONDITIONS

On the supply side, OPEC produced 31.36 million barrels a day, a figure that was influenced by the reduction in exports from Iran and increased production in Iraq and Libya.

The average annual price of Brent crude oil remained stable in 2012, at $111.60/barrel, just 0.27% greater than the previous year. Meanwhile, the average exchange rate for the US dollar in 2012 was $1.29/€, compared with $1.39/€ in 2011.

In Spain, diesel consumption fell by 6.1% and petrol by 7.1%, according to figures published by CORES (Corporation for Strategic Reserves) for 2012.

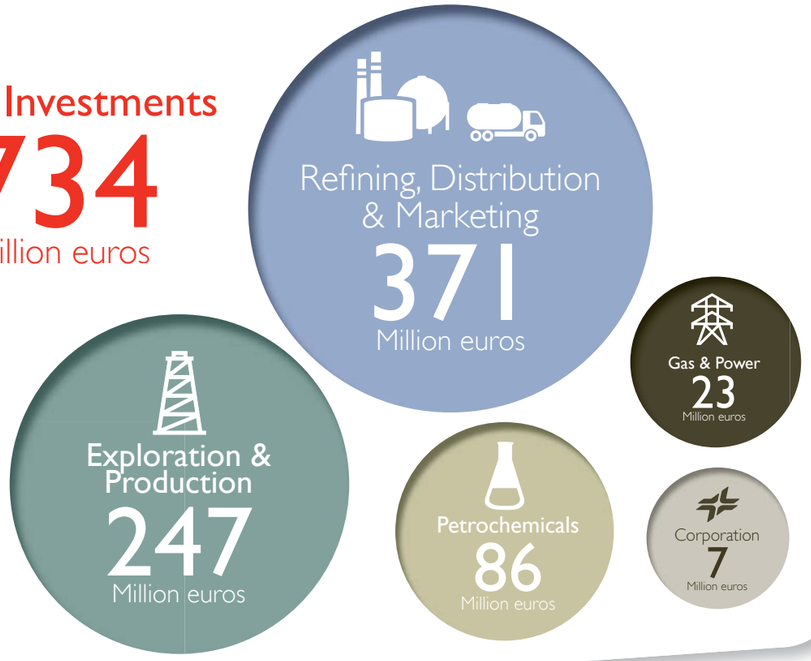
With regard to CEPSA, adjusted operating income for 2012 was 1 billion euros, up 22% year-on-year. Adjusted Net Attributable Profit Income stood at 555 million euros, versus 425 million in 2011.

The Company enjoys a robust financial position. The Group's consolidated assets at the close of the year totalled 13,139 million euros, 6.2% more than the previous year. Shareholders' equity, before the final dividend distribution, amounted to 6,173 million euros, up 4.3% from 2011.

Total liabilities remain at restrained levels, with a gearing (net debt-to-equity) of 24.2%.

Results	2012	2011	2010
Millions of euros			
Sales turnover	26,808	24,680	19,744
Adjusted operating income	1,000	819	680
Exploration & Production	533	487	334
Refining	265	121	180
Petrochemicals	160	176	144
Gas & Power	42	35	21
Adjusted net attributable profit	555	425	418
Net attributable profit (IFRS)	576	640	634

CEPSA Group Investments



Strategic Targets 2012-2016

In order to convert the Company into a major player in the sector, the key strategic drivers for 2012-2016 are a high level of integration and strong international growth.

To achieve our growth objectives, we need to maintain a healthy equity structure, strictly control any possible risks and guarantee the availability of those resources that will allow us to capitalize on opportunities for profitable acquisitions, delivering growth and value.

Exploration & Production

Growth in this area will be based on three key cornerstones:

1. Replace reserves and resources through upstream asset acquisitions.
2. Increase exploration activities, diversifying acreages.
3. Foster high-tech projects allowing us to optimize our production activities.

Refining

Excessive regulations, competition rules and environmental measures are all hindering the refining business in Europe.

To address these challenging circumstances, CEPSA has been rebalancing its output by producing more petrochemical derivatives and scaling back the production of other products with lower demand, while optimising its energy savings and operational efficiency.

Sales & Marketing

The drop in demand has led us to refocus our sales network objectives.

Achieving greater customer loyalty, optimizing non-fuel offerings and being identified as a company that stands out for its quality and premium customer service are our goals.

Petrochemicals

In this activity, the Company holds a prominent position. We are one of the main worldwide producers of raw materials for biodegradable detergents, textile fibres for the polyester sector, phenol-acetone and intermediate solvents.

We are striving to strengthen our position as a leading player in the global market by diversifying our product lines, improving efficiency, expanding our output capacity and utilizing our state-of-the-art technology to its best advantage.

Gas & Power

We are taking a two-pronged approach to our gas & electric power business. On the one hand, we are developing synergies within the Company, with the vertical integration of production, transport and marketing and security of internal supply, and on the other hand, we aim to increase our share of the wholesale and retail markets.

KEY ELEMENTS OF THE 2012-2016 STRATEGIC PLAN

- Strong growth in the Upstream business.
- International expansion in Petrochemicals.
- Efficiency maximisation at production centres.
- Cost control in all Business Units.
- Increased market share and better returns in the Marketing business.

The levers for growth will be the Exploration & Production and Petrochemical businesses, without neglecting any opportunities arising in other areas, in line with our activities.

CHANGING THE WAY WE WORK

To transform these strategies into reality, while making growth, stability and development compatible, CEPSA started an in-depth process of transformation in 2011 that is already delivering tangible results.

Flexibility, collaborative innovation, and improvements in operational and management processes were the objectives that have gradually been attained with the new structures and the administrative and functional reorganisation.

We are on the road to achieving a highly-efficient, streamlined and integrated organisational model, that allows us to continue being a source of wealth-creation.

Corporate Governance

CEPSA's system of corporate governance allows us to perform our business activity, which continues to expand substantially across the globe, in a responsible way. It also allows us to build the framework for developing our ethical conduct with society and the environment.

OUR ETHICAL MANAGEMENT

CEPSA's Code of Ethics and Conduct is based on these founding principles and serves as a reference framework for our professional practice. Compliance with this is obligatory for all CEPSA Group employees, and it establishes the ethical principles and values that must guide their actions:

- **Integrity:** acting diligently, responsibly and efficiently, behaving in a loyal, honest manner and in good faith.
- **Regulatory compliance:** This refers both to general and internal rules and regulations, and involves the design of efficient measures to prevent any potentially irregular conduct.
- **Transparency:** to provide stakeholders with information that is relevant, true, clear, accessible and complete about the activities, policies and administration of the CEPSA Group.
- **Honesty:** reject all forms of corruption, whether public or private, active or passive.
- **Respect:** for the diversity of people (culture, gender, race, religion, sexual orientation, etc.).
- **Safety:** maintain stringent safety conditions in all processes, facilities and services.
- **Environmental protection:** comply with environmental standards.

Just as important as defining the framework of ethical principles and values reflected in the Code of Ethics and Conduct, is the determination of the appropriate management model to ensure this Code is respected and supervised.

In this regard, both employees and people outside CEPSA have an Ethics Channel through which they can submit their concerns and complaints about aspects contained in the Code of Ethics and Conduct.

Moreover, in everything it does, the Company accepts and abides by the Universal Declaration on Human Rights and the covenants of the International Labour Organisation (ILO) concerning these rights. It also adheres to the guiding principles of the Organisation for Economic Cooperation & Development (OECD), the UN Global Compact and the Code of Good Tax Practices enacted by the Spanish Government.

Board of Directors

As IPIC owns 100% of CEPSA's share capital, the Company is a Sole Shareholder Corporation (S.A.U.).

Its Board of Directors is responsible for determining the strategic direction and economic targets, as well as for making sure that the Group responds to the concerns and needs of the society in which it performs its activities.

The Board exercises its powers, duties and responsibilities through three committees:

- **The Executive Committee:** This committee, which has four members, was created in August 2011 and held 40 meetings in 2012. It is governed by the Board of Directors' Regulations.
- **The Audit Committee:** It is made up of three Directors appointed by the Board of Directors, on the basis of their professional experience and their accounting, financial and auditing skills and knowledge. The Audit Committee, governed by the Board of Directors' Regulations, meets at least quarterly.
- **Nomination and Compensation Committee:** This body has three members and is governed by the Regulations of the Board of Directors. Given its nature, no minimum number of meetings is established for this committee.

Composition of the Governing Bodies

Name	*Board of Directors*	*Executive Committee*	*Audit Committee*	*Nomination and Compensation Committee*
Carlos Pérez de Bricio *Honorary Chairman*[1]				
H.E. Khadem Al Qubaisi	Chairman	Chairman	-	Member
Santiago Bergareche	Co-Chairman	Member	Member	Chairman
H.R.H. Carlos de Borbón-Dos Sicilias	Member	-	-	-
Murtadha Al Hashmi	Member	Member	Chairman	-
Mohammed Al-Husseiny	Member	-	Member	Member
Pedro Miró	Member	Member	-	-
Carlos Morán[1]				Secretary
Ignacio Pinilla[1]	Secretary	Secretary	Secretary	
Carmen Cagiga[1]	Vice-Secretary	Vice-Secretary	Vice-Secretary	-

[1] Non-director.

Corporate Governance

COMPENSATION OF THE BOARD MEMBERS AND SENIOR MANAGEMENT

Board compensation is governed by the Company's By-laws and the Regulations of the Board of Directors. It is made up of a fixed annual payment, determined by the General Shareholders' Meeting, and attendance fees. The overall amount paid to all members of the Board shall not exceed 1% of the Company's total consolidated earnings from the previous year. The fixed annual fees are distributed among the Directors at the time, in the manner and proportion decided by the Board of Directors, based on the time devoted to and relevance of the duties each Board member performs.

Senior Management compensation is made up of a fixed sum and a variable bonus established as a percentage of the fixed salary according to the objectives achieved for the year. These objectives are based on the Group's consolidated financial results, occupational safety indices, the operational aspects of the business and individual performance.

VISION, MISSION AND FOUNDING PRINCIPLES

MISSION

Our business is to conduct our operations in the oil and gas value chain, efficiently, responsibly and profitably, in order to provide the regions in which we operate with a secure supply of energy.

VISION

We aspire to be a closely integrated, high performing and customer-focused energy and petrochemical Company that generates value, respects the environment and is socially responsible.

FOUNDING PRINCIPLES

Respect for individual rights, transparent management processes, the quality and safety of our operations and our products and environmental protection are the foundations of our business conduct.

RISK MANAGEMENT

CEPSA operates in countries with varying regulatory frameworks and its activities encompass the entire value chain of the oil and natural gas industry. The CEPSA Group's Risk Control System seeks to manage every kind of risk that might affect how its operations are carried out and their results. The primary aim of its policies, in accordance with the strategy laid down by the corporate management, is to achieve an optimum balance between costs and the risks covered.

The Board of Directors keeps regular track of the risks, through the Audit Committee and the Executive Managers of the different Business Units. It is the role of the HSE Committee to periodically review all risks in these areas and propose any changes or improvements to the measures, where applicable.

CEPSA has a management system that is based on the application of an existing regulatory framework, comprising Basic Rules & Standards, Procedures and Manuals that set out guidelines for the behaviour and actions of individuals, fostering internal control through audit plans that help prevent unethical conduct. Unrestricted access to the system is provided through internal consultation channels.

The risks covered by the Risk Control System are as follows:

- **Strategy and Planning Risks:** These are risks related to Corporate Responsibility and Sustainability, external factors tied to elements unconnected to the Company, such as the economic situation, the climate in the sector, country risk, competition and natural disasters or damage caused by third parties, as well as risks related to the Company's positioning.
- **Financial and Market Risks:** These are the risks stemming from volatility in commodity prices, exchange rates, interest rates, liquidity and solvency, including credit risk, access to funding and hedge and trading contracts.
- **Operations and Infrastructures Risks:** These are risks tied to operational efficacy and efficiency, and if they arose could entail a loss of value for the Company, resulting from inappropriate or erroneous internal processes, persons or systems, or a lack of infrastructure. These are largely related to performance, protection and the use of existing assets. The risks include the supply of products, goods and services, transport management, sales and marketing, extraction and production processes, safety of persons and facilities, respect of the environment, human resources and information technologies.
- **Risks of Reporting, Ethics and Compliance:** These are risks that, should they arise, will directly impact the Company's reputation and could lead to a fine from the regulating authorities. These risks are related to ethics and conduct, human rights violations, regulatory compliance, the Company's internal procedures and policies, and the risks associated with reporting processes.
- **Information Risks:** These risks are associated with data processing assets and the Company's activity, which must be monitored in order to protect the corporate information and personal data that CEPSA processes in the course of its activity. The Company has established safety measures to protect its information by setting up of an Information Security Management System certified in accordance with ISO 27001.

Commitment to Sustainability

One of the CEPSA Group's priorities is to integrate sustainability into its business management. Through the sustainable development of each business area, we undertake to respect human rights, behave in an ethical and responsible way and minimise our impact on the environment and on the community.

SUSTAINABILITY IN OUR MANAGEMENT APPROACHES

At CEPSA we remain committed to a sustainable business model as the only feasible way to promote future growth. Our founding principles are essential guidelines for conduct which guide our actions as a committed and responsible organisation.

From this perspective, CEPSA manages its activities while being mindful of their sustainability, working proactively to mitigate their impact on the environment and on communities, and catering to the needs of the Company's stakeholders. For this reason, CEPSA's business model fully integrates sustainability at every stage, from exploring for crude oil and gas through to the sale of its products and services.

The Company's presence in different countries, cultures and levels of economic and social development means that programmes targeted at reducing any social, environmental or human rights impacts that could occur through its activities, are integrated in CEPSA's day-to-day operations. Moreover, as a company in the energy sector, CEPSA has made an irrevocable pledge to produce safe and clean energy for society.

Our ambition is that all resources, including human, technical and economic resources, combined with our technological expertise, will contribute towards making CEPSA one of the most competent energy firms in its field, and towards building a solid reputation for its respect for the environment and for society overall, within the framework of an ethical and transparent code of conduct.

We aspire to satisfy the expectations of our stakeholders and that they will help us to meet the challenges we set ourselves.

OUR CUSTOMERS

We seek quality and efficacy in the products and services we offer them and an attentive relationship based on trust.

OUR EMPLOYEES

We want to offer them a safe place to work, and encourage their professional development, allowing them to have a positive work-life balance

THE COMMUNITIES

We listen to and respect the communities of the areas in which we operate so that they share the benefits of our activity.

OUR SUPPLIERS AND CONTRACTORS

Our aim is to share with them our values and to work in partnership to achieve common goals.

This CEPSA 2012 Annual Report and Corporate Responsibility Report includes relevant information about our performance in economic, social and environmental matters, so that our stakeholders are aware of our activity and how we tackle the challenges we face.

ETHICS AND RESPONSIBILITY

The various operations and projects that the Company performs are always undertaken within the regulatory framework governing each activity and by applying the principles and values established in the Code of Ethics and Conduct.

The more diverse the cultural, social and legal environment in the country in which CEPSA operates, the more this set of principles and values becomes relevant.

Our physical safety policies lay down a framework of how to act with regard to security based on the Voluntary Principles on Security and Human Rights, promoted by the governments of the United States, United Kingdom, the Netherlands and Norway, and observed by all the major oil, gas and mining firms in the petroleum industry.

IMPACT ON THE ENVIRONMENT AND SAFETY

Successfully managing our safety performance and environmental impact is a key factor in the oil and gas business and one of the overriding aspects of CEPSA's objectives.

The Company's growth and international expansion targets increase its exposure to environmental and safety-related risks. Faced with this challenge, we will firmly uphold our standards of excellence in the running of our business and in our relationships with our stakeholders.

CEPSA's stance on the environment and safety, the application of which is explained in the 'Environment' and 'Health and Safety' chapters of this Report, is a clear example of the Company's efforts to prevent and minimise any impact in these areas.

ECONOMIC PERFORMANCE INDICATORS

One of our corporate objectives is to earn a sustainable financial profit and distribute it fairly amongst everyone who contributes to generating it.

Economic Value Generated [1]	2012	2011	2010
Millions of euros			
Net sales (including excise taxes)	28,810	27,199	22,084
Other operating income	123	206	117
Financial income	38	26	39
Share in profits of associated companies	38	43	32
Gains from the disposal of assets	23	11	11
Total	**29,032**	**27,485**	**22,283**

Economic Value Distributed [2]	2012	2011	2010
Millions of euros			
Payments to suppliers	24,615	23,031	17,901
Employee salaries and benefits	596	587	572
Payments to providers of capital	337	333	264
Total taxes paid by CEPSA	2,512	2,707	2,693
Total	**28,060**	**26,658**	**21,430**

Economic Value Retained	2012	2011	2010
Millions of euros			
Economic value generated	29,032	27,485	22,283
Economic value distributed	28,060	26,658	21,430
Economic value retained	972	827	853

[1] The economic value generated is calculated by adding operating revenue, financial income, share in profits of associated companies and gains from the sale of assets.
[2] The economic value distributed is based on adjusted results. The adjusted results do not include the effect of changes in the price of inventories and other non-recurring items, therefore allowing a clearer appreciation of the core business, irrespective of any increase or decrease in the value of inventories that are required both for legal (minimum buffer stocks) and operating purposes.

Our Employees

The commitment, satisfaction, safety and development of our employees represent key aspects for the Company's success.

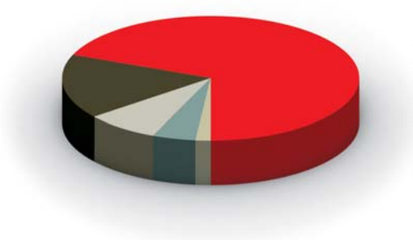
CEPSA considers its employees to be a key factor in its business success. The Company therefore believes it is essential to encourage a transparent working environment, in which the professional development of individuals is fostered in accordance with their skills and achievements, within a framework of equal opportunities, which will enable our Group to grow stronger.

With more than 11,000 professionals on our team, CEPSA's challenge lies in combining this new stage of growth and international expansion with our employees' capabilities and interests, through processes that reinforce their skills.

Talent management, mobility, training and performance assessment are, *inter alia*, essential tools in achieving a unified and efficient team.

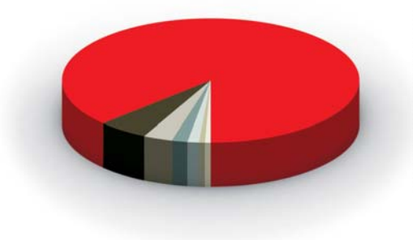
Workforce	2012	2011	2010
Workforce at 31 December	**11,743**	12,006	12,046
% of international employees	**17**	17	13
Average age	**41.7**	41.6	41.7
Average years of service	**11.4**	11.5	12.6

Workforce by Business Unit



- Refining, Distribution & Marketing: **8,571**
- Petrochemicals: **1,438**
- Corporation: **1,071**
- Exploration & Production: **634**
- Gas & Power: **29**

Workforce by Geographical Area



- Spain: **10,151**
- Portugal: **696**
- Latin America: **565**
- Canada and the USA: **205**
- North Africa: **87**
- Rest of Europe: **27**
- People's Republic of China: **12**

Breakdown by Professional Category	2012	
Numbers of persons	*Women*	*Men*
Senior Managers and Department Heads	108	599
Expert Technicians and Technicians	846	2.626
Specialists	2,401	4,298
Administrative/Clerical	423	139
Assistants	128	175
Total	**3,906**	**7,837**

EQUAL OPPORTUNITIES AND PREVENTING DISCRIMINATION

CEPSA has developed an organisational culture based on equal opportunities and non-discrimination. The Company promotes equality among all workers, thus benefiting from the growing cultural diversity in the Group, regardless of nationality, gender, age or religious belief.

More than one-third of our workforce are women. 15% of all management positions are held by women, a figure that is growing every year thanks to the equal opportunity policy that CEPSA applies in all Group companies.

The Company is committed to transparency and integrity in complying with current legal regulations, in all countries and activities, and keeps its suppliers, customers and contractors informed on its commitments in this respect.

ATTRACTING, RETAINING AND MANAGING TALENT

As a solvent, professional and growing company, CEPSA seeks to attract top professionals and provide them with opportunities for professional and personal development. Assuring employees have an attractive professional career is a priority objective from the day they join the company.

The Competency-Based Management system, professional routes, training plans, and performance-based pay and promotions are particularly useful tools in building a motivated team that regards excellence in its work as the key to personal development.

The Company informs its employees about the basic principles of its culture from the outset: respect for human rights, equal opportunities, environmental protection, the safety of both persons and facilities and the prevention of non-ethical conduct.

Managing teams in a stimulating way and being able to efficiently assign responsibilities that match their capabilities is a challenge that all companies must face. In this regard, CEPSA has set up the concept of "mobility" as a value that allows employees to optimise their performance and fosters their personal and professional development.

CEPSA performs rigorous recruitment and selection processes to hire the best candidates available for the job, under equal conditions and regardless of their gender or origin.

Most of our workforce is located in Spain and Portugal, where 95.56% are local workers[1]. In the remaining geographical areas this percentage reaches 92.07%.

Local Employment

Geographical Area	*Total Employees*	*% Local Employees*[1]
Spain	10,151	95.25%
Portugal	696	100.00%
Belgium	9	100.00%
Brazil	223	100.00%
Canada	204	99.02%
Colombia	303	97.69%
Algeria[2]	87	33.33%
UK	7	85.71%
Italy	6	100.00%
Netherlands	5	100.00%
USA	1	100.00%
China	12	33.33%
Panama	6	100.00%
Peru	33	93.94%

[1] For the purposes of this report, local is understood as persons who were born in or who have the right to permanent residence in the country where the company has its registered office.
[2] The % shown corresponds to the figure for our own workforce. This percentage would be 92% if we also considered the entire organization that operates CEPSA's facilities in Algeria.

Our Employees

Employees Undergoing Performance Appraisals

	Total employees	*Total with individual appraisal*	*Total with other type of appraisal*	*Total appraised*	*%*
Managers and Department Heads	707	707	0	707	100%
Expert Technicians	1,654	993	555	1,548	94%
Technicians	1,818	890	534	1,424	78%
Specialists	6,699	819	1,369	2,188	33%
Administration	562	426	14	440	78%
Assistants	303	55	1	56	18%
Total	**11,743**	**3,890**	**2,473**	**6,363**	**54%**

EMPLOYEE SATISFACTION AND COMMITMENT

The Company understands that its commitment to employees should be mutual and that in order to increase its value as a business, it is essential to have a cohesive and satisfied workforce.

In 2012, to find out our employees' opinions and ensure they are highly motivated, we measured employee satisfaction through a CEPSA Climate and Commitment Survey in every country where the Company is present. Around 70% of our employees took part in the survey.

Both the results obtained as well as the high level of participation demonstrate that the initiative was very well received and valued by all our employees. The positive image and high level of commitment of the Company's employees stood out in this survey.

As an exercise in transparency, the survey results are being shared with the Company's different business areas and serve as a basis for drawing up various action plans in order to continue to improve areas that need to be strengthened.

TRAINING: A CORNERSTONE OF HUMAN RESOURCES MANAGEMENT

CEPSA supports the talent of its employees, encouraging their training and professional development. The new needs of the Company, professional development and improving competitiveness are objectives that Management believes are fundamental for achieving optimum work teams.

Training is seen as the best tool to achieve these goals, and every year the Company introduces plans and programmes for all employees.

In 2012, training was given in the areas of health and safety (through ongoing training programmes, and the creation of workgroups) and communication, through the launch of the 'Leading Communication at CEPSA' programme, which has strengthened top-down communications with work teams.

CEPSA has used new technologies to improve training, broadening the contents of its programs and encouraging the use of 'CEPSA Campus', an online application available for all the Group's employees that has unified a large range of training resources to encourage self-development and the interactivity of staff members.

Training by Areas

	Hours	*% of total*
Production	123,699	31%
Health, Safety, Environment	62,958	16%
Technology	14,789	4%
Management processes	192,590	49%
Total	**394,036**	**100%**

EMPLOYEE ASSISTANCE AND SOCIAL SUPPORT SERVICES

The Company knows the value of being able to rely on strong support in special situations. CEPSA therefore offers Social Guidance services to deal with inquiries from current and retired employees.

Key amongst these activities is the Family Plan, a programme managed by the Adecco Foundation and aimed at the disabled children of CEPSA Group employees. Personalised actions have been implemented through this plan to develop their independence and the social and professional integration of these young people.

CEPSA has signed an agreement with the Spanish Ministry of Health, Social Services and Equality to support actions that raise awareness about gender violence and abuse.

LABOUR RELATIONS

With more than 80% of its workforce in Spain, CEPSA applies Spanish labour laws in its labour relations. Its international workers are protected by the respective laws of each country.

The Company encourages a fluid relationship with its union representatives, in the quest for dialogue and understanding. Its conduct is guided by the principles of the International Labour Organisation.

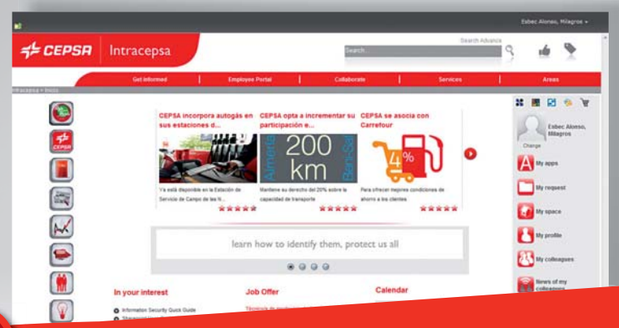
Thus, more than 96% of the Group's entire workforce is protected by collective bargaining agreements, and 84.6% have union representation.

INTERNAL COMMUNICATIONS

The new organisational model and the setting-up of new strategic goals mean that the Company's internal communication is defined as one of the most relevant actions in achieving the proposed objectives and in realising our targets for growth.

To stimulate and strengthen the management of internal communication, the Company has set up the 'Leading Communication at Cepsa' training programme, aimed at encouraging managers to recognise the importance of integrating communication in their daily tasks, to improve their communication skills and foster top-down communication with work teams. This programme has been shared with 191 team leaders.

Furthermore, CEPSA has resources and channels for employee relations (collaboration environments, magazines, newsletters, etc.) that are adapted to the needs of the different business areas. A key achievement in this area is the new intranet or employee portal.



CLOSE UP

Launched in 2012, the new corporate intranet is designed to encourage collaborative work, boost productivity and improve communication within the Company. It offers employees numerous services, such as consulting payslips or sharing documents with other colleagues, and serves as a two-way channel of communication between the Company and its employees.

This new corporate intranet project '*IntraCEPSA2012 Project*' received the AUTELSI 2012 prize, awarded by the Spanish Association of Users of Telecommunications and the Information Society (AUTELSI) to the best technological innovation project for improving productivity.

Innovation and Technology

Innovation sets us apart, it keeps us moving forward and allows us to optimise our production processes and improve the quality of our products.

RESEARCH CENTRE

Our Research Centre conducts intense activities in such diverse areas as catalysis, the synthesis of new molecules, polymer derivatives, enhanced oil recovery, refining, petrochemicals and the production of new renewable fuels. There are two essential goals behind this: to support CEPSA's businesses and be committed to the future, via longer-term projects with high potential for development.

Major Projects in 2012

In 2012 we started up two cutting-edge technological projects that will drive CEPSA's RD&I strategy from the Exploration & Production division.

These are the EOR (*Enhanced Oil Recovery*) and IOR (*Improved Oil Recovery*) methods of recovering oil from oilfields.

These two new techniques will enable us to recover an average of 20% more oil at those oil wells where crude oil production is in decline after years of operation.

These new technologies are already being applied in Algeria, through the miscible gas injection process, and a pilot project will start shortly in Colombia, with the enhanced recovery system of the surfactant-polymer injection.

In certain core business aspects a company needs to stay ahead; research and innovation allows us to continue evolving, to be more competitive through cost-cutting measures and upgrading of the Company's processes, products and technological capacity.

The enhanced oil recovery process through surfactant-polymer injection works by displacing the crude oil retained in geological formations at two levels. First, the addition of polymers into the injected water increases viscosity and allows a more effective sweep of the crude oil retained in the well. The efficiency of the crude oil recovery is improved by injecting surfactants that modify the surface tension of the crude oil-water system and increase the mobility of an additional amount of crude oil. The surfactants manufactured by CEPSA have the appropriate characteristics for this technique at many of the existing oilfields.

Seeking new production processes or improving the technology of existing processes are two ways of supporting the businesses, making them more competitive.

2012 also saw the start of the basic engineering activities at the petrochemical plant in Shanghai (China), CEPSA's first in that market, for the production of phenol and acetone. It will have an annual production capacity of 250,000 tons of phenol and 150,000 tons of acetone, and is expected to be finalised by the third quarter of 2014. This project, with an estimated overall investment of 341.7 million euros, is strategic for CEPSA as it is our Company's first investment in Asia and will serve to open the gateway of the Asian markets to phenol, acetone and other petrochemical products in future years. This project deploys all of the technological improvements that the CEPSA Group has developed in phenol production over the last 20 years.

The technical upgrading completed at the 'Tenerife' refinery in 2012 involved a series of projects that will generate major energy savings, better safety systems and the increased automation of some of the refinery's operations to improve its efficiency.

In terms of optimising the consumption of resources, this year we also set up a policy of reusing catalytic converters that will allow us to plan and optimise their useful life. We estimate a saving of more than 5 million euros as a result.

CLOSE UP

EOR AND IOR OIL RECOVERY METHODS

When operation of an oilfield begins, the primary recovery normally involves extracting 10% of the oil in-situ using the natural energy of the oilfield itself.

Secondary recovery involves injecting water or gas, and this enables a further 30% to be extracted, reading a total recovery factor of 40%.

By applying the tertiary EOR/IOR processes, we can recover an average 20% more, which considerably increases our production, optimises our resources and puts us in an advantageous position with regard to our competitors in the industry.

The principal methods of tertiary recovery used are:

- Thermal: by injecting steam or fuel in-situ at the oilfield.
- Gas: by injecting miscible or immiscible gas.
- Chemical: by injecting water with surfactants and polymers.

In Algeria, the project is currently at the secondary recovery stage, as the injection of miscible gas process has already been applied, and we intend to perform the enhanced recovery system with surfactants at the Caracara Oilfield in Colombia.

Innovation and Technology

Looking Towards the Future

The more complex aspects of research, such as obtaining knowledge and applying this to improve or solve problems, is also conducted at our Research Centre.

CEPSA's Research Centre is developing a range of initiatives by means of agreements with various universities and institutions, such as the University of Alcalá de Henares, the Autonomous, Carlos III, Complutense and Polytechnic Universities of Madrid, the Universities of Huelva, Seville and Cádiz, the Engineering School of Seville and the University of La Laguna in Santa Cruz de Tenerife. We also have ongoing agreements with the CSIC (Higher Centre of Scientific Research) and the ITQ (Technological Institute of Chemistry) among others.

In 2012, CEPSA received funding from the CDTI (Centre for Industrial Technological Development), an institution that promotes innovation and technological development within Spanish companies, to enable us to carry out the following projects, thanks to its interest and its contribution to improving technology:

- Obtaining biofuels from microalgae.
- New process with vegetable oils for the sustainable production of aviation fuel (bio-kerosene).
- Tracers for locating crude oil, to enhance the recovery of hydrocarbons (EOR).

In addition, to develop initiatives in the spheres of training and knowledge-transfer, CEPSA collaborates with various academic institutions via the 'CEPSA Chairs', to implement training and research projects encompassing the areas of environment, industry, skills development and research:

- In 2012, the Chair of the University of Seville's Engineering School ran the Oil Refining Course, taught by engineers from the Refineries. It also participated in the Engineering and Employment Events, and managed the scholarship programme for students at the CEPSA production centres.
- The Chair of the University of Cádiz collaborated in courses taught by refinery experts, by maintenance experts, and doctorate courses offered at the Higher Polytechnic School (EPS) of Algeciras, among others, as well as developing environmental and industrial lines of research.
- The Chair of the University of Huelva continues supporting the '10C Student' Award and the 'Sapere Aude' Award by investing in comprehensive training and research.
- The Chair of ETSIM (the Higher Technical School of Mining Engineers) of the Polytechnic University of Madrid has encouraged students to apply for CEPSA scholarships to do take a Master's Degree Program at the IFP School in Paris (France) and at the Institute of Petroleum Engineering at Edinburgh University (Scotland). It has also introduced a new set of seminars entitled 'Introduction to the seismic exploration of hydrocarbons'; 'Introduction to hydrocarbon exploration and production' and 'Principal applications and foundations of lube oils'.

CEPSA collaborates with various academic institutions via the 'CEPSA Chairs', to implement training and research projects

THE ROLE OF TECHNOLOGY IN ENVIRONMENTAL PROTECTION

The Centre's activities also focus on preventing and reducing the impact of our activities on the environment. This is performed in collaboration with the business areas and the Health, Safety and Environment unit.

The use of environmental criteria to design products, in response to European policies (reducing the share of fossil fuels in the primary energy mix, reducing emissions, bio-products, etc.) is one of the Research Centre's principal areas of work.

CLOSE UP

BIODIESEL FROM ALGAE

CEPSA has been working on a research project to assess the feasibility of obtaining fatty acids from microalgae that can be used in the production of biodiesel.

The project has been spearheaded by CEPSA, in partnership with the Universities of Huelva and Cádiz and Bio-Oils, and has been funded by CDTI (Centre for Technological and Industrial Development) and by the Spanish Ministry of Economy and Competitiveness.

During two years of research, we analysed the possibility of using microalgae to produce biodiesel, and this led to us obtaining HAO (Hydrotreated Algae Oil) at the Research Centre pilot plants.

The implementation of this project demonstrates CEPSA's innovative nature when it comes to researching more competitive products.

Activities

Exploration & Production

This business unit is responsible for crude oil and natural gas exploration & production activities. The most significant Production assets are in Algeria and Colombia, with major projects for expansion. As for Exploration, in addition to Algeria and Colombia, the portfolio includes blocks in Peru.

Key Indicators

SALES TURNOVER (Millions of euros)	ADJUSTED OPERATING INCOME (Millions of euros)	INVESTMENTS DURING THE YEAR (Millions of euros)	WORKING INTEREST PRODUCTION (Thousands of BOPD)	NET ENTITLEMENT PRODUCTION (Thousands of BOPD)
2012 814	2012 533	2012 247	2012 104.3	2012 46.5
2011 927	2011 487	2011 429	2011 120.8	2011 47.7
2010 738	2010 334	2010 156	2010 122.9	2010 53.3

One of the priorities of CEPSA's new strategic plan is to appreciably increase its activity in crude oil exploration and production.

To continue along this line of action, the Company is focusing its efforts, on the one hand, on extending its geographical presence, mainly in Latin America and Africa, and secondly, on its continued growth in those countries where we already have a presence.

Adjusted operating income was 533 million euros, up 10.7% year-on-year.

Production from CEPSA's working interests was down 13.66% on the previous year, mainly due to lower production in Algeria (17%), as a consequence of the imposition of restrictive quotas by the Algerian authorities and, to a lesser extent, lower production from the Rhourde El-Khrouf and Ourhoud oil fields.

In Colombia, on the other hand, working interest production was up 7.6% from 2011 due to greater output at the CPR Espinal and La Cañada Norte oilfields and the commissioning of new wells at the oilfields under development.

Net entitlement, i.e., the Company's share of production after contractual conditions have been applied and before taxes have been paid, is at levels very similar to those obtained in the previous year, due to the net effect of the decrease in Algeria -where the price has contributed positively to offsetting lower production levels- and to the 7.4% overall increase in Colombia and Spain.

TRENDS IN RESERVES

At the close of 2012, the activity of the Exploration & Production business area focused on 4 countries: Algeria, Colombia, Peru and Spain, acting in different blocks either as an operator or as a partner of other companies. At that date, bearing in mind the criteria established by the Petroleum Resources Management System of the Society of Petroleum Engineers (SPE-PRMS) - CEPSA's entitlement reserves totalled 78.3 million barrels of oil equivalent, as shown in the table below.

Estimate of Reserves (Thousands of barrels)	*Algeria*	*Colombia*	*Spain*	***Total***
Net entitlement reserves at 31 December 2011	67,593	21,809	210	**89,612**
Production	-11,115	-5,820	-50	**-16,985**
Changes in previous estimates	1,222	3,262	232	**4,715**
Enhanced Recovery		701		**701**
Extensions, revaluations and new discoveries		221		**221**
Net entitlement reserves at 31 December 2012	**57,700**	**20,172**	**392**	**78,265**

Activities
Exploration & Production

ALGERIA

CEPSA is one of the principal operators in Algeria, in which the Company develops its activities at two oilfields located in the Berkine Basin, Rhourde el Khrouf (RKF) and Ourhoud (ORD), with a stake of 100% and 39.76%, respectively. It also has exploration rights on the Rhourde Rouni II block.

Since 2002, CEPSA also has an 11.25% share in the appraisal and development of several natural gas fields in the Timimoun Basin. In 2009 the Algerian authorities approved its commercial feasibility and production is expected to start at the end of 2016.

Noteworthy among the major works performed in Algeria in 2012 are the following:

- Drilling of 7 wells (2 production and 5 injection) at RKF and ORD.
- Award of the EPC to build facilities for the Miscible Water and Gas Injection (WAG) project at ORD.
- Commencement of the 3D seismic survey over an area of 2,240 km^2 in Timimoun and over an area of 2,180 km^2 in the Rhourde Rouni exploratory block.

PERU

In 2007, CEPSA began its exploration activity in Peru. It currently operates three concessions in the exploration stage, one at the Marañón basin (Block 130), in the north of the country, and two at the Ucayali basin (Blocks 114 and 131), in the east of the country.

The 2D seismic campaign on Block 114 was completed in 2012.

We have obtained the mandatory environmental permits to drill two wells in Block 131. The first exploratory test (Los Angeles 1X) will take place in mid-2013.

The appraisal of prospective resources is continuing for Block 130.

COLOMBIA

In 2000, CEPSA began exploration activity in Colombia, and signed the first contracts in 2001.

At year-end, CEPSA had 11 exploration blocks (6 of them operated by CEPSA) and a TEA (Technical Evaluation Agreement) operated by CEPSA.

CEPSA has three production areas: Caracara, located in Los Llanos and operated by CEPSA, in which it has a 70% stake, and CPR Espinal and La Cañada Norte, both in the Upper Magdalena Valley and in which CEPSA holds a stake of 15% and 16.7% respectively. Also, long-term production tests are being conducted to assess commercial feasibility in three exploration blocks, two of them operated by CEPSA.

As far as crude oil transport and sales activities are concerned, CEPSA has a 5% stake in the OCENSA (Oleoducto Central, S.A) oil pipeline, Colombia's main pipeline.

Work performed in 2012 included the following:

- Drilling of 17 development wells (5 in Caracara, 1 in La Cañada Norte and 10 in CPR Espinal), 13 exploratory wells and 51 workovers.
- Improvement of the facilities in the Caracara permit.
- Production tests at three new discoveries.
- 630 km^2 of 3D seismic acquisition.

SPAIN

CEPSA has an average 7.45% stake in several offshore fields (non-operated) in the Mediterranean Sea, off the coast of Tarragona (Casablanca, Rodaballo, Boquerón and Montanazo).

Within the Montanazo concession, the MD-5 well, drilled in 2010, entered into production in October 2012.

The Company has applied to the Spanish authorities for a research permit on a new block (Medusa) in the area of Casablanca.

The Company is focusing its efforts, on the one hand, on extending its geographical presence, mainly in Latin America and Africa, and secondly, on its continued growth in those countries where we already have a presence.

Activities

Refining, Distribution & Marketing

Adjusted operating income in 2012 was 265 million euros, higher than in 2011 and the result of a strategy based on operational excellence and cost-cutting.

Key Indicators

	CONSOLIDATED SALES OF PETROLEUM PRODUCTS (Millions of tons)	TURNOVER (EXCLUDING EXCISE TAXES) (Millions of euros)	ADJUSTED OPERATING INCOME (Millions of euros)	INVESTMENTS IN THE YEAR (Millions of euros)
2012	26.4	21,520	265	371
2011	26.3	19,776	121	214
2010	25.2	15,443	180	356

REFINING

The current operating environment continues to be plagued by lower domestic consumption and excessive refining capacity in Europe, where products manufactured in other regions with fewer regulatory requirements are being imported. Given these unfavourable circumstances, the Company has deployed a strategy to contain costs, save energy and improve margins, through technological optimisation and operational excellence.

Furthermore, the refining area has taken on a new project to build an organisational model in which cross-divisional management will enable us to take best advantage of the synergies identified in the existing organisations and processes at the refining plants of San Roque, Palos de la Frontera and Santa Cruz de Tenerife and their catchment areas.

Our assets

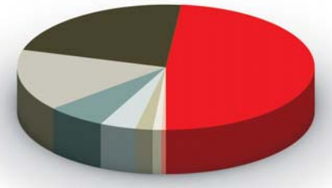
CEPSA's three refineries in Spain: 'Gibraltar-San Roque', 'La Rábida' and 'Tenerife' have all obtained OHSAS 18001, ISO 14001 & 9001 and PECAL 2120 certifications and are operated under an optimisation model that maximizes their integration and synergies.

With a high conversion level, the 'Gibraltar-San Roque' and 'La Rábida' refineries have production units for lubricants, asphalts and basic petrochemical products (benzene, xylene, and toluene).

The combined production of CEPSA's three refineries in 2012 reached 24.16 million tons, 5.1% up on the previous year and broken down as follows.

Meanwhile, to comply with Spanish regulations on biofuels, the refineries have added 70,000 m^3 of bioethanol and 491,000 m^3 of biodiesel and hydrotreated biodiesel to their fuels.

Sources of Crude Oil



- West Africa: **48%**
- Arabian Gulf: **32.8%**
- Caribbean/Mexico: **8.4%**
- Russia: **4.6%**
- North Africa: **3.9%**
- South America: **1.4%**
- North America: **0.6%**
- Rest of Europe: **0.4%**

Capacity and Conversion Index by Plant

	Capacity (Millions of tons)	Conversion index (Percentage)
'Gibraltar-San Roque'	12	78.1%
'La Rábida'	9.5	83.3%
'Tenerife'	4.5	58.5%
ASESA	0.69	--
Total	**26.69**	

COMBINED PRODUCTION AT CEPSA REFINERIES

Fuel Oil	22%
Diesel	42%
Gasoline	11%
Kerosenes	6%
Liquefied Petroleum Gas (LPG)	4%
Others	15%
Total	**100%**

Investments

During 2012, CEPSA invested 151 million euros in the Refining unit.

A total of 24 million euros was invested in the 'Tenerife' refinery on a range of projects for technical improvements that represent major energy savings, increased safety and automation.

As part of the plan to optimise the 'Gibraltar-San Roque' refinery, the New Kerosene Cut project was commissioned at the Visbreaking unit in 2012. With a budget of over 2 million euros, the project involved fitting a new lateral extraction to the unit's fractionator, with a distillation range similar to that of kerosene produced by atmospheric distillation.

The project to increase the capacity of the Visbreaker unit at 'La Rábida' refinery has easily exceeded the proposed targets. With an investment of 4.7 million euros, the project has allowed us to increase the unit's capacity by up to 154% of its original design, generating estimated monthly savings of over half a million euros.

Activities
Refining, Distribution & Marketing

DISTRIBUTION AND MARKETING

CEPSA carries out its sales and marketing activity through its own sales channels and an extensive national and international network of agents and distributors, and in addition to motor fuels, includes liquefied petroleum gas, asphalts and lubricants.

In 2012, CEPSA's sales via its sales network in Spain and Portugal accounted for 21.4 million tons of products, 5.72% less than the previous year (22.7 million tons).

As in previous years, 2012 was also marked by a decrease in the consumption of petroleum products in Spain and Portugal. Specifically, the year-on-year decline has been the sharpest over the last five years, at 7.7%.

The decrease was across-the-board for all products; middle distillates, with a drop of 6.5%; motor fuels, down 6.4%; and liquefied petroleum gas, down 7%.

In this difficult operating environment, the Company has been addressing the challenge by providing outstanding customer service and applying cost-reduction policies that enable our business to remain profitable.

Sales of Petroleum Products	2012	2011	2010
Thousands of tons			
Motor and other fuels	11,717	12,074	12,069
Marine fuels	7,331	7,629	7,372
Aviation fuel	1,888	2,300	2,093
Liquefied Petroleum Gas (LPG)	536	552	551
Asphalts	1,012	1,146	1,196
Lubricants, base oils and paraffin wax	240	256	271
Exports	4,330	3,066	2,148

CEPSA's total domestic and international sales amounted to 27 million tons.

Motor and Other Fuels

CEPSA has a network of 1,809 service stations in Spain, Portugal, Andorra and Gibraltar. We are also one of the leaders in convenience stores, with 935 outlets at the year-end.

The recommended retail price of petrol and diesel has increased due to the hike in international prices, up 13% year-on-year for petrol and 10% for diesel, and also because of a rise in taxes (6% for petrol and 8% for diesel).

Concerning the aforesaid rise in taxes, attention must be drawn to the introduction or increase of the regional portion of the Tax on Retail Sales of Certain Hydrocarbons (IVDMH) in 10 autonomous communities, and the increase of the Value-Added Tax up to 21% as of 1 September 2012.

Liquefied Petroleum Gas (LPG)

The Company sells and distributes butane, propane and autogas. The home delivery network in Spain comprises more than 90 distributors. Propane is also sold in bulk for individual facilities.

More than 2.5 million customers currently use these products.

Sales of liquefied petroleum gas reached 536,000 tons in 2012, 3% down from 2011, in line with the drop in consumption of these products.

Asphalts

Asphalts are manufactured at the 'Tenerife' & 'La Rábida' refineries and at Asfaltos Españoles, S.A. (ASESA, 50% CEPSA), with a yearly nameplate capacity of 1,000,000 tons.

CEPSA also has six factories for the manufacture of asphalt derivatives and special products for the construction sector.

In 2012, sales of these products totalled 1,012,000 tons, down 11.7% from 2011 in line with lower public works activity. Exports in this line of products account for 62% of our sales, up 17% from the previous year.

Lubricants

The Company's two lubricant brands, CEPSA and Ertoil, continue to be market leaders in Spain.

Our quest for efficiency and a greater and more intensive focus on customers and technological development are the pillars that have allowed us to remain at the forefront.

We export to more than 70 countries via an extensive network of distributors and in 2012 we sold 240,000 tons, 6% less than in 2011, reflecting current economic conditions.

48% of these sales were within the domestic market and the rest were exports.

Marine and Aviation Fuels

The Company is one of the leaders in supplying Marine fuels, thanks to its privileged location in the Strait of Gibraltar, Canary Islands and the Panama Canal.

In 2012, we sold 7.3 million tons of these products, down 4% on 2011, in line with the drop in demand for all fuels.

CEPSA also supplies aviation fuels. Because they are used in engines that have to operate under extreme conditions of altitude, pressure and temperature, these products are subject to the strictest quality assurance controls and specifications.

In 2012, sales of aviation fuel reached 1.9 million tons, down 18% on the previous year.

This decrease is due to falling demand, particularly in the commercial aviation segment, where sharp reductions have been seen for several years now.

Activities

Petrochemicals

Thanks to its high technological level, CEPSA is one of the leading world producers of raw materials for biodegradable detergents (LAB/LABSA), polyester fibres (PTA/PIA/PET), and phenol-acetone and solvents.

Key Indicators

	CONSOLIDATED SALES OF PETROCHEMICAL PRODUCTS (Millions of tons)	TURNOVER EXCLUDING EXCISE TAXES (Millions of euros)	ADJUSTED OPERATING INCOME (Millions of euros)	IINVESTMENTS IN THE YEAR (Millions of euros)
2012	2.9	3,301	160	86
2011	3.0	3,106	176	53
2010	3.4	2,788	144	32

CEPSA holds a leading position in all of its specialities, with exports worldwide.

We are world leaders in raw materials for detergents, with 15% of global LAB (linear alkyl benzene) capacity, and we are at the cutting edge of 'Detal' technology, developed by CEPSA in partnership with Universal Oil Products (UOP).

We are also leaders in PIA (purified isophthalic acid), a raw material for the polyester sector, with 20% of worldwide capacity, and we have increased sales of this product by 25% year-on-year, thanks to exports outside Europe.

CEPSA is currently involved in an ambitious international expansion plan in the petrochemical area, in line with the Company's general transformation, and targeting significant growth thanks to a solid and robust investment plan.

Excellence and efficiency are the Company's key words at its production plants, and to achieve this it is making the investments that are necessary to remain at the cutting edge of technology.

One of the most outstanding projects for improving efficiency is the installation of new oxidizers at the Palos de la Frontera (Huelva) plant, which will allow considerable savings in the consumption of raw materials, with an estimated impact of around 3 million euros a year.

We have also made significant progress in developing surfactant products specifically for use in enhanced oil recovery (EOR) methods that will enable us to start field tests in 2013.

Our petrochemicals activity places us among the leading world producers of raw materials in the sector.

Activities
Petrochemicals

SPAIN

CEPSA has three production plants in Spain, with two of them in San Roque (Cádiz) and another one in Palos de la Frontera (Huelva).

The Guadarranque Plant (San Roque) produces purified terephthalic acid (PTA) with a capacity of 650,000 tons/year, purified isophthalic acid (PIA) with a capacity of 220,000 tons/year and polyethylene terephthalate polymer (PET) with a capacity of 175,000 tons/year. All of these components are raw materials used in the manufacturing of plastic containers, textile fibres and resins.

In addition, **the Puente Mayorga Plant** in San Roque integrated within the CEPSA 'Gibraltar-San Roque' Refinery, produces Linear Alkylbenzene (LAB) with a capacity of 220,000 tons/year, sulfonic acid (LABSA), with 80,000 tons/year, n-paraffins with 400,000 tons/year, dearomatized solvents and heavy alkylates.

Lastly, **the Palos de la Frontera Plant**, located in the industrial complex of the 'La Rábida' refinery, which supplies benzene and propylene for the manufacture of phenol, has an installed capacity of 600,000 tons/year of phenol and 370,000 tons/year of acetone.

CANADA

Through CEPSA Química S.A., the company has a 51% stake in the share capital of two production plants located in Canada.

The Bécancour plant was the first in the world to use DETAL technology (fixed-bed alkylation) for the production of Linear Alkylbenzene (LAB). Its capacity is 120,000 tons/year.

In **Montreal**, the plant was built to supply purified terephthalic acid (PTA) to the NAFTA market (United States, Canada or Mexico) with a capacity of 600,000 tons/year.

BRAZIL

CEPSA operates in Brazil through its majority shareholding of 72% in **DETEN Química**, with the Brazilian company Petroquisa owning the remaining 28%.

DETEN Química is the top Latin American producer of Linear Alkylbenzene (LAB), the primary raw material used as the active cleaning agent in biodegradable powder and liquid detergents.

Headquartered in the petrochemicals complex of Camaçari, in Salvador de Bahía, DETEN Quimica has a production capacity of 220,000 tons/year of LAB and a 58% share of the Latin American market.

CHINA

To gain a foothold in the Asian market and make the production of phenol and acetone more flexible, in 2012 we commenced the basic engineering activities for the new plant in Shanghai (China), which is scheduled to come on-stream in 2014.

OTHER COUNTRIES IN EUROPE

CEPSA distributes and sells its petrochemical and other oil derivative products all around the world, through its sales offices and marketing companies in Italy, UK, Belgium, Holland and Portugal.

Activities

Gas & Power

The Gas & Power area supplies the Group with gas and sells it on the wholesale and retail market. It also sells electricity to industrial customers and consumers from the tertiary sector.

Key Indicators

	NATURAL GAS SALES (GWh)	ELECTRIC POWER SALES (GWh)	STEAM SALES (Thousands of tons)
2012	29,047	3,575	4,572
2011	25,250	3,424	5,109
2010	25,624	3,613	4,621

	SALES TURNOVER EXCLUDING TAXES (Millions of euros)	ADJUSTED OPERATING INCOME (Millions of euros)	INVESTMENTS IN THE YEAR (Millions of euros)
2012	1,172	42	23
2011	871	35	41
2010	726	21	69

NATURAL GAS

The sale of gas through CEPSA Gas Comercializadora (in which CEPSA has a 35% share), and its transport through the Medgaz deepwater pipeline in which we have a 20% stake, are CEPSA's main activities in this business unit.

The Group's gas consumption provides obvious synergies, and the challenge in the natural gas business over the next few years will be to embark on a path of growth, targeted particularly at international expansion, and to establish our presence in new niche markets.

In 2012 we sold 29,047 GWh of natural gas, up 15% on 2011. CEPSA's market share reached 7.5% versus 6.7% the previous year, a significant increase in these times of falling demand.

ELECTRIC POWER

Our seven cogeneration plants, with an overall capacity of 351 MW and 50% of a combined-cycle plant, with a capacity of 780 MW, are the assets that CEPSA is using to develop its electric power business.

Cogeneration delivers savings in our refinery costs, as it involves a more efficient production of steam, with a net reduction in the cost of the Group's electric power consumption.

In 2012 we invested over 23 million euros, for the replacement of two turbines at the cogeneration plant of the 'Gibraltar-San Roque' refinery. This modification will allow us to reduce NOx emission levels, while simultaneously improving energy efficiency and useful heat production.

Cogeneration results in savings in refinery costs, as it produces steam more efficiently, with a net reduction of the Group's electric power consumption costs.

Customers

The quality of products, services and customer satisfaction are the cornerstones of CEPSA's relationship with its customers.

CUSTOMERS, OUR MAIN FOCUS

The economic situation has changed radically in recent years. Pressures on the supply side and a sharp decline on the demand side, together with changes in consumption habits, have intensified CEPSA's need to continue focusing on strategies for attracting and retaining customers.

Fortunately, a large part of that work has already been carried out at CEPSA in recent years, as our customer service strategy revolves around customer loyalty, on-time deliveries and effective complaints handling.

COMMITMENT TO QUALITY AND CUSTOMER SATISFACTION

To improve our service and encourage our customers' loyalty, the Company uses surveys in all its business units to assess customer satisfaction. The survey results, the monitoring of the satisfaction index and the introduction of corrective measures are the basis of ensuring an excellent relationship with our customers.

Customer complaints are channelled through the Customer Service Centre in each business unit. All complaints are duly attended to and analysed in order to respond to the customer's complaint and, if necessary, take corrective measures.

Our service station network serves more than 750,000 customers every day, more than 50% of whom are loyal to CEPSA. Therefore, offering excellent customer service is the Company's main tool for satisfying their expectations.

The Company performs a range of actions to assess and improve customer satisfaction, and thus guarantee that the quality level of our products and services meets their requirements. Initiatives carried out in 2012, particularly at service stations, included:

- An audit programme to forge and strengthen customer loyalty with the service station, having identified their key values for choosing a station.
- Quality measurements based on *Mystery Shopping* (people posing as customers to provide feedback to the Company) have enabled us to gather information on more than 1,400 stations concerning such aspects as friendliness in dealing with customers, cleanliness of the service stations, speed of service, etc.
- Satisfaction surveys carried out by quality specialists with more than 2,600 customers directly at retail outlets.
- Implementation of the 'Customer's Voice' project, which has allowed us to find out customers' most frequent concerns and complaints, the area where these arose and the reasons behind them.

As part of our commitment to improve the quality of our products, we are also working to renew the ISO 9001 in the aviation fuels division, obtain ISO-14001 for our marine fuels, audited by Lloyd's Register Quality Assistance, and extend the EC certification for modified asphalts to our activity in Portugal.

Our customer service strategy revolves around customer loyalty, on-time deliveries and effective complaints handling.

Customers

SUPPLY OF PRODUCTS AND SERVICES

One of CEPSA's main challenges is to ensure that the products and services we offer satisfy the needs of our customers. An example of this are the numerous studies and analyses the Company conducts to identify customers' needs and demands.

As a result of these analyses, we have developed a range of products and services, including the following:

- 'Lowest price guaranteed' promotion in which CEPSA guarantees customers the lowest fuel price in the area or we refund them the difference, using their 'Porque Tu Vuelves' (Because You Come Back) card. More than 1.7 million customers have benefited from this offer, saving over 6 million euros.
- Partnership agreements with Banco Santander and MARCA (Club MARCA), enabling their customers to obtain additional 'Porque Tu Vuelves' discount points using their own cards, by refuelling at CEPSA service stations, and being rewarded with a discount of up to five euro cents per litre.
- Launch of the new CEPSA–AVIS card that allows AVIS customers to obtain an immediate discount of three euro cents per litre when refuelling at CEPSA service stations.
- Joint promotions with companies from all sectors: HP, NH, ENDESA, Autogrill, McDonald's, etc. enabling customers to obtain preferential purchase conditions at both establishments.

- Launch of new lubricants for light vehicles of the XTAR range, 100% synthetic and featuring the latest technology, which comply with the most stringent standards under the most recent specifications. Launch of a new product for motorbikes: CEPSA MOTO 4T HMEOC 10W30, enhancing fuel economy and cutting CO_2 emissions.
- Adaptation of the SIGPAT programme, as part of the CEPSA Motortech programme, to passenger vehicles. This innovation, which is only for customers who use the Órbita CEPSA repair garages, is the only one in the Spanish market and allows the end consumer (driver) to test their vehicle using a simple lubricant analysis while the engine is running, making it possible to detect and correct any possible mechanical problems and certify the vehicle's condition for potential sales transactions, which can raise the car's value, etc.
- New online lubrication guide with a database that is continuously updated and adapted to the Spanish market, accessible from any device.
- Agreements with other companies such as the Japanese brands INFINITI Spain and Kawasaki Spain for recommendation and, in the case of Kawasaki, distribution of CEPSA Moto lubricants in their Official Dealerships.
- Extending the supply of high-quality fuel for RMK 500 vessels, thus turning CEPSA into a supplier of this product at two (Tenerife and Algeciras) of the five ports worldwide where this is available.
- A new asphalt tanker with a capacity of 6,580 m^3 and 2x4 independent tanks; the 'Castillo de Pambre' will serve the Company's international customers. This tanker will optimise its voyages by transporting fuel as well as bitumen.

PRODUCT AND SERVICE SAFETY

Responsible use of products means that these need to be handled ethically and responsibly, thus promoting Product Stewardship during the entire lifecycle of the same. Safety, health and the environment are key considerations when handling and using chemical products.

For this reason, we perform activities such as the evaluation of physical-chemical dangers and classification of Service Stations based on environmental risk. If a risk is detected, the service station is decontaminated.

The appropriate information is also placed in the product files (product labels and tremcards). In addition, the evaluation of risks associated with new substances or applications is performed, and all relevant information about the product, its distribution, current legislation and safe use of the product is placed at the customers' disposal.

The positive effect of these efforts has been reflected in the decrease of the accident rate when transporting products in 2012, which fell to 0.10 accidents per million kilometres travelled (down 23% from 2011).

COMMERCIAL COMMUNICATIONS AND DATA PROTECTION

CEPSA is a member of the Association for the Self-Regulation of Commercial Communications (Autocontrol), associated with the European Advertising Standards Alliance. Members of Autocontrol are committed to carrying out their commercial communications in a responsible manner and to contributing to the reinforcement of advertising self-regulation as a means of protecting the rights of customers and competitors. In addition, the Company is a member of 'Confianza', a comprehensive self-regulatory system for interactive advertising and e-commerce with customers organised by the Federation of E-commerce and Direct Marketing (FECEMD), the Spanish Association of Electronic Commerce (AECE), Autocontrol and the Spanish Association of Advertisers (AEA).

CEPSA has implemented the required legal measures for managing the personal data supplied by individuals (customers, suppliers, employees and candidates) and for personal data protection.

Suppliers

CEPSA encourages a policy of long-term relations with suppliers, as long as suppliers comply with our established requirements.

Generating value is the common denominator of all companies. At CEPSA we have implemented a corporate policy of responsible purchasing and contracting, because it is vitally important to have corporate regulations that govern supplier relations.

Transparency, efficiency and value generation for the entire supply chain are the characteristic features that govern our relations with suppliers, and we require that they uphold the same level of respect for human and labour rights, workplace safety and environmental protection that we apply to our own workers.

Transactions with Suppliers by Expenses Included on the Income Statement

Millions of euros

	2012	2011	2010
Procurement	22,599	21,095	16,053
Transport and freight	319	354	344
Labour, supplies and external services	1,524	1,390	1,311
Environmental costs	14	12	16
Other operating expenses	142	158	162
Financial expenses*	17	22	15
Total	**24,615**	**23,031**	**17,901**

* Financial costs of loans, in other words these do not include financial revenue and expenditure that is operational.

Transactions with Suppliers by Investments Made

Millions of euros

	2012	2011	2010
Exploration & Production	247	429	156
Refining & Marketing	371	214	356
Petrochemicals	86	53	32
Technology, Gas and Cogeneration	23	38	69
Corporation	7	8	8
Total	**734**	**742**	**621**

The Supplier Evaluation and Approval System guarantees maximum impartiality as regards selection and ensures the quality of products and services, workplace safety management, and environmental protection throughout the entire value chain.

When taking decisions, we assess both the economic and technical aspects, along with the suppliers' performance in previous contracts. We also assess supplier compliance with regulations and legislation, as well as with CEPSA's standards of quality, for example ISO Quality and Environmental certifications and OHSAS safety certification.

The CEPSA website has a specific area for suppliers that expedites the processing of necessary documentation and facilitates interaction between the supplier and CEPSA during purchase operations.

In 2012 we increased the transparency of the purchasing process to guarantee a fair analysis of bids from suppliers by allowing bids to be submitted to a connection platform, integrated with the SRM application that supports the purchasing management processes.

PURCHASES AND CONTRACTS IN SPAIN

In 2012 we bought goods and services in Spain amounting to 531 million euros. Local purchases have increased appreciably. These purchases are made in areas where we have a presence and are committed to supporting local suppliers.

We seek to benefit the community in the surrounding areas in which we operate.

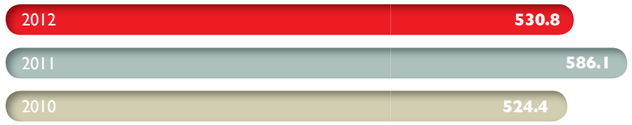
We attempt to collaborate with local suppliers by offering training programmes, so that they may be more efficient and competitive and can bid along with other suppliers.

In this way, we promote the procurement of local goods and services. Furthermore, we help local suppliers to develop and compete in other markets.

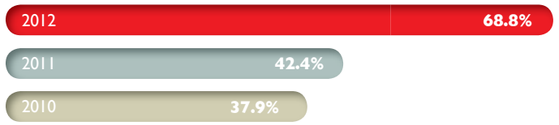
*Trends in purchases and contracts in Spain**

Millions of euros

Total Purchases



Percent of purchases in Spain out of total purchases



* Excluding purchases of crude oil or raw materials.

In recognition of the work performed, in 2012 CEPSA received certification under the European Value Added Purchasing Management Standard (UNE-CWA 15896-1).

CEPSA and its Environment

Society
Health and Safety
Environment
Greenhouse Gases

Society

Building a framework of trust, proximity and transparency is essential for establishing quality relationships with all those people and communities with whom CEPSA has contact through its activities.

The link with our social environment is an essential aspect for CEPSA, because we understand it as a guarantee of providing long-term value. This is why the Company has specific policies and procedures that identify, prevent or minimise possible impacts on the social environment.

Furthermore, CEPSA takes stakeholders' opinions into consideration to maximise the positive impacts of the activities it performs and to minimise any potentially negative effects. In this regard, dialogue and collaboration with the community are deemed to be essential elements for managing these actions and overseeing the Company's sustainability.

CEPSA's strategy has two aspects concerning its relations with society: on the one hand, the management of relationships with neighbouring communities and the promotion of sustainable development; and on the other, support for social initiatives.

Investment in Corporate Responsibility Initiatives	2012
Miles de euros	
Society	2,088
Cultural	1,013
Environmental	436
Sports	585
Social Orientation Services	331
Total	**4,453**

The link with our social environment is an essential aspect for CEPSA, because we understand it as a guarantee of providing long-term value.

COMMUNITY RELATIONS

CEPSA contributes towards the economic and social development of the communities in which it operates by creating and maintaining jobs and setting up activities to support the community that are in line with its business strategy.

We are convinced that understanding the community is key to the feasibility of our projects. This is why, from the outset, CEPSA places all the means at its disposal to create a relationship of trust that is beneficial for both parties.

CEPSA faces legal, social, economic and environmental challenges in the various countries in which it operates.

Therefore the Company must ensure it performs its activities responsibly, adapting them to the different circumstances and groups of people in light of the context as a means of promoting sustainable development.

Environmental and Social Impact Studies are fundamental parts of this process. In the sphere of Exploration & Production, before a project begins, its stakeholders are identified and an initial diagnosis is made to reveal any sensitive areas of a social, legal and environmental nature. Likewise, the needs of the communities close to the sites are identified and assessed, and steps are taken to ensure that all groups participate in the informed consent procedures.

With regard to industrial activity, CEPSA's facilities are close to urban hubs and therefore the Company has close relations with its neighbours and has established the pertinent channels of communication, which include:

- Participation in community meetings that deal with issues relating to industrial and job safety, environmental protection, Corporate Responsibility and the communities.
- Open days to allow the community to visit our production centres.
- Public consultations for the approval of specific projects.

Society

SOCIAL ACTION

We believe that social action activities must deal with those problem areas identified in the countries in which we operate and must simultaneously be aligned with the Company's strategy.

CEPSA upholds an ongoing dialogue with the communities to identify needs of a social nature, and tries to satisfy these through patronage, volunteer work, awards and support for social projects via four specific lines:

- Fostering community development
- Raising environmental awareness
- Promoting culture and education
- Promoting locally-based sports

Community Development

This line of action is aimed at projects that focus on the groups most in need and it seeks primarily to improve the standards of living in the communities in which we operate. In performing these actions, CEPSA collaborates with specialist independent organisations that promote health, education and development.

In 2012, these initiatives included:

- Collaboration to improve the soil and grazing land of Puerto Gaitán (Colombia), to achieve a self-sustainable production system. Families were provided with seeds for different kinds of fodder, in order to grow their own cattle feed.
- Roll-out of the "Taking Care of Caregivers" project in Huelva, through which we trained 75 caregivers for care-dependent persons regarding applicable regulations, the use of resources, applying for social security benefits and the skills and abilities required for their care.
- Collaboration with the Spanish Food Bank.
- Development of a road safety programme for children and adolescents in schools in Andalusia, to raise their awareness about safety.
- Humanitarian aid for victims of the disaster at Puerto Carreño (Colombia) in October 2012, which involves providing material to rebuild houses, as well as personal hygiene and toiletry products.

This year, the CEPSA "Social Value" Awards were held once again, with the aim of recognizing and supporting the best social projects carried out by various associations, NGOs and institutions in the tertiary sector.

At CEPSA, we are proud of this initiative that seeks to promote charitable values amongst our workforce, many of whom participate directly as "social project sponsors". In 2012, a total of 380 projects were submitted, which were sponsored by over 1,400 CEPSA Group employees.

Raising Environmental Awareness

CEPSA supports schemes that promote the preservation and refurbishment of natural heritage, respect for the environment and the creation of new and more sustainable models of operation.

- We collaborate with the 'Aula del Mar' (Sea Classroom) at Loro Parque (Parrot Park) in Tenerife, a multimedia room that provides education and environmental awareness for school-age children.
- We supported the opening of the Moguer Environmental Centre (Huelva), by setting up an interpretation room where visitors are informed about the municipality's rich natural areas and the varied biodiversity.
- At our facilities in Brazil we held the 10th Workshop on Health and the Environment to raise employees' awareness of the importance of conserving the environment and looking after their own health.
- We implemented an Environmental Education and Leadership Programme in El Guineo (Colombia), to raise the community's awareness about respecting and caring for natural resources and managing the water in the area.

Promotion of Culture and Education

Educational and cultural activities remain one of CEPSA's key lines of activity within the framework of its commitment to society. We are committed to promoting and preserving local customs, culture and historical heritage. We also promote training through collaboration in cultural and scientific activities. Some of the activities performed in 2012 are listed below:

- Supporting maintenance work at the Carteia sites in Campo de Gibraltar, and constructing the new Carteia Museum in San Roque (Cádiz) in January.
- Musical patronage of the Matosinhos Jazz Festival and the Youth Symphony Orchestra in Portugal, the Canary Islands Music Festival and sponsorship of the 'Trois-Rivières Symphony Orchestra' in Canada.
- Participation at the EXPRESARTE Festival in Santa Cruz de Tenerife, an urban contest that combines leisure with art in different artistic disciplines.
- Sponsorship of the 'SILA' International Book Fair, in Algeria.
- Collaboration with the Ministry of Culture of the Regional Government of Andalusia in restoring five works of art at the Huelva Museum to promote the city's Cultural Heritage.

Promotion of Sport

CEPSA understands that sport is a means of integrating children into society and promoting values such as teamwork, solidarity and fair play. In this respect, the Company supports activities aimed at promoting sport, fundamentally through local sports clubs and sports schools in its catchment area.

At CEPSA we support local sport through collaborative agreements with schools for different sporting disciplines (basketball, sailing, football, volleyball, fencing, swimming, hockey and others), and we also support the building of sports facilities in native communities.

CLOSE UP

'COMPUTER CLASSROOMS' PROJECT IN PERU

In 2012, CEPSA set up a new project in Peru called 'Computer Classrooms', which involves setting up computer rooms in native communities that work using the sun's energy. As well as installing the electricity system and providing PCs and printers, some basic training has been given to these communities on information technologies and solar energy.

The aim of the project is to bring technology to these populations, thereby helping them to improve the educational service provided by the local authorities.

This project is of major interest to these communities because they are difficult to access, isolated from urban hubs and have a low population density, making them unattractive for major electric power investments.

Health and Safety

Safety is one of CEPSA's priority spheres of action, and the Company considers it to be an all-encompassing policy that covers people, operations and products.

The Company's commitment to the safety of people and installations in everyday operations, risk analysis and change management, and the participation of all employees in prevention is reflected in its Health and Occupational Safety Policies and developed in the Basic Occupational and Industrial Risk Prevention Regulations.

Safety is a Company priority and is fully integrated in all its business units. We set high standards for the safety and protection of personnel, plants and the communities where we operate. This culture can be seen at plants that are increasingly safer, with highly qualified personnel trained in health and safety practices and business management that is responsible and consistent with the realities of the local territories.

To raise awareness about safety throughout the organisation and to involve all of the Company's agents, we have designed a top-down programme called 'Visible Leadership and Zero Tolerance of Unsafe Acts', targeted at Group managers so that they actively participate in implementing the culture of safety at company sites.

The programme includes the following activities:

- Active participation in the investigation of accidents, causes, definition and implementation of corrective measures.
- Carrying out Preventive Safety Observations (PSO): In 2012, more than 12,000 preventive observations were carried out to identify the appropriate conduct of individuals in issues of safety, correcting inappropriate conduct and promoting a collective awareness of prevention.
- Checking the effectiveness of safety communication down to the operator level.
- Involvement in the issuing and/or withdrawal of field work permits.
- Publication of incident reports, ensuring that major incidents come to light.
- Regular safety meetings.

In 2012, 4,245 employees received 62,958 hours of training in occupational risk prevention.

OCCUPATIONAL RISK PREVENTION

CEPSA has a firm commitment to the health and safety of its employees, maintaining the rate of accidents below the set target. In 2012 this was 2.45%, 2% below the target.

As laid down in the Occupational Health and Safety Policy, one of the Company's objectives is to make sure there are appropriate resources and training to allow employees to perform their duties with the appropriate levels of safety. Elsewhere, collective bargaining agreements include some of the practices of companies belonging to the CEPSA Group around this matter.

The Company places particular emphasis on training as a means of improving the health and safety of workers. An example of this is the number of training hours aimed at controlling the risks at factories; what to do in emergencies, and zero tolerance of unsafe acts. In 2012, 4,245 employees received 62,958 hours of training in occupational risk prevention.

In 2012, we also created workgroups that cut across all of the industrial centres, to define training modules and actions concerning safety and occupational risk prevention.

Health and Safety

OPERATIONAL SAFETY

CEPSA recognises the possible impacts on health and safety for those who carry out productive processes or who live close to the Company's sites. We have therefore taken the necessary measures to prevent or mitigate the identified impacts.

As a result of consolidating a culture of safety with activities such as workplace safety observation, the accident rate of workers decreased in 2012 by 15 percent and the absenteeism rate fell by more than 35%.

We can see a positive trend in the declining accident frequency rate in all business units compared to the previous year. First of all, excellent progress has been made in the area of Exploration & Production, with a 55% decrease. In the Refining & Marketing area, the decrease in the accident frequency rate was 13%, while in Petrochemicals it was 24%.

Accident and Absenteeism[1] Rate of Company Employees	2012	2011	2010
Number of lost workday accidents [2]	56	66	81
Frequency rate of lost workday accidents [3]	2.64	3.07	3.76
Accident seriousness indicator [4]	0.09	0.09	0.14
Rates of absenteeism due to common illness (%) [5]	1.55	2.50	3.10
Rate of overall absenteeism (%) [6]	2.53	3.92	4.80

1. Absenteeism data refer to companies based in Spain.
2. An accident that causes temporary disability, permanent disability or death.
3. Number of lost workday accidents per million hours worked (Company staff).
4. Number of calendar days lost due to accidents per thousand hours worked.
5. Number of hours absent due to common illness in the theoretical annual working hours.
6. Number of hours absent due to any reason in the theoretical annual working hours.

Accident Frequency Rate	2012	2011	2010
Company staff and contractors	2.45	2.80	4.10

Accident Frequency Rate (Employees) by Business Area	2012	2011	2010
Exploration & Production	0.55	1.18	1.30
Refining & Marketing	2.97	3.41	2.88
Petrochemicals	1.37	1.80	5.09

PRODUCT SAFETY: PRODUCT STEWARDSHIP AND REACH

The CEPSA Group is committed to **Product Stewardship**, in other words the responsible and ethical management of a chemical product with regard to safety, health protection, environmental aspects and economic and technical aspects which overall enable us to guarantee quality to customers. Based on the information provided by CEPSA, the customer is responsible for understanding the risks involved in the products sold in order to ensure they are handled properly. The Product Safety Data Sheet is required by law for products classified as hazardous. CEPSA voluntarily extends this practice to virtually all of its products.

In compliance with the European regulatory framework governing chemical substances and preparations (**REACH**), a single comprehensive system that regulates the registration, evaluation and authorisation of chemical substances and preparations and their free circulation in the European internal market, CEPSA has registered the substances manufactured, imported or marketed in quantities in excess of one ton, to evaluate their risks and determine the possible impact on people's health and the environment.

The CEPSA Group had a total of 135 products registered in 2012.

CLASSIFICATION AND LABELLING OF PRODUCTS

Regulation 1272/2008 governing Classification, Labelling and Packaging (CLP) establishes the framework for classifying, labelling and packaging chemical products. This is based on the UN Globally Harmonized System (GHS), which aims to standardise information on the hazardous nature of chemical substances worldwide, encouraging the internationalisation of our products.

This regulation currently applies to substances, and will also apply to blends from 2015 onwards. Consequently, CEPSA has classified and is labelling in accordance with the CLP Regulation on the Safety Data Sheet and labels: classes and categories of hazard, words of warning, specifications of hazards and precautions.

CLOSE UP

PRODUCT LIFE-CYCLE ASSESSMENT (LCA)

Noteworthy is a project that CEPSA Química began in 2012, in partnership with an external adviser, through which it will perform the Life-Cycle Assessment (LCA) of two of its products: LAB (linear alkylbenzene) and LAS (linear alkylbenzene sulfonate). The knowledge acquired while performing this project will allow CEPSA to use the LCA in other products, anticipating potential requests from customers and in line with EU policies governing this issue.

The Life-Cycle Assessment (LCA) is a technique that assesses the environmental impact of a product in its various life-cycle stages, from the raw materials, manufacture, distribution and use through to waste management or subsequent recycling for reuse as a raw material. The LCA enables us to set up plans for improvement that reduce these impacts and enhance efficiency at the sites, and to develop products that have a lower environmental impact.

Environment

We believe that one of our focal points of action is to minimise environmental impacts that arise as a consequence of the Company's activities. To this end, our environmental management strategy focuses on environmental protection and the responsible management of resources.

ENVIRONMENTAL POLICY AND MANAGEMENT

CEPSA considers the control of risks and minimisation of the environmental impacts of its activities to be one of its principal lines of action.

The Company therefore has a Basic Environmental Regulation and an Environmental Management System with General Environmental Procedures, applicable to all of CEPSA's Business Units and Production Centres. These regulations and procedures establish the criteria and actions for compliance with the Company's regulations and guidelines on this matter.

To this end, CEPSA allocates the human and financial resources necessary to comply with the commitments to ongoing improvements, to prevent pollution and to comply with legal requirements, as set forth in the Group's environmental standards.

To monitor compliance with the standards and to identify areas for improvement, the Company schedules and carries out internal and external audits.

CLOSE UP

*TO PREVENT, MINIMISE AND REMEDY ENVIRONMENTAL IMPACTS**

Atmosphere: We use the best techniques available to obtain optimum energy efficiency in operational processes, which also translates into reduced fuel consumption in industrial processes, or their replacement with other less pollutant fuels, and the reduction of atmospheric emissions.

Dumping in waterways: We have industrial effluent treatment plants on our premises that rigorously control the waste dumped into the water environment, significantly minimising the impacts on the receiving environment.

Soil/Groundwater: Our facilities have piezometric control networks which enable us to check, at all times, the state of the soil and groundwater, and to act swiftly if pollution is detected due to a possible incident.

Waste: We apply a preventive policy in the production of waste by promoting its minimisation, reuse, recycling and recovery for the purposes of protecting the environment and for the health of individuals.

Marine pollution: Compliance with the Internal Contingency Plans for cases of Accidental Marine Pollution and the internal procedures for preventing pollution. Implementation of actions to improve the operational effectiveness of the Terminals, Maritime Facilities and Bunker operations. The search for new technologies that can be applied in the areas of early detection and in the fight against marine pollution.

In 2012, CEPSA continued with its policy of environmental investment and expenditure, fundamentally aimed at reducing emissions in refining and petrochemical activities and water treatment. Environmental expenditure was 83.89 million euros, up 15.4% year-on-year, and environmental investment was 19.24 million euros, similar to the figure for 2011.

Environmental Investment and Cost	2012	2011	2010
Millions of euros			
Environmental investment	19.24	20.60	66.08
Environmental expenses	83.89	72.71	70.70

Investments by Business Area	2012		2011		2010	
Millions of euros	*Amount*	*%*	*Amount*	*%*	*Amount*	*%*
E&P	2.11	10.97	3.46	16.81	0.13	0.20
Refining	12.56	65.30	10.44	50.77	57.86	87.55
Sales & Marketing	4.08	21.21	5.94	28.86	6.99	10.58
Petrochemicals	0.48	2.52	0.73	3.56	1.10	1.67
Total	**19.23**	**100**	**20.57**	**100**	**66.08**	**100**

The major environmental investments made in 2012 (water, atmosphere, waste, soil and groundwater) included the following:

- Replacement of three turbines in the cogeneration units, designed in accordance with the best available techniques and with energy efficiency criteria.
- In Petrochemicals, improvements to efficiency and heat recovery, mainly at the plants in Brazil and Montreal.
- In motor fuels, improved diesel A additives (vehicles) to reduce NOx emissions.
- In Refining, improvements in energy efficiency and in CO_2 emissions and the production of biofuels using vegetable oils.

N.B. In cases where it does not apply no E&P data are shown.

Environment

KEY ENVIRONMENTAL INDICATORS BY AREA OF ACTIVITY

Consumption of Raw Materials and Energy

In 2012, CEPSA used a total of 28.95 million tons of raw material, of which 24.80 million was crude oil processed at the refineries, and the rest (4.15 million) were raw materials used in Petrochemicals. The direct energy consumed reached 104.9 million gigajoules, 0.7% less than in 2011. Likewise, 8.3 gigajoules of indirect energy were consumed, which represents virtually the same amount as the previous year.

In absolute terms, the energy efficiency ratio is more significant than consumption. This indicator makes it possible to compare energy consumption trends to the volume of activity in the units. For Refining, the amount of crude oil treated is used as a reference, while for Petrochemicals plant production is used. In the Refining area, the energy efficiency ratio remained stable compared to 2011 and 2010. The efficiency ratio of the Petrochemicals area has improved 22.5% since 2009.

Atmospheric Emissions

The emissions of nitrogen oxide (NOx) and sulphur dioxide (SO_2) into the atmosphere continue to fall in Refining and Petrochemicals, as a consequence of our efforts and investments made.

Consumption of Raw Materials	2012	2011	2010
Thousands of tons			
Refining	24,801	22,770	21,865
Petrochemicals	4,149	3,995	3,731
Total	**28,950**	**26,765**	**25,596**

Direct and Indirect Energy Consumption	2012	2011	2010
Thousands of gigajoules			
Fuel gas and fuel oil	49,518	47,336	51,360
Natural gas	46,528	47,205	44,390
Coke, kerosene, diesel oil	8,844	11,129	9,919
Direct energy	**104,890**	**105,670**	**105,669**
Electricity	8,355	8,281	7,864
Indirect energy	**8,355**	**8,281**	**7,864**
Total energy consumed	**113,245**	**113,951**	**113,533**

Energy Efficiency	2012	2011	2010
Refining (gigajoule/ton treated)	2.99	3.08	3.08
Petrochemicals (gigajoule/ton produced)	4.44	4.69	5.29

SO_2 Emissions	2012	2011	2010
Refining (kg/ton treated)	0.43	0.48	0.50
Petrochemicals (kg/ton produced)	0.01	0.03	0.02

NOx Emissions	2012	2011	2010
Refining (kg/ton treated)	0.22	0.23	0.25
Petrochemicals (kg/ton produced)	0.40	0.45	0.48

Volume of Water Consumed	2012			2011			2010		
Thousands of m³	*Total*	*Recycled*	*%*	*Total*	*Recycled*	*%*	*Total*	*Recycled*	*%*
Exploration & Production	11,768	0	0	14,597	0	0	11,541	96	0.83
Refining	13,633	423	3.10	14,832	477	3.22	15,045	1,849	12.29
Petrochemicals	1,584	0	0	10,564	10	0.09	10,069	15	0.15
Sales & Marketing	9,908	11	0.11	1,596	0	0	1,753	0.4	0.02
N.G.S. and Research Centre	778	0	0	892	0	0	1,003	0	0
Total	**37,671**	**434**	**1.15**	**42,481**	**487**	**1.15**	**39,411**	**1,960.4**	**4.97**

Water Management

Given the importance water has in CEPSA's business, in both exploration and production operations as well as at the refining and petrochemical facilities, the efficient use of water is a key component of our environmental protection policies and contribution towards sustainable development.

The recycled water is obtained from the treatment applied to effluent from the water treatment plants. In 2012, we reduced the dumping of waters from the treatment plants and therefore reduced the production of recycled water.

CEPSA monitors the volume and quality of the controlled discharge as a consequence of the production processes. Liquid effluent treatment plants guarantee that the waste produced complies with the regulations applicable to the associated environmental permits.

Volume of Waste	2012	2011	2010
Thousands of m³			
Exploration & Production	76	102	92
Refining	8525	8816	9769
Sales & Marketing	1769	1762	1679
Petrochemicals	5808	6273	5832
N.G.S. and Research Centre	136	195	170
Total	**16,314**	**17,148**	**17,542**

Environmental Control Parameters in Refining and Petrochemicals	2012	2011	2010
Tons			
Refining			
Total organic carbon (TOC)	257	251	315
Suspended solids	293	331	380
Oils and grease	50	50	65
Petrochemicals			
Total organic carbon (TOC)	1,227	1,123	1,179
Suspended solids	599	666	644
Oils and grease	4	8	8

Environment

Waste Management

Depending on its characteristics, the waste is separated at the time it is generated, so it can be sent to an authorised manager for recycling, recovery, inertisation or deposit.

Spain is a signatory to the international MARPOL Agreement for the prevention of marine pollution. As such, the maritime installations of the refineries and logistics terminals that supply CEPSA vessels have treatment plants for vessel waste and the corresponding management authorisations. In 2012, a total of 76,145 tons of MARPOL waste was treated.

The amount of hazardous waste compared to previous years increased in the Petrochemicals unit, mainly at the Guadarranque and Puente Mayorga plants, due in the first case to the cleaning of the wastewater pre-treatment pools and a general scheduled shutdown for maintenance. And in the second case, it was due to partial shutdowns of several units to carry out maintenance and repair operations, which increased the amount of some types of waste because of the shutdowns and start-ups of the productive process.

Waste Generated	2012	2011	2010
Thousands of tons			
Hazardous waste	28.22	25.85	23.83
Non-hazardous waste*	40.95	50.98	24.30
Total	**69.17**	**76.84**	**48.14**

* In 2011, non-hazardous building/demolition waste from some sites was included for the first time, not having been included in previous years.

Hazardous Waste by Volume of Activity	2012	2011	2010
Refining (kg/ton of crude oil treated)	0.49	0.53	0.57
Petrochemicals (kg/ton produced)	3.18	2.91	2.67

CLOSE UP

As part of the marine pollution prevention programme, CEPSA has commenced two projects of interest:

- The 'Athenea' project, to analyse environmental risks at maritime facilities, real-time detection of dumping, forecasted trends and implementation of operations under safe conditions.
- Development of an Autonomous Underwater Vehicle to detect spillage in underwater lines.

Both projects have been subsidised by the sub-programme INNPACTO of Spain's Ministry of Economy and Competitiveness.

Prevention of Spillages and Pollution

CEPSA has a series of regulations and procedures for preventing and managing accidental spillages in all its activities, paying special attention to marine pollution and soil clean-up.

BIODIVERSITY PROTECTION CASES

Biodiversity

CEPSA recognises the importance of protecting the biodiversity of individuals, species and their different environments, as the foundation for preserving the natural balance required for life.

The Company's Regulation for Biodiversity Conservation defines the Group's policy and criteria for acting in relation to the protection of nature, both in terms of its productive processes and in product design and site location.

Furthermore, CEPSA has training programmes aimed at raising staff awareness on this matter and it runs a programme of initiatives whose main purpose is to reduce the impact on biodiversity and study the ecosystems and species in its catchment area.

The major projects and activities to protect biodiversity and provide environmental education carried out in 2012 included the following:

Protection of Bats in the Canary Islands

CEPSA has collaborated with the Global Nature Foundation in an informative campaign on bats that live on the Canary Islands.

The programme involves placing special nesting boxes for bats in the reforestation areas in different municipalities on the island of Tenerife, as bats are superb bio-indicators of the status of ecosystems, and excellent natural regulators of insect plagues.

The initiative has involved the direct training of 350 students, and an awareness-raising campaign about the importance of conserving the Canary Island bats for 1,500 secondary school students on the island of Tenerife.

Conservation of *Posidonia Oceanica* Seagrass on the Andalusian Coast

Under the initiative of the Regional Government of Andalusia, with funding from the European Commission through LIFE funds, and with CEPSA as the co-financing partner, the 'Conservation of *Posidonia Oceanica* Seagrass on the Andalusian Coastline' project began in 2011. The project featured participation from the World Union for Conservation of Nature (WUCN), the Organisation for the Conservation, Information and Study on Cetaceans (CIRCE), the Ministry of Agriculture, Fisheries and the Environment of the Regional Government of Andalusia, organisations of ship-owners and associations of trawlermen.

The relevance of the project, which will extend until 2014, lies in the fact that to date there are no known techniques for restoring this type of seagrass, and prevention is therefore the only conservation tool. The idea therefore is to prevent or attenuate major threats, laying down a long-term strategy of protection and involving related sectors and the general public.

Abundance and Distribution of Apex Predators in the Gulf of Cádiz

CEPSA has funded the '*Abundance and Distribution of Top Predators in the Gulf of Cádiz*' project, which is being conducted by the Biological Station of Doñana, with the collaboration of the Organisation for the Conservation, Information and Study on Cetaceans (CIRCE).

The purpose of the project is to determine, in the maritime area of Doñana and surrounding areas, the abundance of marine birds and cetaceans, their space-time distribution and the use they make of the habitat. This has involved the study of biotic factors (living organisms), abiotic factors (light, temperature, underwater relief, etc.) and all those socioeconomic activities that could have some kind of impact on the apex predators.

Greenhouse Gases

The Company's Greenhouse Gas emissions in Spain are subject to the European Greenhouse Gas Trading Regime, and therefore CEPSA performs ongoing monitoring of the energy efficiency of its processes and has accurate information on the CO_2 emissions associated to such processes.

CARBON STRATEGY

CEPSA's objective is the continued reduction of greenhouse gas emissions through technological innovation and improved efficiency in the facilities and operational processes.

CEPSA supervises compliance with the Kyoto Protocol guidelines and makes sure that the emission control actions implemented at each site comply with current European legislation governing the control of emissions. The Company also monitors its corrective actions and actions to reduce emissions.

The Company's performance in the area of GHG emissions have focused upon the following points:

- Continued reduction of GHG emissions through energy-saving control measures and process optimisation.
- Participation in carbon capture and storage products, in carbon sink projects (reforestation, algae cultivation) and in CO_2 transformation projects.
- Participation in initiatives such as Clean Development Mechanisms (CDM) and joint implementation, through the Spanish Carbon Fund, and in the emissions allowance market.
- Collaboration, along with the other participating companies, in the process for closing the Spanish Carbon Fund (FEC) portfolio.

PROCESS AND PRODUCT IMPROVEMENT

CEPSA has an ongoing action plan in place for the purpose of optimising its processes, looking for savings in energy efficiency as the key elements for minimising GHG.

The development and launch of projects associated with this plan have been carried out in a scaled fashion in recent years, first tackling those which represent high energy recovery, and continuing with those that have a lesser impact.

Investment in Energy Saving and CO_2 Emission Reduction Projects	2012	2011	2010
Thousands of euros			
Refining	11,820	22,565	9,741
Petrochemicals	242	998	114
Cogeneration	15,175	16,178	43,347
Total	**27,237**	**39,741**	**53,202**

DIRECT GHG EMISSIONS

GHG emissions have been calculated taking into consideration the fuel consumption data, the emission factors for each GHG, the procedures recommended by CONCAWE and the criteria defining the scope of the inventory. The inventory includes the CEPSA facilities that are included in the EU Emissions Trading System and those located outside Spain. We should mention that the facilities of CEPSA Química in Canada are beginning to set up the corresponding measures so that by 2013 they satisfy the Regional Quebec Emissions Trading Scheme.

In 2012, the Group's emissions fell by 2.7% compared to the previous year. This reduction of net emissions is reflected in the decrease of the emission intensity ratio in Refining and in Exploration and Production.

Our activity outside Spain has seen a reduction of 35.7%, since the Caracara field in Colombia was connected to the electricity grid, which has meant we no longer need the diesel generators.

With regard to compliance with Stage II of the Emission Allowance Scheme, CEPSA calculated a level of emissions within the authorised limits in 2012, the same as in 2011, and recorded a surplus of allowances at the end of this Stage II which will be valid for the next 2013-2020 period.

Direct GHG Emissions	2012		2011		2010 revised	
Thousands of tons	CO_2eq	variation	CO_2eq	Variation	CO_2eq	Variation
Spain [1]	5,690	1.0%	5,633	4.3%	5,402	3.2%
Outside Spain	393	-35.7%	611	12.9%	541	-1.3%
Total	**6,082**	**-2.7%**	**6,244**	**5.1%**	**5,943**	**2.7%**

[1] Installations included in the National Allocation Plan for Emission Allowances and emissions which are not included from process furnaces and flares.

Emissions by Business Unit	2012		2011		2010	
Thousands of tons	CO_2	CO_2eq	CO_2	CO_2eq	CO_2	CO_2eq
Exploration & Production	227	243	461	470	376	393
Refining	3,335	3,348	3,311	3,336	3,203	3,215
Petrochemicals	663	665	637	640	670	672
Gas & Power [1]						
Cogeneration	1,297	1,303	1,215	1,223	914	918
Mixed Combined Cycle	520	523	569	574	739	745
Total	**6,042**	**6,082**	**6,193**	**6,243**	**5,902**	**5,943**
ASESA[2]	41	41	42	43	35	35

[1] Figures based on our shareholding.
[2] ASESA, in which CEPSA has a 50% shareholding, is included in the table without being considered in the overall calculation for the Group, since it had not been considered in previous years and the decision was made not to change all figures from previous years in order to avoid confusion in this regard.

In 2012, the Group's emissions fell by 2.7% compared to the previous year.

Other Information

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Auditors' Report and Consolidated Financial Statements

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

AUDIT REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS

To the Sole Shareholder of COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U.:

We have audited the consolidated financial statements of COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U. (the Parent Company) and its subsidiaries (the CEPSA Group), which comprise the consolidated statement of financial position at December 31, 2012, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated cash flow statement, and the notes thereto for the year then ended. As indicated in Note 2 to the accompanying consolidated financial statements, the directors are responsible for the preparation of the Group's financial statements in accordance with International Financial Reporting Standards (IFRS), as adopted by the European Union, and other provisions in the regulatory framework applicable to the CEPSA Group. Our responsibility is to express an opinion on the aforementioned consolidated financial statements taken as a whole, based upon work performed in accordance with prevailing audit regulations in Spain, which require the examination, through the performance of selective tests, of the evidence supporting the consolidated financial statements, and the evaluation of whether their presentation, the accounting principles and criteria applied and the estimates made are in agreement with the applicable regulatory framework for financial information.

In our opinion, the accompanying 2012 consolidated financial statements give a true and fair view, in all material respects, of the consolidated equity and consolidated financial position of COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U. and subsidiaries at December 31, 2012, and the consolidated results of operations and consolidated cash flow for the year then ended, in conformity with IFRS, as adopted by the European Union, and other applicable provisions in the regulatory framework for financial information.

The accompanying 2012 consolidated management report contains such explanations as the directors of COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U. consider appropriate concerning the situation of the CEPSA Group, the evolution of its business and other matters; however, it is not an integral part of the consolidated financial statements. We have checked that the accounting information included in the aforementioned consolidated management report agrees with the 2012 consolidated financial statements. Our work as auditors is limited to verifying the consolidated management report in accordance with the scope mentioned in this paragraph, and does not include the review of information other than that obtained from the accounting records of COMPAÑÍA ESPAÑOLA DE PETRÓLEOS, S.A.U. and its subsidiaries.

ERNST & YOUNG, S.L.

Basilio Gómez Salinas

March 20, 2013

Domicilio Social: Pl. Pablo Ruiz Picasso, 1. 28020 Madrid
Inscrita en el Registro Mercantil de Madrid al
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Hoja M-23123, Inscripción 116. C.I.F. B-78970506

Consolidated Statements of financial position

at December 31, 2012 and 2011.

Compañía Española de Petróleos, S.A.U and Subsidiaries (consolidated group)

Assets	2012	2011
Thousands of euros		
Non-current assets		
Intangible assets		
Intangible assets rights	848,134	724,123
Impairment losses and amortization charge	(308,310)	(279,216)
Total intangible assets	**539,824**	444,907
Goodwill in consolidation	**63,161**	62,382
Porperty plant and equipment		
Tangible assets and rights	11,228,665	10,875,723
Impairment losses and depreciation charge	(6,874,451)	(6,282,063)
Total property, plant and equipment	**4,354,214**	4,593,660
Investment accounted for using the equity method	**178,983**	232,924
Non-current financial assets	**355,001**	176,620
Deferred tax asset	**86,228**	70,009
Total non-current assets	**5,577,411**	**5,580,502**
Current assets		
Inventories	2,758,412	2,544,588
Trade and other receivables	2,840,492	2,723,476
Current Income tax assets	33,084	21,266
Other current financial assets	163,089	184,223
Other current assets	8,544	14,301
Cash and cash equivalents	1,758,333	1,304,683
Total current assets	**7,561,954**	**6,792,537**
Total assets	**13,139,365**	**12,373,039**

Shareholder's equity and liabilities	2012	2011
Thousands of euros		
Equity		
Shareholder's Equity		
Share capital	267,575	267,575
Share premium	338,728	338,728
Revaluation reserve	90,936	90,936
Retained earnings	5,060,844	4,742,225
Profit attributable to the Parent	575,797	639,709
Interim dividends paid	(160,545)	(160,545)
Total equity	**6,173,335**	**5,918,629**
Adjustment for changes in value		
Translation differences	88,730	129,388
Other adjustments for changes in value	(19,206)	(21,604)
Total adjustments for changer in value	**69,524**	**107,784**
Total equity attributable to shareholders of parent	**6,242,859**	**6,026,412**
Minority interest		
Equity attributed to minority interest	53,550	56,073
Profit attributed to minority interest	15,412	16,883
Total minority interests	**68,962**	**72,956**
Total equity	**6,311,821**	**6,099,368**
Non-current liabitlities		
Bank borrowings	2,430,597	1,940,924
Other financial liabilities	108,553	115,696
Deferred tax liabilities	346,519	333,710
Grants related to assets	83,418	74,460
Pensions and other similar obligations	10,896	10,893
Provisions	194,069	141,909
Other non-current liabilities	33,997	40,171
Total non-current liabilities	**3,208,049**	**2,657,763**
Current liabilities		
Bank borrowings	850,214	627,559
Other financial liabilities	19,865	18,817
Trade and other payables	2,651,620	2,896,524
Current income tax liabilities	77,529	50,914
Other current liabilities	20,267	22,094
Total current liabilities	**3,619,495**	**3,615,908**
Total equity and liabilities	**13,139,365**	**12,373,039**

Consolidated Statements of financial position

Statement of Income for the years 2012 and 2011.

Compañía Española de Petróleos, S.A.U and Subsidiaries (consolidated group)

Thousands of euros	2012	2011
Sales and service relating to ordinary sales	26,807,512	24,680,593
Excise tax on oil and gas charged on sales	2,002,648	2,210,038
Revenue	**28,810,160**	**26,890,631**
Changes in inventories of finished goods and work in progress	93,911	431,461
In-house work on non-current assets	52,763	57,849
Procurements	(22,502,906)	(20,893,948)
Other operating income	37,263	40,118
Staff costs	(596,198)	(571,600)
Changes in operating allowance	(51,360)	(9,085)
Other operating expenses:		
Excise tax on oil and gas	(2,001,733)	(2,211,268)
Other expenses	(1,984,860)	(1,920,903)
Amortization charge	(746,157)	(704,912)
Allocation to profit or loss of grants related to non-financial assets and other grants	40,497	112,590
Impairment and gains or losses on disposals of non-current assets	(60,751)	(52,939)
Profit from operations	**1,090,629**	**1,167,994**
Share in profit of companies accounted for using the equity method	(4,524)	24,098
Finance income	73,362	58,340
Finance cost	(93,295)	(61,267)
Impairment and gains or losses on disposals of financial instruments	2,119	519
Consolidated profit before tax	**1,068,291**	**1,189,684**
Income tax	(477,082)	(533,092)
Consolidated profit for the period from continuing operations	**591,209**	**656,592**
Consolidated profit for the period	**591,209**	**656,592**
Attributable to:		
Shareholders of the parent	575,797	639,709
Minority interest	15,412	16,883
Earning per share		
Basic	2.15	2.39
Diluted	2.15	2.39

Consolidated Cash flow Statements

for the year ended December 31, 2012 and 2011.

Compañía Española de Petróleos, S.A.U and Subsidiaries (consolidated group)

Thousands of euros	2012	2011
Cash flow from operating activities		
Net profit for the year	1,068,291	1,189,684
Depreciation and amortisation charge and impairment losses	805,219	759,859
Changes in provisions for contingencies and expenses	27,047	42,634
Grants related to assets and other deferred income	(40,501)	(119,300)
Impairment and gains or losses on disposals of financial instruments	(2,308)	5,303
Current provisions changes	50,984	9,085
Other changes	191	(23,526)
Cash flows from operating activities before change in operating working capital	**1,908,924**	**1,863,739**
Interest paid	(52,694)	(48,888)
Interest received	34,801	31,736
Dividends received	40,737	34,706
Income tax receipts (payments)	(458,724)	(489,909)
Other payment (receipts)	**(435,880)**	**(472,355)**
Change in operating working capital	**(618,140)**	**(272,674)**
Total cash flow from operating activities	**854,904**	**1,118,709**
Cash flows from investing activities		
Payments		
Intangible assets	(27,327)	(225,264)
Property, plant and equipment	(520,605)	(448,189)
Financial assets		
Associates and other investments	(2,298)	(12,207)
Other financial assets	(81,832)	(35,683)
Acquisition of own equity instruments	(129,222)	(5,333)
Grants received	3,336	6,229
Total payments	**(757,948)**	**(720,447)**
Collections		
Intangible assets	2,104	698
Property, plant and equipment	37,432	15,426
Financial assets	9,880	5,394
Total collections	**49,416**	**21,518**
Total cash flows from financial debt	**(708,532)**	**(698,929)**
Cash flows from financing activities		
Dividends paids		
To shareholder of the Parent	(321,090)	(294,332)
To minority interests	(15,989)	(11,366)
Total dividends paid	**(337,079)**	**(305,698)**
Net change in non-current financial liabilities	1,060,713	327,739
Net change in current financial liabilities	(338,250)	46,976
Net changes in financial investments with returns	(125,000)	-
Financial lease	(2,948)	(5,230)
Total cash flows from bank borrowings	**594,515**	**369,485**
Total cash flows from financing activities	**257,436**	**63,786**
Net increase in cash and cash equivalents	**455,968**	**483,568**
Effect on exchange rate changes	(2,318)	(2,681)
Cash and cash equivalent at beginning of year	**1,304,683**	**823,798**
Cash and cash equivalent at end of year	**1,758,333**	**1,304,685**
Detail of changes of operational working capital	—	—
Inventory	(227,129)	(563,579)
Trade and other receivables	(163,441)	(131,655)
Other current financial assets	43,318	25,868
Trade and other payables	(276,151)	389,616
Other changes	5,263	7,076
Total changes in operational working capital	**(618,140)**	**(272,674)**

Consolidated Statement of Comprehensive Income

for the years ended December 31, 2012 and 2011.

Compañía Española de Petróleos, S.A.U and Subsidiaries (consolidated group)

Thousands of euros	31/12/2012	31/12/2011
Consolidated profit for the period of the income statement	591,209	656,592
Income and expenses recognised directly in equity	(38,150)	(11,141)
Cash flow hedges	4,029	(15,045)
Net Investment hedge	6,546	
Transaction differences	(44,075)	(1,592)
Companies accounted for using the equity method	(1,477)	982
Tax effect	(3,173)	4,513
Transfers to profit or loss	(3,527)	488
Cash flow hedges	(2,682)	337
Companies accounted for using the equity method	(1,650)	252
Tax effect	805	(101)
Total recognisesd income / (expenses)	549,532	645,939
a) Attributable to the Parent	537,537	632,242
b) Attributable to minority interests	11,995	13,697

Consolidated Statements of Changes in Equity

for the years ended December 31, 2012 and 2011.

Compañía Española de Petróleos, S.A.U. and Subsidiaries (Consolidated Group)

Thousands of euros	Shared Capital	Share Premium	Revaluation Reserves	Retained Earnings	Translation differences	Interim Dividend	Reserve for Fair Value Accounting of Assets and Liabilities	Minority Interests	Total
Balance at 01/01/2011	267,575	338,728	90,936	4,996,421	127,794	(120,409)	(12,544)	70,625	5,759,126
Total recognised income and expense				639,709				16,883	656,592
Gains (losses) recognised directly in equity									
Cash Flow Hedges							(9,060)		(9,060)
- Translation differences				-	1,594			(3,186)	(1,592)
Total gains (losses) recognised directly in equity	-	-	-	-	1,594	-	(9,060)	(3,186)	(10,652)
Changes due to transactions with shareholders									
Proposed gross dividend				(254,196)		120,409		(11,366)	(145,153)
Interim dividend for the financial year						(160,545)		-	(160,545)
Total share holder transactions	-	-	-	(254,196)	-	(40,136)	-	(11,366)	(305,698)
Balance at 12/31/2011	267,575	338,728	90,936	5,381,934	129,388	(160,545)	(21,604)	72,956	6,099,368

Thousands of euros	Shared Capital	Share Premium	Revaluation Reserves	Retained Earnings	Translation differences	Interim Dividend	Reserve for Fair Value Accounting of Assets and Liabilities	Minority Interests	Total
Balance at 01/01/2012	267,575	338,728	90,936	5,381,934	129,388	(160,545)	(21,604)	72,956	6,099,368
Total recognised income and expense				575,797				15,412	591,209
Gains (losses) recognised directly in equity									
Cash Flow and net investments in foreing operations Hedges							2,398		2,398
Translation differences				-	(40,658)			(3,417)	(44,075)
Total gains (losses) recognised directly in equity	-	-	-	-	(40,658)	-	2,398	(3,417)	(41,677)
Changes due to transactions with shareholders									
Proposed gross dividend				(321,090)		160,545		(15,989)	(176,534)
Interim dividend for the financial year						(160,545)		-	(160,545)
Total share holder transactions	-	-	-	(321,090)	-	-	-	(15,989)	(337,079)
Balance at 12/31/2012	267,575	338,728	90,936	5,636,641	88,730	(160,545)	(19,206)	68,962	6,311,821

Financial Information

Statement of Income for the years ended December 31	2012	2011(a)	2011	2010	2009	2008
Sales of products and services	26,808	24,681	24,989	19,744	16,084	22,831
Excise tax on oil and gas charged to sales	2,003	2,210	2,210	2,340	2,281	2,285
Net sales	28,811	26,891	27,199	22,084	18,365	25,116
Adjusted gross operating income (*)						
Exploration & Production	872	789	789	635	472	581
Refining & Marketing	625	450	453	515	380	642
Petrochemicals	227	227	247	215	143	183
Gas & Power	53	43	49	43	63	87
Total adjusted gross operating income	**1,777**	**1,509**	**1,538**	**1,408**	**1,058**	**1,493**
Adjusted operating income (*)						
Exploration & Production	533	487	487	334	236	332
Refining & Marketing	265	121	121	180	113	394
Petrochemicals	161	176	185	145	62	88
Gas & Power	42	35	29	21	57	66
Total adjusted operating income	**1,001**	**819**	**822**	**680**	**468**	**880**
Inventory gains / (losses)	163	374	385	252	159	(350)
Other non-recurring items	(72)	(25)	(65)	43	(53)	(7)
Total operating income IFRS	**1,092**	**1,168**	**1,142**	**975**	**574**	**523**
Income before taxes IFRS	1,068	1,190	1,178	1,022	663	535
Corporate income taxes	(477)	(533)	(521)	(374)	(272)	(244)
Net income (before minority interests) IFRS	591	657	657	648	391	291
Minority interests	(15)	(17)	(17)	(14)	(16)	(16)
Net income IFRS	576	640	640	634	375	275
Net losses / (gains) from non-recurring items in the period	(21)	(215)	(215)	(216)	(110)	249
Adjustment to minority interests due to net losses / (gains) from non-recurring items in the period	-	-	-	-	5	-
Adjusted net income	555	425	425	418	270	524

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Tangible Fixed Assets, Intangible Assets and Long-Term Financial Investments in Associated Companies (Breakdown by Business Segments)	2012	2011(a)	2011	2010	2009	2008
Exploration & Production	429	429	429	156	214	742
Refining & Marketing	214	214	214	356	594	680
Petrochemicals	53	53	53	32	34	27
Technology, Gas & Cogeneration	38	38	38	69	101	125
Corporate Area	8	8	8	8	8	5
Total	**742**	**742**	**742**	**621**	**951**	**1,579**

Statements of Cash Flows for the years ended December 31	2012	2011(a)	2011	2010	2009	2008
Cash flows from operating activities						
Cash flows from operating activities (before changes in working capital)	1,473	1,392	1,421	1,482	428	1,365
Changes in operating working capital	(618)	(273)	(306)	(631)	647	(498)
Total cash flows from operating activities	**855**	**1,119**	**1,115**	**851**	**1,075**	**867**
Cash flows used in investing activities						
Capital expenditures	(761)	(727)	(732)	(720)	(985)	(1,357)
Capital grants received	3	6	6	3	7	1
Proceeds from asset sales	49	22	31	22	63	48
Investments due to changes in Group						
Total cash flows used in investing activities	**(709)**	**(699)**	**(695)**	**(695)**	**(915)**	**(1,308)**
Cash flows (used in)/from financing activities						
Changes in short or long term loans	595	369	362	319	213	1,048
Cash dividend paid	(337)	(306)	(306)	(239)	(292)	(309)
Total cash flows (used in)/from financing activities	**258**	**63**	**56**	**80**	**(79)**	**739**
Total net increase/(decrease) in cash and cash equivalents	**404**	**483**	**476**	**236**	**81**	**298**

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Financial Information

Balance Sheet (before profit distribution) at December 31	2012	2011(a)	2011	2010	2009	2008
Assets						
Fixed assets:	5,514	5,519	5,618	5,661	5,646	5,492
Intangible assets	540	445	456	270	247	261
Tangible fixed assets	4,354	4,594	4,828	5,069	5,112	4,864
Long-term financial investments	620	480	334	322	287	367
Goodwill in consolidation	63	62	62	66	61	53
Non-Current Assets	**5,577**	**5,581**	**5,680**	**5,727**	**5,707**	**5,545**
Current assets						
Inventories	2,758	2,545	2,605	2,016	1,449	1,337
Accounts receivable	2,874	2,745	2,829	2,777	2,318	2,095
Other short-term investments	163	184	126	102	266	184
Other current assets	9	14	16	13	9	9
Cash and cash equivalents	1,758	1,304	1,315	841	598	481
Current Assets	**7,562**	**6,792**	**6,891**	**5,749**	**4,640**	**4,106**
Non-current assets held for sale and from discontinued operations	-	-	-	-	-	-
Total Assets	**13,139**	**12,373**	**12,571**	**11,476**	**10,347**	**9,651**

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

	2012	2011(a)	2011	2010	2009	2008
Shareholders' Equity and Liabilities						
Equity attributable to shareholders of the parent company	6,243	6,026	6,026	5,688	5,288	5,139
Equity	6,173	5,919	5,919	5,573	5,168	5,060
Subscribed capital stock	268	268	268	268	268	268
Paid-in surplus	339	339	339	339	339	339
Revaluation reserve	91	91	91	91	91	91
Retained earnings	5,060	4,742	4,742	4,361	4,202	4,194
Income attributable to the parent company	576	640	640	634	375	275
Interim dividend paid in the year	(161)	(161)	(161)	(120)	(107)	(107)
Adjustments for changes in value	70	107	107	115	120	79
Translation differences	89	129	129	128	66	54
Other adjustments for changes in value	(19)	(22)	(22)	(13)	54	25
Minority interests	**69**	**73**	**73**	**71**	**65**	**66**
Total Shareholders' Equity	**6,312**	**6,099**	**6,099**	**5,759**	**5,353**	**5,205**
Non-current liabilities						
Payable to credit entities	2,431	1,941	1,958	1,667	1,110	917
Other interest-bearing loans	109	116	152	162	151	200
Capital grants	83	74	78	90	81	70
Provisions	205	153	156	156	130	165
Other non-current liabilities	380	374	376	357	261	378
Non-Current Liabilities	**3,208**	**2,658**	**2,720**	**2,432**	**1,733**	**1,730**
Current liabilities						
Payable to credit entities	850	628	637	538	741	738
Other interest-bearing loans	20	19	84	90	70	18
Other current liabilities	2,749	2,969	3,031	2,657	2,450	1,960
Current Liabilities	**3,619**	**3,616**	**3,752**	**3,285**	**3,261**	**2,716**
Total Shareholders' Equity and Liabilities	**13,139**	**12,373**	**12,571**	**11,476**	**10,347**	**9,651**

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Financial Information

Intangible and Tangible Fixed Assets at December 31	2012	2011(a)	2011	2010	2009	2008
Gross intangible assets:	848	724	741	528	481	513
Operating licenses, concessions, patents, etc.	105	78	83	75	74	70
EDP computer software	167	168	169	156	147	136
Other intangible assets	576	478	489	297	260	307
Amortization and impairment of intangible assets:	308	279	285	258	234	252
Operating licenses, concessions, patents, etc.	45	41	45	43	39	35
EDP computer software	133	134	135	125	116	107
Other intangible assets	130	104	105	90	79	110
Net intangible assets:	540	445	456	270	247	261
Operating licenses, concessions, patents, etc.	60	37	38	32	35	35
EDP computer software	34	34	34	31	31	29
Other intangible assets	446	374	384	207	181	197
Gross tangible fixed assets:	11,229	10,876	11,389	10,997	10,340	9,500
Land and structures	398	382	397	388	384	373
Technical installations and machinery	7,008	6,853	7,324	7,171	5,901	5,539
Investments in oil and gas assets with proven and unproven reserves	2,659	2,515	2,515	2,154	1,975	1,892
Other installations, tools and furniture	126	123	134	132	128	121
Advances and construction in progress	345	296	307	460	1,248	877
Other fixed assets	693	707	712	692	704	698
Depreciation and impairment of tangible fixed assets:	6,874	6,282	6,561	5,928	5,228	4,636
Land and structures	119	111	116	109	100	101
Technical installations and machinery	4,232	3,991	4,215	3,935	3,576	3,302
Investments in oil and gas producing assets	2,006	1,761	1,761	1,452	1,155	933
Other installations, tools and furniture	99	93	103	96	96	91
Other fixed assets	418	326	366	336	301	209
Net tangible fixed assets:	4,355	4,594	4,828	5,069	5,112	4,864
Land and structures	279	271	281	279	284	272
Technical installations and machinery	2,776	2,862	3,109	3,236	2,325	2,237
Investments in oil and gas producing assets	653	754	754	702	820	959
Other installations, tools and furniture	27	30	31	36	32	30
Other fixed assets	275	381	346	356	403	489
Advances and construction in progress	345	296	307	460	1,248	877

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Statement of Capital Employed (before profit distribution) at December 31	2012	2011(a)	2011	2010	2009	2008
Capital Employed						
1. Net fixed assets	5,577	5,518	5,640	5,658	5,671	5,472
2. Working capital	2,932	2,553	2,501	2,266	1,542	1,672
Net Assets	8,509	8,071	8,141	7,924	7,213	7,144
3. Long-term operating liabilities	(669)	(572)	(611)	(604)	(472)	(614)
Capital Employed	**7,840**	**7,499**	**7,530**	**7,320**	**6,741**	**6,530**
Capital Used						
4. Total Shareholders' equity	6,312	6,099	6,099	5,759	5,353	5,205
4.1. Shareholders' equity	6,243	6,026	6,026	5,688	5,288	5,139
4.2. Minority interests	69	73	73	71	65	66
5. Net debt	1,528	1,400	1,431	1,561	1,388	1,325
5.1. Long-term financing	2,540	2,057	2,110	1,829	1,261	1,117
5.1. Short-term financing	870	647	721	628	811	756
5.2. Short-term interest-bearing loans	(124)	-	(85)	(55)	(86)	(67)
5.3. Cash and cash equivalents	(1,758)	(1,304)	(1,315)	(841)	(598)	(481)
Capital Used	**7,840**	**7,499**	**7,530**	**7,320**	**6,741**	**6,530**

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Financial Information

Breakdown of Adjusted Capital Employed by Business Segments at December 31	2012	2011(a)	2011	2010	2009	2008
Adjusted Capital Employed						
Exploration & Production	711	883	883	833	949	1,052
Refining & Marketing	4,607	4,159	4,160	4,527	3,936	3,847
Petrochemicals	1,247	1,303	1,295	1,054	996	1,029
Gas & Power	349	337	378	362	492	345
Adjusted Capital Employed	6,914	6,682	6,716	6,776	6,373	6,273
Inventory gains / (losses) after taxes	926	817	814	544	368	257
Total Capital Employed	**7,840**	**7,499**	**7,530**	**7,320**	**6,741**	**6,530**

Structure of Statement of Capital Employed (before profit distribution) at December 31	2012	2011(a)	2011	2010	2009	2008
1. Net fixed assets	71.14%	74.90%	74.90%	77.30%	84.13%	83.80%
2. Working capital	37.40%	33.21%	33.21%	30.96%	22.87%	25.60%
3. Long-term operating liabilities	(8.53)%	(8.11)%	(8.11)%	(8.25)%	(7.00)%	(9.40)%
Capital employed	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%
4. Shareholders' equity	80.51%	81.00%	81.00%	103.66%	79.41%	96.81%
5. Net Debt	19.49%	19.00%	19.00%	(3.66)%	20.59%	3.19%

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Profitability and Equity Ratios at December 31	2012	2011(a)	2011	2010	2009	2008
Return on Average Capital Employed (ROACE)	8.6%	6.8%	6.8%	6.7%	4.6%	9.8%
Return on Average Equity (ROAE)	9.4%	10.9%	10.9%	11.6%	7.2%	5.3%
Ajusted Return on Average Equity (ROAE)	10.5%	8.2%	8.2%	8.3%	5.5%	10.9%
Net income attributable to the parent company / Average number of shares	2.2	2.4	2.4	2.4	1.4	1.0
Adjusted net income attributable to the parent company / Average number of shares	2.1	1.6	1.6	1.6	1.0	2.0
Net Income attributable to the parent company / Net sales revenues	2.1%	2.6%	2.6%	3.2%	2.3%	1.2%
Adjusted net income attributable to the parent company / Net sales revenues	2.1%	1.7%	1.7%	2.1%	1.7%	2.3%
Average financial debt / Cash flows from operating activities	1.7	1.3	1.3	1.7	1.3	1.0
Net interest-bearing debt (includes internal allowances) / Shareholders' equity (GEARING)	24.2%	23.0%	23.5%	27.1%	25.9%	25.5%

Operating Environment Indicators	2012	2011(a)	2011	2010	2009	2008
Brent crude ($/barrel)	111.60	111.27	111.27	79.47	61.51	96.99
Exchange rate ($ / €)	1.285	1.392	1.392	1.326	1.395	1.471

(a) Restated figures changing the consolidation method of Joint Venture companies. Until 2011 they had been consolidating by the Proportional Consolidation method and since 2012 they have consolidated by the Equity Method.

Glossary

Barrel: Measure of volume equivalent to 159 L.

Bcm: Billion cubic metres.

Biodiesel: Fuel which come from vegetable oils for use in diesel engines.

Catalyst: A subtance that increases the rate of a chemical reaction by reducing the activation energy, but which is left unchanged by the reaction.

Clean Development Mechanisms (CDM): Emission reduction projects in less developed countries within the framework of the Kyoto Protocol.

CO_2: Carbon dioxide.

Cogeneration: Energy generation system which simultaneously produces heat and electricity.

Combined cycle: Energy generation system which combines a gas turbine cycle with a steam turbine cycle to obtain a greater output with a lower environmental impact.

Commercial risk: A commercial risk is understood to be the value of a customer's debt, from the moment when a marketing department acquires a commitment to supply until the date on which the debt is paid off.

CONCAWE: European oil companies' organisation for the protection of the environment, health and safety.

Conversion: Post-distillation process in which the heaviest products, such as fuel and diesel oil, are transformed into lighter ones.

Cracking: This involves breaking up or splitting high molecular weight hydrocarbons (fuels such as diesel oil and fuel oil) into lower molecular weight compounds (naphthas).

Effluent: Liquid waste which is usually discharged as a result of the various processes at a productive plant.

Emission allowances: Permits or credits awarded to organisations which enable them to fulfil the objectives of the Kyoto Protocol and which can subsequently be sold in a regulated market.

Farm in: An arrangement whereby one oil operator buys in or acquires an interest in a lease or concession owned by another operator on which oil or gas has been discovered or is being produced.

Farm out: A form of agreement between oil operators whereby the owner of a lease who is not interested in drilling at the time agrees to assign the lease or a portion of it to another operator who wishes to drill the acreage.

Furnaces: Plant equipment that provides the heat required for manufacturing products.

Gearing: Financial analysis ratio of a company's level of long-term debt compared to its equity capital.

GJ: Gigajoule (1 billion joules). The joule is a unit of work, energy or amount of heat in the International System of Units, which is equivalent to the work done by a force of one Newton acting over a distance of one metre in the direction of the force.

Hydrocracker: Unit which makes it possible to transform heavy distillation fractions, which due to their characteristics would not be usable as fuels, into fractions of greater value (propane, butane, kerosene and diesel oil) through high-pressure catalytic processes in the presence of hydrogen.

Hydrogen Plant: High-purity hydrogen production units (greater than 99.9%). The hydrogen that is obtained is used in other refinery units to increase the production of diesel oils and to remove sulphur from diesel and petrol.

Hydroskimming: A refinery with a configuration that only includes distillation, reforming and some hydrotreatment.

ILO (International Labour Organisation): United Nations body that promotes social justice and internationally-recognised human and labour rights.

ISO 9001: Certifiable quality management regulation.

ISO: International Standards Organisation.

LAB: Linear alkylbenzene is the most common raw material in the production of biodegradable detergents.

LABSA: Is the most versatile surfactant and is widely used in all kinds of detergent formulations: powders, liquids, gels, agglomerates, bars, tablets.

mmHg: The millimetre of mercury is a unit of pressure also called a 'torr' in honour of its discoverer, Evangelista Torricelli. The atmospheric pressure that surrounds us is equivalent to 760 mmHg and, as such, any pressure that is lower than this implies working in a vacuum.

Mt: Metric ton.

MWh: Megawatt hour. Unit for measuring energy.

National Allocation Plan for emission allowances (NAP): Legislative Act which regulates the trading of greenhouse gas emission allowances (approved by the Spanish Government and which adapts European Directive 87/2003, concerning such trading, to our legal system). This is for the purpose of contributing towards the reduction of emissions which cause climate change, thus fulfilling the commitment taken on by Spain under the Kyoto Protocol.

NOx: Nitrogen oxide.

Occupational Hazard Prevention: A series of activities aimed at preventing accidents at work, which may be due to environmental conditions at the place of work, the physical nature of the work, job conditions or conditions resulting from the organisational system of the work. Each occupational hazard has a related preventive plan to prevent it or to lessen its seriousness.

Offshore: Away from the coast or out to sea. This label is given to different kinds of activities that are performed at high sea, such as, for example, the operation of oil rigs.

Onshore: Along the coastline, on land.

PET: Polyethylene terephthalate. A high-quality plastic used to produce fibres with textile applications and for the manufacturing of lightweight, transparent and totally recyclable containers.

PIA: Purified Isophthalic Acid for the manufacturing of polyesters.

Piezometric networks: These are used to find out the temporary evolutions of the water potentials.

Pool: Wholesale electricity market. In this market, governed by the operator OMEL, electricity is purchased and sold on a daily basis.

PSC: Production-Sharing Contract.

PTA: Purified Terephthalic Acid. Over 90% of PTA is used to manufacture PET fibre and film.

REACH: Registration, Evaluation and Authorisation of Chemicals. A single comprehensive system established by the European Union which regulates the registration, evaluation and authorisation of chemical substances and preparations and their free circulation in the European market.

Regulation UNE 150008 EX: Spanish regulation for the Assessment of the Environmental Risk at facilities where business activities are carried out, especially aimed at the industrial sector.

Regulation UNE-EN ISO: International regulation applied within Spain.

Responsible Care: An initiative that originated in Canada in 1985, to promote the worldwide chemical industry's commitment to sustainability, applied to all products

Risk analysis: Assessment of the probability of a risk occurring and studying its consequences on people, the environment and goods, to remove or manage it.

Safety data sheet: Document aimed at customers and workers which contains the special characteristics, properties and use of a specific substance.

Seismic: Method for establishing the detailed underground rock structure by means of the detection and measurement of the impact of reflected acoustic waves on the different rock strata. It is used to locate structures which potentially contain crude oil or gas before drilling. Processing such data enables the generation of 3D images of the underground structures.

SO_2: Sulphur dioxide.

Sulphur plant: Treatment plant which recovers this product so that it may be controlled and marketed.

Treatment: Group of plants whose purpose is to adapt the products to the required specifications. This is the case with the ETBE, Alkylation and Isomerisation plants, which make it possible to obtain high-quality unleaded petrol.

United Nations Global Compact: A UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation.

Waste recovery: The extraction of materials or energy from waste for further use or processing.

Working Interest Production: Total share of production, calculated before applying contractual terms, when Production-Sharing Contracts are involved.

Workover: Operations on a producing well to restore or increase production.

This report provides a comprehensive overview of CEPSA's business activities and those of the subsidiary companies over which CEPSA has management responsibility, its results for the 2012 fiscal year, corporate strategy and information regarding its contribution to development and social well-being. Additional information on the contents of this report is available on the Company's website: www.cepsa.com and in the Group's other corporate publications. For any clarification regarding this document, please contact the Communications and Institutional Relations Division at the Group's headquarters.

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CEPSA

CEPSA Group – Key locations and companies

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Head offices	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 337 62 25
"Tenerife" Refinery	Avda. Manuel Hermoso Rojas, 3 38005 Santa Cruz de Tenerife Tenerife (Islas Canarias)	922 60 26 00	922 21 88 03
"La Rábida" Refinery	Polígono Industrial Nuevo Puerto 21080 Palos de la Frontera (Huelva)	959 37 94 00	959 37 94 23
"Gibraltar-San Roque" Refinery	Puente Mayorga, s/n 11360 San Roque (Cádiz)	956 02 30 00	902 10 22 06

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ASFALTOS ESPAÑOLES, S.A. (ASESA)	Orense, 34 28020 Madrid	91 597 04 65	977 54 06 06
CEDIPSA, CÍA. ESPAÑOLA DISTRIBUIDORA DE PETRÓLEOS, S.A.	Avda. del Partenón, 12 28042 Madrid	91 301 87 32	91 368 26 16
CEPSA AVIACIÓN, S.A.	Camino de San Lázaro, s/n 38206 La Laguna (Tenerife)	922 31 44 64	922 25 09 40
CEPSA CARD, S.A.	Avda. del Partenón, 12 28042 Madrid	902 322 110	91 337 76 66
CEPSA CHIMIE BÉCANCOUR, INC	Parc Industrial et Portuaire de Bécancour 5250 Blvd. Bécancour. Bécancour (Quebec) G9H 3X3. Canadá	00 1 819 294 14 14	00 1 819 294 26 26
CEPSA CHIMIE MONTREAL, S.E.C	10200 Sherbrooke St. East Montreal PQ, H1B 1B4 – Canadá	00 1 614 645 78 87	00 1 514 645 91 15
CEPSA COLOMBIA, S.A.	C/ Ribera del Loira, 50 28042 Madrid	91 337 72 10	91 337 72 15
CEPSA COMERCIAL PETRÓLEO, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 337 75 58
CEPSA CONVENIENCIA, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 337 62 25
CEPSA E. P., S.A.	C/ Ribera del Loira, 50 28042 Madrid	91 337 72 10	91 337 72 15
CEPSA GAS LICUADO, S.A.	Avda. del Partenón, 12 28042 Madrid	902 416 416	91 337 96 48

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CEPSA GLOBAL SERVICES, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 337 68 19
CEPSA INTERNATIONAL, B.V.	Beurs - World Trade Centre - Office 668 Beursplein 37 Rotterdam - 3011 AA The Netherlands	31(0)10-2053950	31(0)10-2053955
CEPSA LUBRICANTES, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 75 55	91 337 95 86
CEPSA MARINE FUELS (CMF)	C/ Ribera del Loira, 50 28042 Madrid	91 337 69 52	91 337 60 27
CEPSA OPERACIONES MARINA-AVIACIÓN, S.A.	Avda. de Anaga nº 21 - 2º 38001 Santa Cruz de Tenerife (Tenerife)	922 28 30 02	922 27 30 09
CEPSA PANAMÁ, S.A.	Calle 50, Edificio Banco Alemán, 6º planta Ciudad de Panamá	00 507 214 77 09	00 507 214 83 00
CEPSA PERÚ, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 72 10	91 337 72 15
CEPSA PORTUGUESA PETRÓLEOS, S.A.	Rua General Firmino Miguel nº 3 Torre 2 - 14º andar 1600-100 Lisboa (Portugal)	00 351 21 721 76	00 351 21 727 52 69
CEPSA QUÍMICA, S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 725 41 16
CMD AEROPUERTOS CANARIOS, S.L.	Polígono Industrial Valle de Güimar Manzana XIV parcelas 17 y 18 38008 Güimar (Santa Cruz de Tenerife)	922 50 53 44	922 50 53 80
DETÉN QUÍMICA, S.A.	Rua Hidrogênio, 1744 Complejo Petroquímico de Camaçari 42810-000 Salvador de Bahía (Brasil)	00 55 13 63 43 200	00 55 71 36 34 51 56
GENERACIÓN ELÉCTRICA PENINSULAR S.A.	Avda. del Partenón, 12 28042 Madrid	91 337 60 00	91 337 95 33
LUBRICANTES DEL SUR (LUBRISUR)	C/ Ribera del Loira, 50 28042 Madrid	91 337 75 80	91 337 75 89
NUEVA GENERADORA DEL SUR, S.A.	Avda. de San Luis, 77 28033 Madrid	91 210 78 77	91 567 60 88
PETRÓLEOS DE CANARIAS, S.A. (PETROCAN)	Explanada de Tomás Quevedo, s/n Las Palmas de Gran Canarias 35008 Gran Canaria	928 453 35 35	928 45 35 63
PRODUCTOS ASFÁLTICOS, S.A. (PROAS)	Avda. del Partenón, 12 28042 Madrid	91 337 71 27	91 337 71 33