Q4 & FY 2018 RESULTS

28 February, 2019

INDEX

2018 TARGETS DELIVERED
2020 STRATEGIC OBJECTIVES ON TRACK

2018 & 4Q18 Key Performance Indicators

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
Upstream	145	368	310	113.8	632	1,325	109.7
Downstream	446	336	485	8.7	1,877	1,583	(15.7)
Corporate and others	(3)	(116)	(163)	-	(378)	(556)	(47.1)
ADJUSTED NET INCOME	**588**	**588**	**632**	**7.5**	**2,131**	**2,352**	**10.4**

2018 Highlights: Targets delivered

ADJUSTED NET INCOME **€2,352 M (+10%)**

Adjusted net income in 2018 was €2,352 million, 10% higher year-on-year.

EBITDA CCS **€7,619 M (+16%)**

EBITDA CCS was €7,619 million in 2018, 16% higher compared with the same period of 2017.

NET DEBT **€3,439 M (-45%)**

The Group's **net debt** at the end of the year stood at €3,439 million. Strong cash flow from operating activities more than covered organic investments, dividends, share buy-backs and interests.

Moody's Investors Service announced its decision to upgrade Repsol's long-term rating to Baa1 from Baa2, with stable outlook, S&P Global Ratings and Fitch Ratings confirmed Repsol's long-term rating at BBB and improved its outlook from stable to positive.

PRODUCTION **715 kbep/d (+3%)**

Upstream production averaged 715 kboe/d, around 21 kboe/d higher year-on-year primarily due to the ramp-up following the start-up of new projects: Reggane (Algeria), Juniper & TROC (Trinidad & Tobago), Monarb (United Kingdom), Sagari (Peru) and Kinabalu & Bunga Pakma (Malaysia) as well as the acquisition of Visund (Norway), the connection of new wells in Marcellus (USA) and the ramp-up of production in Libya.

INVESTMENTS **€3,874 M (+32%)**

Investments amounted €3,874 million: €1,973 million Upstream, €1,831 million Downstream and €70 million for Corporate & Others.

SHAREHOLDER REMUNERATION **+14.7 % in 2018**

Shareholder remuneration was increased by 14.7 per cent and a successful capital reduction was implemented to compensate any dilution associated to the scrip dividends.

2018 FCF ORGANIC BREAKEVEN **$54 /bbl**

4Q18 Highlights

Adjusted net income in the fourth quarter was €632 million, 7% higher year-on-year.

UPSTREAM	€310 M (+114%)

In **Upstream,** adjusted net income was €310 million, €165 million higher than in the same period of 2017, mainly due to higher oil ($60.4 /bbl vs. $56.6 /bbl) and gas (3.8 kscf/d vs. 3.0 kscf/d) realization prices, lower exploration costs and lower technical amortization. This was partially offset by higher taxes as a result of higher operating income.

DOWNSTREAM	€485 M (+9%)

In **Downstream**, adjusted net income was €485 million, 9% higher year-on-year as a consequence of better results in Refining, Peru and Trading and Gas businesses. This was partially offset by higher taxes.

CORPORATE AND OTHERS	€-163 M

In **Corporate and others**, adjusted net income was €-163 million compared to €-3 million in the same period in 2017. Lower corporate costs as well as lower interest expenses were not able to compensate the higher impact from exchange rate positions of 2017.

2020 Strategic objectives on track

UPSTREAM

FCF Breakeven In 2018 the FCF Breakeven stood **below $50 /bbl**.

Operating Cash Flow The 2018 Operating Cash Flow from Operating Activities has been **€1.1 billion higher compared to 2017**. This includes higher production as well as the impact due to higher oil and gas realization prices and both the improvements from the Efficiency and Digitalization program. This was partially compensated by an increase in working capital.

Portfolio Management Repsol has **divested** our stake in Midcontinent (USA), left Angola, Gabon and Romania. Moreover, we have **acquired** Visund and Mikkel in Norway.

Development of new projects

- Start of **Buckskin's** development. Production startup is expected during 2H19.
- Phase 1 Development of **Akacias** (block CPO-9) in Colombia was approved.
- The Norwegian authorities approved the development plan of **YME**.
- Sanction of two new gas developments offshore Trinidad: **Cassia** Compression and **Matapal**.
- **Angelin** in Trinidad and Tobago started up its gas production in the 1Q19.

DOWNSTREAM

Refining

Repsol is perfectly positioned to benefit from the **upcoming IMO regulation**, and we continue working towards optimizing our refining operations to maximize the value to be captured by 2020.

Lubricants

Repsol teamed up with Bardahl to produce and distribute lubricants in Mexico as well as in other American countries, bolstering the **internationalization strategy** of the company's lubricants unit. We are currently producing lubricants in Mexico under Repsol brand

Marketing

- During the year, the first service stations in **Mexico** were inaugurated with the objective of reaching a **market share of 8-10% over the next five years**. Nowadays, Repsol has more than 180 service stations operating, out of the 240 contracts already signed.
- Likewise Repsol acquired **Puma Energy' service stations in Peru**, increasing the sales volumes by 10%.
- **Waylet**, our free mobile payment app that was launched in 2017, reached in 2018 one million users and about 7 million registered payments in our service stations. Agreements have been signed with 2,400 stores, and 3,350 service stations.
- Repsol and Kia launched **Wible**, a new car sharing service in Madrid with 500 cars.

Low Carbon Business

Repsol is quickly **delivering on our business growth target** while advancing through the energy transition:

- **Viesgo's assets transaction** was completed in early November.
- We acquired **Valdesolar** Hive S.L., obtaining permits to develop a 264 MW solar project in Spain.
- Repsol takes part in the **Windfloat** Atlantic Project, an offshore windfarm with three cutting-edge wind turbines and a 25 MW capacity.
- All this will allow Repsol to reach **more than 70 per cent** of the 4.5 GW of unregulated low-emissions generation capacity target in 2025.

EFFICIENCIES AND DIGITALIZATION

2020 Sustainable savings

The already implemented initiatives from the Efficiencies and Digitalization program will generate **around €350 million of positive impact** within the Operating Cash Flow from Operating Activities of **2020**:

In **Upstream**, the improvements are originated mainly due to the implementation of initiatives that reduce the maintenance, logistic and decommissioning costs, as well as gas commercialization initiatives. It is to be highlighted the management of the assets in the United Kingdom due to the fact that the operating and management implemented initiatives are accountable for ~10% of the efficiencies in 2018.

In **Downstream**, the generated savings are originated mainly due to the implementation of cross-cutting management initiatives throughout the businesses, as well as process digitalization initiatives and crude loads optimization.

Corporation has been able to be more efficient, being its cost a 6% lower than forecasted.

Capex savings

Furthermore, this program has contributed to manage effectively the investments, generating **efficiencies of around $250 million** compared to the 2018 budget. These Capex savings correspond to improvements in the drilling program, better project execution, contract management and the implementation of new technologies.

REPSOL

KEY METRICS FOR THE PERIOD[1]

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
Upstream	145	368	310	113.8	632	1,325	109.7
Downstream	446	336	485	8.7	1,877	1,583	(15.7)
Corporate and others	(3)	(116)	(163)	-	(378)	(556)	(47.1)
ADJUSTED NET INCOME	**588**	**588**	**632**	**7.5**	**2,131**	**2,352**	**10.4**
Inventory effect	154	67	(337)	-	104	(68)	-
Special items	(204)	(30)	(125)	38.7	(114)	57	-
NET INCOME	**538**	**625**	**170**	**(68.4)**	**2,121**	**2,341**	**10.4**

Economic data (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
EBITDA	2,008	2,022	1,680	(16.3)	6,723	7,513	11.8
EBITDA CCS	1,799	1,930	2,160	20.1	6,580	7,619	15.8
INVESTMENTS	1,093	774	1,855	69.7	2,936	3,874	31.9
NET DEBT	6,267	2,304	3,439	(45.1)	6,267	3,439	(45.1)
NET DEBT / EBITDA CCS (x)	0.87	0.30	0.40	(54.3)	0.95	0.45	(52.6)

Operational data	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
LIQUIDS PRODUCTION (Thousand bbl/d)	257	250	263	2.3	255	261	2.4
GAS PRODUCTION (*) (Million scf/d)	2,572	2,476	2,576	0.2	2,468	2,550	3.3
TOTAL PRODUCTION (Thousand boe/d)	**715**	**691**	**722**	**1.0**	**695**	**715**	**3.0**
CRUDE OIL REALIZATION PRICE ($/bbl)	56.6	66.9	60.4	6.7	49.6	63.9	28.8
GAS REALIZATION PRICE ($/Thousand scf)	3.0	3.3	3.8	26.7	2.9	3.4	17.2
DISTILLATION UTILIZATION Spanish Refining (%)	97.1	96.3	94.2	(3.0)	93.6	92.9	(0.7)
CONVERSION UTILIZATION Spanish Refining (%)	113.1	108.9	109.5	(3.2)	104.4	106.6	2.1
REFINING MARGIN INDICATOR IN SPAIN ($/bbl)	6.9	6.7	6.2	(10.1)	6.8	6.7	(1.5)

(*) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d.

Full year 2018 results

Adjusted net income in 2018 was €2,352 million, 10% higher year-on-year. **Net income** amounted to €2,341 million, also 10% higher compared to previous year.

Full year results for the business segments are summarized as follows:

- Adjusted net income from **Upstream** was €1,325 million, €693 million higher than in the same period in 2017, mainly due to higher oil and gas realization prices, higher volumes and lower technical amortization. These effects were partially offset by the negative impact of the dollar depreciation against the euro and higher taxes as a result of higher operating income.

[1] *Includes the modifications that were necessary with respect to the 2017 comparative results figures relating to the sale of the interest held in Naturgy (see "Appendix IV - Basis of Presentation" of this document).*

Upstream **production** averaged 715 kboe/d, around 21 kboe/d higher year-on-year primarily due to the ramp-up following the start-up of new projects: Reggane (Algeria), Juniper & TROC (Trinidad & Tobago), Monarb (United Kingdom), Sagari (Peru) and Kinabalu & Bunga Pakma (Malaysia) as well as the acquisition of Visund (Norway), the connection of new wells in Marcellus (USA) and the ramp-up of production in Libya. This was partially offset by the sale of assets, principally SK (Russia) and MidContinent (USA), as well as the natural decline of fields and a lower gas demand in Venezuela.

Organic Reserve Replacement Ratio in the year 2018 stood at 87%. Likewise, the total Reserve Replacement Ratio in 2018 stood at 94%.

- In **Downstream**, adjusted net income was €1,583 million, 16% lower year-on-year mainly because of lower margins and lower volumes in the Chemicals business as well as lower contribution from both the Spanish and Peruvian refining businesses. This was partially offset by higher results from the commercial businesses (Marketing and LPG) and the good performance of the Trading and Gas businesses.

- In **Corporate and others**, adjusted net income was € -556 million compared to €-378 million in the same period of 2017. In Corporate and Adjustments the adjusted operating income was in line year-on-year. In the Financial Results, lower interest expenses were not able to compensate higher discounting of provisions expenses, lower capitalized interests and higher results from the exchange rate position taken in 2017.

EBITDA CCS was €7,619 million in 2018, 16% higher compared with the same period of 2017.

Strong cash flow from operating activities more than covered organic investments, dividends, share buy-backs and interests during 2018. The strong performance of the businesses along with the divestment in Naturgy allowed for a net debt reduction of €2,828 million year-on-year reaching a final figure of €3,439 million net debt at the end of 2018.

At the end of 2018 the **net debt to capital employed ratio** stood at 10%.

The already implemented initiatives from the Efficiencies and Digitalization program will generate **around €350 million of positive impact** within the Operating Cash Flow from Operating Activities of **2020**:

- In **Upstream**, the improvements are originated mainly due to the implementation of initiatives that reduce the maintenance, logistic and decommissioning costs, as well as gas commercialization initiatives. It is to be highlighted the management of the assets in the United Kingdom due to the fact that the operating and management implemented initiatives are accountable for ~10% of the efficiencies in 2018.

- In **Downstream**, the generated savings are originated mainly due to the implementation of cross-cutting management initiatives throughout the businesses, as well as process digitalization initiatives and crude loads optimization.

- **Corporation** has been able to be more efficient, being its cost a 6% lower than forecasted.

Furthermore, this program has contributed to manage effectively the investments, generating efficiencies of around $250 million compared to the 2018 budget. These Capex savings correspond to improvements in the drilling program, better project execution, contract management and the implementation of new technologies.

Fourth quarter 2018 results

Adjusted net income in the fourth quarter was €632 million, 7% higher year-on-year. **Net income** amounted to €170 million, €368 million lower year-on-year.

Quarterly results for the business segments are summarized as follows:

- In **Upstream**, adjusted net income was €310 million, €165 million higher than in the same period of 2017, mainly due to higher oil and gas realization prices, lower exploration costs and lower technical amortization. This was partially offset by higher taxes as a result of higher operating income.

  Upstream **production** reached an average of 722 kboe/d in the fourth quarter of 2018, 7 kboe/d higher year-on-year, primarily due to the ramp-up following the start-up of new projects: Reggane (Algeria), Sagari (Peru) and Kinabalu & Bunga Pakma (Malaysia) as well as the acquisition of Visund (Norway) and the connection of new wells in Marcellus (USA). This was partially offset by the sale of assets, principally SK (Russia) and MidContinent (USA), as well as the natural decline of fields, the stoppage of production in Libya since the 9th of December, 2018 and lower gas demand in Venezuela.

- In **Downstream**, adjusted net income was €485 million, 9% higher year-on-year as a consequence of better results in the Refining, Peru and the Trading and Gas businesses. This was partially offset by higher taxes.

- In **Corporate and others**, adjusted net income was €-163 million compared to €-3 million in the same period in 2017. Lower corporate costs as well as lower interest financial expenses were not able to compensate the higher impact from exchange rate positions of 2017.

EBITDA CCS in the fourth quarter of 2018 was €2,160 million, 20% higher compared to that of the fourth quarter of 2017.

The Group's **net debt** at the end of the quarter stood at €3,439 million, €1,135 million higher than at the end of the third quarter of 2018, mainly due to the closing of the acquisition of the low-emission assets of Viesgo for €732 million as well as the ending of the share buy-back program that started on September 3. Strong cash flow from operating activities more than covered organic investments, share buy-backs and interests.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

Upstream

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
ADJUSTED NET INCOME	**145**	**368**	**310**	**113.8**	**632**	**1,325**	109.7
Operating income	326	640	638	95.7	1,009	2,514	149.2
Income tax	(191)	(281)	(336)	(75.9)	(408)	(1,211)	(196.8)
Income from equity affiliates and non-controlling interests	10	9	8	(20.0)	31	22	(29.0)
EBITDA	1,086	1,288	1,224	12.7	3,507	4,801	36.9
INVESTMENTS	716	523	550	(23.2)	2,089	1,973	(5.6)
EFFECTIVE TAX RATE (%)	58	44	53	(5.0)	40	48	8.0
International prices	**Q4 2017**	**Q3 2018**	**Q4 2018**	**% Change Q4 18/Q4 17**	**Jan - Dec 2017**	**Jan - Dec 2018**	**% Change 2018/2017**
Brent ($/bbl)	61.3	75.2	68.8	12.2	54.2	71.3	31.5
WTI ($/bbl)	55.3	69.4	59.3	7.2	50.9	64.9	27.5
Henry Hub ($/MBtu)	2.9	2.9	3.6	24.1	3.1	3.1	0.0
Average exchange rate ($/€)	1.18	1.16	1.14	(3.4)	1.13	1.18	4.4
Realization prices	**Q4 2017**	**Q3 2018**	**Q4 2018**	**% Change Q4 18/Q4 17**	**Jan - Dec 2017**	**Jan - Dec 2018**	**% Change 2018/2017**
CRUDE OIL ($/bbl)	56.6	66.9	60.4	6.7	49.6	63.9	28.8
GAS ($/Thousand scf)	3.0	3.3	3.8	26.7	2.9	3.4	17.2
Exploration (*)	**Q4 2017**	**Q3 2018**	**Q4 2018**	**% Change Q4 18/Q4 17**	**Jan - Dec 2017**	**Jan - Dec 2018**	**% Change 2018/2017**
G&A and Amortization of Bonus and Dry Wells	247	132	102	(58.7)	457	457	0.0
Production	**Q4 2017**	**Q3 2018**	**Q4 2018**	**% Change Q4 18/Q4 17**	**Jan - Dec 2017**	**Jan - Dec 2018**	**% Change 2018/2017**
LIQUIDS (Thousand bbl/d)	257	250	263	2.3	255	261	2.4
GAS (**) (Million scf/d)	2,572	2,476	2,576	0.2	2,468	2,550	3.3
TOTAL (Thousand boe/d)	**715**	**691**	**722**	**1.0**	**695**	**715**	3.0

(*) Only direct costs attributable to exploration projects. (**) 1,000 Mcf/d = 28.32 Mm^3/d = 0.178 Mboe/d

Adjusted net income in the fourth quarter of 2018 was €310 million; €165 million higher than in the same period of 2017, mainly due to higher oil and gas realization prices, lower exploration costs and lower technical amortization. These effects were partially offset by higher taxes as a result of higher operating income.

The principal factors that explain the variations in the year-on-year performance in the Upstream division are as follows:

- Higher crude **oil and gas realization prices** had a positive impact on the operating income of €218 million.
- The **volume effect** impacted positively the operating income by €12 million.
- **Higher royalties** contributed negatively to the operating income by €-51 million.
- **Lower exploration expenses** contributed positively to the operating income by €142 million.
- **Depreciation and amortization** charges were €30 million lower mainly due to the application of the new calculation formula for the depreciation of productive assets in 2018.
- **Income tax** expense impacted the adjusted net income negatively by €-145 million, as a result of higher operating income.
- **Income from equity affiliates and non-controlling interests, exchange rate and others** explain the remaining differences.

Upstream production reached an average of 722 kboe/d in the fourth quarter of 2018, 7 kboe/d higher year-on-year, primarily due to the ramp-up following the start-up of new projects: Reggane (Algeria), Sagari (Peru) and Kinabalu & Bunga Pakma (Malaysia) as well as the acquisition of Visund (Norway) and the connection of new wells in Marcellus (USA). This was partially offset by the sale of assets, principally SK (Russia) and MidContinent (USA), as well as the natural decline of fields, the stoppage of production in Libya since the 9th of December, 2018 and a lower gas demand in Venezuela.

Full year 2018 results

Adjusted net income for 2018 from Upstream was €1,325 million, €693 million higher than in the same period in 2017, mainly due to higher oil and gas realization prices, higher volumes and lower technical amortization. These effects were partially offset by the negative impact of the dollar depreciation against the euro and higher taxes as a result of higher operating income.

Upstream **production** averaged 715 kboe/d, 21 kboe/d higher year-on-year primarily due to the ramp-up following the start-up of new projects: Reggane (Algeria), Juniper & TROC (Trinidad & Tobago), Monarb (United Kingdom), Sagari (Peru) and Kinabalu & Bunga Pakma (Malaysia) as well as the acquisition of Visund (Norway), the connection of new wells in Marcellus (USA) and the ramp-up of production in Libya. This was partially offset by the sale of assets, principally SK (Russia) and MidContinent (USA), as well as the natural decline of fields and a lower gas demand in Venezuela.

During 2018, 21 exploration wells and 1 appraisal well were concluded. 5 were declared positive (4 exploration and 1 appraisal), 1 is currently under evaluation, while the remaining 16 wells were deemed unsuccessful.

Of these, last week Repsol obtained positive news from the company-operated Kaliberau Dalam well in Sakakemang block, in Indonesia. The preliminary estimation is of at least 2 trillion cubic feet of recoverable resources, the largest discovery in Indonesia in 18 years. The consortium will continue the exploratory work with an additional appraisal well planned in the coming months, being Indonesia the focus of Repsol's exploration investments in South East Asia.

In addition, new exploratory licenses were acquired in 2018 in Mexico, Brazil, Norway, Greece, Indonesia, Bulgaria and the United States, specifically in the state of Alaska, where Repsol has made significant hydrocarbon discoveries. This reinforces the strategy to enhance a strong exploratory portfolio post 2020 focused on Repsol's strengths.

Investments

Investments in Upstream in the fourth quarter of 2018 amounted to €550 million; €166 million lower than in the fourth quarter of 2017.

- **Development investment** accounted for 69% of the total investment and was concentrated mainly in the United States (29%), Norway (20%), Canada (17%), Trinidad and Tobago (10%), Brazil (4%), Colombia (4%) and Indonesia (4%).
- **Exploration investment** represented 25% of the total and was allocated primarily in Trinidad and Tobago (16%), Indonesia (15%), Bulgaria (9%), the U.S. (9%), Colombia (7%), Bolivia (5%), Greece (5%) and Norway (5%).

Investments in Upstream in 2018 amounted €1,973 million, €116 million lower than in 2017.

- **Development investment** accounted for 70% of the total investment and was concentrated mainly in the United States (29%), Canada (16%), Norway (13%), Trinidad and Tobago (10%), Peru (5%), Algeria (4%), Indonesia (4%), Vietnam (4%) and Malaysia (4%).
- **Exploration investment** represented 21% of the total and was allocated primarily in Mexico (18%), Indonesia (10%), Trinidad and Tobago (10%), Bolivia (7%), the United States (6%), Brazil (5%), Romania (5%) and Norway (5%).

Additionally, the remaining investments correspond mainly to acquisition of new asset in Norway (Visund).

Downstream

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
ADJUSTED NET INCOME	446	336	485	8.7	1,877	1,583	(15.7)
Operating income	547	442	716	30.9	2,467	2,143	(13.1)
Income tax	(99)	(106)	(191)	(92.9)	(572)	(526)	8.0
Income from equity affiliates and non-controlling interests	(2)	0	(40)	-	(18)	(34)	(88.9)
AVERAGE WEIGHTED COST ADJUSTED NET INCOME	600	403	148	(75.3)	1,981	1,515	(23.5)
Inventory effect	154	67	(337)	-	104	(68)	-
EBITDA	964	741	469	(51.3)	3,386	2,859	(15.6)
EBITDA CCS	755	649	949	25.7	3,243	2,965	(8.6)
INVESTMENTS	360	235	1,271	253.1	805	1,831	127.5
EFFECTIVE TAX RATE (%)	18	23	27	9.0	23	25	2.0

Operational data	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
REFINING MARGIN INDICATOR IN SPAIN ($/bbl)	6.9	6.7	6.2	(10.1)	6.8	6.7	(1.5)
DISTILLATION UTILIZATION Spanish Refining (%)	97.1	96.3	94.2	(3.0)	93.6	92.9	(0.7)
CONVERSION UTILIZATION Spanish Refining (%)	113.1	108.9	109.5	(3.2)	104.4	106.6	2.1
OIL PRODUCT SALES (Thousand tons)	13,323	13,303	13,246	(0.6)	51,836	51,766	(0.1)
PETROCHEMICAL PRODUCT SALES (Thousand tons)	708	622	674	(4.8)	2,855	2,610	(8.6)
LPG SALES (Thousand tons)	378	241	350	(7.4)	1,375	1,330	(3.3)
NORTH AMERICA NATURAL GAS SALES (TBtu)	120.5	131.0	131.3	9.0	496.2	520.2	4.8

International prices ($/Mbtu)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
Henry Hub	2.9	2.9	3.6	24.1	3.1	3.1	0.0
Algonquin	5.3	3.0	5.0	(5.7)	3.7	4.8	29.7

Adjusted net income in the fourth quarter of 2018 amounted to €485 million, €39 million higher compared to the fourth quarter of 2017.

The principal factors that explain the variations in the year-on-year performance in the Downstream business are as follows:

- In **Refining**, operating income was €13 million higher mainly due to higher margins in Peru. In Spain, wider middle distillates spreads were not able to compensate weaker gasolines spreads, higher energy costs and narrower light-to-heavy crude oil spreads within the margin indicator.
- In **Chemicals**, the results were in line year-on-year mainly due a good margins performance.
- In the commercial businesses, **Marketing, Lubricants and LPG**, operating income was in line year-on-year mainly due to a higher contribution from the regulated part of the LPG business, offset by building-up our position in Mexico.
- In **Trading and Gas**, operating income was €92 million higher than in the fourth quarter of 2017, mainly due to higher margins in the commercialization and trading of gas in North America.

- The **appreciation of the dollar against the euro** had a positive impact on the operating income of €15 million.
- **Results in other activities, equity affiliates and non-controlling interests and taxes** cover the remaining difference.

Full year 2018 results

Adjusted net income for 2018 was €1,583 million, 16% lower year-on-year mainly due to lower margins and volumes in the Chemicals business as well as lower contribution from the refining businesses in Spain and Peru. These effects were partially offset by better results in the commercial businesses (Marketing and LPG) as well as the good performance from the Trading and Gas businesses.

Investment

Investment in Downstream in the fourth quarter and the full year of 2018 amounted to €1,271 and €1,831 million respectively.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
ADJUSTED NET INCOME	**(3)**	**(116)**	**(163)**	**-**	**(378)**	**(556)**	**(47.1)**
Corporate and adjustments	(66)	(29)	(54)	18.2	(262)	(261)	0.4
Financial result	(17)	(115)	(172)	-	(356)	(462)	(29.8)
Income tax	82	28	63	(23.2)	242	168	(30.6)
Income from equity affiliates and non-controlling interests	(2)	0	0	-	(2)	(1)	50.0
EBITDA	(42)	(7)	(13)	69.0	(170)	(147)	13.5
NET INTERESTS	(82)	(71)	(73)	11.0	(350)	(288)	17.7
INVESTMENTS	17	16	34	100.0	42	70	66.7
EFFECTIVE TAX RATE (%)	(98)	(20)	(28)	70.0	(39)	(23)	16.0

Corporate and adjustments

Corporate and adjustments accounted for a net expense of €54 million in the fourth quarter of 2018 compared to a net expense of €66 million in the fourth quarter of 2017. Lower net corporate expenses, as well as positive consolidation adjustments due to intragroup operations offset higher insurance costs.

In 2018 **Corporate and adjustments** accounted for a net expense of €261 million in line with the same period of 2017.

Financial results

The **financial result** in the fourth quarter of 2018 amounted to €-172 million compared with €-17 million in the fourth quarter of 2017. Lower interest expense and higher results from management of interest rate positions were not able to offset the higher impact from exchange rate positions of 2017, higher expense in discounting of provisions and lower capitalized interests.

The **financial result** in the full year 2018 was €-462 million compared with €-356 million in the same period of last year. Lower interest expense and higher results from management of interest rate and own share positions were not able to offset the higher expense in discounting of provisions, lower capitalized interests and the higher impact from exchange rate positions gains of 2017.

NET INCOME ANALYSIS: SPECIAL ITEMS

Special Items

(Unaudited figures)

Results (€ Million)	Q4 2017	Q3 2018	Q4 2018	% Change Q4 18/Q4 17	Jan - Dec 2017	Jan - Dec 2018	% Change 2018/2017
Divestments	(72)	52	24	-	(51)	83	-
Indemnities and workforce restructuring	(12)	(25)	(13)	(8.3)	(64)	(55)	14.1
Impairment of assets	(612)	(2)	(559)	8.7	(635)	(684)	(7.7)
Provisions and others	377	(55)	423	12.2	362	301	(16.9)
Discontinued operations	115	0	0	-	274	412	50.4
SPECIAL ITEMS	**(204)**	**(30)**	**(125)**	**38.7**	**(114)**	**57**	**-**

Special items in the fourth quarter of 2018 amounted to €-125 million compared to €-204 million in the fourth quarter of 2017 and correspond mainly to impairments of Upstream assets and credit risk provisions, especially in Venezuela. This was partially compensated by the application of abandonment and tax risks provisions in Upstream.

Special items in 2018 resulted in a net gain of €57 million and correspond mainly to the capital gain on the sale of the interest held in Naturgy Energy Group, S.A., the extraordinary write-downs in Venezuela and in Upstream's assets as well as the extraordinary results on exchange rate differences along the application of abandonment and tax risks in Upstream.

CASH FLOW ANALYSIS:

ADJUSTED CASH FLOW STATEMENT

This section presents the Group's Adjusted Cash Flow Statement:

(Unaudited figures)

	JANUARY - DECEMBER	
	2017	**2018**
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS [1]	**6,580**	**7,619**
Changes in working capital	(608)	(912)
Dividends received	218	20
Income taxes received/ (paid)	(357)	(845)
Other proceeds from/ (payments for) operating activities	(327)	(454)
	5,506	**5,428**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(3,030)	(3,866)
Proceeds from divestments	84	3,494
	(2,946)	**(372)**
FREE CASH FLOW (I. + II.)	**2,560**	**5,056**
Payments for dividends and payments on other equity instruments	(332)	(297)
Net interest payments and leases	(544)	(458)
Treasury shares	(293)	(1,595)
CASH GENERATED IN THE PERIOD	**1,391**	**2,706**
Financing activities and others	(1,489)	(2,505)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(98)**	**201**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,918**	**4,820**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,820**	**5,021**

(1) *It includes an inventory effect pretax of €-106 million and €143 million for 2018 and 2017 respectively.*

NET DEBT ANALYSIS:

NET DEBT EVOLUTION

This section presents the changes in the Group's adjusted net debt:

(Unaudited figures)

NET DEBT EVOLUTION (€ Million)	Q4 2018	Jan - Dec 2018
NET DEBT AT THE START OF THE PERIOD	**2,304**	**6,267**
EBITDA CCS	(2,160)	(7,619)
CHANGE IN WORKING CAPITAL [(1)]	(189)	912
INCOME TAX RECEIVED /PAID	89	845
NET INVESTMENT	2,237	388
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	0	297
FOREIGN EXCHANGE RATE EFFECT	27	20
INTEREST AND OTHER MOVEMENTS [(2)]	1,131	2,329
NET DEBT AT THE END OF THE PERIOD	**3,439**	**3,439**

	2018
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	34,353
NET DEBT / CAPITAL EMPLOYED (%)	10.0
ROACE (%)	6.7
NET DEBT / EBITDA CCS (x)	0.45

(1) *It includes an inventory effect pretax of €-480 million and €-106 million in the fourth quarter 2018 and 2018 respectively.*

(2) *Principally includes the market operations relating to own shares, interest expense, financial leases, dividends received, provisions used/endowed and companies' acquisition/sale effect.*

The Group's **net debt** at the end of the quarter stood at €3,439 million, €1,135 million higher than at the end of the third quarter of 2018, mainly due to the closing of acquisition of the low-emission assets of Viesgo for €732 million as well as the ending of the share buy-back program that started on September 3. Strong cash flow from operating activities more than covered organic investments, share buy-backs and interests.

The Group's **liquidity** at the end of 2018 was approximately €8,742 million (including undrawn committed credit lines); representing 2.3 times short-term gross debt maturities.

RELEVANT EVENTS

The main company-related events since the third quarter 2018 results release were as follows:

UPSTREAM

NOV. 2018	In November 2018 Repsol acquired 12 exploration blocks in the 2018 oil mining auctions (Lease Sale) in Alaska. The blocks are situated in the East (9 blocks) and in the South (3) of the Pikka Unit.
NOV. 2018	In November 2018, Greek government representatives, the public hydrocarbon managing entity, Repsol and Hellenic Petroleum (ELPE) subscribed a concession contract for the offshore exploration block Ionian (located in the Ionian Sea). The contract must be ratified by the Greek parliament in the following months. Repsol and ELPE will hold a 50% W.I. in the consortium that will explore the area and where Repsol will assume the role of operator.
DEC. 2018	In December 2018, the Spanish Council of Ministers approved a 10-year extension, until December 2028, of the Casablanca platform's concession after Repsol solicited and met all the technical and administrative requirements. Casablanca's platform is located 43 km off the coast of Tarragona.
DEC. 2018	In December 2018 the BpTT consortium, formed by BP (70% W.I. and operator) and Repsol (30% W.I.) approved two new developments for current productive gas fields located in the territorial waters of Trinidad and Tobago: gas compression project of Cassia and the Matapal project.
JAN. 2019	In January 2019 the Ministry of Petroleum and Energy of Norway, announced, that Repsol Norge was awarded a participation in three new exploration licenses, as well as the extension of a pre-existing license. The new licenses are located in the North Sea: three within the Egersund great basin and one in the Barents Sea and will reinforce Repsol's position in these important areas of interest.
JAN. 2019	In January 2019, the latest exploration activities carried out by Repsol in Alaska were made public. This confirmed the presence of hydrocarbons within the South part of the Pikka Unit, where the first appraisal well (Pikka-B) has been completed.
FEB. 2019	In February 2019, Repsol announced an agreement to acquire from Total a 7.65% of the Mikkel field in Norway. This field currently produces a total of 50 kboe/d.
FEB. 2019	On February 19, Repsol announced the largest gas discovery in Indonesia for 18 years and one of the ten biggest worldwide in the last twelve months. The Kaliberau Dalam-2X (KBD-2X) well is located within the onshore block of Sakakemang (south of Sumatra's island). Repsol is the operator with a 45% W.I. and this discovery provides a preliminary estimation of at least 2 trillion cubic feet (TCF) of recoverable resources.

DOWNSTREAM

NOV. 2018 On November 2, Repsol completed the purchase of Viesgo's assets and retail customers. Repsol completed the purchase after obtaining all the necessary regulatory authorizations for the acquisition of 2,350 megawatts (MW) of low-emissions generation capacity and a portfolio of more than 750,000 customers.

To market its new energy supply, the company launched Repsol Electricidad y Gas, a subsidiary that will be chaired by María Victoria Zingoni and headed by CEO Francisco Vázquez. The company is becoming a relevant player in the Spanish electricity generation market, with a total installed capacity of 2,950 MW and plans to add an additional 289 MW in Valdecaballeros (Extremadura, Spain) and Viana do Castelo (Portugal).

NOV. 2018 On November 14, 2018, His Majesty the King of Spain, Felipe VI, the Constitutional President of the Republic of Peru, Martín Vizcarra and the President of Repsol S.A., Antonio Brufau, inaugurated the new low-sulphur gasoline production units in the refinery of La Pampilla. The startup of these low-sulphur gasoline units culminate the $741 million investment process to produce low-sulphur gasoline and diesel in accord with the commitments acquired by the sector to the government.

CORPORATION

OCT. 2018 On October 29, 2018, Fitch Ratings confirmed Repsol's long-term rating at BBB and improved its outlook from stable to positive.

OCT. 2018 On October 30, 2018, The Board of Directors resolved, at the proposal of the Nomination Committee, to appoint by cooptation Mr. Henri Philippe Reichstul as External Director of the Company and as member of its Delegate Committee.

The Board also agreed, at the proposal of the Nomination Committee, to propose to the next Annual Shareholders' Meeting, among the agreements relative to the Board of Directors composition, the reelection of the Chairman of the Board of Directors, Mr. Antonio Brufau and of the Chief Executive Officer, Mr. Josu Jon Imaz, both for the statutory term of four years.

Finally, the Board will also propose, at the proposal of the Nomination Committee, to the next Annual Shareholders' Meeting the reduction to 15 the number of members of the Board of Directors.

OCT. 2018 On October 31, 2018, Repsol announced the expected timetable for the completion of its paid-up capital increase, approved in the framework of the "Repsol Flexible Dividend" program by the Shareholders´ Meeting held on May 11, 2018, with respect to point five of the Agenda, to be implemented in December 2018 and January 2019.

NOV. 2018 On November 8, 2018 the Buy-back program was completed after reaching the maximum number of shares to be acquired under the Buy-back programme, that is, 62,705,079 shares.

NOV. 2018 On November 14, 2018, Repsol informed that the CEO, pursuant to the delegation granted in his favor by the Board of Directors, has resolved to carry out the implementation of the share capital reduction by means of cancellation of own shares, approved by the Annual Shareholders´ Meeting held on May 11, 2018 under item six of the agenda.

The share capital of Repsol was reduced in the amount of 68,777,683 euros, through the cancellation of 68,777,683 own shares with a face value of one euro each. The share capital resulting from the reduction was set at 1,527,396,053 euros, corresponding to 1,527,396,053 shares with a face value of one euro each.

NOV. 2018 On November 28, 2018, The Board of Directors of Repsol, S.A. approved the payment of a remuneration equivalent to 0.425 euros gross per share to its shareholders within the framework of the Repsol Flexible Dividend Program (in replacement of the traditional interim dividend of 2018), subject to the applicable rounding in accordance with the formulas approved by the Annual Shareholders' Meeting held on May 11, 2018, under item five on its Agenda. For this purpose, and pursuant to the delegation granted by the Shareholders' Meeting, the Board of Directors has today fixed the market value of the capital increase ("Amount of the Alternative Option") at 649,143,323 euros.

DEC. 2018 On December 10, 2018, Moody's Investors Service announced its decision to upgrade Repsol's long-term rating to Baa1 from Baa2, with stable outlook.

DEC. 2018 On December 12, 2018, S&P Global Ratings confirmed Repsol's long-term rating at BBB and improved its outlook from stable to positive.

DEC. 2018 On December 18, 2018, Repsol published the Informative Document in connection with the paid-up capital increase approved by the 2018 Annual Shareholders' Meeting under item five on the Agenda, as part of the shareholder remuneration program "Repsol Flexible Dividend" (scrip dividend).

JAN. 2019 On January 11, 2019, Repsol announced the end, on January 9, 2019, of the trading period of the free-of-charge allocation rights corresponding to the paid up capital increase implementing the "Repsol Flexible Dividend" shareholders' remuneration program.

Holders of 72.14% of free-of-charge allocation rights (a total of 1,101,853,515 rights) opted to receive new shares of Repsol. Therefore, the final number of shares of one (1) euro par value issued in the capital increase is 31,481,529, where the nominal amount of the increase is 31,481,529 euros, representing an increase of approximately 2.06% of Repsol´s share capital before the capital increase.

JAN. 2019 On January 14, 2019, Repsol, S.A. launched the Share Acquisition Plan 2019 (the

"Plan"). The Plan applies to Repsol Group's employees in Spain that meet the requirements of its general conditions and who voluntary decide to opt for the same.

JAN. 2019 On January 21, 2019, Repsol published its "Trading Statement," which is a document that provides provisional information for the fourth quarter and full year results of 2018, including data on the economic environment as well as company performance during the period.

JAN. 2019 On January 28, 2019, Repsol informed that the delisting of Repsol shares in Argentina became effective, pursuant to the Argentine National Securities Commission Resolution of December 28, 2018.

Madrid, 28 February, 2019

A conference call has been scheduled for research analysts and institutional investors for today, February 28, 2019 at 12:30 (CET) to report on the Repsol Group's fourth quarter and full year 2018 results. Shareholders and other interested parties can follow the call live through Repsol's corporate website (www.repsol.com). A full recording of the event will also be available to shareholders and investors and any other interested party at www.repsol.com for a period of no less than one month from the date of the live broadcast. Moreover Repsol will publish today both 2018 Consolidated Financial Statements and Integrated Management Report that will be available on Repsol's corporate website as well as on the CNMV (Comisión Nacional del Mercado de Valores).

APPENDIX I – FINANCIAL METRICS AND OPERATING INDICATORS BY SEGMENT

Q4 & FY 2018

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

	Q4 2017							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	326	-	(191)	10	145	-	(143)	2
Downstream	547	-	(99)	(2)	446	154	(142)	458
Corporate & Others	(66)	(17)	82	(2)	(3)	-	81	78
TOTAL	**807**	**(17)**	**(208)**	**6**	**588**	**154**	**(204)**	**538**
NET INCOME							**(204)**	**538**

	Q3 2018							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	640	-	(281)	9	368	-	(4)	364
Downstream	442	-	(106)	-	336	67	3	406
Corporate & Others	(29)	(115)	28	-	(116)	-	(29)	(145)
TOTAL	**1,053**	**(115)**	**(359)**	**9**	**588**	**67**	**(30)**	**625**
NET INCOME							**(30)**	**625**

	Q4 2018							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	638	-	(336)	8	310	-	(190)	120
Downstream	716	-	(191)	(40)	485	(337)	40	188
Corporate & Others	(54)	(172)	63	-	(163)	-	25	(138)
TOTAL	**1,300**	**(172)**	**(464)**	**(32)**	**632**	**(337)**	**(125)**	**170**
NET INCOME							**(125)**	**170**

	January - December 2017							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	1,009	-	(408)	31	632	-	(151)	481
Downstream	2,467	-	(572)	(18)	1,877	104	(121)	1,860
Corporate & Others	(262)	(356)	242	(2)	(378)	-	158	(220)
TOTAL	**3,214**	**(356)**	**(738)**	**11**	**2,131**	**104**	**(114)**	**2,121**
NET INCOME							**(114)**	**2,121**

	January - December 2018							
€ Million	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	2,514	-	(1,211)	22	1,325	-	(326)	999
Downstream	2,143	-	(526)	(34)	1,583	(68)	25	1,540
Corporate & Others	(261)	(462)	168	(1)	(556)	-	358	(198)
TOTAL	**4,396**	**(462)**	**(1,569)**	**(13)**	**2,352**	**(68)**	**57**	**2,341**
NET INCOME							**57**	**2,341**

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - DECEMBER	
€ Million	**Q4 17**	**Q3 18**	**Q4 18**	**2017**	**2018**
UPSTREAM	**326**	**640**	**638**	**1,009**	**2,514**
Europe, Africa & Brazil	292	395	416	726	1,614
Latin America & Caribbean	189	179	206	594	726
North America	12	76	50	(58)	273
Asia & Russia	65	145	88	251	465
Exploration & Others	(232)	(155)	(122)	(504)	(564)
DOWNSTREAM	**547**	**442**	**716**	**2,467**	**2,143**
Europe	585	476	621	2,420	2,039
Rest of the World	(38)	(34)	95	47	104
CORPORATE AND OTHERS	**(66)**	**(29)**	**(54)**	**(262)**	**(261)**
TOTAL	**807**	**1,053**	**1,300**	**3,214**	**4,396**

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 17	Q3 18	Q4 18	2017	2018
UPSTREAM	**145**	**368**	**310**	**632**	**1,325**
Europe, Africa & Brazil	135	231	179	355	768
Latin America & Caribbean	120	113	128	386	501
North America	7	57	40	(43)	212
Asia & Russia	49	84	48	161	264
Exploration & Others	(166)	(117)	(85)	(227)	(420)
DOWNSTREAM	**446**	**336**	**485**	**1,877**	**1,583**
Europe	471	359	418	1,852	1,500
Rest of the World	(25)	(23)	67	25	83
CORPORATE AND OTHERS	**(3)**	**(116)**	**(163)**	**(378)**	**(556)**
TOTAL	**588**	**588**	**632**	**2,131**	**2,352**

REPSOL

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - DECEMBER	
€ Million	**Q4 17**	**Q3 18**	**Q4 18**	**2017**	**2018**
UPSTREAM	**1,086**	**1,288**	**1,224**	**3,507**	**4,801**
Europe, Africa & Brazil	434	583	548	1,214	2,159
Latin America & Caribbean	336	317	348	1,141	1,285
North America	182	183	176	670	686
Asia & Russia	159	245	191	631	838
Exploration & Others	(25)	(40)	(39)	(149)	(167)
DOWNSTREAM [(1)]	**964**	**741**	**469**	**3,386**	**2,859**
Europe	969	754	399	3,235	2,697
Rest of the World	(5)	(13)	70	151	162
CORPORATE AND OTHERS	**(42)**	**(7)**	**(13)**	**(170)**	**(147)**
TOTAL [(1)]	**2,008**	**2,022**	**1,680**	**6,723**	**7,513**

(1) EBITDA CCS €M					
DOWNSTREAM	**755**	**649**	**949**	**3,243**	**2,965**
TOTAL	**1,799**	**1,930**	**2,160**	**6,580**	**7,619**

REPSOL

INVESTMENTS BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

	QUARTERLY DATA			JANUARY - DECEMBER	
€ Million	**Q4 17**	**Q3 18**	**Q4 18**	**2017**	**2018**
UPSTREAM	**716**	**523**	**550**	**2,089**	**1,973**
Europe, Africa & Brazil	168	85	126	437	442
Latin America & Caribbean	101	121	95	477	314
North America	196	204	188	564	659
Asia & Russia	65	32	24	213	166
Exploration and Others	186	81	117	398	392
DOWNSTREAM	**360**	**235**	**1,271**	**805**	**1,831**
Europe	291	185	1,121	632	1,578
Rest of the World	69	50	150	173	253
CORPORATE AND OTHERS	**17**	**16**	**34**	**42**	**70**
TOTAL	**1,093**	**774**	**1,855**	**2,936**	**3,874**

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	CUMULATIVE DATA Dec-17	CUMULATIVE DATA Dec-18
Upstream	21,612	21,515
Downstream	9,749	11,338
Corporate and others	1,745	1,500
TOTAL Capital employed in continued operations	**33,106**	**34,353**
Capital employed in discontinued operations	3,224	
TOTAL	**36,330**	**34,353**

	2018
ROACE (%)	**6.7**
ROACE at CCS (%)	**6.9**

OPERATING INDICATORS

Q4 & FY 2018

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Jan - Dec 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	% Variation 2018/2017
HYDROCARBON PRODUCTION	**kboe/d**	**693**	**677**	**693**	**715**	**695**	**727**	**722**	**691**	**722**	**715**	**3.0**
Liquids production	**kboe/d**	**258**	**253**	**252**	**257**	**255**	**269**	**263**	**250**	**263**	**261**	**2.4**
Europe, Africa & Brazil	kboe/d	121	120	123	127	123	139	134	129	133	134	9.1
Latin America & Caribbean	kboe/d	60	59	58	56	58	52	53	51	54	53	(9.7)
North America	kboe/d	51	49	48	49	49	50	47	44	50	48	(2.7)
Asia & Russia	kboe/d	27	25	24	26	25	28	28	26	27	27	8.1
Natural gas production	**kboe/d**	**435**	**424**	**441**	**458**	**440**	**458**	**459**	**441**	**459**	**454**	**3.3**
Europe, Africa & Brazil	kboe/d	15	15	16	18	16	28	28	28	42	31	94.4
Latin America & Caribbean	kboe/d	229	229	243	254	239	249	252	234	235	242	1.5
North America	kboe/d	125	123	123	129	125	128	127	125	130	127	1.9
Asia & Russia	kboe/d	65	57	59	57	60	53	51	54	53	53	(11.4)
Natural gas production	**(Million scf/d)**	**2,442**	**2,381**	**2,477**	**2,572**	**2,468**	**2,571**	**2,577**	**2,476**	**2,576**	**2,550**	**3.3**

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2017	Q2 2017	Q3 2017	Q4 2017	Jan - Dec 2017	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	% Variation 2018/2017
PROCESSED CRUDE OIL	**Mtoe**	**10.9**	**11.6**	**12.4**	**12.3**	**47.4**	**11.6**	**10.9**	**12.1**	**11.9**	**46.6**	**(1.6)**
Europe	Mtoe	9.6	10.2	11.1	11.0	41.9	10.2	9.9	10.9	10.6	41.6	(0.8)
Rest of the world	Mtoe	1.3	1.4	1.3	1.4	5.4	1.3	1.0	1.3	1.3	5.0	(7.7)
SALES OF OIL PRODUCTS	**kt**	**12,064**	**13,007**	**13,442**	**13,323**	**51,836**	**12,096**	**13,121**	**13,303**	**13,246**	**51,766**	**(0.1)**
Europe Sales	kt	**10,473**	**11,321**	**11,711**	**11,576**	**45,081**	**10,434**	**11,602**	**11,844**	**11,436**	**45,316**	**0.5**
Own network	kt	**5,042**	**5,287**	**5,543**	**5,314**	**21,186**	**5,250**	**5,596**	**5,615**	**5,293**	**21,754**	**2.7**
Light products	kt	4,280	4,478	4,632	4,478	17,868	4,397	4,591	4,622	4,368	17,978	0.6
Other Products	kt	762	809	911	836	3,318	853	1,005	993	925	3,776	13.8
Other Sales to Domestic Market	kt	**2,081**	**2,044**	**2,227**	**2,119**	**8,471**	**2,259**	**2,364**	**2,433**	**2,450**	**9,506**	**12.2**
Light products	kt	2,035	1,996	2,162	2,064	8,257	2,216	2,325	2,404	2,392	9,337	13.1
Other Products	kt	46	48	65	55	214	43	39	29	58	169	(21.0)
Exports	kt	**3,350**	**3,990**	**3,941**	**4,143**	**15,424**	**2,925**	**3,642**	**3,796**	**3,693**	**14,056**	**(8.9)**
Light products	kt	1,172	1,580	1,734	1,947	6,433	1,147	1,394	1,689	1,673	5,903	(8.2)
Other Products	kt	2,178	2,410	2,207	2,196	8,991	1,778	2,248	2,107	2,020	8,153	(9.3)
Rest of the world sales	kt	**1,591**	**1,686**	**1,731**	**1,747**	**6,755**	**1,662**	**1,519**	**1,459**	**1,810**	**6,450**	**(4.5)**
Own network	kt	**523**	**566**	**605**	**594**	**2,288**	**599**	**695**	**635**	**752**	**2,681**	**17.2**
Light products	kt	481	502	543	551	2,077	550	637	594	692	2,473	19.1
Other Products	kt	42	64	62	43	211	49	58	41	60	208	(1.4)
Other Sales to Domestic Market	kt	**353**	**327**	**356**	**357**	**1,393**	**331**	**325**	**327**	**375**	**1,358**	**(2.5)**
Light products	kt	288	273	291	291	1,143	256	241	249	249	995	(12.9)
Other Products	kt	65	54	65	66	250	75	84	78	126	363	45.2
Exports	kt	**715**	**793**	**770**	**796**	**3,074**	**732**	**499**	**497**	**683**	**2,411**	**(21.6)**
Light products	kt	215	147	214	164	740	158	96	117	69	440	(40.5)
Other Products	kt	500	646	556	632	2,334	574	403	380	614	1,971	(15.6)
CHEMICALS												
Sales of petrochemical products	kt	**712**	**695**	**740**	**708**	**2,855**	**688**	**625**	**622**	**674**	**2,610**	**(8.6)**
Europe	kt	**609**	**581**	**640**	**583**	**2,412**	**581**	**504**	**520**	**531**	**2,137**	**(11.4)**
Base	kt	215	206	245	226	893	238	145	165	180	729	(18.4)
Derivative	kt	393	374	395	357	1,519	343	360	356	351	1,408	(7.3)
Rest of the world	kt	**104**	**114**	**100**	**125**	**443**	**108**	**120**	**102**	**143**	**473**	**6.7**
Base	kt	19	17	22	27	85	30	11	15	23	79	(6.7)
Derivative	kt	85	98	78	98	358	77	109	87	121	394	9.9
LPG												
LPG sales	kt	**436**	**315**	**247**	**378**	**1,375**	**437**	**303**	**241**	**350**	**1,330**	**(3.2)**
Europe	kt	430	310	242	373	1,356	431	296	235	343	1,305	(3.8)
Rest of the world	kt	5	5	4	4	19	6	6	6	7	26	34.5

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

Exports: expressed from the country of origin

APPENDIX II – CONSOLIDATED FINANCIAL STATEMENTS

Q4 & FY 2018

REPSOL

STATEMENT OF FINANCIAL POSITION

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	DECEMBER 2017	DECEMBER 2018
NON-CURRENT ASSETS		
Goodwill	2,764	3,011
Other intangible assets	1,820	2,085
Property, plant and equipment	24,600	25,431
Investment property	67	68
Investments accounted for using the equity method	9,268	7,194
Non-current financial assets:		
Non-current financial instruments	1,920	974
Others	118	129
Deferred tax assets	4,057	3,891
Other non-current assets	472	701
CURRENT ASSETS		
Non-current assets held for sale	22	6
Inventories	3,797	4,390
Trade an other receivables	5,912	6,105
Other current assets	182	296
Other current financial assets	257	1,711
Cash and cash equivalents	4,601	4,786
TOTAL ASSETS	**59,857**	**60,778**
TOTAL EQUITY		
Attributable to equity holders of the parent company	29,793	30,628
Attributable to minority interests	270	286
NON-CURRENT LIABILITIES		
Non-current provisions	4,829	4,738
Non-current financial debt	10,080	9,392
Deferred tax liabilities	1,051	1,028
Other non-current liabilities		
Non-current debt for finance leases	1,347	1,426
Other	452	470
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	1	0
Current provisions	518	500
Current financial liabilities	4,206	4,289
Trade payables and other payables:		
Current debt for finance leases	195	197
Other payables	7,115	7,824
TOTAL LIABILITIES	**59,857**	**60,778**

REPSOL

INCOME STATEMENT

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 17	Q3 18	Q4 18	2017	2018
Operating income	**879**	**934**	**(278)**	**2,789**	**2,453**
Financial result	(44)	(95)	(109)	(312)	(173)
Income from equity affiliates	388	201	659	630	1,053
Net income before tax	**1,223**	**1,040**	**272**	**3,107**	**3,333**
Income tax	(791)	(406)	(112)	(1,220)	(1,386)
Net income from continuing operations	**432**	**634**	**160**	**1,887**	**1,947**
Net income from non-controlling interest	(9)	(9)	10	(40)	(18)
NET INCOME FROM CONTINUING OPERATIONS	**423**	**625**	**170**	**1,847**	**1,929**
Net income for the year from discontinuing operations	115	0	0	274	412
NET INCOME	**538**	**625**	**170**	**2,121**	**2,341**
Earning per share attributible to the parent company (*)					
Euros/share (*)	0.33	0.38	0.10	1.29	1.45
USD/ADR	0.39	0.44	0.12	1.55	1.66
Average number of shares (**)	1,625,087,604	1,609,459,316	1,555,720,779	1,621,990,346	1,593,346,830
Exchange rates USD/EUR at the end of each quarter	1.20	1.16	1.15	1.20	1.15

(*) To calculate EPS the interest expense from the perpetual obligations (€7 million after taxes in Q4 17, Q3 18 and Q4 18) has been adjusted.

(**) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in December 2017 and June 2018 accordingly. The average weighted number of outstanding shares for the presented periods was recalculated in comparison with the previous periods to include the impact of this capital increase in accordance with IAS 33 "Earnings per share". The average number of shares held by the company during each period was also taken into account.
In November 2018 a share capital reduction was carried out by means of cancellation of 68,777,683 own shares. Thus share capital is currently represented by 1,558,877,582 shares.

CASH FLOW STATEMENT

(€ millions)

Prepared according to International Financial Reporting Standards (IFRS-EU)

	JANUARY - DECEMBER	
	2017	2018
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	3,107	3,333
Adjustments to net income		
Depreciation and amortisation of non current assets	2,399	2,140
Other adjustments to results (net)	(253)	220
EBITDA	**5,253**	**5,693**
Changes in working capital	**(110)**	**(389)**
Dividends received [1]	511	472
Income taxes received/ (paid)	(320)	(762)
Other proceeds from/ (payments for) operating activities	(221)	(435)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	**(30)**	**(725)**
	5,113	**4,579**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(327)	(807)
Fixed assets, intangible assets and real estate investments	(2,300)	(2,661)
Other financial assets	(467)	(2,033)
Payments for investment activities	**(3,094)**	**(5,501)**
Proceeds from divestments [2]	**254**	**4,074**
Other cashflow	**51**	**68**
	(2,789)	**(1,359)**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance of own capital instruments	0	0
Proceeds from/(payments for) equity instruments	(293)	(1,595)
Proceeds from issue of financial liabilities	10,285	18,127
Payments for financial liabilities	(11,448)	(18,923)
Payments for dividends and payments on other equity instruments	(332)	(297)
Interest payments	(537)	(454)
Other proceeds from/(payments for) financing activities	(36)	110
	(2,361)	**(3,032)**
Effect of changes in exchange rates from continued operations	**(49)**	**(3)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	**(86)**	**185**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,687**	**4,601**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,601**	**4,786**

(1) Includes in 2017 cash flow from discontinued operations from the dividends obtained due to the interest held in Naturgy (€201 million).

(2) Includes in 2018 cash flow from discontinued operations due to the divestment of the interest held in Naturgy (€3,816 million).

APPENDIX III – RECONCILIATION OF NON-IFRS METRICS TO IFRS DISCLOSURES

Q4 & FY 2018

REPSOL

RECONCILIATION OF ADJUSTED RESULTS AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

	Q4 2017					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	807	(257)	120	209	72	879
Financial result	(17)	76	(103)	-	(27)	(44)
Income from equity affiliates	13	376	(1)	-	375	388
Net income before tax	**803**	**195**	**16**	**209**	**420**	**1,223**
Income tax	(208)	(195)	(336)	(52)	(583)	(791)
Net income from continued operations	**595**	**-**	**(320)**	**157**	**(163)**	**432**
Income attributed to minority interests	(7)	-	1	(3)	(2)	(9)
NET INCOME FROM CONTINUED OPERATIONS	**588**	**-**	**(319)**	**154**	**(165)**	**423**
Income from discontinued operations	-	-	115	-	115	115
NET INCOME	**588**	**-**	**(204)**	**154**	**(50)**	**538**

	Q3 2018					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	1,053	(307)	96	92	(119)	934
Financial result	(115)	31	(11)	-	20	(95)
Income from equity affiliates	18	183	-	-	183	201
Net income before tax	**956**	**(93)**	**85**	**92**	**84**	**1,040**
Income tax	(359)	93	(116)	(24)	(47)	(406)
Net income from continued operations	**597**	**-**	**(31)**	**68**	**37**	**634**
Income attributed to minority interests	(9)	-	1	(1)	-	(9)
NET INCOME FROM CONTINUED OPERATIONS	**588**	**-**	**(30)**	**67**	**37**	**625**
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	**588**	**-**	**(30)**	**67**	**37**	**625**

	Q4 2018					
		ADJUSTMENTS				
€ Million	Adjusted result	Joint arragements reclassification	Special Items	Inventory Effect	Total adjustments	Total consolidated
Operating income	1,300	(611)	(487)	(480)	(1,578)	(278)
Financial result	(172)	39	24	-	63	(109)
Income from equity affiliates	(24)	610	72	1	683	659
Net income before tax	**1,104**	**38**	**(391)**	**(479)**	**(832)**	**272**
Income tax	(464)	(38)	266	124	352	(112)
Net income from continued operations	**640**	**-**	**(125)**	**(355)**	**(480)**	**160**
Income attributed to minority interests	(8)	-	-	18	18	10
NET INCOME FROM CONTINUED OPERATIONS	**632**	**-**	**(125)**	**(337)**	**(462)**	**170**
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	**632**	**-**	**(125)**	**(337)**	**(462)**	**170**

€ Million	Adjusted result	ADJUSTMENTS: Joint arragements reclassification	ADJUSTMENTS: Special Items	ADJUSTMENTS: Inventory Effect	ADJUSTMENTS: Total adjustments	Total consolidated
	January - December 2017					
Operating income	3,214	(610)	42	143	(425)	2,789
Financial result	(356)	126	(82)	-	44	(312)
Income from equity affiliates	49	580	1	-	581	630
Net income before tax	**2,907**	**96**	**(39)**	**143**	**200**	**3,107**
Income tax	(738)	(96)	(350)	(36)	(482)	(1,220)
Net income from continued operations	**2,169**	**-**	**(389)**	**107**	**(282)**	**1,887**
Income attributed to minority interests	(38)	-	1	(3)	(2)	(40)
NET INCOME FROM CONTINUED OPERATIONS	**2,131**	**-**	**(388)**	**104**	**(284)**	**1,847**
Income from discontinued operations	-	-	274	-	274	274
ADJUSTED NET INCOME	**2,131**	**-**	**(114)**	**104**	**(10)**	**2,121**

€ Million	Adjusted result	ADJUSTMENTS: Joint arragements reclassification	ADJUSTMENTS: Special Items	ADJUSTMENTS: Inventory Effect	ADJUSTMENTS: Total adjustments	Total consolidated
	January - December 2018					
Operating income	4,396	(1,204)	(633)	(106)	(1,943)	2,453
Financial result	(462)	130	159	-	289	(173)
Income from equity affiliates	15	965	72	1	1,038	1,053
Net income before tax	**3,949**	**(109)**	**(402)**	**(105)**	**(616)**	**3,333**
Income tax	(1,569)	109	46	28	183	(1,386)
Net income from continued operations	**2,380**	**-**	**(356)**	**(77)**	**(433)**	**1,947**
Income attributed to minority interests	(28)	-	1	9	10	(18)
NET INCOME FROM CONTINUED OPERATIONS	**2,352**	**-**	**(355)**	**(68)**	**(423)**	**1,929**
Income from discontinued operations	-	-	412	-	412	412
ADJUSTED NET INCOME	**2,352**	**-**	**57**	**(68)**	**(11)**	**2,341**

REPSOL

RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

	DECEMBER 2017			DECEMBER 2018		
	Adjusted Net Debt	Reclasification of JV [1]	IFRS-EU	Adjusted Net Debt	Reclasification of JV [1]	IFRS-EU
NON-CURRENT ASSETS						
Non-current financial instruments	360	1,560	1,920	87	887	974
CURRENT ASSETS						
Other current financial assets	254	3	257	1,630	81	1,711
Cash and cash equivalents	4,820	(219)	4,601	5,021	(235)	4,786
NON-CURRENT LIABILITIES						
Non-current financial debt	(7,611)	(2,469)	(10,080)	(6,625)	(2,767)	(9,392)
CURRENT LIABILITIES						
Current financial liabilities	(4,160)	(46)	(4,206)	(3,827)	(462)	(4,289)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET						
Net mark-to-market valuation of financial derivaties, excluding exchange rate and others [2]	70	-	70	275	(227)	48
NET DEBT	**(6,267)**		**(7,438)**	**(3,439)**		**(6,162)**

[1] Mainly corresponding to the financial contribution by Repsol Sinopec Brasil which is detailed in the following captions:
2017: "Cash and cash equivalents" amounting to €28 million; "non-current financial debt" for intragroup loans amounting to €2,624 million, reduced in €275 million in loans with third parties.
2018: "Cash and cash equivalents" amounting to €13 million and "Non-current financial debt" for intragroup loans amounting to €2,674 million, reduced in €127 million due to loans with third parties.

[2] This caption eliminates net market value of financial derivatives other than exchange rate ones.

	January - December					
	2017			2018		
	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU	Adjusted Cash flow	Reclasification of JV & Others	IFRS-EU
I. CASH FLOWS FROM OPERATING ACTIVITIES	**5,506**	**(393)**	**5,113**	**5,428**	**(849)**	**4,579**
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES	**(2,946)**	**157**	**(2,789)**	**(372)**	**(987)**	**(1,359)**
FREE CASH FLOW (I. + II.)	**2,560**	**(236)**	**2,324**	**5,056**	**(1,836)**	**3,220**
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES AND OTHERS [1]	**(2,658)**	**248**	**(2,410)**	**(4,855)**	**1,820**	**(3,035)**
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	**(98)**	**12**	**(86)**	**201**	**(16)**	**185**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**4,918**	**(231)**	**4,687**	**4,820**	**(219)**	**4,601**
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	**4,820**	**(219)**	**4,601**	**5,021**	**(235)**	**4,786**

[1] This caption includes payments for dividends and payment on other equity instruments, interest payments, proceeds from/(payments for) equity instruments, proceeds from/ (payments for) issue of financial liabilities, other proceeds from/(payments for) financing activities and the effect of changes in the exchange rate.

APPENDIX IV – BASIS OF PRESENTATION

BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The definition of the Repsol Group´s operating segments is based on the different activities performed and from where the Group earns revenue or incurs expenses, as well as on the organizational structure approved by the Board of Directors for business management purposes. Using these segments as a reference point, Repsol's management team (the Corporate Executive) analyzes the main operating and financial indicators in order to make decisions about segment resource allocation and to assess how Repsol ("the Company") is performing.

The Group's operating segments are:

- **Upstream**, corresponding to exploration and production of crude oil and natural gas reserves and;
- **Downstream**, corresponding, mainly, to the following activities: (i) refining and petrochemistry, (ii) trading and transportation of crude oil and oil products, (iii) commercialization of oil products, petrochemical and LPG, (iv) commercialization, transportation and regasification of natural gas and liquefied natural gas (LNG) and (v) generation of electricity and commercialization of energy and gas in Spain.

Finally, **Corporate and others** includes activities not attributable to the aforementioned businesses, and specifically, corporate expenses, net finance costs and inter-segment consolidation adjustments.

The Group did not aggregate any operating segments for presentation purposes.

Repsol presents its operating segments' results by including the ones corresponding to its joint ventures[2] and other managed companies operated as such[3], in accordance with the percentage interest held by the Group, considering their business and financial metrics in the same manner and with the same level of detail as for fully-consolidated companies. The Group considers that so doing adequately reflects the nature of its businesses and the way in which their performance is analyzed for decision-making purposes.

In addition, the Group, considering its business reality and in order to make its disclosures more comparable with those in the sector, utilizes as a measure of segment profit the so-called **Adjusted Net Income**, which corresponds to net income from continuing operations at current cost of supply or *CCS* after taxes and minority interests and not including certain items of income and expense (***Special Items***). Net finance cost is allocated to the **Corporate and others** segment's Adjusted Net Income/Loss.

Although this measure of profit (CCS), widely used in the industry to report the earnings generated in Downstream businesses which necessarily work with significant volumes of inventories that are subject to constant price fluctuations, is not accepted in *European accounting standards* it does facilitate comparison with the earnings of sector peers and enables analysis of the underlying business performance by stripping out the impact of price fluctuations on reported inventory levels. Using the CCS method, the cost of volumes sold during the reporting period is calculated using the costs of procurement and production incurred during that same period. As a result, Adjusted Net Income does not include the so-called *Inventory Effect*. This *Inventory Effect* is presented separately, net of tax and minority interests, and corresponds to the difference between income at *CCS* and that arrived at using the Average Weighted Cost accounting method (*AWC*, which is an inventory valuation method used by the Company to determine its results in accordance with *European accounting regulations*).

[2] In Repsol Group´s operating segments model, joint ventures are consolidated proportionally in accordance with the Group's percent holding. See Note 13 of the consolidated financial statements for 2018, where the Group's main joint ventures are identified.
[3] It corresponds to Petrocarabobo, S.A., an associated entity of the Group (Venezuela).

Likewise, *Adjusted Net Income* does not include *Special Items*, i.e., certain significant items whose separate presentation is considered convenient to facilitate the monitoring of the ordinary business performance. It includes gains/losses on disposals, personnel restructuring costs, impairments and relevant provisions for risks and other relevant income or expenses. These results are presented separately, net of the tax effect and minority interests.

Following the agreement reached on February 22, 2018 for the sale of the 20.072% stake in Naturgy Energy Group, S.A. —Naturgy— (formerly known as Gas Natural SDG, S.A.), its income prior to this date has been recognized as discontinued operations under "*Special items"*, previously recognized under *Corporate and others*, restating the comparative figures in terms of those published in the Q4 2017 *Results Earnings Release*.

The way in which the results of exchange rate fluctuations on tax positions in currencies other than the functional currency are presented has changed during 2018, and these changes are reflected in the *Special items* to facilitate the monitoring of business results and align us with best practices in the industry. The comparative figures for the interim periods of 2017 have not been restated, given their immateriality (see Appendix I *"Alternative Performance Measures"* of the *Management Report 2018*).

All of the information presented in this Q4 & FY 2018 *Results Earnings Release* has been prepared in accordance with the abovementioned criteria, with the exception of the information provided in Appendix II "Consolidated Financial Statements" which has been prepared according to the *International Financial Reporting Standards adopted by the European Union (IFRS-EU)*.

Appendix III provides a reconciliation of the segment reported metrics and those presented in the Consolidated Financial Statements (IFRS-EU).

Information and disclosures related to APM[4] used on the present Q4 & FY 2018 Results Earnings Release are included in Appendix I "*Alternative Performance Measures*" of the *Management Report* 2018 and Repsol's website.

[4] In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016.

DISCLAIMER

The information included in this document is published pursuant to the provision of article 226 of the Spanish Securities Market Law.

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

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

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