

Q4 & FY 2019 RESULTS

February 20, 2020



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Focused on value and cash generation:

+8% OCF growth y-o-y in a challenging environment

JOSU JON IMAZ, CEO: “Accumulated Operating Cash Flow 8% higher year-on-year”

2019 has been a milestone year for us. We have set an ambitious objective to be **net zero emissions by 2050**, at the leading edge of the sector in the fight against climate change and **we have delivered an 8% growth in Operating Cash Flow** year-on-year proving our resilience in a challenging environment.

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Upstream	310	218	186	(40.0)	1,325	1,050	(20.8)
Downstream	485	372	369	(23.9)	1,583	1,456	(8.0)
Corporate and Others	(163)	(68)	(150)	8.0	(556)	(464)	16.5
Adjusted Net Income	632	522	405	(35.9)	2,352	2,042	(13.2)
Inventory effect	(337)	(123)	25	-	(68)	(35)	48.5
Special items	(125)	(66)	(5,712)	-	57	(5,823)	-
Net Income	170	333	(5,282)	-	2,341	(3,816)	-
Economic & Operational data (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
EBITDA CCS	2,160	1,764	1,815	(16.0)	7,619	7,201	(5.5)
Operating Cash Flow	2,077	1,544	1,763	(15.1)	5,428	5,837	7.5
Investments	1,855	837	1,556	(16.1)	3,874	3,861	(0.3)
Net Debt	3,439	3,836	4,220	22.7	3,439	4,220	22.7
Total Production (Thousand boe/d)	722	711	730	1.0	715	709	(0.9)
Refining Margin Indicator in Spain (\$/bbl)	6.2	5.5	5.6	(9.7)	6.7	5.0	(25.4)

2019 Highlights: Focused on value and cash generation

ADJUSTED NET INCOME €2,042 M [-13%]

Adjusted net income in 2019 was €2,042 million, 13% lower year-on-year.

SPECIAL ITEMS €-5,823 M

Due to an impairment of €-4,849 million mainly in production assets principally located in the United States of America and Canada, after assuming a lower oil and gas price scenario consistent with the foresight to the energy transition and with the Paris Agreement's climate goals. In addition, Repsol, in an exercise of prudence, recognized a provision of €-837 million for the Addax arbitration. Repsol's shareholder remuneration has not been affected.

OPERATING CASH FLOW €5,837 M [+8%]

Operating Cash Flow was €5,837 million in 2019, 8% higher year-on-year.

NET DEBT €4,220 M

Strong cash flow from operating activities more than covered investments, interests, dividends and the share buyback program related to the 2019 scrip dividend.

Group's net debt at the end of 2019 stood at €4,220 million, €781 million higher year-on-year, impacted by the 81 million treasury shares stock maintained at the end of the year. Including leases, net debt stood at €8,083 million after the application of the IFRS 16*.

* See Appendix V – Basis of presentation.

SHAREHOLDER REMUNERATION
+5% in 2019

We **raised our dividend by 5 per cent** and we will reach 1 Euro per share this year, meeting the shareholders remuneration we committed to in the current strategic plan. Moreover, an additional 5 per cent share capital reduction will be executed, by the cancellation of own shares, after receiving the approval of the next Annual General Meeting, expected to be held in May. A share buy-back program, related to the 5 per cent share capital reduction, is expected to be launched before the Annual General Meeting.

CLIMATE ACTION 100+ and IIGCC “Repsol sets a higher benchmark for the industry”

“As lead engagers under Climate Action 100+ and IIGCC we congratulate Repsol on its new commitment to align activities and investments with the goals of the Paris Agreement. By creating a path to firmly transition towards net zero emissions across the value chain by 2050, supported by a decarbonisation process with interim targets, Repsol sets a higher benchmark for the industry. We were pleased to support Repsol on taking this important step forward and look forward to continuing our constructive dialogue with the company on climate action”.

BNP Paribas Asset Management, UBS Asset Management and EOS at Federated Hermes as lead engagers.

4Q19 Highlights:

Adjusted net income in the **fourth quarter** was €405 million, 36% lower year-on-year.

UPSTREAM
€186 M [-40%]

In **Upstream**, adjusted net income was €186 million, €124 million lower than in the same period of 2018 and mainly due to lower oil and gas realization prices and higher exploration costs. This was partially offset by higher volumes mainly from Libya as well as lower taxes as a result of a lower operating income.

DOWNSTREAM
€369 M [-24%]

In **Downstream**, adjusted net income was €369 million, 24% lower year-on-year as a consequence of lower results in the Refining, Chemical, Wholesale Gas and LPG businesses. This was partially offset by the improved performance of the Commercial businesses (Mobility and Lubricants), Trading and the positive contribution from the Electricity & Gas business.

CORPORATE & OTHERS
€-150 M

In **Corporate and others**, adjusted net income was €-150 million compared to €-163 million in the same period in 2018 because of lower corporate costs as well as lower financial expenses mainly due to lower net interest expenses.

PRODUCTION
730 kboed

Upstream **production** reached an average of 730 kboe/d in the fourth quarter of 2019, in line year-on-year due to the connection of new wells in Marcellus (USA), Akacias (Colombia) and Duvernay (Canada), the acquisition of Mikkell (Norway) as well as the acquisition of an additional 63% of working interest in Eagle Ford (USA), the absence of force majeure periods in Libya and the startup of Buckskin (USA). These were compensated by maintenance activities in Trinidad & Tobago and Brazil as well as the expiration of the Jambi Merang license (Indonesia) and the natural decline of fields.

KEY METRICS FOR THE PERIOD

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Upstream	310	218	186	(40.0)	1,325	1,050	(20.8)
Downstream	485	372	369	(23.9)	1,583	1,456	(8.0)
Corporate and Others	(163)	(68)	(150)	8.0	(556)	(464)	16.5
Adjusted Net Income	632	522	405	(35.9)	2,352	2,042	(13.2)
Inventory effect	(337)	(123)	25	-	(68)	(35)	48.5
Special items	(125)	(66)	(5,712)	-	57	(5,823)	-
Net Income	170	333	(5,282)	-	2,341	(3,816)	-

Economic data (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
EBITDA	1,680	1,597	1,852	10.2	7,513	7,161	(4.7)
EBITDA CCS	2,160	1,764	1,815	(16.0)	7,619	7,201	(5.5)
Investments	1,855	837	1,556	(16.1)	3,874	3,861	(0.3)
Net Debt	3,439	3,836	4,220	22.7	3,439	4,220	22.7
Net Debt with leases	-	7,751	8,083	-	-	8,083	-
Net Debt / EBITDA CCS (x) ^(*)	0.40	0.53	0.55	38.3	0.45	0.56	23.7

Operational data	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Liquids Production (Thousand bbl/d)	263	252	263	(0.1)	261	254	(2.7)
Gas Production ^(**) (Million scf/d)	2,576	2,576	2,622	1.8	2,550	2,552	0.1
Total Production (Thousand boe/d)	722	711	730	1.0	715	709	(0.9)
Crude Oil Realization Price (\$/bbl)	60.4	55.3	54.9	(9.1)	63.9	57.3	(10.3)
Gas Realization Price (\$/Thousand scf)	3.8	2.6	2.6	(31.6)	3.4	2.9	(14.7)
Distillation Utilization Spanish Refining (%)	94.2	89.5	85.7	(8.5)	92.9	88.4	(4.5)
Conversion Utilization Spanish Refining (%)	109.5	104.9	104.3	(5.2)	106.6	103.3	(3.3)
Refining Margin Indicator in Spain (\$/bbl)	6.2	5.5	5.6	(9.7)	6.7	5.0	(25.4)

(*) Net Debt / EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16). (**) 1,000 Mcf/d = 28.32 Mm3/d = 0.178 Mboe/d.

Full year 2019 results

Adjusted net income in 2019 was €2,042 million, 13% lower year-on-year. **Net income** amounted to €-3,816 million, mainly due to impairments in the Upstream business and the Addax arbitration.

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

- In **Upstream**, adjusted net income was €1,050 million, €275 million lower than in the same period in 2018 mainly due to lower oil and gas realization prices and lower volumes. This was partially offset by lower exploration costs and other costs, the appreciation of the dollar against the euro and lower taxes as a result of a lower operating income.
- In **Downstream**, adjusted net income was €1,456 million, 8% lower year-on-year mainly due to lower results in Refining, Chemicals, LPG and Wholesale Gas. This was partially offset by the improved performance of the Commercial businesses (Mobility and Lubricants), Trading, Repsol Peru and the positive contribution from the Electricity & Gas business.

- In **Corporate and others**, adjusted net income was €-464 million compared to €-556 million in the same period in 2018. In **Corporate** due to lower corporate expenses and in the **Financial Results** mainly due to lower net interest expenses.

EBITDA CCS was €7,201 million in 2019, 5% lower year-on-year.

Strong cash flow from operating activities more than covered investments, interests, dividends and the share buyback program related to the 2019 scrip dividend. Group's **net debt** at the end of 2019 stood at €4,220 million, €781 million higher year-on-year, impacted by the 81 million treasury shares stock maintained at the end of the year. Including leases, net debt stood at €8,083 million after the application of the IFRS 16.

Fourth quarter 2019 results

Adjusted net income in the fourth quarter was €405 million, 36% lower year-on-year. **Net income** amounted to €-5,282 million, mainly due to impairments in the Upstream business and the Addax arbitration.

Quarterly results for the business segments are summarized as follows:

- In **Upstream**, adjusted net income was €186 million, €124 million lower than in the same period of 2018 and mainly due to lower oil and gas realization prices and higher exploration costs. This was partially offset by higher volumes mainly from Libya as well as lower taxes as a result of a lower operating income.
- In **Downstream**, adjusted net income was €369 million, 24% lower year-on-year as a consequence of lower results in the Refining, Chemical, Wholesale Gas and LPG businesses. This was partially offset by the improved performance of the Commercial businesses (Mobility and Lubricants), Trading and the positive contribution from the Electricity & Gas business.
- In **Corporate and others**, adjusted net income was €-150 million compared to €-163 million in the same period in 2018 because of lower corporate costs as well as lower financial expenses mainly due to lower net interest expenses.

EBITDA CCS in the fourth quarter of 2019 was €1,815 million, 16% lower compared to that of the fourth quarter of 2018.

NET INCOME PERFORMANCE BY BUSINESS SEGMENT

Upstream

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Adjusted Net Income	310	218	186	(40.0)	1,325	1,050	(20.8)
Operating income	638	460	335	(47.5)	2,514	1,969	(21.7)
Income tax	(336)	(244)	(157)	53.3	(1,211)	(948)	21.7
Income from equity affiliates and non-controlling interests	8	2	8	0.0	22	29	31.8
EBITDA	1,224	984	1,058	(13.6)	4,801	4,255	(11.4)
Investments	550	553	915	66.4	1,973	2,429	23.1
Effective Tax Rate (%)	53	53	47	(6.0)	48	48	0.0

International prices	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Brent (\$/bbl)	68.8	62.0	63.1	(8.3)	71.3	64.2	(10.0)
WTI (\$/bbl)	59.3	56.4	56.9	(4.0)	64.9	57.0	(12.2)
Henry Hub (\$/MBtu)	3.6	2.2	2.5	(30.6)	3.1	2.6	(16.1)
Average exchange rate (\$/€)	1.14	1.11	1.11	(2.6)	1.18	1.12	(5.1)

Realization prices	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Crude Oil (\$/bbl)	60.4	55.3	54.9	(9.1)	63.9	57.3	(10.3)
Gas (\$/Thousand scf)	3.8	2.6	2.6	(31.6)	3.4	2.9	(14.7)

Exploration (€ Million) ^(*)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
G&A and Amortization of Bonus and Dry Wells	102	10	212	107.8	457	297	(35.0)

Production	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Liquids (Thousand bbl/d)	263	252	263	0.0	261	254	(2.7)
Gas ^(**) (Million scf/d)	2,576	2,576	2,622	1.8	2,550	2,552	0.1
Total (Thousand boe/d)	722	711	730	1.0	715	709	(0.9)

(*) Only direct costs attributable to exploration projects. (**) 1,000 Mcf/d = 28.32 Mm³/d = 0.178 Mboe/d

Fourth quarter 2019 results

In **Upstream**, adjusted net income was €186 million, €124 million lower than in the same period of 2018 and mainly due to lower oil and gas realization prices and higher exploration costs. This was partially offset by higher volumes mainly from Libya as well as lower taxes as a result of a lower operating income.

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

- Lower **realization prices** had a negative impact on the operating income of €385 million.
- Higher **volumes** positively impacted the operating income by €35 million.

- Higher **exploration costs** had a negative impact on the operating income of €106 million.
- Lower **royalties** contributed positively to the operating income by €68 million.
- The **appreciation of the US dollar** against the euro had a positive impact on the operating income of €13 million.
- **Income tax** expense impacted the adjusted net income positively by €179 million due to a lower operating income.
- **Income from equity affiliates and non-controlling interests as well as others costs** explain the remaining differences.

Upstream **production** reached an average of 730 kboe/d in the fourth quarter of 2019, in line year-on-year due to the connection of new wells in Marcellus (USA), Akacias (Colombia) and Duvernay (Canada), the acquisition of Mikkel (Norway) as well as the acquisition of an additional 63% of working interest in Eagle Ford (USA), the absence of force majeure periods in Libya and the startup of Buckskin (USA). These were compensated by maintenance activities in Trinidad & Tobago and Brazil as well as the expiration of the Jambi Merang license (Indonesia) and the natural decline of fields.

During the fourth quarter of 2019, 6 exploration wells and 1 appraisal were finished, 4 were declared negative and 3 are currently under evaluation.

Investments

Investment in Upstream in the fourth quarter of 2019 amounted to €915 million, €365 million higher than the fourth quarter of 2018.

- **Development investment** accounted for 42% of the total investment and was concentrated mainly in the USA (42%), Norway (19%), Malaysia (8%) and Brazil (6%).
- **Exploration investment** represented 15% of the total and was allocated primarily in Colombia (19%), Brazil (18%), the USA (15%) and Norway (10%).
- Additionally, the rest of the investments correspond mainly to the **acquisition of Equinor's 63% share in Eagle Ford** in the USA and the signature bonus associated with Corridor extension in Indonesia.

Full year 2019 results

In **Upstream**, adjusted net income was €1,050 million, €275 million lower than in the same period in 2018 mainly due to lower oil and gas realization prices and lower volumes. This was partially offset by lower exploration costs and other costs, the appreciation of the dollar against the euro and lower taxes as a result of a lower operating income.

Average production in 2019 reached 709 Kboe/d, **nearly in line year-on-year** mainly due to the contribution of new production coming from short cycle projects and portfolio rotation: The connection of new wells in Marcellus (USA) and in Duvernay (Canada), the acquisition of Mikkel (Norway) as well as the acquisition of an additional 63% of working interest in Eagle Ford (USA) and the startup of Buckskin (USA). Additionally, the connection of new wells in Akacias (Colombia) and lower maintenance activity in Peru contributed positively. These were compensated by lower gas demand in Venezuela and longer periods of force majeure in Libya and operational issues and maintenance activities in Trinidad & Tobago, the divestment of MidContinent (USA), the expiration of the Jambi Merang license (Indonesia) and the natural decline of fields.

During 2019, 16 exploration wells and 8 appraisals were finished, 9 were declared positive, 10 were deemed unsuccessful and 5 are currently under evaluation.

Investments

Investment in Upstream in 2019 amounted to €2,429 million, €456 million higher than in 2018.

- **Development investment** accounted for 65% of the total investment and was concentrated mainly in the USA (40%), Norway (16%), Trinidad and Tobago (12%) and UK (7%).
- **Exploration investment** represented 17% of the total and was allocated primarily in the USA (33%), Colombia (10%), Brazil (7%), Norway (7%), Indonesia (7%) and Bolivia (6%).
- Additionally, the rest of the investments correspond mainly to the **acquisition of Equinor's 63% share in Eagle Ford** in the USA and the signature bonus associated with the Corridor extension in Indonesia.

Downstream

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Adjusted Net Income	485	372	369	(23.9)	1,583	1,456	(8.0)
Operating income	716	498	475	(33.7)	2,143	1,928	(10.0)
Income tax	(191)	(115)	(100)	47.6	(526)	(446)	15.2
Income from equity affiliates and non-controlling interests	(40)	(11)	(6)	85.0	(34)	(26)	23.5
Average Weighted Cost Adjusted Net Income	148	249	394	166.2	1,515	1,421	(6.2)
Inventory effect	(337)	(123)	25	-	(68)	(35)	48.5
EBITDA	469	655	822	75.3	2,859	3,057	6.9
EBITDA CCS	949	822	785	(17.3)	2,965	3,097	4.5
Investments	1,271	267	627	(50.7)	1,831	1,376	(24.8)
Effective Tax Rate (%)	27	23	21	(6.0)	25	23	(2.0)
Operational data	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Refining Margin Indicator in Spain (\$/bbl)	6.2	5.5	5.6	(9.7)	6.7	5.0	(25.4)
Distillation Utilization Spanish Refining (%)	94.2	89.5	85.7	(8.5)	92.9	88.4	(4.5)
Conversion Utilization Spanish Refining (%)	109.5	104.9	104.3	(5.2)	106.6	103.3	(3.3)
Oil Product Sales (Thousand tons)	13,246	13,121	12,560	(5.2)	51,766	49,932	(3.5)
Petrochemical Product Sales (Thousand tons)	674	678	652	(3.3)	2,610	2,787	6.8
LPG Sales (Thousand tons)	350	226	328	(6.3)	1,330	1,253	(5.8)
North America Natural Gas Sales (TBtu)	131.3	149.2	171.5	30.6	520.2	607.8	16.8
International prices (\$/Mbtu)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Henry Hub	3.6	2.2	2.5	(30.6)	3.1	2.6	(16.1)
Algonquin	5.0	2.1	3.2	(36.0)	4.8	3.2	(33.3)

Fourth quarter 2019 results

Adjusted net income amounted to €369 million, 24% lower year-on-year. 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 €55 million lower year-on-year. In Spain, wider heavy to light crude oil differentials and the strengthening of the gasoline and naphtha spread were not able to compensate a lower middle distillates and fuel oil spread.
- In **Chemicals**, operating income was €136 million lower year-on-year due to lower international margins as well as planned and unplanned maintenance activity in the crackers of Tarragona and Sines.
- In **Trading and Wholesale Gas**, operating income was €47 million higher year-on-year mainly due to the improved performance of the Trading business.
- In **Mobility, Lubricants and LPG**, operating income was €18 million higher year-on-year. A higher contribution from the marketing businesses in Spain, Mexico and Portugal as well as better margins in the Lubricants business were able to offset lower LPG margins and lower activity due to a milder winter.
- The **appreciation of the dollar against the euro** had a positive impact on the operating income of €14 million.

- **Results in other activities, adjustments, equity affiliates and non-controlling interests and taxes** cover the remaining difference.

Investments in Downstream in the fourth quarter amounted to €627 million.

Full year 2019 results

Adjusted net income was €1,456 million, 8% lower year-on-year mainly due to lower results in Refining, Chemicals, LPG and Wholesale Gas. This was partially offset by the improved performance of the Commercial businesses (Mobility and Lubricants), Trading, Repsol Peru and the positive contribution from the Electricity & Gas business.

Investments in Downstream in 2019 amounted to €1,376 million.

Corporate and others

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Adjusted Net Income	(163)	(68)	(150)	8.0	(556)	(464)	16.5
Corporate result	(73)	(44)	(61)	16.4	(247)	(206)	16.6
Consolidation adjustments	19	(20)	16	(15.8)	(14)	(30)	(114.3)
Financial result	(172)	(14)	(148)	14.0	(462)	(390)	15.6
Income tax	63	11	46	(27.0)	168	167	(0.6)
Income from equity affiliates and non-controlling interests	0	(1)	(3)	-	(1)	(5)	-
EBITDA	(13)	(42)	(28)	-	(147)	(151)	(2.7)
Net Interests ^(*)	(73)	(49)	(49)	32.9	(288)	(211)	26.7
Investments	34	17	14	(58.8)	70	56	(20.0)
Effective Tax Rate (%)	(28)	(15)	(24)	4.0	(23)	(27)	(4.0)

(*) Lease effect not included.

Fourth quarter 2019 results

At operating income level **Corporate and Adjustments** accounted for a net expense of €45 million during the fourth quarter of 2019 compared to a net expense of €54 million in the fourth quarter of 2018 mainly due to lower corporate expenses.

The **financial result** in the fourth quarter amounted to a net expense of €148 million during the fourth quarter of 2019 compared with a net expense of €172 million in the fourth quarter of 2018 mainly due to lower net interest expenses.

Full year 2019 results

At operating income level **Corporate and Adjustments** accounted for a net expense of €236 million in 2019 compared to a net expense of €261 million in 2018 mainly due to lower corporate expenses.

The **financial result** in 2019 amounted to a net expense of €390 million in 2019 compared with a net expense of €462 million in 2018 mainly due to lower net interest expenses.

NET INCOME ANALYSIS:

SPECIAL ITEMS

Special Items

(Unaudited figures)

Results (€ Million)	Q4 2018	Q3 2019	Q4 2019	% Change Q4 19/Q4 18	Jan - Dec 2018	Jan - Dec 2019	% Change 2019/2018
Divestments	24	14	4	(83.3)	83	49	(41.0)
Indemnities and workforce restructuring	(13)	(4)	(31)	(138.5)	(55)	(64)	(16.4)
Impairment of assets	(559)	(1)	(4,863)	-	(684)	(4,867)	-
Provisions and others	423	(75)	(822)	-	301	(941)	-
Discontinued operations	0	0	0	-	412	0	-
Special Items	(125)	(66)	(5,712)	-	57	(5,823)	-

Fourth quarter and full year 2019 results

Special items in the fourth quarter and full year of 2019 amounted to €-5,712 million and €-5,823 million respectively compared to €-125 million and €57 million in the same periods of 2018 and correspond mainly to an impairment of €-4,849 million in production assets principally located in the United States of America and Canada, after assuming a lower oil and gas price scenario consistent with the foresight to the energy transition and with the Paris Agreement's climate goals. In addition, Repsol, in an exercise of prudence, recognized a provision of €-837 million for the arbitration proceeding in connection with the purchase in 2012 by Addax and Sinopec of 49% of the shares in Talisman Energy UK Limited (TSEUK) from the Canadian group Talisman. Repsol's shareholder remuneration has not been affected.

For detailed information on impairments see Note 21 of the Consolidated Financial Statements 2019 and Section 4.1 of the Consolidated Management Report 2019.

For detailed information on the Addax arbitration see Note 15 of the Consolidated Financial Statements 2019.

CASH FLOW ANALYSIS:

ADJUSTED CASH FLOW STATEMENT

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

(Unaudited figures)

	JANUARY - DECEMBER	
	2018	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
EBITDA CCS	7,619	7,201
Changes in working capital ¹	(912)	(107)
Dividends received	20	66
Income taxes received/ (paid)	(845)	(1,047)
Other proceeds from/ (payments for) operating activities	(454)	(276)
	5,428	5,837
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities	(3,866)	(3,953)
Proceeds from divestments	3,494	176
	(372)	(3,777)
FREE CASH FLOW (I. + II.)	5,056	2,060
Payments for dividends and payments on other equity instruments	(297)	(396)
Net interest payments and leases	(458)	(507)
Treasury shares	(1,595)	(1,844)
CASH GENERATED IN THE PERIOD	2,706	(687)
Financing activities and others	(2,505)	(1,116)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	201	(1,803)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,820	5,021
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,021	3,218

⁽¹⁾ Includes an inventory effect pretax of €37 million for 4Q19.

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 2019	Jan-Dec 2019
NET DEBT AT THE START OF THE PERIOD	3,836	3,439
IMPACT DUE TO LEASES	3,915	3,727 ⁽¹⁾
NET DEBT AT THE START OF THE PERIOD WITH LEASES	7,751	7,166
EBITDA CCS	(1,815)	(7,201)
CHANGE IN WORKING CAPITAL ⁽²⁾	(389)	107
INCOME TAX RECEIVED /PAID	357	1,047
NET INVESTMENT	1,504	3,776
DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS	(12)	396
FOREIGN EXCHANGE RATE EFFECT	(95)	(32)
INTEREST AND OTHER MOVEMENTS ⁽³⁾	782	2,824
NET DEBT AT THE END OF THE PERIOD WITH LEASES	8,083	8,083
NET DEBT AT THE END OF THE PERIOD	4,220	4,220

RATIOS	Jan-Dec 2019	Jan-Dec 2019 with leases
CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million)	29,556	33,292
NET DEBT / CAPITAL EMPLOYED (%)	14.3	24.3
ROACE (%)	(11.0)	(9.7)
NET DEBT / EBITDA CCS (x)	0.56 ⁽⁴⁾	1.12

⁽¹⁾ It includes €1,624 million due to financial leases recognized in accordance with the previous accounting regulation and €2,103 million for new leases recognized with the application of the IFRS 16.

⁽²⁾ Includes a pretax inventory effect of €37million in the fourth quarter of 2019.

⁽³⁾ Principally includes new lease contracts, the market operations relating to treasury shares, interest expenses, dividends received, other receipts/payments and companies' acquisition/sale effect.

⁽⁴⁾ EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16).

Strong cash flow from operating activities more than covered investments, interests, dividends and the share buyback program related to the 2019 scrip dividend. Group's **net debt** at the end of 2019 stood at €4,220 million, €781 million higher year-on-year, impacted by the 81 million treasury shares stock maintained at the end of the year. Including leases, net debt stood at €8,083 million after the application of the IFRS 16.

The Group's **liquidity** at the end of 2019 was €7,667 million (including undrawn committed credit lines), representing 1.47 times short-term gross debt maturities.

RELEVANT EVENTS

The main company-related events since the third quarter 2019 results release were as follows:

UPSTREAM

NOV. 2019 On November 7, Repsol reached an agreement with Equinor to acquire its 63% stake in Eagle Ford, a producing asset in Texas (United States), for \$325 million. Repsol acquired approximately 70,000 net acres and 34,000 barrels of oil equivalent a day of production so that total output for Repsol at Eagle Ford after the agreement will reach approximately 54 thousand barrels of oil equivalent a day.

NOV. 2019 In November, a new 20-year contract was officially signed for the PSC (Production Sharing Contract) of Corridor in Indonesia, together with the partners in this project: ConocoPhillips and Pertamina. Corridor is located in South Sumatra, next to Sakakemang block where at the beginning of the year Repsol made the great discovery of Kaliberau.

Currently, Repsol has a 36% stake in the PSC that would end on December 19, 2023. During the 20-year extension, Repsol's share will be reduced to 21.6% to accommodate a more important role of the national oil company, Pertamina, which will increase its current 10% stake to 30% and a local public company that will assume a 10% stake. Pertamina also obtains the right to assume the operations of ConocoPhillips from 2026.

The Corridor PSC brings an important contribution to Repsol in terms of annual production and generation of free cash flow, making it one of the company's most important assets.

DEC. 2019 In December, the state-owned company Petronas acquired 49% of Repsol's 100% working interest in the Indonesian offshore block Andaman III.

DEC. 2019 In December, an agreement with Gazprom Neft was signed in order to conduct geological explorations in six licensed blocks in the Karabashsky area of the autonomous Khanty-Mansi region, southwest of Siberia. This synergy, with which Repsol will acquire 50.1% of the capital of the company Karabashsky-6 LLC, will allow to continue expanding Repsol's prospection in Russia and, in the future, also its production.

DOWNSTREAM

DEC. 2019 On December 4, Repsol acquired Ibil's charging network and energy commercialization services for electric vehicles. Following the agreement, Repsol's public charging network will consist of more than 230 points, making it one of the most important infrastructures of this type in Spain, in addition to the operation of 1,000 terminals for private use. The public network includes more than 50 fast charging points, located mainly at Repsol service stations, as well as the first two ultra-fast facilities on the Iberian Peninsula.

- DEC. 2019** On December 16, Repsol launched Solify, a comprehensive self-generation solution for photovoltaic energy, offering 100% renewable energy to individual customers and businesses.
- DEC. 2019** On December 18, Repsol passed the one million electricity and gas customer mark. Repsol Electricidad y Gas has captured 250,000 customers in Spain since its creation on 2 November 2018, representing an increase of 33%.
- DEC. 2019** On December 30, the second WindFloat Atlantic unit – featuring the world’s largest offshore wind turbine on a floating platform –departed for its final destination off the Portuguese coast of Viana do Castelo, where the commissioning of the floating wind farm will take place.
- JAN. 2020** On January 2, the first platform of the WindFloat Atlantic wind farm, was able to supply to the grid in Portugal the energy generated by its 8.4 MW wind turbine, the world’s largest installed on a floating platform.

CORPORATION

- NOV. 2019** On November 5, Repsol informed that the Company reached the maximum number of shares to be acquired under the Buy-back Programme ("MNS"), that is, 70,368,868 shares (representing approximately 4.40% of Repsol’s share capital as of November 5). Thus, the mentioned Buy-back program was fulfilled.
- In addition, Repsol informed that the execution of the share capital reduction, approved by the Annual Shareholders’ Meeting held on May 31, 2019 under item seven of the agenda, is expected within one month from the date of termination of the Buy-back Programme. In this regard, the company informed that the following shares will be cancelled: (i) 1,026,119 own shares held in treasury stock on March 27, 2019; and (ii) 70,368,868 own shares representing approximately 4.40% of Repsol’s share capital, acquired under the Buy-back Programme. That is, a total of 71,394,987 treasury shares, each with a par value of one euro and representing approximately 4.47% of the share capital of Repsol as of November 5, will be cancelled.
- NOV. 2019** On November 7, Repsol informed that the CEO, pursuant to the delegation granted in his favor by the Board of Directors, 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 31, 2019, under item seven of the agenda. The share capital of Repsol was reduced in the amount of 71,394,987 euros, through the cancellation of 71,394,987 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. 2019** On November 27, the Board of Directors of Repsol, S.A. approved the payment of a remuneration equivalent to 0.45 euros gross per share to its shareholders within the framework of the Repsol Flexible Dividend Program (in replacement of the interim dividend of 2019), subject to the applicable rounding in accordance with the formulas approved by the Annual Shareholders’ Meeting held on May 31, 2019, under item six on its Agenda. For this purpose, and pursuant to the delegation granted by the Shareholders’ Meeting, the Board of Directors fixed the market value of the capital increase (“Amount of the Alternative Option”) at 687,328,224 euros.

- DEC. 2019** On December 2, Repsol announced that in line with its commitment to sustainability, Repsol aims to achieve net zero emissions by 2050, making it the first oil and gas company in the world to assume this ambitious goal. At the same time, it is setting a decarbonization path with intermediate targets for 2020 to 2040.
- This ambition entails directing all of its activities and investments to meeting new and more stringent plans all in alignment with the energy transition and the effort to limit the planet's temperature rise to well below 2 degrees Celsius according to the Paris Agreement's climate goals.
- In this context, the company assumed a new oil and gas price scenario consistent with the Paris Agreement's climate goals. This adjustment to the value of some assets implies a post-tax impairment charge of 4.8 billion euros, which is reflected in specific results for 2019.
- The company announced the increase in 3,000 MW of its target for low-carbon electricity generation capacity, to 7,500 MW by 2025, and will begin to expand into other markets to become a leading international player in renewable energies.
- DEC. 2019** On December 11, Repsol disclosed the Informative Document in connection with the paid-up capital increase approved by the 2019 Annual Shareholders' Meeting under item six on the Agenda, as part of the shareholder remuneration program "Repsol Flexible Dividend" (scrip dividend).
- DEC. 2019** On December 18, the Board of Directors of Repsol, S.A. resolved that Mr. Luis Suárez de Lezo Mantilla be reclassified as an "External Director" at the end of his executive functions as General Counsel of the Company, with effective date December 31, 2019, by mutual agreement and at the initiative and in the interest of the Company, and will remain in his position as member of the Board of Directors of Repsol and its Delegate Committee, and as Secretary of said Board.
- JAN. 2020** On January 9, Repsol, S.A. announced the end, on January 7, 2020, of the trading period of the free allocation rights corresponding to the paid up capital increase implementing the "Repsol Flexible Dividend" shareholders' remuneration program.
- Holders of 83.50% of free allocation rights (a total of 1,275,378,225 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 38,647,825, where the nominal amount of the increase is 38,647,825 euros, representing an increase of approximately 2.53% of Repsol's share capital before the capital increase.
- Moreover, during the period established for that purpose, holders of 16.50% of free allocation rights accepted the irrevocable commitment to purchase rights taken by Repsol. Consequently, Repsol acquired 252,017,771 rights for a total amount of 106,855,534.904 euros. Repsol has waived the shares corresponding to the free allocation rights acquired by virtue of the mentioned commitment.
- JAN. 2020** On January 14, in execution of agreements approved by the Annual General Shareholders' Meeting held on May 11, 2018 under item thirteenth of the Agenda, Repsol, S.A. launched the Share Acquisition Plan 2020 (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. 2020 On January 22, Repsol published its “Trading Statement,” which is a document that provides provisional information for the fourth quarter and full year results of 2019, including data on the economic environment as well as company performance during the periods.

FEB. 2020 On February 14, as Repsol was disclosing in previous years (including the official notice registered with the CNMV on June 17, 2016) Addax Petroleum UK Limited (“Addax”) and Sinopec International Petroleum Exploration and Production Corporation (“Sinopec”) in 2015 initiated an arbitration proceeding against Talisman Energy Inc. (currently “ROGCI”) and Talisman Colombia Holdco Limited (“TCHL”) in connection with the purchase in 2012 by Addax and Sinopec of 49% of the shares in Talisman Energy UK Limited (TSEUK) from the Canadian group Talisman. In that arbitration proceeding, that relates to events which took place in 2012, prior to Repsol’s acquisition of Talisman in 2015 —and that does not involve any actions by Repsol—, Addax and Sinopec requested, in the event that their claims were upheld in their entirety, a total approximate amount of US\$5.5 billion, which, according to their requests, would correspond to the amount of their initial investment in TSEUK, and any additional investment, past or future, in such company, as well as any loss of opportunity.

Additionally, on November 30, 2017 Repsol, S.A. commenced an arbitration against China Petroleum Corporation and TipTop Luxembourg S.A.R.L seeking relief from any adverse ruling on the arbitration mentioned above together with other damages yet unquantified. This procedure is based on their conduct towards Repsol during the months leading up to its acquisition of the Talisman Group.

In relation to the arbitration proceeding initiated by Addax and Sinopec, Repsol informs that the Arbitral Tribunal in 2017 issued a first partial award dismissing all the warranty claims made by Addax and Sinopec. Likewise, it decided, among other procedural matters, to split the proceedings into two phases: the first addressing liability and the second dealing with the quantum of any liability found.

In 2020, the Arbitral Tribunal has made its second partial award on one aspect of the five matters to be determined in the liability phase and, although Repsol had considered the claims to be without merit —supported by external advice—, and still does, the Tribunal has decided that ROGCI and TCHL are liable to Sinopec and Addax in respect of that aspect of the claim.

The mentioned second partial award addresses liability in relation to one of the five areas of the claim. The Tribunal has indicated that it will provide further awards deciding the outcome of those remaining aspects of the claim in due course, although we do not currently have an indication of when these further awards will be made. In principle, after the remaining awards on liability have been made, a further phase of the proceedings will be necessary to determine the quantum issues, the timetable for which has not yet been set. It is likely that this timetable will need to include provision for further statements of case, document production, factual evidence and expert evidence before a further hearing. We do not expect the quantum phase, without taking into account any challenges to the awards, to be resolved before 1Q 2022.

The company is analyzing possible action against this partial award and expects to challenge it before the Singaporean courts.

Whilst the amount of a possible compensation (if any) is not known with certainty given

that a number of key issues remain to be determined and the process will be protracted, Repsol, in an exercise of prudence, has recognized a provision of 837 million euros in its financial statements at December 31, 2019 for the entire litigation.

FEB. 2020

On February 18, Repsol, S.A. launched the Global Share Acquisition Plan 2020 “Your Repsol” (the “Plan”), the Plan applies to Repsol Group’s employees. This Plan allows its participants to allocate an amount of its remuneration to the acquisition of shares of the Company and receive a free share for every two initially acquired, as long as these shares are maintained for a period of two years and the rest of the conditions of the plan are fulfilled.

Madrid, February 20, 2020

A conference call has been scheduled for research analysts and institutional investors for today, February 20, 2020 at 12:30 (CET) to report on the Repsol Group’s fourth quarter and full year 2019 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 the both 2019 Consolidated Financial Statements and Management Report that will be available on Repsol’s corporate website as well as at the Spanish regulator CNMV (Comisión Nacional del Mercado de Valores).



**APPENDIX I – FINANCIAL
METRICS AND OPERATING
INDICATORS BY SEGMENT**

Q4 & FY 2019

ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	Q4 2018							
	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

€ Million	Q3 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	460	-	(244)	2	218	-	(51)	167
Downstream	498	-	(115)	(11)	372	(123)	(10)	239
Corporate & Others	(64)	(14)	11	(1)	(68)	-	(5)	(73)
TOTAL	894	(14)	(348)	(10)	522	(123)	(66)	333
NET INCOME							(66)	333

€ Million	Q4 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	335	-	(157)	8	186	-	(5,669)	(5,483)
Downstream	475	-	(100)	(6)	369	25	(14)	380
Corporate & Others	(45)	(148)	46	(3)	(150)	-	(29)	(179)
TOTAL	765	(148)	(211)	(1)	405	25	(5,712)	(5,282)
NET INCOME							(5,712)	(5,282)

€ Million	January - December 2018							
	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

€ Million	January - December 2019							
	Operating income	Financial Results	Income Tax	Income from equity affiliates and non-controlling interests	Adjusted net income	Inventory effect	Special Items	Net Income
Upstream	1,969	-	(948)	29	1,050	-	(5,645)	(4,595)
Downstream	1,928	-	(446)	(26)	1,456	(35)	(112)	1,309
Corporate & Others	(236)	(390)	167	(5)	(464)	-	(66)	(530)
TOTAL	3,661	(390)	(1,227)	(2)	2,042	(35)	(5,823)	(3,816)
NET INCOME							(5,823)	(3,816)

OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 18	Q3 19	Q4 19	2018	2019
UPSTREAM	638	460	335	2,514	1,969
Europe, Africa & Brazil	416	314	321	1,614	1,326
Latin America & Caribbean	206	113	94	726	522
North America	50	2	11	273	96
Asia & Russia	88	68	94	465	371
Exploration & Others	(122)	(37)	(185)	(564)	(346)
DOWNSTREAM	716	498	475	2,143	1,928
Europe	621	521	397	2,039	1,822
Rest of the World	95	(23)	78	104	106
CORPORATE AND OTHERS	(54)	(64)	(45)	(261)	(236)
TOTAL	1,300	894	765	4,396	3,661

ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 18	Q3 19	Q4 19	2018	2019
UPSTREAM	310	218	186	1,325	1,050
Europe, Africa & Brazil	179	125	193	768	653
Latin America & Caribbean	128	82	88	501	387
North America	40	3	8	212	76
Asia & Russia	48	34	29	264	182
Exploration & Others	(85)	(26)	(132)	(420)	(248)
DOWNSTREAM	485	372	369	1,583	1,456
Europe	418	394	324	1,500	1,398
Rest of the World	67	(22)	45	83	58
CORPORATE AND OTHERS	(163)	(68)	(150)	(556)	(464)
TOTAL	632	522	405	2,352	2,042

EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 18	Q3 19	Q4 19	2018	2019
UPSTREAM	1,224	984	1,058	4,801	4,255
Europe, Africa & Brazil	548	455	487	2,159	1,935
Latin America & Caribbean	348	275	232	1,285	1,110
North America	176	130	178	686	619
Asia & Russia	191	154	173	838	715
Exploration & Others	(39)	(30)	(12)	(167)	(124)
DOWNSTREAM ⁽¹⁾	469	655	822	2,859	3,057
Europe	399	657	694	2,697	2,809
Rest of the World	70	(2)	128	162	248
CORPORATE AND OTHERS	(13)	(42)	(28)	(147)	(151)
TOTAL ⁽¹⁾	1,680	1,597	1,852	7,513	7,161
⁽¹⁾ EBITDA CCS €M					
DOWNSTREAM	949	822	785	2,965	3,097
TOTAL	2,160	1,764	1,815	7,619	7,201

INVESTMENTS BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS

(Unaudited figures)

€ Million	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 18	Q3 19	Q4 19	2018	2019
UPSTREAM	550	553	915	1,973	2,429
Europe, Africa & Brazil	126	124	151	442	526
Latin America & Caribbean	95	80	63	314	341
North America	188	209	486	659	1,025
Asia & Russia	24	26	98	166	164
Exploration and Others	117	114	117	392	373
DOWNSTREAM	1,271	267	627	1,831	1,376
Europe	1,121	234	587	1,578	1,226
Rest of the World	150	33	40	253	150
CORPORATE AND OTHERS	34	17	14	70	56
TOTAL	1,855	837	1,556	3,874	3,861

CAPITAL EMPLOYED BY BUSINESS SEGMENTS

(Unaudited figures)

€ Million	CUMULATIVE DATA		
	Dec 18	Dec 19	Dec 19 with leases
Upstream	21,515	16,368	17,205
Downstream	11,338	11,237	14,078
Corporate and others	1,500	1,951	2,009
TOTAL Capital employed in continued operations	34,353	29,556	33,292
ROACE (%)		(11.0)	-
ROACE (%) including leases (*)		-	(9.7)

(*) 4Q19 ROACE CCS is 9.7%



**OPERATING
INDICATORS**

Q4 & FY 2019

UPSTREAM OPERATING INDICATORS

	Unit	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Jan - Dec 2019	% Variation 2019/2018
HYDROCARBON PRODUCTION	kboe/d	727	722	691	722	715	700	694	711	730	709	(0.9)
Liquids production	kboe/d	269	263	250	263	261	244	258	252	263	254	(2.7)
Europe, Africa & Brazil	kboe/d	139	134	129	133	134	111	134	126	130	125	(6.2)
Latin America & Caribbean	kboe/d	52	53	51	54	53	57	55	55	55	56	5.8
North America	kboe/d	50	47	44	50	48	48	44	48	53	48	1.3
Asia & Russia	kboe/d	28	28	26	27	27	27	26	23	25	25	(8.7)
Natural gas production	kboe/d	458	459	441	459	454	456	436	459	467	454	0.1
Europe, Africa & Brazil	kboe/d	28	28	28	42	31	45	43	41	38	42	32.7
Latin America & Caribbean	kboe/d	249	252	234	235	242	241	218	234	231	231	(4.7)
North America	kboe/d	128	127	125	130	127	124	125	137	148	134	4.9
Asia & Russia	kboe/d	53	51	54	53	53	47	50	46	50	48	(9.2)
Natural gas production	(Million scf/d)	2,571	2,577	2,476	2,576	2,550	2,562	2,446	2,576	2,622	2,552	0.1

DOWNSTREAM OPERATING INDICATORS

	Unit	Q1 2018	Q2 2018	Q3 2018	Q4 2018	Jan - Dec 2018	Q1 2019	Q2 2019	Q3 2019	Q4 2019	Jan - Dec 2019	% Variation 2019/2018
PROCESSED CRUDE OIL	Mtoe	11.6	10.9	12.1	12.0	46.6	11.5	10.6	11.2	10.7	44.0	(5.5)
Europe	Mtoe	10.2	9.9	10.9	10.6	41.6	10.3	9.6	10.1	9.7	39.6	(4.8)
Rest of the world	Mtoe	1.3	1.0	1.3	1.4	5.0	1.2	1.1	1.1	1.0	4.4	(12.1)
SALES OF OIL PRODUCTS	kt	12,096	13,121	13,303	13,246	51,766	12,341	11,910	13,121	12,560	49,932	(3.5)
Europe Sales	kt	10,434	11,602	11,844	11,436	45,316	10,690	10,642	11,557	11,118	44,007	(2.9)
Own network	kt	5,250	5,596	5,615	5,293	21,754	5,098	5,271	5,725	5,274	21,368	(1.8)
Light products	kt	4,397	4,591	4,622	4,368	17,978	4,185	4,369	4,752	4,486	17,792	(1.0)
Other Products	kt	853	1,005	993	925	3,776	913	902	973	788	3,576	(5.3)
Other Sales to Domestic Market	kt	2,259	2,364	2,433	2,450	9,506	2,170	2,265	2,211	2,218	8,864	(6.8)
Light products	kt	2,216	2,325	2,404	2,392	9,337	2,130	2,223	2,170	2,189	8,712	(6.7)
Other Products	kt	43	39	29	58	169	40	42	41	29	152	(10.1)
Exports	kt	2,925	3,642	3,796	3,693	14,056	3,422	3,106	3,621	3,626	13,775	(2.0)
Light products	kt	1,147	1,394	1,689	1,673	5,903	1,319	1,401	1,585	1,328	5,633	(4.6)
Other Products	kt	1,778	2,248	2,107	2,020	8,153	2,103	1,705	2,036	2,298	8,142	(0.1)
Rest of the world sales	kt	1,662	1,519	1,459	1,810	6,450	1,651	1,268	1,564	1,442	5,925	(8.1)
Own network	kt	599	695	635	752	2,681	825	672	807	872	3,176	18.5
Light products	kt	550	637	594	692	2,473	789	624	766	818	2,997	21.2
Other Products	kt	49	58	41	60	208	36	48	41	54	179	(13.9)
Other Sales to Domestic Market	kt	331	325	327	375	1,358	329	318	341	375	1,363	0.4
Light products	kt	256	241	249	249	995	222	226	266	302	1,016	2.1
Other Products	kt	75	84	78	126	363	107	92	75	73	347	(4.4)
Exports	kt	732	499	497	683	2,411	497	278	416	195	1,386	(42.5)
Light products	kt	158	96	117	69	440	40	45	63	93	241	(45.2)
Other Products	kt	574	403	380	614	1,971	457	233	353	102	1,145	(41.9)
CHEMICALS												
Sales of petrochemical products	kt	688	625	622	674	2,610	755	703	678	652	2,787	6.8
Europe	kt	581	504	520	531	2,137	588	604	565	532	2,289	7.1
Base	kt	238	145	165	180	729	190	191	226	174	781	7.2
Derivative	kt	343	360	356	351	1,408	399	412	339	358	1,509	7.1
Rest of the world	kt	108	120	102	143	473	166	100	112	119	498	5.3
Base	kt	30	11	15	23	79	40	4	1	3	48	(39.4)
Derivative	kt	77	109	87	121	394	127	95	112	116	450	14.2
LPG												
LPG sales	kt	437	303	241	350	1,330	394	305	226	328	1,253	(5.8)
Europe	kt	431	296	235	343	1,305	386	298	219	321	1,225	(6.1)
Rest of the world	kt	6	6	6	7	26	8	7	7	7	29	12.2

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 2019

STATEMENT OF FINANCIAL POSITION

(Unaudited figures) (€ millions)

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

	DECEMBER 2018	DECEMBER 2019
NON-CURRENT ASSETS		
Goodwill	3,011	2,172
Other intangible assets	2,085	2,298
Property, plant and equipment	25,431	23,145
Investment property	68	66
Investments accounted for using the equity method	7,194	7,237
Non-current financial assets :		
Non-current financial instruments	974	974
Others	129	151
Deferred tax assets	3,891	4,050
Other non-current assets	701	1,315
CURRENT ASSETS		
Non-current assets held for sale	6	5
Inventories	4,390	4,597
Trade and other receivables	6,105	5,911
Other current assets	296	195
Other current financial assets	1,711	2,800
Cash and cash equivalents	4,786	2,979
TOTAL ASSETS	60,778	57,895
TOTAL EQUITY		
Attributable to equity holders of the parent company	30,628	24,928
Attributable to minority interests	286	281
NON-CURRENT LIABILITIES		
Non-current provisions	3,431	3,912
Non-current financial liabilities	10,818	10,929
Deferred tax liabilities and others	2,335	2,375
Other non-current liabilities	470	385
CURRENT LIABILITIES		
Liabilities related to non-current assets held for sale	0	0
Current provisions	500	865
Current financial liabilities	4,486	6,538
Trade and other payables	7,824	7,682
TOTAL LIABILITIES ⁽¹⁾	60,778	57,895

⁽¹⁾ December 2018 includes the necessary modifications in relation with the change of the presentations of leases after the application of the IFRS 16 (Please see Note 3 of the consolidated financial statements 2019 and available on www.repsol.com).

INCOME STATEMENT

(Unaudited figures) (€ millions) - Prepared according to International Financial Reporting Standards (IFRS-EU)

	QUARTERLY DATA			JANUARY - DECEMBER	
	Q4 18	Q3 19	Q4 19	2018	2019
Operating income	(278)	599	(5,482)	2,453	(3,251)
Financial result	(109)	(3)	(129)	(173)	(301)
Income from equity affiliates	659	32	82	1,053	351
Net income before tax	272	628	(5,529)	3,333	(3,201)
Income tax	(112)	(288)	255	(1,386)	(588)
Net income from continuing operations	160	340	(5,274)	1,947	(3,789)
Net income from non-controlling interest	10	(7)	(8)	(18)	(27)
NET INCOME FROM CONTINUING OPERATIONS	170	333	(5,282)	1,929	(3,816)
Net income for the year from discontinuing operations	0	0	0	412	0
NET INCOME	170	333	(5,282)	2,341	(3,816)
Earning per share attributable to the parent company (*)					
Euros/share (*)	0.10	0.21	(3.55)	1.38	(2.48)
USD/ADR	0.11	0.23	(3.99)	1.51	(2.79)
Average number of shares (**)	1,633,711,260	1,546,953,861	1,489,056,120	1,671,337,311	1,548,441,370
Exchange rates USD/EUR at the end of each quarter	1.15	1.09	1.12	1.09	1.12

(*) To calculate EPS the interest expense from the perpetual obligations (€7 million after taxes in Q4 18, Q3 19 and Q4 19) has been adjusted.

(**) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in June and December of both 2018 and 2019 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 2019 a share capital reduction was carried out by means of cancellation of 71,394,987 own shares. Thus share capital is currently represented by 1,566,043,878 shares.

CASH FLOW STATEMENT

(Unaudited figures) (€ millions)

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

	JANUARY - DECEMBER	
	2018	2019
I. CASH FLOWS FROM OPERATING ACTIVITIES		
Net income before taxes	3,333	(3,201)
Adjustments to net income		
Depreciation and amortisation of non current assets	2,140	2,434
Other adjustments to results (net)	220	6,198
EBITDA	5,693	5,431
Changes in working capital	(389)	137
Dividends received	472	464
Income taxes received/ (paid)	(762)	(975)
Other proceeds from/ (payments for) operating activities	(435)	(208)
OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES	(725)	(719)
	4,579	4,849
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES		
Payments for investment activities		
Companies of the Group, equity affiliates and business units	(807)	(107)
Fixed assets, intangible assets and real estate investments	(2,661)	(3,227)
Other financial assets	(2,033)	(3,056)
Payments for investment activities	(5,501)	(6,390)
Proceeds from divestments		
Companies of the Group, equity affiliates and business units	3,372	17
Fixed assets, intangible assets and real estate investments	119	133
Other financial assets	583	1,745
Proceeds from divestments	4,074	1,895
Other cashflow	68	88
	(1,359)	(4,407)
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES		
Issuance of own capital instruments	0	0
Proceeds from/(payments for) equity instruments	(1,595)	(1,844)
Proceeds from issue of financial liabilities	18,127	13,213
Payments for financial liabilities	(18,923)	(12,801)
Payments for dividends and payments on other equity instruments	(297)	(396)
Interest payments	(454)	(467)
Other proceeds from/(payments for) financing activities	110	6
	(3,032)	(2,289)
Effect of changes in exchange rates from continued operations	(3)	40
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS	185	(1,807)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,601	4,786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	4,786	2,979



**APPENDIX III –
RECONCILIATION OF
ADJUSTED METRICS TO
IFRS DISCLOSURES**

Q4 & FY 2019

RECONCILIATION OF ADJUSTED RESULTS AND THE CORRESPONDING IFRS-EU CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

Q4 2018						
€ Million	Adjusted result	ADJUSTMENTS				Total consolidated
		Joint arrangements reclassification	Special Items	Inventory Effect	Total adjustments	
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

Q3 2019						
€ Million	Adjusted result	ADJUSTMENTS				Total consolidated
		Joint arrangements reclassification	Special Items	Inventory Effect	Total adjustments	
Operating income	894	(175)	47	(167)	(295)	599
Financial result	(14)	22	(11)	-	11	(3)
Income from equity affiliates	(1)	34	(1)	-	33	32
Net income before tax	879	(119)	35	(167)	(251)	628
Income tax	(348)	119	(101)	42	60	(288)
Net income from continued operations	531	-	(66)	(125)	(191)	340
Income attributed to minority interests	(9)	-	-	2	2	(7)
NET INCOME FROM CONTINUED OPERATIONS	522	-	(66)	(123)	(189)	333
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	522	-	(66)	(123)	(189)	333

Q4 2019						
€ Million	Adjusted result	ADJUSTMENTS				Total consolidated
		Joint arrangements reclassification	Special Items	Inventory Effect	Total adjustments	
Operating income	765	124	(6,408)	37	(6,247)	(5,482)
Financial result	(148)	21	(2)	-	19	(129)
Income from equity affiliates	6	70	6	-	76	82
Net income before tax	623	215	(6,404)	37	(6,152)	(5,529)
Income tax	(211)	(215)	691	(10)	466	255
Net income from continued operations	412	-	(5,713)	27	(5,686)	(5,274)
Income attributed to minority interests	(7)	-	1	(2)	(1)	(8)
NET INCOME FROM CONTINUED OPERATIONS	405	-	(5,712)	25	(5,687)	(5,282)
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	405	-	(5,712)	25	(5,687)	(5,282)

January - December 2018						
€ Million	Adjusted result	ADJUSTMENTS			Total adjustments	Total consolidated
		Joint arrangements reclassification	Special Items	Inventory Effect		
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
NET INCOME	2,352	-	57	(68)	(11)	2,341

January - December 2019						
€ Million	Adjusted result	ADJUSTMENTS			Total adjustments	Total consolidated
		Joint arrangements reclassification	Special Items	Inventory Effect		
Operating income	3,661	(529)	(6,343)	(40)	(6,912)	(3,251)
Financial result	(390)	111	(22)	-	89	(301)
Income from equity affiliates	22	324	5	-	329	351
Net income before tax	3,293	(94)	(6,360)	(40)	(6,494)	(3,201)
Income tax	(1,227)	94	536	9	639	(588)
Net income from continued operations	2,066	-	(5,824)	(31)	(5,855)	(3,789)
Income attributed to minority interests	(24)	-	1	(4)	(3)	(27)
NET INCOME FROM CONTINUED OPERATIONS	2,042	-	(5,823)	(35)	(5,858)	(3,816)
Income from discontinued operations	-	-	-	-	-	0
NET INCOME	2,042	-	(5,823)	(35)	(5,858)	(3,816)

RECONCILIATION OF ADJUSTED NET DEBT AND CASH FLOWS AND THE IFRS CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures) (€ millions)

	DECEMBER 2018		
	Adjusted Net Debt	Reclassification of JV ⁽¹⁾	IFRS-EU
NON-CURRENT ASSETS			
Non-current financial instruments	87	887	974
CURRENT ASSETS			
Other current financial assets	1,630	81	1,711
Cash and cash equivalents	5,021	(235)	4,786
NON-CURRENT LIABILITIES			
Non-current financial debt	(6,625)	(2,767)	(9,392)
CURRENT LIABILITIES			
Current financial liabilities	(3,827)	(462)	(4,289)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET			
Net mark-to-market valuation of financial derivatives, excluding exchange rate and others ⁽²⁾	275	(227)	48
NET DEBT	(3,439)		(6,162)
	DECEMBER 2019		
	Adjusted Net Debt	Reclassification of JV ⁽¹⁾	IFRS-EU
NON-CURRENT ASSETS			
Non-current financial instruments	130	823	953
CURRENT ASSETS			
Other current financial assets	2,655	137	2,792
Cash and cash equivalents	3,218	(239)	2,979
NON-CURRENT LIABILITIES			
Non-current financial debt	(5,306)	(2,914)	(8,220)
CURRENT LIABILITIES			
Current financial liabilities	(5,313)	(801)	(6,114)
CAPTIONS NOT INCLUDED IN THE BALANCE SHEET			
Net mark-to-market valuation of financial derivatives, excluding exchange rate and others ⁽²⁾	396	(348)	48
NET DEBT	(4,220)	(3,342)	(7,562)
Non-current Leases	(3,372)	684	(2,688)
Current Leases	(491)	75	(416)
NET DEBT WITH LEASES	(8,083)		(10,666)

⁽¹⁾ Mainly corresponding to the financial contribution by Repsol Sinopec Brasil which is detailed in the following captions:
2018: "Cash and cash equivalents" amounting to €13 million and "Non-current financial debt" for intragroup loans amounting to €2,788 million, reduced in €128 million due to loans with third parties.
2019: "Cash and cash equivalents" amounting to €14 million and "Non-current financial debt" for intragroup loans amounting to €2,946 million, reduced in €84 million due to loans with third parties and in €624 million for leases.

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

	January - December					
	2018			2019		
	Adjusted Cash flow	Reclassification of JV & Others	IFRS-EU	Adjusted Cash flow	Reclassification of JV & Others	IFRS-EU
I. CASH FLOWS FROM OPERATING ACTIVITIES						
	5,428	(849)	4,579	5,837	(988)	4,849
II. CASH FLOWS USED IN INVESTMENT ACTIVITIES						
	(372)	(987)	(1,359)	(3,777)	(630)	(4,407)
FREE CASH FLOW (I. + II.)	5,056	(1,836)	3,220	2,060	(1,618)	442
III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES AND OTHERS ⁽¹⁾						
	(4,855)	1,820	(3,035)	(3,863)	1,614	(2,249)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	201	(16)	185	(1,803)	(4)	(1,807)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	4,820	(219)	4,601	5,021	(235)	4,786
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	5,021	(235)	4,786	3,218	(239)	2,979

⁽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 – IFRS 16
IMPACT**

Q4 & FY 2019

IFRS 16 IMPACT

(Unaudited figures)

M€	4Q19			January - December 2019		
	Previous criteria	IFRS 16 Impact	IFRS 16 Criteria	Previous criteria	IFRS 16 Impact	IFRS 16 Criteria
EBITDA	1,751	101	1,852	6,806	355	7,161
Operating Cash Flow	1,662	101	1,763	5,482	355	5,837
Net Debt				(4,220)	(3,863) ⁽¹⁾	(8,083)
Capital Employed				29,556	3,736 ⁽¹⁾	33,292
ROACE (%)				(11.0)	-130 p.b.	(9.7)

M€	4Q19			
	Upstream	Downstream	Corporation	Total
EBITDA	45	55	1	101
DD&A	(30)	(43)	(1)	(74)
EBIT	15	12	0	27
Financial Results	0	0	(23)	(23)
Income Tax	(5)	(3)	6	(2)
Adjusted Net Income	10	9	(17)	2

M€	January - December 2019			
	Upstream	Downstream	Corporation	Total
EBITDA	168	182	5	355
DD&A	(124)	(160)	(5)	(289)
EBIT	44	22	0	66
Financial Results	0	0	(91)	(91)
Income Tax	(15)	(6)	23	2
Adjusted Net Income	29	16	(68)	(23)

⁽¹⁾ Include the financial leases effect recognized in accordance with the previous accounting regulation.



**APPENDIX V – BASIS
OF PRESENTATION**

Q4 & FY 2019

BASIS OF PREPARATION OF THE FINANCIAL INFORMATION

The Group's operating segments are:

- **Upstream**, corresponding to exploration and production of crude oil and natural gas reserves.
- **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.

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

Repsol presents its operating segments' results by including the ones corresponding to its joint ventures and other managed companies operated as such, 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**).

Using the current cost of supply or *CCS*¹ 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*).

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.

All of the information presented in this Q4 & FY 2019 *Results Earnings Release* has been prepared in accordance with the abovementioned criteria (further explanation may be found in Note 4 of the Repsol's 2019 Consolidated financial statements, 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).

¹ 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.

Information and disclosures related to Alternative Performance Measures (APM)² used on the present Q4 & FY 2019 *Results Earnings Release* are included in Appendix I “Alternative Performance Measures” of the consolidated Management Report 2019 and Repsol’s website.

IFRS 16 Leases:

The new accounting treatment of leases did not have a significant impact on the Group's net income during 2019. However, other financial aggregates have been affected and, for example, operating profit has increased (lower operating expenses) and financial result has decreased (higher finance expenses). The net change in cash has not been altered by the application of IFRS 16, but its classification has: Cash flow from operating activities has increased and cash flow from financing activities has decreased, to the same extent.

In relation to the Alternative Performance Measures (APM) used by the Group (see Appendix I of the consolidated Management Report 2019), the application of IFRS 16 has had several effects: i) EBITDA (“Earnings Before Interest, Tax, Depreciation and Amortization”) has increased as it now includes the expense corresponding to the leases as amortization and finance expense; ii) cash flows from operations have also increased, since from now on they include the cash outflows for leases in flows from financing activities; iii) from January 1, 2019, the calculation of Net debt, Capital employed and the ROACE (“Return on average capital employed”) includes lease liabilities (those recognized in accordance with the previous accounting standard and the new lease liabilities recognized due to the application of IFRS 16); and, to make it easier to monitor the current Strategic Plan and the historic performance of return and debt, the Group also presents these magnitudes excluding the effect of the lease liabilities (criteria followed by the Group up until December 31, 2018).

For further information, see Note 3 of the consolidated financial statements 2019.

² 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 inside information 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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