

WEBCAST – CONFERENCE CALL

Third Quarter 2016 Results

November 3rd, 2016



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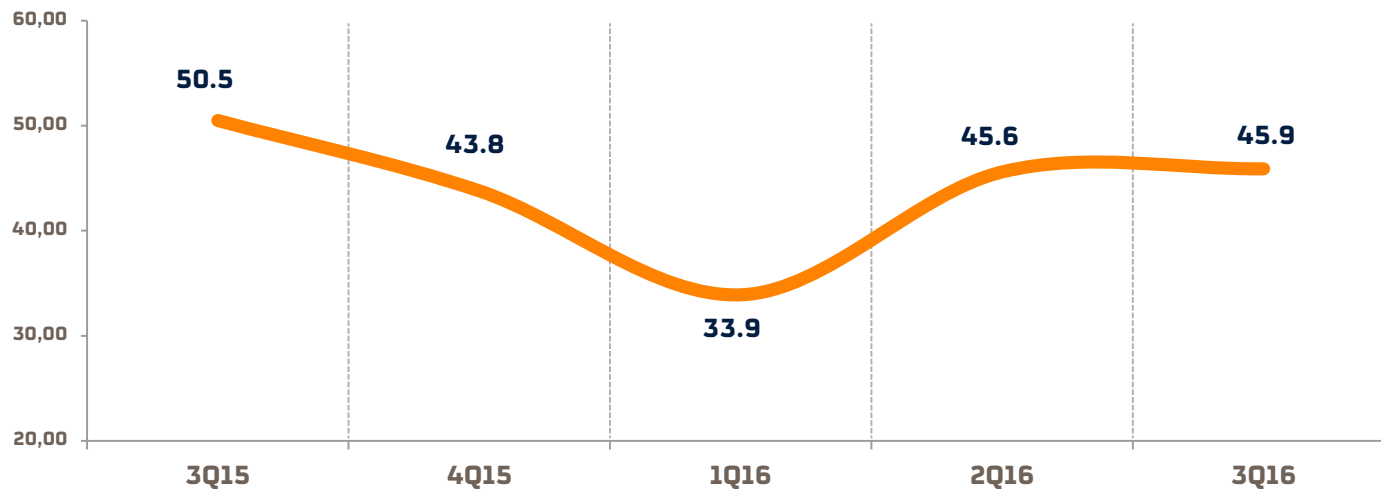
In October 2015, the European Securities Markets Authority [ESMA] published the Guidelines on Alternative Performance Measures [APM], of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present Q3 2016 Webcast Presentation are included in Appendix V "Alternative Performance Measures" of the Interim Condensed Consolidated Financial Statements for the nine-month period ended 30 September 2016

- 1. Operational activity**
- 2. Financial results**
- 3. Progress on strategic objectives**
- 4. Conclusions**

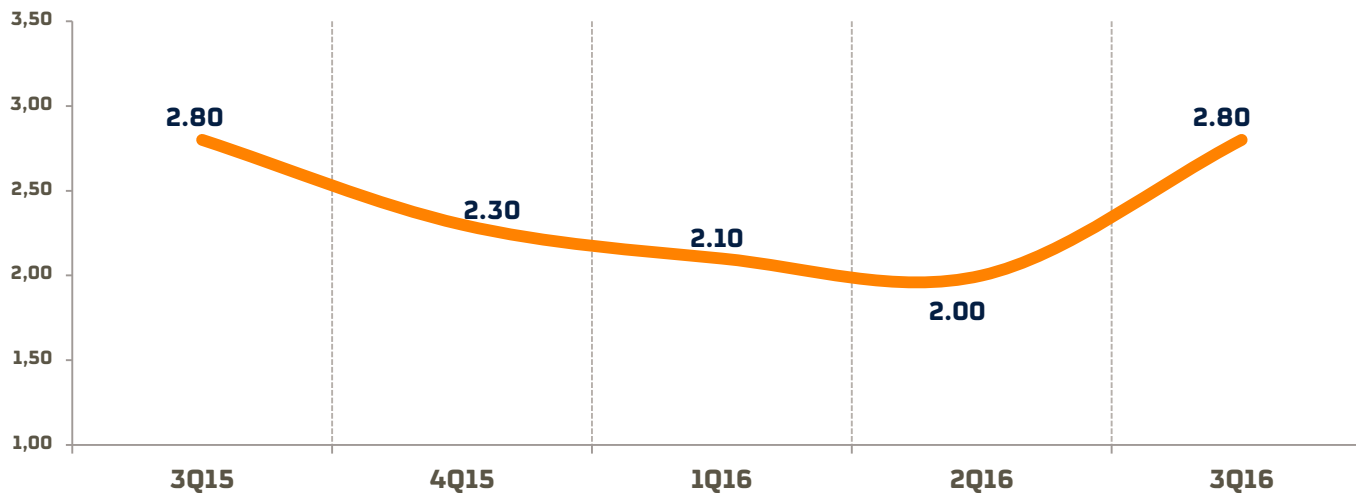
Market environment



Brent - \$/boe



Henry Hub - \$/Mbtu



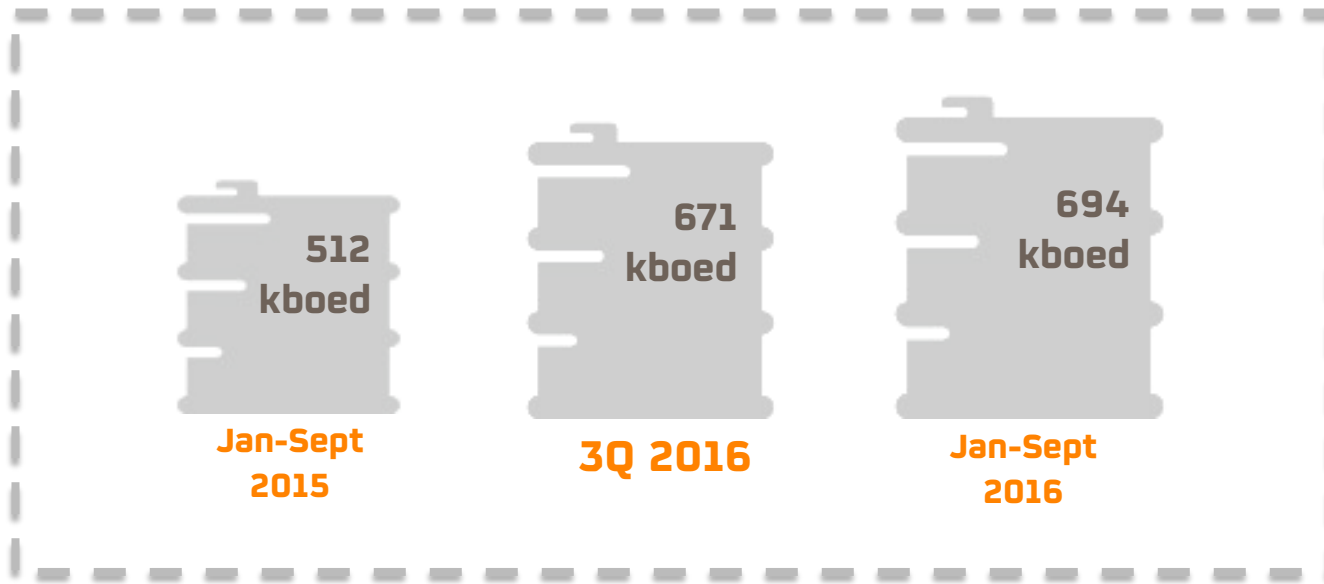


Operational activity

1

Operational Activity

Upstream Production



➤ **3Q16 volumes were affected by:**

- ✓ Cessation of production in the Varg field (Norway)
- ✓ Maintenance works in T&T, Malaysia and Vietnam
- ✓ Planned outages in UK and T&T

➤ **4Q16 forecast:**

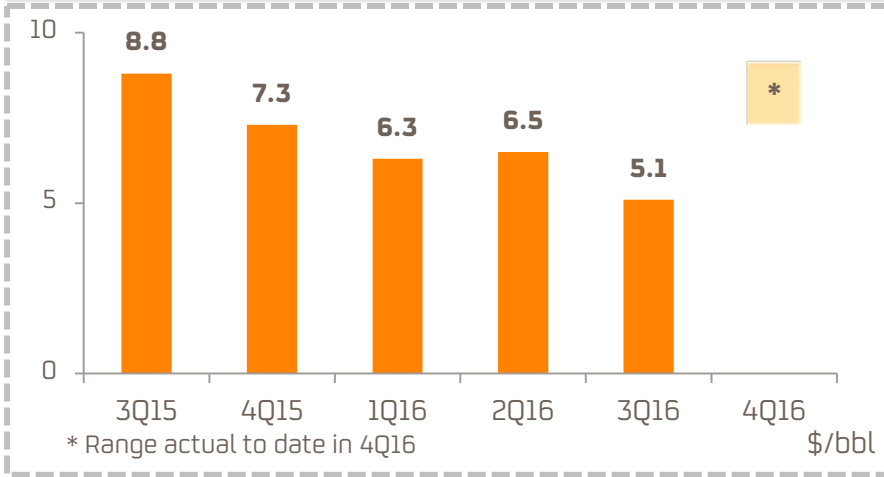
- ✓ Start-up of Lapa (Brazil)
- ✓ Ramp-up production of T&T

Operational activity

Downstream



Refining Margin Indicator



Petrochemicals

- Strong performance:
 - Steady sales
 - Resilient margins
 - Reduction in derivative product prices offset by lower naphtha prices

Utilization rates

3Q 2016



Distillation



Conversion units

Commercial businesses

- **Sales** in Service Stations increased
- Spanish motor fuel demand recovery



Financial results

4

Third Quarter 2016 Results



3Q	3Q 2015	2Q 2016	3Q 2016	% Variation 3Q16 vs 3Q15
CCS Adjusted Net Income	159	345	307	+ 93%

Million €

	3Q 2015	2Q 2016	3Q 2016	
Net Income	-221	205	481	-

Million €

9M	9M 2015	9M 2016	% Variation
CCS Adjusted Net Income	1,339	1,224	- 13%

Million €

	9M 2016	9M 2015	
Net Income	832	1,120	+ 35%

Million €

Upstream Results

Adjusted Net Income



3Q 2015

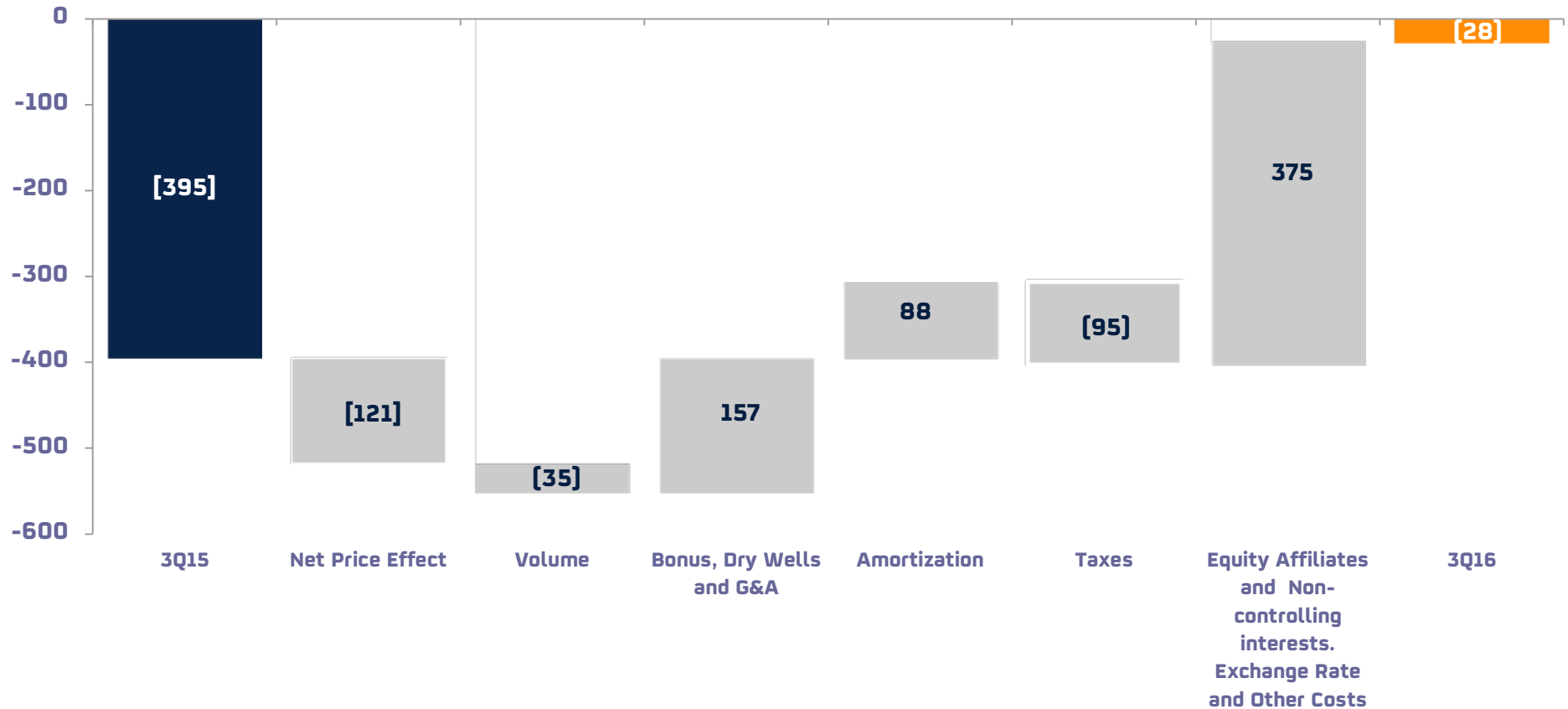
3Q 2016

Adjusted Net Income

-395

-28

Million €



Downstream Results

Adjusted Net Income



3Q 2015

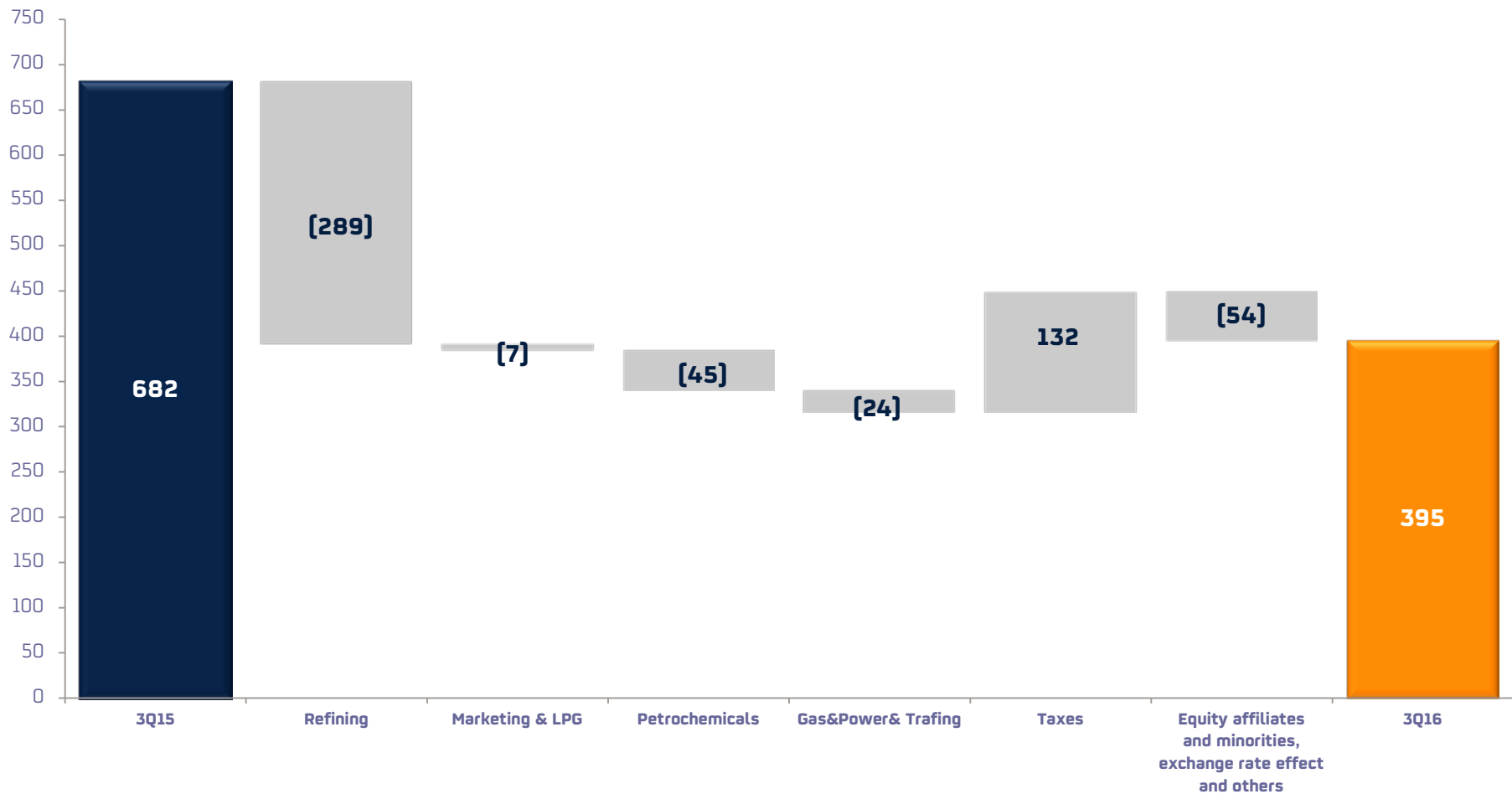
3Q 2016

CCS Adjusted Net Income

682

395

Million €



Corporate and others

Adjusted Net Income



	3Q 2015	2Q 2016	3Q 2016	9M 2015	9M 2016
Corporate and others	-128	-79	-60	377	-140
Million €					
Corporate & adjustments	-57	-90	-80	-139	-233
Financial Results	-223	-185	-123	233	-385
Income Tax	49	100	63	-47	203
Gas Natural Fenosa	103	96	80	330	275
Million €					

Financial Aspects



Million €

3Q 2015

3Q 2016

Net Financial Result

-223

-123

Million €

2Q 2016

3Q 2016

Net Financial Debt

11,709

9,988

Liquidity

~€7.9Bn



Covers ~2 times our short term debt maturities



Progress on our strategic objectives

2

Progress of Strategic Plan

Strategic Commitments Follow up



Efficiency & Synergies Program



	Target 2016	2016 Estimate
Synergies	0.2	0.3
Efficiencies	0.9	1.1
Total [B€]	1.1	1.4

Investment Flexibility



	Target 16-17	'16 YTD
Repsol Investment [B€]	3.9	2.3

Divestments & Management Portfolio



	Target 16-17	'16 YTD
Divestments [B€]	3.1	4.8 ⁽¹⁾
Production [kboed]	~700	694

Value & Resilience



	Target	'16 YTD
CF Neutrality BE [\$ /boe]	~40	46
E&P FCF BE [\$ /boe]	~65	62

(1) Includes agreed transactions and other operations.
The total proceeds and benefits captured since Oct'15 amount to ~5B€

Finance Commitments



	Target	Actual
Investment Grade	Maintain	Maintain



Conclusions

- ✓ **Improved recurrent results year-on-year**
- ✓ **Resilience in the lower part of the cycle thanks to Integrated Model**
- ✓ **Materially reduced net debt and strengthened financial position**
- ✓ **Well positioned to deliver full year targets**
- ✓ **Strong progress towards longer term strategic goals**

Q&A Session

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