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In accordance with Law of 23 December 2016, on market abuse, Repsol International Finance, B.V. (the “**Company**”) is filing the attached Repsol Group interim consolidated financial statements for the three-month period ended March 31, 2019 published by Repsol, S.A., the Guarantor of the Company’s Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme.

The document was filed today by Repsol, S.A. with the Spanish Securities Market Commission (*Comisión Nacional del Mercado de Valores*).

\* \* \*

# Q1 2019 RESULTS

April 30, 2019



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# 1Q19: Delivering albeit a complex environment

(Unaudited figures)

| Results (€ Million)        | Q1 2018    | Q4 2018    | Q1 2019    | % Change<br>Q1 19/Q1 18 |
|----------------------------|------------|------------|------------|-------------------------|
| Upstream                   | 287        | 310        | 323        | 12.5                    |
| Downstream                 | 425        | 485        | 404        | (4.9)                   |
| Corporate and others       | (129)      | (163)      | (109)      | (15.5)                  |
| <b>ADJUSTED NET INCOME</b> | <b>583</b> | <b>632</b> | <b>618</b> | <b>6.0</b>              |

**ADJUSTED NET INCOME** €618 M [+6%]

Adjusted net income in the 1Q19 was €618 million, 6% higher year-on-year.

**EBITDA CCS** €1,803 M [-1%]

EBITDA CCS was €1,803 million in line year-on-year.

**NET DEBT**

€3,686 M [+7%]

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

Including leases, the net debt at the end of the 1Q19 stands at €7,457 million after the application of the IFRS 16\*.

**UPSTREAM**

€323 M [+13%]

- Upstream **production** reached an average of 700 kboe/d in the first quarter of 2019, 26 kboe/d lower year-on-year, primarily due to the stoppage of production in Libya until the 4th of March (-29 kboe/d), a lower gas demand in Venezuela, the divestment of MidContinent (USA), as well as maintenance activities and the natural decline of fields. This was partially compensated by the connection of new wells in Marcellus (USA), Duvernay (Canada) and Akacias (Colombia), the acquisition of Mikkell and Visund (Norway) as well as the startup of Angelin (Trinidad and Tobago).
- Discoveries:** Sakakemang (Indonesia), Telesto (Norway - Visund field) and Blacktip and Pikka B-1 & B-1 st1 (USA).

**DOWNSTREAM**

€404 M [-5%]

- Efficient management of the refining and chemical business was offset by a more challenging environment.

**CORPORATE & OTHERS**

€-109 M

- Holdings of 72% opted to receive new shares of Repsol within the January '19 shareholder remuneration.
- A €1,000 million RIF bond was redeemed in February without the need of new financing.

\* See Basis of Presentation at the end of this document

## KEY METRICS FOR THE PERIOD

(Unaudited figures)

| Results (€ Million)        | Q1 2018    | Q4 2018    | Q1 2019    | % Change<br>Q1 19/Q1 18 |
|----------------------------|------------|------------|------------|-------------------------|
| Upstream                   | 287        | 310        | 323        | 12.5                    |
| Downstream                 | 425        | 485        | 404        | (4.9)                   |
| Corporate and others       | (129)      | (163)      | (109)      | (15.5)                  |
| <b>ADJUSTED NET INCOME</b> | <b>583</b> | <b>632</b> | <b>618</b> | <b>6.0</b>              |
| Inventory effect           | (9)        | (337)      | 3          | -                       |
| Special items              | 36         | (125)      | (13)       | -                       |
| <b>NET INCOME</b>          | <b>610</b> | <b>170</b> | <b>608</b> | <b>(0.3)</b>            |

  

| Economic data (€ Million) | Q1 2018 | Q4 2018 | Q1 2019             | % Change<br>Q1 19/Q1 18 |
|---------------------------|---------|---------|---------------------|-------------------------|
| EBITDA                    | 1,804   | 1,680   | 1,810               | 0.3                     |
| EBITDA CCS                | 1,816   | 2,160   | 1,803               | (0.7)                   |
| INVESTMENTS               | 598     | 1,855   | 598                 | 0.0                     |
| NET DEBT                  | 6,836   | 3,439   | 3,686               | (46.1)                  |
| NET DEBT WITH LEASES      | -       | -       | 7,457               | -                       |
| NET DEBT / EBITDA CCS (x) | 0.94    | 0.40    | 0.53 <sup>(*)</sup> | (43.7)                  |

  

| Operational data                               | Q1 2018    | Q4 2018    | Q1 2019    | % Change<br>Q1 19/Q1 18 |
|--|------------|------------|------------|-------------------------|
| LIQUIDS PRODUCTION (Thousand bbl/d)            | 269        | 263        | 244        | (9.3)                   |
| GAS PRODUCTION <sup>(**)</sup> (Million scf/d) | 2,571      | 2,576      | 2,561      | (0.4)                   |
| <b>TOTAL PRODUCTION</b> (Thousand boe/d)       | <b>727</b> | <b>722</b> | <b>700</b> | <b>(3.7)</b>            |
| CRUDE OIL REALIZATION PRICE (\$/bbl)           | 60.9       | 60.4       | 56.5       | (7.2)                   |
| GAS REALIZATION PRICE (\$/Thousand scf)        | 3.5        | 3.8        | 3.4        | (2.9)                   |
| DISTILLATION UTILIZATION Spanish Refining (%)  | 92.5       | 94.2       | 92.8       | 0.3                     |
| CONVERSION UTILIZATION Spanish Refining (%)    | 104.4      | 109.5      | 102.1      | (2.2)                   |
| REFINING MARGIN INDICATOR IN SPAIN (\$/bbl)    | 6.6        | 6.2        | 5.3        | (19.7)                  |

<sup>(\*)</sup> EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16). <sup>(\*\*)</sup> 1,000 Mcf/d = 28.32 Mm<sup>3</sup>/d = 0.178 Mboe/d.

### First quarter 2019 results

**Adjusted net income** in the first quarter was €618 million, 6% higher year-on-year. **Net income** amounted to €608 million, in line year-on-year.

Quarterly results for the business segments are summarized as follows:

- In **Upstream**, adjusted net income was €323 million, €36 million higher than in the same period of 2018. The stoppage of production in Libya (until March 4<sup>th</sup>) and lower oil and gas realization prices were more than compensated by lower exploration costs and other costs as well as the appreciation of the dollar against the euro.
- In **Downstream**, adjusted net income was €404 million, 5% lower year-on-year due to a milder winter in North America and in Spain impacting Gas and LPG related business. This was partially offset by the good behavior of the refining, trading and chemical businesses and the appreciation of the dollar against the euro.
- In **Corporate and others**, adjusted net income was €-109 million compared to €-129 million in the same period in 2018. Lower net interest expenses and higher results from interest rate and treasury shares positions were partially offset by higher financial costs due to the application of IFRS16 and the higher gains from exchange rate positions in 2018.

**EBITDA CCS** in the first quarter of 2019 was €1,803 million, in line with the first quarter of 2018.

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

# NET INCOME PERFORMANCE BY BUSINESS SEGMENT

## Upstream

(Unaudited figures)

| Results (€ Million)   | Q1 2018        | Q4 2018        | Q1 2019        | % Change<br>Q1 19/Q1 18         |
|---|----------------|----------------|----------------|---------------------------------|
| <b>ADJUSTED NET INCOME</b>                                  | <b>287</b>     | <b>310</b>     | <b>323</b>     | 12.5                            |
| Operating income  | 555            | 638            | 562            | 1.3                             |
| Income tax  | (271)          | (336)          | (247)          | (8.9)                           |
| Income from equity affiliates and non-controlling interests | 3              | 8              | 8              | 166.7                           |
| <b>EBITDA</b>   | <b>1,101</b>   | <b>1,224</b>   | <b>1,064</b>   | (3.4)                           |
| <b>INVESTMENTS</b>  | <b>452</b>     | <b>550</b>     | <b>399</b>     | (11.7)                          |
| <b>EFFECTIVE TAX RATE (%)</b>                               | <b>49</b>      | <b>53</b>      | <b>44</b>      | (5.0)                           |
| <b>International prices</b>                                 | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| Brent (\$/bbl)  | 66.8           | 68.8           | 63.1           | (5.5)                           |
| WTI (\$/bbl)  | 62.9           | 59.3           | 54.9           | (12.7)                          |
| Henry Hub (\$/MBtu)   | 3.0            | 3.6            | 3.1            | 3.3                             |
| Average exchange rate (\$/€)                                | 1.23           | 1.14           | 1.14           | (7.3)                           |
| <b>Realization prices</b>                                   | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| CRUDE OIL (\$/bbl)  | 60.9           | 60.4           | 56.5           | (7.2)                           |
| GAS (\$/Thousand scf)                                       | 3.5            | 3.8            | 3.4            | (2.9)                           |
| <b>Exploration (*)</b>                                      | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| G&A and Amortization of Bonus and Dry Wells                 | 143            | 102            | 23             | (83.9)                          |
| <b>Production</b>   | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| LIQUIDS (Thousand bbl/d)                                    | 269            | 263            | 244            | (9.3)                           |
| GAS (**) (Million scf/d)                                    | 2,571          | 2,576          | 2,561          | (0.4)                           |
| <b>TOTAL (Thousand boe/d)</b>                               | <b>727</b>     | <b>722</b>     | <b>700</b>     | <b>(3.7)</b>                    |

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

**Adjusted net income** was €323 million, €36 million higher than in the same period of 2018. The stoppage of production in Libya (until March 4<sup>th</sup>) and lower oil and gas realization prices were more than compensated by lower exploration costs and other costs as well as the appreciation of the dollar against the euro.

The principal factors that explain the variations in the year-on-year performance in the Upstream division, excluding the contribution of Libya, are as follows:

- Lower crude **oil and gas realization prices** had a negative impact on the operating income of €78 million.
- **Higher volumes** sales impacted positively the operating income by €27 million.
- Lower **exploration costs** had a positive impact on the operating income of €122 million.
- **Depreciation and amortization** charges were €45 million higher mainly due to the application of the IFRS 16 (€ 32 million).
- **Lower costs** of €42 million due to the application of the IFRS 16.
- The **appreciation** of the US dollar against the euro had a positive impact on the operating income of €40 million.
- **Income tax** expense impacted the adjusted net income negatively by €77 million due to a higher operating income result.
- **Income from equity affiliates and non-controlling interests and others** explain the remaining differences.

The contribution from **Libya**, in variance year-on-year, was €-144 million and €-45 million at the operating income and adjusted net income, respectively.

Upstream **production** reached an average of 700 kboe/d in the first quarter of 2019, 26 kboe/d lower year-on-year, primarily due to the stoppage of production in Libya until the 4th of March (-29 kboe/d), a lower gas demand in Venezuela, the divestment of MidContinent (USA), as well as maintenance activities and the natural decline of fields. This was partially compensated by the connection of new wells in Marcellus (USA), Duvernay (Canada) and Akacias (Colombia), the acquisition of Mikkel and Visund (Norway) as well as the startup of Angelin (Trinidad and Tobago).

During the first quarter of 2019, 3 exploration wells and 4 appraisal wells were concluded. 4 were declared positive (2 exploration and 2 appraisal), 2 are currently under evaluation (appraisal), while the remaining well (exploration) was deemed unsuccessful.

## Investments

**Investments** in Upstream in the first quarter of 2019 amounted to €399 million; €53 million lower than in the first quarter of 2018, mainly due to the acquisition of Visund (Norway) in 2018.

- **Development investment** accounted for 85% of the total investment and was concentrated mainly in the U.S. (28%), Trinidad and Tobago (21%), Norway (15%), Canada (7%), U.K. (7%), Algeria (6%) and Colombia (5%).
- **Exploration investment** represented 13% of the total and was allocated primarily in the U.S. (22%), Bolivia (13%), Norway (11%), Algeria (8%) and Indonesia (7%).



## Downstream

(Unaudited figures)

| Results (€ Million)   | Q1 2018        | Q4 2018        | Q1 2019        | % Change<br>Q1 19/Q1 18         |
|---|----------------|----------------|----------------|---------------------------------|
| <b>ADJUSTED NET INCOME</b>                                  | <b>425</b>     | <b>485</b>     | <b>404</b>     | <b>(4.9)</b>                    |
| Operating income  | 558            | 716            | 541            | (3.0)                           |
| Income tax  | (136)          | (191)          | (129)          | (5.1)                           |
| Income from equity affiliates and non-controlling interests | 3              | (40)           | (8)            | -                               |
| <b>AVERAGE WEIGHTED COST ADJUSTED NET INCOME</b>            | <b>416</b>     | <b>148</b>     | <b>407</b>     | <b>(2.2)</b>                    |
| Inventory effect  | (9)            | (337)          | 3              | -                               |
| EBITDA  | 733            | 469            | 800            | 9.1                             |
| EBITDA CCS  | 745            | 949            | 793            | 6.4                             |
| INVESTMENTS   | 138            | 1,271          | 189            | 37.0                            |
| EFFECTIVE TAX RATE (%)                                      | 24             | 27             | 24             | 0.0                             |
| <b>Operational data</b>                                     | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| REFINING MARGIN INDICATOR IN SPAIN (\$/bbl)                 | 6.6            | 6.2            | 5.3            | (19.7)                          |
| DISTILLATION UTILIZATION Spanish Refining (%)               | 92.5           | 94.2           | 92.8           | 0.3                             |
| CONVERSION UTILIZATION Spanish Refining (%)                 | 104.4          | 109.5          | 102.1          | (2.2)                           |
| OIL PRODUCT SALES (Thousand tons)                           | 12,096         | 13,246         | 12,341         | 2.0                             |
| PETROCHEMICAL PRODUCT SALES (Thousand tons)                 | 688            | 674            | 755            | 9.7                             |
| LPG SALES (Thousand tons)                                   | 437            | 350            | 394            | (9.8)                           |
| NORTH AMERICA NATURAL GAS SALES (TBtu)                      | 142.8          | 131.3          | 162.7          | 13.9                            |
| <b>International prices (\$/Mbtu)</b>                       | <b>Q1 2018</b> | <b>Q4 2018</b> | <b>Q1 2019</b> | <b>% Change<br/>Q1 19/Q1 18</b> |
| Henry Hub   | 3.0            | 3.6            | 3.1            | 3.3                             |
| Algonquin   | 8.0            | 5.0            | 5.1            | (36.3)                          |

**Adjusted net income** in the first quarter of 2019 amounted to €404 million, €21 million lower compared to the first quarter of 2018.

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

- In **Refining**, albeit a worse environment, the operating income was €72 million higher thanks to an efficient management of the crude slate that increased the yield of middle distillates. This was partially compensated by a weaker gasoline spread.
- In **Trading and Gas**, operating income was €49 million lower year-on-year. Better results in Trading were not able to compensate lower gas margins as a consequence of a milder winter in North America.

- In **Chemicals**, operating income was €31 million higher year-on-year mainly due to higher margins and sales and lower costs.
- In the commercial businesses, **Mobility, Lubricants and LPG**, operating income was €12 million lower year-on-year mainly because of a lower result in the LPG business due to the milder winter in Spain.
- The **appreciation of the dollar against the euro** had a positive impact on the operating income of €31 million.
- **Results in other activities, equity affiliates and non-controlling interests and taxes** cover the remaining difference.

## Investment

**Investments** in Downstream in the first quarter of 2019 amounted to €189 million, €51 million higher year-on-year.

## Corporate and others

(Unaudited figures)

| Results (€ Million)   | Q1 2018      | Q4 2018      | Q1 2019      | % Change<br>Q1 19/Q1 18 |
|---|--------------|--------------|--------------|-------------------------|
| <b>ADJUSTED NET INCOME</b>                                  | <b>(129)</b> | <b>(163)</b> | <b>(109)</b> | (15.5)                  |
| Corporate result  | (32)         | (82)         | (33)         | 3.1                     |
| Consolidation adjustments                                   | (24)         | 28           | (45)         | 87.5                    |
| Financial result  | (114)        | (172)        | (97)         | (14.9)                  |
| Income tax  | 41           | 63           | 67           | 63.4                    |
| Income from equity affiliates and non-controlling interests | 0            | 0            | (1)          | -                       |
| <b>EBITDA</b>   | <b>(30)</b>  | <b>(13)</b>  | <b>(54)</b>  | 80.0                    |
| <b>NET INTERESTS<sup>(*)</sup></b>                          | <b>(72)</b>  | <b>(73)</b>  | <b>(65)</b>  | (9.7)                   |
| <b>INVESTMENTS</b>  | <b>8</b>     | <b>34</b>    | <b>10</b>    | 25.0                    |
| <b>EFFECTIVE TAX RATE (%)</b>                               | <b>(24)</b>  | <b>(28)</b>  | <b>(38)</b>  | (14.0)                  |

(\*) Lease effect not included.

## Corporate and adjustments

**Corporate and adjustments** accounted for a net expense of €78 million in the first quarter of 2019 compared to a net expense of €56 million in the first quarter of 2018 mainly due to the negative impact of the intra-group crude oil sales, between the Upstream and Downstream segments, without realization to third parties.

## Financial results

The **financial result** in the first quarter of 2019 amounted to €-97 million compared with €-114 million in the first quarter of 2018. Lower net interest expenses and higher results from interest rate and treasury shares positions were partially compensated by higher financial costs due to the application of IFRS16 and the higher gains from exchange rate positions in 2018.

# NET INCOME ANALYSIS:

## SPECIAL ITEMS

### Special Items

(Unaudited figures)

| Results (€ Million)                     | Q1 2018   | Q4 2018      | Q1 2019     | % Change<br>Q1 19/Q1 18 |
|---|-----------|--------------|-------------|-------------------------|
| Divestments                             | 2         | 24           | 30          | -                       |
| Indemnities and workforce restructuring | (2)       | (13)         | (5)         | 150.0                   |
| Impairment of assets                    | (2)       | (559)        | (2)         | 0.0                     |
| Provisions and others                   | (30)      | 423          | (36)        | 20.0                    |
| Discontinued operations                 | 68        | 0            | 0           | -                       |
| <b>SPECIAL ITEMS</b>                    | <b>36</b> | <b>(125)</b> | <b>(13)</b> | -                       |

**Special items** in the first quarter of 2019 amounted to €-13 million compared to €36 million in the first quarter of 2018. The difference is mainly explained by the absence of the positive effect associated with income recognized under discontinued operations from Naturgy in the 1Q18.

# CASH FLOW ANALYSIS:

## ADJUSTED CASH FLOW STATEMENT

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

(Unaudited figures)

|   | JANUARY - MARCH |              |
|---|-----------------|--------------|
|   | 2018            | 2019         |
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>                  |                 |              |
| EBITDA CCS  | 1,816           | 1,803        |
| Changes in working capital <sup>1</sup>                         | (568)           | (569)        |
| Dividends received  | 0               | 5            |
| Income taxes received/ (paid)                                   | (202)           | (84)         |
| Other proceeds from/ (payments for) operating activities        | (127)           | 6            |
|   | <b>919</b>      | <b>1,161</b> |
| <b>II. CASH FLOWS USED IN INVESTMENT ACTIVITIES</b>             |                 |              |
| Payments for investment activities                              | (608)           | (610)        |
| Proceeds from divestments                                       | 8               | 42           |
|   | <b>(600)</b>    | <b>(568)</b> |
| <b>FREE CASH FLOW (I. + II.)</b>                                | <b>319</b>      | <b>593</b>   |
| Payments for dividends and payments on other equity instruments | (196)           | (214)        |
| Net interest payments and leases                                | (185)           | (147)        |
| Treasury shares   | (404)           | (467)        |
| <b>CASH GENERATED IN THE PERIOD</b>                             | <b>(466)</b>    | <b>(235)</b> |
| Financing activities and others                                 | (308)           | 43           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>     | <b>(774)</b>    | <b>(192)</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b> | <b>4,820</b>    | <b>5,021</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>       | <b>4,046</b>    | <b>4,829</b> |

<sup>(1)</sup> Includes an inventory effect pretax of €8 million for 1Q19.

## NET DEBT ANALYSIS:

### NET DEBT EVOLUTION

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

(Unaudited figures)

| NET DEBT EVOLUTION (€ Million)                      | Q1 2019 |
|---|---------|
| NET DEBT AT THE START OF THE PERIOD                 | 3,439   |
| IMPACT DUE TO LEASES <sup>(1)</sup>                 | 3,727   |
| NET DEBT AT THE START OF THE PERIOD WITH LEASES     | 7,166   |
| EBITDA CCS  | (1,803) |
| CHANGE IN WORKING CAPITAL <sup>(2)</sup>            | 569     |
| INCOME TAX RECEIVED /PAID                           | 84      |
| NET INVESTMENT                                      | 567     |
| DIVIDENDS PAID AND OTHER EQUITY INSTRUMENTS PAYOUTS | 214     |
| FOREIGN EXCHANGE RATE EFFECT                        | 33      |
| INTEREST AND OTHER MOVEMENTS <sup>(3)</sup>         | 627     |
| NET DEBT AT THE END OF THE PERIOD WITH LEASES       | 7,457   |
| NET DEBT AT THE END OF THE PERIOD                   | 3,686   |

| RATIOS  | 1Q19                | 1Q19<br>with leases |
|---|---------------------|---------------------|
| CAPITAL EMPLOYED CONTINUED OPERATIONS (€ Million) | 34,956              | 38,635              |
| NET DEBT / CAPITAL EMPLOYED (%)                   | 10.5                | 19.3                |
| ROACE (%)   | 8.0                 | 7.3                 |
| NET DEBT / EBITDA CCS (x)                         | 0.53 <sup>(4)</sup> | 1.03                |

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

<sup>(2)</sup> Includes an inventory effect pretax of €8 million in the first quarter of 2019.

<sup>(3)</sup> Principally includes the market operations relating to own shares, interest expense, dividends received, other receipts/payments and companies' acquisition/sale effect.

<sup>(4)</sup> EBITDA CCS excludes the leases effect arising from the new accounting regulation (IFRS 16)

The Group's **net debt** at the end of the quarter stood at €3,686 million, €247 million higher than at the end of the fourth quarter of 2018 mainly due to the discretionary acquisition of treasury shares. The strong cash flow from operating activities more than covered investments, dividends and interests.

The Group's **liquidity** at the end of the first quarter of 2019 was approximately €7,901 million (including undrawn committed credit lines); representing 2.17 times short-term gross debt maturities.

## RELEVANT EVENTS

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

### UPSTREAM

- FEB. 2019** On February 19, Repsol announced the largest gas discovery in Indonesia in the past 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.
- FEB. 2019** In Trinidad and Tobago, the BPTT consortium (30% Repsol) announced on February 26 the start-up of the gas production from its Angelin platform which is operated remotely, located in the West Block block, 60 km off the southeast of the island of Trinidad at a water depth of more than 65 meters.
- MAR. 2019** In Colombia, in the Akacias project where Repsol participates with a 45% stake, a total production record of 20,000 barrels per day was reached, as a result of the drilling work included in the Phase I of the Development Plan approved in 2018. The final target is to reach a total production of 50,000 barrels per day in the medium term.
- MAR. 2019** In Norway there was an exploratory discovery with the Telesto well (7.7% Repsol) on the PL 120 production license located in the Tampen area, in the North Sea. This exploratory well was conducted from the Visund A platform. Repsol has participated in this oil discovery together with Equinor (operating company), Petoro and ConocoPhillips. It is estimated that the resources could be between 12 and 28 million barrels of recoverable oil.
- APR. 2019** Repsol has signed two exploration and production contracts with the National Hydrocarbons Agency (ANH) of Colombia for blocks GUA OFF-1 and COL-4, located off the coast of Colombia in the Caribbean Sea.
- The block "GUA-OFF-1", which is located just under 50 miles (78 kilometers) off the coast of the department of Guajira, has a surface area of around 988,000 acres (400,000 hectares). Repsol is the operator with a 50% stake in the consortium and Ecopetrol holds the other 50%.
- The block "COL-4", which is located just over 60 miles (100 kilometers) off the coast of the department of Bolívar has a surface area of around 988,000 acres (400,000 hectares). Repsol is the operator with a 50% stake and ExxonMobil holds the remaining 50% stake
- APR. 2019** On April 24, a significant discovery was announced at the Blacktip prospect in the deep water U.S. Gulf of Mexico, 400-kilometers south of Houston in approximately 1,900-meters of water. Drilling at the initial Blacktip well is still underway and has to date encountered more than 400 feet net oil pay with good reservoir and fluid characteristics. Repsol, with a 8.5% stake, has participated in this discovery together with Shell (operating company), Chevron and Equinor.

**APR. 2019** On April 29, Repsol and LLOG signed an Asset Exchange and Joint Participation Agreement to carry out projects together in several blocks in the deepwater Gulf of Mexico, comprising the Leon and Moccasin discoveries. Under the agreement, LLOG will operate Leon with a 33% of working interest, while Repsol will have 50%. A delineation well is planned for the second half of 2019. In Moccasin, Repsol acquires a 30% interest in the field and LLOG retains 31.35% working interest and operatorship.

## DOWNSTREAM

**APR. 2019** On April 1, Repsol opened the Iberian Peninsula's first ultra-fast charging point for electric vehicles with a maximum power output of 700 kW. The facility, located at the Repsol service station in Lopidana (Álava), recharges compatible electric vehicles in five to ten minutes, similar to the amount of time required for a conventional refueling.

**APR. 2019** On April 4, the Petronor refinery in Bilbao ended on schedule its three month maintenance activity after a €52 million investment, achieving both technological and maintenance improvements in its conversion unit.

## CORPORATION

**MAR. 2019** On March 25, through its strategic investment fund, Repsol acquired 17% of Recreus, a Spanish company that develops, produces, and markets 3D printing materials. With Repsol's collaboration, Recreus will accelerate its R&D, strengthen its position in the market and boost its medium and long-term expansion plan.

**MAR. 2019** On March 27, the Board of Directors of Repsol, S.A. resolved to call the Annual Shareholders' Meeting which is expected to be held on May 31, 2019 on second call, at 12:00 noon, at the Palacio Municipal de Congresos, Avenida de la Capital de España-Madrid, Campo de las Naciones, Madrid.

The Board approved a series of proposals that represent a new step forward in corporate governance best practices, by reducing the number of directors, increasing transparency, and adding to the presence of women and the role of independent directors in the company's governing body.

Among other matters, the Board agreed to submit to the Annual Shareholder's Meeting the re-election of directors Mr. Antonio Brufau Niubó, Mr. Josu Jon Imaz San Miguel, Mr. José Manuel Loureda Mantiñán and Mr. John Robinson West, as well as the ratification of the appointment by co-optation and reelection of Mr. Henri Philippe Reichstul as director and the appointment of Ms. Aránzazu Estefanía Larrañaga and Ms. María Teresa García-Milà Lloveras as Independent External Directors. The Board also set the number of members of the Board of Directors in fifteen.

Regarding shareholder remuneration, the Board of Directors agreed to propose to the Annual Shareholders' Meeting a gross shareholder remuneration equivalent to 0.525 euros per share, through the "Repsol Flexible Dividend" (scrip dividend) program and as a substitute for the final dividend of the 2018 fiscal year.

Moreover, the Board will propose to the Annual General Meeting a reduction in share capital, through the redemption of own shares, equivalent to the shares to be issued in 2019 through the scrip dividends.

In addition, the Board of Directors appointed Mariano Marzo Carpio as Lead Independent Director.

**APR. 2019** On April 8, Repsol published the full notice of the call to the Annual Shareholders' Meeting of the Company.

**APR. 2019** On April 9, Repsol published its "Trading Statement," which is a document that provides provisional information for the first quarter of 2019, including data on the economic environment as well as company performance during the period.

**Madrid, April 30, 2019**

A conference call has been scheduled for research analysts and institutional investors for today, April 30, 2019 at 12:30 (CEST) to report on the Repsol Group's first quarter 2019 results. Shareholders and other interested parties can follow the call live through Repsol's corporate website ([www.repsol.com](http://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](http://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 Interim consolidated financial statements for Q1 2019 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**

**Q1 2019**

## ADJUSTED NET INCOME BY BUSINESS SEGMENTS

(Unaudited figures)

| Q1 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           | 555              | -                 | (271)        | 3   | 287                 | -                | (24)          | 263        |
| Downstream         | 558              | -                 | (136)        | 3   | 425                 | (9)              | (3)           | 413        |
| Corporate & Others | (56)             | (114)             | 41           | -   | (129)               | -                | 63            | (66)       |
| <b>TOTAL</b>       | <b>1,057</b>     | <b>(114)</b>      | <b>(366)</b> | <b>6</b>  | <b>583</b>          | <b>(9)</b>       | <b>36</b>     | <b>610</b> |
| <b>NET INCOME</b>  |                  |                   |              |   |                     |                  | <b>36</b>     | <b>610</b> |

| 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)      |
| <b>TOTAL</b>       | <b>1,300</b>     | <b>(172)</b>      | <b>(464)</b> | <b>(32)</b>   | <b>632</b>          | <b>(337)</b>     | <b>(125)</b>  | <b>170</b> |
| <b>NET INCOME</b>  |                  |                   |              |   |                     |                  | <b>(125)</b>  | <b>170</b> |

| Q1 2019            |                  |                   |              |   |                     |                  |               |            |
|--------------------|------------------|-------------------|--------------|---|---------------------|------------------|---------------|------------|
| € 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           | 562              | -                 | (247)        | 8   | 323                 | -                | 34            | 357        |
| Downstream         | 541              | -                 | (129)        | (8)   | 404                 | 3                | (32)          | 375        |
| Corporate & Others | (78)             | (97)              | 67           | (1)   | (109)               | -                | (15)          | (124)      |
| <b>TOTAL</b>       | <b>1,025</b>     | <b>(97)</b>       | <b>(309)</b> | <b>(1)</b>  | <b>618</b>          | <b>3</b>         | <b>(13)</b>   | <b>608</b> |
| <b>NET INCOME</b>  |                  |                   |              |   |                     |                  | <b>(13)</b>   | <b>608</b> |

**OPERATING RESULT BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS**
*(Unaudited figures)*

| € Million                   | QUARTERLY DATA |              |              |
|-----------------------------|----------------|--------------|--------------|
|                             | Q1 18          | Q4 18        | Q1 19        |
| <b>UPSTREAM</b>             | <b>555</b>     | <b>638</b>   | <b>562</b>   |
| Europe, Africa & Brazil     | 372            | 416          | 284          |
| Latin America & Caribbean   | 197            | 206          | 174          |
| North America               | 77             | 50           | 66           |
| Asia & Russia               | 94             | 88           | 90           |
| Exploration & Others        | (185)          | (122)        | (52)         |
| <b>DOWNSTREAM</b>           | <b>558</b>     | <b>716</b>   | <b>541</b>   |
| Europe                      | 475            | 621          | 506          |
| Rest of the World           | 83             | 95           | 35           |
| <b>CORPORATE AND OTHERS</b> | <b>(56)</b>    | <b>(54)</b>  | <b>(78)</b>  |
| <b>TOTAL</b>                | <b>1,057</b>   | <b>1,300</b> | <b>1,025</b> |

**ADJUSTED NET INCOME BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS**
*(Unaudited figures)*

| € Million                   | QUARTERLY DATA |              |              |
|-----------------------------|----------------|--------------|--------------|
|                             | Q1 18          | Q4 18        | Q1 19        |
| <b>UPSTREAM</b>             | <b>287</b>     | <b>310</b>   | <b>323</b>   |
| Europe, Africa & Brazil     | 156            | 179          | 137          |
| Latin America & Caribbean   | 159            | 128          | 122          |
| North America               | 60             | 40           | 51           |
| Asia & Russia               | 53             | 48           | 51           |
| Exploration & Others        | (141)          | (85)         | (38)         |
| <b>DOWNSTREAM</b>           | <b>425</b>     | <b>485</b>   | <b>404</b>   |
| Europe                      | 361            | 418          | 382          |
| Rest of the World           | 64             | 67           | 22           |
| <b>CORPORATE AND OTHERS</b> | <b>(129)</b>   | <b>(163)</b> | <b>(109)</b> |
| <b>TOTAL</b>                | <b>583</b>     | <b>632</b>   | <b>618</b>   |

**EBITDA BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS**

(Unaudited figures)

| € Million                           | QUARTERLY DATA |              |              |
|-------------------------------------|----------------|--------------|--------------|
|                                     | Q1 18          | Q4 18        | Q1 19        |
| <b>UPSTREAM</b>                     | <b>1,101</b>   | <b>1,224</b> | <b>1,064</b> |
| Europe, Africa & Brazil             | 484            | 548          | 427          |
| Latin America & Caribbean           | 323            | 348          | 320          |
| North America                       | 165            | 176          | 181          |
| Asia & Russia                       | 183            | 191          | 178          |
| Exploration & Others                | (54)           | (39)         | (42)         |
| <b>DOWNSTREAM <sup>(1)</sup></b>    | <b>733</b>     | <b>469</b>   | <b>800</b>   |
| Europe                              | 626            | 399          | 714          |
| Rest of the World                   | 107            | 70           | 86           |
| <b>CORPORATE AND OTHERS</b>         | <b>(30)</b>    | <b>(13)</b>  | <b>(54)</b>  |
| <b>TOTAL <sup>(1)</sup></b>         | <b>1,804</b>   | <b>1,680</b> | <b>1,810</b> |
| <b>EBITDA CCS €M <sup>(1)</sup></b> |                |              |              |
| <b>DOWNSTREAM</b>                   | <b>745</b>     | <b>949</b>   | <b>793</b>   |
| <b>TOTAL</b>                        | <b>1,816</b>   | <b>2,160</b> | <b>1,803</b> |

**INVESTMENTS BY BUSINESS SEGMENTS AND GEOGRAPHICAL AREAS**
*(Unaudited figures)*

| € Million                   | QUARTERLY DATA |              |            |
|-----------------------------|----------------|--------------|------------|
|                             | Q1 18          | Q4 18        | Q1 19      |
| <b>UPSTREAM</b>             | <b>452</b>     | <b>550</b>   | <b>399</b> |
| Europe, Africa & Brazil     | 153            | 126          | 104        |
| Latin America & Caribbean   | 44             | 95           | 99         |
| North America               | 141            | 188          | 126        |
| Asia & Russia               | 66             | 24           | 19         |
| Exploration and Others      | 48             | 117          | 51         |
| <b>DOWNSTREAM</b>           | <b>138</b>     | <b>1,271</b> | <b>189</b> |
| Europe                      | 101            | 1,121        | 148        |
| Rest of the World           | 37             | 150          | 41         |
| <b>CORPORATE AND OTHERS</b> | <b>8</b>       | <b>34</b>    | <b>10</b>  |
| <b>TOTAL</b>                | <b>598</b>     | <b>1,855</b> | <b>598</b> |

**CAPITAL EMPLOYED BY BUSINESS SEGMENTS**

(Unaudited figures)

| € Million   | CUMULATIVE DATA |               |                      |
|---|-----------------|---------------|----------------------|
|   | 4Q 18           | 1Q 19         | 1Q 19<br>with leases |
| Upstream  | 21,515          | 21,385        | 22,273               |
| Downstream  | 11,338          | 12,125        | 14,857               |
| Corporate and others                                  | 1,500           | 1,446         | 1,505                |
| <b>TOTAL Capital employed in continued operations</b> | <b>34,353</b>   | <b>34,956</b> | <b>38,635</b>        |
| <b>ROACE (%)</b>                                      |                 | <b>8.0</b>    | <b>-</b>             |
| <b>ROACE (%) including leases (*)</b>                 |                 | <b>-</b>      | <b>7.3</b>           |

(\*) 1Q19 ROACE CCS is 7,3%



# **OPERATING INDICATORS**

**Q1 2019**



**UPSTREAM OPERATING INDICATORS**

|                               | Unit                   | Q1 2018      | Q2 2018      | Q3 2018      | Q4 2018      | Jan - Dec 2018 | Q1 2019      | % Variation YTD19/YTD18 |
|-------------------------------|------------------------|--------------|--------------|--------------|--------------|----------------|--------------|-------------------------|
| <b>HYDROCARBON PRODUCTION</b> | kboe/d                 | <b>727</b>   | <b>722</b>   | <b>691</b>   | <b>722</b>   | <b>715</b>     | <b>700</b>   | <b>(3.6)</b>            |
| <b>Liquids production</b>     | kboe/d                 | <b>269</b>   | <b>263</b>   | <b>250</b>   | <b>263</b>   | <b>261</b>     | <b>244</b>   | <b>(9.2)</b>            |
| Europe, Africa & Brazil       | kboe/d                 | 139          | 134          | 129          | 133          | 134            | 111          | (19.9)                  |
| Latin America & Caribbean     | kboe/d                 | 52           | 53           | 51           | 54           | 53             | 57           | 9.5                     |
| North America                 | kboe/d                 | 50           | 47           | 44           | 50           | 48             | 48           | (3.1)                   |
| Asia & Russia                 | kboe/d                 | 28           | 28           | 26           | 27           | 27             | 27           | (1.9)                   |
| <b>Natural gas production</b> | kboe/d                 | <b>458</b>   | <b>459</b>   | <b>441</b>   | <b>459</b>   | <b>454</b>     | <b>456</b>   | <b>(0.3)</b>            |
| Europe, Africa & Brazil       | kboe/d                 | 28           | 28           | 28           | 42           | 31             | 45           | 61.7                    |
| Latin America & Caribbean     | kboe/d                 | 249          | 252          | 234          | 235          | 242            | 241          | (3.2)                   |
| North America                 | kboe/d                 | 128          | 127          | 125          | 130          | 127            | 124          | (3.3)                   |
| Asia & Russia                 | kboe/d                 | 53           | 51           | 54           | 53           | 53             | 47           | (12.2)                  |
| <b>Natural gas production</b> | <b>(Million scf/d)</b> | <b>2,571</b> | <b>2,577</b> | <b>2,476</b> | <b>2,576</b> | <b>2,550</b>   | <b>2,561</b> | <b>(0.3)</b>            |

## DOWNSTREAM OPERATING INDICATORS

|  | Unit | Q1 2018 | Q2 2018 | Q3 2018 | Q4 2018 | Jan - Dec 2018 | Q1 2019 | % Variation YTD19/YTD18 |
|--|------|---------|---------|---------|---------|----------------|---------|-------------------------|
| <b>PROCESSED CRUDE OIL</b>             | Mtoe | 11.6    | 10.9    | 12.1    | 12.0    | 46.6           | 11.5    | (0.4)                   |
| Europe                                 | Mtoe | 10.2    | 9.9     | 10.9    | 10.6    | 41.6           | 10.3    | 0.8                     |
| Rest of the world                      | Mtoe | 1.3     | 1.0     | 1.3     | 1.4     | 5.0            | 1.2     | (9.4)                   |
| <b>SALES OF OIL PRODUCTS</b>           | kt   | 12,096  | 13,121  | 13,303  | 13,246  | 51,766         | 12,341  | 2.0                     |
| <b>Europe Sales</b>                    | kt   | 10,434  | 11,602  | 11,844  | 11,436  | 45,316         | 10,690  | 2.5                     |
| <b>Own network</b>                     | kt   | 5,250   | 5,596   | 5,615   | 5,293   | 21,754         | 5,098   | (2.9)                   |
| Light products                         | kt   | 4,397   | 4,591   | 4,622   | 4,368   | 17,978         | 4,185   | (4.8)                   |
| Other Products                         | kt   | 853     | 1,005   | 993     | 925     | 3,776          | 913     | 7.0                     |
| <b>Other Sales to Domestic Market</b>  | kt   | 2,259   | 2,364   | 2,433   | 2,450   | 9,506          | 2,170   | (3.9)                   |
| Light products                         | kt   | 2,216   | 2,325   | 2,404   | 2,392   | 9,337          | 2,130   | (3.9)                   |
| Other Products                         | kt   | 43      | 39      | 29      | 58      | 169            | 40      | (7.0)                   |
| <b>Exports</b>                         | kt   | 2,925   | 3,642   | 3,796   | 3,693   | 14,056         | 3,422   | 17.0                    |
| Light products                         | kt   | 1,147   | 1,394   | 1,689   | 1,673   | 5,903          | 1,319   | 15.0                    |
| Other Products                         | kt   | 1,778   | 2,248   | 2,107   | 2,020   | 8,153          | 2,103   | 18.3                    |
| <b>Rest of the world sales</b>         | kt   | 1,662   | 1,519   | 1,459   | 1,810   | 6,450          | 1,651   | (0.7)                   |
| <b>Own network</b>                     | kt   | 599     | 695     | 635     | 752     | 2,681          | 825     | 37.7                    |
| Light products                         | kt   | 550     | 637     | 594     | 692     | 2,473          | 789     | 43.5                    |
| Other Products                         | kt   | 49      | 58      | 41      | 60      | 208            | 36      | (26.5)                  |
| <b>Other Sales to Domestic Market</b>  | kt   | 331     | 325     | 327     | 375     | 1,358          | 329     | (0.6)                   |
| Light products                         | kt   | 256     | 241     | 249     | 249     | 995            | 222     | (13.3)                  |
| Other Products                         | kt   | 75      | 84      | 78      | 126     | 363            | 107     | 42.7                    |
| <b>Exports</b>                         | kt   | 732     | 499     | 497     | 683     | 2,411          | 497     | (32.1)                  |
| Light products                         | kt   | 158     | 96      | 117     | 69      | 440            | 40      | (74.7)                  |
| Other Products                         | kt   | 574     | 403     | 380     | 614     | 1,971          | 457     | (20.4)                  |
| <b>CHEMICALS</b>                       |      |         |         |         |         |                |         |                         |
| <b>Sales of petrochemical products</b> | kt   | 688     | 625     | 622     | 674     | 2,610          | 755     | 9.6                     |
| <b>Europe</b>                          | kt   | 581     | 504     | 520     | 531     | 2,137          | 588     | 1.3                     |
| Base                                   | kt   | 238     | 145     | 165     | 180     | 729            | 190     | (20.5)                  |
| Derivative                             | kt   | 343     | 360     | 356     | 351     | 1,408          | 399     | 16.5                    |
| <b>Rest of the world</b>               | kt   | 108     | 120     | 102     | 143     | 473            | 166     | 54.4                    |
| Base                                   | kt   | 30      | 11      | 15      | 23      | 79             | 40      | 31.2                    |
| Derivative                             | kt   | 77      | 109     | 87      | 121     | 394            | 127     | 63.5                    |
| <b>LPG</b>                             |      |         |         |         |         |                |         |                         |
| <b>LPG sales</b>                       | kt   | 437     | 303     | 241     | 350     | 1,330          | 394     | (9.7)                   |
| Europe                                 | kt   | 431     | 296     | 235     | 343     | 1,305          | 386     | (10.3)                  |
| Rest of the world                      | kt   | 6       | 6       | 6       | 7       | 26             | 8       | 31.1                    |

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

Exports: expressed from the country of origin



**APPENDIX II – CONSOLIDATED  
FINANCIAL STATEMENTS**

**Q1 2019**

## STATEMENT OF FINANCIAL POSITION

(€ millions)

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

|   | DECEMBER      | MARCH         |
|---|---------------|---------------|
|   | 2018          | 2019          |
| <b>NON-CURRENT ASSETS</b>                               |               |               |
| Goodwill  | 3,011         | 3,062         |
| Other intangible assets                                 | 2,085         | 2,030         |
| Property, plant and equipment                           | 25,431        | 27,231        |
| Investment property                                     | 68            | 67            |
| Investments accounted for using the equity method       | 7,194         | 7,405         |
| Non-current financial assets :                          |               |               |
| Non-current financial instruments                       | 974           | 1,019         |
| Others  | 129           | 128           |
| Deferred tax assets                                     | 3,891         | 3,931         |
| Other non-current assets                                | 701           | 722           |
| <b>CURRENT ASSETS</b>                                   |               |               |
| Non-current assets held for sale                        | 6             | 6             |
| Inventories   | 4,390         | 4,340         |
| Trade and other receivables                             | 6,105         | 6,327         |
| Other current assets                                    | 296           | 216           |
| Other current financial assets                          | 1,711         | 1,378         |
| Cash and cash equivalents                               | 4,786         | 4,473         |
| <b>TOTAL ASSETS</b>                                     | <b>60,778</b> | <b>62,335</b> |
| <b>TOTAL EQUITY</b>                                     |               |               |
| Attributable to equity holders of the parent company    | 30,628        | 30,908        |
| Attributable to minority interests                      | 286           | 270           |
| <b>NON-CURRENT LIABILITIES</b>                          |               |               |
| Non-current provisions                                  | 4,738         | 4,862         |
| Non-current financial debt                              | 10,818        | 11,933        |
| Deferred tax liabilities                                | 1,028         | 1,188         |
| Other non-current liabilities                           | 470           | 579           |
| <b>CURRENT LIABILITIES</b>                              |               |               |
| Liabilities related to non-current assets held for sale | 0             | 0             |
| Current provisions                                      | 500           | 481           |
| Current financial liabilities                           | 4,486         | 4,696         |
| Trade payables and other payables:                      | 7,824         | 7,418         |
| <b>TOTAL LIABILITIES <sup>(1)</sup></b>                 | <b>60,778</b> | <b>62,335</b> |

<sup>(1)</sup> 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 2.2.21 of the Interim consolidated financial statements for Q1 2019 available on [www.repsol.com](http://www.repsol.com)).

## INCOME STATEMENT

(€ millions)

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

|   | QUARTERLY DATA |               |               |
|---|----------------|---------------|---------------|
|   | Q1 18          | Q4 18         | Q1 19         |
| <b>Operating income</b>   | <b>796</b>     | <b>(278)</b>  | <b>790</b>    |
| Financial result  | (81)           | (109)         | (81)          |
| Income from equity affiliates                                   | 138            | 659           | 132           |
| <b>Net income before tax</b>                                    | <b>853</b>     | <b>272</b>    | <b>841</b>    |
| Income tax  | (306)          | (112)         | (224)         |
| <b>Net income from continuing operations</b>                    | <b>547</b>     | <b>160</b>    | <b>617</b>    |
| Net income from non-controlling interest                        | (5)            | 10            | (9)           |
| <b>NET INCOME FROM CONTINUING OPERATIONS</b>                    | <b>542</b>     | <b>170</b>    | <b>608</b>    |
| Net income for the year from discontinuing operations           | 68             | 0             | 0             |
| <b>NET INCOME</b>   | <b>610</b>     | <b>170</b>    | <b>608</b>    |
| <b>Earning per share attributable to the parent company (*)</b> |                |               |               |
| Euros/share (*)   | 0.38           | 0.10          | 0.40          |
| USD/ADR   | 0.46           | 0.12          | 0.45          |
| Average number of shares (**)                                   | 1,607,381,866  | 1,555,720,779 | 1,508,632,509 |
| Exchange rates USD/EUR at the end of each quarter               | 1.23           | 1.15          | 1.12          |

(\*) To calculate EPS the interest expense from the perpetual obligations (€7 million after taxes in Q1 18, Q4 18 and Q1 19) has been adjusted.

(\*\*) A capital increase for the shareholder's remuneration scheme known as "Repsol dividendo flexible" was carried out in June 2018 and December 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 - MARCH |              |
|---|-----------------|--------------|
|   | 2018            | 2019         |
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                 |              |
| Net income before taxes   | 853             | 841          |
| Adjustments to net income   |                 |              |
| Depreciation and amortisation of non current assets                                   | 517             | 551          |
| Other adjustments to results (net)  | 12              | (32)         |
| <b>EBITDA</b>   | <b>1,382</b>    | <b>1,360</b> |
| Changes in working capital  | (385)           | (541)        |
| Dividends received  | 54              | 40           |
| Income taxes received/ (paid)   | (178)           | (99)         |
| Other proceeds from/ ( payments for) operating activities                             | (94)            | 1            |
| <b>OTHER CASH FLOWS FROM/ (USED IN) OPERATING ACTIVITIES</b>                          | <b>(218)</b>    | <b>(58)</b>  |
|   | <b>779</b>      | <b>761</b>   |
| <b>II. CASH FLOWS USED IN INVESTMENT ACTIVITIES</b>                                   |                 |              |
| Payments for investment activities  |                 |              |
| Companies of the Group, equity affiliates and business units                          | (4)             | (22)         |
| Fixed assets, intangible assets and real estate investments                           | (532)           | (447)        |
| Other financial assets  | (30)            | (18)         |
| Payments for investment activities  | (566)           | (487)        |
| Proceeds from divestments   | 8               | 394          |
| Other cashflow  | 0               | 2            |
|   | (558)           | (91)         |
| <b>III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES</b>                           |                 |              |
| Issuance of own capital instruments   | 0               | 0            |
| Proceeds from/(payments for) equity instruments                                       | (404)           | (467)        |
| Proceeds from issue of financial liabilities  | 3,378           | 4,924        |
| Payments for financial liabilities  | (3,535)         | (5,137)      |
| Payments for dividends and payments on other equity instruments                       | (196)           | (214)        |
| Interest payments   | (185)           | (148)        |
| Other proceeds from/(payments for) financing activities                               | (36)            | 46           |
|   | (978)           | (996)        |
| Effect of changes in exchange rates from continued operations                         | (20)            | 13           |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS FROM CONTINUED OPERATIONS</b> | <b>(777)</b>    | <b>(313)</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                       | <b>4,601</b>    | <b>4,786</b> |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                             | <b>3,824</b>    | <b>4,473</b> |



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

**Q1 2019**

## RECONCILIATION OF ADJUSTED RESULTS AND THE CORRESPONDING CONSOLIDATED FINANCIAL STATEMENT HEADINGS

(Unaudited figures)

| Q1 2018                                     |                 |                                     |               |                  |                   |                    |
|---|-----------------|-------------------------------------|---------------|------------------|-------------------|--------------------|
| € Million                                   | Adjusted result | ADJUSTMENTS                         |               |                  |                   | Total consolidated |
|   |                 | Joint arrangements reclassification | Special Items | Inventory Effect | Total adjustments |                    |
| Operating income                            | 1,057           | (180)                               | (69)          | (12)             | (261)             | 796                |
| Financial result                            | (114)           | 40                                  | (7)           | -                | 33                | (81)               |
| Income from equity affiliates               | 11              | 127                                 | -             | -                | 127               | 138                |
| <b>Net income before tax</b>                | <b>954</b>      | <b>(13)</b>                         | <b>(76)</b>   | <b>(12)</b>      | <b>(101)</b>      | <b>853</b>         |
| Income tax                                  | (366)           | 13                                  | 44            | 3                | 60                | (306)              |
| <b>Net income from continued operations</b> | <b>588</b>      | -                                   | <b>(32)</b>   | <b>(9)</b>       | <b>(41)</b>       | <b>547</b>         |
| Income attributed to minority interests     | (5)             | -                                   | -             | -                | -                 | (5)                |
| <b>NET INCOME FROM CONTINUED OPERATIONS</b> | <b>583</b>      | -                                   | <b>(32)</b>   | <b>(9)</b>       | <b>(41)</b>       | <b>542</b>         |
| Income from discontinued operations         | -               | -                                   | 68            | -                | 68                | 68                 |
| <b>NET INCOME</b>                           | <b>583</b>      | -                                   | <b>36</b>     | <b>(9)</b>       | <b>27</b>         | <b>610</b>         |

| 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                |
| <b>Net income before tax</b>                | <b>1,104</b>    | <b>38</b>                           | <b>(391)</b>  | <b>(479)</b>     | <b>(832)</b>      | <b>272</b>         |
| Income tax                                  | (464)           | (38)                                | 266           | 124              | 352               | (112)              |
| <b>Net income from continued operations</b> | <b>640</b>      | -                                   | <b>(125)</b>  | <b>(355)</b>     | <b>(480)</b>      | <b>160</b>         |
| Income attributed to minority interests     | (8)             | -                                   | -             | 18               | 18                | 10                 |
| <b>NET INCOME FROM CONTINUED OPERATIONS</b> | <b>632</b>      | -                                   | <b>(125)</b>  | <b>(337)</b>     | <b>(462)</b>      | <b>170</b>         |
| Income from discontinued operations         | -               | -                                   | -             | -                | -                 | 0                  |
| <b>NET INCOME</b>                           | <b>632</b>      | -                                   | <b>(125)</b>  | <b>(337)</b>     | <b>(462)</b>      | <b>170</b>         |

| Q1 2019                                     |                 |                                     |               |                  |                   |                    |
|---|-----------------|-------------------------------------|---------------|------------------|-------------------|--------------------|
| € Million                                   | Adjusted result | ADJUSTMENTS                         |               |                  |                   | Total consolidated |
|   |                 | Joint arrangements reclassification | Special Items | Inventory Effect | Total adjustments |                    |
| Operating income                            | 1,025           | (240)                               | (2)           | 7                | (235)             | 790                |
| Financial result                            | (97)            | 31                                  | (15)          | -                | 16                | (81)               |
| Income from equity affiliates               | 6               | 126                                 | -             | -                | 126               | 132                |
| <b>Net income before tax</b>                | <b>934</b>      | <b>(83)</b>                         | <b>(17)</b>   | <b>7</b>         | <b>(93)</b>       | <b>841</b>         |
| Income tax                                  | (309)           | 83                                  | 4             | (2)              | 85                | (224)              |
| <b>Net income from continued operations</b> | <b>625</b>      | -                                   | <b>(13)</b>   | <b>5</b>         | <b>(8)</b>        | <b>617</b>         |
| Income attributed to minority interests     | (7)             | -                                   | -             | (2)              | (2)               | (9)                |
| <b>NET INCOME FROM CONTINUED OPERATIONS</b> | <b>618</b>      | -                                   | <b>(13)</b>   | <b>3</b>         | <b>(10)</b>       | <b>608</b>         |
| Income from discontinued operations         | -               | -                                   | -             | -                | -                 | 0                  |
| <b>NET INCOME</b>                           | <b>618</b>      | -                                   | <b>(13)</b>   | <b>3</b>         | <b>(10)</b>       | <b>608</b>         |



## RECONCILIATION OF OTHER ECONOMIC DATA AND THE CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited figures)

|  | DECEMBER 2018     |                                       |                |
|--|-------------------|---------------------------------------|----------------|
|  | Adjusted Net Debt | Reclassification of JV <sup>(1)</sup> | IFRS-EU        |
| <b>NON-CURRENT ASSETS</b>  |                   |                                       |                |
| Non-current financial instruments  | 87                | 887                                   | 974            |
| <b>CURRENT ASSETS</b>  |                   |                                       |                |
| Other current financial assets   | 1,630             | 81                                    | 1,711          |
| Cash and cash equivalents  | 5,021             | (235)                                 | 4,786          |
| <b>NON-CURRENT LIABILITIES</b>   |                   |                                       |                |
| Non-current financial debt   | (6,625)           | (2,767)                               | (9,392)        |
| <b>CURRENT LIABILITIES</b>   |                   |                                       |                |
| Current financial liabilities  | (3,827)           | (462)                                 | (4,289)        |
| <b>CAPTIONS NOT INCLUDED IN THE BALANCE SHEET</b>  |                   |                                       |                |
| Net mark-to-market valuation of financial derivatives, excluding exchange rate and others <sup>(2)</sup> | 275               | (227)                                 | 48             |
| <b>NET DEBT</b>  | <b>(3,439)</b>    |                                       | <b>(6,162)</b> |
|  |                   |                                       |                |
|  | MARCH 2019        |                                       |                |
|  | Adjusted Net Debt | Reclassification of JV <sup>(1)</sup> | IFRS-EU        |
| <b>NON-CURRENT ASSETS</b>  |                   |                                       |                |
| Non-current financial instruments  | 84                | 909                                   | 993            |
| <b>CURRENT ASSETS</b>  |                   |                                       |                |
| Other current financial assets   | 1,356             | 14                                    | 1,370          |
| Cash and cash equivalents  | 4,829             | (356)                                 | 4,473          |
| <b>NON-CURRENT LIABILITIES</b>   |                   |                                       |                |
| Non-current financial debt   | (6,474)           | (2,835)                               | (9,309)        |
| <b>CURRENT LIABILITIES</b>   |                   |                                       |                |
| Current financial liabilities  | (3,766)           | (533)                                 | (4,299)        |
| <b>CAPTIONS NOT INCLUDED IN THE BALANCE SHEET</b>  |                   |                                       |                |
| Net mark-to-market valuation of financial derivatives, excluding exchange rate and others <sup>(2)</sup> | 285               | (236)                                 | 49             |
| <b>NET DEBT</b>  | <b>(3,686)</b>    |                                       | <b>(6,723)</b> |
| Non-current Leases   | (3,267)           | 669                                   | (2,598)        |
| Current Leases   | (504)             | 115                                   | (389)          |
| <b>NET DEBT WITH LEASES</b>  | <b>(7,457)</b>    |                                       | <b>(9,710)</b> |

<sup>(1)</sup> 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 €2,674 million, reduced in €127 million due to loans with third parties.  
2019: "Cash and cash equivalents" amounting to €88 million and "Non-current financial debt" for intragroup loans amounting to €2,867 million, reduced in €131 million due to loans with third parties and €677 million for leases.

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

|   | January - March    |                                |         |                    |                                |         |
|---|--------------------|--------------------------------|---------|--------------------|--------------------------------|---------|
|   | 2018               |                                |         | 2019               |                                |         |
|   | Adjusted Cash flow | Reclasification of JV & Others | IFRS-EU | Adjusted Cash flow | Reclasification of JV & Others | IFRS-EU |
| <b>I. CASH FLOWS FROM OPERATING ACTIVITIES</b>  | 919                | (140)                          | 779     | 1,161              | (400)                          | 761     |
| <b>II. CASH FLOWS USED IN INVESTMENT ACTIVITIES</b>                                   | (600)              | 42                             | (558)   | (568)              | 477                            | (91)    |
| <b>FREE CASH FLOW (I. + II.)</b>  | 319                | (98)                           | 221     | 593                | 77                             | 670     |
| <b>III. CASH FLOWS FROM/ (USED IN) FINANCING ACTIVITIES AND OTHERS <sup>(1)</sup></b> | (1,093)            | 95                             | (998)   | (785)              | (198)                          | (983)   |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>                           | (774)              | (3)                            | (777)   | (192)              | (121)                          | (313)   |
| <b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>                       | 4,820              | (219)                          | 4,601   | 5,021              | (235)                          | 4,786   |
| <b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>                             | 4,046              | (222)                          | 3,824   | 4,829              | (356)                          | 4,473   |

<sup>(1)</sup> 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**

**Q1 2019**

**IFRS 16 IMPACT**

| M€                  | Var. | 1Q19              |                      |                  |
|---------------------|------|-------------------|----------------------|------------------|
|                     |      | Previous criteria | IFRS 16 Impact       | IFRS 16 Criteria |
| EBITDA              | ↑    | 1,729             | 81                   | 1,810            |
| Operating Cash Flow | ↑    | 1,080             | 81                   | 1,161            |
| Net Debt            | ↓    | (3,686)           | (3,771) <sup>1</sup> | (7,457)          |
| Capital Employed    | ↑    | 34,956            | 3,679 <sup>1</sup>   | 38,635           |
| ROACE               | ↓    | 8.0%              | -0.7 bp              | 7.3%             |

| M€                  | Var. | 1Q19     |            |             |       |
|---------------------|------|----------|------------|-------------|-------|
|                     |      | Upstream | Downstream | Corporation | Total |
| EBITDA              | ↑    | 42       | 38         | 2           | 81    |
| DD&A                | ↓    | (32)     | (34)       | (2)         | (68)  |
| EBIT                | ↑    | 10       | 3          | -           | 13    |
| Financial Results   | ↓    | -        | -          | (22)        | (22)  |
| Income Tax          | ↑    | (3)      | (1)        | 6           | 1     |
| Adjusted Net Income | ↓    | 7        | 2          | (17)        | (8)   |

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



**APPENDIX V – BASIS  
OF PRESENTATION**

**Q1 2019**

## 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<sup>1</sup> and other managed companies operated as such<sup>2</sup>, 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*).

<sup>1</sup> In Repsol Group's operating segments model, joint ventures are consolidated proportionally in accordance with the Group's percent holding. See Note 13 and Appendix I of the consolidated financial statements for 2018, where the Group's main joint ventures are identified.

<sup>2</sup> It corresponds to Petrocarabobo, S.A., an associated entity of the Group (Venezuela).

Likewise, *Adjusted Net Income* does not include *Special Items*<sup>3</sup>, 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, 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.

All of the information presented in this Q1 2019 *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<sup>4</sup> used on the present Q1 2019 *Results Earnings Release* are included in Appendix III “*Alternative Performance Measures*” of the *Interim consolidated financial statements for Q1 2019* and Repsol’s website.

### **IFRS 16 Leases:**

As a result of the new accounting treatment of leases under IFRS 16, the impact on the Group’s net income during the first three months of 2019 has not been material. 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 used by the Group (see Appendix III of the interim consolidated financial statements for the first quarter of 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, either as amortization or finance expense; ii) cash flows from operations has also increased, since from now on it includes the cash outflows for leases in cash flows from financing activities; iii) the Group presents Net Debt, Capital Employed and the ROACE (“Return on average capital employed”) calculated as in previous years to make it easier to monitor the current Strategic Plan and the historic performance of return and debt; nevertheless Repsol will also publish these magnitudes including the effect of the lease liabilities (those recognized in accordance with the previous accounting standard and the new lease liabilities recognized due to the application of IFRS 16).

For further information, see Note 2.2.1 to the interim condensed consolidated financial statements for the first quarter of 2019.

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<sup>3</sup> 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 first quarter of 2018 have been restated due to comparison purposes.

<sup>4</sup> 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.

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