



REPSOL INTERNATIONAL FINANCE B.V.

*(A private company with limited liability incorporated under the laws of The Netherlands
and having its statutory seat (statutaire zetel) in The Hague)*

EURO 10,000,000,000

Guaranteed Euro Medium Term Note Programme

Guaranteed by

REPSOL, S.A.

(A sociedad anónima organised under the laws of the Kingdom of Spain)

This supplement (the *Supplement*) to the base prospectus dated 30 May 2017 as supplemented on 1 August 2017 and 15 November 2017 (the *Base Prospectus*) constitutes a Supplement, for the purposes of Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter 1 of Part II of the *loi relative aux prospectus pour valeurs mobilières du 10 juillet 2005* (the Luxembourg law on prospectuses for securities of 10 July 2005), as amended by the Luxembourg law of 3 July 2012 (the *Luxembourg Act*), to the Base Prospectus and is prepared in connection with the Euro 10,000,000,000 Guaranteed Euro Medium Term Note Programme (the *Programme*) established by Repsol International Finance B.V. (the *Issuer*) and guaranteed by Repsol, S.A. (the *Guarantor*). Terms defined in the Base Prospectus have the same meaning when used in this Supplement.

This Supplement is supplemental to, and should be read in conjunction with the Base Prospectus issued by the Issuer and the Guarantor.

Each of the Issuer and the Guarantor accepts responsibility for the information contained in this Supplement and declares that, having taken all reasonable care to ensure that such is the case, the information contained in this Supplement is, to the best of its knowledge, in accordance with the facts and contains no omission likely to affect its import. The information incorporated by reference to the Base Prospectus by virtue of this Supplement has been translated from the original Spanish.

The Dealers, the Trustee and the Arranger have not separately verified the information contained in the Base Prospectus, as supplemented by this Supplement. None of the Dealers or the Arranger or the Trustee makes any representation, express or implied, or accepts any responsibility, with respect to the accuracy or completeness of any of the information in the Base Prospectus, as supplemented by this Supplement.

Regulatory Announcements

This Supplement incorporates by reference certain regulatory announcements published by the Issuer and the Guarantor since 15 November 2017.

Documents incorporated by reference

Both the Issuer and the Guarantor consider advisable to incorporate by reference into the Base Prospectus via this Supplement certain regulatory announcements of the Guarantor published by the Issuer since 15 November 2017; and therefore, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to amend the Section “**DOCUMENTS INCORPORATED BY REFERENCE**” (pages 21 to 24 of the Base Prospectus) by the addition of the following documents to the list “**Information incorporated by reference**” (page 21 of the Base Prospectus) under paragraph (M). The

information incorporated by reference that is not included in the cross-reference list, is considered as additional information and is not required by the relevant schedules of Commission Regulation (EC) 809/2004.

<u>“Information Incorporated by Reference</u>	<u>Page References</u>
(M) Regulatory announcements of the Guarantor:	
- Announcement dated 28 November 2017 relating to the upgrade of its rating announced by Standard & Poor’s.	1
- Announcement dated 29 November 2017 fixing the market value (Amount of the Alternative Option) of the second paid-up capital increase approved by the 2017 Annual Shareholders’ Meeting (Repsol Flexible Dividend) at 610,958,421 euros.	1
- Announcement dated 9 January 2018 announcing the closing of a paid up capital increase of 29,068,912 euros and a payment in cash to its shareholders of 153 million euros (Repsol Flexible Dividend Program).	1

Business Overview – Recent Developments

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with Section **“INFORMATION ON THE GUARANTOR AND THE GROUP”** to add a new last paragraph in the subsection **“Recent Developments”** (page 36 of the Base Prospectus) with the following information:

“On 28 November 2017, Standard & Poor’s announced its decision to upgrade the Guarantor’s long-term rating to BBB from BBB- and the short-term rating to A-2 from A-3, both with a stable outlook. Standard & Poor’s also upgraded its rating on the Guarantor’s senior unsecured debt to BBB from BBB-.”

Business Overview – Shareholder remuneration

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in connection with Section **“INFORMATION ON THE GUARANTOR AND THE GROUP”** to add a new last paragraph in the subsection **“Shareholder remuneration”** (page 43 of the Base Prospectus) with the following information:

“On 29 November 2017, the Board of Directors of the Guarantor approved the payment of a remuneration equivalent to 0.4 euros gross per share to its shareholders within the framework of the Repsol Flexible Dividend Program (in replacement of the traditional interim dividend of 2017), subject to the applicable rounding, in accordance with the formulas approved by the Guarantor’s Annual Shareholders’ Meeting held on May 19, 2017, under agenda item seven. Shareholders holding a 74.22% of the free-of-charge allocation rights opted to receive new shares of the Guarantor, resulting in a capital increase of 29,068,912 shares (1.90% of the share capital before the capital increase) closed on January 9, 2018. Holders of 25.78% of such rights sold them to Repsol, resulting in pay out of a total amount of 152,758,877.436 euros.”

Business segments and organisational structure – Guarantor

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, and in relation to Section **“INFORMATION ON THE GUARANTOR AND THE GROUP”** under the heading **“Board of Directors, Senior Management and Employees”**, to replace the table on pages 41-42 related to the *“Board of Directors”* with the following information:

“Board of Directors

As of the date of this Base Prospectus, the members of the Board of Directors of the Guarantor are as follows:

	<u>Position</u>
Antonio Brufau Niubó.....	<i>Chairman and Director</i>
Gonzalo Gortázar Rotaache ⁽¹⁾	<i>First Vice-Chairman and Director</i>
Manuel Manrique Cecilia ⁽²⁾	<i>Second Vice-Chairman and Director</i>
Josu Jon Imaz San Miguel.....	<i>CEO and Director</i>

	<i>Position</i>
<i>Maria Teresa Ballester Fornés</i>	<i>Director</i>
<i>Artur Carulla Font</i>	<i>Director</i>
<i>Luis Carlos Croissier Batista</i>	<i>Director</i>
<i>Rene Dahan</i> ⁽³⁾	<i>Director</i>
<i>Ángel Durández Adeva</i>	<i>Director</i>
<i>Mario Fernández Pelaz</i>	<i>Director</i>
<i>Jordi Gual Solé</i> ⁽¹⁾	<i>Director</i>
<i>José Manuel Loureda Mantiñán</i> ⁽²⁾	<i>Director</i>
<i>Mariano Marzo Carpio</i>	<i>Director</i>
<i>Isabel Torremocha Ferrezuelo</i>	<i>Director</i>
<i>J. Robinson West</i>	<i>Director</i>
<i>Luis Suárez de Lezo Mantilla</i>	<i>Director and Secretary of the Board of Directors</i>

(1) Nominated for membership by CaixaBank, S.A.

(2) Nominated for membership by Sacyr, S.A.

(3) Nominated for membership by Temasek”

Prohibitions of Sales to EEA Investors

As a result of Directive 2014/65/EU of the European Parliament and the Council of 15 May 2014 on markets in financial instruments and its implementing Regulations and Directives (as amended, **MiFID II**), both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to amend the Section “**PROHIBITION OF SALES TO EEA INVESTORS**” (pages 5 and 6 of the Base Prospectus) by the replacing it with the following:

“PROHIBITIONS OF SALES TO EEA INVESTORS

If the Final Terms (or Pricing Supplement, in the case of Exempt Notes) in respect of any Notes include a legend entitled “Prohibition of Sales to EEA Retail Investors”, the Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the **EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**) or (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the **Prospectus Directive**). Consequently, no key information document required by Regulation (EU) No 1286/2014 (as amended, the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

MiFID II product governance / target market – The Final Terms (or Pricing Supplement, in the case of Exempt Notes) in respect of any Notes may include a legend entitled “MiFID II Product Governance” which will outline the target market assessment in respect of the Notes and which channels for distribution of the Notes are appropriate. Any person subsequently offering, selling or recommending the Notes (a “distributor”) should take into consideration the target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the target market assessment) and determining appropriate distribution channels.

A determination will be made in relation to each issue about whether, for the purpose of the MiFID Product Governance rules under EU Delegated Directive 2017/593 (the **MiFID Product Governance Rules**), any Dealer subscribing for any Notes is a manufacturer in respect of such Notes, but otherwise neither the Arranger nor the Dealers nor any of their respective affiliates will be a manufacturer for the purpose of the MiFID Product Governance Rules.”

Form of Final Terms

Both the Issuer and the Guarantor consider advisable, pursuant to Article 16 of the Prospectus Directive as implemented by Article 13 of Chapter I of Part II of the Luxembourg Act, to add the following legend to the top of the FORM OF FINAL TERMS (pages 91 to 100 of the Base Prospectus):

“**[MiFID II Product Governance / Professional investors and ECPS only target market** – Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the Notes has led to the conclusion that: (i) the target market for the Notes is eligible counterparties and professional clients only,

each as defined in Directive 2014/65/EU (as amended, **MiFID II**); and (ii) all channels for distribution of the Notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the Notes (a "distributor") should take into consideration the manufacturers' target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the Notes (by either adopting or refining the manufacturers' target market assessment) and determining appropriate distribution channels.]”

Save as disclosed in this Supplement, no other significant new factor, material mistake or inaccuracy relating to information included in the Base Prospectus which is capable of affecting the assessment of the Notes issued under the Programme has been noted or, to the best of the knowledge of the Issuer and the Guarantor, has arisen, as the case may be, since the publication of the Base Prospectus.

To the extent there is any inconsistency between (a) any statement in this Supplement or any statement incorporated by reference into the Base Prospectus by virtue of this Supplement and (b) any other statement, pre-dating this Supplement, in, or incorporated by reference into, the Base Prospectus, the statements in (a) above shall prevail.

As long as any of the Notes are outstanding, this Supplement and each document incorporated by reference into the Base Prospectus via this Supplement will be available for inspection, free of charge, at the offices of the Issuer at Koninginnegracht 19, 2514 AB The Hague, The Netherlands during normal business hours and on the website of the Luxembourg Stock Exchange at www.bourse.lu. In addition, copies of the documents incorporated by reference referred to above can be obtained from the website of the Issuer at <https://www.repsol.energy/en/shareholders-and-investors/fixed-income-and-credit-ratings/rif/index.cshtml>.