WEBCAST – CONFERENCE CALL
Fourth Quarter 2017 Results

February 28th 2018

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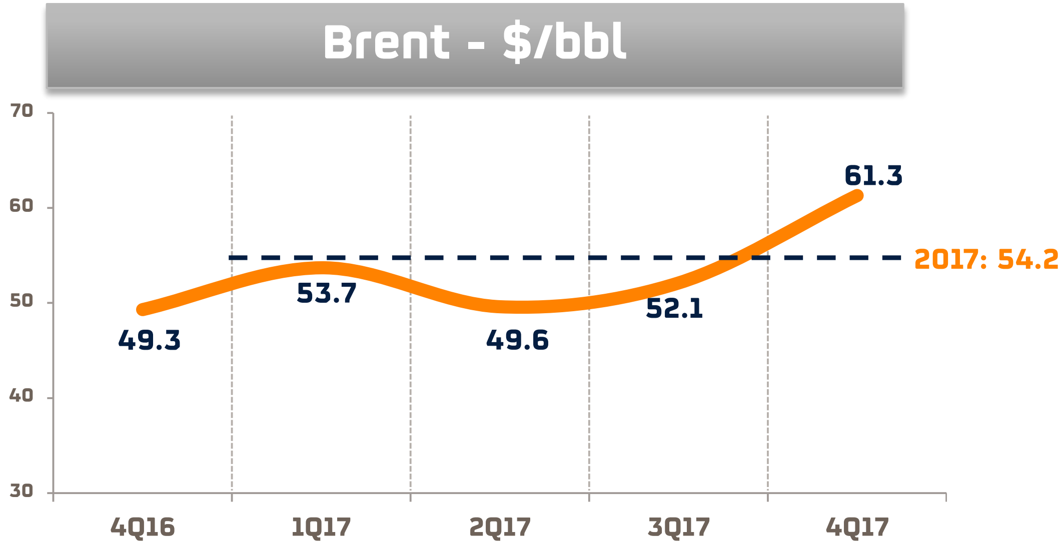
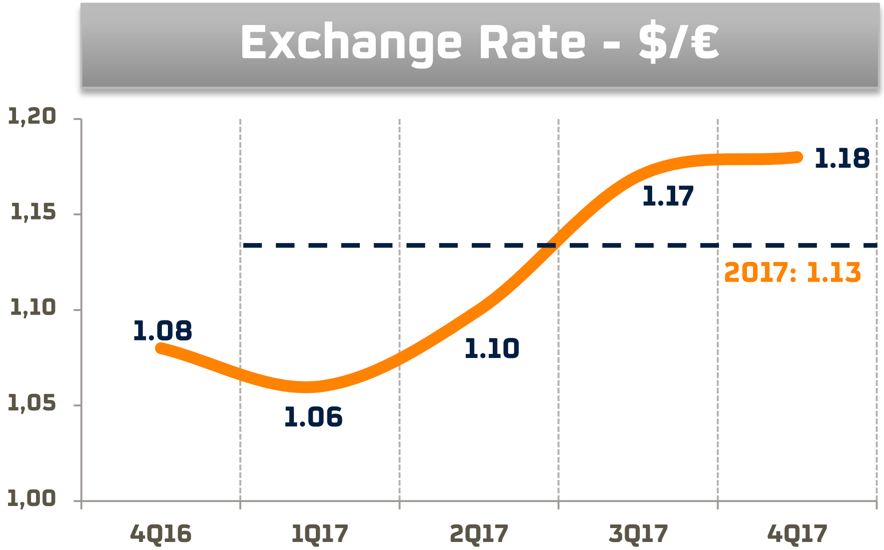
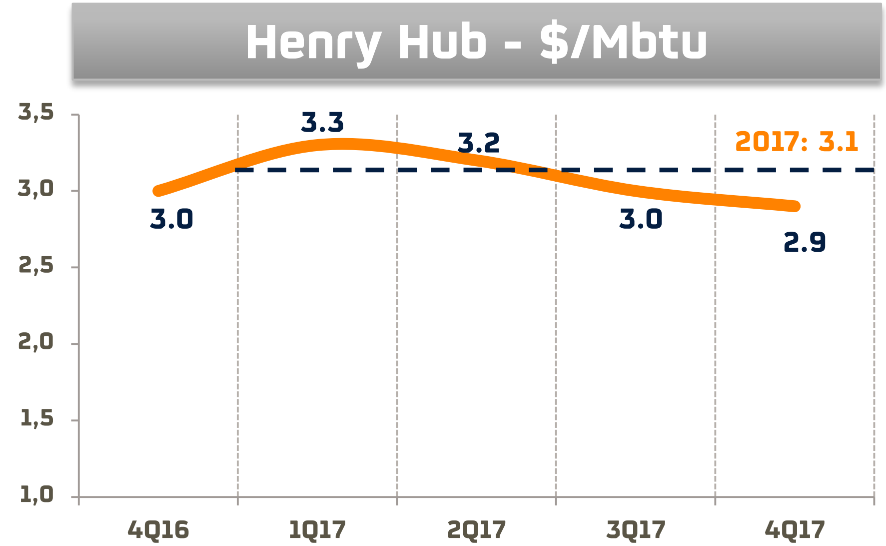
AGENDA

1. **Delivery of strategic objectives**
2. **Operational highlights**
3. **Financial results**
4. **Outlook for 2018**
5. **Conclusions**

Market environment







Delivery of strategic objectives

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Synergies and efficiencies: €2.4Bn per annum by the end 2017

Capex Optimization: ~€3Bn in 2017 without compromising safety, volumes & reserves

Divestment of non core assets: >€5Bn benefit by the end of 2016

Group FCF Breakeven: ~40$/bbl by the end of 2017

Reducing debt & stabilizing our investment grade: Stable BBB

Upstream: Positive FCF in 2017

Downstream: top quartile assets generated **€1.8Bn** of FCF

Operational Activity

Upstream

QUARTER AVG PRODUCTION

+ 3%

693 kboe/d — 3Q 2017

715 kboe/d — 4Q 2017

FULL YEAR AVG PRODUCTION

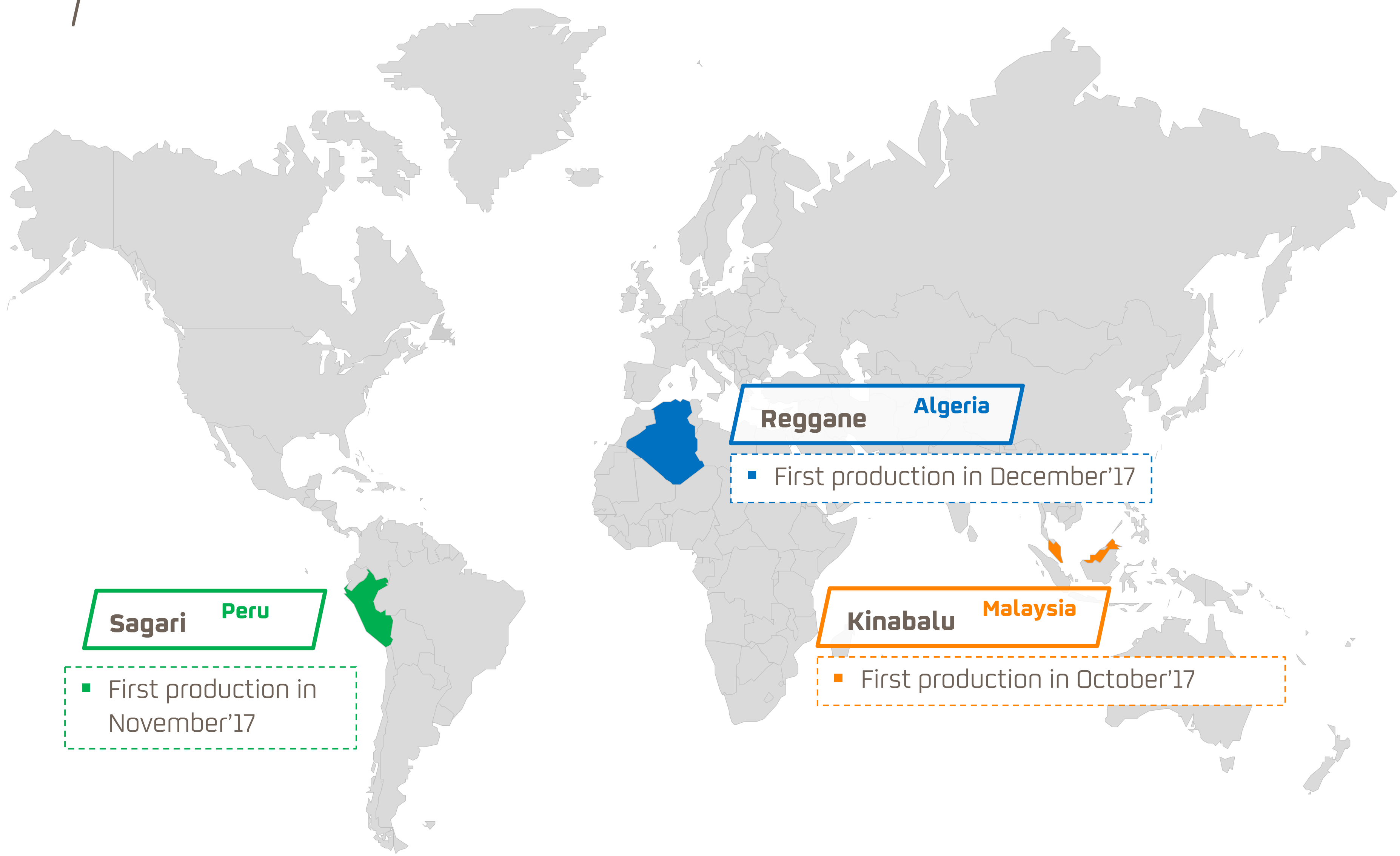
+ 1%

690 kboe/d — FY2016

695 kboe/d — FY2017

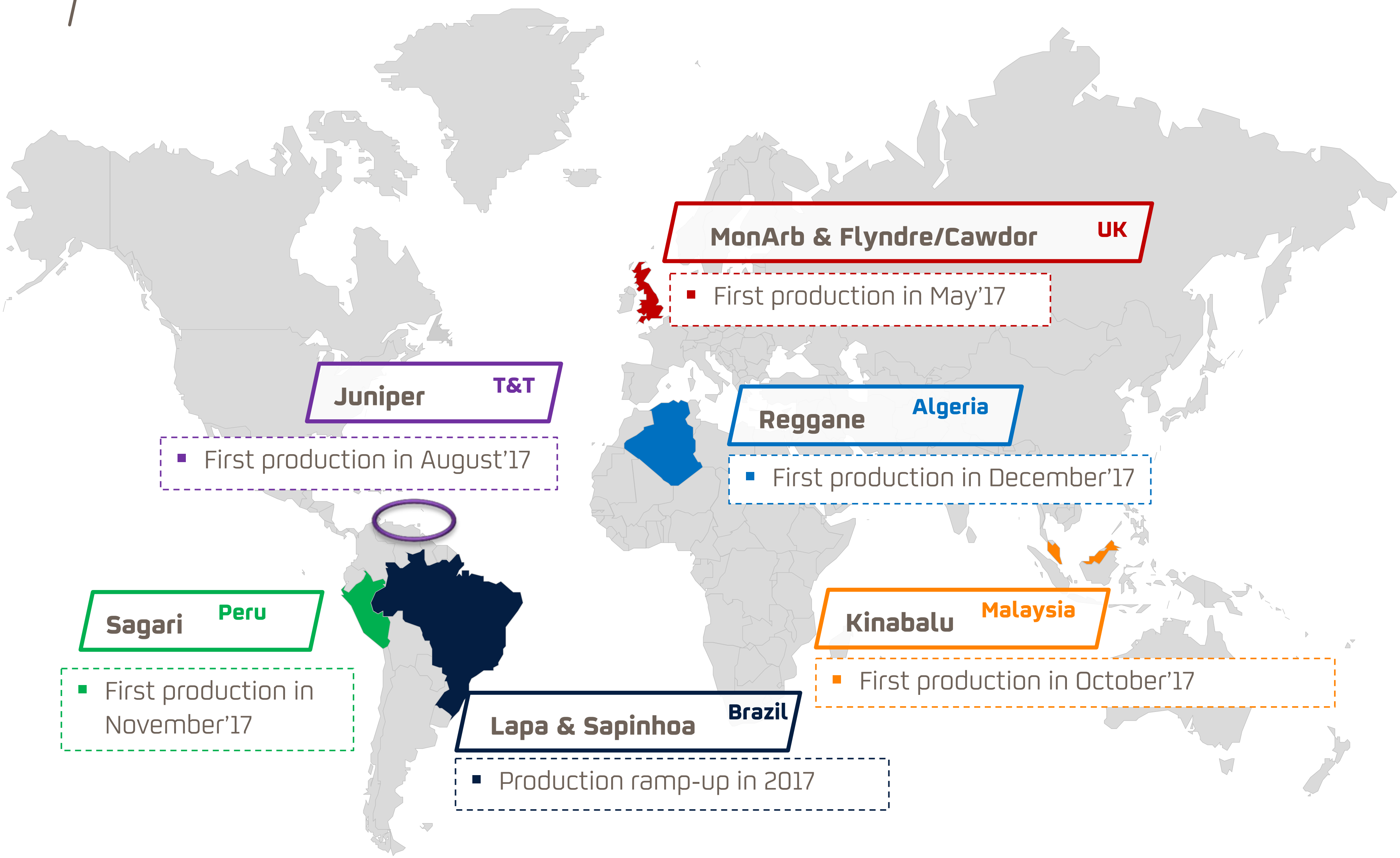
- Higher volumes in **Libya**
- Ramp-up **Trinidad & Tobago**

Operational activity
Upstream



Operational activity

Upstream



Operational activity
Upstream

DEVELOPMENT SANCTIONS IN 2017

- ✓ **Buckskin** in the Gulf of Mexico
- ✓ **CRD Red Emperor** in Vietnam
- ✓ **YME** in Norway
- ✓ **Angelin** in Trinidad & Tobago
- ✓ **MLN field** in Algeria

NEW DISCOVERIES IN 2017

- ✓ **Horseshoe** in Alaska
- ✓ **Savannah and Macadamia** in Trinidad & Tobago

EXPLORATORY SUCCESS IN 2017

- ✓ **6** wells were positive (**16** drilled)

Operational activity
Downstream

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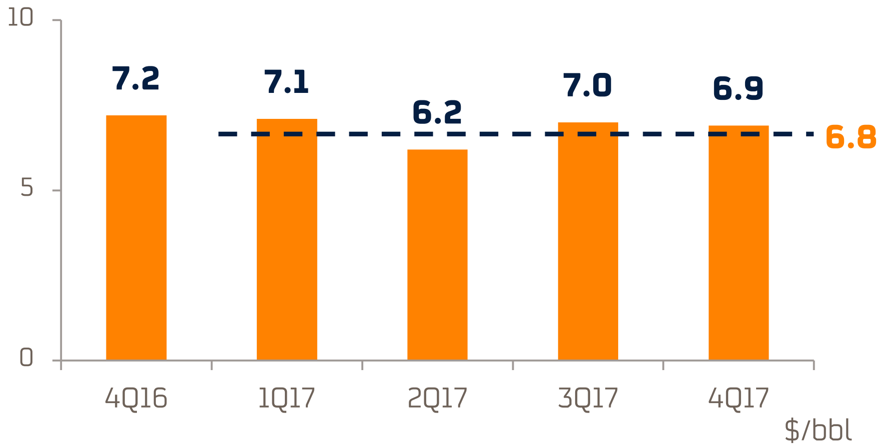
Refining Margin Indicator



Petrochemicals

- Favorable trading **environment**
- Higher **Naphtha prices**
- FY Operating Income: **€600M**

Utilization rates

4Q 2017

Distillation

Conversion units

Commercial businesses

- In line with 2016
- Growing sales and retail volumes

Financial Results

	Q4 2017	Q4 2016	FY2017	FY2016
CCS Adjusted Net Income	703	698	2,405	1,922
Net Income	538	616	2,121	1,736
EBITDA CCS	1,799	1,475	6,580	5,032

Million €

UPSTREAM	Q4 2017	Q4 2016	FY2017	FY2016
CCS Adjusted Net Income	145	17	632	52

Million €

DOWNSTREAM	Q4 2017	Q4 2016	FY2017	FY2016
CCS Adjusted Net Income	446	554	1,877	1,883

Million €

Gas Natural Transaction

Agreement to sell our 20% stake in Gas Natural to CVC

Price: 19€/share → €3.8Bn

Capital Gain: €400M

Entering new gas businesses

Leverage our capabilities and existing client base

Looking for new opportunities in high return Gas & Power businesses

Investing prudently and for higher net returns

Outlook for 2018

	2018 Budget*	
Group Organic Capex (€Bn)	**3.4**	• Upstream Division: **€2.4Bn** • Downstream Division: **10% increase**
Production (kboe/d)	**>700**	• New projects and ramp-ups offsetting decline and divestments

Refining Margin Indicator ($/bbl)	**>6.4**	• Scheduled maintenance in our refineries includes:
		  • Currently in progress at **Puertollano**
		  • **Tarragona** in 2Q18

EBITDA CCS Group (€Bn)	**~7.0**	• Downstream Division: **€3.1Bn** • Upstream Division: **€4.2Bn**
Shareholder remuneration (€/share)	**0.90**	• Proposal of **dividend increase and full buyback**

* *Assumtions: Brent 59$/bbl, HH 3.5$/Mbtu*

Outlook for 2018

Strategy Update- Early look

UPSTREAM BUSINESS

Growing margins rather than just volumes

Increase **production** by **~50 Kboed** between now and 2020

DOWNSTREAM BUSINESS

Refining & Petrochemicals: Leading margins

Marketing, G&P, LPG: Potential for expansion

DIGITALIZATION-THE NEXT PHASE OF EFFICIENCIES

Expected **incremental FCF** of **~€300M** by 2020

Affects every part of Repsol: Upstream, Downstream and Corporation

Conclusions

- ✓ **Adjusted Net Income** increase year on year by **25%**
- ✓ **Net Debt** reduced by **~€2Bn**, continued deleverage in 2018
- ✓ **CF breakeven** of **~50$/bbl** covering dividends or repurchase of dilution from 2017/18 onwards
- ✓ Stable **capital investment** maintaining upstream volumes and reserves
- ✓ Savings form **efficiencies & synergies** delivering **€2.4Bn** in benefits
- ✓ Secure **Investment Grade** rating and **financial flexibility**

Repsol is ready to set itself new strategic targets

Q&A Session

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