

APM RECONCILIATIONS 2016



REPSOL S.A. and Investees comprising the Repsol Group

ALTERNATIVE PERFORMANCE MEASURES

RECONCILIATIONS 2016 & 2015

Repsol's financial information contains indicators and measures prepared in accordance with applicable financial information regulations, as well as other measures prepared in accordance with the Group's Reporting Model defined as Alternative Performance Measures (APMs). For further information, see <https://www.repsol.com>.

APMs are measures which are "adjusted" compared to those presented under IFRS-EU or with Supplementary Information on Oil and Gas Exploration and Production Activities.

1. Financial performance measures

Adjusted net income

<i>Million euros</i>	First Quarter											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating Income	560 ⁽¹⁾	587 ⁽¹⁾	(25)	(3)	22	(77)	(215)	(212)	(218)	(292)	342	295
Financial Result	(77)	655	(3)	(44)	22	23	-	-	19	(21)	(58)	634
Share of results of companies accounted for using the equity method- net of tax	111	126	48	(53)	-	-	-	-	48	(53)	159	73
Net Income before tax	594	1.368	20	(100)	44	(54)	(215)	(212)	(151)	(366)	443	1,002
Income tax	(10)	(423)	(20)	100	(25)	27	53	60	8	187	(2)	(236)
Net income from continuing operations	584	945	-	-	19	(27)	(162)	(152)	(143)	(179)	441	766
Net income from continuing operations attributable to minority interests	(12)	(17)	-	-	-	-	5	12	5	12	(7)	(5)
NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT	572	928	-	-	19	(27)	(157)	(140)	(138)	(167)	434	761

⁽¹⁾ Result from continuing operations at replacement cost (CCS).

⁽²⁾ The inventory effect represents an adjustment to "Consumption of raw materials and other consumables" and "Changes in inventory of finished goods and work in progress" on the income statement under IFRS-EU.

<i>Million euros</i>	Second Quarter											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating Income	437 ⁽¹⁾	522 ⁽¹⁾	(83)	(99)	(241)	(159)	223	124	(101)	(134)	336	388
Financial Result	(185)	(199)	87	7	(40)	(1)	-	-	47	6	(138)	(193)
Share of results of companies accounted for using the equity method- net of tax	95	109	(42)	76	-	-	-	-	(42)	76	53	185
Net Income before tax	347	432	(38)	(16)	(281)	(160)	223	124	(96)	(52)	251	380
Income tax	6	(101)	38	16	(20)	57	(56)	(35)	(38)	38	(32)	(63)
Net income from continuing operations	353	331	-	-	(301)	(103)	167	89	(134)	(14)	219	317
Net income from continuing operations attributable to minority interests	(8)	(19)	-	-	2	-	(8)	(6)	(6)	(6)	(14)	(25)
NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT	345	312	-	-	(299)	(103)	159	83	(140)	(20)	205	292

⁽¹⁾ Result from continuing operations at replacement cost (CCS).

⁽²⁾ The inventory effect represents an adjustment to "Consumption of raw materials and other consumables" and "Changes in inventory of finished goods and work in progress" on the income statement under IFRS-EU.

<i>Million euros</i>	Third Quarter											
	ADJUSTMENTS											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating Income	506 ⁽¹⁾	511 ⁽¹⁾	(8)	13	249	(303)	(7)	(406)	234	(696)	740	(185)
Financial Result	(123)	(223)	(89)	24	120	-	-	-	31	24	(92)	(199)
Share of results of companies accounted for using the equity method- net of tax	88	105	(48)	(128)	-	-	-	-	(48)	(128)	40	(23)
Net Income before tax	471	393	(145)	(91)	369	(303)	(7)	(406)	217	(800)	688	(407)
Income tax	(157)	(206)	145	91	(188)	195	2	115	(41)	401	(198)	195
Net income from continuing operations	314	187	-	-	181	(108)	(5)	(291)	176	(399)	490	(212)
Net income from continuing operations attributable to minority interests	(7)	(28)	-	-	(1)	-	(1)	19	(2)	19	(9)	(9)
NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT	307	159	-	-	180	(108)	(6)	(272)	174	(380)	481	(221)

⁽¹⁾ Result from continuing operations at replacement cost (CCS).

⁽²⁾ The inventory effect represents an adjustment to "Consumption of raw materials and other consumables" and "Changes in inventory of finished goods and work in progress" on the income statement under IFRS-EU.

<i>Million euros</i>	Fourth Quarter											
	ADJUSTMENTS											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	564 ⁽¹⁾	144 ⁽¹⁾	214	444	(478)	(3,608)	193	(202)	(71)	(3,366)	493	(3,222)
Financial result	70	11	(63)	57	47	151	-	-	(16)	208	54	219
Income from equity affiliates	77	129	(135)	(453)	-	-	-	-	(135)	(453)	(58)	(324)
Net income before tax	711	284	16	48	(431)	(3,457)	193	(202)	(222)	(3,611)	489	(3,327)
Income tax	(3)	191	(16)	(48)	(90)	903	(50)	54	(156)	909	(159)	1,100
Net income from continuing operations	708	475	-	-	(521)	(2,554)	143	(148)	(378)	(2,702)	330	(2,227)
Income attributed to minority interests	(10)	(22)	-	-	3	1	(6)	18	(3)	19	(13)	(3)
Net income from continuing activities attributable to the parent	698	453	-	-	(518)	(2,553)	137	(130)	(381)	(2,683)	317	(2,230)
Profit from discontinued operations	-	-	-	-	299	-	-	-	299	-	299	-
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	698	453	-	-	(219)	(2,553)	137	(130)	(82)	(2,683)	616	(2,230)

⁽¹⁾ Result from continuing operations at replacement cost (CCS).

⁽²⁾ The inventory effect represents an adjustment to "Consumption of raw materials and other consumables" and "Changes in inventory of finished goods and work in progress" on the income statement under IFRS-EU.

<i>Million euros</i>	As of June 30											
	ADJUSTMENTS											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating Income	997 ⁽¹⁾	1,109 ⁽¹⁾	(108)	(102)	(219)	(236)	8	(88)	(319)	(426)	678	683
Financial Result	(262)	456	84	(37)	(18)	22	-	-	66	(15)	(196)	441
Share of results of companies accounted for using the equity method- net of tax	206	235	6	23	-	-	-	-	6	23	212	258
Net Income before tax	941	1,800	(18)	(116)	(237)	(214)	8	(88)	(247)	(418)	694	1,382
Income tax	(4)	(524)	18	116	(45)	84	(3)	25	(30)	225	(34)	(299)
Net income from continuing operations	937	1,276	-	-	(282)	(130)	5	(63)	(277)	(193)	660	1,083
Net income from continuing operations attributable to minority interests	(20)	(36)	-	-	2	-	(3)	6	(1)	6	(21)	(30)
NET INCOME FROM CONTINUING OPERATIONS ATTRIBUTABLE TO THE PARENT	917	1,240	-	-	(280)	(130)	2	(57)	(278)	(187)	639	1,053

⁽¹⁾ Result from continuing operations at replacement cost (CCS).

⁽²⁾ The inventory effect represents an adjustment to "Consumption of raw materials and other consumables" and "Changes in inventory of finished goods and work in progress" on the income statement under IFRS-EU.

<i>Million euros</i>	As of December 31											
	ADJUSTMENTS											
	Adjusted Result		Joint Arrangements reclassification		Special items		Inventory Effect ⁽²⁾		Total Adjustments		Profit/loss under EU-IFRS	
	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016	2015
Operating income	2,067 ⁽¹⁾	1,764 ⁽¹⁾	98	355	(448)	(4,147)	194	(696)	(156)	(4,488)	1,911	(2,724)
Financial result	(315)	244	(68)	44	149	173	-	-	81	217	(234)	461
Income from equity affiliates	371	469	(177)	(558)	-	-	-	-	(177)	(558)	194	(89)
Net income before tax	2,123	2,477	(147)	(159)	(299)	(3,974)	194	(696)	(252)	(4,829)	1,871	(2,352)
Income tax	(164)	(539)	147	159	(323)	1,182	(51)	194	(227)	1,535	(391)	996
Net income from continuing operations	1,959	1,938	-	-	(622)	(2,792)	143	(502)	(479)	(3,294)	1,480	(1,356)
Income attributed to minority interests	(37)	(86)	-	-	4	1	(10)	43	(6)	44	(43)	(42)
Net income from continuing activities attributable to the parent	1,922	1,852	-	-	(618)	(2,791)	133	(459)	(485)	(3,250)	1,437	(1,398)
Profit from discontinued operations	-	-	-	-	299	-	-	-	299	-	299	-
TOTAL NET INCOME ATTRIBUTABLE TO THE PARENT COMPANY	1,922	1,852	-	-	(319)	(2,791)	133	(459)	(186)	(3,250)	1,736	(1,398)

⁽¹⁾ Resultado de las operaciones continuadas a costes de reposición (CCS).

⁽²⁾ El Efecto patrimonial supone un ajuste a los epígrafes de "Aprovisionamientos" y "Variación de existencias de producto" de la cuenta de pérdidas y ganancias NIIF-UE.

We present below the Specific results:

<i>Million euros</i>	First Quarter							
	Upstream		Downstream		Corporation		TOTAL	
	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015	1Q 2016	1Q 2015
Divestments	(1)	(2)	60	1	-	-	59	(1)
Workforce restructuring charges	(16)	(2)	(1)	-	(12)	(16)	(29)	(18)
Impairment	2	-	(2)	(6)	-	(7)	0	(13)
Provisions and other	(23)	(24)	(9)	0	21	29	(11)	5
TOTAL	(38)	(28)	48	(5)	9	6	19	(27)

<i>Million euros</i>	Second Quarter							
	Upstream		Downstream		Corporation		TOTAL	
	2Q 2016	2Q 2015	2Q 2016	2Q 2015	2Q 2016	2Q 2015	2Q 2016	2Q 2015
Divestments	(10)	-	201	27	-	(15)	191	12
Workforce restructuring charges	(37)	(4)	(129)	(1)	(150)	(11)	(316)	(16)
Impairment	(9)	(66)	-	(4)	-	-	(9)	(70)
Provisions and other	(116)	(7)	(12)	12	(37)	(34)	(165)	(29)
TOTAL	(172)	(77)	60	34	(187)	(60)	(299)	(103)

<i>Million euros</i>	Third Quarter							
	Upstream		Downstream		Corporation		TOTAL	
	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015	3Q 2016	3Q 2015
Divestments	(2)	44	184	295	201	-	383	339
Workforce restructuring charges	(6)	(4)	(13)	(1)	(6)	(3)	(25)	(8)
Impairment	(13)	(171)	(11)	(273)	-	-	(24)	(444)
Provisions and other	(265)	(75)	(1)	(3)	112	(7)	(154)	5
TOTAL	(286)	(116)	159	18	307	(10)	180	(108)

<i>Million euros</i>	Fourth Quarter							
	Upstream		Downstream		Corporation		TOTAL	
	4Q 2016	4Q 2015	4Q 2016	4Q 2015	4Q 2016	4Q 2015	4Q 2016	4Q 2015
Divestments	(13)	-	150	19	(33)	(5)	104	14
Workforce restructuring charges	(9)	(5)	(12)	(1)	(1)	(1)	(22)	(7)
Impairment	(259)	(2,525)	(141)	(28)	-	(39)	(400)	(2,592)
Provisions and other	(236)	(75)	(3)	(18)	338	125	99	32
TOTAL	(517)	(2,605)	(6)	(28)	304	80	(219)	(2,553)

<i>Million euros</i>	As of June 30							
	Upstream		Downstream		Corporation		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
Divestments	(11)	(3)	261	29	-	(15)	250	11
Workforce restructuring charges	(54)	(7)	(130)	(1)	(162)	(26)	(346)	(34)
Impairment	(8)	(65)	(2)	(11)	-	(7)	(10)	(83)
Provisions and other	(137)	(30)	(21)	12	(16)	(6)	(174)	(24)
TOTAL	(210)	(105)	108	29	(178)	(54)	(280)	(130)

<i>Million euros</i>	As of December 31							
	Upstream		Downstream		Corporation		TOTAL	
	2016	2015	2016	2015	2016	2015	2016	2015
Divestments	(26)	41	595	343	168	(20)	737	364
Workforce restructuring charges	(68)	(15)	(156)	(4)	(169)	(30)	(393)	(49)
Impairment	(280)	(2,762)	(154)	(312)	-	(45)	(434)	(3,119)
Provisions and other	(639)	(90)	(24)	(8)	434	111	(229)	13
TOTAL	(1,013)	(2,826)	261	19	433	16	(319)	(2,791)

EBITDA

First Quarter

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	1,027	962	(187)	(133)	-	-	840	829
EBITDA a CCS	1,242	1,174	(187)	(133)	(215)	(212)	840	829

⁽¹⁾ Corresponde a los epígrafes “Resultados antes de impuestos” y “Ajustes de resultado” de los Estados de Flujos de Efectivo (EFE) consolidados preparados bajo NIIF-UE.

Second Quarter

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	1,390	1,421	(234)	(261)	-	-	1,156	1,160
EBITDA a CCS	1,167	1,297	(234)	(261)	223	124	1,156	1,160

⁽¹⁾ Corresponds to “Net income before tax” and “Adjustments to net income” on the consolidated Cash Flow Statement prepared under IFRS-EU.

Third Quarter

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	1,141	1,011	(134)	(134)	-	-	1,007	877
EBITDA a CCS	1,148	1,417	(134)	(134)	(7)	(406)	1,007	877

⁽¹⁾ Corresponds to “Net income before tax” and “Adjustments to net income” on the consolidated Cash Flow Statement prepared under IFRS-EU.

Fourth Quarter

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	1,668	1,022	(253)	(159)	-	-	1,415	863
EBITDA a CCS	1,475	1,224	(253)	(159)	193	(202)	1,415	863

⁽¹⁾ Corresponds to “Net income before tax” and “Adjustments to net income” on the consolidated Cash Flow Statement prepared under IFRS-EU.

As of June 30

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	2,417	2,383	(421)	(394)	-	-	1,996	1,989
EBITDA a CCS	2,409	2,471	(421)	(394)	8	(88)	1,996	1,989

⁽¹⁾ Corresponds to “Net income before tax” and “Adjustments to net income” on the consolidated Cash Flow Statement prepared under IFRS-EU.

As of December 31

	Group Reporting Model		Joint arrangements reclassification and others		Inventory effect		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015	2016	2015
EBITDA	5,226	4,416	(808)	(687)	-	-	4,418	3,729
EBITDA a CCS	5,032	5,112	(808)	(687)	194	(696)	4,418	3,729

⁽¹⁾ Corresponds to “Net income before tax” and “Adjustments to net income” on the consolidated Cash Flow Statement prepared under IFRS-EU.

ROACE

NUMERATOR	2016	2015
Operating profit EU-IFRS	1,911	(2,724)
Adjustment joint ventures	(98)	(355)
Adjustment special items	448	4,147
Income tax ⁽¹⁾	(340)	(303)
Share of profit (loss) of entities accounted for using the equity method - net of dividends	371	469
I. ROACE result at average weighted cost	2,292	1,234
DENOMINATOR		
Total equity	31,111	28,762
Net financial debt	8,144	11,934
Capital employed at year end	39,255	40,696
II. Average capital employed ⁽²⁾	39,818	41,090
ROACE (I/II)	5.8	3.0

⁽¹⁾ Does not include income tax corresponding to financial results.

⁽²⁾ Corresponds to the average balance of capital employed at the beginning and end of the year.

2. Cash flow measures

Free cash flow and Cash generated

	First Quarter					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	943	1,224	(41)	(130)	902	1,094
II. Cash flows from / (used in) investing activities	(742)	(939)	127	565	(615)	(374)
Free cash flow (I+II)	201	285	86	435	287	720
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(205)	3,681	(22)	(442)	(227)	3,239
Net increase / (decrease) in cash and cash equivalents	(4)	3,966	64	(7)	60	3,959
Cash and cash equivalents at the beginning of the period	2,769	5,027	(321)	(389)	2,448	4,638
Cash and cash equivalents at the end of the period	2,765	8,993	(257)	(396)	2,508	8,597

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	Second Quarter					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	829	253	(130)	(49)	699	204
II. Cash flows from / (used in) investing activities	(255)	(8,561)	128	884	(127)	(7,677)
Free cash flow (I+II)	574	(8,308)	(2)	835	572	(7,473)
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(894)	1,830	39	(862)	(855)	968
Net increase / (decrease) in cash and cash equivalents	(320)	(6,478)	37	(27)	(283)	(6,505)
Cash and cash equivalents at the beginning of the period	2,765	8,993	(257)	(396)	2,508	8,597
Cash and cash equivalents at the end of the period	2,445	2,515	(220)	(423)	2,225	2,092

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	Third Quarter					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	658	1,583	(17)	(152)	641	1,431
II. Cash flows from / (used in) investing activities	1,459	(1,016)	127	226	1,586	(790)
Free cash flow (I+II)	2,117	567	110	74	2,227	641
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(990)	(712)	(75)	(2)	(1,065)	(714)
Net increase / (decrease) in cash and cash equivalents	1,127	(145)	35	72	1,162	(73)
Cash and cash equivalents at the beginning of the period	2,445	2,515	(220)	(423)	2,225	2,092
Cash and cash equivalents at the end of the period	3,572	2,370	(185)	(351)	3,387	2,019

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	Fourth Quarter					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	1,402	2,453	246	(246)	1,648	2,207
II. Cash flows from / (used in) investing activities	29	(1,015)	(482)	896	(453)	(119)
Free cash flow (I+II)	1,431	1,438	(236)	650	1,195	2,088
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(85)	(1,039)	190	(620)	105	(1,659)
Net increase / (decrease) in cash and cash equivalents	1,346	399	(46)	30	1,300	429
Cash and cash equivalents at the beginning of the period	3,572	2,370	(185)	(351)	3,387	2,019
Cash and cash equivalents at the end of the period	4,918	2,769	(231)	(321)	4,687	2,448

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments , proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	As of June 30					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	1,772	1,477	(171)	(179)	1,601	1,298
II. Cash flows from / (used in) investing activities	(997)	(9,500)	255	1,449	(742)	(8,051)
Free cash flow (I+II)	775	(8,023)	84	1,270	859	(6,753)
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(1,099)	5,511	17	(1,304)	(1,082)	4,207
Net increase / (decrease) in cash and cash equivalents	(324)	(2,512)	101	(34)	(223)	(2,546)
Cash and cash equivalents at the beginning of the period	2,769	5,027	(321)	(389)	2,448	4,638
Cash and cash equivalents at the end of the period	2,445	2,515	(220)	(423)	2,225	2,092

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments , proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

	As of December 31					
	Adjusted Cash Flow		Joint arrangements reclassification and others		Cash Flow Statement IFRS-EU	
	2016	2015	2016	2015	2016	2015
I. Cash flows from / (used in) operating activities	3,832	5,513	58	(577)	3,890	4,936
II. Cash flows from / (used in) investing activities	491	(11,531)	(100)	2,571	391	(8,960)
Free cash flow (I+II)	4,323	(6,018)	(42)	1,994	4,281	(4,024)
Cash generated	3,246	(7,222)	9	(35)	3,255	(7,257)
III. Cash flows from / (used in) financing activities and others ⁽¹⁾	(2,174)	3,760	132	(1,926)	(2,042)	1,834
Net increase / (decrease) in cash and cash equivalents	2,149	(2,258)	90	68	2,239	(2,190)
Cash and cash equivalents at the beginning of the period	2,769	5,027	(321)	(389)	2,448	4,638
Cash and cash equivalents at the end of the period	4,918	2,769	(231)	(321)	4,687	2,448

⁽¹⁾ Includes payments for dividends and payments on other equity instruments, interest payments, other proceeds from/ (payments for) financing activities, proceeds from / (payments for) equity instruments, proceeds from / (payments for) financial liabilities and the exchange rate fluctuations effect.

Liquidity

	Group Reporting Model					Joint arrangements reclassification and others					IFRS-EU				
	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15
Cash and Cash equivalents	4,918	3,572	2,445	2,765	2,771	(231)	(185)	(220)	(257)	(323)	4,687	3,387	2,225	2,508	2,448
Undrawn credit lines	4,429	4,347	4,214	6,175	6,360	-	-	-	-	-	4,429	4,347	4,214	6,175	6,360
Liquidity	9,347	7,919	6,659	8,940	9,131	(231)	(185)	(220)	(257)	(323)	9,116	7,734	6,439	8,683	8,808

Net Operating Investments

	First Quarter					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	638	753	(178)	(330)	460	423
Downstream	86	134	(2)	(2)	84	132
Corporation and others	(15)	45	(9)	-	(24)	45
TOTAL	709	932	(189)	(332)	520	600

⁽¹⁾ This corresponds to "Proceeds from divestments" and "Payments on investments" on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to "Other financial assets."

⁽²⁾ Gross capital expenditure amounted to 865 million euros in the first quarter of 2016.

	Second Quarter					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	643	8,896	(198)	(239)	445	8,657
Downstream	(344)	149	1	43	(343)	192
Corporation and others	30	24	(11)	(4)	19	20
TOTAL	329	9,069	(208)	(200)	121	8,869

(1) This corresponds to “Proceeds from divestments” and “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets.”

(2) Gross capital expenditure amounted to 997 million euros in the second quarter of 2016.

	Third Quarter					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	444	803	(112)	(303)	332	500
Downstream	(196)	(122)	165	272	(31)	150
Corporation and others	(1,893)	14	31	18	(1,862)	32
TOTAL	(1,645)⁽²⁾	695	84	(13)	(1,561)	682

(1) This corresponds to “Proceeds from divestments” and “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets.”

(2) Gross capital expenditure amounted to 633 million euros in the third quarter of 2016.

	Fourth Quarter					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	164	918	(77)	(361)	87	557
Downstream	(42)	332	(163)	(322)	(205)	10
Corporation and others	(15)	14	(5)	(13)	(20)	1
TOTAL	107⁽²⁾	1,264	(245)	(696)	(138)	568

(1) This corresponds to “Proceeds from divestments” and “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets.”

(2) Gross capital expenditure amounted to 915 million euros in the fourth quarter of 2016.

	As of June 30					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	1,281	9,649	(376)	(569)	905	9,080
Downstream	(258)	283	(1)	41	(259)	324
Corporation and others	15	69	(20)	(4)	(5)	65
TOTAL	1,038⁽²⁾	10,001	(397)	(532)	641	9,469

(1) This corresponds to “Proceeds from divestments” and “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets.”

(2) Gross capital expenditure amounted to 1,862 million euros in the first half of 2016.

	As of December 31					
	Net operating investments		Joint arrangements reclassification and others		Cash flow statement IFRS-EU ⁽¹⁾	
	2016	2015	2016	2015	2016	2015
Upstream	1,889	11,370	(565)	(1,233)	1,324	10,137
Downstream	(496)	493	1	(9)	(495)	484
Corporation and others	(1,893)	97	6	1	(1,887)	98
TOTAL	(500)⁽²⁾	11,960	(558)	(1,241)	(1,058)	10,719

(1) This corresponds to “Proceeds from divestments” and “Payments on investments” on the consolidated statement of cash flows prepared under IFRS-EU, and does not include items corresponding to “Other financial assets.”

(2) Gross capital expenditure amounted to 3,410 million euros in 2016.

3. Financial position measures

Net Debt

	Net Debt					Joint arrangements reclassification and others ⁽¹⁾					Figure according to IFRS-EU balance sheet				
	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15
Non-current assets															
Non-current financial instruments ⁽²⁾	424	79	98	93	121	657	593	609	545	512	1,081	672	707	638	633
Current assets															
Other current financial assets	52	26	30	62	118	1,228	1,261	1,231	1,143	1,119	1,280	1,287	1,261	1,205	1,237
Cash and Cash equivalents	4,918	3,574	2,447	2,765	2,771	(231)	(187)	(222)	(257)	(323)	4,687	3,387	2,225	2,508	2,448
Non-current liabilities⁽³⁾															
Non-current financial debt	(9,540)	(9,627)	(10,688)	(11,130)	(10,716)	58	56	54	129	135	(9,482)	(9,571)	(10,634)	(11,001)	(10,581)
Non-current liabilities⁽³⁾															
Current financial liabilities	(4,085)	(4,150)	(3,719)	(3,879)	(4,320)	(2,824)	(2,601)	(2,707)	(2,675)	(2,753)	(6,909)	(6,751)	(6,426)	(6,554)	(7,073)
Items not included on the balance sheet															
Net mark to market valuation of financial derivatives (ex: exchange rate) ⁽⁴⁾	87	110	123	111	92	-	-	-	-	-	87	110	123	111	92
NET DEBT	(8,144)	(9,988)	(11,709)	(11,978)	(11,934)						(9,256)	(10,866)	(12,744)	(13,093)	(13,244)

⁽¹⁾ Mainly includes the net financing of the Repsol Sinopec Brazil Group, broken down in the following sections:

December 2015: (cash and cash equivalents of 11 million euros and current financial liabilities as a result of an intra-group loan of 2,819 million euros, less a 300 million euros third-party loan).

March 2016: (cash and cash equivalents of 17 million euros and current financial liabilities as a result of an intra-group loan of 2,699 million euros, less a 329 million euros third-party loan).

June 2016: (cash and cash equivalents of 16 million euros and current financial liabilities as a result of an intra-group loan of 2,780 million euros, less a 366 million euros third-party loan).

September 2016: (cash and cash equivalents of 30 million euros and current financial liabilities as a result of an intra-group loan of 2,772 million euros, less a 393 million euros third-party loan).

December 2016: (cash and cash equivalents of 43 million euros and current financial liabilities as a result of an intra-group loan of 2,942 million euros, less a 344 million euros third-party loan).

⁽²⁾ Corresponds to the consolidated balance sheet heading, "Non-current financial assets" (but does not include available-for-sale financial assets).

⁽³⁾ Does not include finance lease obligations.

⁽⁴⁾ The net mark to market value of financial derivatives different from exchange rate derivatives has been eliminated from this section.

Gross Debt

	Gross Debt					Joint arrangements reclassification and others					Figure according to IFRS-EU balance sheet				
	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15	dec-16	sep-16	jun-16	mar-16	dec-15
Current financial liabilities	(4.061)	(4.103)	(3.675)	(3.820)	(4.252)	(2,824)	(2,601)	(2,708)	(2,672)	(2,752)	(6,885)	(6,704)	(6,383)	(6,492)	(7,004)
Net valuation at the market rates of financial derivative, such as current exchange rate	7	(32)	(22)	(7)	(1)	-	-	-	-	-	7	(32)	(22)	(7)	(1)
Current gross debt	(4.054)	(4.135)	(3.697)	(3.828)	(4.253)	(2,824)	(2,601)	(2,708)	(2,672)	(2,752)	(6,878)	(6,736)	(6,405)	(6,500)	(7,005)
Non-current financial liabilities	(9.452)	(9.516)	(10.567)	(11.020)	(10.626)	57	55	55	128	135	(9,395)	(9,461)	(10,512)	(10,892)	(10,491)
Non-current gross debt	(9.452)	(9.516)	(10.567)	(11.020)	(10.626)	57	55	55	128	135	(9,395)	(9,461)	(10,512)	(10,892)	(10,491)
TOTAL GROSS DEBT	(13.506)	(13.651)	(14.264)	(14.847)	(14.879)	(2,767)	(2,546)	(2,653)	(2,544)	(2,617)	(16,273)	(16,197)	(16,917)	(17,392)	(17,496)

Interest cover

	Group Reporting Model		Joint arrangements reclassification and others		Figure according to IFRS-EU balance sheet	
	dec-16	dec-15	dec-16	dec-15	dec-16	dec-15
Debt interest ⁽¹⁾	426	443	73	42	353	401
EBITDA	5,226	4,416	(808)	(687)	4,418	3,729
Interest cover	8.2%	10.0%			7.99%	10.75%

⁽¹⁾ See Note 23 "Finance income and expense" of the 2016 consolidated financial statements.