

WEBCAST – CONFERENCE CALL

First Quarter 2017 Results

May 4th, 2017



Disclaimer



ALL RIGHTS ARE RESERVED

© REPSOL, S.A. 2017

Repsol, S.A. is the exclusive owner of this document. No part of this document may be reproduced (including photocopying), stored, duplicated, copied, distributed or introduced into a retrieval system of any nature or transmitted in any form or by any means without the prior written permission of Repsol, S.A.

This document does not constitute an offer or invitation to purchase or subscribe shares, pursuant to the provisions of the Royal Legislative Decree 4/2015 of the 23rd of October approving the recast text of the Spanish Securities Market Law and its implementing regulations. In addition, this document does not constitute an offer to purchase, sell, or exchange, neither a request for an offer of purchase, sale or exchange of securities in any other jurisdiction.

This document contains statements that Repsol believes constitute forward-looking statements which may include statements regarding the intent, belief, or current expectations of Repsol and its management, including statements with respect to trends affecting Repsol's financial condition, financial ratios, results of operations, business, strategy, geographic concentration, production volume and reserves, capital expenditures, costs savings, investments and dividend payout policies. These forward-looking statements may also include assumptions regarding future economic and other conditions, such as future crude oil and other prices, refining and marketing margins and exchange rates and are generally identified by the words "expects", "anticipates", "forecasts", "believes", "estimates", "notices" and similar expressions. These statements are not guarantees of future performance, prices, margins, exchange rates or other events and are subject to material risks, uncertainties, changes and other factors which may be beyond Repsol's control or may be difficult to predict. Within those risks are those factors and circumstances described in the filings made by Repsol and its affiliates with the Comisión Nacional del Mercado de Valores in Spain and with any other supervisory authority of those markets where the securities issued by Repsol and/or its affiliates are listed.

Repsol does not undertake to publicly update or revise these forward-looking statements even if experience or future changes make it clear that the projected performance, conditions or events expressed or implied therein will not be realized.

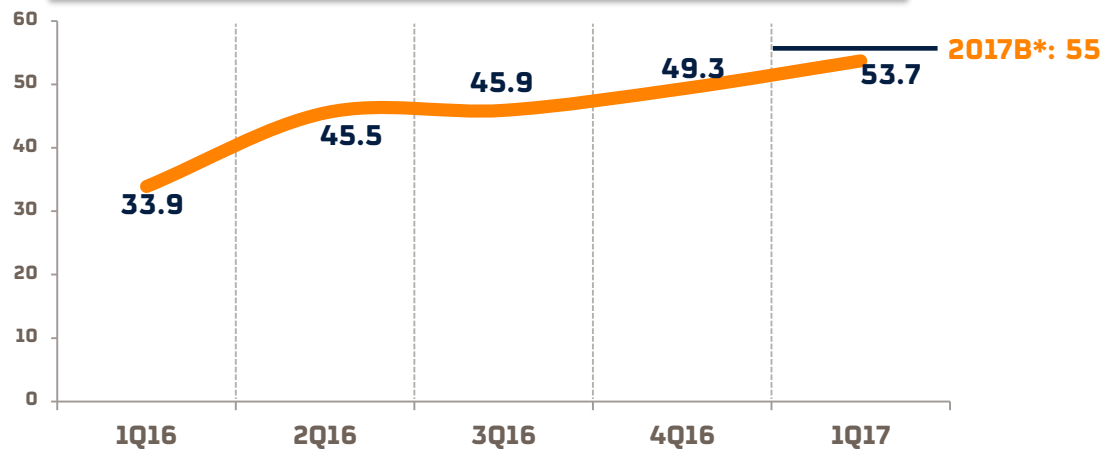
In October 2015, the European Securities Markets Authority (ESMA) published the Guidelines on Alternative Performance Measures (APM), of mandatory application for the regulated information to be published from 3 July 2016. Information and disclosures related to APM used on the present Q1 Results Earnings Release are included in Appendix IV "Alternative Performance Measures" of the Interim Condensed Consolidated Financial Statements for the three-month period ended 31 March 2017. The information contained in the document has not been verified or revised by the Auditors of Repsol.

- 1. Summary of the first quarter of 2017**
- 2. Operational results**
- 3. Financial results**
- 4. Progress of the key strategic objectives**
- 5. Conclusions**

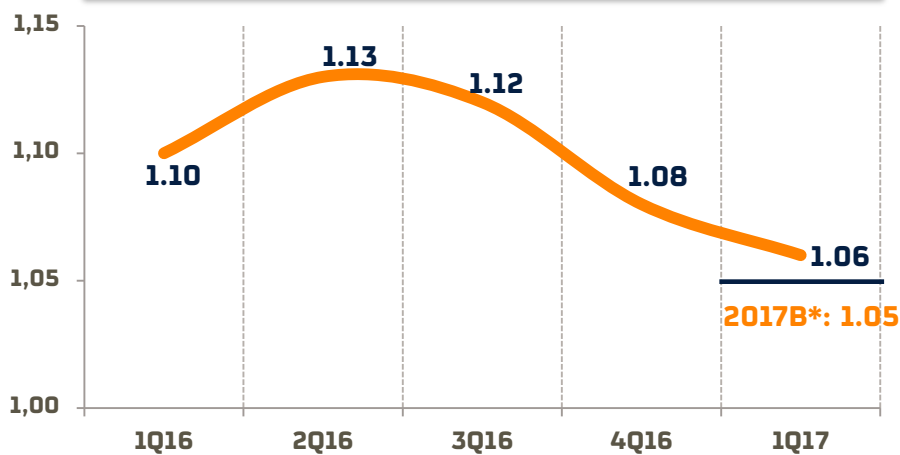
Market environment



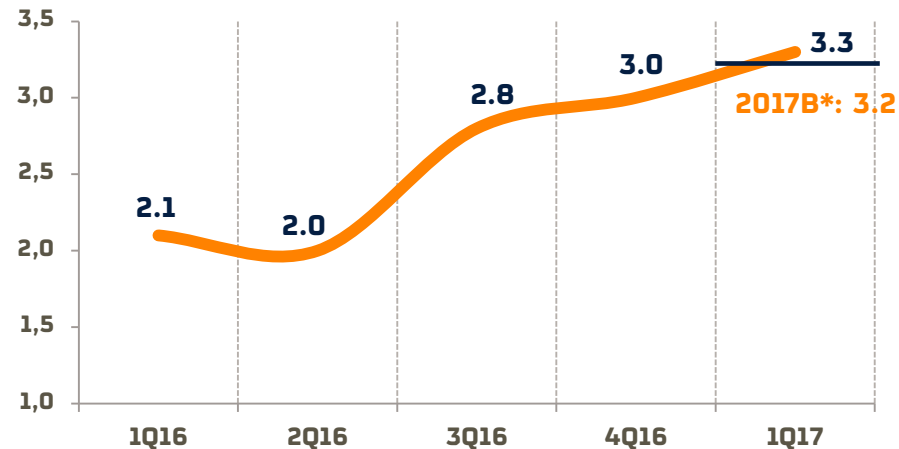
Brent - \$/bbl



Exchange Rate - \$/€



Henry Hub - \$/Mbtu



*Budget for 2017

Summary of the first quarter of 2017



- ✓ Continued delivery on **strategic objectives**
- ✓ Strong **EBITDA CCS** generation → **€1.7Bn**
- ✓ **Net debt** in line with projections → **€8.3Bn**

Upstream

- ✓ **Production** volumes ahead of plan → **693 kboe/d**
- ✓ **Exploration:** discovery in Alaska → **1.2 Bn barrels recoverable⁽¹⁾**

Downstream

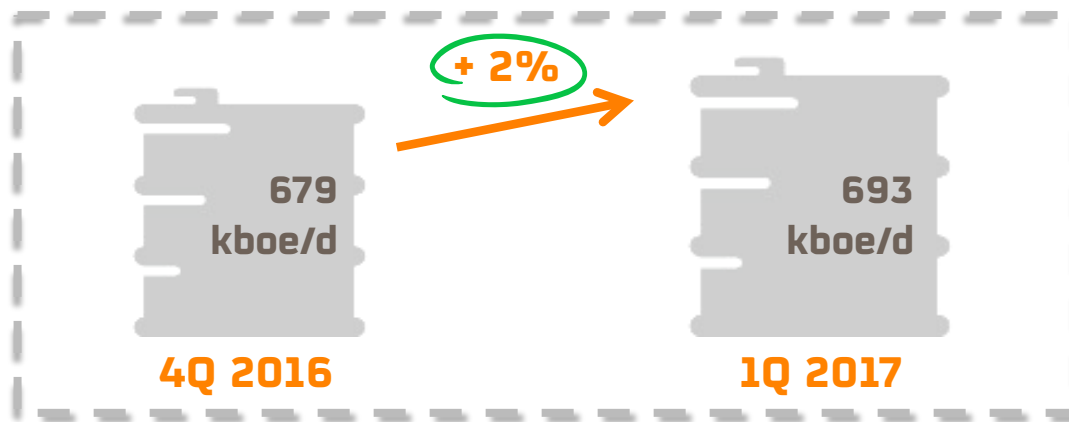
- ✓ **Refining** business in line with expectations → **7.1 \$/bbl⁽²⁾**
- ✓ Consistent results from **Chemical** and **Commercial businesses**

(1) Gross contingent resources

(2) Refining Margin Indicator

Operational Activity

Upstream



1Q17 volumes were supported by:

- ✓ Return of Libyan barrels → 20 kboe/d in the quarter
- ✓ Normalization of volumes produced in the UK North Sea (post maintenance)
- ✓ Full-quarter contribution from Lapa

Exploration program:

- ✓ 5⁽¹⁾ exploratory wells completed [**2 positive**]
- ✓ Exploration program for 2017: **17 wells**⁽²⁾

Development activity:

- ✓ **Flyndre** (UK) started production in March
- ✓ Expected start-up of **Monarb** (UK) soon
- ✓ Start-up **Juniper** (T&T) and **Kinabalu** (Malaysia) in 2H17
- ✓ First-gas **Reggane** and **Sagari** before year end
- ✓ FID **Red Emperor** (Vietnam) in April

[1] 4 in 1Q17, 1 post quarter end

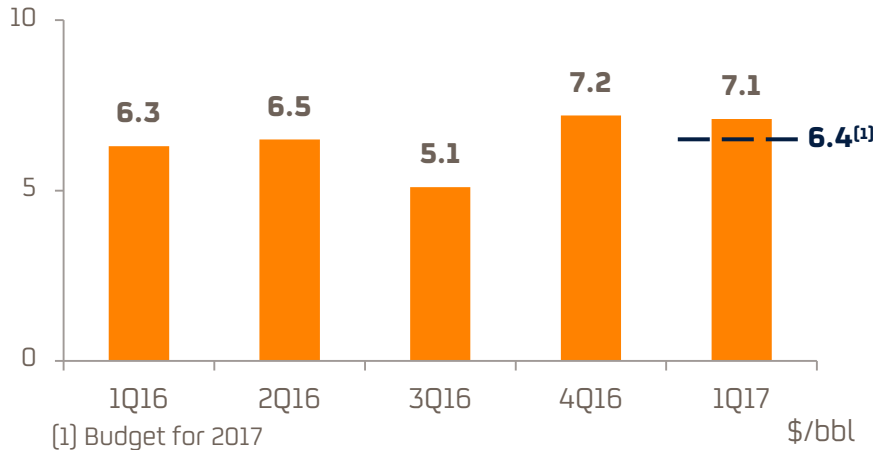
[2] 15 exploratory and 2 appraisals wells

Operational activity

Downstream



Refining Margin Indicator

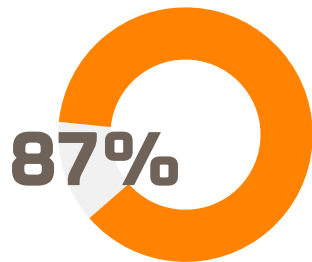


Petrochemicals

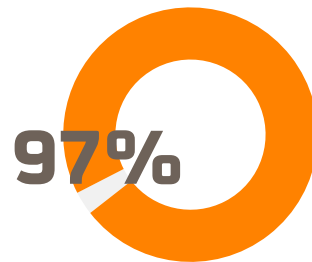
- Strong performance:
- EBIT in line with 4Q16
- International prices increase
- Firm global demand

Utilization rates

1Q 2017



Distillation



Conversion units

Commercial businesses

Marketing

- Strong growing market in Spain

Quarterly Results



	Q1 2016	Q1 2017	% Variation
CCS Adjusted Net Income	572	630	+ 10%
Net Income	434	689	+ 59%
EBITDA CCS	1,242	1,731	+ 39%

Million €

UPSTREAM	Q1 2016	Q1 2017	Variation
CCS Adjusted Net Income	17	224	+ 207

Million €

DOWNSTREAM	Q1 2016	Q1 2017	Variation
CCS Adjusted Net Income	556	500	- 56

Million €

Progress of the key strategic objectives



	2016	2017 ^[1]	
Efficiency & Synergies [€Bn]	1.6	2.1	Accelerate our 2018 target to 2017
Production (kboe/d)	690	~680	Libya ahead of plan in 1Q17
Upstream Capex [€Bn]	2.4	2.7	1Q17: €0.5Bn Increasing capex intensity during next quarters
Group Capex [€Bn]	3.2	3.6	Downstream and Corporate capex at similar levels as in 2016
Refining Margin Indicator (\$/bbl)	6.3	6.4	Avg. Refining Margin Indicator in April: \$7.2/bbl
Credit Rating	Inv. Grade	Inv. Grade	S&P improved outlook to “stable” Net Debt / EBITDA: 1.1x – 1.2x (target for the year)
FCF Neutrality (\$/bbl)	42	~42	Long term goal ~\$40/bbl

[1] Guidance for FY2017

Improved macro-economic environment



Hard to predict geopolitical background



Focus on delivering our strategic plan, built on a foundation of value and resilience

UPSTREAM

Cost reduction

Investment optimization

New projects on time and budget

CORPORATION

Credit rating: BBB Stable

FCF breakeven: \$40-42/bbl

DOWNSTREAM

Leading margins

Strong chemical business

Q&A Session

First Quarter 2017 Results

Repsol Investor Relations

investorsrelations@repsol.com



WEBCAST – CONFERENCE CALL

First Quarter 2017 Results

May 4th, 2017

