


## INCREASE IN SHAREHOLDER COMPENSATION APPROVED AT REPSOL'S ANNUAL GENERAL MEETING

- Repsol's Annual General Meeting approved the 2017 accounts. The company achieved a net income of 2.121 billion euros in 2017, the highest in six years.
- The Annual General Meeting, held with the the company's share price close to a record, also approved an increase in shareholder remuneration to 0.9 euros per share through scrip dividends combined with share buybacks that raise the company's earnings per share.
- During his speech to shareholders, Repsol chairman Antonio Brufau reaffirmed the company's commitment to the fight against climate change and reviewed the main challenges for Spain's energy transition.
- Brufau analyzed the options for combating rising global temperatures, favoring a strategy that is effective and presents the lowest possible cost to citizens.
- CEO Josu Jon Imaz highlighted Repsol's performance in 2017, a year in which the company surpassed its Strategic Plan objectives ahead of time. He also reviewed the company's evolution during the first months of the year.
- The Shareholders approved the appointment of María del Carmen Ganyet i Cirera and Ignacio Martín San Vicente as Independent External Directors, and ratified the appointment of Jordi Gual Solé by cooptation and re-election.

 Increase in shareholder compensation through scrip dividends to

**0.9** euros/  
share

 **2.121** billion  
euros

Earnings in 2017, the highest in the last six years

 **727** thousand  
boe/day

Production record in the first quarter of 2018

Repsol held its 2018 Annual General Meeting today in Madrid, during which shareholders approved share buybacks by an amount equivalent to the shares issued in the 2018 scrip dividend. This amortization will result in increased earnings per share for Repsol.

The shareholders also approved an increase of remuneration to 0.9 euros per share. Of this amount, a dividend of 0.4 euros per share has already been paid, and throughout June and July, a capital increase will be executed equivalent to a payment of 0.50 euros gross per share in place of the final dividend for 2017 earnings.

The AGM also voted to keep the scrip dividend program, which allows shareholders to decide whether they prefer to receive part or all of their remuneration in cash or in the form of additional shares in the company.

During the meeting, Repsol chairman Antonio Brufau and CEO Josu Jon Imaz presented the earnings and milestones for 2017, a year in which the company posted its highest net income of the last six years: 2.121 billion euros.

Antonio Brufau: “Gas is positioned as the best option to guarantee the stability of the electricity supply”

Antonio Brufau discussed the main macroeconomic variables that influenced the sector last year; beginning in June, when international raw material benchmark prices began to recover.

In addition, the chairman emphasized the key challenges for the energy transition in Spain, aimed at avoiding a global temperature increase of more than two degrees Celsius, in accordance with the consensus reached at the Paris Summit (COP21). Brufau explained that in order to meet this goal, the strategy must combine effectiveness with the lowest possible cost to citizens. This will require decisions to be made about the best time to incorporate the available technologies.

In this regard, Repsol’s chairman believes that efficiency is essential to reducing global CO<sub>2</sub> emissions. “With technology that is already competitive today CO<sub>2</sub> emissions in Spain could be reduced by more than 62 million metric tons by 2030,” he said.

Brufau explained that renewable energy sources are growing increasingly competitive in relation to traditional sources, although they still require support due to their intermittency. This is where gas is positioned as the best firm-capacity option to combat the intermittency of the system and allow for continuous availability as renewable energy grows. Gas accounts for 63% of Repsol’s production and 74% of its reserves.

## Earnings in 2017 and the first quarter of 2018


Repsol’s chief executive officer Josu Jon Imaz highlighted Repsol’s performance in 2017, during which the focus on value creation, added to the flexibility and diversification afforded by business integration, increased the company’s earnings. Repsol’s share price has risen 10% in the year so far, taking the cumulative appreciation over the last two years to 46%. Repsol’s share price has been close to historic highs over the course of the year.

Repsol posted net income of 2.121 billion euros in 2017, 22% more than the 1.736 billion it earned in 2016. In a scenario of low prices for raw materials, the company, supported by the strength of its business and efficiency plans, achieved the highest net income in six years.

Imaz also reviewed the earnings from the first quarter of 2018, in which Repsol posted a net income of 610 million euros and increased its hydrocarbon production to 727,000 barrels of oil equivalent per day, the highest since 2012.

The CEO emphasized the strength of Repsol's business units, as evidenced by the fact that the company has one of the lowest free cashflow break-even points in the industry, as well as the ability to open new businesses and create greater value than its competitors.

Imaz reviewed Repsol's achievements, including the company's fulfillment of its strategic goals ahead of schedule, exceeding expectations in a complex environment. The CEO stressed that Repsol is prepared for the energy transition and explained the general outline for the update of the company's strategic plan, which will be presented on June 6th.

 Josu Jon Imaz: "Repsol is ready for the energy transition"

## Appointments of Independent External Directors

During the AGM, shareholders approved the proposal by the Board of Directors' for the appointment of María del Carmen Ganyet i Cirera and Ignacio Martín San Vicente as Independent External Directors to fill the vacancies created by the end of Artur Carulla Font's term and the recent departure of Mario Fernández Pelaz. Shareholders also approved the appointment of Jordi Gual Solé through cooptation and re-election. All of these appointments will have a duration of four years.